

Real Estate Strategic Outlook: Poland

Increasingly established global economy

Solid growth anticipated ahead

Driven by robust domestic demand, Poland's economy appears poised for another strong year, outperforming many European peers and even surpassing its 2024 figures. With an estimated growth rate of around 3%, Poland continues to outpace the European average, further narrowing the gap with its neighbours. This convergence has been evident since the 1990s, but this year marks a milestone: Poland appears set to join the ranks of the world's top 20 economies, a clear testament to its recent economic gains.

While EU funding and proximity to the German market remain important advantages, rising domestic consumption and the growing affluence of Polish households are key drivers for the real estate sector. On the downside, optimism surrounding the anticipated boost from new REIT legislation and the creation of a strong domestic investor base has recently become less certain.

Real estate sector strategy: what and where?

Logistics: high land availability, but strong mid-term prospects

The Polish logistics market appears to be a key beneficiary of favourable economic conditions and remains one of our top European picks, supported by strong long-term growth drivers. While vacancy rates are high compared to the European average, they are unevenly distributed across regions and asset qualities. Our five-year outlook anticipates rent growth potentially well above the annual 3% benchmark. Additionally, the introduction of a nationwide zoning plan may further restrict future land supply and bolster leasing markets, though developers' sizeable land inventories mean the impact could take time to emerge.

On the investment side, the strong presence of U.S. buyers, accounting for nearly 50%² of 2025 transaction volumes, signals market confidence, while also reflecting reported price adjustments and potentially attractive entry opportunities for investors.

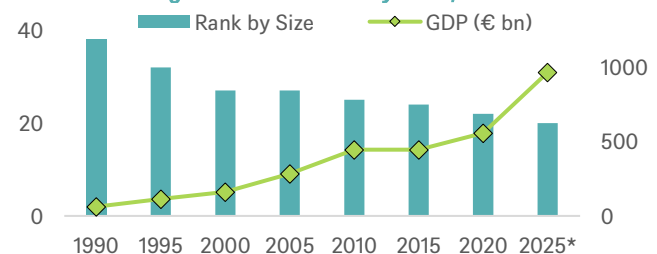
Office: extended weakness of supply side

Warsaw continues to be viewed as one of the most attractive office market in the region and despite pronounced polarization, is expected to move closer to Western European peers. While a supply rebound remains possible, it appears increasingly unlikely in the short term. Construction activity has fallen to an all-time low and is projected to recover only gradually.

Vacancy rates are also trending downward, with prime stock well below double-digit levels. Our five-year forecast of nearly 3% annual rent growth reflects this dynamic, though gains are concentrated in prime assets, as weaker properties see little to no growth. This also highlights concerns that expanding AI and machine-learning technologies could hurt back-office operations, especially in Poland's regional markets.

On the investment side, sentiment is improving after a subdued mid-year, though volatility persists and is not yet reflected in net prime yields, which remain near 6%. Secondary assets face steep discounts due to limited spill-over effects and a shortage of prime buyers. Even so, we forecast Warsaw to potentially deliver strong mid-term outperformance at the prime end of the market.

Global Ranking of Polish Economy (lhs), GDP in € bn (rhs)



Source: IMF (WEO), October 2025

Residential & Retail: PBSA and retail parks are gathering pace

Poland's rental housing market continues to strengthen, though owner-occupation still dominates. Limited rental supply - both vacant units and overall stock - highlights strong fundamentals and the sector's early stage of development. Similarly, the PBSA segment is gaining momentum only gradually, despite Poland hosting one of Europe's largest student populations. Very low provision rates and a growing international student base make Poland a market to watch.

Moreover, retail parks are gaining significance while expanding into regional markets. Following the initial construction wave of the 1990s and 2000s, a second surge has emerged over the past five years, adding 500,000 sqm of GLA in 2025 alone. Their resilience, combined with rising household affluence in Poland and the growing preference for local, convenient shopping, continues to strengthen investor confidence, making retail parks an potentially attractive investment opportunity.

¹ Oxford Economics, October 2025

² JLL, November 2025

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