

June 2018

---

# Information on home prices and the situation in the housing and commercial real estate market in Poland in 2018 Q1

Jacek Łaszek  
Hanna Augustyniak  
Krzysztof Olszewski  
Joanna Waszczuk  
Marzena Zaczek

---

The information was prepared in the Economic Analysis Department for the needs of the NBP governing bodies. The opinions expressed in this publication are authors' opinions and they do not present the position of the governing bodies of Narodowy Bank Polski.

## The analysis of the situation in the real estate market in Poland in 2018 Q1<sup>1</sup> leads to the following conclusions:

- **Heightened activity in the housing market continued with high levels of demand and supply for real estate in the largest markets. This activity has not generated excessive tensions so far.** Growing supply was accompanied by modest increases in home prices, partly associated with a growth in production costs, including a growth in prices of construction sites. Transactions continued to be financed by a significant share of buyers' own funds whereas lending increased slightly as compared to the previous quarters.
- **The average offer and transaction prices per square metre of housing in the analysed cities grew in the analysed period, both in the primary markets (PM) and in the secondary markets (SM).** The increase in transaction prices in the secondary markets (SM) was associated with a large number of transactions in better locations. The primary markets in large cities continued to see minor increases in prices of small apartments, especially of better quality and in better location, of which the most important were centrally located apartments bought for rental purposes. In addition, the pool of cheaper apartments meeting the requirements of the MDM programme decreased in the offer. Prices calculated with the use of the hedonic index<sup>2</sup> increased in Warsaw (6.3% y/y and 3.1% q/q) and in 6 cities (6.9% y/y and 1.8% q/q), which means a rise in prices per square metre of similar type of housing. In all the analysed groups of cities (Warsaw, 6 cities, 10 cities) prices in the primary market were higher than those in the secondary market. The difference between average transaction and average offer prices is insignificant, which means the buyer's less favourable position than the seller's. Average rents (both offer and transaction rents) per square metre of housing increased in the analysed quarter in 6 cities, remaining stable in Warsaw and in 10 cities.
- **The index of the estimated availability of housing** (based on average wages in the enterprise sector) in large cities **increased in the analysed quarter** to the level of 0.87 square metre, i.e. was 0.39 square metre higher than the record low observed in 2007 Q3. The index of the estimated maximum availability of a housing loan<sup>3</sup> and the index of loan-financed availability of housing for average households in Warsaw and in analysed 6 cities increased. Wage growth was the main driver behind the increase in those indices.
- **Housing investment** (excluding transaction costs) **continued to be profitable in the short term** (profitability calculated as a difference in interest rates). Assuming the average rent likely to be negotiated in the Warsaw market and in 6 cities, the profitability of housing investment was higher than the interest

---

<sup>1</sup> The analysis carried out in this issue of the *Information* is based on data available till 2018 Q1. Due to delays in access to data, some figures include data until 2017 Q4 (inclusive). Data series with average prices per square metre of housing, commercial rents and transaction prices per square metre of office space reflect the available pool of data and may be subject to revision according to the new incoming data. Historic data are also subject to change due to data revisions aimed to eliminate errors.

<sup>2</sup> 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 imputed 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 determining hedonic price indices as the way to control changes in goods quality], *Wiadomości Statystyczne* no. 9.

<sup>3</sup> 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, amortisation 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.

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 housing loans<sup>4, 5</sup> in PLN** (excluding renegotiated agreements) **in the analysed quarter stood at approx. PLN 11.9 billion**, i.e. was 11.8% higher as compared with the figures recorded in the previous quarter and 8.9% higher as compared with 2017 Q1 figures. The results of the NBP survey concerning the situation in the credit market<sup>6</sup> indicate that the surveyed banks did not significantly change their mortgage lending criteria. At the same time, in the second consecutive quarter, banks cut credit margins and eased the conditions not analysed in the survey.
- **Since 2012 the share of FX denominated loans<sup>7</sup> 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 amortisation, earlier repayments, and refinancing of those loans with PLN denominated loans.
- **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 is related to high demand for housing, growing share of buyers' advance payments, the accumulation of the stock of land for the construction of new housing projects<sup>8</sup> 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

---

<sup>4</sup> Data concerning new loans prepared by NBP are available in the "4 OPN2PLN" tab on the NBP internet site: [http://www.nbp.pl/home.aspx?f=/statystyka/pieniezna\\_i\\_bankowa/oprocentowanie.html](http://www.nbp.pl/home.aspx?f=/statystyka/pieniezna_i_bankowa/oprocentowanie.html). It should be remembered that a housing loan is often a supplementary source of home financing.

<sup>5</sup> According to the BIK data, 55.4% of the value of housing loans granted in March 2018 are loans in excess of PLN 250 thousand (25.7% in the range of PLN 250 – 350 thousand and 29.7% in excess of PLN 350 thousand). In 2018 Q1, the number of loans granted in the range of PLN 250 – 350 thousand, compared with 2017 Q1, increased by 21.5%, whereas the number of loans over PLN 350 thousand - by 29.3%. According to AMRON data, 2018 Q1 saw a decline in the average amount of granted housing loan, whereas the percentage of new loans with LTV=>80% increased and, at the same time, the percentage of new loans with LTV up to 50% dropped. The share of housing loans with the maturity from 25 to 35 years in the total structure of new loan agreements slightly increased.

<sup>6</sup> "Situation in the credit market - results of the senior loan officer opinion survey, 2018 Q2" NBP, April 2018 [http://www.nbp.pl/home.aspx?f=/aktualnosci/wiadomosci\\_2018/kredytowy2018\\_2.html](http://www.nbp.pl/home.aspx?f=/aktualnosci/wiadomosci_2018/kredytowy2018_2.html). A growth in demand for housing loans recorded by banks in 2018 Q1 was the highest in over 10 years. In respondents' opinion, it mainly resulted from BGK having made available the last tranche aimed to co-finance housing loans under the "Housing for the Young" scheme as well as from forecasts regarding the situation in the housing market. In 2018 Q2, banks declare no changes in lending policy and expect continued growth in demand.

<sup>7</sup> The share of FX denominated loans in the structure of housing loans extended by banks until the end of 2018 Q1 stood at approx. 33% as compared to 71% recorded in 2009 Q1 and 34% recorded at the end of 2017 Q4.

<sup>8</sup> The pool of land owned by real estate developers must be replenished constantly due to high home construction and sales. The provisions of 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) 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 local area development plans, allowing for multi-family residential construction - however, they are subject to higher VAT. Real estate developers finance the purchase of land for investment through corporate bonds, whereas construction works are carried out with the use of bank loans and buyers' prepayments.

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 completed investment projects and the purchase of rental housing by professional external investors. According to Coface experts<sup>9</sup> the number of bankruptcies in the construction industry in 2018 Q1 slightly increased as compared to 2017 Q1.

- **2018 Q1 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 permits<sup>10</sup> and the number of completed dwellings made ready for occupancy<sup>11</sup>. High home sales make it necessary to replenish land banks. High demand in this market contributed to a noticeable 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 in poorer location and with worse infrastructure is purchased. Real estate developers could have speeded up their actions in this respect in connection with works aimed to amend the rules of issuing planning permission<sup>12</sup>.
- **The pool of unsold housing in Poland's six largest primary markets<sup>13</sup> reached approx. 44.7 thousand at the end of March 2018**, i.e. decreased by approx. 3.5 thousand dwellings as compared to the previous quarter. **At the same time, the number of dwellings whose construction had been launched<sup>14</sup> as well as the number of completed dwellings put on sale increased<sup>15</sup>**, which indicates that real estate developers try to match the size of production with demand. The home selling time in the primary market<sup>16</sup> in 6 cities decreased to less than 2.5 quarters in the analysed period. The home selling time in the secondary market also shrank.
- **Housing supply has been flexible so far, however, the level of construction reached may trigger problems related to its further growth, in particular, due to growing limitations on the supply side.**

---

<sup>9</sup> Since 2016, the restructuring proceedings apply both to insolvent companies and to companies threatened with insolvency. According to Coface experts, despite a high demand for construction services, we face a growth in the number of bankruptcies in the construction sector, mainly due to growing costs of building materials and labour which strongly affect profitability of the contracts under implementation. The spiral of growing costs affects mainly smaller contractors, however, problems are also reported by larger enterprises.

<sup>10</sup> According to GUS data, in 2018 Q1 66.8 thousand home building permits were issued, i.e. approx. 6.5 thousand more than in 2017 Q1 and approx. 7.1 thousand more than in the previous quarter. In the last four quarters, the total of 256.8 thousand permits were issued, i.e. 27.1 thousand more than in the corresponding period of 2017 (a rise by 11.8% y/y).

<sup>11</sup> According to the data of the Central Statistical Office (GUS), in 2018 Q1 44.9 thousand homes were completed and made ready for occupancy, which is approx. 4.6 thousand more compared to 2017 Q1, however, approx. 9.5 thousand less than in the previous quarter. In the last four quarters, the total of 182.8 thousand dwellings were completed and made ready for occupancy, i.e. 16.5 thousand more than in the corresponding period of 2016 (a rise of 9.9% y/y).

<sup>12</sup> 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 Digitisation and is waiting to be further debated.

<sup>13</sup> According to the REAS data.

<sup>14</sup> According to the data of the Central Statistical Office (GUS), in 2018 Q1 in Poland the construction of 48.0 thousand homes was started, i.e. approx. 3.8 thousand more in comparison with 2017 Q1 and approx. 2.8 thousand more compared to the previous quarter. In the last four quarters, the construction of the total of 209.8 thousand dwellings was started, i.e. 25.9 thousand more than in the corresponding period of 2017 (a rise of 14.1% y/y).

<sup>15</sup> According to the REAS data.

<sup>16</sup> 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.

Despite the increase in sales volume, the production of dwellings in progress<sup>17</sup> is not growing proportionally. The home selling time in the primary market is historically low and continues to decline. The position of the home buyer is weakening, which is reflected in 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 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 a condition to maintain stable prices.

- **Under the gradually phased out MDM government-subsidized scheme in the period 2014 Q1 - 2018 Q1, a total of approx. PLN 2.65 billion worth of subsidies were paid out to 101,574 borrowers<sup>18</sup>.** On 4 January 2018 BGK ceased to accept the last pool of applications for home purchase subsidies<sup>19</sup>. Given the buyers' considerable interest, the disbursement of subsidies in the recent quarters may be attributed to the discontinuation of the scheme. In 2018 Q2 the level of the limit of maximum prices per square meter of housing eligible under the MDM scheme was changed (Gdańsk was the only city to maintain the same level)<sup>20</sup>, however, as the funds available for subsidies have been exhausted, this should not considerably affect the housing market.
- In the period under discussion, several changes were noted in the **National Housing Programme<sup>21</sup>**. Decree no. 11 of the Prime Minister of 29 January 2018 established the **Housing Council<sup>22</sup>**, to coordinate all government actions related to the implementation of the Housing Plus Scheme. Works on the

---

<sup>17</sup> The ratio calculated on the basis of GUS data as a difference between dwellings for which a building permit was issued and completed dwellings made ready for occupancy.

<sup>18</sup> 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, which means that the government's priority to provide assistance to 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).

<sup>19</sup> On 2-3 January 2018, BGK accepted 12.7 thousand applications from borrowers under the MDM Housing Scheme, which used up the pool of 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.

<sup>20</sup> 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 Q2 - 2018 Q1 made it possible to identify eligibility criteria under the Scheme in 16 cities. The biggest number of transactions in the primary market meeting the conditions of the scheme 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 Opole and in the secondary market in Warsaw.

<sup>21</sup> 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).

<sup>22</sup> Prime Minister Mateusz Morawiecki became chairman of the Housing Council. Members of the Council also include the Minister of Investments and Development, the Minister of the Family, 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.

amendment to the Act on Forests are in progress - the draft was submitted for debate to the Standing Committee of the Council of Ministers. One of the objectives of the amendment is to establish a company by the State Forests National Forest Holding (Państwowe Gospodarstwo Leśne Lasy Państwowe), the National Fund of Environmental Protection and Water Management and the Environmental Protection Bank, to act as an investor developing the market of energy efficient wooden homes (single- and multi-family dwelling). Polish Wooden Homes will also be able to purchase land, repair and modernise buildings, purchase and sell wood as well as develop wood processing technologies. The **Housing Plus** package still consists of two pillars: the commercial pillar and the 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 implements investments on privately-owned land. In this case, rents are higher to ensure that the investment is economically justified. According to the announcement in the national programme's website, narodowyprogram.pl, the Individual Housing Accounts (IKM) scheme will be replaced by the **governmental rental assistance programme**<sup>23</sup>.

- At the end of 2017 Q4, the **Rental Housing Fund** operating since 2014 offered over 1,700 dwellings in Gdańsk, Katowice, Kraków, Poznań, Warsaw and Wrocław, of which on average approx. 40% were leased. As a part of the **Social Building Programme**<sup>24</sup>, in the 2018 spring edition, BGK received 75 applications for the total financial support amounting to PLN 85.5 million, for the construction of 1,440 social housing units, municipal housing units and sheltered dwellings, and shelters and homes for the homeless. Decisions whether particular applications qualify under the programme will be made by 30 June this year.
- **In office real estate market, for the second consecutive quarter, imbalances resulting from oversupply of rental space as compared to demand for such space diminished.** In the last quarters, demand for office space increased more than previously, which was fostered by the favourable economic situation, including the creation of new jobs, also by international companies. At the same time, new supply of office space continues on the rise. According to the market estimates, in 2018 Q1 the stock of office space in nine biggest office markets<sup>25</sup> amounted to 9.8 square metres. Approximately 1.9 million square metres were under construction at that time. The continuing substantial growth of space results from very low interest rates in the euro area and still relatively high rates of return on investment in office buildings. The strongly growing supply of modern office space may be a challenge for owners of older office buildings in less attractive locations. The growth in demand in the previous and currently analysed quarter exceeds the

---

<sup>23</sup> According to the statement of the Minister of Investments and Development, subsidies to rents will also be paid in the case of dwellings constructed by developers, TBSs or housing cooperatives, i.e. they will not be limited to dwellings constructed under the Housing Plus Scheme only.

<sup>24</sup> In 2017 (the spring edition - acceptance of applications from 1 to 31 March and the autumn edition - acceptance of applications from 1 to 30 September) 193 applications for the total aid amounting to approx. PLN 202 million were accepted, providing for the construction of approx. 3.4 thousand social housing units, municipal housing units and sheltered dwellings, as well as shelters and homes for the homeless. The governmental scheme subsidizing social and municipal construction, operated by BGK, has been supporting local government units in their fulfilment of the statutory obligation to provide dwellings to inhabitants for over 10 years. Since 2007, based on funds originating from this scheme, BGK granted non-refundable subsidies for the total amount of PLN 1.05 billion, thus providing co-financing to almost 1.5 thousand housing projects. Owing to the scheme, over 17 thousand social housing units, municipal housing units and sheltered dwellings, places in shelters and homes for the homeless were constructed and another 6.2 thousand are under construction.

<sup>25</sup> Nine cities include: Warsaw, Kraków, Wrocław, Tri City, Katowice, Łódź, Poznań, Szczecin, Lublin.

growth rate recorded in the previous years. As a result of growing demand, the average level of vacancies in nine largest office space markets in 2018 Q1 dropped to 10.1% from 12.1% noted in the corresponding quarter of 2017.<sup>26</sup> The retail and service space market continues to see a slight oversupply of space, and vacancy rates all over Poland in 2017 Q4 stood at approx. 4%<sup>27</sup>.

- The continued high availability of foreign financing will further contribute to the rapid growth in office and commercial real estate. This phenomenon can be mostly associated with a low level of interest rates in developed countries, i.e. a low alternative cost.
- **The estimated value of investment transactions<sup>28</sup> in the commercial real estate market in 2018 Q1 amounted to over EUR 2 billion**, with more than 80% of the value of transactions in the retail space market. The transaction of the portfolio containing 28 commercial facilities had a very high share in the volume.
- **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 continues to decline and reached PLN 5.3 billion at the end of last year, whereas the level of loans for other real estate remained stable and amounted to PLN 33.1 billion. On the other hand, the level of loans for office space is on a slightly upward trend and increased to PLN 15.6 billion. The quality of loans to developers continues to improve and the high rate of impaired loans (20%) is mainly due to the fact that banks' loan portfolios include loans from previous years<sup>29</sup>. The share of impaired loans in the total loans for office real estate at the end of 2017 Q4 stood at 6.7% whereas this ratio for loans for other real estate has improved slightly and stood 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 B class office buildings in the largest markets are also declining.** However, at the same time, as a result of intensified activity of lessees, the vacancy rates in Warsaw continued to decrease to reach 10.8% at the end of 2018 Q1 (from 14% in 2017 Q1),<sup>30</sup> although this level may still be considered elevated.

---

<sup>26</sup> See Colliers International Report: Market Insights, 2018 Q1, Poland and Colliers International Report: Market Insights, 2017 Q1, Poland.

<sup>27</sup> See Colliers International Report: Market Insights, 2017 Q1, Poland and Colliers International Report: Market Insights, 2017 Q1, Poland.

<sup>28</sup> The above-mentioned investments involve the sale of the entire operating company which rents the building and derives income from it. Such transactions take place between: 1/ the real estate developer who has commercialised 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. There is a very large stock of real estate that the owner 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.

<sup>29</sup> See The Financial Stability Report, NBP, June 2018.

<sup>30</sup> See Colliers International Report: Market Insights, 2017 Q1, Poland and Colliers International Report: Market Insights, 2017 Q1, Poland.



- **Transaction rents for retail space in shopping centres in Warsaw are on a slight increase, whereas they remain stable in other cities.**<sup>31</sup> As regards the sale of small retail and commercial real estate, the median of the offer price all over Poland shows a slight downward trend.

#### **Box 1. Analysis of the financial condition of real estate developers in 2018 Q1 and in 2017**

##### **Analysis of the situation large real estate developers in 2018 Q1.**<sup>32</sup>

**Housing supply has been flexible so far, however, the level of construction reached may trigger problems related to its further growth, in particular, due to growing limitations on the supply side.**

In 2018 Q1 a group of large real estate developers (F01) reported a decline - compared to 2017 Q4 and 2017 Q1 - in the average value of total revenues and costs, the net financial result, the absolute value of work in progress and the number of dwellings constructed. This may indicate a slowdown in supply, despite plans of high level of housing sales by larger developers in 2018. Insufficient supply of dwellings available on the market in the sales offer may boost prices in the future. In 2018 Q1 13 real estate developers of the Catalyst market sold 5604 dwellings (i.e. 11% less than in 2017 Q4 and 7% more than in 2017 Q1). On the other hand, in residential construction, completion and sale of dwellings are subject to seasonal fluctuations. In 2018 Q1, the same real estate developers completed the construction of 2258 dwellings (i.e. 64% less than in 2017 Q4 and 9% less than in 2017 Q1).

Profitability ratios of large real estate developers in 2018 Q1 stay at a level similar to that recorded a year ago and are much lower than in 2017 Q4 due to a lower number of dwellings completed and made ready for occupancy and consequently - a lower value of the financial result and revenue on sales recorded. The observed profitability ratios remain at a safe level.

In 2018 Q1, in the group of large entities, the share of liabilities due to bank loans and securities as well as advance payments of home buyers, which constitute a significant source of external financing, decreased. The average balance of outstanding liabilities to building contractors decreased. After completion and sale of a substantial part of dwellings and transfer of ownership title to home buyers in 2017 Q4, real estate developers received the total receivables for those dwellings and settled some of their trade liabilities. Along the repayment of a part of liabilities, liquidity ratios improved in the group of large real estate developers.

According to accounting records, both smaller and bigger real estate developers hold a small stock of completed, ready for occupancy dwellings in their sales offer. A limited land bank is systematically replenished, despite various hindrances and the growth in prices of land for multi-family construction.

##### **Analysis of the condition of small and large real estate developers as well as real estate developers listed at the Warsaw Stock Exchange - according to the reporting at the end of 2017.**

In individual quarters of 2017, compared to 2016, smaller real estate developers recorded a decline in operating revenue and a similar share of projects under construction in the structure of assets. Despite a high demand and very good business conditions in the residential market, they limited production due to fears about low profitability of

---

<sup>31</sup> The analysis refers to premises ranging from 100 to 500 square metres located in shopping centres in economically significant parts of cities.

<sup>32</sup> The analysis relied on the data from F01 forms as well as information regarding 13 real estate developers of the Catalyst market (report on "Condition of the largest housing real estate developers on the Catalyst market", Navigator Brokerage House, Warsaw, April 2018).

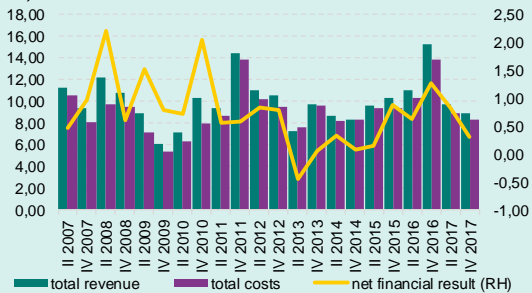
projects due to growing costs of construction and problems with contractors of individual construction works. In the group of small companies, an alarming growth in costs of activity to the level close to revenues, confirms declining profitability of operations.

Equity, whose share in the structure of liabilities of all groups of entities in four quarters of 2017 decreased, compared to corresponding quarters of 2016, plays a significant role in financing real estate developers' operations. In 2017, the balance of outstanding liabilities increased both among smaller and bigger real estate developers (except listed companies). A certain percentage of real estate developers creates cash stock and build financial liquidity, postponing payment of invoices to service providers and contractors. Among large and listed real estate developers, a high level of current ratio is recorded, which means the ability to settle current liabilities with the use of current assets, recognised as easily liquidated. However, the value of work in progress makes the majority of current assets, which has already been sold in several dozen per cent. On the other hand, the quick ratio, excluding inventory (among others, work in progress) at the end of 2017, approached an unfavourable level in all groups of real estate developers. The lowest level of this indicator is recorded in the group of WSE listed developers. In the past, a decline in the quick ratio resulted in a significant discount of issued securities, including bonds on the Catalyst market.

Financial liquidity and consequently, the ability to repay liabilities incurred, has slightly improved. The deterioration in financial liquidity of WSE listed developers could have been driven by growth in liabilities due to increasing costs of general contractors, in connection with a very high number of projects under construction. In this group of entities, the settlement period has decreased. WSE listed developers show a very good effectiveness in collection of receivables. In the case of small companies, the time of settlement of liabilities and collection of receivables is getting longer.

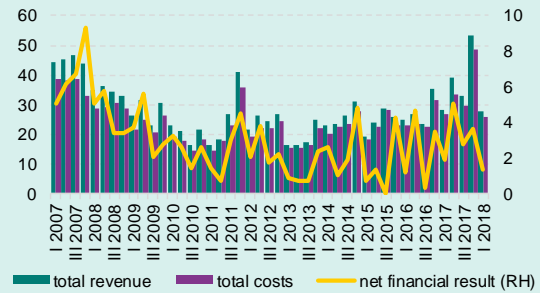
Along a growth in external sources of financing in all groups of developers, total debt ratios and debt to equity ratios slightly declined. However, they still remain at a safe level. Their continued deterioration may cause problems with the settlement of financial liabilities, which results in more stricter credit application criteria.

**Figure 1 Economic indicators of real estate developers employing from 9 to 49 people (in mln PLN)**



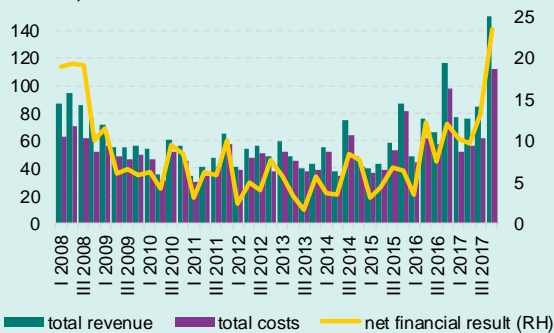
Source: NBP based on GUS (F01).

**Figure 2 Economic indicators of real estate developers employing over 49 people (in mln PLN)**



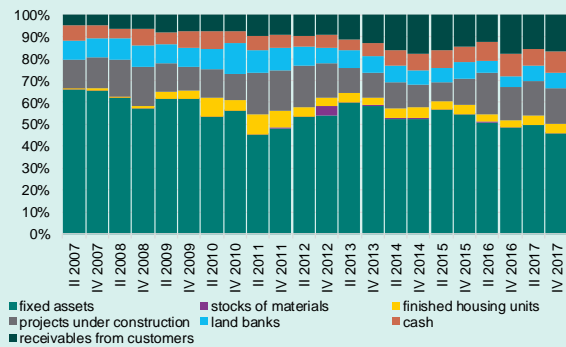
Source: NBP based on GUS (F01).

**Figure 3 Economic indicators of real estate developers listed on the Warsaw Stock Exchange (in mln PLN)**



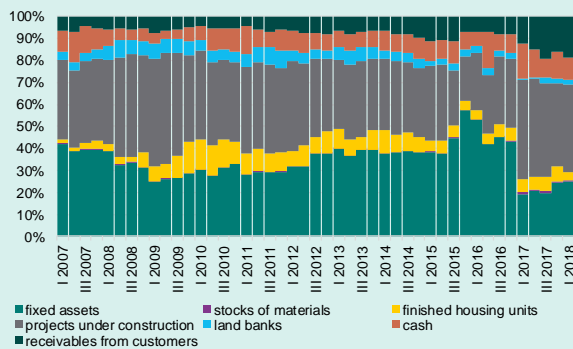
Source: NBP based on financial statements.

**Figure 4 Structure of assets of real estate developers employing from 9 to 49 people**



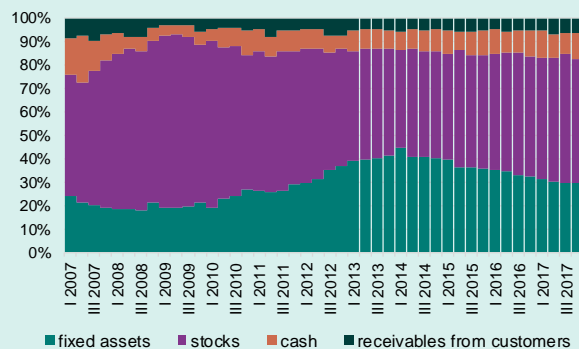
Source: NBP based on GUS (F01).

**Figure 5 Structure of assets of real estate developers employing over 49 people**



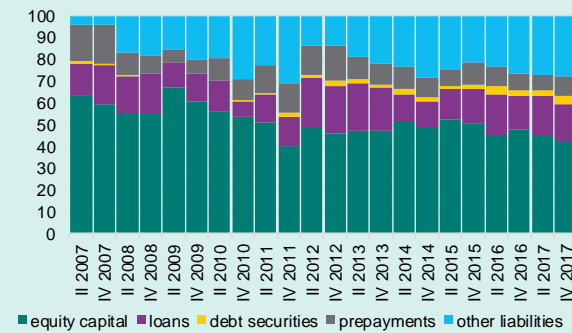
Source: NBP based on GUS (F01).

**Figure 6 Structure of assets of real estate developers listed on the Warsaw Stock Exchange**



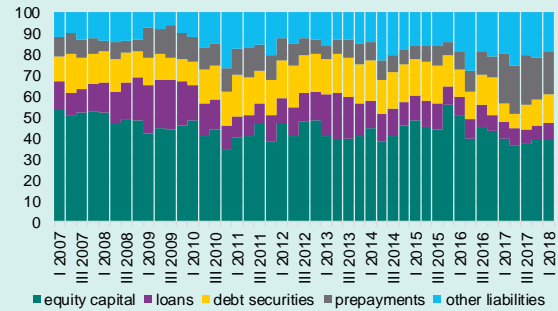
Source: NBP based on financial statements.

**Figure 7 Structure of liabilities of real estate developers employing from 9 to 49 people (in %)**



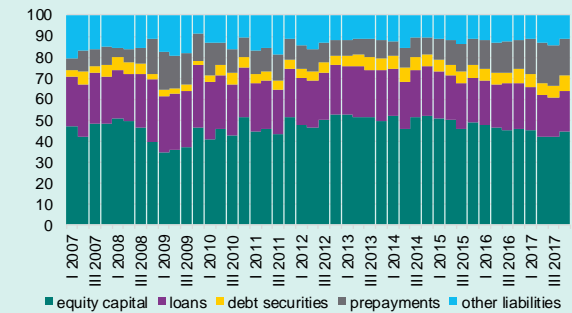
Source: NBP based on GUS (F01).

**Figure 8 Structure of liabilities of real estate developers employing over 49 people (in %)**



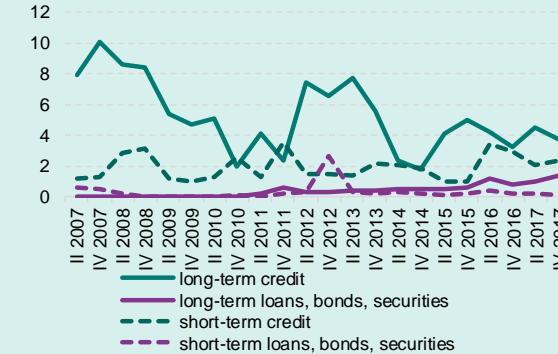
Source: NBP based on GUS (F01).

**Figure 9 Structure of liabilities of real estate developers listed on the Warsaw Stock Exchange (in %)**



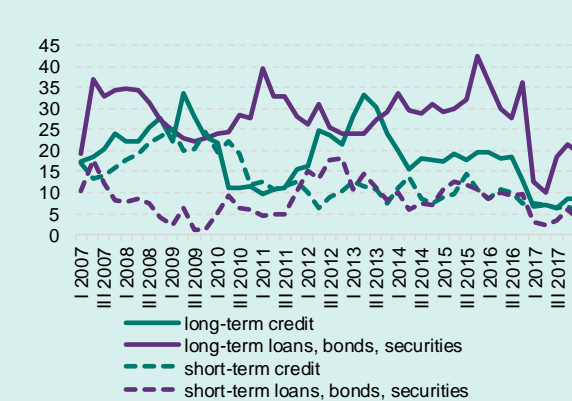
Source: NBP based on financial statements.

**Figure 10 Sources of financing of real estate developers employing from 9 to 49 people (in mln PLN)**



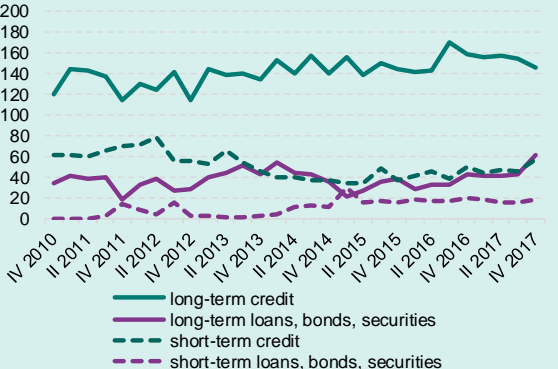
Source: NBP based on GUS (F01).

**Figure 11 Sources of financing of real estate developers employing over 49 people (in mln PLN)**



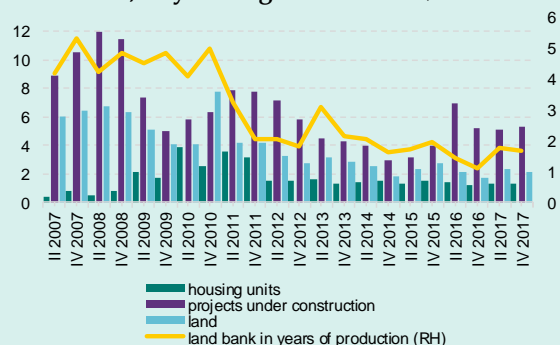
Source: NBP based on GUS (F01).

**Figure 12 Sources of financing of real estate developers listed on the Warsaw Stock Exchange (in mln PLN)**



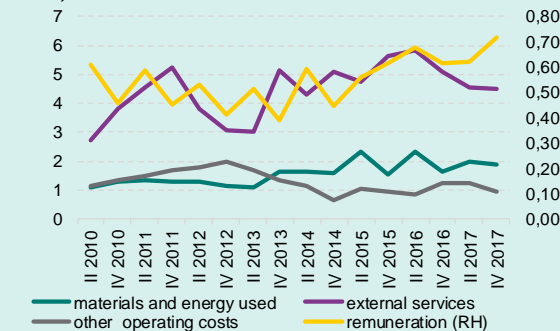
Source: NBP based on financial statements.

**Figure 13 Situation of real estate developers employing from 9 to 49 people (in mln PLN left-hand scale, in years right-hand scale)**



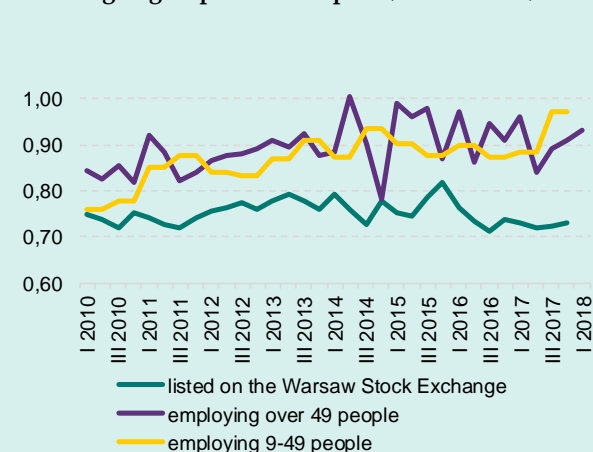
Source: NBP based on GUS (F01).

**Figure 15 Costs of operating activity of real estate developers employing from 9 to 49 people (in mln PLN)**



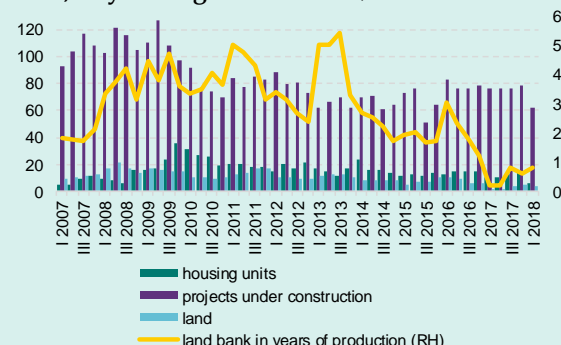
Source: NBP based on GUS (F01) and financial statements.

**Figure 17 Indicator of level of operating costs according to groups of developers (in mln PLN)**



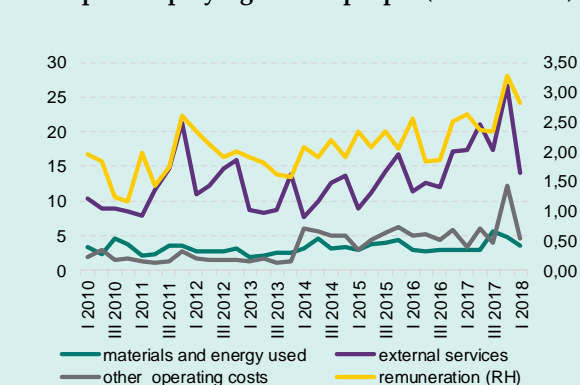
Source: NBP based on GUS (F01).

**Figure 14 Situation of real estate developers employing over 49 people (in mln PLN left-hand scale, in years right-hand scale)**



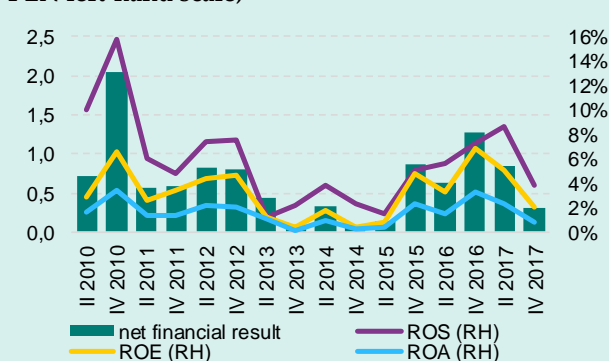
Source: NBP based on GUS (F01).

**Figure 16 Costs of operating activity of real estate developers employing over 49 people (in mln PLN)**



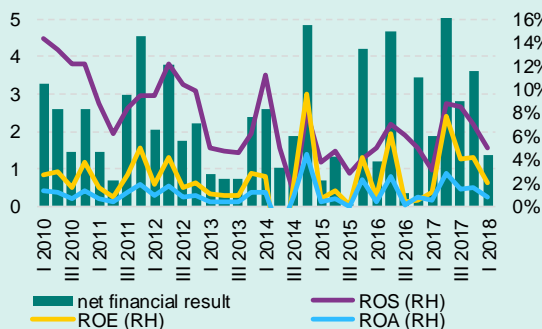
Source: NBP based on GUS (F01).

**Figure 18 Profitability of activities of real estate developers employing from 9 to 49 people (in mln PLN left-hand scale)**



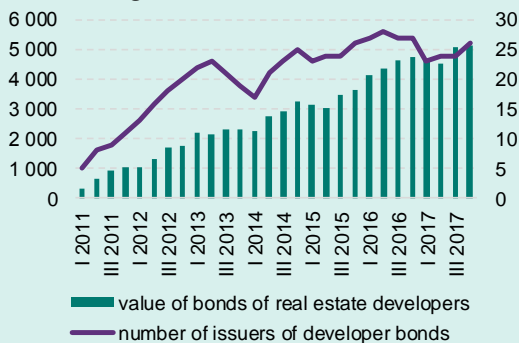
Source: NBP based on GUS (F01).

**Figure 19 Profitability of activities of real estate developers employing over 49 people (in mln PLN left-hand scale)**



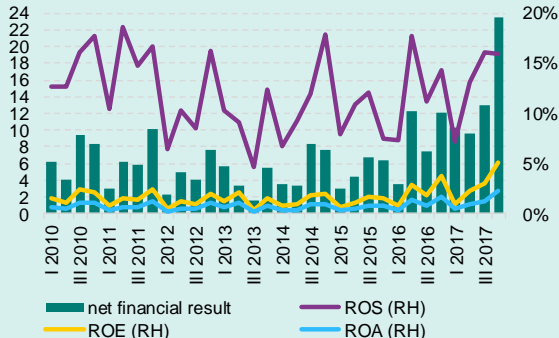
Source: NBP based on GUS (F01).

**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 on right-hand scale)**



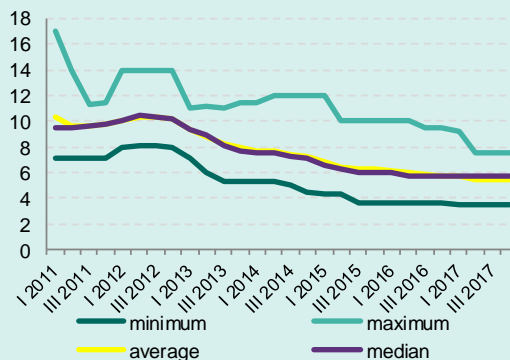
Source: NBP based on Catalyst.

**Figure 20 Profitability of activities of real estate developers listed on the Warsaw Stock Exchange (in mln PLN left-hand scale)**



Source: NBP based on financial statements.

**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 2018**

**Q1. Charts and figures present:**

- 1) home prices (Figures 1-15),
- 2) availability of loan-financed housing, loan availability, profitability of housing investment (Figures 16-23),
- 3) mortgage loan disbursements and interest rates (Figures 24-32),
- 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 33-50),
- 5) housing construction and the residential market in selected cities in Poland (Figures 51-64),
- 6) housing policy (Figures 65-76),
- 7) rents and transaction prices of commercial real estate (Figures 77-81),

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)<sup>33</sup>. 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 analyses and reports of REAS, the Polish Financial Supervision Authority and the aggregate credit data from the Credit Information Bureau were also used. For the structural market analysis, data published by the Central Statistical Office and many studies containing sector data were used.

---

<sup>33</sup> The survey of prices of housing and commercial real estate in selected cities of Poland was announced in the Decree of the Council of Ministers of 19 December 2017 concerning the Programme of statistical research of public statistics for 2018 (Journal of Laws of 2017, item 2471), number 1.26.09(080). 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. In accordance with the Announcement of Speaker of the Sejm of the Republic of Poland of 27 June 2016 concerning announcing of a uniform text of the Act on public statistics (Journal of Laws 2016 item 1068) as of 2018, formats of submitted data are made available, respectively, on the website of the Central Statistical Office and on the website of the authority or entity conducting statistical surveys. In listings concerning 2018 Q1, approx. 112.5 thousand records were collected, including approx. 103.5 thousand records were collected, including approx. 29.4% records concerning transactions and 70.6% records concerning offers. Altogether over 2.7 million records were collected in the base, including 22.6% records concerning transactions and 77.4% records concerning offers.

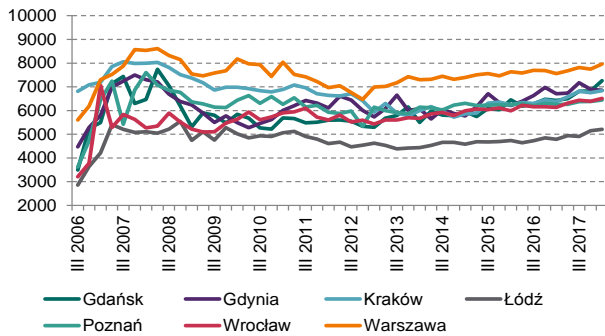
## List of abbreviations

<b>5M</b>	5 biggest cities: Gdańsk, Kraków, Łódź, Poznań, Wrocław
<b>6M</b>	6 biggest cities: Gdańsk, Gdynia, Kraków, Łódź, Poznań, Wrocław
<b>7M</b>	7 biggest cities: Gdańsk, Gdynia, Kraków, Łódź, Poznań, Warsaw, Wrocław
<b>10M</b>	10 biggest cities: Białystok, Bydgoszcz, Katowice, Kielce, Lublin, Olsztyn, Opole, Rzeszów, Szczecin, Zielona Góra
<b>BaNK</b>	Commercial Real Estate Market Database
<b>BaRN</b>	Real Estate Market Database
<b>BIK</b>	Credit Information Bureau
<b>CPI</b>	Consumer Price Index
<b>DFD</b>	Large real estate development company
<b>GD</b>	Households
<b>GUS</b>	Central Statistical Office
<b>IRR</b>	Internal Rate of Return
<b>EURIBOR</b>	Euro Interbank Offer Rate
<b>FSA</b>	Polish Financial Supervision Authority
<b>KRS</b>	National Court Register (Krajowy Rejestr Sądowy)
<b>LIBOR</b>	London Interbank Offered Rate
<b>LTV</b>	Loan-to-Value ratio
<b>MDM</b>	Government-subsidised housing scheme Mieszkanie dla Młodych (Housing for the Young)
<b>IFRS</b>	International Financial Reporting Standards
<b>NBP</b>	Narodowy Bank Polski
<b>PONT</b>	PONT Info Nieruchomości
<b>REAS</b>	Real Estate Advisory System
<b>RNS</b>	Government-subsidized housing scheme Rodzina na Swoim (Family on their Own)
<b>PM</b>	Primary housing market
<b>PAS</b>	Polish Accounting Standards
<b>SM</b>	Secondary housing market (existing housing stock)
<b>ROE</b>	Return on Equity
<b>WIBOR</b>	Warsaw Interbank Offered Rate
<b>WIG20</b>	Index including top 20 companies listed on the Warsaw Stock Exchange with the highest value of publicly traded shares
<b>ZBP</b>	The Polish Bank Association
<b>ZKPK</b>	Accumulated index of changes in banks' credit policy criteria

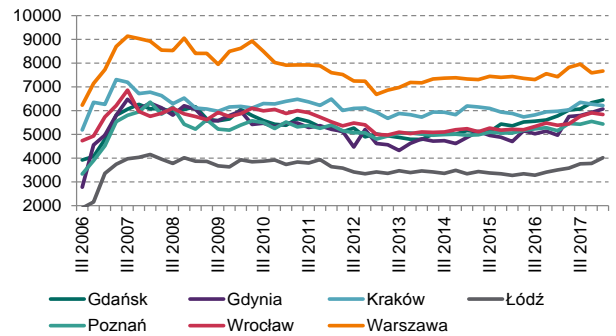


### 1. Transaction, hedonic and offer prices of housing in the primary market (PM) and in the secondary market (SM)

**Figure 1 Transaction prices per square metre of housing in Warsaw and 6M- PM**



**Figure 2 Transaction prices per square metre of housing in Warsaw and 6M- SM**

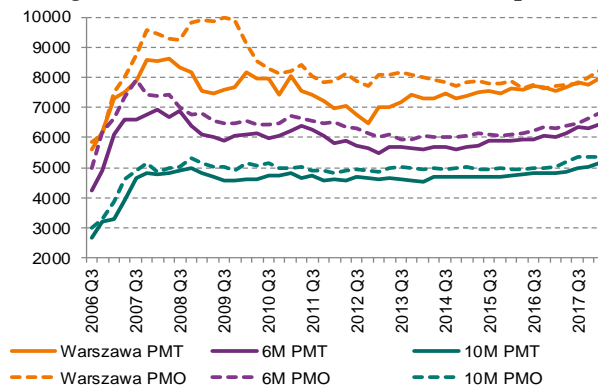


Note: the home price database of NBP (BaRN) has existed since 2006 Q3; description of the database may be found in the "Report on home prices and the situation in housing and commercial real estate market in Poland in 2016" available on the bank's website.

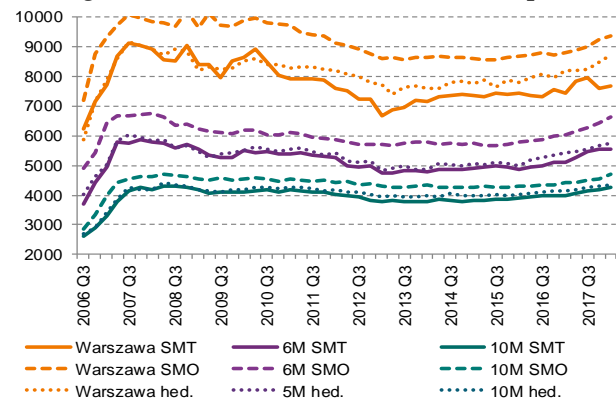
Source: NBP.

Source: NBP.

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



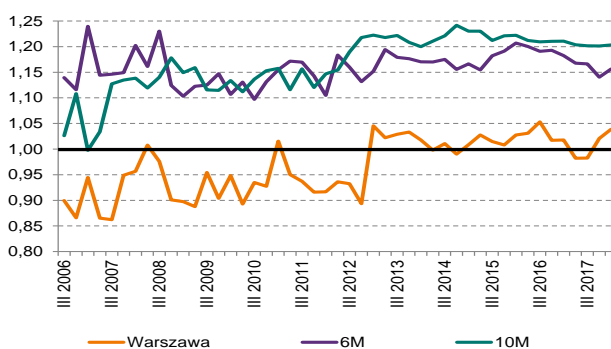
**Figure 4 Weighted average price per square metre of housing, offers and transactions - SM (PLN/sq.m)**



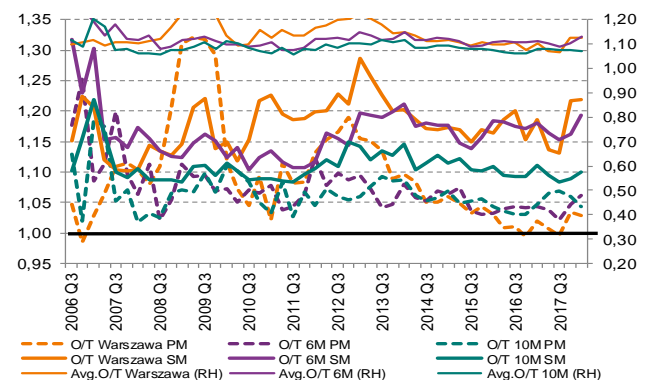
Note to Figures 3-15: the price weighted with the share of housing in the market stock, the average price for Warsaw  
Source: NBP.

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

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



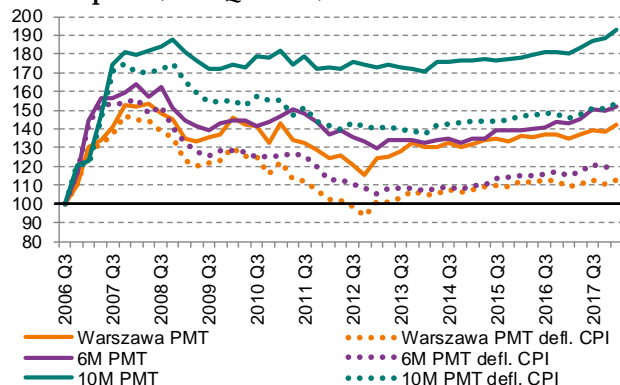
**Figure 6 Ratio of the average weighted offer price (O) to transaction price (T) per square metre of housing – PM and SM**



Source: NBP.

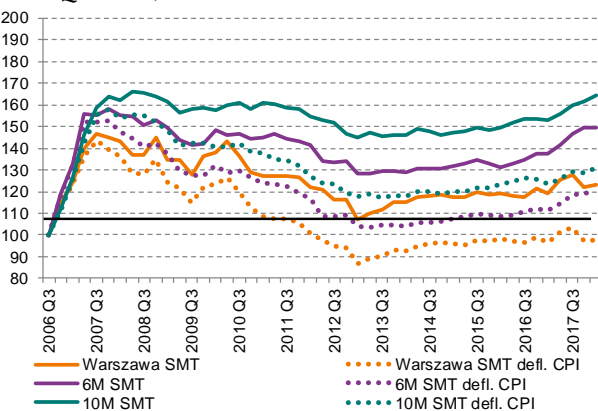
Source: NBP.

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



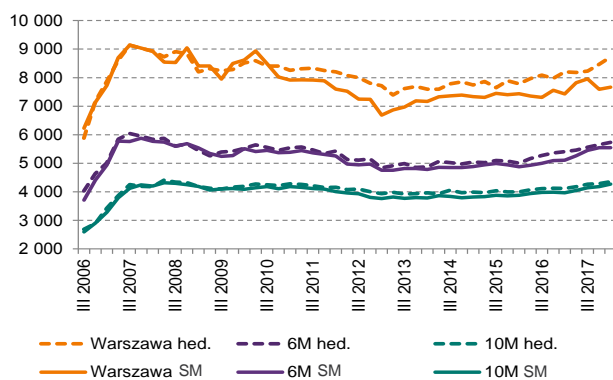
Source: NBP, ZBP (AMRON), GUS.

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



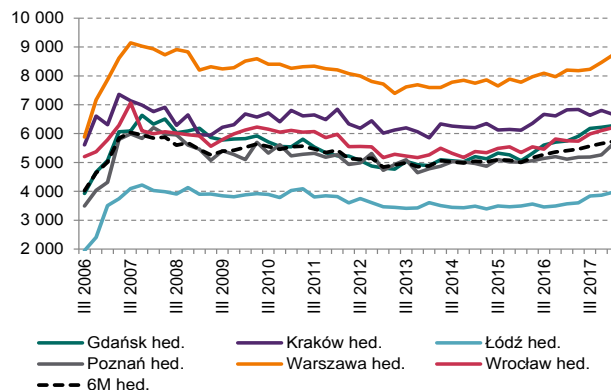
Source: NBP, ZBP (AMRON), GUS.

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



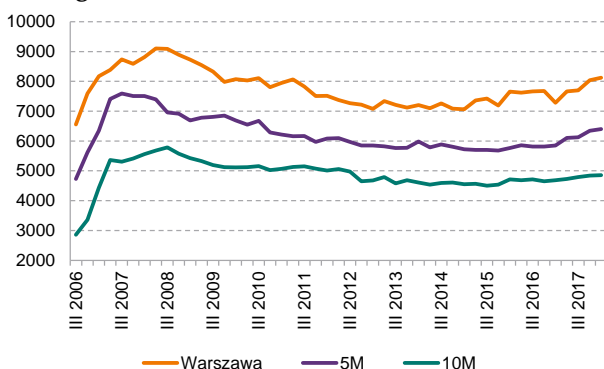
Source: NBP.

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



Source: NBP.

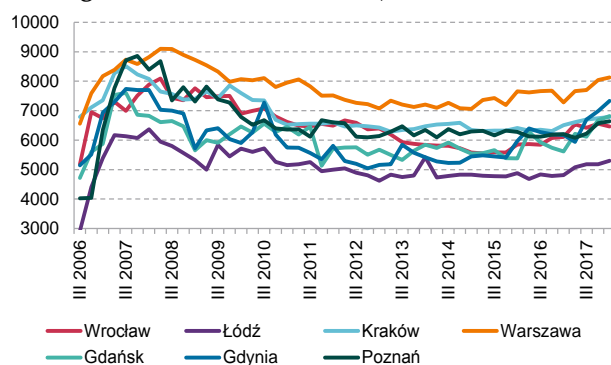
**Figure 11 Average offer prices per square metre of housing in PM (selected markets)**



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

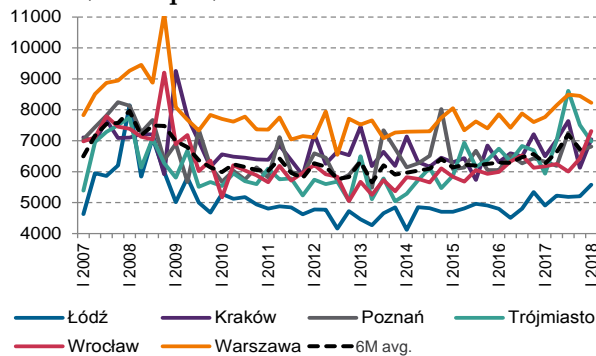
Source: PONT Info Nieruchomości.

**Figure 12 Average offer prices per square metre of housing in SM (Warsaw and 6M)**



Source: PONT Info Nieruchomości.

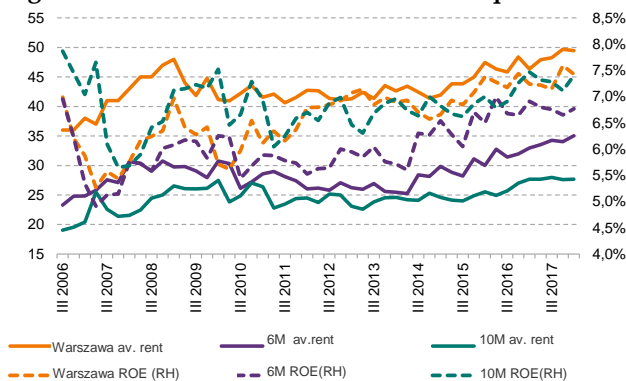
**Figure 13 Average offer prices per square metre of housing, new housing contracts in PM in selected markets (PLN/sq. m)**



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

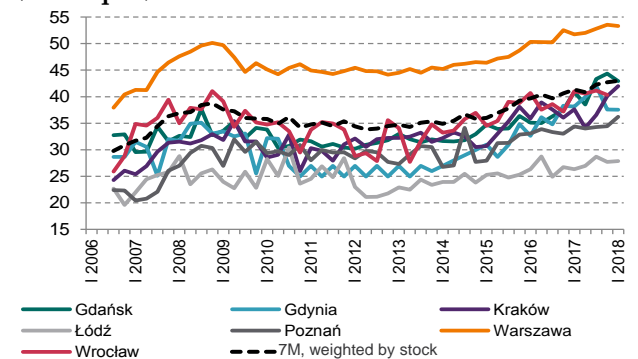
Source: REAS.

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



Source: NBP.

**Figure 14 Average rent rates (offers and transactions) per square metre of housing in SM, selected cities (PLN/sq. m)**

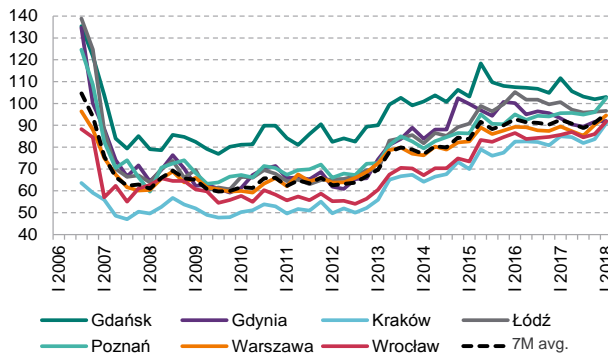


Source: NBP.

Note to Figure 15: price per square metre of housing calculated as 40% of prices in the primary market and 60% of prices in the secondary market; the price per square metre of housing in the primary market was increased to include the average costs of home finishing; the analysis does not take into account 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)**



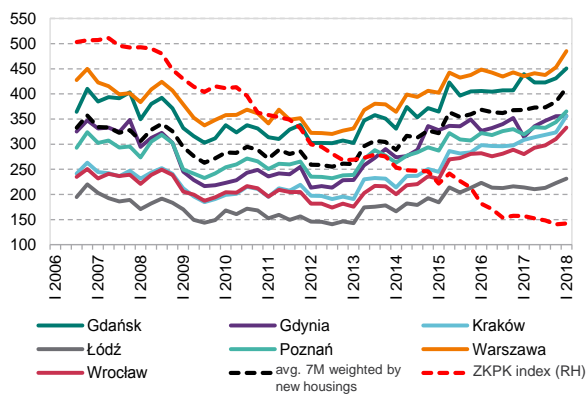
Source: NBP, GUS.

**Available housing loan** – a measure specifying the potential maximum housing loan; expressed in PLN thousand taking into account banks’ lending requirements and loan parameters (interest rate, amortization period, minimum wage understood 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 housing loan obtained basing on the average monthly wage in the enterprises sector in a particular market (GUS), in view of bank’s lending requirements and loan parameters (interest rate, depreciation period, minimum wage understood as the minimum income after payment of loan instalments) at an average transaction price of housing (40% in the primary market and 60% in the secondary market) in a particular market (BaRN). The pace of changes of the index and differences between particular markets provide important information.

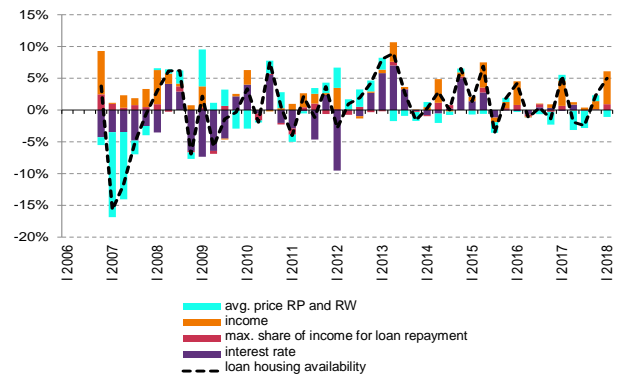
**ZKPK Index** – accumulated index of changes in banks’ lending policy criteria; an increase in the value of the index means easing and a decrease means tightening of lending policy as compared to the initial period i.e. 2003 Q4. Computing methods of the index are described in the *Financial Stability Report, December 2012*, NBP.

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



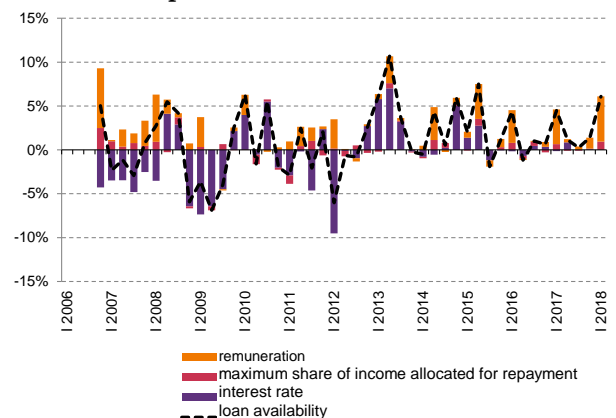
Source: NBP, GUS.

**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**



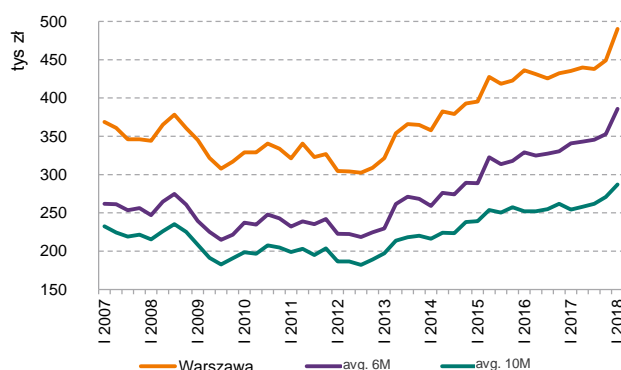
Source: NBP, GUS.

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



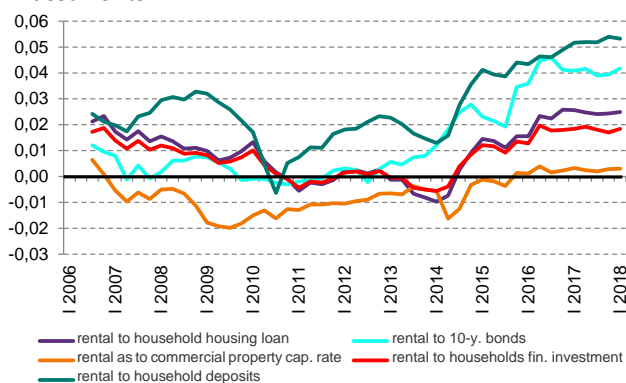
Source: NBP, GUS.

**Figure 20 Estimated available housing loan in selected cities**



Source: NBP, GUS, BGK.

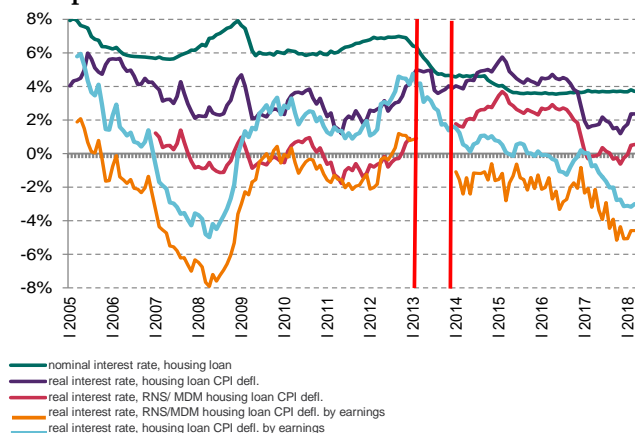
**Figure 22 Profitability of home rental (average in Warsaw and 6M) as compared with alternative household investments**



Note to Figure 22: values exceeding 0 denote higher profitability of purchasing property for rental to third persons than other household investment. This analysis does not take into account high transaction costs in the housing market and potentially long payback periods. Note to Figure 23: the estimated total demand is composed in 60% of consumer demand (availability of loan-financed housing), in 30% of investment demand and in 10% of speculative demand. The weights have been expert-estimated, the index shows the moving average from two subsequent quarters.

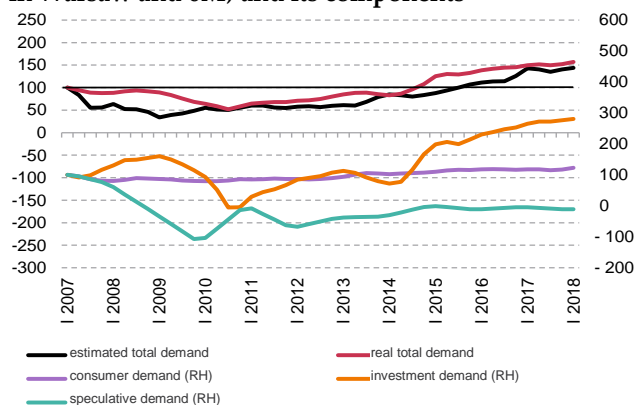
Source: NBP, GUS.

**Figure 21 Profitability of housing loans for the consumer deflated with CPI or wage growth in the enter-prise sector**



Note to Figure 21: values below 0 denote negative real interest rate for the borrower; red lines separate the period of the absence of the government subsidised housing scheme, i.e. RNS (operating in 2007-2012) and MDM (operating in 2014-2018). Source: NBP, GUS, BGK

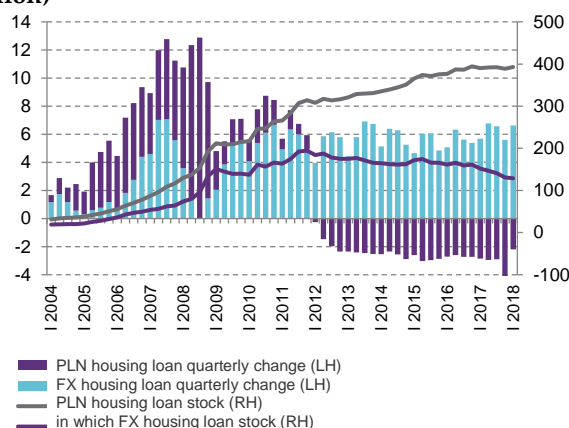
**Figure 23 Estimated housing demand in PM (average in Warsaw and 6M) and its components**



Source: NBP, REAS, GUS.

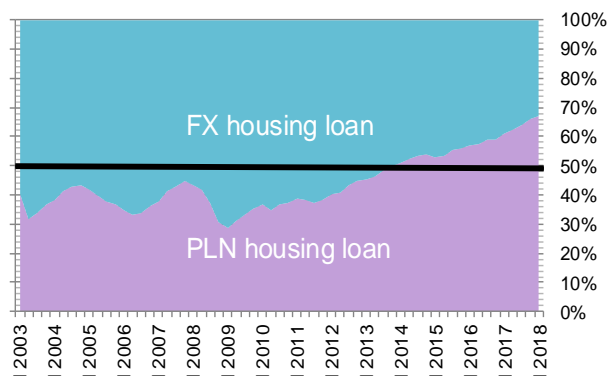
### 3. Disbursement of housing loans, interest rates

**Figure 24 Balance and quarter-on-quarter changes in housing loan receivables from households after adjustments and the currency structure of quarter-on-quarter increases in housing loan receivables (PLN billion)**



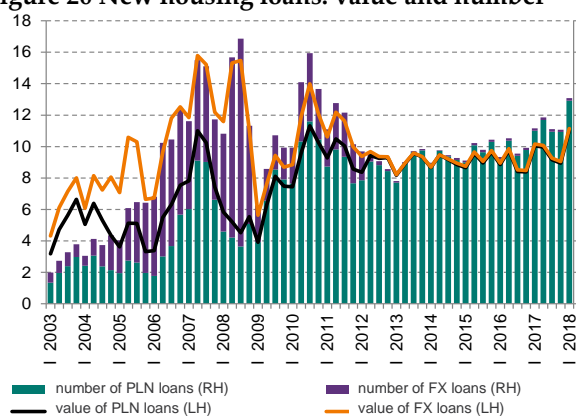
Source: NBP.

**Figure 25 Currency structure of housing loan receivables from households resulting from housing loans (%)**

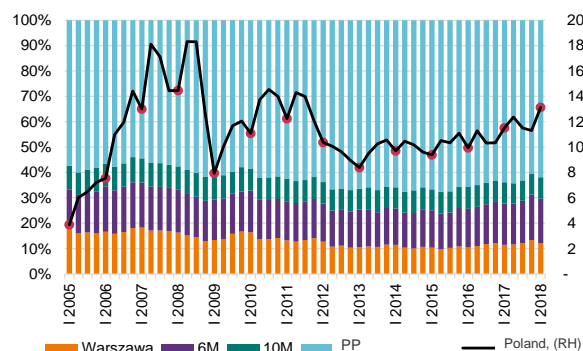


Source: NBP.

**Figure 26 New housing loans: value and number**



**Figure 27 Territorial structure of the value of new housing loan contracts in Poland (right-hand scale in PLN billion)**

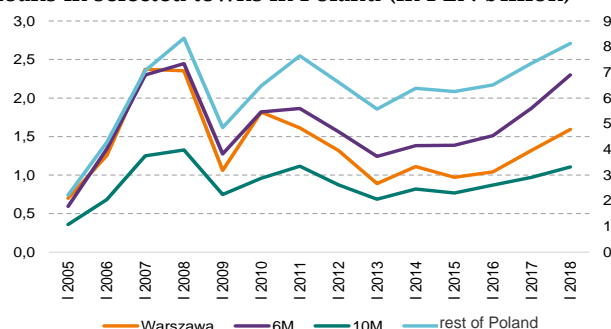


Note to Figures 26 and 27: the data inform about signed housing loan contracts and not the actual disbursement of housing loans. The first quarters are marked by red points.

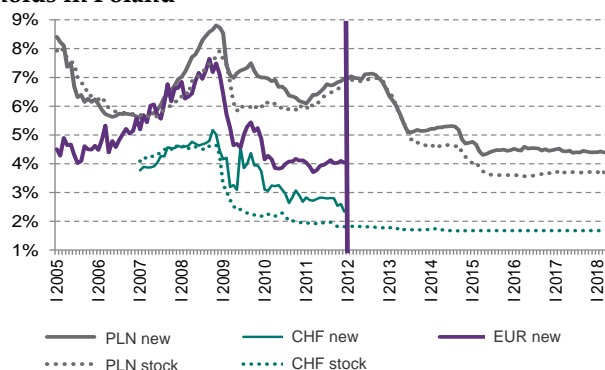
Source: ZBP, from 2017 NBP estimate of FX loans.

Source: BIK.

**Figure 28 Annual value of contracts for new housing loans in selected towns in Poland (in PLN billion)**

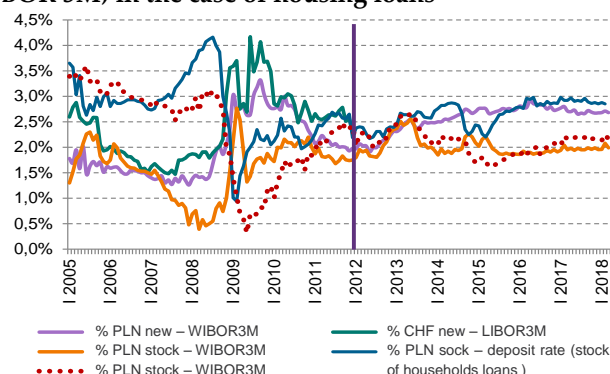


Source: BIK.

**Figure 29 Interest rates on housing loans for households in Poland**


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

Source: NBP.

**Figure 30 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 (NBP data) and the WIBOR3M rate or the LIBORCHF3M rate. Source: NBP.

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

Date	Estimated value of housing loans in Poland	Estimated value of housing transactions in the PM in 7M	Estimated value of disbursed loans with client's down-payment for home purchases in the PM in 7M	Estimated value of cash home purchases with client's down-payment* 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	6,753	2,495	4,881	72%
II 2017	12,139	6,384	2,768	4,308	67%
III 2017	11,794	6,553	2,689	4,536	69%
IV 2017	10,652	7,020	2,429	5,198	74%
I 2018	11,914	6,984	2,716	4,946	71%

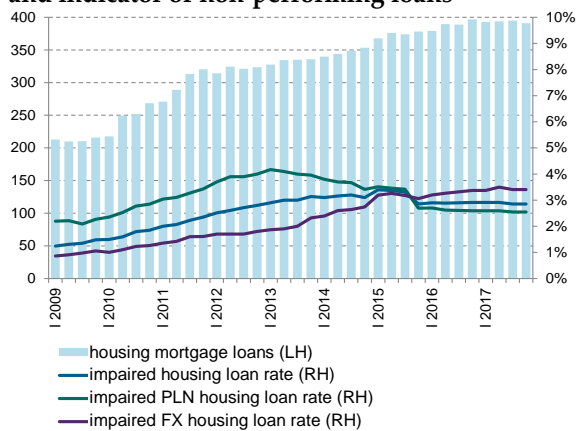
Note: the estimates are based on the following assumptions:

In the period 2014 Q1-Q4, 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. As of 2015 Q1, the value of disbursements is estimated based on data collected from banks.

In order to calculate the estimated value of transactions in the primary market 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 dwellings 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 amounted to approx. 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 (a down-payment of 20%)\*. Price and surface area data for all periods were updated.

Source: NBP, REAS, ZBP, GUS.

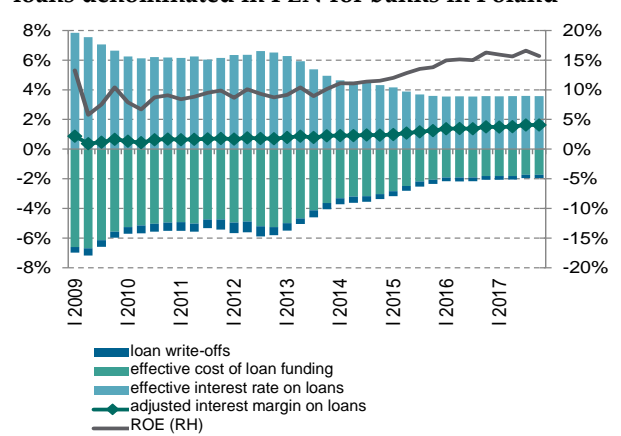
**Figure 31 Households loans for housing real estate and indicator of non-performing loans**



Note: receivables (loans) with determined impairment – receivables from portfolio B, in the case of which there is an objective indication of impairment and a decrease in the expected value of future cash flows (in banks using the IFRS) or which were recognized as impaired 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.

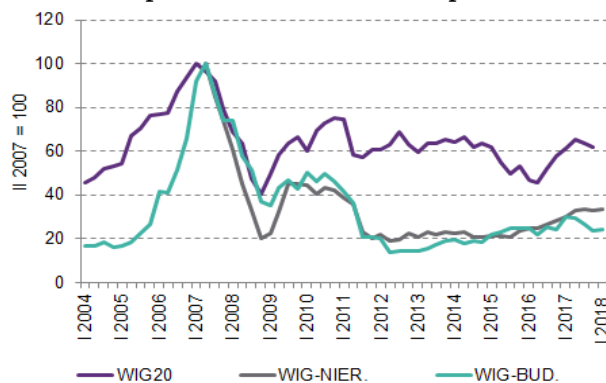
**Figure 32 Estimated ROE on residential mortgage loans denominated in PLN for banks in Poland**



Note: Income and costs related to the housing loan portfolio are exclusive of bank's operating costs and taxes. Estimated ROE is calculated as the adjusted interest margin on housing 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.

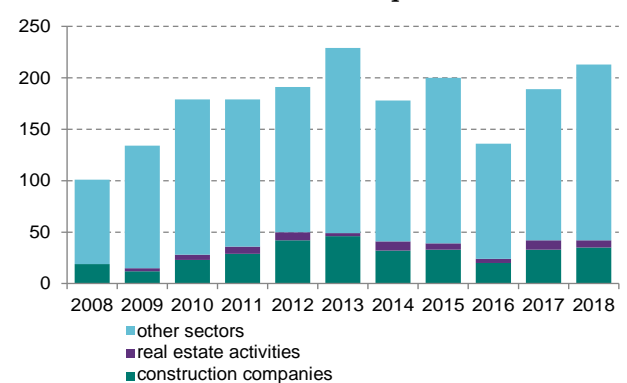
#### 4. Operating profitability of housing and real estate development projects, costs of construction and assembly output and economic situation of real estate developers in Poland

**Figure 33 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 34 Number of bankruptcies in particular sectors (as at the end of the first quarters)**

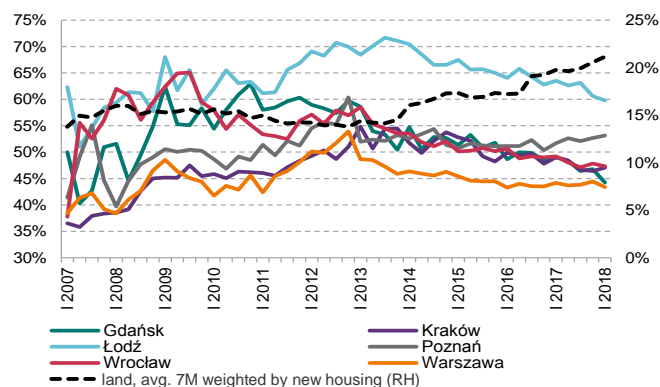


Note: breakdown according to the first entry into the KRS. Source: Coface Poland.

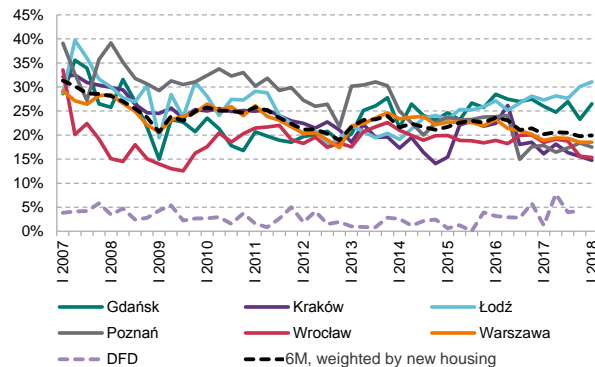
Note to Figure 34: In 2016, a new restructuring law entered into force. The main goal of the restructuring proceedings, in addition to satisfying creditors, is to avoid debtor's bankruptcy by allowing debtor's restructuring through entering into an arrangement with creditors, in the event of the recovery 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 35 Estimated share of direct construction costs per square metre of the residential building's usable area (type 1122-302<sup>34</sup>) in the transaction price in PM**



**Figure 36 Estimated rate of return from investment projects (type 1122-302<sup>34</sup>) in the largest cities and the reported rate of return for DFD\***

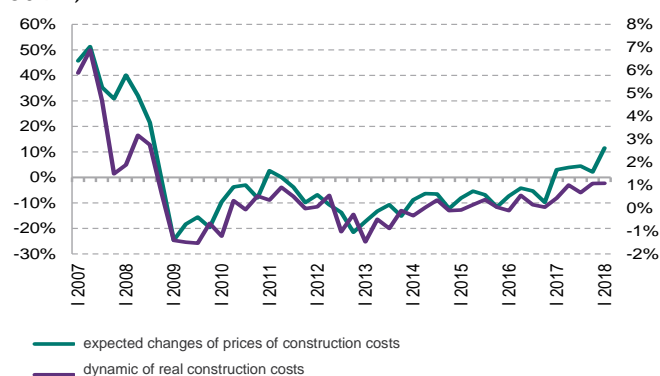


Note to Figure 36: the estimated rate of return on equity from typical new investment projects assuming the currently applicable interest rates, banks' requirements and production costs; calculated on the basis of the diagram included in Annex 3 of the *Report on the situation of the Polish market of 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 development company according to GUS data (employment size =>50 persons).

Source: NBP based on Sekocenbud.

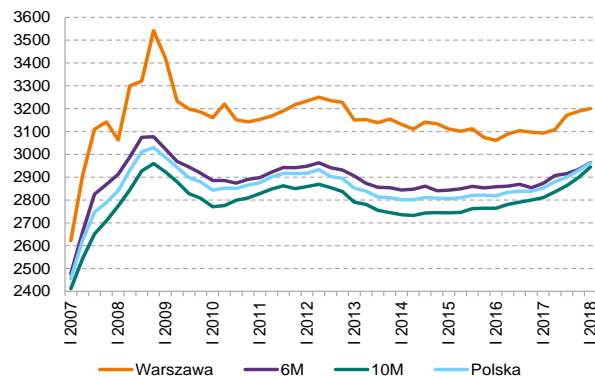
Source: NBP based on Sekocenbud, GUS (F01).

**Figure 37 Predicted changes in prices of construction and assembly works (+3M) and growth in construction costs of usable area of a residential building (type 1122-302<sup>34</sup>)**



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

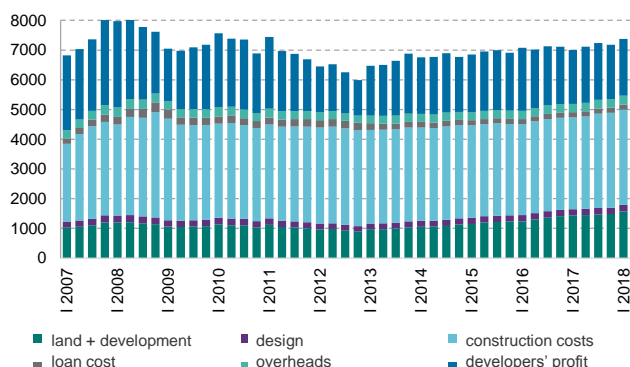
**Figure 38 Average cost of construction of square metre of the residential building's usable area (type 1122-302<sup>32</sup>) in selected markets (PLN/sq. m)**



Source: NBP based on Sekocenbud.

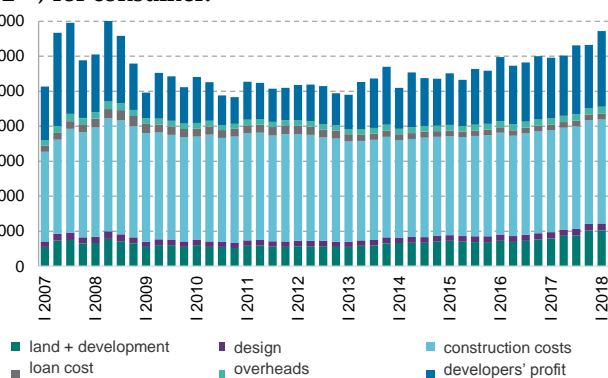
<sup>34</sup> Type 1122-302 building monitored by NBP as of 2016 2H based on Sekocenbud data: an average residential multi-family building, five-storey, with an underground garage; construction technology: continuous footing, construction walls and ceilings – reinforced concrete, monolithic, masonry 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 39** Warsaw – estimated structure of price per square metre of housing usable area in PM (building type 1122-302<sup>34/</sup>) for consumer.



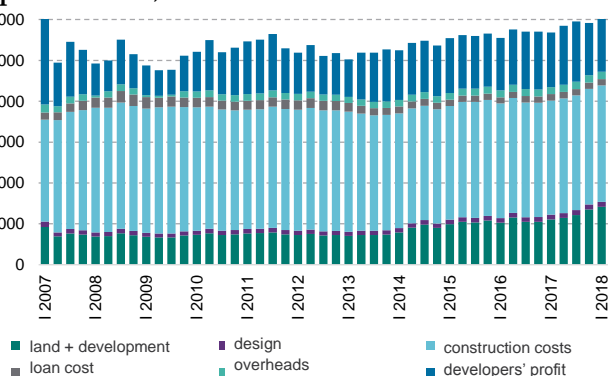
Source: NBP based on Sekocenbud, REAS.

**Figure 41** Gdańsk - estimated structure of price per square metre of housing usable area in PM (type 1122-302<sup>34/</sup>) for consumer.



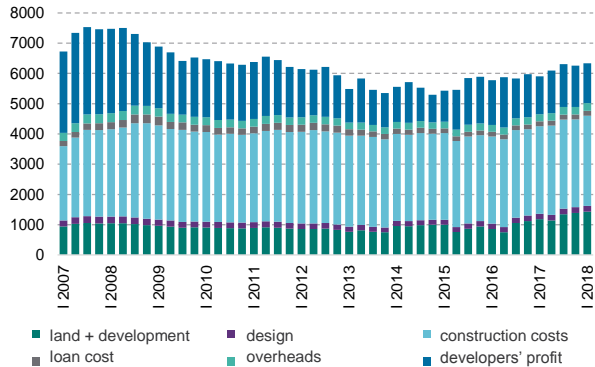
Source: NBP based on Sekocenbud, REAS.

**Figure 43** Wrocław – estimated structure of price per square metre of housing usable area in PM (building type 1122-302<sup>34/</sup>) for consumer.



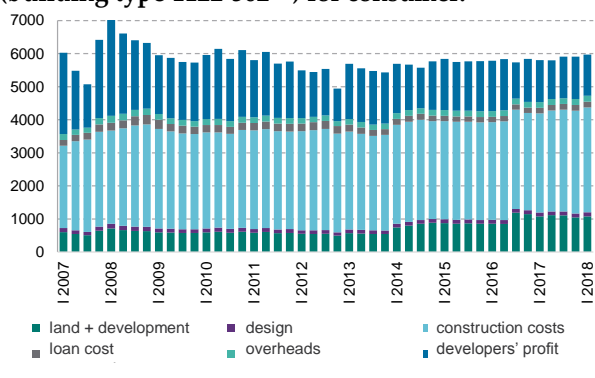
Source: NBP based on Sekocenbud, REAS.

**Figure 40** Kraków – estimated structure of price per square meter of housing usable area in PM (building type 1122-302<sup>34/</sup>) for consumer.



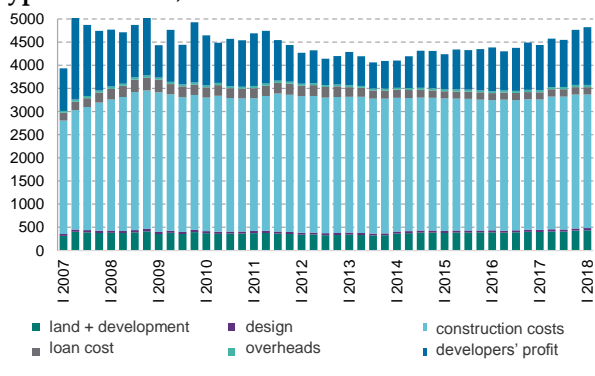
Source: NBP based on Sekocenbud, REAS.

**Figure 42** Poznań – estimated structure of price per square metre of housing usable area in PM (building type 1122-302<sup>34/</sup>) for consumer.



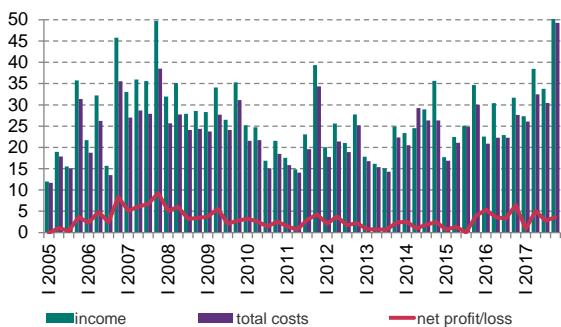
Source: NBP based on Sekocenbud, REAS.

**Figure 44** Łódź – estimated structure of price per square metre of housing usable area in PM (building type 1122-302<sup>34/</sup>) for consumer.

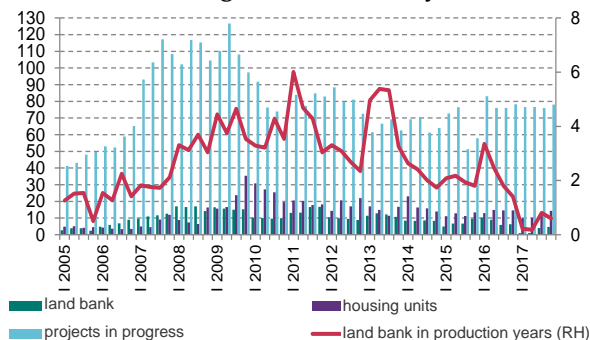


Source: NBP based on Sekocenbud, REAS.

**Figure 45 Economic indicators of an average DFD (in mln PLN)**



**Figure 46 Situation of an average DFD (left-hand scale in mln PLN, right-hand scale in years)**

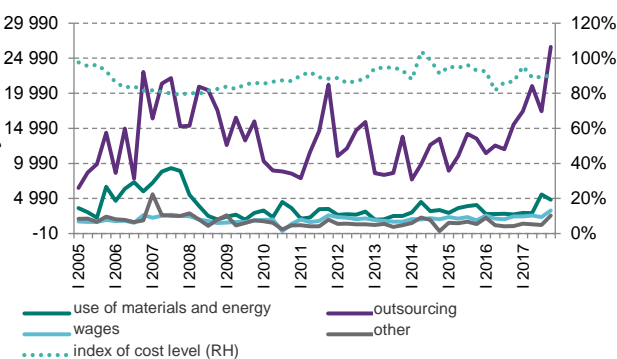


Note to Figures 45-46: DFD is a large developer employing over 50 persons according to GUS.

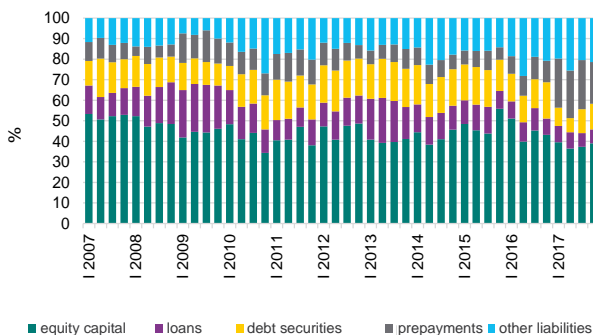
Source: NBP based on GUS (F01).

Source: NBP based on GUS (F01).

**Figure 47 Costs of average DFD (in thousand PLN)**



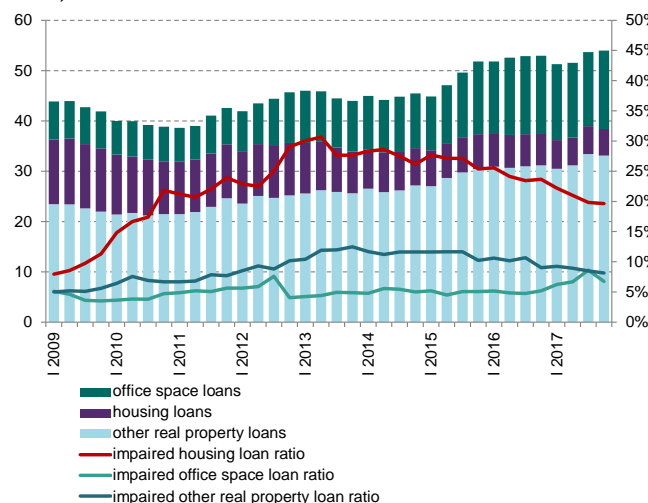
**Figure 48 Structure of liabilities of DFD**



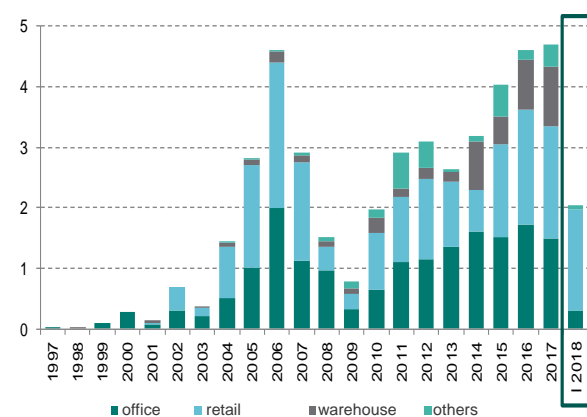
Source: NBP based on GUS (F01).

Source: NBP based on GUS (F01).

**Figure 49 Loans to corporations for real estate purchases (in PLN billion, left-hand scale) and the share of loans recognised as impaired loans (in %, right-hand scale)**



**Figure 50 Value of investment transactions (in EUR billion)**



Note: data exclusive of BGK.

Source: Comparables.pl.

Source: NBP.

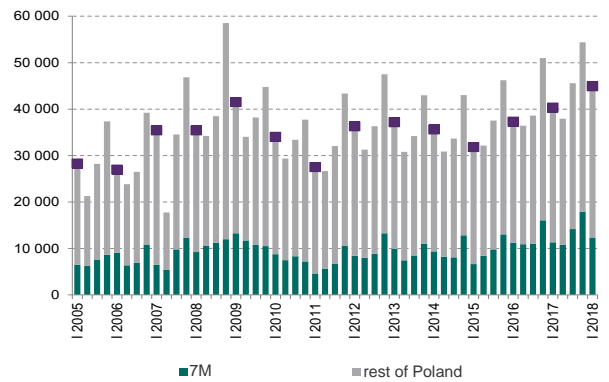
## 5. Residential construction and the housing market in selected cities in Poland

**Figure 51 Structure of residential construction investors in Poland in first quarters of the years 2015-2018**



Source: GUS.

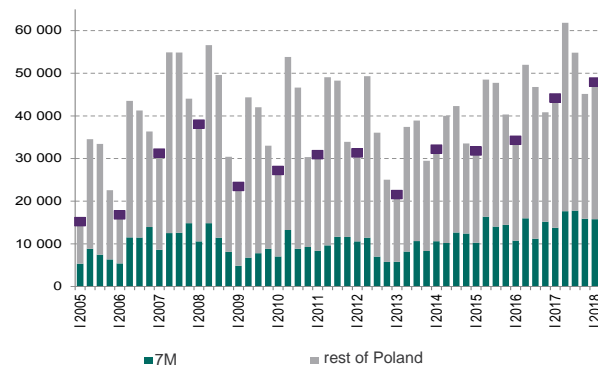
**Figure 52 Completed housing units in Poland, in quarter-on-quarter terms**



Note to Figures 52-54: The first quarters are marked with violet squares.

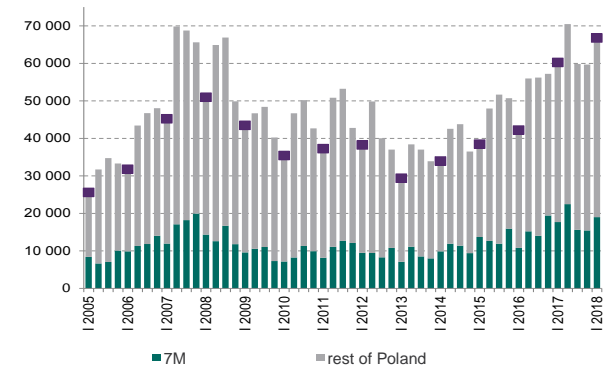
Source: GUS.

**Figure 53 Housing units under construction in Poland, in quarter-on-quarter terms**



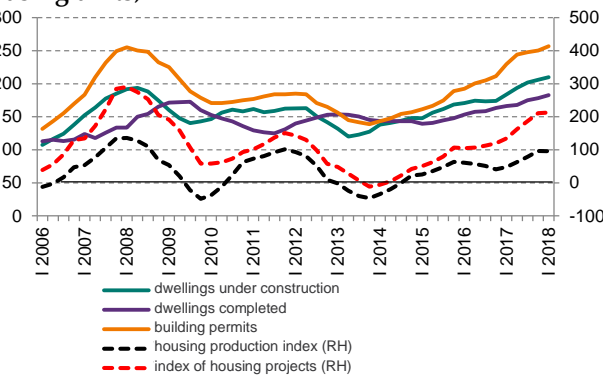
Source: GUS.

**Figure 54 Issued building permits in Poland, in quarter-on-quarter terms**



Source: GUS.

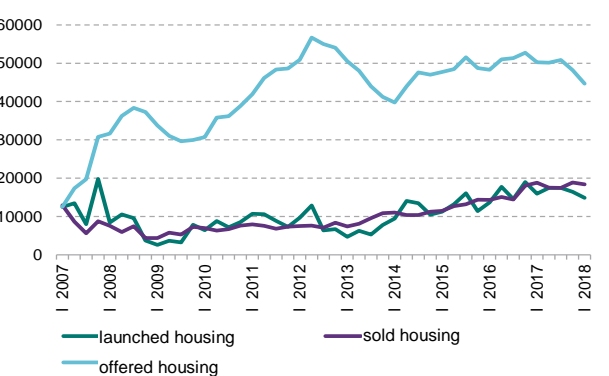
**Figure 55 Housing construction (thousand housing units) and home construction indicator in Poland (housing units under construction minus completed housing units)**



Note: rolling averages for four subsequent quarters.

Source: NBP based on PABB and GUS.

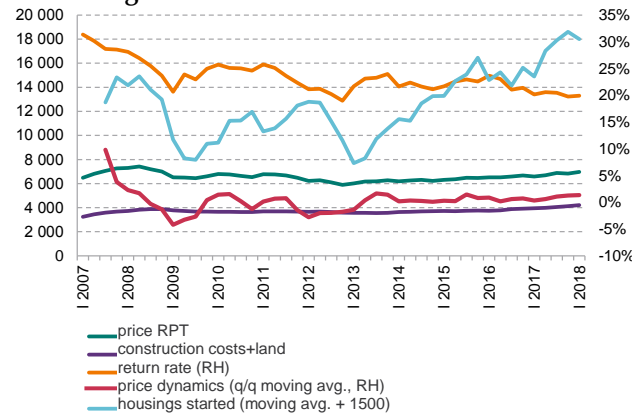
**Figure 56 Number of housing units put on the market, sold and offered for sale in 6 largest markets\* in Poland**



\*Warsaw, Kraków, Tricity, Wrocław, Poznań, Łódź.

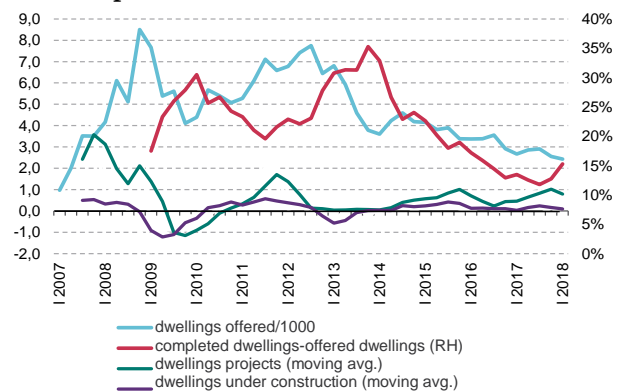
Source: REAS.

**Figure 57 Housing supply and estimated rate of return on housing investment in PM in 7M**



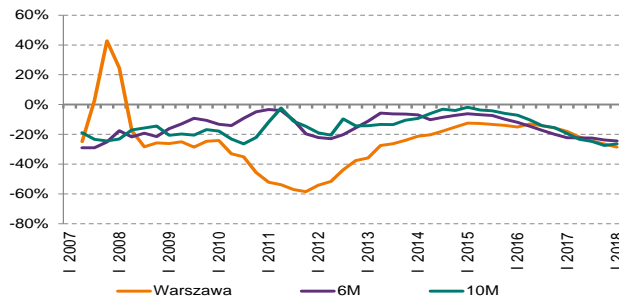
Source: NBP, GUS, REAS, Sekocenbud.

**Figure 58 Housing projects and housing under construction as well as the offer of completed housing units compared to sales in 7M**

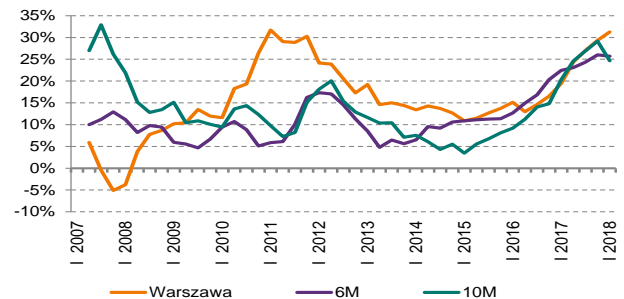


Note: Housing projects under construction = building permits for dwellings minus completed dwellings; dwellings under construction=dwellings whose construction has begun minus completed dwellings; figures divided by sales in the given period.  
Source: NBP based on BIK.

**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**



**Figure 60 Measure of adjustment of housing units on offer to demand in terms of area >50 sq. m, PM in selected cities in Poland**

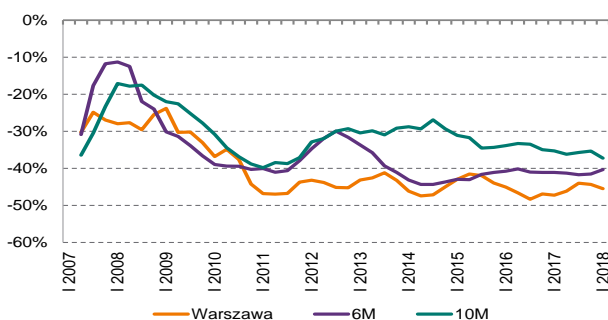


Note: Figure 59 presents, in percentage terms, a short-term mismatch in the primary market between supply (developers' housing offer) and the estimated demand (housing transactions) in terms of the dwelling's size, according to the data from the BaRN database. The mismatch is calculated as the ratio of the share of dwellings with usable area of up to 50 square meters offered for sale to the number of transactions involving dwellings with a total area of up to 50 square meters (the average figure for the last four quarters). The positive result (above the black line) indicates a surplus of dwellings of this particular size, whereas the negative result indicates a shortage thereof. Figure 60 is parallel for the space above 50 sq.m. Figures 61-62 are parallel, but they concern the secondary market only.

Source: NBP.

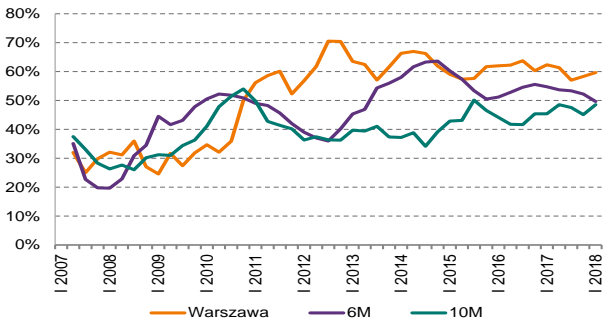
Source: NBP.

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



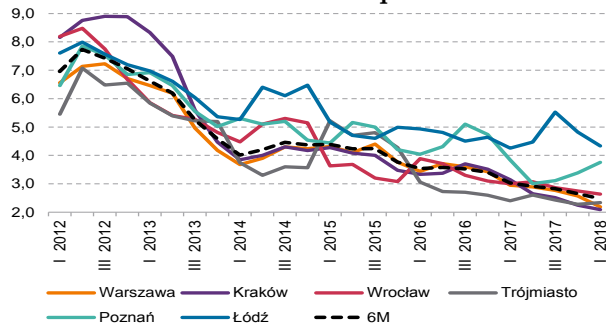
Source: NBP.

**Figure 62 Measure of adjustment of housing units on offer to demand in terms of area >50 sq. m, SM in selected cities**



Source: NBP.

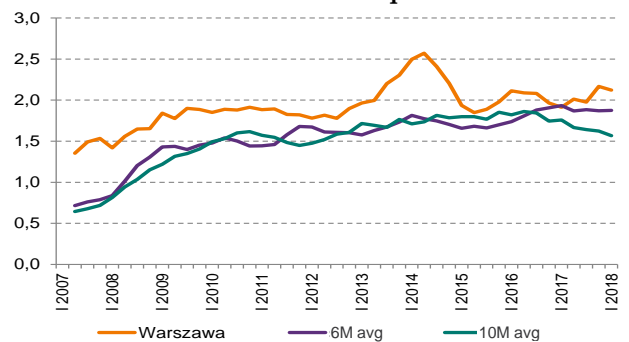
**Figure 63 Selling time of housing units on offer in the PM in selected cities (number of quarters)**



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

Source: NBP based on REAS.

**Figure 64 Selling time of housing units on offer in the SM in selected cities (number of quarters)**

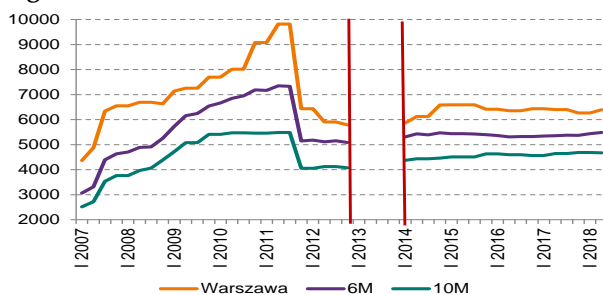


Note: real selling time, average for the last four quarters; data are not comparable with Figure 63. Selling time of dwellings in the secondary market takes into account only transactions ended with a sale. The data are underestimated since they do not contain offers entered but not sold yet.

Source: NBP.

## 6. Housing policy

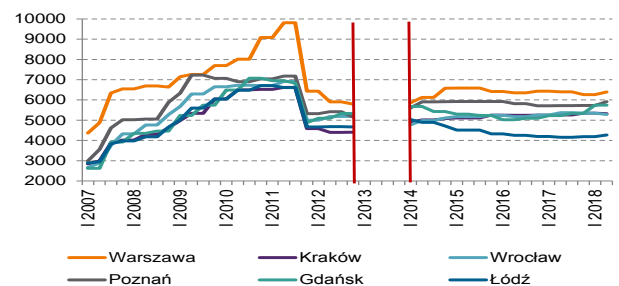
**Figure 65 Upper limits of prices per square meter of housing in PM within thresholds set under the government-subsidised housing schemes in Poland's largest cities (in PLN)**



Notes to Figures 65-70: red lines separate the period without government-subsidised housing schemes.

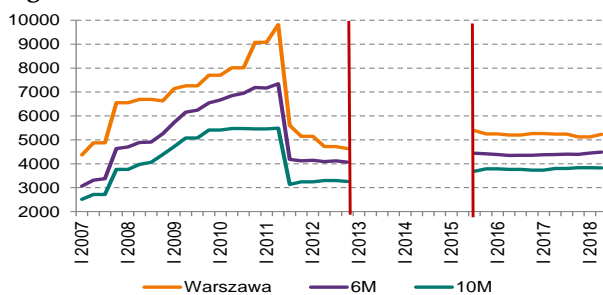
Source: BGK.

**Figure 66 Upper limits of prices per square meter of housing in PM within thresholds set under the government-subsidised housing schemes in selected cities in Poland (in PLN)**



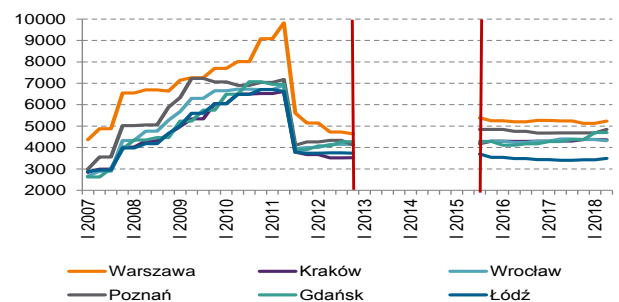
Source: BGK.

**Figure 67 Upper limits of prices per square meter of housing in SM within thresholds set under the government-subsidised housing schemes in Poland's largest cities (in PLN)**



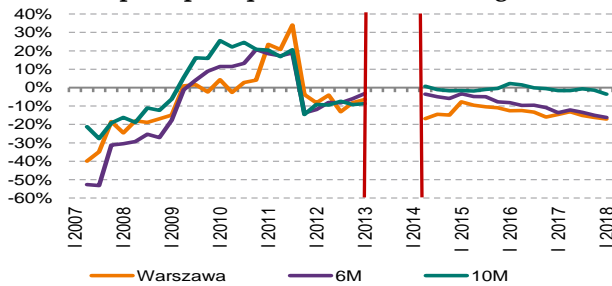
Source: BGK.

**Figure 68 Upper limits of prices per square meter of housing in SM within thresholds set under the government-subsidised housing schemes in selected cities in Poland (in PLN)**

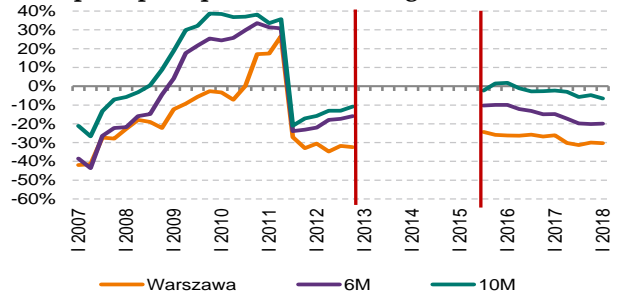


Source: BGK.

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



**Figure 70** 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

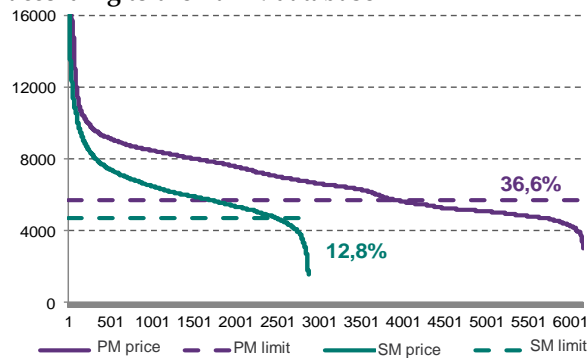


Note to Figures 69-70: the gap is calculated as the difference of the maximum price (upper limit) in the RNS/MDM government subsidised housing scheme in the primary and secondary market in relation to the median of transaction price. The positive difference means that the scheme finances housing with prices exceeding the median, the negative difference means the opposite.

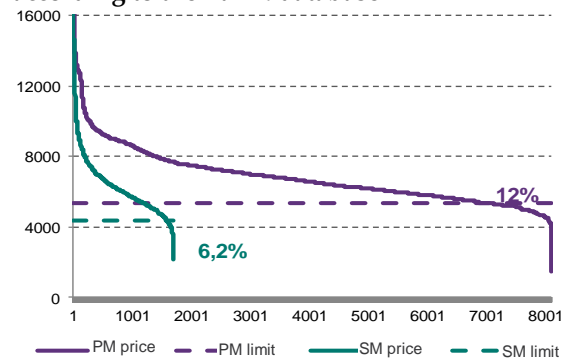
Source: NBP, BGK.

Source: NBP, BGK.

**Figure 71** 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 72** Transactions involving housing units, including those meeting the eligibility criteria for admission to the MDM housing scheme\* in Kraków according to the BaRN database

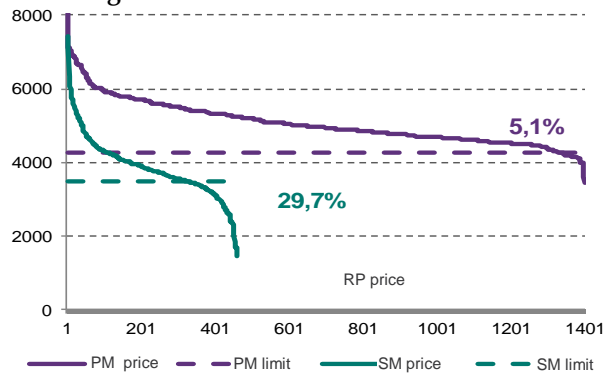


\*Note to Figures 71-76: the share of dwellings in the primary and secondary market meeting the eligibility criteria of the MDM housing scheme in 2018 Q3 have been calculated on the basis of transactions involving dwellings with an area below 75 sq. m. concluded in the period from 2015 Q3 to 2017 Q 1 according to the BaRN database.

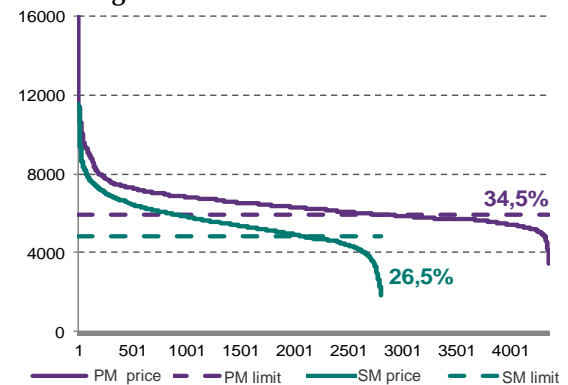
Source: NBP.

Source: NBP.

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



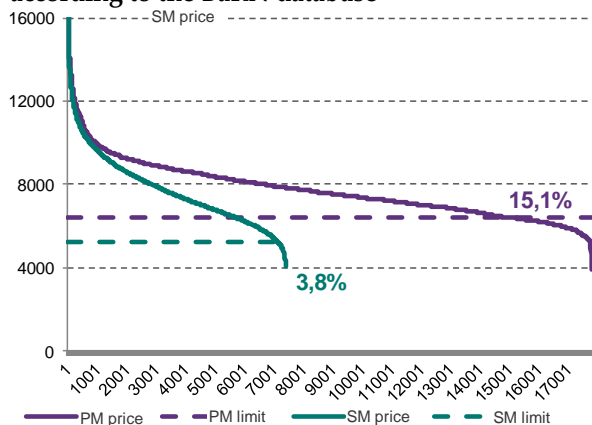
**Figure 74** Transactions involving housing units, including those meeting the eligibility criteria for admission to the MDM housing scheme in Poznań according to the BaRN database



Source: NBP.

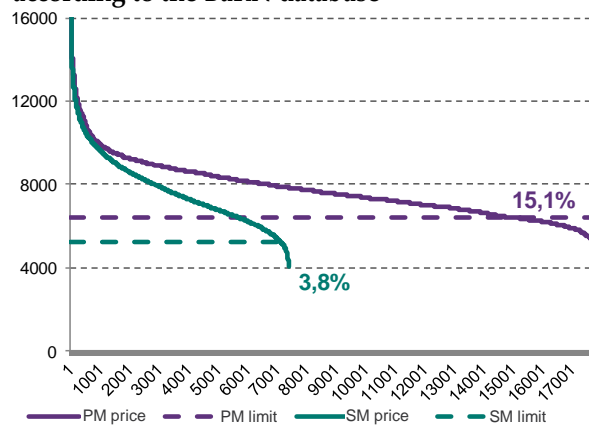
Source: NBP.

**Figure 75 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 76 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 2018 Q2 meeting the limit of the housing area and the limit of the housing area and maximum price in the primary and secondary market set by the MDM housing scheme according to the BaRN database**

	PM		SM	
	The share of dwellings with an area <75 sq.m	The share of dwellings with an area <75 sq.m & that meet the MDM price limits	The share of dwellings with an area <75 sq.m	The share of dwellings with an area <75 sq.m & that meet the MDM price limits
Białystok	95,8%	38,2%	97,2%	33,9%
Bydgoszcz	89,3%	30,8%	94,3%	48,2%
Gdańsk	92,9%	34,3%	87,2%	11,2%
Katowice	90,5%	26,7%	93,6%	59,2%
Kielce	94,0%	75,5%	97,6%	78,5%
Kraków	93,7%	11,2%	94,4%	5,9%
Lublin	93,0%	16,5%	94,8%	11,7%
Łódź	92,5%	4,4%	89,6%	26,8%
Olsztyn	96,7%	45,4%	94,1%	40,6%
Opole	95,3%	1,7%	92,2%	9,7%
Poznań	93,5%	32,1%	92,1%	24,9%
Rzeszów	95,5%	38,5%	94,7%	10,5%
Szczecin	92,4%	23,1%	86,3%	23,5%
Warszawa	89,1%	13,5%	89,5%	3,4%
Wrocław	93,7%	11,8%	85,5%	7,6%
Zielona Góra	91,9%	91,8%	95,5%	68,8%

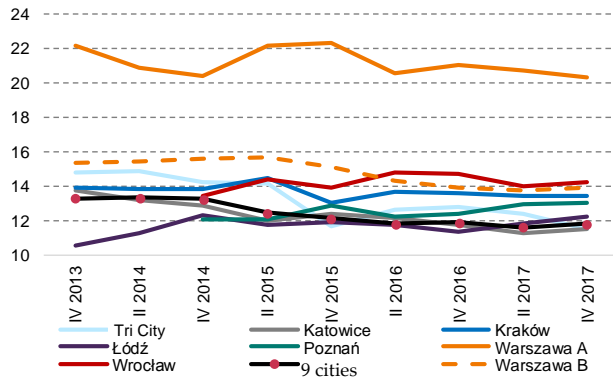
Note to Table 2: the share of dwellings in primary and secondary market offer, covered by the MDM scheme limits have been calculated based on transactions in dwellings from the BaRN database, concluded in the period from 2017 Q 2 to 2018 Q 1. Changes in the share of dwellings arise from changes in the limits and from quarter-on-quarter changes in the sample of housing transactions.

Source: NBP.



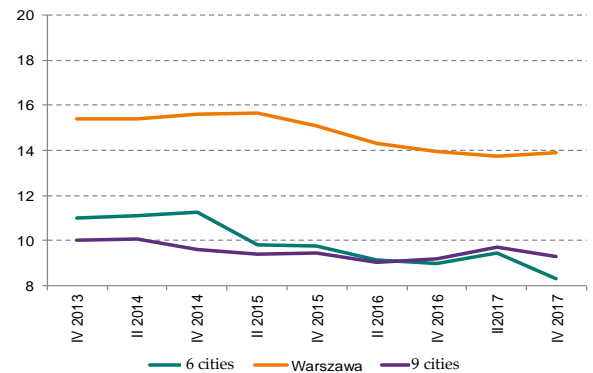
### 7. Transaction rents of commercial real estate

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



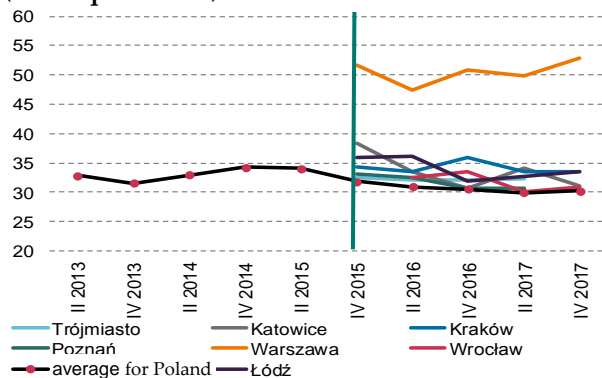
Note: Warszawa A – A class office buildings, Warszawa B – B class office building.  
Source: NBP.

**Figure 78 Transaction rents for B class office space (average prices in EUR/sq.m./month)**



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

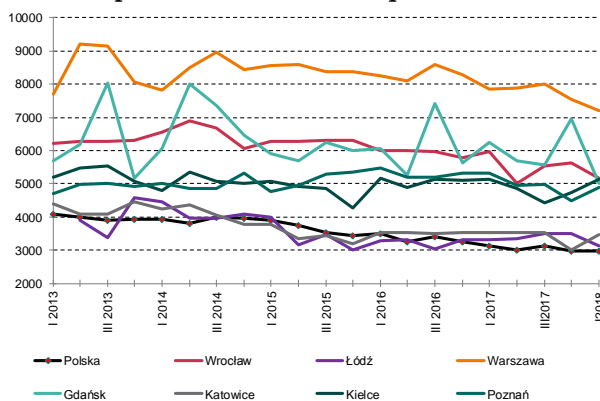
**Figure 79 Transaction rents for retail space in shopping centres (shopping malls) with an area of 100-500 sq. m (EUR/sq.m./month)**



Source: NBP.

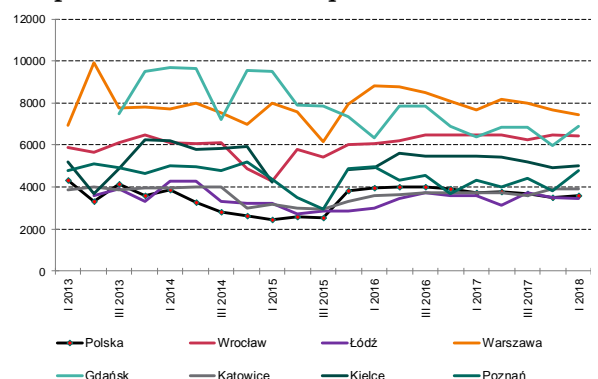
Note: Since 2015 Q4 the number of records in the database, including respondents has increased significantly, changing the analysed sample. Rents for shopping centres located in economically significant parts of the city are analysed.

**Figure 80 Median of offer selling price of small retail and service premises in SM (PLN/sq.m)**



Source: PONT, NBP report.

**Figure 81 Median of offer selling price of small office premises in SM (PLN/sq.m)**



Source: PONT, NBP report.

**Table 3 Average housing prices per square metre in the primary market in Gdańsk**

specification	I Q 2017		II Q 2017		III Q 2017 r.		IV Q 2017		I Q 2018	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 462	6 430	6 775	6 501	7 329	6 816	7 371	6 829	8 054	7 255
growth (q-o-q)	98,7	99,2	104,9	101,1	108,2	104,9	100,6	100,2	109,3	106,2
growth (y-o-y)	97,4	99,7	102,9	105,1	112,1	108,5	112,5	105,4	124,6	112,8
dwelling price range	3 600	1 951	4 211	1 655	3 656	1 669	3 503	1 817	3 990	1 566
<=4 000 PLN/sq.m	45	58	28	61	23	14	8	7	3	5
( 4 001; 6 000] PLN/sq.m	1 609	853	1 572	691	1 284	535	1 122	688	1 042	611
( 6 001; 8 000] PLN/sq.m	1 385	699	1 446	604	1 105	715	1 285	640	1 373	427
(8 001; 10 000] PLN/sq.m	431	257	1 054	231	924	366	780	449	950	405
>10 001 PLN/sq.m	130	84	111	68	320	39	308	33	622	118
dwelling space range	3 600	1 951	4 211	1 655	3 656	1 669	3 503	1 817	3 990	1 566
<= 40 sq.m	610	536	828	444	584	511	491	500	630	398
(40,1; 60] sq.m	1702	917	1865	784	1650	756	1485	889	1675	694
(60,1; 80] sq.m	1075	387	1243	345	1151	326	1243	363	1367	392
> 80,1 sq.m	213	111	275	82	271	76	284	65	318	82
average price of 1 sq.m. of dwelling	6 462	6 430	6 775	6 501	7 329	6 816	7 371	6 829	8 054	7 255
<=4 000 sq.m	6 954	6 509	7 301	6 798	7 587	6 909	7 524	6 882	9 322	7 939
(40,1; 60] sq.m	6 232	6 334	6 583	6 441	7 019	6 751	7 030	6 752	7 738	6 952
(60,1; 80] sq.m	6 326	6 368	6 518	6 186	7 102	6 674	7 179	6 742	7 500	7 007
> 80,1 sq.m	7 572	7 062	7 660	6 787	9 627	7 450	9 731	7 977	9 587	7 683
average offer price deviation	0,5%	x	4,2%	x	7,5%	x	7,9%	x	11,0%	x
<= 40 sq.m	6,8%	x	7,4%	x	9,8%	x	9,3%	x	17,4%	x
(40,1; 60] sq.m	-1,6%	x	2,2%	x	4,0%	x	4,1%	x	11,3%	x
(60,1; 80] sq.m	-0,7%	x	5,4%	x	6,4%	x	6,5%	x	7,0%	x
> 80,1 sq.m	7,2%	x	12,9%	x	29,2%	x	22,0%	x	24,8%	x

Source: NBP.

**Table 4 Average housing prices per square metre in the secondary market in Gdańsk**

specification	I Q 2017		II Q 2017		III Q 2017 r.		IV Q 2017		I Q 2018	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 566	5 778	6 970	6 030	7 035	6 065	7 345	6 337	7 712	6 448
growth (q-o-q)	101,7	103,0	106,2	104,4	100,9	100,6	104,4	104,5	105,0	101,8
growth (y-o-y)	106,0	107,7	110,3	109,2	113,0	109,2	113,8	113,0	117,5	111,6
dwelling price range	1 308	628	1 207	747	1 098	968	1 182	899	1 043	723
<=4 000 PLN/sq.m	77	67	44	53	41	65	30	39	27	25
( 4 001; 6 000] PLN/sq.m	640	338	502	391	438	476	378	407	306	293
( 6 001; 8 000] PLN/sq.m	363	166	408	218	367	330	466	337	362	310
(8 001; 10 000] PLN/sq.m	112	36	116	57	108	66	125	73	141	58
>10 001 PLN/sq.m	116	21	137	28	144	31	183	43	207	37
dwelling space range	1 308	628	1 207	747	1 098	968	1 182	899	1 043	723
<= 40 sq.m	204	151	167	184	153	223	164	203	164	174
(40,1; 60] sq.m	432	253	404	342	378	421	460	398	362	321
(60,1; 80] sq.m	383	155	353	179	335	210	324	203	299	163
> 80,1 sq.m	289	69	283	42	232	114	234	95	218	65
average price of 1 sq.m. of dwelling	6 566	5 778	6 970	6 030	7 035	6 065	7 345	6 337	7 712	6 448
<=4 000 sq.m	6 995	6 244	7 629	6 642	7 494	6 637	8 011	7 037	8 459	7 078
(40,1; 60] sq.m	6 523	5 829	6 929	5 943	7 142	6 063	7 469	6 301	7 882	6 447
(60,1; 80] sq.m	6 438	5 332	6 876	5 762	6 937	5 619	7 223	5 814	7 234	5 930
> 80,1 sq.m	6 496	5 579	6 755	5 209	6 700	5 778	6 805	6 111	7 523	6 064
average offer price deviation	13,6%	x	15,6%	x	16,0%	x	15,9%	x	19,6%	x
<= 40 sq.m	12,0%	x	14,9%	x	12,9%	x	13,8%	x	19,5%	x
(40,1; 60] sq.m	11,9%	x	16,6%	x	17,8%	x	18,5%	x	22,3%	x
(60,1; 80] sq.m	20,7%	x	19,3%	x	23,5%	x	24,2%	x	22,0%	x
> 80,1 sq.m	16,4%	x	29,7%	x	16,0%	x	11,4%	x	24,1%	x

Source: NBP.

**Table 5 Average housing prices per square metre in the primary market in Kraków**

specification	I Q 2017		II Q 2017		III Q 2017		IV Q 2017		I Q 2018	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 619	6 373	6 746	6 583	6 931	6 810	6 924	6 755	6 907	6 840
growth (q-o-q)	98,6	98,8	101,9	103,3	102,7	103,4	99,9	99,2	99,8	101,3
growth (y-o-y)	101,5	102,1	101,1	103,8	106,2	108,1	103,2	104,7	104,4	107,3
dwelling price range	7 194	2 269	6 210	2 225	5 916	1 689	5 757	2 292	4 195	1 942
<=4 000 PLN/sq.m	12	2	11	4	7	2	6	0	8	2
( 4 001; 6 000] PLN/sq.m	2 193	1 000	1 741	815	1 536	530	1 483	722	1 162	646
( 6 001; 8 000] PLN/sq.m	4 094	1 018	3 508	1 063	3 359	860	3 303	1 263	2 322	928
(8 001; 10 000] PLN/sq.m	796	226	844	311	821	269	752	264	536	309
>10 001 PLN/sq.m	99	23	106	32	193	28	213	43	167	57
dwelling space range	7 194	2 269	6 210	2 225	5 916	1 689	5 757	2 292	4 195	1 942
<= 40 sq.m	1161	673	938	619	1126	513	991	609	610	493
(40,1; 60] sq.m	4083	1171	3480	1177	3312	857	3266	1235	2312	1052
(60,1; 80] sq.m	1518	329	1370	342	1125	245	1157	355	979	321
> 80,1 sq.m	432	96	422	87	353	74	343	93	294	76
average price of 1 sq.m. of dwelling	6 619	6 373	6 746	6 583	6 931	6 810	6 924	6 755	6 907	6 840
<=4 000 sq.m	6888	6605	7166	6883	7600	7263	7527	7284	7592	7424
(40,1; 60] sq.m	6430	6170	6513	6405	6630	6472	6695	6502	6681	6571
(60,1; 80] sq.m	6672	6412	6821	6505	6884	6902	6928	6529	6902	6755
> 80,1 sq.m	7502	7084	7491	7177	7782	7287	7349	7524	7278	7140
average offer price deviation	3,9%	x	2,5%	x	1,8%	x	2,5%	x	1,0%	x
<= 40 sq.m	4,3%	x	4,1%	x	4,6%	x	3,3%	x	2,3%	x
(40,1; 60] sq.m	4,2%	x	1,7%	x	2,4%	x	3,0%	x	1,7%	x
(60,1; 80] sq.m	4,1%	x	4,9%	x	-0,3%	x	6,1%	x	2,2%	x
> 80,1 sq.m	5,9%	x	4,4%	x	6,8%	x	-2,3%	x	1,9%	x

Source: NBP.

**Table 6 Average housing prices per square metre in the secondary market in Kraków**

specification	I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017		I Q 2018	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 859	5 979	6 992	6 038	7 205	6 347	7 593	6 276	7 767	6 215
growth (q-o-q)	99,3	100,5	101,9	101,0	103,0	105,1	105,4	98,9	102,3	99,0
growth (y-o-y)	100,5	101,6	103,5	105,2	105,4	109,1	109,9	105,5	113,2	103,9
dwelling price range	1 160	452	1 301	486	766	475	1 505	402	906	361
<=4 000 PLN/sq.m	3	11	3	5	0	0	1	12	0	2
( 4 001; 6 000] PLN/sq.m	390	243	399	263	214	222	341	186	160	177
( 6 001; 8 000] PLN/sq.m	553	168	631	176	350	200	700	157	442	142
(8 001; 10 000] PLN/sq.m	155	26	192	36	145	40	287	36	190	31
>10 001 PLN/sq.m	59	4	76	6	57	13	176	11	114	9
dwelling space range	1 160	452	1 301	486	766	475	1 505	402	906	361
<= 40 sq.m	217	177	266	183	155	187	305	164	203	116
(40,1; 60] sq.m	511	195	559	213	302	215	591	159	365	178
(60,1; 80] sq.m	278	59	304	65	214	59	380	69	229	55
> 80,1 sq.m	154	21	172	25	95	14	229	10	109	12
average price of 1 sq.m. of dwelling	6 859	5 979	6 992	6 038	7 205	6 347	7 593	6 276	7 767	6 215
<=4 000 sq.m	7 480	6 423	7 645	6 384	8 079	6 758	8 837	6 761	8 881	6 768
(40,1; 60] sq.m	6 709	5 739	6 799	5 788	6 824	6 123	7 173	5 905	7 427	6 055
(60,1; 80] sq.m	6 742	5 642	6 781	5 776	7 020	6 006	7 229	6 112	7 167	5 668
> 80,1 sq.m	6 694	5 421	6 987	6 314	7 405	5 759	7 626	5 348	8 093	5 745
average offer price deviation	14,7%	x	15,8%	x	13,5%	x	21,0%	x	25,0%	x
<= 40 sq.m	16,5%	x	19,8%	x	19,6%	x	30,7%	x	31,2%	x
(40,1; 60] sq.m	16,9%	x	17,5%	x	11,5%	x	21,5%	x	22,6%	x
(60,1; 80] sq.m	19,5%	x	17,4%	x	16,9%	x	18,3%	x	26,4%	x
> 80,1 sq.m	23,5%	x	10,7%	x	28,6%	x	42,6%	x	40,9%	x

Source: NBP.

**Table 7 Average housing prices per square metre in the primary market in Łódź**

specification	I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017		I Q 2018	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	4 943	4 792	5 180	4 940	5 147	4 911	5 332	5 148	5 524	5 211
growth (q-o-q)	96,7	98,8	104,8	103,1	99,4	99,4	102,9	104,2	107,3	106,1
growth (y-o-y)	103,6	101,1	105,8	106,3	105,0	103,9	108,8	108,9	108,1	107,4
dwelling price range	1 138	316	1 394	237	1 881	352	2 015	435	1 574	328
<=4 000 PLN/sq.m	3	4	2	0	1	3	0	3	2	1
( 4 001; 4 500] PLN/sq.m	151	77	141	43	104	50	67	31	65	31
(4 501; 5 000] PLN/sq.m	509	127	418	95	709	186	477	162	268	122
(5 001; 5 500] PLN/sq.m	310	91	467	63	648	69	862	135	626	69
(5 501; 6 000] PLN/sq.m	140	15	257	31	302	25	339	62	291	73
> 6 001 PLN/sq.m	25	2	109	5	117	19	270	42	322	32
dwelling space range	1 138	316	1 394	237	1 881	352	2 015	435	1 574	328
<= 40 sq.m	87	38	143	51	189	82	228	126	166	54
(40,1; 60] sq.m	508	174	658	118	839	175	904	211	742	166
(60,1; 80] sq.m	404	83	459	50	676	82	699	78	527	88
> 80,1 sq.m	139	21	134	18	177	13	184	20	139	20
average price of 1 sq.m. of dwelling	4 943	4 792	5 180	4 940	5 147	4 911	5 332	5 148	5 524	5 211
<=4 000 sq.m	4 942	4 851	5 284	5 069	5 304	4 853	5 602	5 250	6 024	5 566
(40,1; 60] sq.m	4 942	4 780	5 189	4 884	5 135	4 938	5 354	5 152	5 546	5 126
(60,1; 80] sq.m	4 914	4 791	5 142	4 829	5 102	4 875	5 232	5 006	5 344	5 121
> 80,1 sq.m	5 028	4 782	5 157	5 248	5 208	5 130	5 266	5 011	5 489	5 354
average offer price deviation	3,2%	x	4,9%	x	4,8%	x	3,6%	x	6,0%	x
<= 40 sq.m	1,9%	x	4,2%	x	9,3%	x	6,7%	x	8,2%	x
(40,1; 60] sq.m	3,4%	x	6,3%	x	4,0%	x	3,9%	x	8,2%	x
(60,1; 80] sq.m	2,6%	x	6,5%	x	4,7%	x	4,5%	x	4,4%	x
> 80,1 sq.m	5,1%	x	-1,7%	x	1,5%	x	5,1%	x	2,5%	x

Source: NBP.

**Table 8 Average housing prices per square metre in the secondary market in Łódź**

specification	I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017		I Q 2018	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	4 149	3 509	4 203	3 582	4 241	3 762	4 314	3 784	4 432	4 022
growth (q-o-q)	101,3	102,7	102,6	104,8	103,5	110,1	104,0	107,8	105,4	112,1
growth (y-o-y)	105,3	107,1	106,7	109,3	107,7	114,8	107,6	113,1	109,8	122,5
dwelling price range	932	127	842	131	829	123	629	144	631	115
<= 3 000 PLN/sq.m	107	30	84	27	68	18	44	19	27	13
(3 001; 3 500] PLN/sq.m	141	46	109	33	116	21	79	28	71	16
(3 501; 4 000] PLN/sq.m	226	28	210	38	202	38	152	47	133	35
(4 001; 4 500] PLN/sq.m	196	13	177	20	188	31	142	31	149	18
(4 500; 5 000] PLN/sq.m.	114	3	111	4	97	8	94	6	112	19
>] 5 001 PLN/sq.m	148	7	151	9	158	7	118	13	139	14
dwelling space range	932	127	842	131	829	123	629	144	631	115
<= 40 sq.m	149	40	123	39	122	45	91	48	62	32
(40,1; 60] sq.m	332	64	313	65	282	56	233	59	243	52
(60,1; 80] sq.m	201	16	167	15	190	14	140	23	154	20
> 80,1 sq.m	250	7	239	12	235	8	175	14	172	11
average price of 1 sq.m. of dwelling	4 149	3 509	4 203	3 588	4 241	3 762	4 314	3 784	4 432	4 022
<=4 000 sq.m	4 121	3 546	4 067	3 594	4 118	3 900	3 988	4 087	4 208	4 114
(40,1; 60] sq.m	4 077	3 581	4 138	3 607	4 252	3 868	4 434	3 688	4 576	4 157
(60,1; 80] sq.m	4 296	3 501	4 403	3 809	4 246	3 108	4 347	3 596	4 508	3 908
> 80,1 sq.m	4 144	2 653	4 220	3 193	4 289	3 393	4 305	3 458	4 243	3 320
average offer price deviation	18,2%	x	17,3%	x	12,7%	x	14,0%	x	10,2%	x
<= 40 sq.m	16,2%	x	13,2%	x	5,6%	x	-2,4%	x	2,3%	x
(40,1; 60] sq.m	13,8%	x	14,7%	x	9,9%	x	20,3%	x	10,1%	x
(60,1; 80] sq.m	22,7%	x	15,6%	x	36,6%	x	20,9%	x	15,4%	x
> 80,1 sq.m	56,2%	x	32,2%	x	26,4%	x	24,5%	x	27,8%	x

Source: NBP.

**Table 9 Average housing prices per square metre in the primary market in Poznań**

specification	I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017		I Q 2018	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 429	6 263	6 435	6 260	6 479	6 379	6 551	6 382	6 678	6 447
growth (q-o-q)	100,4	99,4	100,1	100,0	100,7	101,9	101,1	100,1	101,9	101,0
growth (y-o-y)	100,1	100,3	99,6	99,4	100,4	103,0	102,3	101,2	103,9	102,9
dwelling price range	4 415	1 143	4 332	1 371	3 977	1 078	3 632	1 277	4 081	985
<=4 000 PLN/sq.m	11	1	11	1	8	4	9	3	8	3
( 4 001; 6 000] PLN/sq.m	1 550	547	1 527	622	1 250	400	1 075	510	1 136	395
( 6 001; 8 000] PLN/sq.m	2 588	553	2 567	718	2 512	632	2 259	703	2 541	505
(8 001; 10 000] PLN/sq.m	222	38	185	26	178	38	257	42	360	66
>10 001 PLN/sq.m	44	4	42	4	29	4	32	19	36	16
dwelling space range	4 415	1 143	4 332	1 371	3 977	1 078	3 632	1 277	4 081	985
<= 40 sq.m	663	332	648	324	578	242	517	314	585	186
(40,1; 60] sq.m	2521	584	2539	755	2329	587	2103	731	2424	560
(60,1; 80] sq.m	939	182	877	227	832	194	779	182	824	181
> 80,1 sq.m	292	45	268	65	238	55	233	50	248	58
average price of 1 sq.m. of dwelling	6 429	6 263	6 435	6 260	6 479	6 379	6 551	6 382	6 678	6 447
<=4 000 sq.m	6 700	6 317	6 700	6 484	6 763	6 552	6 725	6 560	6 918	6 718
(40,1; 60] sq.m	6 366	6 227	6 379	6 201	6 439	6 323	6 506	6 321	6 607	6 356
(60,1; 80] sq.m	6 382	6 225	6 385	6 163	6 376	6 384	6 485	6 386	6 658	6 317
> 80,1 sq.m	6 511	6 488	6 481	6 175	6 548	6 195	6 783	6 149	6 864	6 863
average offer price deviation	2,7%	x	2,8%	x	1,6%	x	2,6%	x	3,6%	x
<= 40 sq.m	6,1%	x	3,3%	x	3,2%	x	2,5%	x	3,0%	x
(40,1; 60] sq.m	2,2%	x	2,9%	x	1,8%	x	2,9%	x	4,0%	x
(60,1; 80] sq.m	2,5%	x	3,6%	x	-0,1%	x	1,6%	x	5,4%	x
> 80,1 sq.m	0,4%	x	5,0%	x	5,7%	x	10,3%	x	0,0%	x

Source: NBP.

**Table 10 Average housing prices per square metre in the secondary market in Poznań**

specification	I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017		I Q 2018	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m)	5 955	5 154	6 080	5 465	6 053	5 433	6 349	5 550	6 523	5 438
growth (q-o-q)	97,3	97,6	102,1	106,0	99,6	99,4	104,9	102,1	102,7	98,0
growth (y-o-y)	100,2	101,8	100,6	105,6	99,3	103,8	103,7	105,1	109,5	105,5
dwelling price range	649	864	740	876	547	993	448	806	375	383
<=4 000 PLN/sq.m	37	109	35	79	39	89	18	72	11	12
( 4 001; 6 000] PLN/sq.m	356	588	402	556	284	630	203	461	149	288
( 6 001; 8 000] PLN/sq.m	190	145	220	217	160	243	160	253	159	77
(8 001; 10 000] PLN/sq.m	56	20	63	20	51	27	54	17	45	5
>10 001 PLN/sq.m	10	2	20	4	13	4	13	3	11	1
dwelling space range	649	864	740	876	547	993	448	806	375	383
<= 40 sq.m	98	247	113	278	70	291	51	254	52	121
(40,1; 60] sq.m	236	373	276	376	186	453	169	355	141	166
(60,1; 80] sq.m	169	181	182	171	143	183	108	145	93	83
> 80,1 sq.m	146	63	169	51	148	66	120	52	89	13
average price of 1 sq.m. of dwelling	5955	5154	6080	5465	6053	5433	6349	5550	6523	5438
<=4 000 sq.m	6537	5516	6690	5969	6387	6029	6895	6023	7165	5883
(40,1; 60] sq.m	6150	5268	6173	5409	6330	5398	6527	5516	6823	5364
(60,1; 80] sq.m	5638	4696	5799	4998	5763	4914	6096	5068	6279	4995
> 80,1 sq.m	5615	4376	5821	4702	5826	4485	6095	4808	5928	5083
average offer price deviation	15,5%	x	11,2%	x	11,4%	x	14,4%	x	19,9%	x
<= 40 sq.m	18,5%	x	12,1%	x	5,9%	x	14,5%	x	21,8%	x
(40,1; 60] sq.m	16,7%	x	14,1%	x	17,3%	x	18,3%	x	27,2%	x
(60,1; 80] sq.m	20,1%	x	16,0%	x	17,3%	x	20,3%	x	25,7%	x
> 80,1 sq.m	28,3%	x	23,8%	x	29,9%	x	26,8%	x	16,6%	x

Source: NBP.

**Table 11 Average housing prices per square metre in the primary market in Warszawa**

specification	I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017		I Q 2018	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m)	7 707	7 562	7 740	7 683	7 788	7 820	8 020	7 751	8 200	7 965
growth (q-o-q)	100,9	98,4	100,4	101,6	100,6	101,8	103,0	99,1	102,2	102,8
growth (y-o-y)	97,8	99,0	101,2	101,3	100,2	101,6	105,0	100,8	106,4	105,3
dwelling price range	12 765	4 490	14 057	4 782	14 288	4 606	13 587	5 455	11 797	4 857
<=4 000 PLN/sq.m	0	1	0	0	0	0	0	2	0	0
(4 001; 6 000] PLN/sq.m	1 119	230	1 189	285	888	252	958	393	692	259
(6 001; 8 000] PLN/sq.m	7 467	2 827	7 852	2 841	8 251	2 507	7 583	3 008	6 195	2 600
(8 001; 10 000] PLN/sq.m	3 327	1 283	4 043	1 430	4 290	1 577	3 745	1 731	3 650	1 599
>10 001 PLN/sq.m	852	149	973	226	859	270	1 301	321	1 260	399
dwelling space range	12 765	4 490	14 057	4 782	14 288	4 606	13 587	5 455	11 797	4 857
<= 40 sq.m	1 736	1 012	1 769	928	1 708	1 066	1 713	1 288	1 358	976
(40,1; 60] sq.m	5 853	2 223	6 445	2 467	6 282	2 227	5 978	2 582	5 065	2 381
(60,1; 80] sq.m	3 574	921	4 110	975	4 571	938	4 220	1 148	3 946	1 099
> 80,1 sq.m	1 602	334	1 733	412	1 727	375	1 676	437	1 428	401
average price of 1 sq.m. of dwelling	7 707	7 562	7 740	7 683	7 788	7 820	8 020	7 751	8 200	7 965
<=4 000 sq.m	7 539	7 814	7 734	7 643	7 662	8 015	9 290	7 894	9 599	8 366
(40,1; 60] sq.m	7 534	7 424	7 603	7 602	7 672	7 687	7 651	7 648	7 906	7 747
(60,1; 80] sq.m	7 686	7 372	7 698	7 621	7 784	7 744	7 820	7 584	7 937	7 860
> 80,1 sq.m	8 564	8 241	8 354	8 397	8 349	8 244	8 540	8 374	8 637	8 570
average offer price deviation	1,9%	x	0,7%	x	-0,4%	x	3,5%	x	2,9%	x
<= 40 sq.m	-3,5%	x	1,2%	x	-4,4%	x	17,7%	x	14,7%	x
(40,1; 60] sq.m	1,5%	x	0,0%	x	-0,2%	x	0,0%	x	2,1%	x
(60,1; 80] sq.m	4,3%	x	1,0%	x	0,5%	x	3,1%	x	1,0%	x
> 80,1 sq.m	3,9%	x	-0,5%	x	1,3%	x	2,0%	x	0,8%	x

Source: NBP.

**Table 12 Average housing prices per square metre in the secondary market in Warszawa**

specification	I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017		I Q 2018	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m)	8 816	7 429	8 885	7 821	9 009	7 960	9 235	7 592	9 346	7 669
growth (q-o-q)	101,2	98,3	100,8	105,3	101,4	101,8	102,5	95,4	101,2	101,0
growth (y-o-y)	101,8	99,9	101,9	106,3	102,6	108,9	106,0	100,5	106,0	103,2
dwelling price range	5 107	1 358	4 558	2 933	4 764	2 962	3 499	1 206	3 312	1 168
<=4 000 PLN/sq.m	3	5	2	1	0	0	0	0	0	0
(4 001; 6 000] PLN/sq.m	390	289	345	426	335	388	229	188	190	200
(6 001; 8 000] PLN/sq.m	1 933	645	1 617	1 359	1 618	1 333	1 073	586	1 019	540
(8 001; 10 000] PLN/sq.m	1 656	296	1 530	822	1 618	849	1 183	332	1 118	316
>10 001 PLN/sq.m	1 125	123	1 064	325	1 193	392	1 014	100	985	112
dwelling space range	5 107	1 358	4 558	2 933	4 764	2 962	3 499	1 206	3 312	1 168
<= 40 sq.m	763	481	701	949	730	898	565	406	449	403
(40,1; 60] sq.m	1 941	567	1 640	1 272	1 674	1 277	1 253	542	1 187	494
(60,1; 80] sq.m	1 182	197	1 083	462	1 107	500	808	193	801	201
> 80,1 sq.m	1 221	113	1 134	250	1 253	287	873	65	875	70
average price of 1 sq.m. of dwelling	8 816	7 429	8 885	7 821	9 009	7 960	9 235	7 592	9 346	7 669
<=4 000 sq.m	9 200	7 949	9 301	8 261	9 450	8 298	9 818	8 180	9 923	8 396
(40,1; 60] sq.m	8 379	7 030	8 559	7 455	8 671	7 637	8 901	7 333	9 098	7 399
(60,1; 80] sq.m	8 405	7 108	8 450	7 422	8 514	7 558	8 692	7 042	8 930	6 855
> 80,1 sq.m	9 667	7 779	9 515	8 752	9 640	9 036	9 841	7 703	9 768	7 719
average offer price deviation	18,7%	x	13,6%	x	13,2%	x	21,7%	x	21,9%	x
<= 40 sq.m	15,7%	x	12,6%	x	13,9%	x	20,0%	x	18,2%	x
(40,1; 60] sq.m	19,2%	x	14,8%	x	13,5%	x	21,4%	x	23,0%	x
(60,1; 80] sq.m	18,2%	x	13,8%	x	12,6%	x	23,4%	x	30,3%	x
> 80,1 sq.m	24,3%	x	8,7%	x	6,7%	x	27,8%	x	26,6%	x

Source: NBP.

**Table 13 Average housing prices per square metre in the primary market in Wrocław**

specification	I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017		I Q 2018	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 460	6 136	6 461	6 314	6 390	6 433	6 526	6 389	6 745	6 508
growth (q-o-q)	100,3	99,6	100,0	102,9	98,9	101,9	102,1	99,3	103,4	101,9
growth (y-o-y)	104,4	101,8	104,2	101,4	100,9	104,4	101,3	103,7	104,4	106,1
dwelling price range	5 296	1 585	5 584	1 850	5 343	1 751	5 853	2 156	5 538	1 633
<=4 000 PLN/sq.m	0	0	2	3	9	7	7	2		1
( 4 001; 6 000] PLN/sq.m	2 370	756	2 431	817	2 338	762	2 451	875	2 125	583
( 6 001; 8 000] PLN/sq.m	2 259	736	2 501	868	2 456	778	2 719	1 077	2 482	901
(8 001; 10 000] PLN/sq.m	431	64	415	110	419	155	509	179	731	131
>10 001 PLN/sq.m	236	29	235	52	121	49	167	23	200	17
dwelling space range	5 296	1 585	5 584	1 850	5 343	1 751	5 853	2 156	5 538	1 633
<= 40 sq.m	735	270	734	428	593	365	752	374	752	289
(40,1; 60] sq.m	2750	919	2884	980	2781	907	2900	1171	2752	824
(60,1; 80] sq.m	1491	330	1626	363	1606	412	1805	511	1694	442
> 80,1 sq.m	320	66	340	79	363	67	396	100	340	78
average price of 1 sq.m. of dwelling	6 460	6 136	6 461	6 314	6 390	6 433	6 526	6 389	6 745	6 508
<=4 000 sq.m	7190	6351	7431	6718	7082	7432	7010	6986	7469	6945
(40,1; 60] sq.m	6304	6112	6387	6192	6358	6239	6508	6369	6713	6420
(60,1; 80] sq.m	6293	5910	6133	6103	6160	5998	6335	5969	6469	6377
> 80,1 sq.m	6901	6715	6559	6620	6515	6300	6614	6547	6774	6564
average offer price deviation	5,3%	x	2,3%	x	-0,7%	x	2,1%	x	3,6%	x
<= 40 sq.m	13,2%	x	10,6%	x	-4,7%	x	0,3%	x	7,5%	x
(40,1; 60] sq.m	3,1%	x	3,2%	x	1,9%	x	2,2%	x	4,6%	x
(60,1; 80] sq.m	6,5%	x	0,5%	x	2,7%	x	6,1%	x	1,4%	x
> 80,1 sq.m	2,8%	x	-0,9%	x	3,4%	x	1,0%	x	3,2%	x

Source: NBP.

**Table 14 Average housing prices per square metre in the secondary market in Wrocław**

specification	I Q 2017		II Q 2017 r.		III Q 2017		IV Q 2017		I Q 2018	
	offer	trans.	offer	trans.	offer	trans.	offer	trans.	offer	trans.
average price (PLN/sq.m.)	6 253	5 390	6 267	5 445	6 293	5 764	6 365	5 906	6 423	5 841
growth (q-o-q)	101,4	98,4	100,2	101,0	100,4	105,9	101,2	102,5	100,9	98,9
growth (y-o-y)	105,1	103,3	104,7	104,7	103,8	108,1	103,3	107,8	102,7	108,4
dwelling price range	1 221	321	1 501	267	1 542	254	1 512	294	1 406	289
<=4 000 PLN/sq.m	25	29	33	23	29	17	25	13	20	12
( 4 001; 6 000] PLN/sq.m	591	197	745	167	749	136	715	148	648	159
( 6 001; 8 000] PLN/sq.m	488	89	572	73	615	89	609	115	580	105
(8 001; 10 000] PLN/sq.m	79	6	99	3	102	12	108	17	99	12
>10 001 PLN/sq.m	38		52	1	47		55	1	59	1
dwelling space range	1 221	321	1 501	267	1 542	254	1 512	294	1 406	289
<= 40 sq.m	176	61	208	47	220	55	227	65	206	48
(40,1; 60] sq.m	478	149	580	117	598	118	599	128	561	123
(60,1; 80] sq.m	363	80	452	69	468	61	441	73	418	80
> 80,1 sq.m	204	31	261	34	256	20	245	28	221	38
average price of 1 sq.m. of dwelling	6 253	5 390	6 267	5 445	6 293	5 764	6 365	5 906	6 423	5 841
<=4 000 sq.m	7 260	5 814	7 182	6 371	7 140	6 524	7 175	6 819	7 236	6 607
(40,1; 60] sq.m	6 254	5 455	6 341	5 379	6 362	5 848	6 396	5 888	6 464	5 985
(60,1; 80] sq.m	5 979	5 118	6 013	5 196	6 021	5 220	6 113	5 385	6 143	5 366
> 80,1 sq.m	5 871	4 953	5 812	4 895	5 898	4 836	5 994	5 226	6 090	5 410
average offer price deviation	16,0%	x	15,1%	x	9,2%	x	7,8%	x	10,0%	x
<= 40 sq.m	24,9%	x	12,7%	x	9,4%	x	5,2%	x	9,5%	x
(40,1; 60] sq.m	14,7%	x	17,9%	x	8,8%	x	8,6%	x	8,0%	x
(60,1; 80] sq.m	16,8%	x	15,7%	x	15,4%	x	13,5%	x	14,5%	x
> 80,1 sq.m	18,5%	x	18,7%	x	22,0%	x	14,7%	x	12,6%	x

Source: NBP.

---

[www.nbp.pl](http://www.nbp.pl)