



” Nest with no exit – on the housing reality of the young generation

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The housing problem in Poland is a real pain point for young people, affecting many aspects of their lives – from decisions about starting a family to freedom in job searching or access to education. High prices, ownership culture and shortages in social housing create a complex picture of the situation where it's increasingly difficult to get one's own place. As a result, more and more people aged 25-34 live with their parents and this phenomenon is becoming a permanent element not only of the Polish social landscape – it's a trend visible throughout Europe and even worldwide. The terms "nesters", "bamboccioni" (from Italian: "adult babies"), and "kidults" (from English: "adult children") describe young adults, who live with their parents or move back after some time of independent living.

According to the GUS report "Poland in the European Union 2024", in 2023, as many as 52.9 percent of Poles aged 25-34 lived with their parents. The study analysed the so-called "nesting indicator". Based on this, European Union countries were divided into five groups. Poland – alongside Italy, Portugal, Greece, Slovakia and Croatia – was placed in the group with the highest percentage of such people, ranging from 50 to 64.3 percent. In Scandinavian countries, the smallest percentage of young adults live with their parents – in the case of Finland and Sweden, it's only 3.4 to 9.9 percent of people in this age group.

Young Polish men and women live with their parents longer mainly for two reasons. On one hand, it's a cultural issue: in Poland, we have a strong belief in the importance of close family ties and supporting children. On the other hand, problems on the housing market play a key role. We're talking about difficulties such as very high real estate prices, high rental prices, lack of available housing in rural areas, low availability of mortgage loans, as well as lack of state-subsidized housing, which make it difficult for young people to become independent.

Although "nesting" is not a new phenomenon, the COVID-19 pandemic significantly deepened it. Many people lost sources of income or had to interrupt their studies and return to family homes. Additionally, anxiety caused by the war in Ukraine and mass immigration of families from Ukraine only strengthened the sense of uncertainty about the future.

Young people's decision to buy an apartment depends on many factors, but currently the most important are very high real estate prices and high mortgage loan instalments. Poles struggle with some of the highest mortgage loan rates in the European Union, with interest rates exceeding 7%, which significantly surpasses the EU average of about 3.5%. High interest rates and high bank margins lead to decreased creditworthiness, resulting in reduced possibilities for apartment purchases.

For young people, a major obstacle in applying for a mortgage loan has been the mandatory requirement to have a down payment, introduced by the Polish Financial Supervision Authority. Currently, one must have an amount constituting 10 to 20 percent of the property's value, which means the necessity of accumulating significant savings. An additional problem is the form of employment – young people working very often on civil law contracts usually have lower creditworthiness.

That's exactly why so many young Poles don't buy apartments. Above all, they can't afford it. Even if they were able to obtain a loan, the monthly instalments are so high that they're afraid to take on such a financial commitment.

The overwhelming majority of households in Poland occupy owner-occupied housing. Eurostat data shows that as many as approx. 87 percent of apartments in Poland are private properties, over 13 percent of which were bought on credit. One of the key reasons, why the housing market in Poland looks the way it does, is the strong drive to possess private property. There's a widespread belief that young people, entering adulthood, should



decide to buy their own place, and long-term apartment rental often meets with negative reception. In Western countries, young people more often opt for mobility and believe that owning their own apartment or house may limit them in some way. In Poland, however, the drive to own real estate is strongly rooted – it's a dream passed down from generation to generation and treated as an important element of life stabilization.

This pressure, combined with current economic conditions make many young people forced to take out a loan in purpose to buy a housing. The report "Happy Home. Housing To Be or Not To Be" prepared by the Otodom webservice presents the profile of a typical Polish borrower. It shows that the vast majority of young people, wanting to buy their own apartment or house, must rely on a mortgage loan – as many as 87 percent of people aged 26-34 indicate that this is the only realistic path to property ownership for them.

An interesting trend, particularly noticeable in Western countries, is the growing number of young people who choose to rent instead of buying an apartment by their own choice. Unfortunately, even if Poles changed their approach to ownership and were more inclined toward rental, we still encounter serious barriers.

As Eurostat data shows, apartment rental in Poland is still not very popular – it concerns only 13 percent of households, while the average for European Union countries is 31 percent. Moreover, this indicator has remained almost unchanged for about 15 years. For comparison, in Austria and Germany, approx. half of the residents live in rented premises – 45.8 and 50.5 percent respectively.

The limited number of apartments available for rent in Poland and the applicable law protecting tenants translates into high rent rates on commercial market. The latest AMRON-SARFiN Report 1/2025 indicates a varied situation in individual cities. The lowest average rental rates for apartments in Q1 2025 were recorded in cities such as Katowice (1 265 PLN/month) and Lodz (1 394 PLN/month). The most expensive is in Warsaw and Wroclaw, where the average apartment rental rate in Warsaw was 2 286 PLN and 1 883 PLN/month respectively. For many young people, this means that independently renting an apartment becomes beyond their financial reach – especially when they simultaneously need to cover other basic expenses such as bills, food or education-related costs.

Outside the largest agglomerations, the availability of rental housing in Poland is very limited. In small towns and villages distant from large cities, the commercial rental market practically doesn't function. In some former provincial capitals, such as Konin, Łomża or Suwałki, the number of apartment rental advertisements rarely exceeds ten per month. As a result, young people living in rural areas or small county towns usually have only three realistic options: build a house independently, move to a larger city or remain in the family home. This is exactly one of the main reasons why Poland maintains a high level of nesting.

In large cities, the monthly fee for apartment rental often equals, and sometimes even exceeds, the amount of a mortgage loan instalment for a similar premises. For this reason, for many young Poles, renting an apartment is simply a necessity, not a conscious choice. As soon as their situation allows them to take a loan (when they achieve creditworthiness and accumulate a sufficiently high down payment), most of them would immediately decide to buy their own apartment.

Finland and Sweden, where the percentage of young people living with their parents is the lowest, effectively support housing independence through appropriate state programs. In Sweden, people aged 18-25 can apply for so-called youth housing, i.e. small premises with favourable rent, which are meant to facilitate their entry into adulthood and independence. In Finland, there's a support system for people buying their first apartment, which also promotes earlier leaving of the family home and starting independent life.



To improve the situation of young people on the Polish housing market, comprehensive actions are needed. One of the key aspects is mental change and abandoning the model of private ownership as a necessity and the only right option. Following the example of Finland or Sweden, where government programs supporting young people's housing independence work successfully, Poland should focus on developing social housing and rental support programmes. Without solving these issues, it will be difficult to improve the demographic situation, increase economic competitiveness or sustainable urban development.

Revitalizing vacant properties is an investment in a better future. It fosters efficient resource management, addresses social needs, supports the economy and protects the environment. While renovating old, abandoned buildings requires financial and organizational efforts, the benefits far outweigh the challenges, especially amid current housing issues. Unlocking the potential of vacant properties is a step toward sustainable development and improved living conditions.



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## AMRON Centre

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