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SPOTLIGHT

WARSAW OFFICE MARKET

WARSAW OFFICE – POLAND – Q4 2025

RESEARCH

KEY STATS
POLAND 2025

3.5% GDP GROWTH

3.1% UNEMPLOYMENT RATE

3.6% INFLATION

4.0% INTEREST RATE

> In 2026, economic growth could reach up to 4%

Economic brief

A more confident economic narrative is taking shape for Poland. Oxford Economics now expects GDP to rise by 3.8% in 2026, supported by a rebound in investment, quicker EU fund deployment and a favourable policy mix.

KEY TAKEAWAYS

01

Poland is once again outpacing economic growth across the European Union.

02

A domestically driven rebound forms the basis for the favourable outlook for 2026.

03

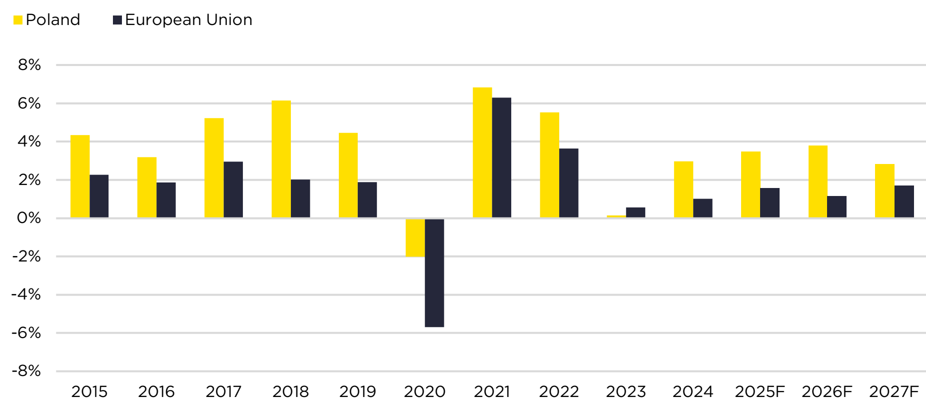
Macroeconomic conditions are becoming more stable as both inflation and interest rates continue to moderate.

GDP growth

Poland's economy continued to expand at a solid pace in 2025, supported by the strong momentum carried over from the second half of the previous year. Real GDP growth is estimated at 3.5–3.8% year on year, with the third quarter recording the fastest expansion in several years. This robust performance places Poland among the European Union's best performing economies, well above the EU average of roughly 1.6% in 2025. At the metropolitan level, Warsaw posted a more moderate yet stable GDP increase of around 3.0%, consistent with the capital's mature economic profile.

The outlook for 2026 points to a further strengthening of activity. Oxford Economics has revised its national GDP forecast upward to 3.8%, reflecting increasingly broad based growth driven by rising investment, improving external demand and a supportive policy environment. Upside risks persist, making growth approaching 4% a credible scenario. Warsaw's economy is also expected to accelerate, with GDP growth projected at 4.5% in 2026, signalling a notable improvement in the city's economic momentum. Overall, Poland is set to remain one of the EU's growth

GDP GROWTH



Source: Oxford Economics

leaders in 2026, compared with EU wide growth projected at just above 1.1%.

Inflation

Inflation in Poland decelerated sharply through 2025, moving from 2024's elevated levels to around 2.5–2.8% year on year by late Q4. December data show a further easing towards 2.4%, driven by broad based disinflation, particularly in energy and goods. Despite this improvement, the annual average inflation reached 3.6% — above the EU average of 2.4% — although still outperforming several regional peers such as Romania, Estonia, Bulgaria, Hungary and Slovakia, where inflation exceeded 4%.

Looking ahead, inflation is expected to remain contained in 2026, averaging roughly 2.4% in Poland versus about 1.8% in the EU. This points to continued convergence and a more predictable price environment, supportive of medium term investment planning.

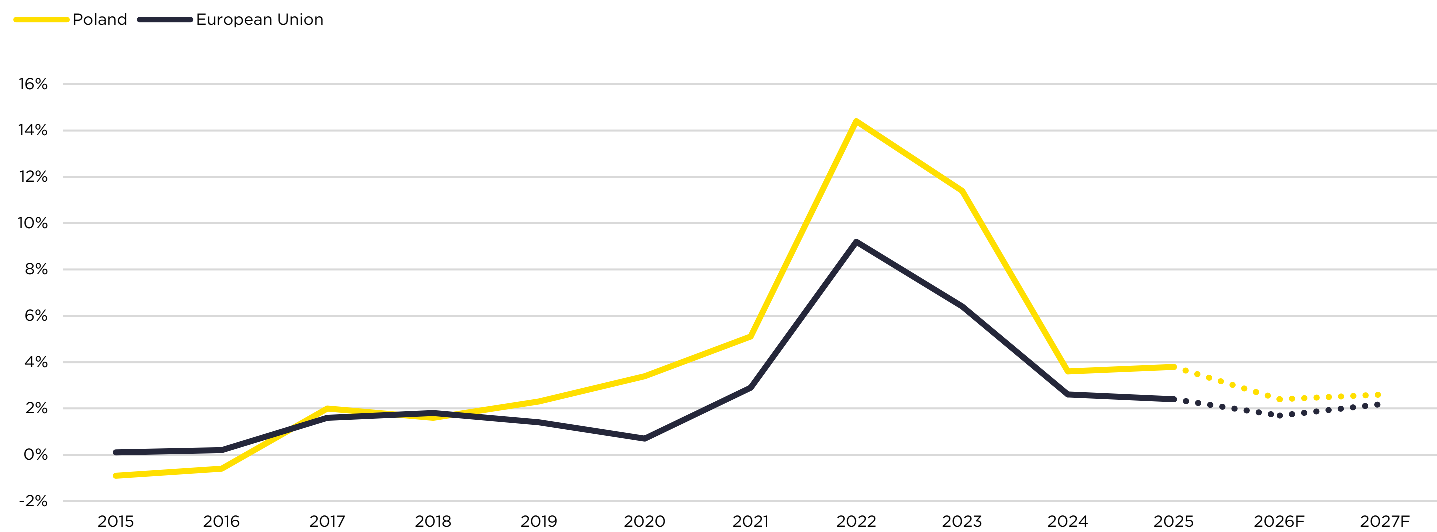
The disinflation trend has enabled a decisive pivot in monetary policy. The National Bank of Poland delivered five 25bp cuts in 2025, lowering the policy rate to 4% by year end. A further 50bp of easing is anticipated in 2026, which should bolster investment activity, credit demand and interest sensitive sectors. By contrast, the eurozone's main refinancing rate remains at 2.15% and is expected to stay broadly stable, implying a widening policy divergence that may influence capital flows and relative asset performance.

Labour market

Poland's labour market remained tight in 2025, although signs of gradual cooling became increasingly evident. Employment growth moderated in line with the normalisation of economic activity, yet the unemployment rate stayed exceptionally low at just above 3%. According to Oxford Economics, Warsaw's unemployment rate was even lower, reaching only 1.7% at the end of 2025.

A mild softening is expected in 2026, but overall labour-market conditions should remain resilient. While the national unemployment rate may edge slightly higher, structural labour shortages across multiple sectors are likely to prevent any meaningful increase in slack. Forecasts indicate that Warsaw will remain largely insulated from labour-market volatility, maintaining an unemployment rate in 2026 close to the exceptionally low level recorded in 2025.

INFLATION



Source: Oxford Economics

Office market in Warsaw

Warsaw's office market strengthened in 2025, with demand rising and vacancies falling. Limited central supply is already putting upward pressure on rents heading into 2026.

88,700
SQ M
NEW SUPPLY

Supply

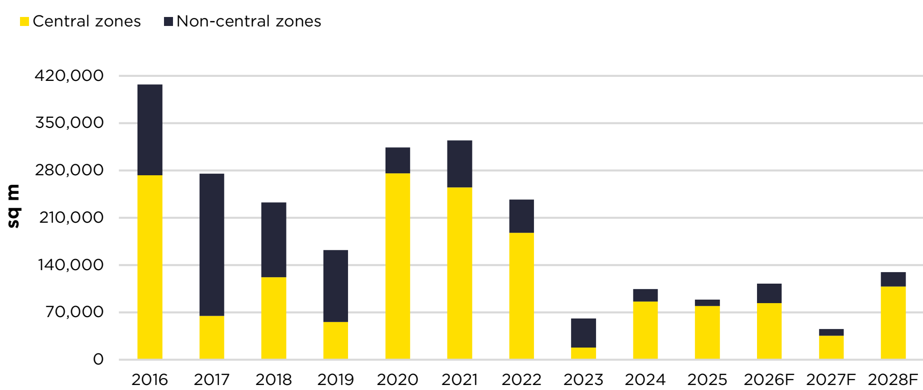
At the end of 2025, the total supply of modern office space in Warsaw stood at 6,232,400 sq m, representing a 1% decrease compared with year-end 2024 - a reduction of around 60,000 sq m, despite several newly developed office buildings delivered to the market during the year.

This continued contraction of total stock is the result of demolitions as well as the repurposing or planned repurposing of existing office buildings, which have been withdrawn from the leasing market as they prepare for a change of use.

New supply in 2025 reached 88,700 sq m, representing a 15% y-o-y decline, with only 3,500 sq m completed in the second half of the year. This result sits well below the 2020-2024 average of 208,100 sq m. Only in 2023 was the volume of new supply lower, at 60,900 sq m. The 2025 development pipeline was heavily concentrated in the central zones, which accounted for around 90% of all newly delivered space, in line with the trend observed between 2020 and 2024, when approximately 80% of completions were located in central areas.

A total of five projects were completed, three of which were located in the City Centre West subzone, while the remaining two were delivered outside

NEW SUPPLY AND PIPELINE



Source: Savills Research

794,100

SQ M

TOTAL TAKE-UP

the central area. The largest schemes completed in 2025 were The Bridge (City Centre West, 47,000 sq m, developed by Ghelamco) and Office House (City Centre West, 27,800 sq m, delivered by Echo Investment).

Development and refurbishment activity remains subdued, with 202,000 sq m currently under construction or undergoing major modernisation (a 11% decrease y-o-y) across 10 buildings, seven of which are located in the central zones. The largest schemes underway include AFI Tower in the City Centre West subzone (54,000 sq m, a part of a mix use project realised by AFI Home Poland, Echo Investment and Archicom Collection), whose construction commenced at the end of 2025, as well as Upper One (35,500 sq m by Strabag) in the CBD zone. Development activity is concentrated predominantly in the central zones, which account for nearly 85% of the space currently being built, with the most significant cluster located around Rondo Daszyńskiego (City Centre West subzone). The largest project outside the city centre is Vena by PHN in the West zone (15,400 sq m).

Significant differences in project scale can be observed depending on location. In the central zones, the average size of schemes currently under construction is close to 25,000 sq m, while developers operating outside the central zones are more cautious, focusing on smaller, more boutique projects, typically averaging below 10,000 sq m.

According to our analysis, up to 290,000 sq m of office space is expected to be delivered to the market by the end of 2028, of which just under 230,000 sq m is located in the central zones (mostly in City Centre West subzone). This continues the long standing trend of strong concentration in the most sought after areas of the city. Some projects may be postponed to later years or undergo a change of use, depending on market conditions - including tenant activity levels, the macroeconomic environment influencing the cost of capital, and banks' lending policies, which often require a specific level of pre-leasing before financing is granted.

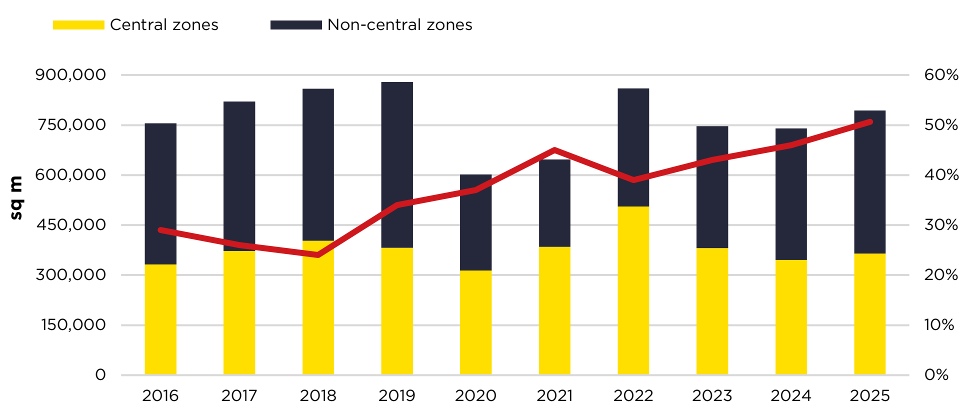
Leasing activity

Total demand for office space in Warsaw reached 794,100 sq m in 2025 (an increase of 7% y-o-y), marking one of the strongest results in the market's history and the second-highest level recorded since 2020 (after 860,000 sq m in 2022). It also exceeded the 2020–2024 average of 719,100 sq m by 10%. Such a strong annual outcome was driven in large part by record-breaking demand in Q4, when nearly 310,000 sq m of space was transacted - the highest quarterly volume ever recorded.

Both central and non central areas continued to demonstrate strong demand for office space, with the city centre accounting for 46% of total take-up and the remaining 54% recorded outside the centre. This was largely driven by exceptionally strong activity in the Służewiec zone, which posted the third highest annual result on record - 180,000 sq m (up by 26% y-o-y) - surpassed only by 2015 and 2019, when take up reached 194,000 sq m and 197,000 sq m respectively. In addition to Służewiec, zones with annual demand exceeding 100,000 sq m included the CBD with 109,200 sq m and the City Centre with 255,300 sq m, of which 180,300 sq m was concentrated in the City Centre West subzone. Another non-central zone with such high demand was the Jerozolimskie corridor, where 106,000 sq m was leased. All remaining zones recorded annual take up below 40,000 sq m (with exception to East zone with 41,400 sq m demand).

Demand in 2025 was driven primarily by lease renegotiations, which accounted

LEASING ACTIVITY AND RENEGOTIATIONS SHARE, 2016-2025



Source: Savills Research

9.1%

VACANCY RATE IN WARSAW

for 51% of total take-up, equivalent to 402,400 sq m (compared with 46% in 2024). New leases, including owner occupier transactions, represented 41% of demand, while expansions contributed 6%. Compared with 2024, the share of pre-lets declined from 7% to nearly 3% by the end of 2025.

An analysis of individual zones shows considerable variation in the share of renegotiations - from 22% in the West zone (a relatively small area in terms of supply) to as much as 68% in the Jerozolimskie corridor, the second-largest non-central office zone, which has seen no new supply for several years. In the CBD, the proportion of renegotiations was significantly below the citywide average, standing at 36%. Meanwhile, in the City Centre West subzone - the fastest-growing office hub in the city - renegotiations accounted for 48% of all leased space.

Large transactions were predominantly renegotiations, while tenants signing new leases adopted a more cautious approach, opting for significantly smaller spaces. The average size of a new lease in Warsaw in 2025 stood at 715 sq m citywide, with a higher average of 780 sq m in the central zones. Outside the centre, the average new deal amounted to 650 sq m. For comparison, in 2024 the average new lease measured 910 sq m in the city centre and 570 sq m in non-central locations.

The most active tenant groups in terms of leased space were those from the manufacturing sector (14%), IT (13%), and the financial sector (11%). Additionally, business services and the public sector added 10% each. Flex providers also remained active, securing a total of 29,100 sq m - a 23% increase y-o-y - with renegotiations accounting for just under 7,000 sq m of this volume. Nine new flex locations were leased and secured, with an average size of 2,300 sq m.

Vacancy rate & net absorption

The vacancy rate recorded a solid decline over the year - citywide it fell by 150 bps y-o-y to 9.1% (a level similar to those seen before 2020), equivalent to 564,700 sq m. Importantly, the availability of space is decreasing both in the central zones and in non-central zones. In the central zones, we observed a consistent decline each quarter (with the exception of a slight uptick at the end of Q2), reaching 6.1% at year-end (down by 260 bps y-o-y). Outside the centre, the rebound began in the second half of the year, with the vacancy rate standing at 11.6% at year-end (down by 40 bps y-o-y). At the end of 2025, there were 176,800 sq m of office space available for lease in central zones, while non-central areas offered 387,900 sq m.

FIVE LARGEST NEW TRANSACTIONS IN 2025

Zone	Building	Tenant	Size (sq m)	Transaction type
Żwirki i Wigury corridor	Lipowy Park	Komenda Główna Policji	9,800	New lease
West	West Warsaw Office	Luxmed	5,600	New lease
City Centre West	Mennica Towers	Undisclosed tenant	4,000	New lease
City Centre West	The Form	Undisclosed tenant	3,900	New lease
City Centre West	Office House	Maersk	3,700	Pre-lease

Source: Savills Research

188,400

SQ M

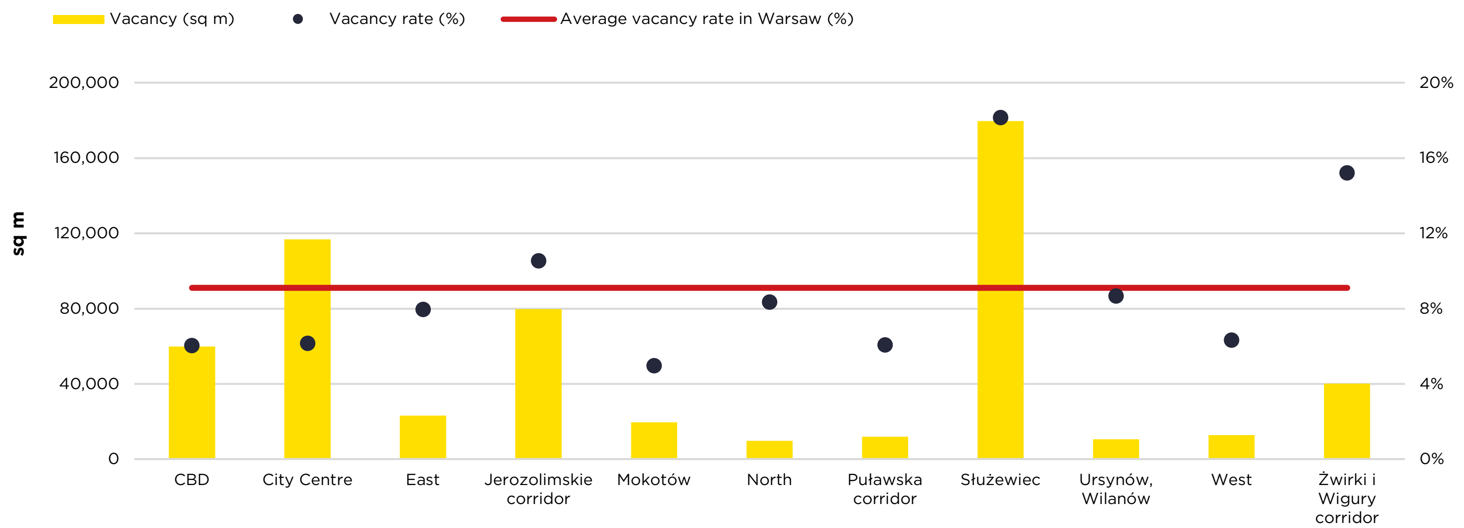
NET ABSORPTION

Three zones in the city currently record vacancy levels above the citywide average of 9.1%. These are Służewiec (18.2% or 179,800 sq m), the Żwirki i Wigury corridor (15.2% or 40,100 sq m), and the Jerozolimskie corridor (10.5% or 79,700 sq m). These three zones alone account for 53% of all available space in the city.

A key challenge for tenants seeking large office spaces towards the end of 2025 is the increasingly limited pool of buildings able to accommodate sizeable requirements - particularly in the city centre. Across the entire market, only 27 buildings offer vacancies exceeding 5,000 sq m, and just seven of these are located in central zones. Opportunities of this scale are becoming scarce, meaning tenants with substantial needs must act quickly to secure suitable options.

Net office absorption across the city in 2025 reached 188,400 sq m, marking an increase of 117% compared with 2024. This strong result reflects improving market conditions and a more positive sentiment towards the office sector. For context, between 2020 and 2024 net absorption averaged 156,300 sq m per year.

VACANCY BY ZONE, Q4 2025



Source: Savills Research

Rental levels

The improving rental market and declining vacancy levels - particularly in prime schemes - have translated into rising rents and a clear flight to quality, with tenants increasingly willing to pay more for the most attractive space. While rents remained stable in the first half of the year, the third and fourth quarters brought noticeable increases across both central and non-central locations. Outside the city centre, rents rose from the typical EUR 14.00-18.00 per sq m per month at the start of the year to around EUR 19.00 by year-end. In central areas, rates increased from EUR 22.50–26.00 to approximately EUR 27.50 for best in class projects.

In addition to base rent, tenants are also required to pay a service charge, which covers the maintenance and operation of common areas. These fees have now stabilised at PLN 30.00-40.00 per sq m per month, although some schemes exceed PLN 45.00. With the broader economic environment showing signs of stabilisation, indexation at the beginning of 2026 is not expected to be as severe as in previous years.

Looking ahead to 2026, we expect further polarisation and continued rental growth in prime schemes, particularly those under construction. As vacancy levels fall, landlords may become more selective, replacing weaker tenants with occupiers offering stronger financial standing or higher headline rents. At the same time, some tenants may struggle to absorb rising costs, prompting a shift towards non central locations.

6%

INCREASE IN RENTS FOR PRIME CENTRAL BUILDINGS IN 2025

Demolition, change of use and redevelopment - office market adjustment

Warsaw's office market is being reshaped by post-pandemic shifts and the rise of hybrid work. Since 2020 nearly 410,000 sq m of offices have been removed from the city, with 2025 marking the peak of this trend.

Demolition as a response to leasing challenges

The office market has undergone a significant transformation in recent years. The pandemic caused a decline in office occupancy and forced organisational changes within companies. The introduction of the hybrid model reduced the demand for space while enabling employment growth without additional expansion. As a result, since 2020 we have seen an increase in vacancies, the peak of which is now behind us.

Developers and landlords responded swiftly to the changing trends. Some projects altered their intended use to residential functions already at the planning stage. Owners of poorly located or lower-standard buildings, who had struggled for years with leasing issues, opted for radical moves - demolition or a complete change of the building's function.

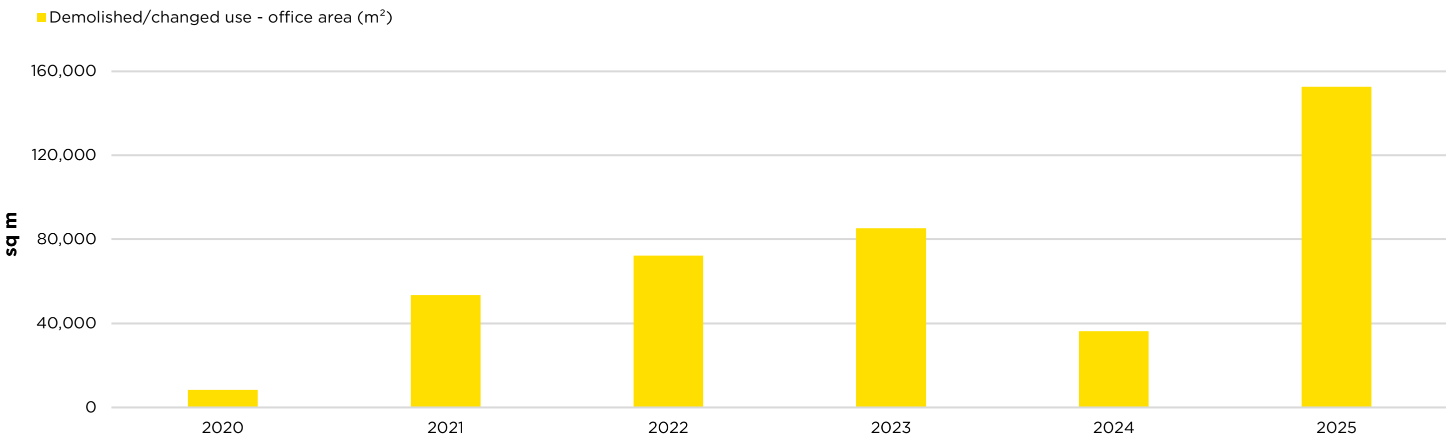
According to our analysis, since 2020 nearly 410,000 sq m of office space across 41 buildings in Warsaw has been removed from the market – both as a result of repurposing existing properties and through complete demolition with plans for new developments.

While in 2020 the trend of demolishing and repurposing office buildings was only beginning to emerge, in the years 2021–2023 we observed greater activity - averaging more than 70,000 sq m annually. The year 2024 brought a temporary slowdown (below 40,000 sq m), whereas in 2025 we recorded a record level - over 152,000 sq m across 14 buildings. According to our analysis, this marked the peak of the trend, and we expect it to weaken in the coming years.

The main purpose of demolitions and changes of use is residential projects (around 190,000 sq m) and office schemes - in the form of redevelopment or deep modernisation (around 139,000 sq m). The PBSA sector (over 33,000 sq m) and the hotel segment (over 28,000 sq m) are also gaining increasing importance. There have also been isolated cases of adapting properties for healthcare purposes.

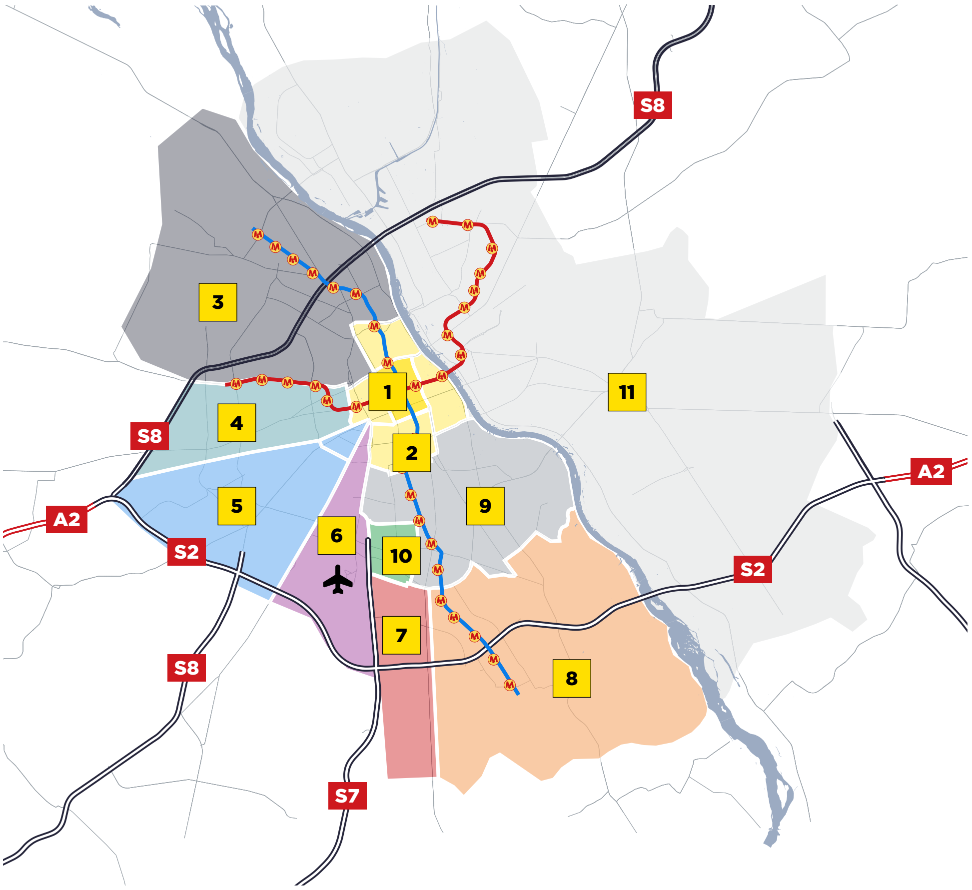
In the initial phase of the trend, changes of use or demolitions mainly affected non-central zones, particularly Służewiec (around 133,000 sq m across 13 buildings). In recent years, however, we have seen growing activity in central locations, where approximately 147,000 sq m (12 buildings) has been earmarked for this purpose. New projects are focused primarily on office redevelopment, although the attractive location also encourages residential and hotel investments. The trend in the remaining zones is more moderate and distributed more evenly, totalling nearly 129,000 sq m, of which over 43,000 sq m is attributable to the Żwirki Wigury corridor.

DEMOLISHED/CHANGED USE – OFFICE AREA BY YEAR



Source: Savills Research

Warsaw Office Zones



Total stock | Vacancy rate | Gross take-up | Under construction

1. Central Business District (CBD)

Total stock	993,900 sq m
Vacancy rate	6.0%
Gross take-up	109,200 sq m
Under construction	35,500 sq m

2. City Centre

Total stock	1,899,900 sq m
Vacancy rate	6.2%
Gross take-up	255,300 sq m
Under construction	137,600 sq m

3. North

Total stock	117,900 sq m
Vacancy rate	8.3%
Gross take-up	9,600 sq m
Under construction	0 sq m

4. West

Total stock	203,900 sq m
Vacancy rate	6.3%
Gross take-up	15,600 sq m
Under construction	15,400 sq m

5. Jerozolimskie Corridor

Total stock	756,500 sq m
Vacancy rate	10.5%
Gross take-up	106,100 sq m
Under construction	0 sq m

6. Żwirki Wigury Corridor

Total stock	264,000 sq m
Vacancy rate	15.2%
Gross take-up	34,100 sq m
Under construction	10,000 sq m

7. Puławska Corridor

Total stock	196,900 sq m
Vacancy rate	6.1%
Gross take-up	13,900 sq m
Under construction	3,800 sq m

8. Ursynów, Wilanów

Total stock	123,100 sq m
Vacancy rate	8.7%
Gross take-up	8,000 sq m
Under construction	0 sq m

9. Mokotów

Total stock	394,700 sq m
Vacancy rate	5.0%
Gross take-up	20,900 sq m
Under construction	0 sq m

10. Służewiec

Total stock	990,000 sq m
Vacancy rate	18.2%
Gross take-up	180,000 sq m
Under construction	0 sq m

11. East

Total stock	291,500 sq m
Vacancy rate	8.0%
Gross take-up	41,400 sq m
Under construction	0 sq m

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