New Horizons in CEE Real Estate Markets – The Polish Case

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Poland

FDI inflow 2003 - 2007 (in million euro)

Source: Bank Austria Creditanstalt, * forecast

Shares in cumulated FDI inflow in Poland at 31st December 2004 (in %)

Source: Polish Information and Foreign Investment Agency

Investment volumes in real estate by sector in Poland in 2005

Source: CB Richard Ellis

Prime net investment yields (%)

Source: Author's research, * forecast

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Opportunities of doing business in Poland:
- Polish accession into the European Union in May 2004
- The market conditions in western European markets
- The large weight of foreign capital

Threats of doing business in Poland:
- Parallel CEE real estate markets
- Parallel leasing markets

Strengths of the Polish Real Estate Market:
- Low labor costs
- Low level of investment risk
- Maturing of the Polish real estate market

Weaknesses of the Polish Real Estate Market:
- Sharp fall in yields in 2005
- Limited availability of good quality products
- Uncertain legal status of some of the land
- Underdevelopment of road infrastructure

What are the possible investors' behaviors?
- Refocusing on other markets
- Refocusing on other sectors
- Refocusing on second and third tier cities
- Refocusing on underdeveloped properties
Thank you for your attention