

PRESS RELEASE

# REAL ESTATE INVESTORS SPENT OVER ONE BILLION TWO HUNDRED MILLION EURO IN THE SECOND QUARTER

The international advisory company, BNP Paribas Real Estate Poland, summarized the second quarter on the investment market, paying attention to the significant activity of investors, who made more diversified purchases from the sectors perspective. Among the significant factors which investment market is facing, there are geopolitical risks for the CEE region, rising costs of financing and generally deteriorating economic sentiment.

High investment activity in the second quarter translated into the value of transactions on the commercial real estate market of more than EUR 1.2 billion. The report's authors emphasize that the entire first half of the year can be considered as successful, as the total transaction volume exceeded EUR 2.88 billion. It is an increase by over 44% compared to the same period of last year. When analyzing transactions by sectors, the second quarter was more diversified than the previous one. The largest share in the market belonged to the offices(almost 44 %). Logistics, warehouse, and industrial assets were also popular among investors (nearly 42%). Retail assets (less than 6%) and other segments closed the list of transactions

BNP Paribas Real Estate experts indicate that the capitalization rates which currently remain where they were in the first quarter, will soon be undergoing decompression. The current levels are kept as head of terms of most of the transactions were agreed before the war started in the territory of Ukraine.

*- We are expecting a trend of decompression of yield rates, backed up by rising financing costs as well as concerns over the geopolitical situation. Moreover, such movements are already occurring on the Western European markets, which always herald the changes on our local backyard. In the coming months, questions about the sustainability of rental demand, will also impact the appetite of investors, who place money into real estate. All the above is taking place in light of high prices of commodities and construction materials, maintenance costs of the assets, construction & fit-outing costs as well as upcoming rent indexation.*

- comments Karolina Wojciechowska, Associate Director from Capital Markets at BNP Paribas Real Estate Poland.

Despite a relatively good quarter, the report authors draw attention to the weaker appetite of investors for Polish assets. Many transactions are being put on hold and, in some cases, investors are choosing to walk away from the negotiating table. Changes in the investment approach most negatively impact logistics and warehousing facilities, as well as office facilities. Small retail assets, in particular retail parks and convenience-type centers, are in a much



**BNP PARIBAS  
REAL ESTATE**

Real Estate  
for a changing  
world

better position. They benefit from consumer trends, which have increased strongly during the Covid-19 crisis, and use them to build their strength and importance.

According to the latest report of BNP Paribas Real Estate Poland, the last quarter in the office segment was dominated by regions. Skanska's sale of an office building in the center of Poznan to the Swedish fund Eastnine AB was significant. The new owner of Nowy Rynek D paid EUR 121 million for the asset, putting the sale at the top of the list of the largest transactions in the recent office history of regional markets for a single building. It is worth noting that this was Eastnine AB's first transaction in Poland. In the second quarter, the market also witnessed a large acquisition of private dormitories. The portfolio managed by Basecamp was transferred to the Belgian platform - Xior Student Housing. The student housing network already operates in Denmark, Germany and Poland. On the Vistula River, Basecamp manages two assets - in Katowice and Lodz. The transaction amounted to EUR 108 million.

In the last quarter, domestic real estate attracted the greatest interest among European investors. Analysts from BNP Paribas Real Estate Poland indicated that over 65 % of transactions occurred with capital from the Old Continent, which largely migrated from the southwestern border, as Czech investors were especially active.

### About BNP Paribas Real Estate

BNP Paribas Real Estate, one of the leading international real estate providers, offers its clients a comprehensive range of services that span the entire real estate lifecycle: Property Development, Transaction, Consulting, Valuation, Property Management and Investment Management. With 5,000 employees, BNP Paribas Real Estate as a one stop shop company, supports owners, leaseholders, investors and communities thanks to its local expertise across 30 countries (through its facilities and its Alliance network) in Europe, the Middle-East and Asia. BNP Paribas Real Estate is a part of the BNP Paribas Group, a global leader in financial services.

Follow us on



For more information: [www.realestate.bnpparibas.com](http://www.realestate.bnpparibas.com)

Twitter: @BNPPRE\_PL

**Real estate for a changing world**

### Contact for press :

**JUSTYNA MAGRZYK-FLEMMING – Head of Marketing & PR**

Tel: +48 22 653 44 00 Mobile: +48 511 155 274 E-mail: [justyna.magrzyk-flemming@realestate.bnpparibas](mailto:justyna.magrzyk-flemming@realestate.bnpparibas)



**BNP PARIBAS  
REAL ESTATE**

**Real Estate  
for a changing  
world**