AT A GLANCE Q1 2025

REGIONAL OFFICE MARKETS IN POLAND

LEGEND:
- Existing office stock
- Office space under construction (2025-2027)

Source: BNP Paribas Real Estate Poland

Highlights

- Tenant activity in the regions is increasing
- Supply of new office space stagnant
- Decrease in vacancy rate (y/y)
- Office rents remained stable
- Friendly workplaces

KEY FIGURES

Source: BNP Paribas Real Estate Poland

6.76 M sqm
EXISTING OFFICE SPACE

2,400 sqm
NEW SUPPLY Q1

309,700 sqm
OFFICE SPACE UNDER CONSTRUCTION (2025-2027)

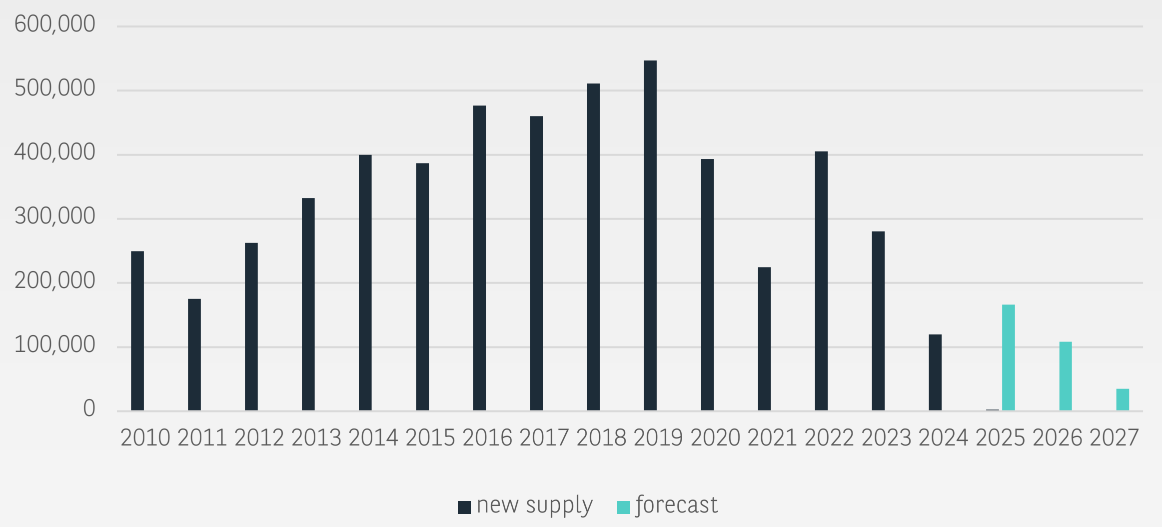
17.5% - 0.3 pp q/q.
AVERAGE VACANCY RATE

176,900 sqm
GROSS TAKE-UP Q1

92,800 sqm
NET TAKE-UP Q1

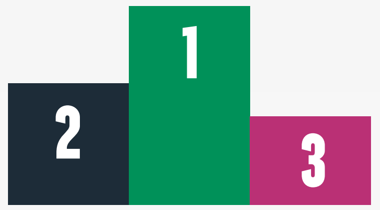
At the end of the first quarter of 2025, the total modern office stock in the eight main regional markets amounted to 6,766,600 sqm. *Invariably, the largest office markets in Poland (after Warsaw) are Kraków (1,834,700 sqm), Wrocław (1,364,700 sqm) and Tricity (1,067,000 sqm). In the first quarter of 2025, only one project of an area of 2,400 sqm was delivered to the market: Dymka 188 in Poznań developed by the Dom Medialny Św. Wojciech. This is the lowest volume of new supply recorded in the history of the office market in regional cities. In the coming months, we expect individual office buildings to be completed, however, development activity still stagnates. The persistently high vacancy rate does not encourage developers to start new investments, despite the stable demand situation. The overall scale of projects implemented over the last three years remains at a low level, as the construction of individual office buildings has begun.*

Annual office supply in the regional markets (sqm)



Source: BNP Paribas Real Estate Poland

Top 3 cities with the highest supply of office space

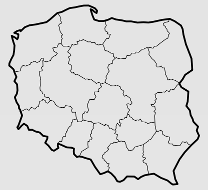


1. Kraków -27%
2. Wrocław - 20%
3. Tricity - 16%

Source: BNP Paribas Real Estate Poland

__At the end of March 2025, approximately 1,183,900 sqm of office space was available for immediate lease in eight major regional markets, which corresponds to a vacancy rate of 17.5% (a decrease of 0.3 p.p. both quarter-on-quarter and compared to the same period in 2024).__ The highest vacancy rate was recorded in Łódź – 22.3%, and the lowest in Szczecin – 8.0%. In regional cities, both decreases and increases in available space were observed. Lower availability of office space was recorded in Katowice and Kraków, while an increase in the vacancy rate by over 1 p.p. was recorded in Poznań and Wrocław. In general, we are observing an increase in the vacancy rate in buildings older than 10 years, which are increasingly being withdrawn from the market to be renovated, often combined with a change in the function of the building. The persistently high vacancy rate is slowing down development activity in regional cities. We forecast that the high vacancy rate will continue in the coming months, and vacant space will be absorbed by the market within the next 3-5 years.

Vacancy rate



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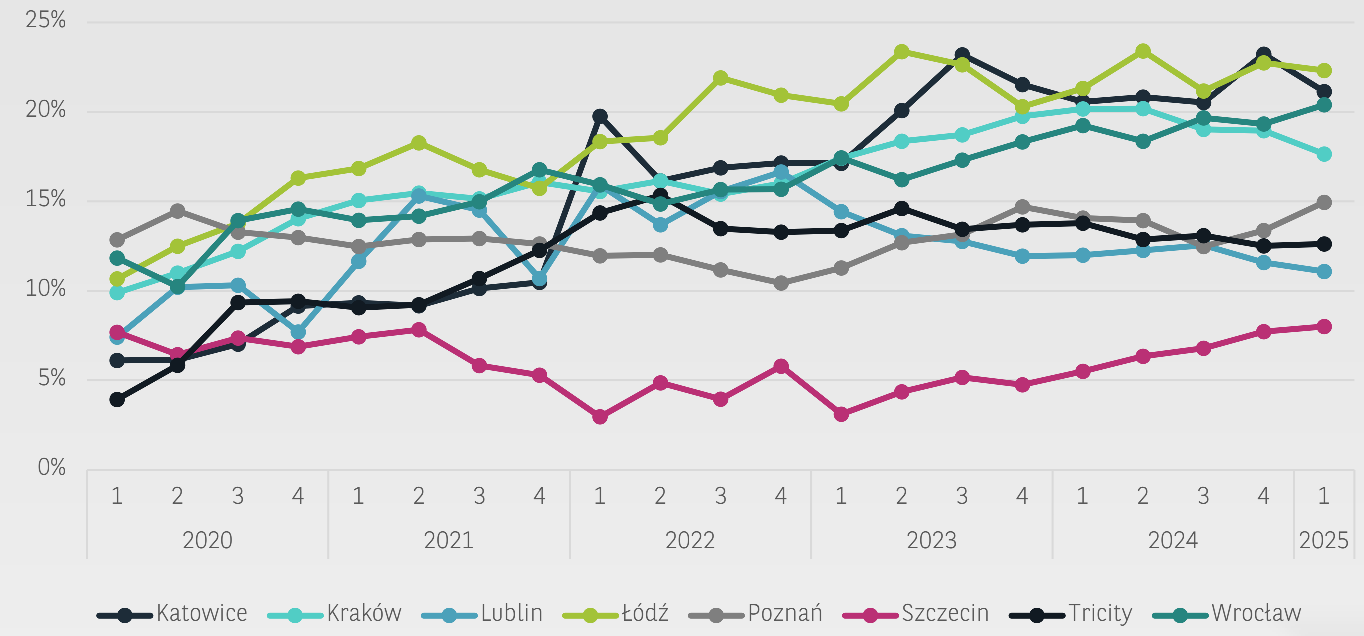
17.5% average vacancy rate in the regions in Q1 2025



Source: BNP Paribas Real Estate Poland

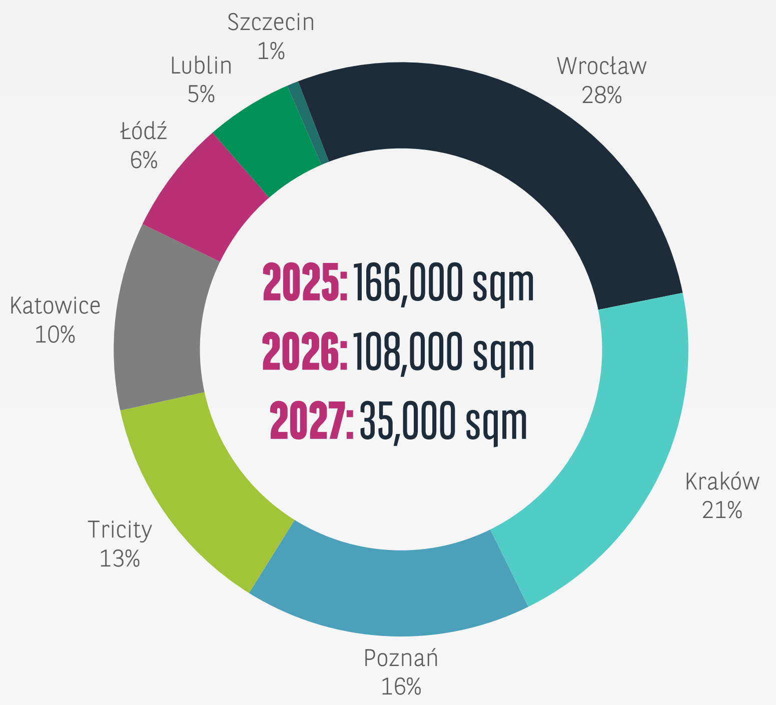
Office buildings completed in Q1 2025

	PROJECT	CITY	OFFICE AREA (sqm)	DEVELOPER
1	**Dymka 188**	Poznań	2,406	Dom Medialny Św. Wojciech

Source: BNP Paribas Real Estate Poland

__Over the past few months, developers in regional cities have largely reduced their activity in the office sector.__ Despite of the delivery of some individual office buildings at that time, the overall scale of the implemented projects remains at a low level.
In the coming months, we expect individual buildings to be completed, while development activity continues to stagnate.
The very low level of pre-lease agreements has an impact on the prolonged commercialization process of projects under construction, which, combined with difficulties in financing, has forced some of the developers to suspend their projects.

Office space under construction 2025-2027



Source: BNP Paribas Real Estate Poland

The largest office schemes under construction (delivery date 2025-2027)

	PROJECT	CITY	OFFICE AREA (sqm)	DEVELOPER	PLANNED OPENING
1	**Quorum Office Park B**	Wrocław	53,200	Cavatina	Q2 2025
2	**AND2**	Poznań	37,800	Von der Heyden Group	Q3 2026
3	**Tischnera Green Park 1**	Kraków	24,000	Stalprodukt	Q4 2027
4	**ECO City Katowice I&II**	Katowice	17,200	Eco City Katowice	Q4 2025
5	**Swobodna Spot phase I**	Wrocław	14,700	Echo Inv.	Q3 2025

Source: BNP Paribas Real Estate Poland

Expert comment

Dorot Mielke
Associate Director, Office Agency
BNP Paribas Real Estate Poland

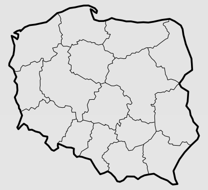
The work environment is not only where we spend most of our time, it is also a space that affects our well-being, motivation and performance. For this reasons, a friendly workplace can significantly improve the quality of employees' working lives and contribute to the success of the organization. A friendly workplace is a place where employees feel comfortable, are appreciated and respected. The organization that creates such conditions also fosters the development of competences, promotes open communication, cooperation and a healthy work-life balance. When taking care of the well-being of employees, it is worth introducing many elements in the office space that resemble a home interior, such as: poufs, hammocks or comfortable armchairs. It is also worth thinking about creating a space for rest or relaxation (e.g. game rooms), which allows for integration and shaping the sense of belonging to a group. Let's remember that employee's engagement increases when they feel as a part of a larger mission.

Expert comment

Małgorzata Fibakiewicz

Senior Director, Head of Office Agency
BNP Paribas Real Estate Poland

Total tenant activity in the 8 largest office markets in Poland in the first quarter amounted to approx. 176,900 sqm, which means an increase of 27% compared to the same period last year. Kraków and Wrocław were the markets with the highest number of office space lease transactions in January-March 2025, with 56,600 sqm and 43,800 sqm, respectively. Significant tenant activity was also observed in the Tricity (26,400 sqm). Higher gross demand than in the same period of the previous year was also recorded in the Tricity, Katowice, Poznań and Lublin. The structure of transactions in the regions was dominated by renewals of existing contracts, accounting for 48% of demand, new contracts were slightly behind them, having a 43% share in lease agreements signed at that time, while expansions accounted for 8%. Lease renewals are often associated with a reduction in leased space, and we expect that in the following quarters of 2025 there will be a redefinition of the hybrid work model, which may result in greater readiness of employees to return to the office. And this, in turn, will have a positive impact on the recovery of demand on regional office markets.



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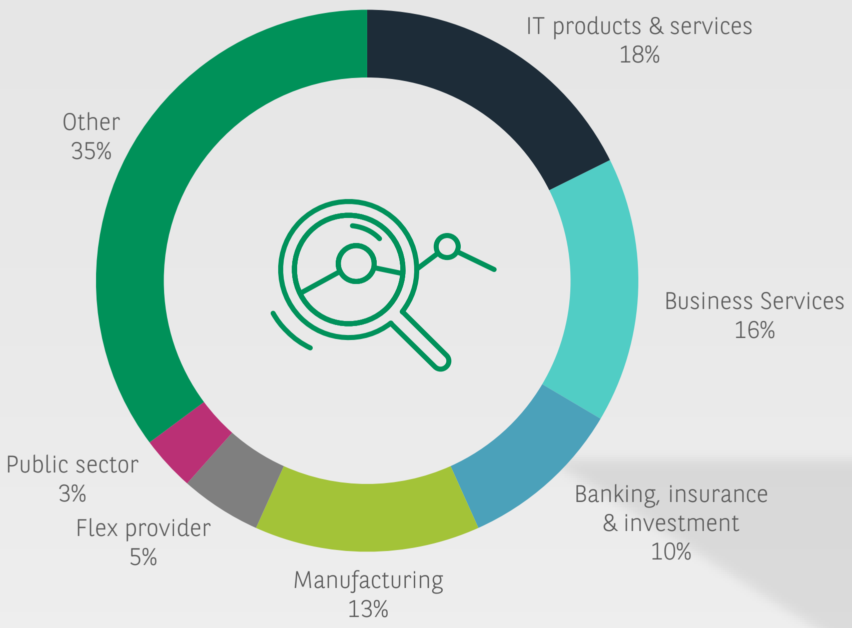
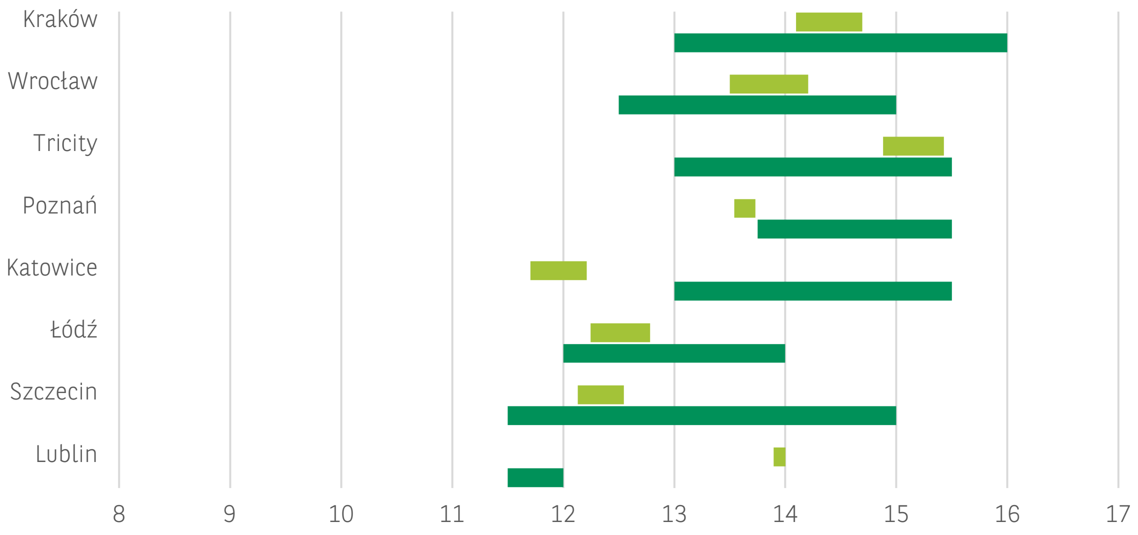
Gross take-up by sectors Q1



Source: BNP Paribas Real Estate Poland

Average* asking rents vs „prime" rent (EUR/sqm/mth)



Source: BNP Paribas Real Estate Poland

At the end of Q1, headline rents in A class buildings in regional cities averaged between EUR 12.00 and EUR 17.00/sqm/month. *The highest asking rents were recorded in Poznań (up to EUR 17/sqm/month), Kraków and Wrocław (up to EUR 16.50/sqm/month). Service charges in all regional cities do not exceed PLN 37/sqm/month, their amount depends mainly on the efficiency of the building. Rents higher than average (EUR 19.50-23/sqm/month) were recorded in new office buildings or those located in attractive locations.*

Annual gross take-up by regions Q1 2025

1. Kraków – 32%
2. Wrocław – 25%
3. Tricity – 15%

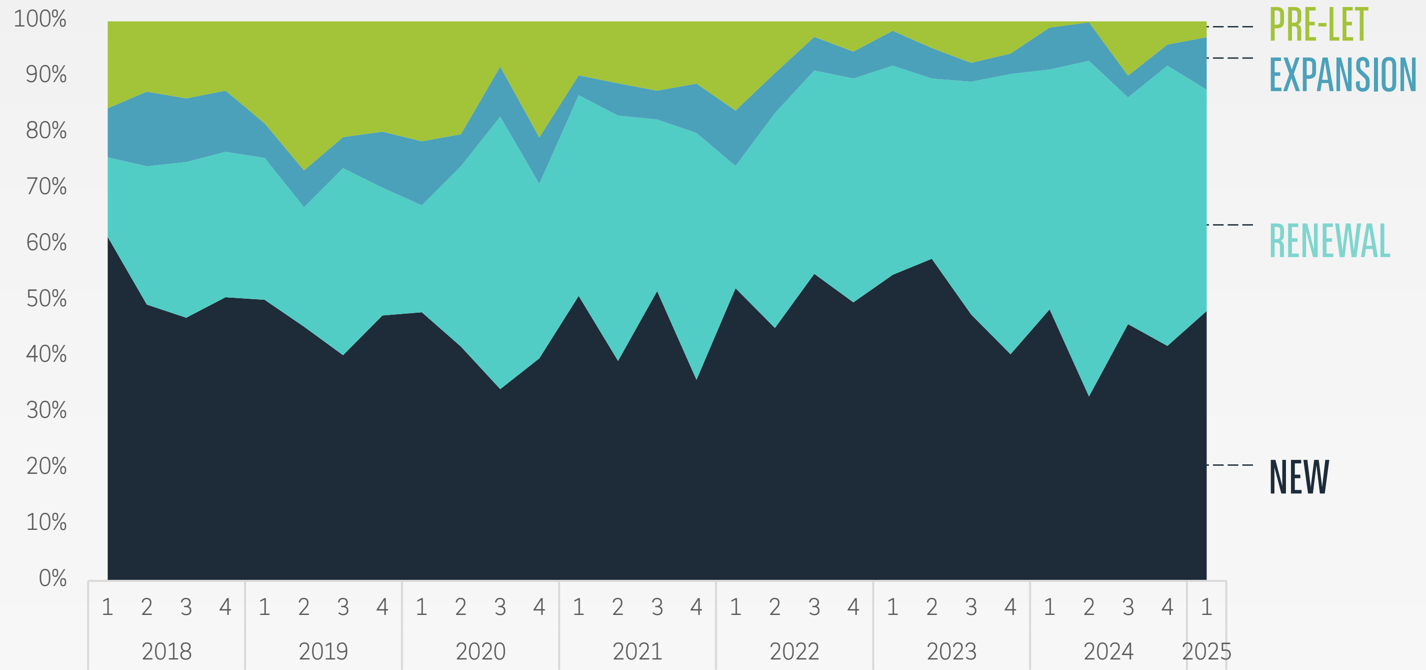
The total volume of lease transactions registered in the first quarter of 2025 amounted to less than 177,000 sqm, which is 20% lower than in the previous quarter and 27% higher than in the same quarter of 2024. The largest amount of office space was leased in Kraków (56,600 sqm), Wrocław (43,800 sqm) and Tricity (26,400 sqm).

Top 5 lease transactions Q1

	TENANT	PROJECT	CITY	OFFICE AREA (sqm)	TYPE OF LEASE
1	**Confidential**	Business Garden Wrocław II building K (4)	Wrocław	8,432	renewal
2	**Confidential**	DOT Office C	Cracow	7,200	new
3	**Confidential**	Business Garden I	Wrocław	6,684	renewal
4	**AXA XL**	Pegaz	Wrocław	5,711	renewal + expansion
5	**Confidential**	Gray Office Park A	Lublin	5,549	renewal

Source: BNP Paribas Real Estate Poland

Gross take-up structure in the regions



Source: BNP Paribas Real Estate Poland

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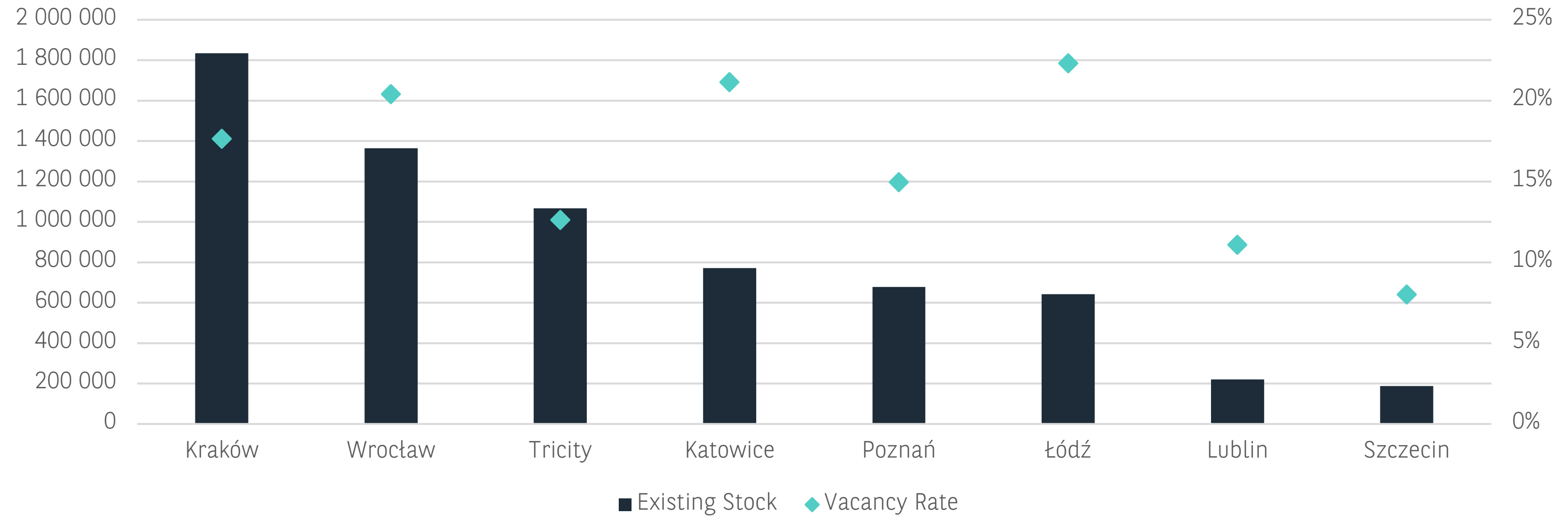
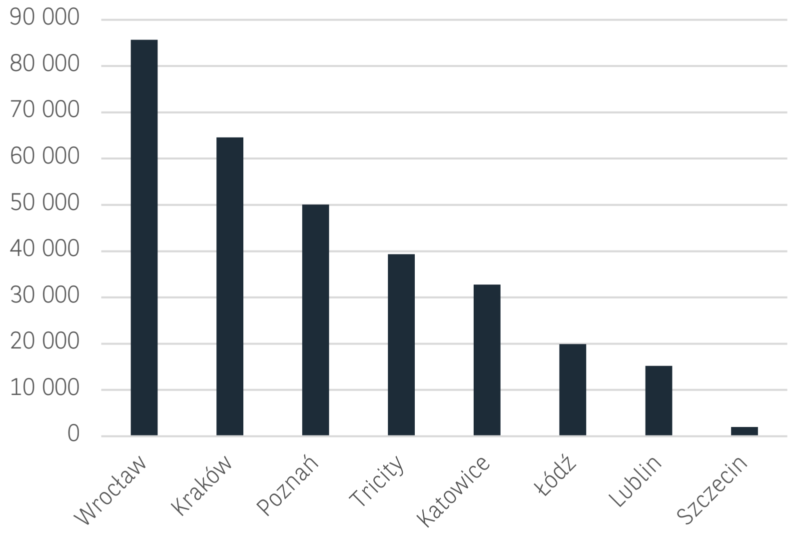
Existing stock & vacancy rates (sqm)

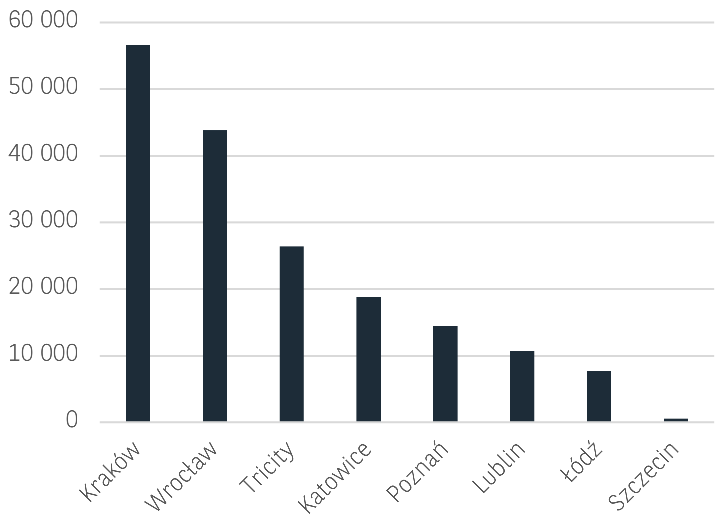


Source: BNP Paribas Real Estate Poland

Office space under construction (sqm)



Gross take-up (sqm)



Source: BNP Paribas Real Estate Poland

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