

 EVALUER

2025 EVALUER INDEX

ANALYSIS OF TRANSACTION
PRICES AND FORECASTS
FOR THE RESIDENTIAL
MARKET IN POLAND
PRIMARY AND SECONDARY MARKET



EMMERSON
EVALUATION

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Introduction

Dear Readers,

We present to you the latest Evaluator Index report – a cyclical study of the housing market in Poland. As every year, we outline the key events of the past year 2024 and provide a comprehensive analysis of the largest residential markets in the country. We also attempt to forecast the upcoming trends that may shape the market in the future.

The year 2024 on the real estate market was marked by developers adapting to changing market conditions. Termination of the “2% Safe Mortgage Loan programme” and lack of new support mechanisms made it necessary to modify investment and sales strategies. Despite the measures taken, the level of housing sales remained lower than in the previous year, mainly due to persistently high interest rates and limited creditworthiness of buyers. In response to these challenges, developers implemented discount and promotional policies and the dynamics of housing price increases declined. All these factors shaped the real estate market in the past year.

We hope that you will find the report of interest and that it will provide you with valuable information on the current situation in the real estate sector. Please do not hesitate to contact us for detailed analyses or to request studies covering a different scope.

Management Board of Emmerson Evaluation

Price information

This analysis includes data on transaction prices. Readers of the report should note that a transaction price should be understood only as the price at which the sale transaction was made and which was recorded in the notarial deed at the stage of the preliminary or final agreement.

Median

In this report we use the median real estate transaction prices. The median (the so-called middle value, dividing the set into two equal parts) better reflects information on real estate prices than the average, because its result are not influenced by single values deviating considerably from most transactions typical for the whole set (such as the purchase of one luxury property). In this report, all prices are given per 1 sqm of usable floor area of an apartment (PLN/sqm). For both the primary and secondary market, reference is made to gross prices.

RESIDENTIAL MARKET ANALYSIS IN 2024

Last year, the residential property sector was under the influence of two key factors: persistently high interest rates and uncertainty surrounding the announced government programme to support purchase of flats. The former affected the availability of mortgage loans, limiting creditworthiness of many potential buyers, while lack of clear information about further government initiatives increased uncertainty and delayed purchase decisions. These factors had a significant impact on the dynamics of demand, supply and prices on the real estate market.

The 2024 housing market started without a loan subsidy programme, although with clear announcements of the introduction of new government support. The supply of flats built by developers during this period was limited, mainly due to high demand resulting from the end of the "2% Secure Mortgage Loan" programme in 2023. Developers, recognising the limited availability of flats and prospect of the introduction of new subsidies, began to intensively implement a number of new developments in an effort to meet the anticipated increase in demand. At the same time, situation on the mortgage loan market did not improve and potential customers wishing to use this form of financing to purchase a flat had to accept its high costs. Over time, introduction of the new subsidy programme became increasingly uncertain, leaving potential beneficiaries in limbo. As a result, sales of flats on the primary market in most of the analysed locations remained at a lower level than in 2023, which, combined with a large new supply, led to the occurrence of a very big offering of flats for sale. The situation on the developer housing market varied regionally, with supply reaching historic highs in some locations.

In Lodz, despite a slight decrease in the number of available flats, there was still a considerable disproportion between the offering and demand. Poznan also recorded the highest supply of flats in the analysed period, which from the middle of the year remained at the level of nearly 7,000 units. An example of a city where the offering on the primary market reached a record level in a decade was Katowice, where over 4.3 thousand units were available at the end of 2024. On these markets, signs of oversupply of flats were visible at the end of last year.

Taking into consideration all the analysed markets, at the end of 2024, the offering of units completed by developers was by 13% higher than in the middle of the year and by as much as 52% higher than at the end of 2023. It amounted to more than 54,500 units in 1,400 developments.

The opposite trend was observed in the context of sales of units on the primary market, which decreased across all the analysed locations. Compared to the full-year sales in 2023, last year's sales of flats fell by 26%, reaching less than 40,000 units. In Krakow, the number of flats sold was around 2,500, a figure comparable to the second half of 2022, when sales of flats on the primary market in the capital of Malopolska region recorded the largest decline in a decade. Thanks to the simultaneous launch of a large number of new investments on the market, Krakow once again took second place after Warsaw in terms of supply, ahead of Lodz. The largest customer segment in the housing market in 2024 was people with the creditworthiness to purchase a flat meeting their expectations, as well as buyers with their own funds. The first group mainly included relatively affluent people, as evidenced by the very fact

that they were able to afford a mortgage loan in times of unfavourable financing conditions. Buying a unit on the primary market last year offered had significant advantages. Firstly, the large offering allowed to choose a suitable flat whereas in other market circumstances the choice would be limited. The second advantage was that, due to the disproportion between supply and demand, developers began to offer discounts and various promotions, such as free parking spaces or storage units. However, it is worth remembering that the price level of flats, particularly in large agglomerations, is very high and often constitutes a barrier to buyers. In 2024, both the primary and secondary markets saw further increases in property prices. It is worth noting that the dynamics are annual, with most of the increases taking place in the first half of the year. In the second half of the year, the rate of increases was much lower. The first half of the year was characterised by more dynamic changes, especially on the market of "second-hand" flats. Among the analysed cities, the highest increases in prices of flats sold by developers were observed in the Silesian Agglomeration (excluding Katowice) and in Kielce, where the growth dynamics amounted to 20% and 17% a year respectively. In the second half of 2024, the highest increase in median flat price was recorded in Zielona Góra, where it amounted to 12%. On the primary market, the highest residential prices were recorded in Warsaw and Krakow, where the median amounted to PLN 17.7 thousand/sq.m and PLN 16.4 thousand/sq.m, respectively. Among the largest markets, only in Lodz the value remained below PLN 11.0 thousand/sq.m. Similar changes as on the primary market were also observed on the secondary market, where the growth dynamics was higher in many cases. The highest annual increase in the median price of „second-hand” flats was recorded in Krakow, where it amounted to 24%, and in Sopot, where it reached 23%. Throughout 2024, the NBP reference rate remained at 5.75%, resulting in high mortgage instalments and limited creditworthiness of potential home buyers. The Monetary Policy Council did not decide to lower this rate due to the rise in inflation, which accelerated again in the second half of the year, reaching its highest level in October (5%). The restrictive monetary policy was a response to the unreached inflation target, which continued to challenge the stability of the economy.

Despite lack of government support, the number of mortgage loans granted in 2024 increased by 24% compared to 2023. This increase was particularly evident in the first quarter, which accounted for more than 30% of total mortgage loan sales in this period. It was also due to applications for the "2% Secure Mortgage Loan", which were submitted towards the end of the programme and processed in 2024. In the following months, the number of mortgage loans granted decreased, but the market did not collapse. There was an increase in the average value of mortgage loans granted, due to higher property prices, which translated into a higher value of taken mortgage loans.

The level of interest rates has the strongest impact on the popular segment, in which the largest number of transactions are financed with a mortgage loan. At the same time, it is investments in this segment that account for the largest share of the primary housing market. The premium real estate segment, on the other hand, remained stable last year and did show any signs of weakness.

The year 2024 saw a moderate correction in the prices of building materials. Exceptions included OSB, timber, cement and lime, whose prices rose by 4-7% compared to December 2023. However, taking into account the full range of product groups, annual decreases of up to 3% were recorded in the first half of the year. In the second half of last year, the pace of price changes slowed down and the market began to stabilize. Throughout 2024, building material prices fell by an average of 1.7%. Despite periodic increases in selected categories, the long-term trend signalled a reduction in inflationary pressures on building material prices. Such a situation creates space for greater stabilisation of the costs of construction projects, which is important for planning of new projects and for the profitability of developers and contractors.

In the context of residential construction, there was a 9% decrease in the number of units completed compared to the previous year, as a result of fewer housing investment projects initiated in 2022. At the same time, the number of building permits issued increased by 20% and the number of flats under construction rose by 24%. This trend is a result of, among other things, the high number of units introduced onto the market by developers last year and high demand triggered by the „2% Secure Mortgage Loan” programme in 2023.

In 2024, significant changes in the legislation were introduced that were of great importance for developers. The ordinance on technical conditions, which buildings and their location must meet, was amended. The new regulations introduced a number of obligations for developers, including, among others, ensuring the availability of playgrounds in new residential developments, introduction of a minimum area for commercial premises and stricter requirements regarding the distance between balconies and plot boundaries. In addition, regulations on parking spaces, including their number and layout, were amended to improve the quality of public spaces and facilitate parking for residents.

These changes also had a significant impact on development costs, as adapting projects to the new regulations required additional financial outlays. As a result, developers were forced to factor these higher costs into housing prices, which to some extent translated

into higher property prices. The new regulations increased investment requirements while raising the quality standards of housing infrastructure. It will have a positive impact on the living comfort of residents in the long term, however at the same time it caused additional cost pressures.

In 2024, the rental market in Poland was characterised by varying regional rental growth rates. The highest annual changes were recorded in Warsaw and Rzeszów, where increases oscillated around 13%. In Katowice and Białystok, on the other hand, the median rent remained relatively stable, recording only slight increases of 0.7% and 2.4% respectively, which was lower than the average inflation rate last year (3.6%). Last year saw further growth in the private rented sector in Poland. The stock of available PRS housing increased by more than 6,000 flats that became available on the market in the largest cities, representing a significant increase in supply compared to the previous year.



RESIDENTIAL MARKET IN POLAND

MEDIAN PRICE ON THE PRIMARY AND SECONDARY MARKET
AND TREND 2024/2023 AND TREND I IH/IH2024 OF PRICE CHANGES IN 2024.

Source: Evaluator data base

	primary market			secondary market		
	median price 1 sqm	trend 24/23	trend I IH24/IH24	median price 1 sqm	trend 24/23	trend I IH24/IH24
WARSAW	17,737	9%	5%	15,748	14%	4%
KRAKOW	16,440	13%	3%	14,816	24%	8%
LODZ	10,596	8%	3%	7,782	11%	5%
WROCLAW	14,225	10%	6%	12,732	18%	6%
POZNAN	12,572	8%	4%	10,996	19%	5%
GDANSK	14,542	9%	4%	13,100	14%	4%
KATOWICE	11,662	16%	6%	7,984	18%	6%
THE SILESIA AGGLOMERATION (not incl. KATOWICE)	9,073	20%	10%	5,638	8%	5%
GDYNIA	14,343	6%	3%	11,574	14%	7%
SOPOT	23,076	2%	0%	19,298	23%	11%
SZCZECIN	11,996	8%	6%	8,834	8%	2%
BYDGOSZCZ	9,850	6%	5%	7,161	4%	1%
LUBLIN	10,768	14%	1%	9,954	17%	3%
BIALYSTOK	10,498	13%	5%	9,671	20%	8%
TORUN	10,187	11%	2%	8,645	12%	3%
RZESZOW	10,530	14%	7%	10,159	17%	7%
KIELCE	9,609	17%	7%	8,284	18%	5%
OLSZTYN	9,992	14%	9%	8,639	18%	7%
ZIELONA GORA	9,130	16%	12%	8,043	20%	6%
OPOLE	10,129	16%	6%	8,705	15%	2%
GORZOW WIELKOPOLSKI	7,124	5%	2%	6,679	8%	4%

WARSAW

In the capital, the median price on the primary market at the end of last year was PLN 17.7 per sq.m. As in most of the other cities analysed, Warsaw saw a significant increase in the offering of flats completed by developers with a simultaneous decrease in sales. Growing supply coupled with a weakened demand contributed to greater price flexibility on the part of developers and the introduction of additional incentives for buyers.

In 2024, developers introduced almost 16,500 new flats onto the capital's primary market in 160 investments, an increase of 10% compared to the previous year. It was also the highest result since 2021. The new supply was evenly distributed, with around 8,000 units for sale both in the first and second half of the year. Most new flats appeared in the Bialoleka district, which accounted for 20% of the introduced offering in the second half of the year. Significant numbers of units also became available in Bemowo and Mokotów – 1.3 thousand and 1.2 thousand units respectively. In total, more than a half of newly introduced flats were located in these three districts. The only district in Warsaw where no residential development started to be sold in 2024 was Zoliborz.

At the end of 2024, the offering of flats on the primary market in Warsaw amounted to nearly 14,000 units. Such a high level of available units was last recorded in 2019. Compared to the end of 2023, the supply increased by as much as 61%. The highest number of available flats was again recorded in Bialoleka district, where the offering increased by 34% over the last two quarters, reaching just under 2.5 thousand units. This district, due to the availability and prices of land, remains a key location for large, multi-stage developments. Popular segment projects are predominant there, with a significant proportion of buyers financing the purchase with a mortgage loan. The second area with the highest supply was the district of Mokotów, where nearly 2,000 flats were available at the end of 2024. In contrast to the Bialoleka district, a large share of higher-standard developments were available there. The smallest offering of flats on the

primary market was recorded in Ochota and Zoliborz districts – in both cases the number of available units did not exceed 50.

Sales of flats in 2024 on the primary market in Warsaw showed a downward trend, particularly evident in the second half of the year. In both the third and fourth quarters, the number of units sold did not exceed 3,000, and the total volume of transactions in this period amounted to just over 5,500 units. This was a 20% lower result compared to the first half of the year. In contrast to earlier periods, in the second half of 2024, none of the districts clearly stood out in terms of the number of flats sold. The highest level of transactions, between 700 and 800 units, was recorded in the districts of Bemowo, Bialoleka, Mokotów and Włochy.

In the second half of the year, there was a noticeable trend of a greater balance in the sale of flats of different standards. However, units in the popular segment continued to dominate, which indicates a continuing demand for flats of this type – particularly among buyers financing the purchase with a mortgage loan. Nevertheless, in the second half of the year, a rise in the number of transactions in the higher standard flat segment was visible, which may suggest an increased interest in more prestigious locations and projects. Despite the drop in the number of units sold, it is worth noting that the market remains dynamic and developers maintain a strong position in terms of introducing new projects. At the same time, changes in buyers' preferences, including greater interest in higher-standard flats, may indicate a change in purchasing strategies, which should be taken into account when forecasting further market development.

In the second half of 2024, the number of newly introduced flats exceeded the number of units sold by just under 2,500. Since the end of 2023, difference gradually increased, leading to a systematic rise in the available offering of flats on the primary market. Increase in the number of available units may also contribute to a stronger competition on the market, which may consequently influence further price movements in the coming months.

At the end of 2024 the median prices on the primary market in Warsaw increased by 9% a year. The highest prices were recorded in the Śródmieście district, where one had to pay PLN 41.3 thousand per square metre. Only investments representing the premium segment are located there. High median prices were also observed in the districts of Wola, Zoliborz and

Ochota, where they exceeded PLN 25.0 thousand per square metre. The latter location was also characterised by the highest annual median increase, amounting to 18%. On the secondary market, the median price in the capital at the end of last year amounted to PLN 15.7 thousand/sq.m. Price growth there was higher than on the primary market and amounted to 14% year-on-year, with higher dynamics observed in its first half. The largest price increase for “second-hand” flats was recorded in the Praga-Połnoc district, where prices changed by 19% over the year. Also on this market, the most expensive district was Śródmieście with the median price exceeding PLN 20,700/sq. m. In the second half of 2024, the most popular flats purchased were those between 30 and 50 sq.m, which accounted for almost half of the transactions.

MEDIAN PRICE ON THE PRIMARY AND SECONDARY MARKET AND TREND 2024/2023 AND TREND I/H24/I/H24 OF PRICE CHANGES IN 2024.
Source: Evaluator data base

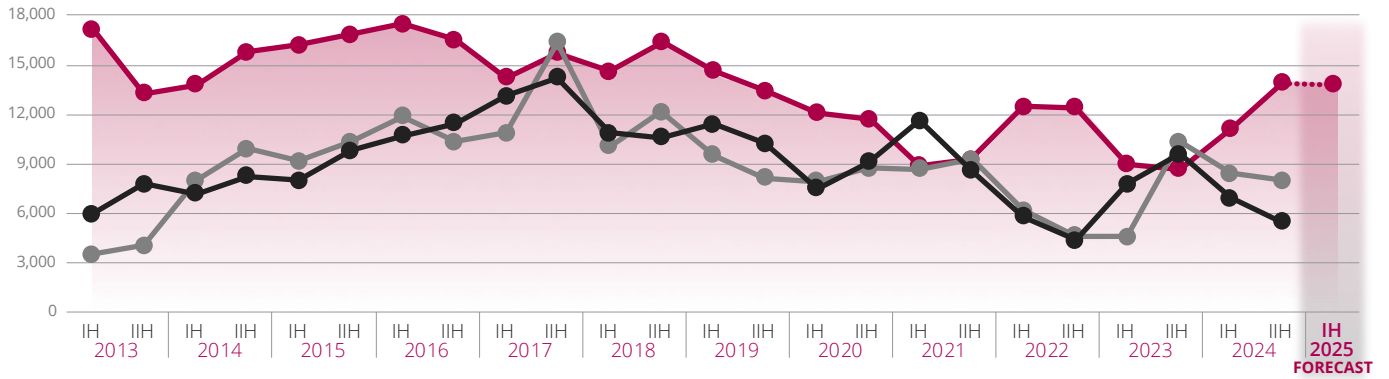
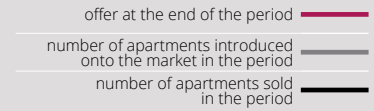
	primary market			secondary market		
	median price 1 sqm	trend 24/23	trend I/H24/I/H24	median price 1 sqm	trend 24/23	trend I/H24/I/H24
Bemowo	17,137	7%	6%	15,598	18%	5%
Bialoleka	13,084	13%	3%	13,742	17%	6%
Bielany	19,134	7%	2%	15,850	15%	6%
Mokotow	20,377	3%	2%	16,773	14%	4%
Ochota	26,301	18%	12%	17,018	18%	4%
Praga-Poludnie	16,842	9%	5%	15,252	17%	5%
Praga-Polnoc	19,563	11%	2%	16,336	19%	6%
Rembertow	13,130	13%	6%	11,850	9%	1%
Srod miescie	41,294	8%	2%	20,737	10%	3%
Targowek	14,958	9%	6%	14,211	13%	6%
Ursus	14,621	9%	4%	14,158	11%	8%
Ursynow	18,843	3%	2%	15,569	8%	4%
Wawer	13,042	15%	5%	13,110	6%	1%
Wesola	12,558	13%	7%	11,417	14%	5%
Wilanow	18,608	10%	2%	18,703	11%	4%
Wlochy	15,930	10%	2%	16,041	10%	7%
Wola	27,269	14%	3%	18,378	17%	5%
Zoliborz	26,425	5%	2%	19,010	15%	1%

CHANGES ON THE DEVELOPER'S MARKET 2024/2023
Source: Emmerson Evaluation based on Evaluator data



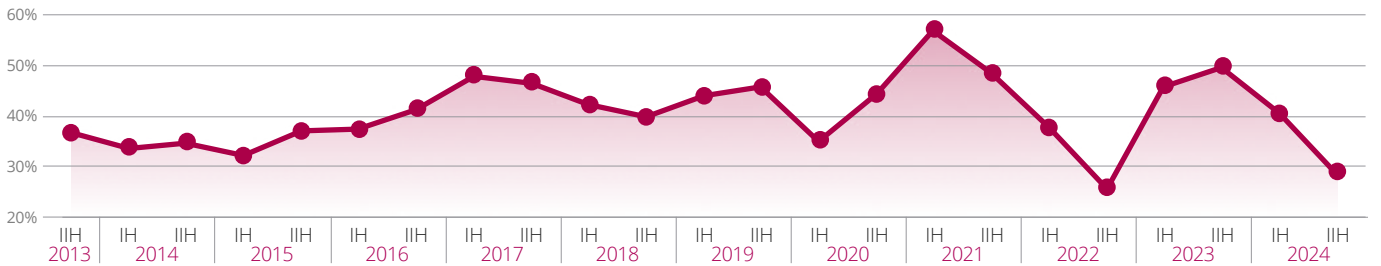
SUPPLY AND DEMAND ON THE RESIDENTIAL INVESTMENT MARKET WITH A SUPPLY FORECAST PRIMARY MARKET

Source: Emmerson Evaluation based on Evaluator data



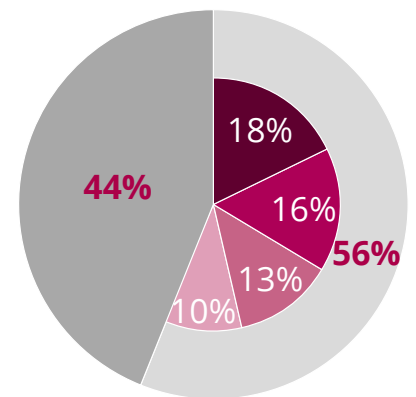
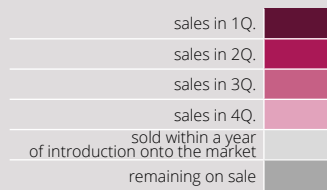
RELATION OF APARTMENTS SOLD TO TOTAL OFFERING PRIMARY MARKET

% of the sold offering in the given period
Source: Emmerson Evaluation based on Evaluator data



AVERAGE RATE OF SALES OF FLATS IN 2024 IN INVESTMENTS INTRODUCED ONTO THE MARKET IN 1Q. 2024* [%] PRIMARY MARKET

*% of apartments sold in individual quarters of the year after the introduction of the investment onto the market (average)
Source: Emmerson Evaluation based on Evaluator data



KRAKOW

In the capital of the Malopolska region, prices on the primary market increased – the median went up by 13% compared to the previous year, reaching almost PLN 16,500/sq.m. by the end of 2024. At the same time, the market experienced dynamic changes on the supply side, the volume of which almost doubled. This considerably increased competition on the market.

Less than 9,000 flats were introduced for sale on the primary market in Krakow in 2024. In the second half of the year alone, almost 4.7 thousand units were introduced onto the market, an increase of 9% compared to the first half of the year. During this period, developers launched sales within 50 new developments. The largest number of flats was introduced onto the market in the Podgorze and the Krowdrza districts. In both districts, the number of newly offered units was around 1.8-1.9 thousand. The lowest new supply was recorded in the Śródmieście district, where less than 300 flats went on sale.

At the end of 2024, the offering of flats on the Krakow primary market was by 34% higher than six months earlier. A particularly marked increase in supply can be seen in comparison with the end of 2023, when the number of available units was twice smaller. The last time such a high availability of flats was recorded at the beginning of 2022. The highest number of available flats was recorded in the Krowdrza and Podgorze districts, with a supply of around 3,200 units in each of them. Both areas were dominated by investments from the popular segment. It is worth noting that at

the end of 2024, Krakow once again overtook Lodz, taking the second place among cities with the largest offering of flats on the primary market.

As in the other analysed markets, sales of flats on the primary market in Krakow showed a downward trend. This trend continued in the capital of Malopolska region since mid-2023. In the second half of 2024, just over 2,500 units were sold, which represents a 16% decrease compared to the first half of the year. The level of sales thus came close to the value recorded in the second half of 2022, when the number of flats sold was the lowest in the entire analysed period. Among Krakow's districts, the highest number of transactions was registered in the Podgorze district, where 1.1 thousand units were sold. Increased supply of new flats, especially in the popular segment, may be a response to a growing demand among buyers looking for affordable units. At the same time, a greater number of available flats may translate into a more diversified offering. In addition, with Krakow again ranking second in the country in terms of the number of available flats, we can expect the market to continue to attract the attention of both domestic and foreign investors.

MEDIAN PRICE ON THE PRIMARY AND SECONDARY MARKET AND TREND 2024/2023 AND TREND IIH24/IH24 OF PRICE CHANGES IN 2024.

Source: Evaluator data base

	primary market			secondary market		
	median price 1 sqm	trend 24/23	trend IIH24/IH24	median price 1 sqm	trend 24/23	trend IIH24/IH24
Krowdrza	15,572	8%	2%	15,393	26%	8%
Nowa Huta	13,924	17%	3%	13,364	24%	7%
Podgorze	15,724	13%	2%	14,667	24%	8%
Srod miescie	21,732	12%	3%	16,016	18%	10%

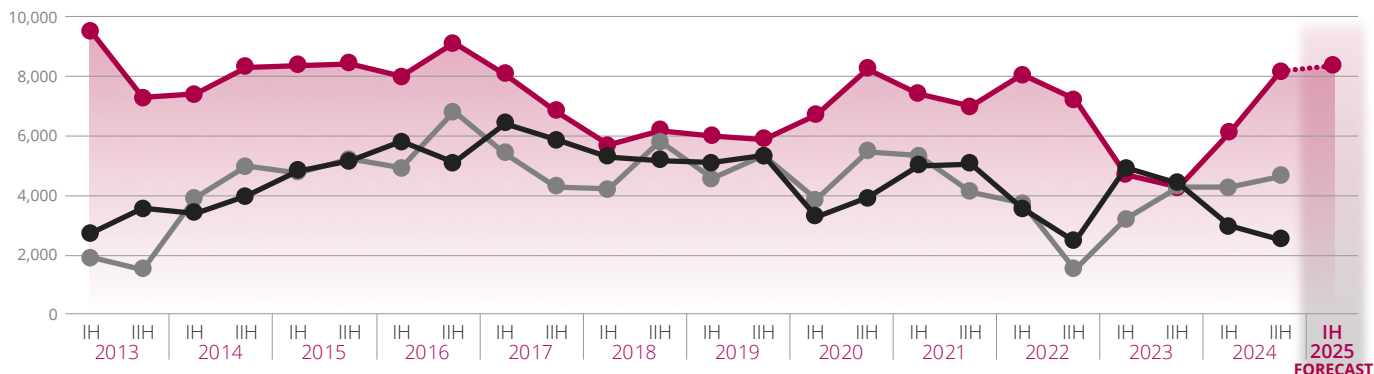
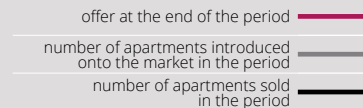
CHANGES ON THE DEVELOPER'S MARKET 2024/2023

Source: Emmerson Evaluation based on Evaluator data

Total offering	
Number of apartments introduced onto the market	

SUPPLY AND DEMAND ON THE RESIDENTIAL INVESTMENT MARKET WITH A SUPPLY FORECAST PRIMARY MARKET

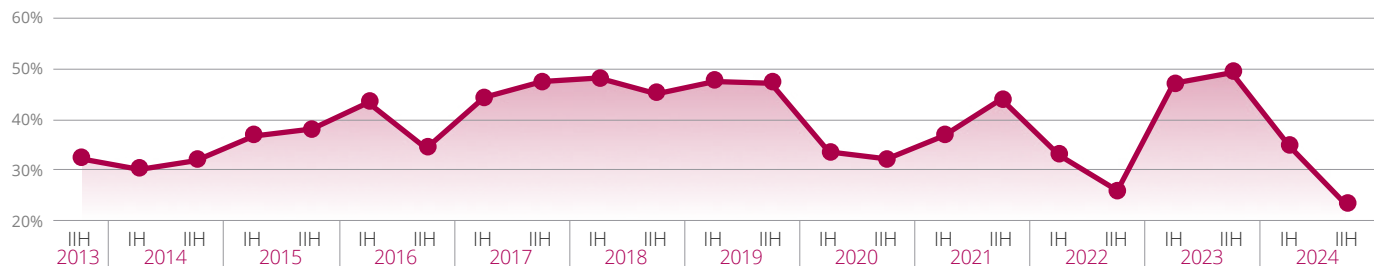
Source: Emmerson Evaluation based on Evaluator data



RELATION OF APARTMENTS SOLD TO TOTAL OFFERING PRIMARY MARKET

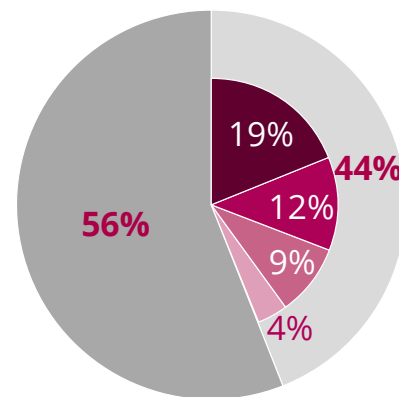
% of the sold offering in the given period

Source: Emmerson Evaluation based on Evaluator data



AVERAGE RATE OF SALES OF FLATS IN 2024 IN INVESTMENTS INTRODUCED ONTO THE MARKET IN 1Q. 2024* [%] PRIMARY MARKET

*% of apartments sold in individual quarters of the year after the introduction of the investment onto the market (average)
Source: Emmerson Evaluation based on Evaluator data



The median price of flats on the primary market in Krakow at the end of 2024 amounted to just under PLN 16,500 per square metre, an increase of 13% compared to the previous year. Compared to the mid-year prices, the increase was less dynamic and amounted to 3%. The highest values were recorded in the Śródmieście district, where the median price reached PLN 21.7 thousand/sq.m. On the other hand, the highest growth dynamics was observed in the Nowa Huta district, with an increase of 17% year-on-year. This was due, among other things, to a change in the structure of the offer of

available flats – the share of one- and two-room flats, which reach higher unit prices, increased by 10 p.p. to 47% in the district. On the secondary market in the capital city of the Malopolska region, the median price oscillated at over PLN 14,800/sq.m, recording the highest annual increase among the analysed cities (24%). In comparison to the value in the previous six months, the increase amounted to 8%. The most popular flats purchased on this market in the second half of 2024 were units between 30 and 50 sq.m, which accounted for more than half of the transactions concluded in this period.

WROCLAW

In the capital of the Lower Silesian voivodship, the median price of flats on the primary market at the end of 2024 was more than PLN 14,200 per square metre. Both in the first and second half of the year, developers observed a significantly reduced demand for new units, which considerably affected the pace of sales.

In 2024, 8.7 thousand flats were introduced onto the market in Wroclaw. In the second half of the year, 2.8 thousand units were introduced onto the market in 18 developments, which is more than twice less when compared with the first half of the year, but in line with the lower values recorded in 2023. The highest number of new flats was introduced onto the market in the Krzyki district, where developers started selling almost 900 units. A significant number of new flats were also recorded in the Fabryczna district – over 700 units. Structure of the new supply was dominated by higher-standard investments.

At the end of 2024, the offering of flats on the Wroclaw primary market amounted to over 7,500 units, an increase of 10% compared to the first half of the year and of 90% compared to 2023. The largest number of available flats was located in the districts of Fabryczna and Krzyki, 2.6 thousand and 2.4 thousand, respectively. These two districts accounted for as much as 67% of the total available offering. The smallest

number of flats, not more than 500, was available in the Śródmieście district. A characteristic feature of the current supply in Wroclaw is that the number of higher-standard flats equals the number of popular standard flats.

Sales of flats in Wroclaw declined steadily through both halves of 2024. In the second half of the year, sales amounted to 2.4 thousand, a decline of 9% compared to the first half of the year and of 40% compared to the second half of 2023. The highest number of transactions was recorded in the Krzyki district, where almost one thousand units were sold. The sales structure resembled the supply structure, with an equal share of popular- and higher-standard flats, which may suggest a growing number of wealthier buyers.

Increased offering in Wroclaw at the end of 2024 is largely due to the number of flats introduced for sale in the first half of the year. The decline in sales further strengthened this trend, which impacted the supply of units on the primary market.

MEDIAN PRICE ON THE PRIMARY AND SECONDARY MARKET AND TREND 2024/2023 AND TREND I IH/IIH2024 OF PRICE CHANGES IN 2024.

Source: Evaluator data base

	primary market			secondary market		
	median price 1 sqm	trend 24/23	trend I IH24/IIH24	median price 1 sqm	trend 24/23	trend I IH24/IIH24
Fabryczna	12,381	10%	7%	12,383	20%	6%
Krzyki	13,413	9%	6%	12,890	15%	5%
Psie Pole	12,218	10%	5%	12,604	21%	6%
Stare Miasto	17,012	11%	7%	14,016	18%	4%
Srod miescie	17,358	10%	3%	12,244	13%	6%

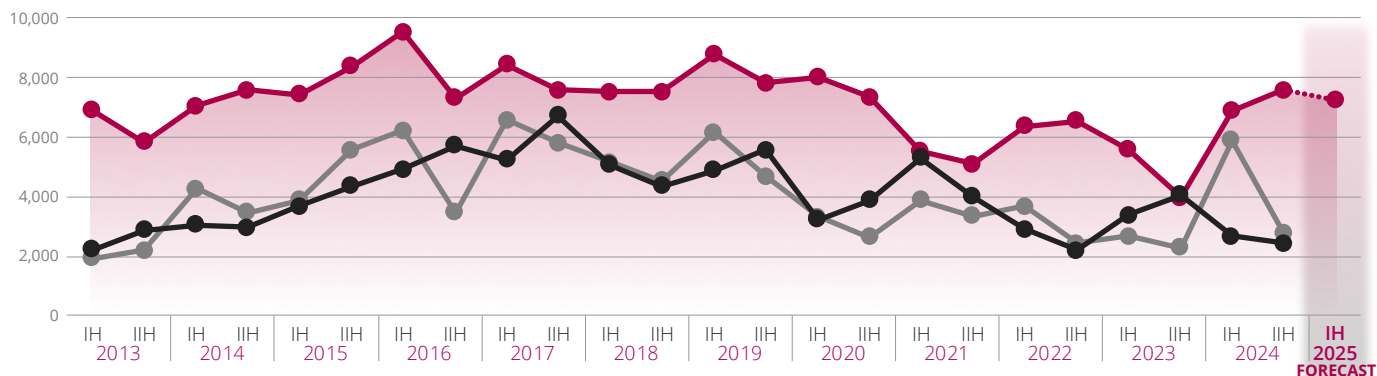
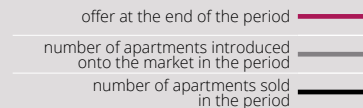
CHANGES ON THE DEVELOPER'S MARKET 2024/2023

Source: Emmerson Evaluation based on Evaluator data



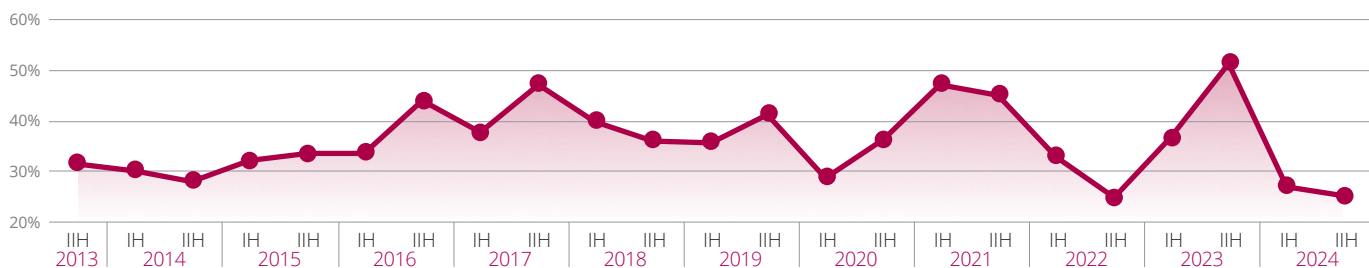
SUPPLY AND DEMAND ON THE RESIDENTIAL INVESTMENT MARKET WITH A SUPPLY FORECAST PRIMARY MARKET

Source: Emmerson Evaluation based on Evaluator data



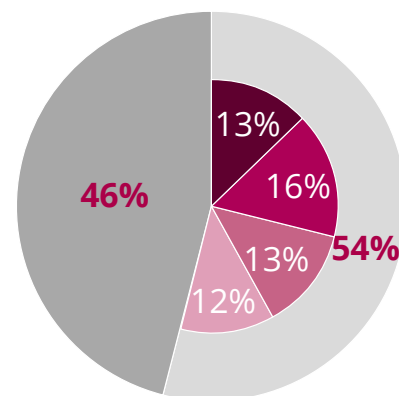
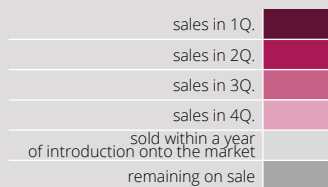
RELATION OF APARTMENTS SOLD TO TOTAL OFFERING PRIMARY MARKET

% of the sold offering in the given period
Source: Emmerson Evaluation based on Evaluator data



AVERAGE RATE OF SALES OF FLATS IN 2024 IN INVESTMENTS INTRODUCED ONTO THE MARKET IN 1Q. 2024* [%] PRIMARY MARKET

*% of apartments sold in individual quarters of the year after the introduction of the investment onto the market (average)
Source: Emmerson Evaluation based on Evaluator data



On the primary market, the median prices of flats amounted to more than PLN 14.2 thousand/sq.m, an increase of 10% year-on-year and of 6% compared to the value recorded in the previous six months. The highest prices were recorded in the Śródmieście district, reaching nearly PLN 17.4 thousand/sq.m. On the other hand, the highest growth dynamics was observed in the Old Town district – by 11% year-on-year. Price increases were also noticeable in the secondary

market, where the median amounted to more than 12.7 thousand PLN/sq.m, an increase of 6% half-yearly and of 18% yearly. On this market, the largest increase was recorded in the Psie Pole district, where it reached 21% per year. The median price there was PLN 12,600/sq.m. In the second half of last year, the most popular second-hand flats purchased were those between 30 and 50 sq.m. They accounted for almost 50% of all the transactions.

POZNAN

The median prices of flats on the primary market in Poznan at the end of last year amounted to almost PLN 12,600/sq.m. Supply remained at a record high level both in the middle of the year and at the end of the year, reaching values unprecedented in previous years. This situation was a consequence of the intense activity of developers – particularly in the first half of the year.

In 2024, developers introduced more than 6.3 thousand flats for sale onto the Poznan primary market. In the second half of the year, 1.8 thousand units were introduced in 17 investments, a decrease of 60% compared to the first half of the year, which was marked by a record number of flats introduced for sale. Most new units appeared in the Jezyce district, where almost 950 flats were introduced for sale, accounting for more than half of the new offering. In contrast, the Wilda and Nowe Miasto districts recorded the lowest number of new units, less than 70 new flats in each of them. The supply of flats on the primary market in Poznan reached a record level of almost 7,000, an increase of 64% compared to the end of 2023. It remained on a similar level throughout both year halves. The Old Town district accounted for the largest part of this offering (over 40%), dominated by projects of a popular standard, particularly popular among borrowers. The fewest flats were available in the Wilda district, where their number did not exceed 320. In the remaining districts the supply level amounted to between 1.0 and 1.5 thousand flats.

In Poznan, a gradual decline in the number of transactions was observed on the developers' market in 2024. In the second half of the year, 1,900 flats were sold, which represented a 16% decrease compared to the first part of the year, thus approaching the level recorded in mid-2023. In the period July-December 2024, most transactions were finalized in the Jezyce and Old Town districts, with more than 500 flats sold in each of them. In contrast, the Wilda district, as in the previous six months, recorded the lowest number of sales – just over 50 flats. At the end of 2024, the primary market in the capital of the Wielkopolskie voivodeship was characterised by a very high supply, which significantly prolonged the average time of selling investments. Big flat offering, besides a decrease in the number of transactions, was mainly due to the large number of flats introduced for sale in the first half of the year. In the second half of the year, developers started to reduce the number of new developments, which may indicate the need to adapt their strategy to the slowed pace of sales. This trend, coupled with appropriate marketing efforts, may lead to a stabilisation of the market in the coming years.

MEDIAN PRICE ON THE PRIMARY AND SECONDARY MARKET AND TREND 2024/2023 AND TREND I/H24/I/H24 OF PRICE CHANGES IN 2024.
Source: Evaluator data base

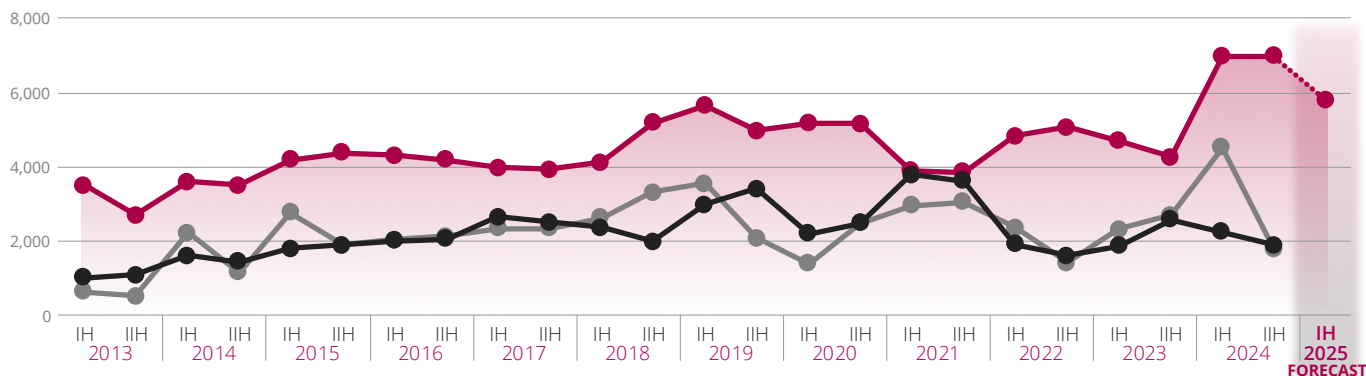
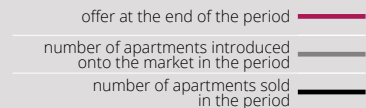
	primary market			secondary market		
	median price 1 sqm	trend 24/23	trend I/H24/I/H24	median price 1 sqm	trend 24/23	trend I/H24/I/H24
Grunwald	11,951	8%	2%	11,135	19%	5%
Jezyce	12,141	10%	8%	11,255	14%	5%
Nowe Miasto	12,402	5%	3%	10,729	16%	2%
Stare Miasto	13,312	9%	4%	10,982	24%	3%
Wilda	13,605	8%	5%	11,186	18%	6%

CHANGES ON THE DEVELOPER'S MARKET 2024/2023
Source: Emmerson Evaluation based on Evaluator data



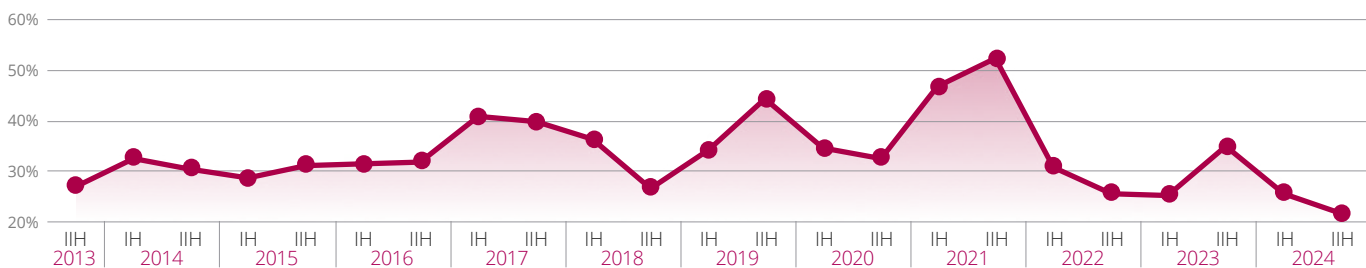
SUPPLY AND DEMAND ON THE RESIDENTIAL INVESTMENT MARKET WITH A SUPPLY FORECAST PRIMARY MARKET

Source: Emmerson Evaluation based on Evaluator data



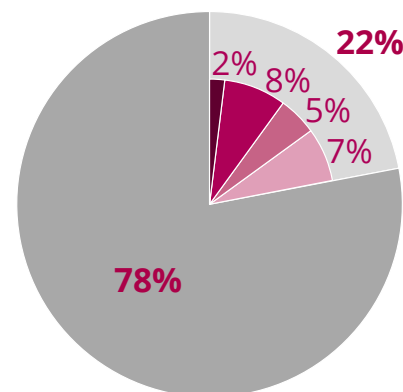
RELATION OF APARTMENTS SOLD TO TOTAL OFFERING PRIMARY MARKET

% of the sold offering in the given period
Source: Emmerson Evaluation based on Evaluator data



AVERAGE RATE OF SALES OF FLATS IN 2024 IN INVESTMENTS INTRODUCED ONTO THE MARKET IN 1Q. 2024* [%] PRIMARY MARKET

*% of apartments sold in individual quarters of the year after the introduction of the investment onto the market (average)
Source: Emmerson Evaluation based on Evaluator data



At the end of 2024, the median price of flats on Poznan's primary market reached almost PLN 12.6 thousand/sq.m, an increase of 4% semi-annually and 8% annually. The highest values were recorded in the Wilda district, where the median amounted to PLN 13.6 thousand/sq.m. On the other hand, the highest price growth dynamics could be observed in the Jezyce district – 10% year-on-year and as much as 8% on a semi-annual basis. The reason for such a scale of increases is a very large number of flats with higher prices that were newly introduced for sale in this district. The secondary

market was characterised by more dynamic increases. The median price in the capital of the Wielkopolska region increased by 19% compared to the previous year, reaching almost PLN 11,000/sq.m. Half-yearly rise, on the other hand, amounted to 5%. In terms of division into districts, Poznan is characterised by similar price levels – in individual districts the median ranges from PLN 10.7 thousand/sq.m to PLN 11.3 thousand/sq.m. In the second half of 2024 flats of between 30 and 50 sq.m accounted for more than half of the transactions on the secondary market.

TRI-CITY

On the Tri-city primary market, the largest year-on-year increase in the median prices of 9% was recorded in Gdansk, where it amounted to more than PLN 14,500 per sq.m at the end of last year. In Gdynia, price growth dynamics on the market was lower and amounted to 6% year-on-year. In Sopot, on the other hand, prices remained stable and their slight increase did not exceed the average inflation level.

In the second half of 2024, nearly 2,400 flats were introduced for sale on the primary market in Gdansk as part of 27 projects. This was a result by 23% lower than in the first half of the year, but similar to the value recorded in the corresponding period of 2023. The largest number of new units were on offer in the districts of Śródmieście, Jasień and Ujeścisko-Łostowice, which together accounted for 58% of the total new supply. In

Gdynia, on the other hand, in the second half of 2024, sales of more than 900 flats began in 11 investments, an increase of 14% compared to the first half of the year. Compared to the same period in 2023, when the figure was historically low, the scale of new supply was more than five times higher. In contrast, new supply in Sopot accounted for 3% of all flats introduced onto the market in the second half of 2024 in the Tri-City.





MEDIAN PRICE ON THE PRIMARY AND SECONDARY MARKET AND TREND 2024/2023 AND TREND IIH24/IH24 OF PRICE CHANGES IN 2024.

Source: Evaluator data base

	primary market			secondary market		
	median price 1 sqm	trend 24/23	trend IIH24/IH24	median price 1 sqm	trend 24/23	trend IIH24/IH24
GDANSK	14,542	9%	4%	13,100	14%	4%
GDYNIA	14,343	6%	3%	11,574	14%	7%
SOPOT	23,076	2%	0%	19,298	23%	11%

CHANGES ON THE DEVELOPER'S MARKET 2024/2023

Source: Emmerson Evaluation based on Evaluator data

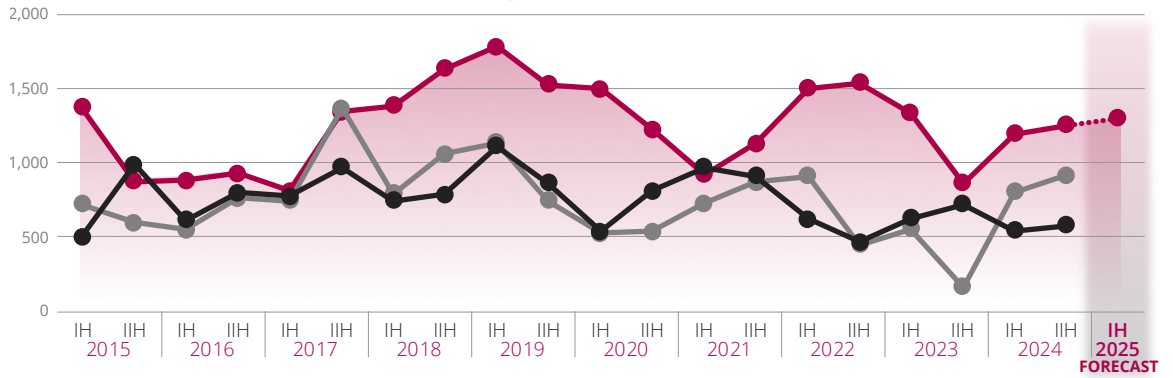
	GDAŃSK	GDYNIA
Total offering		
Number of apartments introduced onto the market		

SUPPLY AND DEMAND ON THE RESIDENTIAL INVESTMENT MARKET
WITH A SUPPLY FORECAST PRIMARY MARKET

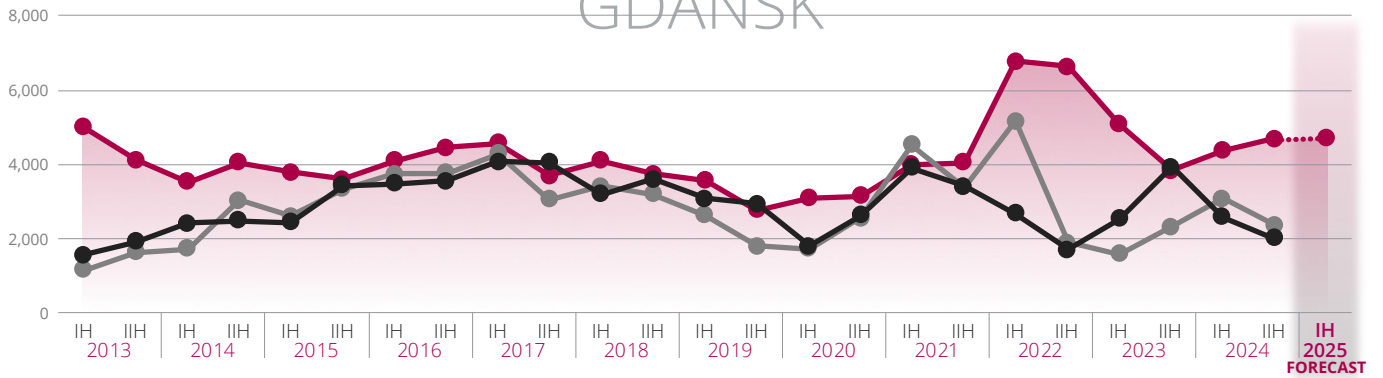
Source: Emmerson Evaluation based on Evaluator data

offer at the end of the period
number of apartments introduced onto the market in the period
number of apartments sold in the period

GDYNIA



GDAŃSK

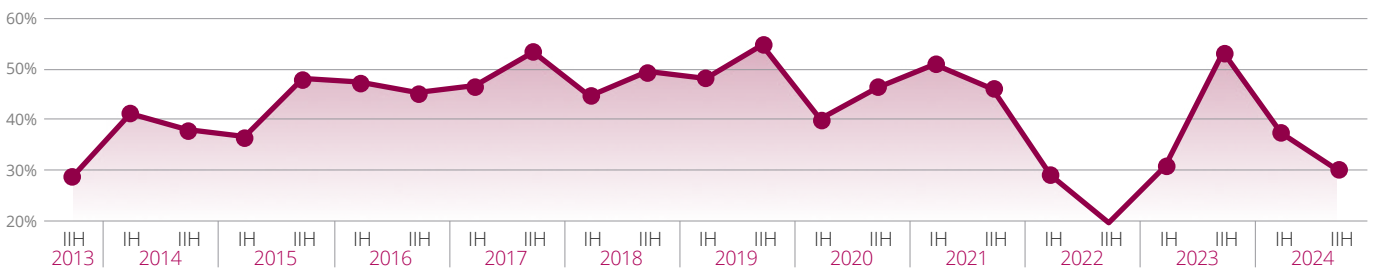


RELATION OF APARTMENTS SOLD TO TOTAL OFFERING PRIMARY MARKET

The data presented concern GDANSK

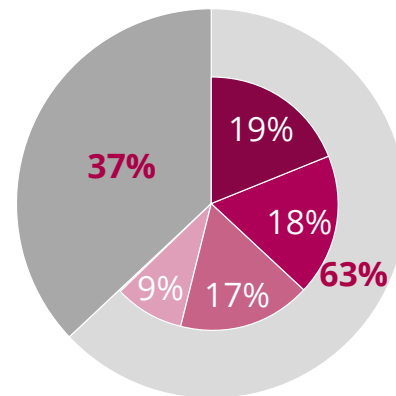
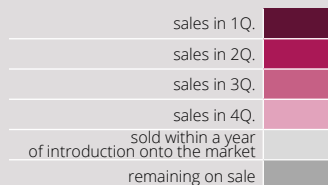
% of the sold offering in the given period

Source: Emmerson Evaluation based on Evaluator data



AVERAGE RATE OF SALES OF FLATS
IN 2024 IN INVESTMENTS
INTRODUCED ONTO THE MARKET
IN 1 Q. 2024* [%]
PRIMARY MARKET

*% of apartments sold in individual quarters of the year after the introduction of the investment onto the market (average)
Source: Emmerson Evaluation based on Evaluator data



The offering of flats on the Tri-City primary market in the second half of 2024 amounted to 6.1 thousand units, an increase of 27% compared to the previous year. The largest number of available flats offered by developers – almost 4.7 thousand – was recorded in Gdansk. In Gdynia, the number of available flats amounted to almost 1.3 thousand, while in Sopot to over 160. Structure of the offering indicates dominance of higher-standard flats, which accounted for more than half of the available units.

Sales of flats on the primary market in Tri-City in 2024 amounted to 5.8 thousand units. In the second half of the year, transactions covered almost 2.7 thousand, a decrease of 16% compared to the first half of the year. Gdansk accounted for the largest share in sales with more than 2.0 thousand units sold between July and December – marking a 22% decrease compared to the first six months of the year. Gdynia and Sopot, on the other hand, saw an increase in the number of units sold – by 7% and 22% respectively in the six-month period.

Although the number of new flats introduced onto the market in Tri-City in 2024 remained at a high level, a decrease in sales dynamics is visible. This may suggest the occurrence of a saturation effect in some locations – especially in Gdansk, where a large share of higher-standard flats may somewhat limit interest among potential buyers. In response to decrease in the number of transactions, developers will particularly

focus on the popular segment in order to adapt their offering to the market's needs. Increase in the number of transactions in Gdynia and Sopot may be due to increased interest in these areas. Sopot, despite a limited number of new developments, continues to attract buyers looking for attractive locations close to the sea and with a unique atmosphere. Gdynia, on the other hand, offering a wide range of new investments, is an alternative to Gdansk, attracting those looking for a diverse housing offering within Tri-city.

In Tri-city, the median price on the primary market ranged from PLN 14.3 thousand/sq.m to almost PLN 23.1 thousand/sq.m, depending on the location. The highest values were recorded in Sopot, where the price remained stable year-on-year, recording an increase of only 2%. The lowest median value was in Gdynia, whereas in the capital of the Pomeranian Voivodeship it amounted to over PLN 14.5 thousand/sq.m at the end of 2024. On the secondary market, the annual price growth rate was higher – from 14% in Gdansk and Gdynia to 23% in Sopot. In the latter location, the median price of flats amounted to almost PLN 19.3 thousand/sq.m. In the second half of 2024, transactions on the secondary market in Gdansk and Gdynia mostly concerned flats between 30 and 50 sq.m. In Sopot, on the other hand, the sales structure was more diversified – flats with 30 to 50 sq.m had a similar share as those of 50 to 70 sq.m and over 70 sq.m, amounting to approximately 30%.

LODZ

The median price on the primary market in the capital city of the Lodzkie Voivodeship at the end of 2024 stood at PLN 10,600/sq.m, which is by 8% higher than in the previous year. Thanks to a smaller number of units introduced for sale, supply on the primary market fell for the first time in over three years.

In the second half of 2024, the primary market in Lodz experienced significant changes that affected both the number of new developments as well as sales results. Developers introduced nearly 1,600 flats onto the market within 22 developments, which meant more than a double decrease compared to the first half of the year and the lowest result since the second half of 2022. Increase in the supply of flats, which had characterized the primary market in Lodz since 2023, began to gradually come to an end. Developers, taking into account increasing competition and changing economic situation, began to limit the number of new developments. The largest number of flats was on offer in the Polesie district – over 630 units. The Śródmieście district, on the other hand, which was the leader in terms of new supply in the previous six months, recorded the lowest result with only 130 flats.

At the end of the second half of 2024, the number of flats available on the primary market in Lodz amounted to almost 7,700, marking the first decrease in supply since 2021. Despite this correction, the availa-

ble offering still remained high compared to previous years, with a record supply recorded in the first half of last year, when the number of flats was by 7% higher. The largest offering was in the Polesie district with almost 2,400 flats. Śródmieście and Widzew districts were characterised by an equally high availability of flats, amounting to 1.9 thousand and 1.4 thousand flats respectively.

In the second half of 2024, more than 1,700 flats were sold on the primary market in Lodz, a decrease of 26% compared to the first half of the year. The largest share of sales was recorded in the Polesie district, where 630 transactions were finalized, accounting for 36% of all flats sold. On the other hand, sales in the Gorna district remained at the lowest level, with only 140 flats sold.

The primary market in Lodz has seen a systematic increase in supply in recent years, which has led to an accumulation of offers and increased competition. Developers have been forced to increase their marketing activities and adapt their offering to the changing expectations of buyers. In response to these changes,

MEDIAN PRICE ON THE PRIMARY AND SECONDARY MARKET AND TREND 2024/2023 AND TREND I IH24/IH24 OF PRICE CHANGES IN 2024.

Source: Evaluator data base

	primary market			secondary market		
	median price 1 sqm	trend 24/23	trend I IH24/IH24	median price 1 sqm	trend 24/23	trend I IH24/IH24
Baluty	9,626	8%	2%	7,398	11%	5%
Gorna	9,678	8%	3%	7,521	11%	6%
Polesie	10,295	10%	5%	7,968	12%	6%
Srod miescie	12,049	6%	3%	7,705	9%	4%
Widzew	10,411	13%	1%	7,907	13%	3%

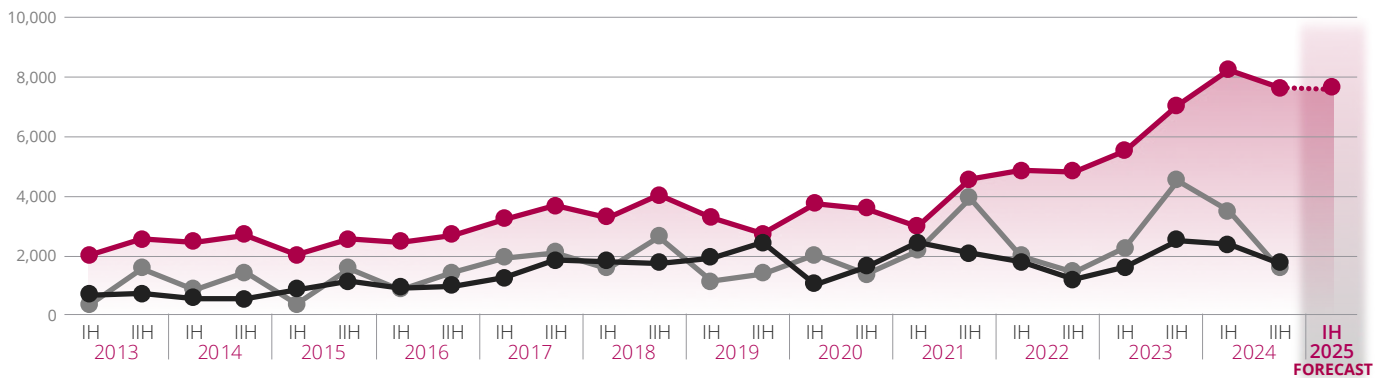
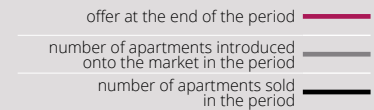
CHANGES ON THE DEVELOPER'S MARKET 2024/2023

Source: Emmerson Evaluation based on Evaluator data



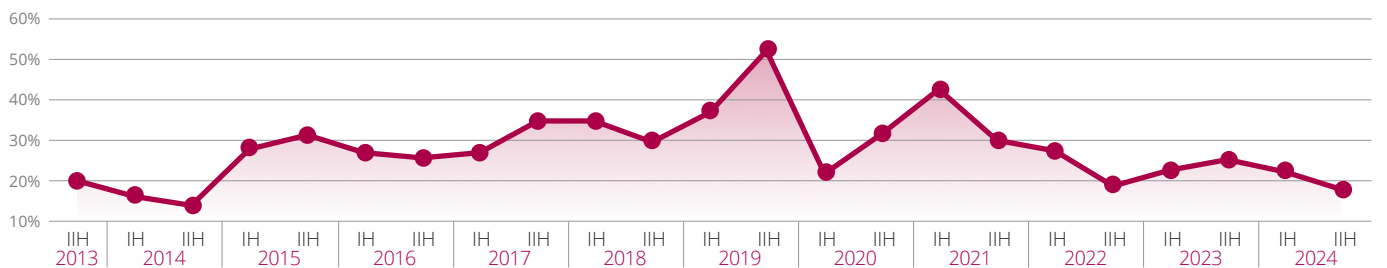
SUPPLY AND DEMAND ON THE RESIDENTIAL INVESTMENT MARKET WITH A SUPPLY FORECAST PRIMARY MARKET

Source: Emmerson Evaluation based on Evaluator data



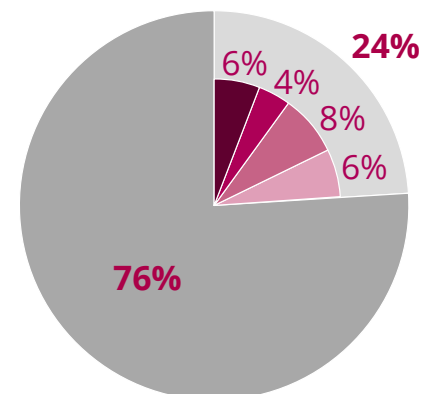
RELATION OF APARTMENTS SOLD TO TOTAL OFFERING PRIMARY MARKET

% of the sold offering in the given period
Source: Emmerson Evaluation based on Evaluator data



AVERAGE RATE OF SALES OF FLATS IN 2024 IN INVESTMENTS INTRODUCED ONTO THE MARKET IN 1Q. 2024* [%] PRIMARY MARKET

*% of apartments sold in individual quarters of the year after the introduction of the investment onto the market (average)
Source: Emmerson Evaluation based on Evaluator data



investors reduced the number of new developments in the second half of 2024. The average time to sell new developments has become longer, confirming the increasing competition and the difficulty to finalize transactions.

On the primary market in Lodz, the median prices of flats reached the level of PLN 10.6 thousand/sq.m, which means an increase of 3% in the six-month period and of 8% per year. The highest prices were recorded in the Śródmieście district (over PLN 12.0 thousand/sq.m), while the highest growth dynamics was observed in the Widzew district, where prices changed

by 13% per year. Similar upward trends were observed in Lodz on the secondary market with the median price amounting to over PLN 7,800/sq.m, which is by 11% more than a year earlier. The leader of increases on this market was again the Widzew district, where one had to pay 13% more for a square metre of a flat than in the previous year (over 7.9 thousand PLN per square metre). In the second half of 2024, in the capital of the Lodzkie Voivodeship, the most popular flats purchased on the secondary market were between 30 and 50 sq.m, which accounted for more than half of the transactions concluded in this period.

KATOWICE + SILESIA AGGLOMERATION

At the end of 2024, the median price of flats on the primary market in the capital of the Silesian Voivodeship amounted to almost PLN 11,700/sq.m, up by 16% compared to the previous year. Katowice saw a record level of supply, which, however, was not reflected in a simultaneous increase in demand.

In the second half of 2024, on the primary market in Katowice, developers started selling almost 1.8 thousand flats completed within 13 new developments, an increase of 9% compared to the first half of the year. Most flats were introduced for sale in two districts – Wełnowiec-Józefowiec and Osiedle Paderewskiego-Muchowiec, which together accounted for 53% of the new supply. Since mid-2023, the Katowice market has been characterised by a stable introduction of a large number of new units, exceeding 1,500 flats semi-annually.

As in the other locations analysed, the primary market offering in Katowice also increased. Compared to the level recorded in June, the increase amounted to 28%. However, compared with the value in December of the previous year, the supply at the end of 2024 was by 51% higher. There was a record number of more than 4,300 flats for sale, which was not seen in the period under review. The highest number of flats was offered by developers in the district of Wełnowiec-Józefowiec, where the number of available flats for the first time exceeded 1,000.

Sales of flats in Katowice in 2024 recorded a downward trend. In the second half of the year, sales amounted to just under 850 units, which is by 29% less than in the first half of the year. This thus represents the lowest result since 2022. The largest number of flats was sold in the city centre district – over 180.

Dynamic increase in the offering was mainly due to the large number of flats introduced for sale in Katowice in 2024. Nevertheless, developers continued to carry out new investments in the second half of the year. On the one hand, the primary market recorded an increase in the availability of units, while on the other it struggled with a decrease in the number of transactions, indicating difficulties in selling flats in the face of increasing competition and reduced consumer purchasing power. Increase in the number of flats introduced for sale may suggest a certain over-optimism on the part of developers in the context of increasing competition on the market. This situation forces developers to adapt their offering to the real needs of consumers, as well as to increase marketing activities that can attract potential buyers.

MEDIAN PRICE ON THE PRIMARY AND SECONDARY MARKET AND TREND 2024/2023 AND TREND I/H24/I/H24 OF PRICE CHANGES IN 2024.

Source: Evaluator data base

	primary market			secondary market		
	median price 1 sqm	trend 24/23	trend I/H24/I/H24	median price 1 sqm	trend 24/23	trend I/H24/I/H24
KATOWICE	11,662	16%	6%	7,984	18%	6%
THE SILESIA AGGLOMERATION (not incl. KATOWICE)	9,073	20%	10%	5,638	8%	5%

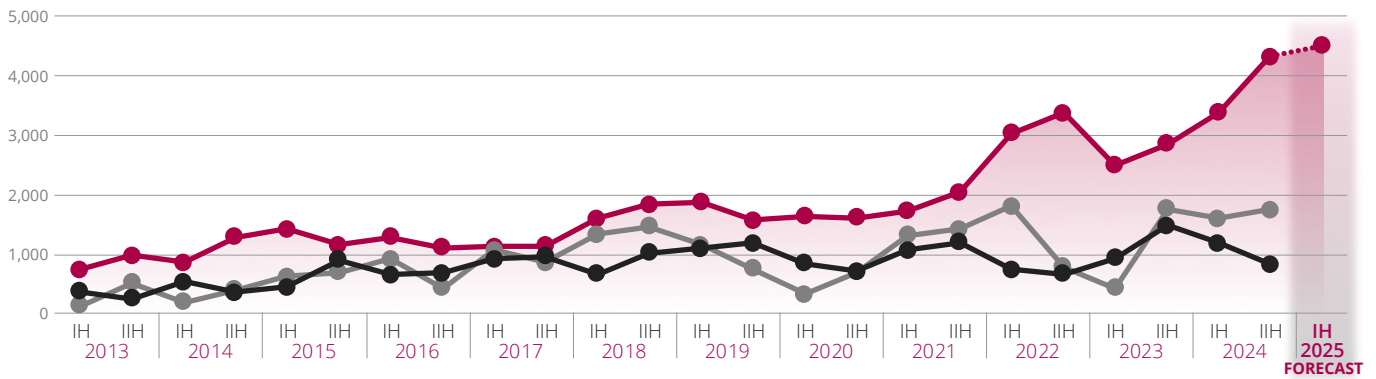
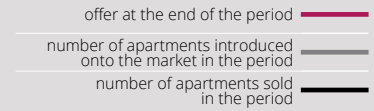
CHANGES ON THE DEVELOPER'S MARKET 2024/2023

Source: Emmerson Evaluation based on Evaluator data



SUPPLY AND DEMAND ON THE RESIDENTIAL INVESTMENT MARKET WITH A SUPPLY FORECAST PRIMARY MARKET

Source: Emmerson Evaluation based on Evaluator data

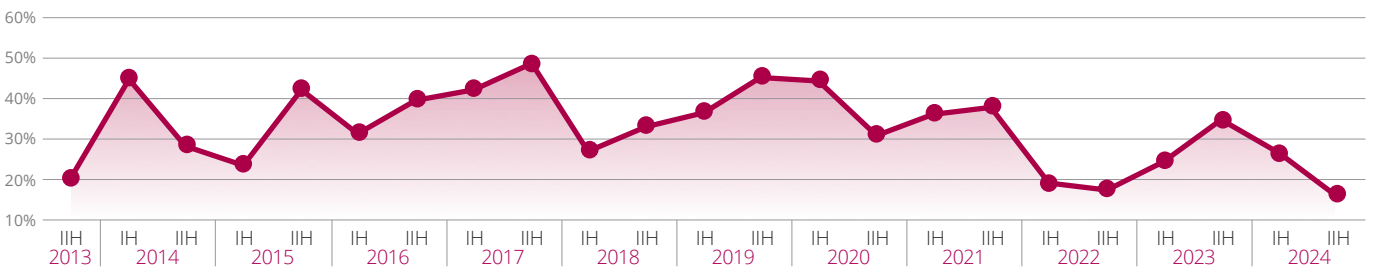


RELATION OF APARTMENTS SOLD TO TOTAL OFFERING PRIMARY MARKET

The data presented concern KATOWICE

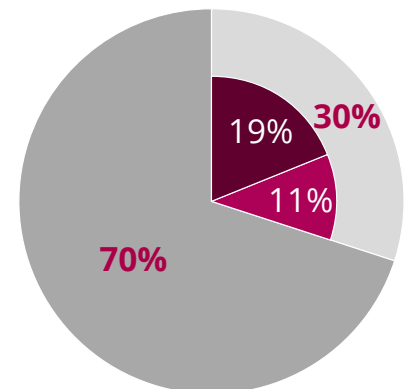
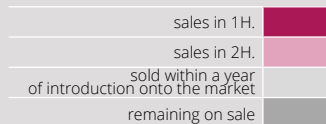
% of the sold offering in the given period

Source: Emmerson Evaluation based on Evaluator data



AVERAGE RATE OF SALES OF FLATS IN 2024 IN INVESTMENTS INTRODUCED ONTO THE MARKET IN 1H. 2024* [%] PRIMARY MARKET

*% of apartments sold in individual halves of the year after the introduction of the investment onto the market (average). The data presented concern KATOWICE
Source: Emmerson Evaluation based on Evaluator data



In Katowice, the median price of flats on the primary market amounted to almost PLN 11,700/sq.m. The median price of flats on the primary market in the city of Katowice was almost PLN 11,700/sq.m, by 16% higher compared to the previous year. On the secondary market, the growth dynamics was slightly higher and amounted to 18% on an annual basis. Price increases in six months reached 6% for both markets. The median price of "second-hand" flats recorded a level of al-

most PLN 8,000/sq.m. The median prices of flats in the Silesian Agglomeration excluding Katowice were lower and amounted to nearly PLN 9.1 thousand/sq.m on the primary market and over PLN 5.6 thousand/sq.m on the secondary market. This represents an annual increase of 20% and 8% respectively. The highest median prices on the secondary market were recorded in Tychy and Gliwice – over PLN 7 thousand/sq.m.

RENTAL MARKET

The rental housing market, like the primary market, was characterised by significant regional volatility in 2024. The supply of rental housing was affected by the introduction of flats purchased for investment purposes in 2022-2023, when the share of such transactions was higher than at the end of last year. Currently, the proportion of such transactions has declined, due in part to persistently high interest rates, limited creditworthiness of buyers, as well as high property purchase prices.

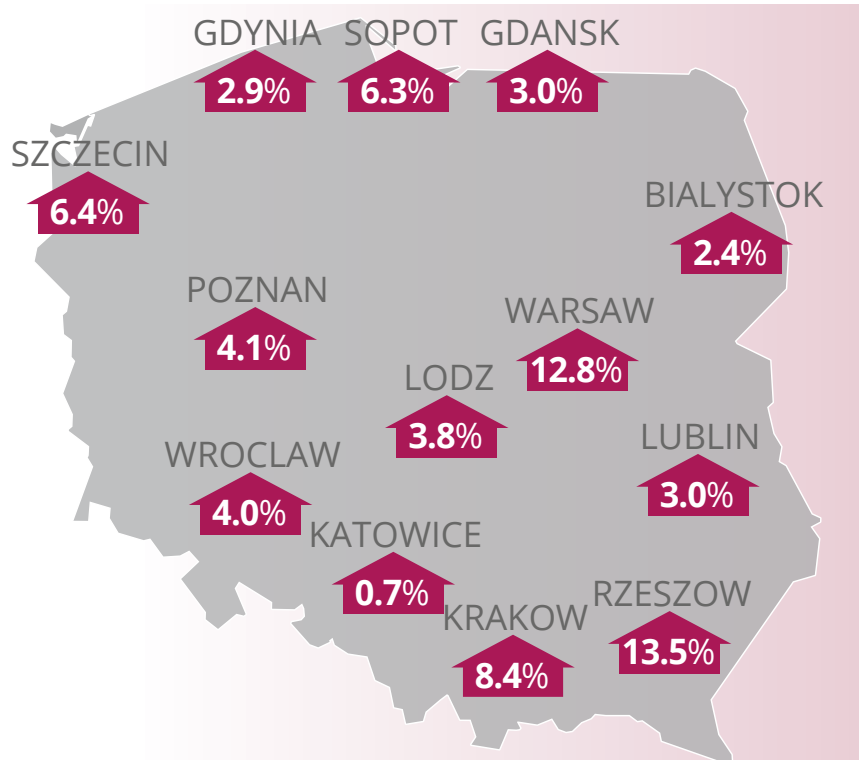
Demand on the rental market in 2024, as in previous years, was seasonally stimulated and related, among other things, to the start of the academic year. There are still many foreigners present on the rental market, although some of the refugees from Ukraine generating demand in previous years have left Poland or pur-

chased their own property. Nevertheless, these people, together with other foreigners studying or working in Poland, still constitute a significant group of tenants – particularly in the largest cities.

In 2024, among others, the beneficiaries of the “Safe 2% Mortgage Loan” programme from the second half of 2023, who may have already moved into to their own properties, thus vacating their rented units, withdrew from the rental market. In particular, those were the people who had purchased flats on the secondary market. Throughout last year, the rental market also witnessed a phenomenon of deferred housing purchase decisions, caused, among other things, by limited creditworthiness. People in this group, despite their intention to purchase a property, remained active on the rental market.

ANNUAL CHANGES IN MEDIAN RENTAL RATES

In calculating median rents, losses incurred in negotiations were taken into account in the amount of 5% of the bid rent. The analysis assumes net monthly rental rates, i.e. not including administrative fees, fees for parking space, storage units and costs incurred for utilities.



Competition for the private long-term rental market comes from investments on the private rented sector (PRS). PRS still represents a small percentage of the rental market in Poland.

In 2024, the leader in the growth of median rental rates was Rzeszów, where rates increased by 13.5% compared to the previous year. This is another year in a row in which the city recorded dynamic growth, which is related, among other things, to Rzeszów's growing importance, particularly due to its location near the Polish-Ukrainian border. It is worth noting that in 2020 Rzeszów was characterised by the lowest median rents among the analysed cities. Despite significant increases in recent years, rental prices there are still lower than in many other large cities. Another city with a high annual increase in rental rates was Warsaw, where the hike amounted to almost 13%. On the other hand, in 5 of the 13 cities analysed, such as Gdansk, Gdynia, Bialystok, Lublin and Katowice, increases were much lower and changes in rental prices were below the average inflation rate of 3.6% in 2024. In Katowice, annual change in median rental rates was less than 1%.

As last year, renting a flat was most expensive in the capital. Median rent in Warsaw amounted to nearly 4.2 thousand PLN/month. Broken down by the number of rooms, this ranged from around 3.1 thousand PLN/month for studios to around 5.8 thousand PLN/month for 3-room flats. The second place belonged to Sopot and Gdansk, where median rent in both locations was less than PLN 3.2 thousand/month. In the capital of the Pomeranian Voivodeship, the rent for a flat was most often at the level of approx. PLN 2.7 thousand/month for a studio to approx. PLN 4.7 thousand/month for flats with 3 rooms. The only one of the analysed cities where median rent did not exceed the PLN 2,000 barrier is Bialystok.

In terms of return on investment in the rental market, the highest rates of return were achieved for studios, amounting to 5.6% in Szczecin and 5.2% in Katowice. In other cities, such as Gdansk, Lublin and Rzeszów, the yield was 5.1%. In contrast, the lowest yields were recorded in Sopot, where they fell below 3% for 2-room flats. In 2024, investment yields in Krakow, Poznan and Lodz decreased slightly, while a slight increase was noted in Gdansk, Gdynia and Katowice

RANGE OF RENTAL HOUSING YIELDS IN 2024.

	1 ROOM	2 ROOMS	3 ROOMS	
WROCLAW	5.0%	4.1%	3.9%	RATE OF RETURN <i>The rental yield was calculated as the ratio of the annual income obtainable from rental to the transaction price of the apartment. The transaction price was increased by the cost of finishing the apartment (in the case of apartments purchased on the primary market) and the cost of renovating the apartment to prepare it for rental (in the case of transactions from the secondary market). The cost of the renovation was assumed as 50% of the costs incurred for finishing the apartment. Rental income from the apartment has been reduced by the amount that the landlord allocates for the renovation of the apartment scheduled once every 10 years from the moment of starting its rental. The above amount was calculated by multiplying the area of the apartment by 50% of the finishing costs. The model adopted takes into account a flat tax on rental income of 8.5% and the loss of income associated with the 2-month period set aside for tenant search.</i>
WARSZAWA	4.8%	4.6%	4.4%	
SZCZECIN	5.6%	4.6%	4.2%	
SOPOT	3.1%	2.8%	3.0%	
RZESZOW	5.1%	4.1%	3.7%	
POZNAN	4.3%	4.2%	3.6%	
LODZ	4.7%	4.5%	4.2%	
LUBLIN	5.1%	4.9%	4.0%	
KRAKOW	4.1%	3.6%	3.2%	
KATOWICE	5.2%	4.7%	4.6%	
GDYNIA	4.8%	4.5%	4.3%	
GDANSK	5.1%	4.4%	4.3%	
BIALYSTOK	4.5%	3.7%	3.6%	

PRIVATE RENTED SECTOR (PRS)

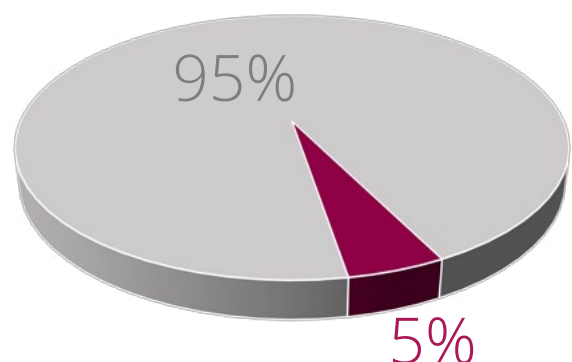
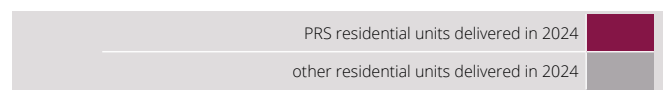
At the end of 2024, the private rented sector in Poland comprised more than 21.3 thousand flats, an increase of 39% compared to the previous year. This translates into over 6,000 new units. The private rented sector is growing dynamically, as new investments, previously at the preparation stage, are regularly added to the offering.

The leaders on the Polish PRS market have not changed since last year. Resi4Rent remains no. 1 with almost 4.7 thousand flats, followed closely by the Vantage Rent platform managed by TAG Immobilien, which has around 3.4 thousand units, and the Housing for Rent Fund with around 2.5 thousand units. These three entities account for half of the market. The largest number of flats offered in the PRS model is located in Warsaw (7.9 thousand) and Wroclaw (3.9 thousand). However, the largest increase compared to 2023 was recorded in Krakow and Katowice. In both these cities, the number of units in the PRS segment more than doubled, reaching 3.5 thousand and 0.5 thousand units, respectively. The highest median rental rates in the private rented sector were recorded in Warsaw. They ranged from over PLN 3,000/month for studios to PLN 5,600/month for 3-room flats. The cheapest location in case of PRS projects is Lodz, where median rental rates ranged from approximately PLN 2 thousand/month to PLN 3.7 thousand/month.

Prospects for development of the private rented sector in Poland are promising. The planned number of flats that will appear on this market in the coming years is approximately 23,500, of which 6,000 will be located in Warsaw. Resi4Rent, the leader among the PRS facilities in operation, also has the largest number of planned units. Everything therefore suggests that it will

maintain its position on the market in the near future. In 2024, more than 10 transactions were recorded in the private rented sector, the parties to which were mainly entities that already have an offering in Poland. The rental market in Poland is dominated by individual investors. Despite its continuous growth, the private rented sector still accounts for a small part of it. In 2024, the new supply of flats offered under the institutional rental formula amounted to approximately 5% of all units completed in Poland. This is by 1 p.p. higher than last year and by 3 p.p. higher when compared with 2022.

The private rented sector in Poland is still not uniformly and comprehensively regulated by law. Investors must analyse each project individually, taking into account, among other things, tax issues that directly affect its profitability. The VAT rate and possible exemption from this tax may vary depending on the specific investment. This is related to both the purpose of the land on which the project is being carried out and terms of the contracts concluded. Similarly, property tax may be calculated according to different rules for different investments.



Challenges for the PRS segment as a whole include rising operating costs, limited supply and high prices of investment land, particularly in convenient locations. High interest rates are holding back investment activity in this segment, acting as a significant barrier to its growth. On the other hand, however, they are contributing to a slowdown in the residential sales market,

which may turn potential buyers to the rental market – including institutional rental.

Despite the challenges, the private rented sector in Poland has a stable outlook. The continuing trend towards long-term real estate investment points to further growth in this segment.

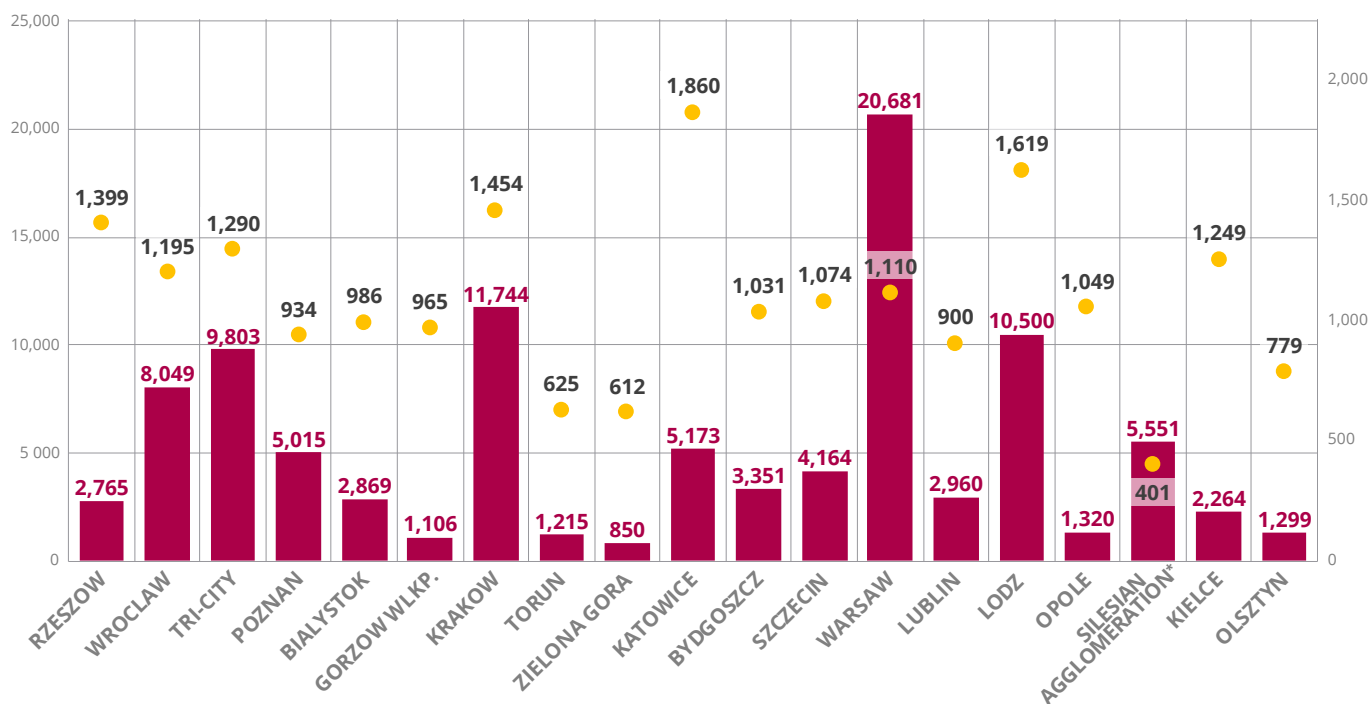


BUILDING PERMITS

ANALYSIS OF BUILDING PERMITS ISSUED PER 100 THOUSAND INHABITANTS

number of apartments for which building permits were issued in 2024 (total) ■
 number of housing units for which building permits were issued per 100,000 residents in 2024. ●

*Silesian agglomeration: Chorzow, Jaworzno, Dabrowa Gornicza, Gliwice, Sosnowiec, Myslowice, Ruda Slaska, Siemianowice Slaskie, Swietochlowice, Tychy, Bytom, Zabrze
 Source: Emmerson Evaluation based on GUS (the Central Statistical Office) data



CONSTRUCTION COSTS OF DEVELOPER'S INVESTMENTS

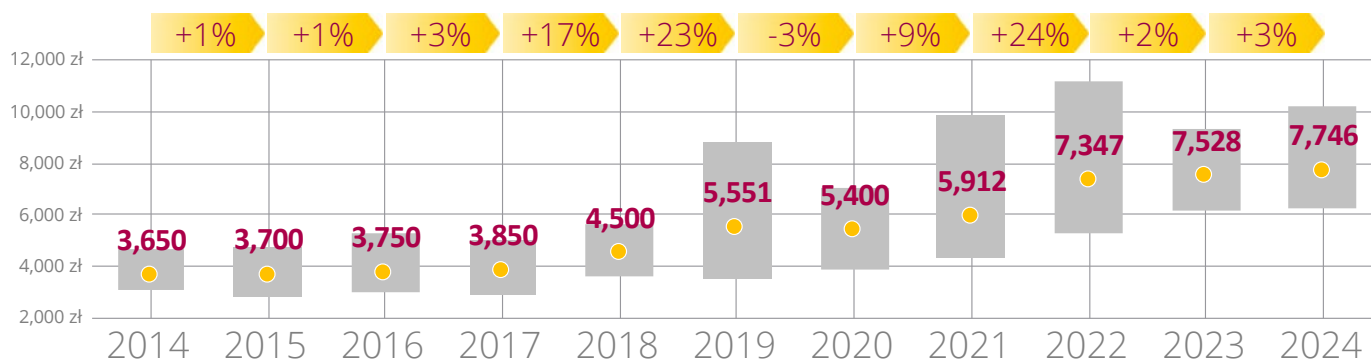
CONSTRUCTION COSTS OF REAL ESTATE DEVELOPMENT PROJECTS [PLN/SQM. USABLE FLOOR AREA]

range (min-max) of hard construction costs

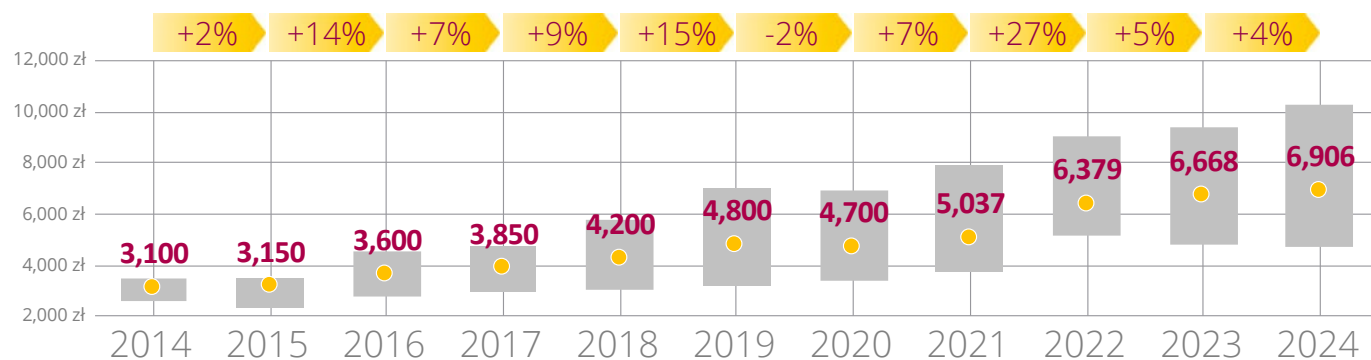
average hard construction cost (net)

changes in the average hard construction cost

WARSAW



THE REMAINING MARKETS*



*KRAKOW, POZNAN, WROCLAW, GDANSK, GDYNIA, SZCZECIN, RZESZOW, TORUN, BYDGOSZCZ, LODZ, LUBLIN, KATOWICE



2025 FORECAST

The housing market in 2025 and beyond will be shaped by a number of factors such as the general economic situation, monetary policy and legal regulations. One of the key factors influencing the real estate market in 2025 will be the level of NBP interest rates. Since October 2023, the reference rate has remained at 5.75%, which reduces the creditworthiness of potential buyers and limits the availability of financing for property purchases. Although a decrease in the inflation rate can be expected in the second half of the year, it is foreseen that the NBP's inflation target may not be reached until 2026 or later, which has a strong influence on the decisions of the Monetary Policy Council. The level of interest rates will also depend on the political situation, the economic situation and the forecasts that will emerge over the course of the year. In an optimistic scenario, the first moderate interest rate cuts may take place in the second half of the year. Poland is currently among the countries with one of the highest mortgage interest rates in the European Union. This level is due to both interest rates set by central banks as well as margins imposed by domestic commercial banks.

Global trends, including the growing importance of sustainable construction and technological advances, will also have a significant impact on the development of the real estate market. Increased demand for energy-efficient solutions and environmental standards may affect construction cost structures and investment implementation time. Along with the growing emphasis on environmental responsibility, these changes will have a direct impact on the decisions of

both developers and property buyers, shaping market preferences. In addition, the ongoing war in Ukraine and the uncertainty surrounding various possible scenarios for its end may generate tensions and impact investment decisions.

At the beginning of 2025, the initial outline of the government's new "A key to flat" programme was presented, which includes the "First Keys" scheme to support buying one's own flat. The scheme is aimed at people who do not own, or have not owned, a residential property in the past and fit within certain income limits. The aim of the programme is to offer mortgage loan subsidies that will reduce interest rates. The support is to apply to the purchase of secondary market properties only, whose unit prices do not exceed PLN 11,000 per square metre in the five largest housing markets and PLN 10,000 in the remaining localities. Under the programme, there is a possibility for local authorities to increase these limits. In addition, the property must have been built at least five years earlier and the current owner must have owned the property for a minimum of three years. In addition, an limit of 10,000 applications per quarter is anticipated.

The impact of the "First Keys" programme on the property market will depend on its final assumptions. Exclusion of the primary market, whose share in housing sector in Poland is very significant, will mean that the purchase of older, often energy inefficient properties will be supported. In addition, the proposed price limits at a level that does not involve local authorities practically exclude the country's largest markets such as Warsaw, Krakow or Wroclaw from the programme.

For this reason, cities where it is possible to purchase properties below the limit, such as Lodz or Katowice, as well as smaller towns, will benefit most under the “First Keys” programme. However, prices of flats on the secondary market may increase there as prices of units that can be purchased under the programme are adjusted to the upper price limits. It is worth mentioning that the programme is targeted at a very narrow group, both in terms of supply (restrictions related to the period of ownership of a property that must elapse before its sale, price limits) and demand (income limits, eligibility conditions). The announced government support may also have an impact on the primary market – people selling real estate to beneficiaries of the programme may invest the funds received in flats offered by developers. They, in turn, faced with the prospect of no support for the primary market after announcement of the programme, implemented new promotions to attract potential buyers. Besides supporting the purchase of one’s own flat, “A key to flat” programme also provides funds for social and communal housing and for complementary measures supporting, among others, senior citizens or students.

In 2025, prices on the primary market in Poland will be characterised by stabilisation, but with clear differences depending on the region.

In cities such as Katowice, Lodz or Poznan, which are distinguished by a large offering of flats on this market, a slight decrease in prices may be expected. This will not apply to the most attractive projects. Developers, despite higher prices, will remain flexible and react to changes in market conditions by offering, for example, promotions for parking spaces or storage units. The secondary market, on the other hand, will develop slightly differently from the primary market. There is still a tendency for “second-hand” flats to be overpriced, resulting in fewer transactions. Owners of flats will be forced to lower prices and the sales process itself will become longer. Furthermore, for the secondary market, issues related to energy efficiency will become an important factor – especially in the context of older properties, which may lead to higher maintenance costs.

We forecast that in 2025, in most of the largest cities, the supply of flats on the primary market will remain at a similar level or experience slight fluctuations. Given

the current level of supply, developers will be cautious to introduce new projects to the market. Demand in the first part of the year will continue to be held back by high interest rates, which will mean that we do not forecast a sharp upturn in sales. A group that has so far been holding back on property purchases and that may show a more active approach in 2025 are those waiting for the new housing loan subsidy programme. The current assumptions of this programme exclude the primary market and make it virtually impossible to purchase subsidized flats in the largest cities. Consequently, some buyers will have to consider standard market financing.

Small decreases in rents are possible in the residential rental market, although rents may remain stable in many places, depending on local conditions. We also anticipate further growth of the private rented sector. Entities operating on the private rented sector, especially those with projects already under construction, will expand their portfolios, which will contribute to a greater availability of rental offering on the market. In terms of legal regulations, the rental market may be affected in the future by the new short-term rental legislation currently being developed. Owners and managers of premises for short-term rental will be required to meet certain requirements, including the obligation to enter such premises in a central register. These regulations may induce some landlords to allocate their flats to long-term rental, thus increasing the stock of flats in this market segment.

The real estate market in Poland, including the rental market, could be influenced by the legal regulation of REIT-type funds, i.e. companies enabling investment in rental properties without the need for direct purchase. The introduction of such funds would give investors the opportunity to generate profits from real estate in a more liquid and less capital-intensive manner, which could attract new market participants – both domestic and foreign. Although discussion on the introduction of such a solution has been ongoing for several years, currently only the assumptions of a law regulating this issue are available and the regulation itself remains in the pipeline. However, if it is implemented, REIT funds could significantly influence development of the rental property market in Poland, increasing both the supply and liquidity of the market.

The real estate market in Poland is still struggling with unresolved problems that have been limiting its development for years. One of the most significant challenges is the lengthy administrative procedures, which significantly extend the time of investment implementation. Another barrier is the insufficient supply of investment land, especially in large agglomerations. Lack of available, well-communicated and developed land leads to an increase in price of plots, which in turn results in higher investment implementation costs. As a result, multifamily development is increasingly moving away from larger cities. In the towns that are part of an agglomeration, mayors and local governors are more open to cooperation in an effort to attract new residents

Problems related to land availability remain crucial for the development sector. An answer to this problem may lie in the Act on Solutions to Increase the Availability of Land for Housing, a draft of which has been presented by the Ministry of Development and Technology. Among other things, it assumes lifting of the restriction on sale of agricultural property within urban boundaries or suspension of collection of the planning fee on land sales for two years after the law comes into force. In addition, the draft introduces new possibilities in some provisions of the amendment on planning and spatial development – the inclusion of an additional storey for buildings lower than 30 m in a simplified procedure for the preparation of a local plan or improvements in preparation of an integrated investment plan. The proposed changes also include resigning from the parking indicator for residential developments at the national level and a return to the regulations in force before 2023. An important element is also taking into account the housing potential of land owned by the State Treasury and the National Agricultural Support Centre, thanks to which it will be possible to urbanise hitherto inaccessible areas, which often have an attractive location. The draft also includes a provision aimed at speeding up the investment process by streamlining administrative proceedings. All these assumptions will be the subject of further work and analysis in 2025, but, if implemented, they may contribute to stimulating new supply on the property market.

In 2026, selected provisions of the amendment to the Planning and Spatial Development Act will come into

force, which will introduce significant changes to functioning of the spatial planning system in Poland. The original deadline, due to delays in the work of local authorities and the threat of investment paralysis, is likely to be postponed until the middle of next year. During this time, municipalities are obliged to adopt general plans, which will replace the existing studies of spatial development conditions and directions. These changes are linked to introduction of new regulations on zoning and land use decisions, the issuance of which may be spatially and time-limited. For this reason, investors may intensify their efforts to obtain decisions under the existing rules, which will only be possible until the end of this year. The amendment also introduces new instruments, such as Integrated Investment Plans (ZPI), which allow for investor participation in the development of this particular form of local plan. ZPIs are intended to partially replace the solutions provided for in the housing specs act, which will be repealed once the new legislation comes into force. However, change in the legislation creates a number of challenges – especially for municipalities that do not manage to pass general plans by the deadline. Investors who were planning to start new projects will be forced to wait for the new resolutions, which may lead to delays, increased construction costs and even stagnation on the property market. These changes lead to an increase in investment risk and uncertainty on the real estate market, especially against the backdrop of rising property prices and the difficulty of implementing new developments.

Transparency of the primary real estate market in 2025 may be affected by a law whose draft aims to oblige developers to make full price lists of flats in the developments they sell available online. In addition, the draft obliges to publish the history of price changes and to provide information on additional costs such as prices for parking spaces or storage units.

In the longer term, a factor that will affect the property market is the change from the WIBOR benchmark to the POLSTR index. It will be used in both variable rate loan agreements and other financial instruments (e.g. Treasury bonds). POLSTR is characterised by a different calculation than the existing WIBOR. Although its level remains currently unknown, it is expected that its value will be more similar to the reference rate.

This change may affect the cost of mortgage loans, as the way in which interest rate on mortgage loans and other financial products is determined will be modified. At present, the specific date when the announced changes will come into force is not yet known, but it is unlikely that they will take place this or next year.

The change will require adjustments on the part of both financial institutions and borrowers, and its ultimate impact on the real estate market will depend on development of the new rate and its impact on the cost of credit.



DESCRIPTION OF OPERATIONS OF EMMERSON EVALUATION AND EVALUER

Emmerson Evaluation Sp. z o.o. has been operating since 2008 and provides appraisal services for residential, commercial real estate (offices, retail, warehouses, development investments, hotels). The Company performs valuations for all purposes, including, among others, debt protection, financial statements and evaluation of profitability of purchase or sale. It also has extensive experience in the valuation of large property packages, fixed asset valuation and market analysis. All studies prepared by Emmerson Evaluation are in accordance with Polish and international standards. The company has regional offices in 7 major Polish cities and employs over 60 real estate specialists, including 30 appraisers. Emmerson Evaluation aims its services primarily at banks, residential and commercial developers, investment funds and listed companies.

Evaluer Sp. z o.o. is a company specializing in providing information to real estate entities such as banks, investment funds, developers, appraisers, real estate agencies and insurance companies. The company collects reliable data on the real estate market, creates dedicated multidimensional market analysis and provides consulting services to entities operating on the real estate market.

The primary system offered by the company is the EVALUER Database, which contains up-to-date real estate transaction data from across the country. The platform enables the use of BIG DATA's extensive knowledge base and innovative tools to create real estate market analysis based on traditional model as well as models using artificial intelligence.



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