

	Q3 2024	Yoy*
Total office stock**	13,001,000 sqm.	+1%
New supply	151,600 sqm.	-41%
Gross take-up	1,001,000 sqm.	-2%
Net take-up	523,100 sqm.	-19%
Absorption	129,300 sqm.	-14%
Vacancy rate**	14.1%	+0.1pp.
Prime rents**	Warsaw: 22.0-26.0 Regions: 12.5-16.5 EUR/mkw./m-c	
Office investment volume	974 mln EUR	

According to the National Bank of Poland (NBP), Poland's GDP will rise by around 3% in 2024, with this year's average annual rate of inflation expected to be in the range of 4.0-5.0%. The Polish Institute for Forecasting and Economic Analysis (IPAG) anticipates that the unemployment rate will remain low at just over 5%.

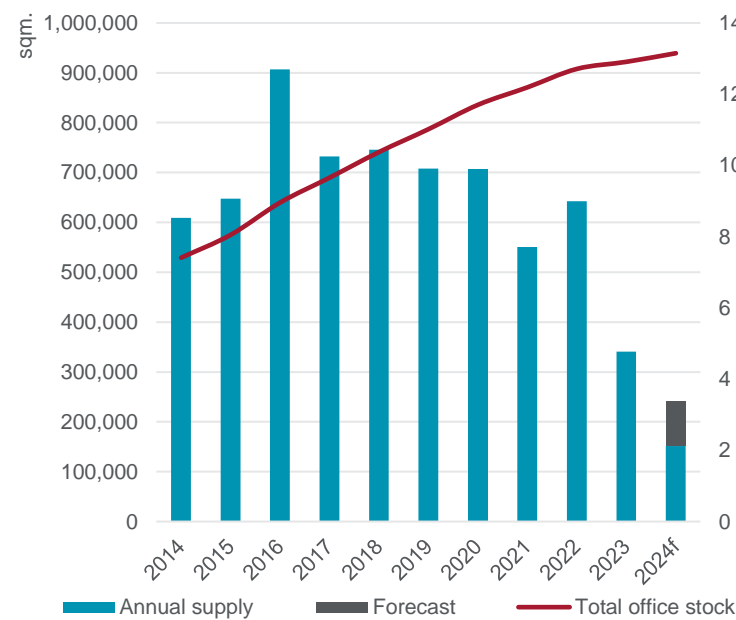
At the end of the third quarter of 2024, the combined office stock of Poland's largest markets (Warsaw, Krakow, Wrocław, Tricity, Katowice, Poznań, Łódź, Lublin, and Szczecin) exceeded 13 million sqm. New office supply reached nearly 152,000 sqm, with most of this total delivered in Warsaw, Wrocław and Krakow. The largest office completions were Cavatina's Quorum Office Park A in Wrocław (18,200 sqm), Yareal's Lixa E in Warsaw (16,900 sqm), the refurbishment of CA IMMO's Saski Crescent in Warsaw (15,500 sqm), and Ghelamco's Vibe I in Warsaw (15,000 sqm).

The pace of office deliveries has slowed significantly over the past three years. Although a handful of office projects broke ground in this period, development activity remains subdued, with Warsaw's overall construction pipeline shrinking from nearly 750,000 sqm in early 2020 to approximately 210,000 sqm. In regional cities, just over 200,000 sqm of new office space is under construction, down from the pre-pandemic 850,000 sqm.

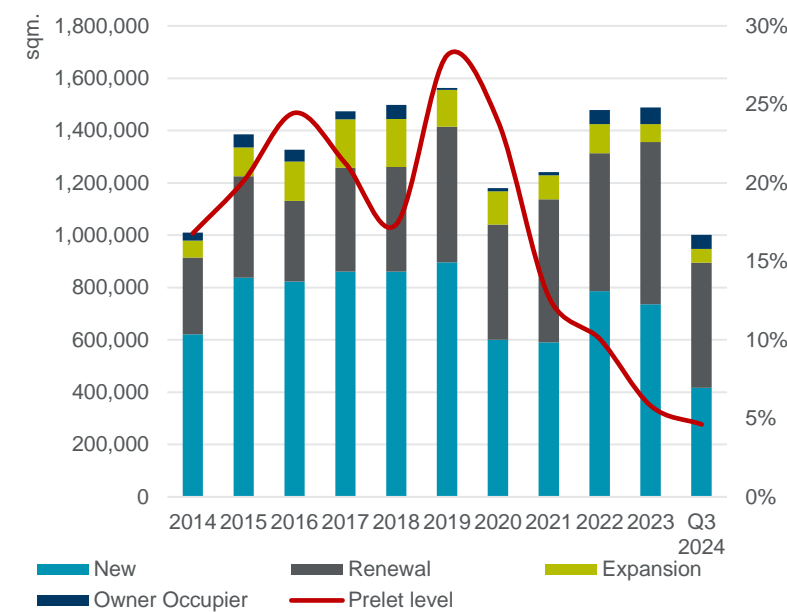
This downturn in development activity is attributed to high office construction costs and a weaker leasing market when compared to pre-pandemic times.

Cushman & Wakefield estimates that approximately 225,000 sqm, including year-to-date office completions, will be delivered onto the Polish market in 2024. A similar volume of new space is scheduled for delivery in 2025, with higher supply levels unlikely before 2026.

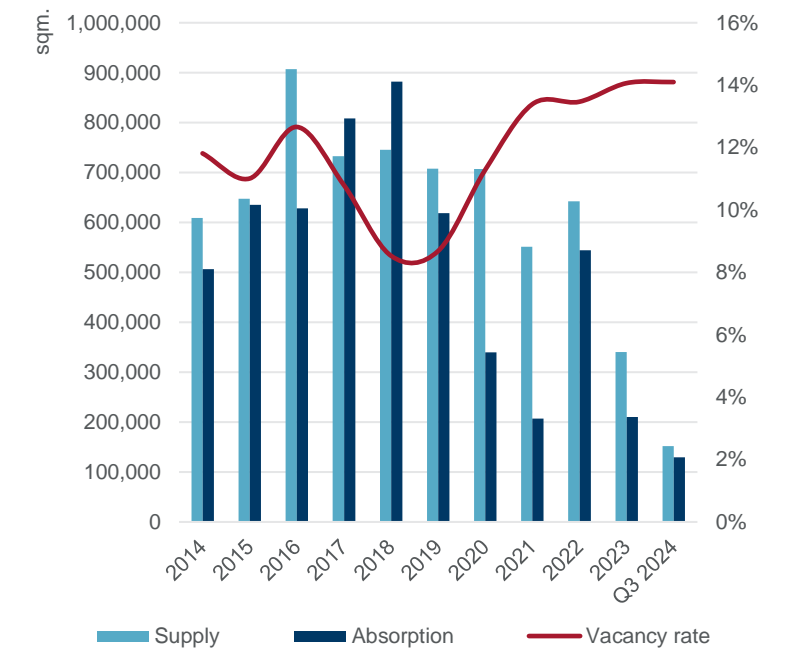
OFFICE SUPPLY AND STOCK



TAKE-UP BY TRANSACTION TYPE



ABSORPTION, SUPPLY AND VACANCY RATE



\* Year-on-year change  
\*\* As at the end of the quarter

Total leasing activity for the first three quarters of 2024 amounted to 492,200 sqm, a figure comparable to that posted in the same period last year. This stability is attributed to a gradual stabilization on the office rental market and a trend among tenants to optimize their office footprints.

From January to September 2024, new leases dominated the structure of demand in Warsaw, accounting for approximately 44% of all transactions, while owner-occupier deals made up 7%. Additionally, renewals represented a significant share at 42%, with expansions contributing around 7% to the total leasing volume.

In the nine months to September 2024, leasing activity in regional cities amounted to just over 509,000 sqm, down by 4% from the same period in 2023, when regional office take-up hit a record high.

Take-up in regional cities continued to come predominantly from IT, services and manufacturing. Renewals accounted for the largest share of the transaction volume at 53%, while new leases and expansions made up 43% and 4% respectively.

At the end of the third quarter of 2024, Poland's average vacancy rate was 14.1%, up by 0.1 pp year-on-year but down by 0.3 pp from the previous quarter. Warsaw's vacancy ratio stood at 10.7%, a decrease of 0.2 pp compared to where it was in the previous quarter. Among the regional cities, Łódź, Poznań and Krakow recorded the largest drops in vacancies, with Wrocław seeing the biggest increase. The average regional city vacancy rate was 17.3%. Office availability in all the surveyed markets amounted to 1.84 million sqm, representing a 2% increase compared with the third quarter of 2023.

In the third quarter of 2024, prime office rents in Warsaw stood at EUR 22.00-26.00/sq m/month in the Centre and at EUR 13.50-16.50/sq m/month in non-central locations. Average prime office rents in central locations in regional cities were EUR 12.50-16.50/sq m/month, with new office buildings in prime locations commanding above-average rental rates.

Elevated office construction, fit-out and project financing costs continue to significantly impact rental rates in projects underway. Rents in existing office buildings largely depend on the attractiveness of a building to prospective tenants and individual market conditions.

#### OFFICE COMPLETIONS

Building	City	Tenants	Developer	Sq m
Quorum Office Park A	Wrocław	Keywords studio, Qair	Cavatina	18,200
LIXA E	Warsaw	Sanofi Aventis, Stora Enso	Yareal	16,900
Saski Crescent	Warsaw	GN Group, Moonactive	CA Immo	15,500
Vibe I	Warsaw	Reckitt Benckiser, MDDP	Ghelamco	15,000
B10	Wrocław	KRUK SA	Vastint	14,100

#### KEY OCCUPIER TRANSACTIONS

Tenant	City	Building	Lease type	Sq m
Santander Bank	Warsaw	The Bridge	Prelet	24,500
Bank Gospodarstwa Krajowego	Warsaw	Varso II	Renewal	13,600
State Street Bank	Gdańsk	Alchemia II	Renewal	10,500
Aptiv Services	Kraków	Enterprise Park F	Renewal	10,300
Żabka Polska	Poznań	Nowy Rynek A	Renewal	10,300



### SZCZECIN

Office stock (sq m)	187,250
Office take-up (sq m)	1,550
Office supply (sq m)	1,800
Vacancy rate (%)	6.8%
Headline rent (EUR/sq m/month)	12.75 – 13.50

### POZNAŃ

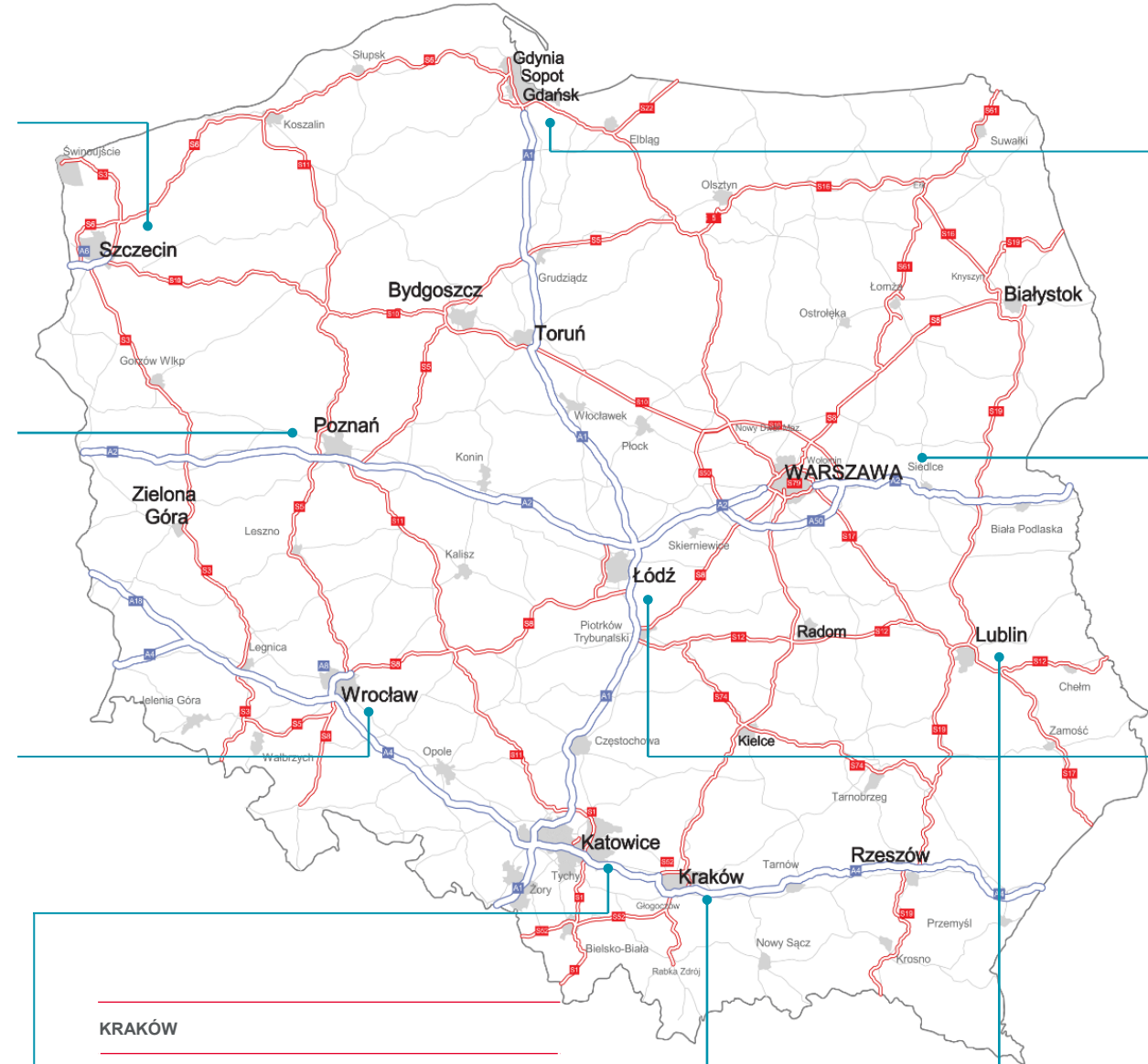
Office stock (sq m)	674,200
Office take-up (sq m)	53,500
Office supply (sq m)	0
Vacancy rate (%)	12.5%
Headline rent (EUR/sq m/month)	13.50 – 15.75

### WROCLAW

Office stock (sq m)	1,369,900
Office take-up (sq m)	95,800
Office supply (sq m)	32,350
Vacancy rate (%)	19.7%
Headline rent (EUR/sq m/month)	13.50 – 16.00

### KATOWICE

Office stock (sq m)	752,000
Office take-up (sq m)	34,950
Office supply (sq m)	900
Vacancy rate (%)	20.5%
Headline rent (EUR/sq m/month)	13.50 – 15.50



### KRAKÓW

Office stock (sq m)	1,820,500
Office take-up (sq m)	178,600
Office supply (sq m)	14,400
Vacancy rate (%)	18.9%
Headline rent (EUR/sq m/month)	15.00 – 16.75

### TRICITY

Office stock (sq m)	1,607,000
Office take-up (sq m)	92,800
Office supply (sq m)	19,500
Vacancy rate (%)	12.7%
Headline rent (EUR/sq m/month)	14.00 – 15.00

### WARSAWA

Office stock (sq m)	6,264,900
Office take-up (sq m)	492,200
Office supply (sq m)	75,000
Vacancy rate (%)	10.7%
Headline rent (EUR/sq m/month)	22.00 – 26.00
Office stock (sq m)	13.50 – 16.50

### ŁÓDŹ

Office stock (sq m)	644,700
Office take-up (sq m)	45,100
Office supply (sq m)	7,700
Vacancy rate (%)	21.1%
Headline rent (EUR/sq m/month)	12.50 – 13.75

### LUBLIN

Office stock (sq m)	220,900
Office take-up (sq m)	7,100
Office supply (sq m)	0
Vacancy rate (%)	12.6%
Headline rent (EUR/sq m/month)	11.50 – 12.50

\*office take-up and supply in the year to date



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