



# ” 2019 on the six largest polish residential property markets

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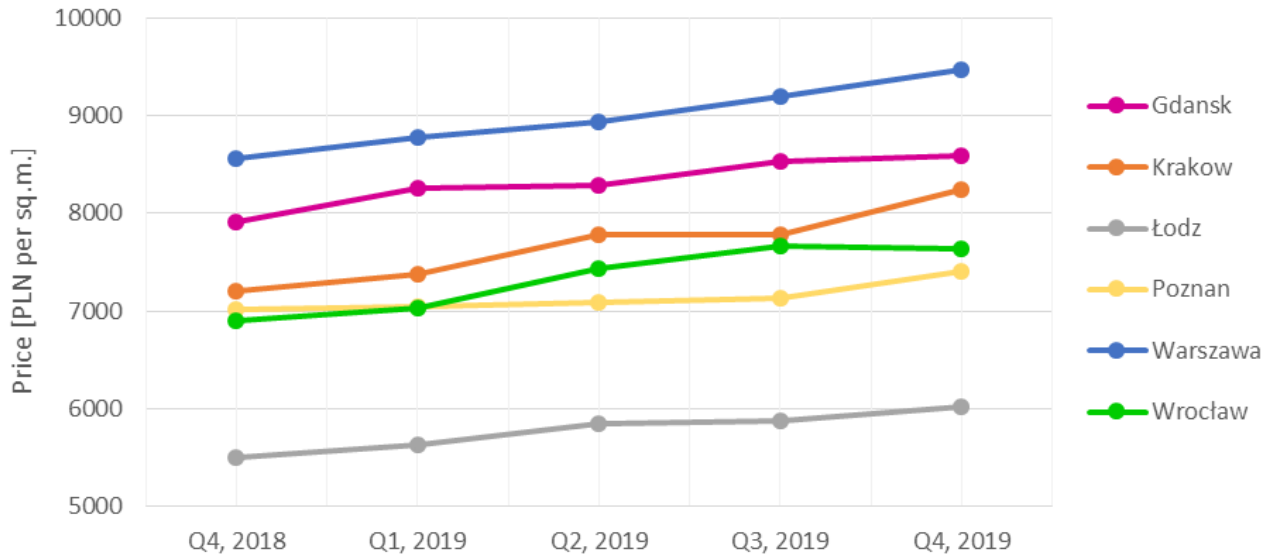
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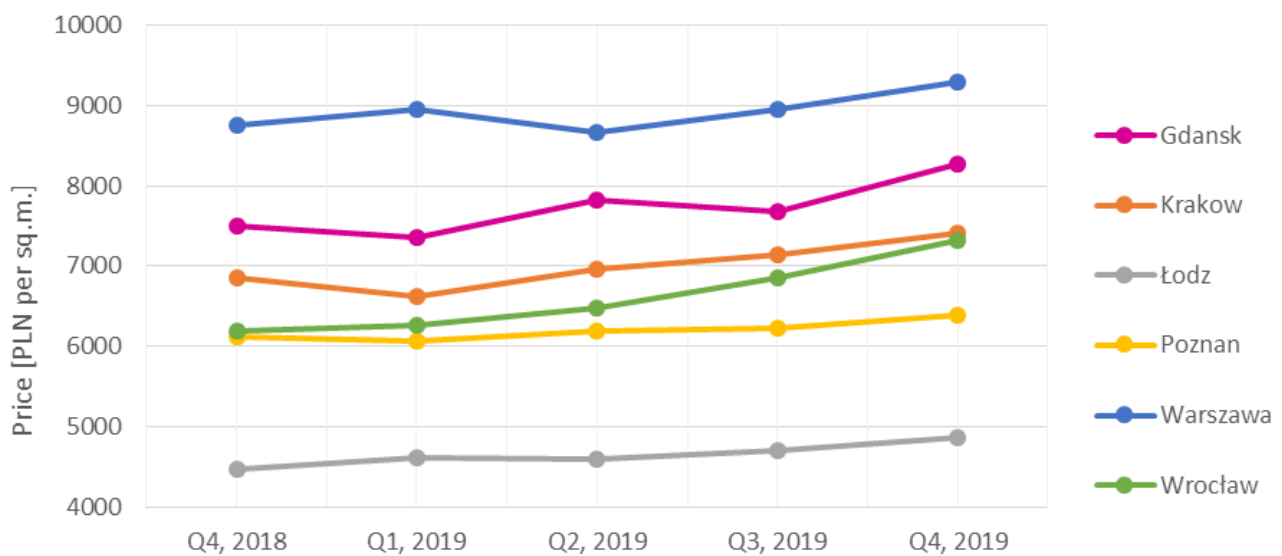
2019 was the second-best year in the history of the developer market in terms of the number of sales of new flats, which amounted to 65.4 thousand. This is only 10% less than in the record year 2017, when the 'Flat for Youth' Programme was eligible for application. The annual increase in property prices did not exceed 10%. Despite the price increase, demand was at a high level. The six largest Polish cities were analysed, based on the latest data published by the National Bank of Poland<sup>1</sup>.

CHART 1. AVERAGE APARTMENT PRICES PER SQ.M. IN THE SIX LARGEST POLISH CITIES ON THE PRIMARY MARKET (Q4, 2018 – Q4, 2019)



Source: own source on the basis of NBP reports

CHART 2. AVERAGE APARTMENT PRICES PER SQ.M. IN THE SIX LARGEST POLISH CITIES ON THE SECONDARY MARKET (Q4, 2018 – Q4, 2019)



Source: own source on the basis of NBP reports

<sup>1</sup> [https://www.nbp.pl/home.aspx?f=/publikacje/rynek\\_nieruchomosci/index2.html](https://www.nbp.pl/home.aspx?f=/publikacje/rynek_nieruchomosci/index2.html)



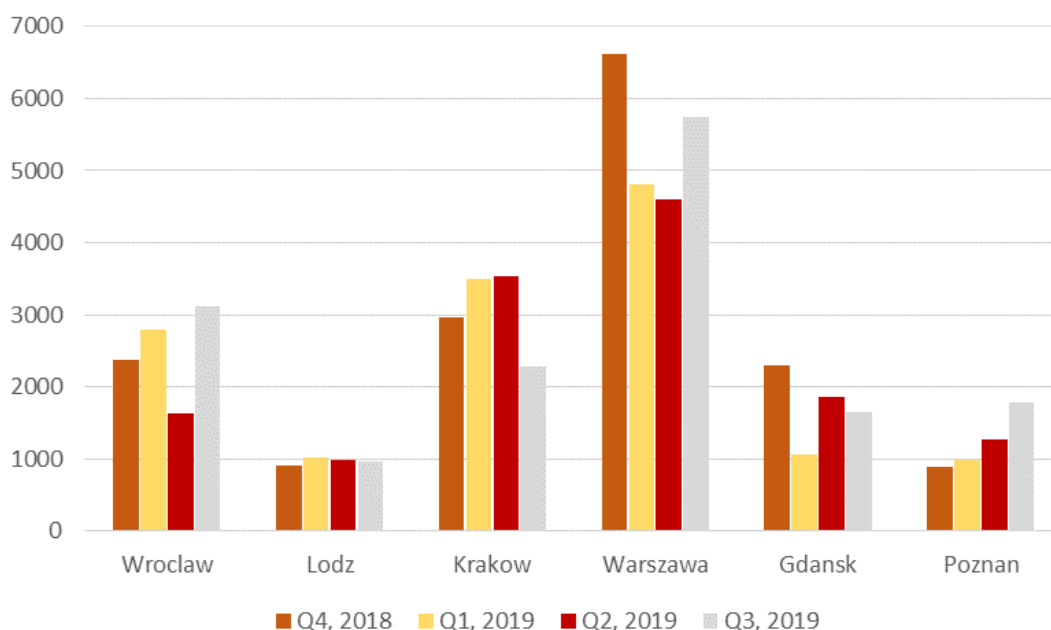
The first quarter of 2019 was characterized by high activity on the market - demand remained at the level of the previous quarter. Great interest was noticeable both on the primary and secondary market. According to the National Bank of Poland (NBP) reports, the highest increase in apartment prices on the primary market in relation to the previous quarter was recorded for Gdansk (increase by 4.37%) and the lowest for Poznan (increase by 0.48%). The situation on the secondary market was different: a decrease in apartment prices was noticeable for three cities. The greatest decrease was recorded for Krakow (3.26%), while the largest increase was recorded on the Lodz real estate market (3.38%).

In the second quarter, an increase in property prices was still observed. There was a shortage of flats on the developer market, which affected the increased residential demand on the secondary market. Price increases were higher than on the primary market. An example is Gdansk, where the price increase on the primary market amounted to 0.31% compared to the previous quarter, while on the secondary market prices increased by 6.42%. The only price drop was recorded on the Warsaw secondary market (down by 3.24%).

The third quarter of 2019 did not differ from the previous ones – there was still a noticeable increase in the prices of residential units. The highest increase was observed on the Wroclaw secondary market (5.80% increase). The only city where there was a drop in prices on the secondary market was Gdansk (down by 1.74%).

In the fourth quarter, the upward trend was maintained. The highest increase in the average price per meter on the primary market was observed in Krakow - 5.87% in relation to the previous quarter. A slight decrease was recorded on the Wroclaw market (decrease by 0.35%). In 2019 the prices of apartments from secondary market reached their maximum values in the fourth quarter. The highest price increase was recorded in Gdansk (up by 7.56%) and in Wroclaw (up by 6.68%).

CHART 3. NUMBER OF COMPLETED APARTMENTS (Q4, 2018 - Q3, 2019)

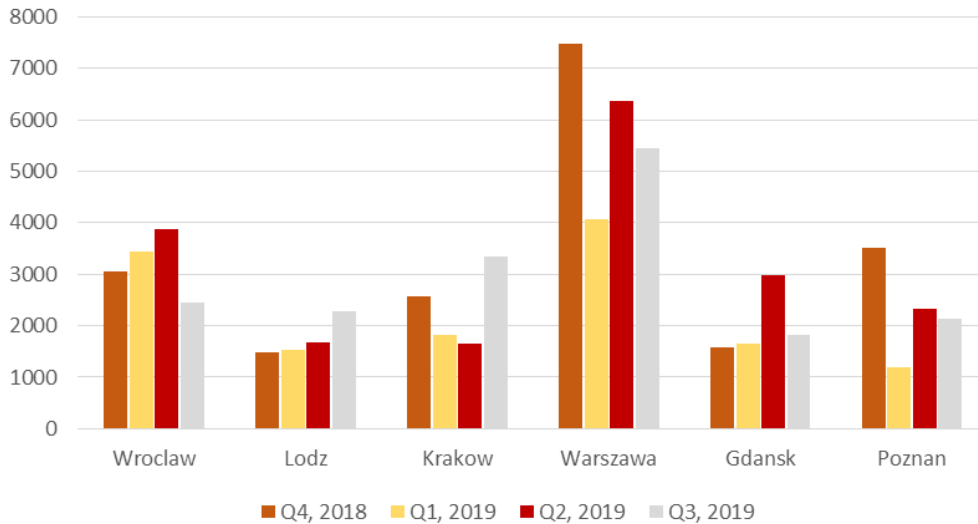


Source: own source on the basis of CSO (GUS) reports



From January to September 2019, 43 572 apartments were completed in the cities covered by the analysis. The largest number of apartments put on market (15 160) was in Warsaw. The second place was taken by Krakow with 9 306 apartments, followed by Wroclaw with 7 529 apartments. The most dynamic situation occurred in Gdansk. In the first quarter of 2019, the number of completed apartments decreased by 54% compared to the previous quarter, while in the second quarter this number increased by 76%.

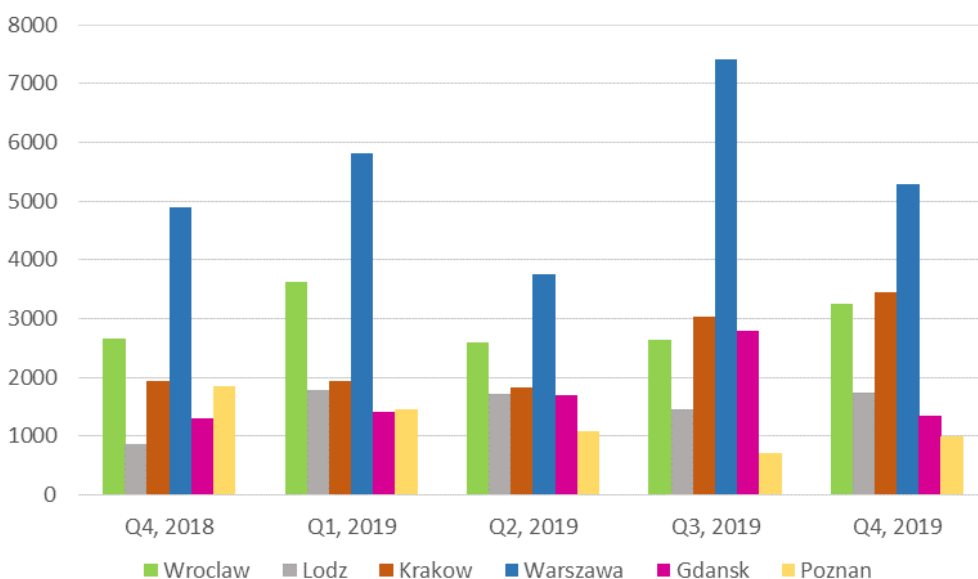
CHART 4. NUMBER OF BUILDING PERMITS ISSUED (Q4, 2018 - Q3, 2019)



Source: own source on the basis of CSO (GUS) reports

In the analysed period, 50 016 building permits were issued for the six largest Polish cities. The largest number of permits, as many as 15 884, were issued in Warsaw. The most productive was the second quarter (18 873) in terms of the number of permits issued. The greatest increase was recorded for Krakow - the number of permits issued in the third quarter was over twice as high as in the second quarter.

CHART 5. NUMBER OF APARTMENTS UNDER CONSTRUCTION (Q4, 2018 - Q3 2019)



Source: own source on the basis of CSO (GUS) reports



For the cities included in the analysis, in 2019 the construction of 62 843 apartments had started. Most investments were commenced in the third quarter (18 074) and the least in the second quarter (12 676). Obviously, the largest number of apartments under construction was in Warsaw - 22 259, which constituted 35% of all newly stated constructions. In turn, the largest increase in the number of apartments under construction was recorded in Lodz in the first quarter of 2019. In comparison with the fourth quarter of 2018, this number more than doubled.

The year 2019 showed that the residential market is still in a high phase of activity. Poles willingly bought apartments not only for their own needs, but also to use them for rent. This situation was influenced by low interest rates and, consequently, low loan instalments. Despite the constant increase in prices caused by high construction costs, the demand remained at a constant, high level.



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