

# AT A GLANCE

## Q3 2021

# INVESTMENT MARKET IN POLAND

## Highlights

- Revival on the investment market – quarterly volumes inflow optimism for year end
- Industrial & logistics still booming – products generate over 53% of quarterly volume
- Metropolitan in Warsaw sold – 1bn PLN in a single office transaction



### KEY FIGURES

c.a. **3.6bn EUR**  
INVESTMENT VOLUME  
IN Q1-Q3 2021

**4.70%**  
OFFICE PRIME YIELD

**5.00%**  
SHOPPING CENTRE\*

\* Lack of transactions over last quarters in the prime shopping centre segment

**4.5 – 4.75%**  
INDUSTRIAL & LOGISTICS  
PRIME YIELD\*\*

**4.20%** (e-commerce)

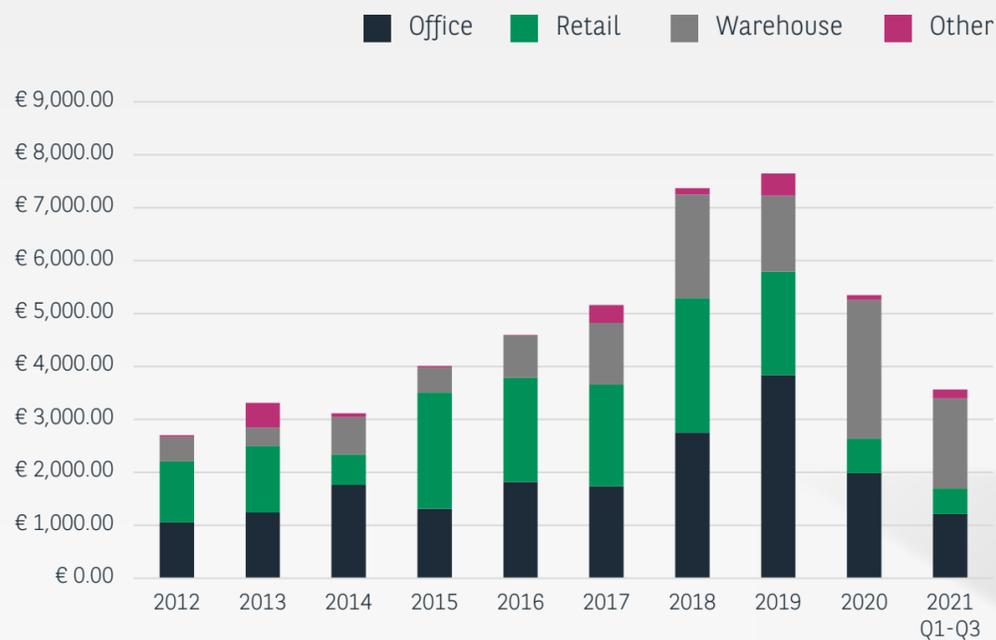
\*\* Varies between Warsaw and rest of Poland

## Macroeconomic indicators

			Trend
	GDP (forecast 2021)	5.6%	↑
	Inflation (forecast 2021)	4.7%	↑
	Unemployment (forecast 2021)	6.1%	↓
	NBP Reference rate	0.50%	↑
	FX PLN / EUR	4.5770%	→

Source: GUS, NBP, Eurostat, BNP Paribas, September 2021

## Investment volume (in M)



## Selected Top Transactions of 2021

This quarter there were over 1.5bn EUR transacted in 42 deals. 53% related to industrial & logistic sector which proves the investors' appetite for this type of products remain very strong. Office and retail share in total quarterly volumes were respectively 27% and 12%. Remaining 8% involved alternative assets.

	ASSET	ASSET CLASS	PURCHASER	SELLER	SIZE	QUARTER
1	Metropolitan	Office	Morgan Stanley	DWS	38,000	Q3
2	Buma Portfolio	Office	Partners Capital via REINO	Buma	100,000	Q1
3	Project Phoenix	Industrial & Logistics	Ares	Panattoni	285,000	Q1
4	Browary Warszawskie (G-H)	Office	Deka	Echo Investment	29,600	Q3
5	Project Motta	Industrial & Logistics	Exeter	Tristan & Whitestar	162,000	Q3

## Expert Comment



**Mateusz Skubiszewski**

Head of Capital Markets

## Promising summer on the investment market

The period between January and the end of September saw investors spend c.a. 3.6bn EUR which translates into a c.a. 10% drop in transaction volumes when compared to the same period last year (c.a. 4bn EUR).

One quarter will not make up for the lower volumes recorded in the first half of year, when investors were extremely cautious and very selective towards certain asset classes and types. However, the Q3 results brings further optimism into the market, which has not been outbalanced by the political and social turmoil and inflation raising march. Moreover, the ongoing transactions which still stand a chance for closure in 2021, may bring the total investment volumes in 2021 close to 2020 results.

## Expert Comment



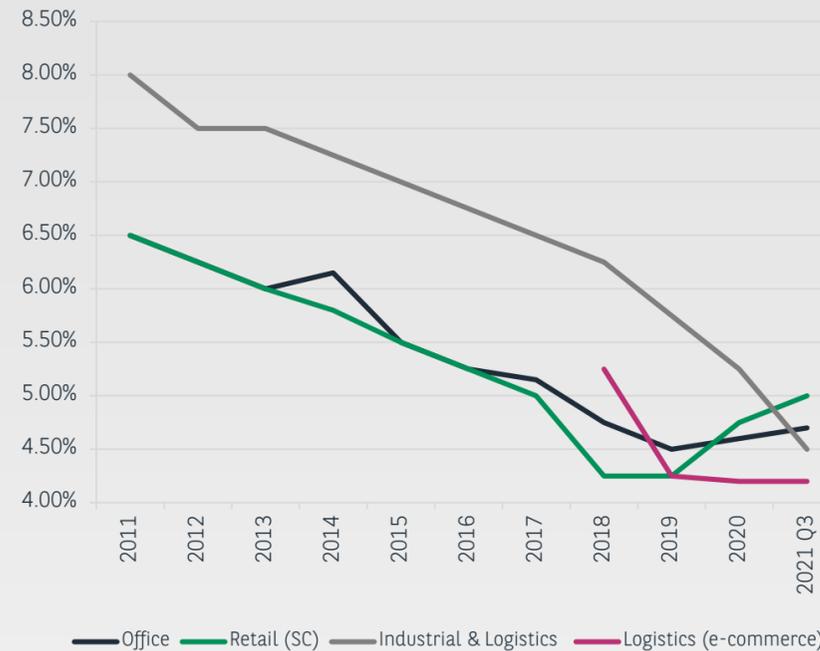
### Marta Gorońska-Wiercioch

Associate Director, Capital Markets

The third quarter was crucial to indicate in which direction the Polish market is going and proved the interest of foreign investors into assets located in Poland. Over 31% of the invested capital have come from North America, which have purchased office and industrial & logistics assets worth close to 500M EUR. European capital, with German being at the lead, adds another 600M EUR to the totals, while Asian & multinational adds another 27%. Well diversified capital add stability into on the investment market making it more resilient to the consequences of unexpected turns which influence the investment volumes from individual countries.

## Prime Yields

Annual Prime Yields per Sector, in %



In Q3 2021 has not brought any changes in the cap rates applied to investment across all the sectors. The prime office transactions proved 4,70%, while the prime industrial & logistics in Warsaw set the yield at around 4,50% with the potential for compression at the end of the year. Retail parks and hyper & supermarkets being the most desired retail investment products were quoted respectively between 7% – 9% and 5,50% – 6,50%.

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### AUTHOR

**Małgorzata Fibakiewicz, MRICS**

Head of Business Intelligence Hub & Consultancy

[malgorzata.fibakiewicz@realestate.bnpparibas](mailto:malgorzata.fibakiewicz@realestate.bnpparibas)

### CONTACT DETAILS

**Mateusz Skubiszewski, MRICS**

Head of Capital Markets

[mateusz.skubiszewski@realestate.bnpparibas](mailto:mateusz.skubiszewski@realestate.bnpparibas)

**Marta Gorońska-Wiercioch**

Associate Director, Capital Markets

[marta.goronska-wiercioch@realestate.bnpparibas](mailto:marta.goronska-wiercioch@realestate.bnpparibas)

**Izabela Mucha, MRICS**

Head of Valuation

Central and Eastern Europe

[izabela.mucha@realestate.bnpparibas](mailto:izabela.mucha@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)



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#BEYONDBUILDINGS

**Erik Drukker**

President of the Management Board

Central and Eastern Europe

[erik.drukker@realestate.bnpparibas](mailto:erik.drukker@realestate.bnpparibas)

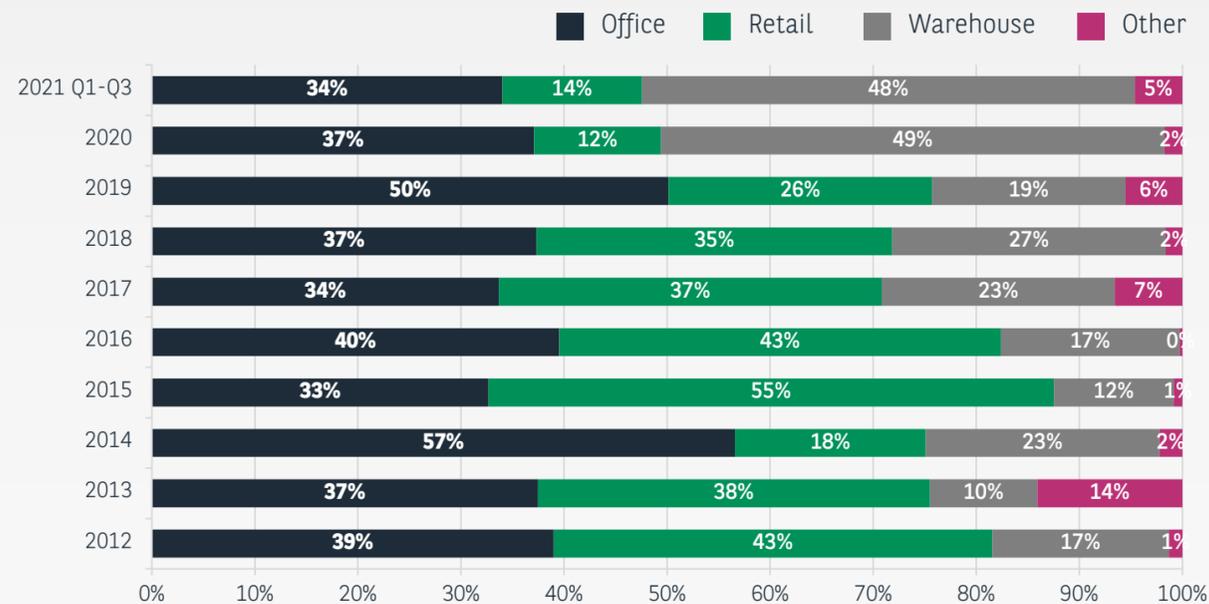
**BNP Paribas Real Estate Poland Sp. z o.o.**

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

[www.realestate.bnpparibas.pl](http://www.realestate.bnpparibas.pl)

## Sector split

Annual Sector Split of Investment Volumes, in %



## Office

Office sector generated c.a. 1.2bn EUR this year. Q3 saw the office transactions dominated by Warsaw, including a sale of prime landmark asset - Metropolitan, which value exceed 1bn in the local currency.

## Retail

Close to 500M EUR worth transactions in 2021 which gives a sector almost 14% share in the total investment volumes. Transactions this quarter confirmed the continued interest of investors in retail parks as well as hyper/supermarkets.

## Warehouse

Boom on industrial & logistic products remains undisputable. The sector generated almost half of the transactional movement this year, while in Q3 itself it was 53%. Pandemic boosted the development of the sector, while increasing activity of tenants signing long-term leases, record breaking supply under construction have resulted in the great attention coming from various types of investors.