

Contact: Luiza Jurgiel-Żyła, tel. +48 695 795 121, info.poland@cresa.com

Wrocław office market will expand by another 100,000 sqm by the end of this year

Wrocław, 5th June 2019 – According to „Occupier economics: Office market in Wrocław Q1 2019”, a report published by real estate advisory firm Cresa, Wrocław’s office stock has increased by more than 13% over the year to the current 1.07 million sqm. Although the first three months saw only one completion: City Forum: City One (11,200 sqm, Archicom), by the end of the year additional nine office buildings will be built.

- Wrocław continues to see robust levels of occupier interest. Developers are also keen to break ground on new office projects here, focusing on the city centre, particularly its southern areas. Rental rates remain flat but are edging up at the most prestigious office buildings in prime locations. In addition to the traditional office market, the sector of serviced offices is also experiencing rapid growth and increasingly attracting smaller tenants – says Michał Grabikowski, Head of Tenant Representation in Cresa Poland Wrocław Office.

Office take-up amounted to 31,900 sqm in Q1 2019, up by more than 30% on the same period last year. New leases accounted for 65% of the leasing volume, while renegotiations and expansions made up 30% and 5%, respectively.

The largest transactions in Wrocław included Schaeffler’s 6,200 sqm lease at Nowy Targ, Softserve Poland lease of 4,400 sqm in CU Office B and the third place takes Atos’s renegotiations of 4,000 sqm at Wrocławski Park Biznesu II.

- Another 100,000 sqm is expected to be added to Wrocław’s office stock by the end of this year, mainly in the western part of the city (areas of Strzegomska and Legnicka streets). These buildings are very popular among tenants – for example the Nowy Targ office building, with the planned completion date for the third quarter, is almost fully leased – says Bolesław Kołodziejczyk, PhD, Head of Research & Advisory, Cresa Poland.

At the end of Q1 2019, the city’s vacancy rate stood at 8.5%, down by 0.6 pp on the last quarter of 2018. Office rents currently stand at EUR 12,5-14,5 sqm/month in upper class buildings, and EUR 11-12,5 sqm/month in lower class buildings.

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