



NEWSEC

15 YEARS
IN THE
BALTICS

KIEK PAMATUOTAS OPTIMIZMAS NT SRITYJE?

MINDAUGAS KULBOKAS

03/07/2018

THE FULL SERVICE PROPERTY HOUSE

THE END OF THE PARTY?

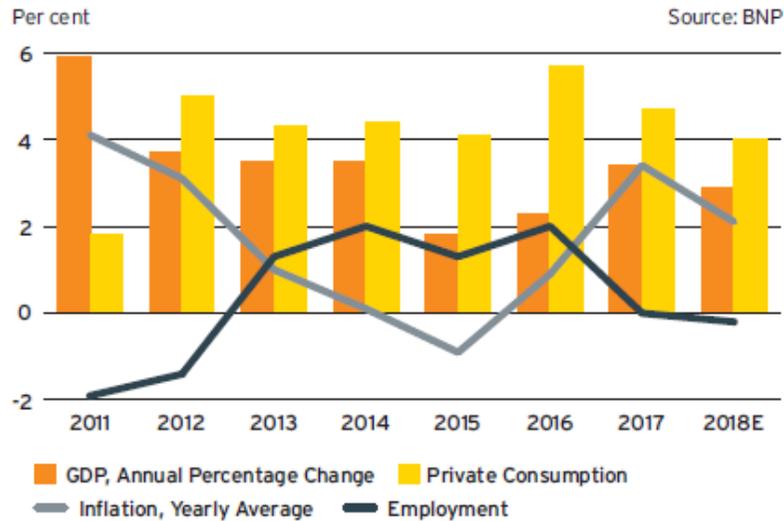


- The global economy is churning along at good speed. But asset markets are nervous as the peak of the business cycle is passing in some economies while support from central banks will be gradually withdrawn. This creates a new situation in which the long bull market will fade.
- A similar story holds in Sweden, where the Riksbank will slowly prepare to exit from the ultra-easy monetary policy, while the housing sector is losing steam, turning a previously strong driving force into a brake on the economy.

MACROECONOMIC DATA

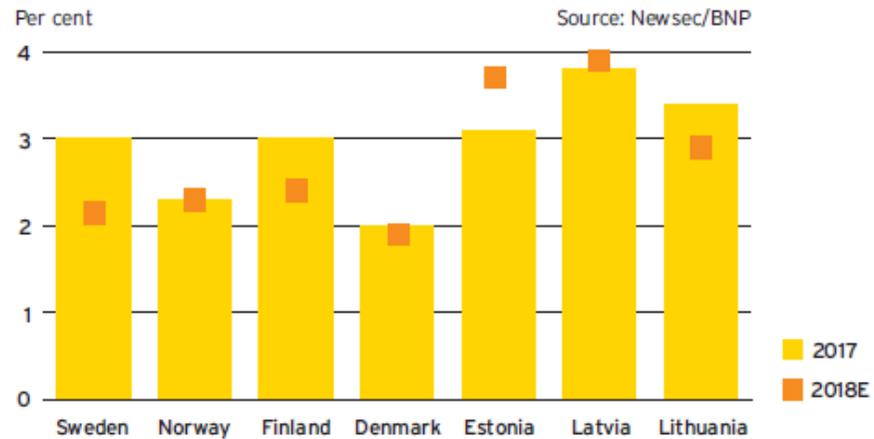
Lithuania

Economic Indicators

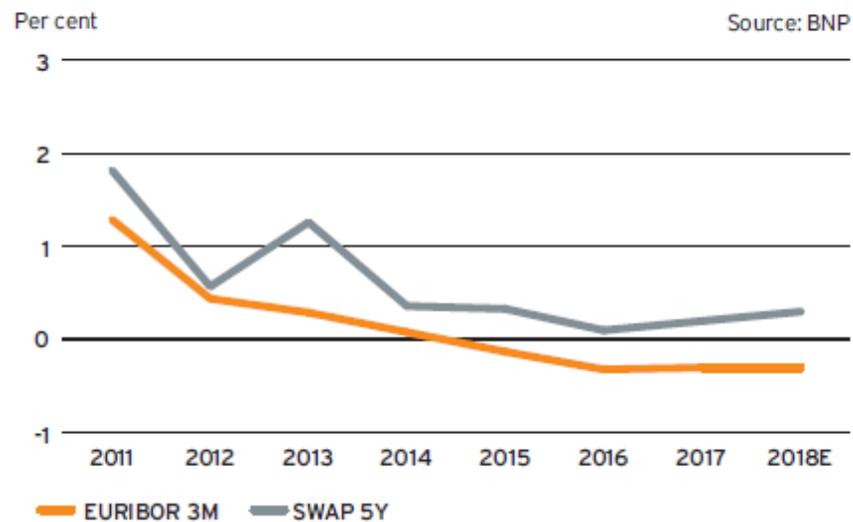


GDP Growth

GDP Growth 2017-2018E



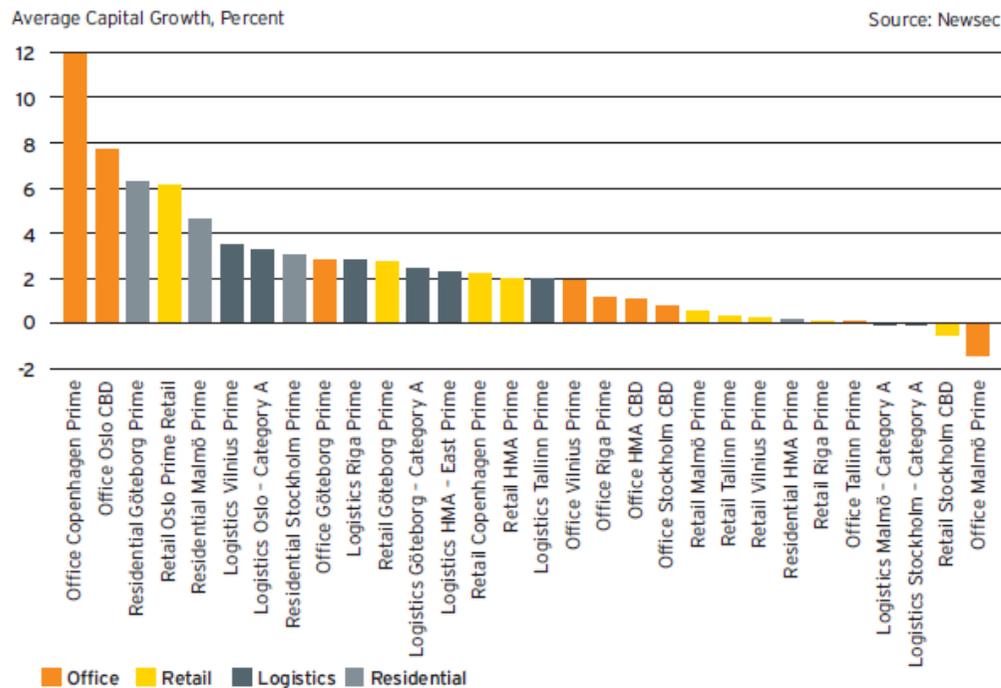
Interest Rates



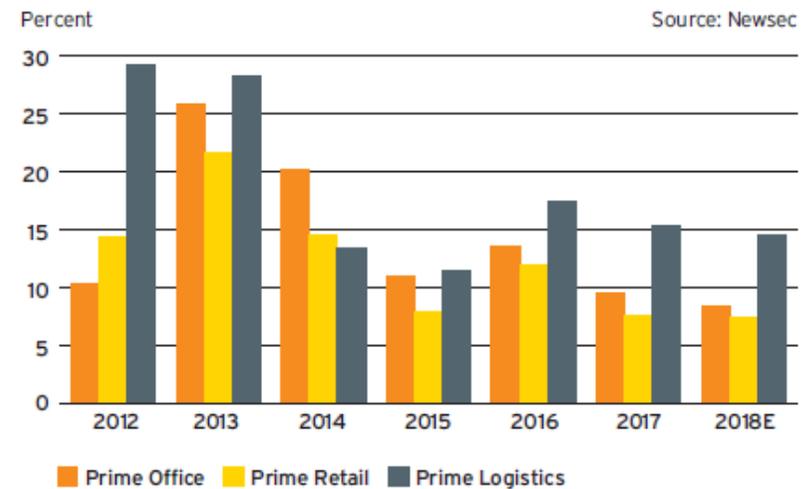
OUTLOOK FOR THE NORTHERN EUROPEAN

»Investors chasing maximum capital growth during the years 2018-2020 should allocate capital towards offices in prime locations in Copenhagen and Oslo«

Expected Average Capital Growth 2018E-2019E



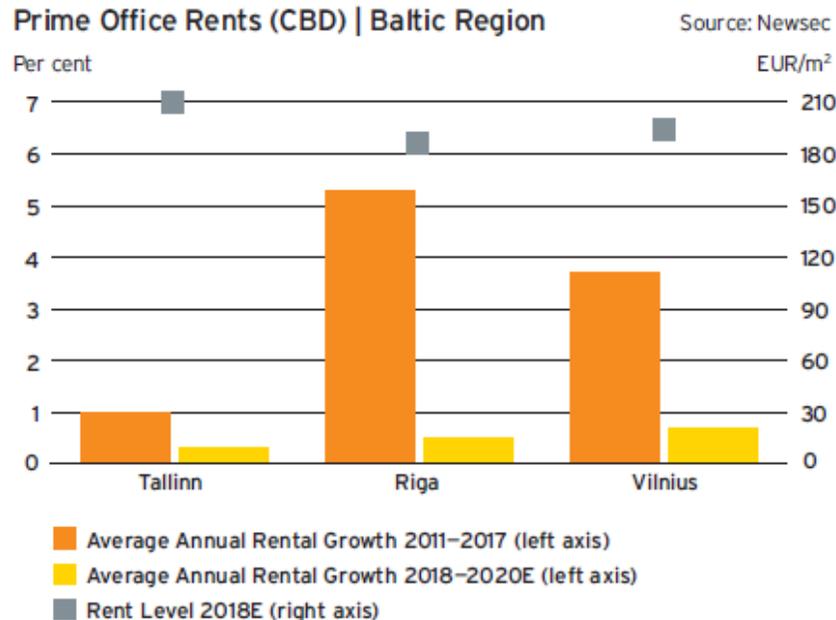
Total Return | Baltic Region



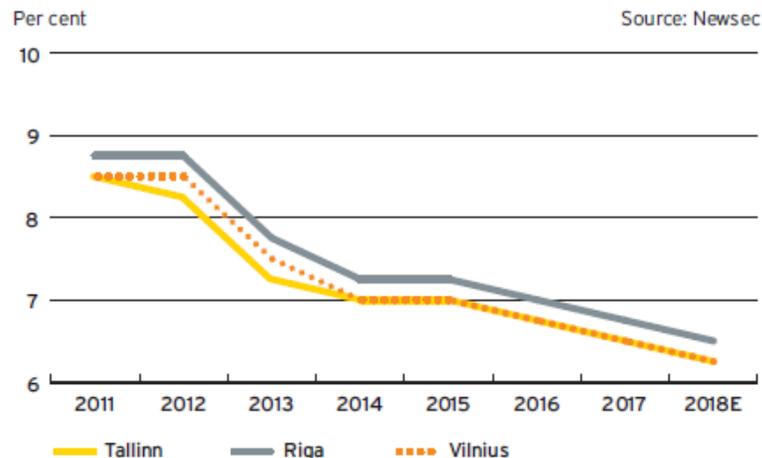
OFFICE MARKET OF THE BALTICS

A TRANSFORMING OFFICE ENVIRONMENT IN LITHUANIA

In the past few years, the Vilnius area has been the prime market for office properties in Lithuania. The Kaunas office market was almost non-existent until 2017, when 11 new office properties with a total area of 44,000 sqm were inaugurated. Moreover, 17 new properties with a total area of 99,000 sqm are coming to the market in the near future. The city's office market is changing remarkably and is expected to be classified as A-class premises in 2018-2019.



Prime Office Yields | Baltic Region



RIGA'S LARGEST OFFICE COMPLEX

Towards the end of 2017, the largest office complex in Riga, Place Eleven, entered the market. The property has a total area of 24,000 sqm divided over 14 storeys. The total amount of investment exceeds EUR 20 million. Prime office properties are currently yielding 6.8 per cent with an average price of EUR 10-15/sqm for A-class offices.

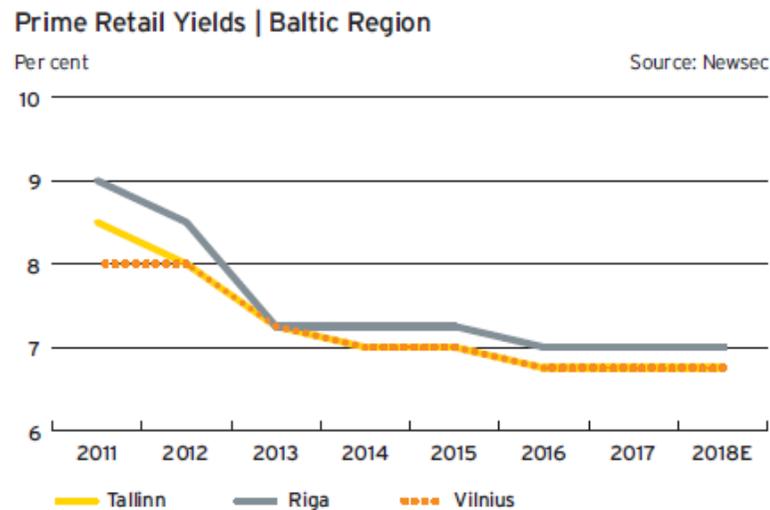
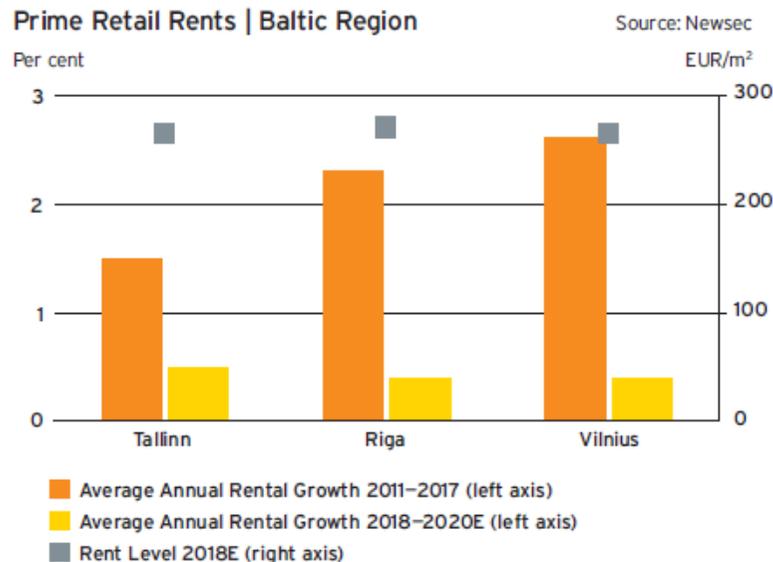
RETAIL MARKET OF THE BALTICS

INCREASED INTEREST IN RETAIL PROPERTIES IN ESTONIA

The construction of two large shopping centers, T1 and Porto Franco, is currently under development in Tallinn. Due to delays in the construction phase, the inauguration is expected to take place Q4 2018 for T1 and in 2019 for Porto Franco.

AKROPOLIS SHOPPING CENTRE IN LATVIA

In December 2017, an agreement for the co-financing of the construction of the Akropolis shopping centre was signed, worth EUR 106.5 million. This is the largest transaction in Latvia and in the Baltics during 2017. Total project investment is EUR 177 million and the centre will be the first newly constructed multifunctional shopping and entertainment centre in Riga since 2009. The centre will have a total area of 100,000 sqm, with 10,000 sqm intended for offices.



LOGISTICS MARKET OF THE BALTICS

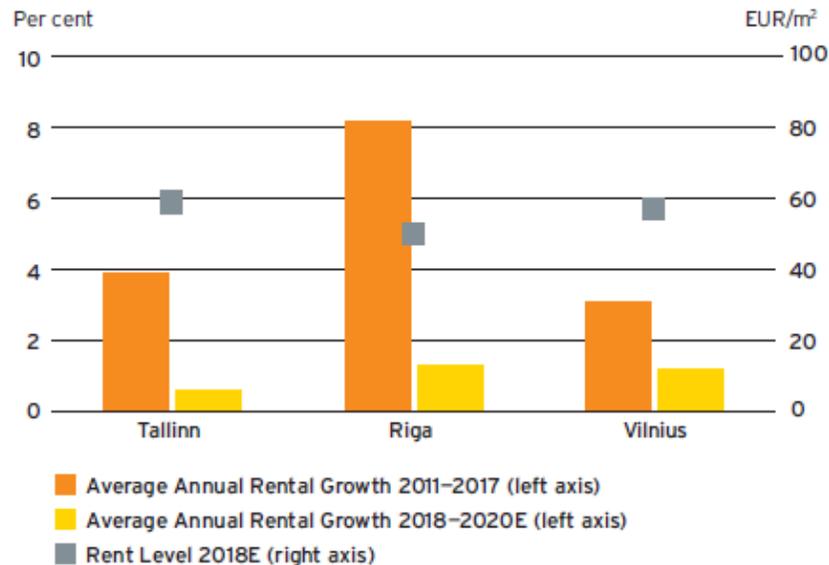
FREE ECONOMIC ZONES ON FIRE IN LITHUANIA

Lithuania has six Free Economic Zones operating in the regional cities of the country. In 2017, these FEZ's attracted significant foreign investors such as Continental, Hella, Devold, IMG and Dovista. Over the next few years, these international companies are planning to invest more than EUR 100 million, creating thousands of new jobs in the regional cities of Lithuania.



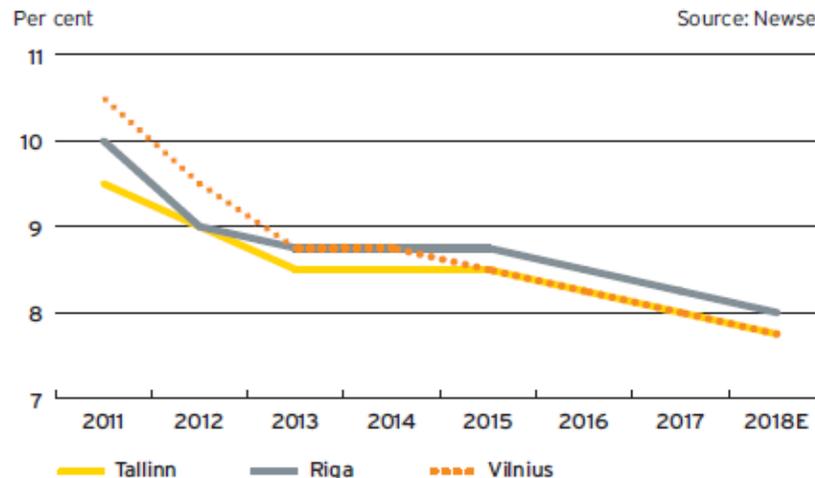
Prime Logistics Rents | Baltic Region

Source: Newsec



Prime Logistics Yields | Baltic Region

Source: Newsec



15 YEARS
IN THE
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NEWSEC FULL SERVICE OFFERING



The Full Service Property House in Northern Europe with over 1700 professionals in 41 offices.



the mark of property professionalism worldwide



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