



**AT A GLANCE  
Q3 2020**

**INVESTMENT MARKET IN POLAND**

- **The Covid-19 crisis has re-shaped the investment sector in Poland.**
- **Industrial & logistics have gained momentum and are dominating the investment volume in 2020 so far. A record is being set.**
- **Offices still on the agenda; in the retail sector, a clear shift towards investing in convenience retail properties.**

**INVESTMENT VOLUME**

In the course of Q3 2020, a transaction volume of approx. €1 billion was traded and, consequently, the capital deployed on Poland's real estate market has reached around €4 billion since the beginning of the year. After a very promising opening to the year, which contributed more than 40% of the investment volume to date, the results of the consecutive quarters have reflected the aftermath of the pandemic on the investment market. The outcome of the 9-month period of 2020 is considerably lower than in the previous two years (by 11% and 20% respectively), but still looks really impressive given the lockdown of the market in April-May and the very cautious approach of investors caused by the spread of the pandemic and the subsequent economic downturn.

The largest transaction in the July – September period, contributing more than half of the Q3 investment spend, was the takeover by GLP Group from Goodman of a large industrial & logistics portfolio located across Poland, which was part of a bigger transaction involving assets located in the CEE region (Poland, the Czech Republic, Slovakia and Hungary).

Although uncertainty has affected the global investment climate, the wide availability of product and attractive pricing could sustain investor interest in Poland. Q4, which is usually a period of peaking investment activity, is expected to contribute pointedly to a decent full-year volume.

**KEY FIGURES (Q1-Q3 2020)**



around **€4bn**  
INVESTMENT VOLUME  
IN Q1-Q3 2020



**4.60%**  
OFFICE PRIME YIELD



**4.50%** HIGH STREET  
**4.75%** SHOPPING CENTRES  
RETAIL PRIME YIELD



**5.75%**  
INDUSTRIAL & LOGISTICS  
PRIME YIELD\*

\* Excluding transactions on outstanding e-commerce assets

**SECTOR SPLIT**

As in Q1, the industrial & logistics sector dominated the capital split in Q3 with a solid outcome of €780 million, transacted in nine deals. In 2020 to date, the volume traded in this sector has exceeded €1.9 billion, which is nearly half of the total investment volume. This result significantly outpaced (by over 30%) the volume achieved in the industrial&logistics sector in the course of the whole of last year. Nearly 30 transactions closed so far, of which ten were on portfolios of assets, involved properties with a total GLA of almost 3 million sqm. The largest deal in the 9-month period, the aforementioned Goodman portfolio, has been finalised on the industrial market. Investor appetite for industrial & logistics products, in particular for top class assets from buoyant e-commerce and logistics sub-segments, is expected to continue in the months to come.

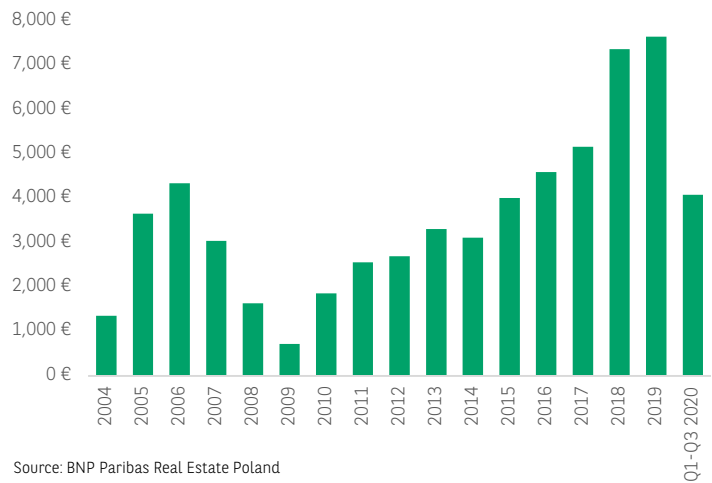
After relatively solid results in H1 2020, investor activity in the office sector declined in Q3, hence a mere €210 million was traded. Since the beginning of the year, the outcome reached EUR 1.54 billion, which accounted for approx. 37% of the total investment volume. The largest office deals finalised in Q3 encompassed two office properties located in Warsaw's most dynamic area – City Centre-West, and included the disposal of Generation Park Z by Skanska to DEKA and a 65% stake in Chmielna 89 by Cavatina to Madison. In 2020 to date, Warsaw raised around 65% of the office investment volume, which proves stable investor appetite for products in leading, core markets. The number of transactions concluded on the regional office markets significantly declined. Among major locations, Kraków captured the most interest from investors.

Q3 has reaffirmed purchaser focus on small retail assets, mostly convenience and proximity centres, retail parks and stand-alone specialised locations, which have proved to be most resilient to the current Covid-19 crisis. With approx. €542 million, the retail sector has captured around 13% of the total capital deployed in Poland in the last three quarters.

**PRIME YIELDS**

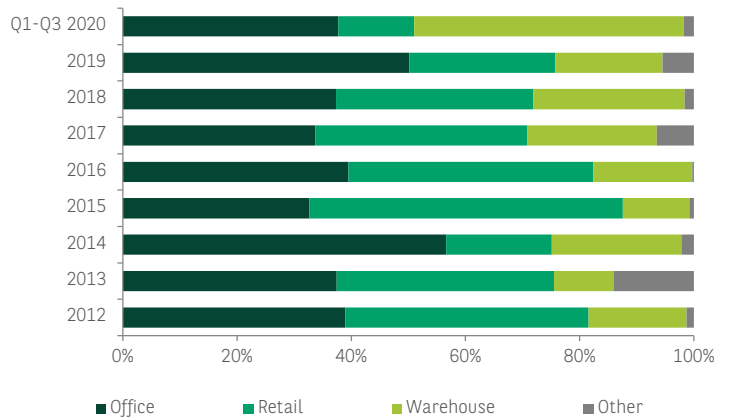
The global crisis has brought downward pressure on pricing and resulted in yield correction across selected segments. After decompression in the office and retail sectors over Q2, yields for these assets have remained stable. For prime office assets in Warsaw, prime yields currently stand at about 4.50% – 4.60%, approx. 25-35 bps above the pre-pandemic level. On the major regional office markets, prime yields between 5.75% and 6.25% are expected by vendors, by approx. 25 bps higher than before the pandemic outbreak. In the retail sector, yields for leading shopping properties oscillate around 4.50% – 4.75%, depending on the retail format, up by 25-50 bps on the previous year. The biggest decompression has affected shopping centres, which are the assets most vulnerable to the pandemic and the consequent restrictions and change in consumer behaviour. Industrial & logistics assets seem to be the most resilient to the current market turmoil. In the past months yields for top-class multi-tenant and logistics properties stabilised at between 5.75% and 6.50%, depending on the region. Given the strong demand for I&L assets and vendors' price expectations, the sector will see a compression to 5.25% – 6.25% over Q4. In the sub-class of outstanding prime schemes occupied by international e-commerce giants, with secured long-term leases, the yield could even oscillate around 4.25%. Strong investor appetite for this class of assets is likely to maintain this trend.

**VOLUME OF INVESTMENT TRANSACTIONS(€ m)**



Source: BNP Paribas Real Estate Poland

**SECTOR SPLIT OF INVESTMENT VOLUMES (%)**



Source: BNP Paribas Real Estate Poland

**PRIME YIELDS PER SECTOR (%)**



\* excluding outstanding transactions on e-commerce assets  
Source: BNP Paribas Real Estate Poland

## SELECTED MAJOR TRANSACTIONS IN POLAND 2020 TO DATE

ASSET	SECTOR	LOCATION	PURCHASER	VENDOR	SIZE (m <sup>2</sup> )	ESTIMATED LOT SIZE (€m)	QUARTER
Goodman Industrial Portfolio (standing properties)	Industrial	Multi-city	GLP	Goodman Group	900,000	approx. 550	3
GTC Portfolio – 61.49% stake	Office / Retail	Multi-city	Optima Investment	Lone Star	190,000	undisclosed	2
Portfolio of 5 assets	Industrial	Multi-city	Savills IM	Panattoni	280,000	188	1
Portfolio of 6 assets	Industrial	Multi-city	CGL Investment Holdings Corporation Limited	Hines Poland Sustainable Income Fund (HPSIF)	171,000	140	1
HighFive II	Office	Kraków	Credit Suisse	Skanska	37,900	undisclosed	1
P3 Mszczonów Park	Industrial	Warsaw II	Elite Partners Capital	P3 Parks / GIC	214,000	125	1 and 3
Portfolio of 7 assets	Industrial	Multi-city	GIC	Apollo Global Management	160,000	120	1
Portfolio of 4 assets	Industrial	Multi-city	Investec Property Fund REIT	Ares Management	164,000	approx. 117	1
Wola Center	Office	Warsaw	Hines	Develia	28,000	102	1
Equal Business Park A, B, C	Office	Kraków	Apollo Rida / Ares	Cavatina	49,300	100	2
Generation Park Z	Office	Warsaw	DEKA	Skanska	18,900	98	3
European Logistics Investment – 14 properties (46.5% shares)	Industrial	Multi-city	Madison International Realty	ELI (Redefine Properties & Griffin Real Estate)	145,500	84	1
Central European Logistics Hub – Smyk & Terg (75% shares)	Industrial	Central Poland	Savills IM	Panattoni	109,000	approx. 73-75	3
Prosta Office Centre	Office	Warsaw	KGAL	Cromwell Property Group	21,000	undisclosed	1
Leroy Merlin Piątek	Industrial	Central Poland	Savills IM	Invesco Real Estate	123,000	71	1
Chmielna 89 (65% stake)	Office	Warsaw	Madison International Realty	Cavatina Group	17,000	approx. 65-70	3
D48	Office	Warsaw	IAD Investments	Penta	26,500	70	2
Logistic City	Industrial	Piotrków Tryb. / Central Poland	Reino / IO Logistics	Private investor	135,000	68	2
Marynanarska Business Park	Office	Warsaw	Benson Elliot	Heitman RE	44,000	65	1
Nowogrodzka Square	Office	Warsaw	Amundi RE	Yareal	11,500	63	2
DSV HQ	Office	Warsaw	Corum	DSV	20,000	61	2
Equator II	Office	Warsaw	CPI	Karimpol	23,000	59	1
Panattoni Park Stryków	Industrial	Central Poland	Tritax Big Box	Griffin RE / Redefine	78,000	52	1
Silesia Business Park A, B	Office	Katowice	ISOC Holding	NIAM	24,800	51	2
Green Corner A	Office	Warsaw	CPI	DWS	15,000	50	1

Source: BNP Paribas Real Estate Poland

## AUTHOR

## Patrycja Dzikowska

Head of Research & Consultancy  
Central and Eastern Europe  
[patrycja.dzikowska@realestate.bnpparibas](mailto:patrycja.dzikowska@realestate.bnpparibas)

## BNP Paribas Real Estate Poland Sp. z o.o.

ul. Grzybowska 78, 00-844 Warszawa  
Tel. +48 22 653 44 00  
[www.realestate.bnpparibas.pl](http://www.realestate.bnpparibas.pl)

All rights reserved. At a Glance is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate.

## CONTACTS

## Mateusz Skubiszewski

Head of Capital Markets  
[mateusz.skubiszewski@realestate.bnpparibas](mailto:mateusz.skubiszewski@realestate.bnpparibas)

## Piotr Goździewicz

Director, Capital Markets  
[piotr.gozdziejewicz@realestate.bnpparibas](mailto:piotr.gozdziejewicz@realestate.bnpparibas)

## Anna Baran

Director, Capital Markets  
[anna.baran@realestate.bnpparibas](mailto:anna.baran@realestate.bnpparibas)

## Erik Drukker

Chief Executive Officer  
Central and Eastern Europe  
[erik.drukker@realestate.bnpparibas](mailto:erik.drukker@realestate.bnpparibas)

## Michał Pszkit

Head of Property Management  
Central and Eastern Europe  
Member of the Board  
[michal.pszkit@realestate.bnpparibas](mailto:michal.pszkit@realestate.bnpparibas)

## Izabela Mucha, MRICS

Head of Valuation  
Central and Eastern Europe  
[izabela.mucha@realestate.bnpparibas](mailto:izabela.mucha@realestate.bnpparibas)

# 6 BUSINESS LINES in Europe

## A 360° vision

### Main Locations

#### EUROPE

##### FRANCE

Headquarters  
167, Quai de la Bataille  
de Stalingrad  
92867 Issy-les-Moulineaux  
Tel.: +33 1 55 65 20 04

##### BELGIUM

Avenue Louise 235  
1000 Brussels  
Tel.: +32 2 290 59 59

##### CZECH REPUBLIC

Ovocný trh 8  
110 00 Prague 1  
Tel.: +420 224 835 000

##### GERMANY

Goetheplatz 4  
60311 Frankfurt  
Tel.: +49 69 2 98 99 0

##### HUNGARY

117-199 Vaci ut.  
A Building  
1123 Budapest,  
Tel.: +36 1 688 4400

##### IRELAND

20 Merrion Road,  
Ballsbridge, Dublin 4  
Tel.: +353 1 66 11 233

##### ITALY

Piazza Lina Bo Bardi, 3  
20124 Milan  
Tel.: +39 02 58 33 141

##### LUXEMBOURG

Kronos Building  
10, rue Edward Steichen  
L - 2540 Luxembourg  
Tel.: +352 34 94 84

##### NETHERLANDS

Antonio Vivaldistraat 54  
1083 HP Amsterdam  
Tel.: +31 20 305 97 20

##### POLAND

ul. Grzybowska 78,  
00-844 Warsaw  
Tel.: +48 22 653 44 00

##### PORTUGAL

Avenida da República, 90  
Piso 1, Fracção 1,  
1600-206 Lisboa  
Tel.: +351 939 911 125

##### ROMANIA

4-8 Nicolae Titulescu Blvd  
America House  
Bucharest 011141  
Tel.: +40 21 312 7000

##### SPAIN

C/ Emilio Vargas, 4  
28043 Madrid  
Tel.: +34 91 454 96 00

##### UNITED KINGDOM

5 Aldermanbury Square  
London EC2V 7BP  
Tel.: +44 20 7338 4000

#### MIDDLE EAST / ASIA

##### DUBAI

Emaar Square  
Building n° 1, 7th Floor  
P.O. Box 7233, Dubai  
Tel.: +971 44 248 277

##### HONG KONG

25 /F Three Exchange Square,  
8 Connaught Place, Central,  
Hong Kong  
Tel.: +852 2909 2806

##### SINGAPORE

Pte Ltd 20 Collyer Quay, #17-04  
Singapore 049319  
Tel.: +65 8189 2762

### Alliances\*

##### AUSTRIA

##### CYPRUS

##### DENMARK

##### ESTONIA

##### FINLAND

##### GREECE

##### HUNGARY \*\*

##### JERSEY

##### LATVIA

##### LITHUANIA

##### NORTHERN IRELAND

##### NORWAY

##### PORTUGAL \*\*

##### SERBIA

##### SWEDEN

##### SWITZERLAND

##### USA



### Contact

##### CEE Research

Patrycja Dzikowska  
Tel.: +48 22 653 44 00  
patrycja.dzikowska@realestate.bnpparibas

KEEP UP-TO-DATE WITH  
BNP PARIBAS REAL ESTATE'S NEWS,  
WHEREVER YOU ARE



[www.realestate.bnpparibas.com](http://www.realestate.bnpparibas.com)  
#BEYONDBUILDINGS



BNP Paribas Real Estate: Simplified joint stock company with capital of €383.071.696 – 692 012  
180 RCS Nanterre – Code NAF 7010 Z – CE identification number FR 666 920 121 80

Headquarters: 167, Quai de la Bataille de Stalingrad – 92867 Issy Les Moulineaux Cedex

PROPERTY DEVELOPMENT | TRANSACTION | INVESTMENT MANAGEMENT | PROPERTY MANAGEMENT | VALUATION | CONSULTING



**BNP PARIBAS  
REAL ESTATE**

Real Estate  
for a changing  
world