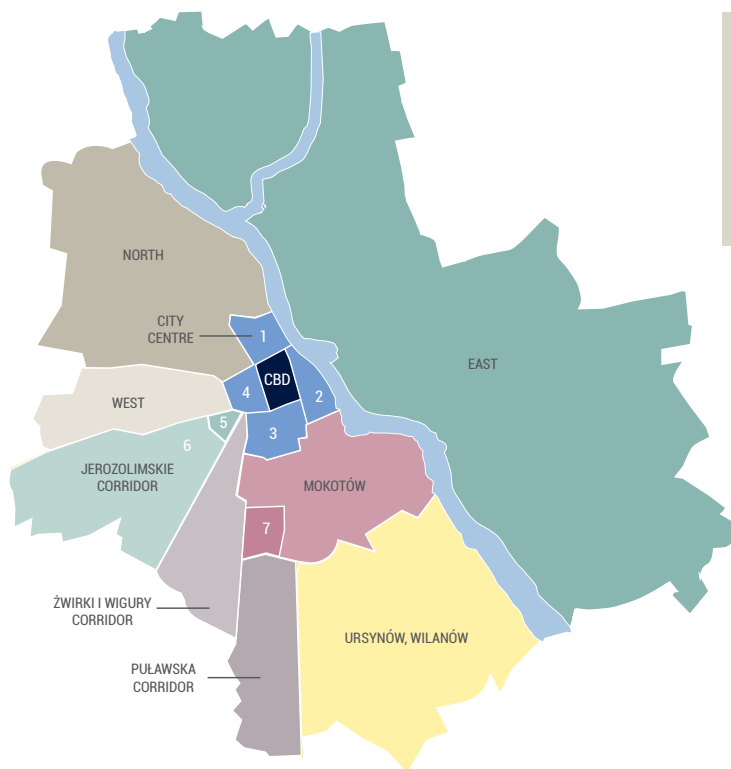


Market in Minutes

Warsaw Office Market

July 2017



Total office stock ca.
5.16 million sq m



Vacancy rate **13.9%**
(down by 150 bps y-o-y)



Gross take-up **8%**
higher comparing year
to year (ca. 391,400 sq m)

Warsaw Office Zones

CBD	East	North
1 – City Centre North	Jerozolimskie Corridor	Puławska Corridor
2 – City Centre East	5 – Upper	Ursynów, Wilanów
3 – City Centre South	6 – Lower	West
4 – City Centre West	Mokotów	Żwirki i Wigury Corridor
	7 – Służewiec	

SUMMARY

Overview

■ Supply of office space across the city stands at 5.164 million sq m.

■ Almost 722,200 sq m of office space is currently under construction, of which ca. 185,000 sq m is expected to be delivered in H2 2017.

■ Total letting activity in H1 2017 reached a high level of 391,400 sq m, up by 8% year on year. 12-month gross take-up stands at 784,700 sq m.

■ Lease renewals accounted for ca. 28% of total take-up whereas the volume of pre-leases totalled 67,200 sq m or 17% of volume of letting

activity.

■ Letting activity in the City Centre accounted for 30% of total volume, whereas the volume recorded in Służewiec stood at 60,400 sq m (or 15,4% of gross take-up).

■ The vacancy rate decreased to 13.9%, which is 0.1 pp lower when compared quarter on quarter and 150 bps lower when compared with H1 2016.

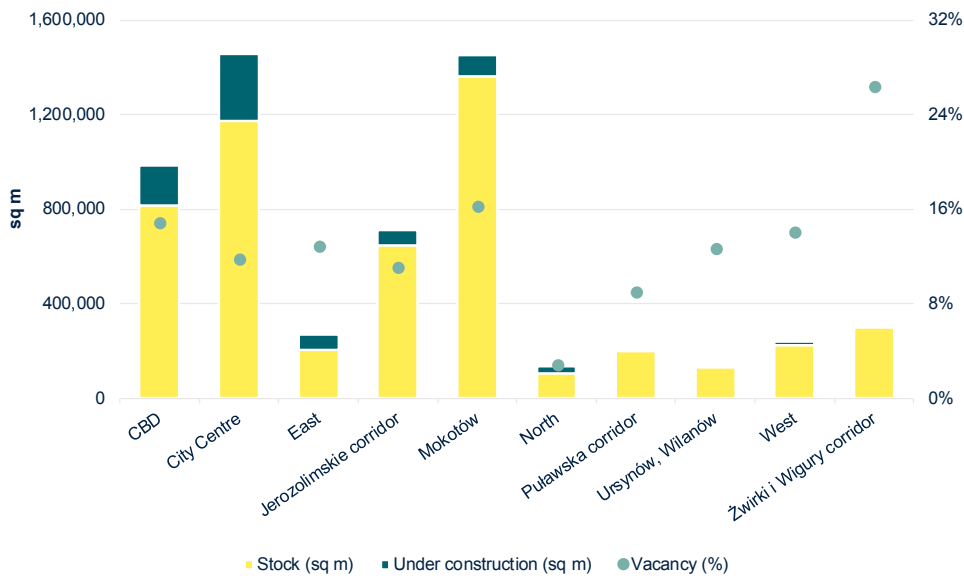
■ The highest vacancy rate was recorded in Żwirki i Wigury corridor (27.5%) mostly due to high availability

of office space in the recent completed second phase of Business Garden. The lowest rate of 3.7% was seen in the North zone, which is one of the smallest in terms of office supply.

■ Prime rents in projects located in the CBD and City Centre range from EUR 21.00 per sq m/month up to EUR 25.00 per sq m/month in top floors in tower buildings. Prime rents in Służewiec range between EUR 13.00 and 14.50 per sq m/month.

GRAPH 1

Supply, under construction and vacancy by zone, H1 2017



Largest office zone – Mokotów:
1,360,700 sq m

Smallest office zone – North:
106,000 sq m

↑ 27.5%

Highest vacancy in Żwirki i Wigury corridor zone

Share of expansions in total take-up:
15.9%

Share of pre-lease agreements in take-up:
17.2%

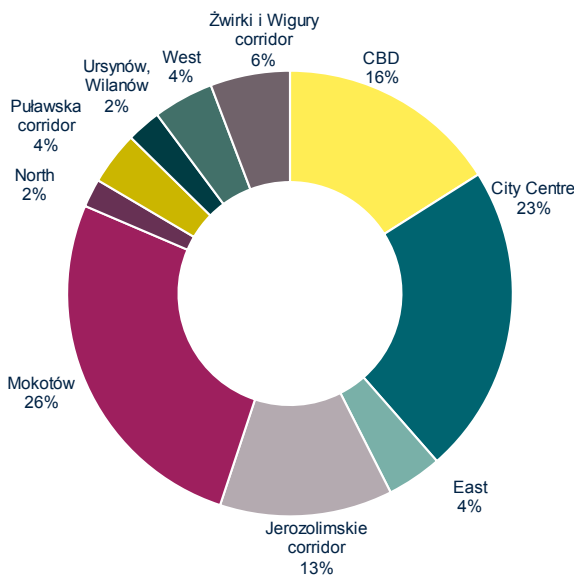
Highest volume of letting activity in the City Centre:
115,600 sq m

↓ 3.7%

Lowest vacancy in North zone

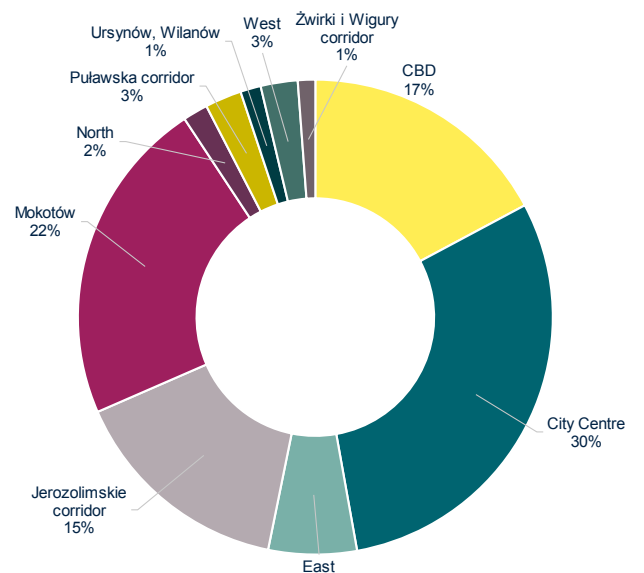
GRAPH 2

Stock by zone



GRAPH 3

Letting activity by zone (H1 2017)



The largest transactions in H1 2017

Zone (subzone)	Building	Tenant	Office space (sq m)	Type of lease
Mokotów	Millennium Park	Millennium Bank	18,900	Lease renewal
City Centre (West)	Generation Park X	Citi Service Center Poland	13,600	Pre-lease
Jerozolimskie Corridor (Lower)	Łopuszańska Business Park B	Alior Bank	13,400	Lease renewal & expansion
Mokotów (Służewiec)	Postępu 14	AstraZeneca	14,200	Lease renewal & expansion
Jerozolimskie Corridor (Upper)	West Station II	Diebold Nixdorf	9,800	Pre-lease

The largest building under construction across Warsaw

Zone (subzone)	Building	Developer	Address	Office space (sq m)	Planned completion
CBD	Varso	HB Reavis	Chmielna 73	106,200	2020
City Centre (West)	The Warsaw Hub	Ghelamco	Sienna / Towarowa	75,000	2019
City Centre (West)	Mennica Legacy Tower	Mennica Polska & Golub GetHouse	Prosta / Żelazna	63,800	2018 - 2019
City Centre (West)	Spinnaker Tower	Ghelamco	Prosta / Towarowa	50,000	2019
Jerozolimskie Corridor (Upper)	West Station II	HB Reavis	Al. Jerozolimskie 142	36,500	2017
Mokotów (Służewiec)	D48	Penta Investment	Domaniewska 48	23,100	2017

What do you expect the rents to be? ←

Although new supply in the remaining part of the year is high at 185,000 sq m demand for office space is also high thus rental levels are forecasted to stabilise at the current level both in central and non-central locations.

What is the forecast for the vacancy in the end of the year? ←

Although the new supply due in 2017 will be the second highest ever delivered in Warsaw, we expect it to have limited impact on the vacancy rate across the city.

What do you expect the take-up to be? ←

As the letting activity in H1 2017 was higher than in the first quarters of 2015 and 2016 (when the volume was at the record level) - we expect it to be at least at the similar level as in the last two years.

Will Brexit have an influence on Warsaw's occupier market? ←

Warsaw's office market has a very tempting offer for international companies: available office space in recently completed, modern buildings, relatively low rents (especially compared to London's).

Not only companies from the banking sector plan to relocate their European headquarters but also some insurance services.

WARSAW – KEY INFORMATION



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