

ALTERNATIVE REAL ESTATE INVESTMENTS IN POLAND

Exploring market differences and opportunities
in Poland vs. the Netherlands

In association with



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world

Introduction



Erik Drukker
CEO
BNP Paribas Real Estate Poland

As Poland continues to experience robust economic growth, the real estate market presents unique opportunities for investors seeking to capitalize on emerging sectors.

In this report, we provide an in-depth analysis of key asset classes that are not typically covered in quarterly reports, offering insights into high-growth segments: the Private Rented Sector (PRS), Purpose-Built Student Accommodation (PBSA), and Hotels.

Compared to more developed European markets like the Netherlands, Poland remains a less mature and institutionalized market. This relative immaturity presents significant upside potential for early-stage investors, as there are still gaps in high-quality product offerings, particularly in PBSA, creating opportunities for those ready to act now. The combination of strong demand – driven by demographic shifts and evolving consumer needs – and a less mature supply chain makes Poland an attractive destination for Dutch investors seeking to diversify their portfolios with high-growth real estate segments.

Through this report, we aim to equip Dutch investors and funds with the data and insights necessary to make informed investment decisions in Poland. With a focus on market dynamics, demand-supply imbalances, and future growth projections, this report provides a strategic overview of why now is the time to invest in these high-growth asset classes.

We hope this report serves as a valuable resource for shaping your investment strategy in Poland's real estate market. Should you wish to discuss further or explore specific opportunities, please don't hesitate to reach out.

Erik Drukker

A handwritten signature in blue ink, appearing to read 'Erik Drukker', written over a light blue horizontal line.



Macroeconomic outlook

POLAND	2022	2023	2024	2025	2026
GDP, real, EUR (% y/y)	5.3	0.1	2.9	3.5	3.5
Inflation CPI (% y/y)	14.3	11.6	3.7	4.3	3.6
Unemployment rate (%)	5.4	5.2	5.1	5.1	5.0
Long-term interest rates (%)	6.1	5.8	5.5	5.4	4.9
Short-term interest rates (%)	5.8	6.3	5.7	5.5	4.1
Population (million)	36.8	36.7	36.5	36.4	36.3
Workforce (million)	17.7	17.8	17.6	17.6	17.6

Source: Oxford Economics, BNP Paribas Real Estate Poland, Eurostat

f o r e c a s t

- The favourable economic outlook for Poland supports continued expansion of the institutional leasing market.
- After recovering in 2024, the Polish economy is expected to accelerate in 2025. Growth is forecast to be driven by strong private consumption and public investment, although net exports are expected to weigh on the overall economic performance.
- Inflation eased in 2024 but is projected to rise temporarily in 2025 due to the lifting of energy price caps. Following an elevated general government deficit in 2024, gradual fiscal consolidation is expected over the forecast horizon.
- Poland's declining population is partially offset by an influx of foreigners – mainly from Ukraine, as well as Central and South Asia – helping to stabilize the total workforce.



Poland offers a dynamic real estate market with strong growth potential, especially in sectors driven by long-term demand, such as the PRS and PBSA. However, this potential comes with higher inflation and interest rates, as shown in the table. In contrast, the Netherlands presents a more stable but slower-growing market. The choice of where to invest depends on the investor's risk tolerance.

NETHERLANDS	2022	2023	2024	2025	2026
GDP, real, EUR (% y/y)	5.0	0.1	0.8	1.6	1.5
Inflation CPI (% y/y)	11.6	4.1	3.2	2.4	1.9
Unemployment rate (%)	3.5	3.6	3.7	3.8	3.9
Long-term interest rates (%)	1.5	2.8	2.6	2.6	2.7
Short-term interest rates (%)	0.3	3.4	3.6	1.9	1.8
Population (million)	17.7	17.9	18.0	18.1	18.1
Workforce (million)	9.9	10.1	10.2	10.2	10.2

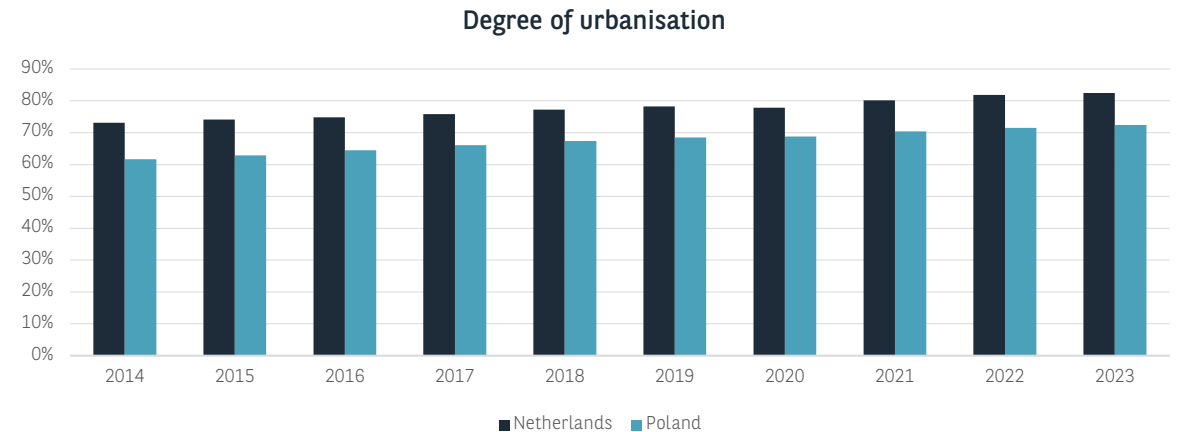
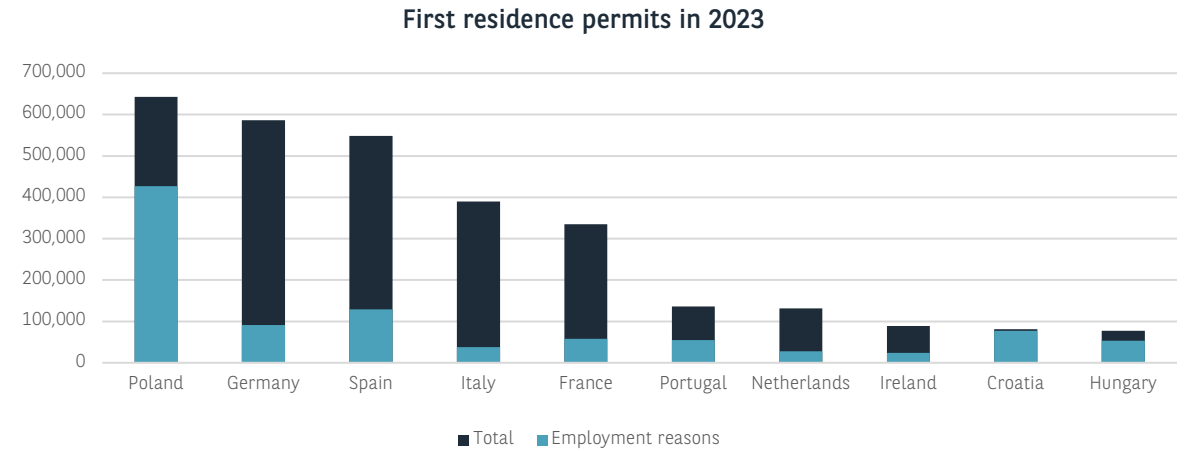
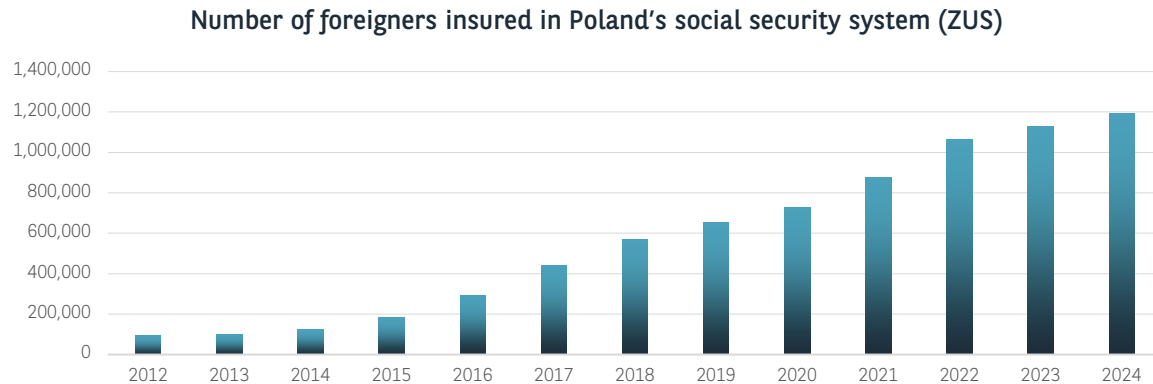
Source: Oxford Economics, BNP Paribas Real Estate Poland, Eurostat

f o r e c a s t

- The Dutch economy is experiencing a gradual recovery, with GDP expected to follow a modest upward trajectory through 2027, while inflation returns to the target level of 2%. Economic growth remains primarily driven by private consumption and government spending.
- Long-term interest rates are expected to remain stable, while short-term interest rates are projected to decline in 2025. This shift may offer investors greater predictability in financing costs, supporting a focus on assets with long-term leases or stable income streams.
- The Dutch population is projected to remain stable, largely due to a healthy balance between immigration and emigration. However, the aging population presents challenges, with immigration playing a key role in mitigating the effects of the low birth rate.

Foreign workforce and urban population growth

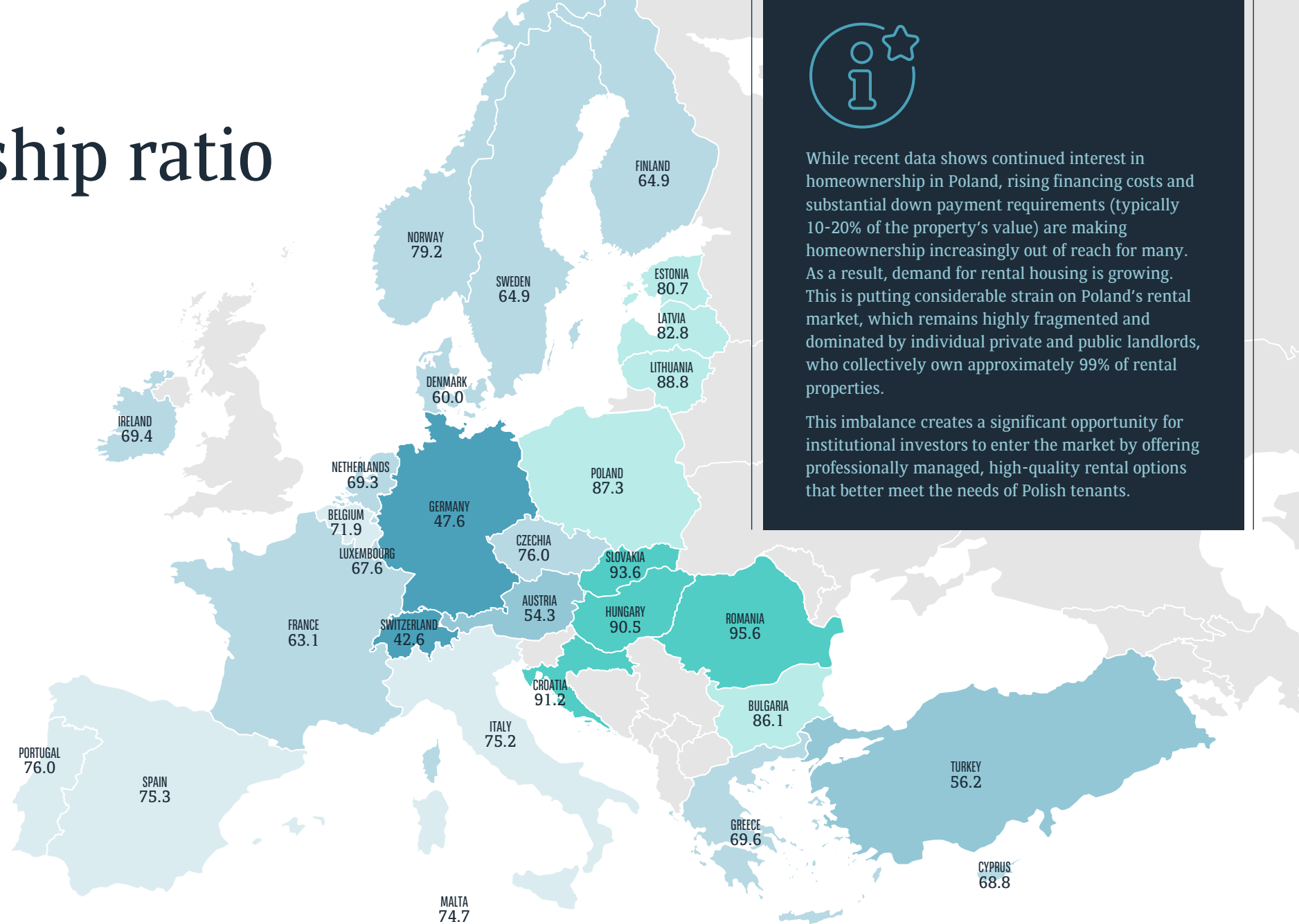
Urban development in Poland began later than in the Netherlands, which has already reached a high level of urbanisation, limiting its potential for further growth. Poland still has room for urban expansion, presenting opportunities to meet the rising demand for the Private Rented Sector (PRS) and Purpose-Built Student Accommodation (PBSA) developments.



Homeownership ratio

	2022	2023	CHANGE
Poland	87.2	87.3	+0.1
Netherlands	70.6	69.3	-1.3

- The highest ownership rates in the EU were observed in Romania (95%), Slovakia (93%), Croatia (91%) and Hungary (90%).
- In all EU Member States, except Germany, homeownership was more common than renting. In Germany, renting was slightly more prevalent, with 53% of the population living in rented accommodation. Austria (49%) and Denmark (40%) followed.
- Countries with more mature rental markets, such as France, Germany and Switzerland, tend to have lower homeownership rates compared to Poland's neighbours like Lithuania or Slovakia.
- In Poland, the homeownership rate rose to 87% in 2023, which is relatively high compared to other countries in Western Europe.



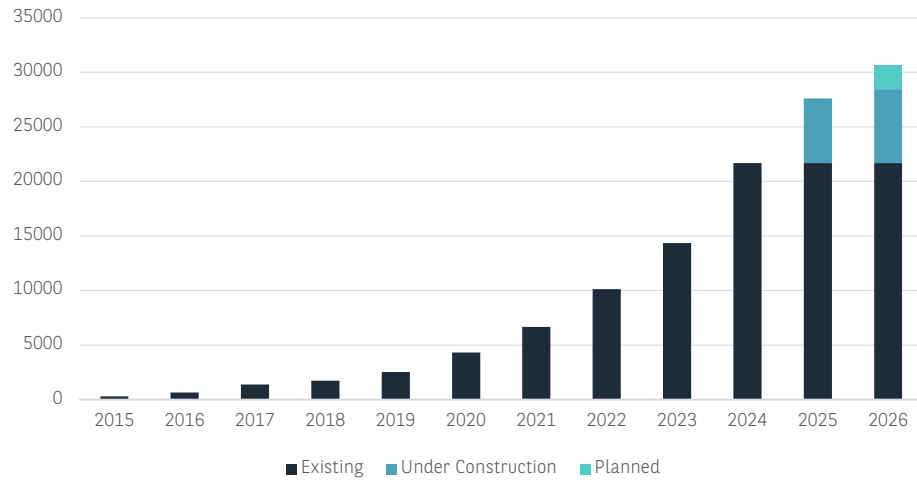
While recent data shows continued interest in homeownership in Poland, rising financing costs and substantial down payment requirements (typically 10-20% of the property's value) are making homeownership increasingly out of reach for many. As a result, demand for rental housing is growing. This is putting considerable strain on Poland's rental market, which remains highly fragmented and dominated by individual private and public landlords, who collectively own approximately 99% of rental properties.

This imbalance creates a significant opportunity for institutional investors to enter the market by offering professionally managed, high-quality rental options that better meet the needs of Polish tenants.

PRS market in Poland



PRS - Existing and Planned Stock in Poland (Number of Flats)



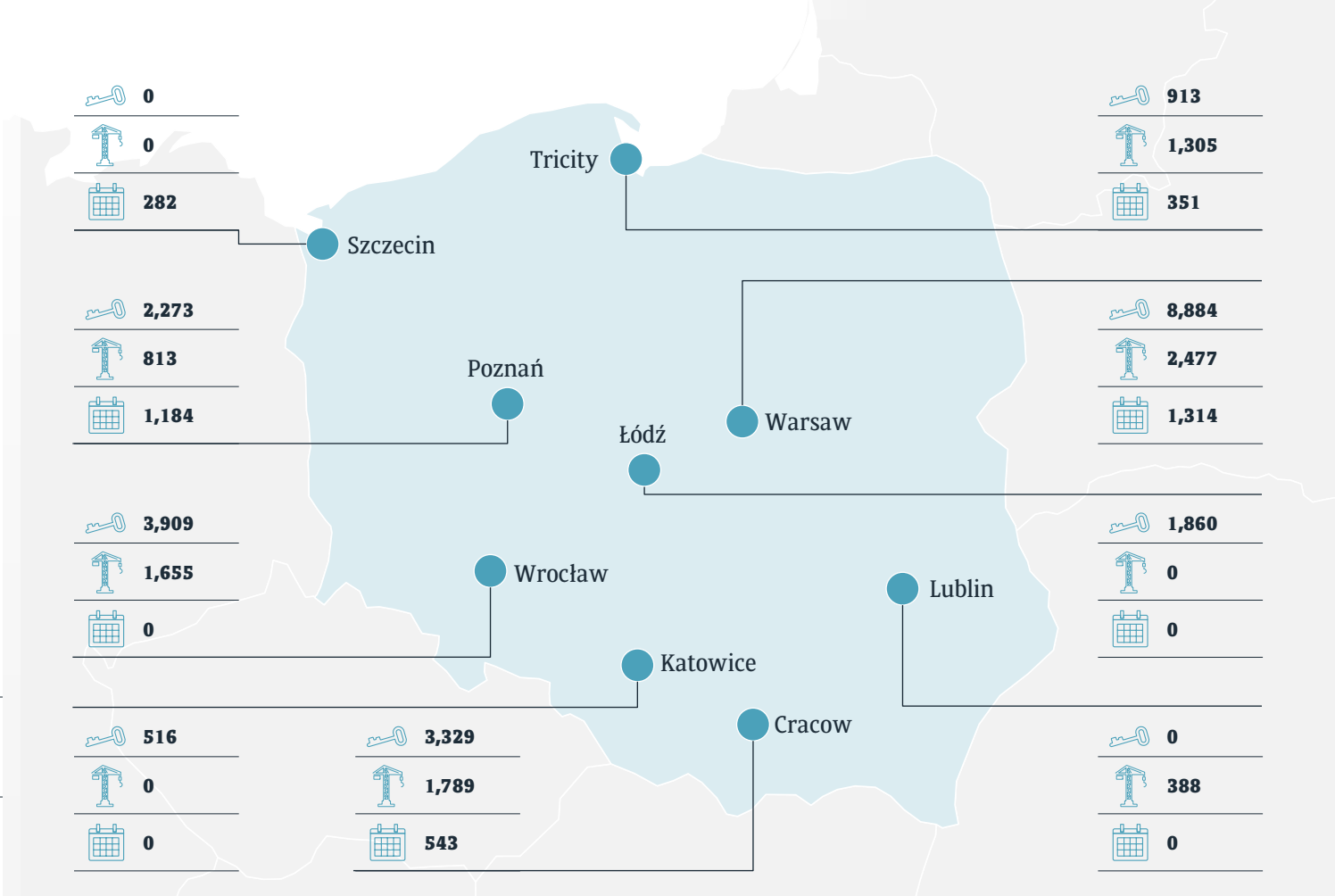
Existing Stock: The existing stock of PRS flats has shown a steady increase over recent years, reflecting the market's gradual growth.



Under Construction: The number of flats under construction has risen notably since 2022, signifying strong ongoing investment in the sector.





Planned Developments: Planned stock indicates a significant upward trend, especially for the years 2024-2026, highlighting growing demand in the PRS market.






PBSA market in Poland

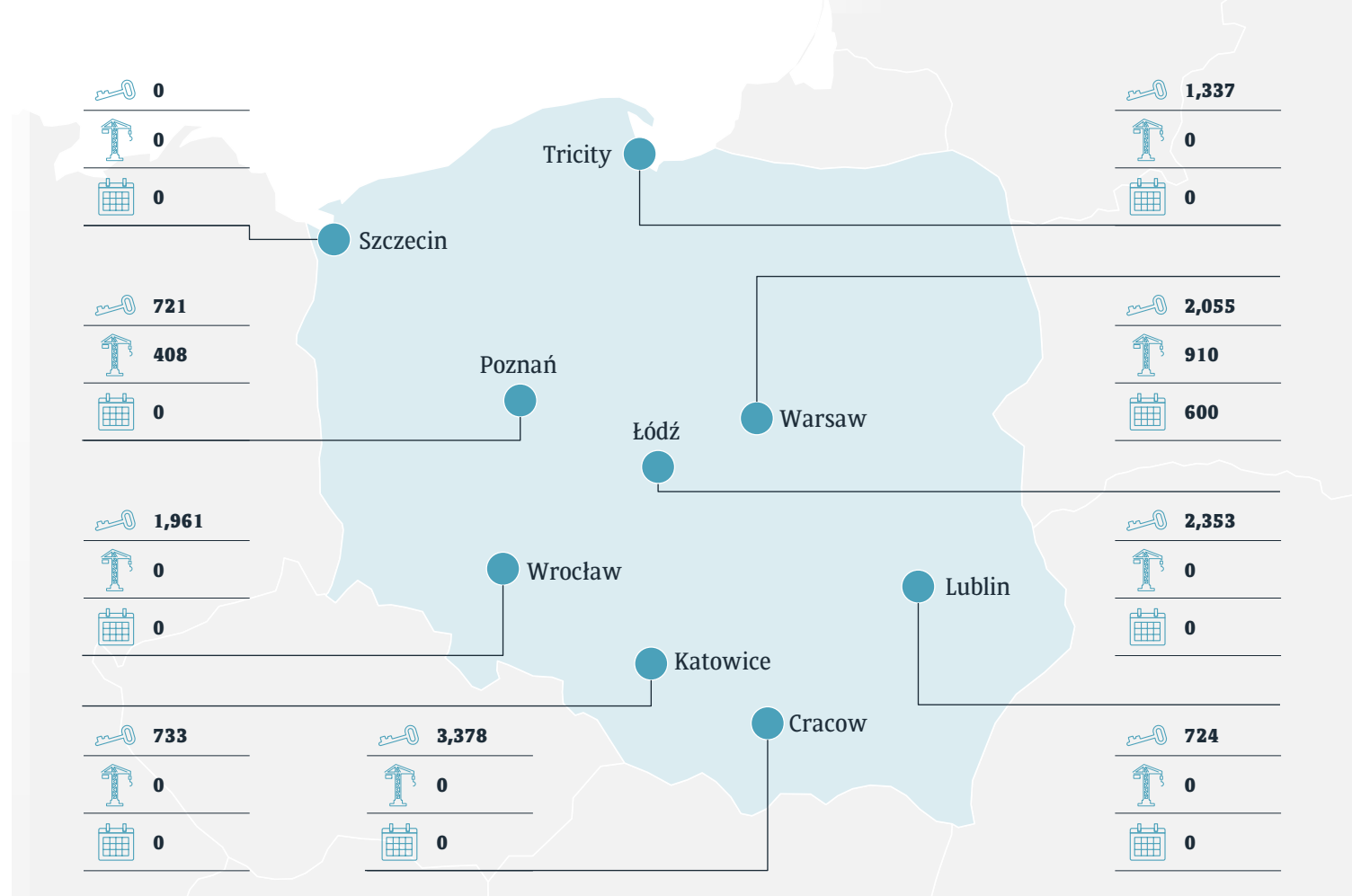
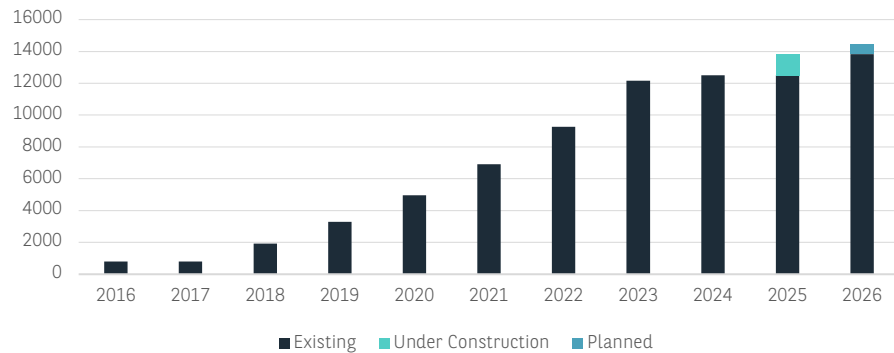
1.25M  students in 2023/2024

0.0097  beds per student

102.8  students per bed

- There is a growing demand for high-quality student housing relative to the current supply. Both private and institutional investors are becoming increasingly aware of this supply gap, which is driving heightened interest in this alternative asset class.
- As more international capital – both private and institutional – enters the market, the sector is expected to gain momentum, potentially leading to yield compression over time as it becomes more institutionalized. Early entrants are likely to benefit from a first-mover advantage.

**PBSA – Existing and Planned Stock in Poland
(Number of beds, end of 2024)**



Key drivers of rental demand in Poland

Increasing
urbanisation and
transition to
a service economy

1

Poland's urban population has been growing steadily, though unevenly, in recent years. Warsaw has experienced the strongest growth, while cities like Łódź and Katowice have seen population declines. This reflects the attractiveness of large agglomerations as labour markets. Municipalities near major cities have recorded the strongest population growth. Many newcomers seek quality rental accommodation, contributing to increased housing demand in urban centres.

Housing
gap

2

Analysts estimate that Poland faces a housing deficit amounting to several million units. According to Statistics Poland (GUS), fewer than 179,000 new flats were completed in the first 11 months of 2024 – 10.6% less than in the same period in the previous year – marking the weakest result since 2018. For the first time in six years, the annual total is expected to fall below 200,000 units.

Growing
middle
class

3

Poland has seen a consistent rise in per capita disposable income in recent years. As basic needs are increasingly being met, consumers are shifting their focus toward improving their quality of life, including upgrading their housing conditions.

Changing
attitudes
toward
ownership

4

While homeownership has historically dominated Poland's housing landscape – partly due to cultural preferences – this is beginning to shift. Younger generations are increasingly open to renting, influenced by the rise of the sharing economy across the globe and greater labour market mobility. Additionally, many people are reluctant to commit to long-term loans.

Affordability

5

Rising mortgage costs have made homeownership unaffordable for a growing portion of the population. In addition, many people are reluctant to commit to long-term loans. Renting is often more cost-effective, convenient and flexible.

War in
Ukraine

6

The war in Ukraine has significantly influenced residential demand across the CEE region. The influx of refugees has driven demand in both the PRS and student accommodation sectors in countries like Romania, Poland and Hungary. With demand remaining strong and housing in short supply, prices remain high in major cities. This trend is expected to continue in the coming years.



Poland? Why Poland?



Margaretha van der Vorm
CEO



Rene Voortmeijer
Commercial Director



VAN DER VORM
V A S T G O E D

This is often the first question we hear when announcing our plans to build a portfolio in this region. For many, Poland still feels distant – associated with images of handymen or factory workers, along with perceptions of an anti-European government and its proximity to Ukraine.

However, what is less commonly recognised is Poland’s ambitious, young, and highly educated workforce. Polish people are driven by a clear aspiration: to become a leading nation within the European Union. This vision has been shaped by a history of multiple occupations by foreign powers, including the Swedes, Germans, and Soviets.

This quest for independence has fuelled the development of not only a traditional market economy but also a robust service sector, including service centres for numerous international companies. This growth has significantly boosted the Polish economy, with a corresponding rise in demand for quality of life, particularly in housing.

While Poland is still marked by the iconic housing estates from the 1960s – once painted in bold greens and pinks, this older housing stock no longer meets the expectations of today’s young, ambitious generation. Poles are seeking the flexibility and quality found in other European markets.

This unmet demand in the residential rental market – known as the Private Rented Sector (PRS) in Poland – is at the heart of our investment strategy. While still relatively small and not yet institutionalized, partly due to the absence of a REIT structure, the PRS market is fully liberalised and poised for significant growth and professionalisation.

Notably, Poland’s population is approximately 2.5 times larger than that of the Netherlands, yet the current PRS stock stands at about 25,000 units. The opportunity is both clear and compelling.

We have successfully built a PRS portfolio of approximately 900 units, primarily in Warsaw and Krakow, and we plan to expand further in the coming years.

So, our answer to the question
“Why Poland?” is simple:

**Because of its
potential!**

Average rental prices in Poland



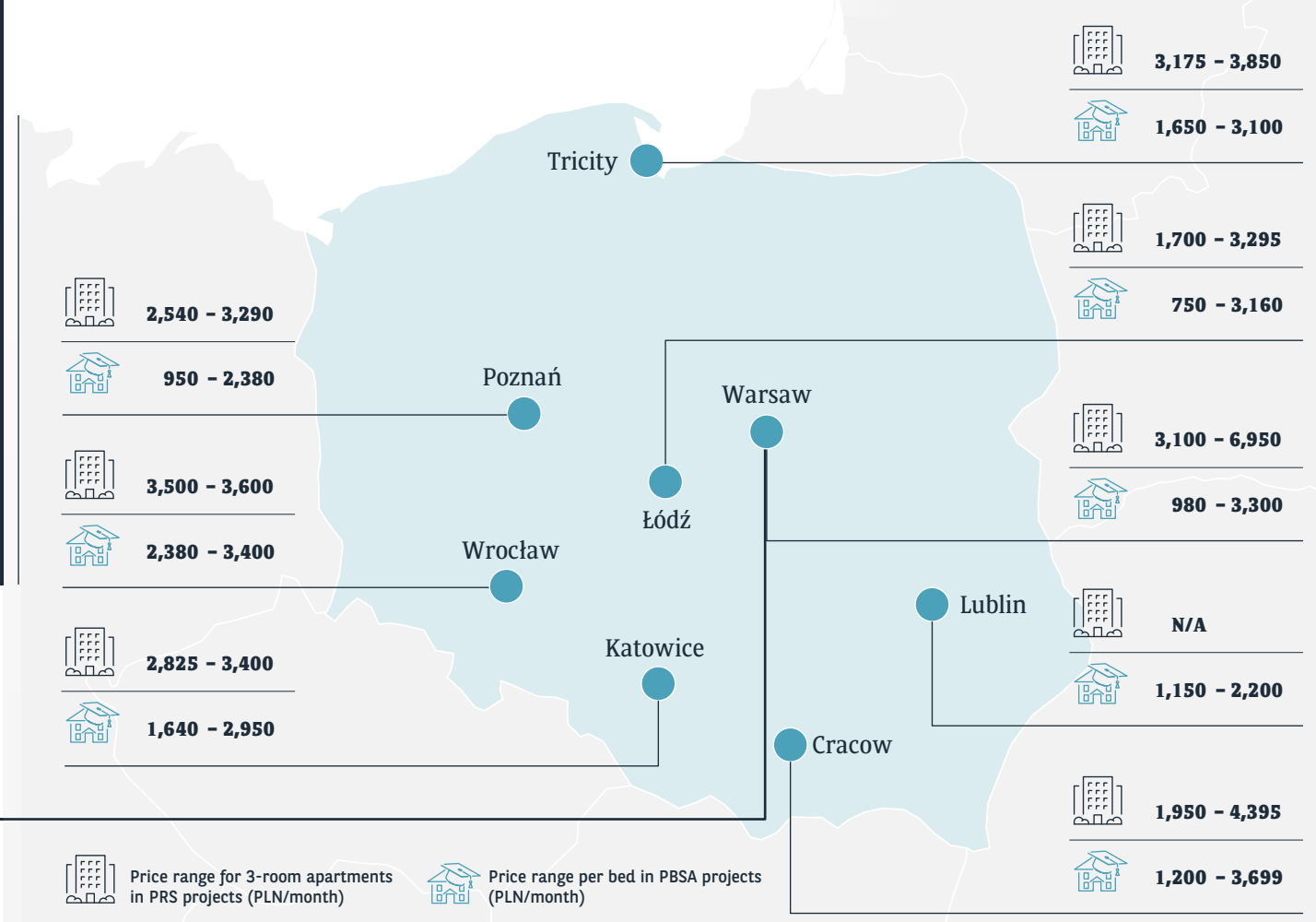
Mateusz Skubiszewski
Senior Director,
Head of Capital Markets
BNP Paribas Real Estate
Poland

The institutional rental market in Poland is emerging as one of the most promising real estate sectors in Central and Eastern Europe. Rising residential property prices and high mortgage rates are driving increased demand for PRS and student housing, especially among the younger generation. Strong market fundamentals and robust development activity are attracting both local and international capital, leading to a rise in investment transaction volumes. Development remains concentrated in major cities and university towns, which continue to grow due to ongoing migration from rural areas.



Price range for flats in PRS projects in Warsaw (PLN/month)

1-room	2,100 - 3,650
2-room	2,780 - 5,750
3-room	3,900 - 8,190
4-room	5,208 - 9,900
5-room	6,400 - 10,800

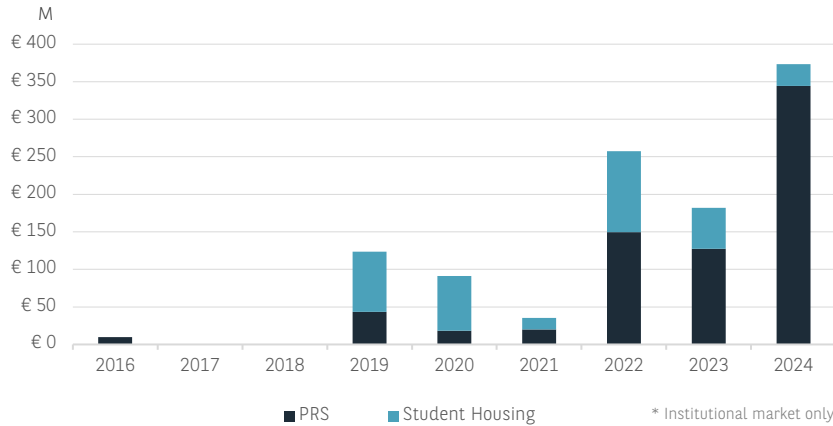


Price range for 3-room apartments in PRS projects (PLN/month)

Price range per bed in PBSA projects (PLN/month)

Investment market: Poland vs. the Netherlands

Investment volumes in selected markets | Poland



2024 (Poland)

€344M
Private Rental Sector

€29M
Purpose-Built Student Accommodation

4.5%
Net Prime Yield Warsaw

5-7%
Net Prime Yield Regional Cities



While Poland's market is currently less mature than the Netherlands – where institutional and increasingly private capital plays a key role in shaping the market – Poland's size, population, and growing exposure to private capital suggest significant future growth potential.

Comparable prime yields in regional cities across both countries indicate that investors view the investment risk profiles of these markets as similar.

Investment volumes in selected markets | Netherlands



2024 (Netherlands)

€3,411M
Residential*

3.0%
Net Prime Yield Amsterdam

5-7%
Net Prime Yield Regional Cities

* Including both PRS and student housing asset class



Top 5 PRS and Student Housing investment transactions in Poland, 2023-2024



Private Rented Sector (PRS)

QUARTER	PROJECT NAME	CITY	ADDRESS	BUYER NAME	SELLER NAME	TOTAL VOLUME (M EUR)
2024 Q3	Metro Zachód	Warsaw	Lazurowa 21	AFI Europe	Dom Development	61.79
2023 Q1	Moko Botanika (in Marvipol PRS portfolio)	Warsaw	Bokserska 54	Heimstaden Bostad	Marvipol Development	55.91
2024 Q3	Mińska 69/Żupnicza 28	Warsaw	Mińska 69/Żupnicza 28	Heimstaden Bostad	Spravia (ex. Budimex Nieruchomości)	52.51
2024 Q1	Osiedle Aurora	Warsaw	Szybka 7/Wschodu Słońca	Heimstaden Bostad	Dantex	52.33
2024 Q3	AFI Home Długa	Wrocław	Długa 15	AFI Europe	Hossanova	30.90



Purpose-Built Student Accommodation (PBSA)

QUARTER	PROJECT NAME	CITY	ADDRESS	BUYER NAME	SELLER NAME	TOTAL VOLUME (M EUR)
2023 Q2	Youniq/Joyn Kraków	Krakow	Grzegórzecka 22	Corestate for Bain Capital Credit	Upside PropertyDen Development	54.60
2024 Q3	LivinnX (Basecamp Kraków)	Kraków	Romanowicza 4	XIOR Student Housing	APC Partners CA Ventures and Golub and CO	29.00



International investors have begun to enter the Polish market, as evidenced by the buyer pool outlined in the table. The majority of transactions to date have taken place in the Private Rented Sector (PRS). However, with a notable supply gap, also in Purpose-Built Student Accommodation (PBSA), we expect investor interest to grow further.

For a comprehensive overview of transactions, please feel free to contact BNP Paribas Real Estate Poland



Summary of key factors: Poland vs. the Netherlands



Private Rented Sector (PRS)

Factors	Poland	Netherlands
Rental market penetration (Percentage of households in the rental market compared to homeownership)	In 2023, the homeownership rate in Poland was 87% (+0.1 pp y/y).	In 2024, the rental housing sector constituted approximately 43% of the total housing stock. Housing corporations are estimated to own 66% of the rental housing stock.
Prime yields	Net prime yields in Warsaw are currently 4.5%. In Poland's major regional cities, they range from 5% to 7%.	Net prime yields in Amsterdam are 3.0%. In regional cities, net prime yields range from 5.0% to 7.0%.
Current rental housing demand	As of 2024, the housing deficit is estimated at 1.5 million units, compared to 15.3 million flats currently available across the country. The institutional rental segment in Poland accounts for approx. 0.1% of the existing housing stock nationwide.	As of 2024, the country faces a shortage of approximately 390,000 homes.
Rental growth (annual rent increase)	No cap for institutional investors and occasional leases.	The rental growth index for 2025 is 4.1% for liberalised rent and 7.7% for mid-rent.
Rent regulations	Rent increases capped at 3% of the replacement value of the premises in accordance with the Tenants' Rights Act, the Municipal Housing Stock Act and the Civil Code Amendment Act (increases above 3% require additional justification). This restriction does not apply to institutional investors and occasional leases.	The implementation of the Affordable Rent Act on July 1, 2024 introduced rent controls for certain properties, capping rents based on a points system. This legislation aims to make housing more affordable but has led some landlords to sell their rental properties due to reduced profitability.



Purpose-Built Student Accommodation (PBSA)

Factors	Poland	Netherlands
Average price per room in key cities	PLN 980 - 3,300 (€230 - €773) per month in Warsaw, depending on the size and quality of the room	€700 - €1,000 per month
Beds per student	0.0097 beds per student 102.8 students per bed	Less than 1 bed per student
Prime yields	Net prime yields in Warsaw are currently 4.5%. In Poland's major regional cities, they range from 5% to 7%.	Net prime yields vary by city, ranging from 5% to 7% in the regions, with Amsterdam at 3.0%
Total student population	1.25 million students in the academic year 2023/2024	Approx. 800,000 students (Higher Professional Education + Scientific Education)



Tax Regimes

Factors	Poland	Netherlands
Real estate transfer tax (commercial properties)	Sales of commercial properties: 1. Asset deal subject to applicable CIT rate; 2. Share deal subject of Civil Law Activities Tax (CLAT) at 1% of the value of the shares bought	10.4% on investment and commercial real estate transactions
Corporate Income Tax (CIT)	19% general tax rate or 9% reduced rate for small taxpayers and start-ups	19% (up to €200k), 25.8% (over €200k)
Value Added Tax (VAT)	23% standard rate, 8% reduced rate, applicable, among other things, to works under social housing schemes, cultural, sporting and leisure services	21% standard rate and 9% reduced rate
Inheritance and Gift Tax	3-12%, depending on the tax group	10% (up to €152k), 20% (over €152k)
Real Estate Profit Tax	19% within five years from the calendar year of purchase; no liability after this period.	19%-25.8% (only through Corporate Income Tax)
Rental Income Tax	8.5% on income up to PLN 100,000 and 12.5% on income above PLN 100,000	None, except standard CIT for companies and income tax for private individuals (Box1 or Box3, depending on ownership structure)



Valesca Nieuwenhuis
Founding Partner
Vesper Investments
Netherlands

At Vesper Investments, our journey began with a clear vision: to connect Dutch capital with the dynamic Polish commercial real estate market. As we observed increasing overregulation in the Dutch market, which we felt was stifling the entrepreneurial spirit, we saw an opportunity to create pathways for investment beyond our borders. That led us to focus on building a bridge to Poland for Dutch investors, a country rich in potential and poised for further growth.

While the Dutch market is more mature and institutionalized, often implying a stable investment climate with enhanced transparency, it can also feel overregulated once economic efficiency is achieved. In contrast, Poland presents a different narrative. Historically isolated behind the Iron Curtain, its real estate market began to flourish only after the fall of communism in the late 20th century. Today, the market is undergoing a dynamic transformation, fuelled by rapid growth and an influx of investment opportunities.

The Polish economy is thriving, powered by a highly educated and ambitious young workforce eager to leave rural life behind for the opportunities found in vibrant urban centres. This demographic shift is driving demand for higher quality housing, which is notably lacking in sectors like the private rental market and purpose-built student accommodation.

To help Dutch investors navigate this promising market just two borders away, we teamed up with BNP Paribas Real Estate Poland to prepare this market report. Our goal is to highlight the opportunities Poland has to offer and to provide insights to guide your investments in this exciting market. Let's explore your expansion strategy into Poland together!

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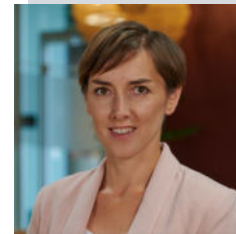
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