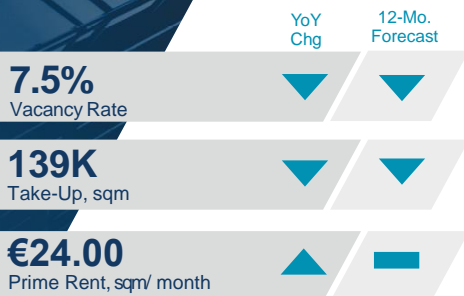


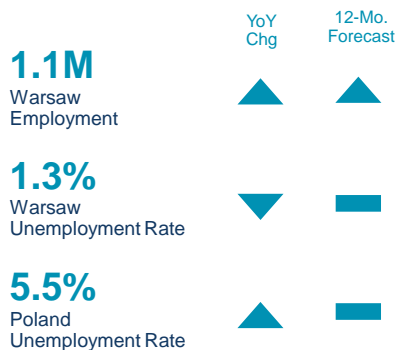


Office Q1 2020



(Overall, All PropertyClasses)

ECONOMIC INDICATORS
Q4 2019



Source: Polish Statistical Office

SUPPLY: End of supply gap on the Warsaw office market

In Q1 2020, Warsaw's total office stock reached 5.6 million sqm following the delivery of 6,700 sqm of office space in one office building. Additionally, approx. 765,000 sqm of modern office space is currently under construction in Warsaw, out of which approx. 345,000 sqm will be completed in 2020 and 385,000 sqm in 2021. There is no legislation limiting construction works in Poland and most office construction sites continue. Nonetheless, due to the permitting processes slowdown and other pandemic-related obstacles, some office projects planned for completion over the next few months are likely to be slightly postponed.

DEMAND: Total leasing activity in Warsaw in Q1 2020 was down by 0.5% in comparison to Q1 2019

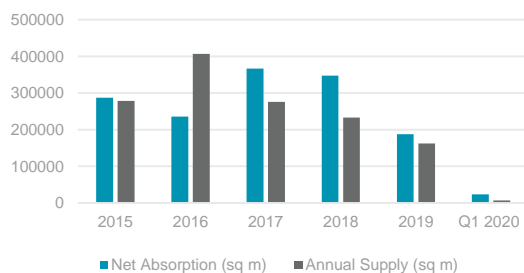
Total leasing activity in in Q1 2020 amounted to 138 900 sqm in Warsaw, down by approximately 0.5% in comparison to respective period of 2019. Net take-up amounted to 95 200 sqm, down by 5% compared to Q1 2019. New leases accounted for more than 55% of all deals, while renegotiations and expansions made up 34% and 15%, respectively. Total number of prelets accounted to 28% of all new transactions in Q1 2020. Tenants from banking, insurance & investment sector were the most active sector in Warsaw with approx. 23% share in total leasing activity followed by professional services and IT products & services which accounted to 14% and 13% respectively.

PRICING: The strong fundamentals of the office sector in Warsaw, coupled with no risk of oversupply and low vacancy levels, should enable the market to regain the balance relatively quickly after a slowdown

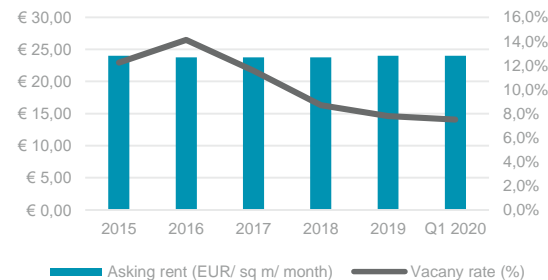
Prime headline rent in the city core stood at EUR 24.00/ sqm/ month and in the non-central location stood at level of 15.00 EUR/ sqm/ month. Prime rents should remain on a relatively stable level in the next couple of months due to limited availability of existing office space and high level of pre-lets agreements in buildings planned to completions in years 2020-2021. However, the rental levels might be affected by upcoming economic slowdown.

As the current situation is developing rapidly, it is difficult to exactly predict the impact the COVID-19 pandemic will have on the property market in Poland. Nevertheless, The strong fundamentals of the office sector in Warsaw, coupled with no risk of oversupply and low vacancy levels, should enable the market to regain the balance relatively quickly after a slowdown.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & PRIMERENT



MARKET STATISTICS

*Rental rates reflect full service asking

SUBMARKET	STOCK (sqm)	AVAILABILITY (sqm)	OVERALL VACANCY RATE	CURRENT QTR TAKE-UP	YTD OVERALL TAKE-UP (sqm)	UNDER CNSTR (sqm)	PRIME RENT (EUR/ sqm/ month)	PRIME YIELD*
Central Business District	888,100	51,900	5.8%	13,000	13,000	193,100	24.00	4.30%
City Center	1,301,000	56,100	4.3%	49,400	49,400	466,300	20.25	
East	235,100	15,100	6.4%	6,000	6,000	21,500	15.00	
Jerozolimskie Corridor	735,500	41,400	5.6%	9,700	9,700	15,500	15.00	6.30%
Mokotów	1,439,500	191,000	13.3%	44,700	44,700	66,900	14.50	6.30%
North	120,200	8,500	7.1%	4,400	4,400	-	14.50	
Puławska Corridor	193,900	7,900	4.1%	6,600	6,600	-	13.50	
Ursynów & Wilanów	126,600	5,600	4.4%	200	200	-	15.00	
West	252,400	19,200	7.6%	1,100	1,100	2,800	15.00	
Zwirki & Wigury	296,300	21,400	7.2%	3,800	3,800	-	14.50	
DOWNTOWN TOTALS	5,588,500	418,000	7.5%	138,900	138,900	765,500		

KEY LEASE TRANSACTIONS IN Q1 2020

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Konstruktorska Business Center	Mokotów	PZU	17,500	Renewal
Fabryka Norblina	City Center West	Confidential	8,510	Pre-let
Warsaw Unit	City Center West	CBRE	4,340	Pre-let
Varso II	CBD	Orsted	3,800	Pre-let
Moje Miejsce I	Mokotów	Hebe	3,510	New lease

KEY SALES TRANSACTIONS IN Q1 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE/€ PSQM
Wola Center	City Center West	Develia / Hines	28,000	101.9 / 3,640
Prosta Office Center	City Center West	Cromwell / KGAL	20,800	-
Marynarska Business Park	Mokotów	Heitman / Benson Elliott	43,699	65.0 / 1,487
Equator II	Jerozolimskie Avenue	Karimpol / CPI Property Group	23,000	-
Green Corner A	City Center West	DWS / CPI Property Group	14,900	-

KEY CONSTRUCTION COMPLETIONS IN Q1 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	OWNER / DEVELOPER
Varso I	CBD	-	6,700	HB Reavis

KATARZYNA LIPKA

Head of Consulting & Research

+48 606 993 860

katarzyna.lipka@cushwake.com**JAN SZULBORSKI**

Senior Consultant, Consulting & Research

+48 722 202 933

jan.szulborski@cushwake.com**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

©2019 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

cushmanwakefield.com