RE: TIMES

“REIT - if not now then when??”

April 2024

Agnieszka Hryniewiecka-Jachowicz
Director and Board Member of PINK Polska Izba Nieruchomości Komercyjnych

Introduction

Recent years have brought a great deal of economic and political uncertainty, from a stalled economy after the pandemic, to inflation and changes in interest rates, to armed conflicts in many parts of the world, to a threatening climate catastrophe forcing a change in the way we manage and build real estate. Yet despite so much adversity, economies are growing and investments, including in real estate, are rolling.

What are the most important challenges for the real estate market in the near future? What makes Poland different from other European markets? Why do REITs function in other countries, but not in Poland? How best to incorporate REITs into the Polish legal system? How will REITs affect financial markets? Can REITs activate the investment and construction market? What are the key aspects of success for REITs in Poland? How can these investment vehicles affect our economy?

Real estate experts from Poland and abroad will discuss these and other topics. Managers of foreign REITs in other countries will also share their experiences.

On the day of the PINK 2024 Conference, it will have been nearly 391 weeks since the last legislative movements regarding REITs in the Polish legal system. We very much hope that during our event we will learn about decision makers plans as to when the industry can expect to resume work on the law.

13 companies have become partners and sponsors of the conference: Gold Partners — Colliers Poland and Segro Poland, Silver Partners — Crido and Skanska Office Company in Poland, and Bronze Partners — Allen & Overy, Axi Immo Group, Baker McKenzie, CBRE, Echo Investment, EPP, Globalworth, KPMG Poland and Mount TFI. Eight organizations, including EPRA, the Confederation of Lewiatan, the Real Estate Committee of the Polish Chamber of Commerce (KIG), PRCH, PZFD, RICS, the REIT Association and ULI Poland, provided honorary patronage to the event. This shows the unity of the industry on the REIT topic. We hope that this year's PINK 2024 Conference will show that this is an important topic with benefits for both the "Kowalski", institutional investors and the Polish economy.

On the day of the PINK 2024 Conference "REIT — if not now then when??" we place in your hands a collection of articles by selected speakers and guests of the event. We invite you to read them.

Table of Contents

click&go

Dorota Wysokińska-Kuzdra
Senior Partner,
Corporate Finance & Living Services

REIT – a milestone for the Polish real estate market

After several years, the topic of REITs (real estate investment trusts) is back in public discussion and makes it possible for individual investors to "earn" on real estate without large financial outlays. REITs could also be an opportunity to solve the housing problem that has been a problem in Poland for many years.

Profits for individual investors

REITs offer many advantages. They are one of the better and safer forms of investment both for institutions managing capital (pension funds, insurance companies, companies and private investors) and ordinary people. Investments are made in companies that own specific real estate, most often commercial or residential properties, which generate long-term income from their rental. According to the bill, these companies are required to pay most of their income to shareholders in the form of dividends.

Individual investors benefit most from this solution's low entry barrier, which can often be as little as a few dozen zlotys. For many people, this not only opens the door to investing in real estate (today, the "average person" must have several hundred thousand zlotys to invest in this segment, and most of the time it is simply an apartment), but it also allows them to choose what type of real estate we want to invest in: hotels, shopping centres, offices, warehouses, and possibly PRS.

Investment in REITs should be considered a long-term investment. Aside from monthly dividends, REITs can improve the retirement

security of Poles, who will be able to rely less and less on systemic solutions as the population ages.

In a broader sense

Looking at the housing market and the supply gap that we have been facing for many years (depending how it is calculated, there is a shortage of between 1.5 and even 2.5 million housing units in Poland), REITs could be the answer to this shortage and the significant increases in prices, which is mainly related to the imbalance between demand and supply. So far, actions taken by successive governments in this area (buyer support programs) have stimulated demand without increasing the number of apartments available. As a result, the price of homes has only increased. To change this, it is vital to boost supply and the number of available for institutional rental, and REITs are an effective tool for doing so. Furthermore, their introduction would offer an investment alternative for those investing in apartments: they might shift funds to REITs, both residential and commercial, increasing the supply of apartments for owner occupiers.

The introduction of REITs should also provide a boost to the Polish stock exchange as REITs are, by definition, listed companies. Given that the Warsaw Stock Exchange is not as liquid as other markets, REITs provide a potential to expand activity and liquidity in our market, particularly with domestic capital.

Key issues

While the draft REIT Act of 2016 limited funds to residential real estate (after a critical opinion of the National Bank of Poland), the new work on an update announced by the Ministry of Finance may change this. Limiting to residential housing severely limits investment opportunities, as there are still few operators on the market who already have a portfolio of real estate properties for rent (currently, there are approx. 16,000 apartments in the PRS formula). We will need more time to build scale. However, we have plenty of commercial facilities, and for now they mainly belong to foreign entities and generate profits for local investors and retirees in their countries.

After the disruptions on the real estate market caused first by the pandemic and then by the war in Ukraine and its economic consequences, the market seems to be stabilising. This makes it a good moment to return to the topic of REITs and construct universal rules for them both during booms and bear markets. Real estate is of a long-term investment, which means that investors will always have exposure to all phases of the business cycle. The bill must therefore be prepared for all scenarios.

> *The introduction of REITs should also provide a boost to the Polish stock exchange as REITs are, by definition, listed companies.*

It is worth mentioning two absolutely key aspects of REIT companies, which have a significant impact on the success of an investment. The first is to appropriately diversify the properties and their tenants in the portfolio so that no one company is responsible for too large a percentage of the overall income. This provides investors with security in the event that a tenant leaves a REIT portfolio, which is highly likely to happen. For example, if a fund loses a tenant who was responsible for 2-3% of a property's income, it will not have a significant impact on the results and dividend. However, if there is a tenant responsible for 40% of the income, this will be felt by the shareholders. Of course, diversification is a broad concept, but crucial to the safety of investing in REITs. It is easy to see that, investing in rental apartments produces diversification by default. The second aspect is the need to have the right team to manage a portfolio. Proper management of real estate assets is often more important than a great location. Of course, there are more important aspects, such as not too high bank financing, managing currency risk and many others.

For now, it remains unclear when REITs will be introduced. However, we are pleased that the discussion about them has been renewed in Poland. Perhaps, in time, our country will join those in which REITs have been successfully operating for years. ■

Katarzyna Kopczewska
Partner

Baker McKenzie.

REIT – tax exemption to jump start investment

Government legislative initiatives on REITs undertaken so far have been characterized by a great deal of conservatism as to the conditions and limits of the use by investors in REITs of corporate income tax exemption. The result of this approach has been a profusion of legal solutions aimed at creating an investment platform to facilitate largely fragmented Polish investors to invest in the commercial real estate market.

I would venture the thesis that the construction of this exemption in the latest government draft had the clear purpose of limiting the attractiveness of REITs to retail investors only, while simultaneously introducing for institutional/corporate investors taxation higher than in the case of investment through an ordinary capital company. The question that arises is whether such a solution makes sense in the context of the Polish (but not only) capital market, and whether the continuation of such thinking will not again constitute a significant obstacle to the introduction of REITs to the Polish stock market.

In this context, it's important to return to the basics and recall what purpose the income tax exemption of a REIT investment platform serves. The main characteristic of REITs is the tax exemption of income derived from the rental (and sometimes sale) of real estate, while fully taxing this income when it is distributed to investors in the form of dividends. In this way, an investment in a REIT, from a tax and economic perspective produces an effect comparable to a direct investment in real estate.

The initiative to introduce REITs into the Polish legal system is being taken (once again) due to a clearly visible appetite of Polish capital for investment in commercial real estate. This appetite is manifested both in the popularity of individual investment in "apartments for rent" located both in Poland and abroad, and through various forms of investment by private investor clubs in commercial real estate, e.g., logistics or retail. The less than 5% share of Polish investors in the commercial real estate market, however, indicates that the lack of an appropriate legal framework for such investment significantly inhibits this appetite. In addition, it should be borne in mind that Polish capital is not only the proverbial "Kowalski's savings," but also funds belonging to Polish family businesses, savings on bank deposits, placed under the management of investment funds and company financial surpluses.

From this point of view, the new REIT bill should introduce rules for the application of the tax exemption in such way that would ensure that investments through REITs are equally attractive to all these types of investors, not just individuals. Such a solution is likely to contribute to the success of the introduction of such an investment platform in at least two ways. First, a wide range of investors will allow for the acquisition of volumes of funds sufficient to make investments in large portfolios of valuable warehouse, office, retail or hotel assets. A large portfolio of diversified assets means less risk for investors. Secondly, such a solution will contribute to an easier "take-off" of REITs. This is because the launch should take the form of IPOs of existing investment portfolios. For this the interest of investors already present on Polish markets is required — mainly institutional and foreign — in the implementation of such a debut. If they are offered a platform subject to higher taxation than an investment through an ordinary real estate company, their interest in an IPO may be quite limited.

A large portfolio of diversified assets means less risk for investors.

For the above reasons, the tax legislative solution that is likely to be worked out this time should involve a progressive (rather than conservative) approach to the tax exemption, that will allow all investor categories to take advantage of it. Only in this way can we ensure for REITs adequate capital volumes and a dynamic lift off. ■

Michał Klimowicz
Counsel | Attorney-at-law
Legal Advisory Services
CRIDO

How to mobilize average saver's investments?

For many years, the participation of Polish individual investors in the Polish commercial real estate market has been minimal. Moreover, it is estimated that every fifth citizen still keeps their savings "under the mattress." The implications of this practice in the current inflationary environment need no explanation. This situation could change with the introduction of Real Estate Investment Trusts (REITs) into the Polish legal system. REITs are investment companies that primarily generate income through the management and ownership of real estate. The introduction of REITs in Poland represents not only an opportunity to mobilize domestic capital but also opens the door for individual investors to the real estate sector, which has been dominated by foreign investors until now.

Despite numerous initiatives by the community and even several attempts by the legislator, Poland not only lacks a REIT system but also a consolidated idea of how this instrument should look in the domestic market. The last attempt in 2021, which, by the way, stripped REITs of their residential character, also ended in failure. Meanwhile, the experiences of other countries, such as the USA and several European nations, show that REITs can play a significant role in the development of the real estate and capital markets.

In the United States, where REITs have been in operation since the 1960s, they have become an important component of the real estate market and the stock exchange. They allow investors to diversify their investment portfolios and gain access to real estate investments

that were previously only available to large institutional investors. In Europe, countries such as the United Kingdom, Germany, and France have also introduced REIT systems, contributing to increased liquidity and stability in the real estate market.

For the Polish market, the introduction of REITs could have similar benefits. Primarily, it would allow individual investors access to the real estate market, which until now has been reserved for major players. The proverbial Kowalski would have the opportunity to invest his funds in real estate without the need to have capital to purchase an entire office building or plot of land. Secondly, the introduction of REITs could contribute to the stabilization and increased liquidity of the real estate market, which is crucial for the long-term development of the sector. Additionally, REITs could be an important element in the pension system, allowing citizens to invest in real estate as part of a long-term savings plan.

However, the introduction of REITs in Poland requires thoughtful legal regulation to ensure transparency, investor protection, and efficient tax management. The specificities of the Polish real estate market must also be considered, and the REIT model should be adapted to local conditions. It is essential to determine which classes of real estate should be accessible for investment by a Polish REIT. Ideally, the portfolio selection should be as broad as possible, encompassing not only commercial but also residential and logistic properties. Individual funds may specialize in a particular type of asset and, by specifying this in their investment policy, allow investors to decide independently whether this type of investment is attractive to them.

To summarize, introducing REITs into the Polish legal system and capital market could be a pivotal step in the development of the local real estate market. This offers an opportunity to activate Polish capital, increase the accessibility of the real estate market for individual investors, and stabilize and develop the sector. However, to achieve this goal, it is necessary to create appropriate legal and fiscal frameworks that will ensure the safety and transparency of such investments. REITs should be legally safe and transparent investment vehicles, enabling indirect real estate acquisition, especially by small individual investors, providing them with the opportunity to allocate savings in a stable real estate market. Regulatory obligations and requirements for the minimal experience and substantive knowledge of REIT managers should ensure the high professionalism of these funds and thereby facilitate safer investments. An open question remains as to how much REITs should be subject to the obligation to trade shares on the stock exchange. After all, alternative investment companies are success-

(...) introducing REITs into the Polish legal system and capital market could be a pivotal step in the development of the local real estate market.

fully operating in the market without such an obligation, allowing investors to participate under transparent conditions. Consideration might be given to applying a hybrid model, in which "small" REITs would not be subject to the stock exchange obligation, and this requirement would only be implemented beyond a certain level of participants. ■

Adrian Karczewicz
Head of Divestments, Skanska commercial development business unit in CEE

REITs in Poland, a (potentially) new era of real estate investment

Real Estate Investment Trusts (REITs) have transformed the global investment landscape by enabling a wide range of investors to participate in real estate portfolios. This popular form of investing has been successful in many developed markets, offering significant benefits such as regular dividends, high liquidity and risk diversification. Poland, with its growing real estate market, stands before a historic opportunity to adapt the REIT model, which can significantly contribute to the development of this sector, strengthen local capital, but also increase the interest of global investors in our market.

Being a key player in the Central and Eastern Europe region, Poland is characterized by a unique combination of the CEE region's dynamics and stability and maturity, which makes it particularly attractive for REITs. Our country attracts investors by offering high-quality real estate products that meet the broad market's needs, making us competitive with our Western neighbors. With a stable economic environment that has weathered global turbulences with fewer losses than many Western European countries, we present strong fundamentals for investors. It's also noteworthy that local REITs from other countries in the region, such as the Czech Republic or Hungary, often invest their capital in Poland. This proves that Poland has the appropriate conditions and market environment that naturally favor the development of this model.

Recent years have also brought significant changes to the market, with a clear trend towards sustainable development and innovation,

Our country attracts investors by offering high-quality real estate products that meet the broad market's needs, making us competitive with our Western neighbors.

which is becoming not only a value-added but the norm in the real estate industry. Poland, with its new innovation hubs like the planned Visa center in Warsaw, is becoming a symbol of the growing focus on technology and sustainability, opening new investment paths aligned with global ESG trends. The office sector, despite challenges related to the pandemic and changes in the work model, is evolving towards spaces that offer more flexibility and care for the health of their users. We are even becoming a leader in innovative approaches to design and building certification that supports the environment, attracting sustainable investments, while the growing importance of the logistics and warehouse sector is driven by the e-commerce boom.

Compared to other European markets, Poland offers attractive returns and significant growth potential, yet still faces challenges such as limited market liquidity and difficulties with scaling investments. REIT models, which have proven successful in other countries, can offer effective solutions to these challenges, introducing financing and investment options that were previously unavailable. The new government's announcements regarding the resumption of work on

the REIT law open new possibilities for the Polish real estate market – this could not only increase domestic demand but also attract more Polish capital to the real estate market, which is currently almost absent. In the long term, REITs can contribute to the flow of domestic capital, increasing the stability and liquidity of the whole real estate sector, making it less dependent on foreign capital. The entire initiative offers numerous benefits – investing in REITs can serve as an outstanding pension product, providing a secure vehicle for long-term savings investments, especially valuable during times of economic instability.

The timing for introducing REITs in Poland seems to be perfect, considering the growing demand for innovative investment tools and the market's positive attitude towards transformation. By supporting this process, we can strengthen the local market and capital, but also raise industry standards, introducing a new era in the Polish real estate sector, including commercial properties. Properly developed and implemented, REITs can provide solid foundations for stable growth, offering investors an attractive alternative in terms of portfolio diversification and potential returns. This is an important moment for the Polish market, which may initiate a long-lasting change, bringing broad economic and social benefits. ■

Tobias Steinmann
EPRA Director of Public Affairs

Building blocks for a solid future – Real Estate Investment Trusts in Europe

Real Estate Investment Trusts (REITs) play a crucial role in all aspects of our everyday lives. Stock listed property companies serve businesses and society by actively developing, managing, maintaining and improving the built environment — where we all live, work, shop and relax.

REITs are the guardians of many of the highest quality assets in our cities. They help communities grow, thrive, and revitalise and provide an investment opportunity that makes it possible for everyday citizens as well as large institutional investors to benefit from valuable real estate, dividend-based income and total returns. The liquid nature of listed property companies facilitates the 'democratisation' of real estate — by providing the opportunity for individual investors to participate alongside larger investors, in otherwise inaccessible investment opportunities. As societies in Europe are facing challenges to provide for their rapidly greying populations, REITs play a crucial part in providing retirement security to millions of people, by offering long-time investors like pension funds and insurance companies stable and highly competitive assets to invest in.

Furthermore, the sector is governed by a robust regulatory framework of EU legislation, national supervision and local financial markets regulators. In addition, most companies are internally managed by professionals who are directly accountable to the shareholders by way of reporting and performance metrics, supported by the EPRA Best Practices Recommendations for financial and sustainability reporting.

The REIT sector in Europe is also responsive to the dynamics of the market, which was notably seen with the emergence of green and social bonds as a potential alternative source of financing real estate, with leading listed property companies guiding the way in this developing market. These companies strive to incorporate the best possible standards in terms of construction, efficiency, sustainability and wellness as part of their normal business.

Aside from transforming the physical environment in which we lead our daily lives, the REIT sector is an important catalyst for job creation, since it feeds so many other parts of the economy. A study conducted by PwC for EPRA showed that Europe's listed property companies are the catalyst for almost 1 million jobs in the EU.[1]

With withholding taxes deducted from dividends, but also on employment and property ownership, there is limited visibility over the tax contribution paid by REITs. But then, how and how much do REITs contribute in taxes to the public finance in Europe? Another study by PwC has gathered evidence-based data that for every 100 EUR of turnover, an amount equivalent to 32.8 EUR is contributed in taxes – also here the REIT sector in Europe underscores its unique features.[2]

When you bring it all together, it becomes clear why 14 European countries have already recognised a public benefit to incentivise real estate investment through public markets and have introduced REIT legislation in their jurisdiction, and we are expecting this trend to maintain and increase in the near future. ■

[1] EPRA_-_Infographics_12122017.pdf
[2] EPRA_Total_Tax_Contribution_report_2020.pdf

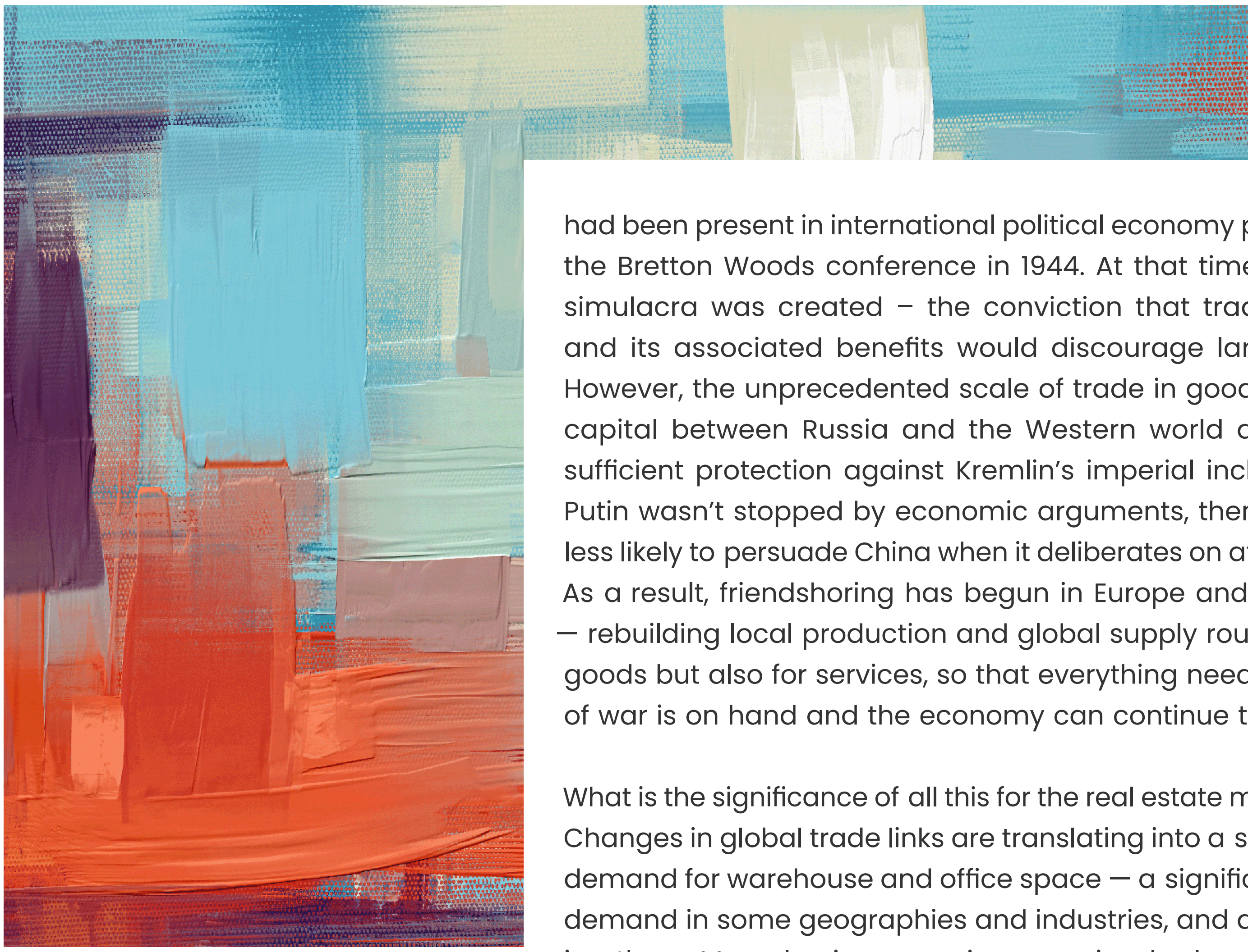
PhD Prof. Adam Czerniak
Professor of SGH Warsaw School of Economics

SGH

Trust – solution for a decade of overlapping shocks

According to professional forecasters, the global economy is slowly recovering from a turbulent period of overlapping macroeconomic shocks. Even before the start of the decade, a coronavirus pandemic broke out in China, bringing the world to a momentary standstill and causing severe supply shocks: the provision of some services was banned, some severely curtailed, and other sellers could not meet the needs of all customers through bottlenecks in the supply of goods. Locally, as if in the background of the pandemic, minor tragedies played out — outbreaks of armed conflicts, floods and fires of unprecedented magnitude, alternating droughts and downpours, and even minor accidents that had repercussions on a global scale, such as a container ship running aground in the Suez Canal. Finally, as mass vaccination reduced global mortality rates, Russia launched a massive attack on Ukraine, which resulted not only in cutting off some countries' supplies of cheap grain, but also in severe turbulence in the energy commodities market.

The response of countries was as strong and broad as the shocks themselves. First, governments of virtually all countries introduced stimulus programmes with a total value measured in trillions of dollars. Then, as demand returning from non-existence was not matched by supply, inflation exploded and central banks rapidly began to raise interest rates in an attempt to pull excess liquidity from an economy inflated by government money. This was compounded by war and a revision of global trade strategies. Vladimir Putin's authoritarian decision to send tanks towards Kiev jolted Western political elites out of the geo-strategic wishful thinking that



had been present in international political economy practically since the Bretton Woods conference in 1944. At that time, an economic simulacra was created – the conviction that trade cooperation and its associated benefits would discourage large-scale wars. However, the unprecedented scale of trade in goods, services and capital between Russia and the Western world did not provide sufficient protection against Kremlin's imperial inclinations. And if Putin wasn't stopped by economic arguments, then they are even less likely to persuade China when it deliberates on attacking Taiwan. As a result, friendshoring has begun in Europe and North America — rebuilding local production and global supply routes, not only for goods but also for services, so that everything needed in the event of war is on hand and the economy can continue to operate.

What is the significance of all this for the real estate market? Colossal. Changes in global trade links are translating into a structural shift in demand for warehouse and office space — a significant increase in demand in some geographies and industries, and a strong decline in others. Many business services, previously doomed to relocate to Southeast Asia, have regained their second youth. Neither Thailand nor Malaysia, let alone India or Pakistan, are any longer as attractive to global companies with a European or American pedigree as they were just a few years ago. Similarly, fortunes have reversed for Western producers of basic pharmaceuticals, electronic components, renewable energy generation equipment or even metallurgy.

However, this change in demand structure has encountered a funding gap. A strong tightening of monetary policy, coupled — unusually — with a bull market in equities, has prompted global investors, from hedge funds to commercial banks, to opt for easy alternatives. With returns on capital of 5% per annum on US bonds, investing in the more uncertain and marginally more profitable real estate business has become a second-choice solution at best. This has particularly affected countries without large investment funds of their own and with an unfriendly and unstable tax system, such as Poland, which have a higher risk status for global equity funds than the US, UK or France.

This does not mean, however, that there is no capital in Poland to finance the development of the real estate market. First example at hand: the historically high (in relation to GDP) amount placed on deposits in the banking sector, especially by the domestic corporate sector. This are savings that are easy to tap, as banks — due to their high liquidity — are reluctant to raise interest rates on savings. In such a situation, many companies would be keen to take advantage of alternatives, including in particular the possibility of investing in

real estate, which is considered one of the safer forms of capital allocation in Poland. All it takes is a bit of encouragement and a guarantee of institutional stability for this capital to flow out of the banking sector and provide cheaper fuel than foreign capital to finance real estate investments.

One such incentive could be the enactment of a law on REITs (Real Estate Investment Trusts). Such entities successfully encourage companies and private investors to invest their capital in the local property market, not only in the USA, Germany or Portugal, but also in countries in our region, such as Bulgaria or Hungary. Incentives range from tax advantages to the security provided by financial supervision to the lack of minimum capital needed to start investing. The discussion about the introduction of REITs in Poland has been going on for more than a decade, but it is today that an alignment of independent factors causes that concluding it will be so beneficial.

The discussion about the introduction of REITs in Poland has been going on for more than a decade, but it is today that an alignment of independent factors causes that concluding it will be so beneficial.

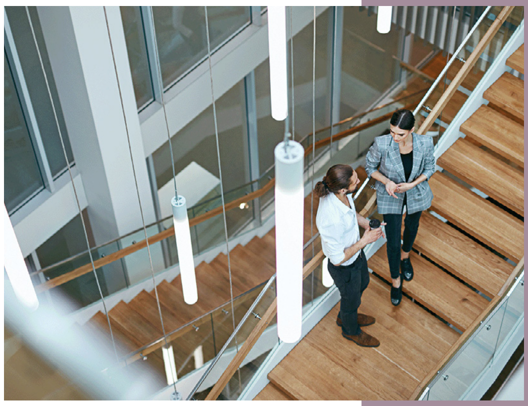
Monika Dębska-Pastakia
Partner Associate

Michał Topolski
Assistant Manager

KPMG

A new stage in the development of the Polish real estate market thanks to REITs?

REITs (Real Estate Investment Trust) first emerged in the 1960s in the USA as a new approach to income-producing property investment. The new legislation combined the best features of both stock-based and property-based investments. The continuously improved mechanism has been adopted worldwide and has lowered the capital requirement barrier allowing small investors to access income-producing property portfolios and has helped to accelerate real estate market development.



Currently, about 40 countries, including almost two-thirds of OECD members and all G7 countries have REIT platforms, unfortunately, Poland is not to be found in this group, as a result of which domestic capital is practically non-existent in the investment market, having only a 2 per cent share in the average annual volume of investment transactions in the commercial real estate market. Foreign institutional investors with a focus on pension and insurance funds are leading the way, although opportunistic players from the CEE region have been active in the investment market over the past few years. Meanwhile local players have insufficient capital

REITs have a major impact on the real estate market — by attracting individual and institutional investors, they increase the availability of capital, which translates into more transactions.

weighting or are restricted by regulations to compete for the best office, warehouse or retail assets.

The Polish market has been waiting unsuccessfully for the regulation of REITs for years. Previous attempts to introduce appropriate legislation have met with resistance or simply have not been a priority for the various governments. This causes profits from Polish commercial real estate to be captured by foreign capital, while Polish small investors direct their interest to the residential market driving up prices. According to data from the National Bank of Poland, in 2022 as many as 70% of residential units were purchased for investment, and during the pandemic the popularity of holiday properties sold in the condo system also grew, confirming Poles' interest in investing capital in the property market. At the same time, the transaction volume in the commercial segment began to record significant declines to reach minima not seen since the 2008 financial crisis. This was due not only to high interest rates, but also to a market structure dominated by foreign capital, which also calculated the growing geopolitical risk of investments in Poland and other countries in the region.

REITs have a major impact on the real estate market — by attracting individual and institutional investors, they increase the availability of capital, which translates into more transactions. The availability of capital can also stimulate the supply side of the market through the financing of new projects and the refurbishment of existing buildings, which is particularly important in view of the ESG challenges in the real estate sector. REITs can therefore also have a positive impact on the construction industry.

Increased activity by domestic investors would help stabilise the commercial property market and reduce pressure on the residential market. The implementation of REITs that also invest in real estate financing (lending of funds for the acquisition of real estate through instruments such as mortgages), including residential real estate would potentially allow for an increase in the share of fixed-rate

Increased activity by domestic investors would help stabilise the commercial property market and reduce pressure on the residential market.

mortgages improving the security and predictability of investment on the market.

The introduction of REITs would not only have a positive impact on the real estate market, but also have several benefits for individual investors. In addition to the lowering of the capital barrier to entry commercial real estate market, this mechanism allows diversification of risk in terms of investments in different property segments and locations. The shorter time to sell shares in REITs provides higher liquidity and professional management reduces the risk of inefficiency. The main advantage of this product from an investor's point of view, however, is the almost service-free passive income, which makes it an attractive instrument for the long-term investment of savings.

Historically, in countries where REITs have operated, they have provided competitive returns on invested capital based not only on steady dividend income, but also long-term capital growth. They also provide diversification benefits for investment portfolios given their low correlation with other assets.

At the same time, it should not be forgotten that investments in REITs, despite the benefits outlined above, are associated with risks, as is the case with any investment product. Regulatory oversight and education of potential investors will be key in this aspect. However, there is no doubt that the potential benefits for both the market and investors outweigh the risks. The new investment mechanism may initiate the next stage in the development of the real estate market in Poland. ■

Partners and sponsors of the conference

Gold Partners

SEGRO
Colliers

Silver Partners

CRIDO
SKANSKA

Bronze Partners

ALLEN & OVERY
AXI IMMO
Baker McKenzie.
CBRE
ECHO investment
EPP
globalworth
KPMG
MOUNT TFI

Honorary Patronage

EPRA European Public Real Estate Association
Krajowa Izba Gospodarcza
PLGBC Polskie Stowarzyszenie Budownictwa Ekologicznego
PZFD Polski Związek Firm Deweloperskich
Lewiatan
PRCH Polska Rada Centrów Handlowych Polish Council of Shopping Centres
RICS
Stowarzyszenie REIT Polska
ULI Poland

Media Patronage

PROPERTY NEWS.PL

10 KWIETNIA
09:00- 16:00
SHERATON GRAND WARSZAWA

PREZENTACJE
DYSKUSJE

WYZWANIA DLA RYNKU NIERUCHOMOŚCI W POLSCE I EUROPIE
JAK WPISAĆ REIT W POLSKI SYSTEM PRAWNY
REIT JAKO ELEMENT RYNKU FINASOWEGO
KLUCZOWE OBSZARY SUKCESU REIT W POLSCE

REJESTARCJA
WWW.STOWARZYSZENIEPINK.ORG.PL

KONFERENCJA
PINK
Polska Izba Nieruchomości Komercyjnych

REIT
JAK NIE TERAZ, TO KIEDY???

PINK
Polska Izba Nieruchomości Komercyjnych

Agnieszka Hryniewiecka-Jachowicz
kontakt@stowarzyszenie pink.org.pl