

The Strength of Cities



City attractiveness, office market, HR trends

Q1 2026

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

knightfrank.com.pl/en/research



Prepared
in cooperation with



Michael Page

Warsaw



City area
517.2 sq km



Population
1,862,402
(state of 30.06.2024, GUS)



Population forecast
2,132,000 (2030)
2,249,000 (2050)



Migration balance
(+) 4,390
(state of 2024, GUS)



Unemployment rate
1.5%
(state of 02.2026, GUS)



GDP growth
14.9%
(2023)



GDP per capita
PLN 217,793
(2022)



Average salary (gross)
PLN 11,201.20
(in the business sector,
02.2026)

Investment attractiveness

Rankings

1ST
PLACE

in the **Ranking of Shared Mobility Friendly Cities in Poland 2024**

2ND
PLACE

in the ranking fDi **"European Cities and Regions of the Future 2025"** w kategorii Business Friendliness

2ND
PLACE

in competition **European Innovation Capital - iCapital**

3RD
PLACE

in the ranking fDi **"European Cities and Regions of the Future 2025"** - OVERALL

Investment incentives

Investment support

Offer for investors:

- | individual approach;
- | assistance at every stage of the investment, including the organization of reference visits;
- | back office support;
- | providing necessary information on available public aid.

Key areas of support

Information activities:

- | assistance in obtaining data;
- | providing industry know-how;
- | city information pack.

Support in acquiring office space:

- | access to information on municipal real estate;
- | support in choosing a location;
- | cooperation with real estate agencies.

Recruitment activities:

- | cooperation with academic centres and universities;
- | cooperation with HR agencies;
- | coordination of joint activities with universities.

Post-investment support:

- | support in day-to-day operations in the form of obtaining industry information;
- | undertaking joint activities for the development of sectors;
- | coordination of joint projects;
- | support in corporate social responsibility projects.



Quality of life

Rankings

1ST
PLACE

in the **Meetings Star Award 2025** competition in the category "New Europe Meeting Destinations"

2ND
PLACE

in the ranking of the most interesting travel destinations in the world - The New York Times, "**52 Places to Go in 2026**".

1ST
PLACE

in the ranking "**European Cities Of The Future: 10 Places To Visit In 2026**" published by Forbes magazine.

2ND
PLACE

in the fDi "**European Cities and Regions of the Future 2025**" ranking in the category Human Capital and Lifestyle

1ST
PLACE

in CEE ranking **Sustainable Cities Index 2024** (Arcadis)

|||||

The title "**Best European Capital of MICE & Leisure 2026**" awarded by European Best Destinations.

Quality of life in numbers

Culture and recreation

- 102 museums and art galleries;
- 32 theatres and music institutions;
- 34 cinemas;
- 3,164 food service establishments, including over 540 restaurants;
- approx. 2.4m sq m of commercial retail space;
- 224 outdoor gyms;
- 37 swimming pools and 15 ice rinks;
- 11 beaches along the banks of the Vistula.

Public transport

- In 2024, 90% of residents rated the quality of public transport as "good" or "very good.";
- 2 metro lines, 5 lines of Szybka Kolej Miejska, 304 bus lines with approx. 1,430 vehicles (100% low floor);
- investments for over PLN 6.9bn in public transport and infrastructure (2017-2025);
- 25 tram lines with over 774 trams;
- 79% of city residents consider Warsaw as bicycle-friendly city;
- over 3,460 city bikes; 346 bike stations;
- water trams and ferries on the Vistula, canoes and water skis.



Bike paths
over **870 km**



Green areas
47%

Fakty i liczby



Number of students
262,700



Number of graduates
51,000



Number of universities
67



Airport - distance to the City centre
9.8 km



Airport - number of passengers
24.1m (2025)



BSS sector - number of centres
418 (2025)



BSS sector - number of employed
>100,000

RATING
AGENCY

Fitch

RATING | **A-**

Warsaw

Q1 2026



Existing stock
6.28m sq m



Supply under construction
115,000 sq m



Vacancy rate
9.5%



New supply
43,000 sq m



Take-up
134,000 sq m

Standard lease terms in new buildings



Service charge
PLN/sq m/month
18.00-38.00



Rent-free period
1.5-2 months
for each contract year



Fit-out budget
EUR/sq m
250.00-750.00

► Warsaw continues to reinforce its position as Poland's dominant office market, with total stock reaching 6.28 million sq m, representing nearly 50% of the country's modern office supply and accounting for over half of national leasing activity. In Q1 2026, the slowdown in development activity continued, evidenced by historically low levels of new supply and a notably constrained construction pipeline. Vacancy levels remained broadly stable, although a gradual downward trend is expected. As a result, the market balance has shifted further toward a landlord's market.

SUPPLY

In Q1 2026, approximately 43,000 sq m of modern office space was delivered to the Warsaw market across three schemes. The largest completion was Studio A, developed by Skanska, which added 24,000 sq m to the market.

Development activity remains extremely limited. By the end of 2026, only an additional 6,000 sq m of new office space is expected to be delivered, bringing total annual supply to a record low level.

The development pipeline is projected to remain subdued, with just 109,000 sq m scheduled for completion between 2027 and 2028. Nearly all space currently under construction is located in central locations, with the most significant concentration (63% of the pipeline) situated in the Daszyński Roundabout area.

TAKE-UP

Take up in Q1 2026 softened slightly, with total leasing activity reaching nearly 134,000 sq m, representing a 9% year on year decline.

Central zones dominated leasing activity, accounting for 54% of total take-up, with nearly 17% located around Daszyński Roundabout and 11% in the Central Business District. Służewiec continued to attract strong tenant interest, representing 19% of total leasing volume.

New leases accounted for the largest share of transactions at 51%, surpassing renegotiations, which represented 39%. Expansion deals gained momentum, increasing their share to 9% of leased space.

The IT sector was the most active occupier group, responsible for 20% of total take-up. Strong demand was also generated by the business services sector and by banking, insurance and investment institutions, which accounted for 13% and 12% of leasing volume respectively. The industrial sector also showed increasing activity, representing 8% of signed lease agreements.

VACANCY RATE

The increase in new supply contributed to a slight rise in the vacancy rate, although it remains at a relatively low level. At the end of the first quarter of 2026, the vacancy rate stood at 9.5%, reflecting an increase of 0.4 pp compared to the previous quarter and a decrease of 1 pp year-on-year. The very limited volume of space under construction, combined with sustained demand, is expected to support a gradual decline in vacancy rates in the coming quarters.

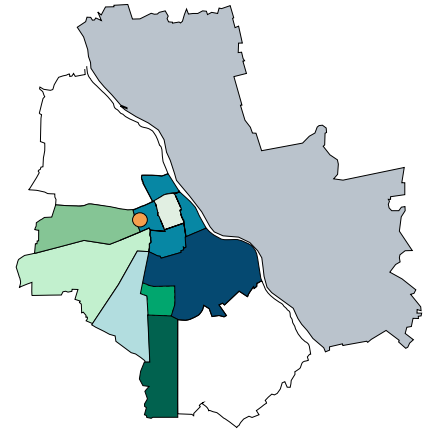
RENTS

In the first quarter of 2026, asking rents in Warsaw remained stable. In central locations, rents ranged between EUR 18.00 and 32.00/sq m/month, while in non-central locations they ranged from EUR 12.00 to 18.00/sq m/month. Service charges also remained stable and most commonly ranged from PLN 18.00 to 38.00/sq m/month.

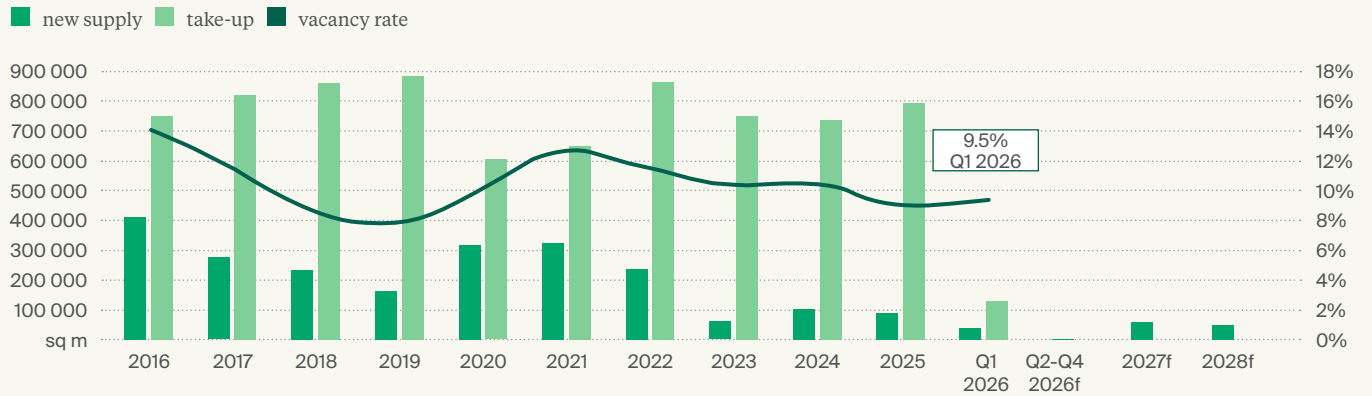
Office space

Major concentration areas

| | EXISTING STOCK | SUPPLY UNDER CONSTRUCTION | VACANCY RATE | MONTHLY ASKING RENT |
|--|----------------|---------------------------|--------------|---------------------|
| CBD | 994,000 sq m | 36,000 sq m | 5.9% | EUR 18-32 sq m |
| City Centre (excluding Daszyński Roundabout) | 1.05m sq m | 2,400 sq m | 8.1% | EUR 18-28 sq m |
| Daszyński Roundabout | 897,000 sq m | 73,000 sq m | 5.4% | EUR 20-28 sq m |
| Służewiec | 987,000 sq m | 0 sq m | 18.7% | EUR 12-17 sq m |
| Mokotów (excluding Służewiec) | 395,000 sq m | 0 sq m | 4.4% | EUR 14-18 sq m |
| Jerozolimskie Corridor | 758,000 sq m | 0 sq m | 12.0% | EUR 14-18 sq m |
| East | 284,000 sq m | 0 sq m | 6.4% | EUR 13-17 sq m |
| Żwirki i Wigury | 261,000 sq m | 0 sq m | 15.4% | EUR 14-18 sq m |
| West | 219,000 sq m | 0 sq m | 11.4% | EUR 13-17 sq m |
| Puławska | 193,000 sq m | 3,900 sq m | 6.4% | EUR 14-17 sq m |



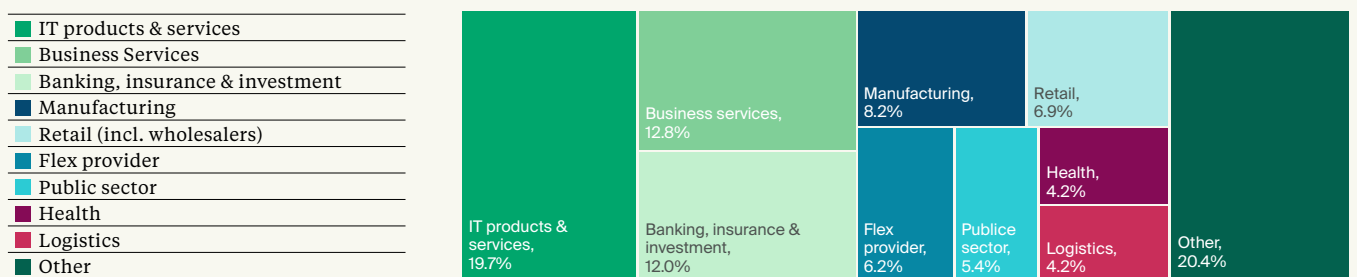
Annual new supply, take-up and vacancy rate



f-forecast based on schemes under construction

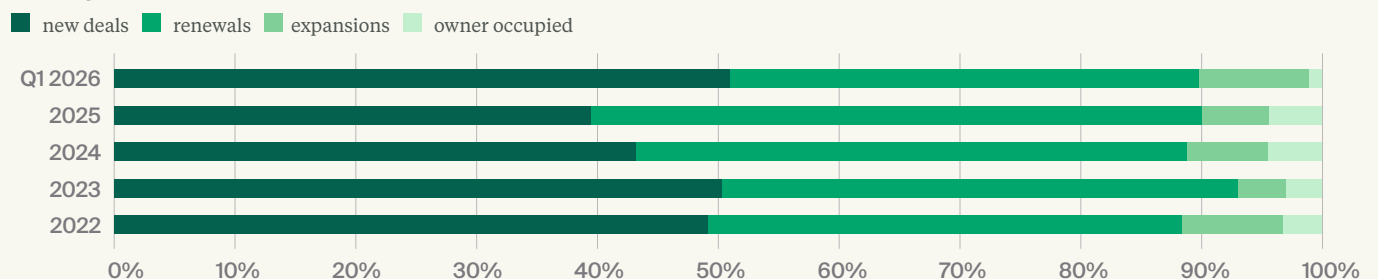
Source: Knight Frank

Take-up by sector Q1 2026



Source: Knight Frank

Take-up structure



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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- individual approach;
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