

Strong cities



City attractiveness, office market, HR trends

Q1 2026

The office market sentiment, the investment potential of the city and the labour market.

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Kraków

Prepared
in cooperation with



Michael Page

Krakow



City area
327 sq km



Population
810 600



Population forecast
1.14 mln
(within a 100 km radius - 8m)



Unemployment rate
2.7%
(02.2026, GUS)



GDP growth
14.5%



GDP per capita
PLN 130,184



Average salary (gross)
PLN 11,634,82
(in the business sector,
02.2026, GUS)

Investment attractiveness

Rankings

1ST
PLACE

in the business friendliness category of the fDi's European Cities and Regions of the Future 2025 ranking (among large cities)

1ST
PLACE

in the human capital and lifestyle category of the fDi's European Cities and Regions of the Future 2025 ranking (among large cities)

3RD
PLACE

overall in the fDi's European Cities and Regions of the Future 2025 ranking (among large cities)

6TH
PLACE

in the **economic potential category** of the fDi's European Cities and Regions of the Future 2025 ranking (among large cities)

7TH
PLACE

in the FDI Strategy category of fDi's **European Cities and Regins of the Future 2025** ranking (among large Cities)

The title of Award in „**Municipality for 5!**” and the title of „**Golden Municipality for 5!**” in the 2024/25 edition of the ranking prepared by the Student Scientific Association of Acceleration, on behalf of the Institute of Entrepreneurship at the Warsaw School of Economics



Investment incentives

Government Investment Support Program grants

Polish Investment Zone – tax relief for the implementation of new investments (from 40% to 70% of the investment value)

Real estate tax exemption

Assistance under the EU Funds

Available tax incentives include: R&D tax relief, IP BOX, robotization tax relief, expansion tax relief and relief for innovative employees

Support for business environment institutions - incl. Business in Małopolska Centre

Quality of life

Rankings

■■■■■■■■■■■■■■■■■■■■ The Krakow Old Town and Wawel Hill on the UNESCO World Heritage List

■■■■■■■■■■■■■■■■■■■■ European Capital of Culture 2000

■■■■■■■■■■■■■■■■■■■■ UNESCO City of Literature

■■■■■■■■■■■■■■■■■■■■ IFEA World Festival & Event City

Quality of life in numbers

CULTURE AND ENTERTAINMENT

- 400 cultural events annually
- Over 100 festivals and artistic-entertainment events annually (including the Jewish Culture Festival, Dragon Parade, Film Music Festival)
- More than 1000 monuments
- Over 100 museums and art galleries
- 16 theaters
- 12 cinemas
- Over 200 restaurants (23 restaurants featured in the Michelin Guide 2025, including 2-star Bottiglieria 1881)
- 15 regional products protected by EU regulations (including obwarzanek, oscypek, Krakow-style żurek, carp from Zator)

TRANSPORT

- 27 tram lines and 173 bus lines
- 4 Fast Commuter Rail lines
- 317 km of bicycle paths
- 13.2m passengers handled in one year by Krakow-Balice Airport

INFRASTRUCTURE

- 1.84m sq m of modern office space
- 190 hotels with 23,000 rooms (including 16 five-star hotels)
- Modern congress and entertainment infrastructure (including ICE Krakow Congress Centre with 3,200 seats, TAURON Arena Krakow – 24,000 seats)

NATURAL ENVIRONMENT

- 77 parks, 44 pocket parks
- 26 community gardens
- 30 hectares of flower meadows
- 1,665.6 hectares of forests
- 80% of the city's residents have 5-minute access to green spaces



Bike paths
317 km



Green areas
50,4%
of the cities area

Facts & Figures



Number of students
131,800
(including 8,600 foreigners)



Number of graduates
32,000
(annually)



Number of universities
17



Airport - distance to the city centre
11 km



Airport - number of passengers
13.2m (2025)



BSS sector - number of centres
312
(ABSL 2025)



BSS sector - number of employed
107,800
(ABSL 2025)

RATING AGENCY



RATING

A- (stable)

Krakow

Q1 2026



Existing stock
1.85m sq m



Supply under construction
51,000 sq m



Vacancy rate
18.4%



New supply
8,000 sq m



Take-up
17,000 sq m

Coworking operators in Krakow

At Office | Business Link | Chilliflex | CitySpace | Regus | Loftmill | Cluster Offices | The Shire

Standard lease terms in new buildings



Service charge
PLN/sq m/month
16.00-29.00



Rent-free period
1-1.75 month
for each contract year



Fit-out budget
EUR/sq m
380.00-500.00

► Kraków remains the largest regional office market in Poland, with total stock of 1.85 million sq m, representing around 14% of the country's total office space. In Q1 2026, both the vacancy rate and headline rents remained stable despite a significant decline in leasing volume, indicating solid market fundamentals.

SUPPLY

New office supply in Kraków remains very limited, mirroring the broader trend across the Polish market. In Q1 2026, only one office project was completed - Fabryczna Office Park B7, delivering 8,000 sq m of space.

Currently, around 51,000 sqm is under construction, of which approximately 27,000 sq m is scheduled for completion within 2026. The largest scheme underway is Tischnera Green Park, comprising 24,000 sq m, with completion expected by the end of 2027.

TAKE-UP

Tenant activity weakened in Q1 2026 following a record-breaking performance in the previous year. Total leasing volume amounted to just under 17,000 sq m in the first three months of the year, representing a 66% decrease compared to the same period last year.

However, new leases accounted for a clear majority of total take-up, representing 60% of the leased space, while expansions made up only 12%. This shift in the structure of demand points to a growing willingness among occupiers to actively manage their office strategies, supporting a positive outlook for the market in the coming quarters.

The Kraków leasing market continues to be primarily driven by the business services sector, which accounted for 21% of total take-up in Q1, followed by the IT sector at 17%. Notably, the city benefits from a highly diversified tenant base. In Q1 2026, the manufacturing sector emerged as a key contributor to demand, accounting for the largest share of leasing activity at 32% of total volume.

VACANCY RATE

The vacancy rate in Kraków stood at 18.4% in Q1 2026. Despite declining demand and limited new supply, the vacancy level remained broadly unchanged compared to the previous quarter, partly due to the high share of lease extensions.

A clear polarisation persists within the market, with the city centre significantly outperforming other locations, recording a vacancy rate of just 9.8%.

RENTS

In Q1 2026, headline rents in modern office buildings in Kraków remained stable, typically ranging between EUR 10 and EUR 18 per sqm per month. In the most prestigious properties, rental levels exceeded the upper end of this range.

Service charges also remained stable, ranging from PLN 16 to PLN 29 per sqm per month, depending on building standard and the scope of services provided.

Office market in Poland

Q1 2026



SZCZECIN

192,000 sq m
 7.9%
 EUR 10-14.5

POZNAŃ

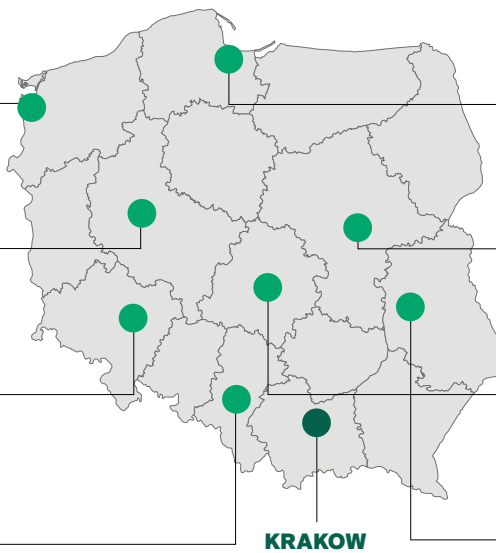
673,000 sq m
 13.8%
 EUR 11.5-16

WROCŁAW

1.36m sq m
 21.9%
 EUR 11-16

KATOWICE

742,000 sq m
 22.1%
 EUR 10-14.5



TRICITY

1.07m sq m
 10.8%
 EUR 11-16

WARSAW

6.28m sq m
 9.5%
 EUR 12-32

ŁÓDŹ

641,000 sq m
 19.6%
 EUR 9-15

LUBLIN

225,000 sq m
 10.5%
 EUR 9-13

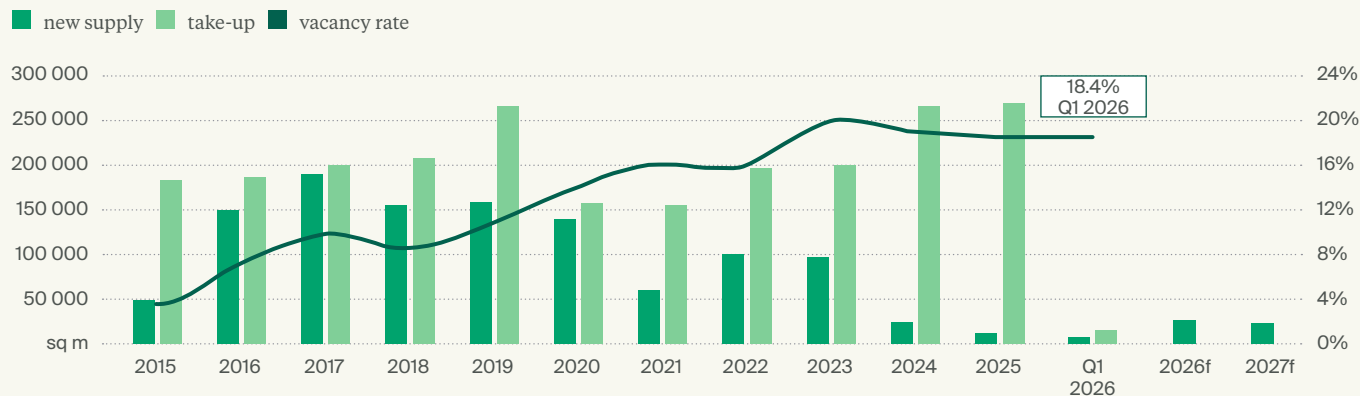
KRAKOW

1.85m sq m
 18.4%
 EUR 10-18

- office stock - vacancy rate
 - asking rents (per sq m per month)

Source: Knight Frank

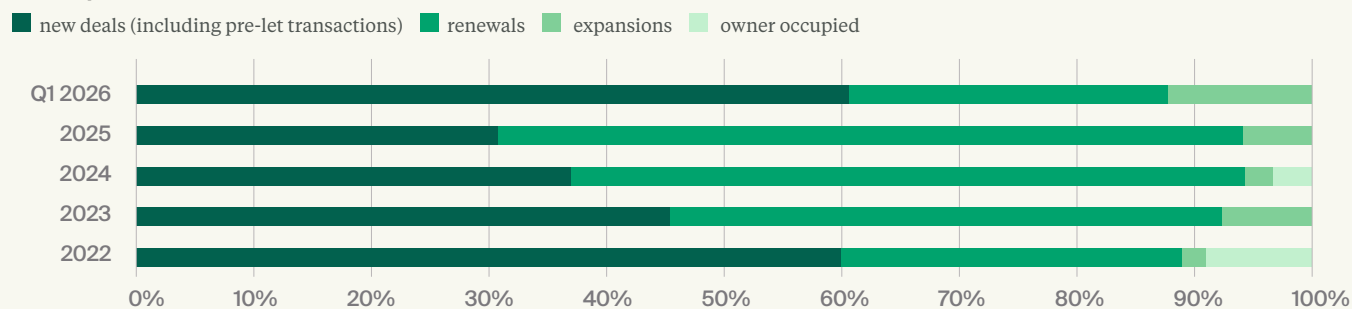
Annual new supply, take-up and vacancy rate in Krakow



f-forecast based on schemes under construction

Source: Knight Frank

Take-up structure in Krakow



Source: Knight Frank

Poland's investment revival: larger bets, stronger momentum, and a return to scale in 2026

- Poland is reasserting itself in 2026 as one of the most compelling investment destinations in Central and Eastern Europe. After several years marked by caution and subdued activity, capital is returning at scale. Both manufacturing and logistics, as well as business services and technology, are experiencing a marked acceleration. From a recruitment and advisory perspective, demand has risen sharply for labour market intelligence, particularly talent availability assessments, regional skills mapping, and workforce scalability analysis.

The most notable shift is in the size of projects. As recently as two years ago, investments typically involved 50 to 200 roles. Today, projects involving several hundred employees are increasingly common, with a growing number targeting headcounts in the thousands. This step-change is especially evident in two areas: business services centres and industrial-logistics developments.

BUSINESS SERVICES AND TECHNOLOGY: SCALE RETURNS

According to KPMG's German Central and Eastern European Business Outlook 2026, Poland remains the leading destination for German investment in the region, cited by 56 per cent of respondents, an 11 percentage point increase year on year and the highest share in Central and Eastern Europe. A further 63 per cent expect the region's strategic importance to grow over the next five years, underlining Poland's role as a core operational and technological hub.

Comparable sentiment is visible among US and Nordic investors. Three recent projects supported by Michael Page;

"Poland remains the leading destination for German investment in the region, cited by 56 per cent of respondents, an 11 percentage point increase year on year and the highest share in Central and Eastern Europe."

two in shared services and one in IT, alone account for 1,200 planned hires. This stands in stark contrast to earlier expectations, when new centres were typically projected to employ 50 to 100 people.

Shared services, global business services, and outsourcing models continue to underpin investment decisions. Poland's established urban centres: Kraków, Warsaw, Wrocław, Katowice, and Gdańsk offer deep talent pools, mature infrastructure, and operational resilience. While labour costs are no longer among the lowest in the region, investors increasingly prioritise capability over cost. Less tangible factors also matter: adaptability, initiative, and a willingness among Polish professionals to exceed baseline expectations are frequently cited in investor discussions.

Technology investment is expanding in parallel. Demand is particularly strong in cybersecurity, data analytics, automation, and artificial intelligence. Poland is increasingly hosting regional and global technology hubs responsible for high-value functions,

"While labour costs are no longer among the lowest in the region, investors increasingly prioritise capability over cost."

including digital transformation and AI deployment.

MANUFACTURING AND LOGISTICS: NEARSHORING GAINS TRACTION

Poland is also emerging as a principal beneficiary of nearshoring, as companies reconfigure supply chains in response to geopolitical risk and operational disruption. Although regional competition from Hungary, Romania, and Bulgaria remains, Poland is often the preferred choice.

The drivers are structural rather than cyclical: supply chain resilience in the wake of pandemic-era disruptions; rising geopolitical tensions; regulatory pressure linked to ESG objectives; and advances in automation that narrow cost differentials with Asia. Poland's geographic position, combined with



"Although regional competition from Hungary, Romania, and Bulgaria remains, Poland is often the preferred choice."

its infrastructure and relatively stable business environment, strengthens its appeal.

The logistics sector illustrates this shift. Demand for large-scale facilities is rising, with projects of 70,000 to 100,000 square metres now routine and larger developments increasingly under consideration. For investors, labour availability is only one factor; access to land, energy capacity, building specifications, and supply chain reliability are becoming equally decisive.

DEFENCE AND DUAL-USE TECHNOLOGIES: A STRUCTURAL SHIFT

The defence sector represents a further, and increasingly important, dimension of Poland's investment story. Growth is no longer confined to traditional military production. Dual-use technologies developed for civilian applications but adaptable for defence are gaining prominence, creating spillover effects across the wider industrial base.

Companies in sectors ranging from automation and electronics to chemicals and advanced materials are exploring entry into defence supply chains. This includes navigating certification requirements and assessing the commercial viability of expanding into strategically sensitive technologies. The trend points to a deeper, structural reorientation rather than a short-term response.

"Dual-use technologies developed for civilian applications but adaptable for defence are gaining prominence, creating spillover effects across the wider industrial base."

Recent developments underscore this shift. The move by Jastrzębska Spółka Węglowa into explosives and defence-related components highlights how even traditionally non-defence players are seeking exposure to the sector. At the same time, international capital continues to flow into Poland, while the ecosystem broadens to include technology firms, component manufacturers and energy providers.

Rising defence budgets across NATO countries, coupled with EU funding

mechanisms such as the European Defence Industry Programme, are reinforcing this momentum. Investment is increasingly directed towards modernising production, expanding automation, and building advanced capabilities in areas such as precision engineering and materials science, alongside dedicated research and development functions.

FROM CAUTION TO COMMITMENT

Taken together, these trends suggest that 2026 may mark a turning point. The caution that defined investment decisions in 2024 and 2025 is giving way to larger, longer-term commitments. Poland is no longer positioned as a secondary option, but as a primary destination for companies seeking to scale operations within Europe.

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