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Report on housing prices and the situation in the residential and commercial real estate market in Poland in 2017 Q2.

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The analysis of situation in the property market in Poland in 2017 Q2¹ leads to the following conclusions:

- In 2017 Q2 home sales on the primary market in the six largest cities exceeded the peak from the previous cycle. This activity has not generated excessive tensions in the property market so far, yet there are signs likely to indicate growing imbalance between demand and supply in favour of the former. Only slight increases in prices have been observed, but the hedonic housing price indices grew somewhat quicker. Transactions continued to be financed with a significant share of buyers' own funds, yet a slight increase in the financing of purchase by loan was simultaneously noticeable.
- **The supply of housing has adjusted to the increase in demand for another quarter** – real estate developers started new investment projects and continued the existing ones. The adjustment of the structure of housing offered to the structure of demand was well done. The number of completed dwellings on offer declined, so did the number of homes under construction adjusted for the current sales. The estimated prices of building land increased. Maintaining flexible supply is the main challenge in the current situation and the condition to keep prices stable.
- The average offer and transaction prices per square metre of housing in the primary and secondary markets increased slightly in the analysed cities over the period in question with the exception of the secondary market in Warsaw where average prices fell slightly (there were more transactions involving housing of inferior quality). The observed price hikes in the primary market were due to the fact that a larger number of better quality dwellings in better location were put on the market and sold. Prices calculated with the use of the hedonic index² increased, which entails an actual rise in prices per square metre of similar type of housing as compared to last year. In all the analysed groups of cities (Warsaw, 6M, 10M) prices in the primary market were higher than in the secondary market. Average rents (both offer and transaction rents) per square metre of housing generally stabilised in Warsaw and in 10M in the analysed period. A slight drop in the average rent in 6M was due to the change in the location within the cities and a change in terms of the area of dwellings rented and the year of construction.
- **The index of the estimated availability of housing in big cities fell slightly in the analysed quarter to 0.86 square metres but was still 0.4 square metre higher than the record low observed in**

1 The analysis carried out in the present *Report* is based on data available till 2017 Q2. On account of delays in access to data, some figures include data until 2016 Q4 (inclusive). Data series with average prices per square metre of housing, commercial rents and transaction prices per square metre of office space reflect the available pool of data and may be subject to revision according to the new data coming. These series are being constantly updated so as to reflect the full pool of data available at any given moment. Historic data are also subject to change due to revision of data for errors. Such an approach is used by other central banks and statistical offices.

2 The hedonic index of housing prices is adjusted for differences in various attributes of dwellings (e.g. location, usable area, standard of finishing) sold in particular periods. The hedonic index is calculated with the use of the imputation method. A hedonic price is an average transaction price from the base period multiplied by the hedonic index. More information in the article by M. Widłak (2010) „Metody wyznaczania hedonicznych indeksów cen jako sposób kontroli zmian jakości dóbr” [“Methods of computing hedonic price indices as the way to control changes in goods quality”], *Wiadomości Statystyczne* no. 9.

2017 Q3 (as a result of a slight increase in housing prices). The index of the estimated maximum availability of a housing loan³ to average households in Warsaw and in 6M remained almost stable.

- **Housing investment** (excluding transaction costs) **continued to be profitable in the short term.** Assuming the average rent possible to be negotiated in the Warsaw market and in the market of 6M, the profitability of housing investment was higher than the interest on banking deposits and yields on 10-year government bonds, and was close to the return likely to be achieved in the commercial property market. The relation of the housing debt servicing costs to rent still enables to finance the cost of credit with income from rent.
- **The value of newly granted loans⁴ PLN** (excluding renegotiated agreements) **increased⁵** in the analysed quarter by PLN 11.8 billion, i.e. by 8.5% as compared with figures from the previous quarter and by 1.8% as compared with 2016 Q2 figures. The results of NBP survey concerning the situation in the credit market⁶ indicate that the surveyed banks observed an increase in demand for housing loans and lending terms and criteria in 2017 Q2 were slightly tightened, which included a rise in margins on riskier loans. In 2017 Q3 individual banks envisage a drop in demand and announce an easing of lending policy. The estimated profitability of housing loans for banks is growing due to increasing margins and diminishing write-offs. The share of impaired loans remained constant and stood at approx. 2.5% at the end of 2017.
- **Since 2012 the share of FX denominated loans has decreased considerably⁷ in the structure of housing loans in banks, which is favourable for financial and macroeconomic stability.** The decreasing share of FX loans is due to the fact that banks ceased to grant such loans to person not being in receipt of a regular income in this currency, systemic amortization, earlier repayments and refinancing those loans with PLN denominated loans. The quality of FX housing loans is still high - the share of impaired loans increased slightly and stood at 3.4% at the end of 2017 Q2.
- **The estimated profitability of housing investment projects fell slightly, although it was still high.** This was related to high demand for housing and an elevated ratio of home prices to building materials and construction costs, those latter having remained low for a few years and favouring

³ The maximum housing loan available in a particular market is a measure expressed in PLN thousand, taking into account banks' lending requirements and loan parameters (i.e. interest rate, amortization period, minimum wage understood as the minimum income after the repayment of loan instalments). The assessment does not take into consideration changes in banks' lending policy, including lending terms and criteria.

⁴ Data concerning new loans prepared by NBP are available on the NBP internet site: http://www.nbp.pl/home.aspx?f=/statystyka/pieniezna_i_bankowa/oprocentowanie_n.html, in the "4 OPN2PLN" tab. It should be remembered that a housing loan frequently complements the financing of housing, in the housing market in cities part of financing comes from the sales of another property, while in other markets houses are built by owner themselves, often on their own land. 4

⁵ According to BIK data, in 2017 Q1 there was a 5.7% increase in the number of housing loans extended by banks and their total value increased by 12.7%. The average amount of a housing loan granted stood at PLN 220.8 thousand and was 6.6% higher as compared with PLN 207.2 thousand in the first half of 2016. The largest increase, 22.2%, was seen in the number of loans ranging between PLN 250 and 500 thousand, and then among loans between PLN 0.5 and 1.0 million. The number of small loans amounting up to PLN 100 thousand decreased considerably, in this group of loans the decrease was 16.2%.

⁶ "Situation in the credit market - results of the senior loan officer opinion survey in 2017 Q3", NBP, August 2017.

⁷ The share of FX denominated loans in the structure of housing loans extended by banks until the end of 2017 Q2 stood at 63% and was twice as high as the minimum of 29% recorded in 2009 Q1.

real estate developers. Availability of land for residential development, already owned by real estate developers, also plays a role⁸. Financial data of real estate developers usually indicate low profitability of their operations, a claim not corroborated by the analysis carried out on average investment projects in the largest markets. It shows the contrary, a very high level of estimated profitability of developer projects in housing construction as compared to other branches of industry. The estimate results are confirmed by a high number of new and finalised investment projects and the purchase of rental housing by professional external investors⁹. According to Coface experts, **the analysed period saw an increasing number of bankruptcies in the construction industry**¹⁰. A difficult situation in construction persists despite increased growth in construction and assembly production.

- **The pool of unsold housing in Poland's six largest markets¹¹ shrank slightly in the analysed quarter and stood at 50.0 thousand. At the same time the number of dwellings whose construction had been launched increased¹².** High demand for housing exceeded the increase in supply. The index of home selling time¹³ in 6M decreased to less than 3 quarters in the analysed period. The number of homes under construction and the number of projects under construction weighted by sales volume as well as the number of completed dwellings put up for sale decreased. This may indicate that supply ceases to meet demand and the risk of price increase is growing. Real estate developers have so far managed to adjust the structure of home size to demand, in contrast to the secondary market, where supply is the result of the structure of the housing stock. In the segment of popular dwellings, price continues to be the basic criterion for home purchase, thus compact housings, i.e. small two-room homes are in highest demand. There is also continued demand for bigger homes, over 60 square metres, often with higher standard.

8 The pool of land owned by real estate developers must be replenished constantly due to high production and sales. The Act of 14 April 2016 on the suspension of the sale of Agricultural Property owned by the State Treasury and on the amendment of certain acts (Journal of Laws 2016, item 585, as amended) may hamper this process. Soon, real estate developers will be building in cities only, on land which have been defined as intended for housing construction in local area development plans, which may impact both costs and prices.

9 For example, a big foreign real estate fund managing a portfolio of a joint value of EUR 6 billion bought the second housing project in Poland. Buildings bought in Warsaw and Krakow serve as rental housing.

10 In 2016 a new restructuring law was introduced. At present restructuring procedure applies both to insolvent companies and to companies threatened with insolvency. According to Coface experts the increase in the number of bankruptcies among construction companies in 2017 Q1 was driven by two fundamental factors: a markedly delayed recovery in investment (investment was assumed to rebound at the end of 2016, but the situation has not changed significantly until now) and the introduction of VAT reverse charge on building materials. Demand for building materials, steel and construction services is gradually rising, which testifies to a slight recovery in the investment market. However, it was not sufficient to save numerous companies, which waiting in vain for this recovery had to start restructuring. The VAT reverse charge leads to a situation where many service companies face considerable liquidity problems: they have to buy VAT-charged goods being simultaneously forced to sell them net of tax, which slows down cash flow so much that the normal settlement of liabilities becomes problematic. Experts expect a slight improvement in construction in the second half of the year, while anticipating further liquidity problems experienced by the sector.

11 According to the REAS company report entitled "The housing market in Poland in 2017 Q2".

12 According to GUS data in 2017 Q2 in Poland the construction of 61.8 thousand homes was started, i.e. by 9.8 thousand more in comparison with 2016 Q2 and by 17.6 thousand as compared to the previous quarter.

13 The index of home sales in the primary market calculated by REAS is the ratio of the number of homes on offer at the end of a quarter to the average sales from the previous year.

- **2017 Q2 saw an increase in the number of new home building permits, including those in existing projects.** The estimated high margins on developers' profits as well as rates of return on housing projects and high demand contributed to the increase in the number of issued home building permits¹⁴ and the number of dwellings ready for occupancy¹⁵. High home sales make it necessary to replenish land banks. Despite rising prices of land for construction, demand has remained high, particularly in city districts with good communication links, well-developed urban infrastructure and retail and service facilities.
- **Under the gradually phased out MDM government-subsidised scheme** in 2017 Q2 the total of 2 970 applications were filed and subsidies in the total amount of approx. PLN 1.0 billion were paid to 4 072 borrowers. Altogether, since 2014 the total of PLN 2.2 million worth of subsidies have been paid to 79 213 borrowers¹⁶. On 8 August 2017, BGK started to accept applications for subsidies for the purchase of housing¹⁷; as the initiative did not enjoy considerable interest, BGK discontinued to accept applications on the very next day. In January 2018 the bank will start to accept the last applications for subsidies under the MDM government-subsidized scheme. Buyers' considerable interest in disbursement of subsidies in 2016 may be attributed to the scheduled discontinuation of the scheme after 2018¹⁸. Given a strong demand, the government's withdrawal of fiscal stimulus provided to this market may be considered a positive phenomenon. In 2017 Q3 Gdańsk was the only city to see a slight increase in the limit of maximum prices per square metre of dwelling eligible under the MDM scheme. However, as the funds available for subsidies in 2017 have been exhausted, this should not affect the housing market.
- In 2017 several initiatives were launched as part of the **National Housing Programme**¹⁹ adopted by the government in September 2016 (see Table no. 1).

14 According to GUS data, in 2017 Q2 70.5 thousand home building permits were issued, i.e. approx. 14.5 thousand more than in 2016 Q2 and approx. 10.2 thousand more as compared with the previous quarter.

15 According to GUS data, in 2017 Q2 the total of 37.9 thousand homes were completed and made ready for occupancy which is approx. 1.5 thousand more as compared to 2016 Q2 and approx. 10.0 thousand less as compared to the previous period.

16 According to the post-audit conclusions of the Supreme Audit Office, as the draft Act and its amendment did not provide for the income criterion, approximately 20% of beneficiaries benefited from the MDM government-subsidized housing scheme in the years 2014-2016 despite being able to take out a mortgage loan and purchasing housing without the government's assistance. There was no data available at the Ministry of Infrastructure and Construction which would allow to determine which part of the housing investment benefiting from the MDM housing scheme would not have been carried out in the absence of the MDM scheme. The Ministry also did not have the means to assess the extent of the achievement of the demographic objective. Throughout the scheme implementation period, the majority of beneficiaries were couples without children (77% - before the amendment of the Act and 72% after the amendment of the Act).

17 In accordance with the Act of 7 July 2017 (Journal of Laws No.1413), as not all the funds available under the current disbursement limit were used (95% of the value of submitted applications), 100% applications were accepted. According to the estimates of the Ministry of Infrastructure and Construction, this will provide additional funding to 4000 households.

18 Identification in the NBP database of transactions concluded in the period 2016 Q3 – 2017 Q2 involving housing whose area and price meet the conditions of the "Housing for Young" scheme, taking into account the breakdown into the primary and secondary market, allowed to determine the possibility of benefiting from the programme in 16M. The largest number of transactions in the primary market meeting the conditions of the programme in the discussed quarter were recorded in Zielona Góra and Kielce, while the largest number of transactions in the secondary market were recorded in Zielona Góra, Kielce and Bydgoszcz. The lowest availability of housing in the primary market in Poland was recorded in Łódź and Warsaw, and in the secondary market in Warsaw and Kraków.

19 On 7 September 2016, the Council of Ministers approved resolution No. 115/2016 on the adoption of the National Housing Programme. The main objective of the National Housing Programme is to make housing more accessible for low- and middle-

Table 1 Government's initiatives concerning residential real estate

Programme	Legal basis	Commencement of the programme	Expected expenditure	Excepted effects	Current effects
National Housing Programme					
1) Housing Plus scheme					
1.1) Programme supporting social housing, sheltered housing, shelters and homes for the homeless	Journal of Laws of 2015, item 833 as amended	2007	PLN 6 210 million in 2018-2025		1 375 projects were deemed eligible for financing under the scheme (the total value of projects exceeding PLN 2.8 billion) concerning the creation of night shelters
1.2) Programme supporting the construction of municipal housing	Journal of Laws of 10.09.2015, item 1582	2016	PLN 4.5 billion during 10 years	30 thousand dwellings during 10 years	99 applications for the total amount of PLN 563 million concerning the construction of 4619 dwellings
1.3) Housing Plus – funding from (BGK Real Estate)	Resolution of the Council of Ministers no. 115/2016 of 27 September 2016	2016			1.2 thousand dwellings under construction. 10 thousand being prepared for construction (under investment contracts)
2) Individual Housing Accounts					
		Programme in preparation	Premium pay-outs in the amount of PLN 4.41 in 2021-2025		
Other scheme (outside the National Housing Programme)					
Housing for the Young	Journal of Laws of 2017 of 27.09.2013, item 1184 as amended	2014	PLN 3.45 billion in 2014-2018		On a cumulative basis since 01.01.2014 the total of 96.4 thousand beneficiaries benefited from the programme; subsidies amounted to PLN 2.5 billion, including PLN 0.7 billion to the secondary market housing
Borrowers' Support Fund	Journal of Laws of 09.10.2015, item 1925	19.02.2016	PLN 593.8 million		On a cumulative basis since 19.02.2016 the total of 637 subsidy contracts were concluded for the amount of PLN 14.1 million and subsidies in the amount of PLN 6.6 million were paid
Rental Housing Fund	Own initiative of BGK	2014			Contracts for the construction of 3.3 thousand dwellings were signed. 1371 dwellings were made available for sale on a commercial basis

- On 20 July 2017, after a few changes²⁰, the Senate adopted the **Act on the National Real Estate Resources (KZN)**²¹, which introduces a system of affordable rental housing, under the Housing

income persons and to improve the technical condition of the housing stock while, at the same time, increasing its energy efficiency. A more detailed description of the assumptions of the National Housing Programme in the *Information on home prices and the situation in the housing and commercial real estate market in Poland in 2016 Q3* (NBP, December 2016).

²⁰ The title of the draft Act on the National Housing Fund and the transfer of real estate for housing purposes to the State Treasury has changed twice. For the first time at the stage of presenting the draft Act for debate before the Committee of the Council of Ministers held on 11 May 2017 – the draft Act on the State Treasury Land Fund. The next change took place before the next referral of the bill for debate before the Committee of the Council of Ministers held on 29 June 2017 – the draft Act on the National Real Estate Resources. The change of the title resulted from the decision of the management of the Ministry of Infrastructure and Construction (Journal of Laws of 20 July 2017, item 1529).

²¹ The Act on the National Real Estate Resources also amends several other legal acts. At the same time, an amendment was made to the Law on the Protection of Tenants' Rights, namely a new type of rental housing was introduced - institutional lease in which

Plus scheme. The project concerning **Individual Housing Accounts (IKM)**²² was supposed to be submitted to the Parliament in the first half of 2017. The Ministry of Finance assumes that it will be possible to open Individual Housing Accounts in 2018 and bonus payments will start in 2019 when the majority of commitments under the MDM housing scheme have expired. Under the first two editions of the **Programme supporting the construction of rental housing**²³, BGK received applications for preferential loans for the financing of over 4 600 dwellings. The procedure of receiving applications under the third edition of the programme is scheduled for September 2017. Under the existing **Programme of financial support for social housing, sheltered dwellings, night shelters and homes for the homeless** in the first half of 2017 the total of 88 applications were accepted for the total amount of support of PLN 90 731.54 thousand (for the creation of 1 622 social dwellings, municipal dwellings and sheltered housing). **The Borrowers' Support Fund**²⁴, **has been operating since February 2016**, offering refundable assistance on preferential terms to borrowers facing temporary problems with loan repayment. According to the announcement of the Deputy Minister of Family, Labour and Social Policy, Elżbieta Bojanowska, **a pilot project aimed to co-finance activities of sheltered dwellings run conducted by local governments** (used by the elderly and the disabled) **was scheduled to be launched in mid-2017**. The total of PLN 20 million was allocated for this purpose. However, the cities where this pilot programme will be implemented have not been identified yet.

- **The commercial real estate market continued to see growing imbalance resulting from oversupply of rental space as compared to fairly stable demand.** This concerned in particular the rental

the tenant agrees to voluntarily leave the dwelling, which means they will be deprived of the right to social housing. Under the Act, the State-Owned Forests will have to transfer to the real estate stock approx. 600 thousand hectares of land resources located in cities and their outskirts, i.e. ecological land and landscape parks.

22 According to the information on the website of the National Housing Programme, the government plans to set aside PLN 4.44 billion for the payment of premiums under Individual Housing Accounts in the years 2021-2025.

23 The provisions of the Act (Journal of Laws of 12.01.2017, item 79) enable BGK to grant loans to social housing societies TBS, municipal companies and housing cooperatives, which, under current conditions, would bear interest at the rate of approx. 1.7% (3M WIBOR). A 1.3 percentage point margin is financed by the state budget. The scheme is spread over 10 years during which BGK should lend PLN 4.5 billion worth of loans for the construction of social housing for rent (the construction of minimum 30 thousand dwellings is assumed). In 2016 BGK signed the first loan contracts. In accordance with the provisions of the Act, it will not be possible to repurchase dwellings built with the use of BGK's preferential loans. There are restrictions in access to home rental depending on tenants' income. The Act provides for income verification every two years. The rent rate may not exceed 5% of the replacement value of the dwelling on an annual basis. The first dwellings financed under the scheme should be completed and made ready for occupancy at the turn of 2017 and 2018. Under the third edition of the scheme, BGK will provide preferential financing in the total amount of at least PLN 880 million.

24 In accordance with the Act (Journal of Laws of 9 October 2015 item 1925), on 19 February 2016 the Borrowers' Support Fund (FWK) started granting refundable assistance, on preferential terms, to borrowers facing difficult situation. Those borrowers are eligible for assistance who, on the day of submitting a subsidy application, have an unemployed status or if their monthly mortgage instalment exceeds 60% of the monthly income earned by the borrower's household. The interest-free, but refundable assistance in the amount of up to PLN 1.5 thousand will be available for a maximum period of 18 months. It is possible to apply for financial support in bank branches which granted housing loans. Repayment starts two years after the assistance was granted and may take up to eight years. Decisions concerning granting subsidies to borrowers are taken by the lending bank. Persons being owners of another house or dwelling are not eligible for this form of assistance. Money from the Fund is not transferred directly to the borrower, the instalments are paid by the Fund directly to the credit account of the lending bank. This amount originates from contributions of lending banks or credit unions SKOK, proportionally to the size of the portfolio of housing loans for households whose delay in the repayment of the capital or the interest exceeds 90 days. If necessary, the Rental Housing Fund (FWM) will be replenished with further funds, e.g. if its amount falls below PLN 100 million, the fund replenishment will amount to PLN 300 million.

of office space and retail and service premises. The continued high availability of foreign financing contributed to the rapid growth in fixed assets. This can be largely attributed to low interest rates in developed countries, and thus low opportunity cost. The value of transactions in 2017 Q1 amounted to over PLN 500 million, half of which was invested in hotels.

- The level of corporate loans for real estate investment slightly decreased from PLN 53 billion in the previous quarter to PLN 51.3 billion. The quality of loans to developers has improved somewhat, and the high rate of impaired loans (22%) is mainly due to the fact that banks' loan portfolios include loans from previous years²⁵. The portfolio of loans for office space remained stable at PLN 15 billion at the end of the analysed quarter, and the share of impaired loans remained at around 5%.
- Rents for A class office space in Warsaw slightly increased, and vacancy ratios in the whole of Warsaw dropped by 0.1 p.p. to reach 13.9% at the end of 2017 Q2²⁶ which was mainly the result of growing number of rental transactions. However, the level of vacancies remains at a high level and rents quoted in EUR per square metre per month in class B office buildings are on a steady downward trend. This situation may be unfavourable for investors being owners of older office buildings or office buildings in poorer locations.
- Rents for retail space in shopping centres across the country show a slight downward trend. On the other hand, in large cities rents for retail space of 100-500 square metres in shopping centres located in economically important parts of cities remain stable. As regards the sale of small retail and commercial real estate, the median of the offer price all over Poland shows a downward trend, yet has remained at a stable level in large cities.

The figures below describe the key developments in the housing market in Poland's major cities in 2017 Q3. Charts and figures present:

- 1) home prices (Figures 1–14),
- 2) housing availability, loan availability, availability of loan-financed housing, profitability of housing investment (Figures 15–20),
- 3) mortgage loan disbursements and interest rates (Figures 21–28),
- 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 29-46),
- 5) housing construction and the residential market in Poland's selected cities (Figures 47–59),
- 6) housing policy (Figures 60-71),
- 7) commercial real estate (Figures 72-76).

25 See: Financial Stability Report, NBP, July 2017.

26 See: Colliers International Report: Market Insights, 1st half of 2017, Poland.

The analysis of housing prices, offer prices, transaction prices and hedonic prices in the primary and secondary markets as well as housing rents relies on the data acquired from the housing market survey of the Real Estate Market Database (BaRN)²⁷. On the other hand, as part of the survey of the commercial real estate market, the Commercial Real Estate Market Database (BaNK) data on rent, offer prices and transaction prices of commercial real estate are collected and analysed.

In addition, data from PONT Info Nieruchomości, AMRON and SARFIN Polish Banks' Association and Comparables.pl were used in the analyses. The authors drew on the reports issued by REAS, the Polish Financial Supervision Authority (KNF) as well as aggregate credit data released the Credit Information Bureau (BIK). The statistical data published by the Central Statistical Office (GUS) and analyses including sectorial data have been used in the structural analysis.

²⁷ Schedule to the Regulation of the Council of Ministers of 27 August 2014 concerning the Programme of statistical research of public statistics for 2015 (Journal of Laws of 2014, item 1330, number 1.26.09(073)). The obligation to submit statistical data results from Article 30 item 3 of the Act of 29 June 1995 on public statistics (Journal of Laws of 2012 item 591) and from the Decree of the Council of Ministers referred to above. The reporting forms for 2017 were announced in the Decree of the Prime Minister of 14 March 2017 on reporting forms, completion instructions and statistical questionnaires and questionnaire forms used in surveys of public statistics for 2017 (Journal of Laws of 2017 item 837). Since the survey is carried out by NBP, the Bank publishes the surveys on its website. In listings related to 2017 Q2, approx. 113.4 thousand records were collected, including approx. 25.9% of records concerning transactions and 74.1% of records concerning offers. Altogether approx. 2.5 million records were collected in the base, including 21.5% of records concerning transactions and 78.5% of records concerning offers.

List of abbreviations

5M	5 cities: Gdańsk, Kraków, Łódź, Poznań, Wrocław
6M	6 cities: Gdańsk, Gdynia, Kraków, Łódź, Poznań, Wrocław
7M	7 cities: Gdańsk, Gdynia, Kraków, Łódź, Poznań, Warsaw, Wrocław
10M	10 cities: Białystok, Bydgoszcz, Katowice, Kielce, Lublin, Olsztyn, Opole, Rzeszów, Szczecin, Zielona Góra
BaNK	Commercial Real Estate Market Database
BaRN	Real Estate Market Database
BIK	Credit Information Bureau
CPI	Consumer Price Index
DFD	Large real estate development company
EURIBOR	Euro Interbank Offer Rate
GD	Households
GUS	Central Statistical Office
IRFS	International Financial Reporting Standards
IRR	Internal Rate of Return
KNF	Polish Financial Supervision Authority
KRS	National Court Register
LH	Left hand axis
LIBOR	London Interbank Offered Rate
LTV	Loan-to-Value ratio
MDM	Government-subsidized housing scheme Mieszkanie dla Młodych [Housing for the Young]
NBP	Narodowy Bank Polski
NPM	Rental Housing Fund
PAS	Polish Accounting Standards
PONT	PONT Info Nieruchomości
PP	Rest of Poland
REAS	Real Estate Advisory System
RNS	Government-subsidized housing scheme Rodzina na Swoim [Family on their own]
RPO/T	Primary housing market (offer/transaction)
RWO/T	Secondary housing market (offer/transaction)
RH	Right hand axis
RW	Secondary housing market
ROE	Return on Equity
WIBOR	Reference interest rate of loans in the Warsaw Interbank Offered Rate
WIG20	Index including top 20 companies listed on the Warsaw Stock Exchange with the highest value of publicly traded shares
ZBP	Polish Bank Association
ZKPK	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 metre of housing in the primary market (PLN/sq. m)

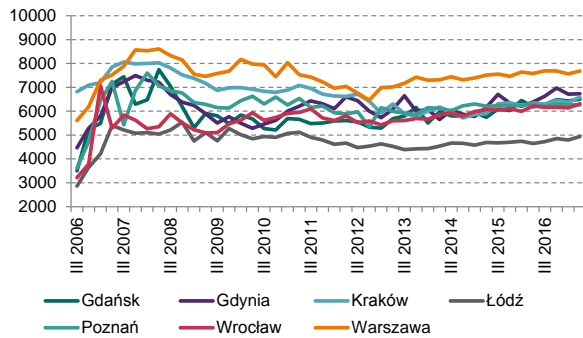
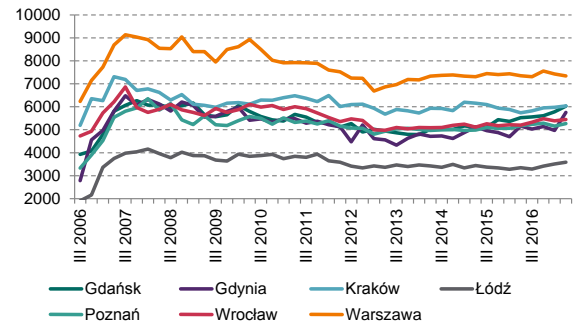


Figure 2 Transaction prices per square metre of housing in the secondary market (PLN/sq. m)



Note: the home price database of NBP (BaRN) has existed since 2006 Q3; description of the database may be found in the “Report on home prices and the situation in housing and commercial real estate market in Poland in 2014” available on the bank’s website.

Source: NBP.

Source: NBP.

Figure 3 Weighted average price per square metre of housing, offers and transactions in the primary market (PLN/sq. m)

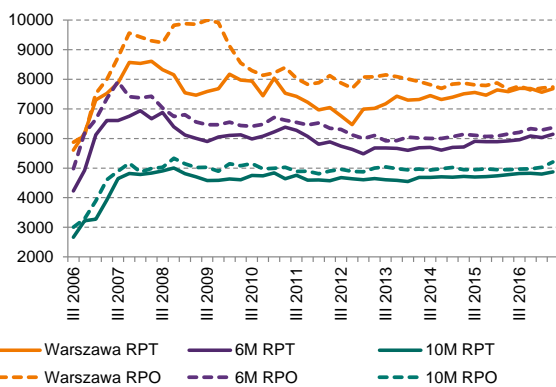
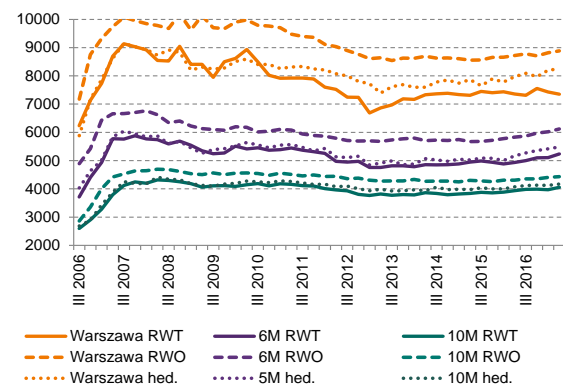


Figure 4 Weighted average price per square metre of housing, offers and transactions in the secondary market (PLN/sq. m)



Note to Figures 3-14: the price weighted with the share of housing in the market stock, the average price for Warsaw; 6M are the following cities: Gdańsk, Gdynia, Kraków, Łódź, Poznań, Wrocław; 10M are the following cities: Białystok, Bydgoszcz, Katowice, Kielce, Lublin, Olsztyn, Opole, Rzeszów, Szczecin, Zielona Góra

Source: NBP.

Source: NBP.

Figure 5 Ratio of the average weighted transaction prices per square metre of housing - the primary market to the secondary market (PLN/sq. m)

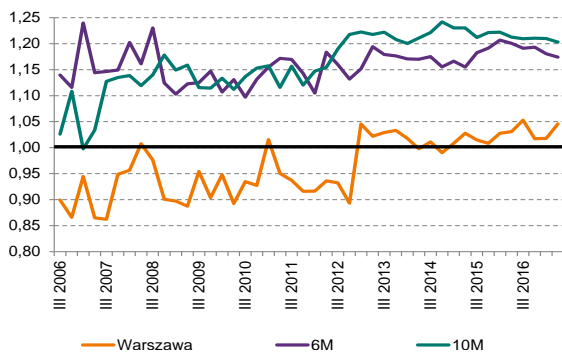
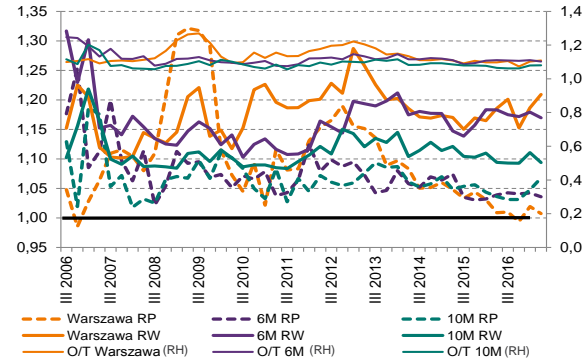


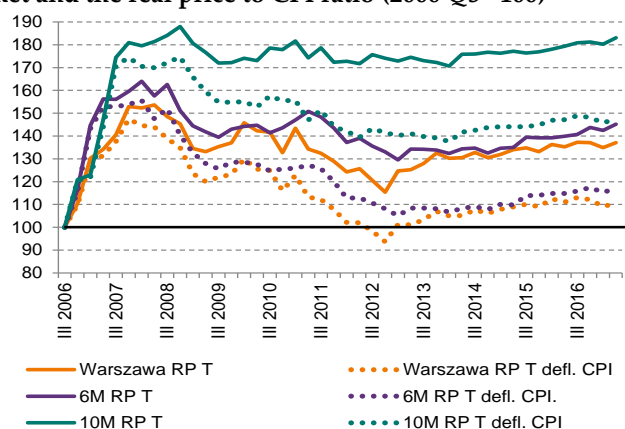
Figure 6 Ratio of the average weighted transaction price to offer price per square metre of housing in the primary and the secondary market



Source: NBP.

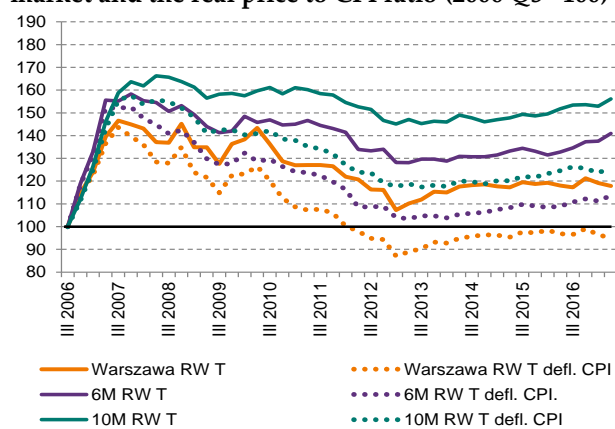
Source: NBP.

Figure 7 Index of the average weighted transaction price per square metre of housing in the primary market and the real price to CPI ratio (2006 Q3 =100)



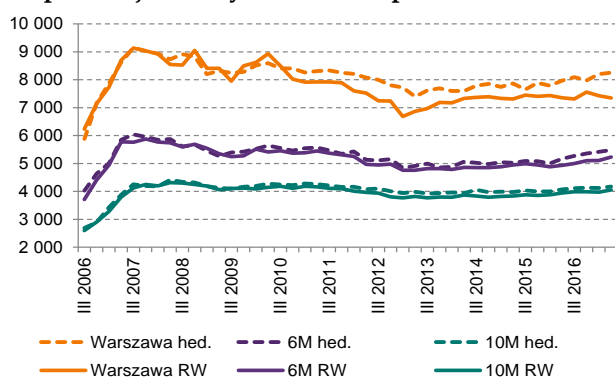
Source: NBP, ZBP (AMRON), GUS.

Figure 8 Index of the average weighted transaction price per square metre of housing in the secondary market and the real price to CPI ratio (2006 Q3 =100)



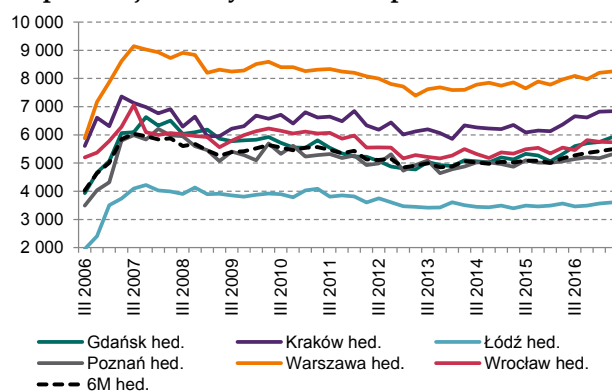
Source: NBP, ZBP (AMRON), GUS.

Figure 9 Weighted average transaction price per square metre of housing in the secondary market and the price adjusted by the hedonic price index



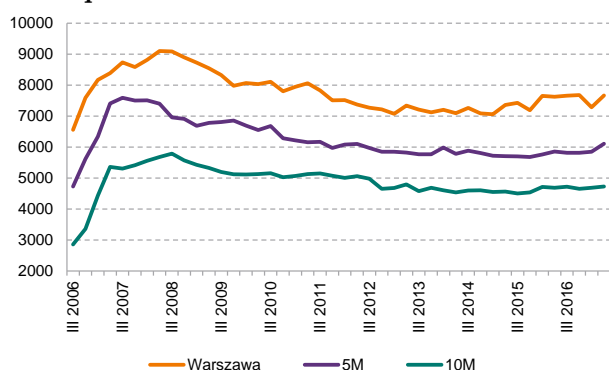
Source: NBP.

Figure 10 Weighted average transaction price per square metre of housing in the secondary market and the price adjusted by the hedonic price index in 6M



Source: NBP.

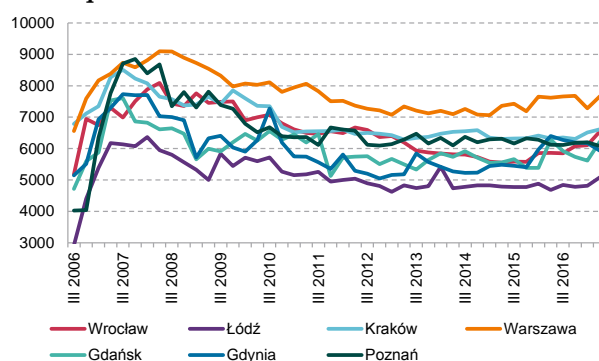
Figure 11 Average offer prices per square metre of housing in the primary market in selected markets (PLN/sq.m)



Note to Figures 11-12: prices collected from all available sources.

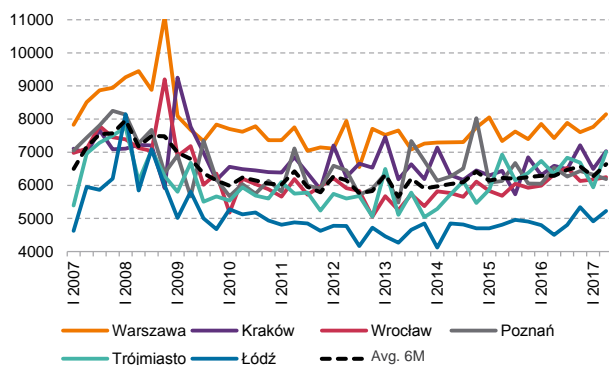
Source: PONT Info Nieruchomości

Figure 12 Average offer prices per square metre of housing in the primary market in the largest cities (PLN/sq.m)



Source: PONT Info Nieruchomości

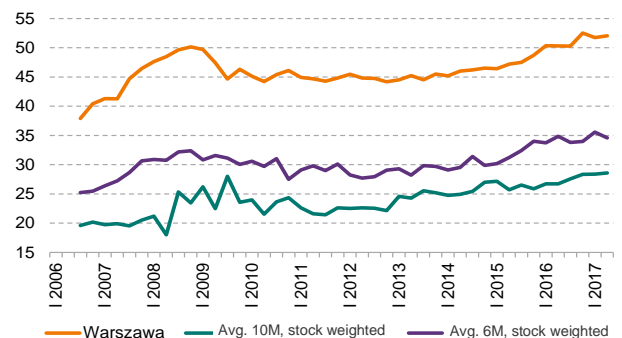
Figure 13 Average offer prices per square metre of newly launched housing contracts in the primary market in selected markets (PLN/sq.m)



Note: prices refer only to new contracts put on the market for the first time.

Source: REAS.

Figure 14 Average rent rates (offers and transactions) per square metre of housing in the secondary market in selected cities (PLN/sq.m)



Source: NBP.

2. Affordability of loan-financed housing, loan availability, profitability of housing investment

Figure 15 Estimate of affordability of loan-financed housing, average for 7M

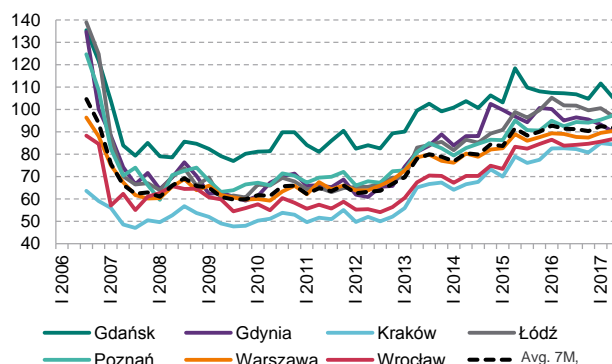
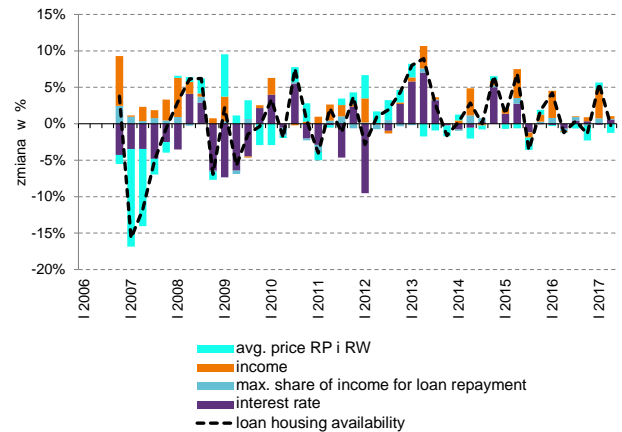


Figure 16 Quarterly changes in the estimated affordability of loan-financed housing, average for 7M, and the strength and directions of the impact of particular components



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

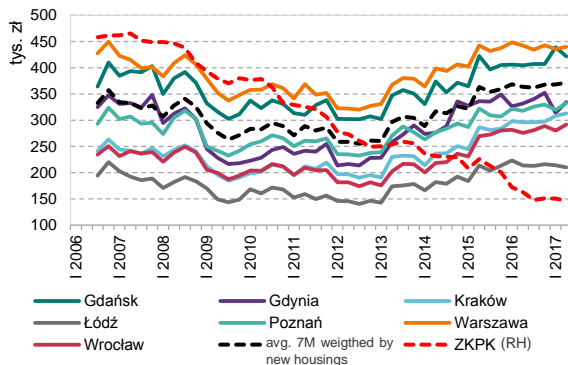
Affordability of loan-financed housing– measure specifying how many square metres of housing which may be purchased for a mortgage loan obtained based on the average monthly wage in the enterprises sector in a particular market (GUS), in view of loan parameters (interest rate, depreciation period, minimum wages understood as the minimum income after repayment of loan instalments) given the average transaction price of housing (40% from the primary market and 60% from the secondary market) in a particular market (BaRN). Index growth rate and spreads between particular markets also provide important information.

ZPKK Index– accumulated index of changes in banks' lending policy criteria; positive values mean the easing, and negative values the 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.

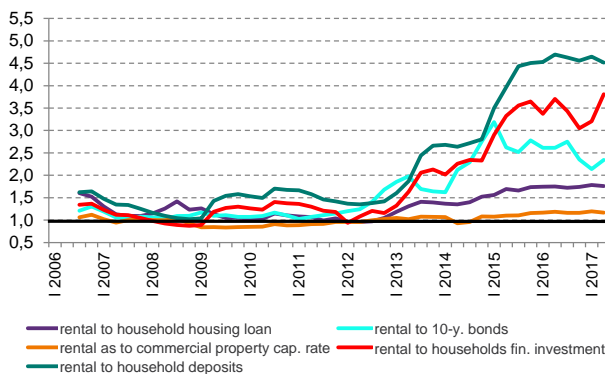
Figure 17 Estimates of available mortgage loans and accumulated index of changes in banks' lending policy criteria (ZKPK, right-hand axis)



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 metres 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% from the primary market and 60% from the secondary markets) (NBP). Corrected data concerning wages in Gdynia.

Source: NBP, GUS.

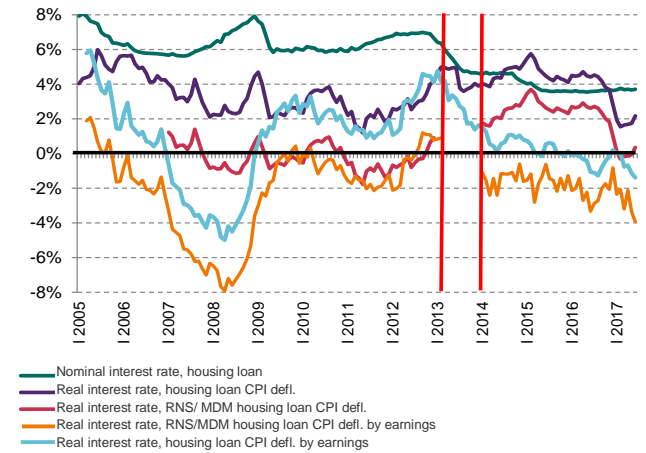
Figure 19 Profitability of home rental (average in Warsaw and in 6M) as compared to alternative investment of households



Note to Figure 19: values exceeding 1 denote higher profitability of purchasing property to be rented to other persons than other capital investment. This analysis does not take into account high transaction costs in the housing market and potentially long payback periods. Note to Figure 20: aggregate estimated demand consists in 60% of consumer demand (loan affordability), in 30% of profitability of home rental and in 10% of speculative investor's profit; weights were estimated by experts; the index presents the moving average of the two last consecutive quarters.

Source : NBP, GUS.

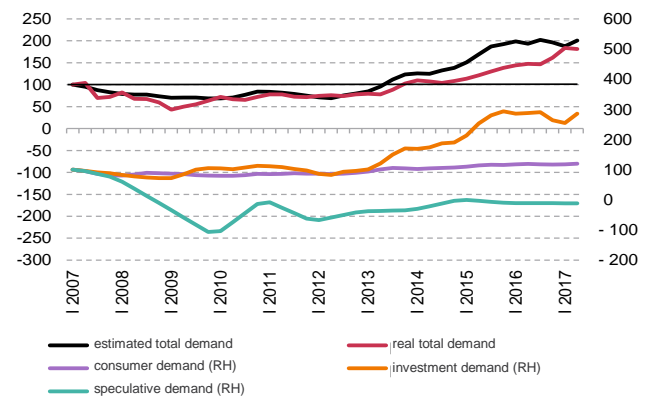
Figure 18 Costs of a PLN housing loan for consumer as deflated with CPI or wage growth in the enterprise sector



Note: values below 0 denote negative real interest rate for the borrower; red lines separate the one-year period of the absence of the government subsidized housing scheme, i.e. RNS (operating in the years 2007-2012) and MDM (operating in the years 2014-2018).

Source: NBP, GUS, BGK.

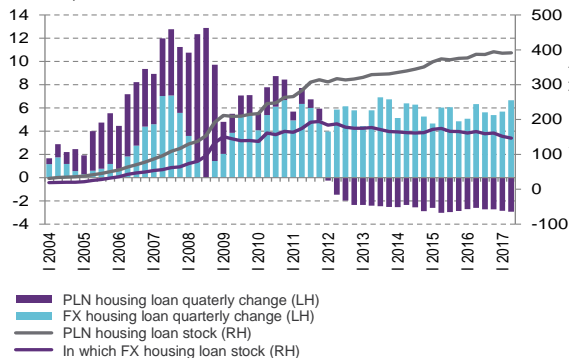
Figure 20 Estimate of housing demand in the primary market in 6M and its components



Source : NBP, GUS.

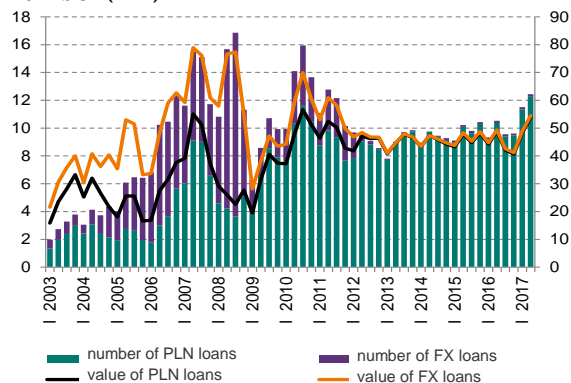
3. Disbursements of residential mortgage loans, interest rates

Figure 21 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.

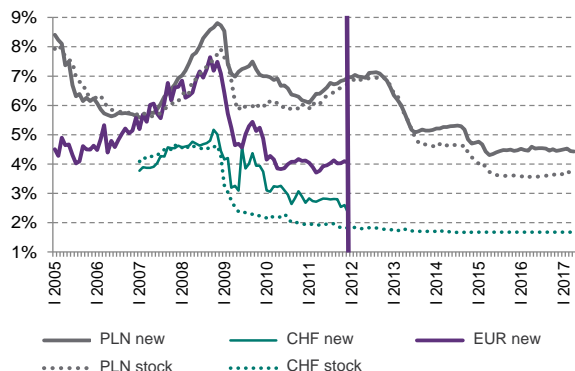
Figure 23 New housing loan contracts: value (LH) and number (RH)



Note to Figures 23 and 24: the data inform about the signed residential mortgage loan contracts and not the actual disbursement of residential mortgage loans.

Source: ZBP.

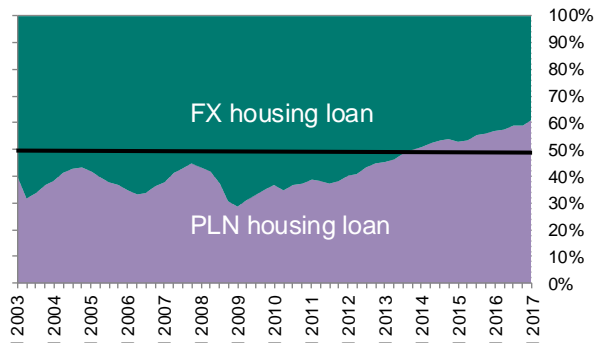
Figure 25 Interest rates on residential loans for households in Poland



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

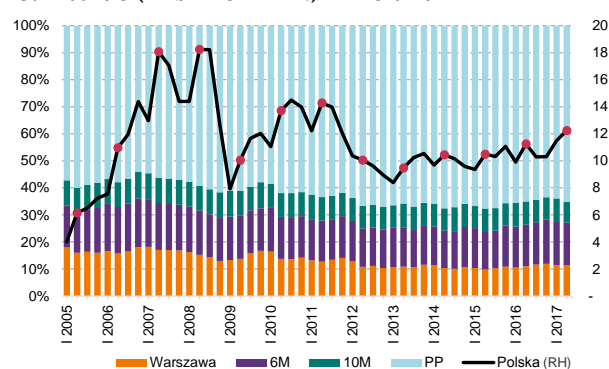
Source: NBP.

Figure 22 Currency structure of housing loan receivables from households resulting from residential mortgage loans (%)



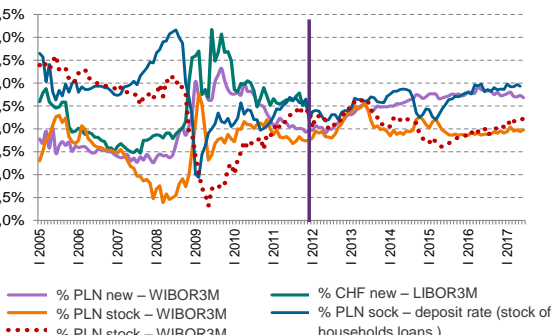
Source: NBP.

Figure 24 Geographical structure of new housing loan value (in billion PLN) in Poland



Source: BIK.

Figure 26 Bank margins (for WIBOR, LIBOR, EURIBOR 3M) in the case of new residential mortgage loans



Note: bank margin is the difference between housing loan rate (NBP data) and the WIBOR3M rate, the LIBORCHF3M rate or WIBOR3M rate.

Source: NBP.

Table 2 Estimated gross housing loan disbursement to households in Poland and estimated purchases of developer housing financed both with cash and with loans in the primary market in 7M (in PLN million)

Date	Estimated value of disbursed mortgage loans in Poland	Estimated value of housing transaction in the PM in 7M	Estimated disbursements of loans with own contribution for housing purchase in the primary market in 7M	Estimated value of home purchases in the PM in 7M	Estimated share of cash home purchases in the RP in 7M
2013 Q1	6295	2705	1121	1584	59%
2013 Q2	7867	3047	1428	1620	53%
2013 Q3	9140	3599	1690	1908	53%
2013 Q4	9084	4095	1773	2321	57%
2014 Q1	7571	3852	1478	2374	62%
2014 Q2	8899	3671	1737	1934	53%
2014 Q3	8894	3649	1736	1913	52%
2014 Q4	8122	3802	1585	2217	58%
2015 Q1	8996	4020	1756	2264	56%
2015 Q2	10640	4442	2077	2365	53%
2015 Q3	10341	4606	2019	2587	56%
2015 Q4	11237	4967	2194	2773	56%
2016 Q1	9742	5039	1902	3138	62%
2016 Q2	11661	5345	2276	3069	57%
2016 Q3	9632	5041	1880	3161	63%
2016 Q4	9933	6404	1939	4465	70%
2017 Q1	10945	6503	2137	4367	67%
2017 Q2	11872	6274	2317	3957	63%

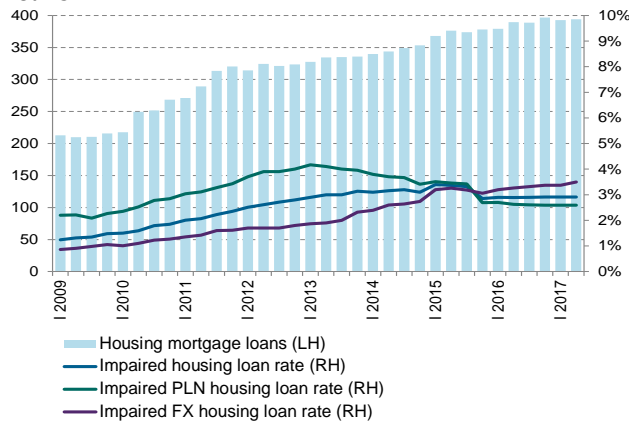
Note: The estimates are based on the following assumptions:

In the period 2012 Q4-2014 Q4, the estimates of newly granted loans in Poland in individual quarters were based on increases in loans to households adjusted for loan amortization and flows between the foreign currency and PLN portfolio, available in NBP reporting. The entire banking system and credit unions were taken into account. Starting as of 2015 Q1, the estimated value of loan disbursements is based on the data collected from banks.

The estimated value of transactions in the primary market of 7 cities (Gdańsk, Gdynia, Kraków, Łódź, Poznań, Warsaw, Wrocław) was calculated by multiplying the average price of dwelling by its average size in square metres and the number of dwellings sold (based on the REAS data). On the basis of ZBP data it was assumed that the value of newly granted loans for the purchase of housing in the primary markets of 7M in 2012 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 constitutes the difference between the value of transactions in the market of 7 cities and loan disbursements, including own contribution. The home price and area data for all periods have been updated.

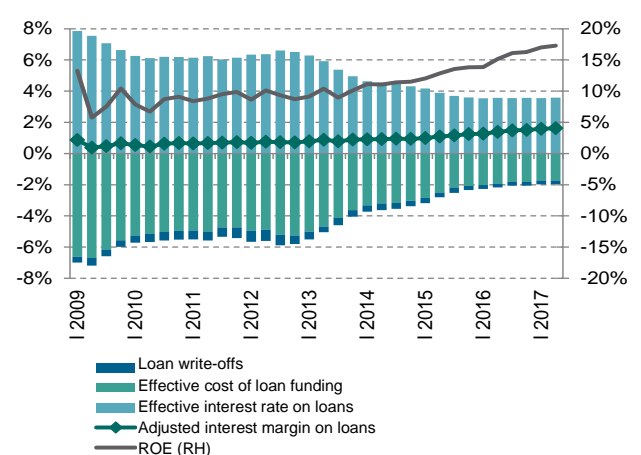
Source: NBP, REAS, ZBP, GUS.

Figure 27 Loans to households for residential real estate and the share of loans classified as impaired loans



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 PAS).
Source: NBP.

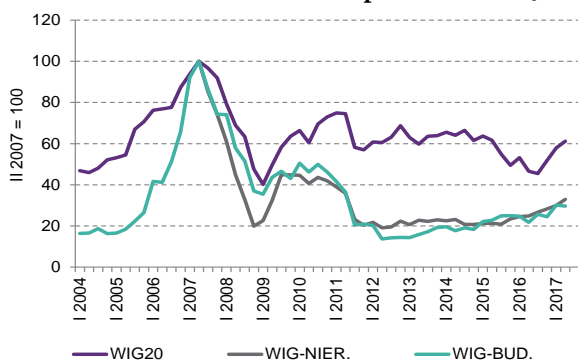
Figure 28 Estimated ROE on residential mortgage loans denominated in PLN for banks in Poland



Note: Income and costs related to the mortgage loan portfolio do not take into account banks' operating costs and taxes. The estimated ROE is calculated as the adjusted interest margin on mortgage loans with respect to the minimum required down-payment (buyer's own contribution). Calculation based on KNF publication, *Solvency ratio* - until 2014, *Total capital ratio* - as of 2014. 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, KNF.

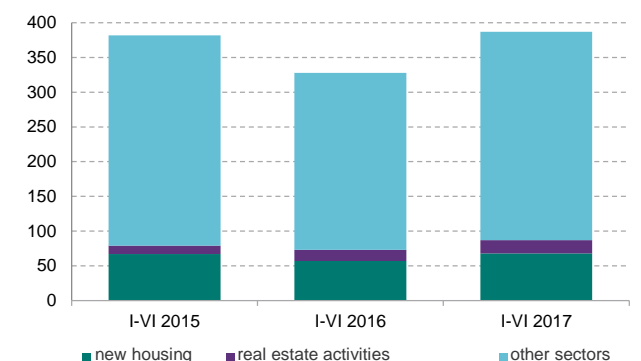
4. Operating profitability of housing development projects, costs of construction and assembly output and economic situation of real estate developers in Poland

Figure 29 Rescaled stock exchange indices: WIG20 for real estate and construction companies (2007 Q2 =100)



Note: harmonized data, 2007 Q2 = 100. The WIG index for real estate developers has been recorded since 2007 Q2; 2017 Q3 – information as at 20 February 2017.
Source: Warsaw Stock Exchange.

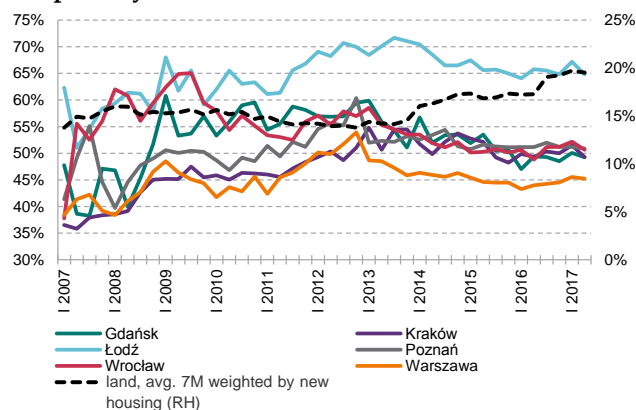
Figure 30 Number of bankruptcies in particular sectors (as at the end of December)



Note: breakdown according to the first entry into the KRS.
Source: Coface Poland.

Note to Figure 30: as of 1 January 2016, the former provisions in the bankruptcy law were amended - the new restructuring law entered into force. The main goal of the restructuring proceedings, in addition to satisfying creditors, is to avoid debtor's bankruptcy by allowing debtor's restructuring through entering into an arrangement with creditors, and in the event of the recovery proceedings - also by undertaking recovery measures, while safeguarding the legitimate rights of creditors. A major change is the fact that under the currently applicable law not only insolvent companies are subject to restructuring proceedings but also companies threatened with insolvency; thus, new statistics show not only the number of bankrupts but also the number of companies facing bankruptcy. Previously, the applicable law allowed to declare bankruptcy under composition or arrangement scheme only if the company was actually insolvent.

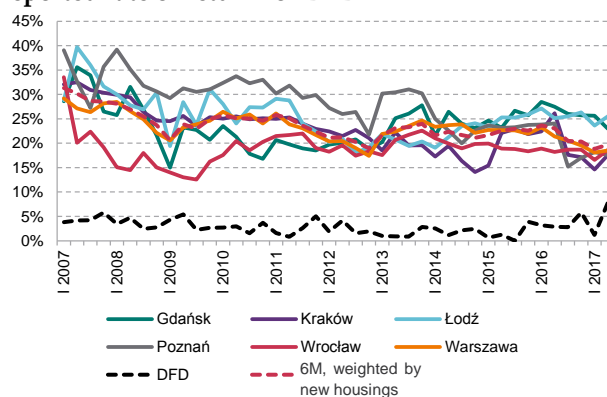
Figure 31 Estimated share of direct costs of construction per square metre of usable area of a residential building (type 1122-302²⁸) in the transaction price in the primary market



Note to Figure 32 : the estimated rate of return on equity from typical new housing projects, under the assumption of the currently applicable interest rates, banks' requirements, production costs and net price; calculation based on the diagram included in Annex 3 of the Report on the situation of the Polish market of residential and commercial real estate in 2011. Since 2015 NBP has been using its own prices of land under multi-family residential construction which has changed the existing estimates. */DFD – ROE of an average large real development company according to GUS data (employment size =>50 persons).

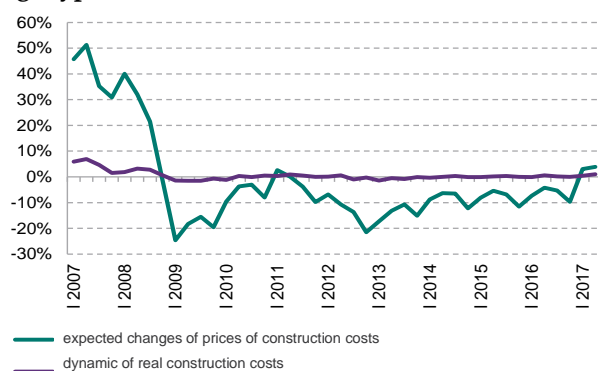
Source: NBP based on Sekocenbud.

Figure 32 Estimated ROE from housing projects (building type 1122-302²⁸) in the largest cities and the reported rate of return for DFD*



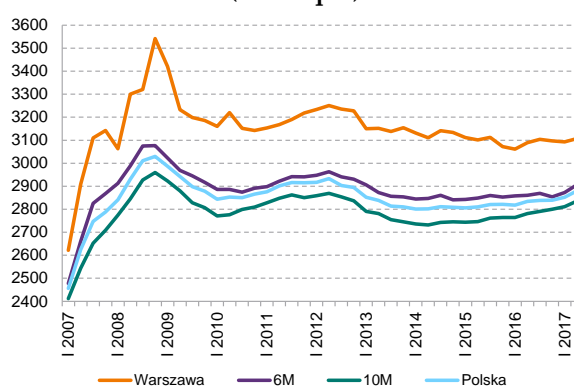
Source: NBP based on Sekocenbud, GUS (F01).

Figure 33 Expected changes in prices of construction and assembly production (+3M) and growth rate of construction cost of usable area of a residential building (type 1122-302²⁸)



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

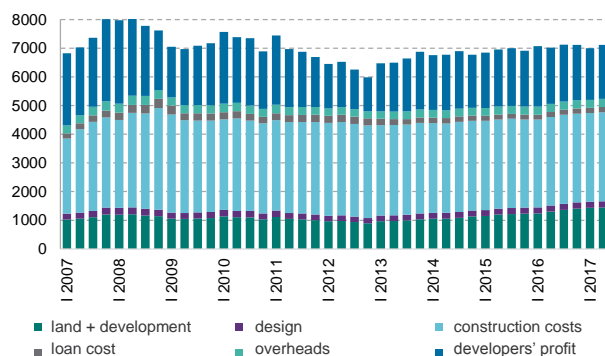
Figure 34 Average construction cost of square metre of usable area of a residential building (type 1122-302²⁸) in selected markets (PLN/sqm.)



Source: NBP based on Sekocenbud.

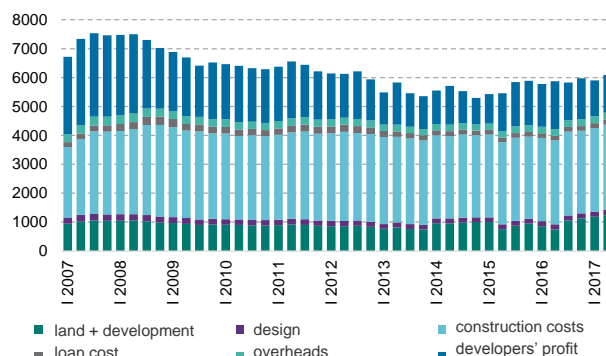
28 Half of the building (type 1122-302 building) monitored by NBP as of the second half of 2016 based on Sekocenbud data: an average residential multi-family building, five-storey, with an underground garage; construction technology: continuous footing, construction walls and ceilings – reinforced concrete, monolithic, masonry curtain walls made from ceramic hollow brick units (MAX); change in the type of the building analysed is associated with closing of cost estimation for facility 1121. Analytical assumptions related to building 1121 have been maintained.

Figure 35 Warsaw – estimated structure of price per square metre of housing usable area in the PM (type 1122-302^{28/} building) for consumers.



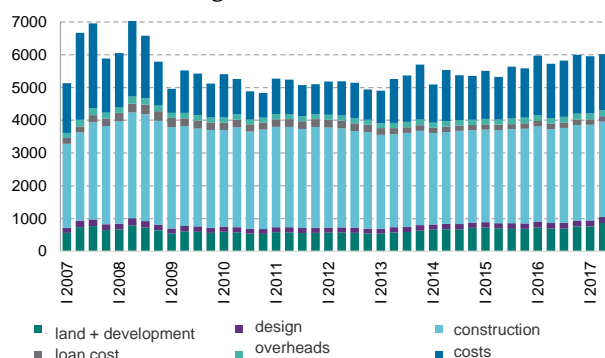
Source: NBP based on Sekocenbud, REAS.

Figure 36 Kraków – estimated structure of price per square metre of housing usable area in the PM (type 1122-302^{28/} building) for consumers.



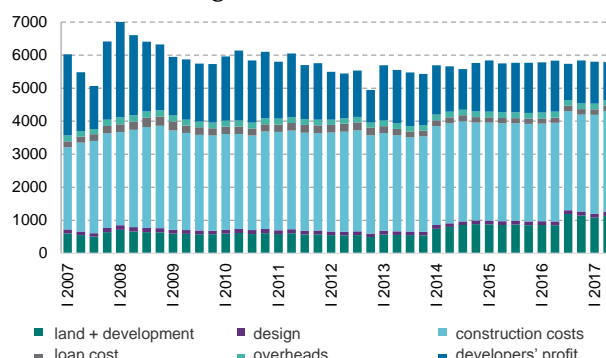
Source: NBP based on Sekocenbud, REAS.

Figure 37 Gdańsk – estimated structure of price per square metre of housing usable area in the PM (type 1122-302^{28/} building) for consumers.



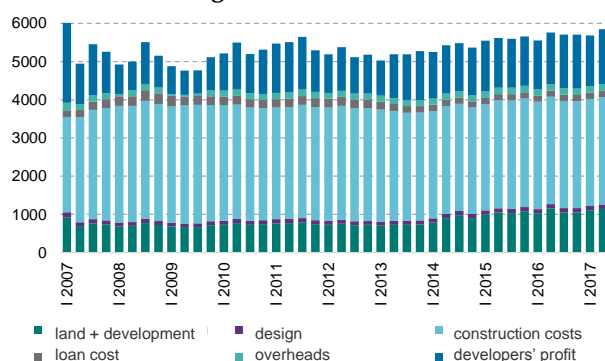
Source: NBP based on Sekocenbud, REAS.

Figure 38 Poznań – estimated structure of price per square metre of housing usable area in the PM (type 1122-302^{28/} building) for consumers.



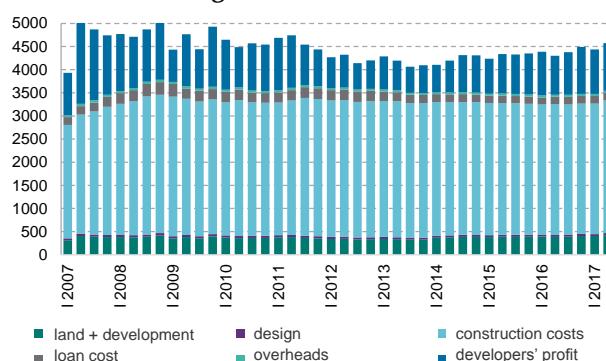
Source: NBP based on Sekocenbud, REAS.

Figure 39 Wrocław – estimated structure of price per square metre of housing usable area in the PM (type 1122-302^{28/} building) for consumers.



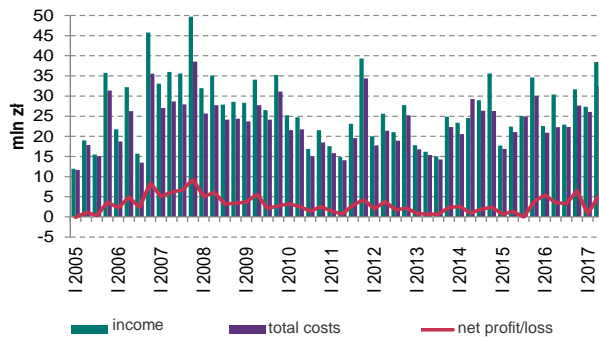
Source: NBP based on Sekocenbud, REAS.

Figure 40 Łódź – estimated structure of price per square metre of housing usable area in the PM (type 1122-302^{28/} building) for consumers.



Source: NBP based on Sekocenbud, REAS.

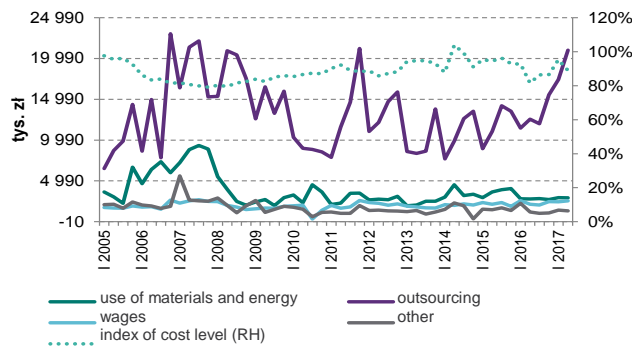
Figure 41 Economic indicators of an average large real estate developer (DFD)



Note to Figures 41 - 43: DFD - a large developer employs over 50 persons according to GUS.

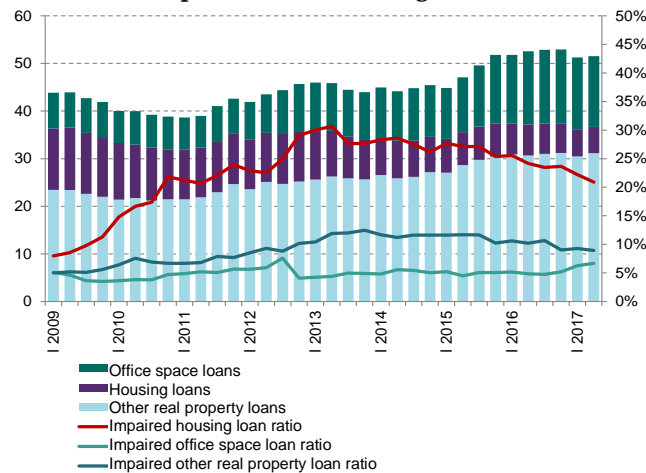
Source: NBP based on GUS (F01).

Figure 43 Costs of an average DFD



Source: NBP based on GUS (F01).

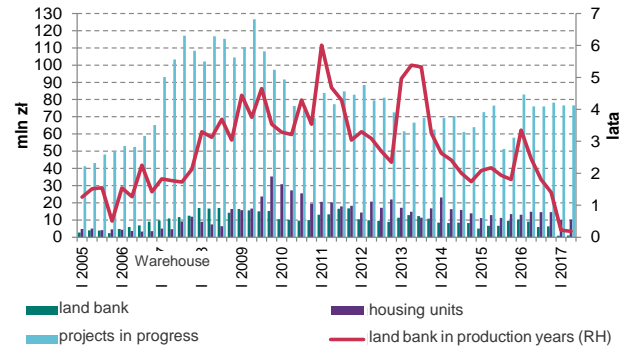
Figure 45 Loans to corporations for real estate purchases (in PLN billion, left-hand scale) and the share of loans classified as impaired loans (in % right-hand scale)



Data exclusive of BGK.

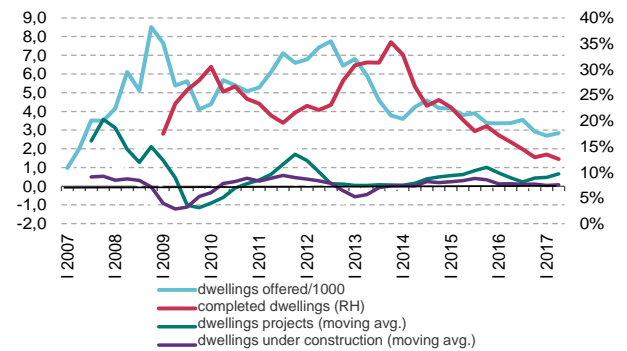
Source: NBP.

Figure 42 Situation of an average large real estate developer (DFD)



Source: NBP based on GUS (F01).

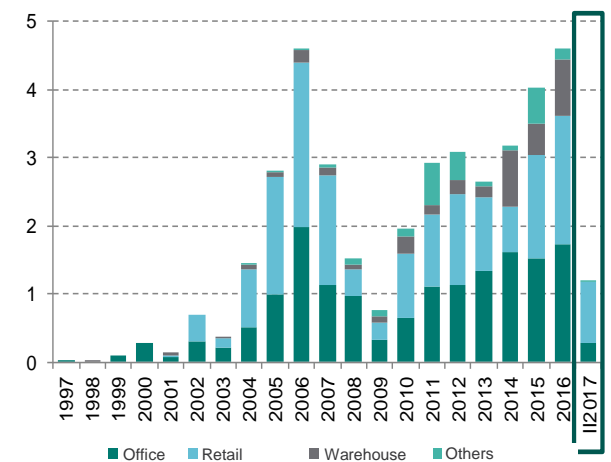
Figure 44 Residential projects and dwellings under construction and dwellings put on sale in 7M.



Note: Projects under construction are building permits minus completed dwellings ready for occupancy; dwellings under construction are dwellings whose construction started minus completed dwellings; figures divided by sales in a particular period.

Source: NBP based on GUS.

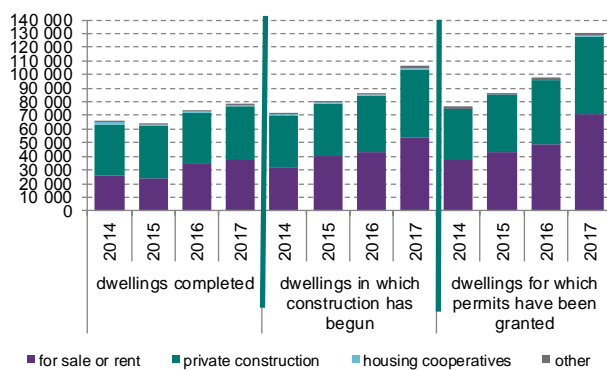
Figure 46 Value of investment transactions in the commercial real estate market (in EUR billion)



Source: Comparables.pl.

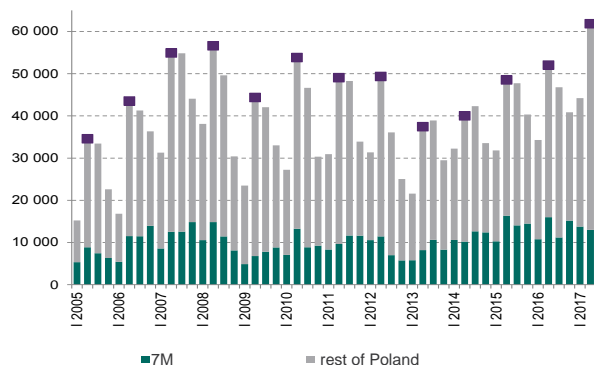
5. Residential construction and the housing market in Poland's selected cities

Figure 47 Structure of residential construction investors in Poland in two quarters of the years 2014-2017



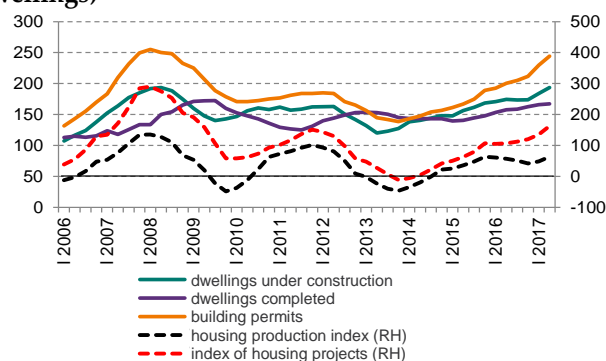
Source: GUS.

Figure 49 Dwellings under construction in Poland, in quarter-on-quarter terms



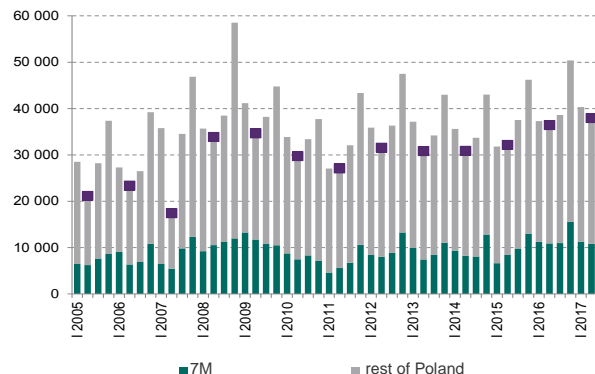
Source: GUS.

Figure 51 Housing construction in Poland (thousand dwellings) and home construction indicator in Poland (dwellings under construction minus completed dwellings)



Note: rolling averages for the last four quarters
Source: NBP based on Sekocenbud, REAS.

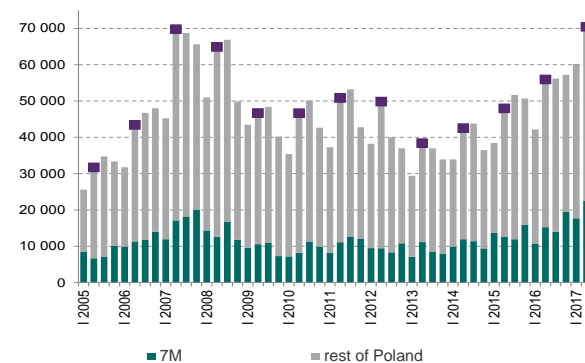
Figure 48 Completed dwellings in Poland, in quarter-on-quarter terms



Note to Figures 48-50: in violet colour only fourth quarters have been marked.

Source: GUS.

Figure 50 Issued building permits in Poland, in quarter-on-quarter terms



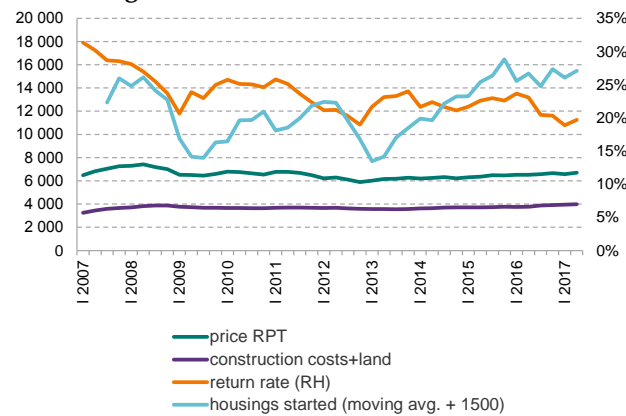
Source: GUS.

Figure 52 Number of dwellings put on the market, both sold and offered for sale in Poland's 6 largest markets*



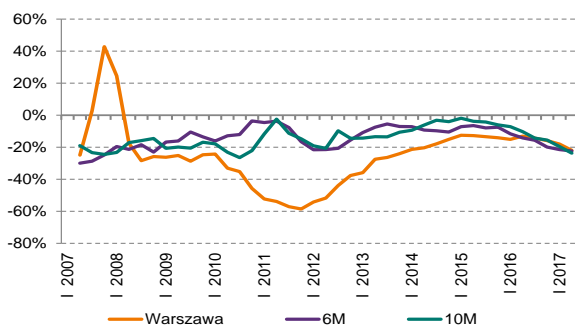
*Warsaw, Kraków, Tri-City Agglomeration of Gdańsk, Sopot and Gdynia, Wrocław, Poznań, Łódź.
Source: REAS.

Figure 53 Housing supply and estimated rate of return on housing investment in PM in 7M



Source: NBP, GUS, REAS, Sekocenbud.

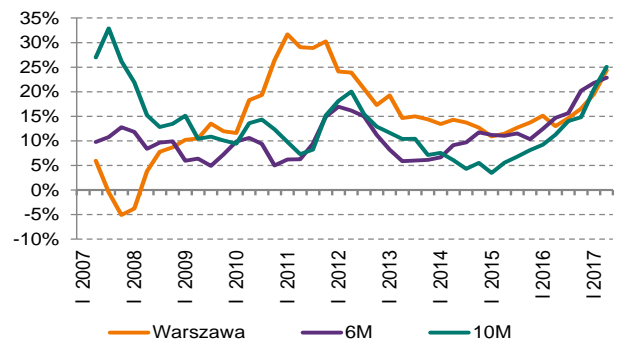
Wykres 54 Measure of adjustment of dwellings on offer to demand* in terms of area ≤ 50 sq. m, PM in Poland's selected cities



Note: Figure 54 shows the percentage, short-term mismatch between supply (housing offers by real estate developers) and estimated demand (transactions) with regard to the housing unit area in the primary market, 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 metres offered for sale to the number of transactions involving housing units with a total area of up to 50 square metres (the average figure for the last four quarters). A positive result (above the black line) indicates the surplus of dwellings of a particular size, a negative result – their deficit. Figure 55 is parallel for the primary market, figures 56-57 - are parallel for the secondary market.

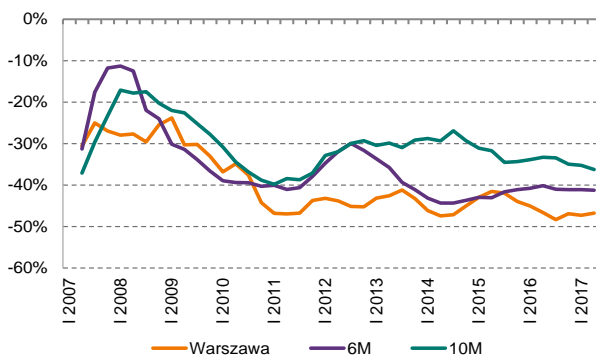
Source: NBP.

Figure 55 Measure of adjustment of dwellings on offer to demand* in terms of area > 50 sq. m, PM in Poland's selected cities



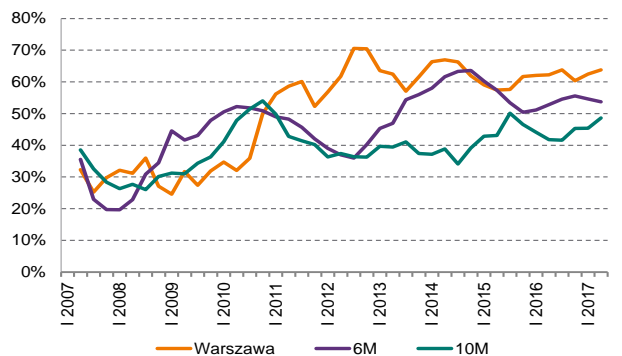
Source: NBP.

Figure 56 Supply and demand mismatch*; dwellings with an area ≤ 50 square metres – secondary market in selected cities of Poland



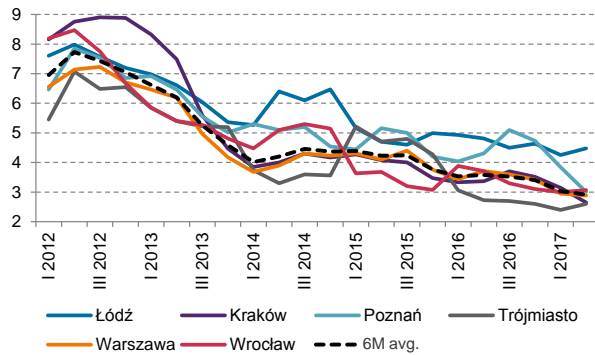
Source: NBP.

Figure 57 Supply and demand mismatch*; dwellings with an area > 50 square metres – secondary market in selected cities of Poland



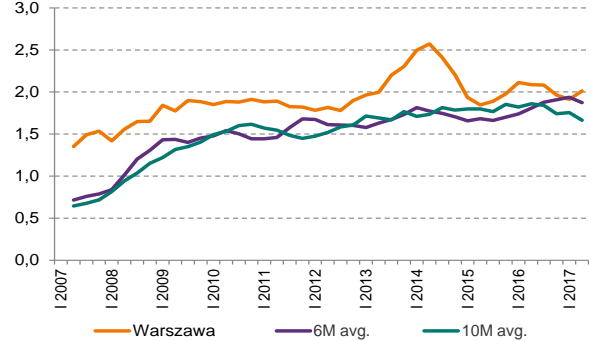
Source: NBP.

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



Note: home selling time in the primary market is the ratio of the number of dwellings being on offer at the end of the current quarter to the number of dwellings sold in the last four quarters.
Source: NBP based on REAS.

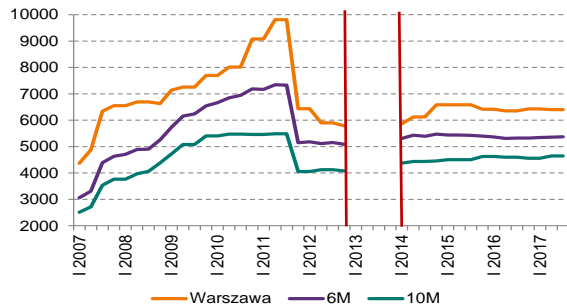
Figure 59 Selling time of dwellings on offer in the secondary market in selected cities (number of quarters)



Note: the actual average home selling time from the last four quarters; data not comparable with Figure 58. Home selling time in the secondary real estate markets takes into account sale transactions only. Underestimated data as they are exclusive of entered offers which have not been sold yet.
Source: NBP.

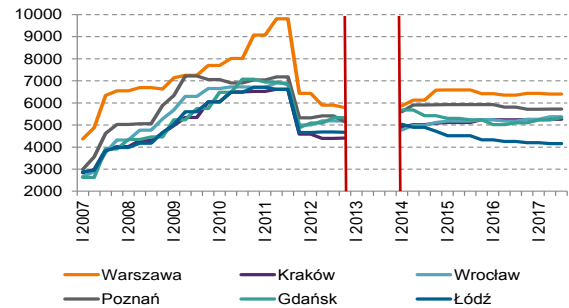
6. Housing policy

Figure 60 Price caps per square metre of housing in the primary market in the government-subsidized housing scheme in Poland's largest cities (in PLN)



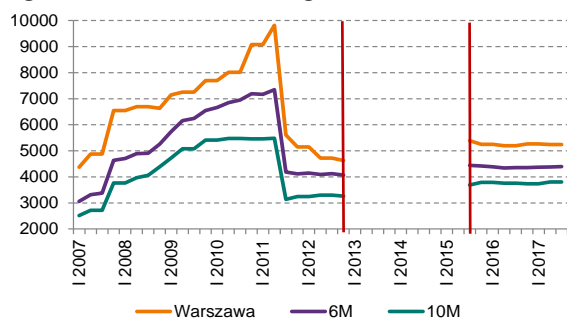
Note to Figures 60 - 65: The red vertical lines section off the period without government housing-subsidy schemes
Source: BGK.

Figure 61 Price caps per square metre of housing in the primary market in the government-subsidized housing scheme in Poland's largest cities (in PLN)



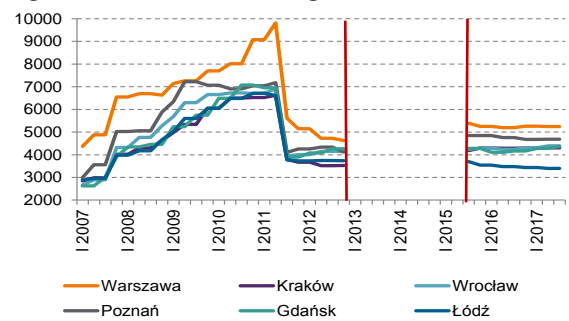
Source: BGK.

Figure 62 Price caps per square metre of housing in the primary market in the government-subsidized housing scheme in Poland's largest cities (in PLN)



Source: BGK.

Figure 63 Price caps per square metre of housing in the primary market in the government-subsidized housing scheme in Poland's largest cities (in PLN)



Source: BGK.

Figure 64 Gap in the limit of government-subsidized housing schemes as compared to the median of transaction price per square metre of housing in the PM

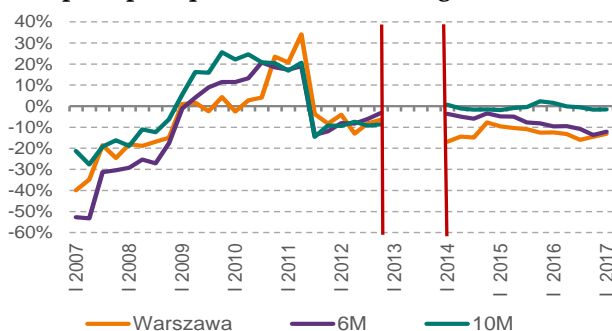
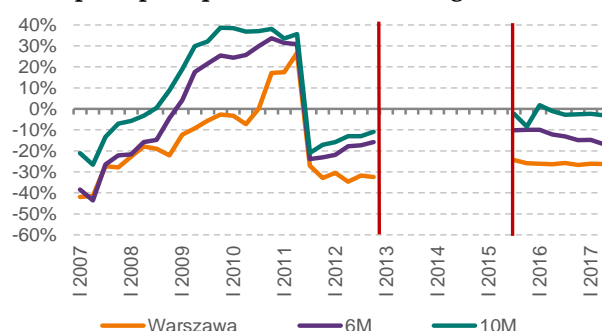


Figure 65 Gap in the limit of government-subsidized housing schemes as compared to the median of transaction price per square metre of housing in the SM



Note to Figures 64-65: 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, BGK.

Source: NBP, BGK.

Figure 66 Transactions involving dwellings, including those meeting the eligibility criteria under the MDM housing scheme* in Gdańsk according to BaRN database

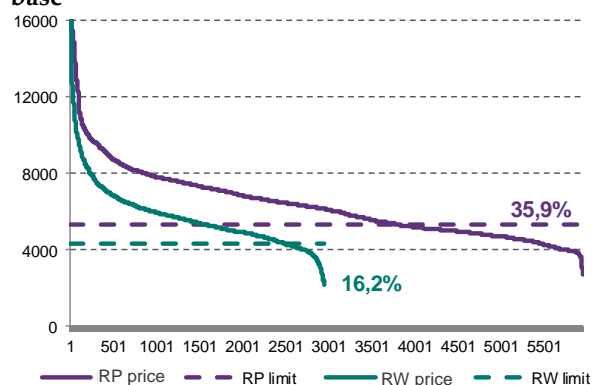
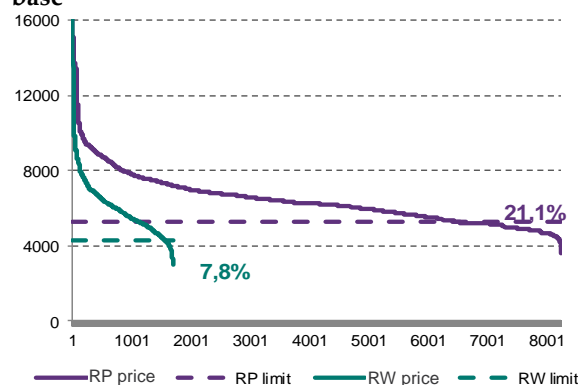


Figure 67 Transactions involving dwellings, including those meeting the eligibility criteria under the MDM housing scheme in Kraków according to BaRN database

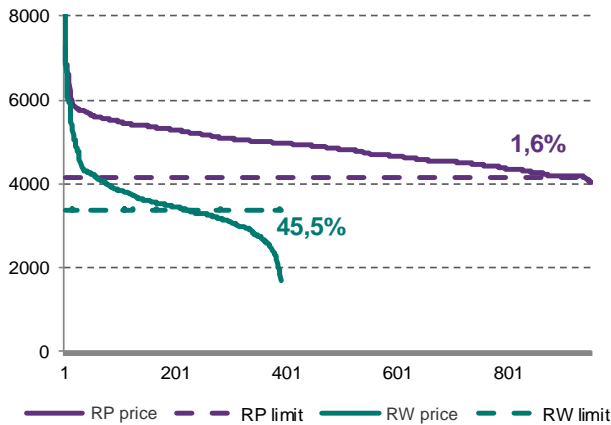


Note to Figures 66-71: the share of dwellings in the PM and SM meeting the eligibility criteria of the MDM housing scheme in 2017 Q3 have been calculated on the basis of transactions involving dwellings with an area below 75 sq. m., concluded in the period 2016 Q3 - 2016 Q2, according to BaRN database.

Source: NBP.

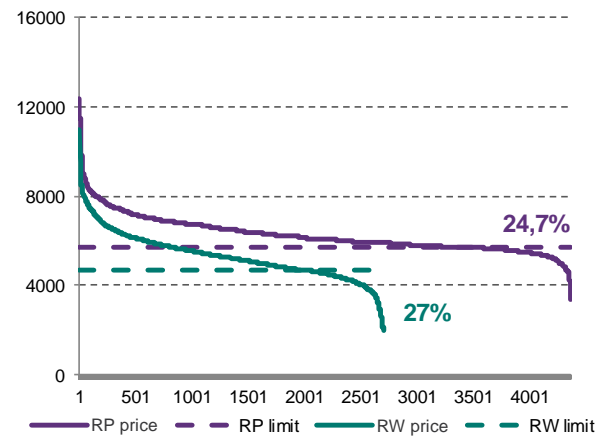
Source: NBP.

Figure 68 Transactions involving dwellings, including those meeting the eligibility criteria under the MDM housing scheme in Łódź according to BaRN database



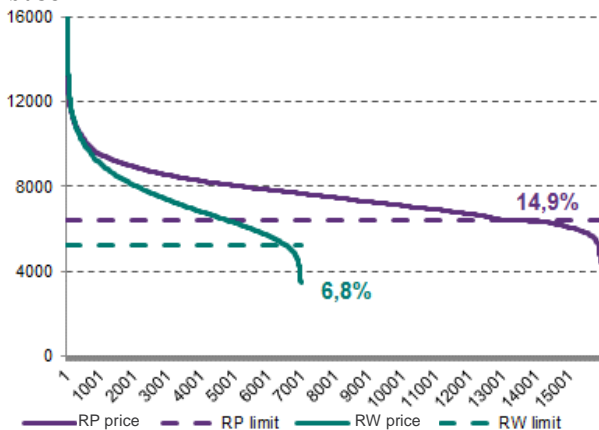
Source: NBP.

Figure 69 Transactions involving dwellings, including those meeting the eligibility criteria under the MDM housing scheme in Poznań according to BaRN database



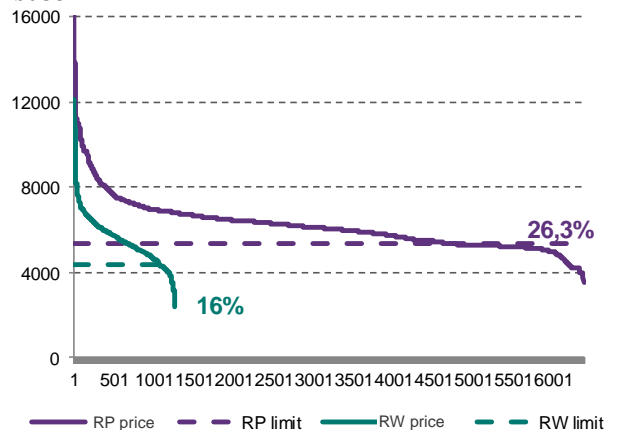
Source: NBP.

Figure 70 Transactions involving dwellings, including those meeting the eligibility criteria under the MDM housing scheme in Warsaw according to BaRN database



Source: NBP.

Figure 71 Transactions involving dwellings, including those meeting the eligibility criteria under the MDM housing scheme in Wrocław according to BaRN database



Source: NBP.

Table 3 The share of dwellings meeting the limit of the housing area and maximum price in the PM and SM set by the MDM housing scheme in 2017 Q3, according to the BaRN database.

	PM		SM	
	The share of dwellings with an area <75 sq.m	The share of dwellings with an area <75 sq.m & that meet the MDM price limits	The share of dwellings with an area <75 sq.m	The share of dwellings with an area <75 sq.m & that meet the MDM price limits
Białystok	96,1%	62,6%	95,6%	45,5%
Bydgoszcz	90,5%	55,8%	94,4%	61,9%
Gdańsk	92,9%	33,6%	90,2%	14,6%
Katowice	92,1%	26,6%	92,5%	64,5%
Kielce	95,8%	75,8%	97,6%	77,2%
Kraków	94,1%	19,9%	93,9%	6,8%
Lublin	94,0%	33,5%	93,8%	19,6%
Łódź	89,3%	1,4%	89,1%	40,6%
Olsztyn	97,8%	58,2%	94,0%	40,5%
Opole	96,0%	45,6%	91,8%	24,0%
Poznań	94,0%	23,3%	91,9%	25,2%
Rzeszów	93,7%	21,2%	95,0%	8,8%
Szczecin	93,6%	34,2%	86,8%	28,3%
Warszawa	89,2%	13,3%	89,7%	6,2%
Wrocław	94,2%	23,7%	86,6%	14,2%
Zielona Góra	92,5%	92,1%	95,1%	71,7%

Note to Table 2: percentage of dwellings in PM and SM offer, eligible under the MDM scheme limits, has been calculated based on transactions involving dwellings from the BaRN database, which were conducted in the period 2016 Q3 - 2017 Q3. Changes in the percentage of dwellings resulting from changes in limits and quarter-to-quarter changes in the sample concerning housing transactions.

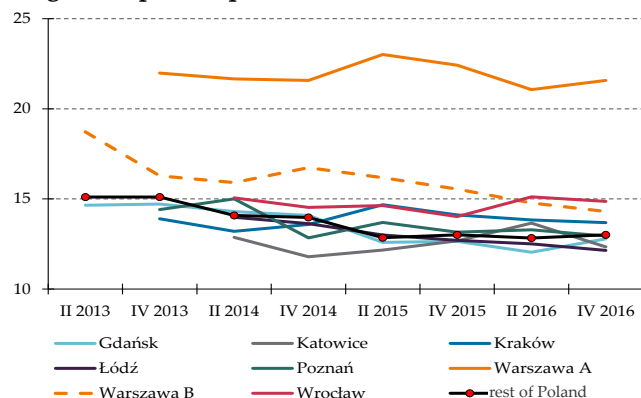
Source: NBP, BGK.

Percentage of dwellings with an area below 75 square metres

Percentage of dwellings with an area below 75 square meters meeting price limits under the DMD scheme

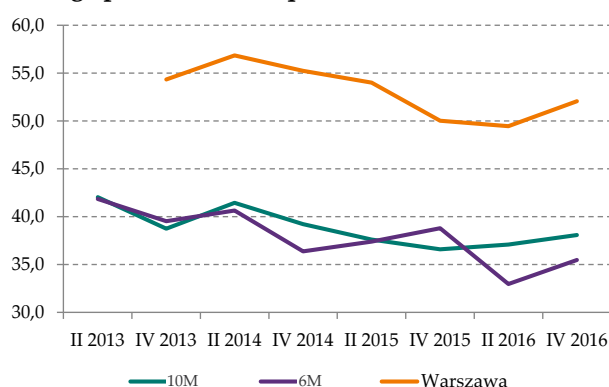
7. Transaction rents of commercial real estate

Figure 72 Transaction rents for A class office space (average EUR price/ sq.m./month)



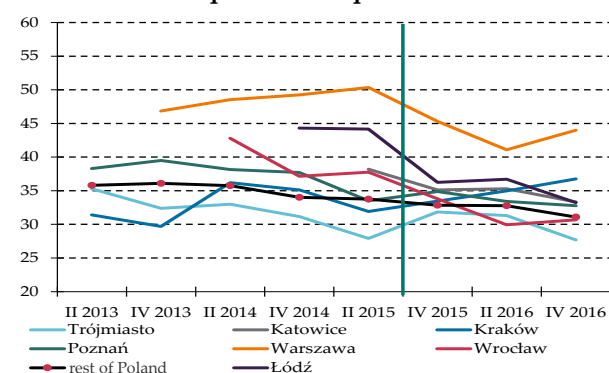
Note: Warsaw - A class office buildings, Warsaw - B class office buildings
Source: NBP.

Figure 73 Transaction rents for B class office premises (average prices in EUR/sq.m./month)



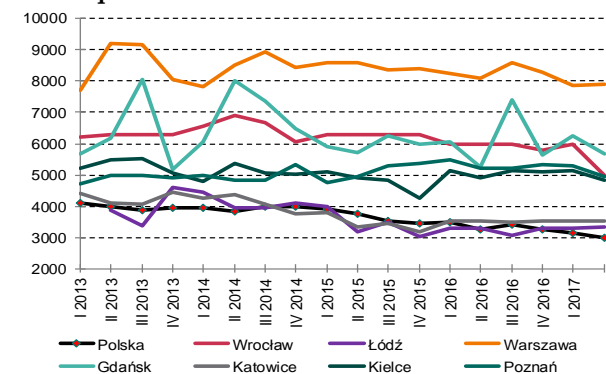
Note: Gdańsk, Gdynia, Kraków, Łódź, Poznań, Wrocław
Source NBP.

Figure 74 Transaction rents for retail space in shopping centres (shopping malls) with an area ranging from 100 to 500 sq. m (EUR/sq.m./month)



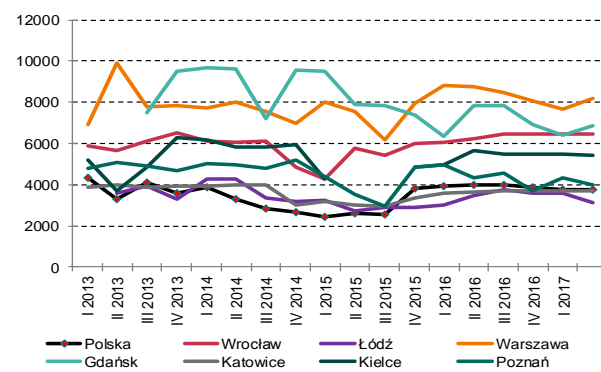
Source: NBP.

Figure 75 Median of the offer selling price of small retail and commercial premises in the secondary market (PLN/sq.m.)



Source: PONT, NBP material

Figure 76 Median of offer selling price of small office premises in the secondary market (PLN/sq.m.)



Source: PONT, NBP material

Table 4 Average prices of housing per square metre in the primary market in Gdańsk

specification	II Q 2016		III Q 2016		IV Q 2016		I Q 2017		II Q 2017 r.	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 581	6 185	6 536	6 283	6 550	6 481	6 462	6 430	6 775	6 501
growth (q-o-q)	99,2	95,9	99,3	101,6	100,2	103,1	98,7	99,2	104,9	101,1
growth (y-o-y)	98,7	107,6	101,9	103,2	100,9	107,5	97,4	99,7	102,9	105,1
dwelling price range	3 619	1 549	3 584	1 313	3 517	1 647	3 600	1 951	4 211	1 655
<=4 000 PLN/sq.m	68	93	70	37	41	50	45	58	28	61
(4 001; 6 000] PLN/sq.m	1 675	815	1 553	651	1 535	649	1 609	853	1 572	691
(6 001; 8 000] PLN/sq.m	1 181	432	1 322	461	1 298	684	1 385	699	1 446	604
(8 001; 10 000] PLN/sq.m	487	109	501	95	493	215	431	257	1 054	231
>10 001 PLN/sq.m	208	100	138	69	150	49	130	84	111	68
dwelling space range	3 619	1 549	3 584	1 313	3 517	1 647	3 600	1 951	4 211	1 655
<= 40 sq.m	622	382	611	353	487	480	610	536	828	444
(40,1; 60] sq.m	1716	771	1721	641	1649	799	1702	917	1865	784
(60,1; 80] sq.m	1010	297	1018	242	1105	308	1075	387	1243	345
> 80,1 sq.m	271	99	234	77	276	60	213	111	275	82
average price of 1 sq.m. of dwelling	6 581	6 185	6 536	6 283	6 550	6 481	6 462	6 430	6 775	6 501
<=4 000 sq.m	6 774	5 796	6 884	6 026	6 715	6 747	6 954	6 509	7 301	6 798
(40,1; 60] sq.m	6 324	6 144	6 275	6 177	6 331	6 371	6 232	6 334	6 583	6 441
(60,1; 80] sq.m	6 562	6 303	6 485	6 581	6 505	6 163	6 326	6 368	6 518	6 186
> 80,1 sq.m	7 840	7 651	7 760	7 418	7 740	7 457	7 572	7 062	7 660	6 787
average offer price deviation	6,4%	x	4,0%	x	1,1%	x	0,5%	x	4,2%	x
<= 40 sq.m	16,9%	x	14,2%	x	-0,5%	x	6,8%	x	7,4%	x
(40,1; 60] sq.m	2,9%	x	1,6%	x	-0,6%	x	-1,6%	x	2,2%	x
(60,1; 80] sq.m	4,1%	x	-1,5%	x	5,6%	x	-0,7%	x	5,4%	x
> 80,1 sq.m	2,5%	x	4,6%	x	3,8%	x	7,2%	x	12,9%	x

Source: NBP.

Figure 5 Average prices of housing per square metre in the secondary market in Gdańsk

specification	II Q 2016		III Q 2016		IV Q 2016		I Q 2017		II Q 2017 r.	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 319	5 521	6 226	5 555	6 455	5 610	6 566	5 778	6 970	6 030
growth (q-o-q)	102,0	102,9	98,5	100,6	103,7	101,0	101,7	103,0	106,2	104,4
growth (y-o-y)	106,2	108,0	103,9	108,6	105,3	103,1	106,0	107,7	110,3	109,2
dwelling price range	2 114	1 089	1 726	966	1 719	929	1 308	628	1 207	747
<=4 000 PLN/sq.m	81	133	122	93	90	88	77	67	44	53
(4 001; 6 000] PLN/sq.m	1 113	694	876	606	867	574	640	338	502	391
(6 001; 8 000] PLN/sq.m	641	190	490	205	487	195	363	166	408	218
(8 001; 10 000] PLN/sq.m	153	45	137	36	139	38	112	36	116	57
>10 001 PLN/sq.m	126	27	101	26	136	34	116	21	137	28
dwelling space range	2 114	1 089	1 726	966	1 719	929	1 308	628	1 207	747
<= 40 sq.m	308	236	250	246	274	234	204	151	167	184
(40,1; 60] sq.m	746	517	560	435	543	414	432	253	404	342
(60,1; 80] sq.m	666	237	554	227	546	212	383	155	353	179
> 80,1 sq.m	394	99	362	58	356	69	289	69	283	42
average price of 1 sq.m. of dwelling	6 319	5 521	6 226	5 555	6 455	5 610	6 566	5 778	6 970	6 030
<=4 000 sq.m	6 801	5 895	6 756	5 955	6 879	6 298	6 995	6 244	7 629	6 642
(40,1; 60] sq.m	6 198	5 364	6 237	5 466	6 454	5 436	6 523	5 829	6 929	5 943
(60,1; 80] sq.m	6 066	5 178	6 084	5 159	6 355	5 160	6 438	5 332	6 876	5 762
> 80,1 sq.m	6 599	6 270	6 061	6 088	6 285	5 699	6 496	5 579	6 755	5 209
average offer price deviation	14,5%	x	12,1%	x	15,1%	x	13,6%	x	15,6%	x
<= 40 sq.m	15,4%	x	13,5%	x	9,2%	x	12,0%	x	14,9%	x
(40,1; 60] sq.m	15,5%	x	14,1%	x	18,7%	x	11,9%	x	16,6%	x
(60,1; 80] sq.m	17,1%	x	17,9%	x	23,2%	x	20,7%	x	19,3%	x
> 80,1 sq.m	5,2%	x	-0,4%	x	10,3%	x	16,4%	x	29,7%	x

Source: NBP.

Table 6 Average prices of housing per square metre in the primary market in Kraków

specification	II Q 2016		III Q 2016		IV Q 2016		I Q 2017		II Q 2017 r.	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 670	6 343	6 526	6 298	6 711	6 451	6 619	6 373	6 746	6 583
growth (q-o-q)	102,2	101,7	97,8	99,3	102,8	102,4	98,6	98,8	101,9	103,3
growth (y-o-y)	99,3	107,6	98,0	99,8	102,9	101,5	101,5	102,1	101,1	103,8
dwelling price range	6 478	2 002	7 299	1 686	6 236	2 156	7 194	2 269	6 210	2 225
<=4 000 PLN/sq.m	15	1	12	4	8	2	12	2	11	4
(4 001; 6 000] PLN/sq.m	2 076	841	2 768	752	2 233	779	2 193	1 000	1 741	815
(6 001; 8 000] PLN/sq.m	3 665	1 001	3 785	813	3 053	1 180	4 094	1 018	3 508	1 063
(8 001; 10 000] PLN/sq.m	534	125	557	90	761	156	796	226	844	311
>10 001 PLN/sq.m	188	34	177	27	181	39	99	23	106	32
dwelling space range	6 478	2 002	7 299	1 686	6 236	2 156	7 194	2 269	6 210	2 225
<= 40 sq.m	1329	607	1490	534	1116	676	1161	673	938	619
(40,1; 60] sq.m	3444	984	3985	824	3452	1038	4083	1171	3480	1177
(60,1; 80] sq.m	1345	336	1378	261	1219	356	1518	329	1370	342
> 80,1 sq.m	360	75	446	67	449	86	432	96	422	87
average price of 1 sq.m. of dwelling	6 670	6 343	6 526	6 298	6 711	6 451	6 619	6 373	6 746	6 583
<=4 000 sq.m	6647	6485	6494	6261	6923	6554	6888	6605	7166	6883
(40,1; 60] sq.m	6469	6133	6329	6084	6470	6224	6430	6170	6513	6405
(60,1; 80] sq.m	6892	6500	6759	6656	6838	6560	6672	6412	6821	6505
> 80,1 sq.m	7855	7249	7670	7840	7685	7922	7502	7084	7491	7177
average offer price deviation	5,2%	x	3,6%	x	4,0%	x	3,9%	x	2,5%	x
<= 40 sq.m	2,5%	x	3,7%	x	5,6%	x	4,3%	x	4,1%	x
(40,1; 60] sq.m	5,5%	x	4,0%	x	4,0%	x	4,2%	x	1,7%	x
(60,1; 80] sq.m	6,0%	x	1,5%	x	4,2%	x	4,1%	x	4,9%	x
> 80,1 sq.m	8,4%	x	-2,2%	x	-3,0%	x	5,9%	x	4,4%	x

Source: NBP.

Figure 7 Average prices of housing per square metre in the secondary market in Kraków

specification	II Q 2016		III Q 2016		IV Q 2016		I Q 2017		II Q 2017 r.	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 756	5 740	6 837	5 820	6 910	5 951	6 859	5 979	6 992	6 038
growth (q-o-q)	99,0	97,6	101,2	101,4	101,1	102,3	99,3	100,5	101,9	101,0
growth (y-o-y)	96,8	93,2	98,4	95,5	101,7	100,2	100,5	101,6	103,5	105,2
dwelling price range	1 475	312	1 537	321	1 464	391	1 160	452	1 301	486
<=4 000 PLN/sq.m	2	4	4	8	4	6	3	11	3	5
(4 001; 6 000] PLN/sq.m	548	205	557	184	493	216	390	243	399	263
(6 001; 8 000] PLN/sq.m	674	85	690	111	677	143	553	168	631	176
(8 001; 10 000] PLN/sq.m	189	13	203	16	200	19	155	26	192	36
>10 001 PLN/sq.m	62	5	83	2	90	7	59	4	76	6
dwelling space range	1 475	312	1 537	321	1 464	391	1 160	452	1 301	486
<= 40 sq.m	284	120	292	128	277	156	217	177	266	183
(40,1; 60] sq.m	626	128	640	134	608	180	511	195	559	213
(60,1; 80] sq.m	345	52	355	44	365	44	278	59	304	65
> 80,1 sq.m	220	12	250	15	214	11	154	21	172	25
average price of 1 sq.m. of dwelling	6 756	5 740	6 837	5 820	6 910	5 951	6 859	5 979	6 992	6 038
<=4 000 sq.m	7 056	5 787	7 250	6 035	7 445	6 363	7 480	6 423	7 645	6 384
(40,1; 60] sq.m	6 565	5 696	6 547	5 692	6 737	5 722	6 709	5 739	6 799	5 788
(60,1; 80] sq.m	6 723	5 618	6 762	5 602	6 759	5 455	6 742	5 642	6 781	5 776
> 80,1 sq.m	6 967	6 264	7 205	5 763	6 970	5 845	6 694	5 421	6 987	6 314
average offer price deviation	17,7%	x	17,5%	x	16,1%	x	14,7%	x	15,8%	x
<= 40 sq.m	21,9%	x	20,1%	x	17,0%	x	16,5%	x	19,8%	x
(40,1; 60] sq.m	15,2%	x	15,0%	x	17,7%	x	16,9%	x	17,5%	x
(60,1; 80] sq.m	19,7%	x	20,7%	x	23,9%	x	19,5%	x	17,4%	x
> 80,1 sq.m	11,2%	x	25,0%	x	19,2%	x	23,5%	x	10,7%	x

Source: NBP.

Table 8 Average prices of housing per square metre in the primary market in Łódź

specification	II Q 2016		III Q 2016		IV Q 2016		I Q 2017		II Q 2017 r.	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	4 894	4 646	4 900	4 727	5 110	4 850	4 943	4 792	5 180	4 940
growth (q-o-q)	102,5	98,1	100,1	101,7	104,3	102,6	96,7	98,8	104,8	103,1
growth (y-o-y)	99,8	99,1	100,4	101,1	105,8	103,3	103,6	101,1	105,8	106,3
dwelling price range	1 475	262	1 306	165	1 794	233	1 138	316	1 394	237
<=4 000 PLN/sq.m	11	15	1	3	1	4	3	4	2	0
(4 001; 4 500] PLN/sq.m	270	96	365	63	170	66	151	77	141	43
(4 501; 5 000] PLN/sq.m	559	100	424	55	742	83	509	127	418	95
(5 001; 5 500] PLN/sq.m	570	39	460	29	543	50	310	91	467	63
(5 501; 6 000] PLN/sq.m	55	9	47	15	214	21	140	15	257	31
> 6 001 PLN/sq.m	10	3	9	0	124	9	25	2	109	5
dwelling space range	1 475	262	1 306	165	1 794	233	1 138	316	1 394	237
<= 40 sq.m	130	28	124	26	158	38	87	38	143	51
(40,1; 60] sq.m	679	115	614	85	830	109	508	174	658	118
(60,1; 80] sq.m	536	94	448	41	641	73	404	83	459	50
> 80,1 sq.m	130	25	120	13	165	13	139	21	134	18
average price of 1 sq.m. of dwelling	4 894	4 646	4 900	4 727	5 110	4 850	4 943	4 792	5 180	4 940
<=4 000 sq.m	4 904	4 907	4 822	4 961	5 042	4 934	4 942	4 851	5 284	5 069
(40,1; 60] sq.m	4 939	4 776	4 929	4 755	5 107	4 789	4 942	4 780	5 189	4 884
(60,1; 80] sq.m	4 829	4 462	4 857	4 581	5 089	4 935	4 914	4 791	5 142	4 829
> 80,1 sq.m	4 922	4 445	4 992	4 534	5 271	4 640	5 028	4 782	5 157	5 248
average offer price deviation	5,3%	x	3,7%	x	5,4%	x	3,2%	x	4,9%	x
<= 40 sq.m	-0,1%	x	-2,8%	x	2,2%	x	1,9%	x	4,2%	x
(40,1; 60] sq.m	3,4%	x	3,7%	x	6,6%	x	3,4%	x	6,3%	x
(60,1; 80] sq.m	8,2%	x	6,0%	x	3,1%	x	2,6%	x	6,5%	x
> 80,1 sq.m	10,7%	x	10,1%	x	13,6%	x	5,1%	x	-1,7%	x

Source: NBP.

Figure 9 Average prices of housing per square metre in the secondary market in Łódź

specification	II Q 2016		III Q 2016		IV Q 2016		I Q 2017		II Q 2017 r.	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	4 009	3 347	4 036	3 284	4 096	3 417	4 149	3 509	4 203	3 582
growth (q-o-q)	101,8	102,1	100,7	98,1	101,5	104,0	101,3	102,7	102,6	104,8
growth (y-o-y)	103,7	97,2	104,2	97,3	106,4	102,3	105,3	107,1	106,7	109,3
dwelling price range	1 197	110	968	86	1 006	95	932	127	842	131
<= 3 000 PLN/sq.m	182	24	131	25	115	27	107	30	84	27
(3 001; 3 500] PLN/sq.m	219	53	175	30	174	28	141	46	109	33
(3 501; 4 000] PLN/sq.m	318	23	251	19	251	22	226	28	210	38
(4 001; 4 500] PLN/sq.m	208	5	187	7	198	12	196	13	177	20
(4 500; 5 000] PLN/sq.m.	115	4	90	3	119	0	114	3	111	4
>] 5 001 PLN/sq.m	155	1	134	2	149	6	148	7	151	9
dwelling space range	1 197	110	968	86	1 006	95	932	127	842	131
<= 40 sq.m	215	44	168	30	170	27	149	40	123	39
(40,1; 60] sq.m	437	50	356	37	386	44	332	64	313	65
(60,1; 80] sq.m	253	9	195	9	207	12	201	16	167	15
> 80,1 sq.m	292	7	249	10	243	12	250	7	239	12
average price of 1 sq.m. of dwelling	4 009	3 347	4 036	3 284	4 096	3 417	4 149	3 509	4 203	3 588
<=4 000 sq.m	3 716	3 330	3 800	3 270	3 939	3 539	4 121	3 546	4 067	3 594
(40,1; 60] sq.m	3 974	3 462	4 004	3 257	4 087	3 496	4 077	3 581	4 138	3 607
(60,1; 80] sq.m	4 209	3 231	4 181	3 711	4 232	3 375	4 296	3 501	4 403	3 809
> 80,1 sq.m	4 104	2 777	4 127	3 045	4 106	2 892	4 144	2 653	4 220	3 193
average offer price deviation	19,8%	x	22,9%	x	19,9%	x	18,2%	x	17,3%	x
<= 40 sq.m	11,6%	x	16,2%	x	11,3%	x	16,2%	x	13,2%	x
(40,1; 60] sq.m	14,8%	x	22,9%	x	16,9%	x	13,8%	x	14,7%	x
(60,1; 80] sq.m	30,3%	x	12,7%	x	25,4%	x	22,7%	x	15,6%	x
> 80,1 sq.m	47,8%	x	35,5%	x	42,0%	x	56,2%	x	32,2%	x

Source: NBP.

Table 10 Average prices of housing per square metre in the primary market in Poznań

specification	II Q 2016		III Q 2016		IV Q 2016		I Q 2017		II Q 2017 r.	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 458	6 298	6 453	6 195	6 403	6 304	6 428	6 266	6 435	6 261
growth (q-o-q)	100,5	100,8	99,9	98,4	99,2	101,8	100,4	99,40	100,1	99,9
growth (y-o-y)	98,9	101,4	99,5	99,5	98,3	101,1	100,1	100,3	99,7	99,4
dwellings price range	4 308	889	4 366	935	4 462	1 236	4 432	1 115	4 338	1 376
<=4 000 PLN/sq.m	3	3	1	3	2		11	1	11	
(4 001; 6 000] PLN/sq.m	1 448	423	1 588	516	1 560	566	1 554	529	1 522	603
(6 001; 8 000] PLN/sq.m	2 547	418	2 488	369	2 654	616	2 601	543	2 578	746
(8 001; 10 000] PLN/sq.m	272	44	230	46	192	48	222	38	185	23
>10 001 PLN/sq.m	38	1	59	1	54	6	44	4	42	4
dwellings space range	4 308	889	4 366	935	4 462	1 236	4 432	1 115	4 338	1 376
<= 40 sq.m	782	234	826	248	799	391	664	325	644	332
(40,1; 60] sq.m	2352	452	2367	485	2475	568	2532	571	2551	755
(60,1; 80] sq.m	905	141	938	154	936	223	944	175	875	231
> 80,1 sq.m	269	62	235	48	252	54	292	44	268	58
average price of 1 sq.m. of dwelling	6 458	6 298	6 453	6 195	6 403	6 304	6 428	6 266	6 435	6 261
<=4 000 sq.m	6 587	6 290	6 738	6 203	6 692	6 441	6 700	6 313	6 704	6 479
(40,1; 60] sq.m	6 412	6 311	6 391	6 209	6 332	6 258	6 366	6 236	6 380	6 206
(60,1; 80] sq.m	6 386	6 352	6 327	6 110	6 306	6 157	6 380	6 229	6 385	6 152
> 80,1 sq.m	6 719	6 103	6 578	6 290	6 536	6 398	6 511	6 469	6 481	6 168
average offer price deviation	2,5%	x	4,2%	x	1,6%	x	2,6%	x	2,8%	x
<= 40 sq.m	4,7%	x	8,6%	x	3,9%	x	6,1%	x	3,5%	x
(40,1; 60] sq.m	1,6%	x	2,9%	x	1,2%	x	2,1%	x	2,8%	x
(60,1; 80] sq.m	0,5%	x	3,5%	x	2,4%	x	2,4%	x	3,8%	x
> 80,1 sq.m	10,1%	x	4,6%	x	2,2%	x	0,6%	x	5,1%	x

Source: NBP.

Figure 11 Average prices of housing per square metre in the secondary market in Poznań

specification	II Q 2016		III Q 2016		IV Q 2016		I Q 2017		II Q 2017 r.	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 040	5 177	6 093	5 236	6 123	5 282	5 966	5 158	6 081	5 266
growth (q-o-q)	101,7	102,2	100,9	101,2	100,5	100,9	97,4	97,7	101,9	102,1
growth (y-o-y)	103,6	103,8	112,6	102,7	106,9	104,4	100,5	101,8	100,7	101,7
dwellings price range	619	956	865	939	950	839	654	753	742	429
<=4 000 PLN/sq.m	35	98	41	86	38	98	37	81	35	30
(4 001; 6 000] PLN/sq.m	332	674	467	658	498	559	359	530	403	314
(6 001; 8 000] PLN/sq.m	189	174	262	185	315	166	191	123	221	81
(8 001; 10 000] PLN/sq.m	48	7	69	10	77	15	56	17	63	4
>10 001 PLN/sq.m	15	3	26	22	1	11	2	20	0	0
dwellings space range	619	956	865	939	950	840	651	753	742	429
<= 40 sq.m	113	257	151	294	172	252	99	205	113	133
(40,1; 60] sq.m	214	436	299	430	348	369	237	336	278	187
(60,1; 80] sq.m	161	197	222	158	240	164	169	160	182	95
> 80,1 sq.m	131	66	193	57	190	55	146	52	169	14
average price of 1 sq.m. of dwelling	6040	5177	6093	5236	6123	5282	5966	5158	6081	5266
<=4 000 sq.m	6405	5672	6686	5575	6665	5755	6599	5579	6690	5728
(40,1; 60] sq.m	6163	5159	6240	5222	6240	5303	6151	5263	6176	5205
(60,1; 80] sq.m	5732	4777	5785	4854	5785	4820	5638	4650	5799	4842
> 80,1 sq.m	5906	4559	5754	4663	5843	4345	5615	4385	5821	4564
average offer price deviation	16,7%	x	16,4%	x	15,9%	x	15,7%	x	15,5%	x
<= 40 sq.m	12,9%	x	19,9%	x	15,8%	x	18,3%	x	16,8%	x
(40,1; 60] sq.m	19,5%	x	19,5%	x	17,7%	x	16,9%	x	18,7%	x
(60,1; 80] sq.m	20,0%	x	19,2%	x	20,0%	x	21,3%	x	19,8%	x
> 80,1 sq.m	29,5%	x	23,4%	x	34,5%	x	28,0%	x	27,5%	x

Source: NBP.

Table 12 Average prices of housing per square metre in the primary market in Warsaw

specification	II Q 2016		III Q 2016		IV Q 2016		I Q 2017		II Q 2017 r.	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	7 649	7 583	7 772	7 696	7 638	7 686	7 707	7 562	7 740	7 683
growth (q-o-q)	97,1	99,3	101,6	101,5	98,3	99,9	100,9	98,4	100,4	101,6
growth (y-o-y)	97,2	101,0	99,6	101,8	98,1	103,0	97,8	99,0	101,2	101,3
dwellings price range	13 219	3 837	14 447	3 931	14 567	4 343	12 765	4 490	14 057	4 782
<=4 000 PLN/sq.m	0	0	0	0	0	0	0	1	0	0
(4 001; 6 000] PLN/sq.m	703	156	831	127	1 227	217	1 119	230	1 189	285
(6 001; 8 000] PLN/sq.m	8 728	2 569	8 801	2 516	8 872	2 585	7 467	2 827	7 852	2 841
(8 001; 10 000] PLN/sq.m	3 207	894	4 054	1 092	3 692	1 307	3 327	1 283	4 043	1 430
>10 001 PLN/sq.m	581	218	761	196	776	234	852	149	973	226
dwellings space range	13 219	3 837	14 447	3 931	14 567	4 343	12 765	4 490	14 057	4 782
<= 40 sq.m	2 293	714	2 409	987	2 189	1 101	1 736	1 012	1 769	928
(40,1; 60] sq.m	6 215	1 977	6 691	1 803	6 869	1 971	5 853	2 223	6 445	2 467
(60,1; 80] sq.m	3 472	869	3 837	793	3 974	920	3 574	921	4 110	975
> 80,1 sq.m	1 239	277	1 510	348	1 535	351	1 602	334	1 733	412
average price of 1 sq.m. of dwelling	7 649	7 583	7 772	7 696	7 638	7 686	7 707	7 562	7 740	7 683
<=4 000 sq.m	7 610	7 667	7 699	7 889	7 517	7 805	7 539	7 814	7 734	7 643
(40,1; 60] sq.m	7 577	7 469	7 683	7 529	7 506	7 569	7 534	7 424	7 603	7 602
(60,1; 80] sq.m	7 530	7 520	7 650	7 547	7 620	7 522	7 686	7 372	7 698	7 621
> 80,1 sq.m	8 412	8 378	8 586	8 354	8 449	8 397	8 564	8 241	8 354	8 397
average offer price deviation	0,9%	x	1,0%	x	-0,6%	x	1,9%	x	0,7%	x
<= 40 sq.m	-0,7%	x	-2,4%	x	-3,7%	x	-3,5%	x	1,2%	x
(40,1; 60] sq.m	1,5%	x	2,1%	x	-0,8%	x	1,5%	x	0,0%	x
(60,1; 80] sq.m	0,1%	x	1,4%	x	1,3%	x	4,3%	x	1,0%	x
> 80,1 sq.m	0,4%	x	2,8%	x	0,6%	x	3,9%	x	-0,5%	x

Source: NBP.

Table 13 Average prices of housing per square metre in the secondary market in Warsaw

specification	II Q 2016		III Q 2016		IV Q 2016		I Q 2017		II Q 2017 r.	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	8 721	7 355	8 778	7 309	8 709	7 556	8 816	7 429	8 885	7 347
growth (q-o-q)	100,7	98,9	100,7	99,4	99,2	103,4	101,2	98,3	100,8	98,9
growth (y-o-y)	102,0	100,6	102,5	98,1	100,6	102,1	101,8	99,9	101,9	99,9
dwellings price range	4 426	1 854	4 272	2 078	5 949	3 127	5 107	1 358	4 558	1 231
<=4 000 PLN/sq.m	1	12	1	5	2	29	3	5	2	1
(4 001; 6 000] PLN/sq.m	367	443	361	474	468	628	390	289	345	240
(6 001; 8 000] PLN/sq.m	1 721	838	1 619	1 001	2 359	1 441	1 933	645	1 617	626
(8 001; 10 000] PLN/sq.m	1 414	403	1 334	469	1 877	708	1 656	296	1 530	281
>10 001 PLN/sq.m	923	158	957	129	1 243	321	1 125	123	1 064	83
dwellings space range	4 426	1 854	4 272	2 078	5 949	3 127	5 107	1 358	4 558	1 231
<= 40 sq.m	623	620	554	671	913	1 015	763	481	701	427
(40,1; 60] sq.m	1 536	784	1 481	937	2 265	1 355	1 941	567	1 640	535
(60,1; 80] sq.m	1 087	308	1 102	300	1 420	489	1 182	197	1 083	183
> 80,1 sq.m	1 180	142	1 135	170	1 351	268	1 221	113	1 134	86
average price of 1 sq.m. of dwelling	8 721	7 355	8 778	7 309	8 709	7 556	8 816	7 429	8 885	7 347
<=4 000 sq.m	8 831	7 879	9 159	7 656	9 125	7 912	9 200	7 949	9 301	8 100
(40,1; 60] sq.m	8 283	7 040	8 399	6 958	8 236	7 164	8 379	7 030	8 559	6 940
(60,1; 80] sq.m	8 337	6 803	8 351	7 079	8 380	7 312	8 405	7 108	8 450	6 729
> 80,1 sq.m	9 586	8 009	9 501	8 277	9 565	8 632	9 667	7 779	9 515	7 459
average offer price deviation	18,6%	x	20,1%	x	15,3%	x	18,7%	x	20,9%	x
<= 40 sq.m	12,1%	x	19,6%	x	15,3%	x	15,7%	x	14,8%	x
(40,1; 60] sq.m	17,6%	x	20,7%	x	15,0%	x	19,2%	x	23,3%	x
(60,1; 80] sq.m	22,6%	x	18,0%	x	14,6%	x	18,2%	x	25,6%	x
> 80,1 sq.m	19,7%	x	14,8%	x	10,8%	x	24,3%	x	27,6%	x

Source: NBP.

Figure 14 Average prices of housing per square metre in the primary market in Wrocław

specification	II Q 2016		III Q 2016		IV Q 2016		I Q 2017		II Q 2017 r.	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 201	6 228	6 335	6 162	6 443	6 163	6 460	6 136	6 461	6 314
growth (q-o-q)	100,2	103,3	102,2	98,9	101,7	100,0	100,3	99,6	100,0	102,9
growth (y-o-y)	102,0	102,6	103,3	102,0	103,2	100,7	104,4	101,8	104,2	101,4
dwelling price range	5 097	1 306	5 570	1 355	5 266	1 719	5 296	1 585	5 584	1 850
<=4 000 PLN/sq.m	0	10	0	28	0	15	0	0	2	3
(4 001; 6 000]	2 292	646	2 380	567	2 161	809	2 370	756	2 431	817
(6 001; 8 000]	2 504	526	2 645	693	2 505	773	2 259	736	2 501	868
(8 001; 10 000]	274	101	442	62	393	98	431	64	415	110
>10 001 PLN/sq.m	27	23	103	5	207	24	236	29	235	52
dwelling space range	5 097	1 306	5 570	1 355	5 266	1 719	5 296	1 585	5 584	1 850
<= 40 sq.m	629	275	678	366	597	360	735	270	734	428
(40,1; 60] sq.m	2703	753	2948	673	2837	939	2750	919	2884	980
(60,1; 80] sq.m	1414	237	1568	252	1474	366	1491	330	1626	363
> 80,1 sq.m	351	41	376	64	358	54	320	66	340	79
average price of 1 sq.m. of dwelling	6 201	6 228	6 335	6 162	6 443	6 163	6 460	6 136	6 461	6 314
<=4 000 sq.m	6374	6867	6671	6469	7027	6642	7190	6351	7431	6718
(40,1; 60] sq.m	6106	6096	6231	6027	6337	6038	6304	6112	6387	6192
(60,1; 80] sq.m	6180	5938	6271	6041	6296	5951	6293	5910	6133	6103
> 80,1 sq.m	6711	6054	6807	6304	6923	6581	6901	6715	6559	6620
average offer price	-0,4%	x	2,8%	x	4,5%	x	5,3%	x	2,3%	x
<= 40 sq.m	-7,2%	x	3,1%	x	5,8%	x	13,2%	x	10,6%	x
(40,1; 60] sq.m	0,2%	x	3,4%	x	4,9%	x	3,1%	x	3,2%	x
(60,1; 80] sq.m	4,1%	x	3,8%	x	5,8%	x	6,5%	x	0,5%	x
> 80,1 sq.m	10,8%	x	8,0%	x	5,2%	x	2,8%	x	-0,9%	x

Source: NBP.

Table 15 Average prices of housing per square metre in the secondary market in Wrocław

specification	II Q 2016		III Q 2016		IV Q 2016		I Q 2017		II Q 2017 r.	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	5 984	5 201	6 062	5 332	6 165	5 480	6 253	5 390	6 267	5 445
growth (q-o-q)	100,6	99,7	101,3	102,5	101,7	102,8	101,4	98,4	100,2	101,0
growth (y-o-y)	103,0	101,7	102,2	101,3	104,2	105,9	105,1	103,3	104,7	104,7
dwelling price range	1 524	529	1 098	481	1 128	374	1 221	321	1 501	267
<=4 000 PLN/sq.m	44	65	29	44	23	27	25	29	33	23
(4 001; 6 000] PLN/sq.m	827	354	585	323	569	239	591	197	745	167
(6 001; 8 000] PLN/sq.m	554	101	398	104	438	97	488	89	572	73
(8 001; 10 000] PLN/sq.m	68	8	61	7	69	10	79	6	99	3
>10 001 PLN/sq.m	31	1	25	3	29	1	38		52	1
dwelling space range	1 524	992	1 443	647	1 128	374	1 221	321	1 501	267
<= 40 sq.m	218	565	481	260	171	77	176	61	208	47
(40,1; 60] sq.m	565	240	423	231	442	169	478	149	580	117
(60,1; 80] sq.m	481	146	335	115	326	87	363	80	452	69
> 80,1 sq.m	260	41	204	41	189	41	204	31	261	34
average price of 1 sq.m. of dwelling	5 984	5 542	6 284	5 530	6 165	5 480	6 253	5 390	6 267	5 445
<=4 000 sq.m	6 802	5 931	6 989	6 105	7 069	6 171	7 260	5 814	7 182	6 371
(40,1; 60] sq.m	6 105	5 244	6 118	5 335	6 171	5 355	6 254	5 455	6 341	5 379
(60,1; 80] sq.m	5 767	4 830	5 898	5 001	5 902	5 317	5 979	5 118	6 013	5 196
> 80,1 sq.m	5 434	4 453	5 600	4 473	5 786	5 045	5 871	4 953	5 812	4 895
average offer price	15,1%	x	13,7%	x	12,5%	x	16,0%	x	15,1%	x
<= 40 sq.m	14,7%	x	14,5%	x	14,6%	x	24,9%	x	12,7%	x
(40,1; 60] sq.m	16,4%	x	14,7%	x	15,2%	x	14,7%	x	17,9%	x
(60,1; 80] sq.m	19,4%	x	17,9%	x	11,0%	x	16,8%	x	15,7%	x
> 80,1 sq.m	22,0%	x	25,2%	x	14,7%	x	18,5%	x	18,7%	x

Source: NBP

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