

CEE INVESTMENT MARKET UPDATE H2 2025

CEE MARKET INSIGHTS

Better never settles



VANTAGE POINT

MARKET OVERVIEW

CEE Investment Market Re-Accelerates as Domestic Capital Anchors Recovery

The CEE-7 investment market closed 2025 with approximately €11.8 billion in total transaction volume, marking a 34.0% year-on-year increase and the strongest annual result since 2019. A particularly active fourth quarter, accounting for nearly €4.5 billion, confirmed that liquidity has decisively returned to the region.

Three structural shifts define the current cycle:

- 1. Domestic capital as stabilizer:** CEE-based investors accounted for a record 65% of total volume, with Czech capital alone representing two-thirds of that share. The investment landscape is no longer dependent on Western European flows.
- 2. Yield stabilization:** After the repricing cycle of 2022–2023, prime yields largely stabilized across sectors in 2025. Selective compression was observed in prime offices and logistics in core markets, while retail yields remained broadly stable.
- 3. Sector rotation and diversification:** Offices regained leadership (35.9% share), industrial remained structurally strong (25.5%), retail proved resilient (23.7%), and hotels reached a record 9% share, reflecting renewed conviction in operational assets.

Looking ahead, the region enters 2026 with pricing clarity, deepening domestic liquidity and improving capital markets conditions. The recovery phase is transitioning into early expansion.



HEADLINE METRICS

CEE Investment Market FY 2025



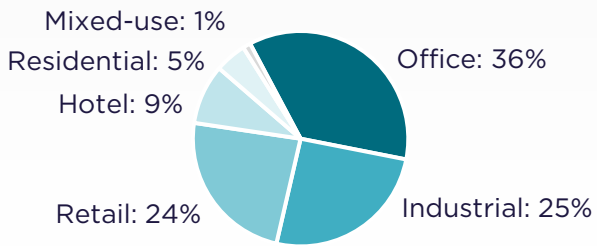
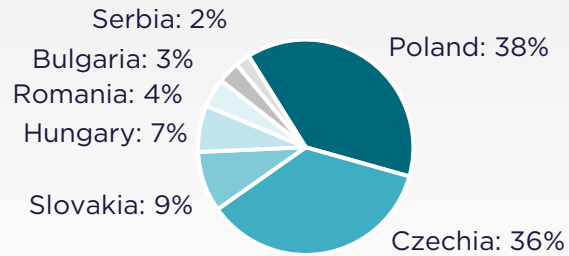
11.8 B

Investment volume
FY 2025

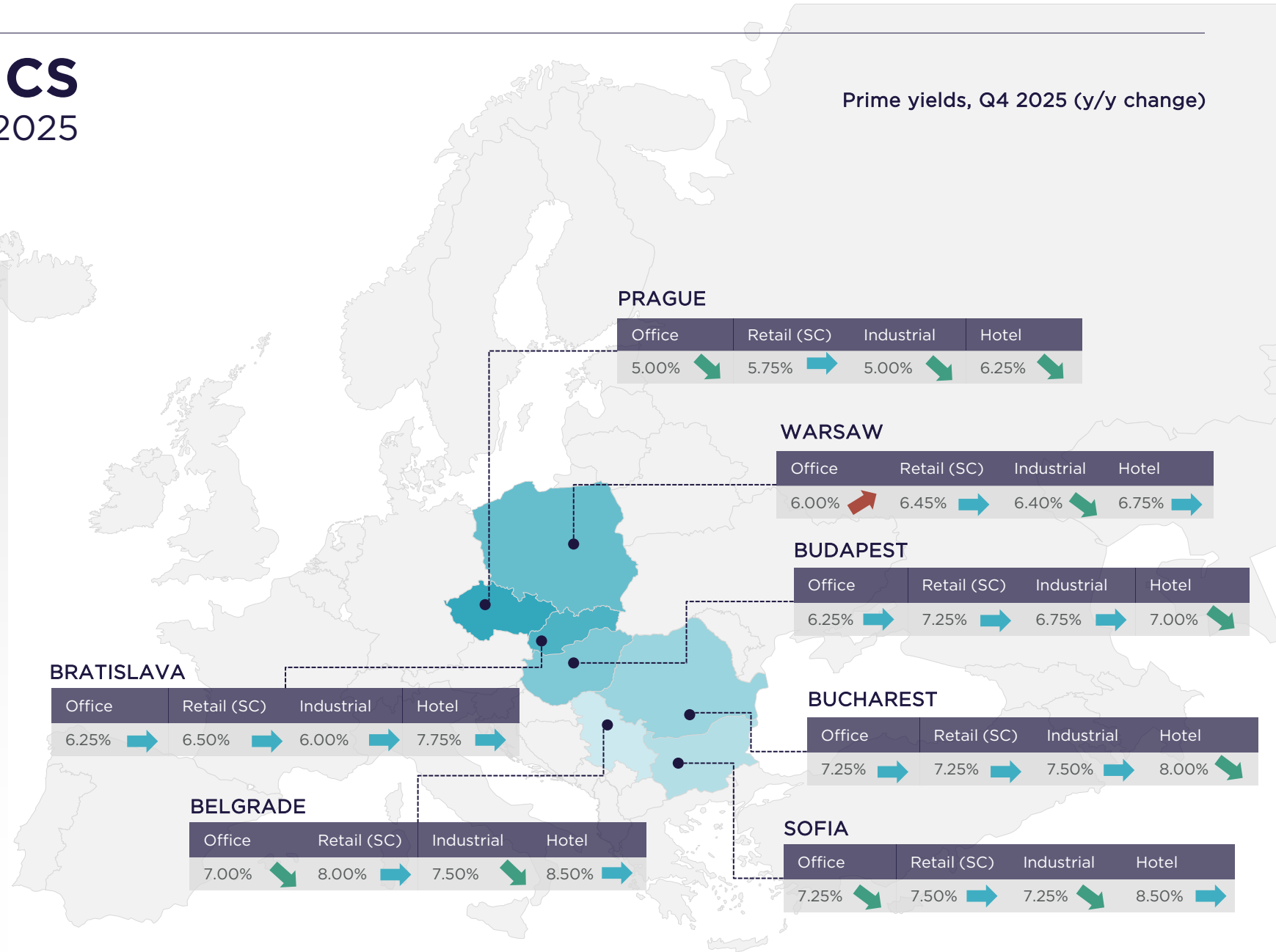


+ 34.0 %

Volume change
y/y



Prime yields, Q4 2025 (y/y change)



MACROECONOMIC & CAPITAL ENVIRONMENT

Normalization of Capital Costs Supports Pricing Stability

Growth & Labour Market

CEE economies expanded by approximately 2.3% in 2025, clearly outperforming the eurozone. Unemployment remains structurally low at around 4.3% across CEE-7, underpinning occupier resilience in office, retail and logistics sectors. Wage growth continues to support household consumption, particularly in Poland, Czechia, Romania and Bulgaria.

Inflation & Interest Rates

Inflation moderated throughout 2025 toward 3–4% in most CEE markets, allowing central banks to cautiously ease policy. Lower reference rates in Poland and stabilizing monetary conditions elsewhere are gradually normalizing the cost of capital. The repricing shock is now largely absorbed.

Financing & Liquidity Conditions

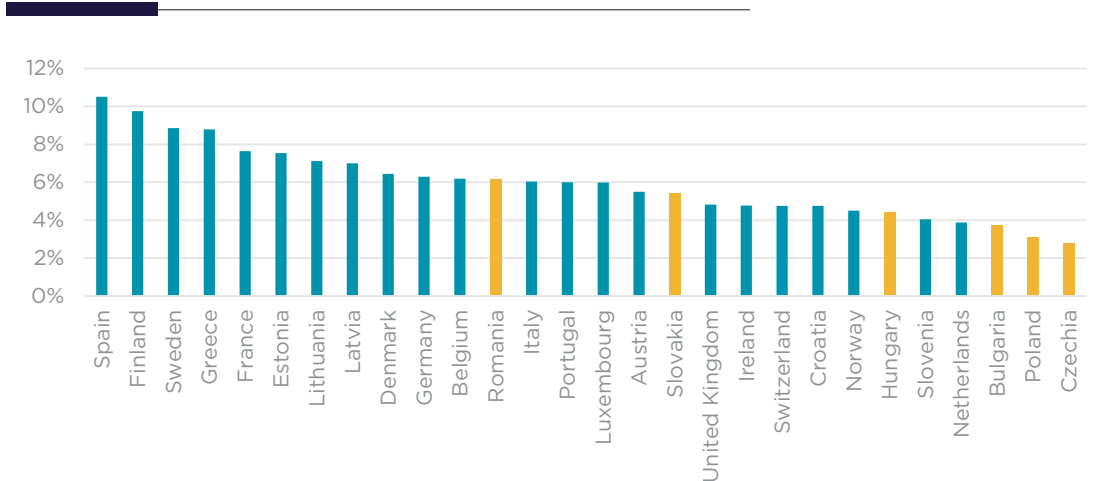
Banks have returned selectively to financing prime logistics, retail parks and stabilized office assets. Senior LTVs remain conservative (50–60%), but margins have compressed modestly for prime product. Institutional capital is re-engaging where pricing has adjusted and income visibility is strong.

EU recovery funds and structural infrastructure investment continue to act as a medium-term anchor for economic convergence and capital deployment.

GDP growth (real, USD, PPP)



Unemployment rate



Source: Moody's Analytics

REAL ESTATE MARKET FUNDAMENTALS

Supply Discipline and Occupier Resilience Reinforce Core Income Stability

The improvement in CEE investment volumes in 2025 was underpinned by resilient occupier fundamentals across all major property sectors. While macroeconomic conditions remained mixed, real estate markets demonstrated income stability, constrained supply pipelines and selective rental growth — creating a supportive environment for capital deployment.

Logistics & Industrial: Strong Take-Up, Controlled Pipeline

The CEE industrial market closed 2025 with total stock exceeding 71 million sq m, confirming the region's structural scale within Europe. Poland continues to account for approximately half of total stock, while the Czech Republic remains the most saturated market per capita.

Occupier demand remained robust throughout the year. Full-year gross take-up approached record levels at nearly 12 million sq m, reflecting a double-digit year-on-year increase, driven by manufacturing, logistics and nearshoring activity. At the same time, development activity moderated. Annual completions totaled approximately 3.7 million sq m, down compared with 2024, while the pipeline under construction stands at roughly 4.4 million sq m, increasingly weighted toward pre-leased and build-to-suit schemes.

Vacancy stabilized across the region at 6.8%, with tight markets such as Czechia below 5% and higher availability persisting in Hungary. Prime rents remained broadly stable, with resilience strongest in ESG-compliant assets and supply-constrained hubs.

The combination of strong take-up, moderated speculative construction and stable vacancy provides investors with income visibility and reduced oversupply risk heading into 2026.

Office: Low Completions and Gradual Vacancy Compression

Office fundamentals across CEE capitals strengthened in 2025, supported by exceptionally low new supply. Total stock across CEE-6 capitals reached approximately 22.15 million sq m, with annual completions falling to a historic low of just over 200,000 sq m, representing one of the weakest delivery years in over a decade. This supply discipline has begun to impact vacancy dynamics. Average vacancy declined to 10.5% across the region, with Prague remaining the tightest market below 6%, while Bratislava and parts of regional Poland remain more elevated.

Leasing activity remained resilient. Full-year demand reached approximately 2.6 million sq m, broadly in line with 2024, despite continued occupier caution. Renewals and consolidations remain a dominant feature of the market, while prime CBD locations continue to outperform secondary submarkets.

Prime rental levels held firm across major capitals, with selective upward pressure in Warsaw and Bucharest CBD locations. Development pipelines remain limited, with approximately 1.3 million sq m under construction, much of which is pre-leased or built-to-suit.

For investors, the combination of limited future supply and stable occupier demand reinforces the pricing floor in repriced prime office assets.

REAL ESTATE MARKET FUNDAMENTALS

Consumption Recovery and Operational Strength Drive Revenue Momentum

Retail: Retail Parks Drive Expansion, Consumption Stabilizes

The CEE retail market ended 2025 with approximately 29 million sq m of total stock, including roughly 19.7 million sq m of shopping centres and 9.9 million sq m of retail parks.

Retail parks continued to dominate development activity, accounting for the majority of new supply delivered in 2025. Total new retail park completions reached almost 1 million sq m, while shopping centre construction remained significantly lower. The total retail pipeline reached approximately 1.2 million sq m, reflecting an increase year-on-year but still heavily weighted toward convenience-led formats.

Retail sales across the region grew by approximately 2–3% in real terms during 2025, supported by wage growth and stable employment levels. Prime vacancy remains low in dominant schemes, particularly in capital cities, supporting rental stability.

Prime rental growth was strongest in retail parks, where annual increases reached high single digits in several markets, while prime shopping centre rents remained broadly stable to moderately rising depending on location.

Retail fundamentals increasingly reflect format bifurcation: dominant schemes and convenience parks show resilience, while secondary assets require repositioning to maintain competitiveness.

Hotels: RevPAR Outperformance and Constrained Supply

The hotel sector delivered one of the strongest operational performances across CEE in 2025. Regional RevPAR increased by 8.9% year-on-year, driven by higher average daily rates (+4.6%) and improved occupancy (+2.7pp). This growth was approximately four times faster than the European average, underscoring the region's relative outperformance.

Performance growth was particularly strong in Bulgaria and Romania, both recording double-digit RevPAR gains, followed by a solid increase in the Czech Republic that led the CEE market with the strongest ADR gain (+7.2%).

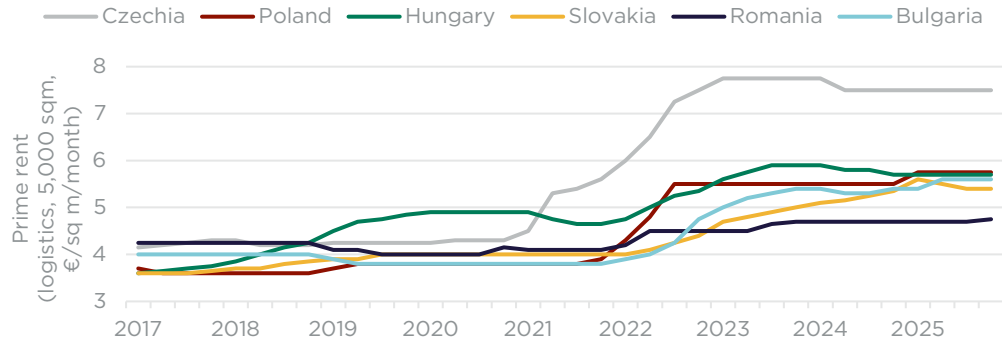
Tourism recovery, business travel normalisation, and event-driven demand supported healthy performance across capital cities, with Bucharest and Warsaw achieving the strongest RevPAR gains in 2025. Belgrade was the only market to record a RevPAR decline (-1.9%), yet it remained among the top-performing cities in CEE, just behind Budapest and Prague.

Supply growth remained moderate. New development activity was concentrated primarily in Warsaw (+5.5% supply growth) and Budapest (+2.8%), while most other markets saw limited additions to room inventory.

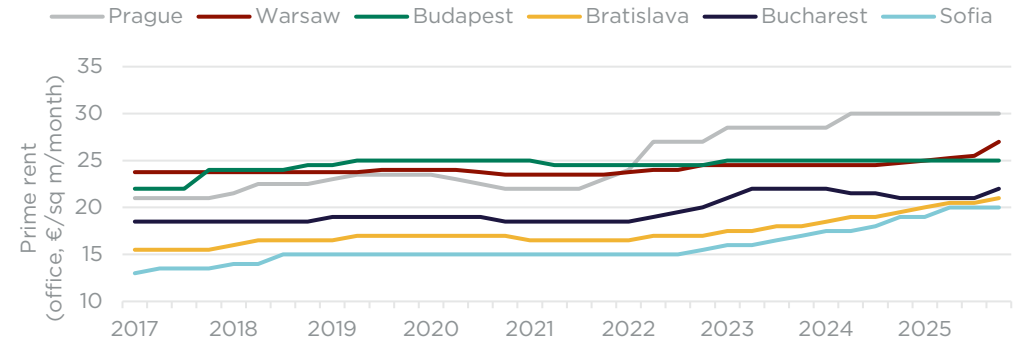
The combination of strong revenue growth and constrained pipeline supports improving investor sentiment toward prime hotel assets, particularly in gateway cities.

RENTAL PERFORMANCE & PRICING TRENDS

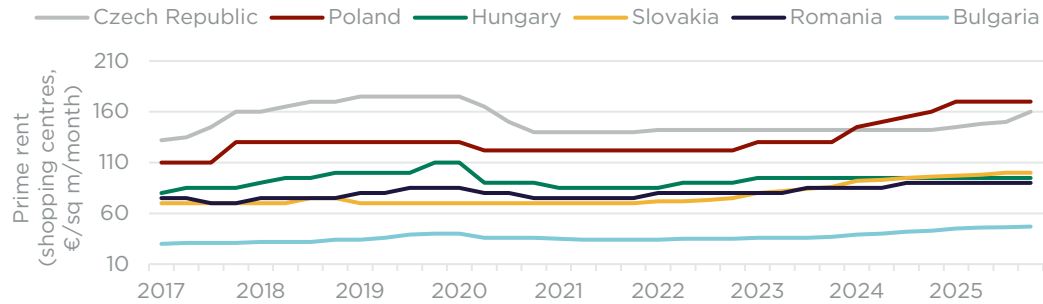
Logistics & Industrial



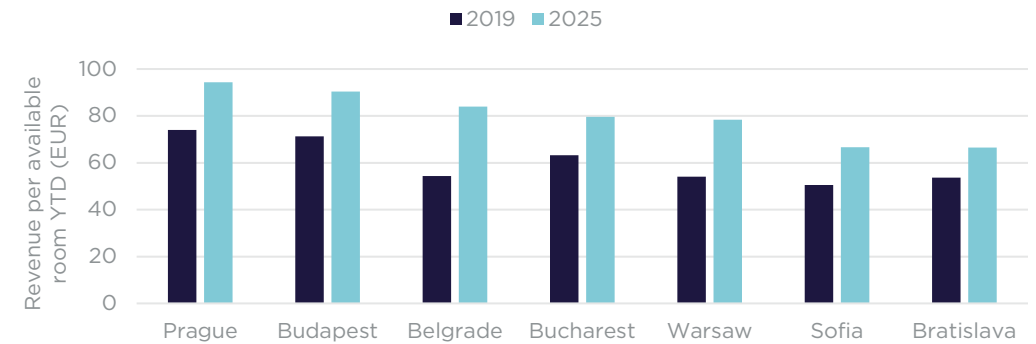
Offices



Retail



Hotels



Source: Cushman & Wakefield, STR

INVESTMENT VOLUMES & LIQUIDITY

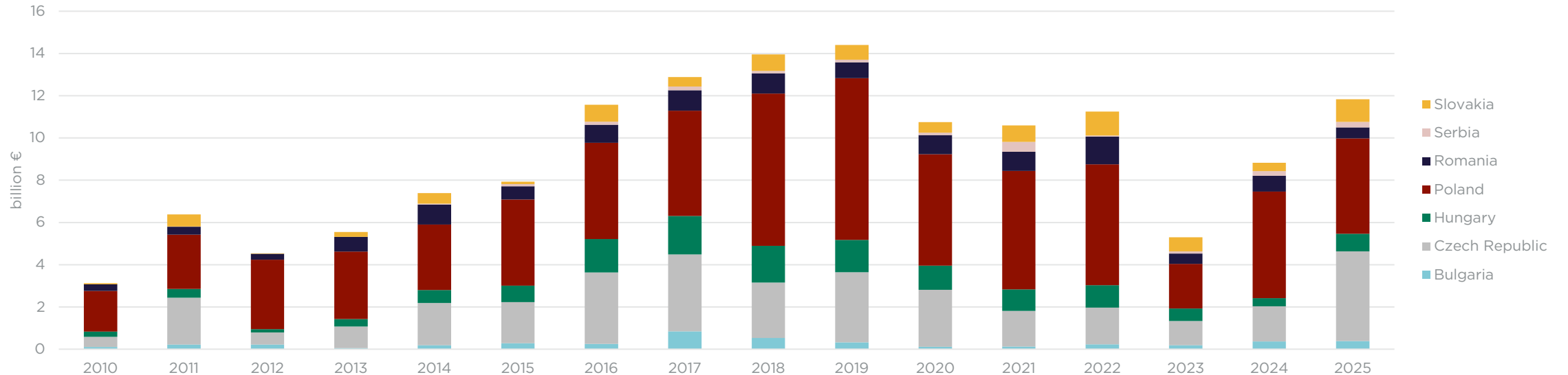
Liquidity Broadens Across Markets

The full-year volume of approximately €11.8 billion confirms that 2025 was a decisive year of market normalization. Compared with the cyclical lows of 2023, liquidity has expanded materially.

The Czech Republic and Poland together accounted for the majority of regional activity. Slovakia and Bulgaria recorded one of their strongest years on record, driven by large industrial portfolio transactions and insatiable demand for offices, respectively. Hungary rebounded strongly year-on-year, and Serbia maintained steady activity levels, reflecting the gradual institutionalization of its market.

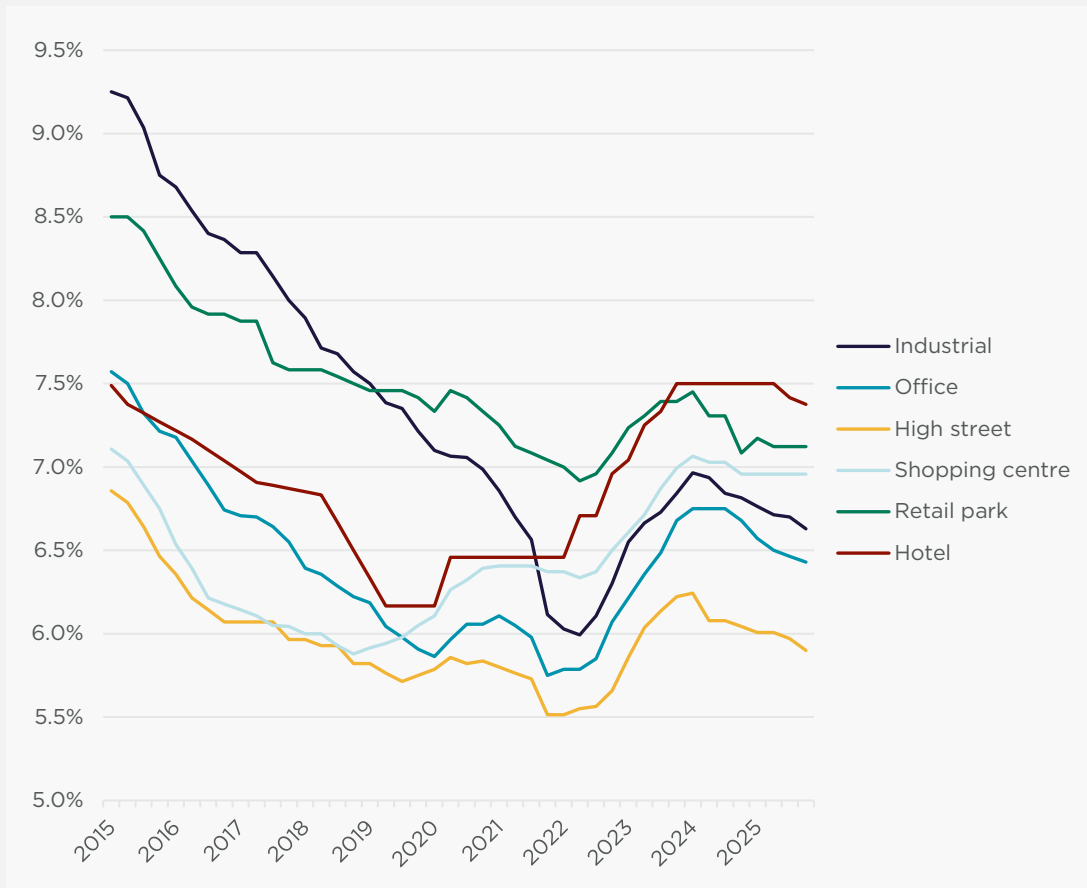
Transaction profiles shifted toward larger lot sizes in the second half of the year. Portfolio transactions re-emerged, and €100 million-plus deals became more frequent. Cross-border deals increased, particularly involving Czech and Slovak investors deploying capital regionally.

Five-year comparisons show that while volumes remain below the 2018–2019 peaks, market depth has structurally improved. Liquidity is now more diversified by capital origin and sector allocation.



PRIME YIELDS & PRICING

Stability First, Compression Second



CEE (BG, CZ, HU, PL, RO, RS, SK) blended yields

Hotel prime yields are for assets managed by a professional operator under a management contract (based on variable income)

Prime yields across CEE remained broadly stable in 2025, signaling pricing equilibrium. The expansion cycle of previous years has ended, and further decompression is unlikely absent external shocks.

Selective compression has already emerged in prime Czech office assets and high-quality logistics in core markets. Investors are increasingly willing to accept tighter pricing for long-income, ESG-aligned assets in supply-constrained locations.

Prime yields reached their cyclical highs at the beginning of 2024 and have since entered a compression phase. The adjustment has been most visible in industrial, office and hotel assets, where improving liquidity and income visibility supported tightening. Retail park and shopping centre yields, however, have shown minimal movement, indicating continued investor selectivity and pricing discipline in traditional retail formats.

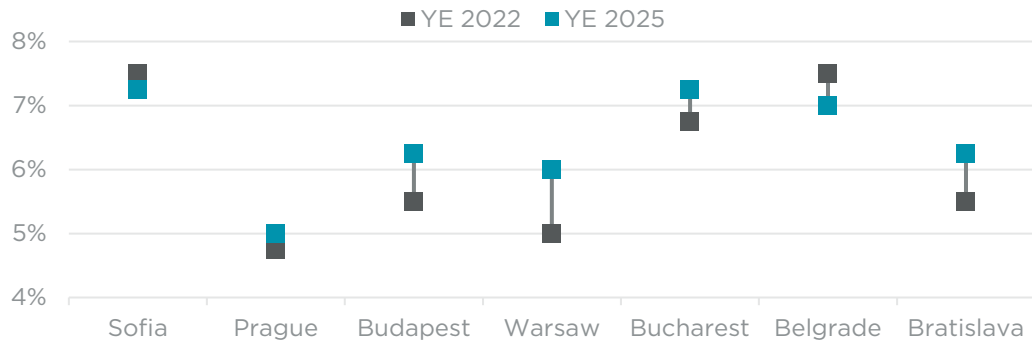
Spread compression potential remains strongest in:

- Prime offices in Prague and Warsaw
- Core logistics hubs in Poland and Czechia
- Dominant retail parks with strong catchments

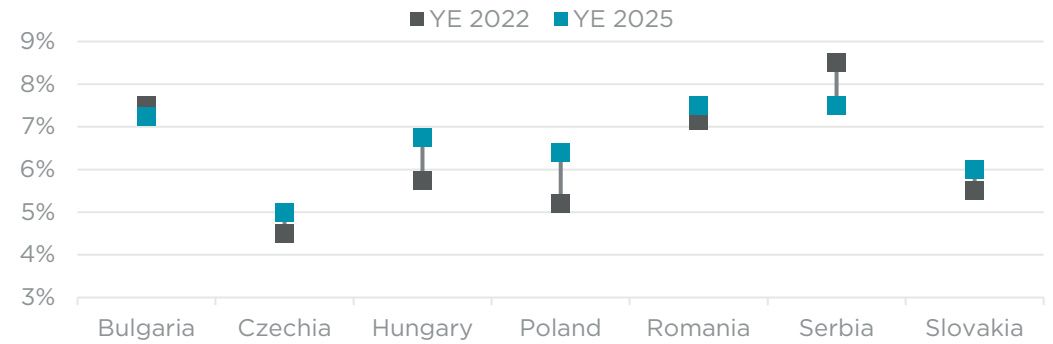
Pricing remains highly asset-specific. ESG compliance, WAULT duration and covenant strength are increasingly decisive factors in investor underwriting.

PRIME YIELDS

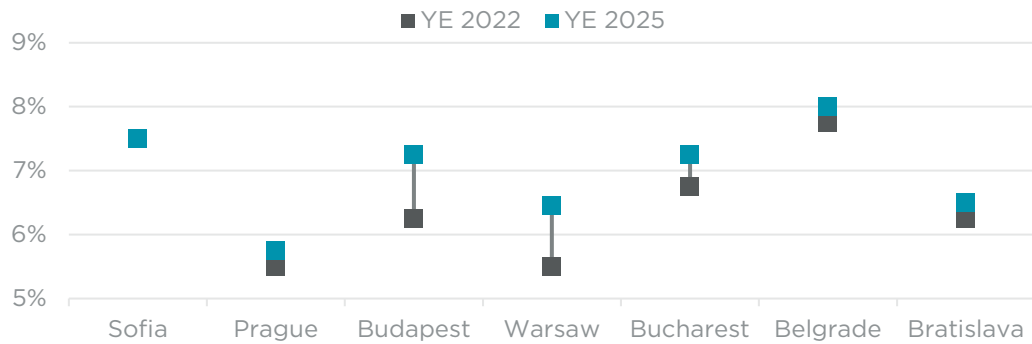
Office



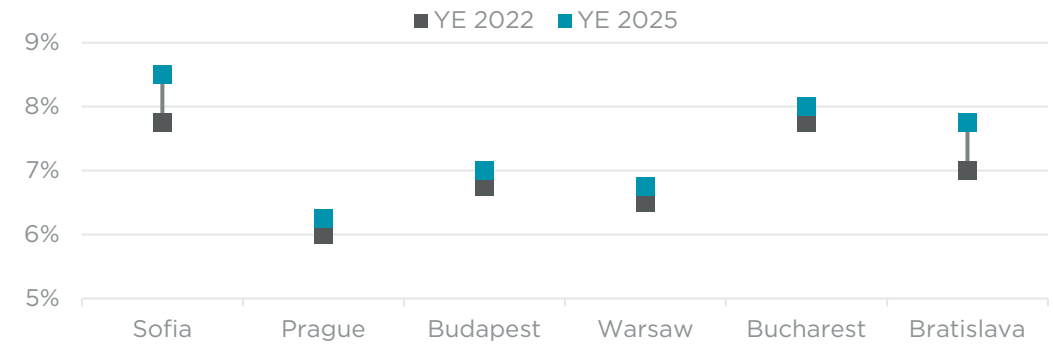
Logistics & Industrial



Retail (Shopping centres)



Hotels



SECTOR ALLOCATION & CAPITAL ROTATION

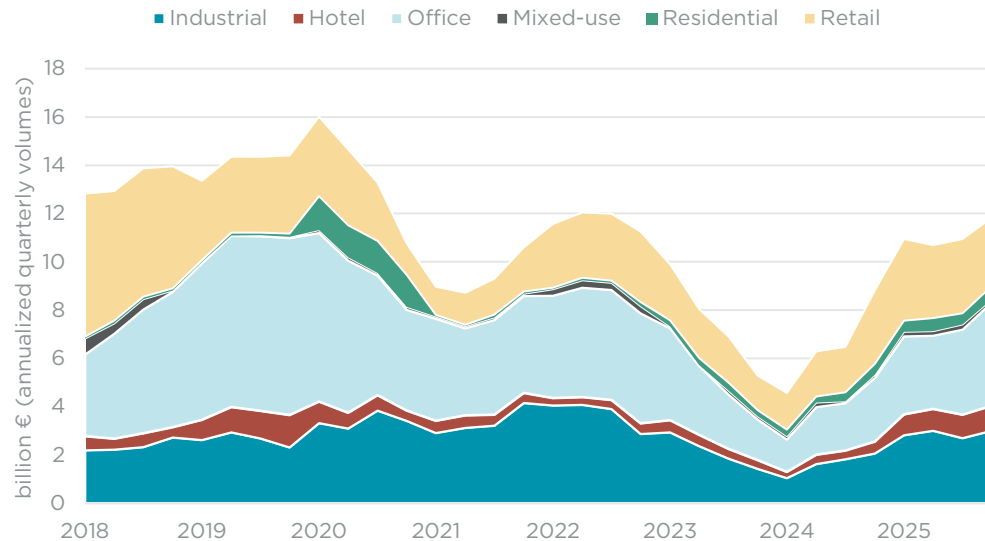
Conviction in Structural Themes

Offices accounted for approximately 35.9% of regional volume, reflecting renewed confidence following repricing. Industrial assets represented 25.5%, maintaining structural appeal tied to logistics and manufacturing transformation. Retail contributed nearly a quarter of transactions, while hotels achieved a record share (8.8%), signaling revived confidence in operational real estate.

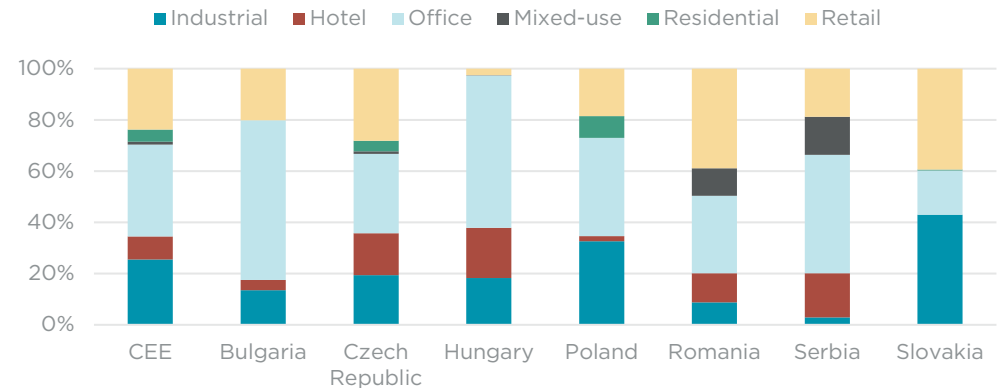
Industrial conviction remains anchored in structural drivers such as e-commerce, nearshoring and infrastructure expansion. Offices are benefiting from limited new supply and stabilized occupancy. Retail parks continue to attract investors due to their defensive characteristics and lower volatility. Hotels represent a cyclical recovery theme layered onto structurally improving tourism demand.

The sector mix demonstrates that capital is rotating not merely toward volume leaders, but toward assets where income durability aligns with macro stabilization.

Investments in CEE by sector



Source: Cushman & Wakefield



CAPITAL SOURCES

Domestic Capital as Structural Stabilizer

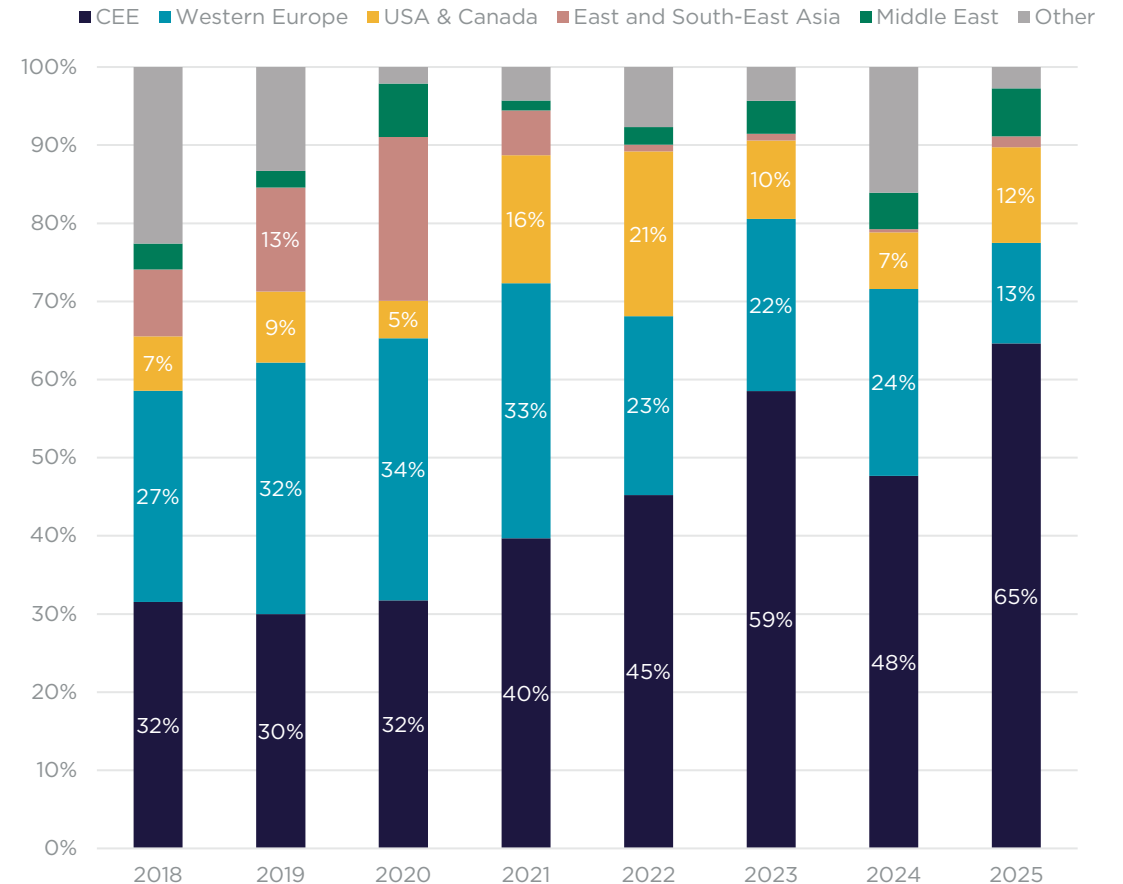
The most defining feature of 2025 was the dominance of CEE-origin capital. At 65% of total volume, domestic and intra-regional investors have fundamentally reshaped the market's capital structure.

Czech investors were the most active across borders, accounting for a substantial share of Slovak and Polish volumes. The Slovak and Hungarian capitals also increased regional exposure. Meanwhile, Western European and North American investors returned selectively, focusing primarily on prime logistics and trophy assets.

The rise of domestic capital reflects growing investor sophistication, improved access to funding and deeper local market knowledge. Local investors typically have greater familiarity with market dynamics and asset-level risks, which translates into a structurally lower risk premium than foreign capital. As a result, they are often willing to accept lower yields, underpinned by greater confidence in the long-term stability and growth prospects of their home markets. This dynamic enhances overall market stability by reducing dependence on more cyclical cross-border capital flows.

CEE capital is no longer reactive. It is increasingly strategic and regionally integrated.

Investments in CEE by capital origin



OUTLOOK

Liquidity Returning, Pricing Stabilizing, Risks Manageable

CEE enters 2026 not as a recovery story, but as a structurally stronger, more integrated investment region with deepening local capital pools and stabilized pricing foundations.

Liquidity

Domestic capital will remain highly active in 2026, with institutional cross-border flows expected to increase further. Portfolio transactions are likely to continue, particularly in logistics and retail parks.

Pricing

Prime yields are expected to remain broadly stable, with selective compression in offices and logistics where supply is constrained, and ESG standards are met. Secondary assets will face widening performance gaps without repositioning.

Risks

Key risks include renewed geopolitical escalation, slower-than-expected rate normalization and weaker external demand in export-driven economies. In addition, the accelerating adoption of AI may reshape employment dynamics in white-collar sectors, particularly in call centres, shared service hubs and back-office support functions — segments that are highly relevant for several CEE office markets. While automation could enhance productivity over time, it may also moderate demand growth for certain categories of office space. However, CEE's diversified economic base, EU integration and growing domestic investor base provide structural resilience, mitigating exposure to both cyclical and technological disruptions.





COUNTRY INVESTMENT MARKET TRENDS IN CEE

BULGARIA

Investment Market FY 2025



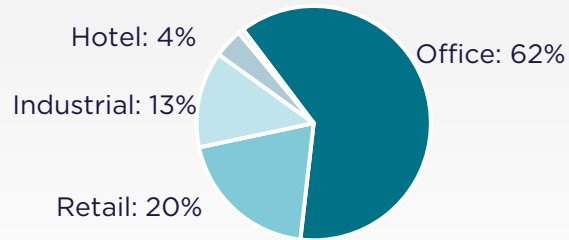
390 M

Investment volume
FY 2025



+5.9 %

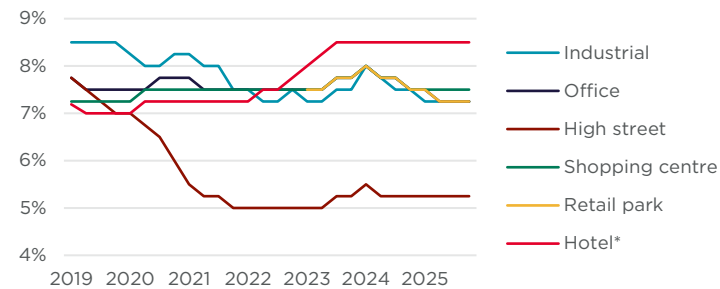
Volume change
y/y



Bulgaria delivered renewed momentum in 2025, with office transactions dominating volumes and selective retail park activity emerging. Eurozone accession approval strengthened investor sentiment, while domestic buyers remained active.

Stable prime yields and improving macro fundamentals create a constructive backdrop for gradual expansion.

Prime Yields



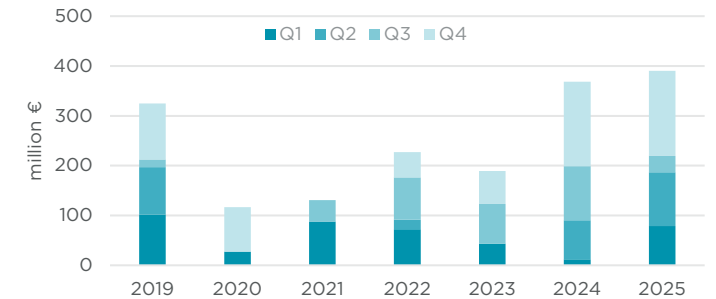
Economic Forecast

Economic indicator	2024	2025	2026	2027
GDP growth (PPP)	3.2%	3.2%	2.9%	2.5%
Inflation rate (HICP)	2.5%	3.5%	3.7%	3.0%
Unemployment rate	4.2%	3.7%	4.0%	3.9%

Source: Moody's Analytics

* Hotel prime yields are for assets managed by a professional operator under a management contract and are based on variable income.

Investment Volumes



Key Transactions 2025

Transaction name	Buyer	Type
Interpred WTC	S G Alpha Invest	Office
Business Park Building 15	Divela Offices EOOD	Office
Mall Plovdiv	TSH Investment	Retail
Business Center Oskar	Eurobank Bulgaria	Office
Bicycles factory	Liebherr Transportation Systems	Industrial

CZECH REPUBLIC

Investment Market FY 2025



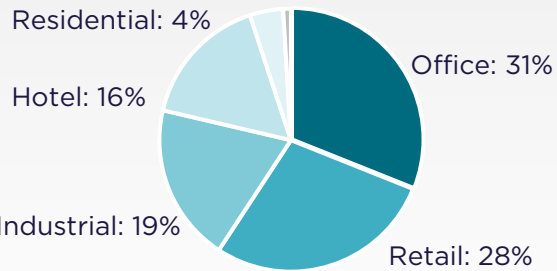
4.2 B

Investment volume
FY 2025



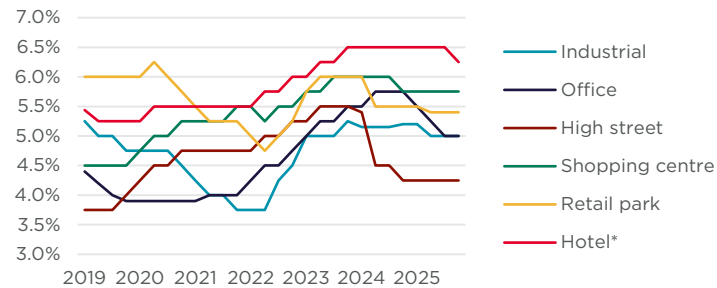
+155 %

Volume change
y/y



The Czech Republic led the region in 2025, driven by strong domestic capital dominance and large-scale portfolio transactions across office, industrial, retail and hotel sectors. Yield stability and selective compression in prime offices reflect pricing clarity, positioning the market for continued institutional interest and sustained liquidity in 2026.

Prime Yields



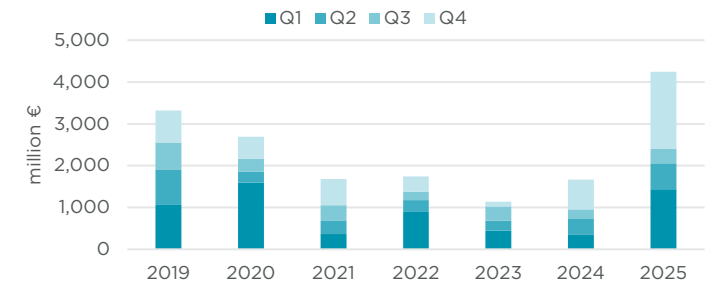
Economic Forecast

Economic indicator	2024	2025	2026	2027
GDP growth	1.1%	2.6%	2.5%	2.7%
Inflation rate (HICP)	2.6%	2.3%	2.1%	2.0%
Unemployment rate	2.6%	2.8%	2.8%	2.7%

Source: Moody's Analytics

* Hotel prime yields are for assets managed by a professional operator under a management contract and are based on variable income.

Investment Volumes

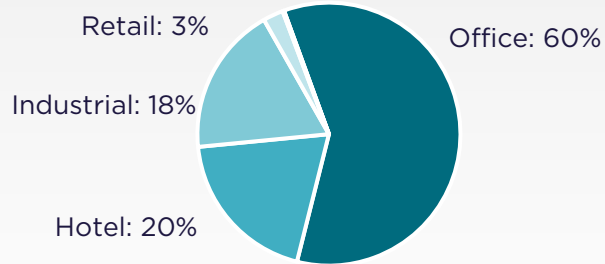
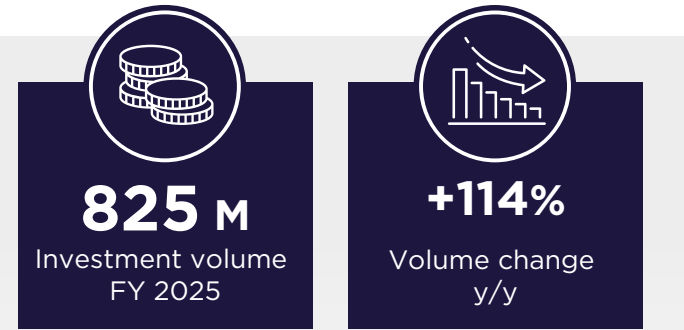


Key Transactions 2025

Transaction name	Buyer	Type
Palladium	REICO	Retail/Office
Contera Portfolio	Blackstone	Industrial
Hilton Prague	PPF Real Estate	Hotel
Atrium Flora	Redstone Real Estate	Retail/Office
Four Seasons Prague	PPF Real Estate/Noble Hospitality	Hotel
Kavci Hory Office Park	Conseq	Office

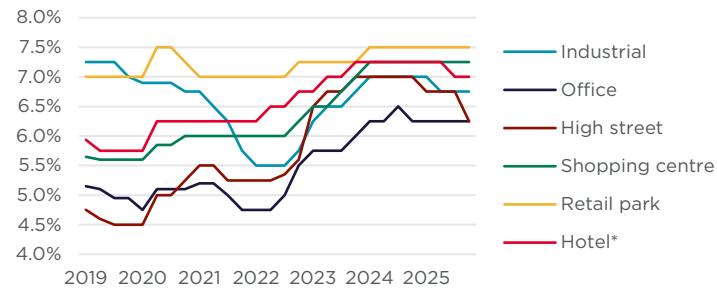
HUNGARY

Investment Market FY 2025



Hungary showed a clear rebound in 2025, with office transactions accounting for roughly half of annual volume and selective logistics activity remaining visible. Foreign capital re-emerged alongside domestic investors. Pricing remained broadly stable, while cautious occupier markets suggest gradual, rather than accelerated, expansion.

Prime Yields



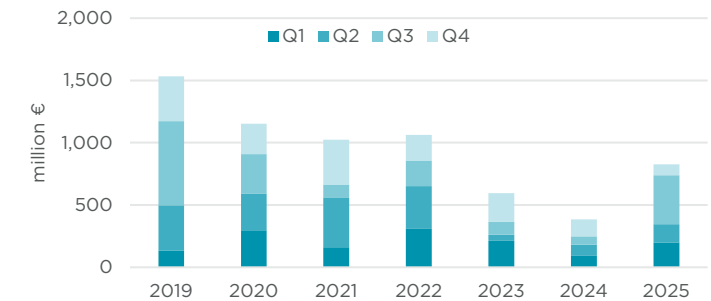
Economic Forecast

Economic indicator	2024	2025	2026	2027
GDP growth	0.6%	0.4%	2.1%	2.6%
Inflation rate (HICP)	3.7%	4.4%	4.2%	4.5%
Unemployment rate	4.5%	4.4%	4.3%	4.2%

Source: Moody's Analytics

* Hotel prime yields are for assets managed by a professional operator under a management contract and are based on variable income.

Investment Volumes



Key Transactions 2025

Transaction name	Buyer	Type
Budapest Marriott Hotel	BDPST / Granit Asset Management	Hotel
Hello Parks Páty	Erste RE Fund	Industrial
Bakerstreet 1	Confidential (Turkey)	Office
Science Park	Chapel Hill / Recorde Asset Management	Office
IP West	BYD	Office

POLAND

Investment Market FY 2025



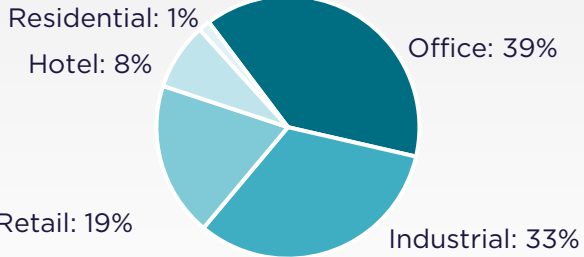
4.5 B

Investment volume
FY 2025



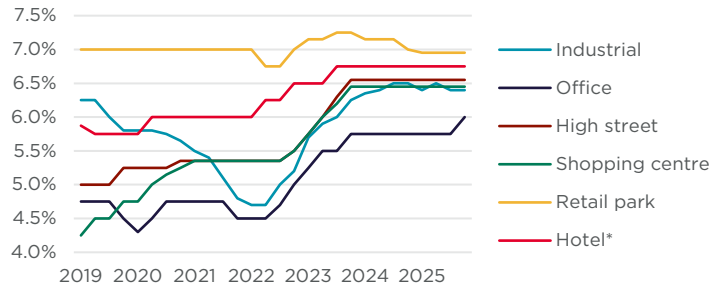
-10.4 %

Volume change
y/y



Poland delivered stable volumes following its exceptional 2024 performance, with industrial assets leading activity and renewed momentum in Warsaw offices. Domestic investor participation continued to rise, while improving financing conditions and disciplined development pipelines support balanced fundamentals and steady transaction flow into 2026.

Prime Yields



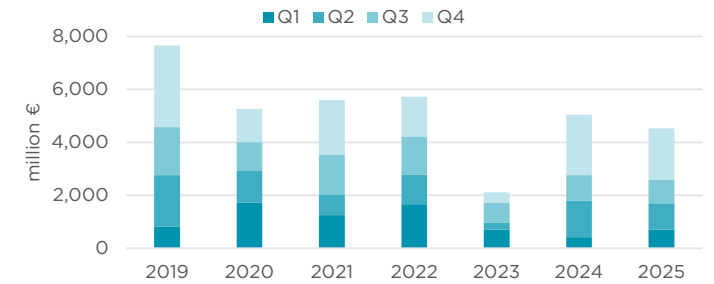
Economic Forecast

Economic indicator	2024	2025	2026	2027
GDP growth	3.1%	3.3%	3.5%	2.8%
Inflation rate (HICP)	3.7%	3.3%	2.8%	2.5%
Unemployment rate	2.9%	3.1%	3.0%	3.0%

Source: Moody's Analytics

* Hotel prime yields are for assets managed by a professional operator under a management contract and are based on variable income.

Investment Volumes

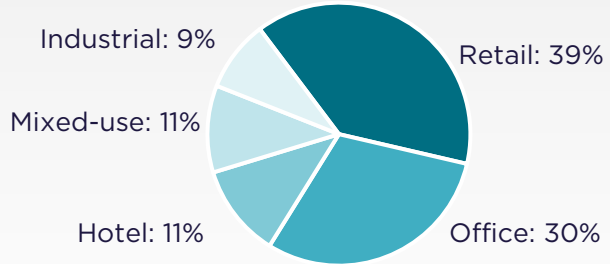
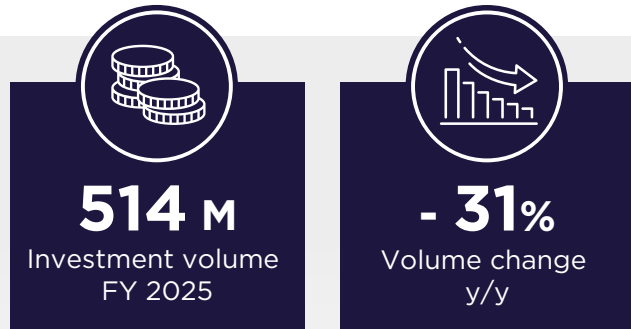


Key Transactions 2025

Transaction name	Buyer	Type
CPI Portfolio (Vulcanion, 49%)	CPI Group	Office
Eko Okna SL&B	Realty Income	Industrial
TREI Portfolio (25 retail parks)	Ares / Slate	Retail
Mennica Legacy Tower (50%)	Mennica Polska	Office
Wola Center	Trigea RE Fund	Office
Galeria Libero Katowice	Summus Capital	Retail
Industrial Park Tychy & Bieruń	Hilwood	Industrial

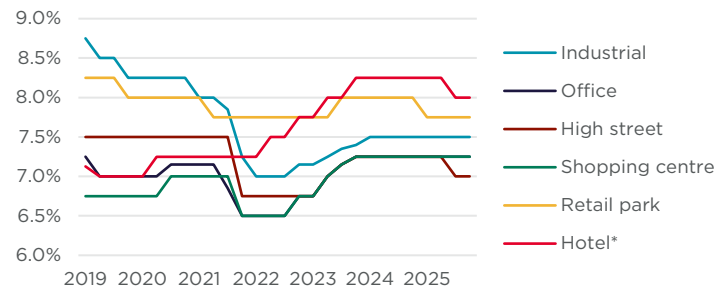
ROMANIA

Investment Market FY 2025



Romania experienced moderated investment activity amid fiscal adjustments and higher inflation, though retail and mixed-use assets remained active. Domestic capital maintained a meaningful share of transactions. Prime yields stabilized, and improving macro visibility could support stronger liquidity once policy normalization advances.

Prime Yields



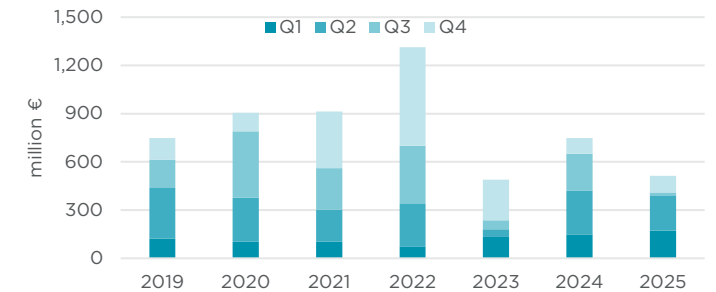
Economic Forecast

Economic indicator	2024	2025	2026	2027
GDP growth	0.9%	1.1%	2.1%	3.0%
Inflation rate (HICP)	5.8%	6.7%	6.0%	3.3%
Unemployment rate	5.4%	6.1%	6.2%	6.2%

Source: Moody's Analytics

* Hotel prime yields are for assets managed by a professional operator under a management contract and are based on variable income.

Investment Volumes



Key Transactions 2025

Transaction name	Buyer	Type
MAS RE - Prime Kapital Strip Mall Portfolio	M Core	Retail
Part of IRIDE Business Park	Alfa Group	Mixed-use
Equilibrium 1	Granit Asset Management	Office
Shopping City Suceava	M Core	Retail
Focsani Mall	M Core	Retail
Hilton Garden Inn Bucharest Airport	Yellow Tree	Hotel

SERBIA

Investment Market FY 2025



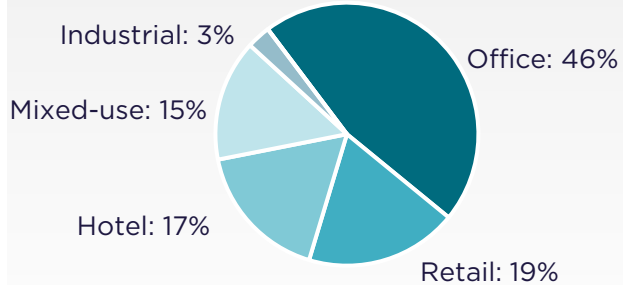
258 M

Investment volume
FY 2025



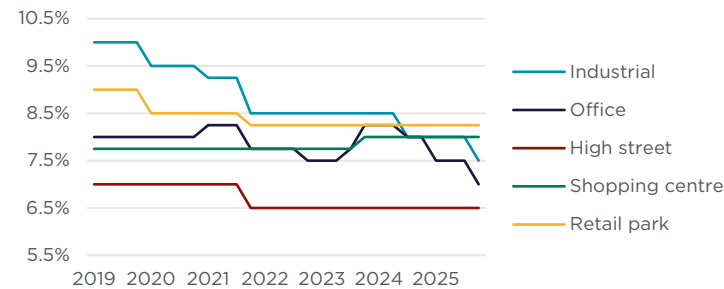
+ 16 %

Volume change
y/y



Serbia maintained steady growth, supported by office and hotel transactions and rising investor interest ahead of EXPO 2027. The market continues to institutionalize, with selective foreign participation and stable pricing. Economic momentum and infrastructure investment underpin cautious but improving capital market dynamics.

Prime Yields

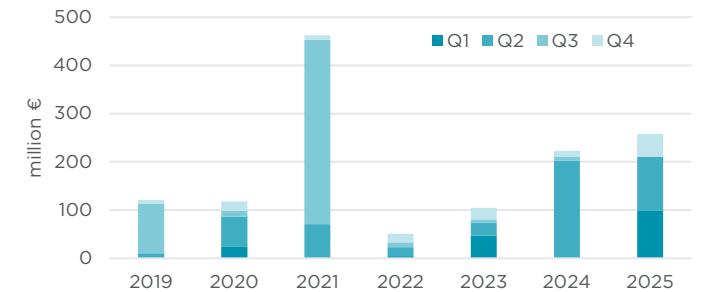


Economic Forecast

Economic indicator	2024	2025	2026	2027
GDP growth	3.9%	2.7%	4.0%	2.6%
Inflation rate (CPI)	4.7%	4.3%	3.8%	3.4%
Unemployment rate	7.2%	8.4%	8.2%	7.9%

Source: Moody's Analytics

Investment Volumes



Key Transactions 2025

Project name	Buyer	Type
GTC X	Forstone Realty	Office
Falkensteiner Hotel & Danube BC	Zijin Mining doo Bor	Mixed-use
Tri Lista Duvana	Link Group	Office
Aviv Park Zvezdara	MAT Real Estate	Retail
Logistics Park Ugrinovici	n/a	Industrial

SLOVAKIA

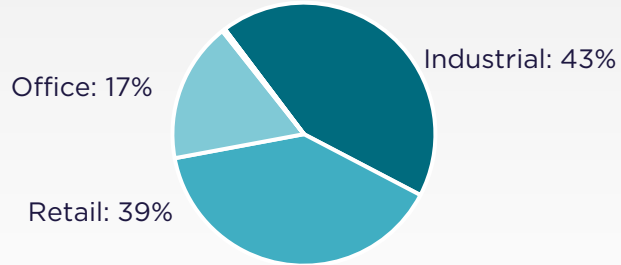
Investment Market FY 2025



1.1 B
Investment volume
FY 2025

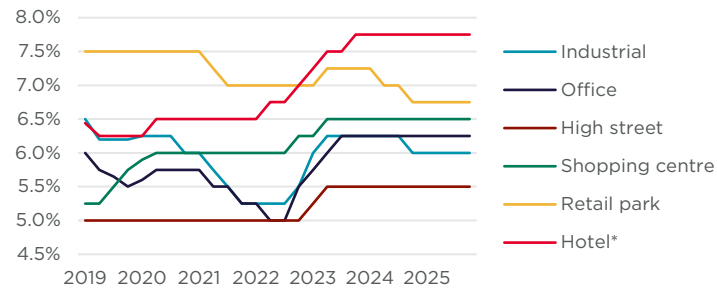


+ 176 %
Volume change
y/y



Slovakia recorded one of its strongest years on record, fueled by major industrial portfolio transactions and strong cross-border Czech capital activity. Retail and mixed-use assets complemented logistics dominance. Yield stability and foreign institutional participation signal growing market maturity and sustained investor confidence.

Prime Yields



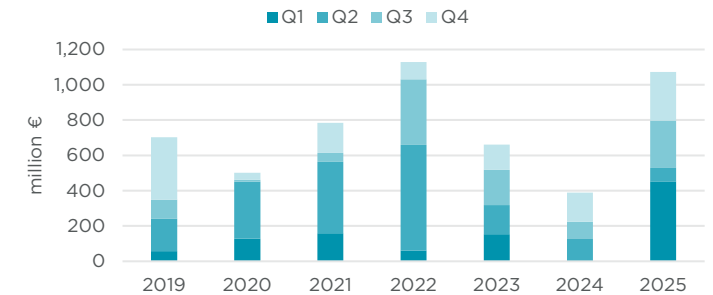
Economic Forecast

Economic indicator	2024	2025	2026	2027
GDP growth	2.1%	0.7%	1.2%	2.4%
Inflation rate (HICP)	3.2%	4.2%	2.8%	1.6%
Unemployment rate	5.3%	5.4%	5.8%	6.5%

Source: Moody's Analytics

* Hotel prime yields are for assets managed by a professional operator under a management contract and are based on variable income.

Investment Volumes



Key Transactions 2025

Project name	Buyer	Type
Bory Mall	ZFP Investments	Retail
Contera Portfolio	Blackstone	Industrial
Tesco Galleries Portfolio	Adventum	Retail
Cromwell Industrial Park Portfolio	Stoneweg	Industrial
VIVO Portfolio (49%)	Wood & Company	Mixed-use
DSV Senec	REICO	Industrial
Green Point Offices	365 Invest	Office

LEAD CONTACTS



**JEFF
ALSON**

Head of Capital Markets
CEE

+420 724 747 831
jeff.alson@cushwake.com



**MICHAL
SOTÁK**

Head of Capital Markets
Czech Republic

+420 733 126 973
michal.sotak@cushwake.com



**MIKE
EDWARDS**

Head of Capital Markets
Hungary

+36 30 688 8792
mike.edwards@cushwake.com



**ANASTASIA
TSOLOVA**

Head of Capital Markets, Debt
& Structured Finance
Cushman & Wakefield Forton
Bulgaria

+359 2 805 90 90
anastasia.tsolova@cwforton.com



**PAWEŁ
PARTYKA**

Head of Capital Markets
Poland

+48 722 20 21 60
pawel.partyka@cushwake.com



**RUDOLF
NEMEC**

Head of Capital Markets
Slovakia

+421 905 459 115
rudolf.nemec@cushwake.com



**CRISTI
MOGA**

Head of Capital Markets
Cushman & Wakefield Echinox
Romania

+40 21 310 3100
cristi.moga@cwechinox.com



**SRĐJAN
TEOFILOVIC**

Head of Capital Markets &
Investor Services
Cushman & Wakefield **CBS International
Serbia**

+381 65 23 03 034
srdjan.teofilovic@cw-cbs.rs



**MARIE
BALÁČOVÁ**

Head of Business Development
Services
CEE & Nordics

+420 605 440 693
marie.balacova@cushwake.com

ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of \$9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture.

For additional information, visit www.cushmanwakefield.com