

# Poland - Wroclaw

## Key Performance Indicators

Prime Yield

**6,75%**

Expected Investment Returns  
Change YoY: 125 bps

Prime Rent

**€ 15,90**

Monthly, per sq m  
Change YoY: 6,0%

Average Rent

**€ 14,50**

Monthly, per sq m  
Change YoY: 1,8%

Office Investment Volume

**€ 17M**

In Wroclaw during Q4 2022  
€ 292M (Rolling 12 months)

Take Up

**15K**

Square Meter  
15K Year2Date

Vacancy Rate

**15,57%**

Percentage of Stock vacant  
Change YoY: -108 bps

Completions

**7K**

Square Meter  
66K Year2Date

Total Stock

**1 328K**

Square Meter  
1 121K Occupied Stock

(Forecast) Completions

**66K (2022)**

Square Meter  
100K (2023) // - (2024)

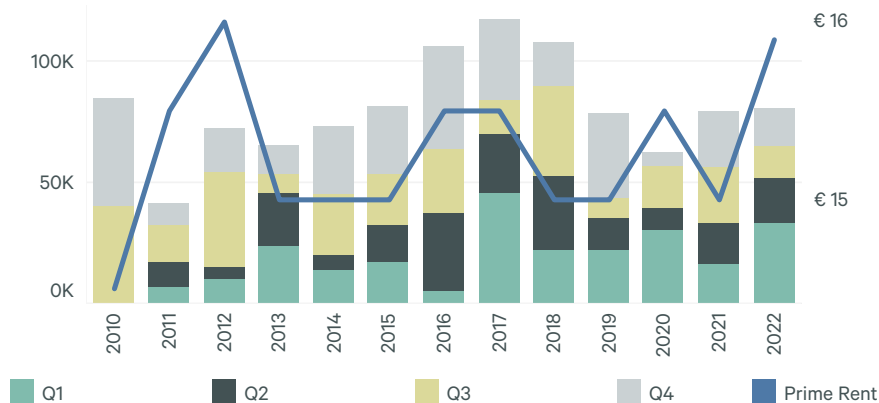
Wroclaw is the second largest office market among regional cities, with a stock level of over 1.32 million sq m. In Q4 2022 the market grew by over 0.5% due to delivery of three buildings, namely Ksiecja Witolda, Raclawicka Business Center A2 and The Cube, with a joint office area of almost 7,400 sq m. The new supply is currently on average 79% let. Altogether, in 2022 the market grew by 65,700 sq m.

In 2022 demand increased by 1% y/y compared to 2021 and amounted to 137,200 sq m. It was dominated by renegotiations (44%) and new leases (40%) while pre-lets, expansions and owner occupations constituted 9%, 6% and 1%, respectively. The largest transaction in Q4 2022 in Wroclaw was a confidential tenant's renegotiation of 14,500 sq m in the Green Day building.

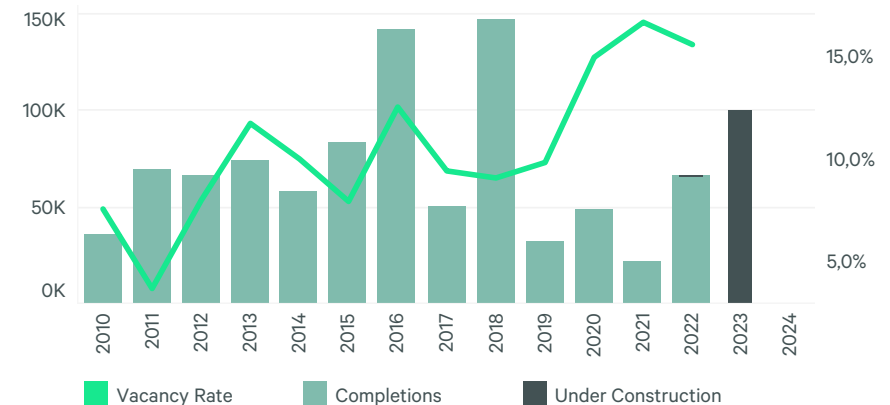
Vacant space in 2022 amounted to 206,800 sq m, which corresponds to a vacancy rate of 15.57%. In comparison with 2021 we have noted a decrease by 1.08 p.p. The largest vacancies were located mainly in older buildings as well as in some of the newest projects, which are still undergoing commercialization.

Since the beginning of the year the prime headline rent has increased, from a level of EUR 15.00/sq m/month at the end of 2021 to the current level of EUR 15.90/sq m/month. Meanwhile, the average rent amounts to 14.50 EUR/sq m/month and tenants are able to negotiate up to 9 month rent free periods during 5-year agreements.

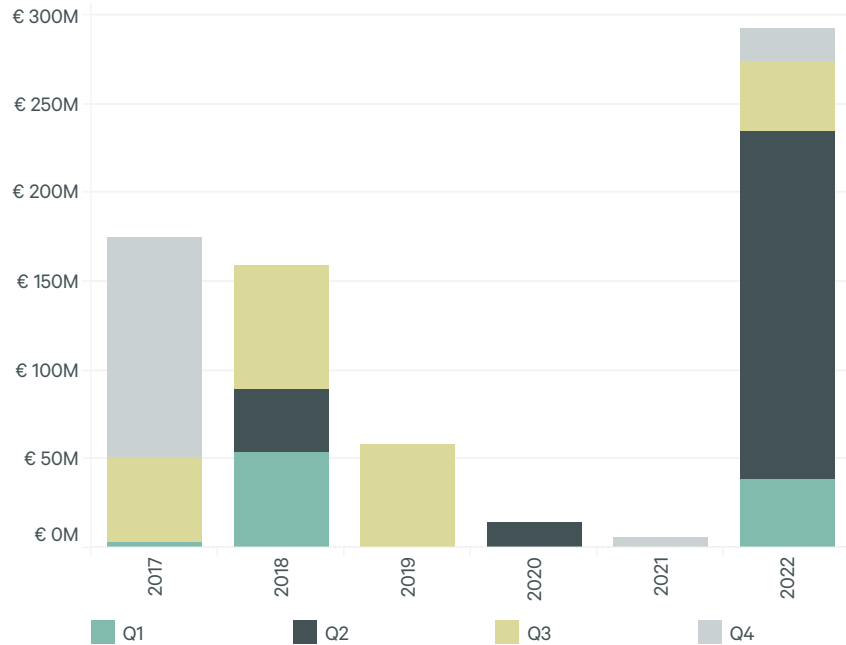
Market Trend (Take-Up | Prime Rent)



Development Activity (Completions | Vacancy Rate)



**Wroclaw Office Investment Volumes**



99,700 sq m of office space remains under construction to be delivered by 2024, which will increase total supply by 7.5%. The construction level is at a ten year low, which indicates that the market may expect falling availability, particularly in new office stock. Answering the growing requirements of tenants, a few older buildings have just undergone or are in the process of modernization, namely Centrum Orlat and Renoma.

Emerging space and existing buildings should be gradually absorbed by expanding businesses that are a direct result of changing trends in the global economy, such as nearshoring, which will benefit Poland.

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