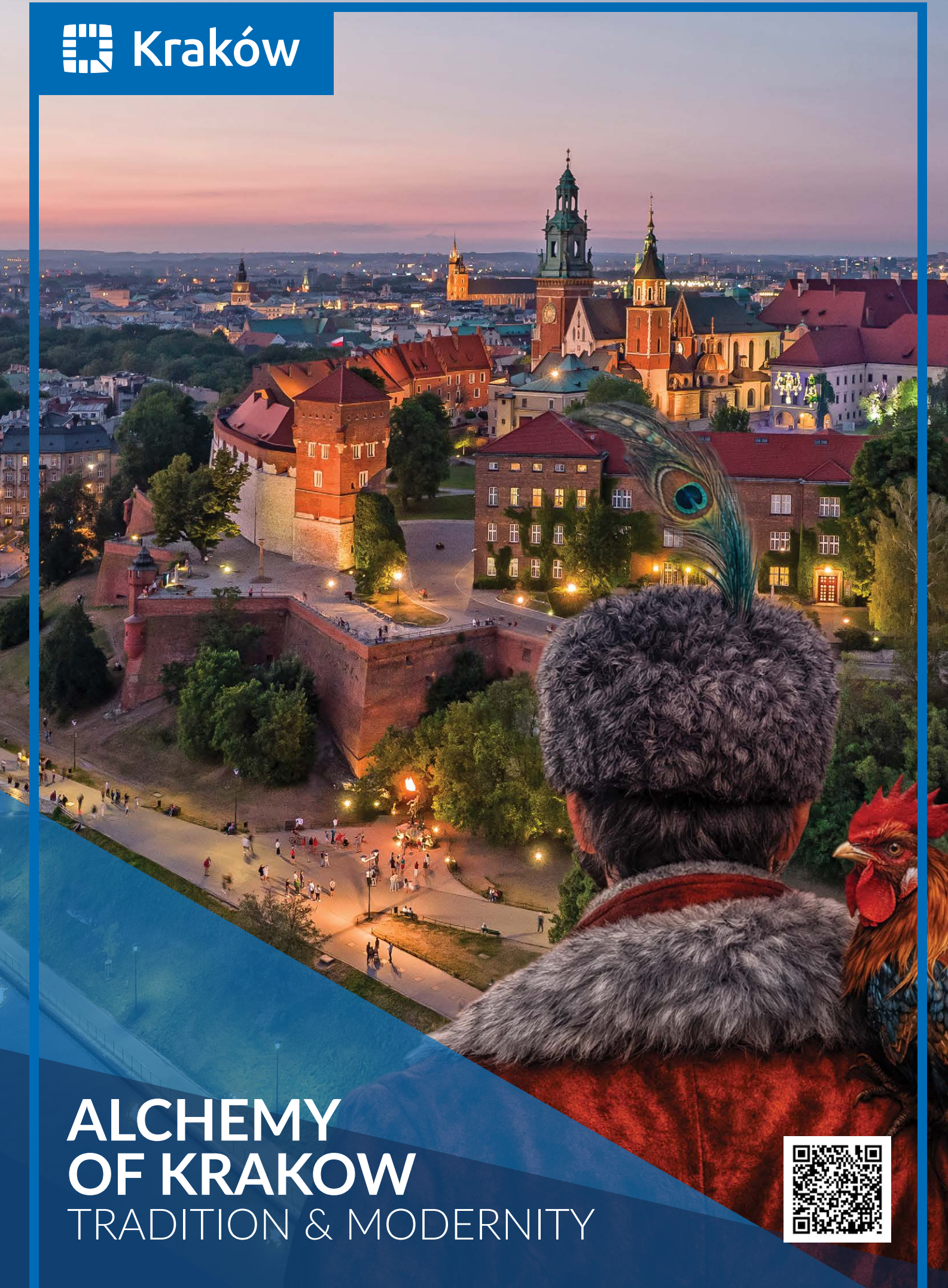


2026



KRAKOW

REAL ESTATE MARKET



ALCHEMY OF KRAKOW

TRADITION & MODERNITY



Krakow consistently remains one of the most important economic centres in Poland, with its strength rooted in the effective combination of a rich heritage and the development of a knowledge-based and innovation-driven economy.

In recent years, our economy has been undergoing a significant transformation. The structure of the local labour market is evolving – within the business services sector, Krakow is moving away from a model based on simple processes and is becoming a hub for advanced competencies and research and development activities. Companies that have operated here for many years are increasingly locating specialised teams beneath Wawel Hill, contributing to the creation of global solutions rather than focusing solely on standard operations.

Our strength lies not only in a strong and mature modern business services sector. Krakow also provides opportunities for growth across other segments of the real estate market, including retail, logistics, and hospitality. By presenting the current market landscape, this report also helps to identify the key trends shaping the development of the commercial real estate sector and the opportunities they create for the City.



Aleksander Miszański
Mayor of the City of Kraków

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ABOUT KRAKOW

FACTS AND NUMBERS

EDUCATION

- ♦ 17 higher education institutions,
- ♦ 13,250 academic personnel, including 1,327 with the title of full and associate professor
- ♦ 131,800 students, including over 8,600 foreigners
- ♦ 32,000 graduates per year
- ♦ Jagiellonian University best among Polish universities in **The Center for World University Rankings 2025 (CWUR)** and **The Academic Ranking of World Universities 2025 (ARWU)**. The AGH University was also included in both rankings.

AIRPORT

- ♦ 13.2m passengers served in 2025
- ♦ 160 scheduled connections / 118 cities / 37 countries
- ♦ 27 flight connections

GREENERY

- ♦ 77 parks
- ♦ 44 residents' parks / 26 community gardens
- ♦ 30 ha flower meadows
- ♦ 7 beehives
- ♦ 382,343 trees planted since 2015
- ♦ 1,665.61 hectares of forest area
- ♦ 236.2 km of bicycle paths

EVENTS

- ♦ 3,200 seats in **ICE Krakow Congress Centre**
- ♦ 2nd place out of 40 venues across Europe in the **Meetings Star Award 2024**
- ♦ 15,000 seats in **Tauron Arena Krakow** as the first hall in Poland to be admitted to the **European Arenas Association**

BUSINESS

- ♦ 312 BSS centres
- ♦ 107,800 employees of BSS centres
- ♦ 1.84m sq m total office space stock
- ♦ 12,000 sq m new supply in 2025
- ♦ 59,000 sq m space under construction
- ♦ 270,000 sq m take-up
- ♦ 18.4% vacancy rate
- ♦ 10-18 EUR/sq m/month asking rents in class A buildings
- ♦ 70,000 sq m flexible office space

GROWTH

- ♦ 250+ start-ups in Krakow
- ♦ 50+ AI start-ups in Krakow
- ♦ 62,000 IT employees/specialists
- ♦ 59% of start-ups were founded in the last 5 years
- ♦ 37% of IT professionals have worked in hubs with over 1,000 employees
- ♦ 2,800 computer science graduates in Krakow each year
- ♦ 2nd place on the start-up scene in Poland (after Warsaw) according to **Startup Blink Report 2024**
- ♦ **Krakow's startup ecosystem** in the Global Startup Ecosystem Index 2024 – Krakow **ranked 8th in Europe** in the digital marketing sector.

CULTURE

- ♦ Krakow has been on the **1st UNESCO World Heritage List** since 1978
- ♦ **UNESCO City of Literature**
- ♦ Member of the **UNESCO Creative Cities Network**
- ♦ Seat of the **Europa Nostra Heritage Hub** for Central & Eastern Europe
- ♦ **European Capital of Culture 2000**

PEOPLE

- ♦ 8 million people within 100 km
- ♦ 1.14m in Krakow Metropolitan Area
- ♦ 810,600 Krakow residents included



OFFICE
MARKET

K

krakow stands out as Poland's leading regional office market, ranking first in both total stock and leasing activity. In 2025, demand reached a historic peak, confirming the city's status as a prime destination for occupiers. Driven by a deep talent pool and a powerhouse business services sector, and as one of Europe's top BSS hubs, Krakow offers resilient, future-proof fundamentals and a strong platform for long-term growth.

Krakow's total office stock stands at 1.84 million sq m, making it the largest office market in Poland outside Warsaw. While the city's office base continues to expand, development activity remains subdued, reflecting broader trends across regional markets and supporting a favourable supply-demand balance for existing assets.

New supply in 2025 was exceptionally limited, with just 12,000 sq m of modern office space delivered, the lowest level recorded in the past two decades. Completions were confined to two relatively small schemes: Stella Office (9,900 sq m) and Kamienica Krakow (2,000 sq m).

The development pipeline also remains thin. Approximately 35,000 sq m is scheduled

for delivery in 2026, followed by a further 24,000 sq m in 2027, bringing the total volume under construction to just over 59,000 sq m. The largest ongoing projects include Tischnera Green Park (24,000 sq m), developed by Stalprodukt, and the Wita Stwosza B and C complex (18,700 sq m in total), developed by Echo Investment.

Development is concentrated outside the city centre, where Krakow's historic character severely limits new supply. The southern office zone remains the city's core business district, accounting for 41% of total stock and continuing to attract the majority of institutional-grade projects.

Krakow continues to be the most appealing regional rental market in Poland. In 2025, total

take-up reached 269,500 sq m, the highest result in the market's history. Additionally, Krakow accounts for 35% of the total leasing volume across all regional cities, underscoring its strong position on Poland's office market map. Owing to its substantial supply of modern office space and access to a highly skilled workforce, the city remains particularly attractive to the IT and BSS sectors, which accounted for 26% and 15% of the total leasing volume in 2025, respectively.

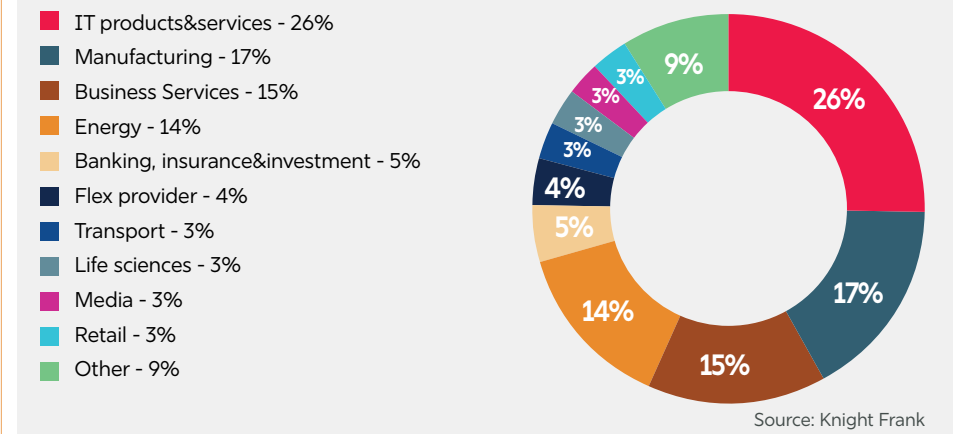
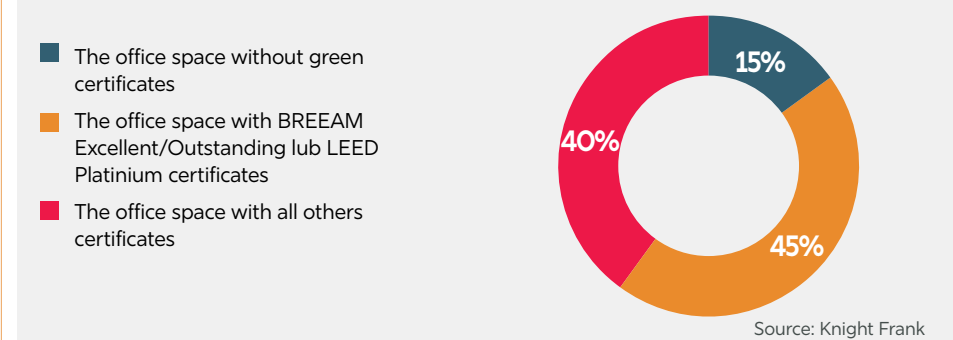
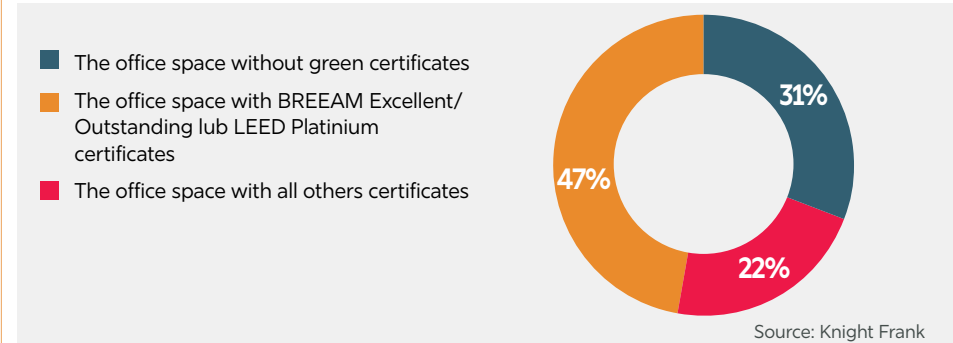
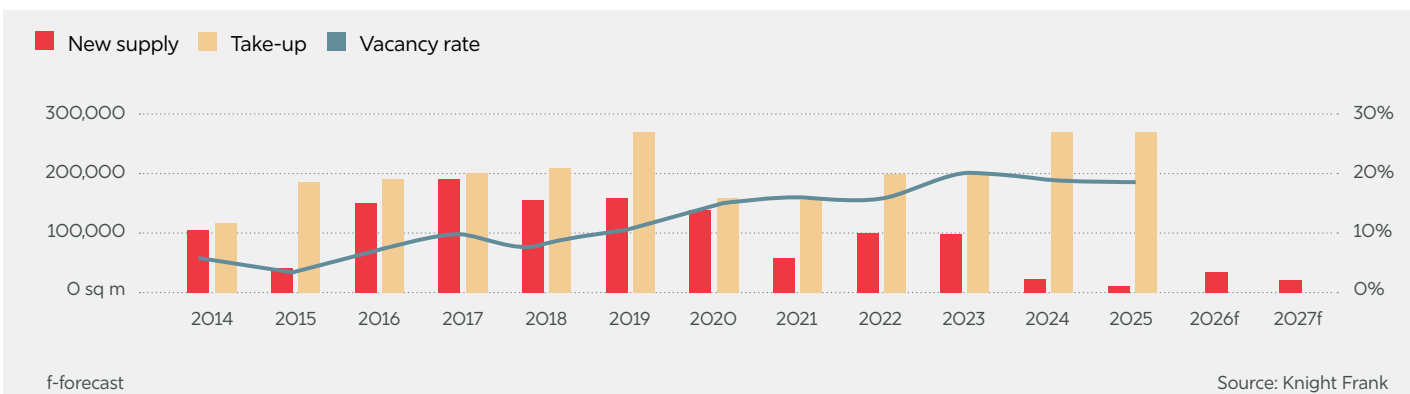
As in recent years, renegotiations dominated leasing activity in 2025, accounting for 63% of total take-up (171,000 sq m). This reflects occupiers' ongoing focus on cost optimisation and minimising relocation and fit-out expenses, as well as constrained availability of new space following several years of subdued

development. New leases represented 31% of total take-up (down from 37% in 2024), while expansions increased to 6% (up from 2% a year earlier). The rise in expansion activity, alongside record overall demand, points to a gradual improvement in tenant sentiment.

Tenant preferences remain firmly focused on high-quality, future-proof assets. In 2025, 85% of leased space was transacted in buildings with green certifications, despite such assets accounting for only 69% of Krakow's total office stock. This imbalance highlights the growing importance of sustainability and technical standards in occupier decision-making and reinforces the investment appeal of well-specified, ESG-compliant office buildings.

Robust demand, coupled with a constrained supply of new office space, contributed to a further reduction in vacancy rates. By the end of 2025, the overall vacancy rate stood at 18.4%, representing a decline of 0.2 pp quarter-on-quarter and 0.6 pp year-on-year. Given the continued low level of developer activity and sustained demand, the vacancy rate is expected to follow a gradual downward trajectory in the near term.

In 2025, asking rents for office space in Krakow remained stable following increases in previous years. In Class A buildings, rents range from EUR 14.00 to 18.00/sq m/month, while in Class B buildings they are lower, typically ranging from EUR 10.00 to 14.00/sq m/month, making them more price-attractive for companies seeking more cost-efficient office solutions. In addition, tenants incur service charges, which at the end of 2025 most commonly ranged from PLN 16.00 to 29.00/sq m/month.

KRAKOW OFFICE TAKE-UP DOMINATED BY IT AND
KNOWLEDGE-INTENSIVE TENANTS
TAKE-UP STRUCTURE IN 2025TENANT PREFERENCES REMAIN FIRMLY FOCUSED
ON HIGH-QUALITY, FUTURE-PROOF ASSETS
TOTAL TAKE-UP IN KRAKOWOFFICE SPACE IN KRAKOW
- EXISTING AND UNDER CONSTRUCTIONOFFICE TAKE-UP HIT AN ALL-TIME HIGH IN 2025
ANNUAL NEW SUPPLY, TAKE-UP AND VACANCY RATE IN KRAKOW



Krakow's modern retail market is characterised by a high level of diversification in both tenant mix and available retail formats. At the end of 2025, total retail stock in the metropolitan area amounted to approximately 658,000 sq m, placing Krakow sixth among Poland's largest retail markets and accounting for 4.7% of the country's total retail space. Shopping centers represent the dominant format, comprising approximately 531,000 sq m of total supply. The largest retail scheme in Krakow is Bonarka City Center, offering 91,000 sq m of GLA. Opened in 2009, the property is currently undergoing an extension of an additional 5,000 sq m. Other leading assets include Galeria Bronowice (60,000 sq m), the Zakopianka retail park (58,000 sq m), and Galeria Krakowska (54,000 sq m). These four schemes dominate the market, accounting for nearly half of the existing retail stock within the Krakow metropolitan area.

In addition, the local market is complemented by smaller shopping centers, retail parks, convenience centers, and outlet schemes. Retail stock has remained stable, with only approximately 95,000 sq m of new space delivered over the past 10 years (representing around 15% of total supply). Notably, no new retail schemes were completed between 2022 and 2024.

In 2025, new retail supply increased for the first time in two years with the

In 2025, the retail market operated within a favorable macroeconomic environment. Stable economic growth, driven primarily by rising private consumption, combined with increasing wages and persistently low unemployment, translated into steady growth in retail sales. Consequently, both shopping center footfall and tenant turnover demonstrated a sustained upward trend. The market's strong fundamentals are reflected in Krakow's exceptionally low vacancy rate of just 2.6%.

completion of two relatively small schemes: Designer Outlet Krakow, providing 19,000 sq m of retail space, and Park Handlowy Jasnogórska, offering 5,800 sq m. The size and type of completed projects align with the nationwide trend, where the majority of space under construction and delivered consists of smaller schemes of up to 10,000 sq m, predominantly in the retail park format.

The structure of new supply reflects both the high saturation of large-scale shopping centers and development constraints, including limited land availability in major cities and elevated construction costs.

Development activity in Krakow remains limited, with only approximately 5,100 sq m currently under construction, representing the extension of Bonarka City Center. Completion

LARGEST RETAIL SCHEMES IN KRAKOW

Name	GLA(sq m)	No of shops	Anchor tenants	Completion date
BONARKA CITY CENTER	91,000	225	"Auchan, Cinema City, Primark, Reserved, Popeyes"	2009
GALERIA BRONOWICE	60,000	160	"Auchan, Media Markt, Reserved, C&A, H&M, MR. DIY"	2013
ZAKOPIANKA RETAIL PARK	58,000	110	Carrefour, Castorama, Decathlon, My Fitness Place, Medicine, RTV Euro AGD, Smyk	1998
GALERIA KRAKOWSKA	54,000	290	"Carrefour, Media Markt, H&M, Zara, Empik, Smyk, Victoria's Secret"	2006
M1 Krakow	43,000	150	"Auchan, OBI, Media Markt, H&M, TK Maxx, Sports Direct"	2001
GALERIA KAZIMIERZ	42,000	150	"Carrefour, My Fitness Place, Cinema City, RTV Euro AGD, Reserved"	2005

is scheduled for 2026, after which the scheme will expand to 96,000 sq m of GLA and further strengthen its position as the largest retail asset in the metropolitan area.

The strong fundamentals of Krakow's retail market are reflected in a very low vacancy rate. As of August 2025, vacancies stood at 2.6%, slightly below the average of 2.8% recorded across Poland's eight largest metropolitan areas. This level is among the lowest in the country, with prime retail schemes in the city

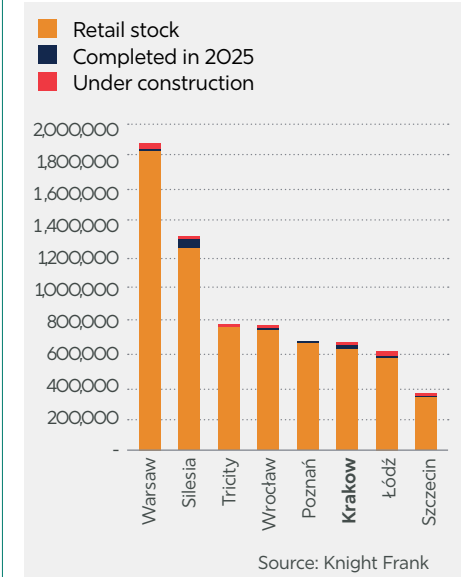
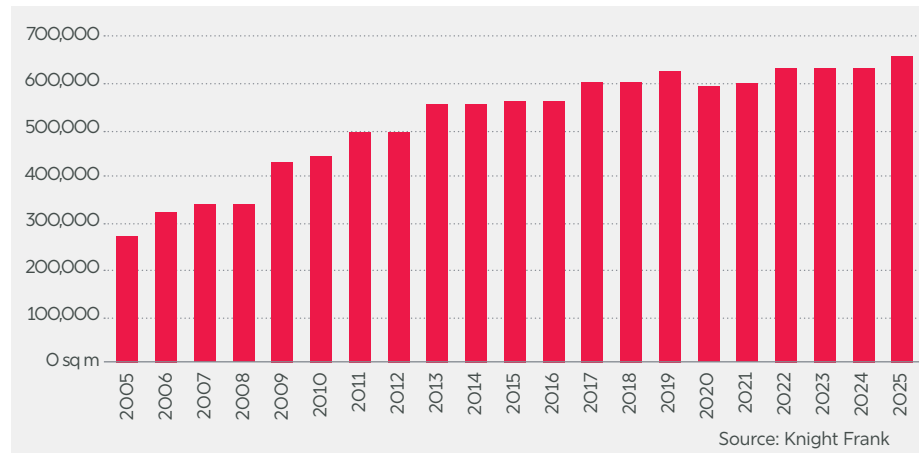
reporting vacancy rates close to zero. Between 2020 and 2023, vacancy levels declined steadily; however, a slight increase was observed in 2025, primarily due to the delivery of two new retail schemes to the market.

Prime retail rents in Krakow, in line with the broader Polish market, are on an upward trend. Currently, prime rents for the most attractive units (up to 100 sq m, particularly for fashion tenants) in the city's leading shopping centers range between EUR 35 and 85 per sq m per month.

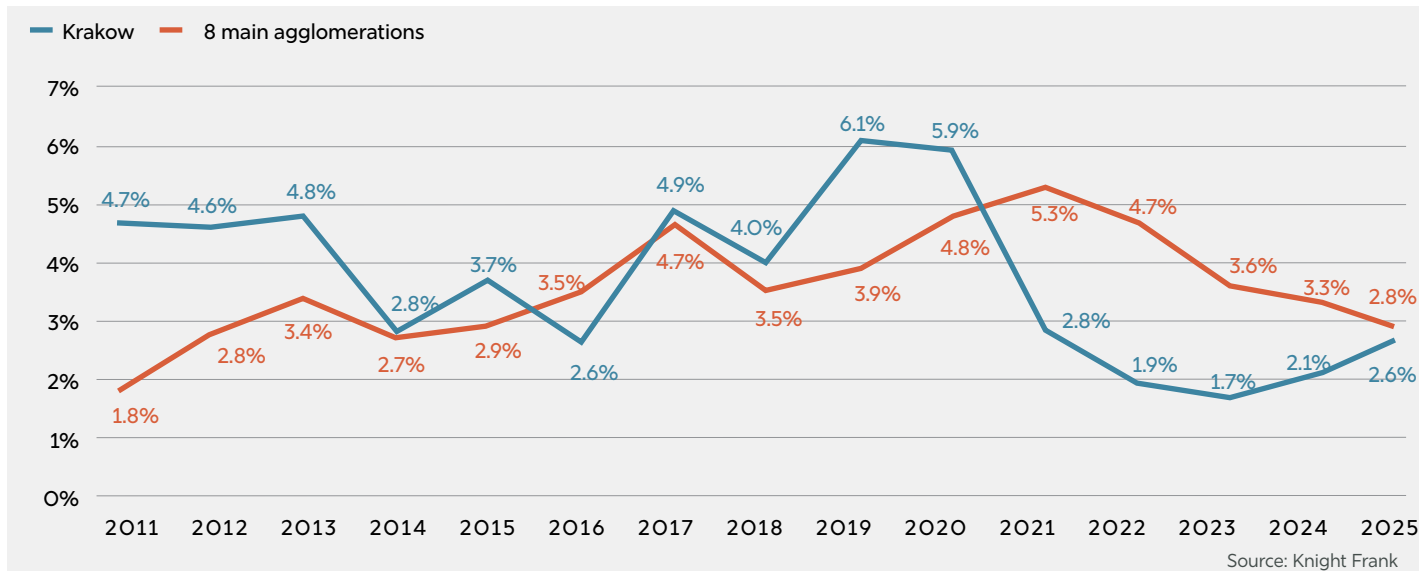
However, rental levels remain highly differentiated and depend on several factors, including the tenant's brand strength, unit type and size, location within the scheme, and the leasing policy of the property owner.

KRAKOW RANKS AMONG THE LARGEST RETAIL MARKETS IN POLAND MODERN RETAIL STOCK ACROSS POLAND'S EIGHT MAJOR AGGLOMERATIONS

RETAIL STOCK IN THE KRAKOW AGGLOMERATION REMAINS AT A STABLE LEVEL DEVELOPMENT OF RETAIL SPACE IN THE KRAKOW AGGLOMERATION



VACANCIES IN KRAKOW REMAIN AT VERY LOW LEVELS REFLECTING THE ROBUST FUNDAMENTALS OF THE RETAIL MARKET VACANCY RATE IN THE KRAKOW AGGLOMERATION



WAREHOUSE MARKET

The warehouse market in Krakow represents a relatively small yet stable segment of the Polish industrial and logistics sector, offering investors limited supply amid sustained tenant demand. High barriers to entry, stemming from a shortage of development land and elevated construction costs, support low vacancies and stable rental rates. At the same time, the region's strong economic fundamentals underpin the long-term attractiveness of the Krakow warehouse market.

The warehouse market in Krakow demonstrates steady growth, although it remains one of the smaller markets nationwide. High prices of industrial land and its limited availability, combined with the proximity of Upper Silesia, one of Poland's primary logistics hubs, constrain the pace of warehouse development in the Krakow region and its immediate surroundings.

Despite these limitations, Krakow maintains its position as a significant warehouse market in Poland. Key factors supporting its attractiveness include a large local consumer base generating

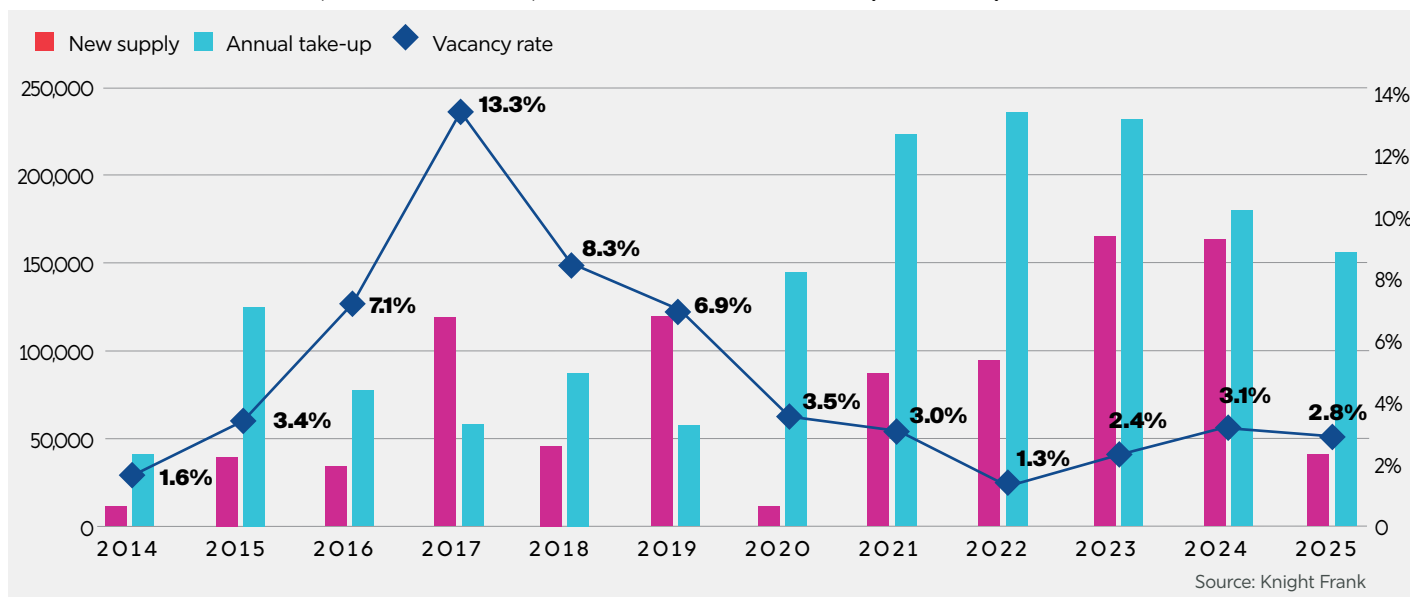
increasing demand for logistics services, as well as a well-developed transport network, including the A4 motorway and the S7 and S52 expressways. These elements constitute important competitive advantages that continue to drive the development of the industrial and logistics sector in the region.

At the end of 2025, total warehouse stock in Krakow exceeded 1.2 million sq m, accounting for approximately 3.2% of Poland's total industrial supply. Major developers actively shaping the region's logistics market include

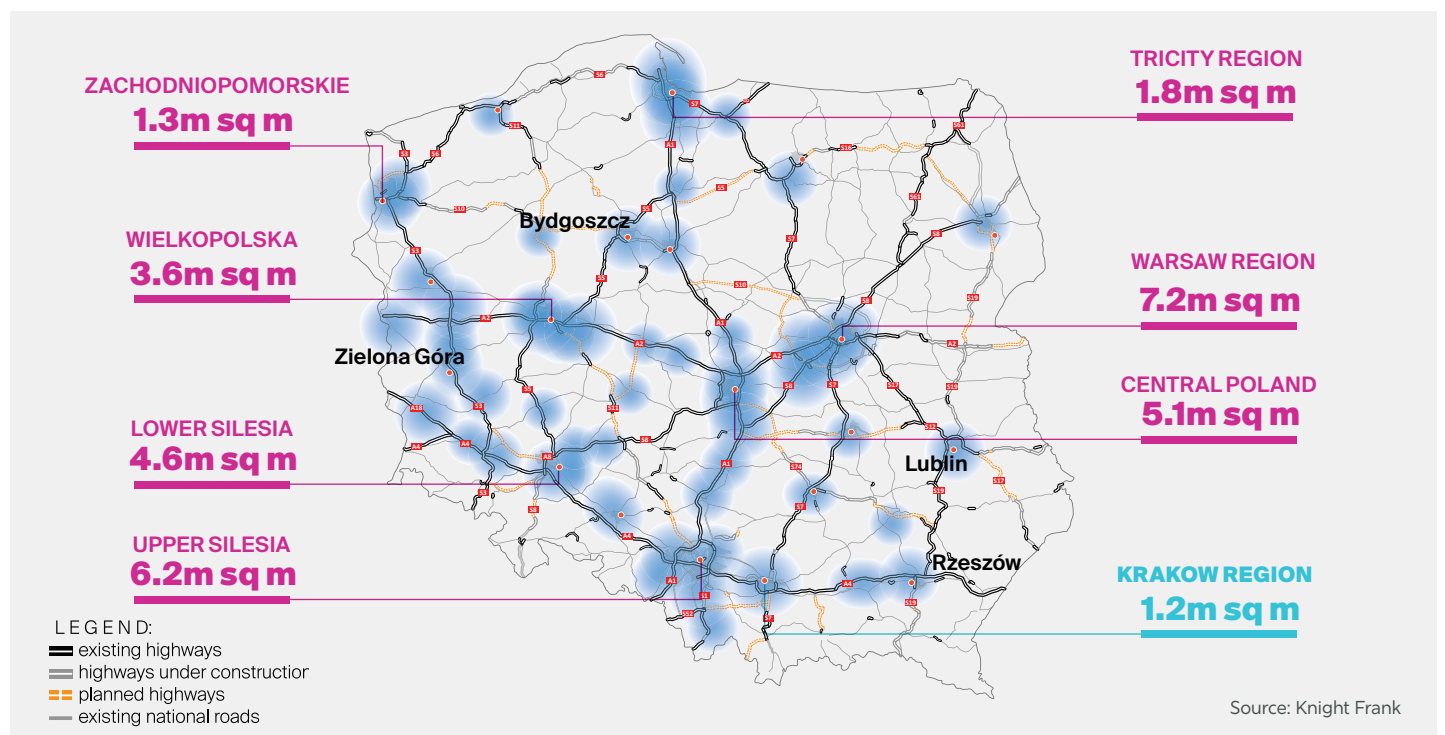
Panattoni Europe, 7R S.A., GLP Poland, as well as local investors such as BIK.

The primary concentrations of warehouse space in Krakow are located near the airport and in municipalities adjacent to the city, including Skawina, Modlniczka, and Wieliczka. Areas east of Krakow, around locations such as Targowisko, Niepołomice, Rzeszawa, and Ruszcza, are also gaining importance, developing dynamically as new logistics hubs and attracting increasing investment in the industrial sector.

KRAKOW REGION VACANCY REMAINS AMONG THE LOWEST NATIONWIDE NEW WAREHOUSE SUPPLY, ANNUAL TAKE-UP, VACANCY RATE IN KRAKOW (2014-2025)



WAREHOUSE STOCK IN POLAND (2025)



Following two years of historically high new supply, 2025 brought a marked slowdown in the delivery of new warehouse schemes across the Krakow metropolitan area. During the year, more than 42,000 sq m of warehouse space was completed, representing an almost 75% decline compared with 2024.

The new supply comprised the completion of three projects in total, including one of the largest, a new facility within Panattoni Park Krakow East V in Zakrzów, delivering over 22,000 sq m.

In addition, 2025 saw the completion of a facility at MDC2 Park Krakow South (11,000 sq m), delivered in a build-to-suit (BTS) format for a logistics sector tenant, as well as another building within the Witek Airport Logistic Centre complex (9,200 sq m). The newly delivered assets were located in the vicinity of Skawina and Morawica.

The Krakow warehouse market is following the nationwide trend of a pronounced slowdown in development activity, which is expected to translate into a significant decline in new supply over the coming quarters. At the end of 2025, the volume of space under construction amounted to just 8,000 sq m, representing a reduction of nearly 90% compared with the level recorded a year earlier.

Currently, only one scheme remains under development - an additional building within Panattoni Park Krakow East V, comprising 8,000 sq m. The facility has been fully pre-

leased during construction, with occupancy permit expected in the first months of 2026.

Demand for warehouse space in Poland remains at a very high level. In 2025, total leasing volume reached 6.6 million sqm, of which more than 2% was attributable to the Krakow market.

In the Krakow metropolitan area, take-up remained relatively strong, although lower than in the previous year. In 2025, more than 150,000 sq m was leased, representing a decline of approximately 15% year-on-year.

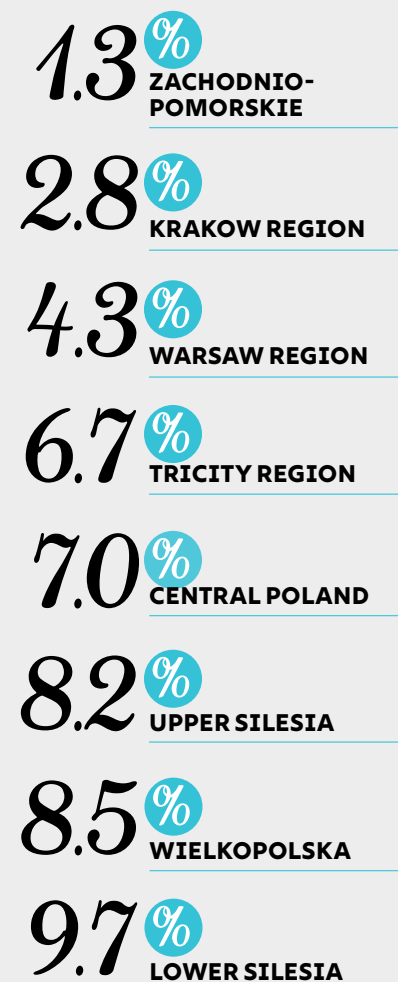
Sustained tenant demand in the Krakow region, combined with the clearly limited new supply delivered in 2025, resulted in a further tightening of availability of modern warehouse space. By the end of Q4 2025, immediately available space in the metropolitan area totaled less than 33,000 sq m. The vacancy rate stood at 2.8%, down by 0.4 pp. year-on-year. Despite the limited volume of available space, Krakow continues to record one of the lowest vacancy rates in Poland, significantly below the national average of 7.4% at the end of 2025.

Due to high land prices and constrained availability of development plots, Krakow remains one of the most expensive warehouse markets in Poland.

Current asking monthly rents for modern warehouse facilities located within the administrative boundaries of the city range from EUR 4.00 to EUR 6.00 per sqm and have remained stable year-on-year. Following a period of dynamic increases in previous years,

service charges have also stabilized at levels similar to those recorded in the prior year.

VACANCY RATE (Q4 2025)



HOTEL MARKET



Krakow remains one of Poland's premier tourist destinations, generating some of the highest levels of visitor traffic in the country. The hotel market's strong position stems from a robust combination of leisure tourism, business travel, and the MICE sector. The expanding network of flight connections and an intensive calendar of international events are expected to further bolster demand, translating into continued growth of key operating metrics.

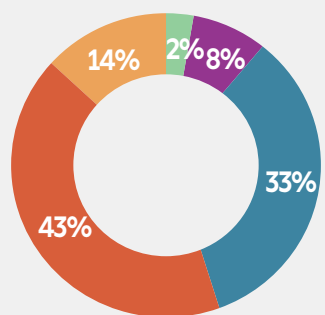
Krakow continues to be one of the largest hotel markets in Poland. At the end of Q4 2025, the city hosted 196 hotels offering approximately 14,300 rooms. While leading in number of establishments, it ranks second to Warsaw in total room supply, where the hotel inventory reaches nearly 20,000 rooms. This is due to the characteristic nature of the Krakow market, which features a high concentration of small boutique hotels.

The structure of the Krakow hotel market is highly diversified. The largest share of room supply is concentrated in the 4-star segment (approximately 6,100 rooms, representing 43%

KRAKOW IS THE LEADING PREMIUM HOTEL MARKET IN POLAND

STRUCTURE OF HOTEL ROOM SUPPLY IN KRAKOW BY STARS (Q4 2025)

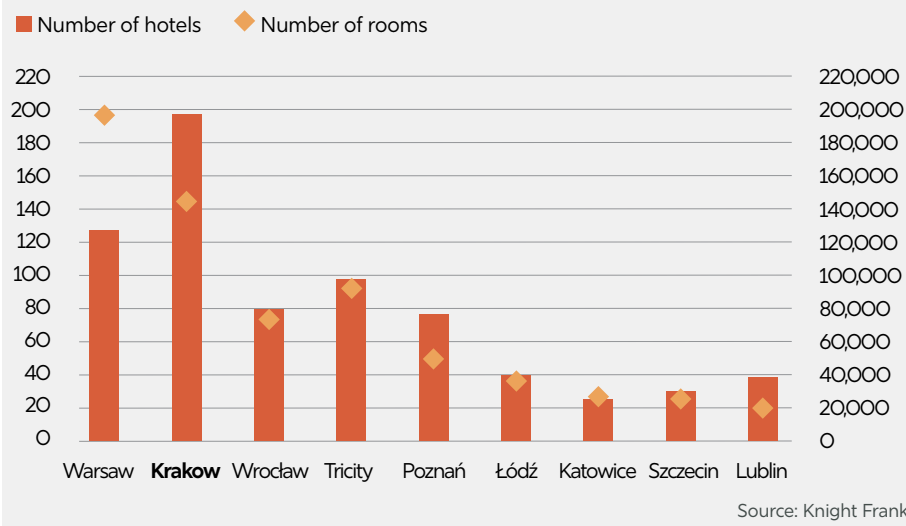
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Source: Knight Frank

KRAKOW MAINTAINS ITS POSITION AS A LEADING HOTEL MARKET IN POLAND

NUMBER OF HOTELS AND HOTEL ROOMS IN THE LARGEST POLISH CITIES (Q4 2025)



Source: Knight Frank

of the total stock) and the 3-star segment (4,800 rooms, accounting for 33% of the total stock). Furthermore, Krakow is Poland's leading premium market, boasting the highest number of 5-star hotels in the country, with 22 projects offering nearly 2,000 rooms.

In 2025, three new hotels were commissioned in Krakow, providing a total of over 280 rooms. These completions included another 5-star establishment, namely the 40-room Exporior Boutique and the 4-star Tribe Krakow Old Town and Indigo Wawel Castle, offering 170

and 70 rooms, respectively. Furthermore, the fourth quarter saw the completion of the Imperial Hotel's modernisation; the property was rebranded as the Palladian and upgraded to a 4-star standard.

The supply of hotel accommodation continues to expand, with three hotels currently under construction that will collectively add more than 340 rooms to the market. All developments are planned to operate at a 4- or 5-star standard, underscoring the ongoing concentration of new supply in the upscale and luxury segments.

In the coming years, the market is set to welcome several high-profile additions, including the approximately 100 room Nobu Hotel, representing the brand's second location in Poland after Warsaw, and the 120 room Le Méridien Royal.

Krakow's hotel market is driven by a steadily increasing number of tourists. Between January and September 2025, the city recorded nearly 4.1m hotel overnight stays, representing an increase of approximately 8% compared to the same period of the previous year. This performance reinforces Krakow's strong position as one of Poland's key tourist destinations.

Domestic tourists accounted for 45% of overnight guests, while international visitors comprised 55%, benefiting from the extensive flight network at Krakow-Balice Airport. In 2025 alone, the airport handled 13.2m passengers, securing its rank as the second busiest airport in Poland after Warsaw Chopin Airport. This result marked a 20% improvement over the previous year's record, further validating the city's growing tourism and business potential.

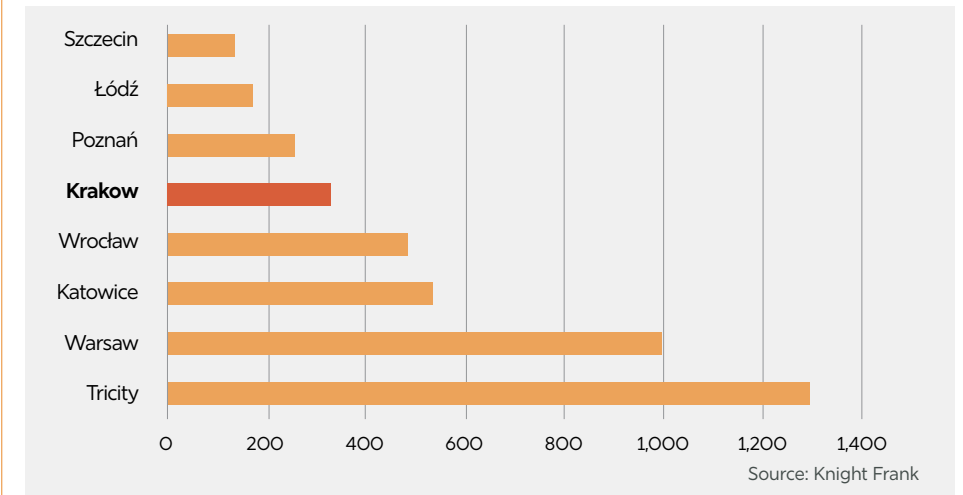
The growing number of tourists and sustained hotel demand in Krakow have translated into strong occupancy performance, exceeding last year's levels and approaching those recorded in the pre-pandemic year of 2019.

In Q1 2025, average occupancy stood at 56.3%, increasing to 73.9% in the April to June period and further rising to 74.5% in the subsequent quarter. As a result, Krakow recorded some of the highest average occupancy levels among Poland's major hotel markets, remaining only marginally below pre-pandemic benchmarks.

The strong occupancy performance in Krakow has also supported growth in both Average

DESPITE SUBSTANTIAL SUPPLY, KRAKOW'S HOTEL MARKET CONTINUES TO EXPAND

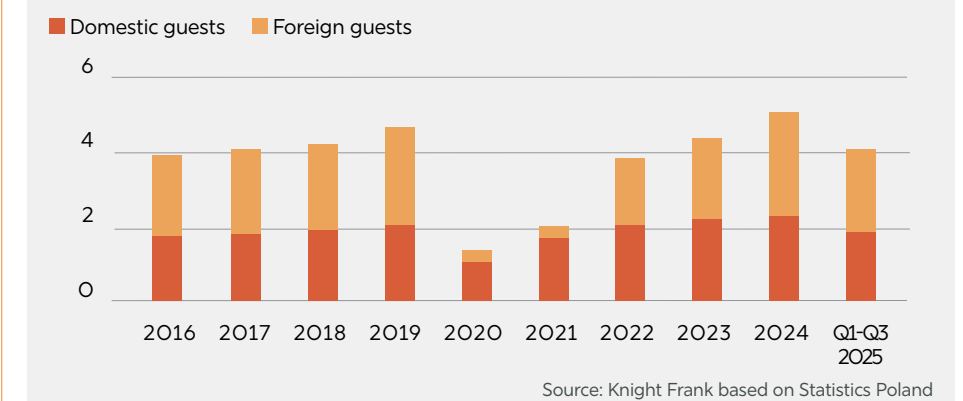
SUPPLY UNDER CONSTRUCTION BY CITY (Q4 2025)



Source: Knight Frank

THE NUMBER OF TOURISTS IN KRAKOW IN 2024 SURPASSED PRE-PANDEMIC LEVELS

NUMBER OF HOTELS GUESTS IN KRAKOW (2016 - Q3 2025)



Source: Knight Frank based on Statistics Poland



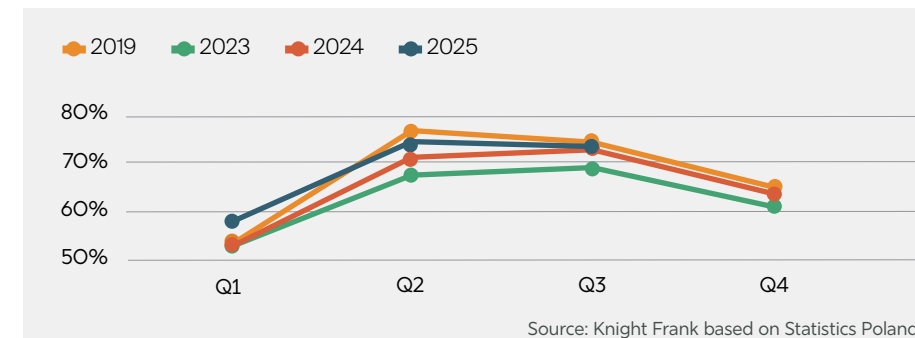
Daily Rate (ADR) and Revenue per Available Room (RevPAR). In 2025, Krakow recorded the highest ADR and RevPAR levels among

Poland's major hotel markets. Average monthly ADR increased by approximately 5% compared to 2024, while average RevPAR rose by over 8% year on year.

In the coming years, the Krakow hotel market is expected to maintain its strong position, supported by steadily growing demand, increasing airport passenger throughput and the continued influx of international brands in the upscale and luxury segments. A diversified tourist base and high MICE activity indicate further potential for growth in operating performance, creating a favourable environment for the development of new hotel properties.

OCCUPANCY RATES IN KRAKOW ARE AMONG THE HIGHEST IN POLAND

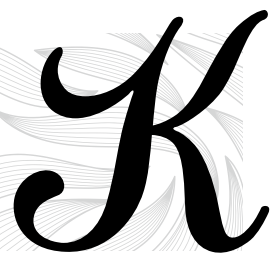
OCCUPANCY RATE OF HOTELS IN KRAKOW



Source: Knight Frank based on Statistics Poland

LIVING SECTOR

PBSA MARKET in Krakow



Krakow maintains its status as one of Poland's preeminent academic centers, attracting both domestic and international students. High demand, coupled with low market saturation, is driving investment into the private student accommodation sector, solidifying Krakow's position as the national leader in the PBSA market.

Krakow ranks among Poland's most significant academic hubs, second only to Warsaw in terms of student population. Its extensive educational infrastructure, comprising 17 higher education institutions - including the Jagiellonian University, one of Europe's oldest universities and the second largest in Poland - ensures a stable, long-term academic potential for the city.

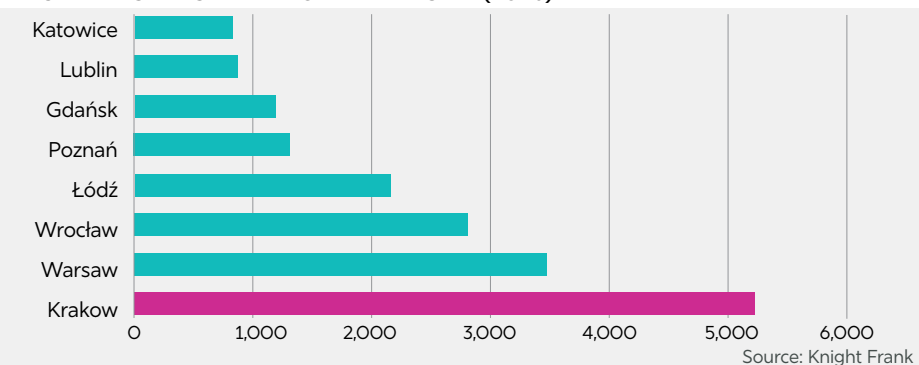
In addition to the Jagiellonian University, which educates 32,900 students, the city's largest

institutions include the University of the National Education Commission (19,000 students), the AGH University of Krakow (18,900 students), and the Krakow University of Economics (16,400 students).

In the 2024/2025 academic year, Krakow's total student population reached nearly 132,000, accounting for over 10% of all students nationwide. International students constitute a significant portion of this demographic; their numbers remain stable at approximately 8,600, representing 6.5% of the city's total student population.

At the same time, there is a pronounced disparity in Krakow between the number of students and the available accommodation. During the 2024/2025 academic year, the city offered a total of 17,500 beds across 47 student dormitories (both public and private). This results in an accommodation provision rate of 13.3%, meaning there are as many as 8 students for every available bed.

KRAKOW IS POLAND'S LARGEST PBSA MARKET



The limited supply of accommodation, coupled with strong and stable demand, is driving the development of the Private Purpose-Built Student Accommodation (PBSA) market. Krakow currently hosts 10 PBSA facilities offering nearly 5,200 beds, making it the largest private student housing market in Poland and accounting for 28% of the national stock.

The market is expanding dynamically. In 2025, new supply increased fivefold compared to the previous year, with approximately 1,500 new beds commissioned. These new completions include two StudentSpace facilities and the Zeitraum complex located on Raclawicka Street. The city's stock is set to expand further; a project by Skanska is currently in an advanced planning stage and is expected to deliver an additional 700 beds upon completion.

The leading PBSA operators in Krakow include StudentSpace (23.7% market share), Student Depot (15.4%), Basecamp by Xior (13.8%), SHED Living (13.6%), and Milestone (13.4%).

Despite the rapid growth in new supply, the market remains undersaturated, as evidenced by a consistently high occupancy rate exceeding 95%.

This robust demand, coupled with a supply shortage, continues to drive rental growth. At the start of the 2025/2026 academic year,

monthly rental rates for private student housing in Krakow ranged from PLN 2,400 to PLN 4,100 for a single room, and from PLN 1,450 to PLN 2,750 for a bed in a double room. Most facilities also apply service fees covering reservation and cleaning costs, while select residences offer additional amenities such as parking spaces or premium furnishings.

Stable demand, limited supply, and the prospect of further rental appreciation ensure that Krakow maintains its position as Poland's PBSA leader, offering investors significant opportunities for development and expansion.

BTR MARKET in Krakow



Krakow's Built to Rent market is characterised by strong fundamentals, underpinned by stable and structurally ingrained demand, low vacancy rates, and rising rents. Consequently, the sector in Krakow is currently among the largest and most promising in Poland.

By the end of 2025, the total stock of Krakow's BTR market grew to 4,900 units, accounting for 18.5% of the total nationwide supply.

The market continues to expand dynamically; in the past year alone, three new projects were commissioned, increasing the city's inventory by 1,300 units. The largest completed development was Resi4Rent on Romanowicza Street, which added a significant 870 units to the institutional rental market.

The market is poised for further growth, with over 2,000 units remaining under construction at the end of 2025 - an increase of approximately 5% compared to the same period of the previous year.

Furthermore, numerous projects in Krakow are currently in the early planning stages. Projections indicate that the city's total stock will reach at least 6,900 units by 2027, representing an expansion of over 40% within the next two years.

The Krakow market is dominated by major operators, led by Resi4Rent (Echo Investment) with over 1,400 units, accounting for 29% of the total inventory, followed by AFI Home, which manages approximately 700 units. Other significant market participants include LifeSpot,

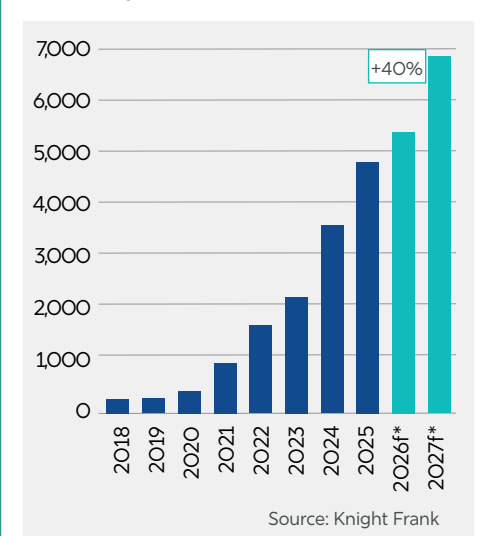
Heimstaden AB, Van der Vorm Living, and the Fundusz Mieszkań na Wynajem.

Despite the rapid pace of development, supply continues to trail demand. As Poland's second-largest city, boasting a robust economic and academic foundation, Krakow attracts a significant influx of new residents and remains one of the few cities in the country to maintain a positive net migration rate. Concurrently, the high cost of purchasing residential property - which has been outstripping rental growth - is shifting a larger portion of demand toward the rental market, notwithstanding a strong societal preference for homeownership.

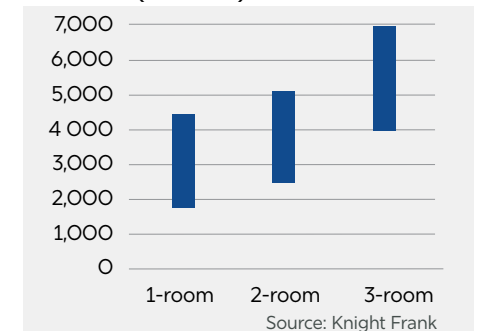
This resilient demand is reflected in high occupancy levels and further rental appreciation. Despite the delivery of significant new supply in 2025, the market continues to be characterized by low availability; the vacancy rate decreased to 3% from the 3.9% recorded at the end of 2024. In an environment of persistent supply constraints and robust demand, rents in the BTR segment continue their upward trend, although the pace of growth is gradually stabilising. In Q4 2025, monthly rental rates ranged from PLN 1,800 to PLN 4,500 for 1-room apartments, PLN 2,500 to PLN 5,170 for 2-room units and reached up to PLN 7,000 for 3-room apartments.

Given the exceptionally strong market fundamentals, comprising stable, structurally ingrained demand underpinned by the city's solid economic position, the BTR sector in Krakow remains among the most promising in Poland.

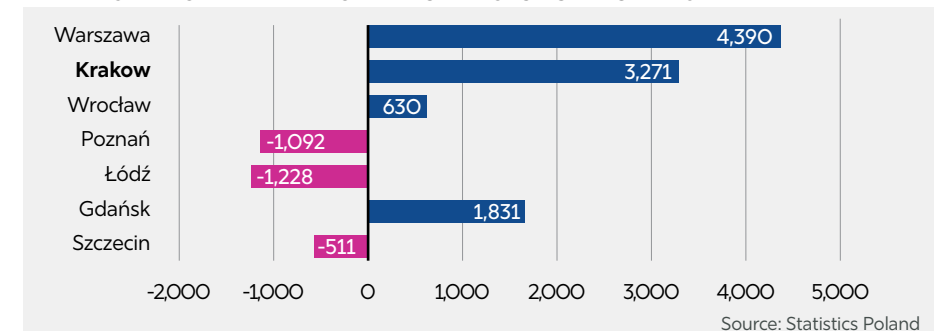
THE BTR STOCK IN KRAKOW EXPECTED TO GROW BY 40% OVER THE NEXT TWO YEARS



RENTS IN THE BTR MARKET SHOW A SUSTAINED UPWARD TREND



KRAKOW MAINTAINS A POSITIVE NET MIGRATION RATE





INVESTMENT MARKET

P

oland remains the region's largest and one of its most mature investment markets, offering diversified opportunities across all asset classes. Among the regional cities, Krakow stands out as a key investment destination particularly in the office and living sectors underpinned by market depth and strong fundamentals.

In 2025, total investment volume in Poland reached 4.5 billion EUR, including 1.9 billion EUR transacted in Q4. Although volume declined by 12% y/y versus 2024, it remained clearly above 2023 levels, with a strong Q4 pointing to an early recovery phase.

The market is expected to stabilise through 2026 and transition into expansion, supported by a favourable macro backdrop, lower financing costs, solid occupational metrics, and rising activity from domestic investors.

The positive outlook is also confirmed by persistently high investment market liquidity,

with over 150 transactions recorded in 2025. Deal flow was dominated by core+ and value add strategies; however, activity among large institutional players is increasing, which may translate into a rise in large core and portfolio trades and, consequently, higher volume in 2026.

In 2025 offices returned to the top position with a 39% share of total investment volume, ahead of industrial and logistics at 33%. Retail accounted for 19%, while the living sector held steady at around 7%. The hotel segment in Poland remains marginal, with a 1% share of total volume.

Regional and local capital continued to lead, with the largest shares originating from the Czech Republic (24%) and Poland (18%). Other important sources included the USA (17%) and Israel (9%). The share of domestic investors rose dynamically to a record 18% of total volume in 2025, up from 9% in 2024.

In 2025, approximately 70% of total investment volume was transacted outside Warsaw. Among the regional markets, Krakow remains one of the most important destinations, owing to its market size and strong fundamentals.

NOTABLE INVESTMENT TRANSACTIONS IN KRAKOW OVER THE LAST TWO YEARS

Year	Sector	Property	GLA/ Number of rooms	Seller	Buyer
2024	Industrial	Logicor (Pan-European) portfolio	47,500	Logicor	Greykite European Real Estate Fund
2024	Industrial	MDC2 Park Krakow South	36,234	MDC2	Generali
2025	Retail (redevelopment)	Centrum Krokus	30,200	Mayland	Grenova Capital
2025	Office	High Five I & II	23,597	NIAM AB	Stena Real Estate AB
2024	Industrial	Walstead Printing House	19,300	Walstead	Alge
2025	Office	Brain Park C	13,667	Echo Investment	Greenstone
2024	Office	.big	10,800	Credit Suisse	Eika Real Estate Fund
2024	BTR	Wrocławska Urban Home	4,700	G City / Atrium RE	Lew Investments
2024	Student Housing	LivinnX (Basecamp Krakow)	673	APC Partners / CA Ventures/ Golub&Co.	Xior Student Housing
2024	BTR	Fredry 6	150	Spravia	Heimstaden Bostad

Investment volume in Krakow in 2025 totalled 152 million EUR, with offices representing the vast majority.

Thanks to its scale and robust demand drivers, the office market continues to offer a broad opportunity set, attracting both major international institutions and domestic investors. Office investments in Krakow reached almost 122 million EUR in 2025, which translates into 37% of the office capital placed across Poland's main regional cities.

Notably, the largest non Warsaw office transaction in Poland in 2025 involved a Krakow asset: two buildings in the HighFive I & II complex were sold by a fund managed by NIAM AB to Stena Real Estate AB.

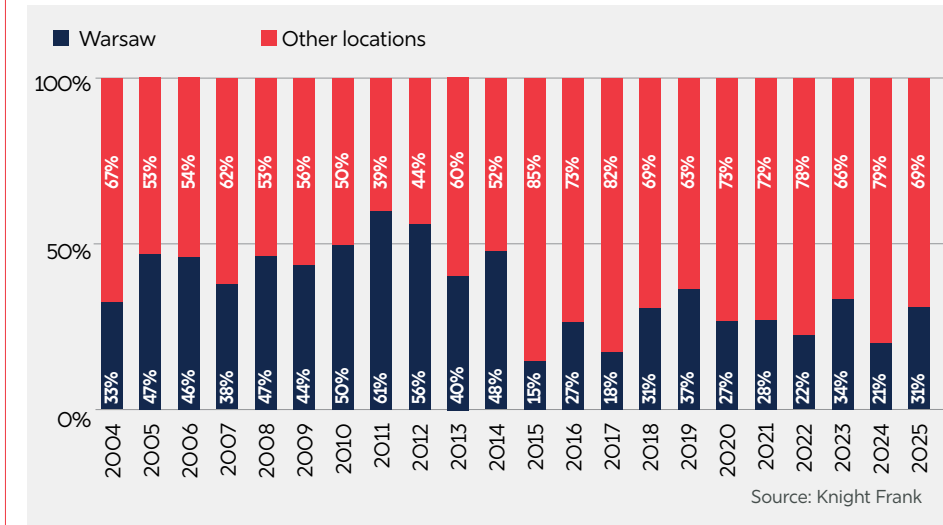
While the number of warehouse and industrial transactions in the Krakow region is limited by the market's smaller size, recent years still brought several notable trades, including Generali's 2024 acquisition of MDC2 Park Krakow South.

Among other sectors, living stands out. Krakow's living sector drew 65 million EUR in 2024, and in 2025 a preliminary agreement was signed between Resi4Rent and Vantage Development for the sale of ca 5,300 rental apartments across 18 assets in Poland, including Krakow. At 565 million EUR in total, this transaction, once closed, would mark the largest deal in the history of Poland's living sector.

Poland's investment market is firmly on the mend, with Krakow maintaining its status as a tier one regional target. Resilient leasing fundamentals and strengthening activity from both international and domestic capital indicate that investment volumes and market liquidity will continue to rise in the coming years.

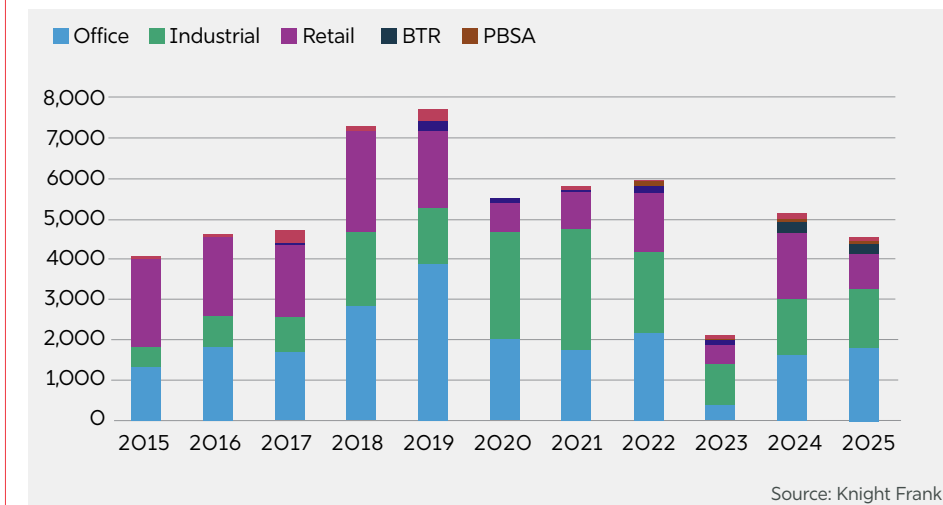
MAJORITY OF INVESTMENT VOLUME TAKES PLACE OUTSIDE WARSAW

INVESTMENT VOLUME BY LOCATION



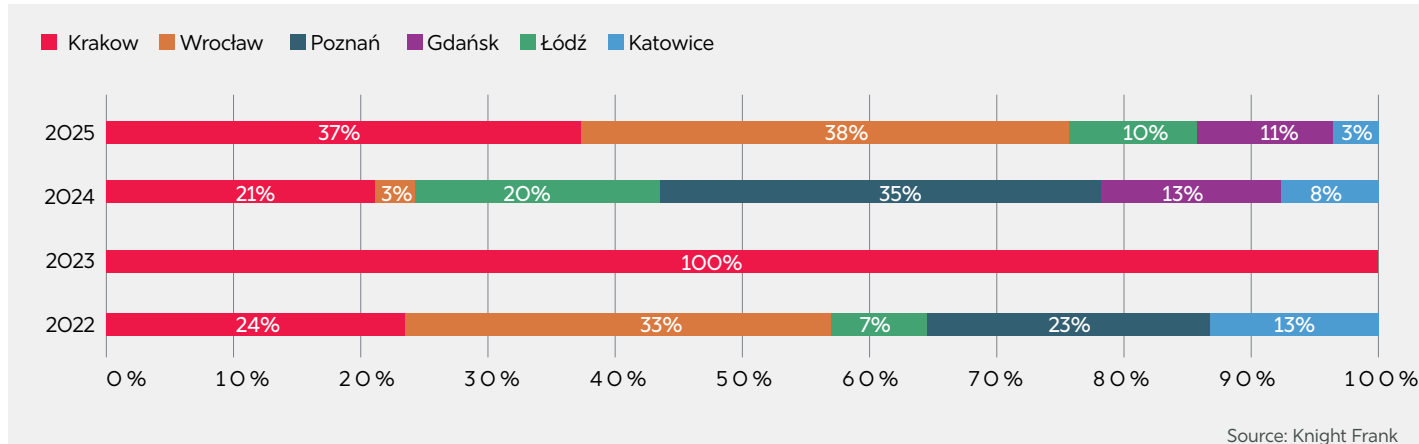
POLAND'S INVESTMENT MARKET IN STABLE RECOVERY

INVESTMENT VOLUME IN POLAND BY SECTOR AND YEAR



KRAKOW IS ONE OF THE LEADING OFFICE INVESTMENT DESTINATION IN REGIONAL MARKETS

SHARE OF OFFICE INVESTMENT VOLUME ACROSS POLAND'S SIX LARGEST REGIONAL MARKETS





Even Mr. Twardowski had his office here

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- BTS projects
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GRAPHIC CONCEPT OF THE REPORT

For centuries, Krakow has been a city of legends. One of the most enduring tales tells the story of Pan Twardowski (Mr. Twardowski) – a nobleman who outwitted the devil himself, becoming a symbol of negotiation, ingenuity, and courage. For generations, this tale has helped shape Krakow's unique identity – a city of imagination, intelligence, and enterprise.

The motif on the cover pays tribute to this story and serves as a metaphor for a market that is unafraid of challenges and capable of turning risk into growth. Much like the legend, Krakow's commercial real estate market has many dimensions – we invite you to discover them.

Let us see together where the story will lead us in 2026.