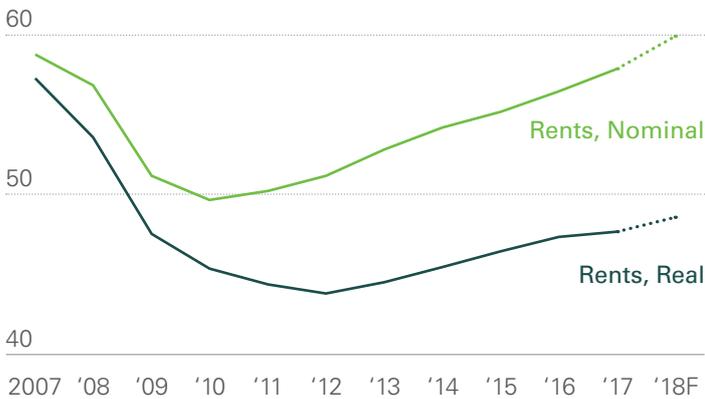


# Rent Trends Insight Central Eastern Europe

This insight summarizes key rent trends for logistics real estate in Europe. The full report “Logistics Rent Index” can be downloaded [here](#). Our methodology focuses on net effective rents, headline rents minus incentives, for modern-assets.

### RENT GROWTH POISED TO CONTINUE

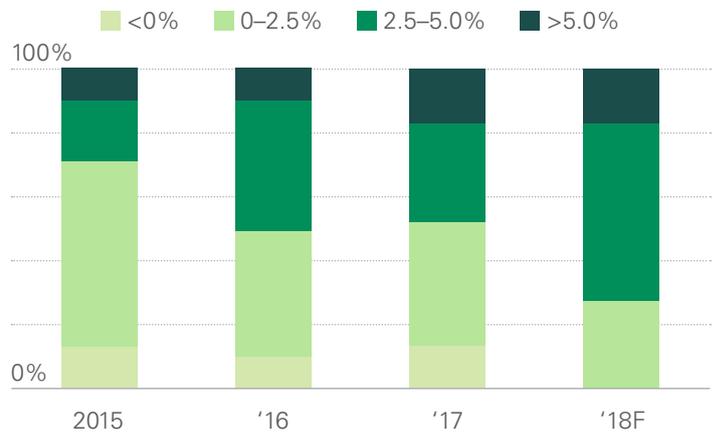
Net Effective Rental Rate, Europe (€/SQM/YR)



Market conditions are changing and rent growth is materializing.

### RENT GROWTH HARMONIZING IN EUROPE

NER Growth Rates of European Markets (%)



Expectations for 2018 are strongest in a decade as more markets are expected to show above 2.5% rental growth. Based on growth rates of 41 submarkets.

### 3 MAIN DRIVERS OF RENT GROWTH IN 2018



**1: Economic expansion**  
Positive economic drivers increasingly fuel demand.



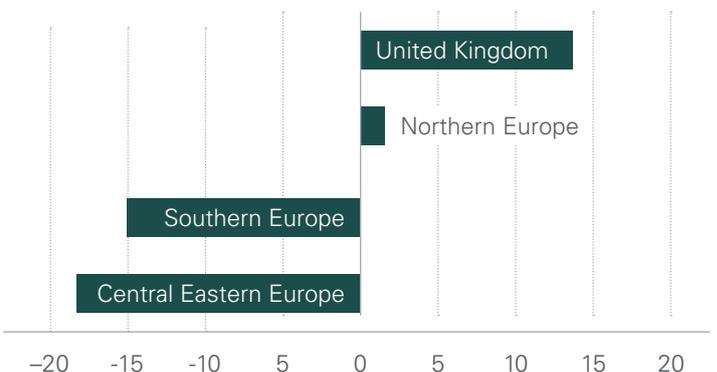
**2: Strongest Market Fundamentals in a Decade**  
Market vacancies have fallen to their lowest point on record.



**3: Rising Construction Costs**  
Construction and land costs are rising at multiples of inflation across Europe.

### STILL SIGNIFICANT DIFFERENCE IN PERFORMANCE

Current (as of Dec. '17) vs. Prior Peak, Net Effective Rent (%)



Rent growth is harmonizing but there are still differences across the regions. Rents in the United Kingdom are 14% above their prior peak while in Central Eastern Europe its 18% below. A margin of 30%.

**RENTAL RATE COMPARISON**



Total space you could lease for 1 square meter in Europe's highest rental rate market, London Heathrow

**TOP 3 RENTAL GROWTH MARKETS IN 2017**

**United Kingdom**

- 1. South East
- 2. West Midlands
- 3. London

**Northern Europe**

- 1. Frankfurt-Rhein Neckar
- 2. Rotterdam
- 3. Bremen-Bremerhaven

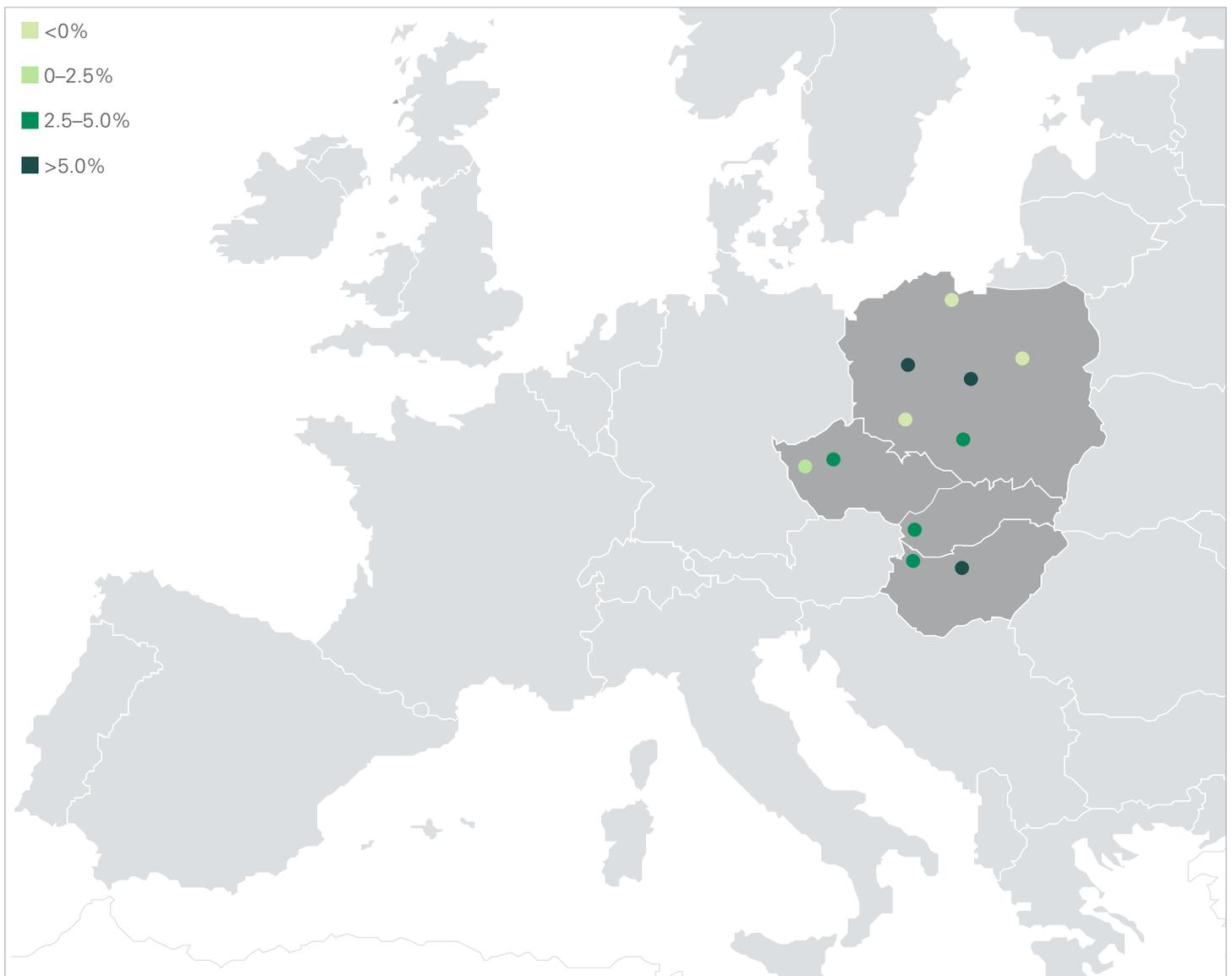
**Southern Europe**

- 1. Barcelona
- 2. Rome
- 3. Madrid

**Central Eastern Europe**

- 1. Budapest
- 2. Central Poland
- 3. West Poland

**RENT GROWTH CENTRAL EASTERN EUROPE IN 2017**



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