The Current Status and Future Ahead of the Living Sector in Central and Eastern Europe

CEE SUMMIT 2024

May 22, 2024

Presented by:

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BONARD

BONARD

BONARD About Us

Empowering growth.

Established in 2007, BONARD is a **market intelligence** and **strategic development firm** specialising in rented residential asset classes. We leverage our global knowledge and connections to help clients grow in this vibrant market.

Visit our website

Our team and inventory.

4
Offices

82
Specialists

702
Projects conducted

265
Cities

14,317
Assets

2,353,645
Beds

Affiliations and memberships.

RICS®

ESOMAR member

Our Clients

Morgan Stanley
HARRISON STREET
Invesco
Hines
GSA
nuveen
A TIAA Company

GREYSTAR™
PATRIZIA
BARINGS
KAJIMA
EQT
CATELLA

HANNOVER LEASING
BainCapital
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THE SOCIAL HUB
MILESTONE LIVING
Student Experience

Sector Ranking

OVERALL PROSPECTS 2021

Rank	Sector
1	Data centres
2	Logistics facilities
3	Life sciences
4	New energy & infrastructure
5	Industrial & Warehouse
6	Health care
7	Private rented residential
8	Affordable housing
9	Social housing
10	Retirement & Assisted living
11	Self-storage facilities
12	Housebuilding for sale
13	Co-living
14	Student housing
15	Serviced apartments
16	City centre offices
17	Parking
18	Business parks
19	Flexible & Serviced offices and co-working
20	Suburban offices

OVERALL PROSPECTS 2022

Rank	Sector
1	New energy infrastructure
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4	Data centres
5	Healthcare
6	Retirement & Assisted living
7	Industrial & Warehouse
8	Affordable housing
9	Self-storage facilities
10	Private rented residential
11	Housebuilding for sale
12	Social housing
13	Multe-let industrial parks
14	Co-living
15	Student housing
16	Serviced apartments
17	Flexible & Serviced offices and co-working
18	Leisure
19	City centre offices
20	Retail parks

OVERALL PROSPECTS 2023

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10	Private rented residential
11	Industrial & Warehouse
12	Student housing
13	Leisure hotels
14	Serviced apartments
15	Parking
16	Healthcare
17	Housebuilding for sale
18	Flexible & Serviced offices and co-working
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OVERALL PROSPECTS 2024

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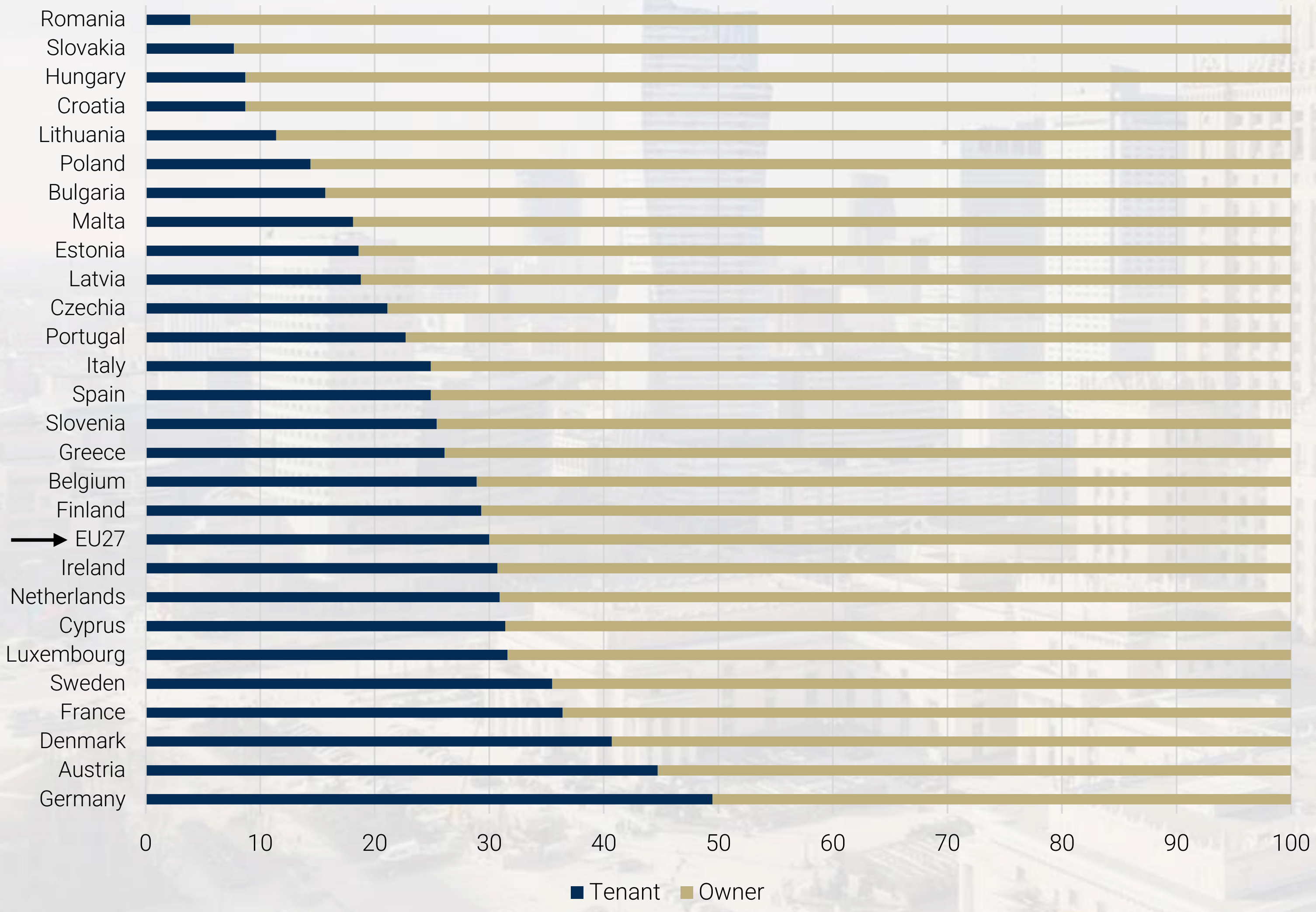
10	Private rented residential
11	Life sciences
12	Industrial & Warehouse
13	Affordable housing
14	Hotels
15	Social housing
16	Leisure
17	Housebuilding for sale
18	Flexible & Serviced offices and co-working
19	Parking
20	Retail parks
21	City centre offices

Rented Resi (Living) Asset Classes

ASSET TYPE	STUDENT HOUSING	CO-LIVING	MICRO-LIVING	PRIVATE RENTAL SECTOR (PRS/BTR)	SINGLE FAMILY	MULTI-FAMILY	SENIOR HOUSING		
							INDEPENDENT SENIOR LIVING	ASSISTED LIVING	NURSING HOMES
Typical location	Close to universities & colleges	Downtown	Downtown, well-connected districts	Downtown, well-connected districts	Suburban areas	City and suburban areas (close to kindergartens, schools, etc.)	Outside of a city	Outside of a city	Outside of a city
Average size (units)	150-300	50-300	50-300	200-500	flexible	flexible	Continental Europe: 40-60 UK: 60-70	Continental Europe: 40-60 UK: 60-70	flexible
Target audience	Students	Young professionals Contractors Singles	Young professionals Contractors Singles, divorced Business travelers Project workers	Young professionals Contractors Singles, divorced Business travelers Project workers	Young families Aged between 30-45	Families	Self-sufficient elderly people without needs for care	Self-sufficient elderly people (65+ years) with min or no needs for care (non-dependent on medical assistance)	Seniors with physical and mental impairments
Average unit size (sqm)	18-25	20-40	20-40	20-40 and more	37+	37+	40-60	40-60	20-30
Length of stay	6-10-12 months	1-3-12 months	3 months+	1-3 months+	1 year+	1 year+	5-8 years	5-8 years	2-3 years+
Services	High level	Medium level	Minimum level	Minimum level		Minimum level	Minimum level	High level	Medium level
Facilities	High level	Medium level	Minimum level	Minimum level			Minimum level	Medium level	High level
Amenities	High level	Medium level	Minimum level	Minimum level			Minimum level	High level	Medium level
Community	High level	Medium level	Minimum level	Minimum level			Minimum level	High level	Medium level

SOURCE: BONARD, 2024.

Property Owners And Tenants | Europe



SOURCE: Eurostat, 2022.

Market Development Phases

	DEVELOPMENT	GROWTH	CONSOLIDATION	MATURITY	DECLINE
	INNOVATORS	EARLY ADOPTERS	EARLY MAJORITY	LATE ADOPTERS	LAGGARDS
	LOW RIVALRY	HIGH GROWTH	INCREASING RIVALRY	STRONG BUYERS	EXTREME RIVALRY
Net initial yield	7%+	6%	5-6%	4-5%	stable
IRR	≈20%	15%+	≈15%	<15%	stable

CEE   Western Europe

NOTE: The graph and figures are illustrative and vary depending on geography and sector.
SOURCE: BONARD, 2024.

Market Status – Student Housing (selected cities)

Wroclaw
104,585 students, 8.5% international
11,032 PBSA beds

Prague
126,384 students, 22.3% international
27,594 PBSA beds

Bratislava
52,485 students, 14.9% international
17,779 PBSA beds

Budapest
155,508 students, 13.3% international
20,043 PBSA beds

Ljubljana
42,476 students, 9.6% international
8,088 PBSA beds

Zagreb
81,427 students, 4.0% international
7,825 PBSA beds

Tallinn
23,279 students, 11.2% international
3,485 PBSA beds

Riga
63,459 students, 12.8% international
8,168 PBSA beds

Vilnius
53,017 students, 10.5% international
13,638 PBSA beds

Warsaw
236,629 students, 12.5% international
17,599 PBSA beds

Krakow
130,242 students, 6.8% international
20,818 PBSA beds

Bucharest
178,621 students, 5.9% international
40,649 PBSA beds

Sofia
97,435 students, 8.5% international
32,112 PBSA beds

SOURCE: BONARD (based on the latest available data), 2024.

Market Status – Private Rental Sector (selected cities)

Wroclaw

Population: 674,100
BTR units: 3,588
BTR units in the pipeline: 1,640

Prague

Population: 1,357,326

Bratislava

Population: 476,922
BTR units: 444

Warsaw

Population: 1,862,000
BTR units: 5,989
BTR units in the pipeline: 6,988

Krakow

Population: 803,300
BTR units: 2,490
BTR units in the pipeline: 1,293

Budapest

Population: 1,685,342

Bucharest

Population: 1,731,100

SOURCE: BONARD (based on the latest available data), 2024.

Market Status – Co-living (selected players)

SOURCE: SHED Co-living, Youston Co-living (former Chapters), Noli Studios, Vonder, 2024.

Quo Vadis? The Factors Shaping the Future of the Sector

- Geopolitical situation
- Demographics & generations
- Product diversification
- Regulations
- Market consolidation
- Capital flows
- Interest rates
- Yields

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