



KRAKOW REAL ESTATE MARKET 2018

Krakow, 2019

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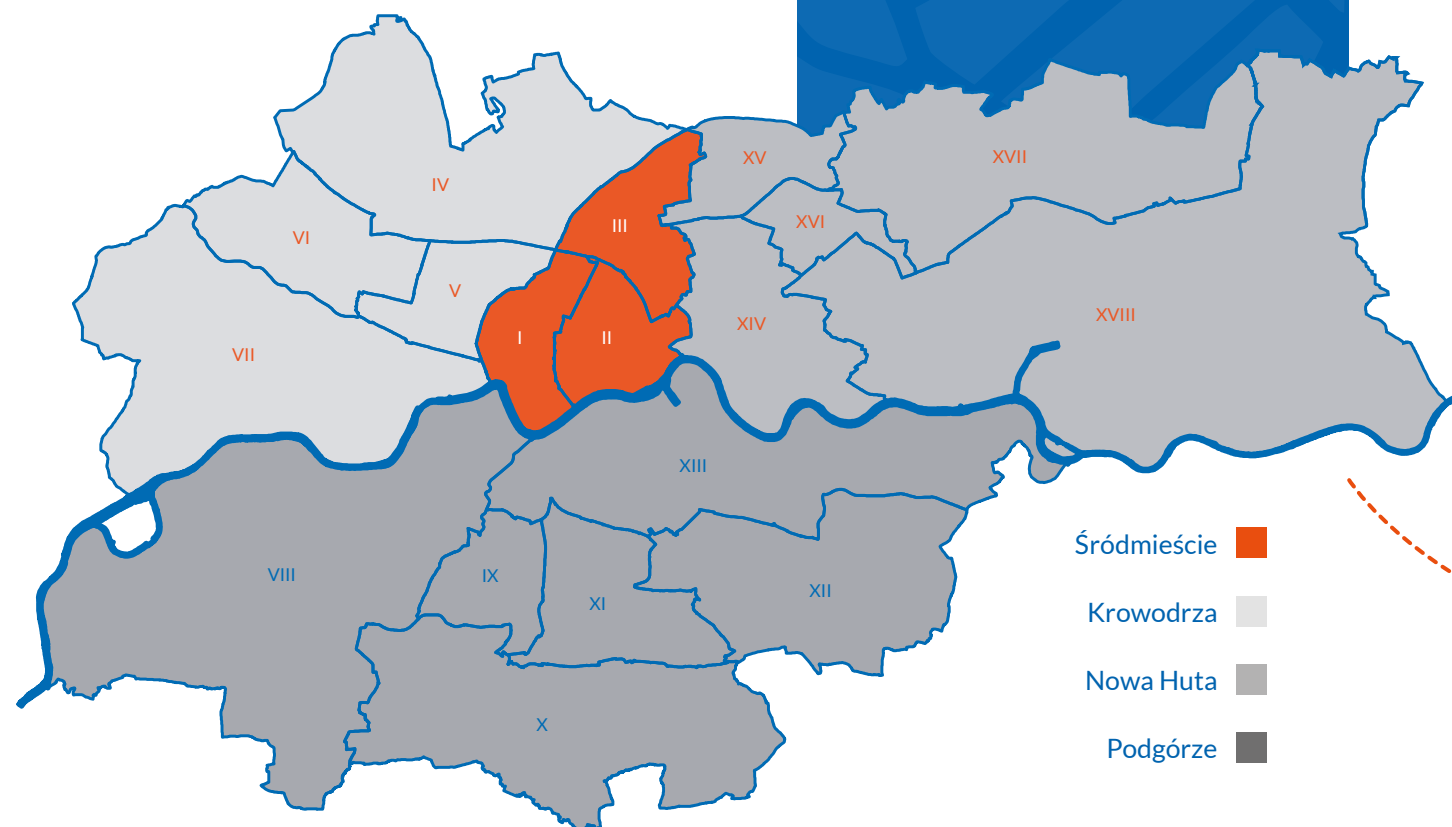
Translation: Knight Frank, Idea Group

ABOUT KRAKOW

THE CITY IS CONSTANTLY DEVELOPING AND ITS POPULATION IS CONTINUING TO GROW

Krakow enjoys the unflagging interest of tourists, and many students choose Krakow to become their place of residence and work after graduation.

KRAKOW - ADMINISTRATIVE DISTRICTS



769,500
RESIDENTS

327 KM²

2,353
PERSONS PER KM²

+ 1.46%
RATE OF NATURAL INCREASE

+ 1,337
INTERNAL MIGRATION BALANCE

22
HIGHER EDUCATION UNITS
including 5 universities

49,000
GRADUATES
including 15,000 in technical schools

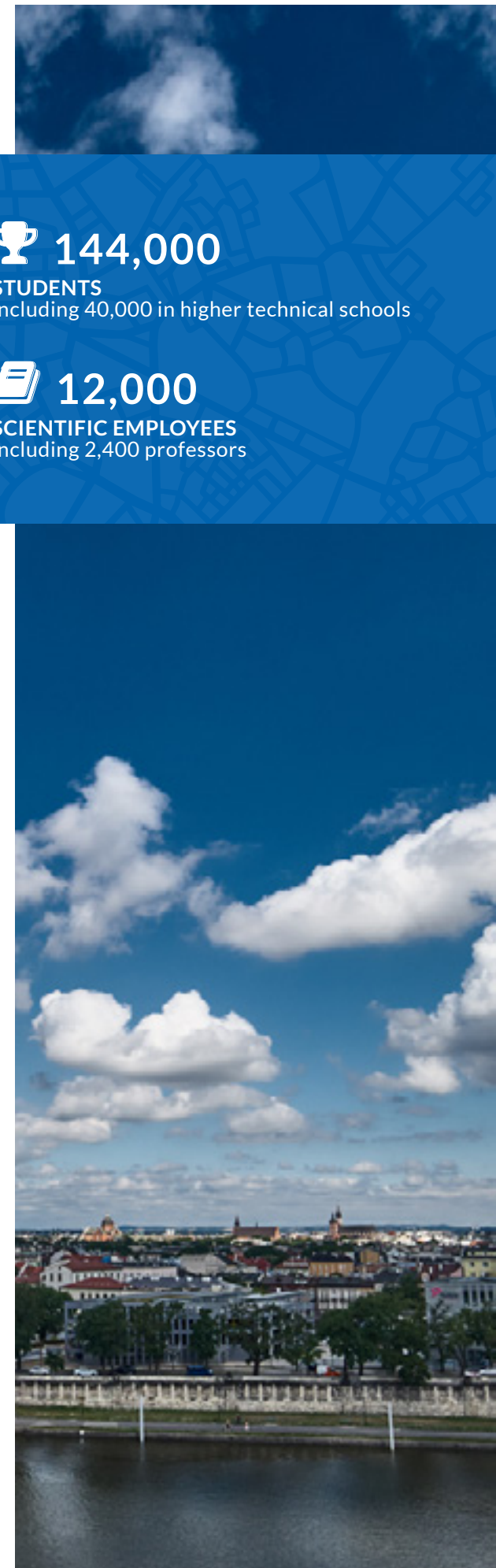
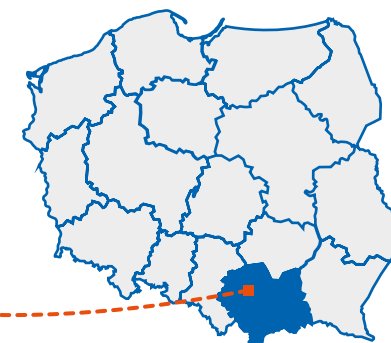
144,000
STUDENTS
including 40,000 in higher technical schools

12,000
SCIENTIFIC EMPLOYEES
including 2,400 professors

KRAKOW IS ONE OF THE MOST IMPORTANT RESEARCH AND ACADEMIC CENTERS IN POLAND.

The graduates of Krakow universities make up approx. 70% of the employees of the modern business services sector, including modern technologies and the research and development sector. The high quality of teaching translates into Krakow's high position in economic rankings and on the labor market.

Krakow is home to the headquarters of the National Science Center, the seat of the Polish Academy of Sciences and a branch of the Polish Academy of Sciences with 21 institutes and laboratories.



ABOUT KRAKOW



According to the CBRE „EMEA Tech Cities” ranking, the city was ranked 3rd in Europe in the „Growth Clusters” category, i.e. cities with the largest growth potential in the technology sector.

66% INCREASE IN EMPLOYMENT IN THE HI-TECH SECTOR IN 10 YEARS

In the modern business services sector – Krakow ranked 1st in Poland and 6th in the world (according to the Tholons Services Globalization „City Index 2018” ranking).

Our city took second position in the category of big cities in the European Cities and Regions of the Future Financial Times – FDI Magazine ranking – in terms of attractiveness for business. Krakow was also among the top ten ranking positions of the cities of the future. The high-quality human capital and good quality of life in the city gained special appreciation.

 323  76,000

COMPANIES AND EMPLOYEES
in the modern business services sector
(SSC, BPO, IT, R & D, etc.)

Source: Aspire



MORE THAN 500 EVENTS

related to startups and technology take place in Krakow each year, and the top projects of this type have already attracted investments worth over PLN 500 million to the city

Source: report „Polish Startups 2017”

Krakow is one of the largest start-up centers in Poland thanks to the activities of venture capital funds, the cooperation of businesses, universities and innovation incubators.

Business meetings are an important goal of business trips to Krakow. More than 6,000 events: conferences and congresses, corporate events and fairs, are held there annually.

THE SHARE OF GDP GENERATED BY THE MEETINGS INDUSTRY AMOUNTED TO 3.4% OF THE KRAKOW'S ECONOMY

Source: report „Meeting industry in Krakow 2017”

As a city with high academic potential, Krakow focuses on attracting events related mainly to modern technologies and science, especially medicine. The events take place in new facilities: ICE Krakow Congress Center, Tauron Arena Krakow and EXPO Krakow.

ICE KRAKOW WAS AWARDED 2ND PRIZE IN THE COMPETITION FOR THE BEST CONGRESS CENTER OF NEW EUROPE



ABOUT KRAKOW

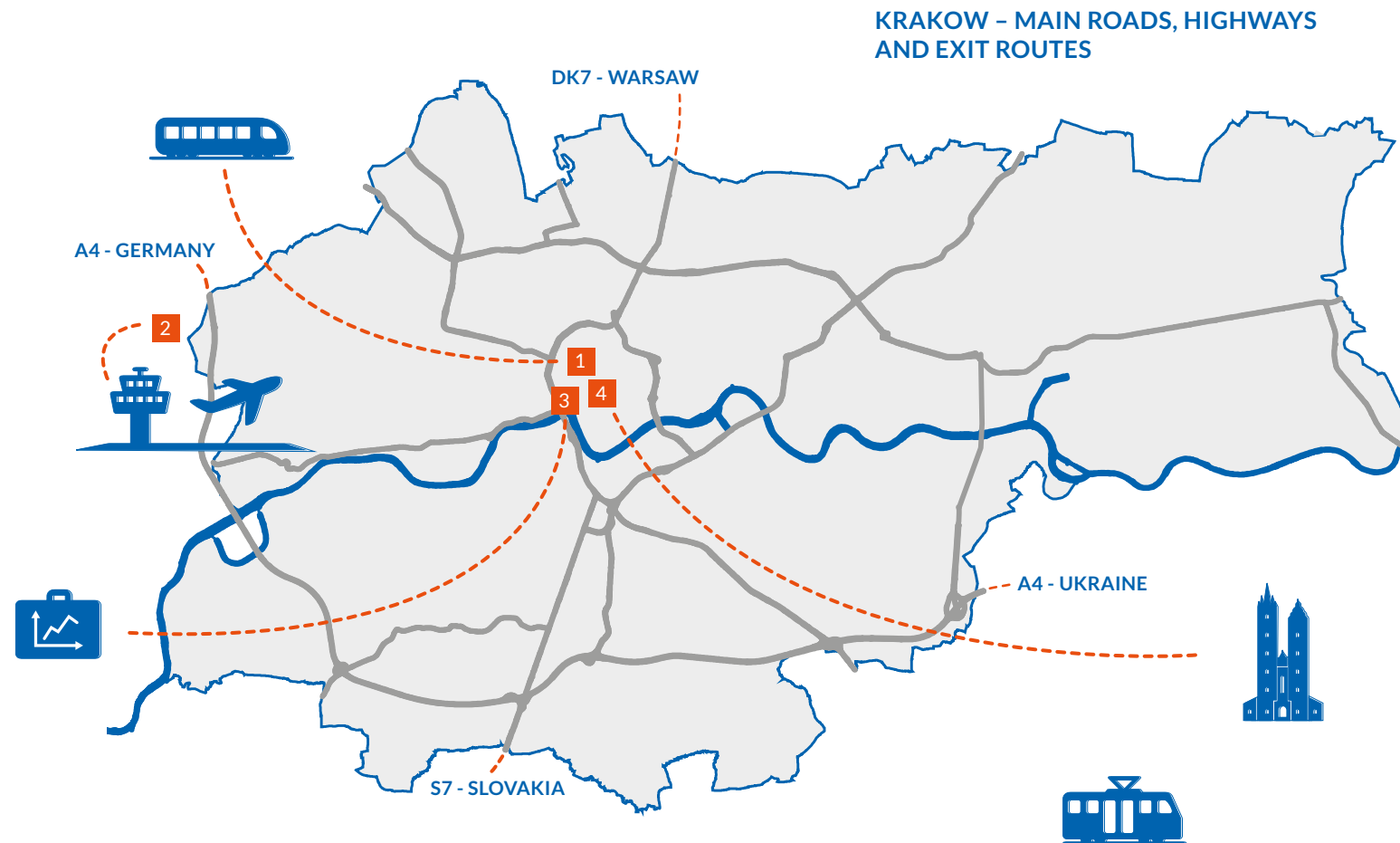
The advantages of Krakow include its very well-developed hotel and restaurant infrastructure, rich offer of attractions and cultural events. The city attracts tourists with its beauty, unique atmosphere and a unique historic complex, including priceless architectural objects.

CNN TRAVEL PLACED KRAKOW AT THE HEAD OF THE LIST OF THE MOST BEAUTIFUL PLACES IN POLAND

The area of the Old Town was inscribed on the 1st UNESCO World Cultural and Natural Heritage list in 1978, and in 2013 Krakow was granted the UNESCO City of Literature title.

Krakow is called the cultural capital of Poland. The Historical Museum of Krakow, the Wawel Royal Castle and the Saltworks Museum in Wieliczka are among an elite group of museums that have reached a yearly turnout of over a million visitors. Krakow is also a city of festivals. Every year, approximately 100 various festivals take place here, half of which are of international significance.

KRAKOW IS AMONG THE TOP 10 CITIES IN THE WORLD IN THE RANKING OF THE USERS OF THE GLOBAL TRIPADVISOR TOURIST WEBSITE



You can reach Krakow easily and quickly. It is located near the A4 motorway connecting the borders of Germany and Ukraine and near the A1 motorway from the Tricity area to the Czech border. The S7 express road in the north of the city connects Krakow, Warsaw and Gdansk. From the train station in the center you can take a train to the largest cities in Poland. ICE trains to Warsaw leave almost every hour, and the journey takes approximately 2.5 hours.

The Krakow International Airport is only 10 km from the city center and is the largest regional airport in Poland. From the center, the SKA train can reach the airport in 20 minutes, it takes 25 minutes by taxi, and approximately 40 minutes by an agglomeration bus.

KRAKOW – MAIN ROADS, HIGHWAYS AND EXIT ROUTES

In accordance with the policy of sustainable transport, public transport is being developed in the city with the use of „Park & Ride” car parks and bicycle transport. The fleet of public vehicles is constantly increasing with new electric vehicles being added.

Public transport includes: trams, buses and agglomeration railway.

The real estate market is a reflection of the growing economy of Krakow. Krakow is the largest regional office space market and has the largest number of categorized hotels in the country and occupies a leading position among Polish cities in terms of the number of dwellings completed.

You are kindly invited to read next analyzes describing the real estate market in Krakow.

Main Station 1

Krakow Airport 2

Investors and Innovative Economy Support Centre 3

Old Town 4



13.5 MILLION TOURISTS



6.77 MILLION PASANGERS OF THE KRAKOW AIRPORT

PUBLIC TRANSPORT:



27 TRAM LINES



165 CITY AND AGGLOMERATION BUS LINES

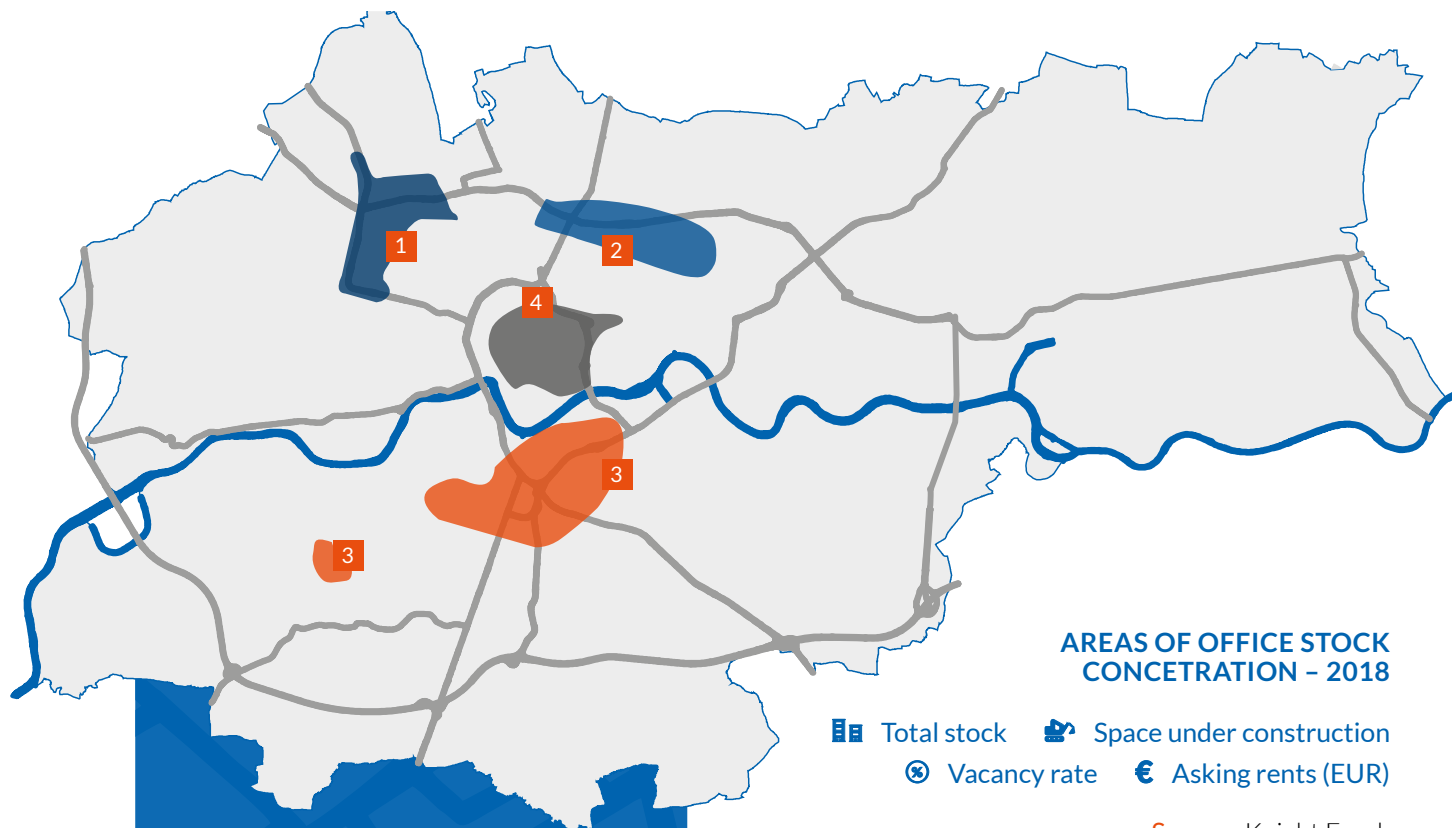


FAST AGGLOMERATION RAILWAY (SKA)



1,500 BICYCLES CITY BIKE NETWORK „WAVELO”

OFFICE MARKET



1 NORTH-WEST
 ■ 152,700 m²
 ■ -
 ⊗ 10.8%
 € 11-13.5/m²/month

2 NORTH-EAST
 ■ 329,800 m²
 ■ 10,000 m²
 ⊗ 10.7%
 € 12-14/m²/month

3 SOUTH
 ■ 510,300 m²
 ■ 110,000 m²
 ⊗ 4.7%
 € 12-14.5/m²/month

4 CITY CENTRE
 ■ 182,300 m²
 ■ 137,000 m²
 ⊗ 2.7%
 € 12.5-16/m²/month

Krakow is the most dynamically developing office market among major regional Polish cities. In 2018, the city maintained its leading position among regional markets in terms of existing stock and supply under construction, new supply and take-up. Despite the substantial new supply delivered in 2018, the vacancy rate did not increase, as might have been expected, thanks to record-breaking demand. The vigorous leasing activity, along with relatively stable asking rents, confirms the positive market sentiment.

Krakow with a total office stock of some 1.26 million m² is the leader among regional office markets in Poland. Nearly 85% of modern office space was located outside

1.26 MILLION M²
TOTAL MODERN OFFICE STOCK
 155,000 M²
 new supply in 2018

260,000 M²
OFFICE STOCK
 under construction
 177,000 M²
 planned to be completed in 2019

108,000 M²
OFFICE SPACE
 available for lease

the city centre. In 2018, approximately 155,000 m² of new office supply was delivered, representing the second highest result in the history of the local market. The largest new developments included Equal Business Park C, O3 Business Campus, Podium Park A, and High5ive 1, together making up nearly 50% of new office supply (out of 19 projects).

Moreover, the investment boom in the office sector in Krakow shows little sign of slowing. At the end of 2018, approximately 260,000 m² in 16 projects was identified as being under construction, making up 28% of the total volume in the six largest regional markets in Poland. In 2018, developers commenced the construction of new developments offering over 100,000 m² of office space in total. These included both extensions of existing office complexes (DOT Office, High5ive) and new investments (Tischnera Office). Approximately 60% of the space under construction is scheduled for completion in the first half of 2019.

Thanks to 2018's strong recorded demand, the significant volume of new supply did not translate into what might have been an expected increase in the vacancy rate. At the end of the previous year, 110,000 m² of office space was available for lease in the city, which represented 8.6% of the local office stock. The vacancy rate decreased by 2 pp. q/q and 1.2 pp. y/y. In the upcoming quarters fluctuations in the vacancy rate are expected due to the completion of a significant scheduled new supply, which is unlikely to be fully leased upon completion.



OFFICE MARKET

2018 saw high tenant activity in Krakow and was a record-breaking year in terms of take-up. Lease agreements amounting to some 209,000 m² were signed in 2018, representing 34% of the total leased space in the largest regional markets. The 2018 result was 20% higher than the five-year average take-up.

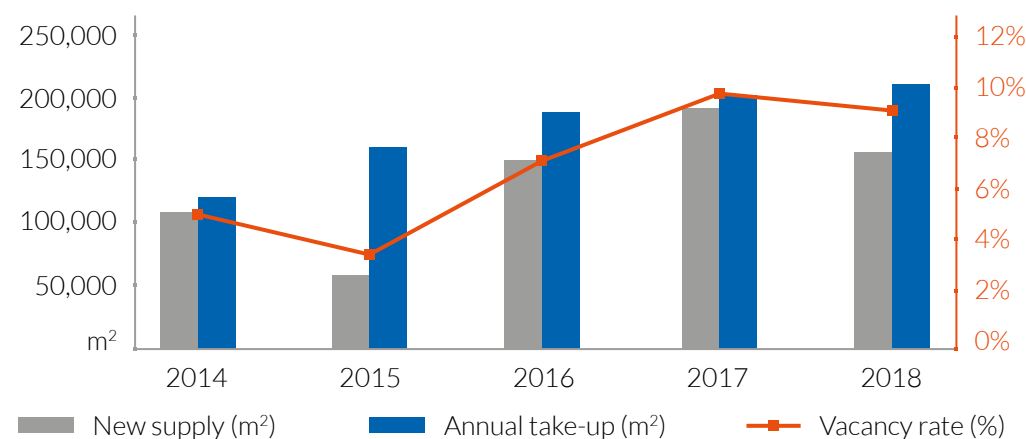
EUR 13.5-16/M²/MONTH
RENT RATES
for A-class office

8.6% VACANCY RATE

The high office demand in Krakow has been driven mainly by companies from the BPO/SSC sector and IT companies. In terms of lease type, the highest share was renewals (34%) and new agreements in existing buildings (31%). Approximately 22% of leased space was the subject of pre-let agreements, and the remaining 13% constituted expansions.

Asking rents in Krakow have remained stable in most buildings. Rent rates for A-class office space ranged from EUR 13.5–14.5/m²/month, however, a few buildings in the city centre were quoted at EUR 16/m²/month. Asking rents in B-class buildings ranged from EUR 10 to 13/m²/month. Effective rents remained about 15-20% lower than asking rates.

NEW SUPPLY, ANNUAL TAKE-UP AND VACANCY RATE IN KRAKOW (2014-2018)



Source: Knight Frank

OFFICE MARKET IN POLAND

- Total stock
- Vacancy rate
- Asking rents (EUR)

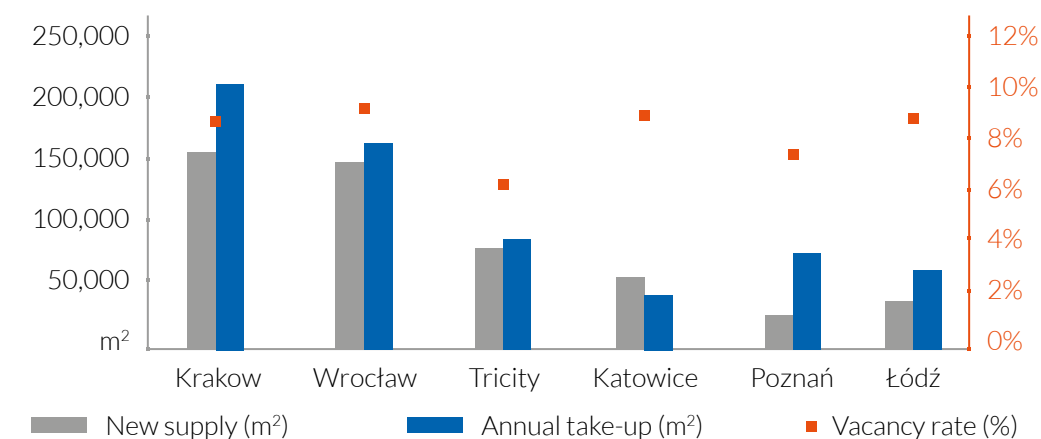
- Major office markets
- Developing markets

- WARSAW**
5.46m m²
10%
9-24/m²/month
- KRAKOW**
1.26m m²
8.6%
10-16/m²/month
- WROCLAW**
1.05m m²
9.1%
10-16/m²/month
- TRICITY**
775,000 m²
6.1%
10-14.5/m²/month
- KATOWICE**
519,000 m²
8.8%
10-14.5/m²/month
- POZNAN**
479,000 m²
7.3%
10-15/m²/month
- LÓDŹ**
469,000 m²
8.7%
9-14/m²/month
- LUBLIN**
194,000 m²
15.4%
8-13/m²/month
- SZCZECIN**
159,000 m²
5.1%
9-15/m²/month

Source: Knight Frank



NEW SUPPLY, ANNUAL TAKE-UP AND VACANCY RATE IN MAJOR REGIONAL MARKETS - 2018



Source: Knight Frank

HOTEL MARKET

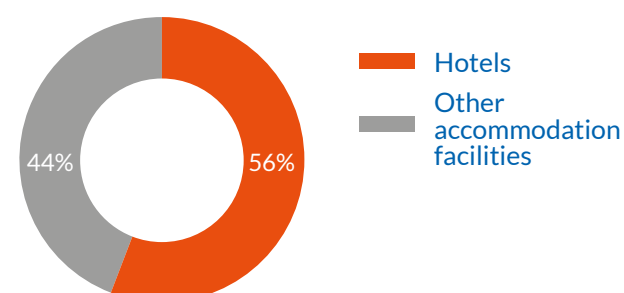


AMONG POLISH AND EUROPEAN TOURISTS, KRAKOW IS KNOWN TO BE ONE OF THE BEST DESTINATIONS FOR A CITY BREAK. EVERY YEAR, THE CITY ATTRACTS THOUSANDS OF VISITORS, AND THEIR NUMBER IS CONTINUALLY INCREASING

According to Małopolska Tourist Organisation data, in 2018 the number of tourists visiting Krakow reached 13.5 million – a record-breaking result for the historical city. Krakow is also an important economic hub for Poland; one that focuses on professional services for business, new technologies, finance and IT. These factors contribute to the city's attractiveness as a cultural and business centre, helping stimulate further development of the hotel sector in the city. The strong position of Krakow on the tourist map of Poland is further supported by its hosting and organizing of international events (conferences, congresses, trade fairs, corporate and incentive events). According to the Poland Convention Bureau, Krakow was the second most popular Polish city for meetings in 2017. Moreover, the ever-improving transport infrastructure and growing network of airline connections with Krakow are also factors which underline the city's attractiveness. In 2018, Krakow's Balice Airport served nearly 6.8 million passengers, almost

1 million more than in the previous year. Krakow Airport began hosting four new airlines in 2018: Flydubai, Laudamotion, Transavia and Blue Air, which directly connect Krakow with Dubai, Vienna, Eindhoven and Turin respectively.

STRUCTURE OF THE ACCOMMODATION MARKET IN KRAKOW



Source: Knight Frank

BASED ON THE NUMBER OF OFFICIALLY CATEGORISED HOTELS, KRAKOW, WITH ITS 171 HOTELS, SITS IN 1ST PLACE IN POLAND

Due to its ever-growing visitor numbers, Krakow is able to offer a wide selection of overnight accommodation options. According to Knight Frank data based on the Central Hotel Register in Poland, supervised by the Ministry of Sport and Tourism, there were 171 officially categorised hotels of 1- to 5-stars operating in Krakow at the end of 2018.

Krakow provides the largest number of such officially categorised hotels compared to other cities in Poland. At the end of 2018, the total supply of categorized rooms in the city stood at 11,364 units.

THE LOCAL MARKET BENEFITS FROM THE LARGEST NUMBER OF SMALL, LUXURY HOTELS COMPARED WITH OTHER REGIONAL POLISH CITIES

75% - AVERAGE HOTEL ROOMS OCCUPANCY RATE IN 2018

In terms of number of buildings, the hotel stock in Krakow is dominated by 3-star hotels, with a 54% share of hotel stock. However, in terms of number of hotel rooms, the largest share (40%) can be found in 4-star hotels.



NEW HOTELS IN 2018



Puro Krakow Kazimierz
228 rooms



Metropolo Krakow by Golden Tulip
220 rooms



Garden Square Hotel
73 rooms



B&B Hotel Krakow Centrum
130 rooms



Hotel 32
32 rooms

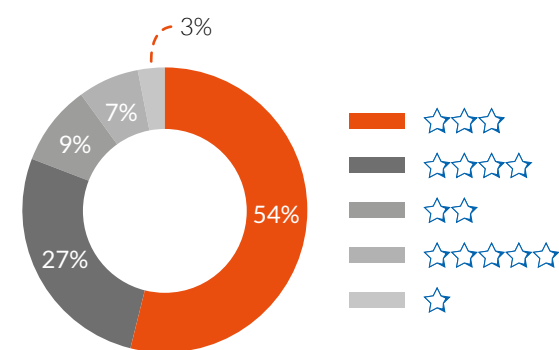


HOTEL MARKET

According to the latest data provided by STR Global hotel rooms occupancy in Krakow in 2018 remained on a stable, high level. Throughout the year the monthly occupancy rate ranged between 51%-87%, resulting in 75% on average in 2018. June, August, September and October were months when occupancy exceeded 80%, and the only month with occupancy lower than 60% was January.

At the end of 2018, there were 9 hotel projects under construction in Krakow, set to offer 704 hotel rooms upon completion. The number and quality of hotel projects currently under development in Krakow shows the significance of the city as a tourist and business destination.

STRUCTURE OF THE HOTEL MARKET IN KRAKOW



Source: Knight Frank



SELECTED HOTELS UNDER CONSTRUCTION



Autograph Collection
125 rooms



Ferreus Hotel
71 rooms



Radisson Red
230 rooms



Best Western Balice Airport
153 rooms



MGallery by Sofitel
64 rooms

STRUCTURE OF THE HOTEL MARKET IN KRAKOW



171 HOTELS



11,364 ROOMS



12

1,137



46

4,628



92

4,447



16

752

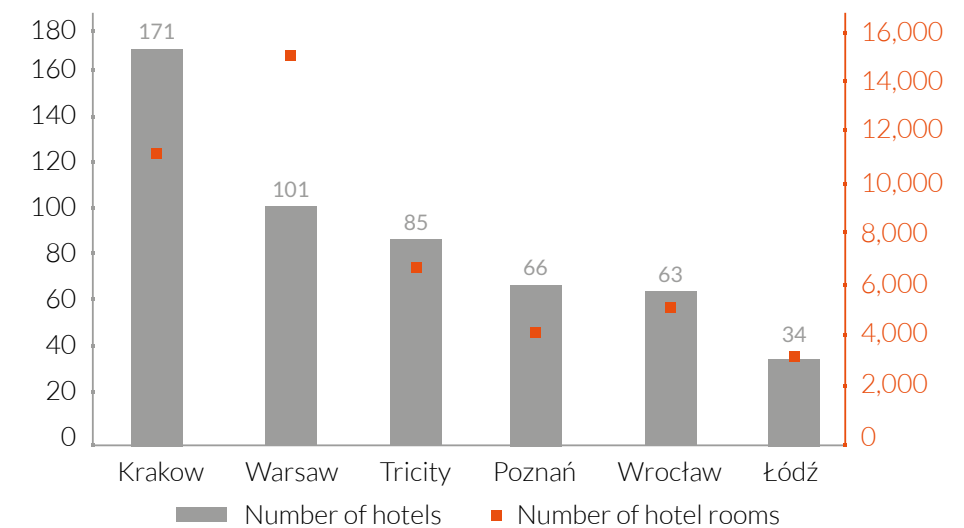


5

400



NUMBER OF HOTELS AND HOTEL ROOMS IN THE LARGEST POLISH CITIES



Source: Knight Frank

RETAIL MARKET



Following a dynamic 2017, when the Serenada shopping centre was opened, 2018 brought a decrease in developer activity both in Krakow itself and in the wider agglomeration. No retail scheme was delivered to the market in the 12 months of 2018. Furthermore, there are only two projects under construction in the agglomeration, of which only one is located in Krakow. However, the interest of retail brands in the Krakow market has not weakened, which translated into a reduction in the volume of available retail space. Rental rates for prime retail units remained at a high level.

schemes, diverse in terms of scale (both small local projects not exceeding 10,000 m² and large-scale centres reaching up to 90,000 m²) and range of services (convenience centres, outlet centres, and shopping centres with extended fashion and entertainment space). An additional 3 developments can be found in locations neighbouring Krakow, namely; Myślenice and Modlniczka. Due to its diverse structure, retail stock in Krakow is able to satisfy the needs of both local inhabitants and tourists, whose number has been growing annually.

SHOPPING CENTRES UNDER CONSTRUCTION: ATUT RUCZAJ, GALERIA WIELICZKA

At the end of 2018, two shopping centres of almost 50,000 m² were under construction in the Krakow agglomeration. Completion of approximately 7,000 m² (within ATUT Ruczaj in Krakow) is due at the beginning of 2019; the remaining 42,000 m² (within Galeria Wieliczka in Wieliczka) is expected by the end of 2020. Such a modest volume under construction in Krakow and its surroundings is likely to increase in the subsequent quarters of 2019 or 2020, following probable commencements of projects currently at the planning stage. One such project includes the reconstruction and modernisation of the Krokus shopping centre, with its planned connection to Serenada. Once the process is completed, the schemes and the neighbouring OBI DIY store, 12-room Multikino cinema

and Aqua Park Krakow will create the largest retail and entertainment complex in this part of the city.

RETAIL STOCK UNDER CONSTRUCTION IS LIKELY TO INCREASE IN 2019 OR 2020, FOLLOWING COMMENCEMENTS OF PROJECTS CURRENTLY AT THE PLANNING STAGE

Cracovia Outlet is another anticipated retail scheme in Krakow. Almost 60,000 m² will be split between an outlet centre (21,000 m²) and a grocery hypermarket, DIY store, retail park and interior design store (almost 40,000 m² in total). The KG Group will deliver the complex at Nowohucka street, in close proximity to the M1 shopping centre, Selgros, and the Expo Krakow and Tauron Arena.

 **615,000 m²**

MODERN RETAIL STOCK

15 retail schemes in Krakow
3 in the agglomeration

Although during the 12 months of 2018 no new retail scheme was opened in Krakow and its vicinity, the agglomeration maintained its sixth position on the list of largest retail markets in Poland. At the end of 2018, the area of modern retail stock in the Krakow agglomeration stood at 615,000 m². The volume in Krakow alone includes 15 retail



SATURATION RATIO

589 m²/1,000 inhabitants – agglomeration
740 m²/1,000 inhabitants – Krakow

At the end of 2018, the saturation ratio in the Krakow agglomeration remained steady at 589 m²/1,000 inhabitants (ranking 5th amongst Poland's 8 major agglomerations). Based on the saturation level, Krakow itself ranked sixth among major Polish cities, approaching 740 m²/1,000 inhabitants.

RETAIL MARKET

4% VACANCY RATE

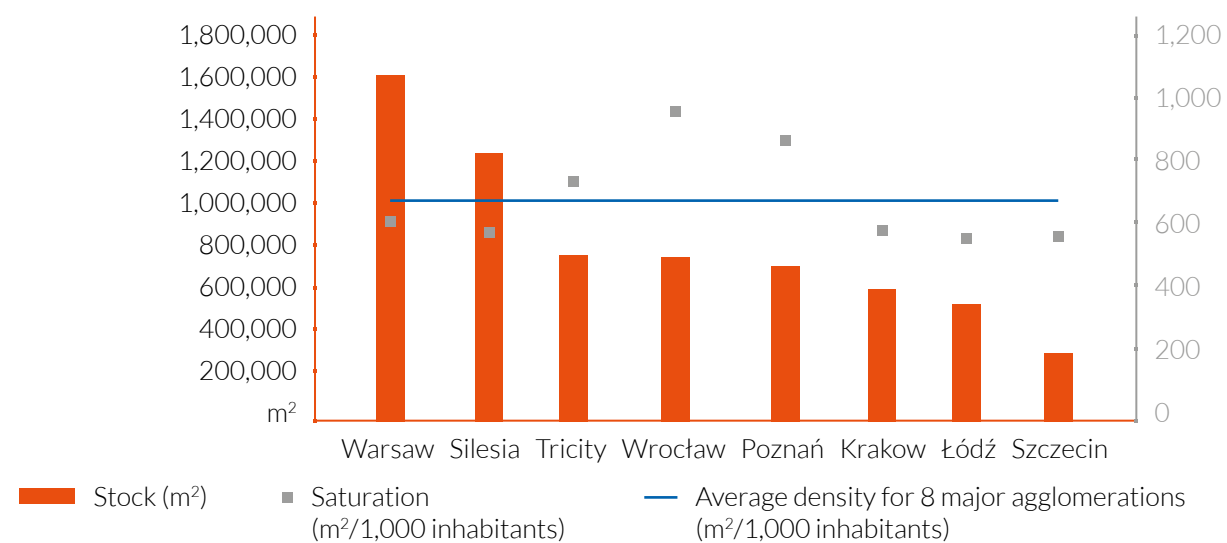
The vacancy rate in December 2018 in Krakow stood at 4%, a decrease of 0.9 percentage points over the previous 12 months. The vacancy rate was highly impacted on by OBI's lease of the large-scale DIY store vacated by Praktiker in the M1 shopping centre. The scale of the decrease in the ratio was, however, limited by some tenants vacating the Krokus shopping centre (due to its planned redevelopment) and relocating to the Serenada shopping centre.

EUR 35-70

asking rent in the best shopping centres

Demand for retail space in Poland in 2018 showed no signs of weakening. Several new brands from the fashion/accessories sectors entered the Polish market in 2018, e.g.; Armani Exchange, Kocca, Bebe, San Marina and Saffiano. However, most of them opted for Warsaw shopping centres. In Krakow, the available retail space was absorbed by brands that already had a presence in the city.

RETAIL STOCK AND MARKET SATURATION IN THE MAJOR POLISH AGGLOMERATIONS (END-2018)



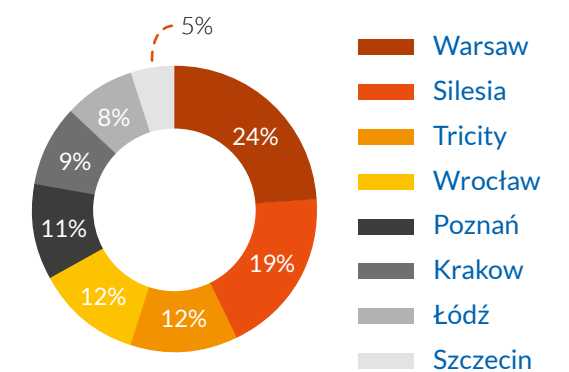
Source: Knight Frank



The lack of international debuts resulted mainly from the small supply of available premises in the best Krakow shopping centres.

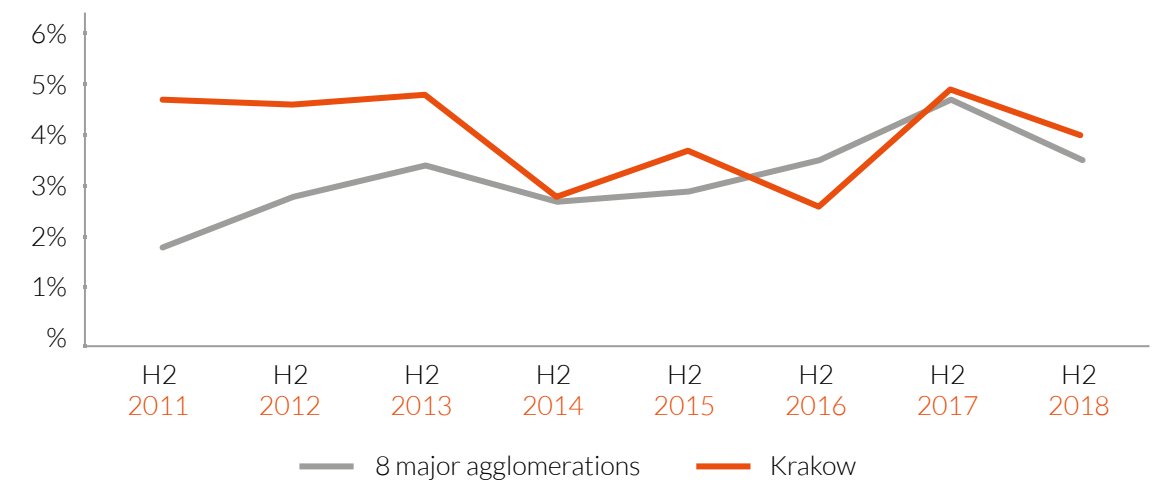
Monthly asking rents for the most attractive units (below 100 m², leased to the fashion sector) in the best shopping centres in Krakow varied between EUR 35-70/m²/month, approaching levels registered in major agglomerations (excluding Warsaw). The rental rates depend mostly on the tenant's brand, the unit size, its location within the retail space, and on the landlord's rental strategy.

TOTAL RETAIL STOCK IN THE 8 AGGLOMERATIONS BY LOCATION IN 2018



Source: Knight Frank

VACANCY RATE IN KRAKOW AND MAJOR AGGLOMERATIONS (2011-2018)



Source: Knight Frank

WAREHOUSE MARKET



480,000 M²
modern warehouse stock
in Krakow

45,500 M²
new supply in 2018

68,000 M²
under construction

2018 SAW RELATIVELY HIGH DEMAND FOR WAREHOUSE SPACE IN KRAKOW COMPARED TO PREVIOUS YEARS

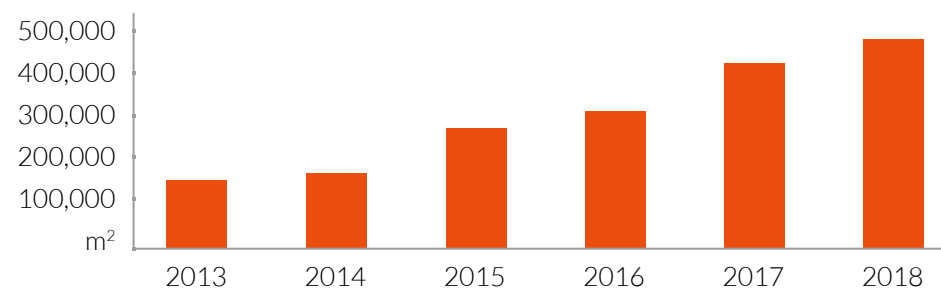
The same year saw developers deliver to the market schemes on a speculative basis, with the total stock in the region showing 13% growth. However, in terms of new supply, the Krakow warehouse market witnessed a slowdown in growth in 2018. Due to the limited new supply and high demand for warehouse space the vacancy rate fell significantly over the last year.

The warehouse market in Krakow is growing steadily, yet it remains one of the smallest in Poland in terms of existing stock. The region

is conveniently situated close to the country's southern border, and it benefits from well-developed road infrastructure connecting various locations across Poland, as well as across Europe. Nevertheless, Krakow has relatively high prices for industrial land and is located close to Upper Silesia, Poland's second largest industrial hub, somewhat restricting rapid development in the warehouse sector in the Małopolska area.

At the end of 2018, the modern warehouse stock in Krakow was estimated at approximately 480,000 m², little more than 3% of Poland's total warehouse stock. Warehouse developments in the Krakow region are situated within the city's administrative boundaries, as well as in adjacent towns such as: Modlniczka, Skawina and Olkusz.

WAREHOUSE STOCK IN KRAKOW (2013-2018)



Source: Knight Frank

In 2018, a limited new supply was delivered to the market in Krakow, with only 45,500 m² of warehouse space for lease completed in the two projects developed by 7R Logistic and MR Logistic. Nevertheless, according to investor information, nearly 68,000 m² is currently under construction, to be delivered by the end of 2019 or in 2020, along with approximately 84,000 m² of logistics space which is at an advanced planning stage.

In 2018, the warehouse market in Poland overall achieved record-breaking results in terms of the volume of leased area, amounting to over 3.8 million m². In Krakow the share of this amounted to 88,000 m², making up approximately 2.3% of the warehouse transaction volume nationwide.

The warehouse market in Krakow saw a significant decrease in the vacancy rate, which fell to 8% at the end of 2018, a drop

of 5 pp. compared to the end of 2017. The observed decrease was caused by the gradual absorption of available space in schemes delivered in 2017.

WAREHOUSE VACANCY RATE

2018 – 8.3%
2017 – 13.3%
2016 – 7.1%

In terms of lease costs, Krakow remains the second most expensive logistics location in Poland (behind Warsaw's Zone 1). Monthly asking rents in Krakow for modern warehouse space have remained stable, ranging EUR 4–4.5/m² for projects located within the city's administrative boundaries. Larger schemes are usually slightly cheaper and the asking rents in the Krakow region were quoted at EUR 3.9–4/m²/month.

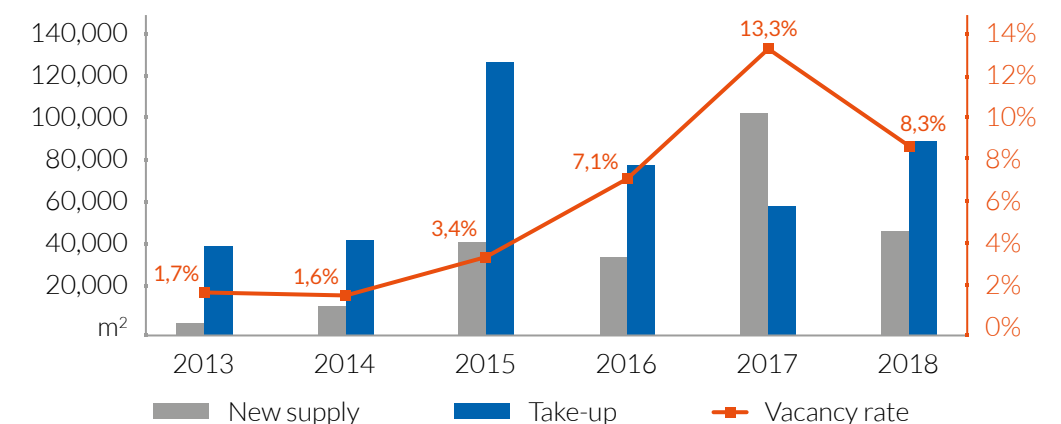
EUR 4-4.5 /M²/MONTH

asking rate in city's administrative boundaries

EUR 3.9-4 /M²/MONTH

asking rate in the Krakow region

NEW SUPPLY, TAKE-UP AND VACANCY RATE IN KRAKOW (2013-2018)



Source: Knight Frank

INVESTMENT MARKET



Within the last two years, an increasing interest in regional markets such as Krakow, Wrocław, Poznań or Tricity from both core funds and opportunistic investors was observed.

A record-breaking 2018 ended with a total transaction volume of EUR 7.2 billion, representing the highest volume in the history of the Polish investment market, topping the previous record of EUR 5.1 billion figure achieved in 2006. As a result of the wide range of modern assets in all the categories on offer, the market is attracting a growing number of investors each year. In 2018, a variety of new investors entered the market, including from Singapore and the Philippines. Furthermore, FTSE Russell has announced the promotion of Poland to developed market status; the first country from the CEE region to do so. From a long term perspective, this fact will have a positive impact on the risk assessment in investment transactions in Poland, not only in the commercial sector.

EUR 411 MILLION
TOTAL TRANSACTION VOLUME IN KRAKOW
(6% of the total investments in Poland)

**KRAKOW, AS A POPULAR
TOURIST DESTINATION AND
THE LARGEST REGIONAL
OFFICE MARKET WITH
RELATIVELY WIDE OFFER OF
ASSETS AVAILABLE FOR SALE,
IS FOUND AS ONE OF THE
MOST ATTRACTIVE CITIES
AMONG REGIONAL MARKETS**

Its attractiveness is also supported by a continuous development in infrastructure, along with a growing number of newcomers and the BPO/SSC sector, which all serve to boost the office market. The total transaction volume in 2018 in Krakow reached EUR 411 million which accounted for 6% of the total investments in Poland.



INVESTMENT MARKET

SELECTED INVESTMENT TRANSACTIONS IN KRAKOW (2017-2018)

1 HIGH5IVE
2018, Q3
↕
Skanska
NIAM
€ 72,000,000

2 QUATTRO BUSINESS PARK
2018, Q2
↕
Starwood
Globalworth
€ 139,700,000

3 PARK INN BY RADISSON
2018, Q2
↕
UBM
Union Investment
€ 26,000,000

4 DOT
2017, Q4
↕
Buma
Golden Star
€ 90,000,000

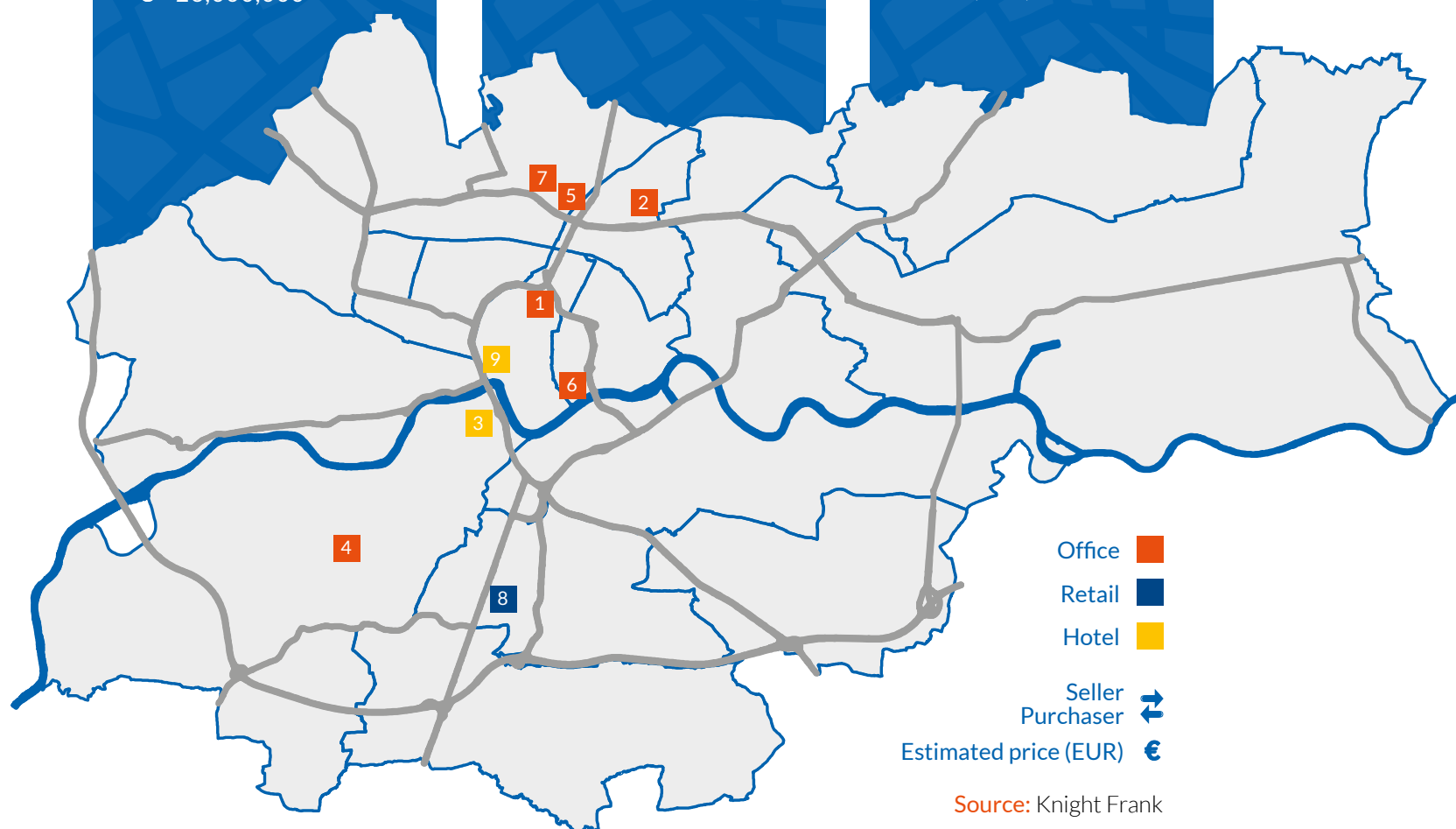
5 O3 BUSINESS CAMPUS II
2017, Q4
↕
Echo Investment
Echo Polska Properties
€ 49,200,000

6 KOTLARSKA 11
2018, Q4
↕
UBM
IAD
€ 30,000,000

7 VINCI
2017, Q3
↕
Dyskret
Benson Elliot
€ 45,000,000

8 ZAKOPIANKA
2017, Q2
↕
Tristan Capital Partners
Echo Polska Properties
€ 53,300,000

9 SHERATON KRAKOW
2017, Q1
↕
Alonquin
Invesco
€ 70,000,000

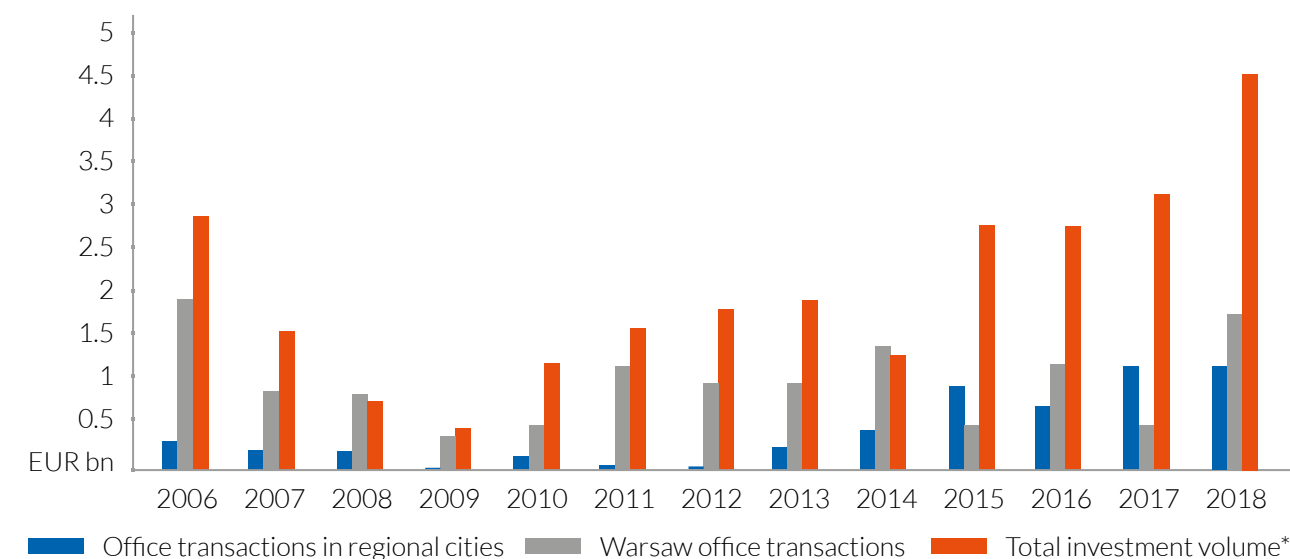


IN 2018, PRIME OFFICE ASSETS IN KRAKOW WERE VALUED AT YIELDS OF 5.75-6.75%, WHILE PRIME RETAIL SCHEMES ARE VALUED AT 5-5.5%

Based on the market analysis and investors' preferences in the office sector, investors were mainly drawn to the newly built, modern assets located both in the city centre and in non-central locations. The largest investment transactions concluded in Krakow in 2018 were the purchase of Quattro Business Park by Globalworth, the sale of High5ive office scheme to NIAM and the purchase of Park Inn by Radisson by Union Investments.

Since the beginning of 2016, investors have allocated nearly EUR 1.4 billion in Krakow, mainly in the retail and office assets. The local market boosted by historically high take-up in the office sector saw increasing capital value and prime yields compression.

THE TOTAL TRANSACTION VOLUME VS. REGIONAL AND WARSAW OFFICE TRANSACTIONS



* without office transactions

Source: Knight Frank, RCA



A stylized, dark blue line-art map of Krakow's street network is overlaid on a solid blue background. The map shows a dense grid of streets in the city center, with more irregular patterns in the surrounding areas. The lines vary in thickness, possibly representing different street types or widths.

The Municipality of Krakow
DEPARTMENT OF STRATEGY
INVESTMENT PLANNING AND
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