

Towards the great results



Investment market

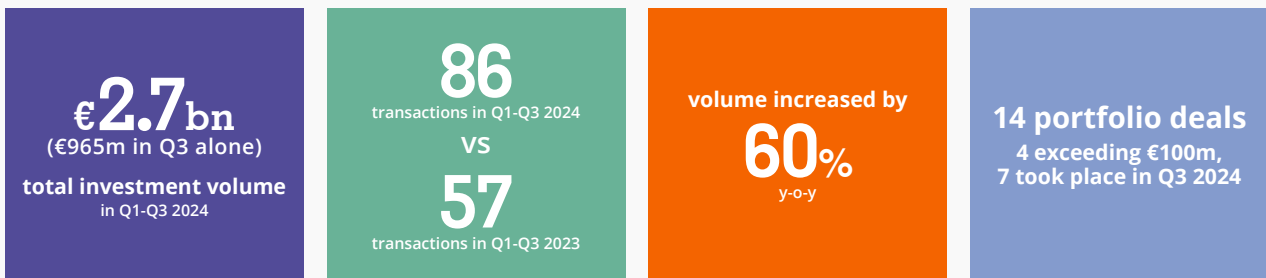
Significant resurgence on the market

Q3 2024 marked a significant resurgence on the market, with 30 transactions completed. By the end of September, the investment market reached €2.7 bn, reflecting an increase of 60% y-o-y. Following another interest rates cut by EBC, a return of large-scale transactions involving institutional capital is observed. Q3 saw 7 portfolio deals, with 2 exceeding €100 m, contributing almost 50% of the total investment volume. Notably, 3 new investors entered the market: Arete and Greykite, who acquired warehouses in key industrial hubs in Poland, and Emira Property Fund, who purchased DL Invest's shares.

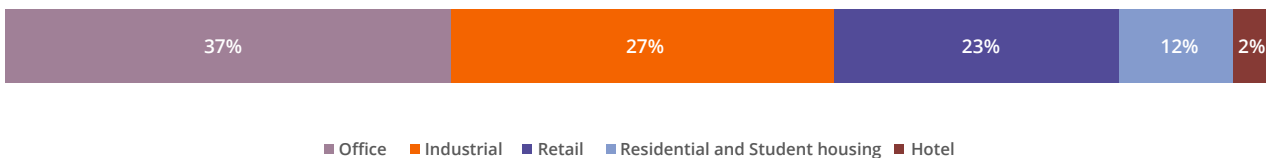
While office and retail transactions dominated the first half of the year, the industrial regained prominence in Q3, primarily

driven by 3 major portfolio deals. As Avison Young forecasted before, office investments in regional markets also gained momentum, contributing over 20% to the total office volume in Q1-Q3 2024. Moreover, prime office transactions in central locations have finally returned, with Swedish investors acquiring Studio B in Warsaw and Nowy Rynek E in Poznań.

Retail investments remained robust, focused on retail parks and convenience schemes. However, the sector's volume was still driven by the sale of Cromwell's shopping centres portfolio, accounting for nearly 50% of the retail volume in Q1-Q3 2024. Notably, the retail sector has already surpassed the entire 2023 result.

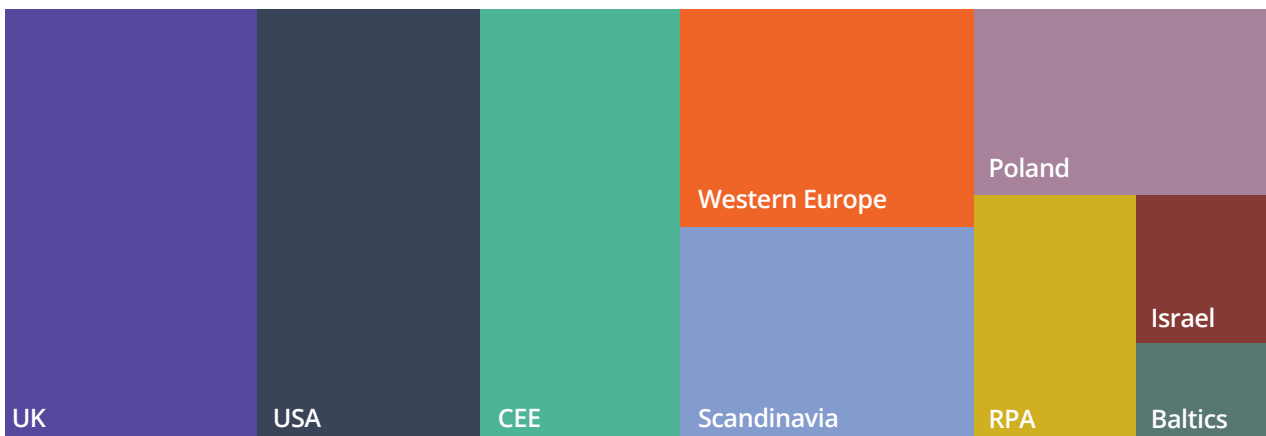


Investment volume share by sector in Q1-Q3 2024 period



Source: Avison Young

Investment volume (€ million) by investors' origin in Q1-Q3 2024 period

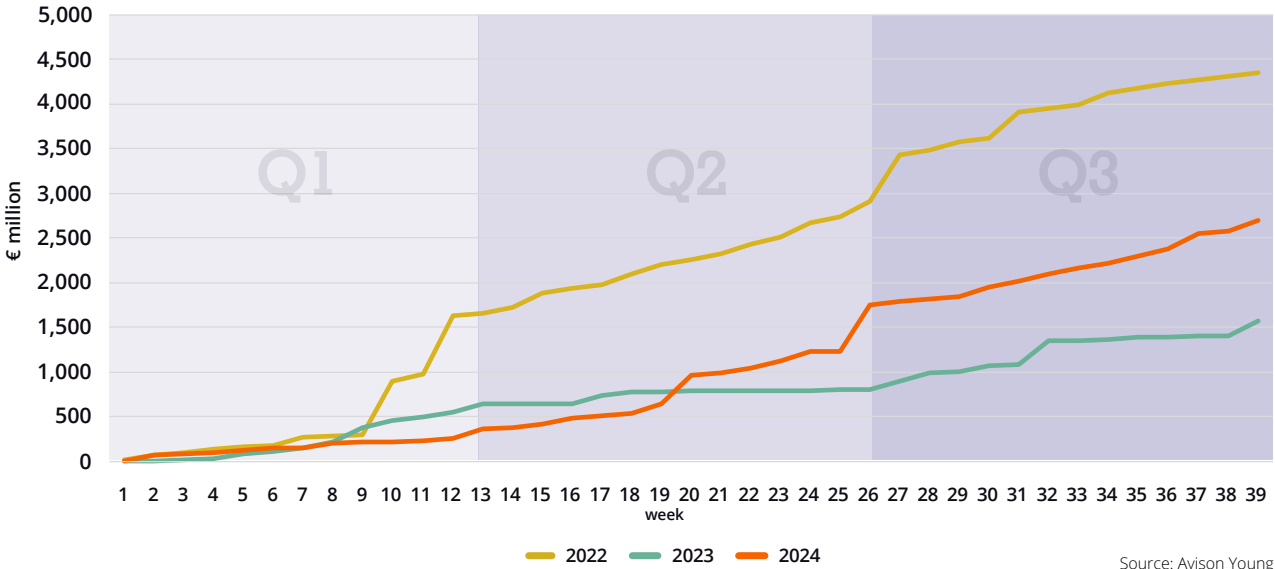


Source: Avison Young, excluding confidential buyers

Investment market

Cumulative investment volume (€ million/week)

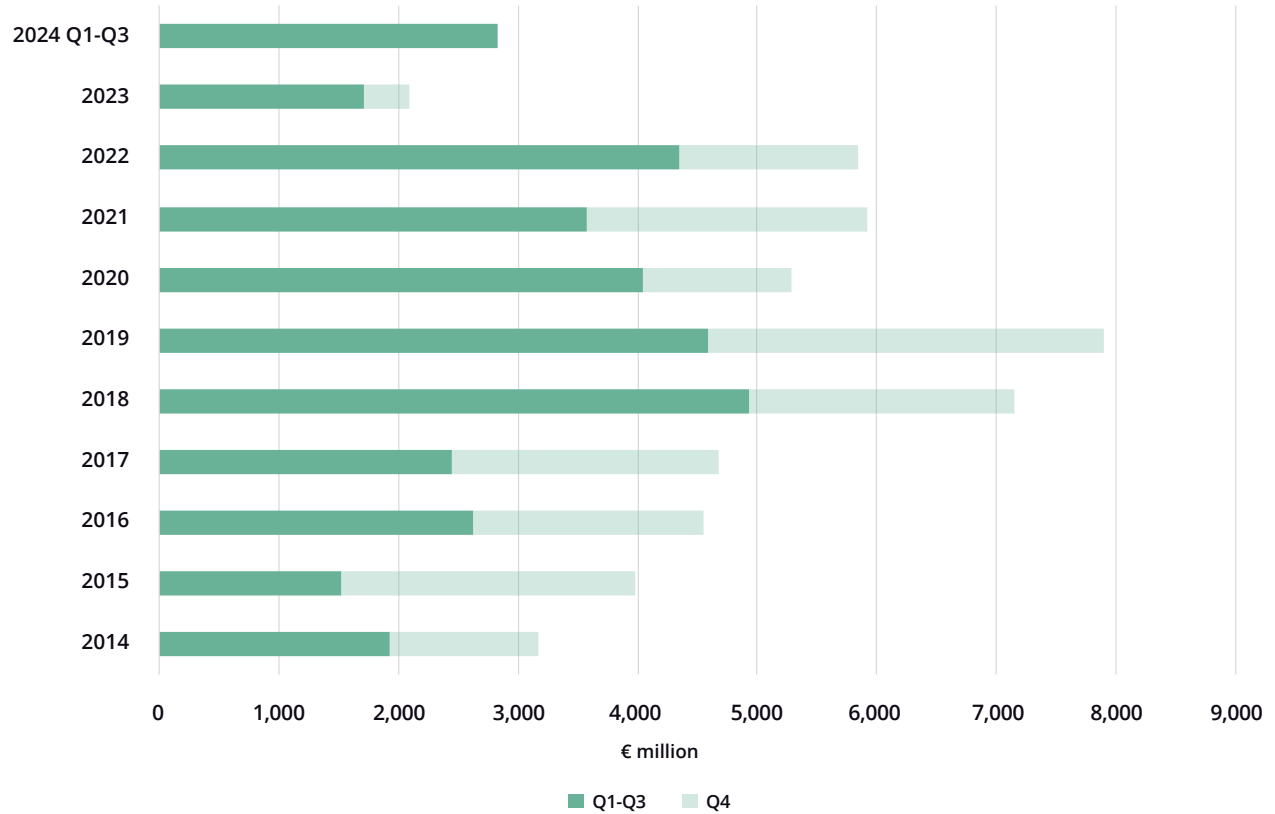
in Q1-Q3 periods in recent years



Source: Avison Young

Investment volumes (€ million)

in Q1-Q3 periods in recent years



Source: Avison Young

Office market

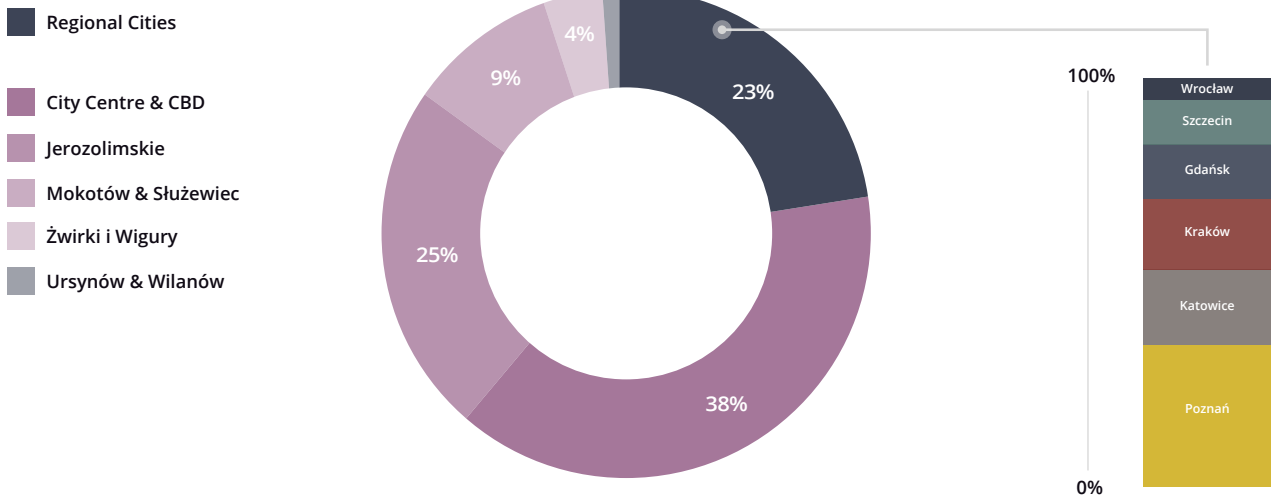
Return of regions

While investors remain focused on office assets in the capital city, regional markets also drew significant attention, accounting for 23% of total office investment volume in Q1-Q3 2024. In Warsaw, transaction volumes are evenly distributed, with 38% in the central locations and 38% in non-central zones. Finally, prime office acquisitions in the city centres made a notable return, with Stena Real Estate

AB purchasing Studio B in Warsaw, and Eastnine acquiring Nowy Rynek E in Poznań. However, 4 out of 10 transactions in Q3 took place in Mokotów and Służewiec office zones. Furthermore, Q3 2024 marked the potential return of prime transactions with yields below 6%. The largest office deals remain CPI's shares sold to Sona Asset Management, followed by Stena Real Estate's purchase of Studio B.



Office investment volume (€ million) by asset location in Q1-Q3 2024 period



Source: Avison Young

Selected major office deals by volume in Q1-Q3 2024 period (excluding portfolio deals)

Name	Location	GLA (K sqm)	Quarter
Studio B	Warsaw	18.0	Q3
Nowy Rynek E – Tower	Poznań	28.8	Q2
Format Gdańsk	Gdańsk	16.5	Q2
Concept Tower	Warsaw	9.0	Q1
Lastadia	Szczecin	12.6	Q2
.big	Kraków	10.8	Q3
Metron	Warsaw	9.7	Q2
G5 Prime Offices	Warsaw	10.9	Q1
Makro HQ	Warsaw	7.0	Q3
Bliski Centrum	Warsaw	4.9	Q1

Source: Avison Young

4/10 largest office deals took place on regional markets

Industrial market

Back in favour

In H1 2024, the industrial market experienced a notable slowdown, with investment volume dropping below €300 m. However, Q3 saw a strong rebound, with warehouse investments exceeding the entire result of H1. Over Q1-Q3 2024, the warehouse sector accounted for 27% of total investment volume, with 5 notable portfolio deals. 2 of them, which surpassed €100 m threshold, were concluded

in Q3. The Big Five hubs dominated, accounting for over 75% of the industrial volume. Additionally, 3 new investors entered the market in Q3: Greykite, making the largest industrial deal with the acquisition of 3 Diamond Business Parks in Silesia, Warsaw and Central Poland; Emira Property Fund by acquiring part of DL Invest's shares, and Arete who purchased Panattoni Park Zgorzelec in the Wrocław hub.

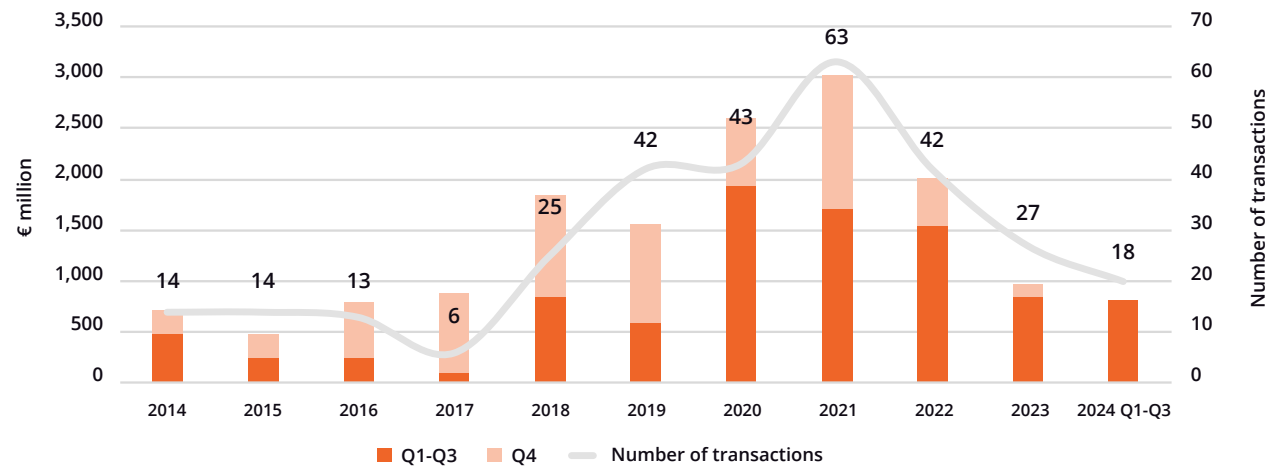
€738m
total investment volume
in Q1-Q3 2024

5
portfolio transactions
out of 18
transactions in Q1-Q3 2023

>75%
share of the Big Five hubs in
industrial investment volume

3 newcomers:
Grekite, Emira Property
Fund, Arete

Industrial investment volume (€ million)
in Q1-Q3 2024 period



Source: Avison Young

Selected major industrial deals by volume
in Q1-Q3 2024 period

Name	Location	GLA (K sqm)	Quarter
Diamond Business Parks portfolio	Warsaw, Central Poland, Upper Silesia	141.0	Q3
Shares of DL Invest portfolio	Poland	n/a	Q3
Burstone portfolio	Warsaw, Poznań, Central Poland	n/a	Q3
Panattoni Park Poznań	Poznań	130.0	Q2
Panattoni Park Zgorzelec	Wrocław	66.0	Q3
Warsaw West Parks portfolio	Warsaw	81.9	Q1
MDC2 Park Kraków South	Kraków	36.2	Q1
Panattoni Park Wrocław West Gate	Wrocław	46.9	Q1
BTS Orbico Teresin	Warsaw	38.0	Q3
Industrial site	Warsaw	31.6	Q2

Source: Avison Young

5/10
largest industrial deals
took place in Q3 2024

Retail market

Retail parks still on the wave

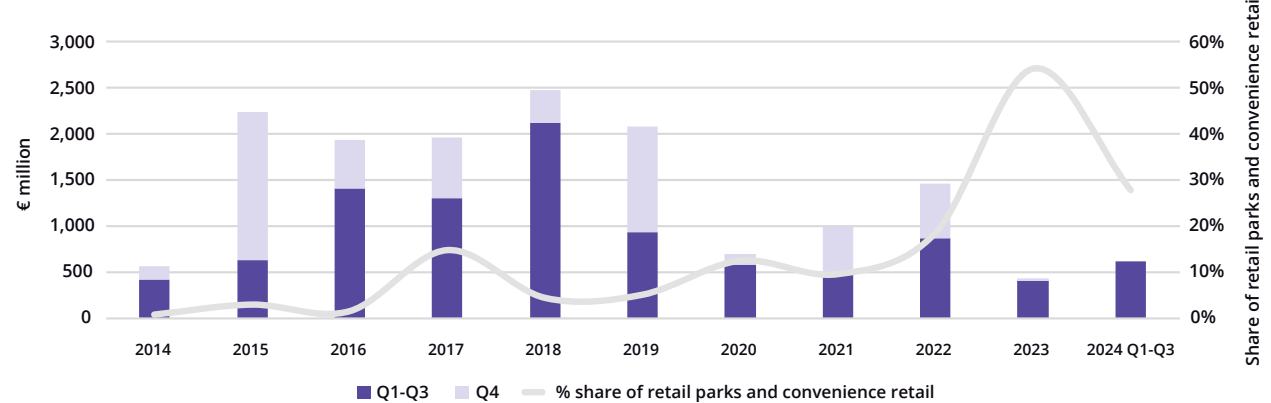
The retail sector recorded a total investment volume of €614 million in Q1-Q3 2024. Retail parks and convenience schemes remain invariably hot assets, making up over 50% of number of transactions, but shopping centres led in value, representing 67% of the total retail volume. Portfolio sales were numerous among the transactions, of which 2 involved shopping centres. The Cromwell portfolio sale was the largest, accounting for nearly half of the retail market volume.

During that time, market welcomed 2 new investors: Star Capital Finance from the CEE region who acquired 6 shopping centres, and RPA-based Emira Property Fund who took a stake

in DL Invest's portfolio. Moreover, WP Carey's purchase of over 120 Żabka stores was the largest Q3 deal in retail sector. Worth noting, Polish investors represented 15% of the retail volume, focusing still on retail parks and convenience schemes and highlighting the value of domestic capital. Avison Young brokered 3 significant transactions in analysed period including Centrum Galardia shopping centre in Starachowice, and two retail parks – Aniolów Park in Częstochowa and Rock Park Przeworsk in Przeworsk. Moreover, we are aware of many ongoing deals regarding both shopping centres and retail parks formats, apart from Magnolia Park shopping centre in Wrocław and Ozimska Park retail park in Opole already closed in October.



Share of retail parks and convenience volume transactions (%) in total retail investment volume (€ million)



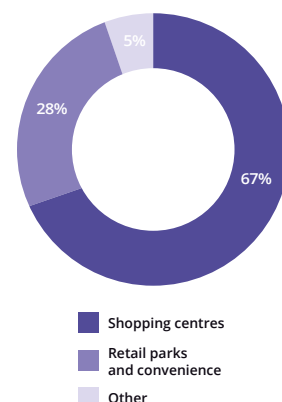
Source: Avison Young

Selected major retail deals by volume in Q1-Q3 2024 period (excluding large portfolio deals)

Name	Location	GLA (K sqm)	Format
Centrum Ursynów (50% shares)	Warsaw	45.3	Shopping centre
Pasaż Grodziski and Kępiński	Grodzisk Wielkopolski, Kępno	18.5	Retail park
AY brokerage Aniolów Park	Częstochowa	18.0	Retail park
AY brokerage Centrum Galardia	Starachowice	18.0	Shopping centre
Street Mall Vis-a-Vis	Radom, Łódź	9.4	Retail park
Glinianka Park	Łubna, Piaseczno	10.2	Retail park
Smart Park Syców	Syców	8.0	Retail park
Carrefour Witosza	Kraków	11.6	Standalone grocery
Kłodzko PA NOVA	Kłodzko	7.0	Retail park
AY brokerage Rock Park Przeworsk	Przeworsk	6.8	Retail park

Source: Avison Young

Retail investment volume structure in Q1-Q3 2024 period by property type

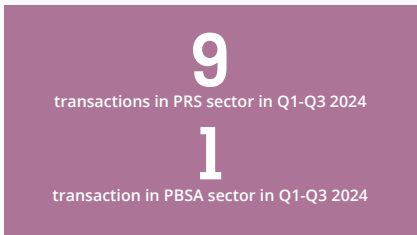
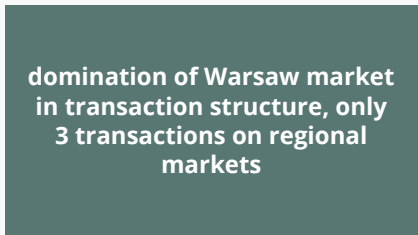


PRS & PBSA

Record-breaking deal

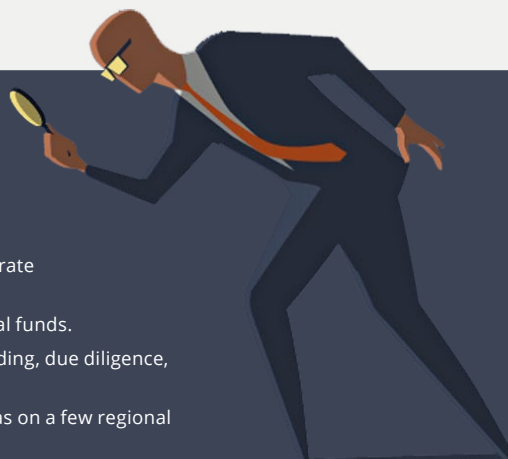
In Q1-Q3 2024, the residential investment market saw 10 transactions totalling around €320 m. Of these, 9 involved the Private Rented Sector (PRS), while 1 focused on Purpose-Built Student Accommodation (PBSA). Warsaw continued to lead in the market with 7 deals concluded, while the other 2 took place

in Kraków, involving projects by Heimstaden Bostad and Xior Student Housing and in 1 in Wrocław by AFI Home. The standout transaction during this period was acquisition of the Metro Zachód project, developed by Dom Development, featuring 500 PRS units, making it the largest deal in residential sector so far.



What's next?

- ✓ Optimism evident at the EXPO this year, with Poland continuing to demonstrate strength and stability as an attractive market for real estate investments.
- ✓ New entrants into the market with expected resurgence of large institutional funds.
- ✓ Significant number of properties across various sectors currently in the bidding, due diligence, or even finalisation stages.
- ✓ The office sector particularly active, especially in Warsaw-Mokotów as well as on a few regional markets, as pricing is more attractive for the buyers.
- ✓ Convenience retail as a "safe haven", [click here to read more](#).
- ✓ Sale and leaseback deals in the logistics sector are gaining momentum.



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