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# **Information on home prices and the situation in the residential and commercial real estate market in Poland in 2014 Q4**

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## The analysis of the situation in the Polish real estate market in 2014 Q4<sup>1</sup> leads to the following conclusions:

- **The residential real estate sector remained balanced.** The previously observed tensions eased. The number of housing units pending sale decreased and their selling time shortened. Similarly to the previous quarter, **the commercial real estate market, especially the office and retail real estate market, continued to post a growing imbalance** between demand for space and space supply resulting from the implementation of new investment projects. This resulted in growing vacancy rates.
- **Transaction prices per square meter of housing in the primary and secondary markets of 16 monitored largest cities stabilized.** The Warsaw market saw a slight decline in prices in the primary market resulting from the sale of a bigger number of housing units meeting the requirements of the MDM government-subsidized housing scheme<sup>2</sup>. In all the analyzed cities prices in the primary market exceeded those in the secondary market. Average transaction prices per square meter of housing in real terms (deflated with CPI) showed a slight increase both in the primary and the secondary market. Hedonic prices<sup>3</sup> in the secondary market in Warsaw were stable which means that prices of comparable housing did not change. In the previous years, the decline in hedonic prices in Warsaw was slower than that of average transaction prices, which means that price decline was driven by sales of a large number of lower quality dwellings (e.g. housing in poorer location, in worse technical condition). Other markets recorded hedonic price stability. Rents remained stable in Warsaw and went slightly up in other major cities.
- **The availability of credit and housing increased slightly** which was the result of stable property prices, lower interest rates on housing loans and growth in nominal income combined with CPI deflation recorded since July 2014. The average availability of housing in major cities remained at the level of 0.83 square meter per average monthly wage in the corporate sector, and thus was by 0.34 square meter higher as compared to record low noted in 2007 Q3.

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<sup>1</sup> The analysis presented in this Quarterly Information is based on data available until 2014 Q4. Due to delays in data availability some charts and figures present information until 2014 Q3 (inclusive).

<sup>2</sup> In 2014 Q4 housing units sold at a price of approx. PLN 6.6 thousand per square meter prevailed in the structure of transactions. This amount corresponds with the maximum limit in the government-subsidized housing scheme MDM.

<sup>3</sup> The hedonic housing price index reflects the "pure" price change, that is the change that results from other factors than differences in the quality of housing. In this study, the hedonic price is an average price from the base period multiplied by the hedonic index. This price reflects the average level of prices of a specific housing sample from the base period (fixed housing basket), after inclusion of the "pure" change in the price of housing which were sold in consecutive periods. The hedonic price stated in the report says what the average price of the fixed housing sample from a specific reference period would be, considering the real "pure" change in transaction prices. The difference between the hedonic index used to determine the hedonic price and the average or the median price growth is that the index accounts for the change in the quality of housing sold in a particular period (e.g. the response of the hedonic index to the increase in the number of smaller housing offered at higher price per square meter should be less strong than that of the average price index or the median price index). For more information, see article by M. Wiślak (2010) entitled „Metody wyznaczania hedonicznych indeksów cen jako sposób kontroli zmian jakości dóbr”, in Wiadomości Statystyczne no. 9.

- **Housing investment, excluding transaction costs, continues to be profitable in a short-term.** Return on investment in rental housing now stands higher than the yield on 10-year Treasury bonds or the interest rate on bank deposits and is close to the profit earned on investment in the commercial real estate market. The housing loan servicing costs to rent ratio continues to allow to finance the cost of credit with income from rent<sup>4</sup>.
- **Bank lending was stable.** Household debt resulting from mortgage loans continued to rise as a result of disbursements of PLN loans. The share of loans denominated in foreign currencies steadily declines in the currency structure of banks' portfolios (in currency terms), which is advantageous in terms of financial and macroeconomic stability. This is the result of both the cessation of foreign currency housing lending, regular loan repayments and shorter loan maturity (early repayment and refinancing). Taking into account lower quality receivables sold to debt collection agencies, the share of doubtful mortgage loans to total loans is 3.1%.
- **Profitability of housing investment continues at a high level.** This is associated with the ratio of home prices to costs of building materials and construction works which is advantageous for real estate developers. Financial data of real estate developers usually show low profitability of their business, which is also reflected in the stock exchange quotations of the largest companies in the industry. The estimated profitability of home construction projects undertaken by developers also continues at a sound level which is confirmed by the launch of new investment projects. The number of bankruptcies in the real estate development industry is on the decline for another consecutive quarter.
- **The number of new home construction contracts and homes under construction is on the rise.** This is the consequence of the previously launched housing projects. As a result of high profit margins and rates of return on residential projects, the number of issued building permits is on the rise (in 2014 this number increased by 18.1 thousand on the 2013 figure). Also the number of dwellings whose construction has already started is rising (in 2014 this number increased by 20.7 thousand on the 2013 figure).
- **The stock of unsold housing declined, following the increases recorded in the previous quarters of 2014.** The supply of new housing was absorbed by the market thanks to growing demand. Growth in demand was supported by interest rate cuts by NBP, offsetting the increase in the amount of buyers' own contribution required when taking out a mortgage loan<sup>5</sup>. Consequently, home selling time in the primary market got shorter again.

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<sup>4</sup> Calculations have been based on interest rate statistics used by banks in relation to corporate and household deposits and credits, available on the NBP website:

([http://www.nbp.pl/home.aspx?f=/statystyka/pieniezna\\_i\\_bankowa/oprocentowanie.html](http://www.nbp.pl/home.aspx?f=/statystyka/pieniezna_i_bankowa/oprocentowanie.html)).

<sup>5</sup> In accordance with Recommendation 5 (point 15.7) on mortgage-secured credit exposure arisen from 1 January 2015 to 31 December 2015 the LtV indicator should not exceed 90%.

- **We note a cyclical increase in the number of completed dwellings.** Real estate developers continue to manage to correctly adjust the structure of housing demand, as opposed to the secondary market, where supply is determined by the structure of the housing stock.
- **Upper limits of prices per square meter of housing admitted to the MDM government-subsidized housing scheme were raised in some large cities.** This limit was reduced in Gdańsk only. The new limits increased the estimated annual rate of return on real estate projects sold under this scheme from 10% to 11% in Kraków, from 11% to 13% in Wrocław and from 14% to 16% in Warszawa. On the other hand, in Gdańsk the annual rate of return fell from 17% to 15%.
- **The commercial real estate market saw a further slow decline in the value of real estate,** which was reflected in falling valuations of shares in closed-end investment funds investing in commercial real estate in Poland. The Warsaw office real estate market posts **a gradual growth in the vacancy rate,** standing at nearly 15%. Despite such a high vacancy rate, **real estate developers continue to engage in office space construction.**

The figures below present the most important developments in the housing market in Poland's major cities in 2014 Q4.<sup>6</sup> Charts and figures present:

- 1) home prices (Figures 1–13),
- 2) housing availability, loan availability, availability of loan-financed housing, profitability of housing investment (Figures 14-19),
- 3) mortgage loan disbursements and interest rates (Figures 20-28),
- 4) operating profitability of housing and real estate development projects, costs of construction and assembly output and economic situation of real estate developers in Poland (Figures 29-44),
- 5) housing construction and the residential market in Poland (Figures 45-57).
- 6) housing policy in Poland (Figures 58-61).

The analysis of housing prices, offer prices, transaction prices and hedonic prices in the primary and secondary markets relies on the data from the housing market survey of the Real Estate Market Database (BaRN).<sup>7</sup> As part of the survey of the commercial real estate market, Commercial Real Estate Market Database (BaNK) data on rent, offer prices and transaction prices of commercial real estate are collected and analyzed.

Also data from PONT Info Nieruchomości (PONT), AMRON, SARFIN Polish Banks' Association and Comparables.pl were used in the analyses. We also relied on the analyses and reports of the Polish Financial Supervision Authority (KNF) and the aggregate credit data from the Credit Information Bureau (BIK). For the structural market analysis, data published by the Central Statistical Office (GUS) and many studies containing sector data were used.

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<sup>6</sup> The information was prepared by the Financial Stability Department for the needs of the authorities of NBP and it presents the authors' opinions. This document should not be read as an advisory material, nor should it be the basis for any investment decisions.

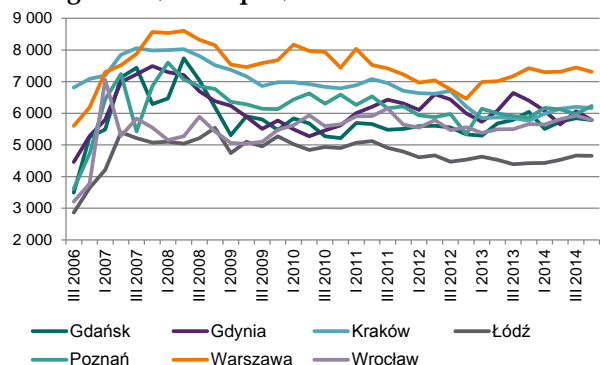
<sup>7</sup> See Programme for Surveys in Public Statistics for 2014. Annex to the Decree of the Council of Ministers of 9 August 2013 on the Programme for Surveys in Public Statistics for 2014 (Journal of Laws of 2013, item 1159), symbol 1.26.09 (078). The survey of residential and commercial real estate prices in Poland's selected cities is conducted by the President of Narodowy Bank Polski. The reporting forms were announced in the Decree of the Prime Minister of 5 February 2014 on reporting forms, completion instructions and statistical questionnaires and survey forms used in surveys of public statistics for 2013 (Journal of Laws of 2013 item 1223). Since the survey is carried out by NBP, the Bank publishes the surveys on its website. In 2014 Q4 approx. 96.2% of records were collected, including approx. 21.8% of records concerning transactions and 78.1% records concerning offers. Altogether approx. 334.5 thousand records were collected in 2014, including 22.5% of records concerning transactions and 77.5% of records concerning offers.

## List of abbreviations

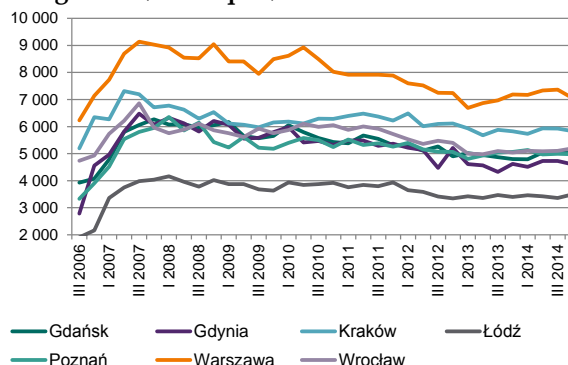
<b>6C</b>	6 cities Gdańsk, Gdynia, Kraków, Łódź, Poznań, Wrocław
<b>7C</b>	7 cities Gdańsk, Gdynia, Kraków, Łódź, Poznań, Warszawa, Wrocław
<b>10C</b>	10 cities: Białystok, Bydgoszcz, Katowice, Kielce, Lublin, Olsztyn, Opole, Rzeszów, Szczecin, Zielona Góra
<b>16C</b>	16 cities: Białystok, Bydgoszcz, Gdańsk, Katowice, Kielce, Kraków, Lublin, Łódź, Olsztyn, Opole, Poznań, Rzeszów, Szczecin, Warszawa, Wrocław, Zielona Góra
<b>BaNK</b>	Commercial Real Estate Database
<b>BaRN</b>	Real Estate Database
<b>BIK</b>	Credit Information Bureau
<b>CPI</b>	Consumer Price Index
<b>CSO</b>	Central Statistical Office
<b>EURIBOR</b>	Euro Interbank Offer Rate
<b>GD</b>	Households
<b>IFRS</b>	International Financial Reporting Standards
<b>IRR</b>	Internal Rate of Return
<b>KNF</b>	Polish Financial Supervision Authority
<b>KRS</b>	National Court Register
<b>LD</b>	Large real estate development company
<b>LIBOR</b>	London Interbank Offered Rate
<b>LTV</b>	Loan-to-Value
<b>MDM</b>	Government-subsidized housing scheme <i>Mieszkanie dla Młodych</i> [Housing for the Young]
<b>NBP</b>	Narodowy Bank Polski
<b>PAS</b>	Polish Accounting Standards
<b>PM</b>	Primary housing market
<b>RNS</b>	Government-subsidized housing scheme <i>Rodzina na Swoim</i> [Family on their Own]
<b>ROE</b>	Return on Equity
<b>SM</b>	Secondary housing market (existing housing stock)
<b>WIBOR</b>	Warsaw Interbank Offered Rate
<b>WIG20</b>	Index including top 20 companies listed on the Warsaw Stock Exchange with the highest value of publicly traded shares
<b>ZKPK</b>	Accumulated index of changes in banks' credit policy criteria

### 1. Transaction, hedonic and offer prices of housing in the primary market (PM) and in the secondary market (SM)

**Figure 1 Transaction prices per square meter of housing – PM (PLN/sq. m)**



**Figure 2 Transaction prices per square meter of housing – SM (PLN/sq. m)**

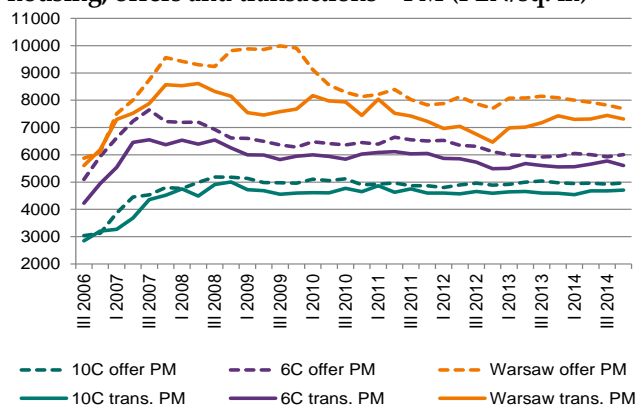


Note: the home price database of NBP (BaRN) has existed since 2006 Q3; description of the database may be found in the 2013 Annual Report

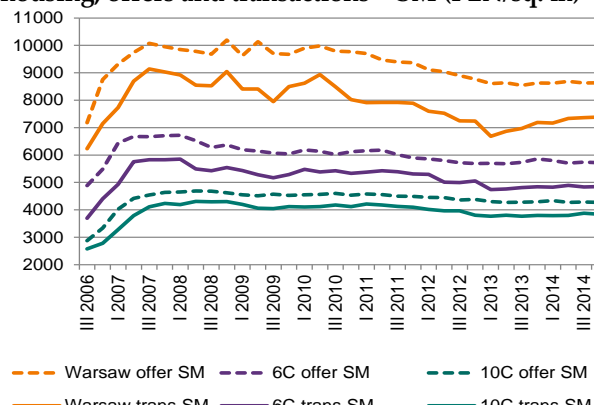
Source: NBP.

Source NBP.

**Figure 3 Weighted average price per square meter of housing, offers and transactions – PM (PLN/sq. m)**



**Figure 4 Weighted average price per square meter of housing, offers and transactions – SM (PLN/sq. m)**

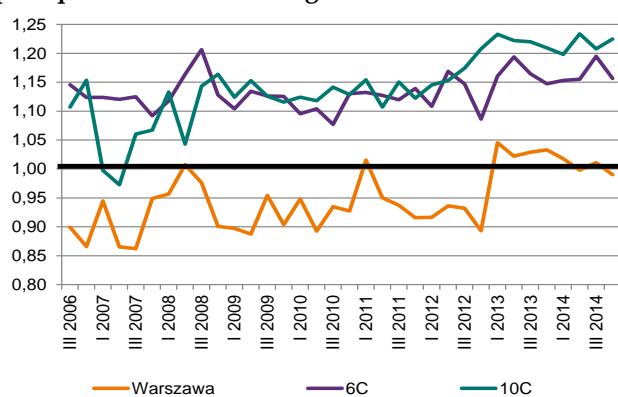


Note to Figures 3–13: the price weighted with the share of housing in the market stock, the average price for Warsaw

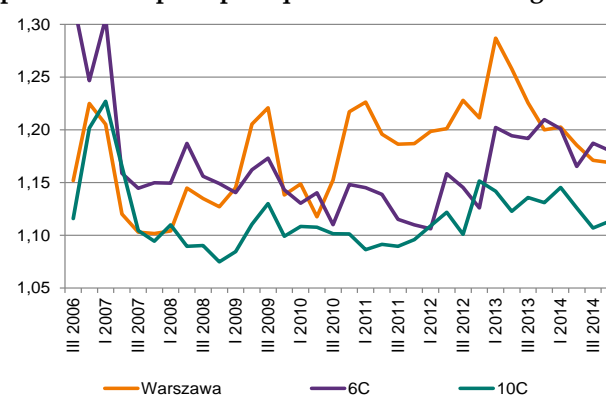
Source: NBP.

Source: NBP.

**Figure 5 Ratio of the average weighted transaction price per square meter of housing – PM to SM**



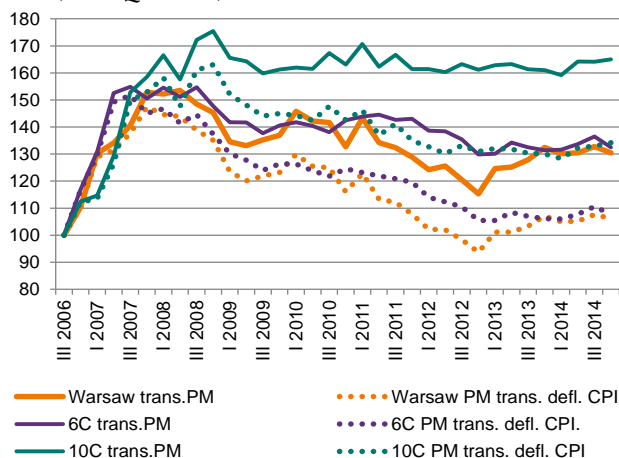
**Figure 6 Ratio of the average weighted transaction price to offer price per square meter of housing – SM**



Source: NBP.

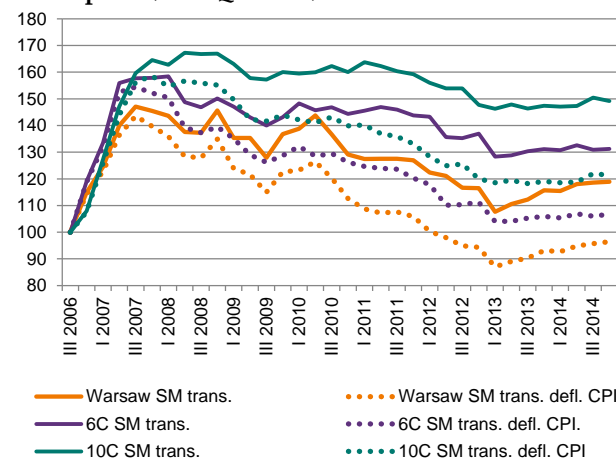
Source NBP.

**Figure 7 Weighted average and real price per square meter of housing in the primary market to CPI-deflated price (2006 Q3 = 100)**



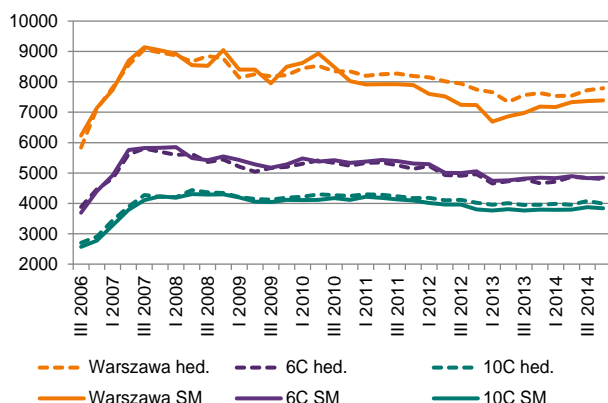
Source: NBP, AMRON, GUS.

**Figure 8 Weighted average and real price per square meter of housing in the secondary market to CPI deflated price (2006 Q3 = 100)**



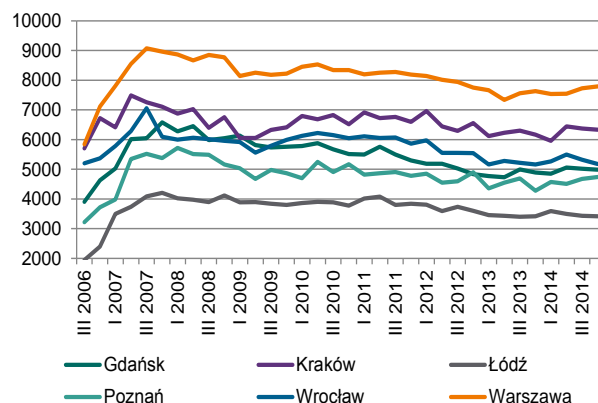
Source: NBP, AMRON, GUS.

**Figure 9 Weighted average transaction price per square meter of housing adjusted by the hedonic price index – SM, transactions (PLN/sq. m)**



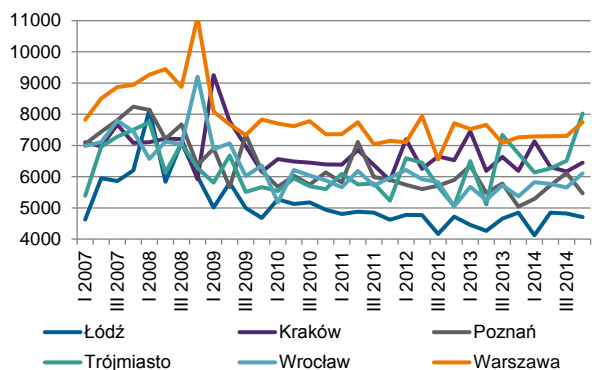
Source: NBP.

**Figure 10 Transaction price per square meter of housing in SM, adjusted by the hedonic price index, in the largest cities (PLN/sq. m)**



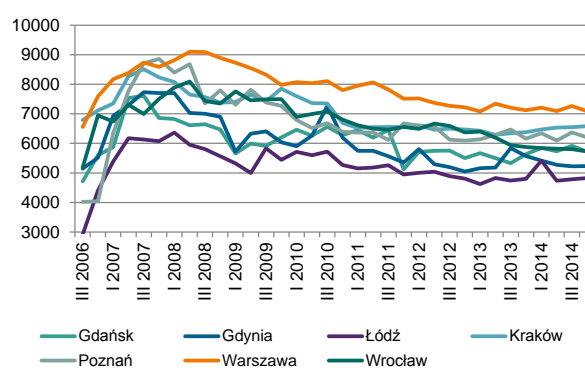
Source: NBP.

**Figure 11 Average offer prices per square meter, new launched housing contracts – PM, selected markets (PLN/sq. m)**



Note: prices refer only to new contracts put on the market for the first time. Source: Real Estate Advisory System (REAS).

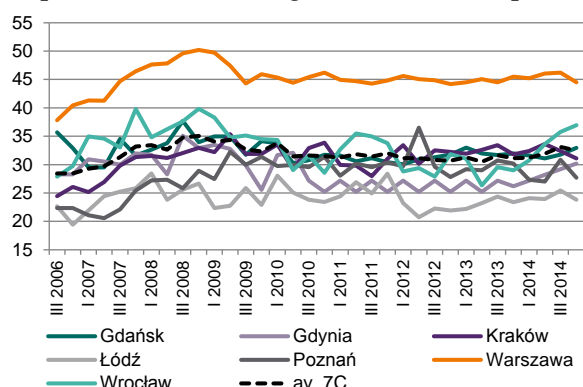
**Figure 12 Average offer prices per square meter, new housing contracts – PM in 7 cities (PLN/sq. m)**



Note: prices are collected from all available sources. Source: PONT Info Nieruchomości.



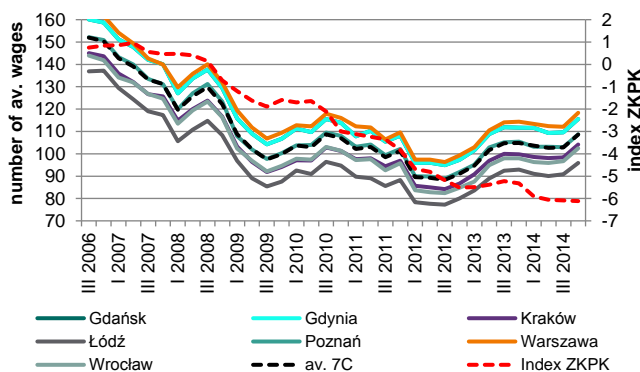
**Figure 13 Average rent rates (offers and transactions) per square meter of housing in 7 cities (PLN/sq. m)**



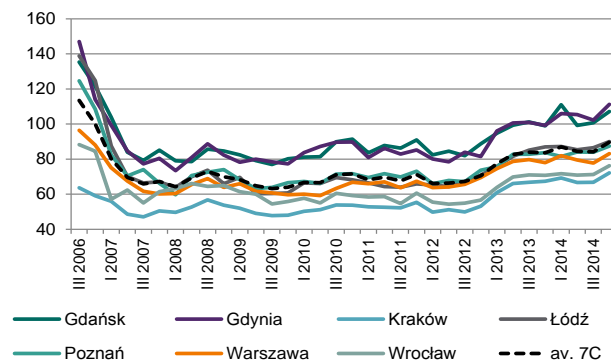
Source: NBP.

## 2. Housing availability, loan availability, availability of loan-financed housing, profitability of housing investment

**Figure 14 Available weighted\* mortgage loans and accumulated index of banks' housing loan policy (ZKPK)**



**Figure 15 Availability of loan-financed housing per one square meter (weighted loans\*; square meter/ average wage)**



Note: weighting with the currency structure of the quarterly housing loan increase; since the beginning of 2012, practically only zloty mortgage loans have been granted.

Available housing loan – a measure specifying the potential maximum housing loan; expressed as multiplication of the monthly wage in the enterprise sector in a particular market, taking into account banks' lending requirements and loan parameters (interest rate, amortization period, minimum wage, as the minimum income after payment of loan instalments).

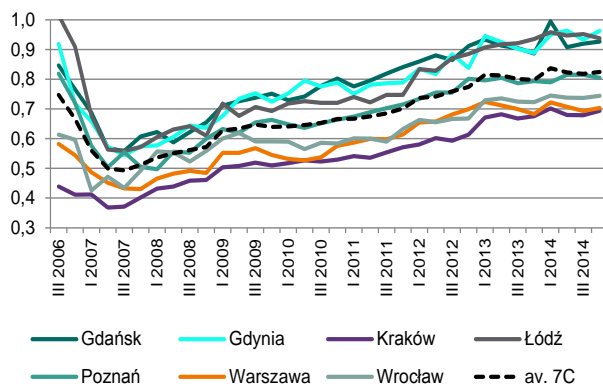
Availability of loan-financed housing – a measure specifying how many square meters of housing may be purchased with a mortgage loan obtained basing on an average monthly wage in the enterprises sector in a particular market (GUS), in view of bank's lending requirements and loan parameters (interest rate, depreciation period, social minimum understood as the minimum income after payment of loan instalments) at an average transaction price of housing (40% in the primary market and 60% in the secondary market) in a particular market (BaRN). The pace of changes of the index and differences between particular markets provide important information.

ZKPK Index – accumulated index of changes in banks' lending policy criteria; positive values mean easing, and negative values tightening of lending policy as compared to the initial period i.e. 2003 Q4. Computing methods of the index are described in the *Financial Stability Report, December 2012, NBP*

Source: NBP, GUS.

Source: NBP, GUS.

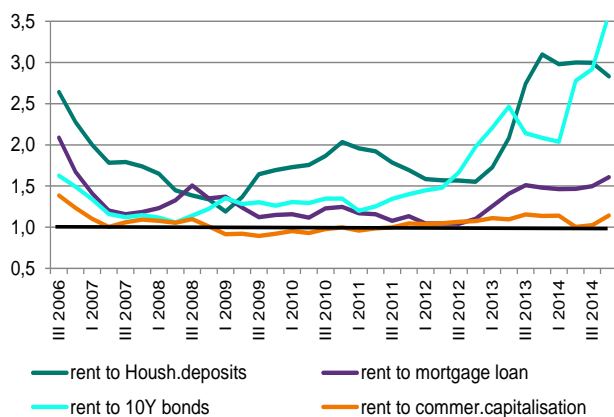
**Figure 16 Housing availability in terms of one square meter of housing for an average wage in the enterprise sector**



**Housing availability** – a measure of potential availability to purchase housing space at the transaction price for an average wage in a particular city. It expresses the number of square meters of housing that can be purchased for an average wage in the enterprise sector in a particular city (GUS), at an average transaction price in a particular market (40% in the PM and 60% in the SM) (NBP).

Source: NBP, GUS.

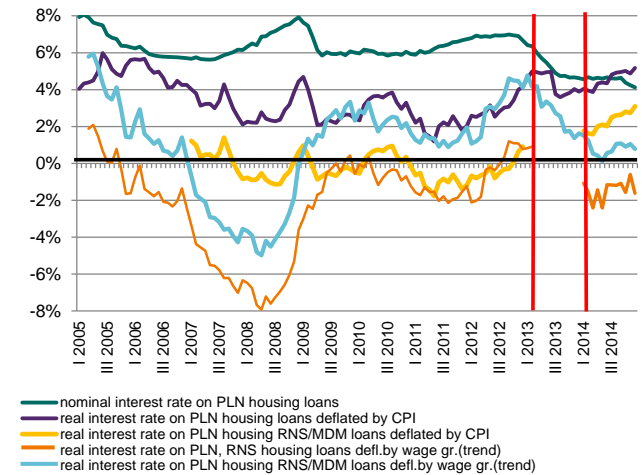
**Figure 18 Profitability of home rental (average in 8 cities) as compared with bank deposits and loans, 10-year Treasury bonds and rate of capitalization of commercial property (offices and retail space)**



Note: values exceeding 1 denote higher profitability of purchasing property for rental than other capital investment. This analysis does not take into account high transaction costs in the housing market and potentially long payback periods.

Source: NBP, GUS.

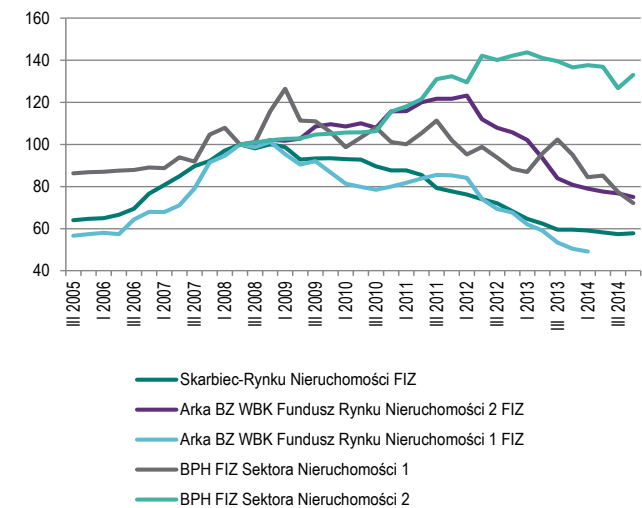
**Figure 17 Costs of PLN housing loans for consumer as deflated with CPI or wage growth in the enterprise sector**



Note: values below 0 denote negative real interest rate for the borrower; red lines separate the period of the absence of the government subsidized housing scheme (RNS till December 2012, MDM since January 2014).

Source: NBP, GUS, BGK.

**Figure 19 Performance indicators of closed-end real estate investment funds operating in the commercial real estate market (Q2 2008 = 100)**

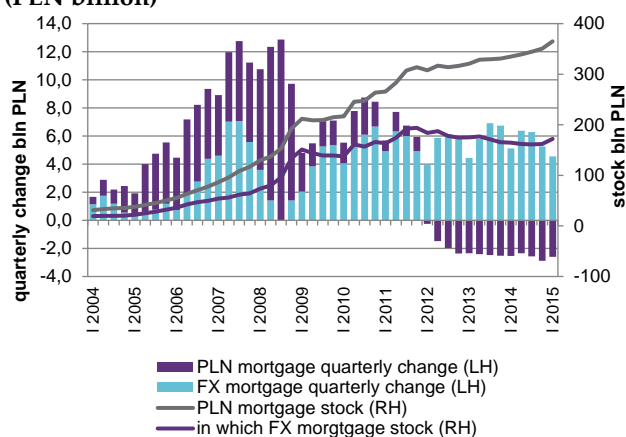


Note: in the case of investment funds Arka BZ WBK and Skarbiec the valuation is for the end of January, April, July and October, whereas it is presented as the quarterly valuation.

Source: Internet pages of closed-end investment funds.

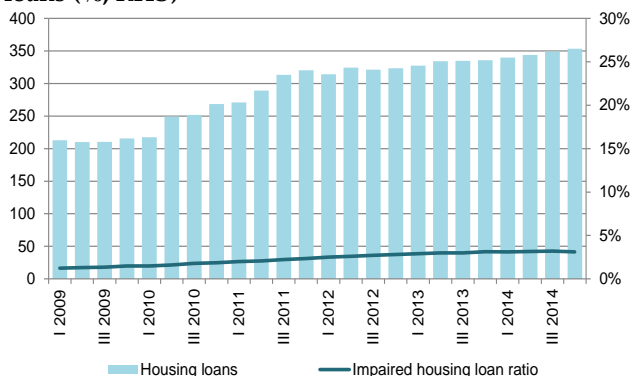
### 3. Disbursement of housing loans, interest rates

**Figure 20** Balance and quarter-on-quarter changes in housing loan receivables from households after adjustments and the currency structure of quarter-on-quarter increases in housing loan receivables (PLN billion)



Source: NBP.

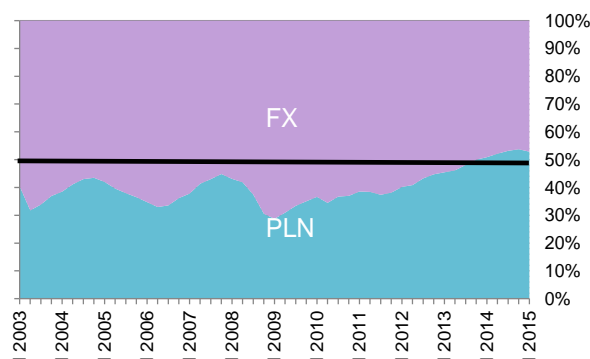
**Figure 22** Housing loans to households (in PLN billion, left-hand axis) and the indicator of doubtful loans (% , RHS)



Note: receivables (loans) with determined loss of value – receivables from portfolio B, in relation to which objective premises of loss in value were observed and a decrease in the expected value of future cash flows (in banks using the IFRS) or which were deemed as doubtful receivables in accordance with the Ordinance of the Minister of Finance on establishing provisions against the risk associated with banking activities (in banks using the Polish Accounting Standards)

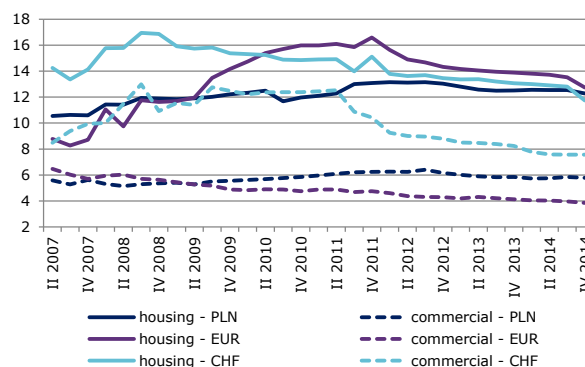
Source: NBP.

**Figure 21** Structure of housing loan receivables from households resulting from housing loans (%)

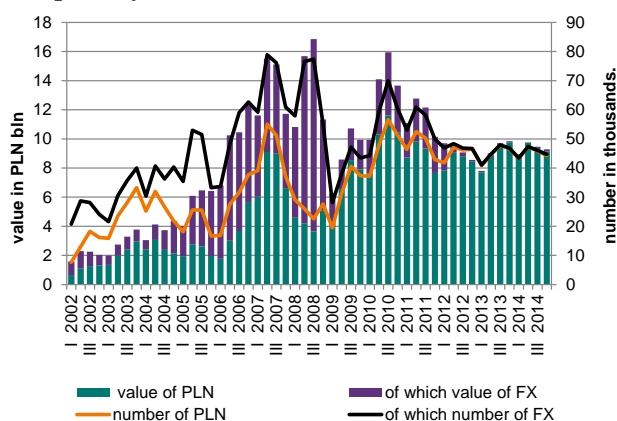


Source: NBP.

**Figure 23** Average maturity of residential and commercial real estate loans weighted by the total value of loans in a particular quarter

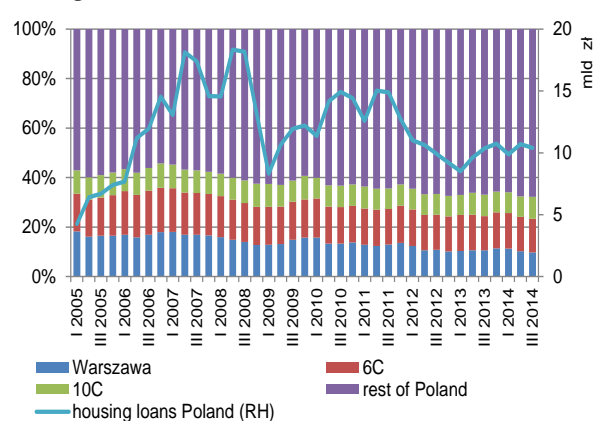


Source: NBP.

**Figure 24 New housing loan contracts: quarterly value and quantity**


Note: the data inform about signed housing loan contracts and not the actual disbursement of housing loans.

Source: ZBP.

**Figure 25 Geographical structure of the value of new housing loan contracts in Poland**


Source: BIK.

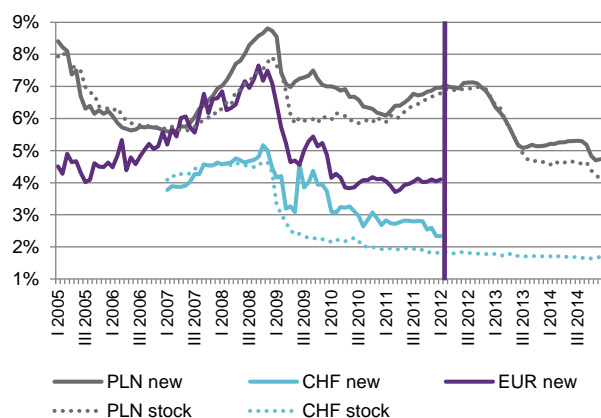
**Table 1 Estimated gross mortgage loan disbursements to households in Poland and the estimated value of cash and loan-financed purchases of developer housing in 7 largest markets (in PLN million)**

Date	Estimated value of disbursed housing loans in Poland	Estimated value of housing transactions in the PM in 7 cities	Estimated amount of disbursed loans with client's down-payment for home purchases in the PM in 7 cities	Estimated value of cash home purchases in the PM in 7 cities	Estimated share of cash home purchases in the PM in 7 cities
2012 Q1	5 354	2 726	917	1 809	0,66
2012 Q2	8 227	2 783	1 409	1 375	0,49
2012 Q3	8 032	2 510	1 375	1 134	0,45
2012 Q4	7 290	2 839	1 248	1 591	0,56
2013 Q1	5 566	2 610	991	1 618	0,62
2013 Q2	7 237	2 899	1 314	1 585	0,55
2013 Q3	8 703	3 438	1 609	1 828	0,53
2013 Q4	8 895	3 947	1 736	2 210	0,56
2014 Q1	7 466	3 971	1 457	2 514	0,63
2014 Q2	8 805	3 779	1 719	2 060	0,55
2014 Q3	8 887	3 848	1 735	2 114	0,55
2014 Q4	7 677	4 052	1 499	2 553	0,63

Note: The estimates are based on the following assumptions: the estimated value of newly granted loans in Poland in particular quarters was based on increases in the volume of loans to households adjusted for loan amortization and flows between the foreign currency loan portfolio and the zloty loan portfolio, available in the NBP reporting. The entire banking system was taken into account, including credit unions SKOK. In order to calculate the estimated value of the primary market in 7 cities (Gdańsk, Gdynia, Kraków, Łódź, Poznań, Warszawa, Wrocław), the average home price was multiplied by the average home size in square meters and the number of housing units sold (based on REAS data). On the basis of BIK data it was assumed that the value of newly granted loans for the purchase of housing in the primary markets of 7 cities accounted for 50% of the value of housing loans in those cities, whereas at the end of 2013 this share amounted to approx. 57%. The estimated value of cash transactions was calculated as the differences between transactions in 7 markets and disbursements of loans requiring buyer's own contribution.

Source: NBP.

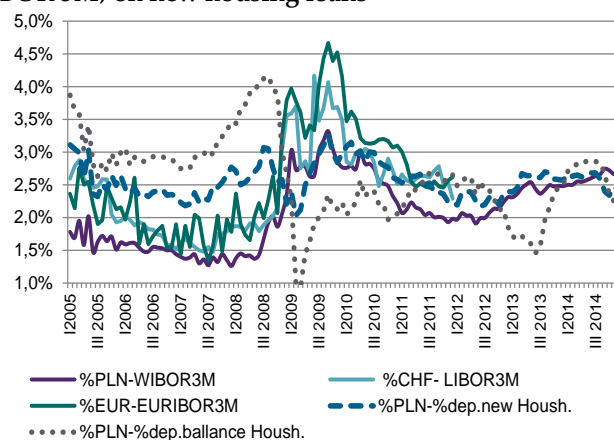
**Figure 26 Interest rates on housing loans for households in Poland**



Note: foreign currency loans practically ceased to be granted in 2012.

Source: NBP.

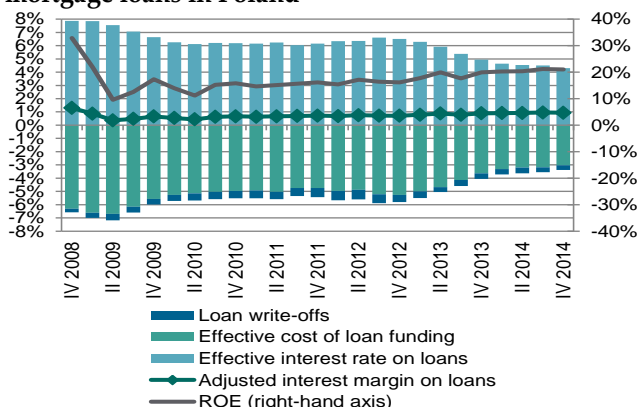
**Figure 27 Bank margins (to WIBOR, LIBOR, EURIBOR 3M) on new housing loans**



Bank margin is the difference between housing loan rate (NBP data) and the LIBORCHF3M rate, the EURIBOR3M rate or WIBOR3M rate.

Source: NBP.

**Figure 28 Estimated bank yield on zloty denominated mortgage loans in Poland**

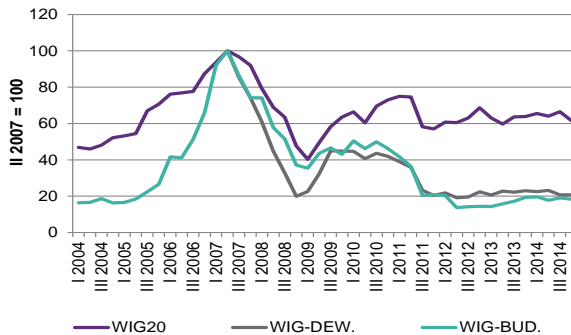


Note: Income and costs related to the mortgage loan portfolio. Estimated ROE (Return on Equity) is calculated as the adjusted interest margin on mortgage loans with respect to the minimum required down-payment. The minimum down-payment requirement is assessed on the basis of LTV estimate derived from the AMRON data and capital requirement for mortgage loans as set by the Polish Financial Supervision Authority (KNF). The adjusted interest margin is the result of all income being added and all costs being deducted. The effective cost of financing was computed based on the WIBOR rates by adding estimative costs related to bank's own financing.

Source: NBP, ZBP.

#### 4. Operating rate of return on housing and real estate development projects, costs of construction and assembly production and economic situation of real estate developers in Poland

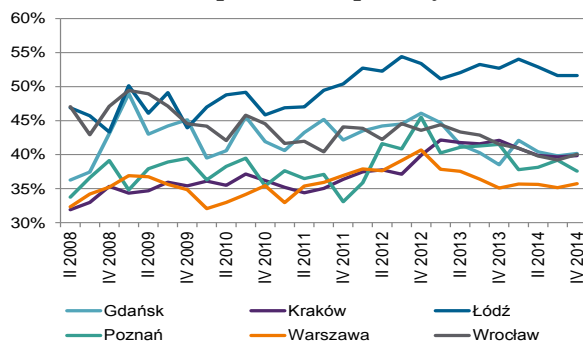
**Figure 29 Rescaled stock exchange indices: WIG20 and for real estate developers (WIG-DEW) and construction companies (WIG-BUD) (2007 Q2 =100)**



Note: harmonized data, 2007 Q2 = 100. The WIG index for real estate developers has been recorded since 2007 Q2.

2015 Q1 – information as at 18 February  
Source: Warsaw Stock Exchange

**Figure 31 Share of direct constr. costs per square meter of the residential building’s usable area (type 1121<sup>8</sup>) in the trans. price in the primary market**



Source: NBP based on Sekocenbud.

Note: The rate of return on equity from typical new investment projects assuming the currently applicable interest rates, banks’ requirements and production costs; calculated on the basis of the diagram included in Annex 3 of the “Report on the situation of the Polish market of residential and commercial real estate in 2011” LDs – ROE of an average large real development company (GUS). In 2014, appraisal of land for apartment construction was used which changed the previous estimates for Poznań and Łódź.

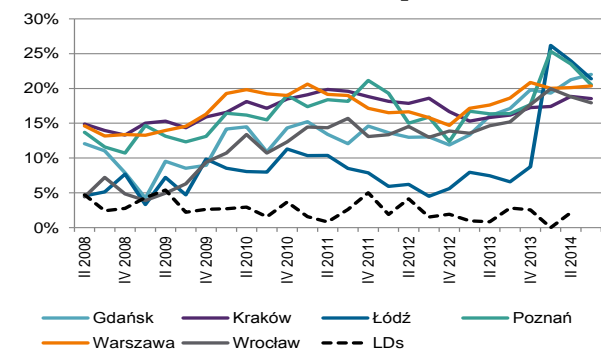
**Figure 30 Number of bankruptcies in the sectors (as at the end of December)**



Note: breakdown according to the first entry into the National Court Register (KRS). Data present only those companies against which official bankruptcy proceedings were conducted; enterprises which have ceased their economic activity through liquidation or suspension of activity have been excluded.

Source: Coface Poland.

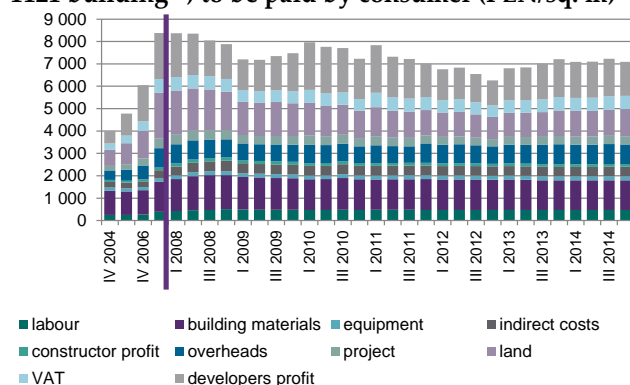
**Figure 32 Rate of return on equity from investment projects in the largest cities and the actual rate of return of real estate developers (LDs)**



Source: NBP based on Sekocenbud, GUS (F01).

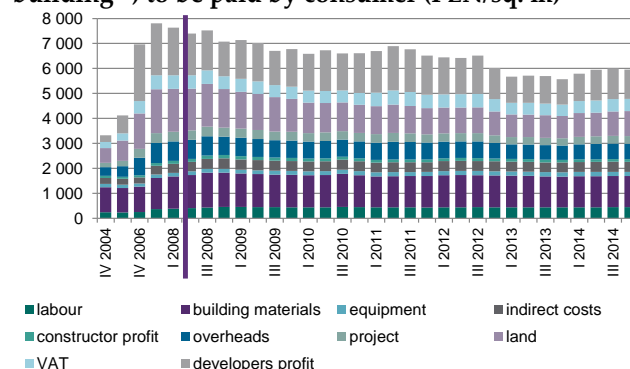
8 Building (type 1121) monitored by NBP since the second half of 2004 as an average residential multi-family five-storey building with an underground parking space and retail premises on the ground-floor; traditional construction (overground part made from ceramic bricks). For the sake of convenience, it has been assumed that construction costs of one square meter of parking space and retail space are close to the costs of housing sold in shell condition; Real price of 1 square meter of housing, based on construction costs, depends on the share of outer space [building’s common area], different for various buildings; when calculating the price of 1 square meter of usable housing area to be paid by consumer, we have assumed 20% share of outer space [building’s common area] with respect to housing area and by this figure we have adjusted upward the price of 1 square meter of housing. Data adapted to the new developer’s model of the construction process described further in Article 3 of the “Report on the situation of the Polish residential and commercial real estate market in 2011”.

**Figure 33 Warszawa – structure of price per one square meter of housing usable area in the PM (type 1121 building<sup>8/</sup>) to be paid by consumer (PLN/sq. m)**



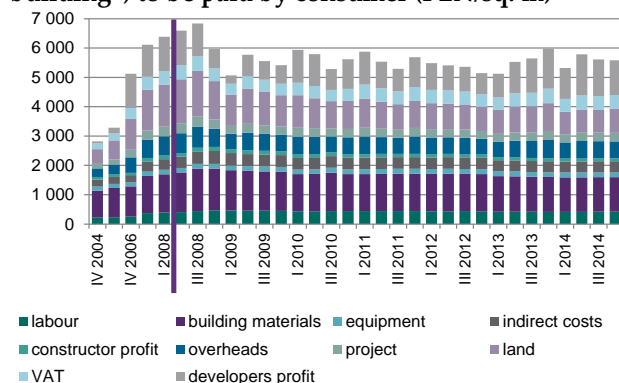
Notes to Figures 33-38 until 2008 Q2 – annual data only.  
Source: NBP based on Sekocenbud, REAS.

**Figure 34 Kraków – structure of price per one square meter of housing usable area in the PM (type 1121 building<sup>8/</sup>) to be paid by consumer (PLN/sq. m)**



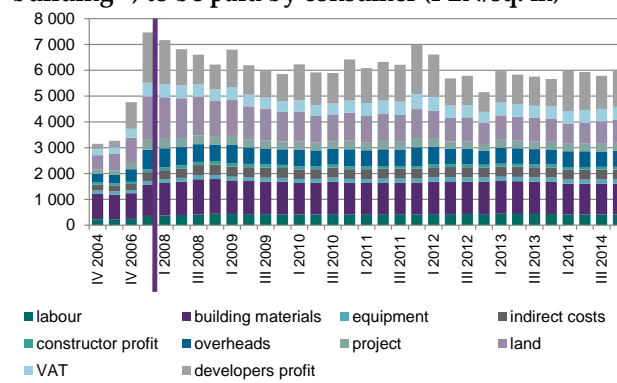
Source: NBP based on Sekocenbud, REAS.

**Figure 35 Gdańsk – structure of price per one square meter of housing usable area in the PM (type 1121 building<sup>8/</sup>) to be paid by consumer (PLN/sq. m)**



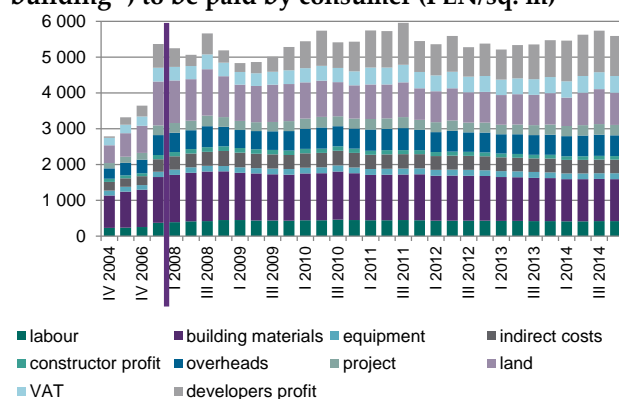
Source: NBP based on Sekocenbud, REAS.

**Figure 36 Poznań – structure of price per one square meter of housing usable area in the PM (type 1121 building<sup>8/</sup>) to be paid by consumer (PLN/sq. m)**



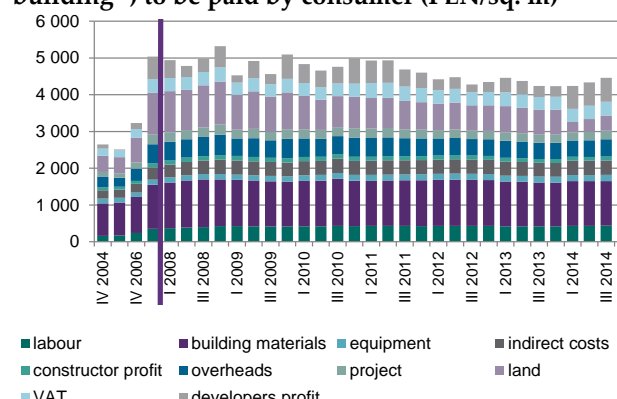
Source: NBP based on Sekocenbud, REAS.

**Figure 37 Wrocław – structure of price per one square meter of housing usable area in the PM (type 1121 building<sup>8/</sup>) to be paid by consumer (PLN/sq. m)**



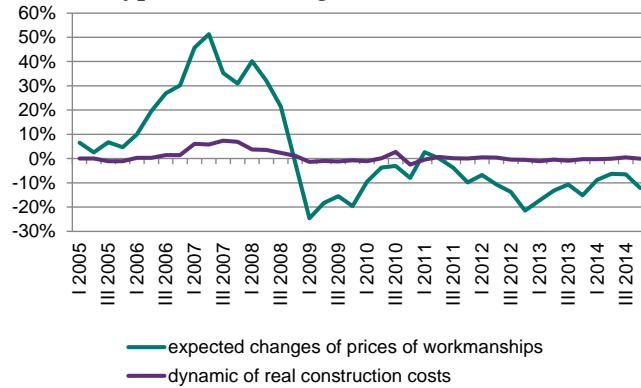
Source: NBP based on Sekocenbud, REAS.

**Figure 38 Łódź – structure of price per one square meter of housing usable area in the PM (type 1121 building<sup>8/</sup>) to be paid by consumer (PLN/sq. m)**



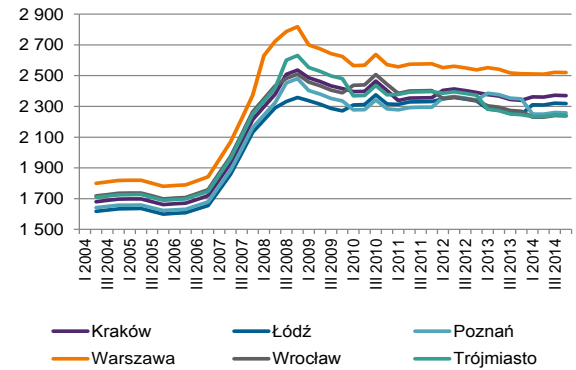
Source: NBP based on Sekocenbud, REAS.

**Figure 39 Anticipated changes in the price of construction and assembly production (+M3) and growth in the costs of construction of the residential building's usable area (type 1121 building<sup>8/</sup>)**



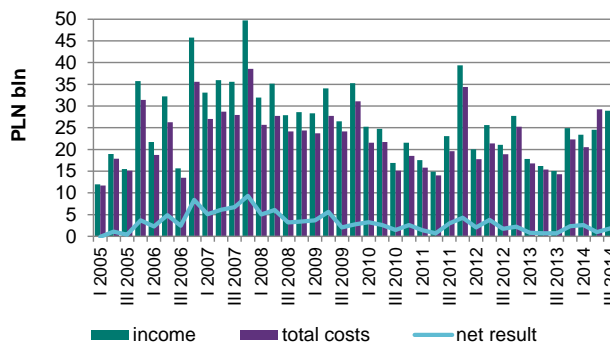
Source: NBP based on GUS data (business conditions survey), Sekocenbud.

**Figure 40 Cost of construction of one square meter of the residential building's usable area (type 1121 building<sup>8/</sup>) (PLN/sq. m)**



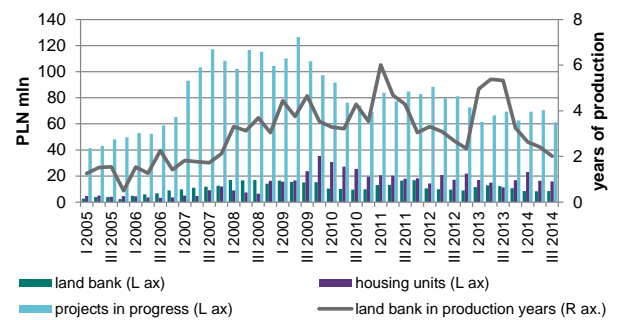
Source: NBP based on Sekocenbud.

**Figure 41 Economic indicators of Large Developers (LDs)**



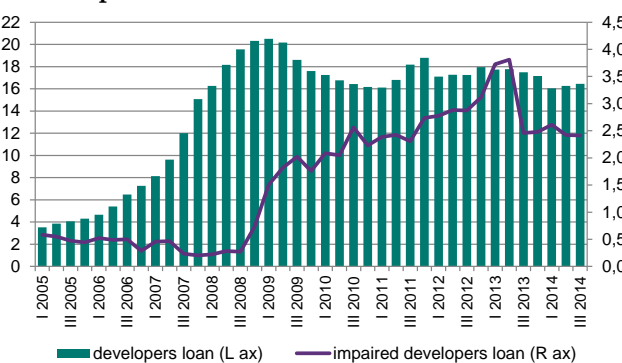
Source: NBP based on GUS (F01).

**Figure 42 Situation of LDs**



Source: NBP based on GUS (F01).

**Figure 43 Value of real estate developers' debt (commercial banks) and debt of real estate developers facing financial problems (bln PLN)**

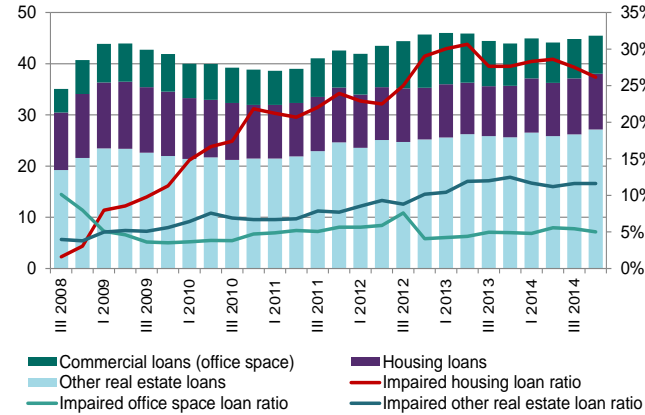


Note: companies whose debt has been classified by banks as doubtful debt (this refers to large-scale exposure only, exceeding the value of PLN 500 thousand); starting from 2013 Q3, apart from slight decline in the exposure of indebted companies, the data may differ from the previous ones due to changes in large exposure reporting. Data exclusive of BGK.

Source: NBP.

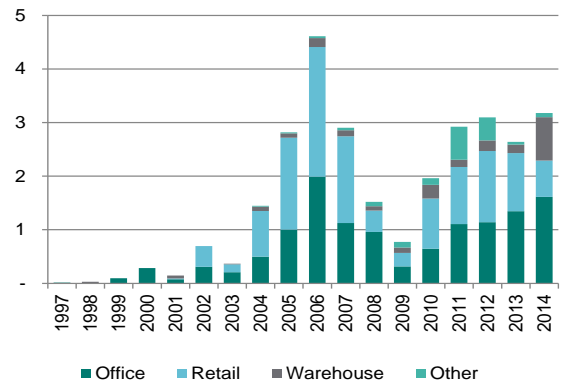


**Figure 44 Loans to corporations for real estate purchases (in PLN billion, left-hand axis) and the share of loans classified as doubtful (in %, RHS)**



Note: Data exclusive of BGK.  
Source: NBP.

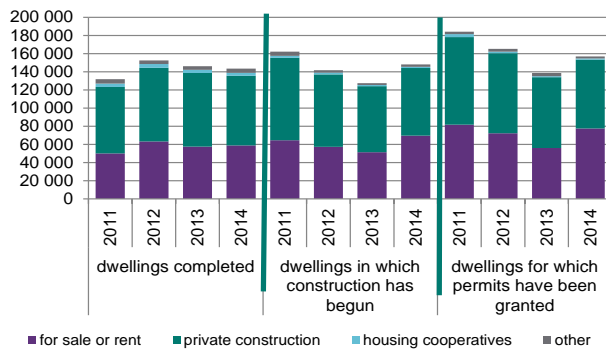
**Figure 45 Value of investment transactions (EUR billion)**



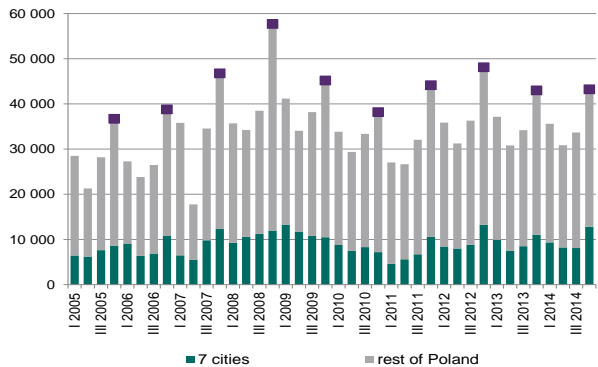
Source: Comparables.pl

### 5. Residential construction and housing market in Poland's selected cities

**Figure 46 Structure of housing construction investors in Poland in 2011-2014**

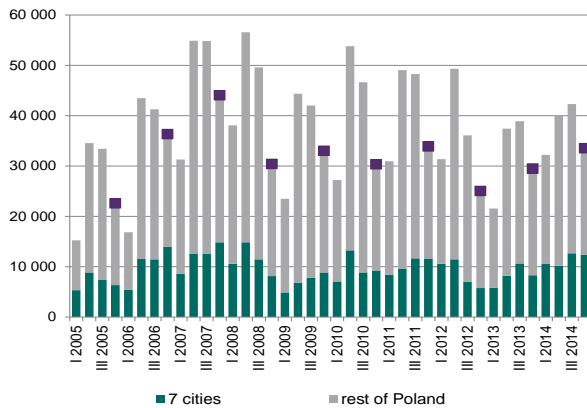


**Figure 47 Completed housing in Poland, in quarter-on-quarter terms**



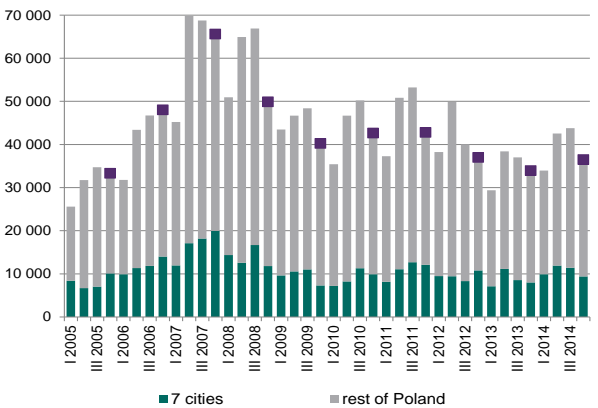
Note to Figures 47-49: in violet colour only fourth quarters have been marked. Source: GUS.

**Figure 48 Housing under construction in Poland, in quarter-on-quarter terms (housing units)**



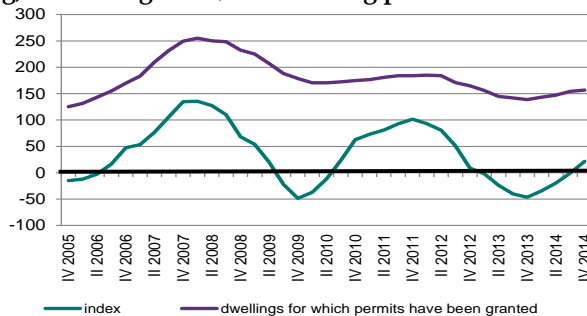
Source: GUS.

**Figure 49 Issued building permits in Poland, in quarter-on-quarter terms (housing units)**



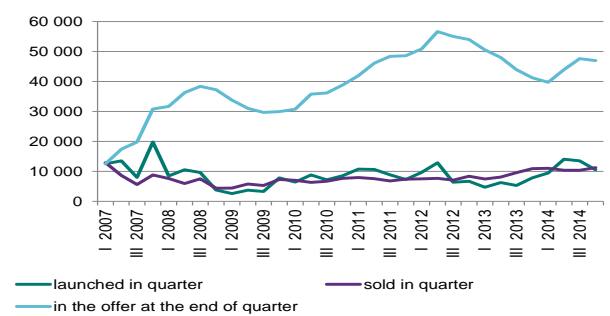
Source: GUS.

**Figure 50 Home construction indicator in Poland (housing under construction minus completed housing, in housing units) and housing permits**



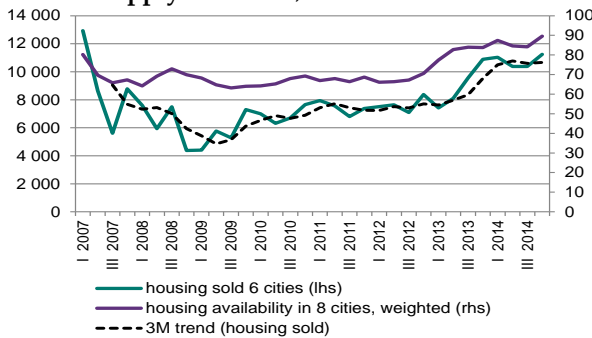
Note: rolling averages for four subsequent quarters  
Source: NBP based on PABB and GUS.

**Figure 51 Number of housing units put on the market, both sold and offered for sale in Poland's 6 largest markets\***



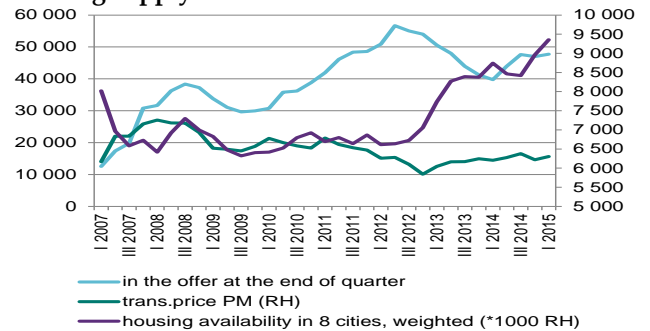
\*Warszawa, Kraków, Trójmiasto, Wrocław, Poznań, Łódź.  
Source: REAS.

**Figure 52 Availability of loan-financed housing versus housing units sold in Poland's 7 largest cities\* (demand and supply estimates)**

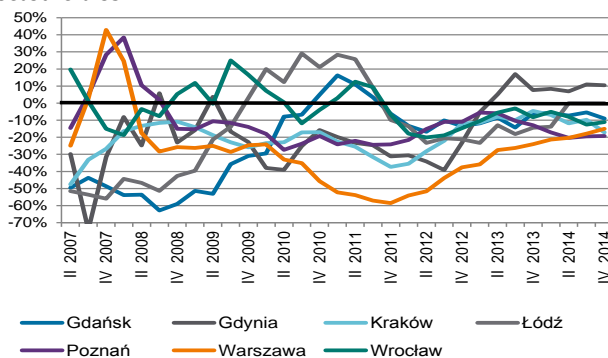


\*Gdańsk, Gdynia, Łódź, Kraków, Poznań, Warszawa, Wrocław.  
Availability of loan-financed housing weighted with the currency structure of the quarterly rise in mortgage loan.  
Source: NBP based on REAS.

**Figure 53 Home prices in 7 largest cities, housing loan availability in square meters (x100) and surplus of housing supply in the market of 6 cities**



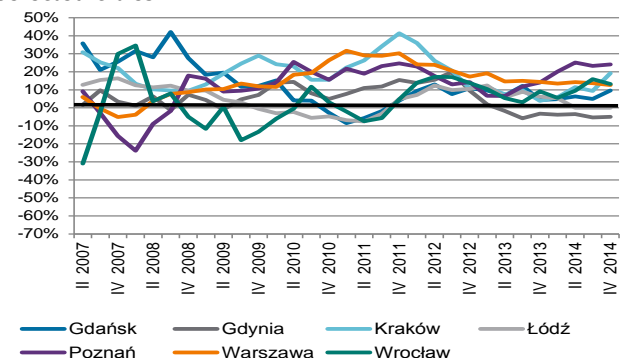
**Figure 54 Structure of housing supply and demand for housing with an area ≤ 50 sq. m, PM in Poland's selected cities**



Note: Figure 54 presents, in percentage terms, a short-term mismatch in the primary market between supply (developers' housing offer) and the estimated demand (housing transactions) in terms of the dwelling's size, according to the data from the BaRN database. The mismatch is calculated as the ratio of the share of housing units with usable area of up to 50 square meters offered for sale to the number of transactions involving housing units with a total area of up to 50 square meters (the average figure for the last four quarters). The positive result (above the black line) indicates a surplus of housing of this particular size, whereas the negative result indicates a shortage thereof. Figure 55 is parallel. Figures 56-57 are parallel, only for the secondary market.

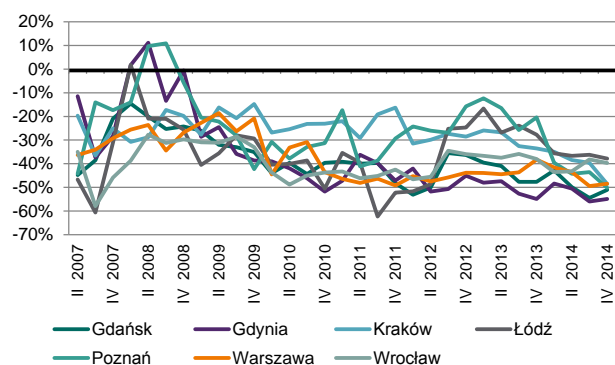
Source: NBP.

**Figure 55 Structure of housing supply and demand for housing with an area > 50 sq. m, PM in Poland's selected cities**



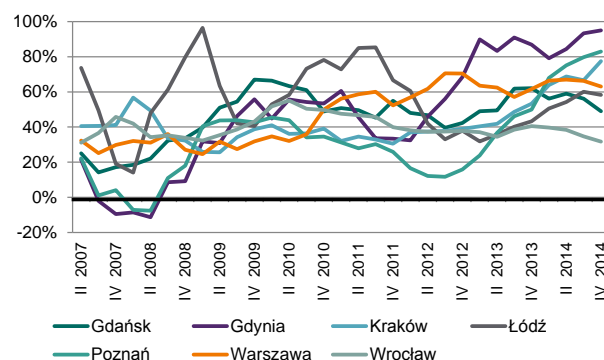
Source: NBP.

**Figure 56 Structure of housing supply and demand for housing with an area ≤ 50 sq. m, SM in Poland's selected cities**



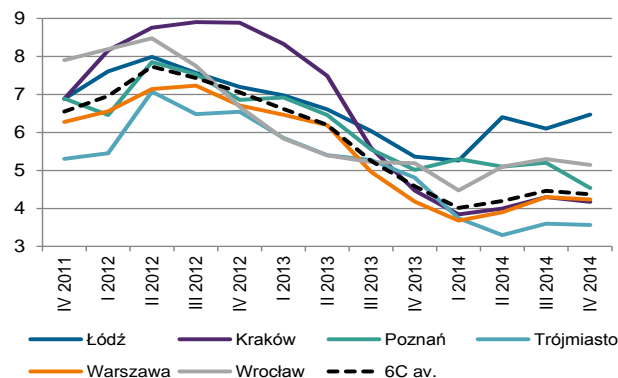
Source: NBP.

**Figure 57 Structure of housing supply and demand for housing with an area > 50 sq. m, SM in Poland's selected cities**



Source: NBP.

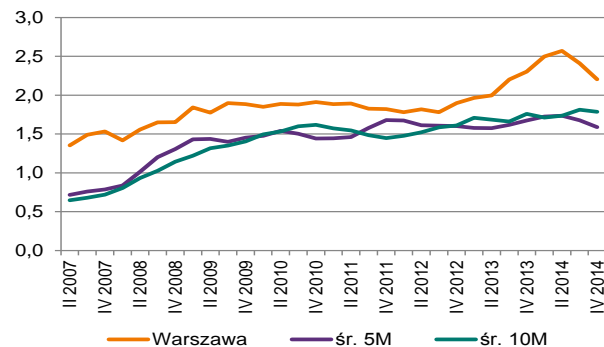
**Figure 58 Selling time of housing on offer in the primary market in selected cities (number of quarters)**



Note: selling time calculated in quarters as the number of housing units on offer at the end of the quarter in relation to the average sales recorded in the previous year.

Source: NBP based on REAS.

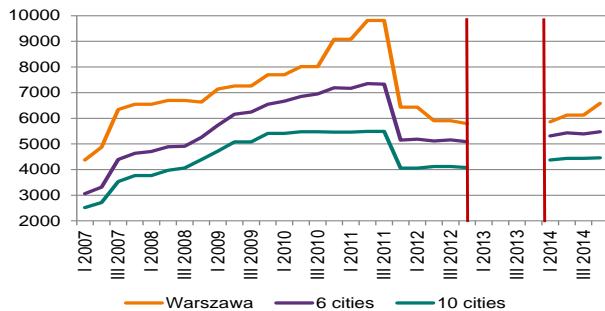
**Figure 59 Selling time of housing on offer in the secondary market in selected cities (number of quarters)**



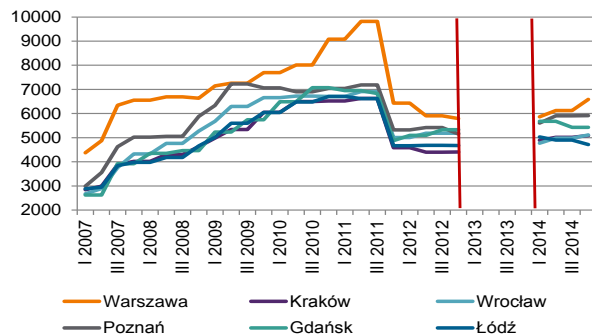
Source: NBP.

## 6. Housing policy

**Figure 60** Upper limits of prices per square meter of housing in the PM within thresholds set under the government-subsidized housing scheme in Poland's largest cities



**Figure 61** Upper limits of prices per square meter of housing in the PM within thresholds set under the government-subsidized housing scheme in Poland's largest cities

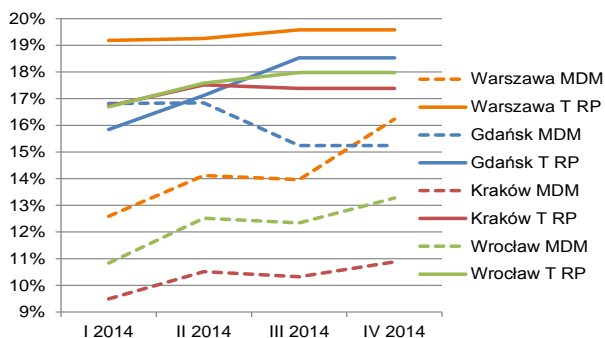


Note to figures 60-61: red lines separate the period without government-subsidized housing schemes.

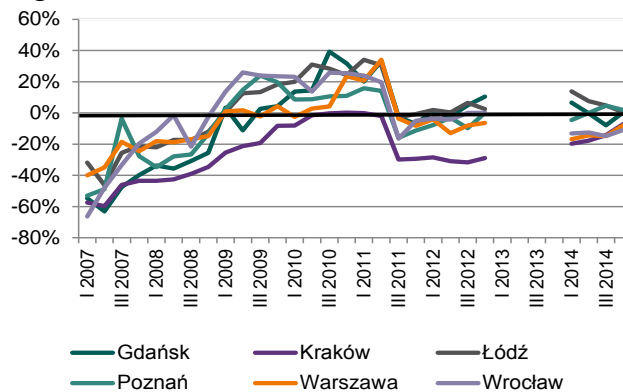
Source: NBP.

Source: NBP.

**Figure 62** Estimated effectiveness of developers' housing investment (IRR-Internal Rate of Return) under the MDM housing scheme and without it



**Figure 63** Gap in the limit of government-subsidized housing schemes as compared to the median of transaction price per square m of housing in the PM



Note: T RP = transaction price of dwelling on primary market.

Note: the gap is calculated as the difference of the maximum price (upper limit) in the RNS/MDM government-subsidized housing scheme in the primary market in relation to the median of transaction price. The positive difference means that the scheme finances housing with prices exceeding the median, the negative difference means the opposite.

Source: NBP.

Source: NBP.

**Table 2 Average home prices in the primary market in Gdańsk**

specification	IV 2013		I 2014		II 2014		III 2014		IV 2014	
	offer	transaction	offer	transaction	offer	transaction	offer	transaction	offer	transaction
average price (PLN/sq.m.)	6 568	6 155	6 090	5 501	6 232	5 977	6 074	5 805	6 289	5 785
growth (q-o-q)	x	x	92,7	89,4	102,3	108,7	97,5	97,1	103,5	99,7
growth (y-o-y)	x	x	x	x	x	x	x	x	95,8	94,0
dwellings price range :	940	346	1 062	391	1 016	531	1 392	344	4 288	900
<= 4 000 PLN/sq.m.	33	36	38	36	28	29	47	13	64	25
(4 001; 6 000] PLN/sq.m.	261	137	471	229	450	256	822	162	2 467	555
(6 001 - 8 000] PLN/sq.m.	498	126	434	106	451	209	412	147	1 255	253
(8 001 - 10 000] PLN/sq.m.	118	31	97	17	73	22	69	20	174	47
> 10 001 PLN/sq.m.	30	16	22	3	14	15	42	2	328	20
dwellings space range :	940	346	1 062	391	1 016	531	1 392	344	4 288	900
<= 40 sq.m	83	28	169	68	144	78	171	56	711	234
(41; 60] sq.m.	478	182	569	200	496	309	767	189	2 265	456
(61; 80] sq.m.	272	110	234	106	253	109	326	74	985	170
> 81 sq.m.	107	26	90	17	123	35	128	25	327	40
average price of 1 sq.m. of dwelling:	6 568	6 155	6 090	5 501	6 232	5 977	6 074	5 805	6 289	5 785
<= 40 sq.m	6 711	6 707	5 482	5 356	5 926	5 901	5 874	5 754	5 863	5 553
(41; 60] sq.m.	6 412	6 367	5 813	5 509	5 943	5 748	5 808	5 701	6 184	5 799
(61; 80] sq.m.	6 487	5 509	6 686	5 440	6 313	6 226	6 279	5 871	6 291	5 817
> 81 sq.m.	7 359	6 810	7 438	6 374	7 585	7 399	7 414	6 505	7 939	6 856
average offer price of transaction	6,7%	x	10,7%	x	4,3%	x	4,6%	x	8,7%	x
price deviation:	6,7%	x	10,7%	x	4,3%	x	4,6%	x	8,7%	x
<= 40 sq.m	0,1%	x	2,3%	x	0,4%	x	2,1%	x	5,6%	x
(41; 60] sq.m.	0,7%	x	5,5%	x	3,4%	x	1,9%	x	6,6%	x
(61; 80] sq.m.	17,8%	x	22,9%	x	1,4%	x	6,9%	x	8,1%	x
> 81 sq.m.	8,1%	x	16,7%	x	2,5%	x	14,0%	x	15,8%	x

Source: NBP.

**Table 3 Average home prices in the secondary market in Gdańsk**

specification	IV 2013		I 2014		II 2014		III 2014		IV 2014	
	offer	transaction	offer	transaction	offer	transaction	offer	transaction	offer	transaction
average price (PLN/sq.m.)	6 136	4 798	6 103	4 791	6 073	5 021	5 858	5 023	5 873	5 008
growth (q-o-q)	x	x	99,5	99,9	99,5	104,8	96,5	100,0	100,3	99,7
growth (y-o-y)	x	x	x	x	x	x	x	x	95,7	104,4
dwellings price range :	1 942	286	1 853	229	2 943	306	3 212	384	2 781	344
<= 4 000 PLN/sq.m.	121	50	126	41	205	52	222	55	193	49
(4 001; 6 000] PLN/sq.m.	1 005	216	966	165	1 585	209	1 938	277	1 683	249
(6 001 - 8 000] PLN/sq.m.	576	19	533	20	782	38	702	47	596	40
(8 001 - 10 000] PLN/sq.m.	160	0	142	3	238	5	222	4	191	4
> 10 001 PLN/sq.m.	80	1	86	0	133	2	128	1	118	2
dwellings space range :	1 942	286	1 853	229	2 943	306	3 212	384	2 781	344
<= 40 sq.m	194	83	198	52	381	80	454	108	371	73
(41; 60] sq.m.	659	118	624	109	1 063	137	1 263	180	1 047	177
(61; 80] sq.m.	641	74	598	59	896	68	922	83	841	82
> 81 sq.m.	448	11	433	9	603	21	573	13	522	12
average price of 1 sq.m. of dwelling:	6 136	4 798	6 103	4 791	6 073	5 021	5 858	5 023	5 873	5 008
<= 40 sq.m	6 262	5 117	6 415	5 153	6 488	5 290	6 193	5 389	6 167	5 406
(41; 60] sq.m.	6 303	4 866	6 208	4 944	6 080	5 159	5 794	5 020	5 833	4 940
(61; 80] sq.m.	6 025	4 418	5 986	4 268	5 942	4 596	5 813	4 617	5 827	4 773
> 81 sq.m.	5 996	4 205	5 970	4 265	5 992	4 477	5 808	4 627	5 821	5 198
average offer price of transaction	27,9%	x	27,4%	x	21,0%	x	16,6%	x	17,3%	x
price deviation:	27,9%	x	27,4%	x	21,0%	x	16,6%	x	17,3%	x
<= 40 sq.m	22,4%	x	24,5%	x	22,7%	x	14,9%	x	14,1%	x
(41; 60] sq.m.	29,5%	x	25,6%	x	17,8%	x	15,4%	x	18,1%	x
(61; 80] sq.m.	36,4%	x	40,3%	x	29,3%	x	25,9%	x	22,1%	x
> 81 sq.m.	42,6%	x	40,0%	x	33,8%	x	25,5%	x	12,0%	x

Source: NBP.

**Table 4 Average home prices in the primary market in Kraków**

specification	IV 2013		I 2014		II 2014		III 2014		IV 2014	
	offer	transaction	offer	transaction	offer	transaction	offer	transaction	offer	transaction
average price (PLN/sq.m.)	6 073	5 765	6 419	5 986	6 389	6 145	6 179	5 947	6 436	5 704
growth (q-o-q)	x	x	105,7	103,8	99,5	102,7	96,7	96,8	104,2	95,9
growth (y-o-y)	x	x	x	x	x	x	x	x	106,0	98,9
dw ellings price range :	2 812	471	3 275	662	3 873	536	4 683	852	5 594	1 531
<= 4 000 PLN/sq.m.	11	3	6	2	4	2	8	5	1	12
(4 001; 6 000] PLN/sq.m.	1 257	270	1 128	292	1 479	246	2 111	449	1 928	874
(6 001 - 8 000] PLN/sq.m.	1 449	194	1 811	359	2 053	287	2 304	340	3 009	570
(8 001 - 10 000] PLN/sq.m.	60	3	283	8	289	15	219	53	574	71
> 10 001 PLN/sq.m.	35	1	47	1	48	1	41	5	82	4
dw ellings space range :	2 812	471	3 275	662	3 873	536	4 683	852	5 594	1 531
<= 40 sq.m	372	64	457	142	667	98	856	206	948	366
(41; 60] sq.m.	1623	293	1821	354	2116	301	2579	428	2993	828
(61; 80] sq.m.	721	102	836	141	906	117	1034	175	1340	282
> 81 sq.m.	96	12	161	25	184	20	214	43	313	55
average price of 1 sq.m. of dwelling:	6 124	5 783	6 474	6 031	6 390	6 144	6 209	5 971	6 505	5 739
<= 40 sq.m	6 378	6 038	6 839	6 242	6 719	6 498	6 320	6 005	6 576	5 894
(41; 60] sq.m.	6 111	5 811	6 373	6 011	6 302	6 049	6 150	5 798	6 313	5 610
(61; 80] sq.m.	6 066	5 530	6 378	5 930	6 284	6 089	6 149	6 078	6 698	5 779
> 81 sq.m.	5 800	5 883	7 087	5 692	6 726	6 172	6 771	7 092	7 292	6 447
average offer price of transaction price deviation:	5,3%	x	7,2%	x	4,0%	x	3,9%	x	12,8%	x
<= 40 sq.m	5,6%	x	9,6%	x	3,4%	x	5,2%	x	11,6%	x
(41; 60] sq.m.	5,2%	x	6,0%	x	4,2%	x	6,1%	x	12,5%	x
(61; 80] sq.m.	9,7%	x	7,6%	x	3,2%	x	1,2%	x	15,9%	x
> 81 sq.m.	-1,4%	x	24,5%	x	9,0%	x	-4,5%	x	13,1%	x

Source: NBP.

**Table 5 Average home prices in the secondary market in Kraków**

specification	IV 2013		I 2014		II 2014		III 2014		IV 2014	
	offer	transaction	offer	transaction	offer	transaction	offer	transaction	offer	transaction
average price (PLN/sq.m.)	6 537	5 827	6 754	5 731	6 682	5 937	6 644	5 930	6 860	5 834
growth (q-o-q)	x	x	103,3	98,4	98,9	103,6	99,4	99,9	103,3	98,4
growth (y-o-y)	x	x	x	x	x	x	x	x	104,9	100,1
dw ellings price range :	593	771	527	443	756	440	530	625	1 332	178
<= 4 000 PLN/sq.m.	3	16	0	1	1	0	4	6	0	0
(4 001; 6 000] PLN/sq.m.	215	446	194	282	288	246	208	335	494	113
(6 001 - 8 000] PLN/sq.m.	300	283	234	140	341	169	233	259	562	59
(8 001 - 10 000] PLN/sq.m.	75	26	77	20	96	20	67	25	196	6
> 10 001 PLN/sq.m.	0	0	22	0	30	5	18	0	80	0
dw ellings space range :	593	771	527	443	756	440	530	625	1 332	178
<= 40 sq.m	127	302	99	180	170	173	109	221	257	89
(41; 60] sq.m.	232	327	199	187	298	192	208	283	486	74
(61; 80] sq.m.	148	107	145	54	179	66	131	103	356	15
> 81 sq.m.	86	35	84	22	109	9	82	18	233	0
average price of 1 sq.m. of dwelling:	6 537	5 827	6 754	5 731	6 682	5 939	6 644	5 929	6 860	5 833
<= 40 sq.m	6 611	5 939	6 904	5 978	6 643	6 175	6 725	6 077	6 948	5 982
(41; 60] sq.m.	6 526	5 821	6 722	5 600	6 691	5 860	6 649	5 837	6 802	5 717
(61; 80] sq.m.	6 364	5 508	6 575	5 406	6 607	5 407	6 553	5 872	6 735	5 527
> 81 sq.m.	6 756	5 892	6 964	5 612	6 844	6 994	6 669	5 883	7 076	0
average offer price of transaction price deviation:	12,2%	x	17,9%	x	12,5%	x	12,0%	x	17,6%	x
<= 40 sq.m	11,3%	x	15,5%	x	7,6%	x	10,7%	x	16,1%	x
(41; 60] sq.m.	12,1%	x	20,0%	x	14,2%	x	13,9%	x	19,0%	x
(61; 80] sq.m.	15,5%	x	21,6%	x	22,2%	x	11,6%	x	21,9%	x
> 81 sq.m.	14,7%	x	24,1%	x	-2,1%	x	13,4%	x	#DZIEL/0!	x

Source: NBP.

**Table 6 Average home prices in the primary market in Łódź**

specification	IV 2013		I 2014		II 2014		III 2014		IV 2014	
	offer	transaction	offer	transaction	offer	transaction	offer	transaction	offer	transaction
average price (PLN/sq.m.)	4 768	4 423	4 808	4 433	4 936	4 533	4 932	4 661	4 861	4 656
growth (q-o-q)	x	x	100,8	100,2	102,7	102,3	99,9	102,8	98,6	99,9
growth (y-o-y)	x	x	x	x	x	x	x	x	102,0	105,3
dwellings price range :	811	180	848	172	961	176	1 132	183	1 398	207
<= 4 000 PLN/sq.m.	25	33	40	28	31	14	29	5	36	18
(4 001; 4 500] PLN/sq.m.	266	66	192	69	162	58	183	64	418	57
(4 501; 5 000] PLN/sq.m.	310	63	374	61	348	87	468	84	383	94
(5 001 - 5 500] PLN/sq.m.	128	15	167	13	319	12	364	22	449	26
(5 501 - 6 000] PLN/sq.m.	53	1	47	0	72	4	64	5	90	9
> 6 001 PLN/sq.m.	29	2	28	1	29	1	24	3	22	3
dwellings space range :	811	180	848	172	961	176	1 132	183	1 398	207
<= 40 sq.m.	48	16	36	13	42	10	53	7	95	11
(41; 60] sq.m.	358	95	367	82	469	75	568	96	714	96
(61; 80] sq.m.	292	54	304	64	322	71	382	72	423	74
> 81 sq.m.	113	15	141	13	128	20	129	8	166	26
average price of 1 sq.m. of dwelling:	4 768	4 423	4 808	4 433	4 936	4 533	4 932	4 661	4 861	4 656
<= 40 sq.m.	4 675	4 633	4 719	4 366	4 995	4 406	5 063	4 696	5 042	4 387
(41; 60] sq.m.	4 766	4 468	4 805	4 507	4 967	4 581	4 974	4 649	4 928	4 687
(61; 80] sq.m.	4 693	4 331	4 740	4 353	4 848	4 477	4 815	4 679	4 704	4 595
> 81 sq.m.	5 006	4 237	4 987	4 424	5 026	4 618	5 040	4 599	4 871	4 831
average offer price of transaction price deviation:	7,8%	x	8,5%	x	8,9%	x	5,8%	x	4,4%	x
<= 40 sq.m.	0,9%	x	8,1%	x	13,4%	x	7,8%	x	14,9%	x
(41; 60] sq.m.	6,7%	x	6,6%	x	8,4%	x	7,0%	x	5,1%	x
(61; 80] sq.m.	8,4%	x	8,9%	x	8,3%	x	2,9%	x	2,4%	x
> 81 sq.m.	18,1%	x	12,7%	x	8,8%	x	9,6%	x	0,8%	x

Source: NBP.

**Table 7 Average home prices in the secondary market in Łódź**

specification	IV 2013		I 2014		II 2014		III 2014		IV 2014	
	offer	transaction	offer	transaction	offer	transaction	offer	transaction	offer	transaction
average price (PLN/sq.m.)	3 978	3 400	3 984	3 464	3 915	3 421	3 907	3 361	3 892	3 490
growth (q-o-q)	x	x	100,2	101,9	98,3	98,8	99,8	98,2	99,6	103,8
growth (y-o-y)	x	x	x	x	x	x	x	x	97,8	102,6
dwellings price range :	1 248	125	1 423	106	1 448	106	1 554	104	1 633	106
<= 3 000 PLN/sq.m.	133	26	174	23	187	28	203	24	214	20
(3 001; 3 500] PLN/sq.m.	237	51	266	38	308	36	347	40	351	38
(3 501; 4 000] PLN/sq.m.	382	25	399	31	389	21	417	29	477	28
(4 001 - 4 500] PLN/sq.m.	223	15	264	6	279	13	275	8	284	13
(4 501 - 5 000] PLN/sq.m.	136	8	156	4	134	4	150	3	152	7
> 5 001 PLN/sq.m.	137	0	164	4	151	4	162	0	155	0
dwellings space range :	1 248	125	1 423	106	1 448	106	1 554	104	1 633	106
<= 40 sq.m.	249	39	278	45	290	38	312	47	381	30
(41; 60] sq.m.	539	56	588	38	600	44	662	45	690	52
(61; 80] sq.m.	263	20	299	15	295	18	299	10	299	17
> 81 sq.m.	197	10	258	8	263	6	281	2	263	7
average price of 1 sq.m. of dwelling:	3 978	3 400	3 984	3 464	3 915	3 421	3 907	3 361	3 892	3 490
<= 40 sq.m.	3 788	3 275	3 744	3 451	3 732	3 275	3 775	3 266	3 760	3 627
(41; 60] sq.m.	3 934	3 306	3 926	3 354	3 852	3 479	3 837	3 402	3 862	3 443
(61; 80] sq.m.	4 067	3 661	4 097	3 589	4 032	3 570	4 043	3 924	3 993	3 435
> 81 sq.m.	4 222	3 900	4 241	3 822	4 129	3 467	4 074	1 862	4 046	3 393
average offer price of transaction price deviation:	17,0%	x	15,0%	x	14,4%	x	16,2%	x	11,5%	x
<= 40 sq.m.	15,7%	x	8,5%	x	14,0%	x	15,6%	x	3,7%	x
(41; 60] sq.m.	19,0%	x	17,0%	x	10,7%	x	12,8%	x	12,2%	x
(61; 80] sq.m.	11,1%	x	14,2%	x	12,9%	x	3,0%	x	16,2%	x
> 81 sq.m.	8,3%	x	11,0%	x	19,1%	x	118,8%	x	19,2%	x

Source: NBP.

**Table 8 Average home prices in the primary market in Poznań**

specification	IV 2013		I 2014		II 2014		III 2014		IV 2014	
	offer	transaction	offer	transaction	offer	transaction	offer	transaction	offer	transaction
average price (PLN/sq.m.)	6 417	5 868	6 664	6 175	6 553	6 125	6 541	5 981	6 549	6 224
growth (q-o-q)	x	x	103,8	105,2	98,3	99,2	99,8	97,6	100,1	104,1
growth (y-o-y)	x	x	x	x	x	x	x	x	102,1	106,1
dwellings price range :	1 627	567	2 117	603	2 657	697	2 682	469	3 437	735
<= 4 000 PLN/sq.m.		1	1	4	2	2	2		2	
(4 001; 6 000] PLN/sq.m.	599	375	610	335	989	361	986	325	1 569	469
(6 001 - 8 000] PLN/sq.m.	844	167	1 173	216	1 303	309	1 351	112	1 426	195
(8 001 - 10 000] PLN/sq.m.	183	24	322	45	347	25	328	31	351	50
> 10 001 PLN/sq.m.	1		11	3	16		15	1	89	21
dwellings space range :	1 627	567	2 117	606	2 657	698	2 682	469	3 437	735
<= 40 sq.m.	234	117	299	151	397	159	478	138	573	262
(41; 60] sq.m.	909	315	1144	331	1330	375	1376	222	1756	354
(61; 80] sq.m.	391	108	503	103	671	140	573	96	804	85
> 81 sq.m.	93	27	171	21	259	24	255	13	304	34
average price of 1 sq.m. of dwelling:	6 417	5 868	6 664	6 175	6 553	6 125	6 541	5 981	6 549	6 224
<= 40 sq.m.	6 431	5 755	6 555	6 024	6 365	6 237	6 432	5 840	6 587	6 060
(41; 60] sq.m.	6 443	5 855	6 606	6 220	6 538	6 086	6 521	5 970	6 553	6 253
(61; 80] sq.m.	6 225	6 016	6 597	6 247	6 514	6 060	6 486	6 087	6 440	6 571
> 81 sq.m.	6 942	5 916	7 444	6 198	7 014	6 363	6 980	6 878	6 747	6 311
average offer price of transaction price deviation:	9,4%	x	7,9%	x	7,0%	x	9,4%	x	5,2%	x
<= 40 sq.m.	11,8%	x	8,8%	x	2,0%	x	10,1%	x	8,7%	x
(41; 60] sq.m.	10,0%	x	6,2%	x	7,4%	x	9,2%	x	4,8%	x
(61; 80] sq.m.	3,5%	x	5,6%	x	7,5%	x	6,6%	x	-2,0%	x
> 81 sq.m.	17,3%	x	20,1%	x	10,2%	x	1,5%	x	6,9%	x

Source: NBP.

**Table 9 Average home prices in the secondary market in Poznań**

specification	IV 2013		I 2014		II 2014		III 2014		IV 2014	
	offer	transaction	offer	transaction	offer	transaction	offer	transaction	offer	transaction
average price (PLN/sq.m.)	5 718	5 062	5 830	5 010	5 742	4 969	5 807	4 995	5 694	5 013
growth (q-o-q)	x	x	102,0	99,0	98,5	99,2	101,1	100,5	98,1	100,4
growth (y-o-y)	x	x	x	x	x	x	x	x	99,6	99,0
dwellings price range :	298	354	221	428	360	684	532	821	480	706
<= 4 000 PLN/sq.m.	22	59	18	76	25	133	45	111	50	78
(4 001; 6 000] PLN/sq.m.	161	228	116	270	197	432	288	605	274	532
(6 001 - 8 000] PLN/sq.m.	106	64	73	75	120	115	164	93	121	93
(8 001 - 10 000] PLN/sq.m.	7	3	11	7	15	4	23	8	26	3
> 10 001 PLN/sq.m.	2		3		3		12	4	9	
dwellings space range :	298	354	221	428	360	684	532	821	480	706
<= 40 sq.m.	54	111	38	136	64	202	98	246	80	206
(41; 60] sq.m.	106	159	77	189	129	323	172	393	154	329
(61; 80] sq.m.	63	65	53	81	78	119	124	147	119	138
> 81 sq.m.	75	19	53	22	89	40	138	35	127	33
average price of 1 sq.m. of dwelling:	5 718	5 062	5 830	5 010	5 742	4 969	5 807	4 995	5 694	5 013
<= 40 sq.m.	6 215	5 280	6 064	5 387	6 239	5 157	6 154	5 471	6 030	5 361
(41; 60] sq.m.	6 045	5 107	6 173	4 963	5 829	5 079	6 009	4 968	5 891	5 006
(61; 80] sq.m.	5 116	4 774	5 338	4 638	5 413	4 578	5 521	4 458	5 391	4 637
> 81 sq.m.	5 402	4 396	5 655	4 446	5 548	4 297	5 564	4 209	5 527	4 493
average offer price of transaction price deviation:	13,0%	x	16,4%	x	15,6%	x	16,2%	x	13,6%	x
<= 40 sq.m.	17,7%	x	12,6%	x	21,0%	x	12,5%	x	12,5%	x
(41; 60] sq.m.	18,4%	x	24,4%	x	14,8%	x	21,0%	x	17,7%	x
(61; 80] sq.m.	7,2%	x	15,1%	x	18,2%	x	23,8%	x	16,3%	x
> 81 sq.m.	22,9%	x	27,2%	x	29,1%	x	32,2%	x	23,0%	x

Source: NBP.



**Table 10 Average home prices in the primary market in Warsaw**

specification	IV 2013		I 2014		II 2014		III 2014		IV 2014	
	offer	transaction	offer	transaction	offer	transaction	offer	transaction	offer	transaction
average price (PLN/sq.m.)	8 088	7 427	8 005	7 298	7 924	7 316	7 819	7 446	7 691	7 315
growth (q-o-q)	x	x	99,0	98,3	99,0	100,2	98,7	101,8	98,4	98,2
growth (y-o-y)	x	x	x	x	x	x	x	x	95,1	98,5
dw ellings price range :	7 341	2 381	9 317	2 626	10 194	2 713	10 942	2 360	11 992	2 961
<= 4 000 PLN/sq.m.	0	6	0	2	0	0	0	0	0	0
(4 001; 6 000] PLN/sq.m.	780	473	1 196	487	780	422	801	260	510	343
(6 001 - 8 000] PLN/sq.m.	4 324	1 318	5 107	1 493	6 405	1 652	7 096	1 500	8 243	1 917
(8 001 - 10 000] PLN/sq.m.	1 462	437	2 116	553	2 212	557	2 208	486	2 543	632
> 10 001 PLN/sq.m.	775	147	898	91	797	82	837	114	696	69
dw ellings space range :	7 341	2 381	9 317	2 626	10 194	2 713	10 942	2 360	11 992	2 961
<= 40 sq.m	630	313	919	425	1462	444	1528	410	1812	587
(41; 60] sq.m.	3668	1175	4579	1374	4803	1407	5398	1228	5928	1478
(61; 80] sq.m.	1839	546	2435	573	2543	602	2633	493	2973	639
> 81 sq.m.	1204	347	1384	254	1386	260	1383	229	1279	257
average price of 1 sq.m. of dw elling:	8 088	7 427	8 005	7 298	7 924	7 316	7 819	7 446	7 691	7 318
<= 40 sq.m	7 376	7 317	7 482	7 473	7 527	7 540	7 507	7 599	7 531	7 605
(41; 60] sq.m.	7 858	7 285	7 670	7 196	7 654	7 212	7 612	7 225	7 544	7 169
(61; 80] sq.m.	8 069	7 313	7 895	6 982	7 764	7 079	7 734	7 407	7 645	7 148
> 81 sq.m.	9 191	8 189	9 657	8 271	9 571	8 042	9 135	8 434	8 709	7 936
average offer price of transaction price deviation:	8,9%	x	9,7%	x	8,3%	x	5,0%	x	5,1%	x
<= 40 sq.m	0,8%	x	0,1%	x	-0,2%	x	-1,2%	x	-1,0%	x
(41; 60] sq.m.	7,9%	x	6,6%	x	6,1%	x	5,4%	x	5,2%	x
(61; 80] sq.m.	10,3%	x	13,1%	x	9,7%	x	4,4%	x	7,0%	x
> 81 sq.m.	12,2%	x	16,7%	x	19,0%	x	8,3%	x	9,7%	x

Source: NBP.

**Table 11 Average home prices in the secondary market in Warsaw**

specification	IV 2013		I 2014		II 2014		III 2014		IV 2014	
	offer	transaction	offer	transaction	offer	transaction	offer	transaction	offer	transaction
average price (PLN/sq.m.)	8 627	7 189	8 622	7 170	8 691	7 332	8 626	7 365	8 636	7 387
growth (q-o-q)	x	x	99,9	99,7	100,8	102,3	99,3	100,5	100,1	100,3
growth (y-o-y)	x	x	x	x	x	x	x	x	100,1	102,8
dw ellings price range :	4 995	2 081	2 955	1 840	3 673	2 019	5 771	2 506	6 896	2 650
<= 4 000 PLN/sq.m.	1	3	0	0	0	1	0	3	0	5
(4 001; 6 000] PLN/sq.m.	421	497	230	402	297	412	456	522	529	598
(6 001 - 8 000] PLN/sq.m.	2 098	1 083	1 240	986	1 490	1 052	2 362	1 235	2 808	1 243
(8 001 - 10 000] PLN/sq.m.	1 479	389	885	370	1 114	432	1 810	579	2 164	584
> 10 001 PLN/sq.m.	996	109	600	82	772	122	1 143	167	1 395	220
dw ellings space range :	4 995	2 081	2 955	1 840	3 673	2 019	5 771	2 506	6 896	2 650
<= 40 sq.m	765	709	439	621	555	710	1008	872	1206	865
(41; 60] sq.m.	1702	871	1027	780	1241	831	2011	1048	2403	1105
(61; 80] sq.m.	1272	338	771	296	934	327	1410	369	1698	426
> 81 sq.m.	1256	163	718	143	943	151	1342	217	1589	254
average price of 1 sq.m. of dw elling:	8 627	7 189	8 622	7 170	8 691	7 332	8 626	7 365	8 636	7 387
<= 40 sq.m	8 697	7 406	8 763	7 342	8 780	7 598	8 920	7 659	8 856	7 692
(41; 60] sq.m.	8 148	6 881	8 129	7 000	8 142	7 076	8 166	7 022	8 270	7 061
(61; 80] sq.m.	8 307	6 949	8 233	6 753	8 285	7 093	8 179	7 113	8 240	7 036
> 81 sq.m.	9 557	8 384	9 659	8 211	9 762	8 000	9 563	8 273	9 445	8 352
average offer price of transaction price deviation:	20,0%	x	20,3%	x	18,5%	x	17,1%	x	16,9%	x
<= 40 sq.m	17,4%	x	19,4%	x	15,6%	x	16,5%	x	15,1%	x
(41; 60] sq.m.	18,4%	x	16,1%	x	15,1%	x	16,3%	x	17,1%	x
(61; 80] sq.m.	19,5%	x	21,9%	x	16,8%	x	15,0%	x	17,1%	x
> 81 sq.m.	14,0%	x	17,6%	x	22,0%	x	15,6%	x	13,1%	x

Source: NBP.

**Table 12 Average home prices in the primary market in Wrocław**

specification	IV 2013		I 2014		II 2014		III 2014		IV 2014	
	offer	transaction	offer	transaction	offer	transaction	offer	transaction	offer	transaction
average price (PLN/sq.m.)	5 928	5 663	6 016	5 647	6 092	5 816	6 050	5 928	6 075	5 788
growth (q-o-q)	x	x	101,5	99,7	101,3	103,0	99,3	101,9	100,4	97,6
growth (y-o-y)	x	x	x	x	x	x	x	x	102,5	102,2
dw ellings price range :	2 462	809	2 211	682	2 182	635	2 746	638	3 063	807
<= 4 000 PLN/sq.m.	48	11	2	4	1	2	1	2	0	1
(4 001; 6 000] PLN/sq.m.	1 393	559	1 210	471	1 053	406	1 348	360	1 318	492
(6 001 - 8 000] PLN/sq.m.	893	226	892	192	1 050	208	1 334	253	1 671	302
(8 001 - 10 000] PLN/sq.m.	106	10	95	15	76	17	63	21	71	12
> 10 001 PLN/sq.m.	22	3	12	0	2	2	0	2	3	0
dw ellings space range :	2 462	809	2 211	682	2 182	635	2 746	638	3 063	807
<= 40 sq.m.	206	148	254	122	259	97	305	146	341	152
(41; 60] sq.m.	1519	484	1385	385	1382	406	1729	370	1871	482
(61; 80] sq.m.	584	153	459	150	430	105	591	93	685	151
> 81 sq.m.	153	24	113	25	111	27	121	29	166	22
average price of 1 sq.m. of dw elling:	5 928	5 663	6 016	5 647	6 092	5 816	6 050	5 928	6 075	5 788
<= 40 sq.m.	6 698	6 253	6 440	6 206	6 355	6 088	6 454	6 228	6 371	5 928
(41; 60] sq.m.	5 788	5 607	5 918	5 537	5 993	5 798	5 992	5 736	6 008	5 769
(61; 80] sq.m.	5 709	5 213	5 861	5 359	6 103	5 564	5 952	5 869	5 994	5 657
> 81 sq.m.	7 124	6 041	6 883	6 325	6 684	6 093	6 341	7 047	6 557	6 124
average offer price of transaction price deviation:	4,7%	x	6,5%	x	4,7%	x	2,1%	x	5,0%	x
<= 40 sq.m.	7,1%	x	3,8%	x	4,4%	x	3,6%	x	7,5%	x
(41; 60] sq.m.	3,2%	x	6,9%	x	3,4%	x	4,5%	x	4,1%	x
(61; 80] sq.m.	9,5%	x	9,4%	x	9,7%	x	1,4%	x	6,0%	x
> 81 sq.m.	17,9%	x	8,8%	x	9,7%	x	-10,0%	x	7,1%	x

Source: NBP.

**Table 13 Average home prices in the secondary market in Wrocław**

specification	IV 2013		I 2014		II 2014		III 2014		IV 2014	
	offer	transaction	offer	transaction	offer	transaction	offer	transaction	offer	transaction
average price (PLN/sq.m.)	6 098	5 037	6 096	5 100	5 899	5 087	5 981	5 100	6 017	5 194
growth (q-o-q)	x	x	100,0	101,3	96,8	99,7	101,4	100,3	100,6	101,8
growth (y-o-y)	x	x	x	x	x	x	x	x	98,7	103,1
dw ellings price range :	309	467	284	361	250	406	264	312	272	372
<= 4 000 PLN/sq.m.	10	89	11	57	9	64	9	42	8	39
(4 001; 6 000] PLN/sq.m.	159	285	141	231	150	266	143	219	150	270
(6 001 - 8 000] PLN/sq.m.	108	87	105	67	71	70	90	48	92	57
(8 001 - 10 000] PLN/sq.m.	23	3	22	4	15	5	16	2	17	5
> 10 001 PLN/sq.m.	9	3	5	2	5	1	6	1	5	1
dw ellings space range :	309	467	284	361	250	406	264	312	272	372
<= 40 sq.m.	45	135	34	72	35	80	32	69	28	83
(41; 60] sq.m.	111	196	101	163	84	190	81	144	97	180
(61; 80] sq.m.	101	96	100	94	82	95	93	75	82	84
> 81 sq.m.	52	40	49	32	49	41	58	24	65	25
average price of 1 sq.m. of dw elling:	6 098	5 037	6 096	5 100	5 899	5 087	5 981	5 100	6 017	5 194
<= 40 sq.m.	6 936	5 436	6 836	5 712	6 271	5 685	6 555	5 645	6 997	5 557
(41; 60] sq.m.	6 138	5 075	6 361	5 161	5 995	5 110	6 240	5 103	6 146	5 126
(61; 80] sq.m.	5 844	4 670	5 678	4 805	5 832	4 793	5 877	4 742	5 995	5 027
> 81 sq.m.	5 783	4 382	5 889	4 279	5 577	4 494	5 470	4 636	5 427	5 038
average offer price of transaction price deviation:	21,1%	x	19,5%	x	16,0%	x	17,3%	x	15,8%	x
<= 40 sq.m.	27,6%	x	19,7%	x	10,3%	x	16,1%	x	25,9%	x
(41; 60] sq.m.	21,0%	x	23,2%	x	17,3%	x	22,3%	x	19,9%	x
(61; 80] sq.m.	25,1%	x	18,2%	x	21,7%	x	23,9%	x	19,3%	x
> 81 sq.m.	32,0%	x	37,6%	x	24,1%	x	18,0%	x	7,7%	x

Source: NBP.

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