

W A R S A W R E S E A R C H F O R U M

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WARSAW RESEARCH FORUM ISSUES OFFICE MARKET DATA FOR 2006

The Warsaw Research Forum has issued its figures for the Warsaw Office Market for 2006. The market data prepared by the team concerns modern office stock, take-up, completions of new buildings and vacancy rates in two defined areas of Warsaw: the City Centre (CC) and Non Central locations (NC). The Warsaw Research Forum's results, as at the end of 2006, are summarized in the table below.

In 2006 Warsaw Research Forum was enlarged, with the real estate agency King Sturge becoming a new member.

STATISTICS FOR THE WARSAW OFFICE MARKET - 2006

Main Office Markets in Warsaw

Zone	Stock	Vacancy	Vacancy rate	Completions	Take-up
City Centre	1 031 200	55 100	5%	76 400	186 300
Non-Central	1 525 900	82 200	5%	110 300	225 900
Total	2 557 100	137 300	5%	186 700	412 200

- There was just over 412,000 m² of activity (take-up) in the office market in 2006, making it another record year for Warsaw. Of this, 7% could be accounted for by owner-occupier usage, whilst simple renewals of existing leases were worth 64,600 m² (16%). A relatively large share of deal activity came through expansions, with tenants agreeing with their current landlords to take an extra 46,700 m² (i.e. 11% of total take up). The largest deals in the City Centre were signed in Millennium Plaza (ABG Ster-Projekt – 5.900 m²) and Riverside Park (Polbank EFG – 4.800 m²). In Non Central Locations the largest deal came when Fortis Bank leased a total of 11,200 m² in Trinity Park II.

- 21 buildings were completed during 2006, bringing a total of 186,700 m² of new office space onto the market. The largest was Rondo1 (55,000 m²) in the core of the city centre. However, most completed office projects were in other zones, examples being Prosta Office Centre, on the fringe of the City Centre (18,600 m²), and Trinity Park I (18.100 m²) and Cirrus (12,900 m²) in Mokotów.
- The vacancy rate at the end of 2006 stood at 5.4% for Warsaw as a whole, a fall of 1.2 percentage points from the corresponding period a year earlier. The difference between the rates of vacant space in the central zones and the suburbs has now closed. The market is loosest in the City Centre - Core district where 9.5% of space is vacant. The vacancy rate in the popular Mokotów (US) zone fell to 3%.

Office Submarkets in Warsaw

Zone	Stock (m ²)	Vacancy (m ²)	Vacancy rate (%)	Completions (m ²)	Take-up (m ²)
CC-Core	403 000	38 100	9%	72 400	56 000
CC-Fringe	628 200	17 000	3%	113 900	20 400
East (Praga)	130 000	2 800	2%	18 100	3 700
LS (Puławska)	100 800	12 200	12%	9 000	9 100
North (Żoliborz)	89 300	4 800	5%	4 900	2 600
SE (Sadyba & Wilanów)	113 600	5 000	4%	29 200	12 500
SW (Jerozolimskie & Żwirki i Wigury)	388 400	39 600	10%	55 400	19 600
US (Mokotów)	470 600	13 800	3%	97 600	58 000
W (Wola)	233 200	4 000	2%	11 700	4 800
Suma	2 557 100	137 300	5%	412 200	186 700

Source: Warsaw Research Forum (CB Richard Ellis, Cushman & Wakefield, DTZ Zadelhoff Tie Leung, Jones Lang LaSalle, Colliers International, King Sturge)

Warsaw Research Forum (WRF) – The group consists of real estate market research and analysis specialists from five companies: CB Richard Ellis, Cushman & Wakefield, DTZ Zadelhoff Tie Leung, Jones Lang LaSalle, Colliers International and King Sturge who obliged themselves to coordinate data to unify basic occupational office market data.
