



# Residential Market Report

January 2009

**OBER**  **HAUS**  
REAL ESTATE ADVISORS

Working hard at customer satisfaction.

## WARSAW

The beginning of this year didn't bring special changes on the residential market in Warsaw. The interest in buying or renting apartments and houses is still very low.

On the secondary market clients are still interested in buying 1, 2 or 3 rooms apartments, located in the city center or close to the city center, despite the prices are still at the high level, especially in tenant houses and new apartments. Unfortunately, completion of deals is not easy, because of very strict current bank's mortgage policy. Banks are very active recently however they encourage clients to check their loan rating by themselves first. Clients have to remember also the very strict conditions, which are: 20% capital contribution and necessity of regular incomes proof. The very low level of Polish Zloty encourage potential clients to take mortgage in EUR or CHF. Higher level of Polish Zloty can cause lower monthly installments in the future. Unfortunately, at the moment not all the banks offer the mortgages credits in foreign currency. According to the bank advisors we encourage clients to take stable mortgage in Polish Zloty.

The situation on the primary market is similar to the secondary market – we can observe still the 'wait- and – see' attitude. Due to the high supply of new flats and low interests by potential clients, developers still offer promotions and some of them even negotiable prices. However some of them can't lower prices because of high investments costs. It refers to these developers with stable and good financial position. There are no indications that there will be growth of supply of investments in the nearest 2 years. Many of the projects have been postponed or even canceled. Therefore it is worthy to choose from the current projects offer on the primary and secondary market to not to be negatively surprised with the next prices revision which will happen in a longer perspective – and which will be a rise of prices.

Rental flats prices are still on the same level. However we expect that they will fall down soon as the owners will need to adjust them to the current market situation in the country. The highest supply of rental flats we can still observe in the same districts of the city. The most wanted are constantly 2-3 rooms apartments with a rent level between 2000-3000 PLN.

Interest in houses for sale and land plots is moderate now. Clients will be much more interested in buying houses in the spring time. Therefore now it is good time to review offers especially in Łomianki, Nowa Iwiczna, Mysiadło and Piaseczno. One can still buy a house or a segment in suburbs for a good price, as well as apartments in suburbs buildings for example 4-5 rooms apartment in suburbs for a price of 2-3 rooms flat in Warsaw city.

### APARTMENTS (PLN/sqm)

	1 room		2 rooms		3 rooms		4 rooms plus	
	from	to	from	to	from	to	from	to
<b>Warsaw City Centre</b>								
New apartments	8 500	20 000	8 500	25 000	8 500	25 000	8 000	25 000
Apartments built before 1989	8 000	20 000	8 500	25 000	8 500	25 000	8 500	25 000
<b>Warsaw outside City Centre</b>								
New apartments	6 500	17 000	7 000	15 000	7 000	15 000	7 000	15 000
Apartments built before 1989	6 500	15 000	7 000	12 000	7 000	12 000	7 000	15 000

### DETACHED HOUSES (PLN/sqm)

	new		renewed		for renovation	
	from	to	from	to	from	to
<b>Warsaw</b>	5 000	15 000	4 000	12 000	4 000	9 000

### RENTINGS (PLN/month)

	1 room		2 rooms		3 rooms		4 rooms		houses	
	from	to	from	to	from	to	from	to	from	to
<b>Warsaw</b>	1 200	2 500	2 000	4 000	2 500	10 000	3 500	12 000	6 000	30 000

Prices in PLN, 1 EUR= 4,50 PLN

For more info contact:

Anna Berezowska, tel. +48 22 528 54 54

e-mail: [anna.berezowska@ober-haus.com](mailto:anna.berezowska@ober-haus.com)

## CRACOW

January wasn't rich in transactions on both the primary as well as secondary market. The inquiries from clients referred mainly to 1,2-rooms apartments in new developments. There are two reasons of such situation. The first one is: these clients who are able to buy new apartments can't afford more expensive ones than 1,2-rooms flats. The second reason is: 1,2-rooms flats are the most popular sizes to rent. There are not so many of them available on the market so their prices will be growing. Therefore it's worthy to take into consideration buying them now. Developers are more and more flexible in prices negotiations. Krowodrza and Bronowice are the most recommended locations. New residential complex in Ruczaj seem also very interesting.

Clients who are interested in buying flats on the secondary market try to negotiate prices even 20% lower than that ones proposed by owners. Of course apartments on the secondary market have always that advantage in comparison to the primary markets offers, that clients are able to move in at once without additional investments.

We can distinguish two groups of clients. The first group are clients who search for attractive locations, like central parts of the city, well communicated locations with parking places, new developments or tenements in good condition. For the second group of clients, price is the most important factor.

High prices of houses but on the other hand growing desire among middle class people to poses a small house with a piece of garden make the one-family houses in suburbs very popular and in demand. Buyers prefer such locations like Zielonki, Węgrzce, Bibice, Libertów, Mogilany, Gaj and Zabierzów.

Despite the residential rents are growing, rental apartments especially in good locations are still in high demand. The most popular are small, 1 or 2 rooms apartments. Cracow is a university city as well as business center, so many students and managers on contracts look for flats or apartments to live. Still the most important factors are: location, apartments equipment, building conditions as well as low price. The most attractive townships are Krowodrza, Łobzów and Ruczaj and invariably the center of the city.

### APARTMENTS (PLN/sqm)

	1 room		2 rooms		3 rooms		4 rooms plus	
	from	to	from	to	from	to	from	to
<b>Cracow City Centre</b>								
New apartments	10 500	21 200	13 900	22 850	11 050	27 900	10 950	39 560
Apartments built before 1989	7 500	20 750	7 650	24 700	6 500	36 900	6 500	29 900
<b>Cracow outside City Centre</b>								
New apartments	4 850	20 300	4 900	17 900	5 500	17 500	4 700	18 000
Apartments built before 1989	3 900	15 000	4 900	20 000	4 060	18 700	4 000	23 500

**DETACHED HOUSES (PLN/sqm)**

	new		renewed		for renovation	
	from	to	from	from	to	from
<b>Cracow</b>	3 500	19 000	3000	20 000	3000	15 000

**RENTINGS (PLN/month)**

	1 room		2 rooms		3 rooms		4 rooms		houses	
	from	to	from	to	from	from	to	from	to	from
<b>Cracow</b>	850	3200	950	5200	1650	8500	1900	15000	3700	22 000

Prices in PLN, 1 EUR= 4,50 PLN

For more info contact:

Małgorzata Pajor, tel.+48 12 267 91 00

e-mail:[malgorzata.pajor@ober-haus.com](mailto:malgorzata.pajor@ober-haus.com)

**GDAŃSK-GDYNIA-SOPOT**

We are beginning to see some activity on the real estate market this month. Comparing to December both real estate companies and developers received much more inquiries about houses and apartments for sale.

It doesn't yet result in big number of transactions. However it indicates that the number of purchases will grow. Also the number of clients asking for loans in banks and financial companies has grown. Potential buyers decided not to wait any longer for better loans conditions or next significant prices decreases on the real estate market.

One of the reasons of such situation is definitely the fact that many investments and new developments will be postponed or even canceled this year. It means that in next 2-3 years the supply of apartments, especially new ones, will be much lower, what will cause prices growth again.

Clients are still interested in renting flats. However it doesn't influence changes in prices, which are constantly on the same level as in the previous month.

**APARTMENTS (PLN/sqm)**

	1 room		2 rooms		3 rooms		4 rooms plus	
	from	to	from	to	from	to	from	to
<b>Gdańsk City Centre</b>								
New apartments	6300	10000	6500	11000	660	10000	6300	8900
Apartments built before 1989	4200	6500	4900	6500	5000	6500	4200	5900
<b>Gdańsk outside City Centre</b>								
New apartments	5100	6700	5500	6800	5100	6700	4600	6200
Apartments built before 1989	4100	5300	4300	5800	4000	6000	3900	5700

**DETACHED HOUSES (PLN/sqm)**

	new		renewed		for renovation	
	from	to	from	from	to	from
<b>Tricity</b>	4300	7000	4400	6600	3300	4800

### RENTINGS (PLN/month)

	1 room		2 rooms		3 rooms		4 rooms		houses	
	from	to	from	to	from	from	to	from	to	from
<b>Tricity</b>	800	1200	850	1500	1100	1800	1500	4500	2700	10 000

Prices in PLN, 1 EUR= 4,50 PLN

For more info contact:

Przemysław Szkutnik, tel. +48 58 520 40 99

e-mail: [przemyslaw.szcutnik@ober-haus.com](mailto:przemyslaw.szcutnik@ober-haus.com)

## POZNAŃ

In January we can observe much higher interest in buying and renting apartments than in last months of 2008. Apartment's owners decide to rent them and wait instead of selling now. In the current situation it gives them the possibility to pay loans back and other costs and still have some amount of money left for their disposal.

2-3 rooms apartments are the most popular ones. The average price for renting outside the city center is 1,300-1,500 PLN monthly. Prices in new buildings, located closer to the center are a bit higher: 1,600-2,100 PLN depending on location and finishing standard. In prestigious locations it may happen even that the price will reach 3,000 PLN monthly. Prices of apartments in old buildings located in Rataje, Winogrody or Piątkowo are not at all much lower, namely: 1,700-2,200 PLN. The highest prices are in new developments. Renting a flat in a new building can cost between 2,500 – 5,000 PLN.

Due to the current situation, people who want to sell an apartment now, are forced to correct their prices. The cheapest are flats in buildings from 50-60ties and 70-80ties. In such locations, one can buy a 50m2 flat for 220.000-250.000 PLN depending on its standard. The same flat in a new building outside the city center costs 320.000-340.000 PLN. In the center of the city clients have to pay 7,600-9,000PLN/m2.

On the primary market more and more developers offer different kind of promotions. The proposed discounts don't exceed 30.000 PLN. However very often developers offer also providing a client with for example kitchen furniture.

In the last months more people bought land plots in the neighborhood of Poznań. The most wanted were lands of 1,500m2 in good locations (for example Kierski Lake) and with good communication to the city.

### APARTMENTS (PLN/sqm)

	1 room		2 rooms		3 rooms		4 rooms plus	
	from	to	from	to	from	to	from	to
<b>Poznań City Centre</b>								
New apartments	6 230	12 000	4500	11000	4200	13 000	6500	14 000
Apartments built before 1989	4000	7 300	3000	8300	3190	9300	4 200	10 000
<b>Poznań outside City Centre</b>								
New apartments	6 100	11 000	4500	10 000	4000	10 000	4500	13000
Apartments built before 1989	3800	6900	2500	7700	3200	7 000	3900	9 000

**DETACHED HOUSES (PLN/sqm)**

	new		renewed		for renovation	
	from	to	from	from	to	from
<b>Poznań</b>	2600	8300	2400	7800	1900	4500

**RENTINGS (PLN/month)**

	1 room		2 rooms		3 rooms		4 rooms		houses	
	from	to	from	to	from	from	to	from	to	from
<b>Poznań</b>	800	1 600	1 200	3 000	1700	5000	2500	12000	3 500	8 000

Prices in PLN, 1 EUR= 4,50 PLN

For more info contact:

Łukasz Gralak, tel. +48 61 851 90 00

e-mail: [lukasz.gralak@ober-haus.com](mailto:lukasz.gralak@ober-haus.com)

**KATOWICE**

The market situation hasn't changed much in Katowice. Waiting attitude for a better prices correction is continuing and nothing indicates significant changes in coming weeks. Additional factors that are slowing down the real estate market are the strict bank policy and the weak Polish Zloty position in comparison to foreign currencies Euro, US Dollar and Swiss Franc.

On the primary market the only transactions which take place, are transactions based on contacts from 2008 and 2007. Developers don't start new investments. Only the existing developments are waiting for buyers.

The beginning of the year is as usually the time when clients start looking for new apartments. However they search only and wait for lower prices. On the other buyers have to deal also with strict banks policy and capital contribution requirement. In the end effect all of these, despite of interest rates decrease, don't make decisions easy. They are waiting for interesting and cheap offers which are lacking at the moment.

An alternative to such difficult situation is renting. Some of the clients decide to rent flats and wait for changes in the financial sector. They are looking mainly for apartments up to 1,200 PLN. Unfortunately there are not so many offers in this price. Clients who have bought apartments for rent in new developments don't finish them so quickly as they used to few years ago. It is surely related to much higher loan's costs then they expected. Renting 2-rooms apartment in a good location and in a good standard cost between 1,300-2,000PLN. One has to notice that the standard of such rental apartments is now much better then it used to be some time ago .

**APARTMENTS (PLN/sqm)**

	1 room		2 rooms		3 rooms		4 rooms plus	
	from	to	from	to	from	to	from	to
<b>Katowice City Centre</b>								
New apartments	6 500	7 000	6 300	8 300	6 100	8 400	6 400	8 100
Apartments built before 1989	5 100	6 150	4 150	5 150	4 150	5 150	4 200	5 250
<b>Katowice outside City Centre</b>								
New apartments	5 600	7 500	5 400	7 400	4 800	7 400	5 300	6 350
Apartments built before 1989	3 600	4 100	3 100	4 100	3 000	4 100	2 900	4 100

### DETACHED HOUSES (PLN/sqm)

	new		renewed		for renovation	
	from	to	from	from	to	from
<b>Katowice</b>	3 300	5 000	4 600	8 100	3 000	4 000

### RENTINGS (PLN/month)

	1 room		2 rooms		3 rooms		4 rooms		houses	
	from	to	from	to	from	from	to	from	to	from
<b>Katowice</b>	900	1 300	1 000	1 800	1 200	2 500	1 550	3 600	2 500	10 500

Prices in PLN, 1 EUR= 4,50 PLN

For more info contact:

Jolanta Loranty, tel. +48 12 267 91 00

e-mail: [jolanta.loranty@ober-haus.com](mailto:jolanta.loranty@ober-haus.com)

## ŁÓDŹ

Clients in Łódź are offered a very good choice of offers on the residential primary market. They can get apartments and flats, ready to move in, in much lower prices than last year. Łódź is therefore still a very good market for buyers. So it is the right moment for buy to let now, what may be good investment opportunity in the current situation.

The most wanted are 2-3 rooms apartments, 40m<sup>2</sup> – 65 m<sup>2</sup>, outside the city center. On the secondary market the prices are between 3,500 - 5,000 PLN depending on the finishing standard. Favorite locations are Retkinia and Górna.

Renting is a good alternative for clients who don't have the possibility to get a loan. The owners of high standard apartments, localized in good city parts prefer to rent their flats to businessman and managers. Rental prices are between 1,500 -2,500 PLN. Most popular are apartments in new developments, in the city center, fully equipped and definitely with a garage.

The situation is also good on the one-family houses market. Clients with a good financial situation decide to buy houses with a piece of land in the suburbs or nearby. The most wanted are plans of 120 -160m<sup>2</sup>

### APARTMENTS (PLN/sqm)

	1 room		2 rooms		3 rooms		4 rooms plus	
	from	to	from	to	from	to	from	to
<b>Łódź City Centre</b>								
New apartments	5000	10000	5000	9000	4800	10000	4800	10000
Apartments built before 1989	3200	8000	3500	6600	3600	6500	4000	8000
<b>Łódź outside City Centre</b>								
New apartments	4700	6000	4700	6800	4700	7000	4200	8300
Apartments built before 1989	3500	5000	3500	6000	3600	6500	3800	6000

### DETACHED HOUSES (PLN/sqm)

	new		renewed		for renovation	
	from	to	from	from	to	from
<b>Łódź</b>	4100	10000	3000	6000	2400	3500

**RENTINGS (PLN/month)**

	1 room		2 rooms		3 rooms		4 rooms		houses	
	from	to	from	to	from	from	to	from	to	from
<b>Łódź</b>	450	1500	650	2500	1000	4500	2000	6000	2500	10 000

Prices in PLN, 1 EUR= 4,50 PLN

For more info contact:

Monika Kaźmierczak, tel. +48 42 683 59 59

e-mail: [monika.kazmierczak@ober-haus.com](mailto:monika.kazmierczak@ober-haus.com)