

RE: TIMES *NOW Poland!*

April 2025



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Ewa Andrzejewska

Operations Director, member of the board
Polish Chamber of Commercial Real Estate
Association

The strength of foundations

The PINK 2025 “Teraz Polska!” conference is now behind us. The event, which took place on April 1 in Warsaw, brought together over 200 industry representatives, including investors, advisors, developers, financial and public institutions, becoming one of the key events on the market in 2025.

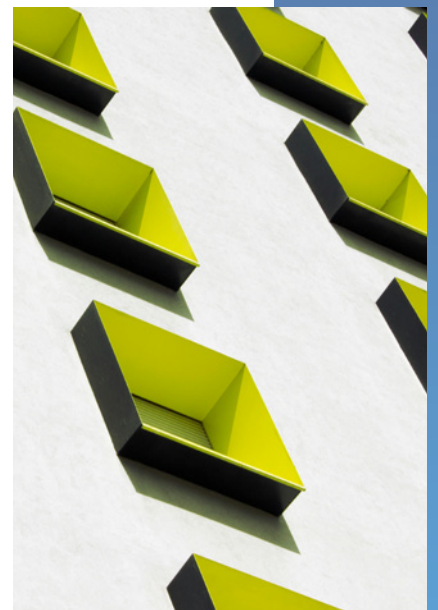
Poland’s place on the investment map of Europe is indisputable. According to an analysis by Santander Bank Polska, exports accounted for a record 63% of Polish GDP, and Poland, which is on a stable path of 3% GDP growth, ranked 4th among the most desirable locations in the world for investing in production and services. According to Piotr Bielski, director of the Economic Analysis Department, Economic Analysis, Santander Bank Polska, Poland combines unique investment advantages – dynamic economic growth, relatively low labor costs compared to Western Europe, a well-educated and young workforce, and a strategic location. Grzegorz Chmielak, head of Capital Markets & Valuation, Axi Immo emphasized during the event that banks, despite being more selective, are ready to support projects that meet specific quality criteria. We are also seeing the growing importance of alternative forms of financing, which give investors greater flexibility and opportunities to diversify their sources of capital.

We invite you to read the extensive comments of experts who shared their opinions on topics that came up during the discussions on stage at the conference, as well as in behind-the-scenes conversations.

The PINK 2025: Teraz Polska! conference was organized with the support of the following partners: Santander Bank Polska, Axi Immo, Skanska, Investika, Accolade, Echo Investment, ECE Projektmanagement Polska, and CBRE Group.

The honorary partners of the event were: the Lewiatan Confederation, the Polish Chamber of Commerce, the Polish Investment and Trade Agency, the Polish Council of Shopping Centers, the Polish Association of Developers, the Royal Institution of Chartered Surveyors, the REIT Poland, ULI Poland, Sustainable Investment Forum Poland, and the media patrons were: Agencja Informacyjna, Comparic.pl, Estate FM, Force News Polska, NowaWarszawa.pl, Obiekty, Obserwator Gospodarczy, Property Insider.

More information about the conference, as well as presentations and materials, are available at: www.stowarzyszeniepink.org.pl ■





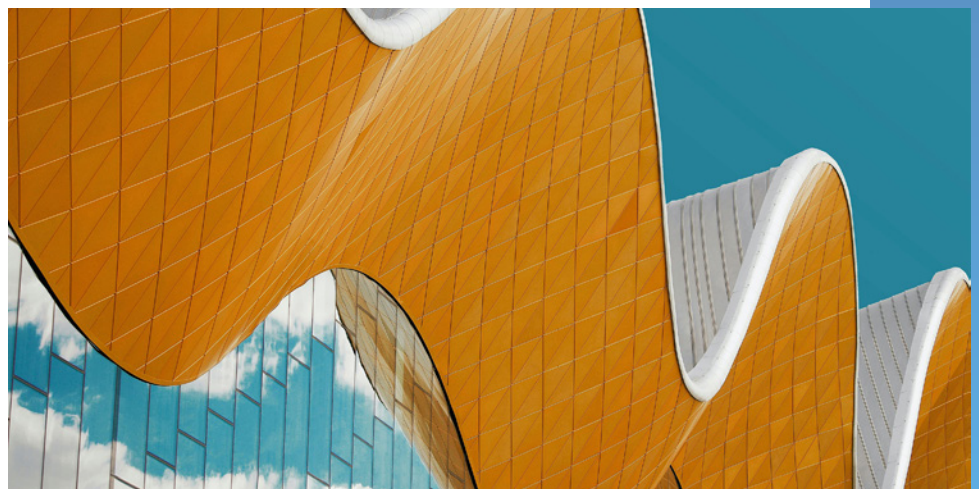
Grzegorz Chmielak

Head of Valuation & Advisory and Capital Markets
Axi Immo Group

2024 on the Commercial Real Estate Market in Poland in brief

The year 2024 has brought a noticeable increase in transaction volumes across the commercial real estate sector compared to 2023, along with a growing interest in Poland as a market with strong potential. Not long ago, we operated in an environment of low interest rates and easy access to financing. Today, the reality is quite different – rates remain high, inflationary pressures resurface, the geopolitical climate is unstable, equity markets are volatile, and capital investing in real estate has become much more cautious. The assets most impacted by these shifts are those financed during historically low interest rates. Property owners with maturing loan agreements are increasingly faced with tough decisions: inject additional equity, renegotiate loan terms, or, in some cases, sell the property – often below replacement cost.

The office segment is under the greatest pressure. Hybrid work has permanently changed tenant behaviour and reduced overall take-up for space. Combined with rising operating costs and increased vacancy rates, many older office buildings in regional cities and Warsaw face significant challenges. That said, there is



still room for cautious optimism. Poland's strong economic outlook, a limited new supply pipeline, smaller tenants' activity, and the growth of flexible office concepts are all positive signals. Still, for many owners, this means declining income and growing pressure to modernize outdated assets.

Retail presents a mixed picture. Retail parks and convenience centres - especially those anchored by strong grocery tenants and everyday services - continue to enjoy steady take-up. Investors are increasingly drawn to these properties, recognizing the value of well-established, necessity-driven retail formats with predictable income streams.

We're seeing continued take-up and relatively low vacancy rates in the industrial and logistics sectors. Even though investment activity has slowed slightly, this segment attracts significant attention from investors and lenders alike. Structural trends such as reshoring, nearshoring, and the expansion of e-commerce continue to support long-term growth in this space.

In summary, today's market requires a more cautious and selective investment approach. Having a „good location“ is no longer enough - investors now seek tangible returns, strong cash flow, and resilience in the face of global uncertainty. Clear fundamentals, transparent performance, and a proven ability to adapt to market shifts differentiate assets in the current environment. ■

The office segment is under the greatest pressure. Hybrid work has permanently changed tenant behaviour and reduced overall take-up for space



Joanna Mroczek

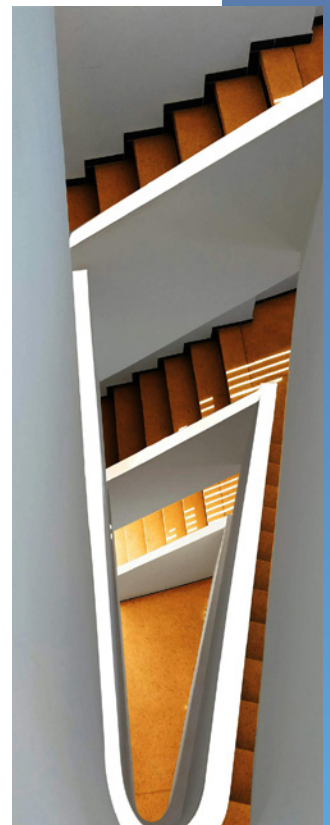
Head of Strategic Consulting & ESG
CBRE

Building adaptations and modernizations

In Poland, we have about 23 million sqm of commercial space considered modern, but older than 10 years. Of this stock, only about 4 million sqm has been recently modernized. The figure for office buildings is about 6 million sqm, of which only 1 million sqm has been altered. Of the 9 million sqm of older shopping centers, only 3 million sqm has undergone a facelift. Warehouses rarely undergo upgrades, even when they are older. Often it's more profitable to demolish and build new.

In real estate, there is a risk of a so-called "doom loop" – a situation in which a lack of investment leads to a decline in the popularity of the facility and a deterioration in financial performance. A "boom loop," on the other hand, is a building's self-perpetuating appeal, generating ever-increasing revenues. The art of investment management is to stay in the former loop and not fall into the latter. There are many examples in Poland of properties that have been neglected and fallen into disrepair. Investors often face a choice between renovation and change of function or demolition and building from scratch. Sometimes the cost of construction is lower than renovation, and the building is so inefficient that reconstruction will not improve its situation. In such cases, the economic calculus and the long-term impact of the building on the neighborhood, the city and the users should be decisive. However, is this always the case?

In recent years, the most spectacular investments have been adaptations. Conservation protection has forced investors to leave the old fabric and design it anew. This has resulted in a number of attractive investments that have revitalized previously unknown parts of the city. Examples of such projects include Norblin Factory, Warsaw Breweries, Elektorownia Powiśle, Koneser Praga Center and Hala Koszyki.



Research on the benefits of building adaptation has yielded the following results in a pan-European study: rent increases in certified buildings over non-certified ones range from 6% to 8%, property value increases after building “placemaking” range from 8% to 15%, and capital value increases in sustainable properties range from 14% to 16%. Other benefits include the achievement of ESG goals, a decrease in vacancies and a reduction in operating costs.

The most important aspect of upgrading is the potential of a given investment opportunity, which can translate into an increase in value. Especially in a purchase or sale transaction, it is worth analyzing the actual potential of a property to know its value.

When analyzing the potential of a property, five areas should be examined: the market and competition, the technical condition of the building and ESG solutions (e.g. energy efficiency, climate risks and the possibility of improving the level of certification), the users and their preferences, the management and use of the building (e.g. PropTech solutions), and most important – the financial flow (costs and revenues).

The Highest and Best Use (HBU) reports, which are a scan of these five areas and show the most beneficial solutions, are great for this type of analysis. Giving up on HBU can be a mistake. What sometimes seems obvious at first glance (“let’s make apartments here!”) doesn’t have to be so at all. The next step analyzes the feasibility of a specific investment (feasibility study).

From the investor’s point of view, all risks are significant and should be taken into account in the valuation. Adapting a building involves taking it out of current use and revenue generation. High and changing construction costs must be taken into account. Planning and permit restrictions are also important, which can thwart original plans. Occasionally, a site may not be able to increase its rentable area or parking requirements have changed.

From a financing perspective, a building with an upgrade or re-development plan is analyzed in terms of cash flow generation and project valuation, which determine the value of the financing commitment. In cases where a bank is already financing an adaptive reuse or retrofit, regulators require more diligence and more stringent project controls, and may require active project management. So it is worthwhile to have a good strategy derived from deep analysis.

There are many strategies for property adaptation on the market. The most reasonable and obvious one is always to maintain the original function and improve the performance of the building.

The most important aspect of upgrading is the potential of a given investment opportunity, which can translate into an increase in value



Sometimes these are merely marketing treatments, such as repositioning and renaming. Often, however, a major change is required, including improving energy consumption, filling the first floor with services and retail, or placemaking. Diversifying functions, that is, adding retail, service and entertainment sections, is often a good strategy for office buildings. Likewise for older shopping centers – converting a hypermarket with a mall to a retail park format is a favorable solution. Many office properties can also be used for office-like functions, such as education, conference centers, training centers, private schools, film studios or entertainment. In this case, there is no need to significantly interfere with the structure of the building. An example is office buildings in Mokotow, where spaces are leased by international elementary and high schools.

The most difficult seems to be the replacement of office functions with residential (hotel, residential, dormitory, etc.). In this case, the key issues are the structure of the building, the cost of conversion, and planning, which limits many such changes and excludes, for example, residential functions in areas designated for services or industry. The market, however, has its own rules and finds solutions to many challenges, as shown by the rapid growth of PRS in recent years.

Observing the speed of aging of buildings and the need for change, it seems reasonable to build and design facilities in such a way that they can easily change their functions and be flexible in response to market demand. A similar approach could be applied to urban planning. ■



Agata Dondziak

Manager ESG
Santander Bank Polska

How are banks supporting the green transition of businesses?

Despite recent heated political debates, businesses, especially in the European Union, are taking an increasingly responsible approach to caring for the environment and the future of our planet.

The same applies to investment financing – banks verify environmental and social risks that are key to a company's operations and how the company addresses these issues in its business plans. At Santander Bank Polska, we firmly believe that profitability and sustainable development can coexist, which is why we strike a balance between these priorities in our lending decisions. The sources of change in corporate attitudes can be found, on the one hand, in the new attitudes of consumers and business partners, and on the other hand, in strict regulations, for example in the area of gas emissions or reporting obligations. Consumers are increasingly sensitive to the environmental and social responsibility of the companies whose products they buy, and demand greater transparency from brands. This is facilitated by digital solutions, especially social media. Consumer opinions and recommendations can significantly influence a brand's reputation and market success. Product boycotts – due to unfair practices by manufacturers – are no longer uncommon. On the other hand, there are EU regulations, such as the Corporate Sustainability Reporting Directive (CSRD), which means an increase in non-financial reporting requirements, including environmental reporting.

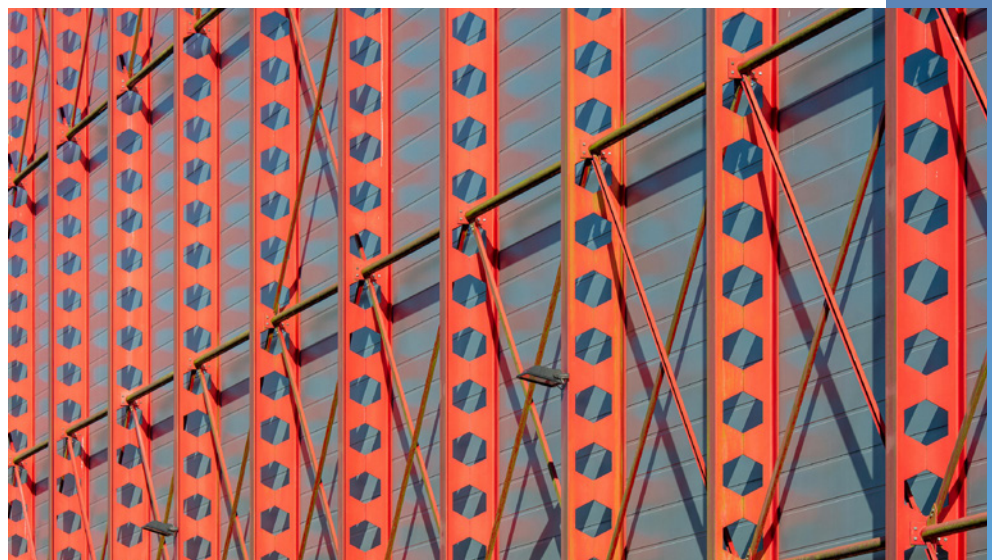
Sustainable financing

Following this trend, banks are changing their approach. The most mature ones not only include respect for the Earth's resources and transparent ESG reporting in their development strategies, but also prefer a similar approach towards their customers.



In other words, the role of so-called sustainable financing is growing. When granting financing, banks are increasingly verifying whether an investment is related to sustainable activities. This applies both at the investment implementation stage, e.g., in construction, and during further operation. That is why, for example, in the commercial real estate market, we often use energy performance certificates or international certifications. Sustainability-linked loans (SLLs) are a specific type of financing in which the margin depends on the borrower's achievement of sustainability goals. They are deliberately structured to support sustainability goals and are subject to reporting and verification requirements. In this case, the standard developed by the International Loan Market Association is most commonly used.

One of the key market areas requiring major changes, and therefore sources of investment financing, is the energy sector in Poland. We are aware that it faces an enormous challenge in the transformation process. Given the scale of the necessary investments in energy generation (electricity and heat), network infrastructure (transmission and distribution), and energy efficiency improvements, the role of the banking sector is becoming crucial. At Santander Bank Polska, we support our partners and customers in making informed decisions related to the changes being implemented. Hence, the strong emphasis is on providing solutions that help companies better understand market requirements and standards, as well as take the first step on the road to green transformation. Our support is not limited to financing what is already sustainable. We strive to change the nature of the economy by helping our customers implement production following ESG principles. That is why it is important for us to develop projects that support the transition.



Sustainability-linked loans (SLLs) are a specific type of financing in which the margin depends on the borrower's achievement of sustainability goals

Companies looking for such solutions will find products and services tailored to their specific needs and market challenges, from electric vehicle leasing to financing large projects in the renewable energy sector.

Measure your carbon footprint

Santander Bank Polska, in cooperation with the Climate & Strategy Foundation, launched a carbon footprint calculator in 2024 – a tool that allows companies to accurately estimate their emissions, providing a foundation for further action. The calculator is a tool aimed at businesses, regardless of their industry or size. It enables the calculation of CO2 emissions related to a company's activities, including direct emissions resulting from the combustion of fuels in installations and vehicles, as well as indirect emissions related to the production of energy or heat used by the company. After entering the emission data, the user can generate an estimate report that determines the company's total carbon footprint. This is a response to the real needs of companies, as the issue of gas emissions is becoming one of the most important in terms of environmental concerns and the management of business resources.

Importantly, we create our balanced offer not only with the largest companies in mind. We also remember the SME sector. As part of a series of meetings entitled "Energy transition and business development," we invited our business partners and small and medium-sized companies to share their experiences. Our goal was to inspire others to take action for sustainable development and to share practical solutions related to the transition. ■



Jakub Leszczyński
Transaction Director
Accolade Polska

Poland's strength remains unbroken

Poland remains one of the most attractive markets for industrial real estate in Central and Eastern Europe. Macroeconomic stability, strategic location, and increasing interest in nearshoring have made Poland a preferred choice among international investors.

On the logistics market, we are seeing growing specialization among tenants, particularly those related to e-commerce and advanced manufacturing. Decision-making processes are becoming increasingly complex and prolonged due to a stronger emphasis on cost optimization, ESG criteria, and operational flexibility requirements.

Poland's logistics map is evolving dynamically, with a growing significance of locations previously considered secondary markets. Thanks to improved road and rail infrastructure, regional cities and emerging logistics hubs are becoming more attractive for both tenants and investors.

There is also a noticeable rise in investment activity directed towards high-quality assets, especially those meeting ESG criteria or adapting to shifting market functions. Fundamental drivers—such as demand for modern logistics space, the rapid growth of the e-commerce sector, and robust economic fundamentals—are fueling dynamic growth within the warehouse segment.

Recent interest rate cuts may further stimulate the market, not only by lowering financing costs but also by narrowing the pricing gap between buyers and sellers.

Moreover, green financing and project compliance with EU taxonomy are playing an increasingly significant role in investment processes, strongly influencing the preferences of both investors and financing banks. Achieving carbon neutrality goals is becoming critical not only for developers and investors but also for financial institutions. Sustainability and asset quality will remain key drivers of growth for Poland's industrial real estate sector in the coming years. ■





Adrian Karczewicz

Head of Divestments CEE
Skanska

CEE is back on the investors' radar

The year 2024 proved to be a turning point for the commercial real estate market in Central and Eastern Europe. Investment volumes across the region reached €8.6 billion – up 66% compared to 2023 – confirming the return of investor confidence in markets offering stability, quality, and competitive returns. Poland was the main beneficiary of this rebound, accounting for nearly 60% of total investment activity and attracting €5 billion in capital. This strong position stems from a combination of sound macroeconomic fundamentals, a liquid market, and high-quality investment products.

The 139% year-on-year increase in investment was driven by easing inflation, a more accommodative monetary policy, and a marked improvement in investor sentiment. Crucially, this momentum was also supported by a greater willingness among sellers to enter into transactions, resulting in a higher number of completed deals and a broader pipeline of assets on the market. Offices and retail assets each attracted €1.6 billion – nearly four times the volume recorded a year earlier – while logistics stabilized at a high level of €1.3 billion.





Data from the CBRE Investor Intentions Survey 2025 confirms the resilience of this trend. As many as 92% of investors plan to maintain or increase their buying activity in 2025, and over 70% expect a full market recovery before year-end. At the national level,

Poland holds a very strong position – it ranks third among countries expected to deliver the highest total returns from real estate in 2025, just behind the UK and Spain. This marks the second consecutive year that Poland has reached the podium in the cross-border investor rankings, a clear indicator of enduring international confidence.

Warsaw is also gaining prominence as an investment location. Now ranked 5th among Europe's most attractive cities for cross-border investors – ahead of Berlin, Lisbon and Milan – the capital benefits from a combination of high-quality supply, ESG-certified office buildings, competitive cost structures and market transparency. At Skanska, we are seeing growing interest not only in flagship projects in core locations, but also in assets with potential for modernization, repositioning, or adaptive reuse.

We expect Poland's position as the go-to market for institutional investors in the region to strengthen further in 2025. Several factors will support this trajectory – notably, continued monetary easing in the eurozone and CEE, increasing willingness to reallocate capital, and accelerating alignment with sustainability requirements. At the same time, growing regulatory pressure and rising tenant expectations around quality, flexibility and technology will require even greater selectivity – both from investors and asset originators.

Poland continues to hold a unique position in the region – not only because of its scale and stability, but also because of the maturity of its market and its adaptability to evolving investor expectations. The key to sustained success will be the ability to

deliver modern, certified, and flexible assets that meet the requirements of both investors and end users. Ultimately, it is this combination of quality, transparency and predictability that will drive investment activity in the quarters to come. ■



Jaroslav Kysela

Member of the Board of Directors
investment company Investika

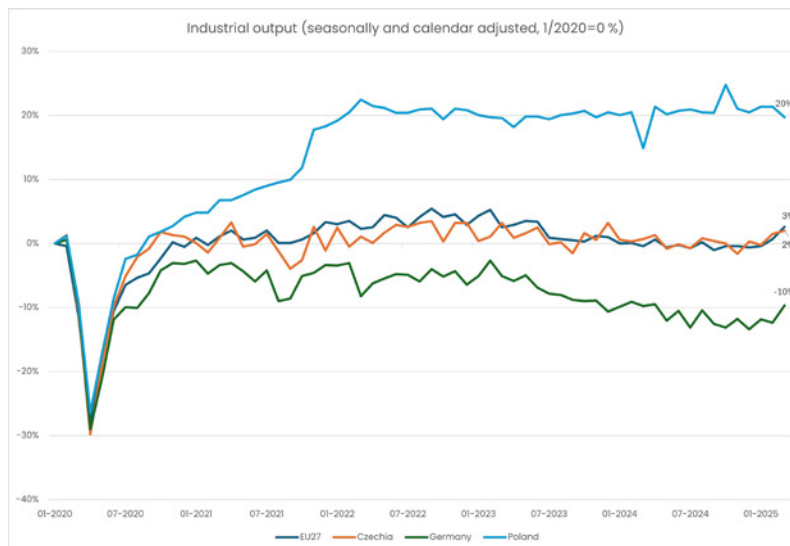
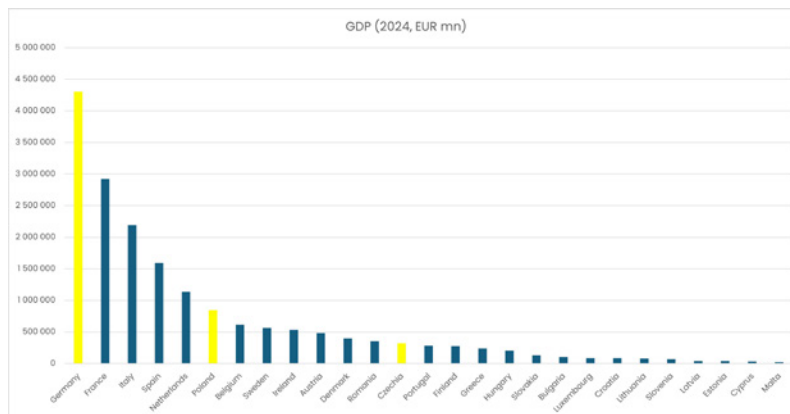
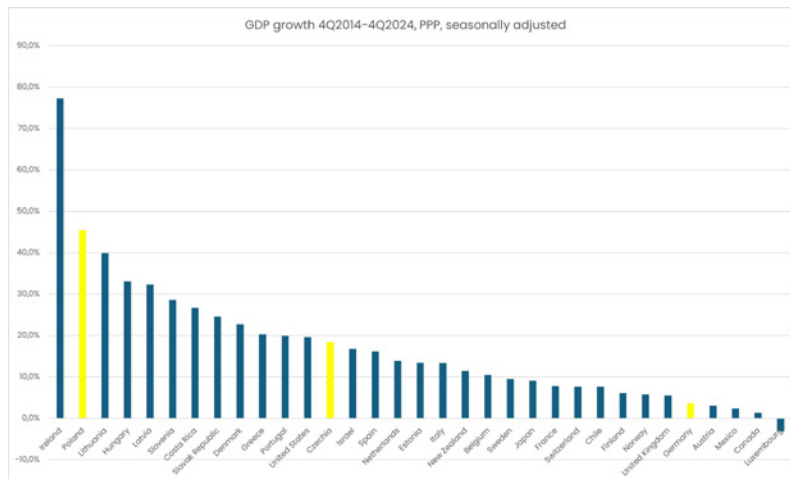
Investment Opportunities on the Polish Real Estate Market

Investika Real Estate Fund, an open-end mutual fund, is the leader among Czech and Slovak non-bank real estate funds, currently managing over CZK 23 billion of fund capital for approximately 85,000 small investors in the Czech Republic and Slovakia. Investika Real Estate Fund was established in 2015 and in 2021 it entered the Polish real estate market due to the diversification of fund's investments.

Why Poland?

Poland is an economic tiger of Central Europe.. According to the OECD, Poland's GDP grew by 44% over the last decade, while the Czech Republic's GDP grew by only 19%. Its real estate market is the largest in CEE and serves as a reference for the remaining countries in our region. Compared to the Czech Republic, Poland has much higher and faster construction rate, which guarantees a continuously sufficient supply of commercial investment properties. Additionally, Poland offers an attractive risk/reward ratio compared to Western Europe, excellent infrastructure, quality asset & property management and transparent legal environment.





The Polish real estate market is dominated by foreign investors and the Czech investment capital was one of the three most active investors in Poland in 2024, according to the international consultancy JLL. In 2024, the Czech real estate investors in Poland were led by Investika Real Estate Fund, that was behind the most significant transaction with office properties in Warsaw and the largest

transaction over portfolio of Polish logistics properties. And in 2025 Investika Real Estate Fund closed the first transaction on the Polish real estate market too. In December 2024, INVESTIKA Real Estate Fund we acquired the premium office building P180 from Skanska Commercial Development Europe. The asset is located in Warsaw's Mokotów business district and has top sustainable profile. The second acquisition was the purchase of a portfolio of five logistics parks from 7R. These are nearly fully leased premium assets, located mainly in the western part of Poland near busy transport routes. On the top of that, INVESTIKA Real Estate Fund also closed the market's first investment transaction in Poland this year. This was the Piastów Office Center in the centre of Szczecin, which is one of the most stable regional office real estate markets in Poland. We are very proud of these three acquisitions on the Polish real estate market, for which we won prestigious professional awards (The Prime Real Estate Awards 2025 in the Czech Republic and The Baltic Real Estate Awards 2025 in Poland).



Stable Business Environment in Poland

Investika Real Estate Fund invests in the Polish market mainly due to the long-term economic stability and development of Poland, the growing demand for quality commercial real estate and the strong leasing power guaranteed by the expansion of international corporations as well as national companies.

Investika Real Estate Fund is now represented both in Warsaw, where it owns two prime office buildings in the centre, and in the regional cities (TriCity on the Baltic Sea, Szczecin, Poznań, Wrocław and Katowice). In major Polish regional cities the fund offers both high-quality office buildings and logistics complexes. The tenant mix varies regionally. While TriCity is mainly represented by companies related to maritime trade, transport and logistics related to the Baltic Sea, Szczecin and Poznań are home to companies with business ties to Germany and Nordics. In Wrocław and Katowice, Investika's assets are mainly used by companies operating in the Silesian region, which today represents southern Poland, eastern Bohemia and northern Moravia, and partly northwestern Slovakia.

We now have 430,000 sqm of quality commercial space in Poland and continue to consider it the strategic market for further growth and diversification of the Investika Real Estate Fund portfolio. ■

The Polish real estate market is dominated by foreign investors and the Czech investment capital was one of the three most active investors in Poland in 2024, according to the international consultancy JLL

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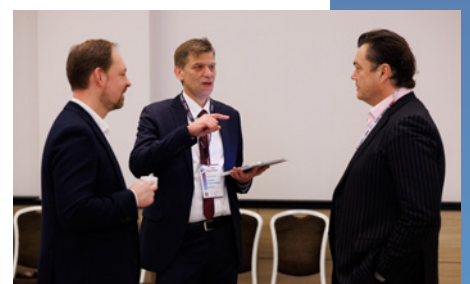
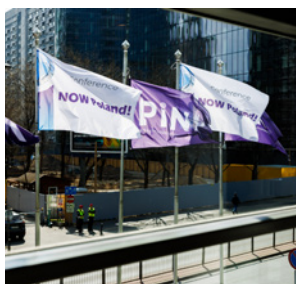


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