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Deloitte Real Estate Confidence Survey

May 2020

MAKING AN IMPACT THAT MATTERS since 1845

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Foreword

Welcome to the second edition of the Deloitte Real Estate Confidence Survey for Central Europe (CE). Our report comes at a highly significant moment for the regional market, as countries make their first tentative moves out of the lockdown measures imposed to protect their citizens during the COVID-19 pandemic.

The report uniquely compares the market sentiment held by developers, investors and market advisors immediately before the pandemic's arrival with their outlook of just a few weeks later when it was at its peak. Above all, it describes their expectations for the months ahead: expectations that will have at least as much influence as hard economic data on their investment decisions throughout 2020.

The views described in this report will therefore have an important economic impact on the immediate future. We hope that you find it a valuable tool as professionals across the region collectively plan how to return to the record-breaking market performance achieved in 2018 and 2019 – a performance that highlights the healthy fundamentals underlying CE's real estate market.

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Partner Associate | Real Estate Advisory

The 2020 edition of the Deloitte Real Estate Confidence Survey for Central Europe (CE) highlights the significant shift in the opinions and outlook of the region's real estate practitioners that has taken place since the emergence of the COVID-19 pandemic.

Above all, it shows how expectations for the months ahead are predominantly negative across almost every aspect of the regional market.

When we launched the Real Estate Confidence Survey in 2019, we aimed to find out the perception of the market by real estate professionals. The market's rapid growth across CE in recent years caused contrasting views among real estate market analysts - on the one hand pointing to the vast number of investments made, on the other sounding the first warnings of an upcoming crisis. But what were the perceptions of the deal-makers themselves? We wanted this survey to give real estate professionals the opportunity to express their confidence or skepticism. Just as we were preparing to launch our second report in early 2020, an unprecedented wave of change struck our region and the wider world.

We immediately recognised that the rapid spread of the COVID-19 pandemic outside China and efforts to suppress it, including lockdown, made the findings of our January 2020 survey out of date. This gave us a great opportunity, however, to carry out another phase of research in April 2020, enabling us to track precisely the shift in opinions over the three key months between the first arrival of the pandemic and its spread across Central Europe and beyond.

So we immediately decided to postpone publication and go back to our respondents for a second time, in April 2020. This report presents and compares the findings of both research phases.

In the foreword we would like to thank all those real estate professionals who decided to participate and share their views with us in those difficult times.

The Deloitte Confidence Survey is a market sentiment review, launched in 2019, which we carry out on an annual basis.

In it, we ask three groups – developers, investors and market advisors from across the CE region – for their opinions on a range of issues. The findings of the first survey gave us a clear indication that expectations of a stable economic climate were widespread. This gave us insight into market perceptions, which we could compare in the next edition with market results and use to gauge changes in sentiment.

Our respondents in early 2019 correctly predicted multiple market trends that materialised during the remainder of the year.

The first phase of research in 2020, carried out in January, consisted of two sections. The first focused on respondents' views on various aspects of the general economic conditions that they believed would occur across CE in 2020. The second section covered the individual business perspective of each participant.

Following the spread of the COVID-19 pandemic outside China in the first quarter of 2020, we carried out the second phase of research in April 2020.

This approach revealed significant changes in sentiment and outlook, not only between the 2019 and 2020 surveys but also over the first few months of 2020.

Key findings:

- The first round of the 2020 survey showed a market largely in equilibrium, with most practitioners expecting little in the way of changed market conditions and activity levels.
- After this positive overall outlook for the CE economy in January, the situation changed dramatically over the next few weeks: by April, 93% of respondents were giving negative answers and there were no optimists.
- A massive shift in market expectations can be seen, including respondents' views on market activity, transaction sizes and yields as well as the plans and fears driving developers and investors.
- According to market practitioners, this new situation will undoubtedly force major changes in market structure and organisations' approach.
- We asked each group of practitioners for their assessment of the effects of COVID-19 on the economy and their plans. One of the most important findings of the 2020 Confidence Survey is that the outbreak has caused almost 81% of developers and 75% of investors to make changes to their 2020 strategies, which may have a determining impact on the market.
- Around 92% of developers, 88% of investors and 94% of market advisors believe that the pandemic will affect the global economy over the long or medium terms.
- The current situation might cause the first significant changes to the CE market for over a decade. Almost all respondents expect negative changes to the region's economic climate and worsening debt financing conditions.
- Expectations around the tax climate are less negative than general views on the market; this might be the effect of government programmes published across CE during the first weeks of the pandemic.
- According to our respondents, after a period of constant growth in investment volumes, 2020 might be the first year to see a significant decrease in activity.
- Investors expect to manage their portfolios during the crisis by concentrating on the markets in which they currently operate. Three-quarters of investors expect investment activity to decrease during 2020. No investors were expecting to focus on new markets in 2020.
- There was a fourfold increase (from 11% to 44%) over three months in the proportion of respondents expecting yields to rise. However, a small majority still expected yields to stay stable or to decrease. If this happens, yields are to grow for the first time since the last global financial crisis. The effects on the market might be similar to those during 2008 and 2009.
- Most respondents expect investment efficiency to deteriorate. They also believe the average size of transactions to decrease this year.
- There has been a noticeable positive effect on the perception of the logistics sector during the pandemic. Respondents predict significant growth in competition for new investment opportunities.
- The biggest challenges for developers before the crisis were acquiring development land (43%), increasing costs of building materials and construction works (22%) and labour availability and costs (18%). In January, just one in 10 saw commercialisation and project financing as a major issue. A mere three months later, three in four developers said this was their biggest challenge (38% commercialisation and 35% project financing). Two-thirds of developers expect that current crisis will affect the market over the medium term.
- About 65% of developers expect that the current crisis will affect the market over the medium term, while 27% expect long-term change and the remaining 8% a short-term impact.
- Despite the pessimistic sentiment regarding 2020, it is the view of our respondents that the pandemic crisis will cause an increase in three years' time in the number of investment opportunities. This is a significant increase in positive answers, from one third to over a half.

Economic environment

Economic climate, debt finance and the tax climate

Answers from 2019 showed that most of our respondents then expected the market to remain stable. When it came to the overall economic climate, predictions of continuing stability were shared by 63%, while 77% were anticipating stability in debt finance and 83% in the tax environment.

By January 2020, the picture was even more positive. More respondents were expecting the overall economic climate to remain stable (74% compared to 63% in 2019), while the share of pessimistic answers stood at 18%, four percentage points (p.p.) lower than the year before.

By this time, slightly fewer of our respondents were expecting the availability of debt to remain unchanged (68% in January 2020, compared to 77% in 2019), while the numbers selecting the positive and negative options had both grown slightly.

The majority of respondents (78%) in January 2020 did not expect to see any significant changes in the CE tax environment during the year ahead – six p.p. fewer than in 2019.

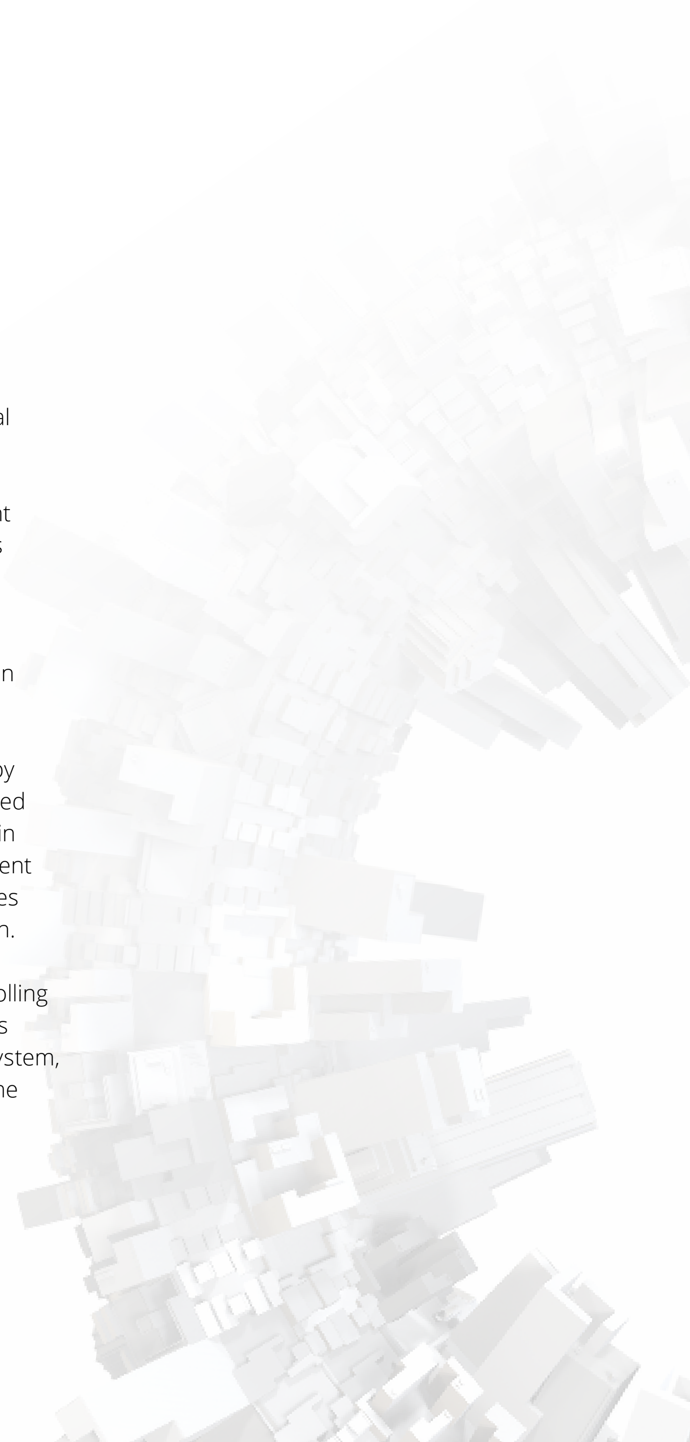
So, although the European Commission (EC) was forecasting a slight deceleration in economic growth, our respondents were still optimistic in January 2020.

As regards two major investment markets in CE, the EC forecasts for Poland and the Czech Republic were both less optimistic than in recent years. The EC expected Polish GDP to grow by 3,5% in the next two years (compared to 3,5% in 2019). Czech GDP growth was forecasted to slow down to 2.1% in 2020 and to reach 2.2% in 2021 (compared to 2.9% in 2019). Despite such anticipated declines, the CE regional economy was still stronger than that of the Eurozone, consistently exceeding its growth rate and remaining unaffected by the slowdown in Western countries. This resulted in the positive impressions reported by respondents.

The majority of responses correspond to the European Central Bank's (ECB's) decisions to keep key interest rates at their present levels, which have been in place since 2016. In January 2020, the Governing Council of the ECB extended its decision to keep unchanged its interest rates on main refinancing operations, the marginal lending facility and the deposit facility.

It is worth noting that there is a significant spread of opinions regarding the region's tax climate and predictions about each of the countries. Our respondents are generally more pessimistic about the prospects of the countries they operate in than those of Central Europe as a whole.

This major difference may be explained by the complex and repeated changes applied to the tax systems of different countries in recent years, and various other government announcements, with several CE countries demonstrating a clear pro fiscal approach. For example, the Hungarian government made changes in 2019 to the rules controlling foreign companies, and new exit tax rules came into force in 2020. The Polish tax system, meanwhile, addressed uncertainties in the VAT treatment of asset transactions and made changes to corporate income tax.

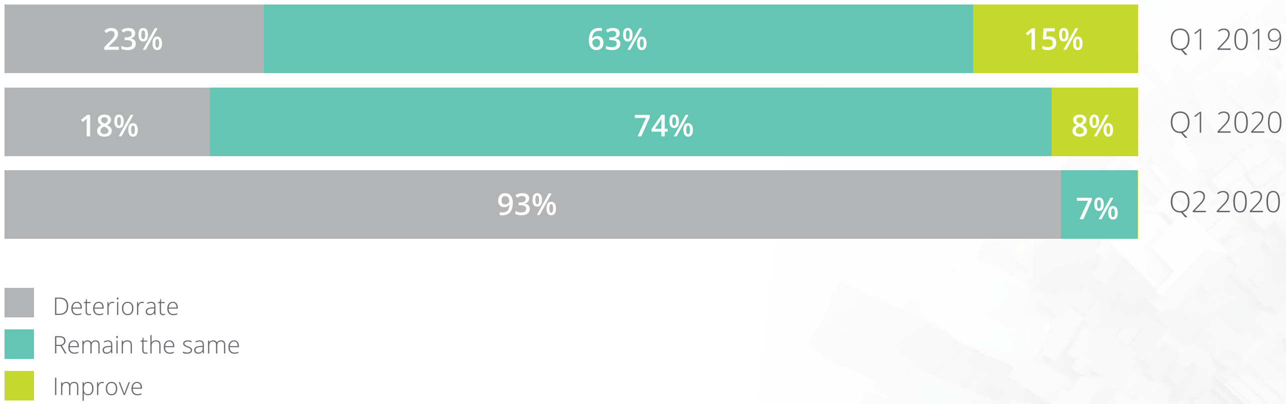


Economic climate

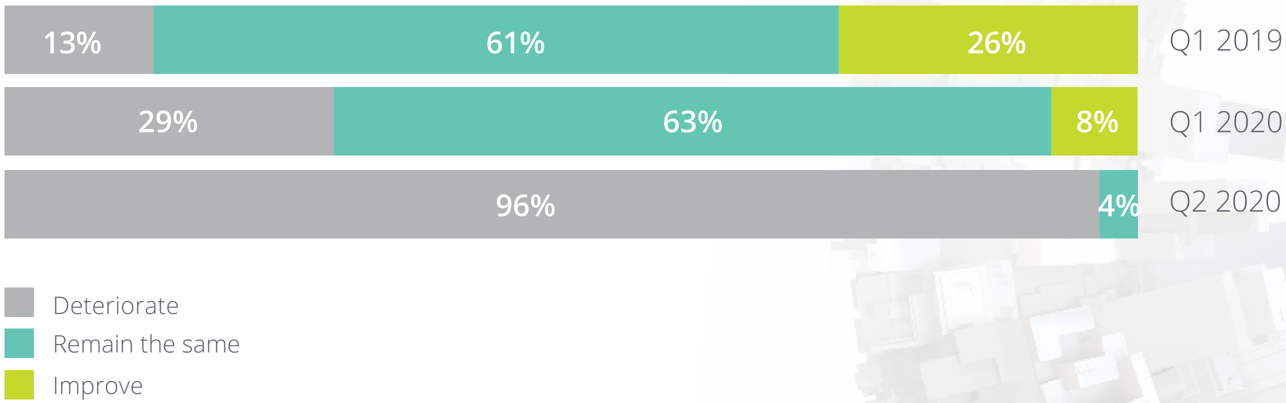
By April 2020, everything had changed, with more than 93% of respondents now expressing pessimistic perceptions of the prospects for 2020. Almost all respondents now expect negative changes to the region's economic climate and a worsening of debt conditions. In one major instance, our respondents believe banks will be more conservative in the months to come due to the current situation on the market.

This negative sentiment can also be seen in respondents' expectations for the tax climate. In January 2020, only about 16% were worried about this. After the pandemic outbreak, almost a third were mentioning such concerns. That said, expectations for the tax climate were less negative than general views on the market as a whole. More respondents were anticipating an improvement in the tax climate, possibly a result of governmental programmes published across CE during the first weeks of the pandemic. Taking Poland as an example, as we were collecting responses, a package of 'anti-crisis shield' special acts was introduced, which might have impacted these answers.

For the next months, I expect the overall economic climate in the CE to:

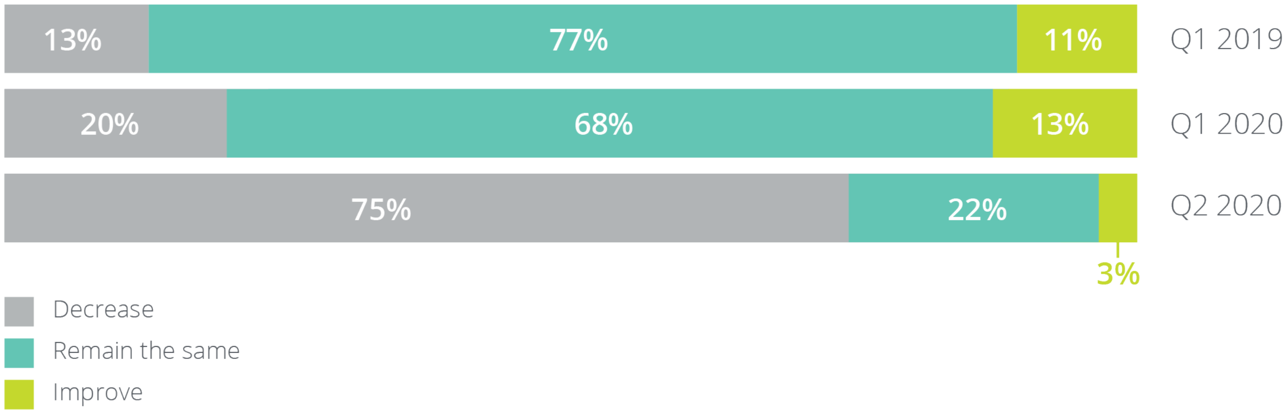


For the next months, I expect the overall economic climate in Poland to:

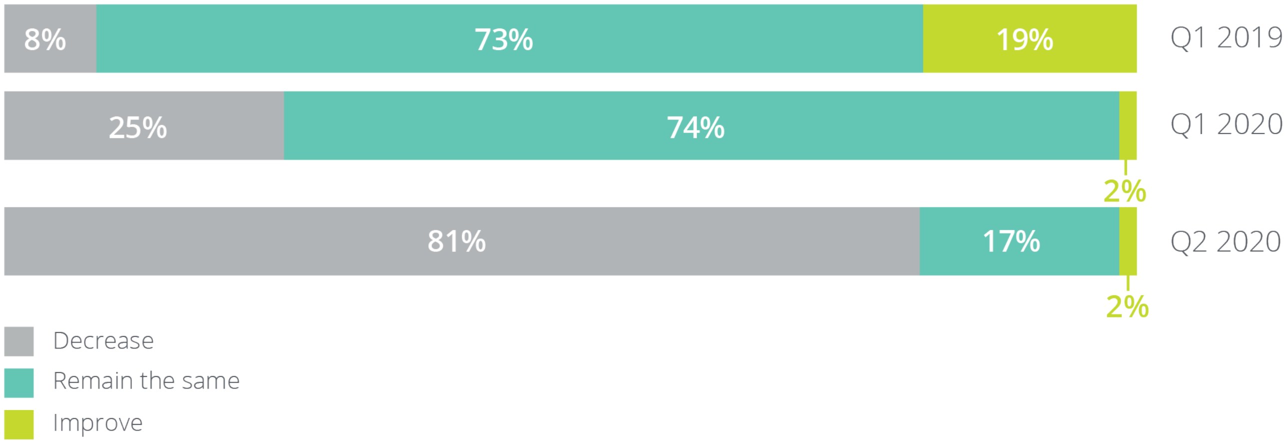


Debt finance

For the next months, I expect the availability of debt finance in CE to:

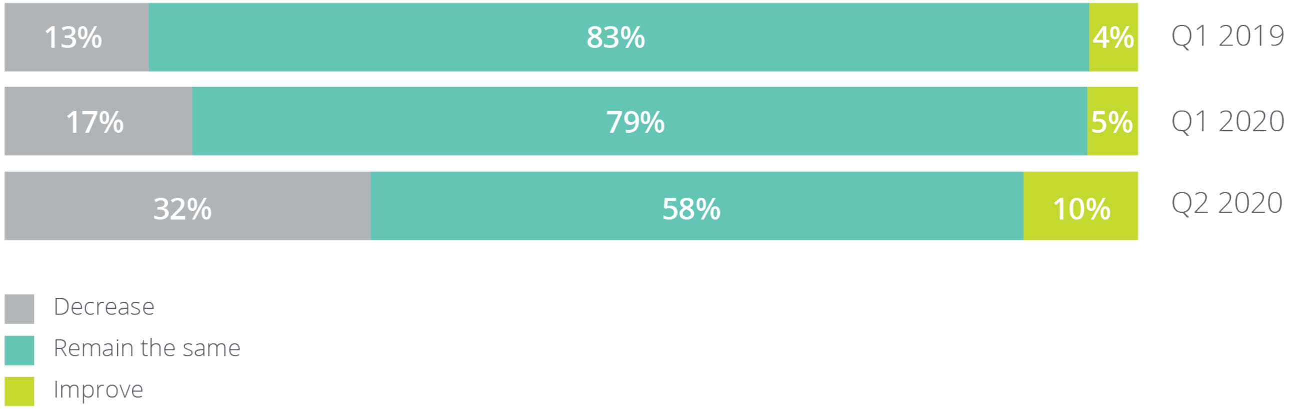


For the next months, I expect the availability of debt finance in Poland to:

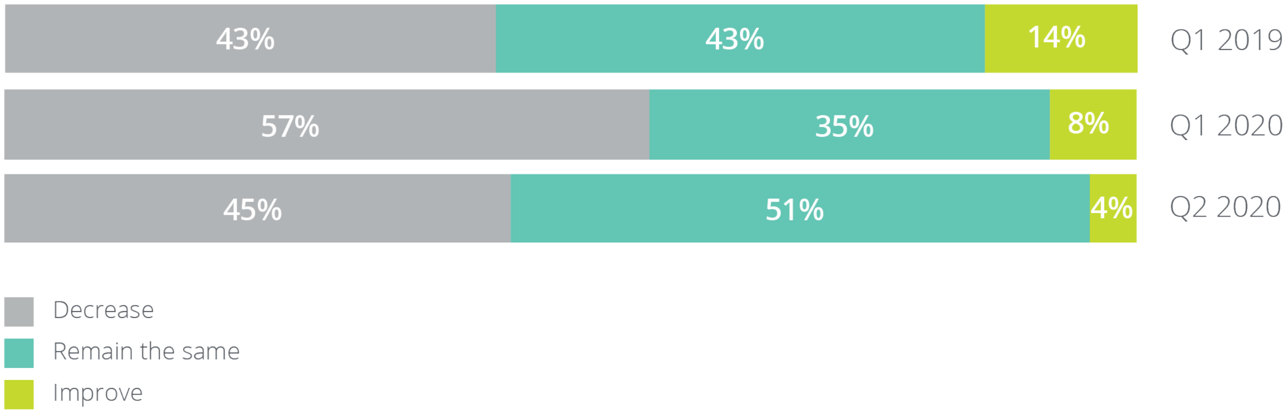


Tax climate

For the next months, I expect the tax climate in CE to:



For the next months, I expect the tax climate in Poland to:



Investment market

Market activity

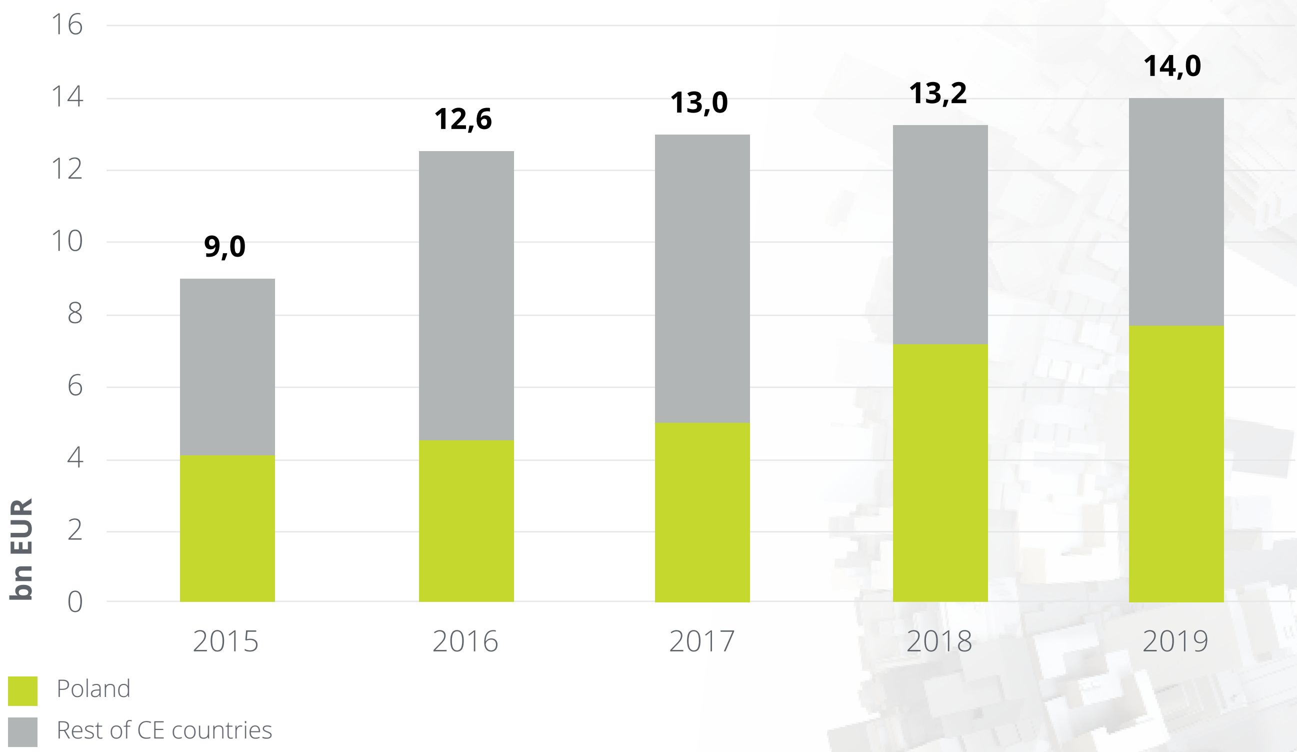
According to our survey, last year more than 60% of participants expected overall market activity to be at a similar level to that of 2018. A similar share believed that average transaction sizes were set to remain stable or grow.

Since 2016, when the total first exceeded €10 billion, we have been seeing a growing volume of transactions across CE. In 2019, the total investment volume totalled almost €14 billion – the best result in CE investment market history, and slightly ahead of 2018.

As respondents anticipated, with almost two-thirds expecting stability and 19% predicting an increase, investor appetite remained strong throughout 2019.

The views of professionals from Poland were even more optimistic, with almost 30% expecting growth in 2019. In the event, as the regional record from 2018 was broken, investment volumes in Poland accounted for more than half of all CE transactions.

CE investment volume



Source: JLL

Market activity expectations

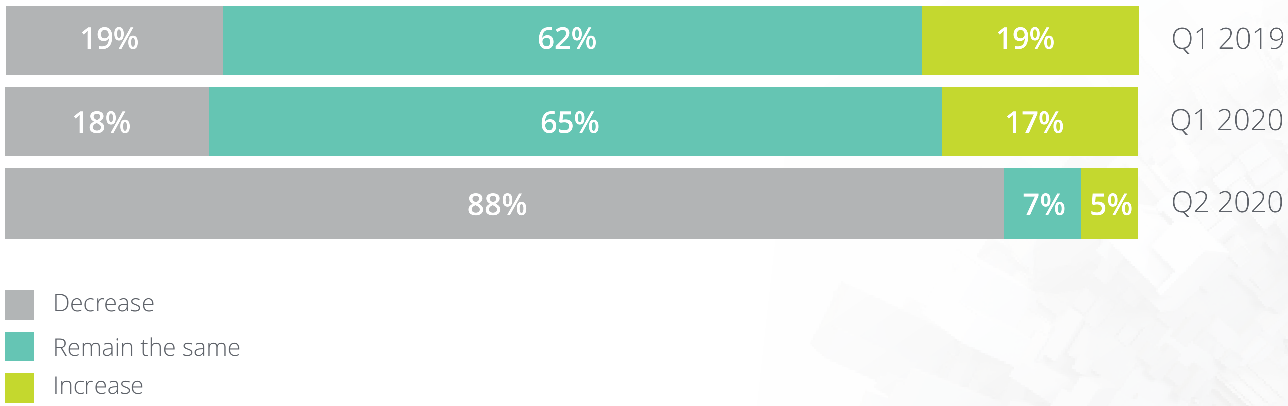
Moving to January 2020, most survey participants expected overall market activity and transaction volumes in the CE region during the year to stay at a similar level to 2019. Optimistic answers prevailed in all major CE markets, including Poland, the Czech Republic, Hungary and Romania, with the most optimistic of all being in Poland (42% for growth of CE market activity and 30% for growth of national activity).

In January 2020, too, most respondents expected the size of transactions to remain stable, with just one-fifth expressing pessimistic views on market activity.

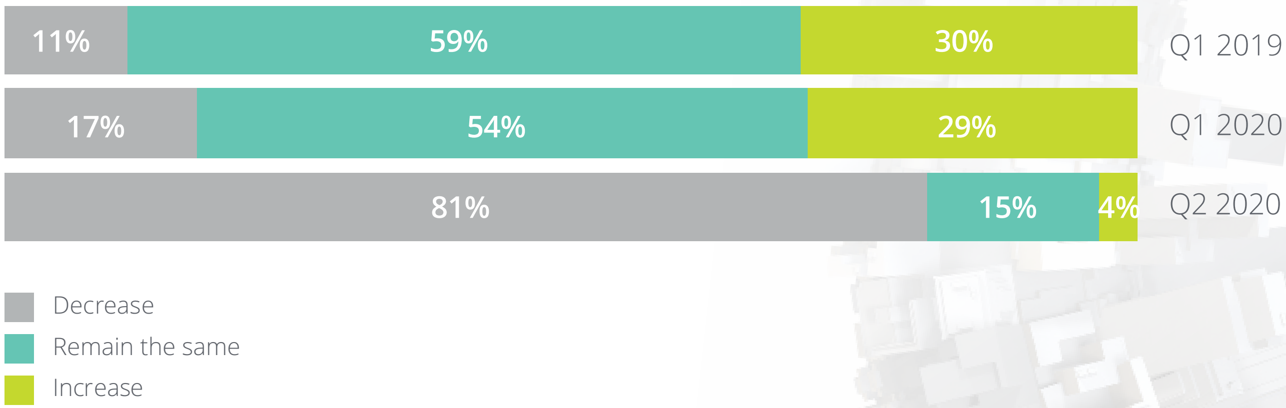
Three months later, the picture was entirely different. In our April 2020 survey, 88% of respondents told us they expected market activity to decrease over the months ahead. In addition, 75% of respondents were expecting the overall size of transactions to decrease in the months ahead, compared to just 16% before the pandemic, while the remainder anticipated no change. This would have a direct negative impact on market volume and activity in 2020.

The current situation might cause the first significant change to the ongoing growth in market volumes and activity across CE that has prevailed since the last global financial crisis.

For the next months, I expect the overall market activity in CE to:

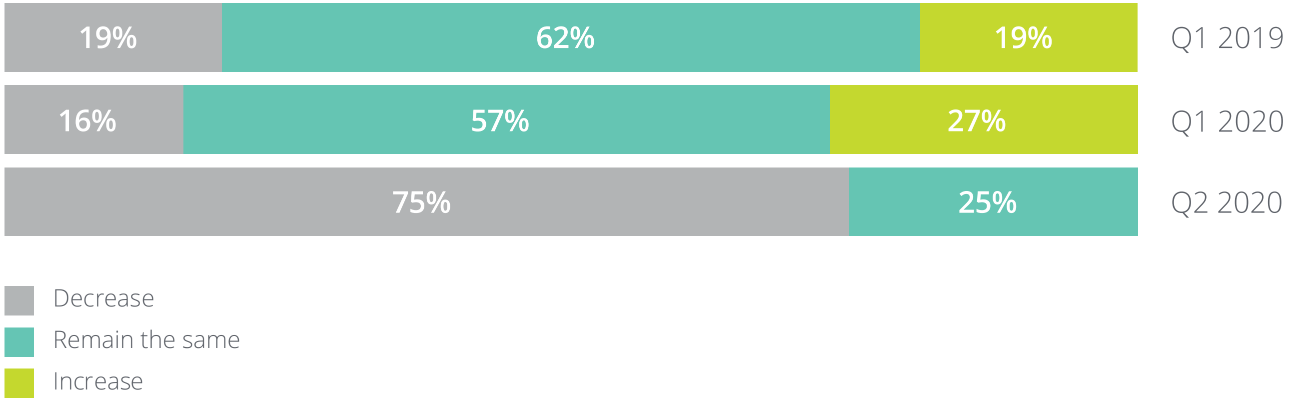


For the next months, I expect the overall market activity in Poland to:

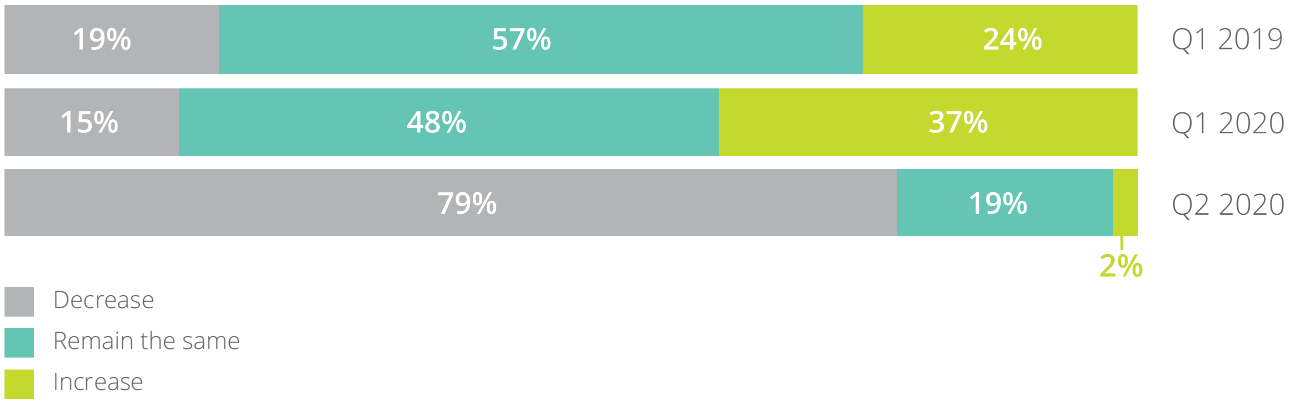


Average size of transactions

For the next months, I expect the average size of transaction in the CE region to:



For the next months, I expect the average size of transactions in Poland to:



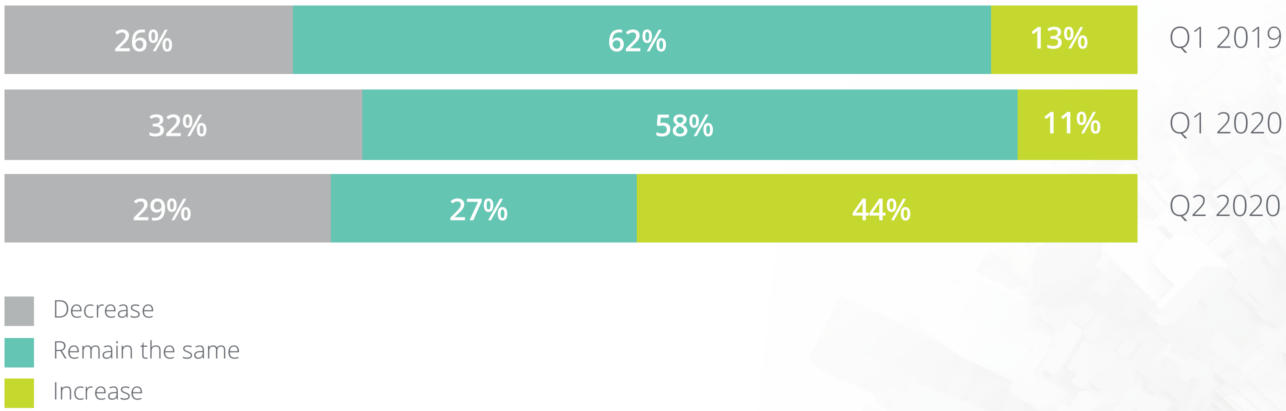
Yields

In 2019, nearly two-thirds (62%) of respondents predicted stable yields across the region, a view that was confirmed by the market during subsequent months.

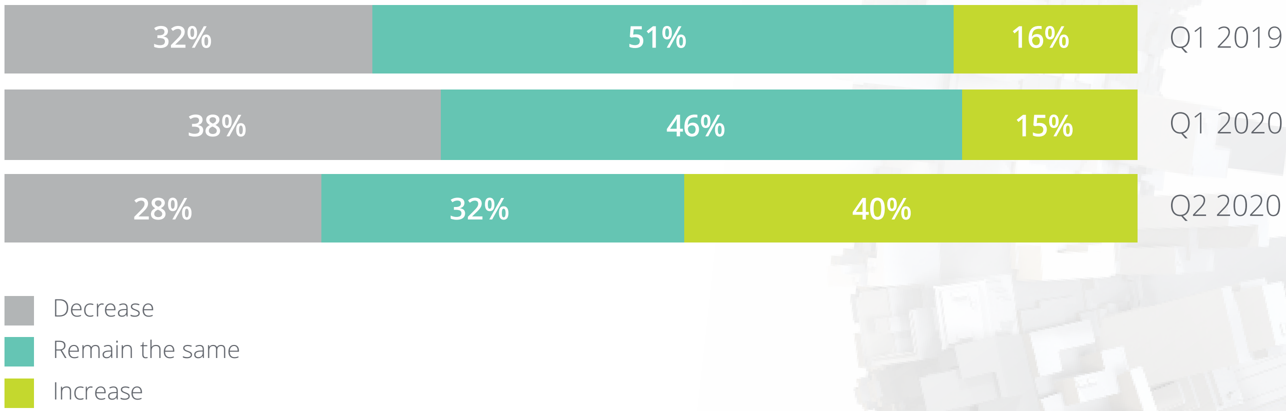
A higher share of respondents in Poland than from across the region was anticipating a further yield decrease, in the continuation of a trend underway for almost a decade. The answers given in January 2020 were similar to those of 2019, expecting this trend to continue.

However, if the predictions made by respondents in our April 2020 survey prove correct, it would be the first time that yields have increased since the global financial crisis of 2007 to 2009. A share of 44% now believes that average yields will grow after the pandemic, and 27% that they will remain stable. However, a relatively high share of about 29% continues to predict a yield decrease in the months to come.

For the next months, I expect the average yields in CE region to:



For the next months, I expect the average yields in Poland to:



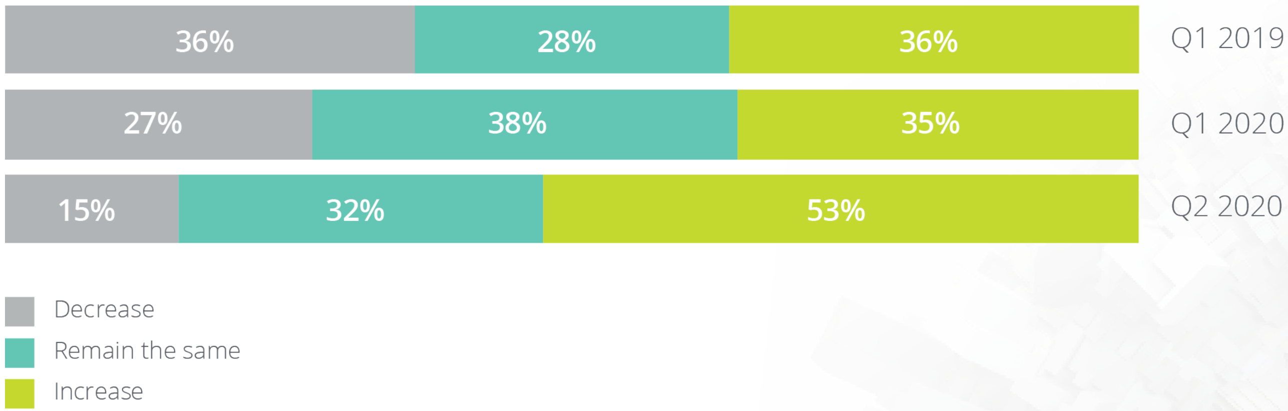
Investment opportunities

In 2019, market practitioners held strong views about the investment market in CE real estate. Throughout all CE countries, investors' opinions on the availability of investment products were evenly distributed (36% for decrease and for increase, 28% for no change). In Poland, more market players (43%) anticipated an increase in opportunities.

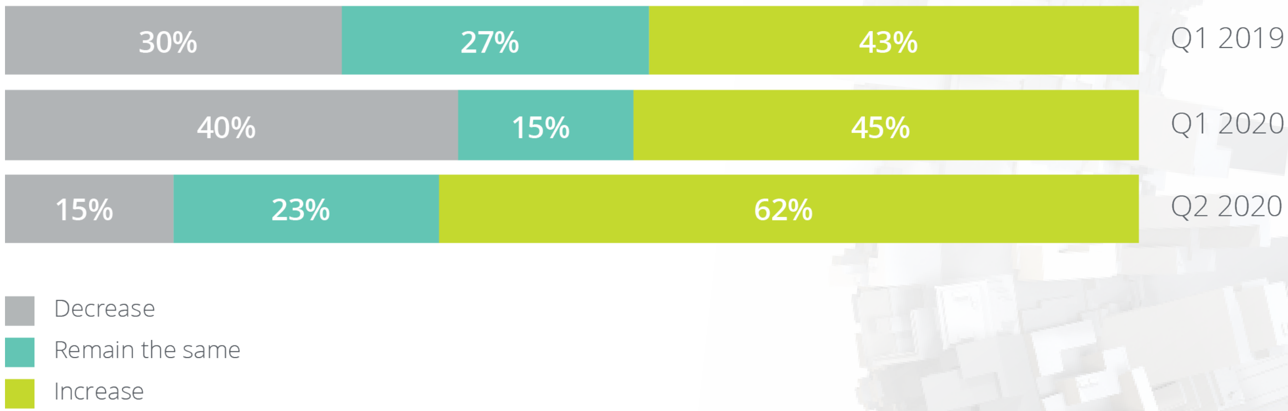
In January 2020, opinions on the availability of investment products were spread more or less evenly, with optimists holding a slight advantage: 35% of respondents expected an increase in new investment opportunities, against 27% who expected availability to fall. We saw fewer pessimistic responses than in 2019.

Following the pandemic arrival, a majority (around 53%) of respondents expected the availability of new investment products to grow over the three-year medium term. Only 15% expected this number to decrease. Overall, our respondents were telling us that the new situation will force changes upon the market.

In next three years, I expect the availability of investment products in CE to:



In next three years, I expect the availability of investment products in Poland to:



Developers' perspective

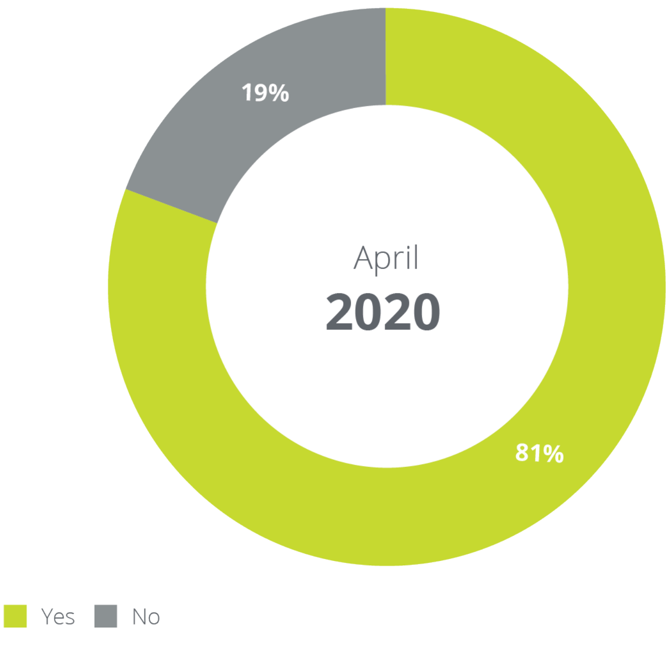
Problems with financing after the pandemic, retail out of focus

More than 80% of developers in April 2020 confirmed that COVID-19 has changed their strategy for the year.

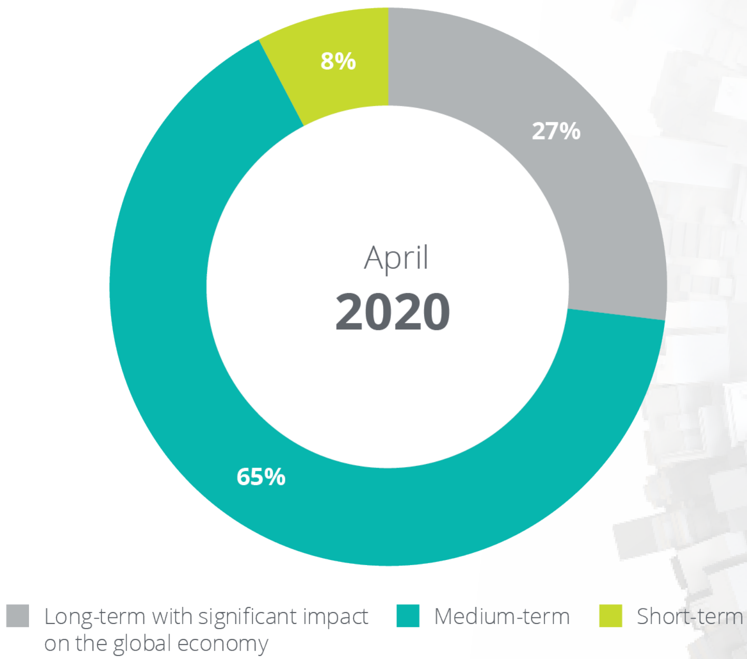
If this happens, it will mean major change for the CE real estate market. The following pages include insights into the possible changes in developers' focus.

In addition, two-thirds of developers expect that the current crisis will influence the market over the medium term.

Has the outbreak of the COVID-19 virus changed your strategy for 2020?



How do you assess the effects of the SARS-CoV-2 virus?



The biggest challenges facing developers

The biggest challenge for developers, selected by 43% of respondents who took part in our January 2020 survey, was acquiring land for development. This finding confirmed the continuing upward trend in prices that results from the shrinking availability of attractive development land.

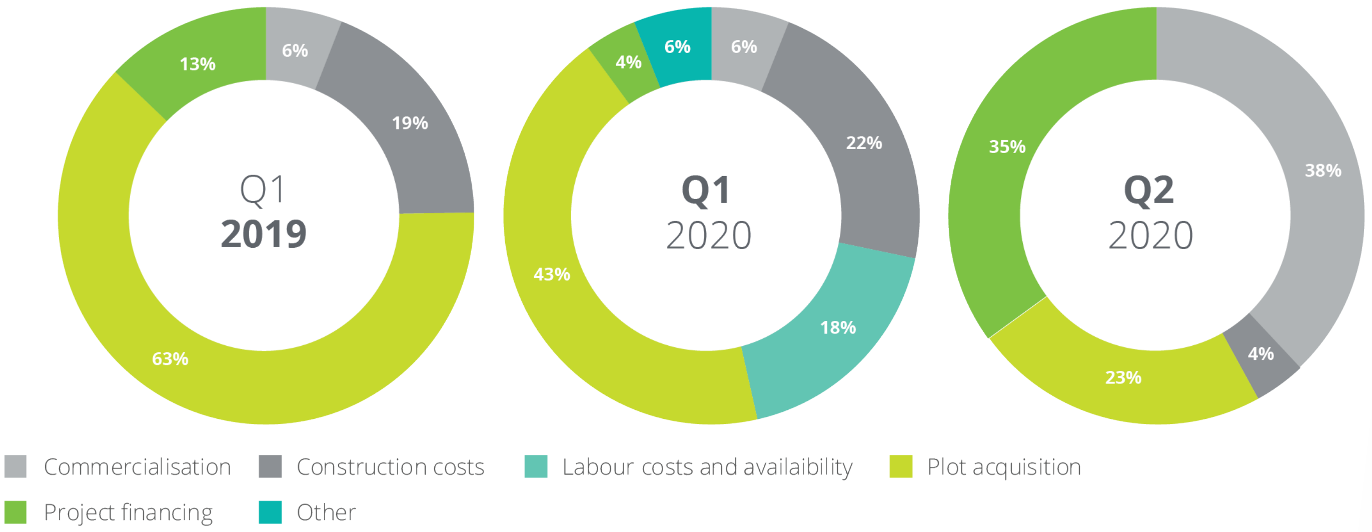
The share of respondents who selected the increasing cost of building materials and construction work grew to 22% of the sample, up from 19% in 2019. Labour availability and costs were the third most-cited challenges.

By April 2020, the share of all these factors had decreased. Now, more than two-thirds of our respondents chose commercialisation (38%) as the most challenging factor they faced. Financial topics are critical for the months ahead, and 35% of respondents expect financing projects to be a challenge during this period.

Commercialising projects might prove to be a problem across multiple market sectors, due to issues with the use of public spaces and concerns about the future of gatherings.

Developers' answers are in line with those of all respondents, who expected negative change in the region's economic climate and worsening conditions for the debt climate.

For the next months, I expect the biggest challenges in:



Developers' margins

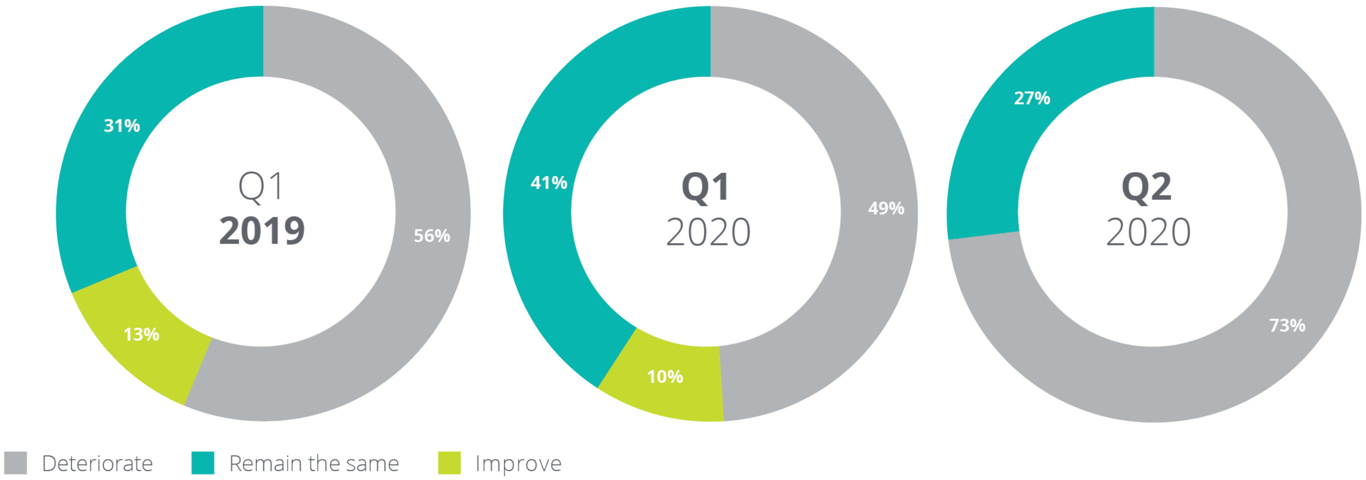
Responses regarding developers' margins were similar in both 2019 and January 2020, with around half of respondents expecting them to deteriorate. Major difference between the years, 10 p.p. more respondents in 2020 than 2019 expected them to remain unchanged.

The pandemic has changed the situation, with a growing emphasis on finance towards the months ahead.

Project financing is not the only challenge developers anticipate: 73% in the April 2020 survey said they also expected developers' margins to decline in the next few months, compared to 49% before the pandemic.

No respondents expected this situation to improve during the pandemic.

For the next months, I expect developers' margins to:



Developers' focus

In January 2020, we asked developers about the sectors on which they were planning to focus in 2020 . Their responses showed a similar interest in the residential and hotel sectors as in 2019. Among respondents from the commercial developments sector, the largest proportion (24%) was most interested in the office sector, ahead of the industrial sector (12%). Both these values are similar to last year's survey results.

Developers' focus on retail assets, meanwhile, fell from 19% in 2019 to 10% in January 2020.

Respondents' answers from 2019 have been validated by the market situation with new retail stock falling in size. For example, in Poland, in the first quarter of 2020, less than 500,000 sqm was under construction (planned for the next three years). This showed the trend towards decreased size, with the largest scheme to be about 30,000 sqm gross leasable area (GLA). The increasing popularity of e-commerce and changing customer shopping patterns are among the main reasons for this change.

In January 2020 about 18% of respondents told us they are focusing more on residential projects, with the next 16% on residential for rent.

A growing trend of residential for rent projects, including student housing, is noticeable in capitals and regional cities across Central Europe. However, increasing construction costs and issues with plot acquisition are discouraging factors which may constrain developing these niche markets, especially in capital cities. New projects are mainly being announced in regional cities with a strong academic presence. Even if interest in such ventures is set to increase, their share of the wider real estate market will remain marginal.

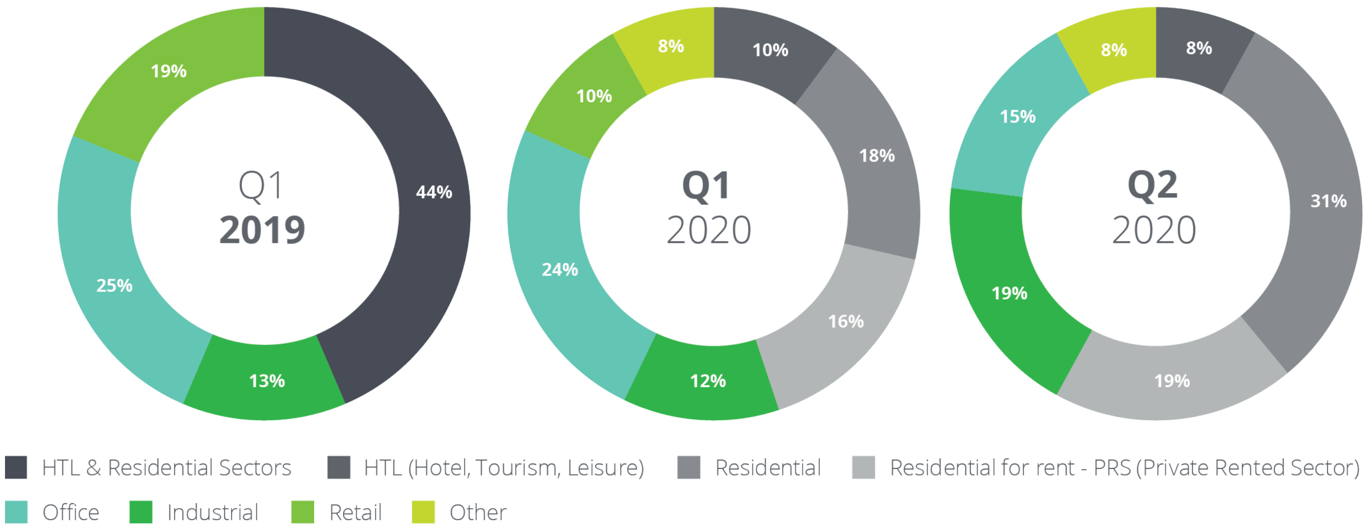
Several major shifts of opinion were highlighted by the April 2020 survey. During the pandemic, developers are seeing more opportunities in the residential sector (up by around 12 p.p. since January 2020) and the industrial sector (up by seven p.p.).

They anticipate placing less focus on office developments (down by nine p.p.) and retail (down by 10 p.p.). It is noticeable that none of our respondents had plans for new retail developments.

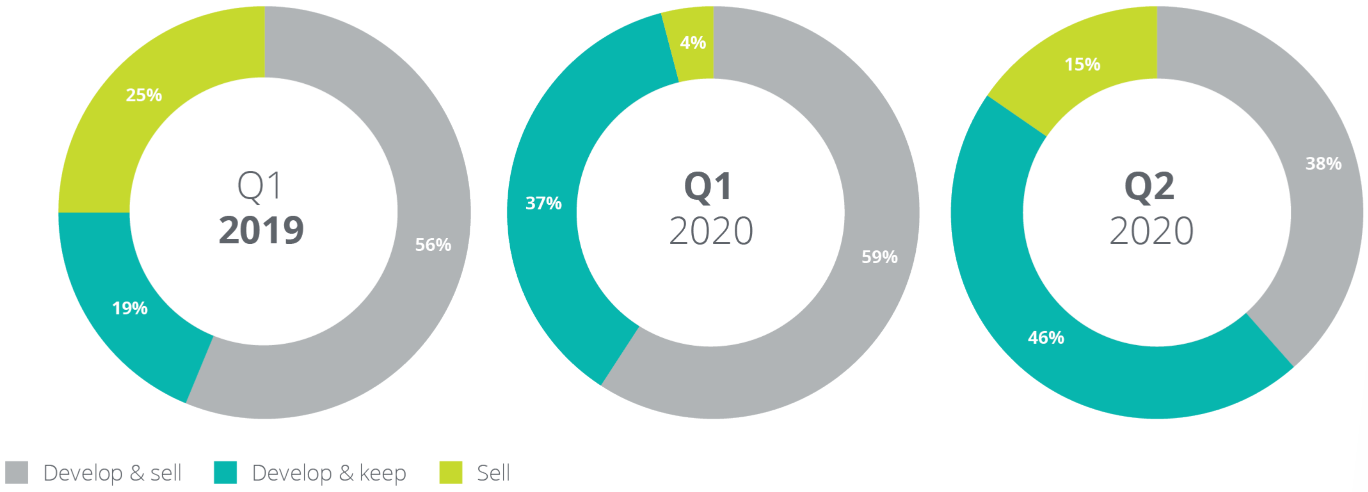
Other key factors from the April 2020 survey included the following:

- The residential sector is a continuing focus area for developers. In April 2020 the share of respondents who told us they are focusing more on residential projects (including residential for rent) has grown from 34% to about 50%.
- During the pandemic, 89% of developers said that they are not planing to focus on new markets this year.
- 11 p.p. more developers had a 'develop and keep' strategy than in January, while those planning to 'develop and sell' fell by 19 p.p. More developers are also planning to sell their current assets, up by 11 p.p. in three months.

For the next months, I expect to focus more on:



For the next months, I expect to:



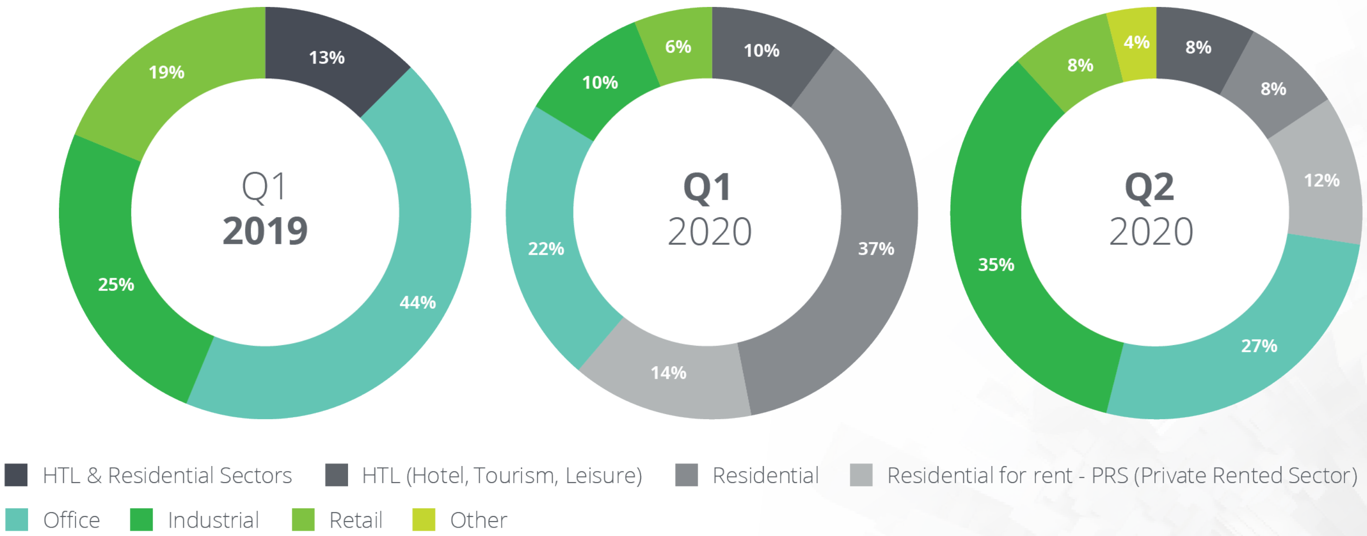
In January, when answering the question "for 2020, I expect the highest competition for new investment opportunities in…", more than half (collectively 51%) of developer respondents selected the residential market, including residential for rent.

This could be seen as a sign of the increasing maturity of the CE real estate market, as well as indicating the search for alternative projects that enable higher returns.

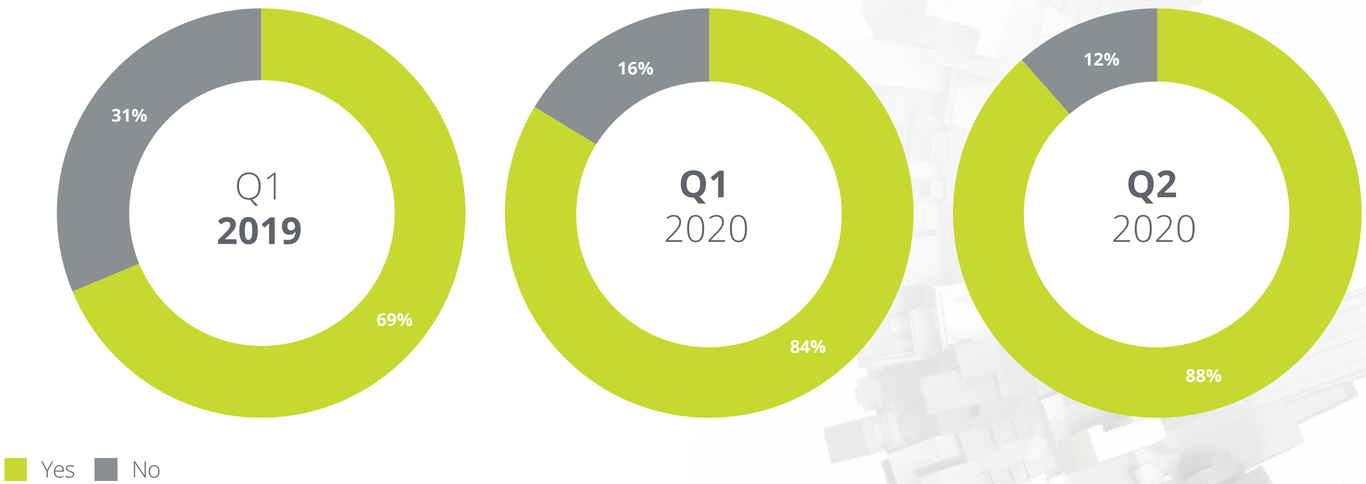
Developers also believe that, after the pandemic, the office sector has been overtaken by the industrial sector in terms of competition for investment opportunities. This growing competition in the industrial sector might be influenced by the role of e-commerce, which has significantly increased during the COVID-19 pandemic.

Increasing construction costs and difficulties with plot acquisition are discouraging factors when it comes to developing a niche market. So while interest in such ventures is set to increase, their share of the wider real estate market will remain marginal.

For the next months, I expect the highest competition for new investment opportunities in:



For the next months, I expect to focus on new markets:

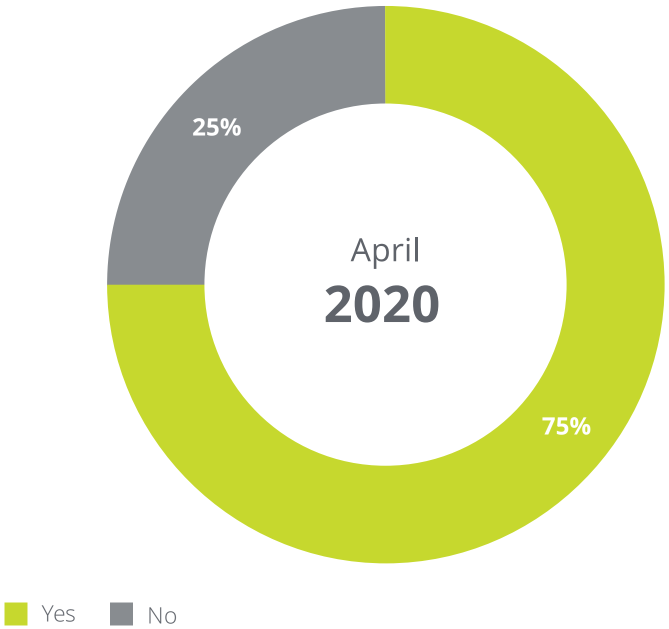


Investors' perspective

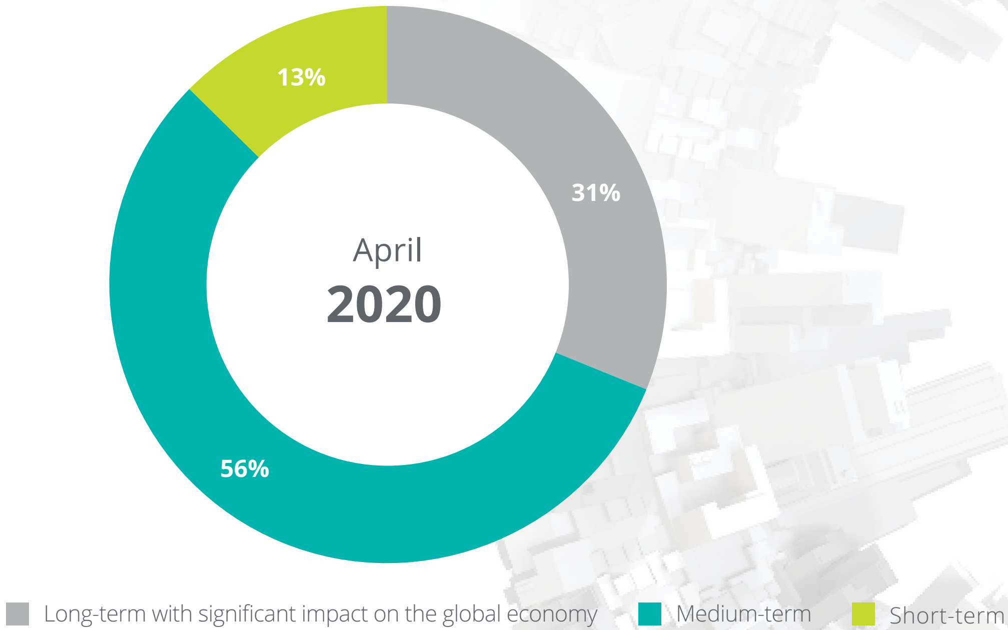
Three-quarters of investors have confirmed that the COVID-19 pandemic has influenced their strategy for the months ahead. Most investors believe that the pandemic's impact will affect the market for the medium term.

The strength of the investment market from 2019 and into January 2020 has been undermined and it is likely that we will see a significant slowdown in investors' activities in the months ahead.

Has the outbreak of the COVID-19 virus changed your strategy for 2020?



How do you assess the effects of the SARS-CoV-2 virus?



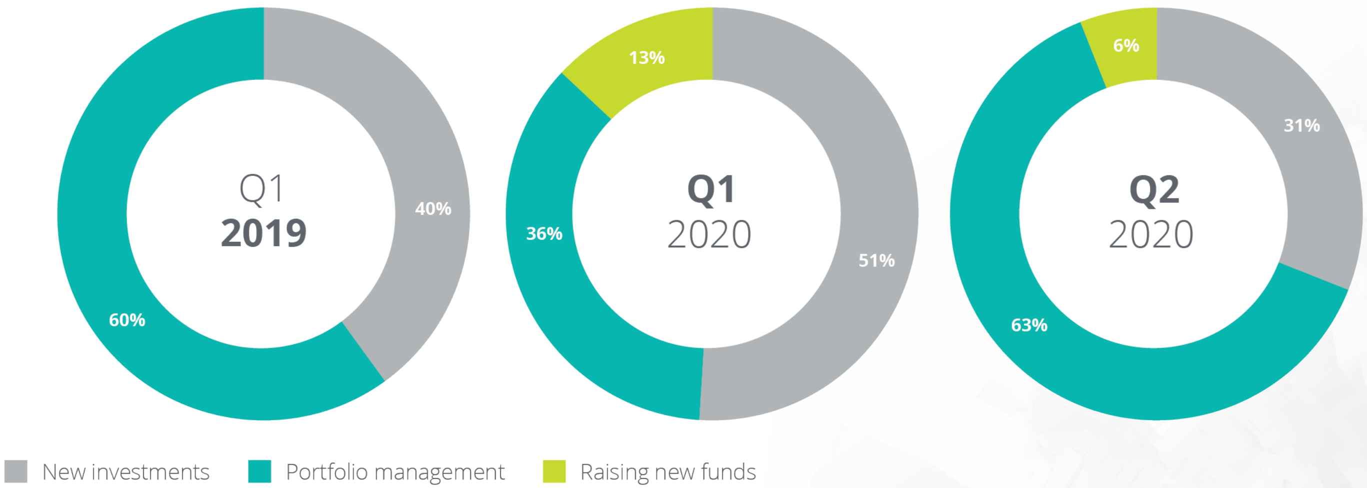
Before the pandemic, investors were mainly seeking new investments (51% in January 2020, compared to 40% in 2019), while 36% wanted to focus on managing their current portfolios (46% in 2019). The remaining 15% (13% in 2019) were expecting to focus on raising new funds.

The current situation has changed their plans and increased the numbers focusing on portfolio management (62% in April 2020, compared to 36% in January). Only about a third of investors now expect to spend time on new investments.

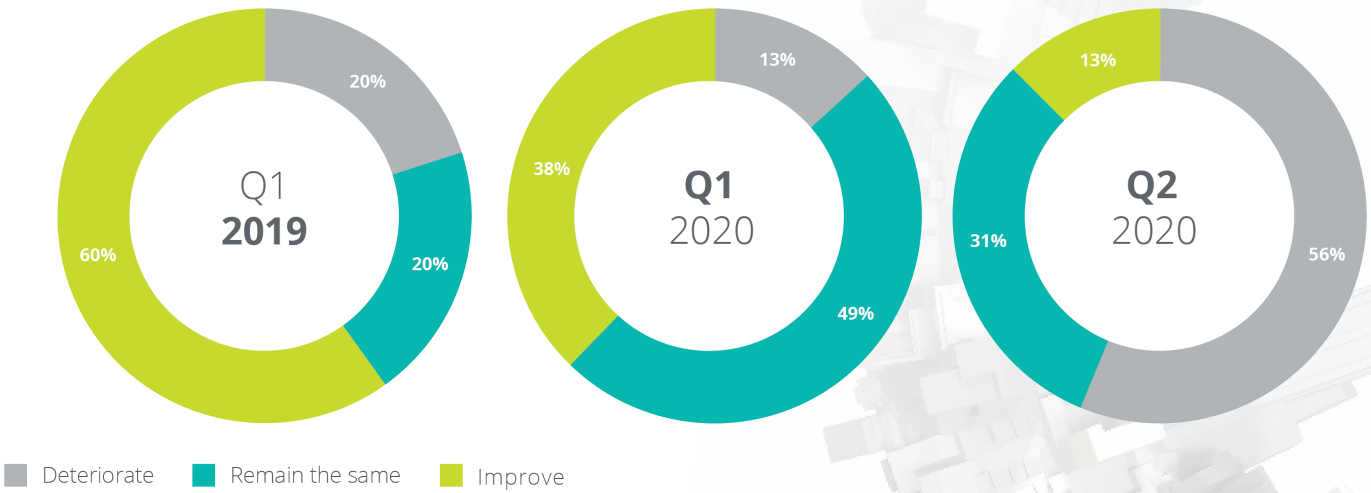
This is despite the fact than in January 2020 more investors than last year told us they were looking for new investments.

More than half of investors expect the efficiency of their investments to deteriorate after the pandemic, and 56% of market advisors share that opinion. In 2019, respondents held largely positive expectations (with 60% predicting improvements). By January 2020, this share had decreased to 38%, and 49% were expecting no change.

For the next months, I expect to spend the majority of my time focusing on:



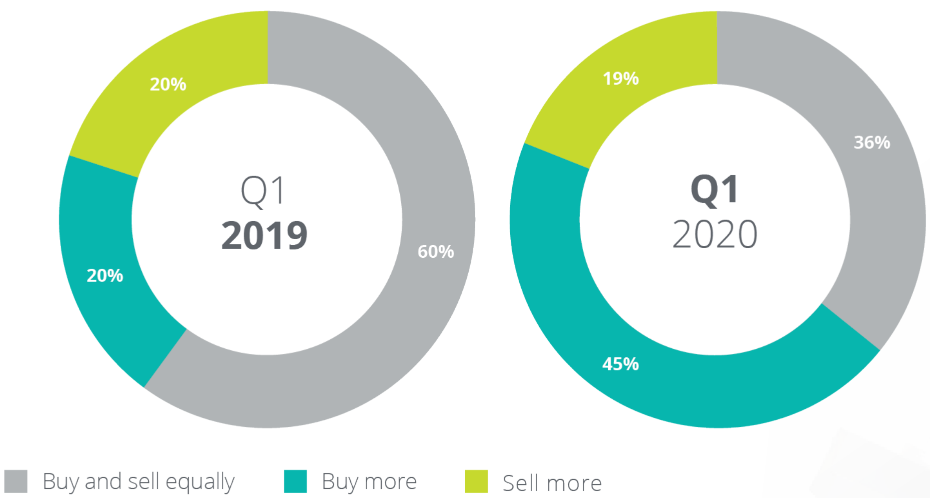
For the next months, I expect efficiency of my investments to:



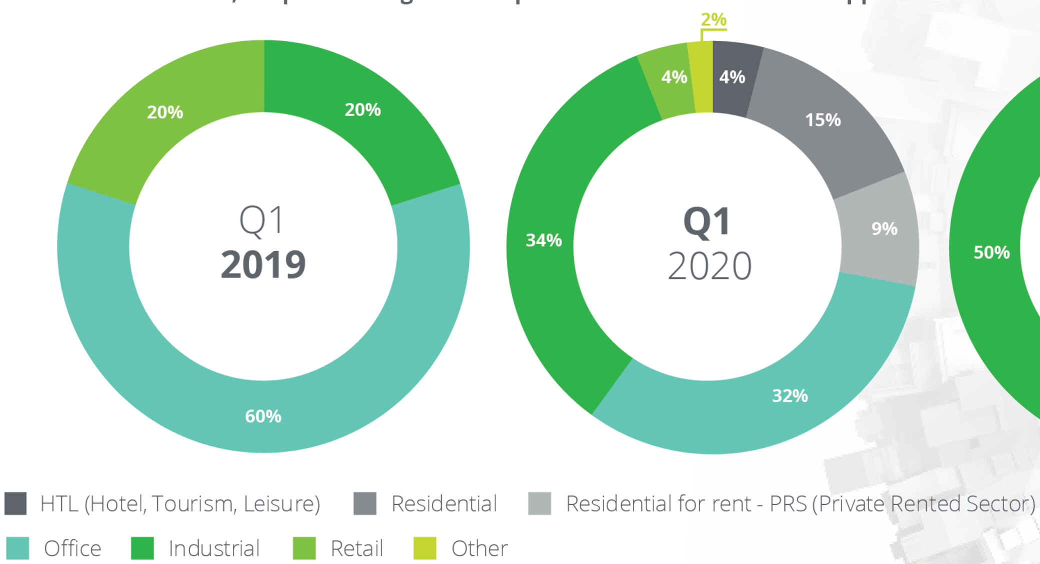
About 50% of replies in 2020's second research round confirmed that investors plan to buy more in the months to come (up from 45% in January). More than 30% are planning to buy and sell equally (down from 35% in January) and a stable proportion of around 19% of are planning to sell more.

The pandemic has significantly changed investors' perceptions regarding the attractiveness of different market sectors. It has strengthened interest in the industrial sector, with one in two of investors seeing it as the most competitive sector in months to come. There was an even more dynamic increase in the residential for rent sector (up from 6% to 25%), which was accompanied by a decrease relating to the office sector from one third to just 6%.

For the next months, I expect to focus on:

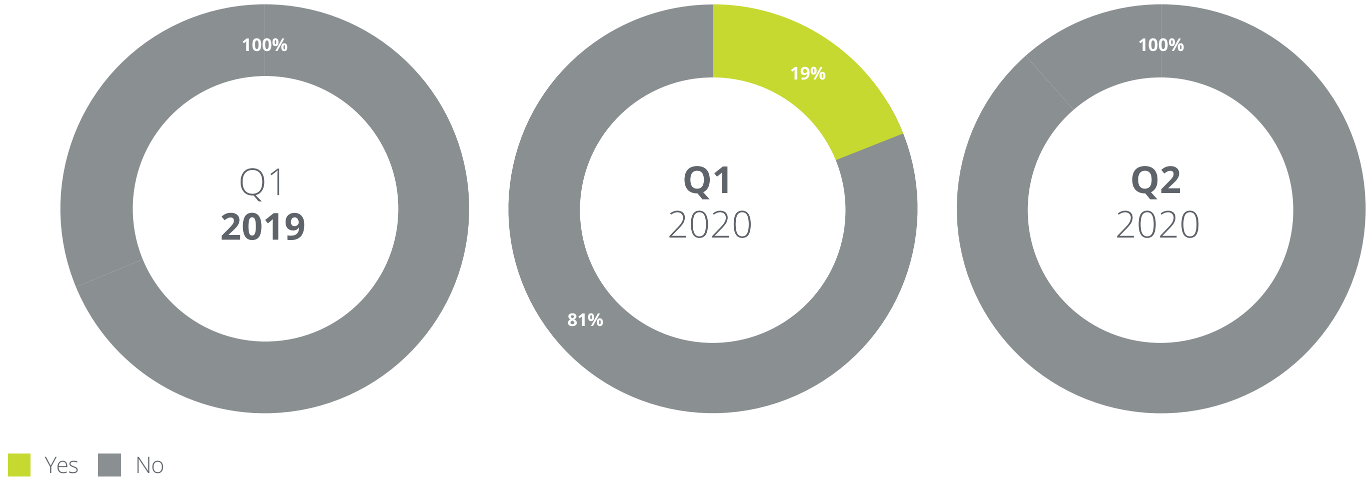


For the next months, I expect the highest competition for new investment opportunities in:



Before the crisis, 19% of investors were looking for new markets. During the pandemic, all of our respondents confirmed that they have no plans to focus on new markets this year. We can conclude that the global uncertainty we are seeing has resulted in investors seeking opportunities in markets that they know and understand.

For the next months, I expect to focus on new markets:



Sector perspectives in 2020

After a very successful 2019, the CE real estate sector was looking forward to another strong year, but the pandemic changed all predictions and market expectations for 2020.

Office

In January 2020, the office sector was set to attract most attention, with investors' interest focused on prime buildings in capital cities across CE and in regional cities in countries including Poland. The pandemic changed this sentiment, as seen in the responses to our April 2020 survey. But this does not necessarily mean that the office sector's share of investments will decline.

The big questions for the sector now are around future demand for office space and changes in office usage patterns. Contradictory factors are at play, from home-working decreasing demand, to social distancing which will require more office space per employee than before the pandemic.

The CE office market may also emerge as a beneficiary of the pandemic, as some of SSC/BPO operators consider moving their operations to Europe, due to the continent's better infrastructure. Infrastructure issues appeared to be crucial during the global economic lockdown, in which countries like India were seriously affected.

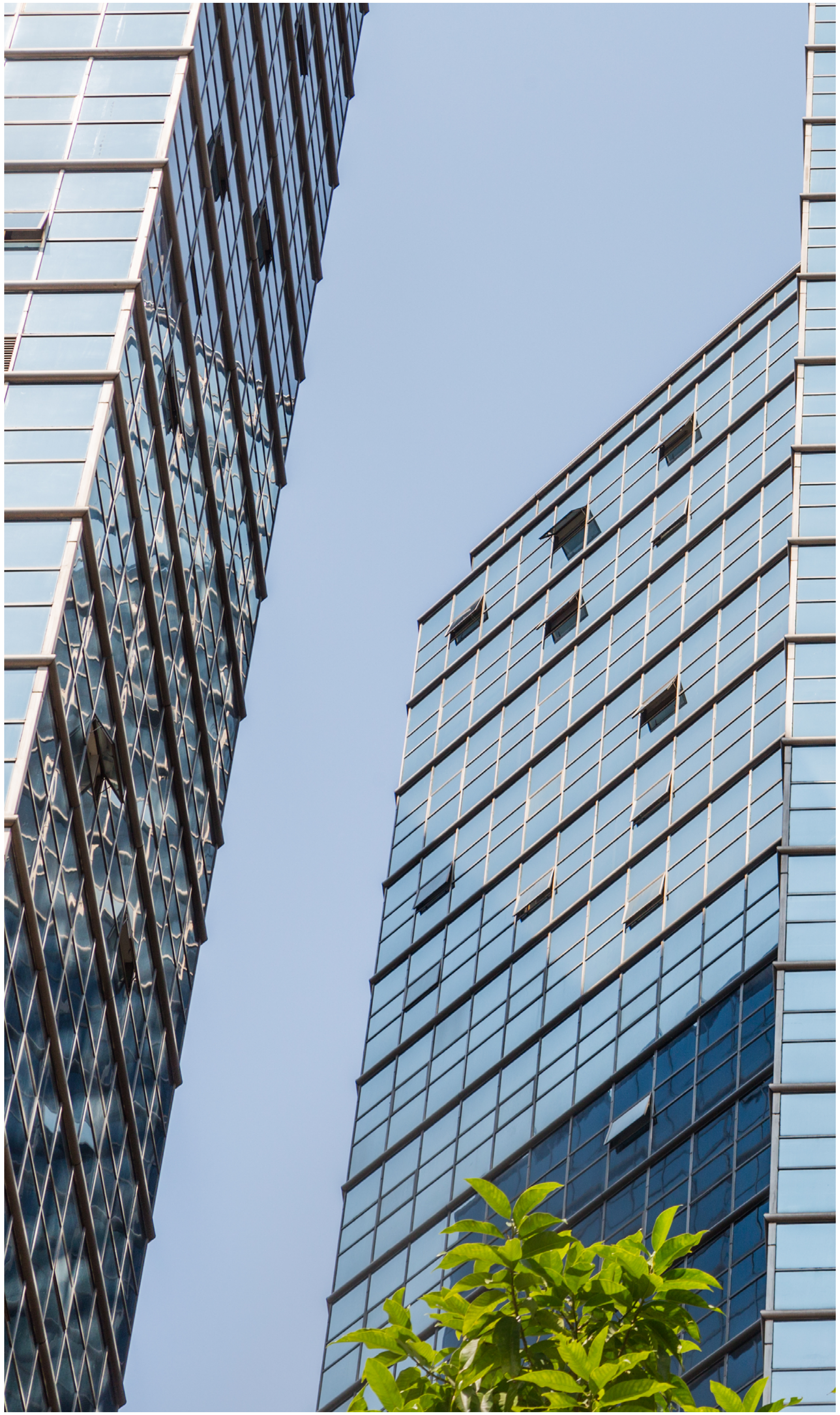
Industrial & Logistics

This sector appears likely to benefit from the current situation. The logistics sector topped our respondents' agenda in terms of potential competition in January 2020: it was selected by one third of our respondents, slightly ahead of the office sector. By April, it had further strengthened its position, with half of our respondents predicting significant growth in competition for new investment opportunities in this sector.

The rapid development of e-commerce and changing customer behaviour are certainly key reasons for this growth in interest. The impact of both these factors has significantly increased during the COVID-19 pandemic. The growing competition between e-commerce with delivery services and traditional retail will drive growth in demand for warehouse space, including in-city units, to provide effective supply-chain management.

In addition, new infrastructural improvements in emerging CE regions are making them attractive to developers and investors alike.

Labour supply may be both an advantage and a disadvantage for the region.
On the one hand, we will see further cost competition between CE and Western Europe.
On the other, there might be competing demand for well-skilled workforce.



Retail
In each edition of this survey, we can see a fall in developers' and investors' interest in retail. This decline is confirmed by market data. In 2019, investors were looking mostly for prime opportunities with a proven track record, and we could see a slowdown in the supply of new retail.

The biggest worry for the retail sector is the impact of e-commerce, which is absorbing an increasing share of the customer base and driving the development of the logistics sector instead.

According to our April 2020 survey, along with the hotel/tourism/leisure (HTL) sector, retail was the most affected by the coronavirus restrictions that were introduced in March and April. The retail sector is the most affected in terms of our respondents' views, with no investors and few developers picking it as a focus area.

Hotels
At the time of the January 2020 survey, the hotel sector was impressively developing all across CE. Rapid economic development across the region and the corresponding growth of the office sector, accompanied by the consonantly growing tourists' interest, were stimulating demand for new hotels throughout CE.

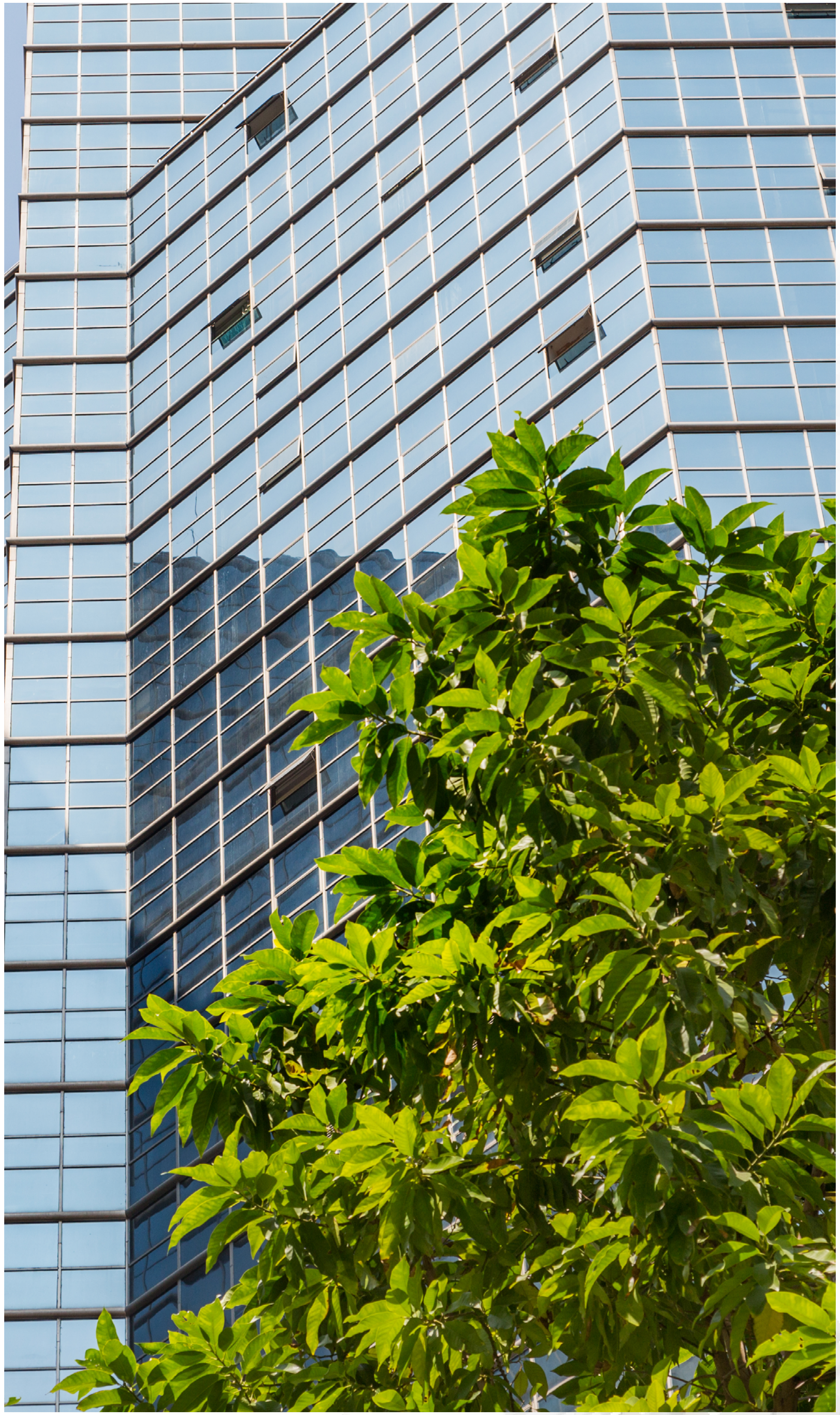
Since COVID-19 arrived, with travelling restrictions and national economies lockdowns, the market has become significantly more pessimistic and in the short-time perspective we can expect the significant decrease of the investors and developers activity.

Residential
Strong economic figures across the region in 2019 and into 2020 supported the residential market. Record low unemployment, increasing wages and relative ease in finding mortgage finance were key factors.

In the January 2020 research phase, around 13% of the investors and 18% of developers were planning to focus on the residential market, while two-thirds expected this market to be the most competitive throughout 2020.

The pandemic is likely to change the consumer market, with higher unemployment and increasing difficulty in finding a mortgage, but investors and developers alike still believe in the sector. Interest in the residential and residential for rent sectors was undiminished during the COVID-19 pandemic. Around half of our respondents plan to concentrate on these sectors, up from 35% in January 2020.

According to our respondents, the residential sector appears to be the second beneficiary of the pandemic, just behind logistics.



Methodology

The first edition of the Deloitte Real Estate Confidence Survey for Central Europe was published in 2019. Research for the second edition, due to fast-changing circumstances, was held in the first half of 2020 in two rounds: in January 2020 (also stated in the report as Q1 2020), before the COVID-19 pandemic, and in April 2020 (also stated in the report as Q2 2020).

Of our respondents in January 2020, 66% were members of the management board or senior management and 19% were team managers. In April, the shares were similar, with 63% from the management board or senior management, and a 22% share made up of team managers. We believe that the senior profile of the sample has enabled us to collect the opinions of people with proven knowledge and experience of the real estate sector who exert impact on the market.

The questionnaire consisted of two sections. The first focused on respondents' opinions regarding particular aspects of the general economic conditions across CE in 2020. The second covered the individual business perspectives of each participant.

We asked respondents to define their primary geographic markets. In January 2020, 49% selected Poland, 38% the Czech Republic, 9% Romania, 2% Hungary and the balance Russia or Belarus. In April 2020, 80% selected Poland, 17% the Czech Republic and 3% Hungary.

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