

Poland Real Estate Investment Volumes Q4 2023

The total volume of the investment transactions recorded on the commercial real estate market in Poland amounted to EUR 381 million in Q4 2023. It is by 76% less than in Q4 2022, which is a significant drop comparable to the one from Q2 2023 vs Q2 2022. In whole 2023 the total investment volume on the commercial real estate market amounted to EUR 2.1 billion. This result was based on 82 transactions, out of which 9 related to portfolio purchases. In 2023, the majority of capital - 57%, came from Europe dominated by Czech (15%) and France origin (11%). The second rank belonged to capital of North American origin (13%) with only USA's origin included, while the Middle East origin was responsible for 8%. Domestic capital also accounted for 8% of funds invested in commercial real estate in 2023, which is a significantly larger percentage than in previous years. Taking into account volume only, capital from Poland doubled when compared to 2022.

In the total volumes from the beginning of the year, the largest market share was represented by the industrial and logistics segment (46%). The retail and office sector were both close, with retail responsible for 21% and office sector for 20% of the total volume. Residential sector constituted 9% of the total investment volume, while other segments of the assets were responsible for 4%.



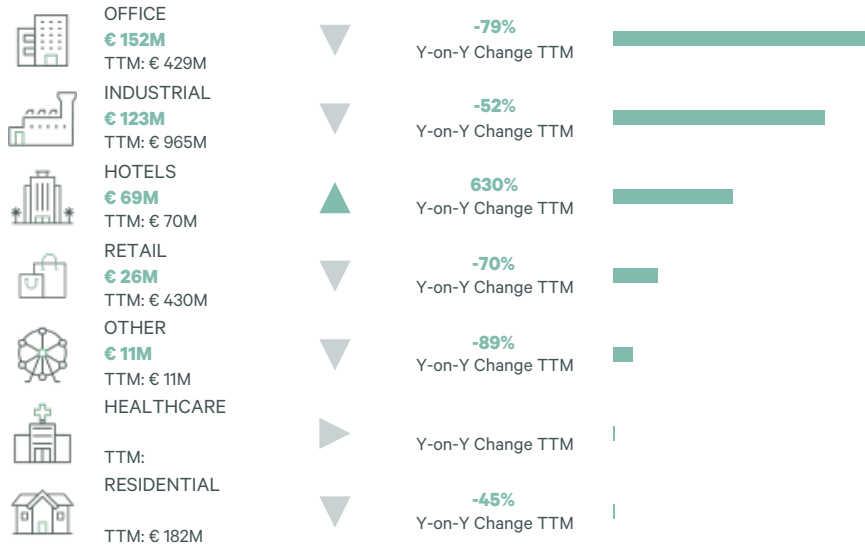
-76%
Y-on-Y Change Q4

-65%
Y-on-Y Change TTM

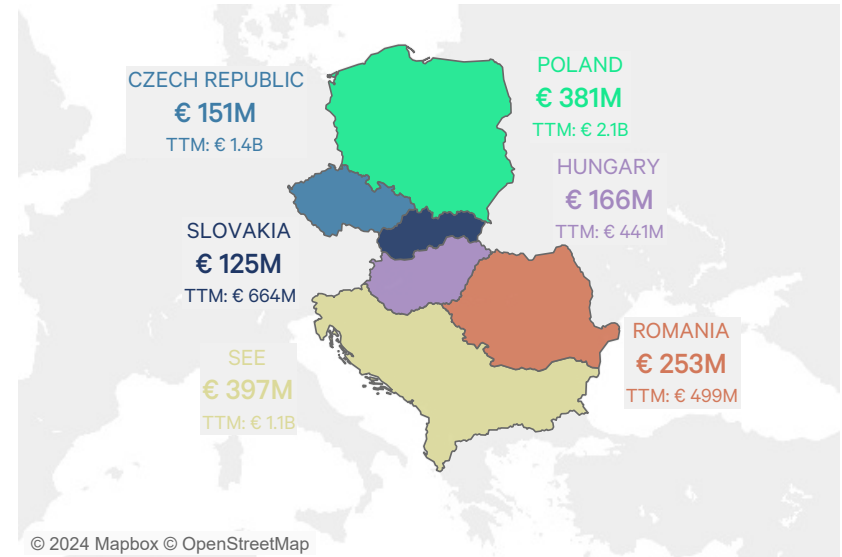
Nr. of Transactions
22
82 TTM

Y-on-Y: Year on Year
TTM: Trailing Twelve Months

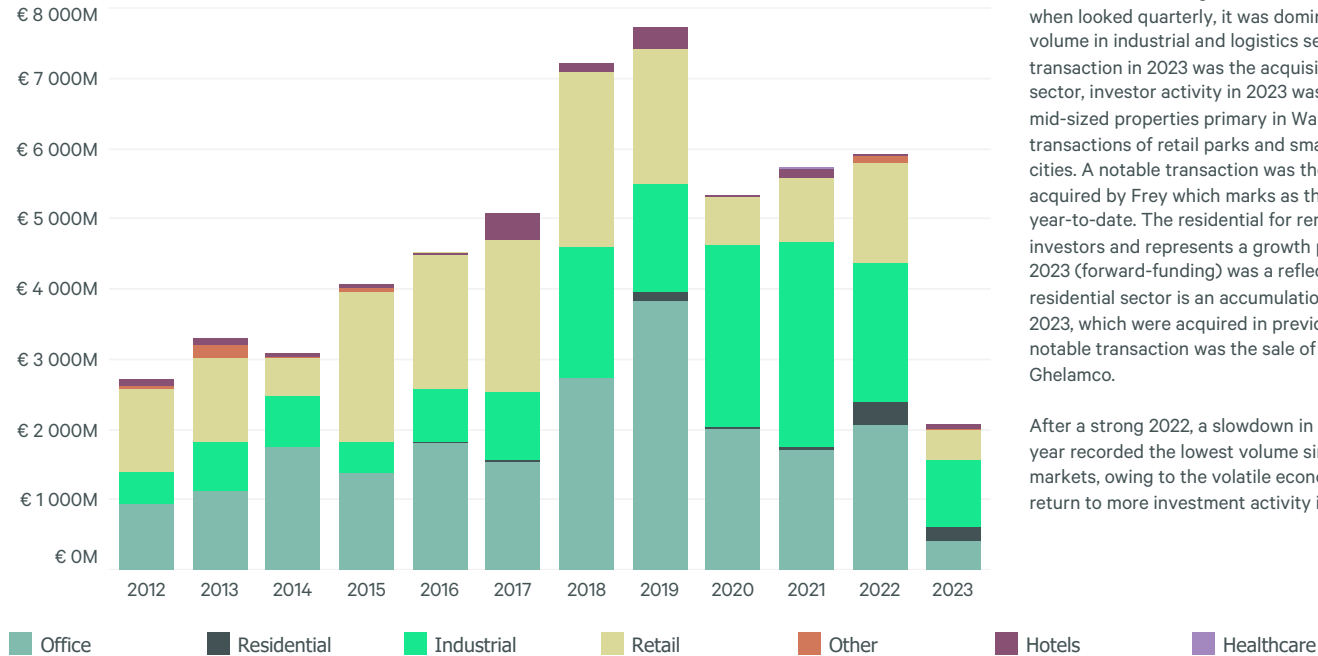
Investment Volumes by Sector (Poland)



Investment Volumes in CEE Region



Investment Volumes Annual by Sector (Poland)



Note: 2023 annual numbers till 31.12.2023

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Countries considered: CEE Region exists out of Czech Republic, Hungary, Poland, Romania, SEE (Serbia, Slovenia, Croatia, Bulgaria, Albania, Montenegro, Bosnia and Herzegovina, North Macedonia) and Slovakia.

The industrial and logistics sector was the dominant sector in the whole 2023, although when looked quarterly, it was dominant in two out of four quarters (Q1 and Q3). The volume in industrial and logistics sector was by 52% lower than in 2022. The largest transaction in 2023 was the acquisition of 80% of 7R shares by NREP. In the office sector, investor activity in 2023 was subdued and primarily focused on smaller and mid-sized properties primary in Warsaw. The retail market was dominated by transactions of retail parks and smaller shopping centres in regional as well as smaller cities. A notable transaction was the disposal of Matarnia retail park in Tricity region, acquired by Frey which marks as the largest single asset market transaction year-to-date. The residential for rent sector (the so-called PRS) is also of interest to investors and represents a growth potential and the Postepu 5A sale transaction in Q2 2023 (forward-funding) was a reflection of this trend. The investment volume in the residential sector is an accumulation of PRS and student housing projects delivered in 2023, which were acquired in previous years in forward-funding scheme. Another notable transaction was the sale of 2 hotels in The Warsaw Hub complex developed by Ghelamco.

After a strong 2022, a slowdown in Polish investment activity in 2023 was visible, as this year recorded the lowest volume since 2010. The situation is similar to other European markets, owing to the volatile economic situation, as well as tight financing conditions. A return to more investment activity is, however, expected in the second half of 2024.

