The Strength of Cities

City attractiveness, office market, HR trends

H1 2026	The office market sentiment, the investment potential of the city and the labour market.	*knightfrank.com.pl/en/research*

Krakow

Prepared in cooperation with

Centrum Business in Małopolska

Michael Page

Krakow

City area
327 sq km

Population
816 614

Metropolitan area population
1.14 mln
(Population within a 100 km radius 8 mln)

Unemployment rate
2.8%
(05.2026, GUS)

GDP growth
14.5%

GDP per capita
PLN **130,184**

Average salary (gross)
PLN **11.469,00**
(in the business sector, 05.2026, 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 **"Top European City Ecosystem for Startups"** award, presented as part of the inaugural European Startup Ecosystem Awards, organised by Wolves Summit 2026.

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
- European Funds (e.g. European Funds for a Modern Economy)
- 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 (25 listed in the MICHELIN Guide, including the two-MICHELIN-starred Bottiglieria 1881)
- 15 regional products protected by EU regulations (including obwarzanek, oscypek, Krakow-style żurek, carp from Zator)

TRANSPORT

- over 20 tram lines and approximately 100 bus lines
- 3 urban rapid rail lines
- 317 km of bicycle paths
- 13.2m passengers handled in one year by Krakow-Balice Airport

INFRASTRUCTURE

- 1.85m sq of modern office space
- over 200 hotels with 24,000 rooms (including approx. 20 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

- 78 parks, 44 pocket parks
- 28 community gardens
- 30 hectares of flower meadows
- 1, 672 hectares of forrests
- 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
137,784
(including 8,600 foreigners)

Number of graduates
32,000
(anually)

Number of universities
17

Airport - distance to the city centre
11 km

Airport - number of passengers
13.25m (2025)

BSS sector - number of centres
312
(ABSL 2025)

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

RATING AGENCY | **S&P** | RATING | A- (stable)

Krakow

H1 2026

Existing stock
1.87m sq m

Supply
under construction
33,000 sq m (-46.3% YoY)

Vacancy rate
19.0% (+1.7 p.p. YoY)

New supply
27,000 sq m (+100% YoY)

Take-up
73,000 sq m (-56.3% YoY)

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 office stock reaching 1.85 million sq m, representing 14% of the country's total office space. In the first half of 2026, both the vacancy rate and headline rents remained stable despite a significant decline in leasing activity, highlighting the maturity of the local market and its gradual rebalancing.

SUPPLY

Similar to the broader Polish office market, new office supply in Kraków remains at a very limited level. Since the beginning of the year, office stock has increased by 27,300 sq m, accounting for 37% of the total new supply delivered across regional markets. In Q2 2026, the Kraków office market expanded with the completion of two buildings within the Wita complex: Wita C (13,700 sq m, Echo Investment) and Wita B (5,200 sq m, Echo Investment).

Nevertheless, development activity remains subdued. Currently, approximately 32,700 sq m of office space is under construction, of which nearly 8,700 sq m is scheduled for completion before the end of the year. The largest ongoing development is Tischnera Green Park, comprising 24,000 sq m, with completion planned for the end of 2027.

TAKE-UP

Following a relatively weak start to the year, tenant activity in the Kraków office market increased markedly in Q2 2026. During the quarter, leasing volume reached nearly 58,400 sq m, representing an almost threefold increase quarter-on-quarter, although remaining 52% below the level recorded in the corresponding period of 2025. As a result, total take-up registered since the beginning of 2026 amounted to approximately 73,000 sq m.

In H1 2026, renewals accounted for 50% of total leasing activity, while the remaining half consisted of new lease agreements (43%) and expansions (7%).

The manufacturing sector emerged as the leading source of take-up during the first half of 2026, accounting for 31% of leased space. This marks a notable shift in the tenant structure, as the traditionally dominant IT and BSS sectors represented 15% and 20% of total leasing volume, respectively.

VACANCY RATE

At the end of Q2 2026, the vacancy rate in Kraków stood at 19.0%, increasing by 0.6 percentage points quarter-on-quarter and by 1.7 percentage points year-on-year.

The market continues to display a clear degree of polarisation, with the city centre significantly outperforming other locations. Vacancy in central areas amounted to only 10.3%, substantially below the citywide average.

Limited development activity and the absence of substantial new office supply expected between 2028 and 2030 are likely to support market stabilisation, contributing to the gradual absorption of available space and a decline in vacancy levels over the coming years.

RENTS

As of the end of June 2026, headline rents in modern office buildings in Kraków remained stable, typically ranging between EUR 10 and EUR 18 per sq m/month. In the most prestigious properties, asking rents exceeded the upper end of this range. Service charges also remained stable and ranged from PLN 16 to PLN 29 per sq m/month, depending on the building standard and the scope of services provided.

Office market in Poland

H1 2026

Existing stock **13m** sq m

New supply (H1 2026) **119,000** sq m

Take-up (H1 2026) **724,000** sq m

Supply under construction **153,000** sq m

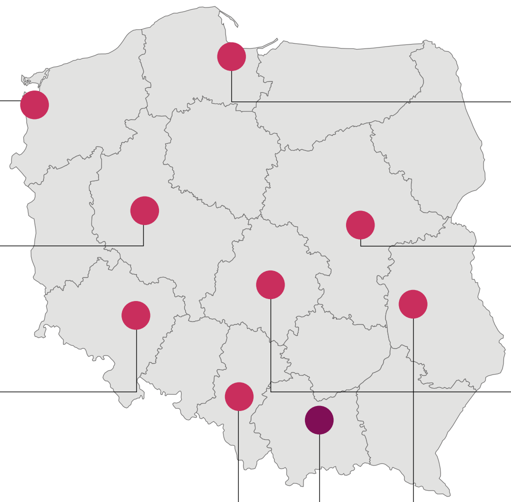
Vacancy rate **13.1%**

SZCZECIN
182,000 sq m
8.4%
EUR 10-14.5

POZNAŃ
678,000 sq m
11.5%
EUR 11.5-16

WROCŁAW
1.35m sq m
21.8%
EUR 11-16

KATOWICE
728,000 sq m
22.2%
EUR 10-14.5



TRICITY
1.08m sq m
10.4%
EUR 11-16

WARSAW
6.24m sq m
8.5%
EUR 12-32

ŁÓDŹ
651,000 sq m
19.8%
EUR 9-15

LUBLIN
225,000 sq m
10.5%
EUR 9-13

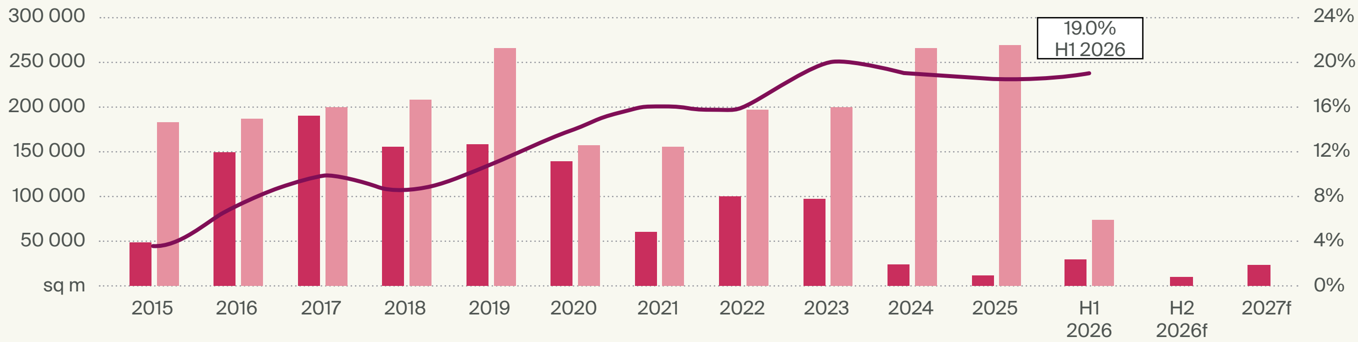
KRAKOW
1.87m sq m
19.0%
EUR 10-18

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

Source: Knight Frank

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

new supply take-up vacancy rate

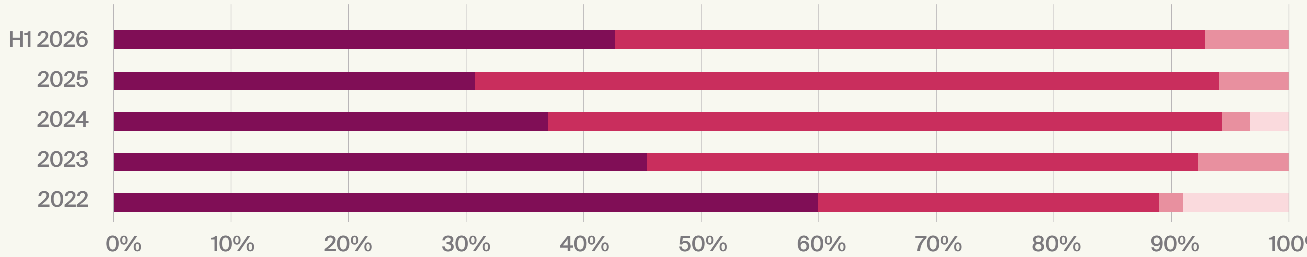


f-forecast based on schemes under construction

Source: Knight Frank

Take-up structure in Krakow

new deals (including pre-let transactions) renewals expansions owner occupied



Source: Knight Frank

Michael Page

Nearshoring as a catalyst for evolving skills and new market demands

Nearshoring has become one of the defining forces reshaping European industry. As geopolitical uncertainty continues to prompt organisations to strengthen the resilience of their supply chains, relocating manufacturing and operational activities closer to end markets has evolved from a strategic consideration into a commercial imperative. Supported by its mature infrastructure and strategic location, Poland has firmly established itself as one of Europe's principal beneficiaries of this structural shift.

The scale of this transformation is reflected in the logistics sector, where modern warehouse stock surpassed 37 million square metres in 2026 - exceeding the combined capacity of the Czech Republic, Romania and Hungary. Yet buildings alone do not create competitive advantage. As increasingly sophisticated production and operational functions move closer to customers, the decisive factor becomes access to leadership and specialist expertise capable of managing far more complex business environments. Human capital has become as critical to investment success as physical infrastructure.

THE EVOLUTION OF INDUSTRIAL LEADERSHIP

The profile of industrial leadership has undergone a profound transformation. Manufacturing and supply chain executives are no longer judged solely by operational excellence; they are increasingly expected to shape corporate strategy, improve profitability and translate operational performance into sustainable enterprise value.

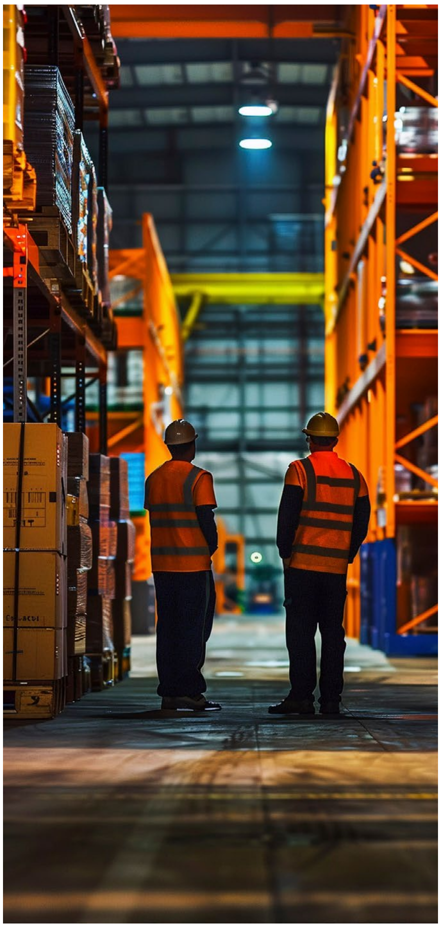
This shift coincides with a broader transformation across Polish businesses. As many organisations navigate generational succession, demand is rising for leaders who combine commercial judgement with the ability to lead organisational change, build resilient teams and develop long-term succession strategies.

"As many organisations navigate generational succession, demand is rising for leaders who combine commercial judgement with the ability to lead organisational change, build resilient teams and develop long-term succession strategies."

THE COST OF DELAYED HIRING

These changing expectations are reshaping executive recruitment. Faced with ongoing economic uncertainty, organisations have become significantly more cautious when appointing senior leaders. Recruitment processes now involve additional assessment stages, extensive market mapping and increasingly rigorous benchmarking.

Caution, however, comes at a cost. In a market where experienced industrial executives remain scarce, lengthy recruitment processes frequently result in the strongest candidates accepting competing opportunities. Our experience at Michael Page consistently demonstrates that organisations capable of combining thorough



"In a market where experienced industrial executives remain scarce, lengthy recruitment processes frequently result in the strongest candidates accepting competing opportunities. "

evaluation with decisive action are those most likely to secure exceptional leadership talent.

A NEW GEOGRAPHY OF TALENT

Nearshoring is increasingly aligning investment decisions with talent availability rather than infrastructure alone. While established hubs such as Warsaw, Wrocław, Łódź and the Silesian region remain central to Poland's industrial landscape, investors are also looking towards emerging regions with distinctive human capital advantages.

West Pomerania offers an attractive combination of quality of life and executive mobility. The Tri-City region benefits from the convergence of advanced business services, manufacturing and logistics, creating a deep pool of internationally experienced leaders. Meanwhile, the Lublin region provides a strong academic ecosystem and relatively untapped labour market, enabling businesses to build sustainable operations without entering an aggressive competition for talent.

"West Pomerania offers an attractive combination of quality of life and executive mobility. The Tri-City region benefits from the convergence of advanced business services, manufacturing and logistics, creating a deep pool of internationally experienced leaders. Meanwhile, the Lublin region provides a strong academic ecosystem and relatively untapped labour market, enabling businesses to build sustainable operations without entering an aggressive competition for talent."

As nearshoring continues to redefine Europe's industrial landscape, access to leadership capability—not simply location - will increasingly determine which organisations and regions are best positioned for long-term growth.

Author: Jakub Świderski,
Senior Executive Manager,
Michael Page

Contacts

in Poland

+48 22 596 50 50
www.KnightFrank.com.pl

CEO
Charles Taylor
charles.taylor@pl.knightfrank.com

RESEARCH
Dorota Lachowska
dorota.lachowska@pl.knightfrank.com

COMMERCIAL AGENCY - WARSZAWA
T-REP Dorota Mielke
dorota.mielke@pl.knightfrank.com

CAPITAL MARKETS
Krzysztof Cipiur
krzysztof.cipiur@pl.knightfrank.com

VALUATION & ADVISORY
Małgorzata Krzystek
malgorzata.krzystek@pl.knightfrank.com

STRATEGIC CONSULTING EMEA
Jaromir Sejud
jaromir.sejud@pl.knightfrank.com

INDUSTRIAL AGENCY
Przemysław Piętak
przemyslaw.pietak@pl.knightfrank.com

As one of the largest and most experienced research teams operating across Polish commercial real estate markets, Knight Frank Poland provides strategic advice, forecasting and consultancy services to a wide range of commercial clients including developers, investment funds, financial and corporate institutions as well as private individuals. We offer:

- strategic consulting, independent forecasts and analysis adapted to clients' specific requirements,
- market reports and analysis available to the public,
- tailored presentations and market reports for clients.

Reports are produced on a quarterly basis and cover all sectors of commercial market (office, retail, industrial, hotel) in major Polish cities and regions (Warsaw, Krakow, Łódź, Poznań, Silesia, Tricity, Wrocław, Lublin, Szczecin) and PRS sector in Poland. Long-term presence in major local markets has allowed our research team to build in-depth expertise of socio-economic factors affecting real estate market in Poland.

Report library:

Graphic design: Karolina Chodak-Brzozowska / Art Director / PR & Marketing / Knight Frank

PARTNER OF THE PUBLICATION:

CENTRE
Business in Małopolska

CONTACT TO BUSINESS IN MAŁOPOLSKA CENTRE:
contact@businessinmalopolska.pl

www.businessinmalopolska.pl

The Business in Małopolska Center is a joint initiative of the Małopolska Region, Małopolska Regional Development Agency and the Krakow Technology Park, which offers an integrated system of servicing investors and exporters, it also provides ongoing information services to entrepreneurs about external sources of financing of investment and export activities.

Michael Page

CONTACT:
Jakub Świderski
Senior Executive Manager, Engineering
jakubswiderski@michaelpage.pl
+48 798 507 665

www.michaelpage.pl