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Information on home prices and the situation in the housing and commercial real estate market in Poland in 2017 Q4

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The analysis of the situation in the real estate market in Poland in 2017 Q4¹ leads to the following conclusions:

- **Heightened activity in the housing market continues with high levels of real estate demand and supply in the largest markets. This activity has not generated excessive tensions in the property market so far,** yet growing housing supply was accompanied by modest increases in home prices and costs of home construction, in particular construction sites. Transactions continued to be financed by a significant share of buyers' own funds, yet lending in 2017 increased noticeably as compared to the previous year.
- **The average offer and transaction prices per square metre of housing in the secondary markets (RW) of the analysed cities grew stronger in the analysed period² than the prices in the primary markets (RP).** The increase in transaction prices in the secondary markets (RW) was associated with a large number of transactions in better locations. The primary markets in Poland's large cities continued to see small increases in prices of small apartments, especially of better quality and location, were still observed, of which the most important were apartments bought with the intention of renting, located centrally³. Prices calculated with the use of the hedonic index⁴ increased slightly in Warsaw (6.4% y/y and 3.5% q/q respectively) and in 6 cities (6.2% y/y and 2.1% q/q respectively), which means an actual rise in prices per square metre of similar type of housing compared to the previous year. In all the analysed groups of cities (Warsaw, 6 cities, 10 cities) prices in the primary market were higher than in the secondary market. The difference between average transaction and average offer prices is declining which means the seller's favourable position. Average rents (both offer and transaction rents) per square metre of housing increased in the analysed quarter in Warsaw and in 6 cities.
- **The index of the estimated availability of housing** (based on average wages in the corporate sector) in large cities continued in the analysed quarter at the level of 0.84 square metres, and was still 0.36 square metres higher than the record low observed in 2007 Q3. The index of the estimated maximum availability of a housing loan⁵ to average households in Warsaw and in 6 cities increased slightly. Wage growth

¹ The analysis carried out in the present Report is based on data available till 2017 Q4. On account of delays in access to data, some figures include data until 2017 Q3 (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 incoming data. 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 In 2017 Q4 the average offer and transaction prices from various data bases varied considerably. The analysis carried out by NBP is based on NBP's own data base: http://www.nbp.pl/home.aspx?f=/publikacje/rynek_nieruchomosci/ankieta.html

³ It may be more advantageous for an investor to buy a studio than a 2-room flat, as the difference in rental income will not be large enough to compensate for the expenses incurred to purchase a larger property.

⁴ The hedonic index of home 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. Wiślak (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

⁵ 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 of 25 years, 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.

was the main driver behind the increase in both indices. The index of loan-financed availability of housing in Warsaw and 6 cities also increased slightly.

- **Housing investment** (excluding transaction costs) **continued to be profitable in the short term**. Assuming the average rent likely to be negotiated in the Warsaw market and in the market of 6 cities, the profitability of housing investment was higher than the interest on bank 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 loans ^{6,7} in PLN (excluding renegotiated agreements) in the analysed quarter stood at approx. PLN 10.7 billion, and was 9.7% lower as compared with the figures recorded in the previous quarter and 10.3% higher as compared with 2016 Q4 figures. Yet, in year-on-year terms these loans were higher in terms of value and number. The results of the NBP survey concerning the situation in the credit market⁸ indicate that the surveyed banks slightly tightened their criteria of granting housing loans in 2017 Q4. At the same time, banks cut non-interest credit costs and tightened the conditions not analysed in the survey, i.e. concerning the lowering of the statutory retirement age. 2017 Q4 saw a slight decline in the demand for credit which was driven by the use of alternative sources of financing. The quality of housing loans in PLN continues to be high, and the share of impaired loans in PLN remained at approx. 2.5% at the end of 2017 Q4.
- **Since 2012 the share of FX denominated loans⁹ has been on a steady decline 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 persons not being in receipt of a regular income in the given currency, as well as due to 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 approx. 3.4% at the end of 2017 Q4.
- **The estimated profitability of housing investment projects continues to be high**, which is corroborated by the analysis of the structure of risk and real estate developers' profit. This was related to high demand for housing, growing share of buyers' advance payments, the accumulation of the stock of land

⁶ 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.html. in the "4 OPN2PLN" tab. It should be remembered that a housing loan frequently complements the financing of housing (part of financing comes from the sale of another property).

⁷ According to BIK data, in 2017 there was a 1.1% increase in the number of housing loans (y/y) extended by banks and the total value increased by 6.6% with a significantly higher share of large cities (growth in year-on-year terms in Warsaw and 6M reached 18% whereas in other parts of Poland 8%). High demand for housing loans in December 2017 resulted from the fact that this was the last pool of subsidies under the MDM housing scheme which was disbursed during the first few days of January 2018. According to AMRON, the year 2017 saw an increase in the average amount of granted housing loan, a decrease in the number of new loans with LTV=>80% and, at the same time, a rise in the number of new loans with LTV below 50%. Yet, the number of new loans granted for a period exceeding 35 years increased.

⁸ "Situation in the credit market - results of the senior loan officer opinion survey in 2018 Q1", NBP, January 2018 http://www.nbp.pl/home.aspx?f=/aktualnosci/wiadomosci_2018/kredytowy2018_1.html. In 2018 Q1 banks expect lending policy to be eased and demand to increase slightly.

⁹ The share of FX denominated loans in the structure of housing loans extended by banks until the end of 2017 Q4 stood at approx. 34 % as compared to 71% recorded in 2009 Q1 and 36% recorded at the end of 2017 Q3.

for the construction of new housing projects¹⁰ and the ratio of home prices to building materials and construction costs, which so far favours real estate developers. 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 points to 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 the persistently high number of newly commenced and finalised investment projects and the purchase of rental housing by professional external investors¹¹. According to Coface experts¹² the number of bankruptcies in the construction industry in 2017 remained similar as in 2016. Moreover, restructuring proceedings are becoming more common in the construction industry.

- **The pool of unsold housing in Poland's six largest primary markets¹³ decreased in the analysed quarter by approx. 4.5 thousand dwellings to reach the number of close to 48.2 thousand. At the same time, the number of dwellings whose construction had been launched¹⁴ as well as the number of completed housing put on sale increased**, which indicates that real estate developers try to match the size of production to demand. The home selling time in the primary market¹⁵ in 6 cities decreased to less than 2.7 quarters in the analysed period. The home selling time in the secondary market also shrank.
- **2017 Q4 saw an increase in the number of new home building permits, including those in the existing projects.** The estimated high margins on developers' profits as well as rates of return on housing projects and high demand boosted the number of issued home building permits¹⁶ and the number of dwellings ready for occupancy¹⁷. High home sales make it necessary to replenish land banks. High demand in this

¹⁰ The pool of land owned by real estate developers must be replenished constantly due to high home construction 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 on land which has been defined as intended for housing construction in local area development plans, which may impact both costs and prices. The developers' offer also includes projects involving the construction of service premises based on the provisions of spatial plans, allowing for collective residential occupancy - however, they are subject to a higher VAT. Real estate developers finance the purchase of land for investment through corporate bonds (flexible instrument), whereas construction works are carried out with the use of bank loans (targeted instrument) and buyers' prepayments.

¹¹ For example, a big foreign real estate fund which bought the second housing project in Poland. Buildings bought in Warsaw and Krakow serve as rental housing.

¹² In 2016 a new restructuring law was introduced. At present, the restructuring proceedings apply both to insolvent companies and to companies threatened with insolvency. According to Coface experts, the construction market continues to be driven by infrastructural investment (mainly road and railway investment projects) and housing investment which has entered a strong boom phase. Demand for construction services is very high and there are problems with finding subcontractors. On the other hand, there are more and more signs of mounting market risk: growing costs of building materials, increasing costs of labour and the problem of profitability of the previously concluded contracts. The year 2018 should be another good year for the construction industry, yet the above described risks are mounting and companies operating in the sector should take them into account more.

¹³ According to the REAS report entitled "The housing market in Poland in 2017 Q4"

¹⁴ According to GUS data, in 2017 Q4 in Poland the construction of 45.1 thousand homes was started, i.e. approx. 4.3 thousand more in comparison with 2016 Q4 and approx. 9.7 thousand less compared to the previous quarters. In 2017 the construction of the total of 206.0 thousand dwellings was started, i.e. 32.1 thousand more than in 2016 (a rise of 18.4% y/y).

¹⁵ The index of home selling time 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.

¹⁶ According to GUS data, 59.7 thousand home building permits were issued in 2017 Q4, i.e. approx. 2.5 thousand more than in 2016 Q4, yet approx. 0.2 thousand less than in the previous quarter. In 2017 the total of 250.2 thousand permits were issued, i.e. 38.7 thousand more than in 2016 (a rise by 18.3% y/y).

¹⁷ According to GUS data, in 2017 Q4 a total of 54.4 thousand homes were completed and made ready for occupancy, which is approx. 4.0 thousand more compared to 2016 Q4 and approx. 8.8 thousand more than in the previous quarter. In 2017 the total

market contributed to a considerable rise in the prices of land for developer construction – particularly in city districts with good transport links, with well-developed urban infrastructure and retail and service facilities. Also cheaper land with poorer location and infrastructure is purchased. Real estate developer may speed up their actions in this respect in connection with works on changes in rules of issuing planning permission¹⁸.

- **In the housing market, there is a growing mismatch between housing supply and high demand for housing.** Despite the increase in sales volume, the production of dwellings in progress is not growing proportionally, and the number of dwellings completed in the developer offer is small. Also the home selling time in the primary market is historically small and declining. As a consequence, the position of the home buyer is weakening, which is reflected in increasing deviation of the structure of the offered dwellings in relation to demand and the decreasing difference between offer and transaction prices in both markets. Also, the structure of dwellings offered deviates from buyers' preferences not enough relatively small dwellings in relation to the demand for them. There are also signs of changes in production factors, such as increases in estimated prices of construction sites for multi-family housing in good location and emerging problems with the availability of labourers for construction companies and the shortage of certain building materials. Maintaining flexible supply amid such a high demand is the main challenge of the current market situation and the condition of maintaining stable prices. **Under the gradually phased out MDM government-subsidized scheme, in the years 2014-2017 a total of approx. PLN 2.16 billion worth of subsidies have been paid to 84,309 borrowers¹⁹.** In 2018 Q1 Gdańsk was the only major city to record a change in the limit of maximum prices per square meter of housing eligible under the MDM scheme²⁰, However, as the funds available for subsidies in 2018 have been exhausted, this should not considerably affect the housing market. On 2 January 2018 BIK ceased to accept the last poor of application for home purchase subsidies²¹. Given the buyers' considerable interest the disbursement of subsidies in the recent quarters may be attributed to the discontinuation of the scheme.

of 178.3 thousand dwellings were completed and made ready for occupancy, i.e. 14.9 thousand more than in 2016 (a rise of 9.1% y/y).

¹⁸ Draft Act of 14 November 2017 on amending certain acts in connection with the simplification of the investment and construction process. According to Government Legislation Centre (RCL) information, the Draft Act was examined by the Committee of the Council of Ministers for Digitization at the end of December 2017 and is waiting to be further debated.

¹⁹ According to the post-audit conclusions of the Supreme Audit Office, as there were no income criteria in the draft Act and its amendment, in the years 2014-2016 approx. 20% of beneficiaries benefited from the scheme although they could have taken out a mortgage loan without the government's aid. That means that the government's priority to helping low-income persons unable to purchase their own housing was not met. The majority of beneficiaries of the MDM housing scheme throughout its implementation period were childless households (77% before the amendment and 72% after the amendment).

²⁰ Identification in the NBP database of transactions involving dwellings with an area and a price meeting the criteria of the "Housing for the Young" scheme, which were concluded in the period 2017 Q1 - 2017 Q4 allowed for identification of eligibility criteria under the Scheme in 16 cities. The biggest number of transactions in the primary market meeting the scheme conditions in the discussed quarter was recorded in Zielona Góra and Kielce, while in the secondary market this number was the biggest in Kielce, Zielona Góra and Katowice. The smallest availability of housing in the primary market was recorded in Łódź and Warsaw and in the secondary market in Warsaw and in Cracow.

²¹ On 2-3 January 2018, BGK accepted 12.7 thousand applications from borrowers under the MDM Housing Scheme, which used up the funds available for 2018 in the amount of PLN 381 million. According to the announcement released to clients on 11 January 2018, on the website <https://www.bgk.pl/osoby-fizyczne/mieszkanie-dla-mlodych/> there are about 950 applications on the waiting list. Persons put on the waiting list can receive subsidies in the case of the withdrawal of already submitted applications by other clients.

- In 2017 several changes were noted in the **National Housing Programme**²². The **Housing Plus** package was broken down into two pillars: the commercial pillar and regulated pillar. In accordance with the current provisions, low rent rates are to apply to investment projects carried out on the basis of the **Act on the National Stock of Real Estate**, on land owned by the State Treasury or offered by municipalities. This pillar is not yet being implemented. In the commercial pillar, BGK Nieruchomości realizes investments on privately-owned land. In this case, rents are higher to ensure that the investment is economically justified. Under this pillar there are over 2 thousand dwellings under construction, among others in Biała Podlaska, Wałbrzych, Jarocin, Gdynia, Katowice and Kęпно. According to the announcement in the national programme's website, narodowyprogra.pl, the Act introducing **Individual Housing Accounts (IKM)**²³ will enter into force in the first half of 2018. Decree no. 11 of the President of the Council of Ministers of 29 January 2018 established the **Housing Council**²⁴ shall coordinate all government actions related to the implementation of the Housing Plus Scheme.
- The **Rental Housing Fund**, operating since the end of 2017 Q4, offered over 1,700 dwellings in Gdańsk, Katowice, Kraków, Poznań, Warsaw and Wrocław, of which approx. 40% were leased. As part of the **Social Building Programme**, BGK accepted 192 applications for the construction of approx. 3.3 thousand social housing, communal housing and sheltered dwellings, and shelters and homes for the homeless in 2017, 192 applications qualified for the total amount of subsidies of approx. PLN 200 million. In mid-2017, the pilot programme of co-financing the operation of sheltered dwellings managed by local governments was supposed to start (housing occupied by older and disabled people). A total of PLN 20 million has been allocated for this purpose. It is not yet established in which cities the programme will be launched.
- **Imbalances resulting from oversupply of rental space as compared to fairly stable demand observed in the commercial real estate market diminished.** The average level of vacancies in nine largest office markets dropped from 10.8% to 12.7% recorded at the end of 2017²⁵. The market for retail and service space to see a slight oversupply and vacancy rates all over Poland stand at approx. 4%²⁶. The continued high availability of foreign financing contributed and will continue to contribute to the rapid growth in

²² The main objective of the National Housing Programme (NPM) is to increase the availability of housing to medium and low income-persons, and to improve the technical condition of the housing stock, while increasing at the same time energy efficiency of dwellings. For a broader description of the assumptions of the National Housing Programme see: *Information on home prices and the situation in the housing and commercial real estate market in Poland in 2016 Q3* (NBP, December 2016).

²³ The amount of planned government bonuses for persons who meet certain criteria is problematic. It is also necessary to define the range of renovation works for which supplementary funds may be obtained. The programme will be a burden for the budget and will reduce the receipts from 19% tax on capital gains. Therefore it has to be carefully examined to ensure that it satisfies society in need and does not overburden the state budget. According to information on the website of the National Housing Programme, in the years 2021-2025 the government plans to put aside PLN 4.41 billion for the payment of bonuses within the Individual Housing Accounts.

²⁴ Prime Minister Mateusz Morawiecki became chairman of the Housing Council. Members of the Council are also the Minister of Investments and Development, the Minister of the Family, the Minister of Labour and Social Policy, the Minister of Finance, the Minister of Culture and National Heritage, the Minister of the Environment and the Minister of Agriculture and Rural Development as well as the President of BGK Nieruchomości. The Council is to initiate and coordinate analytical, conceptual and implementation works related to the implementation of the housing policy of the Council of Ministers, as well as monitor the progress of these works.

²⁵ See Report Colliers International: Market Insights, Annual Report 2018, Poland.

²⁶ See Report Colliers International: Market Insights, Annual Report 2018, Poland.

office and commercial real estate. This can be largely attributed to low interest rates in developed countries, and thus low opportunity cost.

- **The estimated value of investment transactions²⁷ in the commercial real estate market in 2017 amounted to EUR 4.68 billion.** 39.6% of the value of transactions concerned commercial space, 31.8% office space and 21% warehousing space.
- **The level of corporate loans for real estate investment at the end of 2017 amounted to approx. PLN 54 billion;** these loans comprised loans granted to real estate developers, for office space and other real estate. The level of debt of real estate developers and debt resulting from loans for office space continued to decline (PLN 5.3 billion), whereas the level of loans for other real estate remained stable (PLN 33.1 billion). On the other hand, the level of loans for office space is on a slightly upward trend (PLN 15.6 billion). The quality of loans to developers has improved somewhat, and the high rate of impaired loans (20%) is mainly due to the fact that banks' loan portfolios include loans from previous years²⁸. The share of impaired loans in the total loans for office real estate has been on the rise. At the end of 2017 Q4 it stood at 6.7%. On the other hand, the share of impaired loans in the total loans for other real estate has been improving slightly and stands at 8.9%.
- **Rents for A class office space in Warsaw, quoted in EUR per square metre per month, declined slightly. On the other hand, rents in class B office buildings in the largest markets are on a steady slightly downward trend.** As a result of intensified activity of lessees, the vacancy rates in the whole of Warsaw dropped by 2.5 p.p. as compared to 2016 to reach 11.7% at the end of 2017 Q4²⁹. This level may still be considered elevated.
- **Rents for retail space in shopping centres across the country show a slightly 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 slightly downward trend.

²⁷ The above-mentioned investments concern the sale of the entire operating company which rents the building and derives income from this. Such transactions take place between: 1/ the real estate developer who has commercialized the property and sells it to the investor, or 2 / two investors. However, it should be emphasized that these data do not make it possible to draw conclusions as to the participation of foreign investors in possession of commercial real estate in Poland. [The above is Banki.pl's large stock of real estate that the owner has built for their own purposes, sometimes even decades ago. Moreover, some domestic investors set up real estate development companies that build rental property for them and then manage it. The above economic events are not included in the statistics on commercial investments.](#)

²⁸ See Financial Stability Report, NBP, December 2017

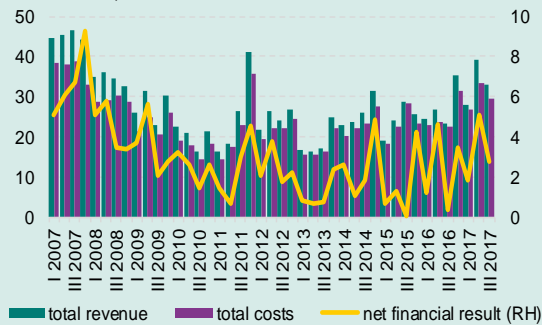
²⁹ See Report Colliers International: Market Insights, Annual Report 2018, Poland.

Box: Analysis of the financial condition of real estate developers³⁰

The increase in funds for projects under construction recorded on the basis of accounting entries confirms heightened activity of large real estate developers. A significant number of dwellings under construction does not translate into an increase in the stock of completed dwellings. In 2017 Q3, real estate developers replenished their land bank resources to a limited extent only. Costs of third party services, mainly project contracting services, are the major item in the structure of operating costs. Their share exceeds 64% of the total operating costs. Differences in basic economic indicators (total revenues, total costs and financial result) between the group of large real estate developers and real estate developers listed on the Warsaw Stock Exchange may result from the application of various balance sheet law systems. Both groups of developers record high profitability of sales, equity and assets which attests to the cost-effectiveness of implemented projects, effective management of assets and good financial condition of real estate developers. Equity plays an important role in the financing of operations of development companies, whose share in the structure of liabilities in three quarters of 2017 decreased in comparison with the corresponding quarters of 2016. A noteworthy phenomenon in the group of large real estate developers is the declining share of liabilities resulting from bank loans and debt securities and a significant increase in the volume of prepayments made by home buyers, which constitute an important source of external financing. Financial liquidity and, consequently, the ability to repay the incurred liabilities have improved slightly. The deterioration in the financial liquidity of developers listed on the WSE may result from an increase in liabilities to general contractors resulting from growing costs due to the very large number of projects under construction. In this group of entities, the period of settlement of liabilities was relatively long, reaching 369 days. Developers listed on the WSE are very successful in collecting their receivables. With the increase in liabilities, the financial independence of entities declined. The average debt and collateral indicators deteriorated slightly, although they remained at a low, safe level.

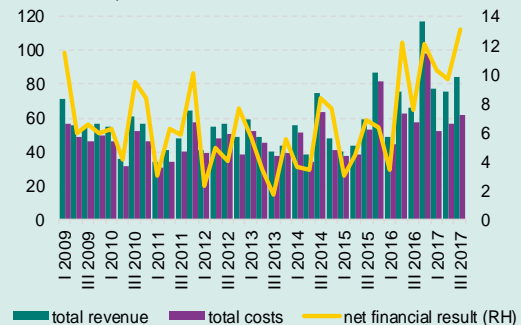
³⁰ The analysis carried out in this edition of the Report is based on data available up to 2017 Q3 due to delays in the access to data. The calculations and conclusions were based on accounting entries resulting from F01 reports submitted to Statistics Poland (formerly the Central Statistical Office) by entities employing more than 49 people involved in the implementation of construction projects involving the construction of buildings (PKD 41.10) and accounting entries in financial statements of real estate developers listed on the Warsaw Stock Exchange.

Figure 1 Economic indicators of real estate developers employing over 49 people (in mln PLN)



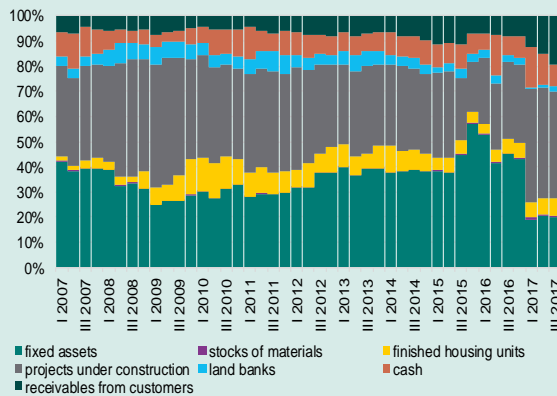
Source: NBP based on GUS (F01)

Figure 2 Economic indicators of real estate developers listed on the Warsaw Stock Exchange (in mln PLN)



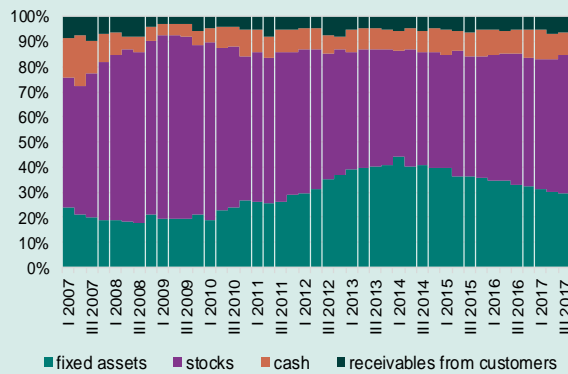
Source: NBP based on financial reports

Figure 3 Structure of assets of real estate developers employing over 49 people



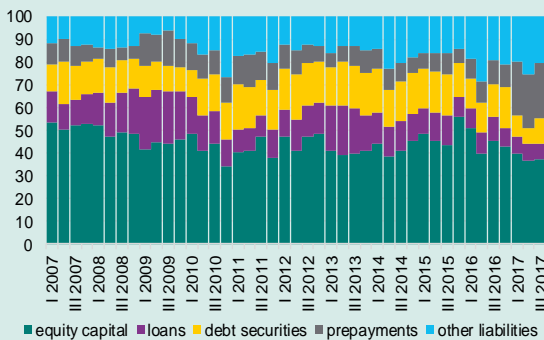
Source: NBP based on GUS (F01)

Figure 4 Structure of assets of real estate developers listed on the Warsaw Stock Exchange



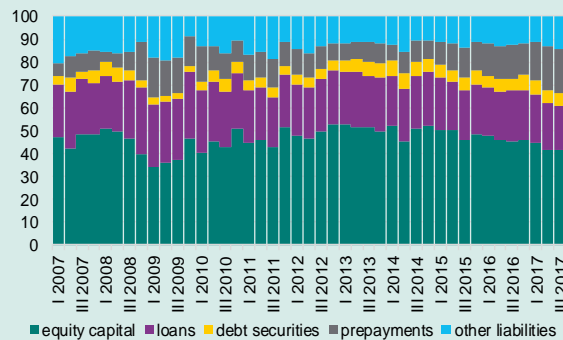
Source: NBP based on financial reports

Figure 5 Structure of liabilities of real estate developers employing over 49 people (in %)



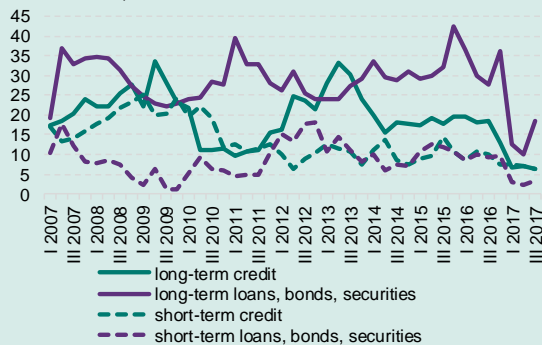
Source: NBP based on GUS (F01)

Figure 6 Structure of liabilities of real estate developers listed on the Warsaw Stock Exchange (in %)



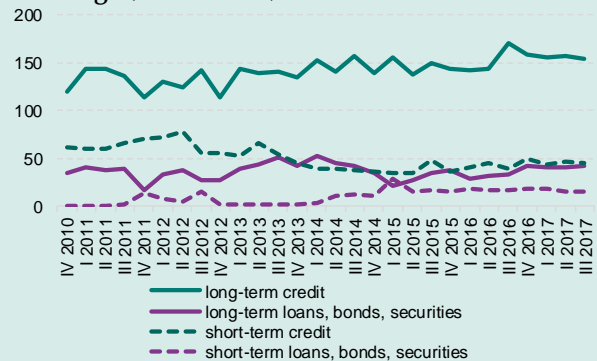
Source: NBP based on financial reports

Figure 7 Sources of external financing of real estate developers employing over 49 people (in mln PLN)



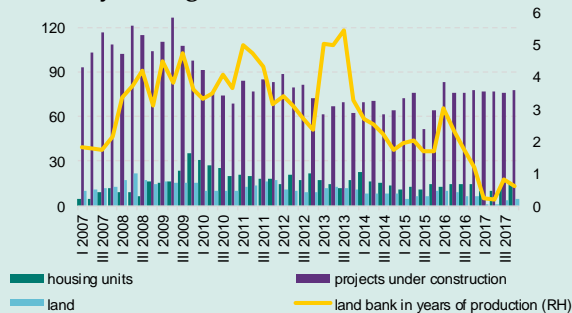
Source: NBP based on GUS (F01)

Figure 8 Sources of external financing of real estate developers listed on the Warsaw Stock Exchange (in mln PLN)



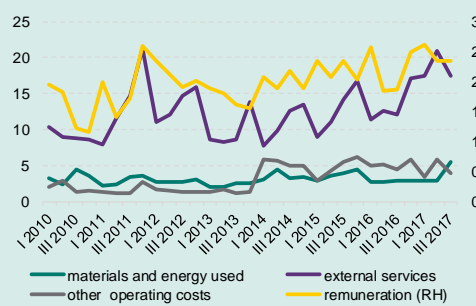
Source: NBP based on financial reports

Figure 9 Situation of real estate developers employing over 49 people (in mln PLN left-hand scale, in years right-hand scale)



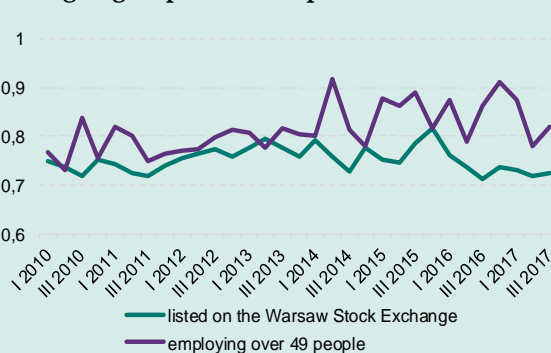
Source: NBP based on GUS (F01)

Figure 10 Costs of operating activity of real estate developers employing over 49 people (in mln PLN)



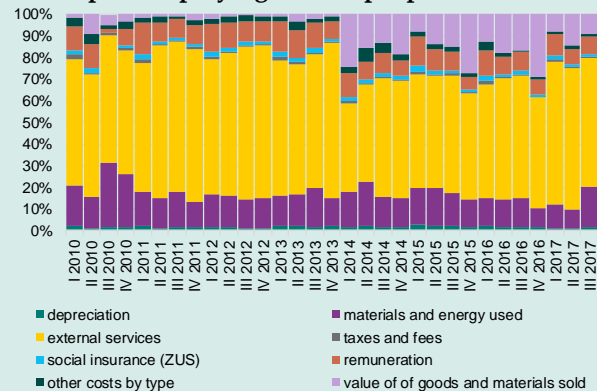
Source: NBP based on GUS (F01)

Figure 11 Indicator of level of operating costs according to groups of developers



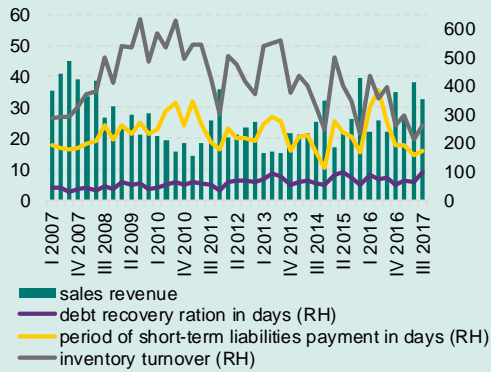
Source: NBP based on GUS (F01)

Figure 12 Structure of operating costs of developers employing over 49 people



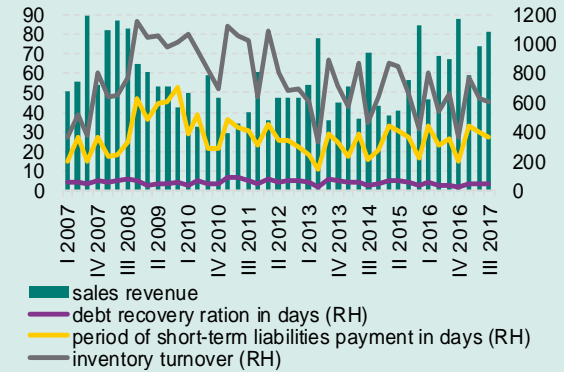
Source: NBP based on GUS (F01)

Figure 13 Turnover of inventories, receivables and liabilities of real estate developers employing over 49 people (in mln PLN left-hand scale, in days right-hand scale)



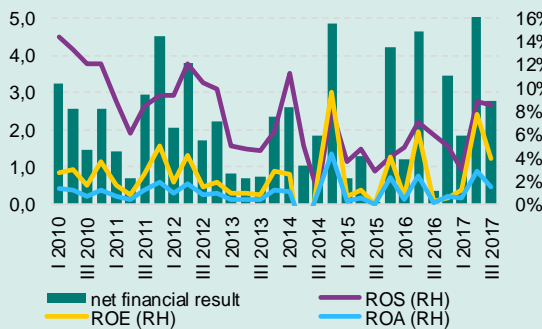
Source: NBP based on GUS (F01)

Figure 14 Turnover of inventories, receivables and liabilities of real estate developers listed on the Warsaw Stock Exchange (in mln PLN left-hand scale, in days right-hand scale)



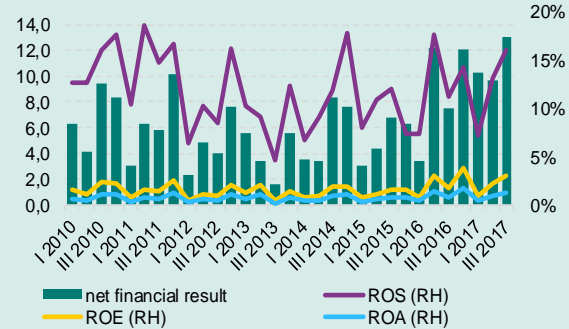
Source: NBP based on financial reports

Figure 15 Profitability of activities of real estate developers employing over 49 people (in mln PLN left-hand scale)



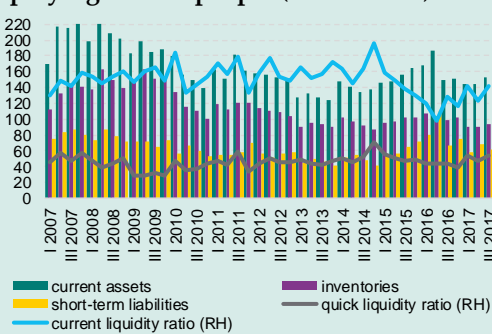
Source: NBP based on GUS (F01)

Figure 16 Profitability of activities of real estate developers listed on the Warsaw Stock Exchange (in mln PLN left-hand scale)



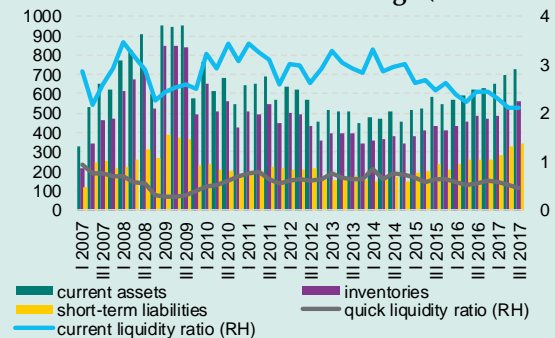
Source: NBP based on financial reports

Figure 17 Liquidity ratio of real estate developers employing over 49 people (in mln PLN)



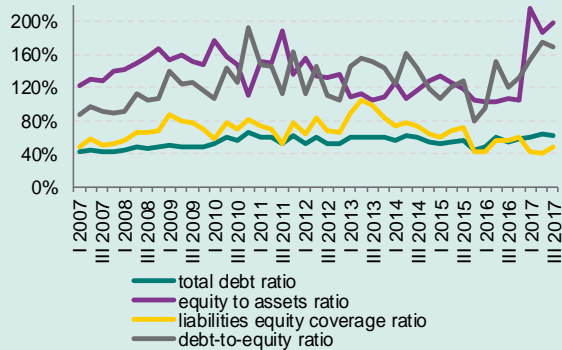
Source: NBP based on GUS (F01)

Figure 18 Liquidity ratio of real estate developers listed on the Warsaw Stock Exchange (in mln PLN)



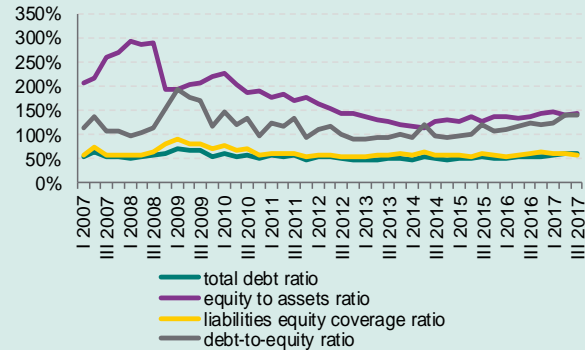
Source: NBP based on financial reports

Figure 19 Debt ratio and debt coverage ratio of real estate developers employing over 49 people (in %)



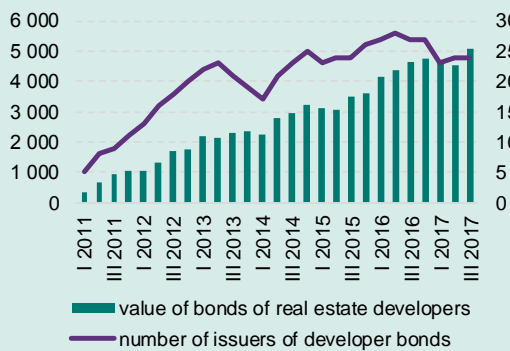
Source: NBP based on GUS (F01)

Figure 20 Debt ratio and debt coverage ratio of real estate developers listed on the Warsaw Stock Exchange (in %)



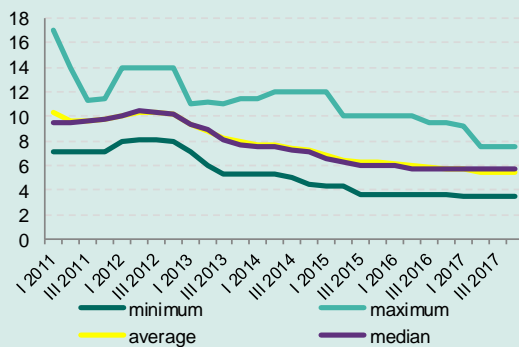
Source: NBP based on financial reports

Figure 21 Value of bonds of real estate developers and the number of issuers of developer bonds in the Catalyst market (in mln PLN left-hand scale, number of issuers on right-hand scale)



Source: NBP based on Catalyst

Figure 22 Interest on bond coupons of real estate developers listed on the Catalyst market (in %)



Source: NBP based on Catalyst

The figures below describe the key developments in the housing market in Poland's major cities in 2017

Q4. Charts and figures present:

- 1) home prices (Figures 1–15),
- 2) availability of loan-financed housing, loan availability, profitability of housing investment (Figures 16–22),
- 3) mortgage loan disbursements and interest rates (Figures 23 - 31),
- 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 32-49),
- 5) housing construction and the residential market in selected cities in Poland (Figures 50–63),
- 6) housing policy (Figures 64-75),
- 7) commercial real estate (Figures 76-80).

The analysis of housing prices (offer, transaction and hedonic) 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)³¹. 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 by the Credit Information Bureau (BIK). The statistical data published by the Central Statistical Office (GUS) and analyses including sectorial data were used in the structural analysis.

³¹ The survey of prices of housing and commercial real estate in selected cities of Poland in 2016 Q1 was announced in the Decree 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 concerning 2017 Q4, approx. 112.5 thousand records were collected, including approx. 29.3% of records concerning transactions and 70.7% of records concerning offers. Altogether approx. 2.6 million records were collected in the base, including 22.8% of records concerning transactions and 77.2% of records concerning offers.

List of abbreviations

5M	5 biggest cities: Gdańsk, Kraków, Łódź, Poznań, Wrocław
6M	6 biggest cities: Gdańsk, Gdynia, Kraków, Łódź, Poznań, Wrocław
7M	7 biggest cities: Gdańsk, Gdynia, Kraków, Łódź, Poznań, Warsaw, Wrocław
10M	10 dużych miast: 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
GD	Households
GUS	Statistics Poland (formerly Central Statistical Office)
IRR	Internal Rate of Return
EURIBOR	Euro Interbank Offer Rate
KNF	Polish Financial Supervision Authority
KRS	National Court Register
LIBOR	Ang. London Interbank Offered Rate
LTV	Loan-to-Value ratio
MDM	Government-subsidized housing scheme Mieszkanie dla Młodych [Housing for the Young]
IFRS	International Financial Reporting Standards
NBP	Narodowy Bank Polski
PONT	PONT Info Nieruchomości
REAS	Real Estate Advisory System
RNS	Government-subsidized housing scheme Rodzina na Swoim [Family on their own]
RP	Primary housing market
PAS	Polish Accounting Standards
RW	Secondary housing market (Existing housing stock 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, the primary market (PM), and the secondary market (SM)

Figure 1 Transaction prices per square metre of housing in Warsaw and 6M- PM (PLN/sq. m)

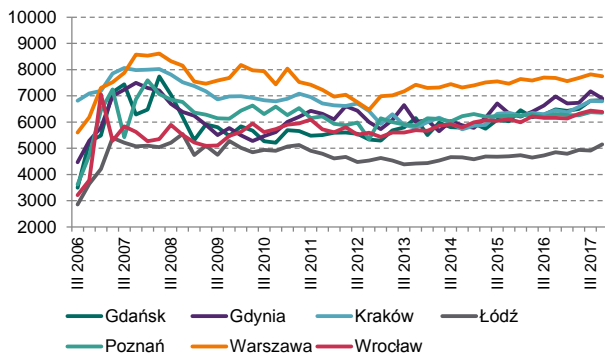
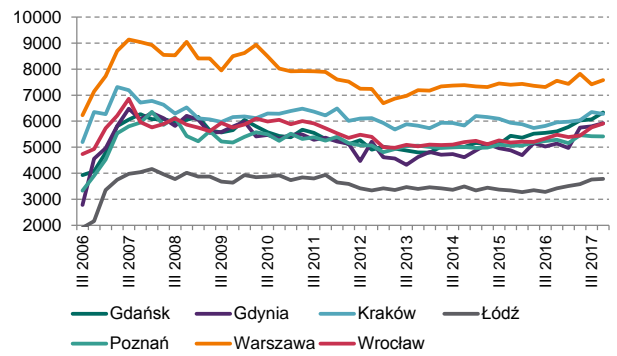


Figure 2 Transaction prices per square metre of housing in Warsaw and 6M- SM (PLN/sq. m)



Note: the home price database of NBP (BaRN) has existed since 2006 Q3; a description of the database can be found in the report “Information on home prices and the situation in the residential and commercial real estate market in Poland in 2016” available on the bank’s website.

Source: NBP.

Source: NBP.

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

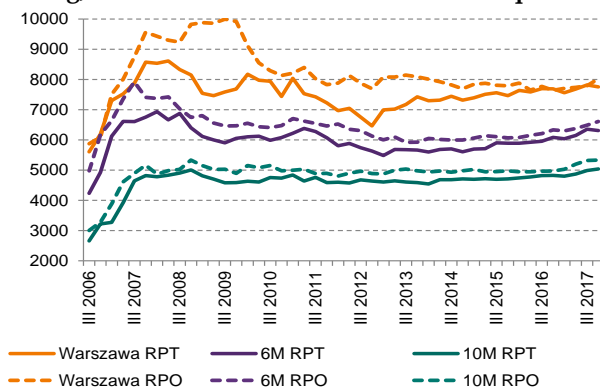
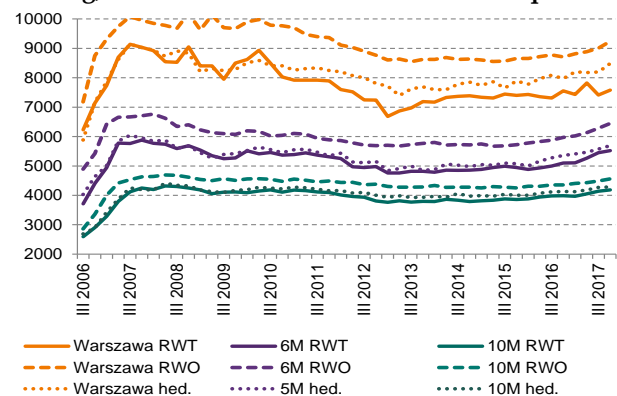


Figure 4 Weighted average price per square metre of housing, offers and transactions – SM (PLN/sq. m)



Notes to Figures 3-15: the price weighted with the share of housing in the market stock, the average price for Warsaw.

Source: NBP.

Source: NBP.

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

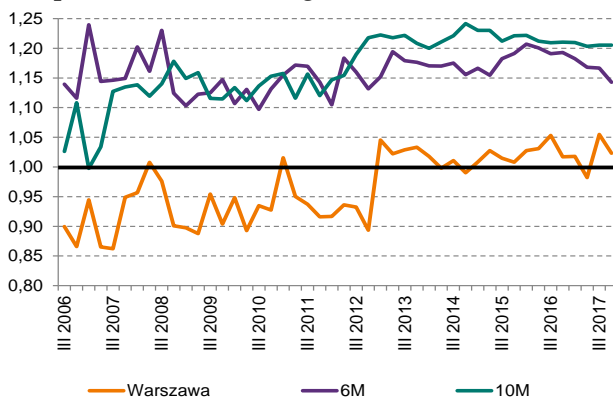
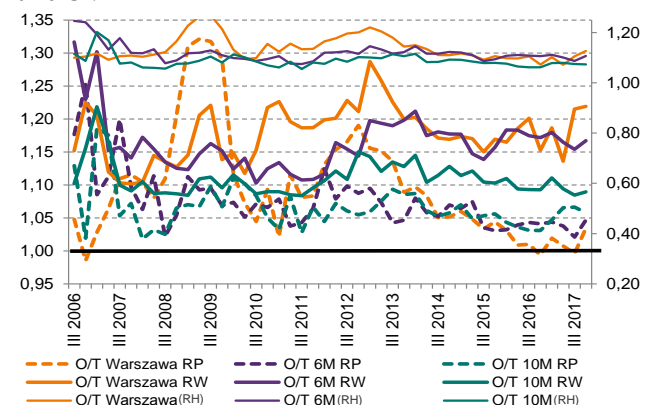


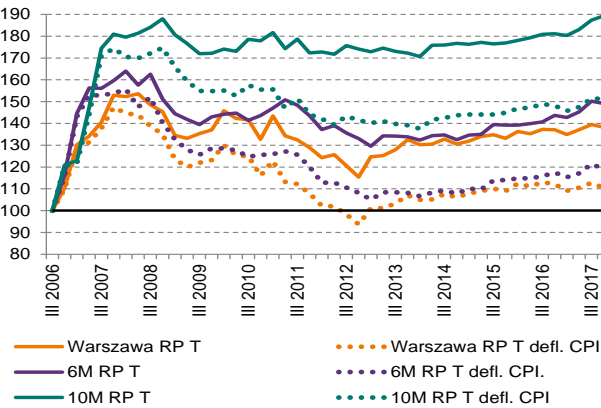
Figure 6 Ratio of the average weighted offer price to transaction price per square metre of housing – PM and SM



Source: NBP.

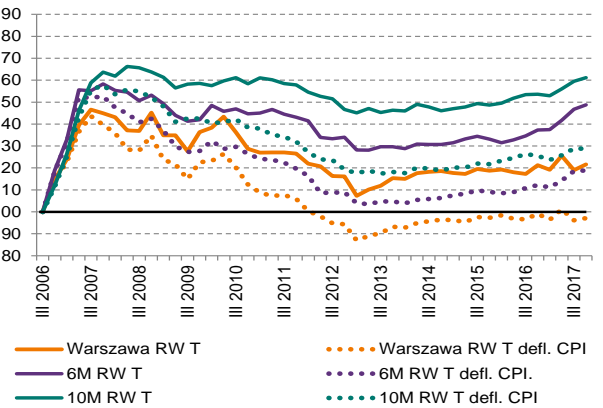
Source: NBP.

Figure 7 Index of the average weighted transaction price per square metre of housing in the PM to CPI deflated price (2006 Q3 = 100)



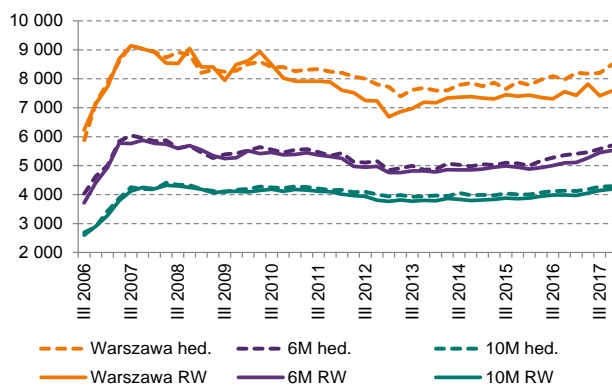
Source: NBP, ZBP (AMRON), GUS.

Figure 8 Weighted average weighted and real price per square metre of housing in the SM to CPI deflated price (2006 Q3 = 100)



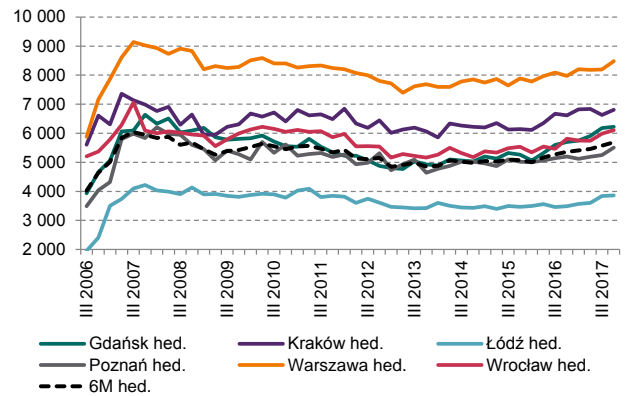
Source: NBP, ZBP (AMRON), GUS.

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



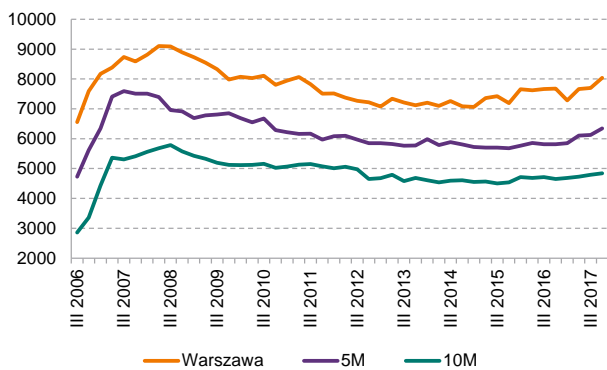
Source: NBP.

Figure 10 Weighted average price per square metre of housing in SM, adjusted by the hedonic index (in 6M)



Source: NBP.

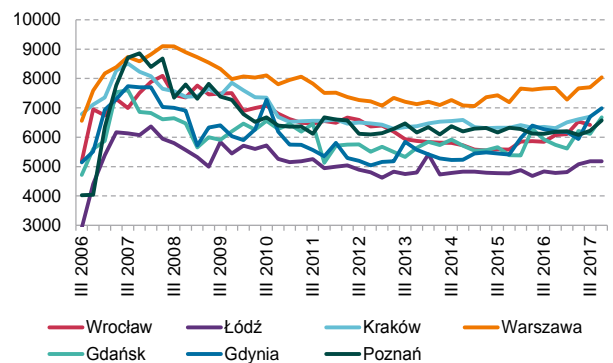
Figure 11 Average offer prices per square metre of housing – PM (selected markets)



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

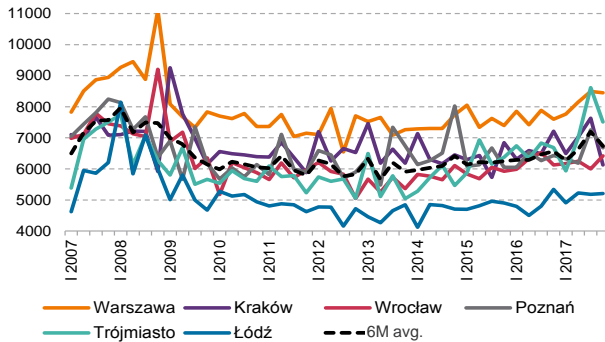
Source: PONT Info Nieruchomości.

Figure 12 Average offer prices per square metre of housing – PM (Warsaw and 6M)



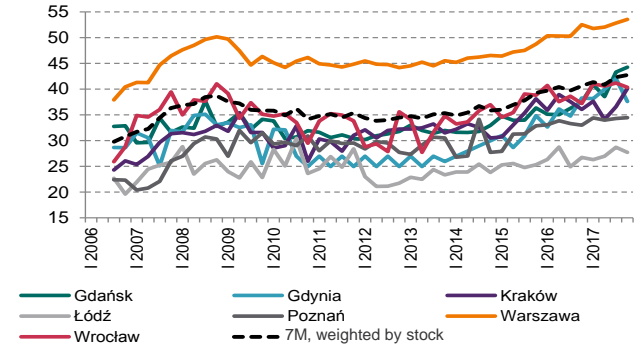
Source: PONT Info Nieruchomości.

Figure 13 Average offer prices per square metre of housing, new housing contracts in PM in selected markets (PLN/sq. m)



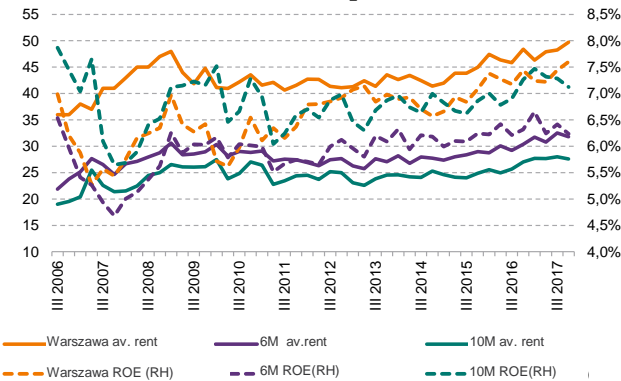
Note: prices refer only to new contracts put on the market for the first time.
Source: REAS.

Figure 14 Average rent rates (offer and transaction) per square metre of housing in SM in selected cities (PLN/sq. m)



Source: NBP.

Figure 15 Average rent rates (transaction) per square metre of housing in SM (left-hand scale) and the estimated profitability in rental housing (right-hand scale) in selected cities (PLN/sq. m)

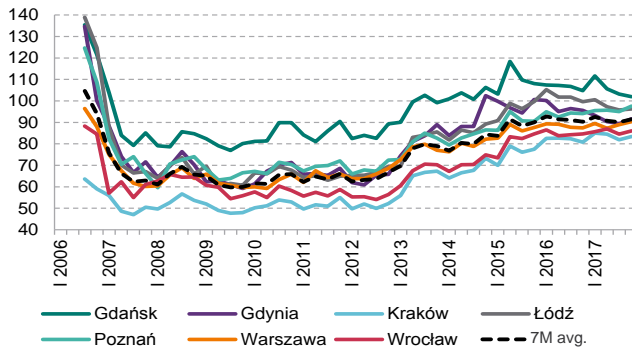


Source: NBP.

Note to Figure 15: price per square meter of housing 40% SM and 60% SM; the price per square meter of housing in the PM was increased to include the average costs of home finishing; the analysis does not take into account the high transaction costs in the housing market and the potentially long time needed to exit from such an investment

2. Availability of loan-financed housing, loan availability, profitability of investment in housing

Figure 16 Estimated availability of loan-financed housing (7M)



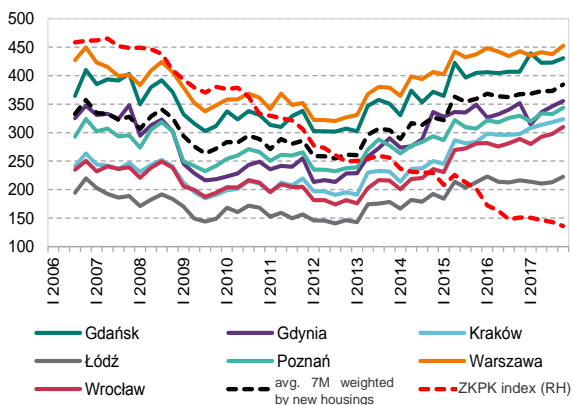
Source: NBP, GUS.

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

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

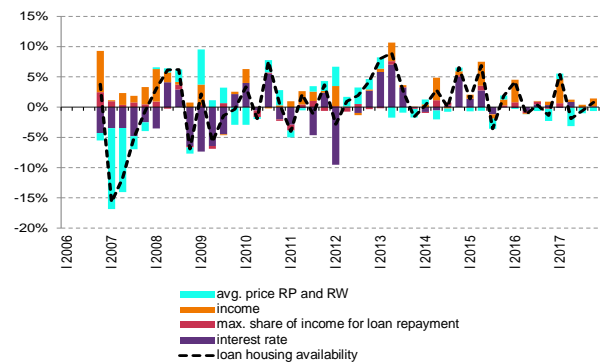
ZKPK Index – accumulated index of changes in banks’ lending policy criteria; positive values mean easing, and negative values tightening of lending policy as compared to the initial period, i.e. 2003 Q4. Computing methods are described in the Financial stability report, December 2012, NBP.

Figure 18 Estimated availability of loan-financed housing and accumulated index of banks’ housing credit policy (ZKPK, right-hand scale)



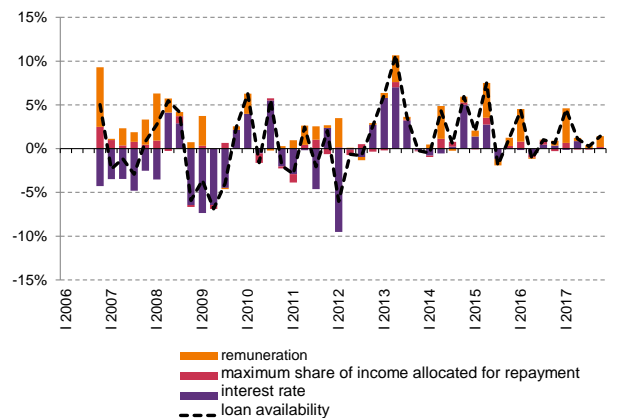
Source: NBP, GUS.

Figure 17 Quarterly changes (in %) in the estimated availability of loan-financed housing in 7M and the force and direction of the impact of particular components



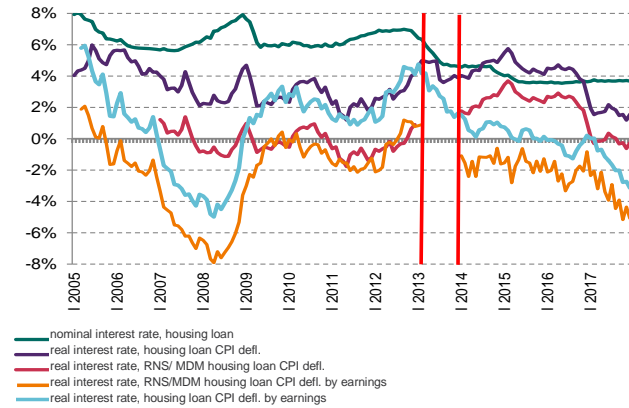
Source: NBP, GUS.

Figure 19 Quarterly changes in the estimated availability of loan-financed housing average for 7M and strength and direction of impact of individual components



Source: NBP, GUS.

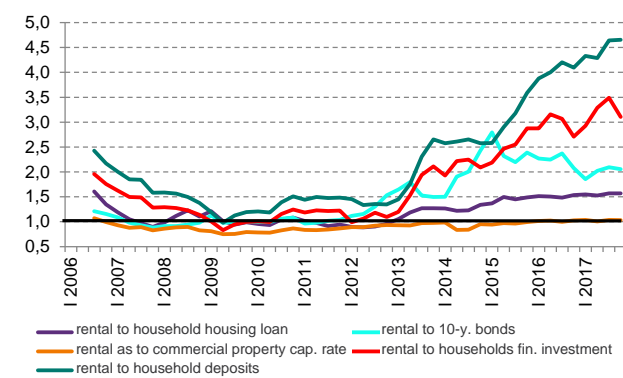
Figure 20 Profitability of housing loans for the consumer deflated with CPI or wage growth in the enterprise sector



Note to Figure 20: values below 0 denote a negative real interest rate for the borrower; the red lines separate the one-year period where there were no government subsidised housing programmes, i.e. the RNS scheme (operating between 2007-2012) and the MDM scheme (operating between 2014- 2018).

Source: NBP, GUS, BGK

Figure 21 Profitability of home rental (average in Warsaw and 6M) as compared with alternative household investments

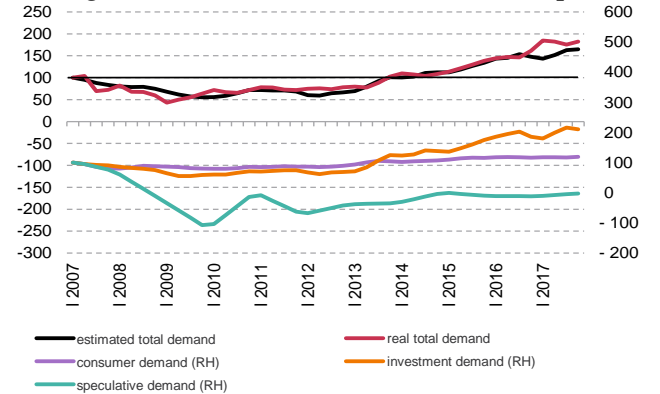


Note to Figure 21: a value exceeding than 1 means higher profitability of investing in housing for rent to third parties than investing capital in other investments. This analysis does not take into account the high transaction costs in the housing market and the potentially long payback periods.

Note to Figure 22: the total factor of demand is composed in 60% by consumer demand (availability of loan-financed housing), in 30% by investment demand and in 10% by speculative demand. The weights have been expert-estimated, the index shows the moving average from two subsequent quarters.

Source: NBP, GUS.

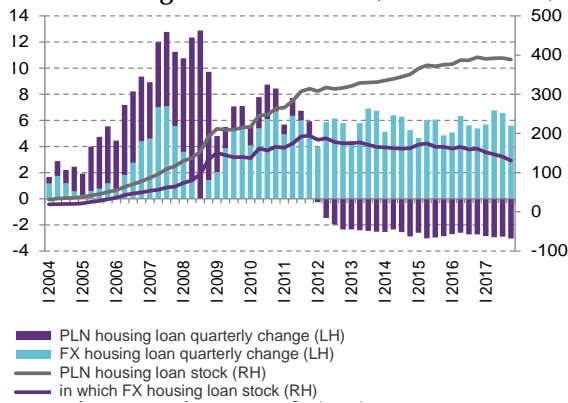
Figure 22 Estimated housing demand in PM (average in Warsaw and 6M) and its components



Source: NBP, REAS, GUS.

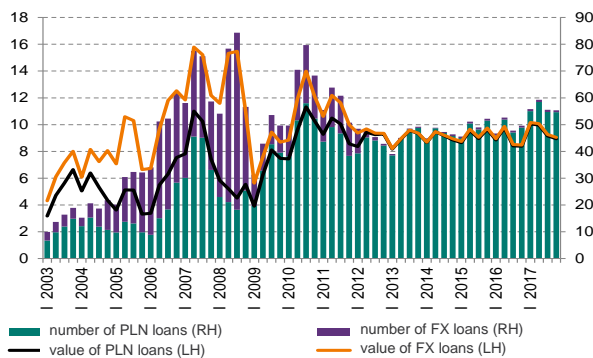
3. Disbursement of housing loans, interest rates

Figure 23 Balance and quarter-on-quarter changes in housing loan receivables from household after adjustments and currency structure of quarter-on-quarter increases in housing loan receivables (in PLN billion)



Source: NBP.

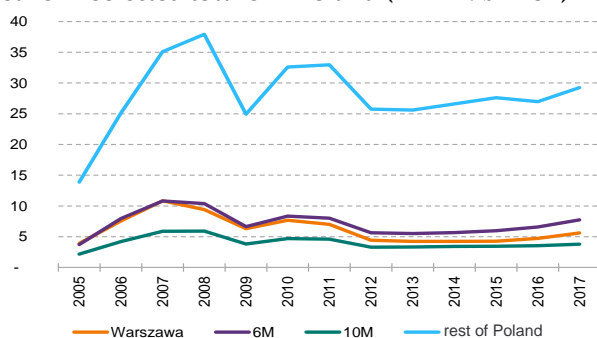
Figure 25 New housing loans: value and number



Note to Figures 25 and 26: the data inform about signed residential mortgage loan contracts and not the actual disbursement of residential mortgage loans. The fourth quarters are marked by red points.

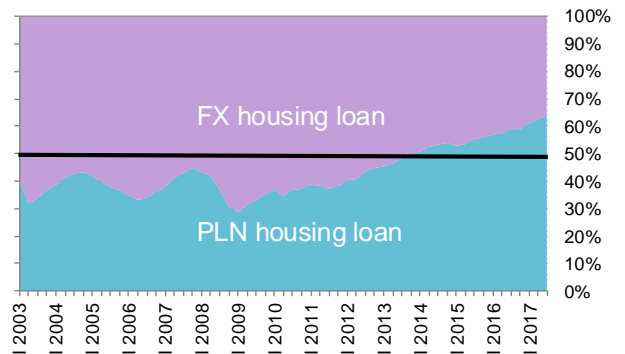
Source: ZBP, from 2017 NBP estimate of FX loans.

Figure 27 Annual value of contracts for new housing loans in selected towns in Poland (in PLN billion)



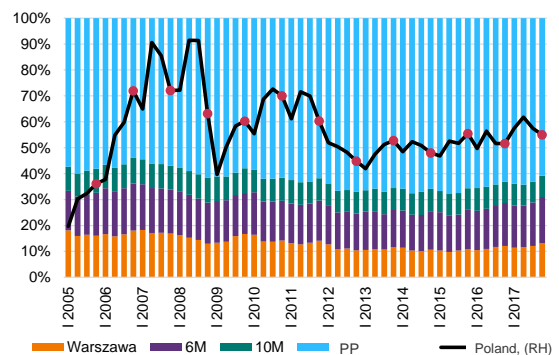
Source: BIK.

Figure 24 Currency structure of housing loan receivables from household resulting from residential housing loans (%)

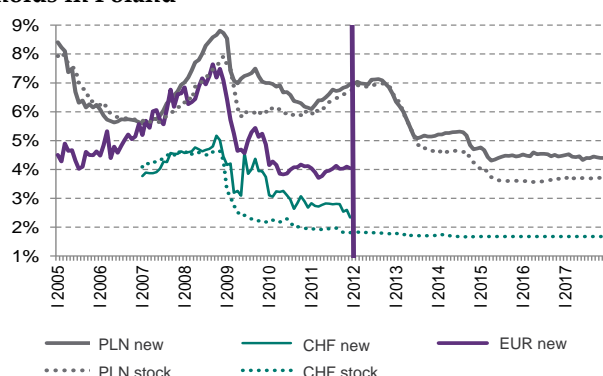


Source: NBP.

Figure 26 Territorial structure of the value of new housing loan contracts in Poland (right-hand scale in PLN billion)

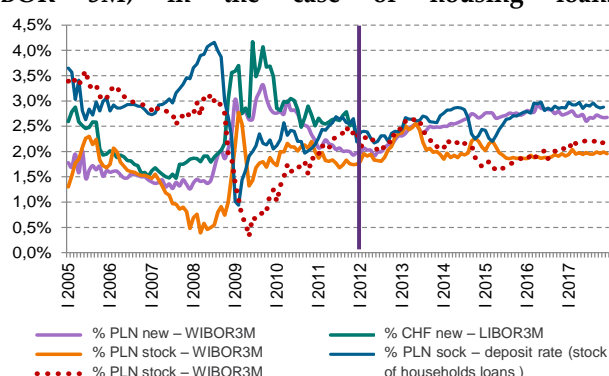


Source: BIK.

Figure 28 Interest rates on housing loans for households in Poland


Note: Foreign currency loans practically ceased to be granted from 2012 onwards.

Source: NBP.

Figure 29 Bank margins (for WIBOR, LIBOR, EURIBOR 3M) in the case of housing loans


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

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

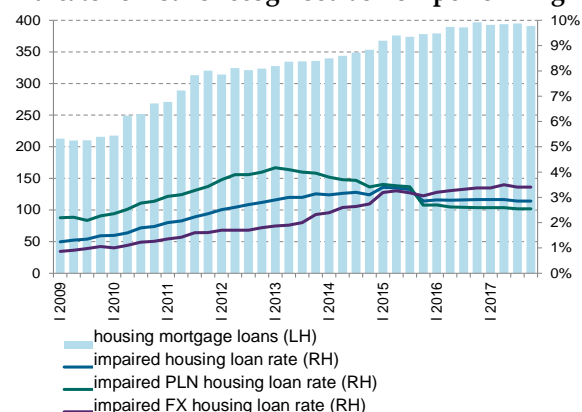
Date	Estimated value of mortgage loans in Poland	Estimated value of housing transactions in the PM in 7M	Estimated value of disbursed housing loans with client's down-payment for home purchase in the PM in 7M	Estimated value of cash home purchases in the PM in 7M	Estimated share of cash home purchases in the PM in 7M
I 2014	7 571	3 870	1 726	2 576	67%
II 2014	8 899	3 673	2 029	2 151	59%
III 2014	8 894	3 709	2 028	2 188	59%
IV 2014	8 416	3 953	1 919	2 514	64%
I 2015	8 996	3 980	2 051	2 442	61%
II 2015	10 640	4 437	2 426	2 617	59%
III 2015	10 341	4 712	2 358	2 944	62%
IV 2015	11 237	5 115	2 562	3 193	62%
I 2016	9 742	5 095	2 221	3 429	67%
II 2016	11 661	5 359	2 659	3 365	63%
III 2016	9 632	5 170	2 196	3 523	68%
IV 2016	9 933	6 555	2 265	4 857	74%
I 2017	10 945	6 750	2 495	4 879	72%
II 2017	12 139	6 384	2 768	4 308	67%
III 2017	11 794	6 552	2 689	4 535	69%
IV 2017	10 652	7 011	2 429	5 190	74%

Note: estimates are based on the following assumptions:

In the period January–April 2014 the estimated value of newly granted loans in Poland in particular quarters was based on increases in the volume of loans to households adjusted for loan amortization and flows between the foreign currency loan portfolio and the zloty loan portfolio, available in the NBP reporting. The entire banking system was taken into account, including SKOK credit unions. Since 2015 Q1, the value of disbursements has been estimated based on data collected from banks. In order to calculate the estimated value of PM transactions in 7M (Gdańsk, Gdynia, Kraków, Łódź, Poznań, Warszawa, Wrocław), the average home price was multiplied by the average home size in square metres (GUS data) and the number of housing units sold (based on 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 accounted for 57%. The estimated value of cash transactions was calculated as the difference between transactions in 7M and disbursements of loans requiring buyer's own contribution (down-payment). Price and surface area data for all periods were updated.

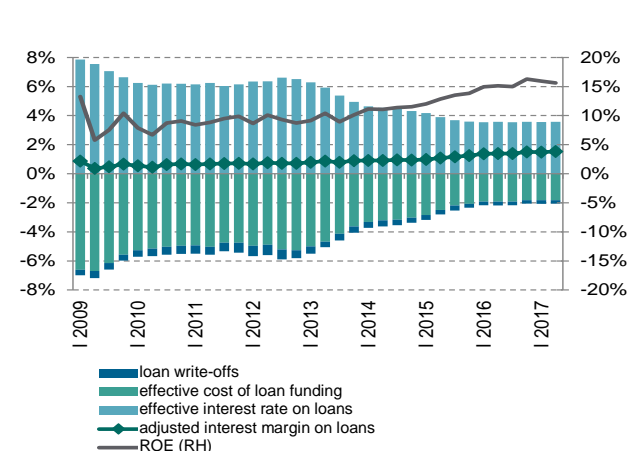
Source: NBP, REAS, ZBP, GUS.

Figure 30 Households loans for housing real estate and indicator of loans recognised as non-performing loans



Note: receivables (loans) with determined loss of value – receivables from portfolio B, in relation to which objective premises of loss in value were identified and a decrease in the expected value of future cash flows (in banks using the IFRS) or which were recognized as non-performing 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.

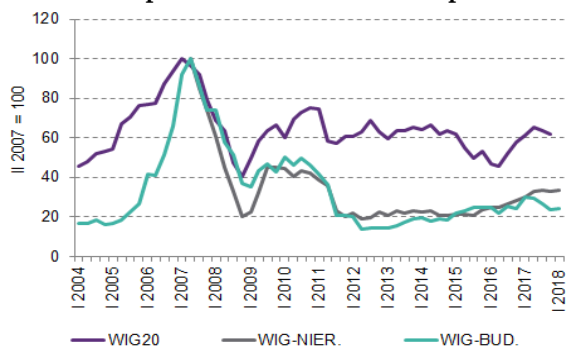
Figure 31 Estimated ROE on residential mortgage loans denominated in PLN for banks in Poland



Note: Income and costs related to the mortgage loan portfolio are provided excluding costs of conducting bank’s activity and taxes. 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.

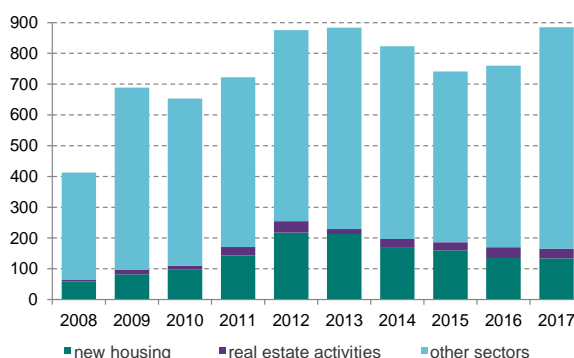
4. Operating profitability of housing and real estate development projects, costs of construction and assembly output and economic situation of real estate developers in Poland

Figure 32 Rescaled exchange indices: WIG20 and for real estate developers and construction companies



Note: harmonized data, 2007 Q2 = 100. The WIG index for real estate developers has been recorded since 2007 Q2; 2017 Q1 as at 20 February 2017. Source: Warsaw Stock Exchange.

Figure 33 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 33: 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, in the event of the recovery proceedings – also by carrying out recovery measures, while safeguarding the legitimate rights of creditors. A significant change is also the fact that according to the current law, the restructuring proceedings concern both insolvent companies and those threatened with insolvency; accordingly, the statistics show not only the number of bankrupts, but also companies at risk of bankruptcy. Previously, the applicable law allowed to declare arrangement bankruptcy only if the company was actually insolvent.

Figure 34 Estimated share of direct construction costs per square metre of the residential building's usable area (type 1122-302³²) in the transaction price in the PM

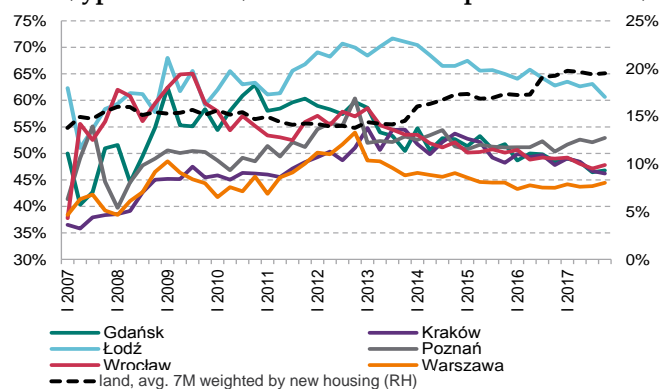
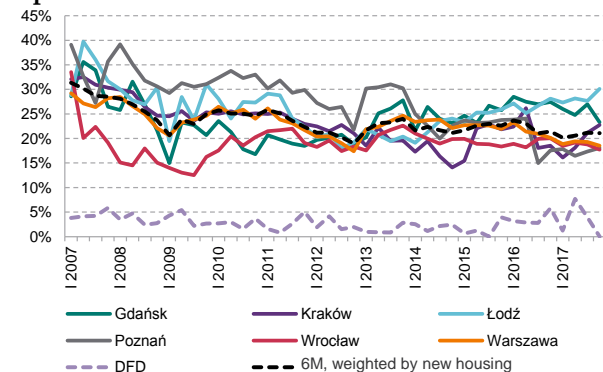


Figure 35 Estimated rate of return from investment projects (type 1122-302³²) in the largest cities and the reported rate of return for DFD*



Note to Figure 35: the estimated rate of return on equity from typical new investment projects assuming the currently applicable interest rates, banks' requirements and production costs; calculated on the basis of the diagram included in Annex 3 of the *Report on the situation of the Polish market of residential and commercial real estate in 2011*. Since 2014, NBP's own appraisal of land for multi-family housing construction has been used, which has changed the previous estimates. */DFD – ROE of an average large real estate development company according to GUS data (employment size =>50 persons).

Source: NBP based on Sekocenbud.

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

Figure 36 Predicted changes in prices of construction and assembly works (+3M) and growth in construction costs of usable area of a residential building (type 1122-302³²)

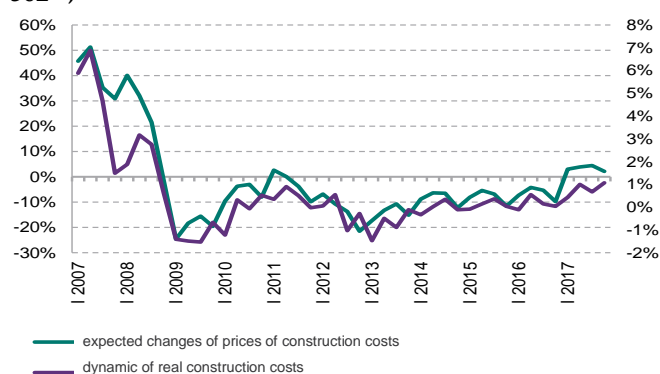
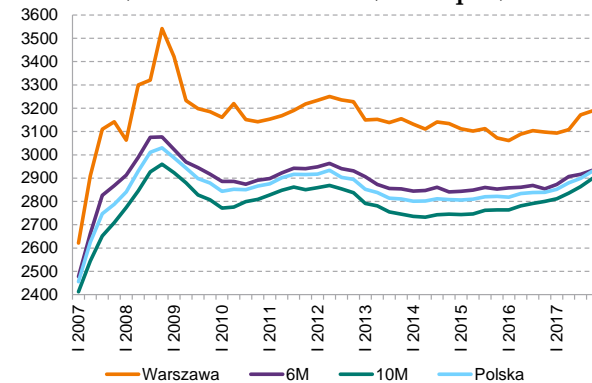


Figure 37 Average cost of construction of square metre of the residential building's usable area (type 1122-302³²) in selected markets (PLN/sq. m)

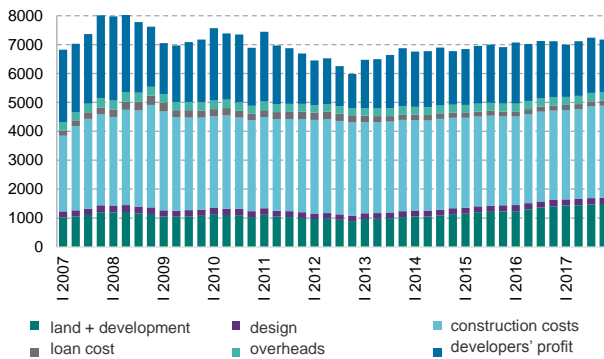


Source: NBP based on GUS data (business conditions survey), Sekocenbud.

Source: NBP based on Sekocenbud.

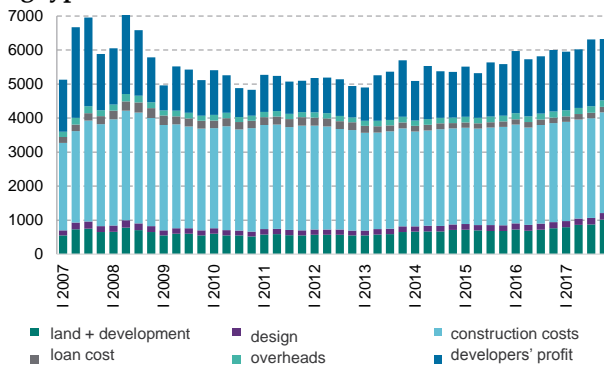
³² **Type 1122-302 building** monitored by NBP as of 2016 2H based on Sekocenbud data: an average residential multi-family building, five-storey, with an underground garage; construction technology: continuous footing, construction walls and ceilings – reinforced concrete, monolithic, masonry curtain 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 38 Warsaw – estimated structure of price per square metre of housing usable area in the PM (building type 1122-302^{32/}) for consumer.



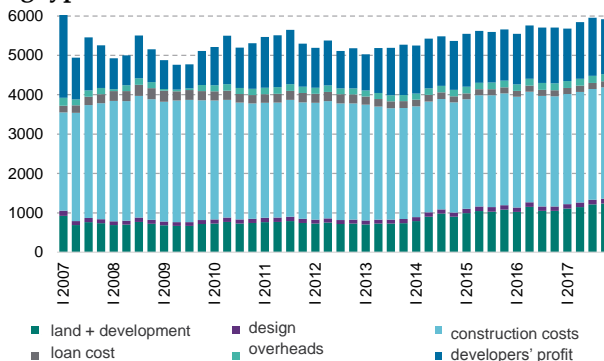
Source: NBP based on Sekocenbud, REAS.

Figure 40 Gdańsk – estimated structure of price per square metre of housing usable area in the PM (building type 1122-302^{32/}) for consumer.



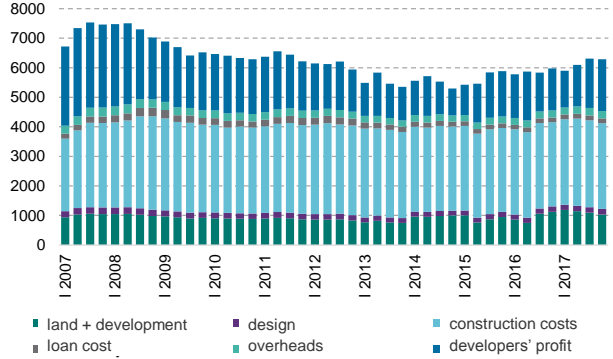
Source: NBP based on Sekocenbud, REAS.

Figure 42 Wrocław – estimated structure of price per square metre of housing usable area in the PM (building type 1122-302^{32/}) for consumer.



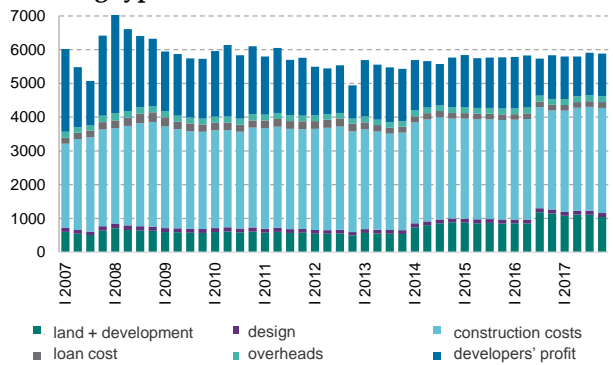
Source: NBP based on Sekocenbud, REAS.

Figure 39 – estimated structure of price per square metre of housing usable area in the PM (building type 1122-302^{32/}) for consumer.



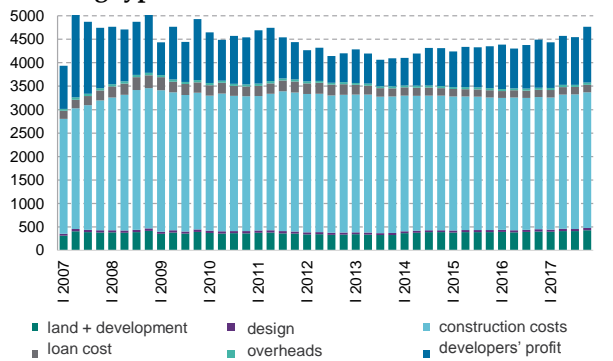
Source: NBP based on Sekocenbud, REAS.

Figure 41 Poznań – estimated structure of price per square metre of housing usable area in the PM (building type 1122-302^{32/}) for consumer.



Source: NBP based on Sekocenbud, REAS.

Figure 43 Łódź – estimated structure of price per square metre of housing usable area in the PM (building type 1122-302^{32/}) for consumer.



Source: NBP based on Sekocenbud, REAS.

Figure 44 Economic indicators of an average DFD (in mln PLN)

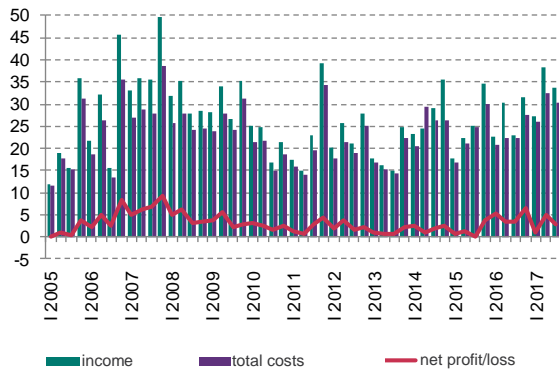
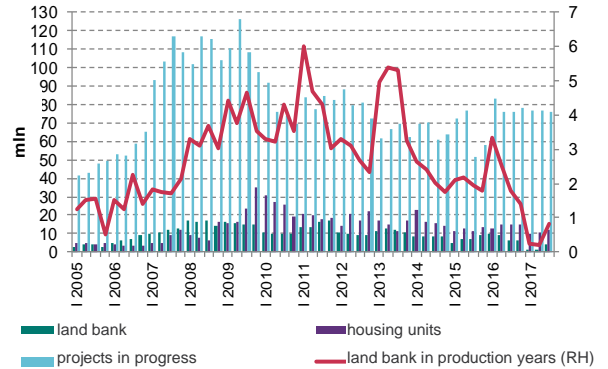


Figure 45 Situation of an average DFD (left-hand scale in mln PLN, right-hand scale in years)



Note to Figures 44-47: DFD – a large developer employs over 50 persons according to GUS.

Source: NBP based on GUS (F01).

Source: NBP based on GUS (F01).

Figure 46 Costs of average DFD (in thousand PLN)

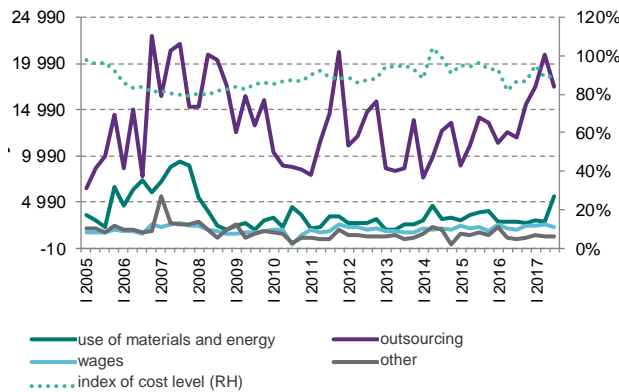
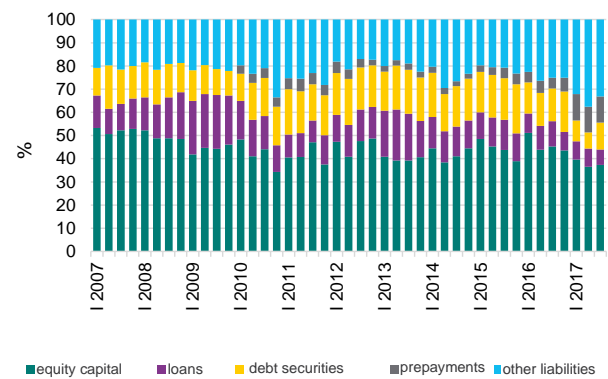


Figure 47 Structure of liabilities of DFD



Source: NBP based on GUS (F01).

Source: NBP based on GUS (F01).

Figure 48 Loans to corporations for real estate purchases (in PLN billion, left-hand scale) and the share of loans recognised as non-performing loans (in %, right-hand scale)

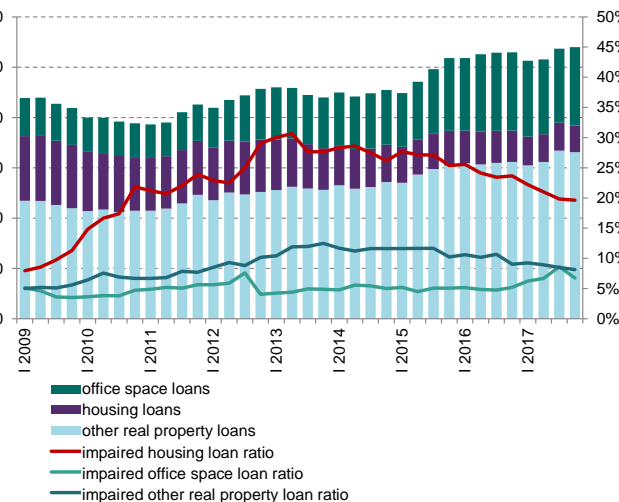
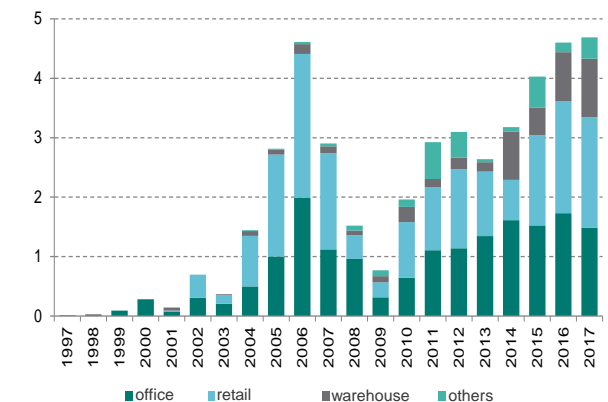


Figure 49 Value of investment transactions (in EUR billion)



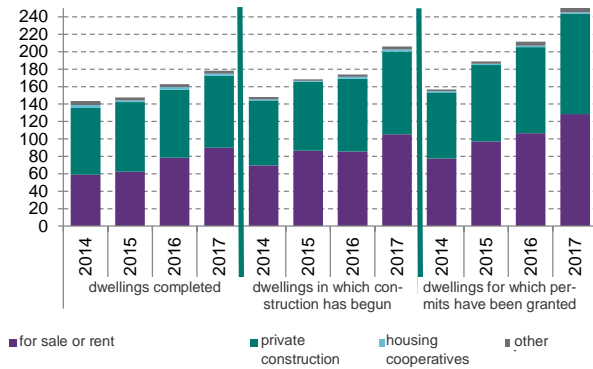
Note: data excluding BGK.

Source: NBP.

Source: Comparables.pl.

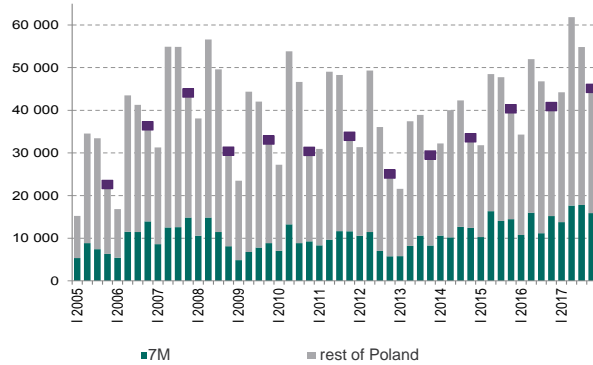
5. Residential construction and the housing market in selected cities in Poland

Figure 50 Structure of residential construction investors in Poland in three quarters of the years 2014–2017



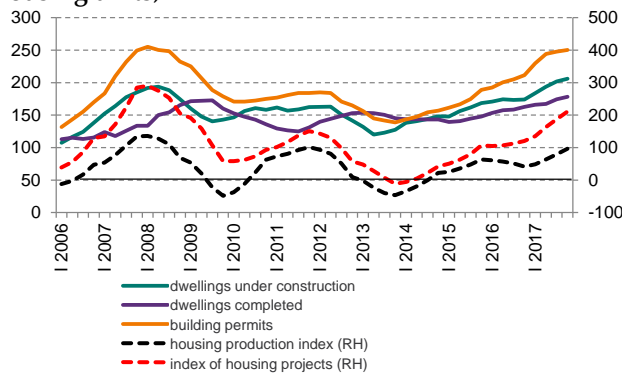
Source: GUS.

Figure 52 Housing units under construction in Poland, in quarter-on-quarter terms



Source: GUS.

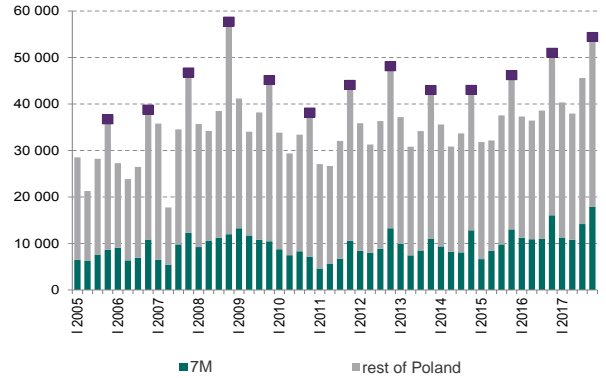
Figure 54 Housing construction (thousand housing units) and home construction indicator in Poland (housing units under construction minus completed housing units)



Note: rolling averages for the last four quarters.

Source: NBP based on PABB and GUS.

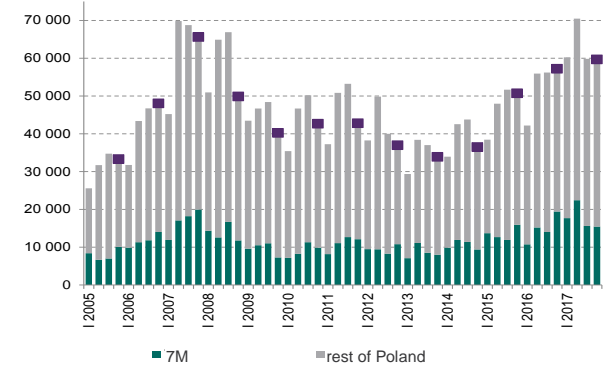
Figure 51 Completed housing units in Poland, in quarter-on-quarter terms



Note to Figures 51–53: only fourth quarters have been marked in violet.

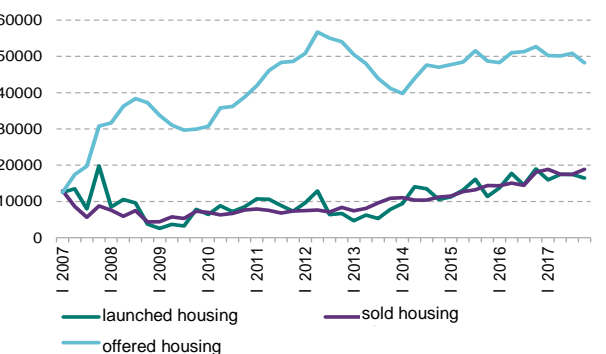
Source: GUS.

Figure 53 Issued building permits in Poland in quarter-on-quarter terms



Source: GUS.

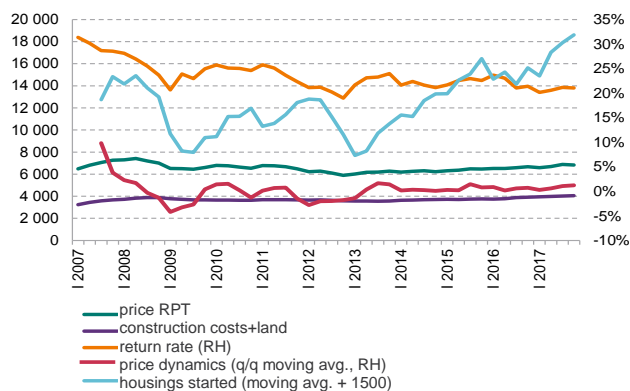
Figure 55 Number of housing units put on the market, sold and offered for sale in 6 largest markets* in Poland



*Warsaw, Kraków, Tri-city Agglomeration of Gdańsk-Sopot-Gdynia, Wrocław, Poznań, Łódź.

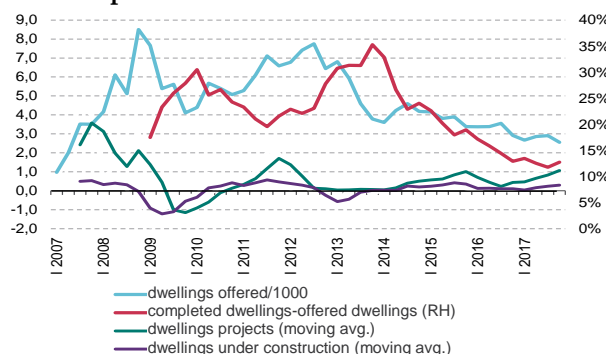
Source: REAS

Figure 56 Housing supply and estimated rate of return on housing investment in the PM in 7M



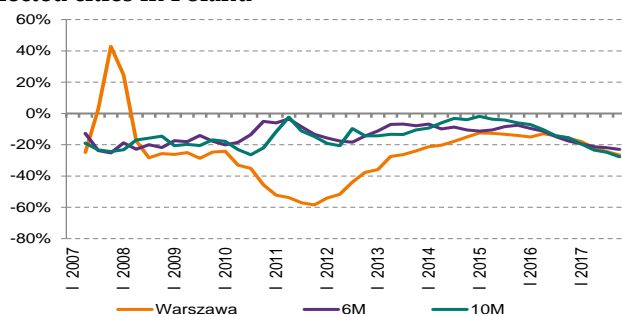
Source: NBP, GUS, REAS, Sekocenbud.

Figure 57 Housing projects and housing under construction as well as the offer of completed housing units compared to sales in 7M



Note: Housing projects under construction=building permits for housing units minus completed housing units; housing units under construction=housing units whose construction has begun minus completed housing units; volume divided by sales in the given period. Source: NBP based on GUS.

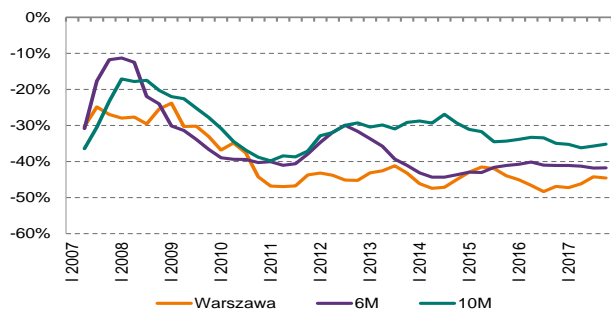
Figure 58 Measure of adjustment of housing units on offer to demand in terms of area ≤ 50 sq. m, PM in selected cities in Poland



Note: Figure 58 presents, in percentage terms, a short-term mismatch in the primary market between supply (developers' housing offer) and the estimated demand (housing transactions) in terms of housing unit size, according to the data from the BaRN database. The mismatch is calculated as the ratio of the share of housing units with usable area of up to 50 square metres 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 a surplus of housing of this particular size, whereas a negative result indicates a shortage thereof. Figure 59 is parallel for the PM. Figures 60-61 are parallel, but they concern the SM only.

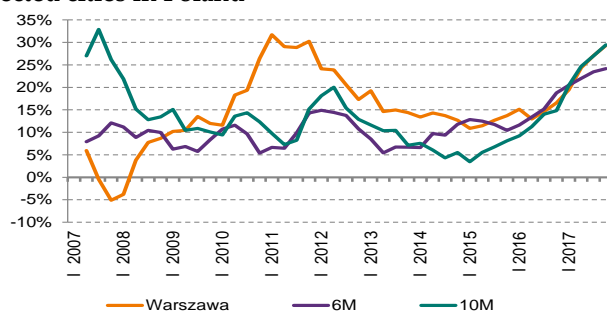
Source: NBP.

Figure 60 Measure of adjustment of housing units on offer to demand in terms of area ≤ 50 sq. m, SM in selected cities



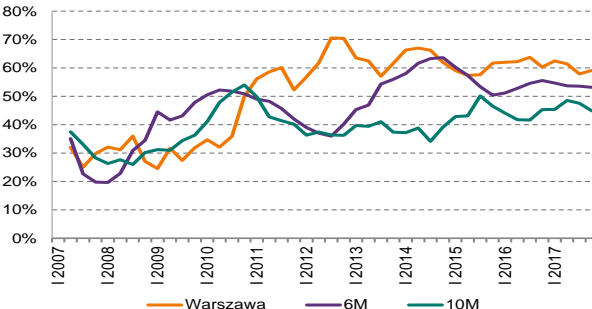
Source: NBP.

Figure 59 Measure of adjustment of housing units on offer to demand in terms of area >50 sq. m, PM in selected cities in Poland



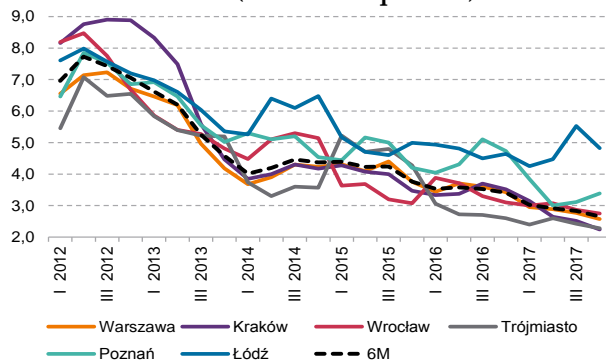
Source: NBP.

Figure 61 Measure of adjustment of housing units on offer to demand in terms of area >50 sq. m, SM in selected cities



Source: NBP.

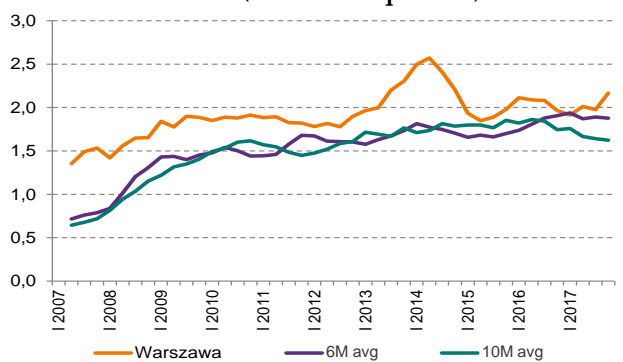
Figure 62 Selling time of housing units on offer in the PM in selected cities (number of quarters)



Note: selling time is the relation of the number of housing units on offer at the end of the current quarter in relation to the number of housing units sold in the last four quarters.

Source: NBP based on REAS.

Figure 63 Selling time of housing units on offer in the SM in selected cities (number of quarters)

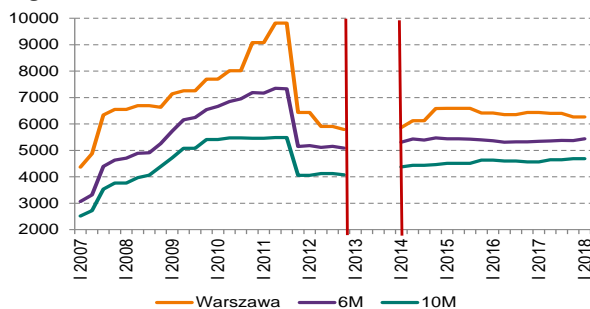


Note: real selling time, average of the last four quarters; data are not comparable with Figure 62. Selling time of housing in the secondary real estate market takes into account only transactions ended with a sale. The data are underestimated since they do not contain offers entered but not sold yet.

Source: NBP.

6. Housing policy

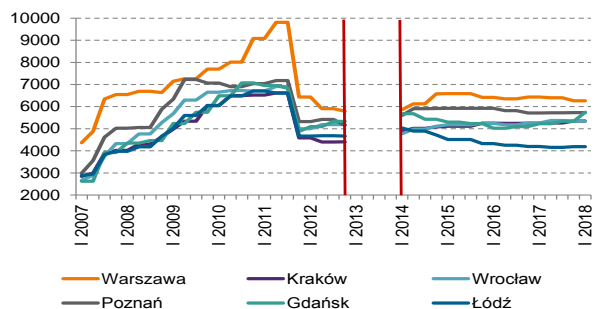
Figure 64 Upper limits of prices per square metre of housing in the PM within thresholds set under the government-subsidised housing schemes in Poland's largest cities (in PLN)



Note to Figures 64-69: the red lines separate the period without government-subsidised housing schemes.

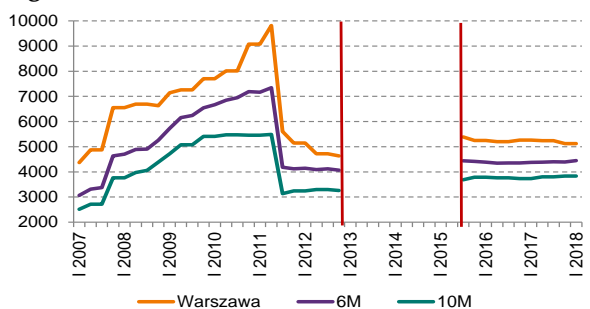
Source: BGK.

Figure 65 Upper limits of prices per square metre of housing in the PM within thresholds set under the government-subsidised housing schemes in selected cities in Poland (in PLN)



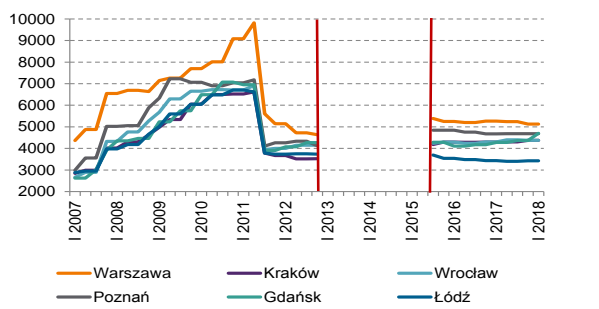
Source: BGK.

Figure 66 Upper limits of prices per square metre of housing in the SM within thresholds set under the government-subsidised housing schemes in Poland's largest cities (in PLN)



Source: BGK.

Figure 67 Upper limits of prices per square metre of housing in the SM within thresholds set under the government-subsidised housing schemes in selected cities in Poland (in PLN)



Source: BGK.

Figure 68 Gap in the limit of government-subsidised housing schemes as compared to the median of transaction price per square m of housing in the PM

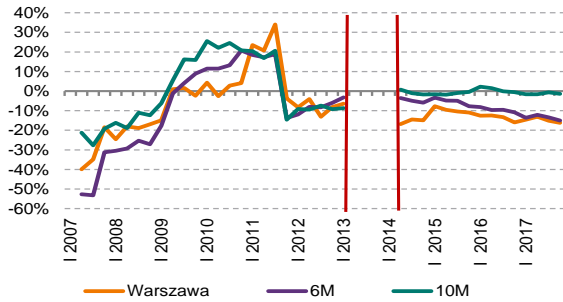
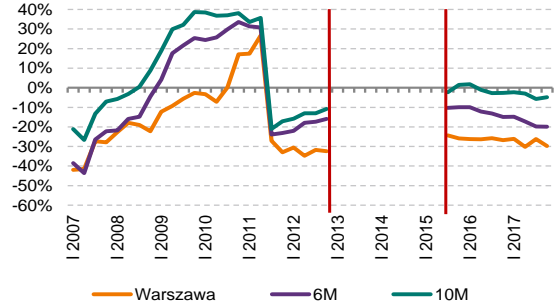


Figure 69 Gap in the limit of government-subsidised housing schemes as compared to the median of transaction price per square m of housing in the SM



Note to Figures 68-69: the gap is calculated as the difference of the maximum price (upper limit) in the RNS/MDM government subsidised housing scheme in the PM and SM in relation to the median of transaction price. A positive difference means that the scheme finances housing with prices exceeding the median, a negative difference means the opposite.

Source: NBP, BGK.

Source: NBP, BGK.

Figure 70 Transactions involving housing units, including those meeting the eligibility criteria for admission to the MDM housing scheme* in Gdańsk according to the BaRN database

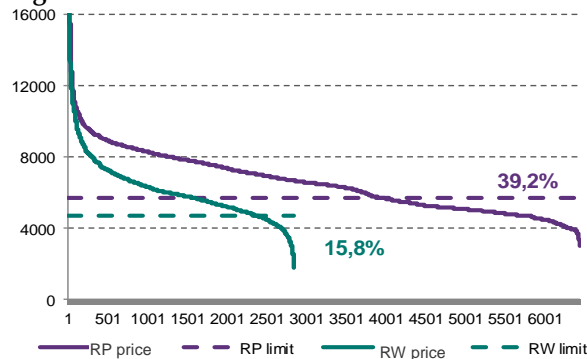
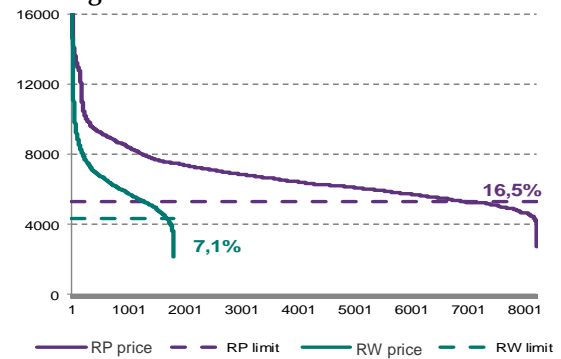


Figure 71 Transactions involving housing units, including those meeting the eligibility criteria for admission to the MDM housing scheme* in Kraków according to the BaRN database



*Note to Figures 70-75: the share of housing units in the PM and SM covered by the limits of the MDM housing scheme in 2018 was calculated based on transactions of housing units of an area no greater than 75 sq. m concluded in the period 2017 Q1-Q4 according to the BaRN database.

Source: NBP.

Source: NBP.

Figure 72 Transactions involving housing units, including those meeting the eligibility criteria for admission to the MDM housing scheme in Łódź according to the BaRN database

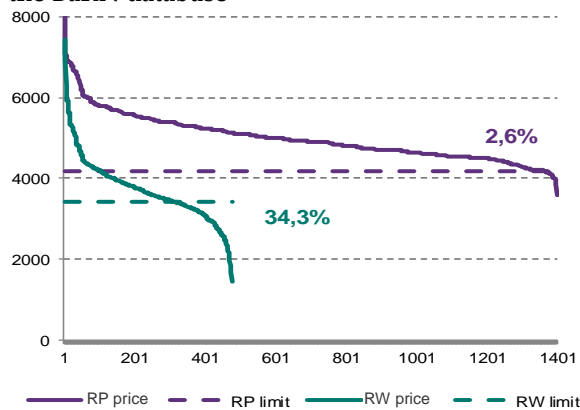
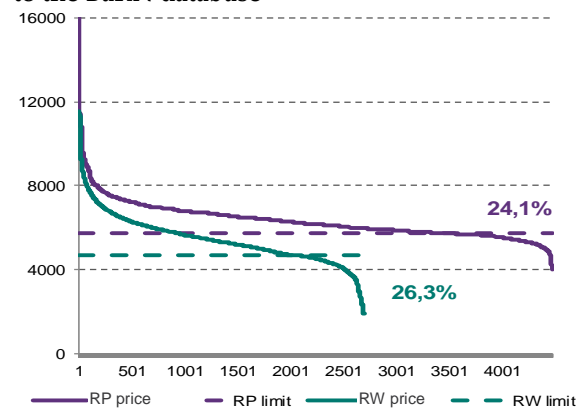


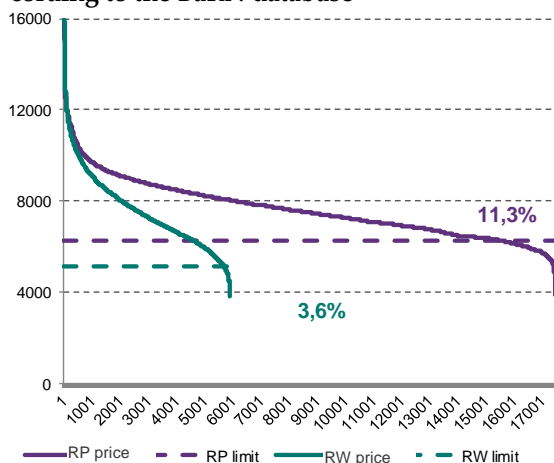
Figure 73 Transactions involving housing units, including those meeting the eligibility criteria for admission to the MDM housing scheme in Poznań according to the BaRN database



Source: NBP.

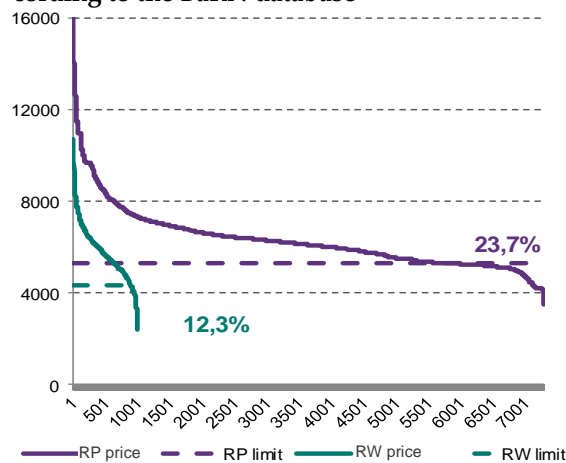
Source: NBP.

Figure 74 Transactions involving housing units, including those meeting the eligibility criteria for admission to the MDM housing scheme in Warsaw according to the BaRN database



Source: NBP.

Figure 75 Transactions involving housing units, including those meeting the eligibility criteria for admission to the MDM housing scheme in Wrocław according to the BaRN database



Source: NBP.

Table 2 The share of dwellings in 2017 Q4, according to the BaRN database, meeting the limit of the housing area and the limit of the housing area and maximum price in the PM and the SM set by the MDM housing scheme

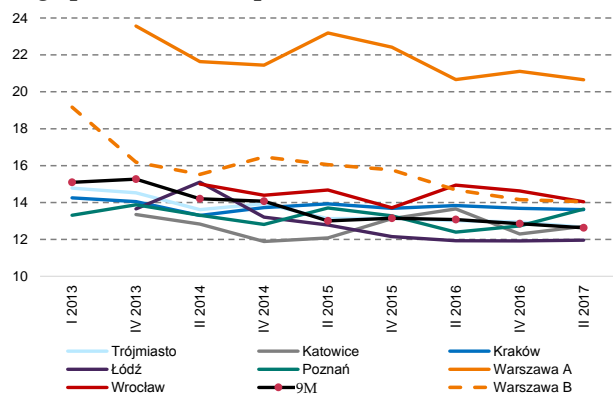
	PM		SM	
	The share of dwellings with an area <75 sq.m	The share of dwellings with an area <75 sq.m & that meet the MDM price limits	The share of dwellings with an area <75 sq.m	The share of dwellings with an area <75 sq.m & that meet the MDM price limits
Białystok	96,2%	41,1%	97,0%	32,4%
Bydgoszcz	90,6%	46,9%	94,2%	56,0%
Gdańsk	93,2%	36,7%	87,3%	13,8%
Katowice	92,4%	26,6%	94,2%	63,1%
Kielce	93,6%	75,5%	97,6%	77,3%
Kraków	93,8%	15,5%	94,0%	6,8%
Lublin	93,2%	25,2%	94,3%	14,8%
Łódź	91,8%	2,3%	90,9%	31,5%
Olsztyn	97,6%	58,0%	93,5%	49,1%
Opole	96,4%	10,3%	91,4%	15,6%
Poznań	94,1%	22,6%	92,3%	24,8%
Rzeszów	94,5%	36,8%	94,4%	11,0%
Szczecin	93,2%	26,0%	86,1%	25,6%
Warszawa	89,3%	10,0%	90,3%	3,5%
Wrocław	94,1%	20,0%	86,7%	10,8%
Zielona Góra	92,7%	92,5%	96,2%	71,8%

Note to table 2: the share of dwellings in the PM and SM offer covered by the MDM scheme limits has been calculated based on transactions involving dwellings from the BaRN database which were concluded in the period 2017 Q1–Q4. Changes in the share of dwellings arise from changes in the limits and from quarter on quarter changes in the sample of transactions involving dwellings.

Source: NBP, BGK.

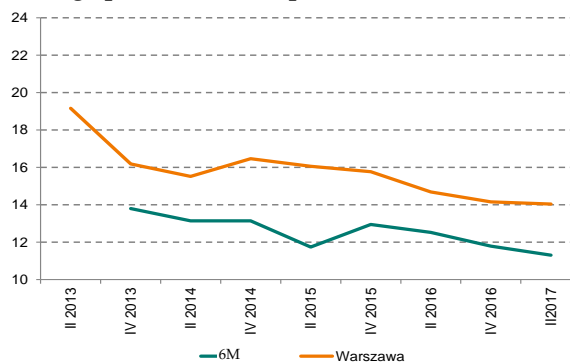
7. Rents in commercial real estate and transaction prices of commercial real estate

Figure 76 Transaction rents for A class office space (average prices in EUR/sq. m./month)



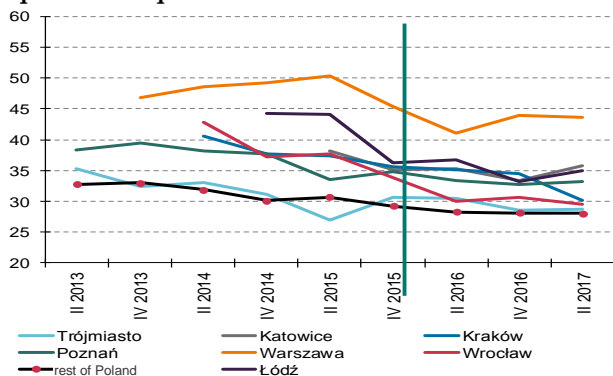
Note: Warsaw A – A class office buildings, Warsaw B – B class office buildings.
Source: NBP.

Figure 77 Transaction rents for B class office space (average prices in EUR/sq. m./month)



Note: 6 cities include: Gdańsk, Gdynia, Kraków, Łódź, Poznań, Wrocław.
Source: NBP.

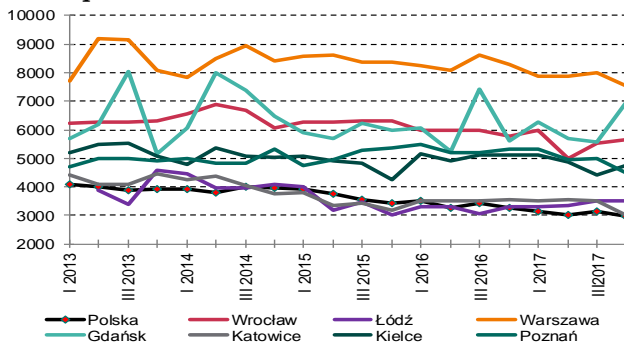
Figure 78 Transaction rents for retail space in shopping centres (shopping malls) with an area of 100-500 sq. m (EUR/sq.m/month)



Source: NBP.

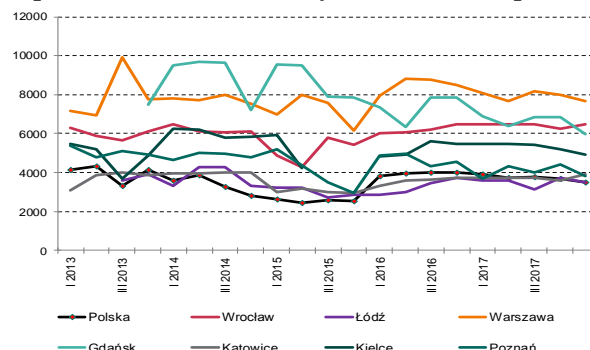
Note to Figure 78: as of the beginning of 2015 Q4, the number of records in the base, including respondents, increased significantly, consequently changing the analysed sample. Rents for shopping malls located in economically significant parts of the city are analysed.

Figure 79 Median of offer selling price of small retail and service premises in the secondary market (PLN/sq.m)



Source: PONT, prepared by NBP.

Figure 80 Median of offer selling price of small office premises in the secondary market (PLN/sq.m)



Source: PONT, prepared by NBP.

Table 3 Average prices of housing sq. m in the PM in Gdańsk

specification	III Q 2016			IV Q 2016			I Q 2017		II Q 2017		III Q 2017 r.		IV Q 2017	
	offer	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.	
average price (PLN/sq.m.)	6 536	6 550	6 481	6 462	6 430	6 775	6 501	7 329	6 816	7 371	6 829			
growth (q-o-q)	99,3	100,2	103,1	98,7	99,2	104,9	101,1	108,2	104,9	100,6	100,2			
growth (y-o-y)	101,9	100,9	107,5	97,4	99,7	102,9	105,1	112,1	108,5	112,5	105,4			
dwelling price range	3 584	3 517	1 647	3 600	1 951	4 211	1 655	3 656	1 669	3 503	1 817			
<=4 000 PLN/sq.m	70	41	50	45	58	28	61	23	14	8	7			
(4 001; 6 000] PLN/sq.m	1 553	1 535	649	1 609	853	1 572	691	1 284	535	1 122	688			
(6 001; 8 000] PLN/sq.m	1 322	1 298	684	1 385	699	1 446	604	1 105	715	1 285	640			
(8 001; 10 000] PLN/sq.m	501	493	215	431	257	1 054	231	924	366	780	449			
>10 001 PLN/sq.m	138	150	49	130	84	111	68	320	39	308	33			
dwelling space range	3 584	3 517	1 647	3 600	1 951	4 211	1 655	3 656	1 669	3 503	1 817			
<= 40 sq.m	611	487	480	610	536	828	444	584	511	491	500			
(40,1; 60] sq.m	1721	1649	799	1702	917	1865	784	1650	756	1485	889			
(60,1; 80] sq.m	1018	1105	308	1075	387	1243	345	1151	326	1243	363			
> 80,1 sq.m	234	276	60	213	111	275	82	271	76	284	65			
average price of 1 sq.m. of dwelling	6 536	6 550	6 481	6 462	6 430	6 775	6 501	7 329	6 816	7 371	6 829			
<=4 000 sq.m	6 884	6 715	6 747	6 954	6 509	7 301	6 798	7 587	6 909	7 524	6 882			
(40,1; 60] sq.m	6 275	6 331	6 371	6 232	6 334	6 583	6 441	7 019	6 751	7 030	6 752			
(60,1; 80] sq.m	6 485	6 505	6 163	6 326	6 368	6 518	6 186	7 102	6 674	7 179	6 742			
> 80,1 sq.m	7 760	7 740	7 457	7 572	7 062	7 660	6 787	9 627	7 450	9 731	7 977			
average offer price deviation	4,0%	1,1%	x	0,5%	x	4,2%	x	7,5%	x	7,9%	x			
<= 40 sq.m	14,2%	-0,5%	x	6,8%	x	7,4%	x	9,8%	x	9,3%	x			
(40,1; 60] sq.m	1,6%	-0,6%	x	-1,6%	x	2,2%	x	4,0%	x	4,1%	x			
(60,1; 80] sq.m	-1,5%	5,6%	x	-0,7%	x	5,4%	x	6,4%	x	6,5%	x			
> 80,1 sq.m	4,6%	3,8%	x	7,2%	x	12,9%	x	29,2%	x	22,0%	x			

Source: NBP.

Table 4 Average prices of housing sq. m in the SM in Gdańsk

specification	IV Q 2016		I Q 2017		II Q 2017		III Q 2017 r.		IV Q 2017	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 455	5 610	6 566	5 778	6 970	6 030	7 035	6 065	7 345	6 337
growth (q-o-q)	103,7	101,0	101,7	103,0	106,2	104,4	100,9	100,6	104,4	104,5
growth (y-o-y)	105,3	103,1	106,0	107,7	110,3	109,2	113,0	109,2	113,8	113,0
dwelling price range	1 719	929	1 308	628	1 207	747	1 098	968	1 182	899
<=4 000 PLN/sq.m	90	88	77	67	44	53	41	65	30	39
(4 001; 6 000] PLN/sq.m	867	574	640	338	502	391	438	476	378	407
(6 001; 8 000] PLN/sq.m	487	195	363	166	408	218	367	330	466	337
(8 001; 10 000] PLN/sq.m	139	38	112	36	116	57	108	66	125	73
>10 001 PLN/sq.m	136	34	116	21	137	28	144	31	183	43
dwelling space range	1 719	929	1 308	628	1 207	747	1 098	968	1 182	899
<= 40 sq.m	274	234	204	151	167	184	153	223	164	203
(40,1; 60] sq.m	543	414	432	253	404	342	378	421	460	398
(60,1; 80] sq.m	546	212	383	155	353	179	335	210	324	203
> 80,1 sq.m	356	69	289	69	283	42	232	114	234	95
average price of 1 sq.m. of dwelling	6 455	5 610	6 566	5 778	6 970	6 030	7 035	6 065	7 345	6 337
<=4 000 sq.m	6 879	6 298	6 995	6 244	7 629	6 642	7 494	6 637	8 011	7 037
(40,1; 60] sq.m	6 454	5 436	6 523	5 829	6 929	5 943	7 142	6 063	7 469	6 301
(60,1; 80] sq.m	6 355	5 160	6 438	5 332	6 876	5 762	6 937	5 619	7 223	5 814
> 80,1 sq.m	6 285	5 699	6 496	5 579	6 755	5 209	6 700	5 778	6 805	6 111
average offer price deviation	15,1%	x	13,6%	x	15,6%	x	16,0%	x	15,9%	x
<= 40 sq.m	9,2%	x	12,0%	x	14,9%	x	12,9%	x	13,8%	x
(40,1; 60] sq.m	18,7%	x	11,9%	x	16,6%	x	17,8%	x	18,5%	x
(60,1; 80] sq.m	23,2%	x	20,7%	x	19,3%	x	23,5%	x	24,2%	x
> 80,1 sq.m	10,3%	x	16,4%	x	29,7%	x	16,0%	x	11,4%	x

Source: NBP.

Table 5 Average prices of housing sq. m in the PM in Kraków

specification	IV Q 2016		I Q 2017		II Q 2017		III Q 2017 r.		IV Q 2017 r.	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 711	6 451	6 619	6 373	6 746	6 583	6 931	6 810	6 974	6 791
growth (q-o-q)	102,8	102,4	98,6	98,8	101,9	103,3	102,7	103,4	100,6	99,7
growth (y-o-y)	102,9	101,5	101,5	102,1	101,1	103,8	106,2	108,1	103,9	105,3
dwelling price range	6 236	2 156	7 194	2 269	6 210	2 225	5 916	1 689	5 582	2 075
<=4 000 PLN/sq.m	8	2	12	2	11	4	7	2	6	0
(4 001; 6 000] PLN/sq.m	2 233	779	2 193	1 000	1 741	815	1 536	530	1 386	678
(6 001; 8 000] PLN/sq.m	3 053	1 180	4 094	1 018	3 508	1 063	3 359	860	3 138	1 070
(8 001; 10 000] PLN/sq.m	761	156	796	226	844	311	821	269	874	278
>10 001 PLN/sq.m	181	39	99	23	106	32	193	28	178	49
dwelling space range	6 236	2 156	7 194	2 269	6 210	2 225	5 916	1 689	5 582	2 075
<= 40 sq.m	1116	676	1161	673	938	619	1126	513	960	533
(40,1; 60] sq.m	3452	1038	4083	1171	3480	1177	3312	857	3183	1126
(60,1; 80] sq.m	1219	356	1518	329	1370	342	1125	245	1124	332
> 80,1 sq.m	449	86	432	96	422	87	353	74	315	84
average price of 1 sq.m. of dwelling	6 711	6 451	6 619	6 373	6 746	6 583	6 931	6 810	6 974	6 791
<=4 000 sq.m	6923	6554	6888	6605	7166	6883	7600	7263	7545	7212
(40,1; 60] sq.m	6470	6224	6430	6170	6513	6405	6630	6472	6766	6552
(60,1; 80] sq.m	6838	6560	6672	6412	6821	6505	6884	6902	6985	6697
> 80,1 sq.m	7685	7922	7502	7084	7491	7177	7782	7287	7291	7685
average offer price deviation	4,0%	x	3,9%	x	2,5%	x	1,8%	x	2,7%	x
<= 40 sq.m	5,6%	x	4,3%	x	4,1%	x	4,6%	x	4,6%	x
(40,1; 60] sq.m	4,0%	x	4,2%	x	1,7%	x	2,4%	x	3,3%	x
(60,1; 80] sq.m	4,2%	x	4,1%	x	4,9%	x	-0,3%	x	4,3%	x
> 80,1 sq.m	-3,0%	x	5,9%	x	4,4%	x	6,8%	x	-5,1%	x

Source: NBP.

Table 6 Average prices of housing sq. m in the SM in Kraków

specification	IV Q 2016		I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 910	5 951	6 859	5 979	6 992	6 038	7 205	6 347	7 593	6 276
growth (q-o-q)	101,1	102,3	99,3	100,5	101,9	101,0	103,0	105,1	105,4	98,9
growth (y-o-y)	101,7	100,2	100,5	101,6	103,5	105,2	105,4	109,1	109,9	105,5
dwelling price range	1 464	391	1 160	452	1 301	486	766	475	1 505	402
<=4 000 PLN/sq.m	4	6	3	11	3	5	0	0	1	12
(4 001; 6 000] PLN/sq.m	493	216	390	243	399	263	214	222	341	186
(6 001; 8 000] PLN/sq.m	677	143	553	168	631	176	350	200	700	157
(8 001; 10 000] PLN/sq.m	200	19	155	26	192	36	145	40	287	36
>10 001 PLN/sq.m	90	7	59	4	76	6	57	13	176	11
dwelling space range	1 464	391	1 160	452	1 301	486	766	475	1 505	402
<= 40 sq.m	277	156	217	177	266	183	155	187	305	164
(40,1; 60] sq.m	608	180	511	195	559	213	302	215	591	159
(60,1; 80] sq.m	365	44	278	59	304	65	214	59	380	69
> 80,1 sq.m	214	11	154	21	172	25	95	14	229	10
average price of 1 sq.m. of dwelling	6 910	5 951	6 859	5 979	6 992	6 038	7 205	6 347	7 593	6 276
<=4 000 sq.m	7 445	6 363	7 480	6 423	7 645	6 384	8 079	6 758	8 837	6 761
(40,1; 60] sq.m	6 737	5 722	6 709	5 739	6 799	5 788	6 824	6 123	7 173	5 905
(60,1; 80] sq.m	6 759	5 455	6 742	5 642	6 781	5 776	7 020	6 006	7 229	6 112
> 80,1 sq.m	6 970	5 845	6 694	5 421	6 987	6 314	7 405	5 759	7 626	5 348
average offer price deviation	16,1%	x	14,7%	x	15,8%	x	13,5%	x	21,0%	X
<= 40 sq.m	17,0%	x	16,5%	x	19,8%	x	19,6%	x	30,7%	x
(40,1; 60] sq.m	17,7%	x	16,9%	x	17,5%	x	11,5%	x	21,5%	x
(60,1; 80] sq.m	23,9%	x	19,5%	x	17,4%	x	16,9%	x	18,3%	x
> 80,1 sq.m	19,2%	x	23,5%	x	10,7%	x	28,6%	x	42,6%	x

Source: NBP.

Table 7 Average prices of housing sq. m in the PM in Łódź

specification	IV Q 2016		I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	5 110	4 850	4 943	4 792	5 180	4 940	5 147	4 911	5 332	5 148
growth (q-o-q)	104,3	102,6	96,7	98,8	104,8	103,1	99,4	99,4	102,9	104,2
growth (y-o-y)	105,8	103,3	103,6	101,1	105,8	106,3	105,0	103,9	108,8	108,9
dwelling price range	1 794	233	1 138	316	1 394	237	1 881	352	2 015	435
<=4 000 PLN/sq.m	1	4	3	4	2	0	1	3	0	3
(4 001; 4 500] PLN/sq.m	170	66	151	77	141	43	104	50	67	31
(4 501; 5 000] PLN/sq.m	742	83	509	127	418	95	709	186	477	162
(5 001; 5 500] PLN/sq.m	543	50	310	91	467	63	648	69	862	135
(5 501; 6 000] PLN/sq.m	214	21	140	15	257	31	302	25	339	62
> 6 001 PLN/sq.m	124	9	25	2	109	5	117	19	270	42
dwelling space range	1 794	233	1 138	316	1 394	237	1 881	352	2 015	435
<= 40 sq.m	158	38	87	38	143	51	189	82	228	126
(40,1; 60] sq.m	830	109	508	174	658	118	839	175	904	211
(60,1; 80] sq.m	641	73	404	83	459	50	676	82	699	78
> 80,1 sq.m	165	13	139	21	134	18	177	13	184	20
average price of 1 sq.m. of dwelling	5 110	4 850	4 943	4 792	5 180	4 940	5 147	4 911	5 332	5 148
<=4 000 sq.m	5 042	4 934	4 942	4 851	5 284	5 069	5 304	4 853	5 602	5 250
(40,1; 60] sq.m	5 107	4 789	4 942	4 780	5 189	4 884	5 135	4 938	5 354	5 152
(60,1; 80] sq.m	5 089	4 935	4 914	4 791	5 142	4 829	5 102	4 875	5 232	5 006
> 80,1 sq.m	5 271	4 640	5 028	4 782	5 157	5 248	5 208	5 130	5 266	5 011
average offer price deviation	5,4%	x	3,2%	x	4,9%	x	4,8%	x	3,6%	x
<= 40 sq.m	2,2%	x	1,9%	x	4,2%	x	9,3%	x	6,7%	x
(40,1; 60] sq.m	6,6%	x	3,4%	x	6,3%	x	4,0%	x	3,9%	x
(60,1; 80] sq.m	3,1%	x	2,6%	x	6,5%	x	4,7%	x	4,5%	x
> 80,1 sq.m	13,6%	x	5,1%	x	-1,7%	x	1,5%	x	5,1%	x

Source: NBP.

Table 8 Average prices of housing sq. m in the SM in Łódź

specification	IV Q 2016		I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	4 096	3 417	4 149	3 509	4 203	3 582	4 241	3 762	4 314	3 784
growth (q-o-q)	101,5	104,0	101,3	102,7	102,6	104,8	103,5	110,1	104,0	107,8
growth (y-o-y)	106,4	102,3	105,3	107,1	106,7	109,3	107,7	114,8	107,6	113,1
dwelling price range	1 006	95	932	127	842	131	829	123	629	144
<= 3 000 PLN/sq.m	115	27	107	30	84	27	68	18	44	19
(3 001; 3 500] PLN/sq.m	174	28	141	46	109	33	116	21	79	28
(3 501; 4 000] PLN/sq.m	251	22	226	28	210	38	202	38	152	47
(4 001; 4 500] PLN/sq.m	198	12	196	13	177	20	188	31	142	31
(4 500; 5 000] PLN/sq.m.	119	0	114	3	111	4	97	8	94	6
> 5 001 PLN/sq.m	149	6	148	7	151	9	158	7	118	13
dwelling space range	1 006	95	932	127	842	131	829	123	629	144
<= 40 sq.m	170	27	149	40	123	39	122	45	91	48
(40,1; 60] sq.m	386	44	332	64	313	65	282	56	233	59
(60,1; 80] sq.m	207	12	201	16	167	15	190	14	140	23
> 80,1 sq.m	243	12	250	7	239	12	235	8	175	14
average price of 1 sq.m. of dwelling	4 096	3 417	4 149	3 509	4 203	3 588	4 241	3 762	4 314	3 784
<=4 000 sq.m	3 939	3 539	4 121	3 546	4 067	3 594	4 118	3 900	3 988	4 087
(40,1; 60] sq.m	4 087	3 496	4 077	3 581	4 138	3 607	4 252	3 868	4 434	3 688
(60,1; 80] sq.m	4 232	3 375	4 296	3 501	4 403	3 809	4 246	3 108	4 347	3 596
> 80,1 sq.m	4 106	2 892	4 144	2 653	4 220	3 193	4 289	3 393	4 305	3 458
average offer price deviation	19,9%	x	18,2%	x	17,3%	x	12,7%	x	14,0%	x
<= 40 sq.m	11,3%	x	16,2%	x	13,2%	x	5,6%	x	-2,4%	x
(40,1; 60] sq.m	16,9%	x	13,8%	x	14,7%	x	9,9%	x	20,3%	x
(60,1; 80] sq.m	25,4%	x	22,7%	x	15,6%	x	36,6%	x	20,9%	x
> 80,1 sq.m	42,0%	x	56,2%	x	32,2%	x	26,4%	x	24,5%	x

Source: NBP.

Table 9 Average prices of housing sq. m in the PM in Poznań

specification	IV Q 2016		I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 403	6 304	6 429	6 262	6 435	6 260	6 479	6 381	6 551	6 352
growth (q-o-q)	99,2	101,8	100,4	99,3	100,1	100,0	100,7	101,9	101,1	99,5
growth (y-o-y)	98,3	101,1	100,1	100,3	99,6	99,4	100,4	103,0	102,3	100,8
dwellings price range	4 462	1 236	4 415	1 140	4 332	1 353	3 977	1 073	3 632	1 220
<=4 000 PLN/sq.m	2		11	1	11		8	4	9	3
(4 001; 6 000] PLN/sq.m	1 560	566	1 550	546	1 527	616	1 250	398	1 075	504
(6 001; 8 000] PLN/sq.m	2 654	616	2 588	551	2 567	708	2 512	629	2 259	653
(8 001; 10 000] PLN/sq.m	192	48	222	38	185	25	178	38	257	41
>10 001 PLN/sq.m	54	6	44	4	42	4	29	4	32	19
dwellings space range	4 462	1 236	4 415	1 140	4 332	1 353	3 977	1 073	3 632	1 220
<= 40 sq.m	799	391	663	331	648	322	578	242	517	301
(40,1; 60] sq.m	2475	568	2521	584	2539	746	2329	583	2103	697
(60,1; 80] sq.m	936	223	939	180	877	224	832	193	779	178
> 80,1 sq.m	252	54	292	45	268	61	238	55	233	44
average price of 1 sq.m. of dwelling	6 403	6 304	6 429	6 262	6 435	6 260	6 479	6 379	6 551	6 352
<=4 000 sq.m	6 692	6 441	6 700	6 314	6 700	6 481	6 763	6 552	6 725	6 540
(40,1; 60] sq.m	6 332	6 258	6 366	6 227	6 379	6 194	6 439	6 323	6 506	6 287
(60,1; 80] sq.m	6 306	6 157	6 382	6 221	6 385	6 160	6 376	6 382	6 485	6 368
> 80,1 sq.m	6 536	6 398	6 511	6 488	6 481	6 280	6 548	6 195	6 783	6 022
average offer price deviation	1,6%	x	2,7%	x	2,8%	x	1,5%	x	3,1%	x
<= 40 sq.m	3,9%	x	0,06	x	0,03	x	3,2%	x	2,8%	x
(40,1; 60] sq.m	1,2%	x	0,02	x	0,03	x	1,8%	x	3,5%	x
(60,1; 80] sq.m	2,4%	x	0,03	x	0,04	x	-0,1%	x	1,8%	x
> 80,1 sq.m	2,2%	x	0,00	x	0,03	x	5,7%	x	12,6%	x

Source: NBP.

Table 10 Average prices of housing sq. m in the SM in Poznań

specification	IV Q 2016		I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m)	6 123	5 282	5 966	5 154	6 080	5 463	6 052	5 422	6 355	5 416
growth (q-o-q)	100,5	100,9	97,4	97,6	101,9	106,0	99,6	99,2	105,0	99,9
growth (y-o-y)	106,9	104,4	100,5	101,8	100,6	105,5	99,3	103,5	103,8	102,5
dwellings price range	950	839	651	868	740	872	548	793	458	396
<=4 000 PLN/sq.m	38	98	37	109	35	78	39	67	18	24
(4 001; 6 000] PLN/sq.m	498	559	356	592	402	555	285	520	207	271
(6 001; 8 000] PLN/sq.m	315	166	191	145	220	215	160	181	165	97
(8 001; 10 000] PLN/sq.m	77	15	56	20	63	20	51	21	55	4
>10 001 PLN/sq.m	22	1	11	2	20	4	13	4	13	
dwellings space range	950	840	651	868	740	872	548	793	458	396
<= 40 sq.m	172	252	99	249	113	278	70	235	51	129
(40,1; 60] sq.m	348	369	237	373	276	376	187	373	174	179
(60,1; 80] sq.m	240	164	169	183	182	169	143	143	110	76
> 80,1 sq.m	190	55	146	63	169	49	148	42	123	12
average price of 1 sq.m. of dwelling	6123	5282	5966	5154	6080	5463	6052	5422	6355	5416
<=4 000 sq.m	6665	5755	6599	5517	6690	5978	6387	6008	6895	5894
(40,1; 60] sq.m	6240	5303	6151	5269	6173	5409	6328	5368	6530	5360
(60,1; 80] sq.m	5785	4820	5638	4691	5799	4953	5763	4890	6117	4941
> 80,1 sq.m	5843	4345	5615	4376	5821	4727	5826	4431	6097	4117
average offer price deviation	15,9%	x	15,8%	x	11,3%	x	11,6%	x	17,3%	x
<= 40 sq.m	15,8%	x	19,6%	x	11,9%	x	6,3%	x	17,0%	x
(40,1; 60] sq.m	17,7%	x	16,7%	x	14,1%	x	17,9%	x	21,8%	x
(60,1; 80] sq.m	20,0%	x	20,2%	x	17,1%	x	17,9%	x	23,8%	x
> 80,1 sq.m	34,5%	x	28,3%	x	23,1%	x	31,5%	x	48,1%	x

Source: NBP.

Table 11 Average prices of housing sq. m in the PM in Warsaw

specification	IV Q 2016		I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m)	7 638	7 686	7 707	7 562	7 740	7 683	7 788	7 820	8 020	7 751
growth (q-o-q)	98,3	99,9	100,9	98,4	100,4	101,6	100,6	101,8	103,0	99,1
growth (y-o-y)	98,1	103,0	97,8	99,0	101,2	101,3	100,2	101,6	105,0	100,8
dwelling price range	14 567	4 343	12 765	4 490	14 057	4 782	14 288	4 606	13 587	5 455
<=4 000 PLN/sq.m	0	0	0	1	0	0	0	0	0	2
(4 001; 6 000] PLN/sq.m	1 227	217	1 119	230	1 189	285	888	252	958	393
(6 001; 8 000] PLN/sq.m	8 872	2 585	7 467	2 827	7 852	2 841	8 251	2 507	7 583	3 008
(8 001; 10 000] PLN/sq.m	3 692	1 307	3 327	1 283	4 043	1 430	4 290	1 577	3 745	1 731
>10 001 PLN/sq.m	776	234	852	149	973	226	859	270	1 301	321
dwelling space range	14 567	4 343	12 765	4 490	14 057	4 782	14 288	4 606	13 587	5 455
<= 40 sq.m	2 189	1 101	1 736	1 012	1 769	928	1 708	1 066	1 713	1 288
(40,1; 60] sq.m	6 869	1 971	5 853	2 223	6 445	2 467	6 282	2 227	5 978	2 582
(60,1; 80] sq.m	3 974	920	3 574	921	4 110	975	4 571	938	4 220	1 148
> 80,1 sq.m	1 535	351	1 602	334	1 733	412	1 727	375	1 676	437
average price of 1 sq.m of dwelling	7 638	7 686	7 707	7 562	7 740	7 683	7 788	7 820	8 020	7 751
<=4 000 sq.m	7 517	7 805	7 539	7 814	7 734	7 643	7 662	8 015	9 290	7 894
(40,1; 60] sq.m	7 506	7 569	7 534	7 424	7 603	7 602	7 672	7 687	7 651	7 648
(60,1; 80] sq.m	7 620	7 522	7 686	7 372	7 698	7 621	7 784	7 744	7 820	7 584
> 80,1 sq.m	8 449	8 397	8 564	8 241	8 354	8 397	8 349	8 244	8 540	8 374
average offer price deviation	-0,6%	x	1,9%	x	0,7%	x	-0,4%	x	3,5%	x
<= 40 sq.m	-3,7%	x	-3,5%	x	1,2%	x	-4,4%	x	17,7%	x
(40,1; 60] sq.m	-0,8%	x	1,5%	x	0,0%	x	-0,2%	x	0,0%	x
(60,1; 80] sq.m	1,3%	x	4,3%	x	1,0%	x	0,5%	x	3,1%	x
> 80,1 sq.m	0,6%	x	3,9%	x	-0,5%	x	1,3%	x	2,0%	x

Source: NBP.

Table 12 Average prices of housing sq. m in the SM in Warsaw

specification	IV Q 2016		I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m)	8 709	7 556	8 816	7 429	8 885	7 338	9 009	7 415	9 235	7 576
growth (q-o-q)	99,2	103,4	101,2	98,3	100,8	98,8	101,4	94,8	102,5	102,2
growth (y-o-y)	100,6	102,1	101,8	99,9	101,9	99,8	102,6	101,4	106,0	100,3
dwelling price range	5 949	3 127	5 107	1 358	4 558	1 345	4 764	1 124	3 499	1 138
<=4 000 PLN/sq.m	2	29	3	5	2	1	0	0	0	0
(4 001; 6 000] PLN/sq.m	468	628	390	289	345	264	335	194	229	180
(6 001; 8 000] PLN/sq.m	2 359	1 441	1 933	645	1 617	687	1 618	592	1 073	553
(8 001; 10 000] PLN/sq.m	1 877	708	1 656	296	1 530	303	1 618	263	1 183	315
>10 001 PLN/sq.m	1 243	321	1 125	123	1 064	90	1 193	75	1 014	90
dwelling space range	5 949	3 127	5 107	1 358	4 558	1 345	4 764	1 124	3 499	1 138
<= 40 sq.m	913	1 015	763	481	701	476	730	331	565	382
(40,1; 60] sq.m	2 265	1 355	1 941	567	1 640	576	1 674	515	1 253	513
(60,1; 80] sq.m	1 420	489	1 182	197	1 083	200	1 107	204	808	183
> 80,1 sq.m	1 351	268	1 221	113	1 134	93	1 253	74	873	60
average price of 1 sq.m of dwelling	8 709	7 556	8 816	7 429	8 885	7 338	9 009	7 415	9 235	7 576
<=4 000 sq.m	9 125	7 912	9 200	7 949	9 301	8 032	9 450	7 996	9 818	8 177
(40,1; 60] sq.m	8 236	7 164	8 379	7 030	8 559	6 935	8 671	7 153	8 901	7 288
(60,1; 80] sq.m	8 380	7 312	8 405	7 108	8 450	6 765	8 514	7 043	8 692	7 094
> 80,1 sq.m	9 565	8 632	9 667	7 779	9 515	7 503	9 640	7 660	9 841	7 689
average offer price deviation	15,3%	x	18,7%	x	21,1%	x	21,5%	x	21,9%	x
<= 40 sq.m	15,3%	x	15,7%	x	15,8%	x	18,4%	x	20,1%	x
(40,1; 60] sq.m	15,0%	x	19,2%	x	23,4%	x	21,2%	x	22,1%	x
(60,1; 80] sq.m	14,6%	x	18,2%	x	24,9%	x	20,9%	x	22,5%	x
> 80,1 sq.m	10,8%	x	24,3%	x	26,8%	x	25,9%	x	28,0%	x

Source: NBP.

Table 13 Average prices of housing sq. m in the PM in Wrocław

specification	IV Q 2016		I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 443	6 163	6 460	6 136	6 461	6 314	6 390	6 433	6 526	6 389
growth (q-o-q)	101,7	100,0	100,3	99,6	100,0	102,9	98,9	101,9	102,1	99,3
growth (y-o-y)	103,2	100,7	104,4	101,8	104,2	101,4	100,9	104,4	101,3	103,7
dwelling price range	5 266	1 719	5 296	1 585	5 584	1 850	5 343	1 751	5 853	2 156
<=4 000 PLN/sq.m	0	15	0	0	2	3	9	7	7	2
(4 001; 6 000] PLN/sq.m	2 161	809	2 370	756	2 431	817	2 338	762	2 451	875
(6 001; 8 000] PLN/sq.m	2 505	773	2 259	736	2 501	868	2 456	778	2 719	1 077
(8 001; 10 000] PLN/sq.m	393	98	431	64	415	110	419	155	509	179
>10 001 PLN/sq.m	207	24	236	29	235	52	121	49	167	23
dwelling space range	5 266	1 719	5 296	1 585	5 584	1 850	5 343	1 751	5 853	2 156
<= 40 sq.m	597	360	735	270	734	428	593	365	752	374
(40,1; 60] sq.m	2837	939	2750	919	2884	980	2781	907	2900	1171
(60,1; 80] sq.m	1474	366	1491	330	1626	363	1606	412	1805	511
> 80,1 sq.m	358	54	320	66	340	79	363	67	396	100
average price of 1 sq.m. of dwelling	6 443	6 163	6 460	6 136	6 461	6 314	6 390	6 433	6 526	6 389
<=4 000 sq.m	7027	6642	7190	6351	7431	6718	7082	7432	7010	6986
(40,1; 60] sq.m	6337	6038	6304	6112	6387	6192	6358	6239	6508	6369
(60,1; 80] sq.m	6296	5951	6293	5910	6133	6103	6160	5998	6335	5969
> 80,1 sq.m	6923	6581	6901	6715	6559	6620	6515	6300	6614	6547
average offer price deviation	4,5%	x	5,3%	x	2,3%	x	-0,7%	x	2,1%	x
<= 40 sq.m	5,8%	x	13,2%	x	10,6%	x	-4,7%	x	0,3%	x
(40,1; 60] sq.m	4,9%	x	3,1%	x	3,2%	x	1,9%	x	2,2%	x
(60,1; 80] sq.m	5,8%	x	6,5%	x	0,5%	x	2,7%	x	6,1%	x
> 80,1 sq.m	5,2%	x	2,8%	x	-0,9%	x	3,4%	x	1,0%	x

Source: NBP.

Table 14 Average prices of housing sq. m in the SM in Wrocław

specification	IV Q 2016		I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 165	5 480	6 253	5 390	6 267	5 445	6 293	5 764	6 365	5 906
growth (q-o-q)	101,7	102,8	101,4	98,4	100,2	101,0	100,4	105,9	101,2	102,5
growth (y-o-y)	104,2	105,9	105,1	103,3	104,7	104,7	103,8	108,1	103,3	107,8
dwelling price range	1 128	374	1 221	321	1 501	267	1 542	254	1 512	294
<=4 000 PLN/sq.m	23	27	25	29	33	23	29	17	25	13
(4 001; 6 000] PLN/sq.m	569	239	591	197	745	167	749	136	715	148
(6 001; 8 000] PLN/sq.m	438	97	488	89	572	73	615	89	609	115
(8 001; 10 000] PLN/sq.m	69	10	79	6	99	3	102	12	108	17
>10 001 PLN/sq.m	29	1	38		52	1	47		55	1
dwelling space range	1 128	374	1 221	321	1 501	267	1 542	254	1 512	294
<= 40 sq.m	171	77	176	61	208	47	220	55	227	65
(40,1; 60] sq.m	442	169	478	149	580	117	598	118	599	128
(60,1; 80] sq.m	326	87	363	80	452	69	468	61	441	73
> 80,1 sq.m	189	41	204	31	261	34	256	20	245	28
average price of 1 sq.m. of dwelling	6 165	5 480	6 253	5 390	6 267	5 445	6 293	5 764	6 365	5 906
<=4 000 sq.m	7 069	6 171	7 260	5 814	7 182	6 371	7 140	6 524	7 175	6 819
(40,1; 60] sq.m	6 171	5 355	6 254	5 455	6 341	5 379	6 362	5 848	6 396	5 888
(60,1; 80] sq.m	5 902	5 317	5 979	5 118	6 013	5 196	6 021	5 220	6 113	5 385
> 80,1 sq.m	5 786	5 045	5 871	4 953	5 812	4 895	5 898	4 836	5 994	5 226
average offer price deviation	12,5%	x	16,0%	x	15,1%	x	9,2%	x	7,8%	x
<= 40 sq.m	14,6%	x	24,9%	x	12,7%	x	9,4%	x	5,2%	x
(40,1; 60] sq.m	15,2%	x	14,7%	x	17,9%	x	8,8%	x	8,6%	x
(60,1; 80] sq.m	11,0%	x	16,8%	x	15,7%	x	15,4%	x	13,5%	x
> 80,1 sq.m	14,7%	x	18,5%	x	18,7%	x	22,0%	x	14,7%	x

Source: NBP.

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