The Strength of Cities

Knight Frank

City attractiveness, office market, HR trends

Q3 2026	The office market sentiment, the investment potential of the city and the labour market.	*knightframk.com.pl/en/research*



Warsaw

Prepared in cooperation with

GROW WITH WARSAW

Michael Page

Warsaw

City area
517.2 sq km

Population
1,866,729
(state of 31.12.2025, GUS)

Population forecast
1,919,300 (2030)
1,906,300 (2050)
(state of 31.12.2025, GUS)

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

Unemployment rate
1.6%
(state of 08.2026, GUS)

GDP growth
14.9%
(2023)

GDP per capita
PLN **217,793**
(2022)

Average salary (gross)
PLN **11,239.26**
(in the business sector, 08.2026)



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

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

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

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

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

1 ST 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, 275 bus lines with approx. 1,430 vehicles (100% low floor);
- investments for over PLN 6.9bn in public transport and infrastructure (2017-2025);
- 27 tram lines with over 774 trams;
- 79% of city residents consider Warsaw as bicycle-friendly city;
- over 3,590 city bikes; 348 bike stations;
- water trams and ferries on the Vistula, canoes and water skis.

Bike paths
over **883.5** km

Green areas
47%

Facts & Figures

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

Q3 2026



Existing stock
6.23m sq m



Supply under construction
160,500 sq ▲ (+14.7% YoY)



Vacancy rate
7.9% ▼ (-1.8 p.p. YoY)



New supply
45,200 sq m ▼ (-49% YoY)



Take-up
592,000 sq m ▲ (+22.2% YoY)

Standard lease terms in new buildings



Service charge
PLN/sq m/month
18.00-38.00



Rent-free period
1-1.5 months
for each contract year



Fit-out budget
EUR/sq m
300-1,200

The third quarter of 2026 reaffirmed the resilience of Warsaw's office market. As the capital city accounts for nearly half of Poland's modern office stock, it is currently benefiting from a highly favourable market environment, where record-low new supply is coinciding with growing occupier activity. As a result, vacancy rates continue to decline, the availability of prime office space is becoming increasingly limited, and the position of the city's most attractive business locations is further strengthening.

SUPPLY

Although no new office buildings were completed in Warsaw in Q3 2026, the market expanded by 45,000 sq m of modern office space in the first nine months of the year, delivered across four developments. The largest building completed to date was Studio A, developed by Skanska, providing approximately 24,000 sq m of office space.

Only around 4,000 sq m is scheduled for delivery by year-end, which will place annual new supply among the lowest levels recorded in the Warsaw office market over the past two decades. Limited development activity is expected to remain one of the market's defining characteristics in the coming years. Between 2027 and 2028, only around 160,000 sq m of modern office space is expected to be delivered.

Most projects currently under construction are concentrated in Warsaw's central office zones, with more than half located in the vicinity of Rondo Daszyńskiego. The largest schemes currently under development include AFI Tower (50,000 sq m), Upper One (36,000 sq m), Drucianka Campus (32,000 sq m) and Skyliner II (23,000 sq m).

TAKE-UP

Take-up in Warsaw remains robust. During the first three quarters of 2026, the total leasing volume exceeded 592,000 sq m, representing a 22% increase compared with the same period of the previous year.

The highest tenant activity was recorded in Warsaw's central office zones, which accounted for 59% of total take-up. The Western City Centre, including the area surrounding Rondo Daszyńskiego, continued to attract the strongest occupier interest, generating 34% of total leasing volume. Służewiec also maintained a strong position, accounting for 18% of all transactions signed between January and September 2026.

The leasing structure recorded in Q3 2026 reflects strengthening occupier demand across the Warsaw office market. New leases represented more than 56% of total take-up, including a significant share of pre-let agreements (16%), highlighting the constrained availability of prime office space in existing stock. Renegotiations accounted for 33% of leasing activity, while expansions contributed over 8%. The remaining volume was generated by owner-occupier transactions.

Over the first three quarters of 2026, the most active occupier group was the business services sector, accounting for 16% of total leasing volume. Significant demand was also generated by companies from the banking, insurance and investment sector (13%), the IT sector (11%) and the manufacturing sector (11%).

VACANCY RATE

The vacancy rate in Warsaw's office market continued to decrease in Q3 2026, reaching 7.9% at the end of September, the lowest level recorded in six years. The area surrounding Rondo Daszyńskiego further strengthened its position as Warsaw's most sought-after office destination. At the end of September 2026, only 17,600 sq m of modern office space remained available in this location, translating into an exceptionally low vacancy rate of 2.0%, a decrease of 3.1 percentage points year-on-year.

The combination of a limited development pipeline and sustained occupier demand is expected to support a further reduction in vacancy levels over the coming quarters.

RENTS

As of the end of September 2026, headline office rents in Warsaw typically ranged between EUR 18.00 and EUR 32.00 per sq m per month in central locations, while in non-central office districts asking rents generally stood between EUR 12.00 and EUR 20.00 per sq m per month.

Persistently limited development activity, combined with declining vacancy levels, continues to exert upward pressure on rental rates, particularly in prime locations and within best-in-class office buildings.

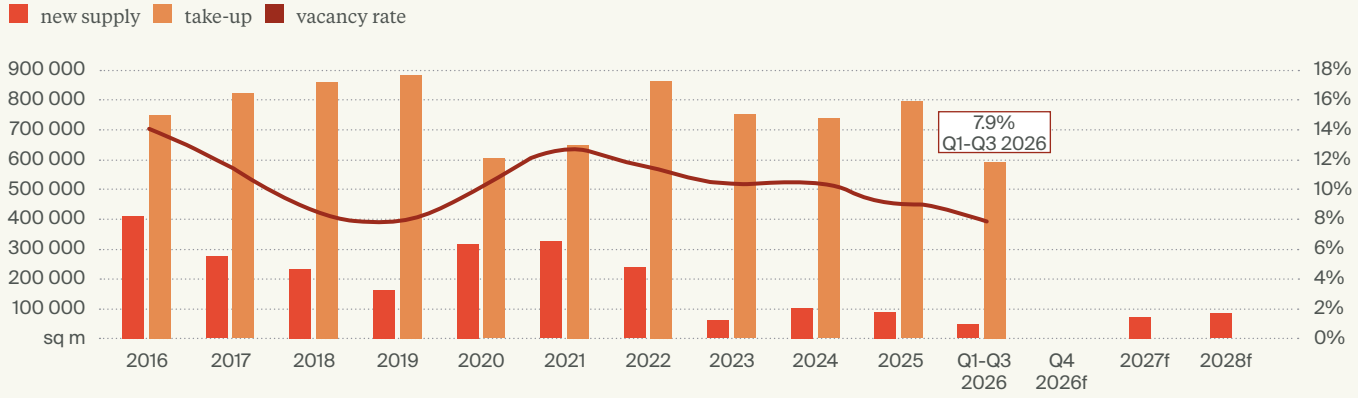
Office space

Major concentration areas

	EXISTING STOCK	SUPPLY UNDER CONSTRUCTION	VACANCY RATE	MONTHLY ASKING RENT
CBD	983,000 sq m	48,500 sq m	4.8%	EUR 18-32 sq m
City Centre (excluding Daszyński Roundabout)	1.05m sq m	0 sq m	5.8%	EUR 18-28 sq m
Daszyński Roundabout	897,000 sq m	73,000 sq m	2.0%	EUR 20,28 sq m
Służewiec	987,000 sq m	0 sq m	16.2%	EUR 12-17 sq m
Mokotów (excluding Służewiec)	371,000 sq m	0 sq m	5.1%	EUR 14-18 sq m
Jerozolimskie Corridor	753,000 sq m	0 sq m	10.4%	EUR 14-18 sq m
East	284,000 sq m	35,000 sq m	6.3%	EUR 13-20 sq m
Żwirki i Wigury	258,000 sq m	0 sq m	15.2%	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	6.5%	EUR 14-17 sq m



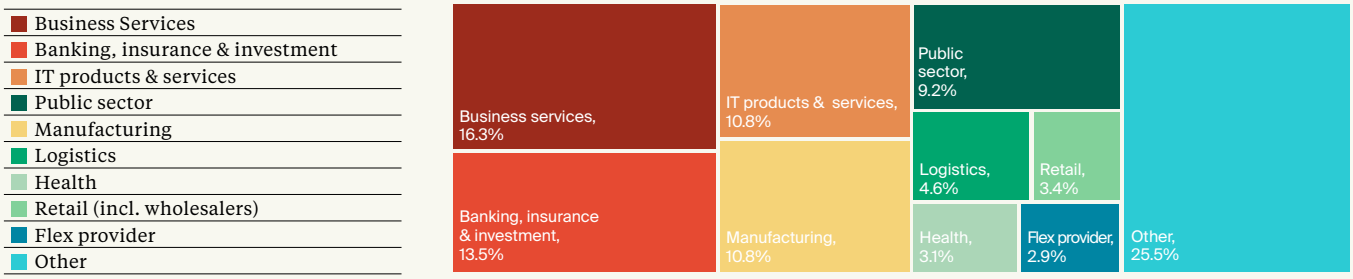
Annual new supply, take-up and vacancy rate



f-forecast based on schemes under construction

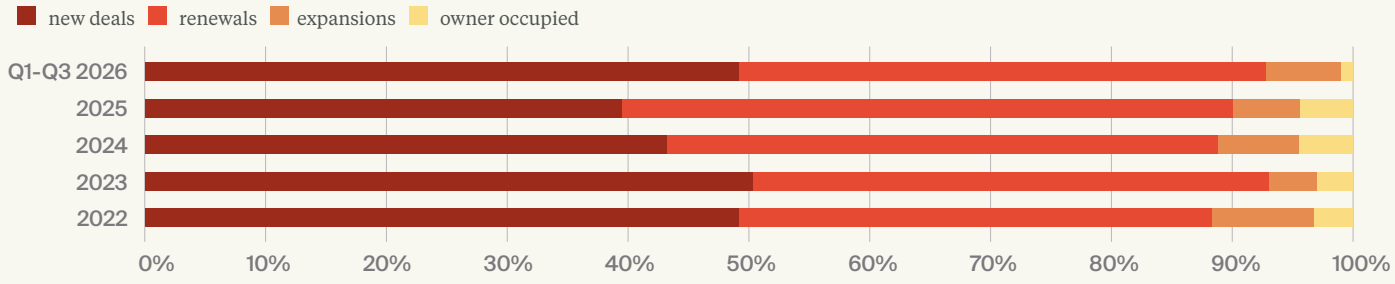
Source: Knight Frank

Take-up by sector H1 2026



Source: Knight Frank

Take-up structure



Source: Knight Frank

Michael Page

How to find good people, and keep them

Employees rarely leave a company overnight. The decision to move on usually takes shape much earlier, as engagement fades, prospects for development dry up, people feel they have no real influence, or they become convinced their skills are not being put to proper use. By the time someone starts looking around for a new role, pay is only one piece of the puzzle.

IT'S NOT ONLY MONEY THAT KEEPS PEOPLE

Salary does, of course, need to be competitive. It is hard to expect loyalty from someone the company pays well below the market rate. A pay rise on its own, however, will not fix problems rooted in management style, organisational culture or a lack of opportunities to grow.

Trouble also arises when we reward good work with ever more responsibilities. For a while the company is happy: it has someone who "handles everything" and can always be relied upon. Sooner or later, though, that person may simply be overloaded and close to burnout.

"A pay rise on its own, however, will not fix problems rooted in management style, organisational culture or a lack of opportunities to grow."

That is why hiring and retaining good people is best treated as a marathon rather than a sprint. Pay matters, but so do the quality of the line manager, autonomy, a sense of influence, room to develop, meaningful work and fair treatment.

LOOK FOR POTENTIAL, NOT PERFECTION

The second challenge lies in how we recruit. Companies still too often look for someone who ticks every box in the job advert. Yet according to the Talent Trends 2026 report, as many as 41% of recruiters struggle to find candidates with the skills they need. In that situation, it makes sense to look first and foremost at potential.

Sport offers a good illustration. The best football clubs build their edge not only by signing star players but also by spotting talent and developing it within their own system. Business works in much the same way. We do not always need someone who can do every part of the job from day one.





"As many as 41% of recruiters struggle to find candidates with the skills they need. "

Sometimes a candidate who learns quickly and works well with the team is worth more. Specific processes are far easier to teach than a sense of responsibility or a way of thinking. This approach does, however, take courage on the employer's part.

THE BEST SPECIALIST SHOULD NOT ALWAYS BECOME A MANAGER

Many companies still follow a simple pattern: if someone is an outstanding specialist, the natural next step is a management role. Yet not everyone wants to manage people, and not everyone is suited to it. That is why it pays to build two parallel career paths, one for experts and one for managers.

Promotion should not be merely a reward for good results. It should be the next stage of a career, matched to the individual's ambitions, skills and aptitudes.

A GOOD LEADER KNOWS WHEN TO HAND OVER THE REINS

A similar problem crops up in fast-growing companies when the owner, often without realising it, starts holding the business back. In the early days they run the company with a handful of people and know every process inside out. As the organisation grows to dozens or even hundreds of employees, however, the management style often stays exactly the same. The owner still wants to sign off most decisions personally.

I would measure a leader's maturity not by the number of decisions they take themselves, but by the number the organisation can take without them. That requires trust and a willingness to accept mistakes. If we give someone the "number two" role but do not let them make significant decisions, we are not preparing a successor. We are simply teaching them to ask the boss for permission.

"I would measure a leader's maturity not by the number of decisions they take themselves, but by the number the organisation can take without them."

An owner who wants to build a company that does not depend on them must also accept one more thing: it is worth hiring people who are better than they are in particular areas. That is not a threat but a precondition for growth.

Trusting the team and delegating responsibility make it possible to build an organisation that is strong not only because of its owner, but also because of the people they have entrusted with responsibility.

Author: Radosław Szafrański, Managing Director at Michael Page

Michael Page

Is Poland still an attractive investment destination? Talent and geopolitics are taking precedence over labour costs

Poland remains one of Europe's most attractive investment destinations, although the criteria companies use to assess the country are changing significantly. Over the past 15 years or so, Poland has been one of the biggest beneficiaries of globalisation, attracting investors with competitive labour costs, workforce availability and its strategic position between Western Europe and Central and Eastern European markets. Today, the depth and quality of the talent pool, alongside the ability to operate securely in an uncertain geopolitical environment, are becoming increasingly important.

Interest in the Polish market remains strong, as reflected in the volume of enquiries Michael Page receives about salary benchmarks, the availability of skilled professionals, location comparisons and cost estimates for new ventures. However, this interest is not translating into a proportionate number of investments moving forward. Based on our observations, only 10–20% of projects currently being assessed and prepared by companies and investment advisers are moving into implementation.

GEOPOLITICS IS SHAPING THE PACE AND DIRECTION OF INVESTMENT

Uncertainty is the main reason behind investors' cautious approach. Decisions that would have taken just a few months several years ago are now sometimes being postponed for several quarters. Management boards are assessing regional stability, the potential consequences of armed conflicts, the security of critical infrastructure and energy supplies, and supply chain resilience. These considerations have become an important addition to traditional investment criteria, such as operating costs, land availability and tax incentives. Many projects are not being cancelled but put on hold until companies can assess the conditions for proceeding with greater confidence. A decline in the number of investments going ahead does not therefore necessarily indicate that Poland is losing its competitive position.

At the same time, geopolitical developments are encouraging companies to bring operations closer to their end markets. Despite its proximity to the war in Ukraine, Poland continues to benefit from the nearshoring trend. For some organisations, establishing operations in Central Europe offers an opportunity to shorten supply chains and reduce dependence on distant Asian markets. Poland's geographical location therefore remains a major advantage, although it is increasingly being viewed through the lens of security and business continuity.

A STRONG INDUSTRIAL BASE SUPPORTS THE GROWTH OF EMERGING TECHNOLOGIES

The nature of projects being considered by investors is also changing. While the automotive, household appliance and traditional manufacturing industries remain important, sectors linked to security, energy and advanced technologies are gaining prominence.

> "Based on our observations, only 10–20% of projects currently being assessed and prepared by companies and investment advisers are moving into implementation."

We are increasingly involved in discussions concerning defence electronics, energy storage, batteries and energy-related components, automation and power electronics. Investor interest also extends to cybersecurity, space technologies, unmanned systems and communications technologies.





Dual-use technologies, which have both civilian and military applications, are becoming particularly important. Rising defence budgets across Europe are driving demand for engineers, research and development specialists, and experts in electronics, automation and cybersecurity. Poland's established industrial base and experienced engineering workforce provide a strong foundation for such projects. Skills developed in traditional manufacturing industries can be applied to emerging sectors, broadening the range of investments Poland is well placed to attract.

A MATURE BUSINESS SERVICES SECTOR GIVES POLAND A COMPETITIVE EDGE

The changing criteria for investment location decisions are also evident in the business services and IT sectors. For years, rising salaries have been cited as a factor that could undermine Poland's attractiveness to shared services centres, global business services operations and technology companies. However, employment costs are also increasing in competing markets, including Romania, Bulgaria, Hungary, Serbia and Portugal, with double-digit wage growth forecast in some of these countries in 2026. As a result, the availability of a sufficiently large pool of qualified specialists is becoming an increasingly decisive factor in companies' ability to establish and scale their operations.

Poland benefits from the long-standing presence of international organisations that have established SSC, BPO and GBS centres, as well as technology hubs, across the country. This has helped develop a strong pool of managers and specialists with experience in business transformation, process migration, ERP implementations, artificial intelligence projects and the development of global operating structures. Investors can therefore recruit professionals who are already equipped to manage complex processes in an international environment.

This advantage is further reinforced by the size of Poland's labour market, foreign language proficiency and a well-developed network of technical universities. Together, these assets represent a competitive strength built up over many years. Replicating comparable conditions in other locations takes time, and lower employment costs alone cannot provide the same breadth of skills and experience.

SPECIALIST EXPERTISE AND STRATEGIC FUNCTIONS ARE BECOMING MORE IMPORTANT

As Poland's market matures, the structure of employment is also evolving. In the coming years, some simpler, repetitive processes may move to lower-cost locations or become automated, including through the use of AI. This will require employees to develop and adapt their skills, while increasing the importance of more advanced functions.

> "Poland is gradually moving beyond delivering relocated business processes towards developing specialist expertise and taking greater responsibility for international operations."

Already, a growing number of our conversations with investors focus on competence centres, data analytics, artificial intelligence, cybersecurity, systems architecture, financial and digital transformation, product management and global strategic functions. Poland is gradually moving beyond delivering relocated business processes towards developing specialist expertise and taking greater responsibility for international operations. This shift offers a way to sustain the country's investment appeal through the value created by its workforce, even as salaries continue to rise.

Poland's future as an investment destination will therefore depend largely on its ability to continue developing the skills businesses need. Special Economic Zones, tax incentives and geographical location remain important factors supporting investment, but Poland's greatest asset is its skilled workforce. The knowledge and experience of its people are what enable the country to attract higher-value-added projects.

The biggest uncertainty remains the pace at which these projects will be implemented. Poland has strong foundations for continued growth, but realising this potential will also depend on companies' willingness to make long-term investment commitments in an evolving geopolitical environment.

Commentary by: Krzysztof Tuszyński, Head of Business Development Poland & Head of Katowice Office at Michael Page Poland

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- strategic consulting, independent forecasts and analysis adapted to clients' specific requirements,
- market reports and analysis available to the public,
- tailored presentations and market reports for clients.

Reports are produced on a quarterly basis and cover all sectors of commercial market (office, retail, industrial, hotel) in major Polish cities and regions (Warsaw, Kraków, Łódź, Poznań, Silesia, Tricity, Wrocław, Lublin, Szczecin) and PRS sector in Poland. Long-term presence in major local markets has allowed our research team to build in-depth expertise of socio-economic factors affecting real estate market in Poland.

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Warsaw has a lot to offer both for tourists and those who are thinking about staying here as residents, investing, opening a branch of your company or starting new business. For the investors we offer:
- individual approach;
- assistance at every stage of the investment, including the organization of reference visits;
- administrative support;
- providing necessary information on available public aid.

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