SPOTLIGHT

KRAKÓW OFFICE MARKET

KRAKÓW OFFICE – POLAND – Q4 2025

RESEARCH

Office market in Kraków

With take-up at an all-time high and new supply at historic lows, Kraków is heading into 2026 as a market defined by rising pressure on prime locations and growing reliance on renegotiations.

55,400
SQ M
UNDER CONSTRUCTION

Supply

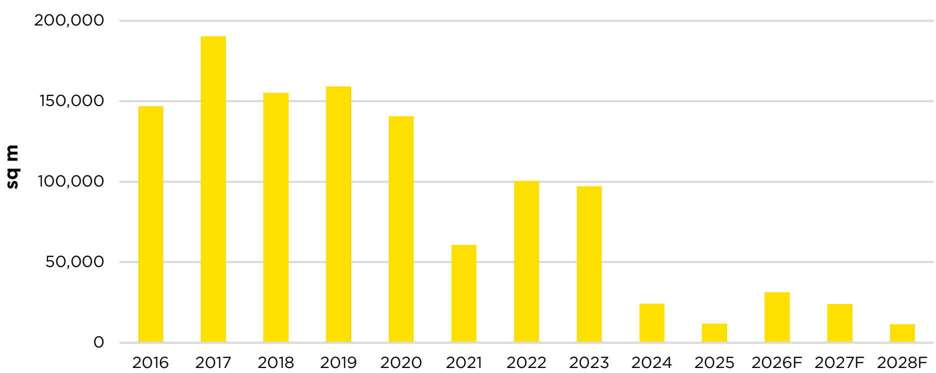
At the end of 2025, Kraków's modern office stock reached 1,842,300 sq m. The City Centre remains the largest office zone, accounting for almost one-quarter of total supply (436,700 sq m). Other major clusters include the Southeast zone with 397,400 sq m (22%), the Southwest zone offering 377,200 sq m (21%), and the Northeast zone, which provides 349,100 sq m (19%). The Northwest zone continues to be the smallest and least developed part of the market, comprising 281,700 sq m of office space.

New office supply in Kraków in 2025 was limited exclusively to the third quarter. Two projects were delivered during this period: Długa 17, a 2,000 sq m scheme developed by Fabryka Kart Trefl, and Stella Office by Grupa Zasada, adding a further 9,900 sq m.

Despite the limited development activity, the total new supply of 11,900 sq m was still the highest among Poland's regional cities. By comparison, 2024 saw the completion of three projects totalling 24,100 sq m.

At present, 55,400 sq m of office space is under construction in Kraków across four developments. The Southwest zone holds the largest share, with 24,000 sq m underway, followed closely by the City

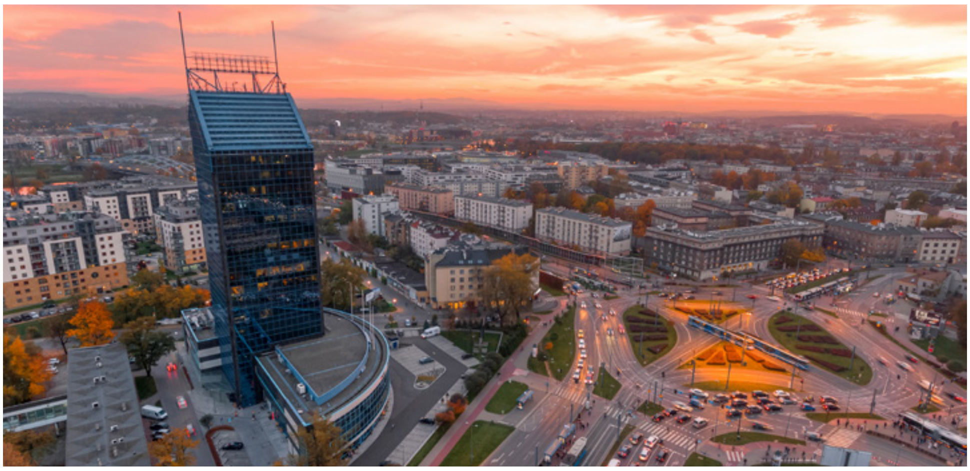
NEW SUPPLY AND PIPELINE



Source: Savills Research

63%

RENEGOTIATION'S SHARE IN THE CITY



Centre, where 23,700 sq m is being built. The two most significant schemes currently in progress are Tischnera Green Park by Stalprodukt, providing 24,000 sq m in the Southwest, and WITA by Echo Investment, a 18,900 sq m project in the City Centre that is nearing completion and expected to be delivered in 2026. Looking ahead, projections indicate that around 66,800 sq m of new, modern office space could be added to the Kraków market by 2028.

Leasing activity

Demand in Kraków reached a new peak in 2025, totalling 269,500 sq m - the highest level ever recorded and a 1% increase y-o-y. This result builds on the strong momentum seen in 2024, when take-up nearly matched the previous record set in 2019, with both years achieving volumes close to 266,700 sq m. Looking at the broader context of the past decade, the long-term trend shows only a slight softening in demand: average annual take-up stood at 207,000 sq m between 2015 and 2019, compared with nearly 196,000 sq m in the 2020-2024 period.

In 2025, demand was again dominated by lease renegotiations, which accounted for 63% of total take-up (compared with 58% in 2024). New leases represented 28% of activity, while expansions contributed 6%. Pre-lets remained a marginal component of the market, adding 3% to overall demand, following the absence of any pre-let transactions in 2024.

The Southwest zone recorded the highest share of gross take up, with 88,200 sq m leased, representing 33% of total demand. This was driven predominantly by large scale renegotiations within office parks, which accounted for 77,600 sq m. The Southeast zone followed with 25% of demand, equivalent to 68,300 sq m. The City Centre ranked third, generating 23% of take-up (61,000 sq m), including 38,300 sq m of net demand, underscoring the continued importance of central locations for tenants seeking new office space. The northern part of the city performed less favourably, with the Northwest zone capturing 14% of demand and the Northeast only 5%.

New entrants are displaying greater caution and opting for more compact office footprints. As a result, the average size of a new lease dropped to 760 sq m, down from 1,090 sq m a year earlier. This contrasts sharply with renewals and renegotiations, where deals were considerably larger, averaging around 2,400 sq m.

In 2025, occupier activity was dominated by four major sectors, which together generated 71% of total take-up. IT companies remained the strongest demand driver, securing 26% of all leased space. They were followed by manufacturing firms with a 17% share, business services at 15%, and the energy sector at 14%.

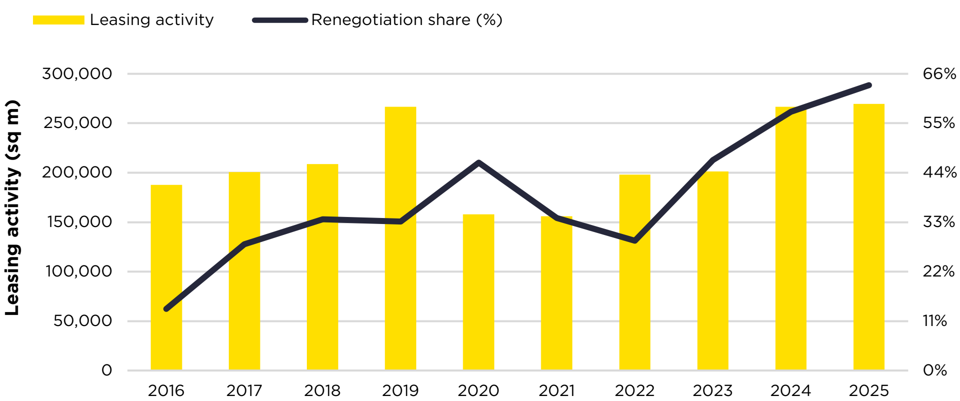
Flexible workspace operators also recorded a notable upswing, expanding their footprint by 81% and securing around 9,500 sq m. Across the city, there are now 30 operational flex locations offering a combined 64,900 sq m of space. This equates to a flex penetration rate of 3.5%, the second highest among Poland's regional office markets.

Vacancy rate

At the end of 2025, the vacancy rate in Kraków stood at 18.4%, representing a decrease by 60 bps y-o-y. This translates into approximately 338,400 sq m of available office space across the city.

Although the overall vacancy level remains high, its distribution is far from uniform. In the City Centre zone, vacancy is as low as 6.3%, equivalent to 27,400 sq m

LEASING ACTIVITY AND RENEGOTIATIONS SHARE



Source: Savills Research

18.4%

VACANCY RATE IN KRAKÓW

of space. The situation differs markedly in the remaining zones, all of which record vacancy rates above the city average. The highest level is observed in the Northwest zone at 28.8% (81,200 sq m), followed by 22.5% (78,400 sq m) in the Northeast, 20.4% (76,800 sq m) in the Southwest, and 18.8% (74,600 sq m) in the Southeast.

While the significantly lower level of new supply compared with previous years may help support the absorption of available space in the coming quarters, the structure of the vacancy pool remains a challenge. A clear indication that occupiers increasingly prioritise high-quality, modern office solutions, alongside strong locations is the fact that buildings delivered since 2020 are already 84% leased, rising to 95% for those situated in the city centre.

The conclusion is straightforward: top-tier projects, particularly in central locations, are now in very short supply, whereas older buildings account for as much as 80% of the city's vacant space. It is this segment where achieving successful leasing is likely to prove most difficult.

The small decline in vacancy is reflected in net absorption, which reached 20,800 sq m in 2025 - a 39% decrease y-o-y. This result is considerably below the 2020–2024 average of 45,700 sq m.

Rental levels

Rents in modern A class office buildings currently stand at EUR 14.00-18.00 per sq m per month, marking an increase of around EUR 1.00 for prime properties compared with 2025 levels. Although a handful of exceptional assets may quote rents above EUR 20.00, their share of the market remains limited. At the same time, incentive packages offered to tenants continue to expand, with landlords compensating for these concessions through higher headline rents.

In addition to base rent, tenants are responsible for service charges covering the upkeep and operation of common areas. These fees have now stabilised in the range of PLN 20.00-30.00 per sq m per month, though some outliers still occur. As broader economic conditions show signs of settling, the indexation applied at the start of 2026 is expected to be more moderate than in previous years.

FIVE LARGEST NEW TRANSACTIONS IN 2025

Zone	Building	Tenant	Size (sq m)	Transaction type
Northeast	Quattro Business Park FIVE	Cognizant	4,900	New lease
City Centre	Wita B	OPmobility Lighting	4,300	Pre-let
City Centre	Unity Square Two	Tesco Technology	3,700	New lease
City Centre	Mogilska 35 Office	Remitly	3,000	New lease
Northwest	Stella Office	Undisclosed tenant (business services)	2,700	New lease

Source: Savills Research

Trends & outlook

01

Supply gap vs. demand pressure

Tenant activity in Kraków has been steadily rising since 2022, driven predominantly by a high volume of lease renewals as occupiers choose to secure space in buildings that already meet their operational and location requirements. This sustained level of demand is occurring at a time when the development pipeline remains exceptionally thin, with very few new projects scheduled for delivery in the near term.

As a result, the market is heading towards a structural shortage of high quality space in 2026, particularly in central and well-connected locations where demand is traditionally the strongest. Many occupiers seeking modern, high-quality offices may face limited choice, longer search periods or the need to compromise on size or specification.

02

Rise of renegotiations and lease flexibility

Rather than opting for costly relocations, tenants are prioritising the optimisation of their existing office space. A defining trend for 2026 will be the prevalence of lease renegotiations and shorter terms. Companies are favouring flexibility and space efficiency over rigid, long-term commitments.

03

Stabilisation of class A rental rates

Despite drop in vacancy rate, rents in class A buildings are expected to remain stable throughout 2026. Following recent hikes in prime projects, the market has reached an equilibrium where further growth is constrained by tenant budget caps.

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