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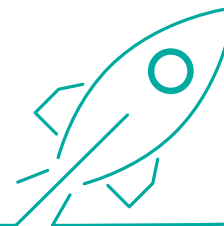
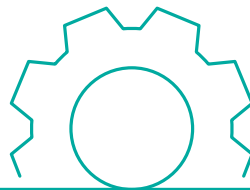
De-Risking Logistics Investments in CEE:
How Title and W&I Insurance Empower Developers and Investors

Introduction

The logistics real estate sector across Central and Eastern Europe (CEE) — particularly in **Poland, Romania, Hungary, and Czechia** — continues to thrive, driven by e-commerce expansion, supply chain shifts, and increased demand for modern warehousing and distribution facilities. We also expect the onset of nearshoring and readjustment of supply chains to considerably impact the sector in CEE territories. But as investment volumes grow, so do the transactional complexities and potential legal exposures. Well located plots are increasingly difficult to find and attract significant competition for developers.

For investors there remains the usual complexities of transaction in CEE, and therefore to support confident, swift, and secure deal-making in this booming market, two key insurance solutions have emerged as game-changers: Title Insurance and Warranty & Indemnity (W&I) Insurance.

This guide is intended to highlight some of the key features, benefits and solutions that are possible when using transactional risk insurances in your deal.



Title Insurance: Safeguarding Property Rights and Streamlining Acquisitions

What It Covers:

- Defects in ownership title, including gaps in the chain of title
- Third-party claims (e.g. restitution or unknown heirs)
- Zoning, permit or building use violations
- Boundary or access disputes
- Mortgages or liens not discovered during due diligence
- insurance of permitting and zoning issues prior to the issuance of the occupancy permit
- insurance of lack of legal title to utilities located outside of the land
- loss of rent to secure rent flow in case any of the risks materialise
- Use VAT insurance to increase the transaction speed (enabling earlier rent collection).

Why It Matters for CEE Logistics Assets:

- In Poland and Romania, **historical title uncertainty** (due to nationalization, post-communist restitution claims, or incomplete records) can delay or derail transactions.
- In Hungary and Czechia, **complex zoning and cadastral systems** can leave room for interpretation — title insurance can bridge that uncertainty.
- It enables **faster closings** by allowing transactions to proceed despite unresolved title issues, with the insurer taking on the risk.
- Non-observance of the 10-year transfer interdiction provided under Law 18/1991 – one of the restitution laws with focus on agricultural lands – and could render the relevant transfer agreement null and void (Romanian: nulitate absoluta) by a court of law for being concluded in breach of the compulsory legal provisions.

Practical Use Case:

A logistics developer acquiring a brownfield site in Romania uncovers unclear land restitution claims during due diligence. Rather than stalling the project, the developer secures **title insurance**, transferring the legal risk to the insurer and ensuring the acquisition closes on time.



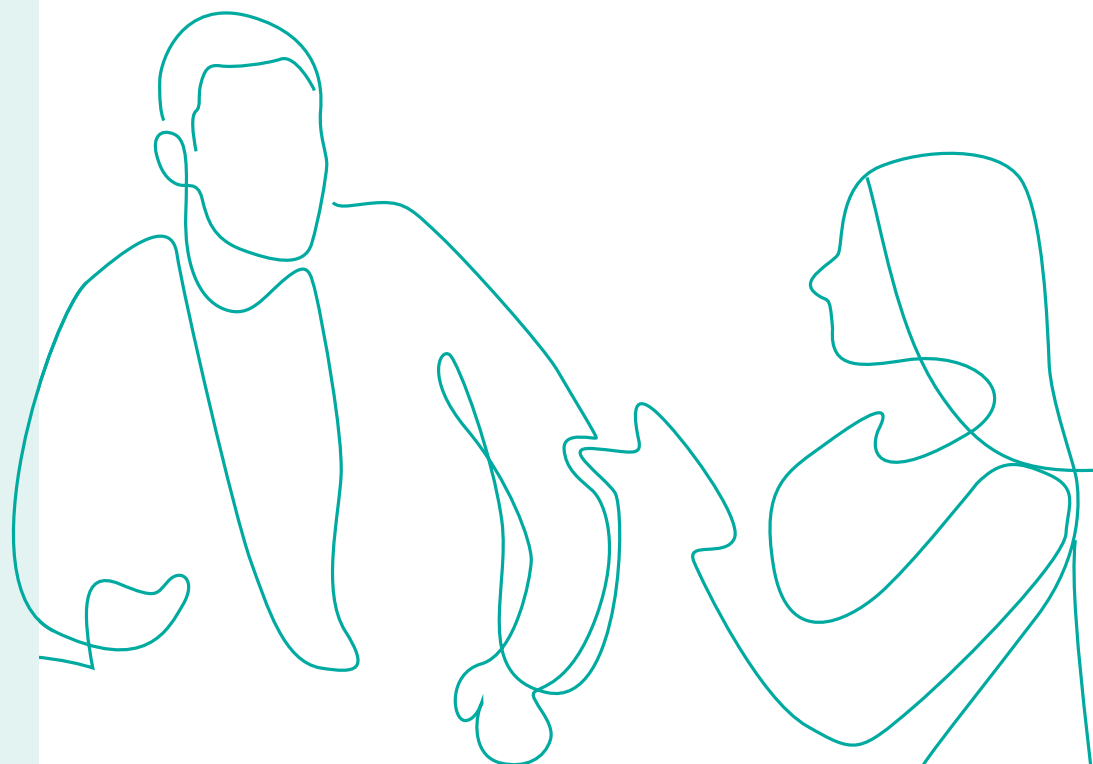
Warranty & Indemnity (W&I) Insurance: Clean Exits and Deal Certainty

What It Covers:

- Breaches of seller warranties in SPAs (e.g. compliance, tax, leases, environmental)
- Unintentional misrepresentations
- Known and unknown liabilities, depending on structuring

Why It's Valuable:

- In cross-border logistics deals, especially with **private equity exits**, buyers often push for **longer warranty coverage** and **higher caps**. Sellers, meanwhile, prefer to walk away with clean hands.
- W&I insurance enables **more competitive bids** by protecting buyers while giving sellers a clean exit.
- Mitigates **jurisdictional risks** — particularly valuable in countries where **reliance on seller covenants is weaker** or enforcement can be drawn out.



Practical Use Case:

A fund acquiring a logistics park in Hungary uses **buy-side W&I insurance** to cover unknown tax or lease compliance risks. This avoids long indemnity escrow negotiations and secures the seller's agreement on favorable terms.

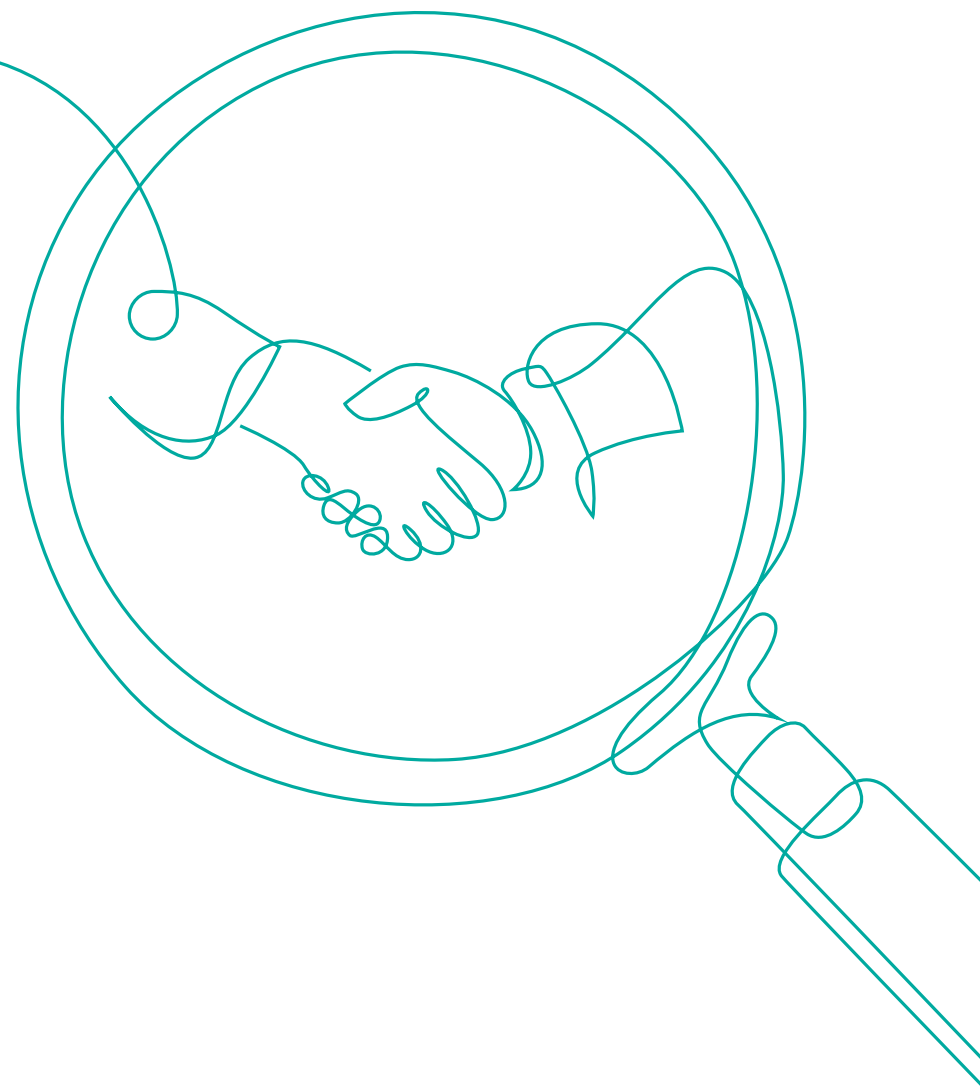
Why Developers & Investors Should Care

- **Accelerated Deal Timelines**
- **Greater Access to Capital** – Lenders often look favorably on insured transactions
- **More Competitive in Bidding** – Especially in tight acquisition races
- **Peace of Mind** – When entering markets with evolving legal framework

Conclusion: Strategic Tools for a Competitive Edge

As the CEE logistics sector scales, **Title and W&I insurance are no longer “nice-to-haves” — they’re strategic enablers.** Whether it’s closing a high-value acquisition in Czechia or navigating historical title ambiguities in Poland, these solutions help developers and investors move faster, de-risk smarter, and unlock the full potential of the region. These are just a few of the benefits of utilising these products in your transaction.

In order to get the best solutions, ideas and support it is good to know that the team at REassurance has a long history of working with clients in this sector, for developers and investors, and transactions including BTS, sale and leaseback, forward purchase and JV structures. We have supported many of the leading players across the region and we have local people in local markets to better understand the local landscape, relationships and issues.



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