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CEE Investment Market Perspective

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SEE A BRIGHTER WAY

EMEA Investment Overview

Despite economic headwinds across EMEA, the region proved resilient in 2025, with investment volumes reaching €217.2bn - up 15% YoY. Q4 outpaced 2024 by 6%, reinforcing EMEA's enduring appeal and strength in a challenging global landscape.

The UK, EMEA's largest market, saw volumes rise 26% YoY to €57.6bn in FY2025, driven largely by the Married Quarters Estate acquisition by the MoD, which accounted for about 12% of annual activity. Germany recorded a 5% drop to €30.3bn, while France posted a 4% increase to €21.9bn. Strong performance was also recorded in the Nordics (+39%), Central & Eastern Europe (+30%), Southern Europe (+20%), and Benelux (+20%). Among mid-sized markets, standout YoY growth came from the Czechia (+120%), Finland (+104%), Denmark (+54%) and Sweden (+48%).

Boosted by the major MoD deal, the Living sector saw a strong 28% YoY rise in volumes to €55.8bn in FY 2025, increasing its market share from 23% to 26%. Other sectors also performed robustly: Healthcare (€8.4bn, +28% YoY), Office (€54.7bn, +19% YoY), and Industrial & Logistics (€40.3bn, +11% YoY) all recorded solid gains. In contrast, Hotels (€20.9bn, -1% YoY) and Retail (€31.7bn, -3% YoY) edged lower.

In FY 2025, European domestic buyers were particularly active, accounting for 58% of total investment — well above the 10-year average of 53%. Meanwhile, European cross-border investment held steady at 19%, in line with its long-term trend.

Global and American investors continued to dominate overseas acquisitions, holding an 81% share — above the 10-year average of 76%. In contrast, Asia Pacific investors saw activity decline, with their share falling to 12%, well below the 10-year average of 17%.

Prime yields remained broadly stable in Q4 2025, with selective compression across European markets. The European Office Prime Yield Index edged down by 4bps QoQ to 4.43%, while Industrial & Logistics (4.94%) and Retail (4.21%) held steady quarter on quarter.

CEE Overview

Economy

Poland

Poland's economy remained resilient throughout 2025, supported primarily by private consumption as real disposable incomes continued to rise. Economic growth was solid, with GDP in 2025 set to expand by around 3.2% YoY, while the labour market stayed tight and unemployment hovered at roughly 3%. Inflationary pressures eased over the year as well, with inflation in 2025 estimated at around 3.6%, helping to stabilise the macro backdrop.

Monetary policy turned more supportive in 2025. After holding the reference rate at 5.75% into early 2025, the NBP started an easing cycle—cutting rates to 5.25% in May and 5.00% in July and ending the year with the reference rate at 4.00% (effective from early December). Looking ahead, 2026 GDP growth is forecast to remain strong (approx. 3.5%), increasingly underpinned by higher EU-funded investment, while inflation is expected to moderate further (around 2.9%) – a mix that should continue to improve financing conditions and support investor and corporate activity.

Czech Republic

Economic conditions in the Czech Republic remained supportive in 2025, with GDP growing by 2.5% and 2.2% growth expected in 2026, driven by household consumption and government expenditure, positioning the country among the fastest-growing EU economies. Inflation stabilized at 2.5% in 2025, remaining within the Czech National Bank's target range.

The labour market stayed structurally tight, although unemployment rose to 4.8% in December 2025, reflecting the usual seasonal increase and remaining well below the Eurozone average of approximately 6.4%. The Czech National Bank continued its easing cycle, keeping the base rate at 3.5% following cuts earlier in 2025, marking the lowest policy rate since January 2022.

Hungary

Hungary's macroeconomic environment improved materially over the course of 2025. Following the stabilisation phase at the beginning of the year, economic momentum gradually strengthened, supported primarily by recovering household consumption and improving financial conditions. According to government and institutional forecasts, full-year GDP growth for 2025 is expected to be around 0.5%, marking a clear turnaround from the contractionary environment of the previous year and laying the foundation for stronger growth in 2026.

The rapid disinflation trend, with inflation declining to 3.3% by year-end 2025, restored real wage growth and improved consumer confidence. The labour market has remained resilient, with unemployment at ca. 4.4%, supporting income stability and demand visibility.

CEE Overview

The Hungarian Forint strengthened during 2025, reflecting improving macro fundamentals, easing inflationary pressures and disciplined monetary policy. The firmer HUF reduced currency volatility and hedging risks, enhancing Hungary's relative attractiveness compared to other CEE markets.

On the monetary policy front, the National Bank of Hungary kept the base rate unchanged at 6.50% through year-end 2025, maintaining a cautious, stability-oriented stance as it monitored the inflation outlook.

Romania

The real GDP of Romania grew in 2025 with an estimated 0.9%, driven mainly by the construction sector and agriculture. The macroeconomic environment in 2025 remained marked by the effects of fiscal consolidation and subdued domestic demand. The government deficit narrowed to 7.3% of GDP, reflecting a combination of spending restraint and revenue raising. Although fiscal pressures persists, the adjustment helped ease concerns about long term debt sustainability. This translated into more favorable forecasts for 2026, when the GDP is expected to increase by over 1.5%.

Inflation moderated but remained elevated over the course of the year, driven by lingering supply side costs, adjustments to regulated prices, and tax changes. Labor market conditions marginally weakened amid slower economic activity, with the unemployment rate rising to 6% in November 2025.

Slovakia

The Slovak economy grew by 0.79% in 2025, underperforming the EU average of 1.59%, reflecting weaker household consumption and a decline in fixed investments. The slowdown was partly cushioned by resilient labour market, with unemployment remaining close to its natural rate of around 5% (5.4 % in 2024 and 2025)

Economic growth forecast to pick up to 1.5 % in 2026, slightly above EU average of 1.19%, supported by a modest recovery in domestic demand, industrial production (1.3%), stabilizing capital spending, and factors like German fiscal stimulus and defense spending. Inflation averaged at 4.02% in 2025 (not yet confirmed) and is expected to ease to 3.45% in 2026.

Serbia

Serbia's macroeconomic environment in 2025 remained stable, with GDP growth of approx. 2.0% YoY, supported by solid performance in the information and communication sector, alongside moderate growth in industry and energy & water supply. Inflation pressures were contained, with the Consumer Price Index standing at around 2.7% – 2.8% by year-end. Labor market conditions continued to improve, as the unemployment rate declined to 8.2% in Q3 2025, reflecting steady economic activity and structural resilience. Overall, this stability contributed to improved market confidence and a more predictable environment for business and investment activity.

Investment Volumes

Poland

Transaction volume exceeded €4.2 billion in 2025, representing a 13% decrease YoY. However, when broken down by sector, volumes increased in two of the three main segments – Office and Industrial – while the decline was seen only in Retail, which, unlike in 2024, did not record any large (exceeding €200 million) shopping centre sales in major metropolitan areas. Moreover, the number of transactions grew across all key sectors, including Retail, indicating a clear trend toward smaller but more frequent deals in the market.

Czech Republic

In the Czech Republic, total investment volume in 2025 surpassed €4.2 billion, delivering a record-breaking full-year result. This reflects renewed investor appetite, supported by improving macroeconomic fundamentals and stabilizing financing conditions, with local capital playing a key role. Activity strengthened in the final quarter, supported by a strong flow of completed transactions.

Hungary

Total transaction volume reached approx. €910 million, more than double the €420 million recorded in 2024 and marking the highest annual level since 2022. Around €610 million of this volume was attributable to income-producing properties, while the remaining approx. €300 million comprised land transactions, development site sales and owner-occupied acquisitions. Although local buyers accounted for 60% of all transactions, foreign investment increased significantly, with international investors reaching 40% market share – the highest proportion since 2020. This growth was driven by acquisitions originating from countries such as the Czech Republic, China, the United Arab Emirates and the United States.

Romania

Romania’s commercial real estate investment market closed 2025 with transaction volumes of €502 million, reflecting a 31% YoY contraction. Investment activity was led by the office sector, which accounted for nearly 40% of total volume, while retail followed closely with a 38% share. International investors remained the dominant source of capital, representing approximately two-thirds of total deal value.

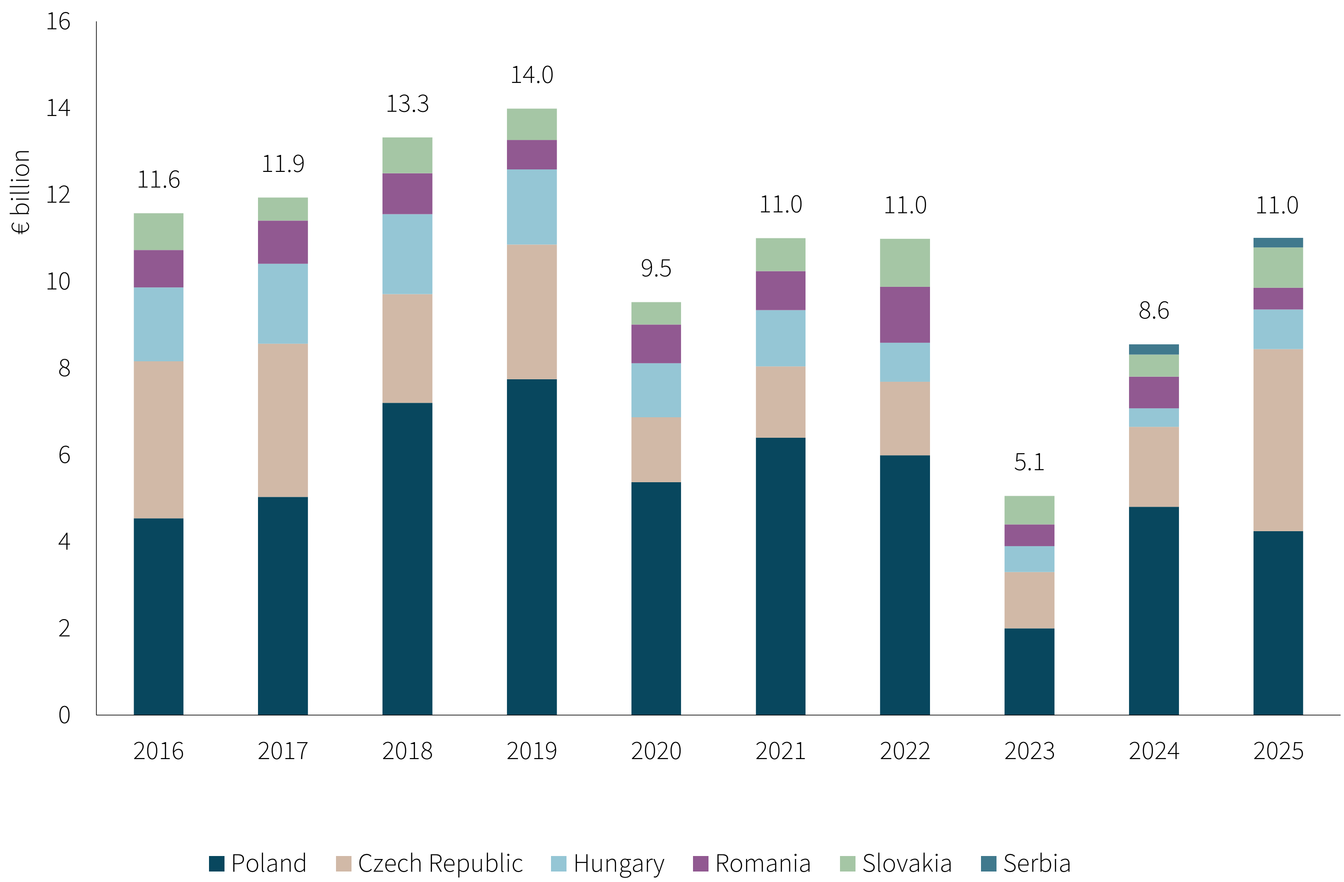
Slovakia

Slovak real estate investment volumes reached €935 million in 2025, representing an 84% YoY increase in market activity signalling a strong return of liquidity. Industrial and retail sectors accounted for 83% of total volumes, driven by a combination of portfolio acquisitions and single-asset transactions. The retail sector led the market, capturing a 45% share of total investment volumes.

Serbia

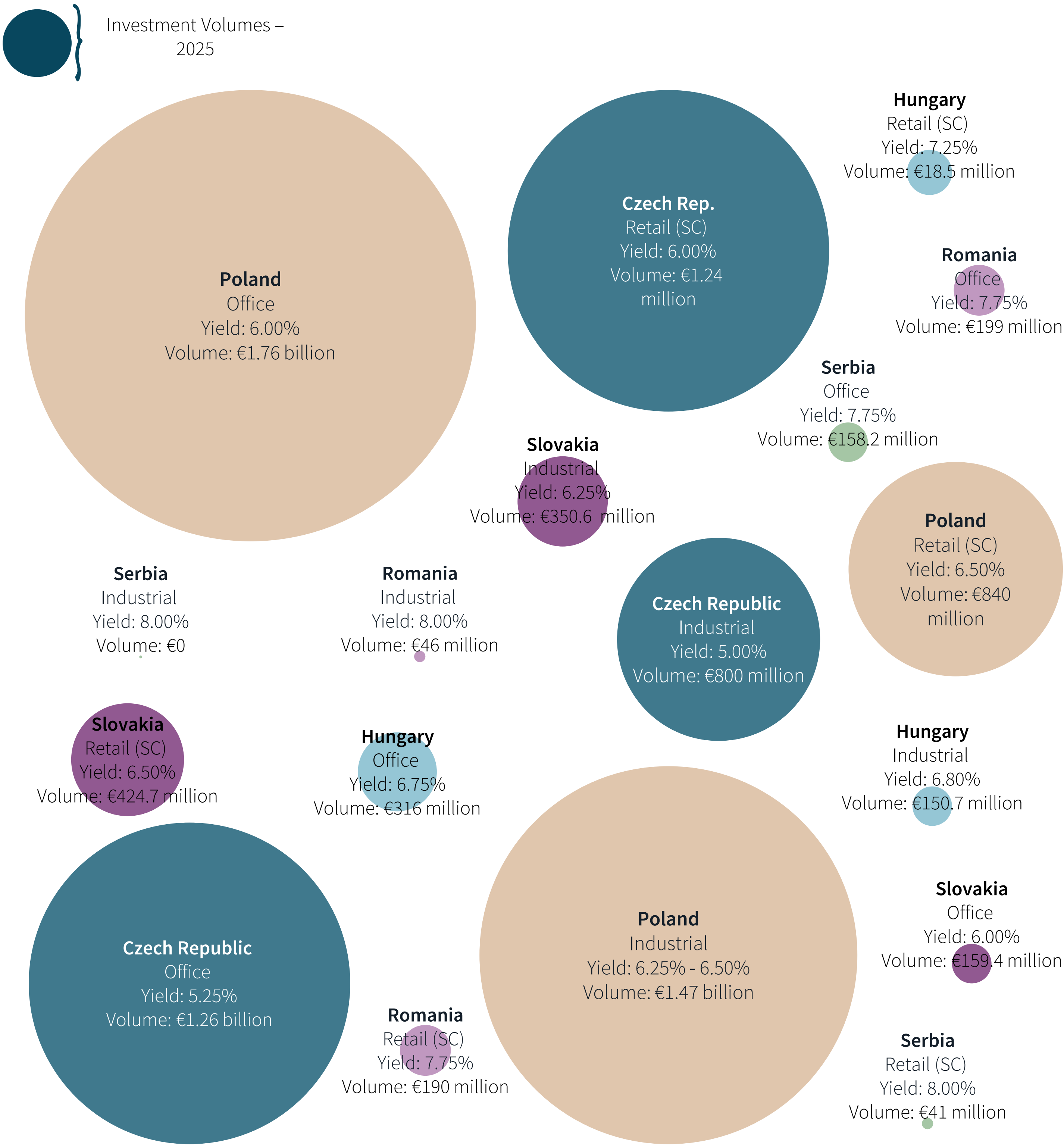
In 2025, the total value of the commercial real estate market in Serbia reached €221.2 million. The office sector led investment activity with €158.2 million, followed by retail, while hotels represented the smallest share. Investment activity during the year was predominantly driven by domestic capital, underscoring increased confidence in the Serbian commercial real estate market and its long-term fundamentals.

CEE Investment Volumes 2016 – 2025



Source: JLL Research & iO Partners, 2025

CEE Prime Yields and Investment Volume – 2025



Source: JLL Research & iO Partners, 2025

CEE Investment Overview

Investment Overview

Poland

In 2025, the Poland's Investment Market reflected global trends, with property prices stabilizing across most sectors and the number of transactions increasing, despite moderate overall volumes. Activity from CEE investors remained strong, led by the Czech Republic and Poland, which recorded its highest-ever share of transaction volume driven by non-institutional purchasers and private investors. US funds, particularly those focused on industrial properties, maintained a substantial presence, while Western European institutional capital made its first cautious return, marked not only by renewed market exploration, but also by several significant transactions that were successfully completed.

The market is well-positioned for continued growth in 2026. Purchasers from the CEE region, including a strong contingent of private investors drawn by attractive valuations across most sectors, are set to drive robust transaction activity this year. Alongside these active groups, we expect to see a bolder return of Western institutional investors. These investors are likely to be drawn by Poland's wide selection of prime assets, especially as financing costs stabilize, and Poland continues to offer competitive yield premiums compared to other European markets.

Czech Republic

The Czech real estate investment market delivered a record-breaking full-year performance in 2025, with total volumes surpassing €4.2 billion. Activity was supported by a broad-based recovery in investor confidence and a strong flow of large-ticket transactions, including nine deals above €100 million. The year was defined by the Palladium transaction, the biggest single-asset retail transaction in CEE history, underscoring the depth of capital targeting prime assets.

Offices emerged as the strongest sector, with €1.26 billion transacted, driven by sustained demand for core office assets. Retail followed as the second-largest sector, reaching almost €1.25 billion, underpinned by a limited number of landmark transactions that highlighted continued investor appetite for prime retail properties.

Hungary

The increase in investment activity observed at the end of 2024 continued throughout 2025, with annual transaction volumes reaching €910 million – more than double the €420 million recorded in 2024 and the highest annual level since 2022.

CEE Investment Overview

The highest level of activity was recorded in the office segment, which accounted for 34% of total transaction volume, equivalent to approx. €316 million. Within this asset class, investor interest was strongest in centrally located office buildings over ten years old, particularly those with strong tenant retention or clear potential for conversion strategies. By contrast, only one core office asset was transacted during the period.

Hotel and industrial assets generated similar transaction volumes, each amounting to roughly €160 million. Despite increasing investor interest in the retail sector, only one retail transaction was completed, while several others were postponed to Q1 2026, including the sale of a larger Park Center portfolio for which the SPA was signed at the end of 2025.

Domestic capital continued to dominate investment activity; however, the market also saw the entry of new international investors, increasing the share of foreign capital to 40%.

Notable transactions included the sale of the Budapest Marriott Hotel by CPI to BDPST Group, the disposal of the former Ministry of Internal Affairs building to Eagle Hills, HelloParks' sale of two warehouse units in HelloParks Páty to the ERSTE RE Fund, and the sale of BakerStreet 1 by Atenor.

Romania

Investment activity in Romania remained subdued in 2025, with volumes declining by 31% YoY, largely reflecting the postponement of several large-scale transactions into 2026. Market liquidity was constrained by prolonged negotiations and cautious pricing expectations, particularly for core and core plus assets, which delayed deal closures toward the end of the year.

The most significant transaction completed during the year was the acquisition of the Equilibrium 1 office building in Bucharest, acquired by Granit Asset Management from Skanska for €52 million. Another notable transaction involved the sale of a portfolio of small retail parks comprising 7 assets across the country. The portfolio was acquired by M Core from MAS REI.

Looking ahead, market sentiment is more constructive, with several major transactions currently in advanced stages of negotiation and expected to close in the first half of 2026. As a result, investment volumes could rebound significantly in 2026, supported by a growing pipeline of deals and improving alignment between buyer and seller expectations.

CEE Investment Overview

Slovakia

Slovak real estate investment volumes reached approx. €935 million in 2025, representing an 84% YoY increase and signalling a liquidity of the market. The rebound was underpinned by improved pricing alignment, greater transaction certainty and the reactivation of capital across core and value-add strategies.

Investment activity was dominated by the industrial and retail sectors, which together accounted for 83% of total volumes, driven by a mix of portfolio and sizeable single-asset transactions. Retail emerged as the leading sector with 45% of total investment volumes, reflecting renewed investor confidence and active asset management potential.

In total, 25 transactions were completed during the year, with an average deal size exceeding €30 million, highlighting a market shaped by strategic acquisitions rather than broad-based transactional expansion. Regional capital continued to play a pivotal role, providing depth and liquidity across all major sectors. Its ability to deploy capital across different risk profiles supported transaction execution in a market that remained selective but increasingly functional.

Entering 2026, the Slovak investment market is supported by a visible pipeline of assets, ongoing capital inflows into regional funds and a more constructive alignment between investor underwriting and vendor expectations, laying solid foundations for continued, albeit disciplined, investment activity.

Serbia

Investment activity in Serbia's commercial real estate market was particularly strong in 2025, with total transaction volumes reaching €221.2 million. The office sector recorded four major transactions with a total value of €158.2 million, including Sava Business Center, GTC X, Danube Business Center, and TLD Belgrade. Capital inflows in this segment were predominantly driven by domestic investors, alongside Russian and Chinese capital. The GTC X transaction represented the largest single deal of the year, with a value of €52.2 million.

Retail generated a total transaction volume of €41 million, reflecting the sale of Immo Outlet Center and Robne kuće Beograd, both acquired by domestic companies. Although investment volumes were lower than in the previous year, the retail sector continues to demonstrate solid attractiveness. By comparison, 2024 stands out as a record year, with a total transaction volume of €177 million following BIG CEE's acquisition of the Promenada Shopping Center.

Exploring the Property Sectors in **Poland | 2025**

€1.76 billion Total Office Investments Volume	**€1.47 billion** Total Industrial Investments Volume	**€840 million** Total Retail Investments Volume
51 Number of Transactions in the Office Market	**34** Number of Transactions in the Industrial Market	**44** Number of Transactions in the Retail Market

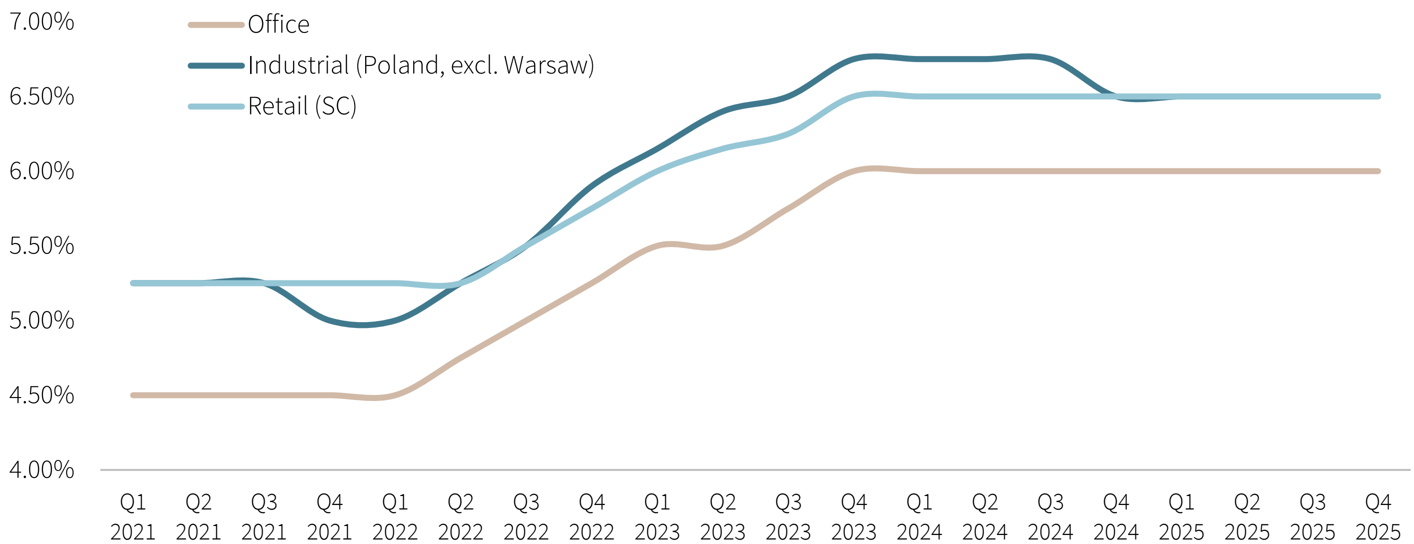
Office

Non-institutional investors entered the market

The market experienced exceptionally high transaction activity on office assets throughout 2025, driven by two large-scale M&A acquisitions. The first involved the repurchase of a 49% stake in a CPI Property Group portfolio worth approx. €1 billion, with the vast majority consisting of Warsaw office properties. The second was the acquisition by Mennica Polska Group of 50% of shares in the entity owning Mennica Legacy Tower, a prestigious complex consisting of two buildings located in Warsaw's city centre.

These two atypical large transactions boosted the office sector to become the most active segment in Poland for 2025 by volume, reaching almost €1.8 billion (+8% YoY). The transaction count reached 51 deals, representing the highest result since 2019 and the second highest on record. This indicates increased activity from non-institutional investors, including private investors, companies buying assets for their own use, and public institutions. These investor groups are capitalizing on market opportunities created by limited demand from large foreign funds.
As a result, Polish capital reached record investment levels in 2025, with only Czech funds investing more.

Prime yields for Poland



Source: JLL, Q4 2025

Nevertheless, western capital, represented mostly by the UK and German funds, finally returned with several finalized acquisitions and intensifying market exploration.

Warsaw accounted for 30 office acquisitions, representing 79% of the total turnover in 2025. Beyond the aforementioned entity acquisitions, the largest deals included primarily centrally located office schemes. Wola Center was purchased by Czech investor Trigea from Hines. The most significant CBD transaction was the sale of the Senator office building, where Union Investment sold this scheme, anchored by the Orlen Group, to Cornerstone Investment Management and its partner Fidera. Two other major sales took place in the Rondo Daszyńskiego area. German-backed Manova Partners acquired Vibe I for nearly €70 million, while LaSalle IM sold Wronia 31 to UNIQA Real Estate for approx. €69 million. These transactions clearly demonstrate institutional foreign investors' strong appetite for high-quality, mid-sized office buildings located in central zones.

Regional markets generated strong interest with 21 transactions (the second-best result ever), accounting for 21% of 2025's total turnover. Kraków and Wrocław led this activity. The largest acquisition outside Warsaw was NIAM's sale of two buildings within the High 5ive complex to Stena RE, highlighting continued Scandinavian investor engagement in Poland's office sector. Equally significant was the purchase of Centrum Południe 3, a 15-story office building located in Wrocław, from Skanska to Czech investor Investika and its joint venture partner BUD Holdings for €62 million. The entire office space is leased to BNY Mellon and the retail space is occupied by Lux-Med medical clinic.

The growing number of active investors operates mostly in sub-prime market segments and does not significantly affect prime yield expectations. At the end of December, estimates for prime yields in Warsaw remained stable at approx. 6.0%. Prime cap rates in Kraków, which remains a core regional city, are currently estimated at approx. 7.0%.

Industrial & Logistics

Sale and leaseback deals highlight investor confidence

The industrial sector continued to serve as a fundamental pillar of the commercial real estate investment market throughout 2025. Increasing average transaction values and a robust pipeline of forthcoming deals demonstrate investors' strengthening confidence in this asset class. Industrial investment volumes achieved €1.5 billion in 2025, marking a solid 12% increase compared to the previous year. This amount does not include the substantial international corporate takeover of GLP Capital Partners Limited by Ares Management Corporation, which affected ownership arrangements across multiple industrial parks worldwide, including Polish properties. This acquisition provides additional evidence of escalating investment activity within this sector at an international scale.

A significant trend that gained momentum in the industrial sector during 2025 was the increasing appeal of sale and leaseback arrangements. Both investors and corporations are progressively adopting these transactions as an efficient method to release capital tied up in owned properties. For investors, sale and leaseback deals present an appealing investment proposition, especially during periods of heightened uncertainty surrounding tariffs and international trade, as they deliver secured long-term occupancy and dependable cash flow streams. The most prominent example of this development occurred in April when Eko Okna disposed of two modern manufacturing facilities totalling 264,000 sqm to Realty Income. This groundbreaking transaction established itself as the largest sale-leaseback deal ever completed in Central and Eastern Europe.

The Polish industrial market completed 34 transactions throughout 2025, reflecting the highest result since 2022. The second-largest transaction involved the portfolio consisting of parks in Bieruń and Tychy, which were purchased by Hillwood from Deka. This deal demonstrates the continued strong interest from US capital.

Equally notable was the acquisition of the Trivium portfolio encompassing assets in selected major Polish markets: Warsaw, Łódź and Kraków. The purchaser, Israeli-backed Rysy Properties, demonstrated its increased activity through another acquisition in Upper Silesia, buying a modern park in Ruda Śląska.

Czech capital was also extremely active in 2025, represented by numerous investors and completed transactions. The largest of these included Reico Long Lease Fund's acquisition of the LPP Distribution Centre in Bydgoszcz. Similarly noteworthy was the disposal of Warsaw North II from Griffin Group & Panattoni to Trigea, representing investor interest in the entire Warsaw agglomeration.

Another significant sale and leaseback transaction should be highlighted. Four industrial assets located in Gliwice, Stanowice, Rybnik, and Gorzyce were sold to Adventum International, the Hungarian investor that recently launched its new sub-fund focused on industrial investments.

After signs of yield compression recorded at the end of 2024, pricing in the industrial sector has been stabilizing. As of December 2025, the prime warehouse yield for multi-tenant schemes with five-year lease agreements was estimated at approximately 6.50%. Warsaw prime projects were priced at around 6.25%.

Retail

Retail market remains very active despite smaller deal sizes

After a strong performance in 2024, when retail investment volumes reached approx. €1.6 billion – the highest level since 2019 - investor activity in 2025 remained solid. Although overall volumes and average deal sizes were moderate at around €840 million, mainly due to the absence of major shopping centre transactions, the market recorded exceptionally high activity. In total, 44 purchases were completed during the year, marking one of the strongest results in recent years and nearly matching the robust performance seen in 2022.

The remarkable number of transactions across all retail property types demonstrates an increasingly broad investor base. Global funds remained active through portfolio acquisitions, while investors from Central and Eastern Europe constituted the largest group of buyers. Western European capital also maintained a notable presence, complemented by several significant Israeli-led purchases. Particularly noteworthy was the growing participation of Polish capital in retail park investments. This included both institutional and private buyers, with the latter increasingly targeting smaller retail formats that offer strong returns and manageable operational exposure.

Retail parks and retail warehouses continued to be the most sought-after asset classes, accounting for 28 transactions in total.

These formats remain highly attractive to investors thanks to their stable income potential and resilience to changing consumer behaviours. Strong investor demand has resulted in continued prime yield compression. At the same time, increasing competition from new developments in selected areas is expected to widen the gap in pricing between top-quality assets and secondary retail properties.

The largest retail transaction recorded in 2025 was the first tranche of the TREI Portfolio, comprising 25 out of 36 retail parks. A joint venture between Ares Real Estate and Slate Asset Management acquired the portfolio from Trei Real Estate, completing one of the largest retail park portfolio transactions in the history of the Poland's investment market. The full portfolio of 36 parks is valued at over €300 million. The largest single-asset deal in 2025 was the sale of Libero Shopping Centre in Katowice by Echo Investment to Estonia-based Summus Capital. The transaction value was announced at €103 million.

Collectively, 2025's transactions reflect the current focus of active retail investors – primarily targeting wide spectrum of retail parks or value-add shopping centres located outside major metropolitan areas. The rising number of portfolio acquisitions may also signal an upcoming broader inflow of capital into the sector.

Although there is still a lack of recent transactional evidence in Warsaw, based on overall market sentiment, JLL estimates that prime shopping centre yields remain stable at 6.50% in Q4 2025.

Prime cap rates for top-tier retail parks compressed to 7.20% in 2025. However, intensifying competition for best-performing assets is expected to put further downward pressure on prime yields in this segment in 2026, whereas the spread between top-quality and secondary assets is likely to widen.

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While some uncertainty exists, the Polish economy shows strong resilience, backed by its well-diversified structure and encouraging GDP growth forecasts for the years ahead. Any potential shifts in the manufacturing sector can create additional opportunities for sale and leaseback transactions. These deals provide investors with reliable, long-term income streams while giving manufacturers valuable capital flexibility, further supporting healthy growth across the industrial segment.

Dmytro Havrylenko

Head of Capital Markets Poland

Living

Record pipeline signal renewed momentum in the living sector

Investor confidence in the Polish living sector solidified throughout 2025, with significant transactional evidence underscoring the market's restored liquidity. Following a period of slow recovery, the sector's positive trajectory is now confirmed by a landmark deal and sustained investor interest.

The most significant indicator of market liquidity was the signing of a preliminary sale agreement (PSPA) for TAG Immobilien, through its Polish subsidiary Vantage Development, to acquire the operating Resi4Rent portfolio for approx. €565 million. This landmark transaction, comprising over 5,300 rental units across Poland's six largest cities, is expected to close in Q2 2026 pending antitrust approval, positioning 2026 for likely record living investment volume. Total 2025 volume exceeded €100 million, driven by multiple single-asset transactions including Xior's PBSA acquisitions of standing assets in Warsaw and Wrocław, as well as LifeSpot's forward funding of BTR projects in Kraków.

The financing landscape has become notably more favourable as Poland's monetary easing cycle continues, significantly reducing borrowing costs for investors. Notable financing activities that underscore this improved climate include a PLN 150 million loan for 1AM's co-living conversion in Lipowy Office Park, a €120 million loan for AFI's portfolio of four PRS projects, and a €180 million financing package secured by Student Depot for both existing assets and planned developments. Meanwhile, the built-to-sell market is experiencing record supply levels. This abundance of available units has slowed the average pace of sales, potentially enhancing developers' willingness to transact with institutional investors to ensure financial stability.

Based on current investor sentiment, prime yields for operating multifamily assets remain stable at 5.25% in Warsaw and 5.50% in regional cities. For student housing, prime yields are estimated at 5.75% in Warsaw and 6.00% in regional cities.

Exploring the Property Sectors in the **Czech Republic | 2025**

19% Share of Industrial* Investments in the Total Transaction Volume	**30%** Share of Office* Investments in the Total Transaction Volume	**€4.2 billion** Total Transaction Volume
€700+ million The Largest Transaction	**84** Total Number of Transactions in the Market	**87%** Share of Domestic Capital in the Market

*Mixed-use transactions have been allocated across sectors based on their individual asset components.

Offices

Office investment exceeded €1.26 billion

With 25 office-only transactions and a further 4 mix-use transactions with an office component, the office sector was the most active in 2025, accounting for 30% of total investment volume and attracting over €1.26 billion in capital. Activity was concentrated almost entirely in Prague, with two regional exceptions: Hamburk Business Centrum in Plzeň and The Campus Science Park in Brno. Three major deals, each valued at over €100 million, were the key drivers of office-sector turnover.

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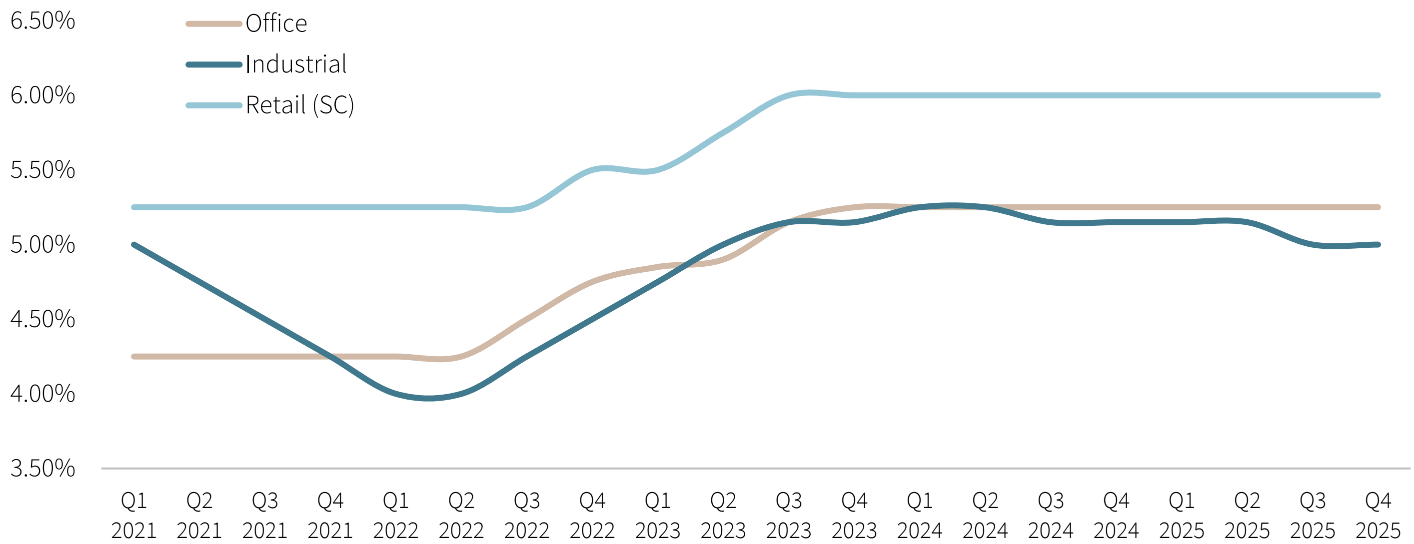
Surpassing €4 billion in investment volume for the first time in history, 2025 set a new record for the Czech market, significantly exceeding the €3.4 billion peak of 2017.

Petr Strýček

Head of Capital Markets Czech Republic

Prime yields for the Czech Republic



Source: iO Partners Research, Q4 2025

High-profile mix-use assets, such as Myslbek (Q1 2025) and Atrium Flora, further strengthened office-sector activity despite their retail component.

The largest office-only transactions in 2025 (all completed in Q4) included Kavčí Hory Office Park, Harfa Business Center B, and the sale of three Česká Spořitelna office buildings in Prague 4, each transacting for approximately €100 million. These were followed by the Q3 acquisitions of River Garden II & III and The Campus Science Park in Brno, both closing close to €100 million.

Prime headline rents in Prague's city centre remained stable at €30.00/sq.m./month, while the vacancy rate dropped to 5.9%.

Buyers in the office sector were dominated by local capital, accounting for almost 100% of total invested volume.

Hotel & Hospitality

Landmark Prague deals underscored strong demand for prime hospitality assets

The hotels & hospitality sector recorded 11 transactions in 2025, including one mix-use asset with a hotel component, with a total investment volume of approximately €657 million. The largest transaction of the year was the sale of the 791-room Hilton Prague, acquired by PPF Real Estate, followed by the acquisition of the Four Seasons Hotel Prague by PPF (70%) and Noble Hospitality (30%). Another notable deal was the sale of Hotel Diplomat (ca. €70–€80 million), sold by Rabbit Holdings and acquired by PPF, further strengthening its footprint in the segment.
The market also saw the sale of Hotel Imperial in Prague 1 for ca. €57 million, adding to the strong year-end momentum in hospitality investments.

Retail

The second strongest sector in 2025, totalling a volume of almost €1.25 bn

The retail sector recorded solid investment activity in 2025, shaped by a more selective investor approach despite broadly stable transaction volumes. The headline deal was the sale of Palladium in Prague 1, exceeding €700 mil., the largest single-asset retail transaction in CEE history. This was followed by the sale of Atrium Flora (now OC Flora) in Prague, sold by G City to Max Realitní Fond for approximately €200–€210 million. Another notable transaction was the acquisition of the Aventin Shopping retail park in Jihlava by ZDR Investments, valued at €60 million.

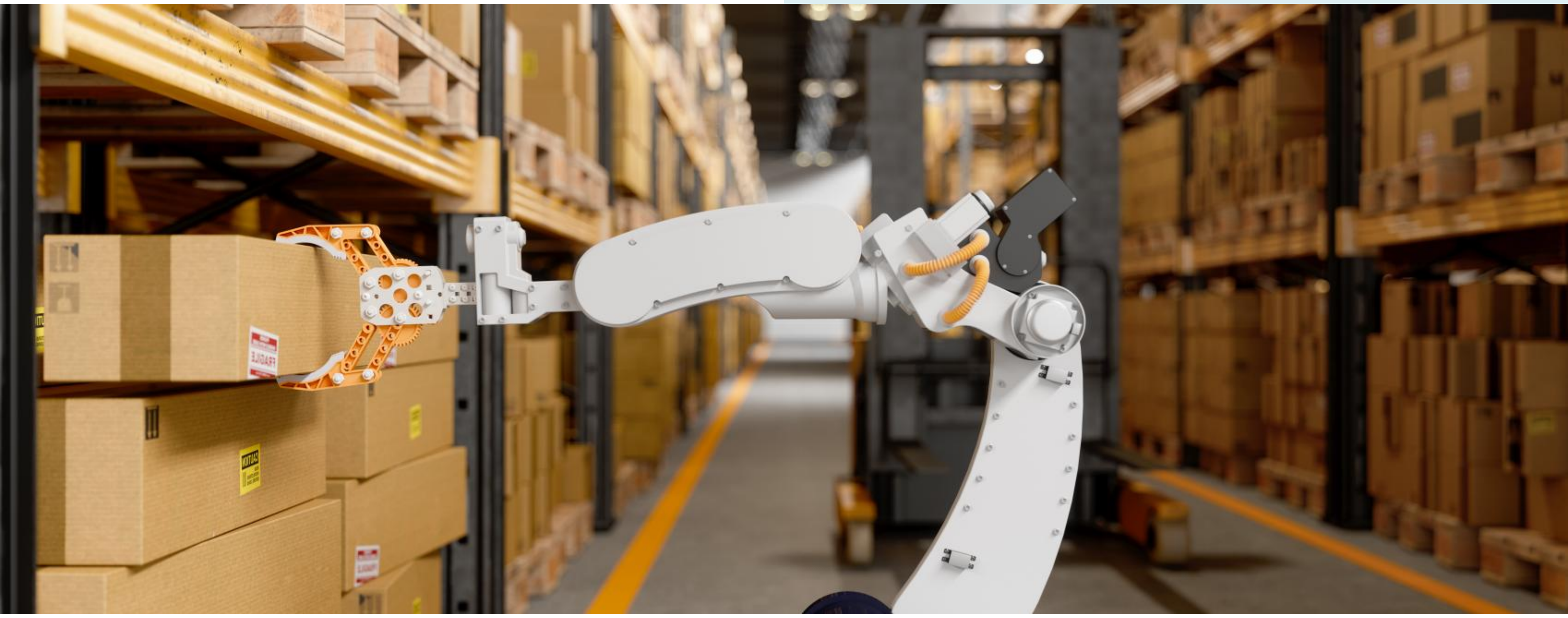
Total retail investment volume reached approximately €1.25 billion, including mix-use assets.

Industrial & Logistics

Industrial & Logistics achieves one of the highest investment volumes in history

The industrial & logistics sector recorded a strong first half of 2025, supported by several high-profile transactions that drove market activity. The headline deal was the sale of the TPG/Contera Industrial Portfolio, followed by the acquisition of Sázava Logistics Park in Ostředek, confirming continued demand for core logistics assets. Momentum carried into Q3 with the sale of GARBE Park České Budějovice, valued at €50+ million for the standing assets, alongside an additional ca. €50 million for the related development land.

Overall, the sector recorded 14 transactions, totalling approx. €800 million in 2025. A notable trend was the rising use of sale-and-leaseback structures, enabling occupiers to release capital while retaining operational flexibility.



Exploring the Property Sectors in **Hungary | 2025**

€910 million Total Investment Volume in 2025	**34%** Share of the Office Market in the Total Transaction Volume	**ca. €115 million** The Largest Investment Transaction in the Market (Budapest Mariott Hotel)
60% Share of Domestic Capital in the Market	**ca. €130 million** The Largest Non-Investment Transaction in the Market	**0 bps.** Yield compression in the office asset class on Q4 2024

Offices

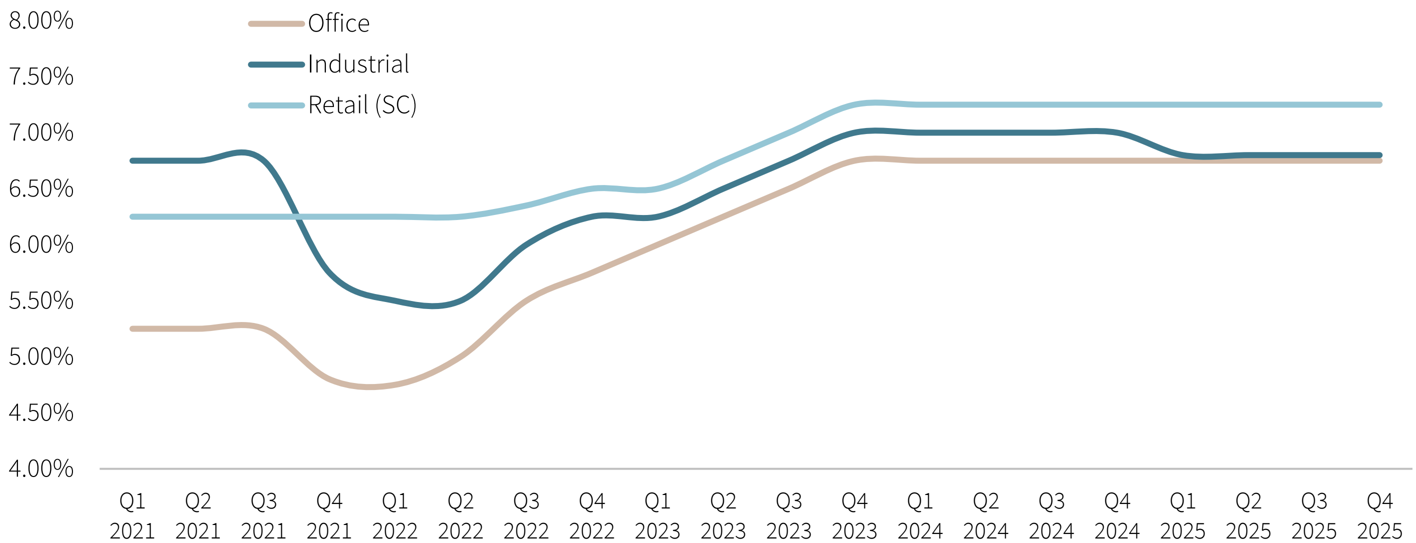
Conversion plays and core+ opportunities remain the primary focus

The recovery of the office sector, which began in late 2024, gained further momentum in 2025, driving transaction volumes to approx. €316 million. This figure is nearly three times higher than the total volume recorded in 2024, highlighting the renewed attractiveness of the asset class. Nevertheless, only one core office transaction was completed, with the majority of deals involving end-users purchasing offices for owner occupation or properties suitable for conversion to hospitality or residential use.

The sole core office transaction in 2025 was the sale of BakerStreet 1, a 16,500 sq.m. office asset located in Buda South, acquired by a new international investor entering the Hungarian market.

As part of its strategic exit from Hungary, CA Immo completed the sale of the 32,000 sq.m. IP West office building in South Buda, as well as the disposal of Bartók Ház, a first-generation office asset located in Central Buda. IP West was acquired by end-user BYD for owner occupation, while Bartók Ház was purchased by the Czech DRFG Investment Group, marking its first acquisition in the Hungarian market.

Prime yields for Hungary



Source: iO Partners Research, Q4 2025

Other notable transactions in the asset class included the sale of the 30,500 sq.m. Science Park office complex in Buda South by Goldman Sachs, which was acquired by Record Asset Management.

We are observing strong momentum across all segments of the office market – from value-add and core+ strategies including properties with conversion potential. Based on the current transaction pipeline, we expect activity levels in 2026 to remain broadly in line with 2025, with no material decline anticipated.

As of Q4 2025, we assess the office prime yield to stay at 6.75%.

Logistics

Heightened activity across a broad range of ticket sizes.

Following a subdued year in 2024, investment activity in the logistics and industrial sector rebounded strongly in 2025, with total transaction volumes approaching €160 million – representing approx. 150% growth compared to the €60 million recorded in 2024. Notably, HelloParks sold its PT2 and PT3 buildings, comprising approx. 84,000 sq.m. within the Páty logistics park, to the ERSTE RE Fund, establishing a new prime benchmark yield of 6.80% for the sector. In addition, a single-tenant warehouse of approx. 28,000 sq.m. in the Greater Budapest area was acquired by an international developer.

Gestor completed the sale of Szerémi Business Park, an approx. 20,000 sq.m. asset located in Budapest's 11th District. In North-West Hungary, two manufacturing facilities were sold by their owners through sale-and-leaseback transactions to an international buyer.

Looking ahead, we expect 2026 to be an active year, with several smaller logistics parks in regional locations and larger assets in Budapest anticipated to transact.

Retail

The sector's performance remained subdued in 2025, with only a single transaction completed: the acquisition of a prime high street asset overlooking Vörösmarty Square by Mellow Moods. In parallel, a sale and purchase agreement was signed for a large, nationwide Park Center portfolio, with closing scheduled for 2026.

Market activity is nevertheless gaining momentum, as several regional shopping centres are currently under exclusivity and are expected to close in Q1 2026. These transactions are anticipated to provide long-awaited pricing benchmarks for the sector, while prime yields are expected to remain broadly stable in the short term.

Hotels

Supported by strong fundamentals in the tourism sector, hotels have emerged as a key focus for investors. In 2025, the most significant transaction was CPI's sale of the Budapest Marriott Hotel to BDPST Group together with a private equity fund managed by Gránit Fund Management. With a consideration exceeding €115 million, the transaction represented the largest hotel deal in the history of the Hungarian commercial real estate market. Other notable transactions was the sale of two downtown hotel assets by Echo Hotels to the operator.

Over the course of 2026, we expect additional downtown hotel assets to transact in Budapest, with the sector anticipated to generate tangible transaction volume.

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2025 proved to be particularly active in the office segment, while investor interest in retail assets also strengthened, with activity expected to peak in 2026. Long-awaited pricing benchmarks have now emerged, helping to reduce valuation uncertainty and support investor decision-making. Based on the current transaction pipeline, 2026 could represent another strong year for the Hungarian real estate market. However, parliamentary elections scheduled for April 2026 may temporarily affect transaction activity in Q2.

Rita Tuza, MRICS

Senior Director, Capital Markets Hungary

Exploring the Property Sectors in **Romania | 2025**

€199 million Total Office Investment Volume	**€190 million** Total Retail Investment Volume	**€46 million** Total industrial Investment Volume
28 Total Number of Transactions in the Market	**€52 million** Largest Transaction in the Market	**64%** Share of International Capital in the Market

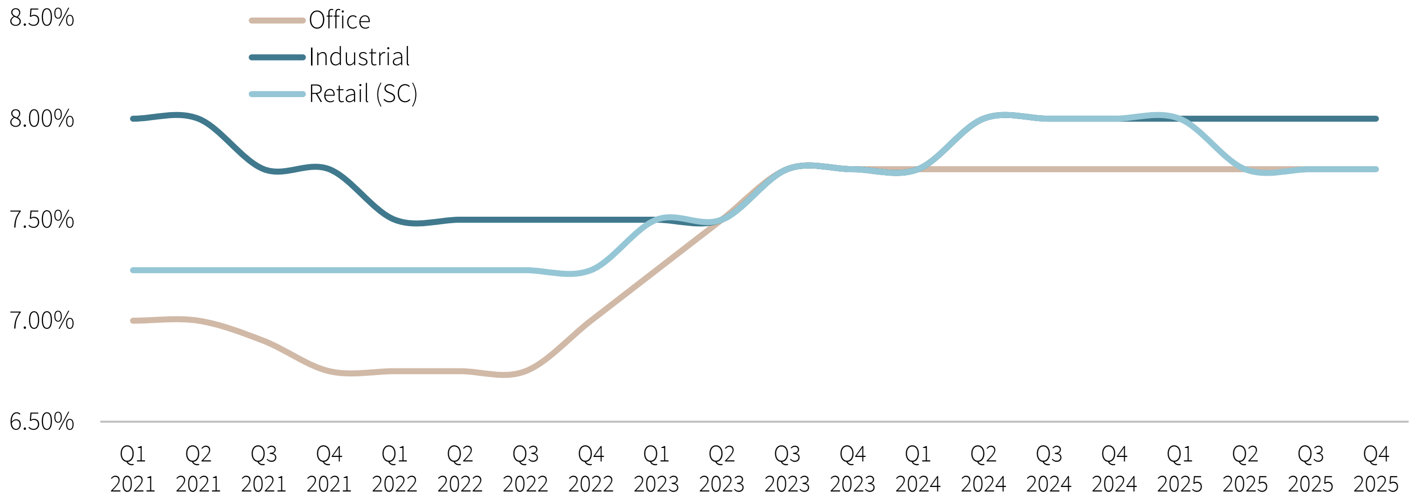
Offices

Increasing activity in 2025

The office sector emerged as the leading investment segment in 2025, generating transaction volumes of approximately €200 million and accounting for ca. 40% of total investment activity. This represents a 20% increase compared to 2024, when office transactions totalled €166 million, highlighting the sector's relative resilience amid a slowly contracting market. The increase in office investment volumes indicates that demand remains concentrated on high-quality, well-leased assets, which continue to be viewed as a defensive and income-secure allocation by investors. This trend is expected to persist in 2026 and 2027, supported by the availability of several prime offices that could come to market.

A total of 10 office transactions were completed during the year, resulting in an average deal size of approx. €20 million, underscoring a market characterized by mid-sized transactions rather than large-scale portfolio deals. The largest office transaction in 2025 was the sale of Equilibrium 1, located in Bucharest's Floreasca–Barbu Văcărescu sub-market. The approx. 21,000 sq.m. GLA office building was acquired by Granit Asset Management from Skanska for around €52 million, reinforcing investor appetite for prime assets in established office submarkets.

Prime yields for Romania



Source: iO Partners Research, Q4 2025

Other significant transactions completed during the year include the partial sale of Iride Park, acquired by Alfa Group from CPI, as well as the acquisition of Victoria Center by Solida Capital from Manova Partners. Additional transactions involved Ethos House, sold by a private individual to Paval Holding, and Pipera Business Tower, which was divested by S+B and acquired by a private investor.

Collectively, these deals underline sustained investor interest in established office schemes and well-located single assets, with capital primarily targeting properties offering stable income profiles and repositioning potential.

Retail

The second most attractive segment

Retail emerged as the second most active investment segment in 2025, accounting for 38% of total transaction volume. Investment activity in the sector declined by 16% year on year, with volumes reaching approx. €190 million across 12 transactions. The retail segment was largely driven by the expansion strategies of established investors, with the three largest transactions of the year completed by M Core, reinforcing its position as one of the leading retail property owners in Romania. The most significant retail transaction in 2025 was the acquisition of a portfolio of seven retail parks, purchased from MAS REI. Additional notable transactions included the sale of Focsani Mall by KBC Bank and the disposal of Shopping City Suceava by Argo, both acquired by the same buyer, highlighting continued interest in well-performing regional retail schemes.

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The office and retail sectors dominated investment activity in 2025, jointly accounting for nearly 80% of total transaction volume. This concentration reflects investors' renewed focus on core and prime assets, where liquidity remains available for assets that meet pricing expectations and quality criteria.

Andrei Vacaru

Head of Capital Markets CEE for iO Partners

Industrial & Logistics

No major industrial transactions in 2025

The industrial and logistics sector represented a limited share of investment activity in 2025, accounting for approx. 9% of total transaction volume. This contraction was primarily driven by the deferral of several large-scale transactions into 2026, alongside a constrained supply of investment-grade assets available for acquisition. As a result, market activity was largely limited to isolated opportunities rather than portfolio or institutional-scale deals. The largest industrial transaction completed in 2025 was the acquisition of the former Rus Savitar factory in Timisoara by an end user. The second-largest deal involved the sale of Terranova Logistic Park in Bucharest, acquired by Suvari for approx. €10 million, underscoring the subdued nature of investment activity within the segment.

Hotels

Investment activity gaining momentum

Hotel investment activity remained relatively limited in 2025, with total transaction volumes of approx. €60 million, representing 12% of the overall market across four deals exceeding €5 million. The largest transaction by a significant margin was the sale of the Hilton Garden Inn Bucharest Airport, a 200-room property adjacent to Romania's busiest airport, acquired by a confidential investor from Appex Alliance. The second-largest deal involved the Zenith Conference & Spa Hotel in Constanţa, a 300-room seaside property purchased by local operator Steaua de Mare Hotels & Resorts. Although the number of investment-grade hotel assets on the market remains limited, investor interest in strategic and well-located properties continues to support selective transactions. This suggests that, while volumes may remain moderate, the segment could see steady, targeted activity in the coming months.

Exploring the Property Sectors in Slovakia | 2025

€351 million Total Industrial & Logistics Investment Volume	**€425 million** Total Retail Investment Volume	**€159 million** Total Office Investment Volume
25 Total Number of Transactions in the Market	**45%** Share of the Retail Market in the total Transaction Volume	**71%** Share of Regional Capital in the Market

Offices

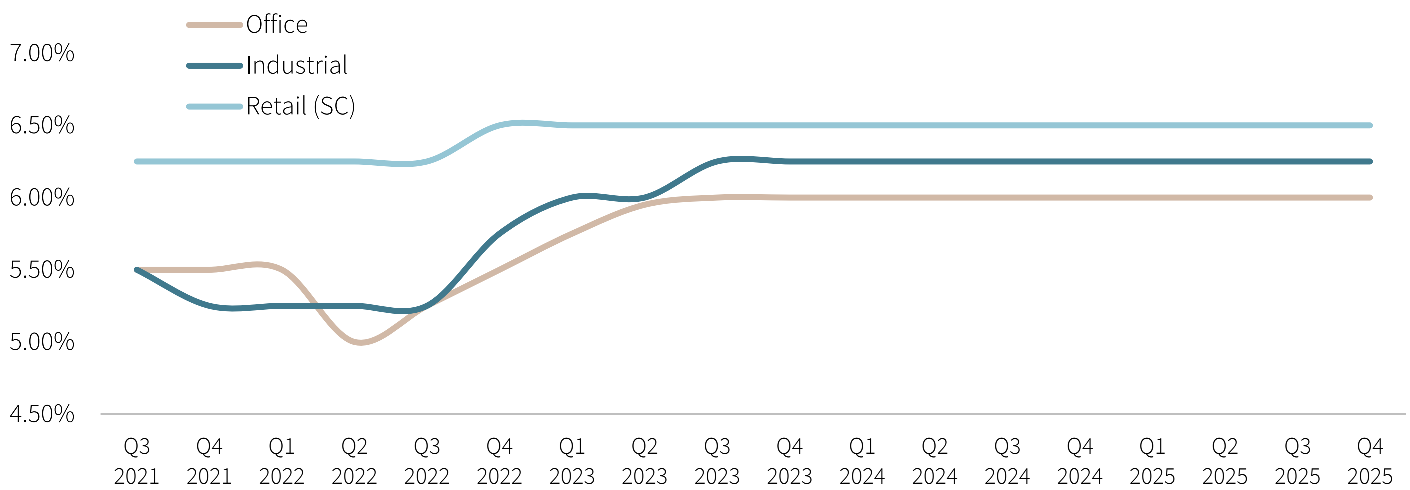
Gradual recovery supported by active local capital

Office investment activity strengthened in 2025, with volumes increasing from €87 million in 2024 to €159 million, representing an 83% YoY growth. The rebound was primarily driven by local and regional investors pursuing value-add, repositioning and repurposing strategies, rather than fully stabilised prime assets.

Notable transactions included the divestment of Bratislava Business Center I and I Plus by WOOD & Co., marking its third office exit following the sale in 2024. The assets were acquired by regional capital, reflecting continued appetite for well-located offices with active asset management potential. Additional activity included the acquisition of the myhive office towers as part of the Vivo! retail transaction, as well as the Greenpoint office building in Bratislava's CBD.

While prime office transactions remained limited, market sentiment toward the sector continued to improve over the course of the year. Increasing alignment between investor underwriting assumptions and vendor pricing, combined with a gradual return of confidence, is expected to translate into higher volumes and a broader range of office deals, including prime assets, in the period ahead.

Prime yields for Slovakia



Source: iO Partners Research, Q4 2025

Industrial & Logistics

Prime single-asset transactions and capital recycling shaped the market

I&L investment volumes increased from €239 million in 2024 to €350 million in 2025, representing a solid 46% YoY growth. The sector continued to demonstrate resilience, with transactions concluded across a broad spectrum – from value-add opportunities to core, income-secure assets.

Market activity was driven by a combination of single-asset prime transactions and capital recycling. Notable deals included the €65 million sale-and-leaseback of the DSV hub in Senec, acquired by REICO Long Lease Fund, underlining sustained demand for long-income logistics assets.

Further evidence of liquidity was the disposal of One Industrial Park to Stoneweg Europe, followed by its subsequent sale to P3 Logistic Parks later in the year, highlighting the ability of Slovak industrial assets to support capital rotation.

In addition, Erste realitná renta acquired Amazon's Returns Centre in Sereď, the only facility of its kind in Europe, reinforcing investor appetite for mission-critical logistics assets with secure income profiles.

> “
>
> The depth of demand across both prime and value-add logistics assets positions the industrial sector as one of the most liquid and investable segments of the Slovak real estate market.
>
> **Robert Cesnek**
>
> *Head of Capital Markets Slovakia*

Overall, the industrial and logistics market remain active, characterised by ongoing capital rotation, portfolio-driven transactions and a steady pipeline of assets already in discussions. Investor appetite continues to support liquidity across a broad spectrum of strategies, underpinning a constructive outlook for further deal execution.

Our view on prime yields as of 2025 is as follows:

Offices:	6.00% - 6.50%
Logistics/warehouses:	6.25% - 6.50%
Light industrial:	6.75% - 7.00%
Shopping centres:	6.50% - 7.00%
Retail parks:	6.85% - 7.35%

Retail

Retail resurgence led by shopping centre transactions

Retail investment volumes surged from €126 million in 2024 to €424 million in 2025, representing a 237% YoY increase and positioning retail as the leading commercial real estate sector of the year. This marks the strongest retail investment performance in Slovakia in several years.

Transaction activity was driven primarily by strategic shopping centre acquisitions alongside selective portfolio disposals. Regional capital continued to play a defining role, demonstrating both the capacity and expertise to acquire prime as well as value-add opportunities, supported by a clear conviction in active asset management and performance optimisation.

A key contributor to the sector's momentum was the acquisition of Bory Mall, one of Slovakia's largest shopping centres with ca. 54,000 sq.m. GLA, acquired by ZFP realitní fond .

While replicating 2025's exceptional volume may prove challenging, the retail investment market remains well positioned to achieve annual volumes in the range of €200–350 million, if certain transactions materialize. This outlook is underpinned by continued capital inflows into regional funds and their need for capital deployment.

Exploring the Property Sectors in **Serbia | 2025**

€221.2 million Total Investment Volume	**40%** Share of International Capital in the Market	**72%** Share of the Office Market in the total Transaction Volume
7 Total Number of Transactions in the Market	**€52.2 million** Largest Transaction in the Market	**-75 bps** Yield compression in the office asset class compared to Q4 2024

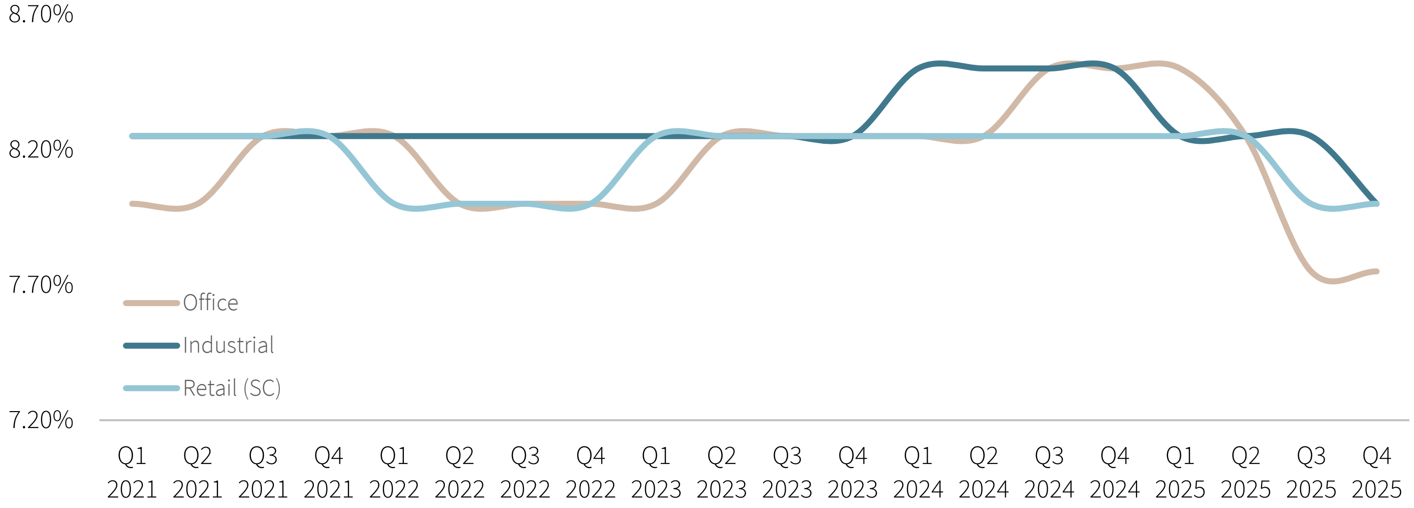
Office

A Strong Year for Serbia's Office Market

In 2025, Serbia's office investment market recorded total transaction volumes of €158.2 million, driven by four major transactions: Sava Business Center, GTC X, Danube Business Center, and TLD Belgrade. The largest transaction was GTC X, valued at €52.2 million. Office investment activity was largely driven by domestic investors, alongside Russian and Chinese capital, with domestic capital accounting for nearly 60% of total volumes. This marked a notable shift compared to previous years, when foreign investors played a more dominant role. Three out of four transacted office assets were located within Belgrade's CBD.

Strong demand from predominantly domestic investors, alongside select international players, for prime office assets supported yield compression in 2025, with prime office yields declining by 75 bps YoY. This trend was primarily driven by competition for well-located assets with low vacancy rates, while sustainability certification, as most transacted assets held LEED Gold or BREEAM ratings, provided additional support to pricing.

Prime yields for Serbia



Source: iO Partners Research, Q4 2025

Retail & Hotel

Resilient Investment Market

During 2025, investment activity in Serbia's retail and hotel sectors remained selective but notable, with three transactions recorded at a total value of approx. €63 million. These included the acquisition of two retail assets, Immo Outlet Center and Robne kuće Beograd, as well as the Hotel IN, with all transactions completed by domestic investors.

This activity builds on strong momentum from the previous two years, marked by the sale of Hotel Union for €6.2 million and the iconic Hotel Jugoslavija for €27 million. The retail market was further highlighted by BIG CEE's €177 million acquisition of Promenada Mall in Novi Sad in 2024, the largest single-asset retail transaction in the SEE region, underscoring Serbia's long-term attractiveness for high-value retail investments.

Our view on prime yields as of 2025 is as follows:

Offices:	7.50% - 8.25%
Logistics/warehouses:	8.00% - 8.25%
Shopping centres:	8.00% - 8.50%
Retail parks:	8.00% - 8.50%

Selected key deals:

Property name	Location, Country	Approximate sale price (€ million)	Vendor	Purchaser
49% in CPI Portfolio (repurchase)	Portfolio, PL	49% equity stake in portfolio with gross value of €1 billion	Sona Asset Management	CPI Group
Eko Okna S&L	Portfolio, PL	254.0	Eko Okna	Realty Income
Trei Portfolio (25 out of 36 retail parks)	Portfolio, PL	186.0	TREI	ARES, Slate Asset Management
Mennica Legacy Tower complex (50%)	Warsaw, PL	180.0	Golub GetHouse	Mennica Polska Group
Wola Center	Warsaw, PL	127.0	Hines	Trigea
Libero	Katowice, PL	103.0	Echo Investment	Summus Capital
Hillwood Parks (Bieruń and Tychy)	Upper Silesia, PL	95.0	Deka	Hillwood
Trivium portfolio	Portfolio, PL	85.0	Aberdeen (DEGI)	Rysy Properties
LPP Distribution Center Bydgoszcz	Kujawy, PL	76.0	CBRE IM	REICO
Warsaw North II	Warsaw Suburbs, PL	73.0	Griffin Group	Trigea
Palladium	Prague, CZ	>700.0	Union Investment	Reico
TPG/Contera Industrial Portfolio	Portfolio, CZ	370.0	TPG Capital, Contera	Blackstone
Hilton Pobrežní	Prague, CZ	250.0-300.0	IBRC	PPF
Atrium Flora	Prague, CZ	200.0-210.0	G City Europe	Max Realitní fond
Myslbek	Prague, CZ	140.0-150.0	AEW Europe	Max Realitní fond
Budapest Mariott Hotel	Budapest, HUN	115.0-120.0	CPI	BDPST Group
HelloParks PT 2 & PT3	Budapest, HUN	88.0	HelloParks	ERSTE RE Fund
Bakerstreet 1	Budapest, HUN	Confidential	Atenor	Confidential
Science Park	Budapest, HUN	50.0-55.0	Goldman Sachs	Record AM
IP West	Budapest, HUN	39.0	CA Immo	BYD
Palazzo Zichy and Ikonik Parliament	Budapest, HUN	19.5	Echo Hotels	Eurostars

Source: JLL Research, iO Partners Research, 2025

Selected key deals:

Property name	Location, Country	Approximate sale price (€ million)	Vendor	Purchaser
Equilibrium 1	Bucharest, RO	52.0	Skanska	Granit Asset Management
MAS 7 Retail Parks Portfolio	Portfolio, RO	>50.0	MAS REI	M Core
Iride Business Park (partially)	Bucharest, RO	50.0	CPI	Alfa Group
Focsani Mall	Focsani, RO	> 40.0	KBK Bank	M Core
Shopping City Suceava	Suceava, RO	> 40.0	Argo Capital Management	M Core
DSV Logistics Hub	Senec, SK	60.0 – 70.0	DSV	REICO IS EAM
Nove Mesto Logistics Park	Nove Mesto nad Vahom, SK	Confidential	Logicor	P3
Bory Mall	Bratislava, SK	170.0	Penta	ZFP realitni fond
Tesco Portfolio	Portfolio, SK	80.0 – 90.0	Tesco	Adventum Group
Vivo! & myhive asset (1.st tranche)	Bratislava, SK	75.0 – 85.0	CPI/Immofinanz	WOOD & Company
One Industrial Park	Nove Mesto nad Vahom, SK	70.0	Stoneweg	P3 Logistic Parks
Amazon Centre	Sered, SK	50.0	Manova	Erste AM
BBC 1 Plus	Bratislava, SK	45.0	Wood&Co.	Slovak state
OBI Portfolio	Portfolio, SK	20.0 – 30.0	Slate AM	Lindner Group
GTC X	Belgrade, SRB	52.2	GTC	Symallor Real Estate
Sava Business Center	Belgrade, SRB	40.0	CA Immo	OMR Group, domestic
Danube BC & Falkensteiner	Belgrade, SRB	36.0	Alba Invest, MF Development B.V.	Zijin - Chinese capital
TLD Belgrade	Belgrade, SRB	30.0	MPC Properties	Confidential, domestic

Source: JLL Research, iO Partners Research, 2025

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