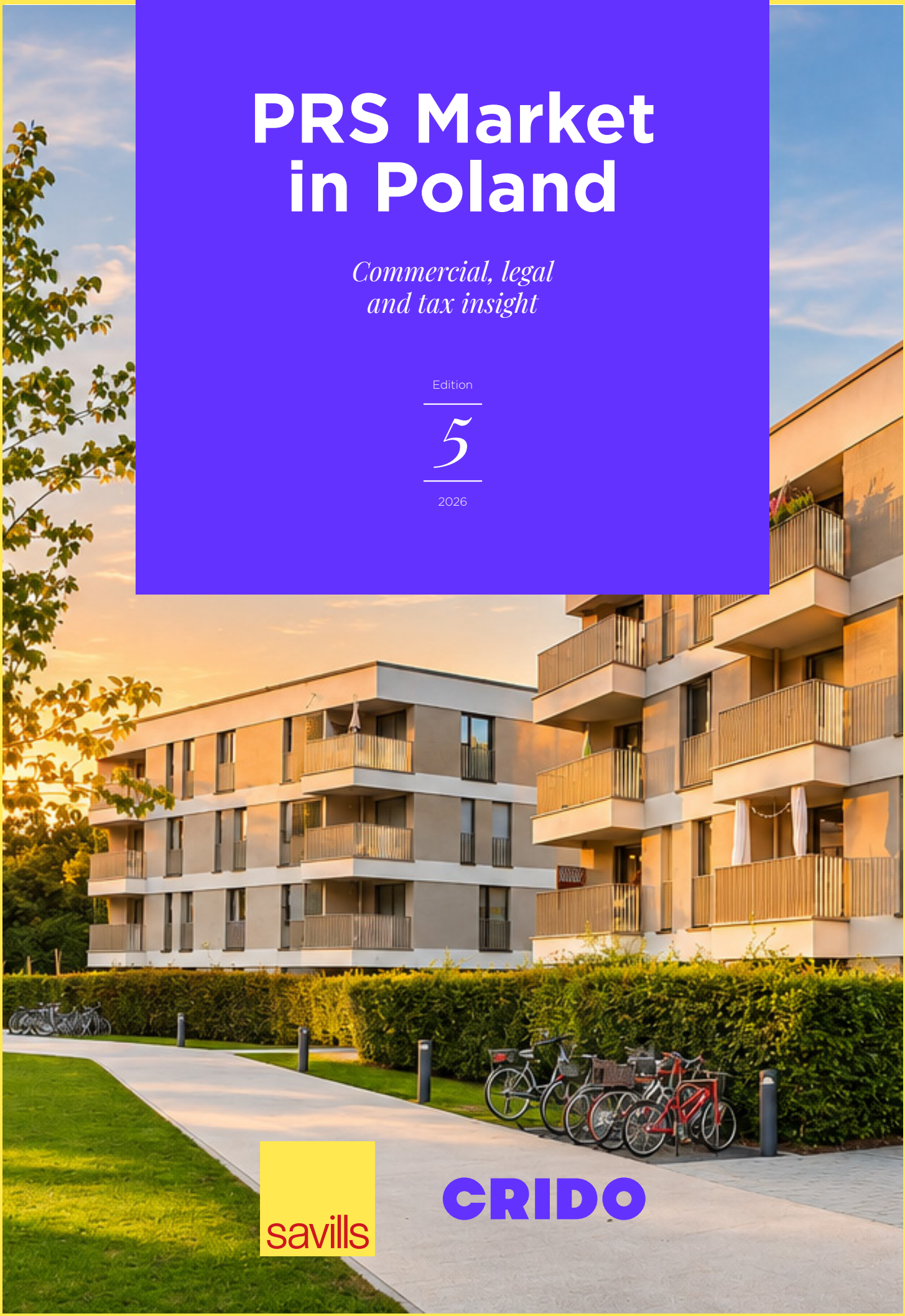
PRS Market in Poland

Commercial, legal and tax insight

Edition

5

2026



savills

CRIDO

Agenda

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Introduction

This is the fifth edition of our joint report on the Polish PRS market, prepared by Savills and Cridо. When we first wrote about the sector in October 2022, we described it as a toddler: a young asset class that had already attracted considerable attention despite its early stage of development. Now, in the fifth edition of this report, the market has clearly come of age. Its evolution over recent years is evidenced by increasing product standardisation, a significantly higher share of projects delivered on service-zoned sites, PRS schemes replacing obsolete office buildings, the emergence of residential portfolio disposals as a recognised exit strategy, the entry of new international investors, and the completion of a landmark portfolio transaction involving more than 5,300 apartments. Collectively, these developments underscore both the growing maturity of the sector and Poland’s strengthening position on the European PRS investment landscape.

At the same time, the market has operated against a backdrop of an evolving regulatory and tax framework. Among the most notable developments were the introduction of additional PCC tax on the acquisition of a sixth and subsequent residential unit, changing approaches adopted by the tax authorities with respect to the property tax treatment of PRS assets, and the increasing importance of Binding Rate Information (WIS) rulings. In the construction and planning sphere, legislative changes included the introduction of minimum apartment size requirements, while preserving exemptions applicable to collective residential buildings.

Today, the Polish PRS market is nearly four times larger than it was when we began documenting its development. While the sector continues to face challenges, including limited access to suitably located development sites at economically viable prices and elements of uncertainty in the interpretation of tax regulations, its underlying fundamentals remain compelling. Investors continue to expand their portfolios, new market participants are entering the market, and tenant awareness of the benefits of professionally managed rental housing, including product quality, operational standards and lease stability, continues to increase.

Taken together, these trends provide a strong foundation for the next phase of the sector’s growth. Although challenges remain, the progress achieved over the past several years reinforces our conviction that the PRS market is set to play an increasingly important role in Poland’s residential real estate landscape, and we remain optimistic about its long-term prospects.

A note on terminology

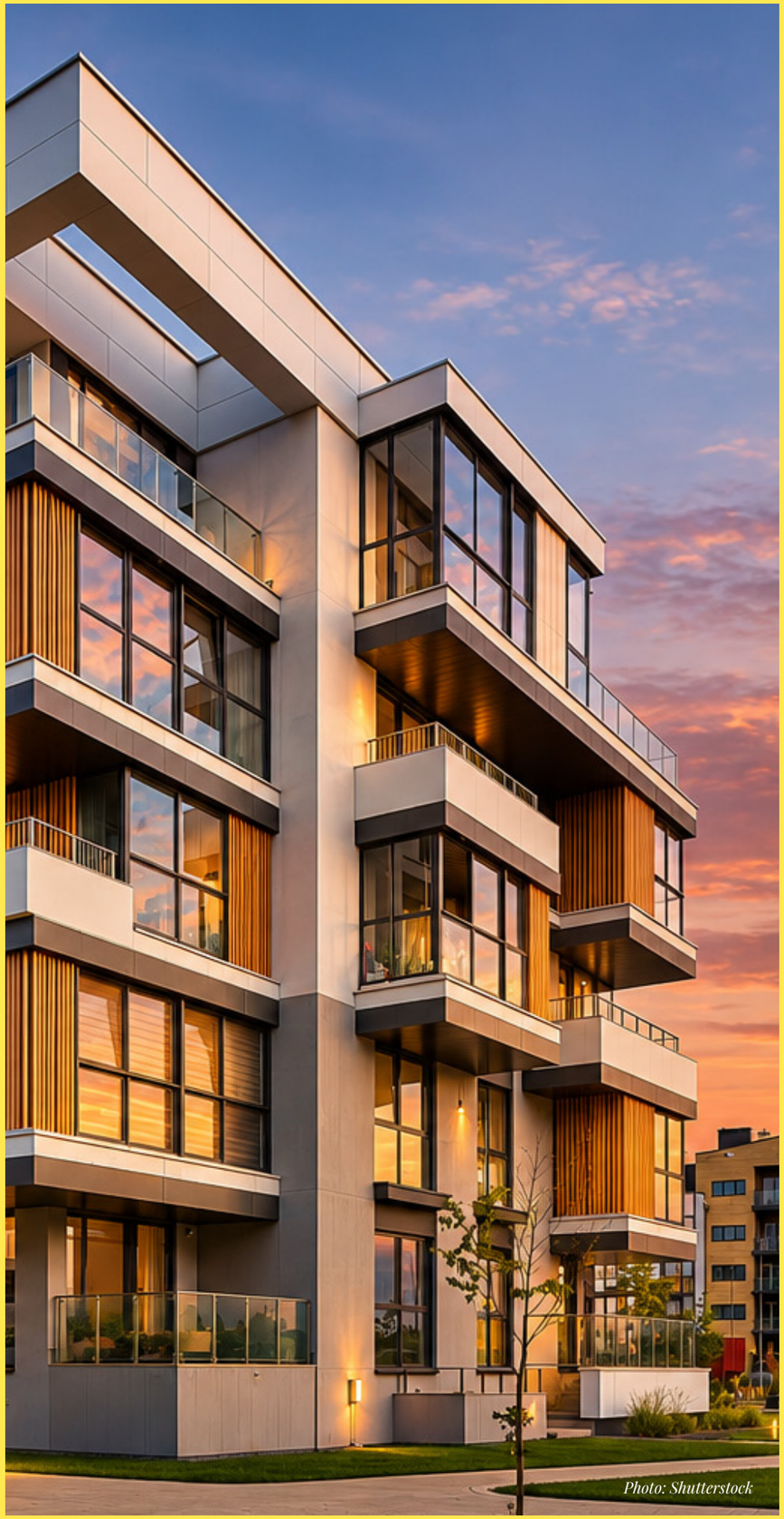
In Poland, the term PRS (Private Rented Sector) is commonly used to describe the institutional rental housing sector, although this differs from the definition typically used in Western Europe. There, PRS refers to the entire private rental market, including both institutional and individual landlords.

In more mature markets, the institutional segment is generally referred to as Build-to-Rent (BtR) or multifamily. BtR covers purpose-built rental properties held by institutional investors, including both urban apartment buildings (multifamily) and single-family rental housing. Apartments owned and rented out by private individuals are classified separately as Buy-to-Let.

The widespread use of the term PRS in Poland stems from the fact that many early institutional investments were originally developed for apartment sales rather than specifically for rental purposes, making the BtR definition less applicable at the time. This report primarily uses the term PRS, in line with Polish market convention. As in the previous edition, the term BtR is also used, recognising that, as the market matures, it may gradually become a more accurate designation for the institutional rental sector.

RESEARCH
Savills & CRIDO Report

Poland's PRS market in a nutshell


Photo: Shutterstock

PRS market evolution since our first report

When we first published our report in October 2022 on the Polish Private Rented Sector (PRS), the future trajectory of the market remained uncertain. While growth expectations were ambitious, the sector was already facing a number of structural challenges, including rising construction costs, inflation-driven pressure on operating expenses, and uncertainty regarding the sustainability of rental growth following the exceptional increase in rents recorded in 2022.

Over the past five years, the market has demonstrated its resilience and ability to adapt to changing economic conditions. Although PRS transaction volumes continue to remain below those observed in the more established commercial real estate sectors, the asset class has firmly established itself as an integral component of Poland's institutional real estate investment market.

5th Edition (Nov. 2026) vs. 1st Edition (Oct. 2022)

31,258 vs. 8,154
existing PRS units

3.8x growth of PRS stock over 5 years



139 vs. 52
Number of existing PRS projects

32 vs. 16
Number of PRS investors
(2x growth)

11 vs. 7
Countries represented among PRS investors

8 vs. 2
Number of PRS investors with portfolios of at least 1,000 operational units

224 units vs. 156 units
Average size of a PRS project
(287 units on average for projects currently under construction)

PLN
The Złoty remains the base currency for the PRS market in Poland

44% vs. 18%
Share of operational PRS units developed on service-zoned land
(63% of units currently under construction are service-zoned)

31% vs. 45%
Share of operational PRS units located in Warsaw
(17% of PRS units currently under construction are in Warsaw)

INVESTMENTS & DIVESTMENTS:

Estimated **EUR 1.16bn** invested in the **PRS market** since **Q4 2022**

9 exits* with a value of **EUR 733M** from operational **PRS projects** via sale of entire projects to other institutional investors

At least **12 projects (ca. 2,900 units)** offered so far to retail buyers via the privatization exit strategy

*9 transactions (both single projects and porttfolio deals) between instututional investors in the PRS market only.

RESEARCH
Savills & CRIDO Report

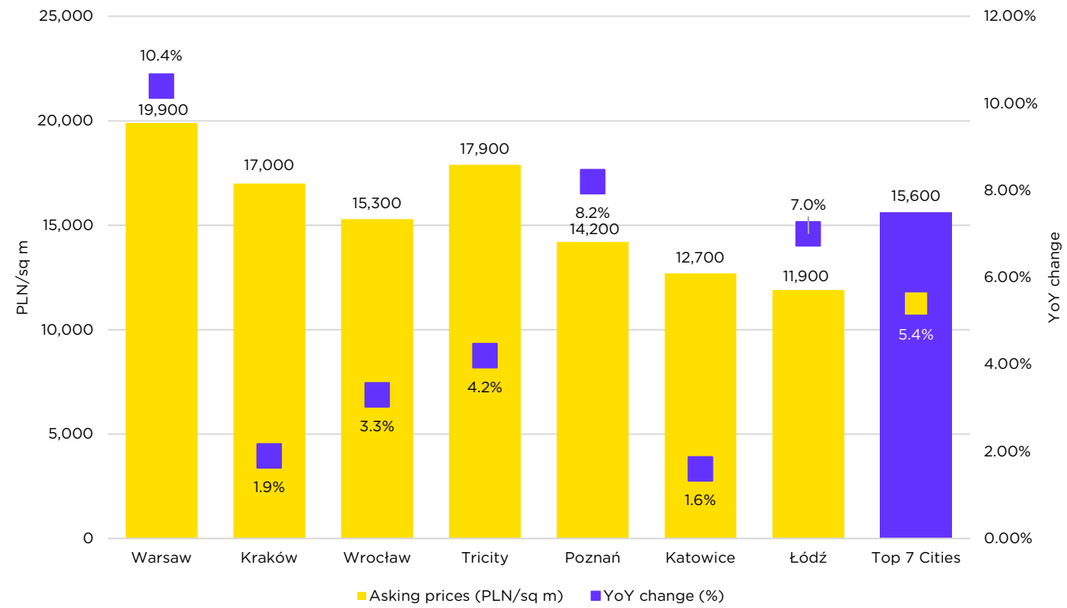
Spotlight on residential & rental markets



Photo: Shutterstock

Asking prices rise across all major markets

CHART 1. **ASKING PRICES OF NEW APARTMENTS (Q3 2026 AND YOY CHANGE AS OF END OF SEPT. 2026)**
Source: Savills



Asking prices for apartments increased across all analysed markets both in the period from September 2025 to September 2026 and between January and September 2026. The strongest growth was recorded in Warsaw, where average asking prices rose by more than 10% year-on-year and by nearly 8% since the beginning of 2026, reaching just under PLN 20,000 per sq m. This increase was driven, among other factors, by the launch of several new developments in the premium and luxury segments in the capital.

The Tricity remained the second most expensive market, with average asking prices reaching approximately PLN 17,900 per sq m. Closely following was Kraków, where the average asking price stood at around PLN 17,000 per sq m, representing a modest annual increase of less than 2%.

Attention should be paid to Poznań, where the introduction of new premium-segment developments also contributed to stronger price growth dynamics. As a result, average asking prices increased by 8.2% year-on-year as of September 2026. At the opposite end of the spectrum was Katowice, where asking prices remained broadly unchanged. Across the Top 7 markets, the average annual growth in asking prices amounted to 5.4%, compared with inflation of 4.1% over the same period (Sept. 2026 vs. Sept. 2025).

TABLE 1. **ESTIMATED AVERAGE TRANSACTIONAL-TO-ASKING DISCOUNT**
Source: Savills

City	%
Warsaw	8.7%
Kraków	6.0%
Wrocław	7.6%
Tricity	10.3%
Poznań	6.5%
Katowice	4.6%
Łódź	10.9%
Top7	7.8%

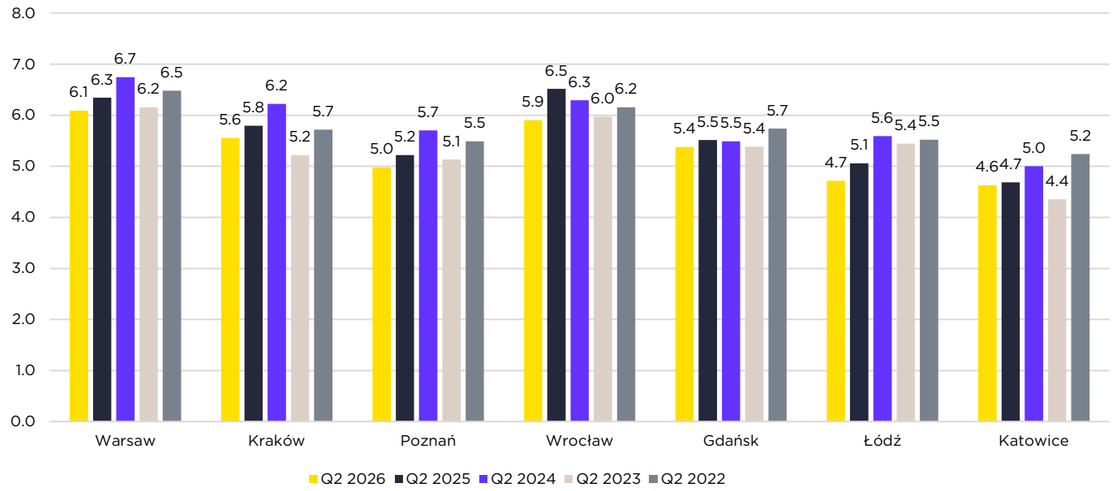
Importantly, buyers continued to enjoy scope for price negotiations across all analysed markets. Our estimates indicate that the average discount between transaction prices and asking prices reached approximately 8% during the period under review. The greatest negotiation potential was observed in Łódź and the Tricity, where buyers were able to secure average discounts of over 10%. This translated into potential savings of approximately PLN 1,200 per sq m of a newly built apartment across analysed markets.



Photo: Shutterstock

Affordability improves slightly as wages outpace prices

CHART 2. **NUMBER OF AVERAGE ANNUAL SALARIES NEEDED TO BUY A NEW, 50 SQ M APARTMENT**
Source: Savills based on the National Bank of Poland and Statistics Poland



Comparing data from the past five years across Poland's seven largest cities, it can be concluded that housing affordability in the primary residential market has improved slightly, supported by a significant increase in average salaries, particularly during 2024-2025. This improvement occurred despite the fact that, in 2023-2024 (and in some markets also during 2025), transaction price growth substantially outpaced wage growth. Five years ago, in mid-2022, when we prepared the first edition of this report, the purchase of a new 50 sq m apartment required, on average across the seven analysed markets, the equivalent of 5.8 annual gross salaries. Today, the same purchase would require approximately 5.3 annual gross salaries.

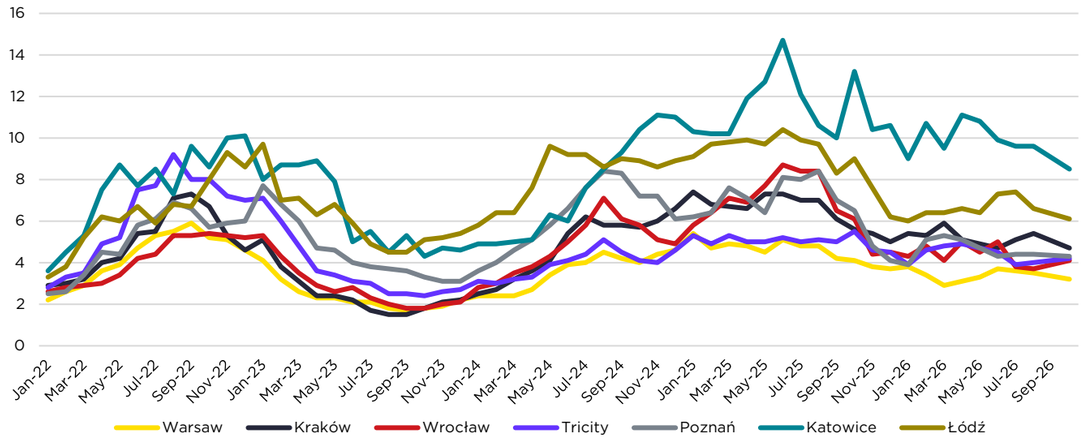
Differences between the strongest markets have remained broadly unchanged throughout the analysed period. Based on this affordability metric, Warsaw continues to be the most expensive, or in other words the least affordable, residential market among Poland's seven largest cities. Interestingly, the most significant improvement in affordability has been recorded in Katowice and Łódź, where the indicator has declined over the past five years from approximately 5.2-5.5 annual salaries to around 4.6-4.7 annual salaries.

It should be noted that this indicator is simplified in nature and does not account for factors such as salary seasonality. Nevertheless, changes in the indicator over time provide an interesting representation of trends in housing affordability across Poland's largest residential markets.

Pace of apartment sales varies between cities

CHART 3. **TIME REQUIRED TO SELL THE ENTIRE SUPPLY (IN QUARTERS)**

Source: Savills based on Otodom



The time required to absorb available apartment inventory declined both during the period from January to September 2026 and over the 12 months preceding September 2026.

As expected, Warsaw recorded the shortest absorption period, with the existing inventory projected to be sold within approximately 3.4 quarters. At the opposite end of the spectrum were Łódź and Katowice, where clearing the current stock of new apartments would require approximately 6.4 and 9.1 quarters, respectively. Wrocław, the Tricity, and Poznań occupied the middle ground, with an average absorption period of around 4.1 quarters, while Kraków recorded a somewhat longer period of approximately 5.1 quarters. The average across the seven analysed markets currently stands at 5.2 quarters.

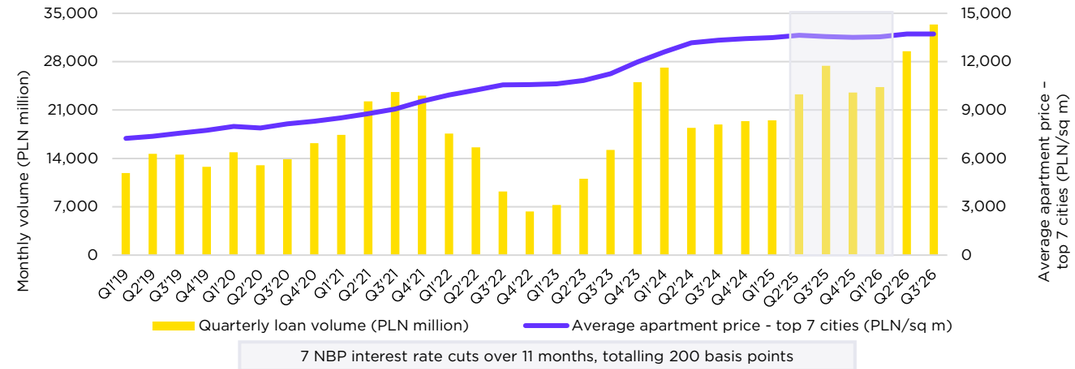
These figures represent a marked improvement compared with September 2025, with the average absorption period across the Top 7 cities shortening by approximately 1.5 quarters. Current results also remain more favourable than the respective five-year averages in most markets, with the exceptions of Kraków and Katowice.

The above data reinforces the widely held view of Warsaw as Poland's leading and most resilient residential market. Markets such as the Tricity, Poznań, and Wrocław appear to be gradually returning to a more balanced state. Kraków seems to be following a similar trajectory, despite the fact that, as of the end of September 2026, the volume of new apartment supply remained nearly one-third above its five-year average. In contrast, progress has been slower in Łódź and Katowice, where the existing supply of new apartments exceeds the respective five-year averages by 22% and nearly 30%, respectively.

Record mortgage lending, but cash buyers remain active

CHART 4. **NEW LOAN VOLUME VS. AVERAGE TRANSACTION PRICES OF NEW APARTMENTS**

Source: Savills based on the National Bank of Poland



7 NBP interest rate cuts over 11 months, totalling 200 basis points

According to data from the NBP, the value of newly originated residential mortgage loans reached a record level of more than PLN 33.3 billion in Q3'26. Following the cumulative 200 bps reduction in the NBP reference rate between May 2025 and March 2026, the average cost of mortgage financing declined significantly and currently stands at just below 6%. These are levels last observed more than five years ago, in Q1'22.

The lower cost of mortgage financing has undoubtedly been one of the key factors supporting stronger sales performance in the primary residential market. Despite this, transaction prices changed only marginally between Q3'25 and Q3'26, increasing by an average of just 1.2% across the seven largest cities. Importantly, transaction prices declined on three of the seven analysed markets, with year-on-year decreases ranging from 2.4% in Kraków to 3.3% in Wrocław. At the same time, it is worth noting the relatively stable share of cash purchases across Poland's largest residential markets in recent years. According to NBP estimates, cash transactions accounted for approximately 45%-58% of apartment purchases in the first half of 2026, compared with 46%-56% in 2025 and 45%-59% in the preceding year.

The combination of lower mortgage financing costs and a relatively stable share of cash buyers suggests that demand in the residential market continues to be supported by multiple purchaser groups. At the same time, the modest growth in transaction prices indicates that improved financing conditions have so far translated primarily into higher transaction activity rather than meaningful price inflation.

6.6% ▶ 5.9%

Average annual cost of mortgage is down by ca. 0.7% in September 2026 vs. September 2025

PLN 33.4bn

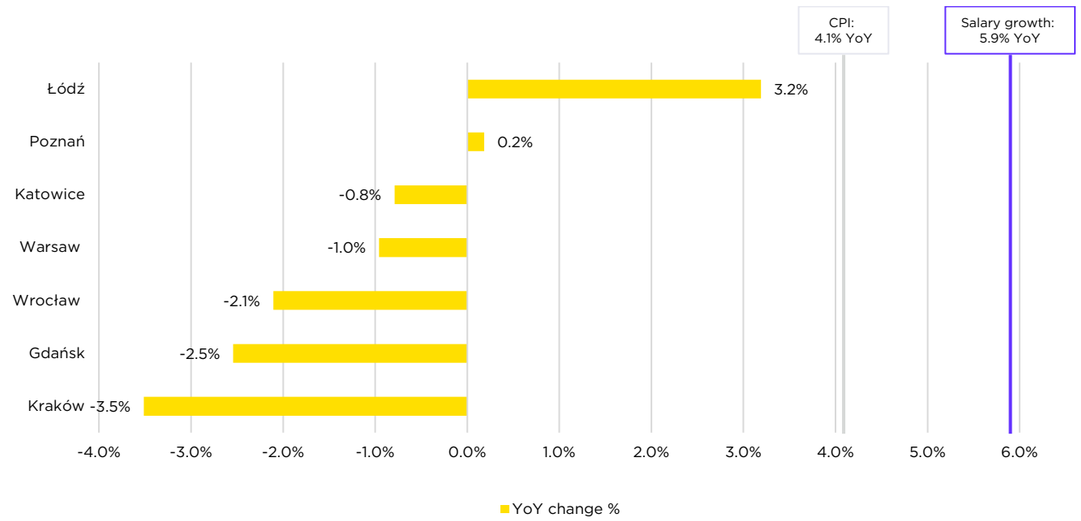
Mortgage lending volume in Q3 2026 (+22% YoY) reached the highest quarterly level on record

1.2%

Average growth of transactional prices of new apartments between September 2025 and September 2026

Diverging rental trends: individual vs. PRS market

CHART 5. **RENTAL ANNUAL CHANGE IN INDIVIDUAL (I.E. NON-PRS) ASKING RENTS**
Source: Savills



According to our estimates, asking rents in the individual rental market declined in five of Poland's seven largest cities as of September 2026. The largest decrease was recorded in Kraków, where average asking rents fell by approximately 3.5% year-on-year. Downward adjustments were also observed in Gdańsk (-2.5%) and Wrocław (-2.1%). Even Warsaw recorded a slight decline in average asking rents. In contrast, Łódź stood out positively, with average rents increasing by 3.2%, while rents in Poznań remained broadly unchanged.

It should be noted that the above estimates reflect city-wide averages and therefore include locations where rental growth has remained positive.

Nevertheless, for the first time in the past three years, none of the analysed markets recorded average rent growth in the individual rental sector that exceeded inflation. Moreover, for the first time since we started publishing data on the market, the market-size-weighted average change in asking rents between September 2025 and September 2026 was negative, amounting to -1.4%.

The increasing supply of rental listings, particularly visible in Kraków (approximately 24% higher than in September 2025), was partly driven by the completion and delivery of apartments that had previously been introduced and sold by developers. In our view, the recent decline in individual rents has been driven primarily by the growing supply of rental apartments rather than by affordability constraints on the demand side. During the twelve months preceding September 2026, average wages in the enterprise sector increased by 5.9%, while the latest available quarterly data for the entire national economy (Q2 2026) indicate a similar rate of annual wage growth.

At the same time, actual performance data from a large sample of stabilised PRS schemes show that institutional landlords have once again been able to increase rents. The average increase in rent per square metre, weighted by project size, amounted to 3.9%, slightly below both the growth recorded in the preceding twelve-month period and the inflation rate observed during the same timeframe.

Importantly, rental growth in the PRS sector continues to be supported by exceptionally high occupancy levels, which average 97.4% across the analysed portfolio. In our view, these results confirm that tenants recognise the value proposition of professionally managed rental housing and are willing to pay a premium relative to the private rental market. As a result, institutional operators remain capable of achieving higher rents while maintaining very strong occupancy performance.


Photo: Shutterstock

+3.9%
<-1.0%; +8.0%>

Rental growth in stabilised institutional assets

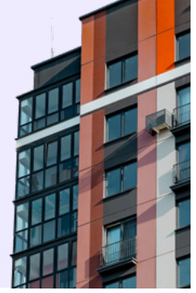
(Average and range; Sept.'26 vs. Sept.'25)



97.4%
<90.2%; 99.0%>

Occupancy in stabilised PRS assets

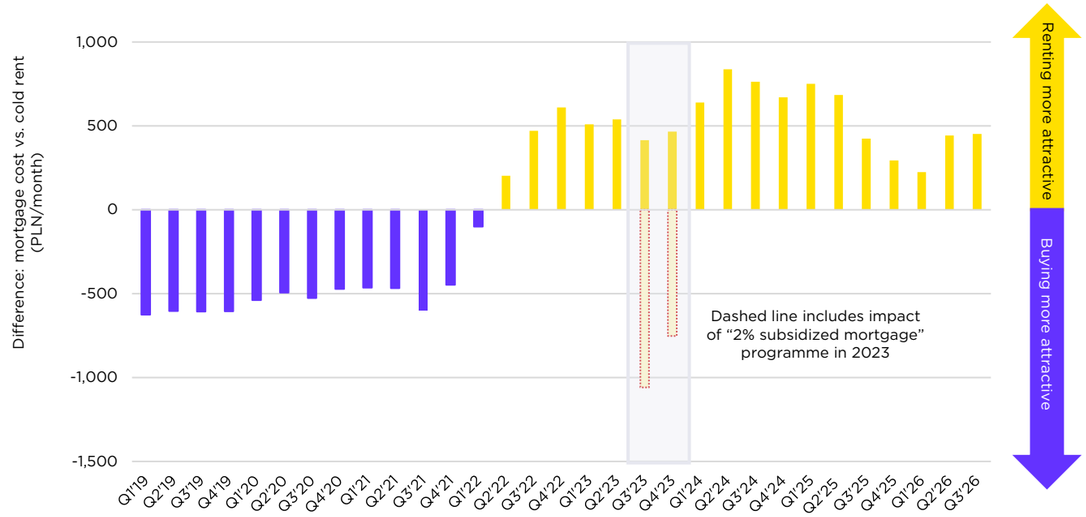
(Average and range; Q3 2026)



Renting vs. Buying in 2026

CHART 6. **DIFFERENCE: MORTGAGE COST VS. COLD RENT (PLN/MONTH)**

Source: Savills



Assumptions: 50 sq m apartment, 30-year mortgage term, 65% LTV, average apartment price across the seven largest cities

Although developments in early 2026 suggested that the positive gap between monthly mortgage repayments and rental costs, observed for the past four years, could soon disappear, subsequent quarters failed to reverse the trend. Rising apartment prices, combined with the relative stabilisation of mortgage interest rates, continue to make monthly mortgage payments for a typical apartment less attractive than renting a comparable unit. The persistence of this relationship has also been supported by rent reductions recorded across most major markets in recent months.

In Q3 2026, the average difference between the monthly cost of mortgage financing and the rent payable for a comparable apartment amounted to approximately PLN 450 per month in our illustrative example, compared with just under PLN 430 per month a year earlier.

In the absence of a significant further decline in mortgage borrowing costs, we expect this relationship to remain broadly unchanged over the coming quarters. However, the relative attractiveness of renting compared with homeownership may gradually diminish should rental rates return to a sustained growth trajectory. As a result, the balance between renting and buying is likely to continue to depend primarily on future movements in mortgage financing costs and residential property prices.

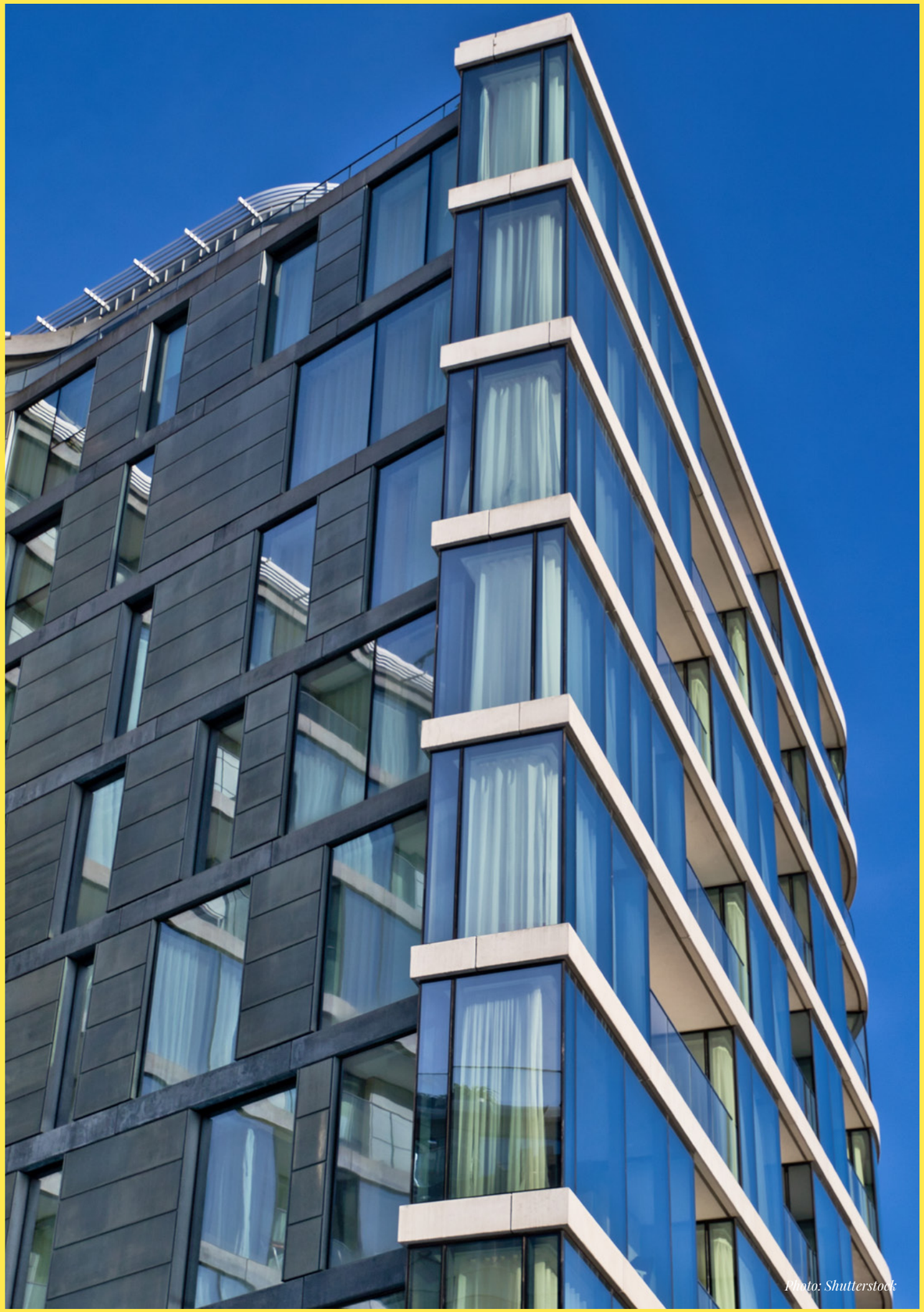


Photo: Shutterstock



Supply and Pipeline

Strong development momentum continues, with PRS stock on track to approach 42,000 units by 2028

Poland remains one of the fastest-growing PRS markets in Central and Eastern Europe, with a steadily increasing number of completed and planned rental projects. The total number of professionally managed rental stock reached 31,258 units in 139 projects across the country. Around 4,400 of them were added to the market between January and September 2026, through 14 new investments. Additional schemes currently under construction are expected to be completed before the end of 2026, potentially increasing the annual delivery volume by another 2,000 apartments. Over the last three years, year-on-year growth in the number of units has remained high, between 15% and 40%.

Warsaw remains the clear market leader in terms of the size of the stock, with almost 9,750 units – around one-third of the total stock. As in previous years, Wrocław and Kraków rank next, while increased supply in 2026 has enabled Tricity to overtake Poznań. Its strong development momentum is particularly notable – significant volume of new deliveries in both 2025 and 2026, combined with one of the largest construction pipeline suggest that it is emerging as one of Poland's most dynamic PRS markets. Łódź and Katowice are the two smallest PRS markets in the country, with limited activity in Katowice and none in Łódź over the past two years. With no PRS projects currently under construction in either city, supply-side growth prospects remain limited. However, competition for existing assets is also expected to remain subdued.

The long-term outlook for supply remains positive. In the next two years, the national PRS stock could reach close to 42,000 units in total. Close to 80% of the projects in the pipeline are already under construction. Based on projects in development and schemes at the planning stage, the PRS market in Poland is expected to grow by more than 10,000 apartments by 2028.

CHART 7. **PRS SUPPLY BY CITY (NUMBER OF APARTMENTS)**
Source: Savills

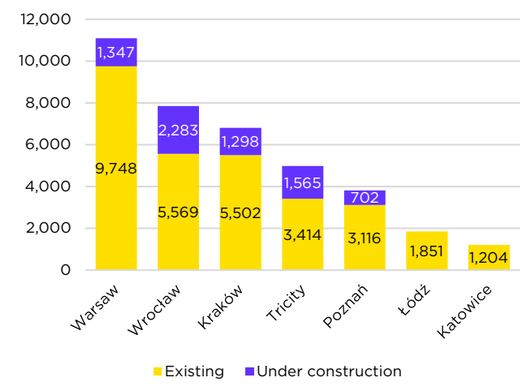
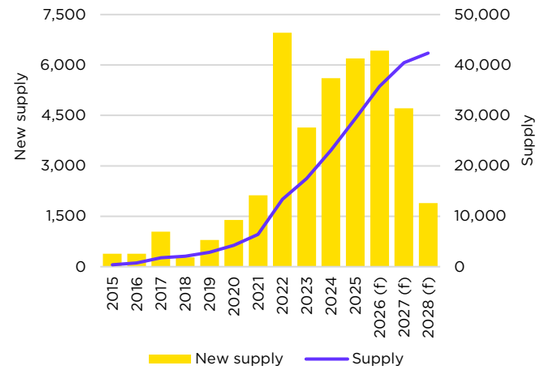


CHART 8. **EVOLUTION OF SUPPLY IN THE PRS MARKET (NUMBER OF APARTMENTS)**
Source: Savills



Investors

German, Polish and American capital drive the market

Poland's institutional Private Rented Sector has become a predominantly cross-border investment market, although domestic capital also represents a significant share of ownership. Foreign-controlled platforms own most professionally managed rental housing, while Polish capital plays an important role through state-backed funds, developers and local investment groups. German, Polish and American investors represent the largest sources of capital, followed by Nordic and Israeli investors.

TABLE 2. **SHARE OF APARTMENTS OWNED IN THE RENTAL MARKET (%)**
Source: Savills

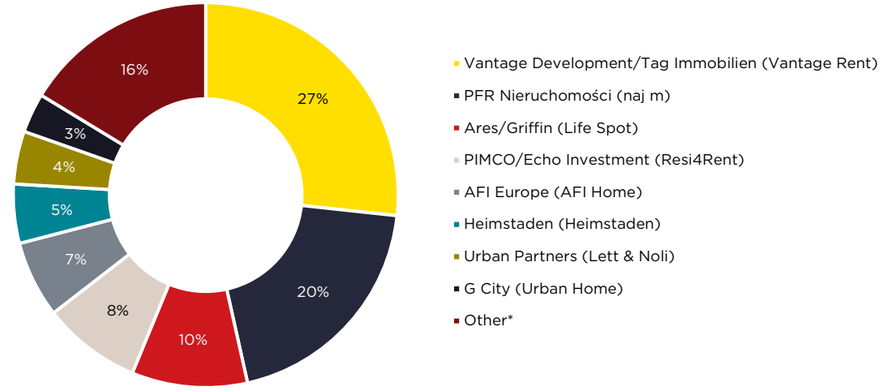
Country of origin	Share
Germany	30.5%
Poland	20.1%
USA	19.7%
Israel	13.7%
Sweden	5.4%
Denmark	4.8%
Netherlands	2.5%
Czech Republic	1.8%
Other	1.5%

German investors represent the largest identifiable source of capital in the sector. The key milestone was the acquisition of over 5,300 apartments from Resi4Rent portfolio by Vantage Development, owned by German TAG Immobilien. American capital also plays an important role through institutional funds and asset managers, including PIMCO and Ares Management, which have invested through platforms such as Resi4Rent and LifeSpot. Nordic investors have been among the most active buyers and developers, with Urban Partners leading recent activity and Heimstaden playing a prominent role in earlier years, drawing on their extensive experience in mature rental


Photo: Shutterstock

CHART 9. **TOP PRS INVESTORS IN POLAND (EXISTING PRS UNITS)**
Source: Savills,

**"Other" includes investors with portfolios comprising less than 1,000 units*



housing markets. Meanwhile, Israeli-backed groups such as AFI Europe and G City Europe have expanded their PRS operations alongside broader residential and mixed-use development activities.

Polish capital is now the second-largest source of ownership in the sector, accounting for around 20% of the market. This high share is largely driven by the extensive residential portfolio of PFR Nieruchomości. In 2026, PFR Nieruchomości has consolidated the customer-facing operations of two separately managed rental housing funds under a single platform, "naj m". The change reflects the increasing similarity of the two portfolios and PFR's evolution from a fund-focused initiative into a large-scale professional rental operator. The underlying funds remain separate, while leasing, customer communication and future developments are being brought under a common proposition. Importantly, the consolidation brings more than 3,000 additional units into the PRS supply counted in Poland, significantly increasing the recorded size of the institutional rental market and moving PFR Nieruchomości to second place among PRS owners by portfolio size

Domestic developers such as Echo Investment and Murapol have been instrumental in sourcing land, delivering projects and partnering with international investors to create scalable PRS platforms. Overall, Poland's PRS market combines strong foreign institutional investment with a significant domestic presence, supported by local development expertise. This diversified capital structure is expected to remain an important driver of the sector's further expansion.


Photo: Shutterstock

Rents and additional charges

After several years of strong changes, Poland's rental market is becoming more stable. The sharp rent increases seen in 2022 were followed by a period of stabilisation and much slower growth. At the same time, differences between individual cities and projects are becoming more visible. Rent levels increasingly depend on location, apartment size, standard and the quality of the overall rental offer.

This is particularly important in the PRS sector, where rents cannot always be directly compared with average rents in the wider rental market. PRS projects often offer additional services and amenities, such as professional management, fully furnished apartments, gyms and co-working areas. These additional features give landlords the opportunity to achieve higher rents than in the traditional rental market.

Affordability is also becoming an important factor for tenants. The monthly rent is only part of the total cost of renting an apartment. The way rental costs are presented differs between PRS operators. Around two-thirds of operators include service charges in the rent, while around one-third charge them separately. Utilities are usually settled based on actual monthly consumption or charged as a fixed amount. Additionally, depending on individual needs, the total monthly cost may increase due to charges for parking spaces and storage units.

Poland's PRS market shows clear geographical differences. In the regional markets, monthly studio rents range from around PLN 1,600 to PLN 3,700, while one-bedroom apartments range from approximately PLN 2,250 to PLN 6,340. Warsaw has the highest upper-end rents, with studios reaching around PLN 7,300 per month and one-bedroom apartments exceeding PLN 11,600. However, starting rents in the capital are closer to regional levels, at PLN 2,300 for studios and PLN 2,780 for one-bedroom apartments. Łódź records the lowest rents in both categories. Kraków ranks as the second-largest dominant market in terms of rental prices.

CHART 10. **PRS RENTS IN STUDIO APARTMENTS IN MAJOR CITIES**

Source: Savills,

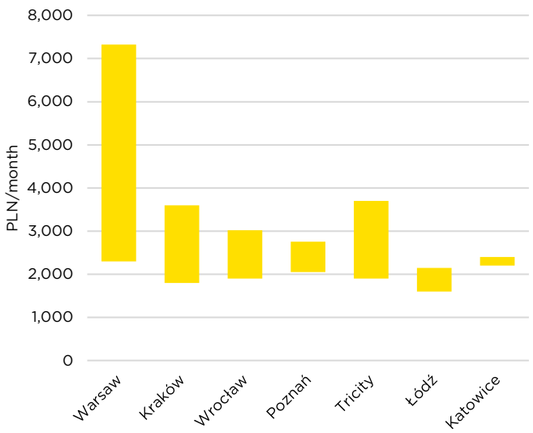
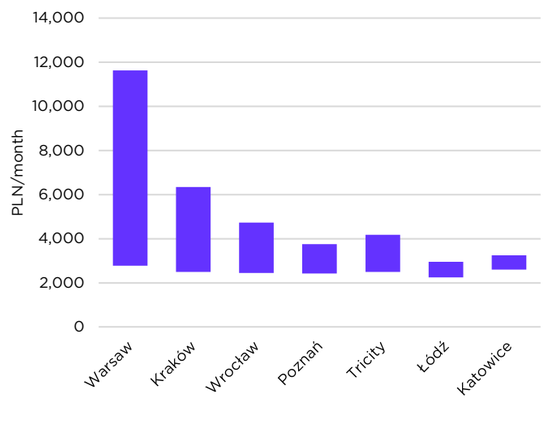


CHART 11. **PRS RENTS IN 1-BEDROOM APARTMENT IN MAJOR CITIES**

Source: Savills,



Investment market

Europe

In this report, PRS (private rented sector) is used as the umbrella term for professionally managed rental housing. In the UK and much of Europe the sector is more commonly referred to as BtR, while in Poland its institutional product is usually described as build-to-rent (BtR) or PRS. Between 2024 and 2026, European PRS evolved from being the clear first choice among operational real estate sectors into a mature portfolio anchor within a broader and increasingly diversified living strategy. Although incremental investor interest has increasingly shifted towards PBSA, single-family housing, co-living and senior living, PRS remains highly relevant. It continues to attract substantial capital and ranks among the sectors in which investors are interested across the largest number of European markets.

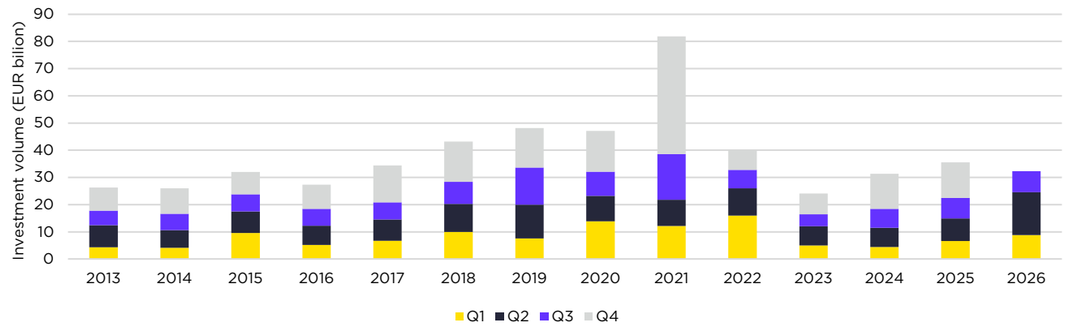
European multifamily recorded one of its strongest first halves on record in 2026, while investment activity remained robust in the third quarter, when approximately EUR 7.7 billion was transacted. This was 3% higher than in Q3 2025 and represented the fourth-highest third-quarter volume on record. The Netherlands, Denmark and the UK all recorded year-on-year increases. Denmark was the most active market, accounting for approximately one-quarter of investment, followed by Germany with 19%. Danish investment continued to benefit from investor appetite for privatisation strategies, supporting some of the tightest multifamily yields in Europe.

Portfolio transactions accounted for half of Q3 volume and 52% of the capital invested during the first nine months of 2026, compared with 39% in 2025. However, activity was primarily concentrated in smaller portfolios compared with the landmark transactions completed in the second quarter.

Cross-border capital represented 37% of investment during the first nine months of 2026. The US and Canada remained the largest individual sources of cross-border capital, accounting for 31% and 20%, respectively, while European investors contributed close to half of cross-border investment. Regional European capital is likely to remain important as investors continue to pursue opportunities in neighbouring markets amid economic and political uncertainty.

CHART 12. **EUROPEAN MULTIFAMILY INVESTMENT**

Source: Savills,

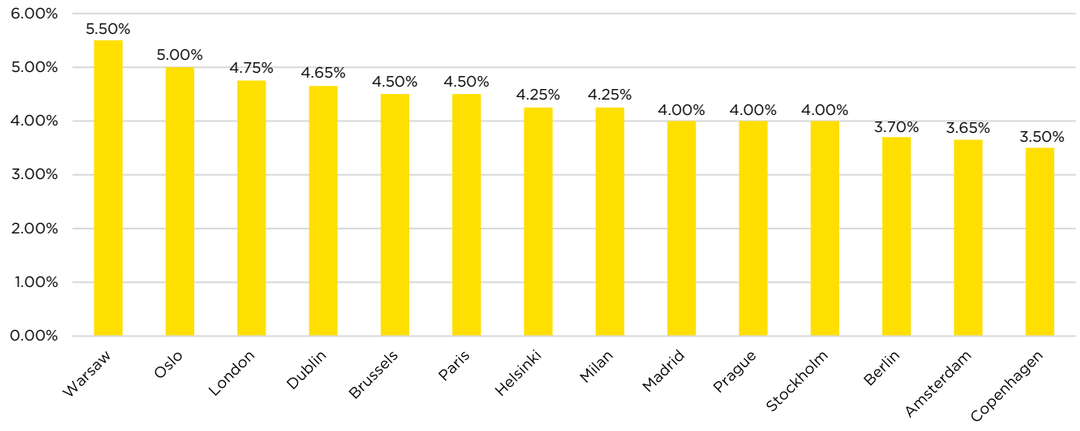


Investment activity is expected to remain robust through the remainder of 2026 as transactions already underway reach completion. However, geopolitical tensions and their potential impact on energy prices, inflation and financing costs may slow the launch of new transactions in 2027, particularly larger portfolio deals.

The average prime European PRS yield softened by six basis points in Q3 2026. This reflected outward movements of between 10 and 30 basis points in the Netherlands, Germany, Finland, Spain and France. Further softening may follow in late 2026 and early 2027 as markets adjust to changing interest-rate expectations. Warsaw's prime PRS yield remained at approximately 5.50%, compared with 5.00% in Oslo, 4.75% in London and 3.50% in Copenhagen.

CHART 13. **PRIME MULTIFAMILY YIELDS**

Source: Savills,



Poland

Against this European backdrop, investment activity in Poland's PRS sector accelerated sharply in 2026. During the first nine months of the year, three transactions with a combined value of approximately EUR 631 million were recorded, making 2026 a landmark year for the Polish institutional rental market.

The result was dominated by TAG Immobilien/ Vantage Development's EUR 575 million acquisition of a portfolio of Resi4Rent assets. The transaction comprised 18 projects and 5,322 rental units across Warsaw, Kraków, Wrocław, Poznań, Łódź and Gdańsk. It was the largest institutional residential transaction recorded in Poland to date and provided the strongest evidence so far that the Polish BtR market can support a large-scale institutional exit.

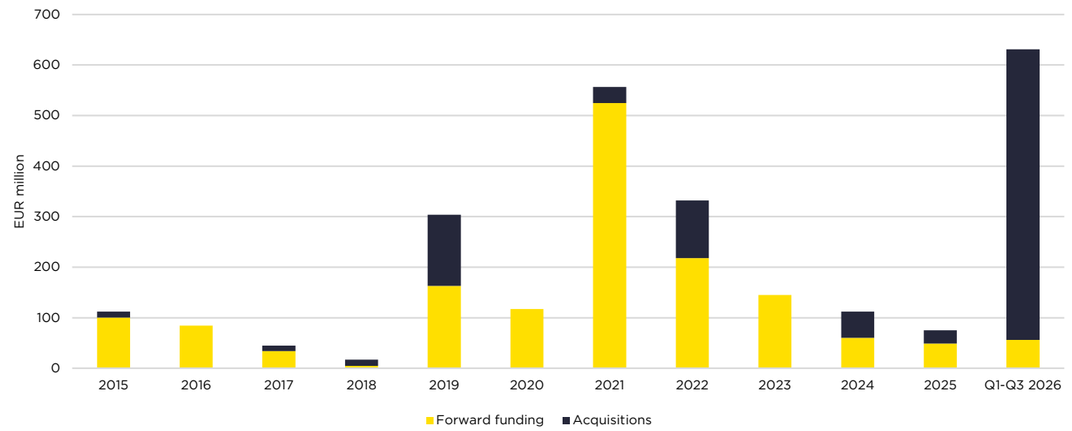
The acquisition did not cover the entire Resi4Rent platform. Following its completion, almost 4,000 units, including operational properties and projects under development, remained within the platform. This distinction is important when assessing both the scale of the transaction and Resi4Rent's continuing position in the Polish market.

Alongside the landmark portfolio acquisition, activity continued in the forward-funding segment. Urban Partners agreed two transactions with Cavatina for the Lett platform in Gdańsk: Lett Stocznia I comprises 336 units, while Lett Stocznia II will provide a further 310 units. These transactions demonstrate that investor demand is not limited to stabilised portfolios and continues to support the development of purpose-designed rental schemes in Poland's largest metropolitan markets.

The 2026 result marks an important step in the maturation of PRS as an institutional asset class in Poland. Nevertheless, investment activity remains concentrated in a small number of transactions, with the Resi4Rent portfolio accounting for approximately 91% of the BtR volume recorded during the first nine months. The headline result should therefore be interpreted as strong evidence of improving liquidity and a viable institutional exit route, rather than confirmation of a consistently deep and diversified transaction market.

CHART 14. **PRS INVESTMENT IN POLAND***

**The volume includes transactions involving assets in which the PRS function is combined with PBSA*
Source: Savills,



Prime yields remained stable at approximately 5.50% in Q3 2026. The Resi4Rent transaction reportedly reflected a forecast NOI yield of approximately 6.3% for 2026, although this portfolio-level evidence is not directly comparable with the prime yield benchmark for a single stabilised asset. At 5.50%, Warsaw continues to offer a noticeable yield premium over many Western and Northern European multifamily markets.

The combination of a landmark stabilised-portfolio acquisition and continued commitment to forward-funded developments has repositioned 2026 as a pivotal year for Poland's PRS investment market. It has also provided tangible evidence of liquidity and a potential institutional exit route, both of which will be critical to attracting further capital and supporting the sector's next stage of growth.


Photo: Shutterstock

RESEARCH
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Why invest in Poland's PRS market?



Photo: Shutterstock

GDP growth forecast in 2027

PL 2.7% vs. EU 1.4%

Poland's projected GDP growth in 2027 is almost twice the EU average. Growth is expected to remain strong at 2.7% in 2028.

(European Commission, Nov. 2026)



Solid salary growth

8.1% in 2025 &

6.7% expected in 2026

Solid salary growth outpacing inflation is supporting further rental growth in the PRS sector

(Savills based on data from Statistics Poland and European Commission)

Share of people living in rented homes

PL 12.9% vs. EU 31.6%

Despite rising rental demand, only 13% of Poland's population live in rented homes, versus nearly 33% across the EU.

(Eurostat 2024)

Overcrowding rate

PL 30.8% vs. EUR 16.7%

Despite approximately 750,000 residential units delivered by developers over the past five years, Poland's overcrowding rate remains nearly twice the EU average

(Eurostat 2025)

Expected growth in the number of households 2025-2035

+ 880k / + 5.6%

Poland's household numbers are set to grow by 880,000 (+5.6%) by 2035, despite a declining population – supporting long-term rental demand.

(Ministry of Climate and Environment, 2026)

Strong operational performance of PRS projects

3.9% rental growth (YoY in Sept. 2026)

97.4% average occupancy (Q3 2026)

Strong operating performance and resilient occupancy across existing PRS assets underpin the investment case for Poland's rental market.

(Savills estimates)

Yield arbitrage opportunity

Dev. Yield 7.5%-8.5% ▶ **NOI Yield 5.5%-6.5%**

Poland's PRS market offers up to 200 bps of yield arbitrage and the potential to double invested equity

(Savills estimates)

RESEARCH
Savills & CRIDO Report

Spotlight on top PRS cities

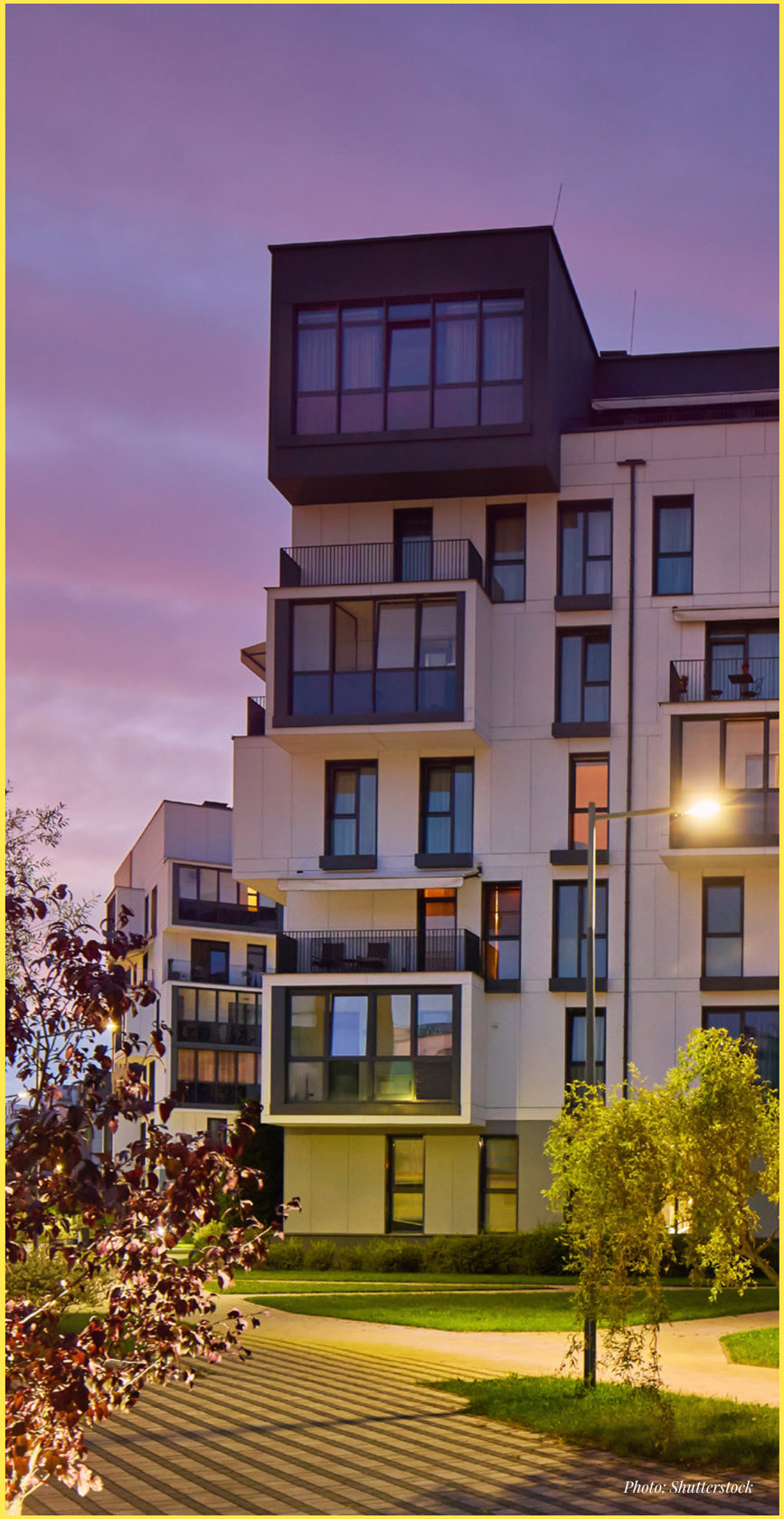
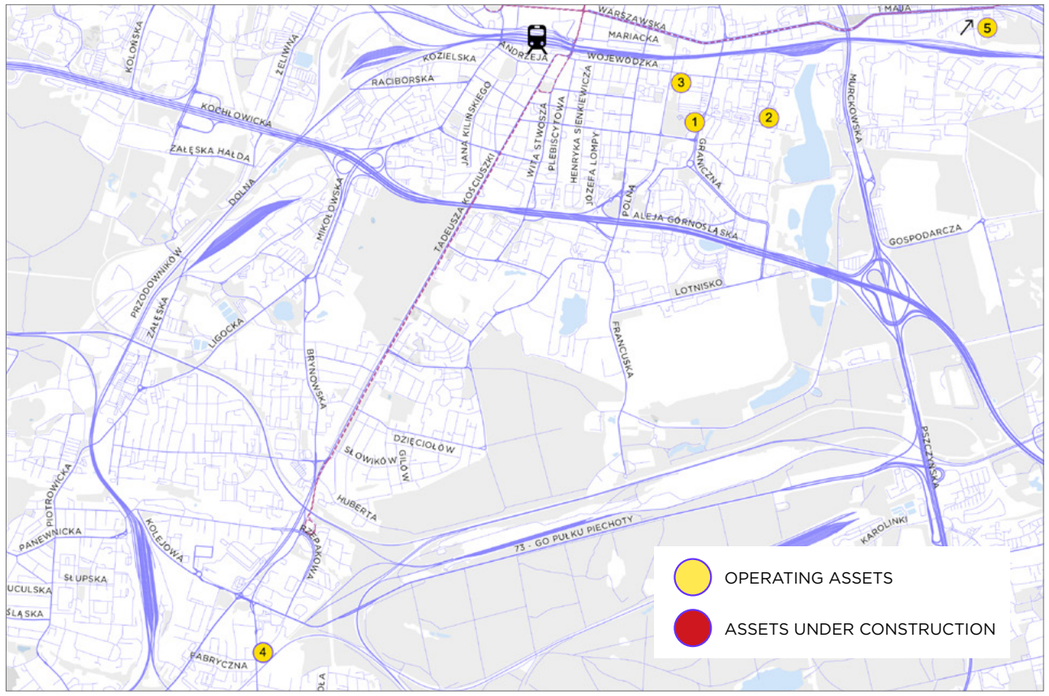


Photo: Shutterstock

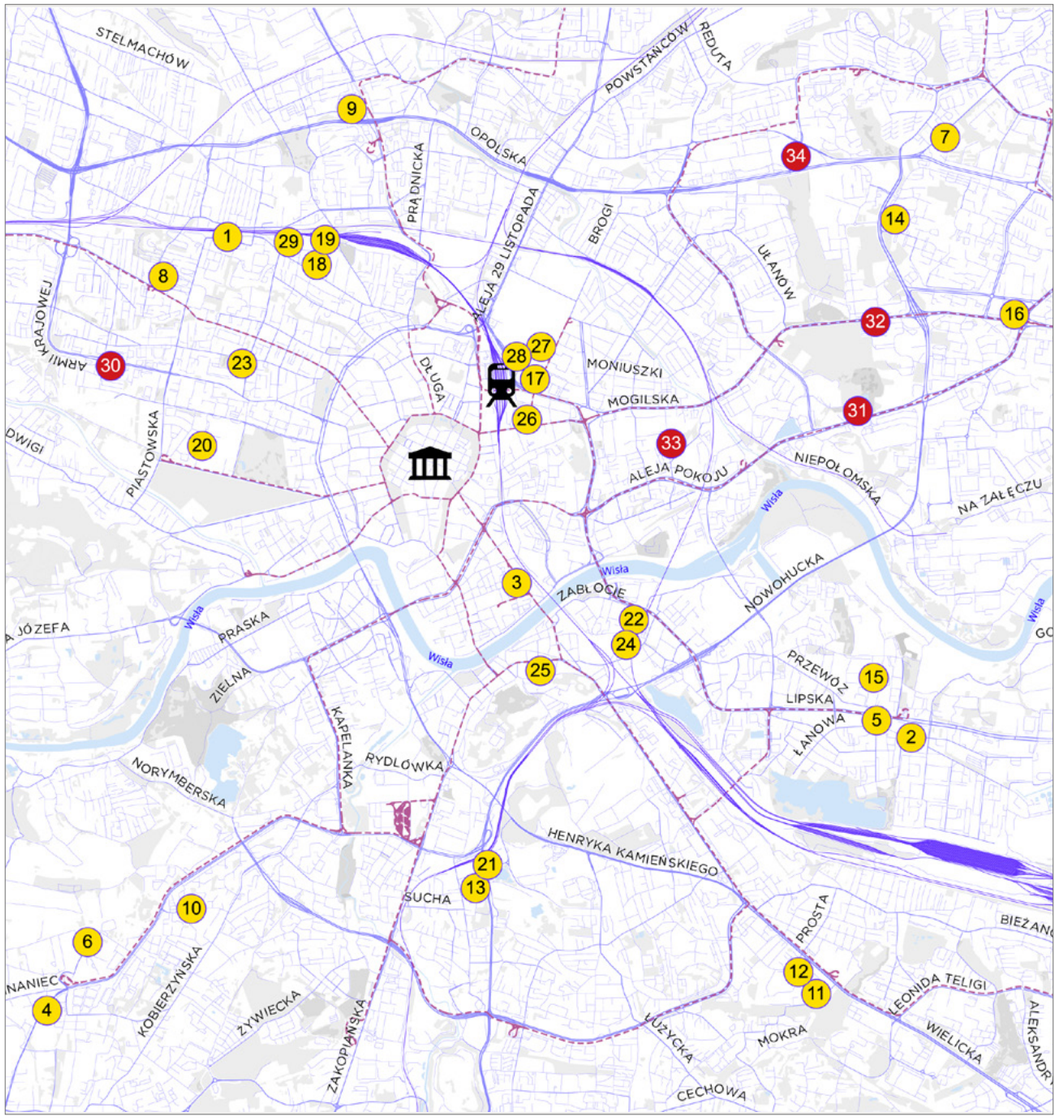
Katowice



NUMBER	PROJECT NAME
1	Life Spot Graniczna
2	naj m® Pułaskiego
3	Share Home Silesia
4	Jankego Apartamenty
5	naj m® Korczaka 39

	KATOWICE
Population (H1 2026)	276,563
Average monthly salary in the enterprise sector (H1 2026)	10,651
Unemployment (September 2026)	1.90%
Number of students / Number international students (2024/2025)	50,321 / 2,189
Number of dwellings (2025)	164,151
Number of existing PRS units / projects	1,204 / 5
Number of PRS units / projects under construction	0 / 0
Top 3 investors by number of existing units	1. PFR Nieruchomości 2. Ares/Griffin 3. Cavatina

Kraków



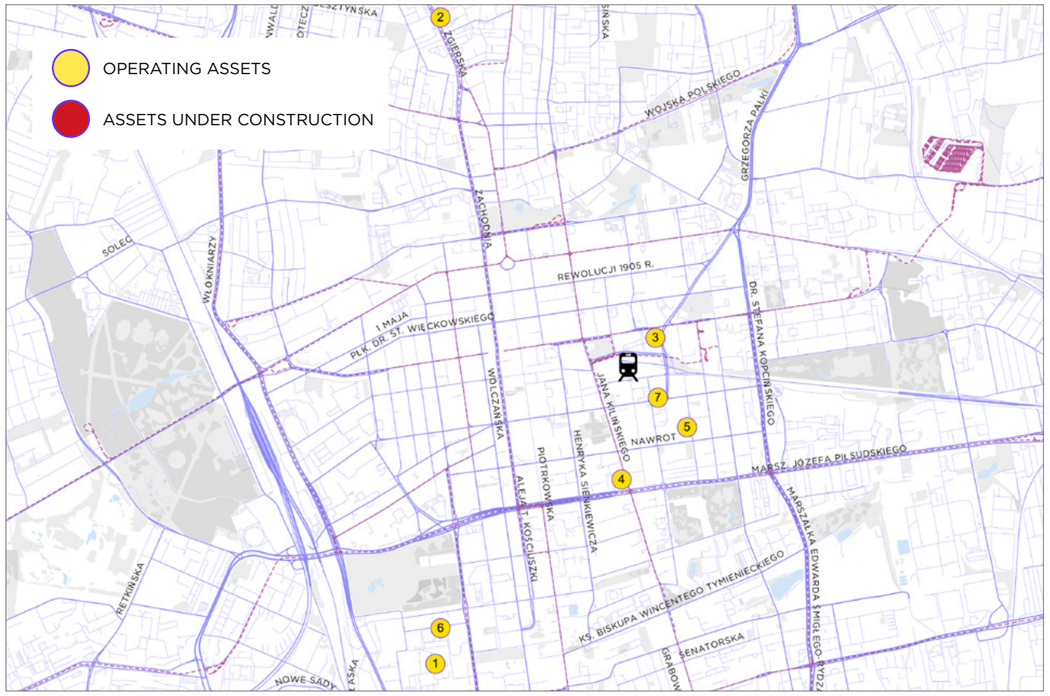
OPERATING ASSETS

ASSETS UNDER CONSTRUCTION

NUMBER	PROJECT NAME
1	AFI Home Czyżewskiego
2	AFI Home Bagry
3	AFI Home Dajwór
4	AFI Home Osiedle Europejskie
5	Life Spot Lipska
6	Life Spot Podole
7	Life Spot Okulickiego
8	LivUp Zaczarowane Koło
9	Apartify
10	naj m® Drukarska
11	naj m® Polonijna I
12	naj m® Polonijna II
13	Heimstaden Fredry
14	Heimstaden Orlińskiego
15	Heimstaden Myśliwska
16	Stacja Czyżyny
17	Apartamenty Novum
18	Nowa 5 Dzielnica I
19	Nowa 5 Dzielnica II
20	Vantage Rent Błonia
21	Vantage Rent Bonarka
22	R4R Kraków Romanowicza
23	Lea Tower
24	Greendustry
25	Krakusa 8
26	Rakowicka 6
27	Steam Park
28	TRIO Kraków
29	Zeitraum Racławicka
30	Life Spot Armii Krajowej
31	Life Spot Aleja Pokoju
32	R4R Kraków Jana Pawła
33	Vantage Rent Cystersów
34	Apartamenty Jurczaka

	KRAKÓW
Population (H1 2026)	**819,493**
Average monthly salary in enterprise sector (H1 2026)	**11,945**
Unemployment (September 2026)	**2.80%**
Number of students / Number international students (2024/2025)	**137,784 /8,570**
Number of dwellings (2025)	**474,482**
Number of existing PRS units / projects	**5,502/ 28**
Number of PRS units / projects under construction	**1,298 / 5**
Top 3 investors by number of existing units	**1. Ares/Griffin** **2. PIMCO, Echo Investment** **3. AFI Europe**

Łódź



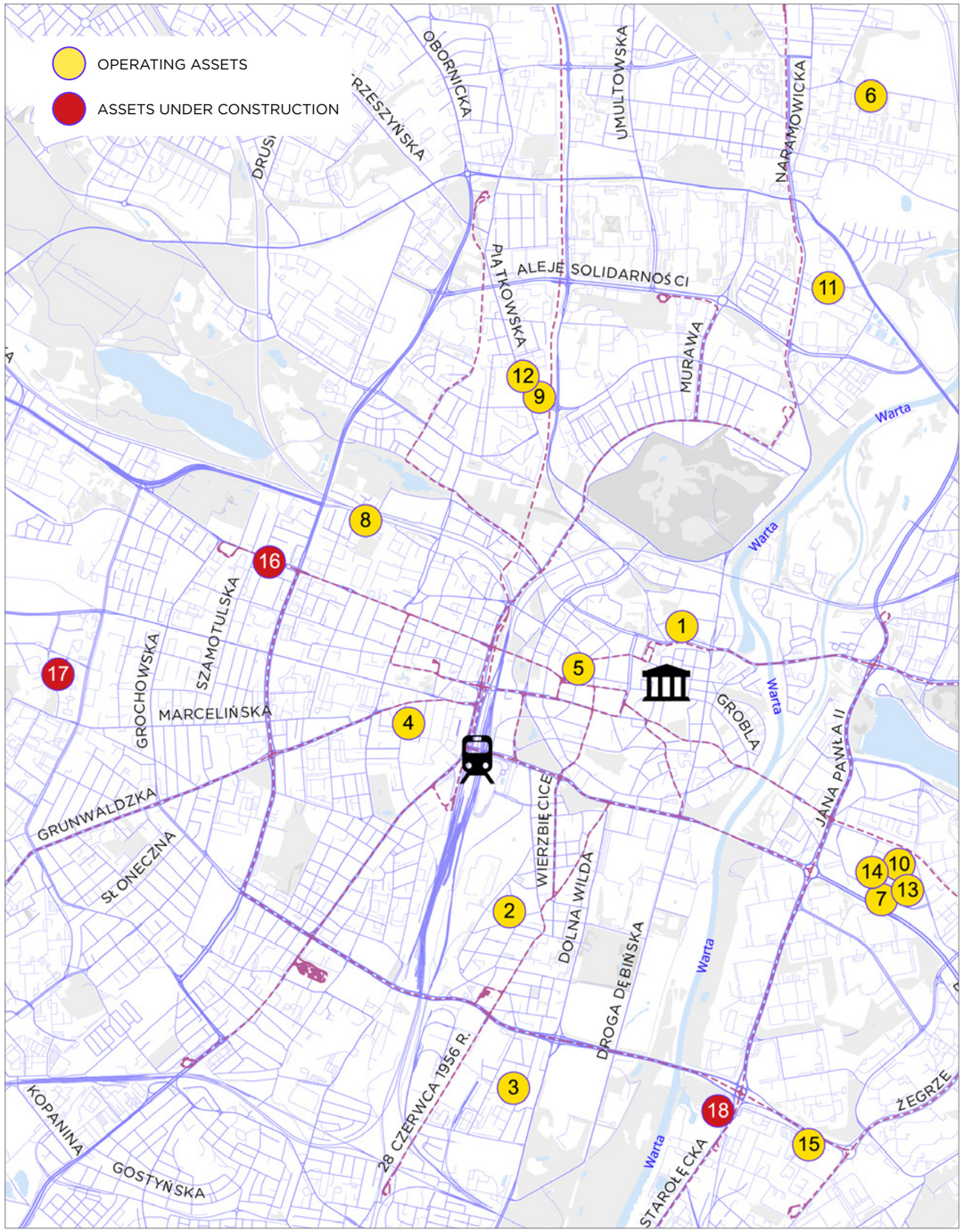
NUMBER	PROJECT NAME
1	Life Spot Wróblewskiego
2	naj m® Wspólna
3	naj m® Składowa
4	Vantage Rent Kilińskiego
5	Vantage Rent Wodna
6	Vantage Rent Rembielińskiego
7	Vantage Rent Tuwima

	ŁÓDŹ
Population (H1 2026)	**636,753**
Average monthly salary in enterprise sector (H1 2026)	**8,781**
Unemployment (September 2026)	**5.70%**
Number of students / Number international students (2024/2025)	**64,272 / 5,665**
Number of dwellings (2025)	**392,357**
Number of existing PRS units / projects	**1,851 / 7**
Number of PRS units / projects under construction	**0 / 0**
Top 3 investors by number of existing units	**1. Vantage Development 2. Ares/Griffin 3. PFR Nieruchomości**



Photo: Shutterstock

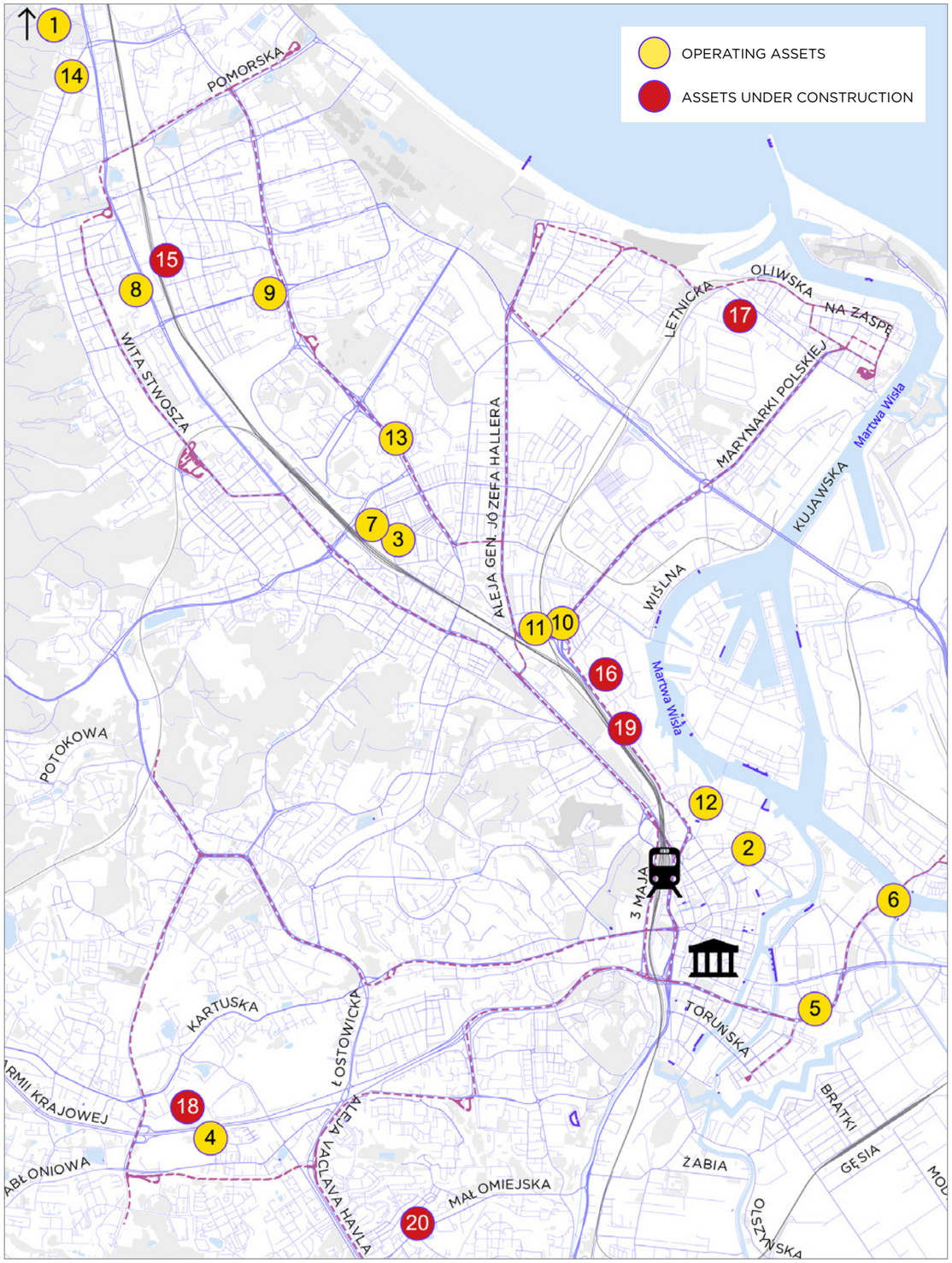
Poznań



NUMBER	PROJECT NAME
1	naj m® Bóżnicza
2	naj m® Czarnieckiego
3	naj m® Saperska
4	naj m® Śniadeckich
5	The Bank
6	Nove Olendry
7	Vantage Rent Brneńska
8	Vantage Rent Wawrzyńca
9	UP2U
10	Vantage Rent Czesława Niemena 2
11	Vantage Rent Hawelańska
12	Vantage Rent Piątkowska
13	Vantage Rent Skowrońskiego 4
14	Vantage Rent Skowrońskiego 2
15	Vantage Rent Wagrowska
16	Vantage Rent Dąbrowskiego 138
17	Osiedle Pastelowo
18	Osiedle Portowo

	POZNAŃ
Population (H1 2026)	**533,110**
Average monthly salary in enterprise sector (H1 2026)	**10,686**
Unemployment (September 2026)	**1.60%**
Number of students / Number international students (2024/2025)	**100,433 / 9,306**
Number of dwellings (2025)	**312,105**
Number of existing PRS units / projects	**3,116 / 15**
Number of PRS units / projects under construction	**702 / 3**
Top 3 investors by number of existing units	**1. Vantage Development 2. PFR Nieruchomości 3. Trei Real Estate Poland**

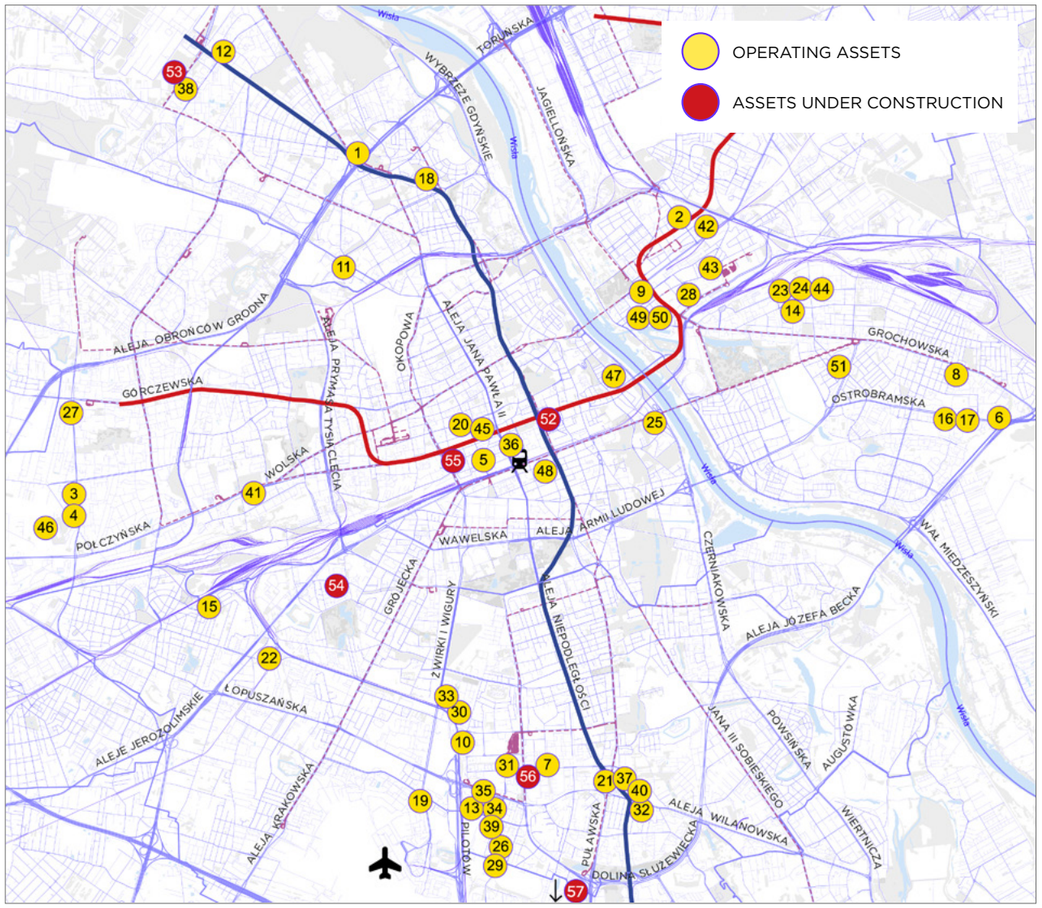
Tricity



	TRICITY
Population (2025)	**758,096**
Average monthly salary in enterprise sector (H1 2026)	**11,223***
Unemployment (September 2026)	**3.00%**
Number of students / Number international students (2024/2025)	**83,548 / 4,428**
Number of dwellings (2025)	**419,371**
Number of existing PRS units / projects	**3,414 / 13**
Number of PRS units / projects under construction	**1,565 / 6**
Top 3 investors by number of existing units	**1. PIMCO, Echo Investment** **2. Urban Partners** **3. Vantage Development**

NUMBER	PROJECT NAME
1	Life Spot Gdynia Nasypowa
2	Vantage Rent Stępkarska
3	naj m® Kilińskiego
4	naj m® Kołodzieja
5	Noli Gdańsk Old Town
6	Noli Gdańsk Riverside
7	Noli Gdańsk Wrzeszcz
8	Olivia Pulse
9	Vantage Rent Kołobrzeska
10	R4R Gdańsk Zielony Trójkąt I
11	R4R Gdańsk Zielony Trójkąt II
12	R4R Gdańsk Stocznia
13	@Home Gdańsk
14	Górskiego Home by Zeitgeist
15	Life Spot Gdańsk Śląska
16	Life Spot Gdańsk Twarda / Marynarki Polskiej
17	Vantage Rent Porto LMN
18	Vantage Rent Rosa
19	Lett Stocznia I
20	Wawelska 2

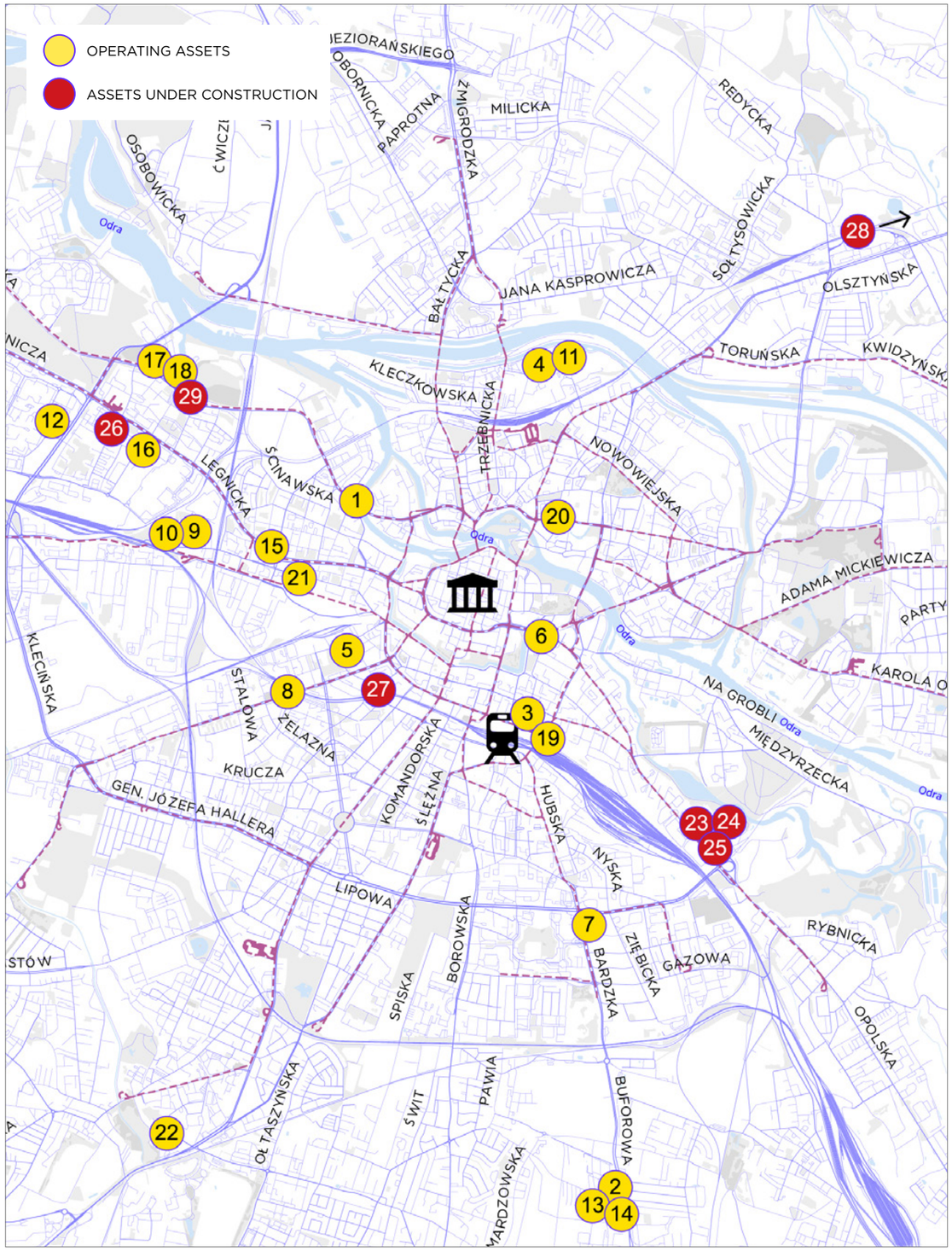
Warsaw



	WARSAW
Population (H1 2026)	**1,866,929**
Average monthly salary in enterprise sector (H1 2026)	**11,481**
Unemployment (September 2026)	**1.70%**
Number of students / Number international students (2024/2025)	**256,939 / 33,881**
Number of dwellings (2025)	**1,111,588**
Number of existing PRS units / projects	**9,748 / 48**
Number of PRS units / projects under construction	**1,347 / 6**
Top 3 investors by number of existing units	**1. Vantage Development 2. Heimstaden 3. AFI Europe**

NUMBER	PROJECT NAME
1	AFI Home Metro Park
2	AFI Home Metro Szwedzka
3	AFI Home Metro Zachód I
4	AFI Home Metro Zachód II
5	AFI Home Złota
6	Life Spot Ostrobramska
7	naj m® Samochodowa
8	Life Spot Pustelnicka
9	LivUp Jagiellońska
10	Vantage Rent Suwak
11	naj m® Powązkowska
12	naj m® Przy Agorze
13	Vantage Rent Taśmowa
14	naj m® Terespolska
15	Apartamenty Rubikon
16	Osiedle Ostrobramska I
17	Osiedle Ostrobramska II
18	Apartamenty Słowackiego 12
19	Heimstaden Studio Okęcie
20	Heimstaden Grzybowska
21	LivUp Puławska
22	Heimstaden Wschodu Słońca
23	Heimstaden Żupnicza I
24	Heimstaden Żupnicza II
25	UpRiver by Vonder
26	Heimstaden Bokserska
27	Lett Lazurowa
28	Lett Markowska
29	Lett Kłobucka
30	Vantage Rent Woronicza
31	Noli Mokotów
32	Vantage Rent Wilanowska I
33	Vantage Rent Woronicza
34	Apartamenty Wynalazek 3B
35	Apartamenty Wynalazek 3F
36	No. 44
37	Wilanowska Metro Park
38	Apartamenty Nocznickiego
39	Life Spot Postępu
40	Vantage Rent Wilanowska II
41	Xior Warsaw Wolska
42	Al. Solidarności 12A
43	La Praga
44	Siennicka
45	Pereca 11
46	Osiedle Metro Połczyńska
47	Apartamenty Elektrownia Powiśle
48	Barbary - Home by Zeitgeist
49	Wrzesińska 2 - Home by Zeitgeist
50	Wrzesińska 2A- Home by Zeitgeist
51	Apartamenty Grenadierów
52	LivUp Moniuszki
53	Lett Nocznickiego
54	R4R Opaczewska
55	AFI Home Apartamenty Gutenberga
56	R4R Wołoska
57	naj m® Karczunkowska

Wrocław



NUMBER	PROJECT NAME
1	AFI Home Długa
2	Life Spot Drabika
3	naj m® Dąbrowskiego
4	naj m® Zakładowa
5	naj m® Kolejowa
6	Apartamenty Traugutta
7	R4R Bardzka 30
8	Vantage Rent Grabiszyńska
9	Vantage Rent Jaworska I
10	Vantage Rent Jaworska II
11	Vantage Rent Zakładowa
12	Vantage Rent Horbaczewskiego
13	Vantage Rent Buforowa I
14	Vantage Rent Buforowa II
15	Vantage Rent Legnicka
16	Vantage Rent Małopanewska
17	Vantage Rent Port Popowice I
18	Vantage Rent Port Popowice II
19	Vantage Rent Pułaskiego
20	Vantage Rent Sienkiewicza
21	Vantage Rent Braniborska
22	Apartamenty Jeździecka
23	Vantage Rent Krakowska I
24	Vantage Rent Krakowska II
25	Vantage Rent Krakowska III
26	Vantage Rent Kwiska*
27	AFI Home Kolejowa
28	naj m® Odolanowska
29	naj m® Białowieska

	WROCŁAW
Population (H1 2026)	**672,579**
Average monthly salary in enterprise sector (H1 2026)	**10,109**
Unemployment (September 2026)	**2.50%**
Number of students / Number international students (2024/2025)	**115,538 / 9,291**
Number of dwellings (2025)	**400,448**
Number of existing PRS units / projects	**5,569 / 20**
Number of PRS units / projects under construction	**2,283 / 5**
Top 3 investors by number of existing units	**1. Vantage Development 2. PFR Nieruchomości 3. PIMCO, Echo Investment**

RESEARCH
Savills & CRIDO Report

Tax and legal aspects of PRS investments



Photo: Shutterstock

TAX

2026: from uncertainty to a new VAT roadmap for PRS

The first signs of a shift in the tax authorities' approach to the VAT treatment of PRS models emerged as early as 2025, when decisions began to be issued refusing to provide Binding Rate Information (WIS) confirming the applicability of the 8% VAT rate to accommodation services and, consequently, the right to deduct input VAT at the investment stage. In early 2026, this trend intensified significantly, increasing uncertainty around PRS models based on classifying the service as accommodation.

At the same time, the nature of the proceedings conducted by the Director of the National Revenue Information (DKIS) changed. The authority began examining not only the contractual terms and the stated nature of the service, but also how the entire model operated in practice. Its questions concerned specific units, billing arrangements, the terms of the stay and its extension, and the operator's actual practices. In effect, the focus shifted from individual contractual provisions or features associated with accommodation to an assessment of the overall customer relationship.

The market responded by reviewing business models, documentation and operating procedures. The first effects of this process are now becoming visible. Recent rulings confirm that the 8% VAT rate may apply to different PRS models, while also showing that there is no single universal set of conditions that automatically secures this treatment. What increasingly matters is the consistency of the entire model from its commercial terms and documentation to the way the services are actually provided. The key therefore lies in designing the operating model appropriately and implementing it consistently in practice.


Photo: Shutterstock

A model offering the greatest degree of VAT certainty is not necessarily the one with the largest number of 'hotel-like' features. It is a model in which the commercial terms, documentation and actual practices consistently reflect the same nature of the service. A WIS decision remains an important protective instrument, but its practical value depends on whether the organisation can maintain the model described in the ruling.

The impact of VAT on investment economics

In the institutional rental sector, VAT is not merely a technical aspect of tax settlements, but one of the factors affecting the economics of the entire investment.

The difference between VAT exemption and taxation at the 8% rate or, in certain cases, the 23% rate may affect not only the taxation of revenue, but also the extent of the right to deduct input VAT on investment and operating expenditure. Consequently, it may influence the investment cost, margin, rent levels and cash flow. A change in the use of the property or in the VAT classification of the activities may also have consequences for VAT previously deducted, including, where applicable, an obligation to adjust input VAT.

A change in VAT classification may therefore require adjustments relating to earlier settlement periods. This may involve a multi-year adjustment of input VAT on real estate and, in certain cases, repayment of part of the VAT previously deducted. Where significant capital expenditure is involved, this may have a material impact on the economics of the project. Reclassification also requires the corresponding output VAT settlements to be regularised.

The key takeaway from the past year? **VAT certainty in the PRS sector depends neither on the label attached to the investment nor on any single contractual provision. What matters is that the entire model—its documentation, sales and customer service processes, and the way the services are actually provided—remains consistent with the assumptions on which the WIS was obtained.**

The dividing line remains the same

The letting of residential premises for residential purposes is exempt from VAT.

Accommodation services (PKWiU Division 55) are subject to the 8% VAT rate.

DKIS now takes a broader view

DKIS takes a closer look at the components of the premises and their furnishings, the duration of the stay, extension options, service-related charges, utilities, the scope of the customer's rights and documentation relating to the premises.

A WIS protects a specific model

Protection applies only where the service actually supplied corresponds to the description covered by the WIS. A material departure may require a fresh review and a new WIS application.

The VAT rate is managed operationally

Key elements include agreement templates, the process for negotiating and concluding agreements, check-out procedures, controls over departures from the adopted model and regular reviews of additional services.

2026: a changing VAT landscape



Photo: Shutterstock

Not long ago, to obtain confirmation that the 8% VAT rate could be applied to accommodation, it was enough to show that the stay was temporary, the unit was ready for use, and the terms of use departed from a classic lease. Today that is not enough. **The DKIS (the Director of the National Tax Information) looks at the entire service model, not at its individual features.** What matters is not only what is written in the contract, but also how the service works in practice: from booking, through settlements and extensions, to check-out.

In practice, **this means risks that are easy to overlook.** A model that the investor regards as accommodation may be read by the tax office as a lease. It is enough that the contract is too extensive, that the settlements resemble a classic lease, or that the documents and the actual manner of operation are not consistent with each other. Even seemingly secondary elements of the model may affect the assessment of whether we are dealing with a single accommodation service, a complex (composite) service, or several separate supplies. The refusals from the turn of 2025 and 2026 show that the label "accommodation" and a few features of a temporary stay no **longer protect against a negative assessment.**

Uncertainty also affects segments that seem obvious. A favourable ruling in the student dormitory case does not mean that the next facility will automatically benefit from the 8% rate. Similarly in the B2B segment: there are WIS decisions (binding rate information) granting the

8% rate for a residential unit let to a business, although it had previously been assumed that the rate would be 23%. This shows that **neither the type of facility nor the customer's status determines the rate.** What decides is the set-up of the entire model.

There is no single "PRS model". Student dormitories, B2C rentals, agreements with businesses (B2B), co-living, short stay and mixed models differ in length of stay, customer profile, settlement mechanics and scope of services. **Each requires a separate analysis and individual tailoring.** A solution that has worked in one segment may be risky in another. Particular caution is required for mixed models, e.g. those combining short and long stays, or business and individual customers. The authority may assess them by reference to their less favourable elements.

The line between accommodation and lease therefore remains blurred, and the authority's practice is still taking shape.

This does not mean that the risk cannot be managed. With an appropriate structuring of the contract, the WIS application, the operational processes and the other documents, it can be significantly reduced. However, this requires experience and knowledge of the authorities' practice. One must know how the authority reads individual elements in combination, and how to verify the adopted approach before the model is implemented. This change in the approach of the tax authorities means that a WIS is not a formal add-on to an investment. It is worth taking it into account already at the stage of designing the operating model.

Important signal: the formally residential character of a unit or building does not exclude accommodation, just as the B2B status of a customer does not by itself determine the application of the VAT rate.

A WIS is not such a simple matter – what to pay attention to

The rules of the game are changing. What not long ago was enough to confirm the 8% rate may no longer be sufficient today. The authority assesses the model as a whole: the documents, the settlements and the actual performance of the service.

1 PURPOSE OF STAY → **2 DURATION OF VISIT** → **3 PREMISES**

1. temporary or permanent?
2. a limited duration of stay alone does not determine whether a service is eligible
3. the type of building or premises is not crucial

4 SCOPE OF THE CONTROL → **5 PRICE AND UTILITIES**

4. what I can and cannot do in the apartment
5. should utility costs be included in the rent?

6 ADDITIONAL SERVICE FEATURES → **7 TERMINATION OF SERVICE**

6. reception area, coworking space, parking, additional services—or maybe none of the above?
7. to extend or not to extend my stay? that is the question...

The five-year validity period of a WIS

A WIS binds the tax authorities only in respect of the service described in the application and only where the service actually supplied is identical to that description. **As a rule, a WIS remains valid for five years.**

For some investments, the time is approaching to decide whether to retain the historical commercial terms or adapt the service to changing market conditions and customer needs. This is an appropriate moment to review the WIS, agreements and operational practice in parallel. If the new model is to differ materially, applying for a WIS covering the revised service may be safer than attempting to fit it within the scope of the existing ruling.

Action plan for investors and operators

As the PRS market matures, so does the tax authorities' approach. In future, the greatest value will lie not merely in holding a WIS, but in translating its assumptions into day-to-day operations—from the structure of the agreement and the booking process to the actual use of the premises and the procedures followed when the accommodation period ends.

In our view, the greatest risk does not arise when one element of the model is unusual. It arises when the WIS, the agreement and day-to-day practice describe three different services / realities.

Short-term letting: non-VAT regulations may become relevant to the analysis

Legislative work is under way on a definition of short-term letting for non-tax purposes, based on a period not exceeding 90 days. At this stage, these rules should not be treated as applicable law or automatically transposed to VAT.

If adopted, however, the new definition may become an additional reference point when analysing models at the boundary between accommodation and letting. It may affect not only how agreements are structured, but also how the purpose of the stay, extension rules and the scope of the customer's rights to use the premises are defined.

In practice, this means monitoring not only DKIS positions and new WIS decisions, but also regulatory developments concerning real estate and short-term letting. For PRS models, it is increasingly clear that the VAT assessment does not take place in isolation from the broader legal environment.



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Tax and legal aspects of PRS investments

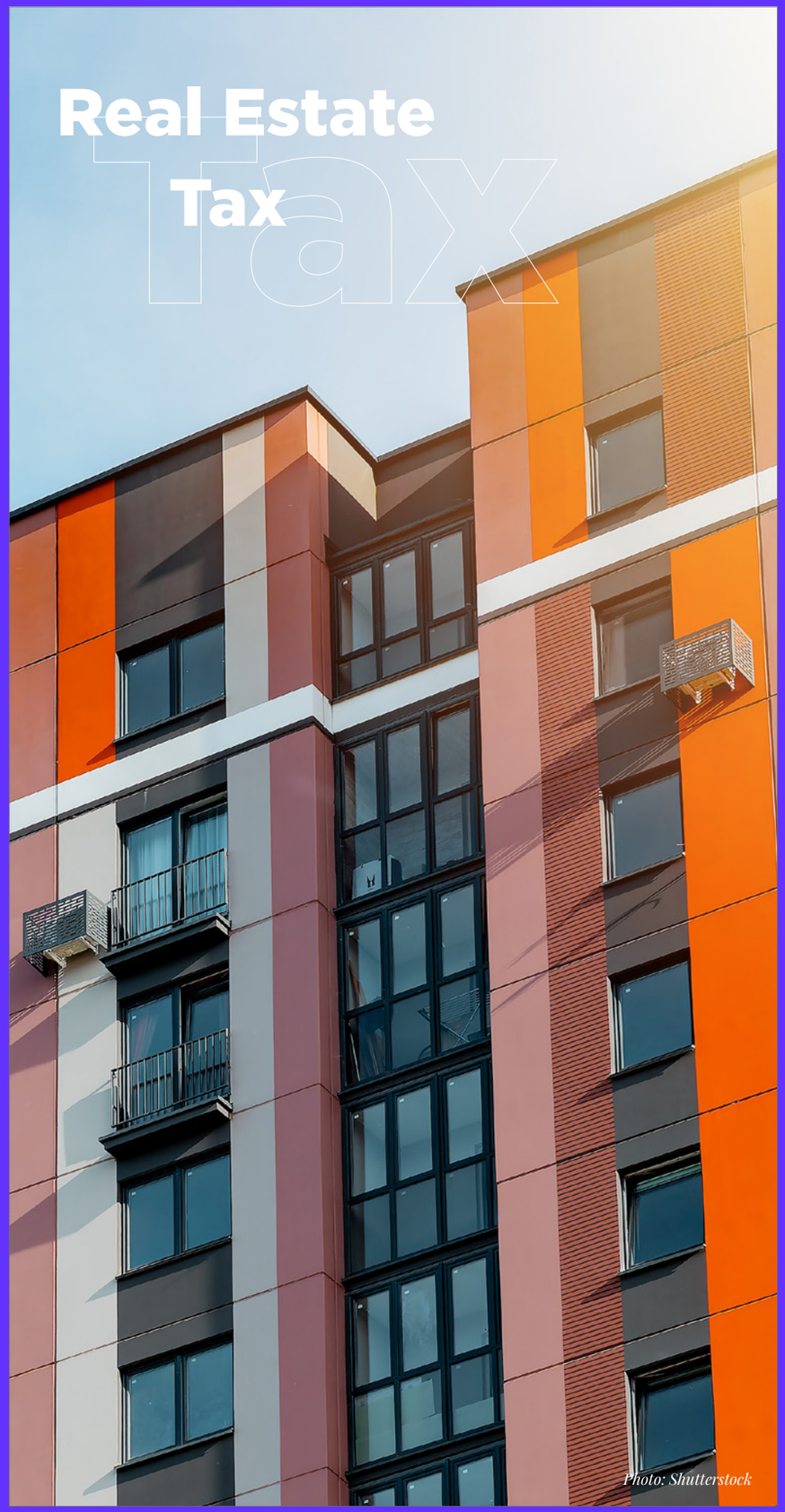


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Nearly Two Years of New RET Rules: Infrastructure Still Drives Questions

On 1 January 2025, new definitions of a building and a structure were introduced — the biggest change to Poland's real estate tax (RET) rules in around 20 years. Almost two years on, taxpayers (including PRS owners and developers) actively tested the new framework through individual tax rulings, with Warsaw among the most active municipal issuers.

One of the most difficult questions concerns technical equipment associated with buildings: is it covered by RET on the building, taxable separately as a structure, or outside the scope of RET altogether? We are watching the debate over current transformers located inside buildings particularly closely. Their location may have seemed to rule out separate taxation, but the emerging approach to electrical infrastructure suggests that this can no longer be taken for granted.

Taken together, the rulings issued so far show municipalities seeking to tax separately items that, before 2025, were generally treated as part of a building – notably electrical and heating equipment. This does not in itself mean that owners have under-declared: rulings bind only the taxpayers who requested them, and case law is only beginning to form.

It is, however, a good moment to review how technical equipment was classified in 2025–2026 filings and, where exposure is significant, to consider a ruling request or a correction before any audit. In practice, the main issues, with a focus on Warsaw where controversies may arise included e.g.

- transformers, substations and power connections some municipalities have taken a stand that the electrical gear even inside the building can be taxed separately;
- tanks, fire-water storage and separators – here the municipalities are taking a broad view of taxable tanks and storage structures under the new definitions, hence case-by-case analysis is required;
- Garages in residential buildings – in general, direction is more favourable to investors. Since 2025, garages in residential buildings have been treated as residential parts of those buildings for RET purposes;
- Structures serving residential buildings – are they subject to RET at all?

The NSA Resolution Two Years Later: Residential Rate Accepted – For Now, for Buildings Classified as Residential

The resolution of the Supreme Administrative Court (NSA) of 21 October 2024 (III FPS 2/24) held, in essence, that parts of a residential building used for the permanent satisfaction of housing needs are not "occupied for business", even where they are commercially let by an entrepreneur. Two years on, Warsaw is applying this approach consistently. Its rulings confirm the residential rate for flats let long-term for housing purposes. The approach also extends to common areas, storage units and parking spaces functionally linked to the flats.

Units **temporarily vacant** between tenancies or awaiting first letting retain their residential character. The main risk concerns units deliberately kept empty as a capital investment. Some municipalities, have nevertheless begun arguing that newly built but unsold units should be taxed at the business rate. In our view, that position is difficult to reconcile with the NSA's guidance: an unsold unit awaiting a sale is temporarily vacant, not necessarily an investment asset intentionally kept empty.

The important caveat is classification of the building in the land and building register (EGiB). Warsaw's acceptance of the residential rate has been, so far, tied to buildings classified as residential.

The next chapter of dispute will therefore concern buildings classified otherwise – including mixed-use buildings, collective accommodation, student housing, co-living and serviced apartments. Recent judgments concerning private student accommodation have opened the door to a fact-based assessment of whether rooms permanently satisfy basic housing needs, but the position for assets not registered as residential remains open.

Proposed Value-Based RET Model: A Warsaw Perspective

A separate source of uncertainty is the legislative proposal aiming to increase taxation for entities owning a large number of apartments. As of now, it remains a draft, not applicable law. It would replace the present area-based approach for residential single-family buildings and apartments with a value-based base: 0.02% for a taxpayer's first two properties, and 0.5% for the third, increasing by 0.1 percentage point annually up to 1.5%. Initially, the value would rely on replacement-

cost indicators – on the proposal's timetable, transaction data could become relevant from 2028. Municipalities could also apply an optional multiplier of up to two.

The Warsaw numbers show why the proposal matters. The replacement-cost index is PLN 12,149.38 per square metre, while the average secondary-market transaction price is approximately PLN 16,750. Therefore, planned moving to transaction prices in 2028 would increase the tax base by about 38%. For a 56 square metre flat, that means approximately per-year increase of:

- **PLN 136 at 0.02%,**
- **PLN 3,400 at 0.5%,**
- **PLN 10,200 at 1.5% and**
- **PLN 20,400 with a coefficient of 2.**

By comparison, three commercial units of the same size taxed at the current maximum business rate of PLN 35.53 per square metre would pay approximately PLN 5,970 in total. Under the current regime, the same flat at the maximum residential rate of PLN 1.25 per square metre costs about PLN 70 annually. For institutional landlords holding hundreds of units in Warsaw, the progressive rate would therefore dominate the economics.

The proposed draft also raises structural concerns for PRS. Removing the existing residential rate per square metre could move common areas and garages in multifamily buildings into the "other buildings" category, while the proposed rules on co-ownership leave uncertainty over how shares affect the progressive count and liability.

For the Warsaw PRS market, predictability will therefore depend both on disciplined classification of infrastructure today and on careful redesign of any value-based rules before they become law.



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Private rental continues to benefit from more favourable tax treatment

Different tax rules for VAT, CIT, and RET in institutional PRS activities significantly impact the return on investment, depending on the adopted business model:

- services provided to the clients can either be VAT-exempt (e.g., residential leasing in residential buildings) or subject to VAT (e.g., short-term accommodation services, typically in buildings on "service" land). These differences affect the right to deduct VAT and the final cost of the service. To remain competitive, the economically due VAT reduces the margin unless it is fully passed on to the client. Conversely, in cases of VAT exemption, VAT increases the investment cost and significantly affects the overall investment return
- from CIT perspective though, using commercial buildings in business operations allows for tax depreciation of the property. However, using residential buildings or units may exclude tax depreciation (though arguments exist to include partial depreciation as costs in such cases)
- whereas, the RET rate for spaces used for business purposes is nearly 30 times higher than the rate for residential purposes.

A private individual, including those running a business, renting out an apartment under private lease, is subject to different tax rules. Private rental enjoys a flat-rate tax of 8.5% on income up to PLN 100,000 and 12.5% above that amount.

An individual investor generally does not charge VAT for the service (turnover up to PLN 240,000 is VAT-exempt). Additionally, a lower RET rate applies to residential properties, even when the apartment rental is combined with a business activity.

All this combined makes the individual lease still much more beneficial from the tax perspective.



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ALL AMOUNTS IN PLN	INDIVIDUAL INVESTOR	COMMERCIAL INVESTOR	
		RENTAL FOR RESIDENTIAL PURPOSES	ACCOMMODATION SERVICES
Net rent (PLN)	**4,000**	**4,000**	**4,000**
Costs (PLN)	200	1,000	1,000
PIT	flat rate 8.5%	n/d	n/d
	PLN 340	n/d	n/d
CIT	n/d	19% + no tax depreciation	19% + depreciation 2.5%
	n/d	PLN 570	PLN 174
VAT	not applicable (if individual)	exempt (no possibility of VAT deduction on purchase) exempt	8% (potentially reduces profit but grants the right to deduct VAT on investments)
	n/a	exempt	PLN 320
RET	lower rate (c.a. PLN 1.25/m^2)	PLN 35.5/m2 (1.25/m2 disputable)	higher rate (c.a. 35.5/m2)
p.a. (PLN)	63	1,775	1,775
Income / month (PLN)	**3,398**	**655**	**731**
Income / p.a. (PLN)	**40,770**	**7,860**	**8,772**
Tax burden (annual, PLN)	**4,143**	**8,615**	**7,703**

Statistical data shows that in 2025 approx.

1.2 million

individual taxpayers (compared to 1.1m in 2024) reported rental income taxed under the flat-rate system, totalling over

PLN 44.1 billion

(compared to PLN 39 billion in 2024 and 33 billion in 2023).

In 2025, 73,000 **taxpayers** generated rental income exceeding

PLN 100,000

(taxed at a **12.5% flat rate**)

(compared to 47,000 taxpayers in 2024 – 65% increase !!! and 40,000 taxpayers in 2023).

YEAR	TAXPAYERS	TOTAL REVENUE
2022	883k	23.4b
2023	1,074k	33.3b
2024	1,140k	39b
2025	1,199k	44.1b

Institutional PRS still represents only a very small fraction of Poland's residential rental market, which remains overwhelmingly dominated by individual landlords. The private rental figures point to continued expansion: more individuals are reporting rental revenue, and aggregate declared receipts continue to rise. Private letting is therefore not merely an established alternative to institutional PRS, but a substantial and expanding investment channel. These statistics do not, however, establish that it is growing faster than PRS in percentage terms: taxpayer numbers and rental revenue are not directly comparable with the number of institutional rental units.

In our view, the tax framework is an important factor supporting this pattern. The relatively favourable treatment of private rental, discussed above, can give individual landlords a competitive advantage over institutional PRS operators, whose returns are affected by the interaction of CIT, VAT and RET. This is not a universal advantage in every investment model, but it creates a structural incentive for individuals to acquire and retain apartments as income-producing assets.

The absence of a recurrent value-based property tax reinforces that incentive. Under the current area-based system, holding costs do not automatically rise with the market value of an apartment. In our assessment, this makes residential property an attractive vehicle for accumulating private wealth and allows individuals to expand portfolios without the additional holding-cost barrier that a cadastral tax could create.

The broader implication is that the expansion of institutional PRS takes place alongside a deeply entrenched private-landlord model supported by tax incentives: scale and professional management alone may not be enough to offset that competitive imbalance.



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Where Does Tenancy End and Hotel Service Begin?

The planned amendment to the regulations on hotel services

may have significant implications for PRS projects operating a short-term accommodation model. The draft classifies as hotel services the publicly available rental of, among other things, apartments, rooms and sleeping accommodation where a single customer's stay is shorter than 30 days. The traditional PRS model, based on long-term residential leases, should in principle remain outside this regime. However, the dividing line between tenancy and accommodation may become relevant already at the stage of land acquisition, building design and defining the intended operating model.

For properties covered by the new regime, additional registration, documentation and operational obligations will be material. Entry will be made in a register maintained by the competent municipality, and the property's data will be transferred to the Central Register of Tourist Accommodation Facilities; an individual ID number will be assigned upon registration. Before commencing operations, the operator will be required, among other things, to submit regulations, a declaration of compliance with the applicable requirements and, as a rule, an opinion from a suitably qualified fire-safety professional.

Administrative fines of up to PLN 50,000 may be imposed for operating without the required registration, operating after registration has been suspended, or failing to display the ID number in an offer. Of particular importance to investors will be the ability of municipalities, from 1 January 2028, to establish zones excluding the operation of other facilities providing hotel services, especially due to the historic character of buildings and considerations of safety and public order.

Consequently, for service, hybrid and short-stay models involving stays of less than 30 days, an assessment of the proposed regulations should become a permanent element of due diligence. This should include, in particular, verification of the building's permitted use, planning basis, fire-safety requirements, contractual model and the risk of local restrictions on operations.The draft legislation was adopted by the Senate and submitted to the President of Poland for signature on 20 November 2026.

New Rules for the Separation of Units in Collective Accommodation Buildings on the Horizon

The draft amendment to the Act on Ownership of Premises may materially alter the rules for the separation of units in collective accommodation buildings. From the PRS sector's perspective, the proposed mechanism making the establishment of separate ownership of a unit conditional on the municipal council's consent is of particular importance. Such consent would be granted by a resolution constituting local law, applicable to the entire municipality or part of it.

The draft provides for the establishment of separate ownership exclusively of units intended for non-residential use, provided that they meet the technical and construction requirements applicable to such units. In its resolution, the municipal council would be required to specify the minimum number of parking spaces and could optionally determine the minimum proportion of biologically active area on the plot.

For PRS projects developed in the form of collective accommodation buildings, this means that the ability to establish separate ownership of units should be considered at an early stage. In particular, already during land acquisition, design and financing, it will be advisable to assess whether a municipal council resolution permitting unit separation applies to the relevant location and which parking or biologically active area requirements it imposes.

The draft act provides that the above regulations will not apply to buildings developed on the basis of building permits for which applications were submitted before the act enters into force.


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The General Plan Takes Centre Stage: A New Map of Risks and Opportunities for PRS

The spatial planning reform is changing the conditions for preparing investments in the institutional private rental sector (PRS). Its central instrument is the municipal general plan, which replaces the study of conditions and directions of spatial development. As an act of local law, the general plan is binding in the preparation of local spatial development plans and in the issuance of development conditions decisions, notably through the designation of planning zones and municipal urban planning standards.

The studies remained in force until the general plan entered into force in the relevant municipality, but no later than 31 August 2026. For PRS investors, this means that, for projects located outside areas covered by local plans, the decisive factor is now not only the potential of the property itself, but also the content of the applicable general plan and the pace of planning work in the relevant municipality.

From 1 September 2026, the issuance of a development conditions decision for applications submitted from that date is, as a rule, possible only where a general plan is in force in the municipality. The new model also limits the possibility of obtaining a development conditions decision to land designated in the general plan as a supplementary development area. Municipalities are not required to designate such areas; therefore, the absence of appropriate provisions may restrict access to new sites or direct investors towards land covered by local spatial development plans.

The time horizon for development conditions decisions is also changing. Decisions that become final from 1 January 2026 expire five years after becoming final; this limitation does not apply to decisions that became final before that date. In the PRS sector, where the investment process includes land acquisition, project preparation, financing and commercialisation, the timely completion of successive stages is therefore gaining additional importance.

The reform is intended to strengthen control over dispersed development and reduce spatial disorder. In the short term, however, it increases the importance of spatial planning due diligence: an investor should assess not only the use permitted for a property, but also the scope of planning zones, the existence of a supplementary development area and the realistic route to obtaining a development conditions decision or adopting a local plan.



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RESEARCH
Savills & CRIDO Report

Expert views on the PRS market



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Brendan Long
Head of Commercial Real Estate for Erste Bank Polska

PRS is becoming a mainstream asset class, driven by strong demand and growing bank confidence.

1. Sector financing

We see growing interest among banks in financing PRS projects in Poland and consider the sector one of the most promising segments within the broader living sector. While PRS remains relatively small compared to more mature markets in Western Europe, its steady growth, increasing institutional participation and strong occupancy levels have significantly improved lender confidence.

From a financing perspective, the sector is supported by powerful long-term drivers, including housing affordability challenges, urbanisation, labour mobility, migration and changing housing preferences. Professional rental housing is increasingly viewed as a long-term housing solution rather than a temporary alternative to home ownership. As a result, financing for well-located and professionally managed PRS projects is becoming an increasingly important part of some banks' real estate lending strategies.

2. Risk assessment

The approach to assessing PRS projects has evolved considerably. A few years ago, lenders had limited operational data and therefore adopted relatively conservative underwriting assumptions. Today, the market benefits from an expanding track record of completed and stabilised assets, providing greater visibility on occupancy, rental growth and operating performance.

Although PRS is still an emerging sector in Poland, the growing body of market evidence has strengthened confidence in its resilience. Banks increasingly assess PRS using established cash-flow-based methodologies similar to those applied in other income-producing real estate sectors. Particular attention is paid to location quality, affordability, management expertise and the sustainability of rental demand.

3. Market maturity

The banking sector's perception of PRS has changed significantly alongside the sector's development. While initially viewed as a niche or alternative asset class, PRS is increasingly recognised as a mainstream component of the residential market and an increasingly important part of the broader living-sector investment universe.

Importantly, despite rapid growth in recent years, PRS still represents only a small share of Poland's overall housing market, which suggests considerable room for further expansion. Banks increasingly recognise that demographic trends, migration, labour mobility and changing consumer preferences are creating durable demand for professionally managed rental housing. Looking ahead, we expect continued growth not only in PRS but also in adjacent living sectors such as student housing and senior living, which together offer attractive long-term opportunities for both investors and lenders.

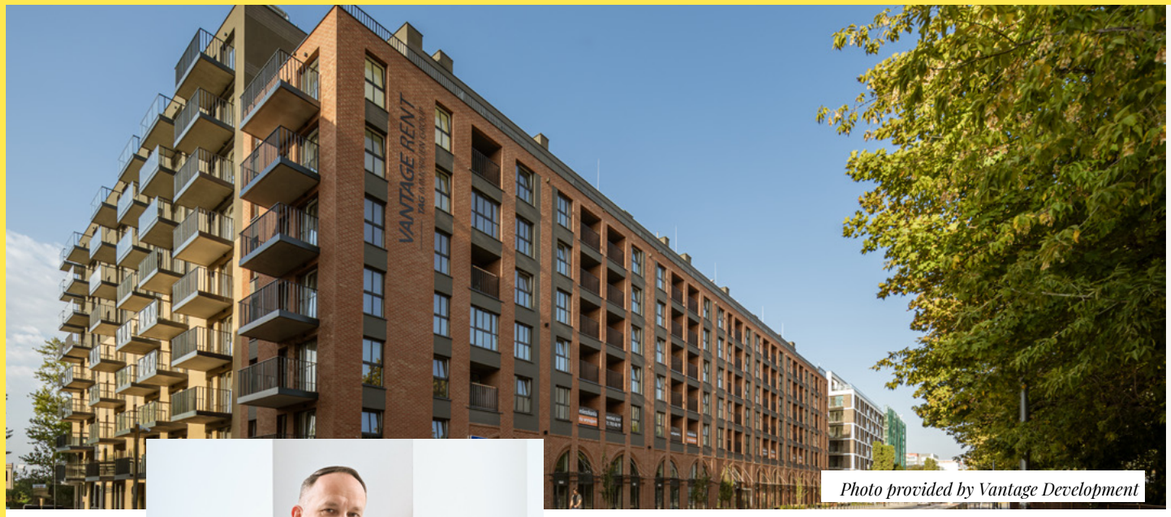
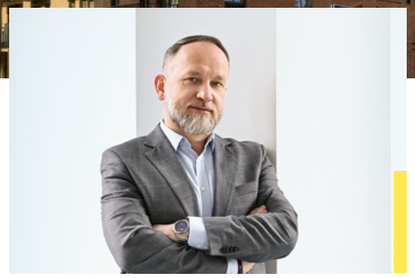


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Dariusz Pawlukowicz
Vicepresident of the Board
Vantage Development S.A.

The institutional rental market in Poland, despite its small scale, continues to gain importance

In mid-2026 it comprised nearly 30,000 apartments, 30% more than at the end of 2024, yet it still accounts for less than 0.2% of the country's total housing stock. This means the growth potential of this segment remains significant and, in my view, its further development will involve not only increasing supply but also improving the quality of the product on offer.

In more mature European markets, the advantage of BTR projects is increasingly built not only on price, location or standard, but also on the quality of shared spaces, the scope of services and the resident experience.

I believe a similar direction will gain importance in Poland as well, although the customer profile differs somewhat from that in Western Europe. The forecast growth in single-person households, greater professional and educational mobility, and changing lifestyles are increasing demand for flexible forms of housing in our country. For some customers, renting is therefore a conscious choice, driven not only by the cost of purchasing a property, but also by the need for mobility, convenience and fewer long-term commitments.

When choosing projects in the institutional rental market, price will remain the most important factor for customers, but other elements are also gaining importance, such as a comprehensive service in which professional property management, a predictable standard of service, efficient communication and additional solutions that make everyday life easier are of key significance.

At Vantage Rent, too, we take a comprehensive approach to the factors that affect the comfort of our community's life. We offer coworking spaces and private gyms, and we are developing the Vantage Club benefits programme, which gives our customers access to, among other things, a discount programme with local partners and free participation in events organised by our team. These activities prove to be an important element of the offer and a response to tenants' real needs.



Photo provided by Vantage Development

In this context, I expect that the quality of the relationship between the operator and the resident will also become increasingly important. Whether it is delivered through a dedicated community manager role or through appropriately organised service processes, its aim should be to build a good rental experience. However, I would not treat specific organisational solutions as an end in themselves. They should result from the needs of the project and its residents.

In my opinion, the future of BTR projects in Poland will belong to operators who can combine the quality of the housing product, management efficiency and a high standard of service, although, as I pointed out at the beginning, we compete not with each other but with the offer of private investors. Nevertheless, it is the overall value offered to the resident, rather than individual amenities, that will in the longer term be one of the most important factors differentiating projects on the market.

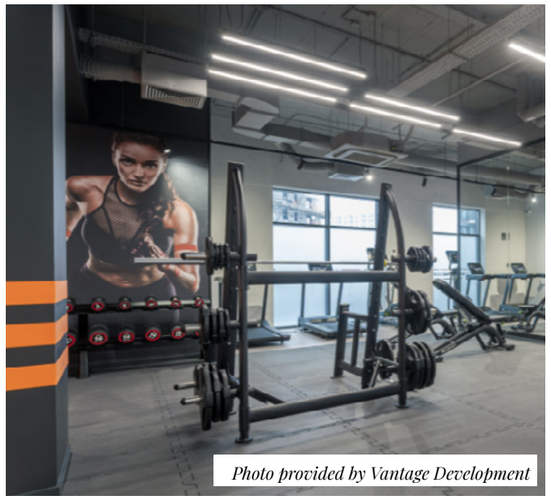


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Photo: naj m® | Wrocław, Białowieska



Grzegorz Tomaszewski
Prezes Zarządu PFR
Nieruchomości S.A.

PRS success will depend not only on portfolio size, but on combining professional management with sensitivity to local market needs.

The Polish rental market is steadily becoming more professional, and the private rented sector (PRS) is playing a significant role in this process. In the early years of its development, the priority was to build scale and deliver more apartments. Today, the efficiency of managing existing stock, the quality of service and the ability to build long-term relationships with tenants are becoming increasingly important. This is a natural stage in the market's maturation, in which competitive advantage is determined not only by the number of units in a portfolio, but above all by the tenant experience.

Although Poland's PRS housing stock continues to grow steadily, awareness of institutional rental housing remains relatively low. According to our research, as many as 66% of Poles are unfamiliar with the term or have never encountered it. This may be due both to the sector's still small scale compared with the private landlord market and to the concentration of PRS investment in the largest metropolitan areas. One of the tasks of operators is therefore not only to expand their offering, but also to show in practice what professionally managed rental housing is and what benefits it brings to residents.



Photo: naj m® | Lublin, Krochmalna



Photo: naj m® | Katowice, Korczaka

At PFR Nieruchomości, we are putting this approach into practice by making apartments available beyond the largest metropolitan areas. We manage a portfolio of close to 8,600 apartments across Poland. Importantly, 43.1% of our apartments are located in the country's six largest cities, while 56.9% are situated outside them. We are present in Warsaw, Kraków and Wrocław, as well as in Katowice, Toruń, Radom, Elbląg and Świdnik. This shows that professionally managed rental housing can also be a viable housing alternative in regional markets and smaller cities.

In June 2026, we launched the naj m® brand, built on three core values: partnership, security and diversity. By diversity, we also mean variety of locations. We want professionally managed rental housing to be accessible in different parts of Poland, responding to local needs and to residents' financial circumstances. Katowice is a good example of the potential of this approach. It is home to our largest operational portfolio, comprising 1,183 apartments, or nearly 14% of our total housing stock. With an occupancy rate of 98%, it confirms that locations that may be less obvious from the perspective of traditional investment strategies can also have a sound economic rationale.

Regardless of the size of the city, tenants primarily consider price, location, apartment standard and the ability to move in quickly without excessive formalities. However, choosing long-term renting involves more than selecting a particular apartment. Our research shows that people may be persuaded to see renting as a long-term solution not only by its favourable cost compared with buying a home with a mortgage, but also by predictable expenses, a sense of security and the stability of the tenancy agreement. These are precisely the areas in which professional operators can build a competitive advantage, by offering clear terms of cooperation, efficient customer service and predictable living conditions.

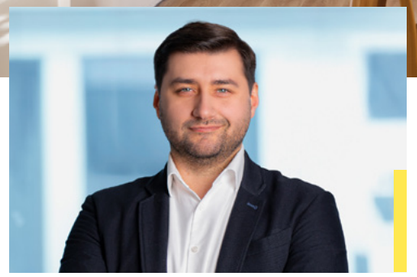
Poland's institutional rental market will continue to grow, but I am convinced that operators' success will increasingly depend on more than the number of apartments in their portfolios. Scale certainly matters: it enables more efficient property management, cost optimisation and a consistent standard of service. However, it should not mean offering the same solutions to everyone, regardless of location and residents' needs. A tenant in Warsaw has different expectations from a family looking for a stable home in a regional city. That is why I believe the future of PRS lies in skilfully combining the professionalism of large operators with a sensitivity to local market conditions.



Photo: naj m® | Elbląg, Legionów



Photo provided by Heimstaden



Paweł Romańczuk
Head of Asset Management & Operations
Heimstaden Poland

1. Market consolidation

How do you assess the prospects for further consolidation of the PRS market in Poland? What factors will determine the competitive advantage of the largest platforms and operators in the coming years?

The Polish PRS market is still relatively small and has a short history, so its further development will primarily require the creation of new housing stock. The market will include both investors building portfolios with a view to selling them to larger platforms and players developing portfolios for long-term ownership. As the market grows, we expect not only further consolidation but also an increase in the number of active players. The current scale of the market is well illustrated by the fact that the entire professional rental sector in Poland is comparable in size to the professional rental stock of individual major cities in Western and Northern Europe. Competitive advantage will continue to be driven by the quality of services incl. digital, location and scale of operations.

2. Locations with the greatest potential

Which cities and locations do you currently see as having the greatest potential for further PRS development, and why?

We see the greatest potential for further PRS development in Poland's major cities, particularly Warsaw, where rental demand is supported by migration, strong labour markets and urbanisation, while suitable locations for new development are increasingly limited. Home ownership, however, remains the preferred housing model, with renting often serving as a natural stage before buying a home. This is reflected in our portfolio: home purchase has been the main reason for tenant move-outs over the past 12 months, while around 15% of the apartments we sold were purchased by our existing tenants.

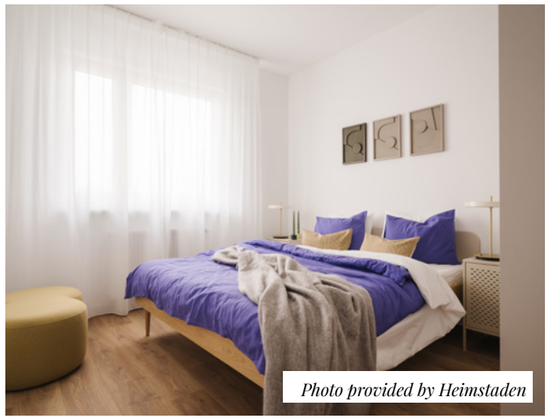


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Photo provided by Heimstaden

3. Market evolution

How has the Polish PRS market changed over the past five years, and which events or legislative changes have had the greatest impact on its development?

Over the past five years, the Polish PRS market has evolved from a niche segment into a more established, but still small part of the residential market. The inflow of long-term institutional capital has been an important driver of new development, giving smaller investors greater confidence. Thanks to this today, tenants in major cities have a much wider choice of professionally managed rental housing. Interestingly, the same market conditions that strengthened rental performance also made new investment more challenging, as higher flat prices and financing costs put pressure on expected investment returns. At the same time, home-buying support programmes shifted some demand towards ownership, shifting the relative economics in favour of build-to-sell. Further growth will depend on Poland's ability to remain competitive in attracting and retaining long term capital and unlocking more domestic institutional capital.

4. Rental growth outlook

How do you assess the potential for further rental growth in the PRS sector? What factors will be key in shaping rental rates in the coming years?

There is still potential for further rental growth, but we expect a more moderate pace than in previous years and greater differentiation between cities and individual locations. The rental market in Poland's largest metropolitan areas remains fundamentally healthy. However, the growing supply of housing – including institutional rental properties, apartments offered by individual landlords and homes available for sale – limits rent increases potential and may even lead some customers to move away from the rental market faster. Without regulatory intervention, rates will ultimately be determined by market dynamics and the balance between supply and demand across both the rental and for-sale markets.

5. Competitive advantages of PRS projects

In more developed markets, PRS projects compete through, among other things, the quality and range of common areas and additional services for tenants. Do you see room for similar solutions to develop in Poland, including a more widespread role for community managers?

Our tenant surveys consistently show that customers value the fundamentals: fast support, safety, quality of service and location. Competitive advantage should therefore focus on the overall tenant experience rather than the number of additional amenities. From an operational perspective, locations with easy access to services and amenities can offer greater convenience while avoiding unnecessary operating costs. Ultimately, customers want peace of mind, supported by professional management and quick resolution of issues.

6. Impact of AI

How could the development of artificial intelligence and automation affect property management and tenant relations in the PRS sector?

We see the greatest potential in simplifying processes, automating repetitive tasks and making better use of data. AI can support tenant services, case management, team organisation and back-office processes, allowing employees to focus on tasks that require direct customer interaction and in-depth knowledge of a particular property. As we often say: "You cannot digitalise an apartment, but you can digitalise many of the processes around it." This is the principle we follow when looking for opportunities to optimise our processes.



Photo: Heimstaden Myśliwska | Kraków



Photo: Lett Metro Młociny, Warsaw



Edyta Stelmach
Head of Asset Management & Development
Urban Partners

The Polish PRS market is maturing and stabilising

High occupancy levels persist in the largest cities, and professionally managed rental accommodation has become a recognised alternative to privately owned stock. At the same time, rental growth is moderating while cost pressure remains high. In the coming years, operators' results will increasingly be determined by management efficiency. With high financing and construction costs, a competitive advantage in the coming years will belong to operators with control over the entire value chain – from development to asset management. This approach makes it possible to manage costs more effectively and improve operational efficiency.

This does not mean, however, that all locations are developing in the same way. Each micro-location has its own dynamics, depending on the tenant profile, available alternatives and proximity to workplaces, universities, the urban fabric or transport. Major urban centres with strong employment markets and university communities, such as Warsaw and the Tricity, remain promising. We are expanding our Lett platform in both markets, bringing more than 800 additional units to Warsaw and 646 units to Gdańsk. From an operational perspective, the strongest demand is for compact, functional studios and one-bedroom units, which find new tenants the fastest.

The growing scale of PRS projects is no coincidence. It allows tenant services, commercialisation and property maintenance to be organised more efficiently, while also expanding the range of additional amenities. At Urban Partners, we consistently focus on building communities and on the high quality of common areas, such as coworking zones and gyms, as well as initiatives supporting community building, including loyalty programmes. In an increasingly competitive market, it is the quality of the tenant experience and a sense of belonging that are gaining importance, promoting longer lease terms and reducing the costs associated with turnover and vacancies.

The use of AI will also be increasingly important for operational efficiency. Automating tenant services, dynamic rent management, or predictive forecasting of utility consumption and maintenance needs can not only improve service quality but also enhance a property's operating results. Today we see mainly isolated applications of these solutions. However, fully realising the potential of AI will require redesigning management processes from the ground up, taking into account the possibility of applying this technology at every stage.



Photo provided by AFI Home



Sebastian Kieć
CEO
AFI Poland

The next phase of PRS growth will be driven by quality, scale and experience

We view the Polish PRS market from a long-term perspective. The sector's fundamentals remain strong – the housing stock is growing, and the occupancy levels of existing projects confirm genuine demand for this product. At the same time, compared with developed Western European markets, the share of institutional rental in Poland remains small. We therefore see room for further growth, although its pace will depend not only on demand, but also on the economics of new investments.

The market has entered a more mature and demanding phase. Stabilising rents, high land prices, and construction and financing costs mean that new projects require selectivity. Competition for land with the traditional residential market remains an additional challenge. In these conditions, scale, experience and the ability to operate across the entire investment life cycle – from development, through financing, to long-term management – become particularly important.

At the same time, the factors supporting demand for PRS remain relevant. The mobility of residents of large cities, high home purchase and mortgage financing costs, and changing attitudes towards ownership mean that renting is increasingly becoming a conscious, long-term choice. Customers expect not only an apartment, but also quality of service, flexibility and additional amenities.

This is confirmed by AFI Home's results. Our portfolio currently comprises 2,200 fully furnished units operating in Poland, with an occupancy rate remaining above 97%. We are developing our offer by drawing on AFI's experience as an investor, developer and operator. We complement it with shared spaces, coworking, fitness zones, the AFI Home Club and initiatives that bring residents together.

That is why we do not measure the potential of the Polish PRS market solely by the pace at which the number of units grows in successive quarters. It is a market whose further development will increasingly rely on the quality of projects, the right locations, efficient management and a long-term approach to investment.



Photo provided by AFI Home



Photo provided by Home Invest



Janusz Miller
Sales and Marketing Director
Home Invest

1. Sector attractiveness

We see PRS as a promising market segment and a natural complement to development activity. Growing professional mobility and increasing interest in flexible forms of living support the development of rental accommodation services. Home Invest has launched the HIRENT brand, offering fully furnished apartments on a subscription basis. Our first project, at ul. Karlińskiego 5 in Warsaw's Wola district, has been almost fully let, which confirms client demand for this type of offer.

2. Key challenges

The biggest challenge is selecting the right location, unit mix and standard, and ensuring the long-term profitability of the project. Land costs, administrative procedures and the choice of an experienced operator are also important. In the case of HIRENT, we have entrusted the day-to-day management of the building and its residents to an external operator, which allows us to focus on our investment and development activity.

3. Costs

Construction, financing and operating costs have a direct impact on the viability of PRS projects. Unlike traditional for-sale housing, the return on investment is spread over many years. Cost optimisation, an appropriate level of rental income, a high occupancy rate and the operational efficiency of the building are therefore crucial.



Photo provided by Home Invest

4. Future of the market

We believe PRS can become a fully fledged segment of development activity, particularly in large urban areas. Home Invest's experience with the HIRENT brand and the near-full letting of its first project demonstrate the potential of professional rental accommodation services. The further development of this market will depend on delivery costs, the availability of financing and the stability of demand.



Photo provided by Home Invest



Photo: Shutterstock



Michał Styś
Managing Director
BARTEK Real Estate

The Polish PRS market is still in its early stages of development. Rather than simply following the development path of more mature markets such as the UK, where early BTR schemes were often completed with extensive amenities and services, sometimes at the expense of operational efficiency and long-term financial performance, Poland now has an opportunity to learn from those experiences and move directly towards what we at BARTEK (www.bartek.re) call BTR 2.0. This means developing rental homes around residents' needs while maintaining operational efficiency, supported by technology and AI.

The residential sector is fundamentally different from commercial offices and logistics, both in how assets are developed and managed. The customers are people choosing where and how to live, making understanding residents as important as understanding the real estate. Recognising this means even smaller operators can compete successfully if they combine agile management, a strong customer focus and intelligent use of technology. AI can streamline leasing, pricing, maintenance, energy management and routine enquiries, freeing teams to focus on the interactions where a human response really matters.

Location selection is also becoming more sophisticated. While Warsaw will remain the primary market for investors, secondary cities such as Krakow, Gdansk, and Wroclaw, are also becoming increasingly attractive hot spots for investment, with Lodz and Katowice also offering considerable potential. Increasingly, micro location matters more than the ranking of the city: access to transport, universities, employment opportunity, quality of urban life and rent to income ratios are determining the strength of investment and shaping demand. This is creating opportunities in Poland's secondary cities, where disciplined entry pricing can still offer attractive, risk adjusted returns.

As the rental market is becoming increasingly fragmented, we will continue to see split up between renting "by necessity" where affordability is paramount, and renting "by choice" which we would call BTR 2.0 where residents value flexibility, good service, convenience and quality. Poland does not need a race to provide four-star amenities, what it needs is getting the right product, in the right location, at the right price delivered with customer oriented service. In time, the market may begin to resemble hospitality, with different standards of service for different customer groups. This is what BTR 2.0 is fundamentally about.

ESG is also central to this approach. The 'E' through efficient buildings, durable materials and lower maintenance costs are sound long-term economic as well as environmental priorities. But in residential, the 'S' deserves much more attention as it will drive the long term performance: comfortable, safe, accessible homes with good service and a community that responds to residents' actual needs will be the real differentiator. With the 'G', good corporate governance, underpinning those commitments through responsible management, due-diligence and transparent reporting to investors and residents.

As Poland's PRS market matures and continues to attract more institutional capital, Poland will catch up with much of the Western world. Institutional investors are likely to support further consolidation and growth of larger investment platforms. Recent transactions in Poland are providing growing evidence of market liquidity and viable exit for strategies, giving international investors the green light to deploy capital into the sector with greater confidence. However, scale alone does not guarantee success. Local market knowledge, development expertise, disciplined acquisition, pricing and careful management of investment risks will remain critical to success.

Ultimately, the strongest PRS platforms will not be those offering the greatest number of amenities, but those that understand their residents best and can combine consistent quality, affordability and service with disciplined investment and operations.

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About Savills

For over 170 years, we've been helping people thrive through places and spaces. With more than 42,000 professionals dedicated to commercial and prime residential real estate across 70 countries, no matter where you are, we have the expertise to bring your vision to life.

Making a positive impact is at the heart of our partnerships. From the way we advise you to the work we do directly, we're committed to adding value while always honouring our responsibility to protect the environment, support local communities and foster an inclusive culture.

Whether you're a corporate looking to expand, an investor seeking sustainably to optimise your portfolio or a family trying to find a new home, we bring a truly personal approach to every project, delivering best-in-class insights and advice to help you make better property decisions.

Operational Capital Markets

OCM Poland is one of the leading advisors and among only a handful of teams in Poland with **hands-on experience** in major PRS and PBSA acquisitions and disposals, having been actively involved in both sectors since their inception. To date, we have successfully advised on living sector transactions in Poland with **a combined value exceeding EUR 500 million.**

KEY SERVICES

- Sell-side Advisory
- Buy-side Advisory
- Corporate Finance
- Feasibility Studies
- Joint-ventures

TRANSACTIONAL EXPERIENCE

PRS

Transactions involving **over 3,400 apartments** for institutional investors.

Residential

Greenfield and brownfield Investments with **over 100,000 sq m of residential potential**.

PBSA

Market leader with **over 6,000 beds in closed transactions**.

Senior living /care homes

Experience in the fast-growing market segment with sound fundamentals in Poland.

Over 44% market share in the PRS & PBSA sectors in the years 2023–2025

CRIDO

CRIDO is a leading Polish advisory firm established in 2005. Its team of over 430 professionals supports Polish and international businesses in managing and developing their operations, providing tax, legal, financial, business, energy, digital and transaction advisory services (M&A). The firm also helps businesses secure funding for innovation and growth.

Real estate advisory is a key area of CRIDO's practice. The Real Estate team combines tax and legal expertise with an understanding of investment economics and the characteristics of individual market segments. It supports investors, developers and property owners throughout the project lifecycle, from planning and investment structuring through acquisition, development and ongoing operations to financing and asset disposal. The team also advises on risk management and disputes with tax authorities.

In the institutional rental sector, CRIDO's experts help clients assess the tax and legal implications of their chosen business models and their impact on project profitability. Since the first projects of this kind emerged in the market, they have supported clients in identifying and addressing risks, including through binding VAT rate rulings, as well as in tax compliance and investment decision-making. By jointly producing the PRS market report with Savills, CRIDO complements market analysis with practical tax and legal insights, providing a multidimensional perspective on the sector.

Through its cooperation with Taxand, a network of over 3,000 tax advisers in more than 50 countries, CRIDO also supports clients in structuring cross-border projects.

The team's experience in the PRS sector includes the following.

- Advising on the first portfolio transaction in the Polish PRS market, involving the acquisition of seven special purpose vehicles (SPVs) and a service platform.
- Supporting approximately 20 PRS asset acquisitions between 2020 and 2023, including structuring a client's long-term joint venture with one of Poland's largest residential developers.
- Advising on restructurings and providing ongoing legal and tax support to investors from Sweden, the United States, Austria, Germany and Israel, including investment funds.
- Analysing investment structuring scenarios from a tax and cash flow perspective, including the conversion of assets to PRS use, the VAT treatment of property acquisitions and services, and the choice of operating model and treatment of individual revenue streams.
- Analysing business models from a VAT and real estate tax perspective, including the tax treatment of costs and future transactions, the scope of VAT recovery and potential multi-year VAT adjustments, and the impact of a property's legal status, the creation of legally separate units and land and building register records on tax treatment.
- Preparing legal documentation for rental and operational activities, including lease agreements, reservation agreements, rules and regulations, general terms and conditions, and service agreements.
- Analysing the legal requirements for property acquisitions, project development and subsequent use, including permitted building uses and required permits.

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