

Warsaw, 23 April 2012

## Bank Millennium has created a map of residential aspirations, plans and the reality in Poland

Warsaw, 23.04.2012 - Where do the Poles want to live? What buying potential do they have? When do they want to carry out their plans? Bank Millennium answers these and other questions, based on a survey of the dreams of people in Poland, the real estate market and demand for bank products.

### Dreams away from the city and possibilities

The dreams Poles have *about an own house* may be considered ambitious and this is only natural. Results of a survey carried out in February 2012, coupled with Bank Millennium's market experience, have permitted a map to be drawn of the residential aspirations, plans and possibilities that people in Poland have. Most of us dream of living outside a city, or at least away from the city centre. Some keep dreaming of a small town, located 30 km from a big city (14%) or just living out in the country (38%). One out of five adult Poles would like to live near a big city. Only 6% see a city centre in their dreams, while 21% say a city is the perfect place to live, but away from its centre. *With ambitious dreams we have a better chance of being even moderately successful. This is why it makes sense to have dreams and to strive to turn them into reality. Every mortgage customer is one dream fulfilled - sometimes big, sometimes small. Dreams deserve to be supported* - comments Agata Chrzanowska, Mortgage Banking Marketing Director in Bank Millennium.

### Single family houses rule

We think of a private house out-of-town. This is the wish of 77% of adult Poles, who live in cities over 50,000 inhabitants. For most of them the perfect usable floor space of such a humble abode is 90-200 sqm. 11% of those polled in such cities want a flat. Not only do the dreams differ from Poland's reality, but they are also largely at odds with the buying power of the statistical Pole. For over five years now most of the purchased real estate is mortgage financed. Although close to 80% of us dream of a private house, only some can afford to fulfil this dream. Our data show that most borrowers (65%) end up buying a flat, more often than not on the secondary market. Merely 35% decide to buy or build a house, financed with a mortgage. On the other side, looking at data from the Main Statistical Office, we see that almost 56% of new residential units built in 2011 are single-family houses. One can therefore draw the conclusion that when building them we rather resort to own resources, than a mortgage.

### Over three million Poles plan to buy real estate

As many as 16% of the adult population plan to buy or change their residence. This translates to approximately 3.3 million people. Almost 7% or approx. 1.4 million Poles will carry out their plans in the next five years. One out of ten does not want to or is unable to specify the timing of the transaction. Purchasing plans of Poles (in cities over 50,000 inhabitants) are spread evenly between blocks of flats and

single-family houses (40% and 45% respectively). Merely 7% think of buying a flat in an old tenement house. Even fewer home in on suites, semi-detached houses or lofts, which people in Poland think of more as a whim than a real purchase alternative.

#### **“Pre-owned” and mortgage-financed**

It also seems that Poles prefer existing real estate instead of a property development offer. In the largest cities new residential developments appear, with flats and suites for sale in convenient locations being abundant. In Warsaw an advantage is the neighbourhood of the second line of the Metro, which is under construction at present; in other cities important factors are an interesting recreational infrastructure and good access to the city centre. Nevertheless over 67% of those planning to buy a flat want to do it on the secondary market. Meanwhile only 23% of people wanting to buy a house will opt for a pre-owned one. On top of it only one out of ten Poles declares paying with own cash. As many as 27% are thinking about getting a loan for the entire amount.

*- Most of the loans granted by the bank remains within the limits of PLN 200,000 - 300,000. The average size of real estate is 51-70 sqm. for a flat and 120-200 sqm. for a detached house - says Agata Chrzanowska*  
*- Thus the declarations of people who want to buy real estate with a loan are in line with data available to Bank Millennium. Coming back to dreams - you should never give up on them, you never know when the opportunity to fulfil them may arise.*

*The conclusions have been based on results of a survey, which was contracted by Bank Millennium from Aegis Media. The survey was done in February 2012 on a sample (1127 persons) demographically corresponding to the population (aged 18-55). Adult Poles were asked about their current housing situation, their dreams and any purchasing plans. Detailed survey results are available for viewing.*