

# **Consumer market study on the functioning of the real estate services for consumers in the European Union**

Country fiche – POLAND

## General information

<b>Country</b>	POLAND
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<b>Main Sources Used</b>	See list at point 1.2

## 1. Regulatory background

### 1.1 Level of regulation in the country

Table 1: Level of regulation			
	Level of regulation	Source of relevant legislation	Ongoing discussion on regulation/deregulation (if applicable): current state of affairs and main arguments in the debate
Real estate transactions <sup>1</sup>	Formality and registration highly regulated	<ul style="list-style-type: none"> <li>• The Polish Civil Code Act 1964 (as amended), particularly art. 155 et seq.;</li> <li>• Land Register and Mortgages Act 1982 (as amended);</li> <li>• The Protection of a Residential Unit or a Single Family Home Buyer Act of 2011 (as amended – the so called ‘act on developers’);</li> <li>• Battling Money laundering and Battling Financing Terrorism Act 2000.</li> </ul>	The need for transparency and security of transactions concerning real estate is not disputed and even persons with no legal background intuitively realize that buying and selling real estate requires various formal requirements to be met.
Notary system (or lawyer/conveyancer system) <sup>2</sup>	Notary system – highly regulated	<ul style="list-style-type: none"> <li>• Profession of Notaries Act 1991 (as amended);</li> <li>• Ordinance on the maximum level of notarial fees 2004 (as amended).</li> </ul>	There is no debate as to the necessity of including the notary in the transfer of real estate. This requirement is understood and accepted. Maximum notarial fees are determined in subordinate legislation; they are not viewed as excessive or hampering access to a notary. Due to growing competition between notaries, the maximum rates are not always charged and it is useful to ask in various notary offices for an estimation of the fee based on the sale price of the immovable.

<sup>1</sup> E.g. limitations or prohibitions of certain transactions; specific formality requirements etc.

<sup>2</sup> Only in countries where notaries do not exist or do not have a monopoly on conveyancing.

**Table 1: Level of regulation**

Profession of estate agents	After a period of a rather comprehensive regulation (1998-2014), the profession is currently deregulated, with the exception of mandatory civil liability insurance	<ul style="list-style-type: none"> <li>• Management of Real Property Act 1997 (as amended) (only art. 180 s. 3 - the content of the real estate agency contract is determined by the parties and 181 s. 2-4 – a real estate agent must have obligatory civil liability insurance);</li> <li>• The Polish Civil Code Act 1964 (as amended), general provisions on contracts and unfair contract terms will apply to contracts concluded with real estate agents.</li> </ul>	Ongoing concerns about professional standards and the implemented deregulation. As of 1 Jan. 2014, there are no requirements that need to be met in order to become a real estate agent and open a real estate agency. Prior to that date, real estate agents were required to have at least a bachelor's degree and to complete postgraduate studies, with an additional 6 months of training period. They received a license from the Ministry competent in the area of construction and real estate, which allowed them to practice. Many of these licensed agents continue to run their agencies and rely on their reputation to bring in new clients. Concerns are voiced that new agents have no professional training or verification and the services they offer are basically keeping a database and contacting buyers and sellers, but not advising or helping with the transaction itself.
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Buying immovables does not require hiring a lawyer and many transactions on the residential market are concluded with the help of the real estate agent and ultimately in front of the notary. Most advertisements of immovables are operated by real estate agents who arrange matters such as viewings, price negotiations, documents concerning the typical costs of upkeep, etc. Real estate agents do not provide legal advice, as they are very seldom trained lawyers and may come from various backgrounds. In addition, currently they do not need any education or training to take up the profession.

The role of the notary is to ensure that the sale contract does not violate the law and that the parties understand the meaning of their declarations of will. According to the Profession of Notaries Act 1991, the notary is obliged to ensure proper protection of the rights and rightful interests of parties and other persons, who may bear legal consequences of the act in law (art. 80 §2). The notary is also obliged to provide the parties with necessary explanations concerning the act in law (art. 80 §3). In practice, these provisions are applied by notaries in a restricted manner. Their explanations and protection of rights are often limited to asking the parties whether they comprehend that, as a result of the sale, the buyer will acquire ownership and will be liable for the payment of the sale price, while the seller will cease to be the owner, or whether they understand that the immovable is burdened with a mortgage. However, in extreme situations, when duress or exploitation is visible or obvious from the content of the contract, the notary would react on the basis of the mentioned art. 80. The notary will also ensure that statutory pre-emption rights of the State (e.g. some agricultural immovable or immovable zoned for revitalization/redevelopment) are observed. In addition, the notary requires to be shown and to view all documents necessary for the transfer, which greatly reduces the possibility of selling bad title, or unknown encumbrances. The notary will make sure that the property is being sold by the competent party (e.g. matrimonial property regime matters), that the proper law is applied, that any conditions the parties want to include in the contract are legally effective and do not violate the law, etc.

## 1.2 National legislation

**Table 2: List of national legislation**

List of national legislation	Classification of national legislation	Content of the national legislation
The Polish Civil Code Act 1964 (as amended)	<ul style="list-style-type: none"> <li>• Art. 383<sup>1</sup> – 385<sup>4</sup> PCC –consumers;</li> <li>• Art. 535-555 PCC – general provisions on the sale contract (including ones concerning consumers in particular);</li> <li>• Art. 556-581 – general provisions on warranty and guaranty for the sold thing (including ones concerning consumers in particular).</li> </ul>	<ul style="list-style-type: none"> <li>• Regulates unfair contract terms and contract templates;</li> <li>• Finds application to all buyers and sellers, except where specifically the consumer is mentioned.</li> </ul>
The Protection of a Residential Unit or a Single Family Home Buyer Act of 2011 (as amended)	Only physical persons who are purchasing a residential unit or a single-family house (in effect consumers, although the legislator does not use this term).	Developed information requirements of the developer towards the buyer, specified obligations of the developer and rights of the buyer, including rights to rescind the contract, obligation of the developer to have an escrow account, forbidden contract clauses.
The Shaping of the Agricultural Regime Act 2003	Buyers/sellers	Limitations concerning selling and buying agricultural land, including pre-emption rights of land lessees and of State Agency of Agricultural Immovables
Management of Real Property Act 1997 (as amended), art. 181 s. 3 and 4; Ordinance on the mandatory insurance of civil liability of real estate agents 2013	Regulation of estate agents/consumers	Requires estate agents to have civil liability insurance
The Timeshare Act 2011	Timeshare transactions - consumers only	Information requirements towards the consumer, rights of the timeshare buyer, unfair and forbidden contract terms
The Protection of Tenants Act 2001	Residential leases and other forms of using residential premises (except	Protection of the rights of tenants, rights and obligations of the tenant and the landlord,

**Table 2: List of national legislation**

	temporary stays like hotels, b&b's, dormitories, etc.) – in effect consumers.	inadmissible contract terms, admissible types of lease contracts, etc.
Energy Performance of Buildings Act 2014	Sales/lettings	Requires energy performance certificates
Recognition of Professional Qualifications Acquired in EU Member States Act 2015	Regulation of professions	Implements EU Directives, it requires knowledge of the Polish language to the extent necessary to perform a given profession.
Land Register and Mortgages Act 1982 (as amended)	Transactions	Registration
Mortgage Credit and Supervision of Mortgage Credit Intermediaries and Agents Act 2017	Regulated lending industry/consumer information	Implements the MC Directive 2014/17 into existing regulatory regime
Battling Money laundering and Battling Financing Terrorism Act 2000	Professional conduct	Copies out Third Directive
Profession of Notaries Act 1991(as amended)  Ordinance on the maximum level of notarial fees 2004 (as amended)	Notaries	Professional conduct, rights and obligations of the notary, notarial fees

## 1.3 Implementation of relevant EU legislation

Table 3: Implementation of relevant EU legislation

EU legislation	Implementation achieved?	Implementation of EU legislation at the national level (e.g. the name of the law)	Source of the national implementation legislation	Content of the national legislation in keywords	Which parts of the EU legislation have <u>not</u> been transposed?
<b>Directive 2005/29/EC on unfair commercial practices (UCPD)</b>	Yes	Protection from Unfair Market Practices Act 2007	t.j. Dz.U.2016.3	Same as directive	None
<b>Directive 93/13/EEC on unfair terms in consumer contracts and Directive 2011/83/EU on consumer rights, amending Council Directive 93/13/EEC</b>	Yes	Consumer Rights Act 2014	t.j. Dz.U.2017.683	Same as directive	None
<b>Directive 2008/122/EC on the protection of consumers, in respect of certain aspects of timeshare, long-term holiday product, resale and exchange contracts</b>	Yes	The Timeshare Act 2011	Dz.U.2011.230.1370	Same as directive	None
<b>Directive 2010/31/EU of Energy Performance of Buildings Directive</b>	Yes	Energy Performance of Buildings Act 2014	Dz.U.2014.1200	Same as directive	None

**Table 3: Implementation of relevant EU legislation**

<b>Directive 2005/36/EC on Recognition of Professional Qualifications, as last amended by Directive 2013/55/EU</b>	Yes	Recognition of Professional Qualifications Acquired in EU Member States Act 2015	Dz.U.2016.65	Same as directive	None
<b>Mortgage Credit Directive, 2014/17/EC</b>	Yes	Mortgage Credit and Supervision of Mortgage Credit Intermediaries and Agents Act 2017	Dz.U.2017.819	Same as directive ; comes into force on 22 July 2017	None

## 1.4 Communications and strategy papers

**Table 4: Communications and strategy papers**

<b>Communication or strategy paper</b>	<b>Have the following communications and strategy papers been referred to in national documents?</b>	<b>Name of document</b>	<b>Source</b>	<b>Content</b>	<b>Differences with respect to communications and strategy papers listed in the first column</b>
<b>COM(2015) 550 final Communication of the Commission Upgrading the Single Market: more opportunities for people and business</b>	Yes	Analysis of the legal and economic impact of the communication	Committee on European Union Matters (Lower House of the Parliament)	Summary of the communication and its content, recommendation to take into account in legislative work/interpretation	None
<b>COM(2013)676 Communication from the Commission on evaluating national</b>	Yes	Government Position on the communication	Cabinet Office and Ministry of Foreign Affairs	Acceptance of Communication and declaration to follow its recommendations	None



**Table 4: Communications and strategy papers**

<b>regulations on access to professions</b>					
<b>COM(2016)820 Communication from the Commission on reform recommendations for regulation in professional services</b>	Yes	Analysis of the legal and economic impact of the communication	Committee on European Union Matters (Lower House of the Parliament).	Summary of the communication and its content, recommendation to take into account in legislative work/interpretation, info. About the need to further consider in legislation the recommendations of the communication	None
<b>European Consumer Agenda</b>	Yes	Consumer Programme 2014-2020	Office for Competition and Consumer Protection	Detailed analysis of the programme in the context of Polish law and realities, with identification of priorities and problem areas as well as legal changes that need to be implemented	None
<b>Consumer Programme 2014-2020</b>	Yes	Consumer Programme 2014-2020	Office for Competition and Consumer Protection	Detailed analysis of the programme in the context of Polish law and realities, with identification of priorities and problem areas as well as legal changes that need to be implemented	None

## 2. General market information

### 2.1 Key market data

**Table 5: Key market data**

<p><b>General market situation (e.g. trends in the market, recent developments in the market, price fluctuations, etc.)</b></p>	<p>The housing market continues to see very intense activity, demonstrated by the high level of demand for new housing and the corresponding high supply in the major markets. This activity has not generated excessive tensions in the real estate sector nor in the financial sector yet; no distressing price increases were observed and transactions were largely financed by buyers' own funds.</p> <p>The continuing high level of housing demand (measured by the number of transactions) in 2015 and 2016 was the consequence of the historically low interest rates being maintained and growing household income. The government's housing policy, primarily the continuation of the MDM scheme in the primary market and the extension of the programme to include the secondary market also had a positive impact.</p> <p>MDM, denotes: A Dwelling for the Young programme, planned to run from 2014 to 2018. It offers public financial assistance of up to 30% in making the down payment necessary to obtain a bank loan secured by a mortgage and in repaying part of the loan.</p> <p>The structure of supply of forms of housing construction satisfying housing needs in Poland has been almost stable since the end of the sector transformation at the end of the 1990s. In big cities, developer construction is predominant. In medium-sized and small towns and in rural areas, single-family houses dominate, to some extent, self-built houses.</p> <p>Average offer and transaction prices per square meter of housing in certain primary markets of six cities (6 cities - Gdańsk, Gdynia, Kraków, Łódź, Poznań, Wrocław) slightly increased, while remaining stable in Warsaw and ten cities (10 cities - Białystok, Bydgoszcz, Katowice, Kielce, Lublin, Olsztyn, Opole, Rzeszów, Szczecin, Zielona Góra). Average transaction prices per square meter of housing in the secondary market in Warsaw and 6M were also stable in the discussed period. In all the analysed groups of cities (Warsaw, 6 cities, 10 cities) prices in the primary market were higher than those in the secondary market. Average rent rates per square meter of housing (offer and transaction rates) in 7 cities (Gdańsk, Gdynia, Kraków, Łódź, Poznań, Warszawa, Wrocław), weighted by the share of the stock, broadly stabilized in the discussed quarter.</p> <p>The average indicator of housing availability in large cities slightly declined and reached 0.84 per square meter of housing per average monthly wage in the corporate sector, posting a rise of 0.35 square meter as compared to 2007 Q3 minimum.</p> <p>Housing investment (excluding transaction costs) continues to be profitable in the short-term. Considering the average achievable rent level, return on housing investment stands higher than returns on bank deposits or yields on 10-year Treasury bonds and is close to return on investment in the commercial real estate market. The residential loan servicing costs to rent ratio still enables buyers to finance the cost of credit with income from rent.</p> <p>The estimated high profitability of housing projects persisted for another consecutive quarter, which is associated with the ratio of home prices to costs of building materials and construction works, being favourable for real estate developers for a several years, the</p>
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**Table 5: Key market data**

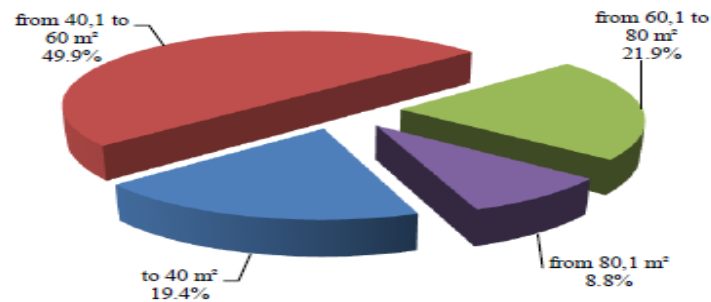
	<p>aggregate land stock for the construction of new housing projects and high demand. The estimated high profit margins of real estate developers and high rate of return on residential construction projects as well as high demand boosted the number of issued building permits as well as the number of completed and ready for occupancy dwellings.</p> <p>Information on home prices and the situation in the housing and commercial real estate market in Poland in 2016 Q4, Financial Stability Department, Narodowy Bank Polski, March 2017.</p> <p>The estimated value of residential real estate assets at the end of 2015 reached approx. PLN 3.1 billion. The estimated value of residential and commercial real estate in Poland at the end of 2015 accounted for approx. 187% of GDP and approx. 55% of fixed assets in the economy, with the residential real estate accounting for 173% and the commercial real estate for 11% of GDP. Information on home prices and the situation in the housing and commercial real estate market in Poland in 2015. Financial Stability Department, Narodowy Bank Polski, Warszawa 2016.</p>
<p><b>Total value of residential transactions for buying and renting for the year 2015 (2014 or 2013 depending on the latest available data) expressed in EUR</b></p>	<p>In 2015, the number of registered purchase/sale transactions of premises amounted to about 178.8 thousands, which constituted 43.3% of all real estate transactions. Under the concluded transactions, about 181.8 thousands of premises were sold. The value of the premises turnover reached PLN 42.8 bn, which corresponded to 41.8% of the total real estate turnover. In 2015, residential premises turnover constituted 89.9% of premises turnover in terms of quantity, 89.1% in terms of value, and 88.7% in terms of the sold usable floor area. The structure of purchase/sale transactions of residential premises in terms of turnover form is similar like in previous years. In 2015, sale on the free market constituted 91.0% of quantity and 95.6% of value of all purchase/sale transactions of residential premises.</p> <p>Within market sales of residential premises (i.e. sales on the free market and under tender procedure), sales on the primary and secondary markets were distinguished. In 2015, sales on the secondary market were predominant on the Polish market of residential premises (61.9% of the number and 52.0% of the value of sold residential premises).</p> <p>Sales on the free market as well as sales under tender procedure are classified as the market sales. Tender sales are market sales of real estates owned by State Treasury or local government units, which are regulated by the Legal act of 21 August 1997 on real estate administration (Journal of Laws 1997 No. 115, Item 741, with subsequent amendments). Non-tender sales are non-market sales of real estate properties owned by State Treasury or local government units, which are regulated by the Legal act of 21 August 1997 on real estate administration (Journal of Laws 1997 No. 115, Item 741, with subsequent amendments). Non-tender sales of residential properties are often connected with the reduction in the price established by an asset valuer.</p> <p>Market sales of residential premises took place mainly in urban areas. The residential premises turnover within cities borders accounted for over 91% of the turnover in terms of quantity, and 93% in terms of value.</p>

**Table 5: Key market data**

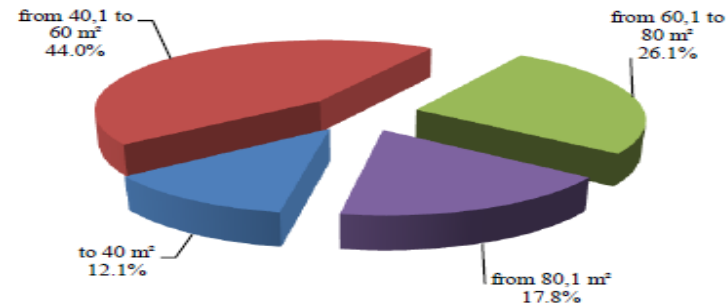
In 2015, among residential premises sold on the primary market, the biggest share had 3-room premises (38.2% of the number and 38.5% of the value of sold residential premises) and 2-room premises (36.3% of the number and 30.1% of the value of sold residential premises).

Taking into consideration usable floor area of sold premises, residential premises with the area from 40.1 to 60 m<sup>2</sup> were most frequently sold on the primary market and constituted about 50% in terms of quantity and 44.0% in terms of value. The smallest share in sales of residential premises on the primary market had residential premises with the area from 80.1 m<sup>2</sup>, which constituted 8.8% of the number and 17.8% of the value of sold premises.

**Quantity structure of residential premises sold on primary market by premises area in 2015**



**Value structure of residential premises sold on primary market by premises area in 2015**

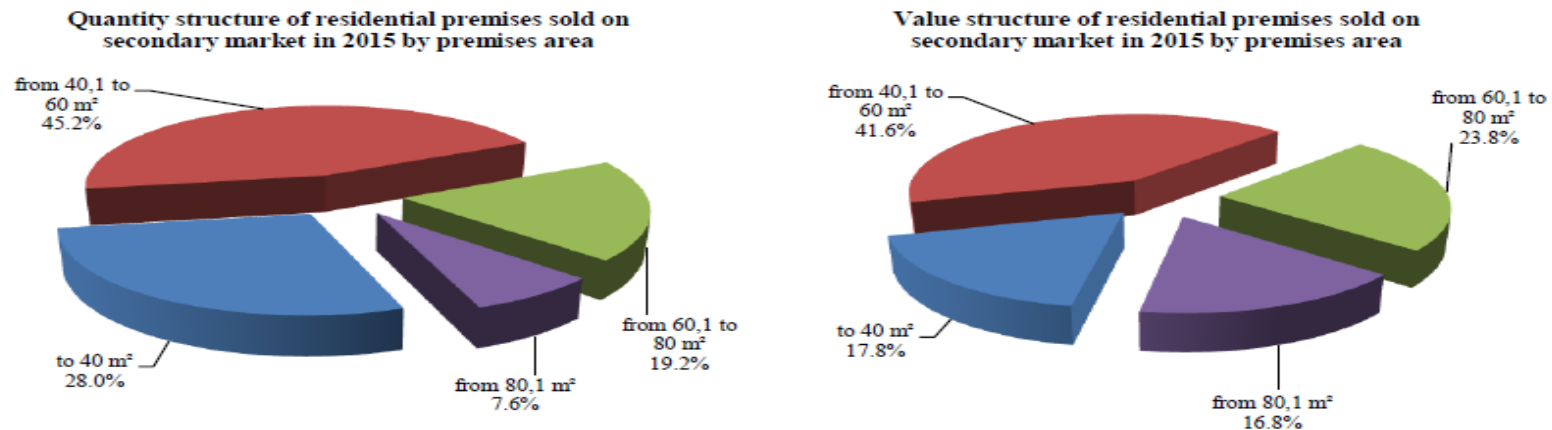


The average usable floor area of residential premises sold on the primary market in 2015 amounted to 55.4 m<sup>2</sup>. The average usable floor area of 1-room premises amounted to 34.3 m<sup>2</sup>, 2-room premises - 44.0 m<sup>2</sup>, 3-room premises – 57.8 m<sup>2</sup>, and in the case of 4-room and larger premises – 80.8 m<sup>2</sup>.

In 2015, in the sales structure of residential premises on the secondary market the biggest share in terms of quantity had 3-room premises (41.6%) and 4-room and larger premises (31,1%). The biggest part of residential premises sold in 2015 on the secondary market had the area from 40.1 to 60 m<sup>2</sup> (45.2% in terms of quantity and 41.6% in terms of value). On the other hand, the most rarely were sold residential premises with the area from 80.1 m<sup>2</sup>, which constituted 7.6% of the number and 16.8% of the value of sold premises.

The number of rooms relates to all rooms within the premises (unit), regardless of their function (living room, bedroom, etc.). Therefore, a 2-room unit denotes a unit with two rooms: one room is typically used as a living room, and the other one as a bedroom. A 3-room unit comprises three rooms: one typically used as a living room, and the remaining two as bedrooms.

Table 5: Key market data



In 2015, the average usable floor area of residential premises sold on the secondary market was lower than the average for the primary market and amounted to 52.5 m<sup>2</sup>. The average usable floor area of 1-room premises amounted to 30.1 m<sup>2</sup>, 2-room premises - 37.9 m<sup>2</sup>, 3-room premises – 49.8 m<sup>2</sup>, and in the case of 4-room and larger premises – 70.0 m<sup>2</sup>.

In 2015, about 68.7 thousands of purchase/sale transactions of built-up properties were registered, which constituted 16.7% of all real estate transactions. In 2015, the dominant role in the built-up properties turnover was attributed to the properties built-up with residential buildings, which constituted more than a half of the built-up properties turnover in terms of both quantity (52.9%) and value (55.1%).

*REAL ESTATE SALES IN 2015, Central Statistical Office, Warszawa 2016.*

#### **Renting:**

Statistics do not appear to be collected for the number of leases entered into. The figures are therefore based on the average rents and the number of tenanted properties.

Rent rates in Poland show long-term stability. The rental market is becoming more transparent and is leaving the grey economy; this is demonstrated by the growing number of tax returns of persons offering their dwellings for rent.

Average monthly rate of rent (1 sq.m, PLN)

Table 5: Key market data

Quarter Year	Białystok	Bydgoszcz	Gdańsk	Gdynia	Katowice	Kielce	Kraków	Lublin	Łódź	Olsztyn	Opole	Poznań	Rzeszów	Szczecin	Warszawa	Wrocław	Zielona Góra
<b>I 2013</b>	19,0	18,0	30,6	25,4	30,4	21,8	26,6	29,0	18,8	23,2	26,7	27,9	24,1	23,1	41,3	28,0	15,6
<b>II 2013</b>	19,3	18,0	29,5	25,9	21,0	22,0	28,7	26,0	19,2	25,2	.	27,5	24,8	26,4	42,4	25,0	21,6
<b>III 2013</b>	17,6	19,0	27,0	24,2	31,1	20,2	31,4	29,0	22,1	24,3	20,8	29,0	25,7	26,8	41,4	28,0	.
<b>IV 2013</b>	23,7	20,0	26,8	24,1	30,2	22,3	27,8	28,0	19,1	21,1	24,8	28,9	24,7	26,1	43,5	27,0	.
<b>I 2014</b>	22,7	18,6	28,0	22,1	26,8	20,8	28,1	33,0	22,8	22,7	.	23,2	29,2	22,9	42,6	28,5	.
<b>II 2014</b>	27,3	19,7	27,4	23,6	27,0	20,4	28,5	29,0	19,9	23,2	22,9	26,0	25,2	28,7	43,4	26,0	18,6
<b>III 2014</b>	23,5	22,1	27,9	28,8	25,9	21,0	26,6	29,0	22,3	23,9	19,4	33,0	27,5	24,6	42,4	31,8	.
<b>IV 2014</b>	30,0	23,4	30,3	25,3	23,7	21,7	30,9	29,0	23,4	23,4	25,7	28,8	26,3	27,1	41,4	30,1	22,6
<b>I 2015</b>	26,7	32,3	32,1	30,7	24,8	21,2	29,1	23,0	25,9	24,1	28,2	29,1	26,0	24,6	41,9	32,2	15,3
<b>II 2015</b>	24,3	26,8	31,9	24,8	28,2	21,6	26,6	24,0	21,5	.	20,0	32,7	24,6	26,7	43,8	35,5	20,4
<b>III 2015</b>	20,6	25,5	30,4	26,0	25,8	19,2	31,5	26,0	19,7	24,7	24,9	29,5	28,7	26,7	43,9	39,5	17,9
<b>IV 2016</b>	22,8	22,0	34,7	34,7	28,6	21,6	34,4	29,0	21,6	23,3	24,5	31,1	29,2	25,2	45,0	39,0	22,5
<b>I 2016</b>	24,8	27,2	32,6	34,1	26,5	18,6	27,7	35,0	22,2	23,2	28,8	30,3	26,3	24,5	47,4	38,6	20,6

*Information on home prices and the situation in the housing and commercial real estate market in Poland in 2015. Financial Stability Department, Narodowy Bank Polski, 2016.*

There were 611 thousand tenants in the private sector of rental housing (in 2015, number of tax returns of persons offering their dwellings for rent, Ministry of Finance Republic of Poland).

In the public and social sectors the average was PLN 4,20 per square meter monthly paid by 887 thousand tenants in municipal dwellings. A similar rent occurs in State Treasury dwellings (30 thousand tenants).

**Table 5: Key market data**

**Ratio house owners – tenants (i.e. the percentage of households that are owners resp. tenants of dwelling units)**

**FORM OF PROPERTIES OF FLATS USED BY HOUSEHOLDS**

<b>Households</b>	<b>in % of a given group of households</b>
Owners	72,8
Cooperative right to residential premises	9,2
Tenants	15,5
Other	2,5

Situation of households in 2016 in the light of results of the survey of household budgets, Central Statistical Office of Poland 2017, Table11.

**Usage of land (Quotas for built land, agricultural land, "wild land" (forests, lakes etc.)**

<b>Geodetic area of the country according to the directions of use 2014</b>	<b>hectares</b>	<b>%</b>
Agricultural land	18717088	59,9
Forest land as well as woody and bushy land	9658505	30,9
Built-up and urbanized areas	1634913	5,2
Lands under waters	648560	2,1
Ecological areas	36317	0,1
Waste land	474 926	1,5
(Miscellaneous land	97658	0,3
Total area	31 267 967	100

Central Statistical Office of Poland, Local Data Bank.

**Average prices of residential property**

In 2015, average prices per 1 square meter of housing, both offer and transaction prices in the primary and secondary markets in Poland, were stable. The hedonic price, i.e. the price taking into account quality differences between the analysed goods and the changing structure of the sample of dwellings analysed in subsequent quarters, showed no volatility (Information on home prices and the situation in the housing and commercial real estate market in Poland in 2015. Financial Stability Department, Narodowy Bank Polski, Warszawa 2016).

In 2015, **on average, PLN 308.5 thousands was spent on purchase of an apartment on the primary market.** The average value of a residential premise with the area to 40 m<sup>2</sup> amounted to PLN 193.3 thousands, a premise with the area from 40.1 to 60 m<sup>2</sup> – PLN 271.6 thousands, a premise with the area from 60.1 to 80 m<sup>2</sup> – PLN 367.6 thousands, a premise with the area from 80.1 m<sup>2</sup> – PLN 622.9 thousands. The average value of a new residential premise sold in the urban areas was by 19% higher than the value of a residential premise sold in the rural areas.

**The average price of 1 m<sup>2</sup> of usable floor area of residential premises sold in 2015 on the primary market amounted to PLN 5,566** (PLN 5,720 within cities borders and PLN 4,218 outside cities borders) and was higher than the median of prices per 1 m<sup>2</sup> that amounted to PLN 5,201. The average price of 1 m<sup>2</sup> of a residential premise with the area to 40 m<sup>2</sup> amounted to PLN 5,679, a premise with the area from 40.1 to 60 m<sup>2</sup> – PLN 5,470, a premise with the area from 60.1 to 80 m<sup>2</sup> – PLN 5,403, a premise with the area from 80.1 m<sup>2</sup> – PLN 6,007. The median of prices per 1 m<sup>2</sup> of a residential premise with the area to 40 m<sup>2</sup> amounted to PLN 5,485, a premise with the area from 40.1 to 60 m<sup>2</sup> – PLN 5,196, a premise with the area from 60.1 to 80 m<sup>2</sup> – PLN 5,010, a premise with the area from 80.1 m<sup>2</sup> – PLN 5,148.

**The highest average prices of 1 m<sup>2</sup> of residential premises sold on the primary market were recorded in Mazowieckie (PLN 6,754 per m<sup>2</sup>) and Małopolskie (PLN 6,595 per m<sup>2</sup>) Voivodships.** The lowest average prices were observed in Lubuskie (PLN 3,296 per m<sup>2</sup>) and Śląskie (PLN 3,706 per m<sup>2</sup>) Voivodships.

In 2015, in terms of both quantity and value, the highest turnover of residential premises on the primary market was registered in the cities of Warszawa, Kraków, Wrocław, Gdańsk and Poznań.

The highest median of prices per 1 m<sup>2</sup> of residential premises sold in 2015 on the primary market was recorded in Sopot (PLN 10,822 per m<sup>2</sup>), tatrzański powiat (PLN 10,697 per m<sup>2</sup>), kłodzki powiat (PLN 8,883 per m<sup>2</sup>), koszaliński powiat (PLN 8,380 per m<sup>2</sup>) and Warszawa (PLN 7,267 per m<sup>2</sup>).

In 2015, the average value of residential premises purchased on the secondary market amounted to PLN 205.3 thousands and was lower than the average value of residential premises on the primary market. The average value of a residential premise sold on the secondary market with the area to 40 m<sup>2</sup> amounted to PLN 130.4 thousands, a premise with the area from 40.1 to 60 m<sup>2</sup> – PLN 189.1 thousands, a premise with the area from 60.1 to 80 m<sup>2</sup> – PLN 254.3 thousands, a premise with the area from 80.1 m<sup>2</sup> – PLN 451.8 thous. The average value of a residential premise sold in the urban areas was about 53% higher than the value of a residential premise sold in the rural areas.



**The highest average prices of 1 m2 of residential premises sold on the secondary market were recorded in Mazowieckie (PLN 6,559 per m2) and Małopolskie (PLN 4,923 per m2) Voivodships.** The lowest average prices of 1 m2 of residential premises sold on the secondary market were observed in Lubuskie (PLN 2,391 per m2) and Opolskie (PLN 2,511 per m2) Voivodships. In the case of majority of voivodships, the average prices per 1 m2 were higher than the median of prices per 1 m2 of residential premises sold on the secondary market.

In 2015, both in terms of quantity and value, the greatest turnover of residential premises on the secondary market was registered in the cities of Warszawa, Wrocław, Karków, Łódź, Gdańsk and Poznań.

**The average price per 1 m2 of usable floor area of residential premises sold in 2015 on the secondary market amounted to PLN 3,911** (PLN 4,042 within cities borders and PLN 2,380 outside cities borders) and was higher than the median of prices per 1 m2 that amounted to PLN 3,340. The average price of 1 m2 of a residential premise with the area to 40 m2 amounted to PLN 3,977, a premise with the area from 40.1 to 60 m2 – PLN 3,807, a premise with the area from 60.1 to 80 m2 – PLN 3,773, a premise with the area from 80.1 m2 – PLN 4,352.

The median of prices per 1 m2 of a residential premise with the area to 40 m2 amounted to PLN 3,409, a premise with the area from 40.1 to 60 m2 – PLN 3,311, a premise with the area from 60.1 to 80 m2 – PLN 3,278, a premise with the area from 80.1 m2 – PLN 3,468.

In 2015, the highest median of prices per 1 m2 of residential premises sold on the secondary market was observed in Warszawa (PLN 7,248 per m2), Sopot (PLN 7,131 per m2), Tatrzański Powiat (PLN 5,957 per m2), Kraków (PLN 5,787 per m2) and Piaseczyński Powiat (PLN 5,301 per m2).

High price of small housing results from the fact that many potential buyers with meagre funds can afford to buy a small dwelling only. Yet, the supply of such housing is limited. On the other hand, the high overall price of large dwellings, despite low price per square meter, limits the number of interested buyers. However, wealthier buyers express considerable interest in large dwellings.

An average value of a single plot of a property built-up with residential buildings sold in 2015 amounted to PLN 332.1 thous.

*REAL ESTATE SALES IN 2015, Central Statistical Office, Warszawa 2016.*

Table 5: Key market data

## Price development of residential property

- Transaction prices primary market PLN/1 sq.m

Quarter Year	Białystok	Bydgoszcz	Gdańsk	Gdynia	Katowice	Kielce	Kraków	Lublin	Łódź	Olsztyn	Opole	Poznań	Rzeszów	Szczecin	Warszawa	Wrocław	Zielona Góra	mean 7 cities	mean 10 cities	6 cities (witho...)
I 2007	3500	3017	5490	5797	3806	3241	7192	3309	4209	2960		6445	3469	3831	7302	7063	2500	6499	3276	6121
I 2008	5160	4540	6473	7301	5791	4408	8000	4861	5103	4389	4253	7598	4163	5362	8535	5157	4108	7539	4783	6937
I 2009	5005	5023	5309	6241	4995	4822	7373	4746	4746	4419	3776	6365	3965	5174	7543	5063	3646	6626	4812	6114
I 2010	4790	4524	5839	5495	5303	4798	6985	4495	5020	4877	3627	6436	3837	4916	8173	5628	3511	6842	4635	6103
I 2011	4821	4730	5692	6004	5329	4790	6886	4896	5066	4955	4759	6264	4264	4855	8037	5909	3651	6869	4839	6220
I 2012	4577	4520	5594	6106	4679	4663	6637	4935	4610	4663	4645	5932	4138	4735	6967	5546	3750	6208	4601	5805
I 2013	4610	4855	5292	5732	5104	4647	5926	4679	4629	4405	4428	6147	4467	4547	6990	5381	3655	6031	4604	5482
I 2014	4501	4601	5501	6072	4532	4587	6000	4643	4433	4526	4370	6146	4515	4704	7298	5647	3620	6219	4541	5646
I 2015	4526	4619	5951	5778	4795	4736	5861	4920	4578	4737	4681	6307	4857	4780	7396	5988	3647	6312	4696	5703
I 2016	4594	4831	6452	6209	5030	4710	6239	4995	4738	4737	4348	6246	4806	4710	7639	5993	3777	6525	4741	5891
I 2017	4612	4971	6430	6710	5114	4614	6375	5095	4792	4935	4475	6266	4801	4691	7562	6136	3851	6573	4803	6022

House Prices Database - BaRN, Narodowy Bank Polski.

Table 5: Key market data

- Transaction prices existing stock market PLN/1 sq.m

Quarter Year	Białystok	Bydgoszcz	Gdańsk	Gdynia	Katowice	Kielce	Kraków	Lublin	Łódź	Olsztyn	Opole	Poznań	Rzeszów	Szczecin	Warszawa	Wrocław	Zielona Góra	mean 7	mean 10	6 cities
I 2007	3590	2836	4787	4966	2542	3022	6267	3373	3360	4082	3295	4523	3916	3755	7730	5732	2264	5937	3283	4938
I 2008	4168	3801	6074	6321	3685	4078	6777	4718	4160	4854	3712	6357	4169	4438	8921	5758	3492	6894	4200	5769
I 2009	4432	3876	6166	6063	3777	3970	6110	4805	3874	4455	3772	5226	4071	4616	8406	5753	3114	6567	4188	5543
I 2010	4243	3850	6052	5981	3722	4049	6182	4720	3933	4470	3617	5397	4134	4175	8620	5871	2963	6625	4089	5513
I 2011	4391	3945	5383	5481	3607	4285	6394	5019	3738	4575	4010	5520	4333	4153	7915	5883	3166	6265	4181	5385
I 2012	4304	3503	5295	5219	3318	4218	6489	4848	3647	4269	3745	5396	4325	3996	7601	5533	3306	6066	4011	5254
I 2013	3899	3434	5020	4613	3116	3691	5931	4917	3422	4005	3689	4807	4422	3808	6687	4999	2867	5445	3766	4760
I 2014	3712	3342	4791	4817	3378	3870	5731	4382	3464	4005	3732	5008	4384	3797	7170	5100	2994	5627	3789	4769
I 2015	3665	3531	5166	4874	3542	3663	6197	4424	3342	4055	3785	4970	4485	3741	7335	5245	2985	5755	3812	4881
I 2016	3986	3574	5364	4699	3531	3607	5884	4449	3277	4126	3805	5065	4623	3789	7434	5216	3086	5794	3881	4881
I 2017	4015	3779	5786	4989	3528	3502	5979	4656	3509	4066	3922	5073	4651	4024	7304	5390	3073	5883	3963	5091

6 cities - Gdańsk, Gdynia, Kraków, Łódź, Poznań, Wrocław

7 cities - Gdańsk, Gdynia, Kraków, Łódź, Poznań, Wrocław, Łódź, Poznań, Warszawa, Wrocław

10 cities - Białystok, Bydgoszcz, Katowice, Kielce, Lublin, Olsztyn, Opole, Rzeszów, Szczecin, Zielona Góra.

House Prices Database - BaRN, Narodowy Bank Polski.

Table 5: Key market data

## Development of price index

**Hedonic house price indexes** - these indicators reflect the "pure" price change, thus correct for quality changes (e.g., increase or decrease in the share of more expensive housing in the sample); The hedonic index takes into account changes in quality of housing in the analysed sample in each quarter, thus differs from a simple average i.e. the mean price.

Existing stock market Hedonic price index (dynamics quarter up to the previous quarter – q-o-q)

Quarter Year	Białystok	Bydgoszcz	Trojmiasto	Katowice	Kielce	Kraków	Lublin	Łódź	Olsztyn	Opole	Poznań	Rzeszów	Szczecin	Warszawa	Wrocław	Zielona Góra	mean 7 cities	mean 10	6 cities (without)
I 2014	101,2	97,7	99,3	107,5	99,5	96,6	100,8	105,2	99,1	103,7	102,9	99,0	102,1	98,8	101,9	90,7	100,2	100,8	101,0
II 2014	96,1	102,1	104,2	101,3	100,0	108,2	98,7	97,2	101,9	99,8	102,0	98,5	95,5	100,0	104,4	108,1	102,1	99,5	103,2
III 2014	104,1	104,1	99,3	110,7	99,3	98,8	102,7	98,3	98,6	97,6	103,1	102,5	103,6	102,4	96,8	97,7	100,3	103,1	99,2
IV 2014	97,0	97,3	99,3	92,9	98,9	99,4	99,9	99,5	95,2	100,9	100,0	99,9	101,0	100,9	97,3	93,2	99,8	97,8	99,1
I 2015	101,9	101,1	103,4	101,2	98,7	99,7	97,7	101,7	105,1	99,5	98,9	99,7	99,4	98,7	103,9	104,7	100,5	100,5	101,5
II 2015	99,8	100,8	98,6	99,7	101,1	102,4	99,9	97,3	100,8	99,5	98,2	99,0	97,6	101,6	99,2	97,7	100,1	99,6	99,2
III 2015	101,3	101,2	103,9	98,8	100,3	95,8	103,6	102,9	101,2	99,8	104,7	99,6	104,1	97,3	102,8	103,5	100,1	101,6	101,7
IV 2015	98,7	99,5	98,9	99,2	97,7	101,1	98,9	99,2	99,2	103,4	98,4	102,7	95,7	103,2	101,0	103,4	101,0	99,1	99,8
I 2016	100,7	100,5	96,1	102,5	97,1	99,6	98,9	100,8	100,2	97,2	99,8	99,7	102,1	98,6	96,5	95,5	98,7	100,0	98,7
II 2016	100,4	102,5	105,1	97,5	99,1	103,8	102,9	102,0	101,1	103,2	101,1	101,1	105,6	102,4	103,8	104,7	102,9	101,8	103,2

**Table 5: Key market data**

<b>III 2016</b>	101,8	101,4	105,3	102,8	100,2	104,7	100,4	97,2	101,6	98,3	103,3	98,3	100,8	101,5	98,5	99,6	101,7	100,9	101,8
<b>IV 2016</b>	103,9	99,6	101,8	99,0	97,5	99,3	100,9	100,9	98,0	99,2	101,3	101,4	100,1	98,6	106,5	100,4	100,6	100,2	101,7
<b>I 2017</b>	97,2	101,1	100,8	100,4	100,6	102,8	98,4	102,1	99,5	99,2	101,7	100,4	101,1	102,8	98,9	100,7	101,9	99,8	101,4

House Prices Database - BaRN, Narodowy Bank Polski.

## 2.2 Service providers

**Table 6: Service providers**

	<b>Total number of firms</b>	<b>Total number of professionals</b>	<b>Total number of employees</b>	<b>Branch offices per firm</b>	<b>Market concentration in % of turnover</b>	<b>Average turnover per firm (expressed in EUR)</b>
<b>Estate agents</b>	N/A	70 000 (anecdotal evidence – no official data)	N/A	N/A	N/A	N/A
<b>Solicitors</b>	N/A	16048	N/A	N/A	N/A	N/A
<b>Notaries</b>	N/A	3281 notaries and 449 notary assistants	N/A			
<b>Licenced conveyancers (do not exist)</b>	-	-	-	-	-	-

<b>Architects</b>	N/A	13700	N/A			
<b>Surveyors</b>	N/A	20 000	N/A			
<b>Engineers<sup>3</sup></b>	N/A	115316				
<b>Real estate appraiser</b>	N/A	6905	N/A	N/A	N/A	N/A

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<sup>3</sup> Construction engineer.

## 3. Roles of professionals and services in the real estate market

Table 7: Role of professionals in the real estate market

	Estate agent	Property valuator <sup>4</sup>	Solicitor	Notary	Bank	Licensed conveyancer	Technical expert (architect, engineer, surveyor)	Other relevant professional
<b>Main function: does the professional typically work independently or as part of a firm or another organisation?</b>	Usually self-employed or as real estate agencies that function as commercial companies, also in collaboration with an online agency	Self-employed or as valuation commercial companies	Legal offices	Notarial offices	Bank- set up according to special requirements for banks	-	Self-employed or as commercial companies	N/A -
<b>Sale</b>	As above	As above	As above	As above	-	-	Occasional	-
<b>Purchase</b>	As above	As above	As above	As above	Granting credit (usually mortgage credit)	-	Occasional	-
<b>Letting</b>	As above	N/A	As above	rarely	-	-	Occasional	-
<b>Renting</b>	As above	N/A	As above	rarely	Granting credit	-	Occasional	-

<sup>4</sup> In some EU countries, the real estate property valutors are regulated as a profession that is separate from estate agents (e.g. Hungary, Lithuania, Latvia); their services might be obligatory, especially when taking mortgage loans.

**Table 7: Role of professionals in the real estate market**

<b>Extent of engagement (at which point(s) does each professional intervene in the process?)</b>	First point for contact to find the desired property, viewings and initial information on the property (basic physical and legal features)	Rarely engaged in residential sales, unless valuation is needed for the bank if credit is being granted (in this case, engagement is mandatory)	Only in complex sales with many legal aspects that require prior consideration and negotiation – not usual in consumer contracts	Contract conclusion stage – mandatory form of notarial deed for transfer of ownership of immovable.	Examining application for credit during the stage at which potential buyers are looking for a property; making funds available for the moment the notarial deed is signed	-	Rarely when purchasing depreciated immovables, in order to properly negotiate price and assess risk, usually after the first viewing but before a final decision to buy/rent	
<b>Sale</b>	As above	As above	As above	As above	-	-	-	
<b>Purchase</b>	As above	As above	As above	As above	As above	-	In event of structural problems/ development proposals	
<b>Letting</b>	As above	N/A	As above	rarely	-	-	-	
<b>Renting</b>	As above	N/A	No	rarely	rarely	-	Rarely	
<b>Mandatory involvement</b>	No	Yes (Mortgage Credit Directive)	No	Yes – contract of ownership transfer void if	N/A	-	No	



**Table 7: Role of professionals in the real estate market**

				the form of the notarial deed is not observed				
<b>How are their fees/charges structured</b>	% value of transaction or in case of leases, the equivalent of a 3 months' rent	Fixed sums depending on the type of immovable valued and the complexity of the valuation – never a % of the value	Not based on value, a fixed fee depending on the complexity of the case	Fees based on % of value of transaction, but maximum fees are prescribed by the legislator	Fixed fees cited on bank websites	-	Usually based on time	

Agents charge fees of up to 3% of the sale price, however it is possible to negotiate a lower rate. Typically, one agent will work for both the seller and the buyer and ideally contract with both parties and receive remuneration from both of them (2 x 3%). However due to a slow real estate market for the past few years, sellers refuse to contract with the agent and to pay any fee although they allow the agent to advertise the immovable. The seller usually does not pay any fee to the agent and does not hire the agent. The seller therefore has no contractual relationship with the agent. If the seller decides to use an agent (e.g. the property is proving difficult to sell, is upper-end of the market, etc.), he is likely to negotiate the fee. A buyer who views the immovable through an agent must always pay the fee, because the agent will not disclose the location and further details until a contract is signed. The seller concludes a contract with the agent before visiting the property and takes on the obligation to pay the fee to the agent. However, only in the event an actual transfer takes place, i.e. a sale contract is concluded with the seller.

## 4. Land registration

<b>Table 8: Land registration</b>	
<b>Responsible authority(ies) dealing with land registration</b>	Land Register Departments of Regional Courts
<b>Actors involved in the registration procedure and their main functions</b>	<p>According to art. 92 §4 of the Profession of Notaries Act 1991, if a notarial deed contains dispositions affecting the transfer, change or renouncement of a right entered in a land register, the creation of a right which is to be entered in a land register, or the transfer of the ownership of an immovable, even if no land register is kept for that immovable, the notary is obliged to file a motion for a relevant entry to be made in the land register according to the requirements of the Polish Code of Civil Procedure 1964 (as amended – PCPC). The motion is to be filed electronically, on the day the notarial deed is made.</p> <p>According to art. 626<sup>4</sup> PCPC the motions are filed by the notary through an electronic system, together with the documents. If the latter do not have an electronic form, they are to be sent to the court by the notary sends them within 3 days of filing the motion for an entry in the land register to be made.</p>
<b>Intermediate steps of the registration procedure, if applicable</b>	None – however before the transfer the notary checks the electronic land register to see if there are any obstacles to concluding the transaction.

## 5. The process of buying or selling a property

### 5.1 Main steps in the transaction process to buy or sell a property

<b>Table 9: Main steps of the process to buy or sell a property</b>			
<b>Main steps</b>	<b>Main function</b>	<b>Applicable</b>	<b>National specificities/additional functions/main actors</b>
<b>Estate agent services</b>	Matching the parties	Yes	Most sellers and buyers usually rely on online platforms for searching for property; ads on the platform in most cases contain contact information of a real estate agent. Often the same property is advertised on various platforms.
<b>Alternative matching devices</b>	Matching the parties	Unusual	Because real estate agents are active and seek new properties on the market, if they see an individual advertisement they ask the owner to advertise it for him free of charge and upon completion of a sale ask for commission only from the buyer. Therefore newspaper advertisements from individuals are very rare, however local sales websites (gumtree, olx, etc.) now also contain the possibility for individuals to market their properties; some properties will be sold through personal contact.
<b>Preliminary contract</b>	Securing the transaction before the final contract is concluded	Yes	The preliminary contract is very common as it allows the buyer to sort out credit/financing and both parties to sort out moving arrangements, while at the same time being secure that the chosen property will be sold within a specified time for the agreed sum. If the preliminary contract is made in the form of a notarial deed and additionally the claim to buy is entered in the land register, the potential buyer may demand a court order to conclude the sale if the seller wants to back out and is also protected against third parties (e.g. the seller found a buyer wanting to pay a higher price and despite the preliminary contract sells to that person)
<b>Preliminary checks (land register, administrative permits)</b>	Ensuring that the buyer knows all legal obligations	Yes	This is to some extent done by the agent or the buyer (if a real estate agent is not employed), also the notary is obliged to check the legal

**Table 9: Main steps of the process to buy or sell a property**

	and relevant features related to the property		state of property and that there are no obstacles to its sale (e.g. limitations on agricultural property, state pre-emption rights, etc.)
<b>Drafting the sales contract and/or deed of conveyance</b>	Summarising the agreement of the parties	Yes	This is done by the notary exclusively. Usually two meetings are scheduled. In the first one the notary checks the documents that prove the seller is entitled to sell and the buyer may buy (i.e. the land register excerpt, whether the immovable is joint matrimonial property, in which case both spouses must be present, whether an heir who intends to sell is already entered in the register, etc.). The notary then prepares the draft sale contract (sometimes sends it to the parties for viewing) and invites the parties to a second meeting at which the draft is modified where necessary. Once the deed is ready, read out loud and signed, ownership passes to the buyer.
<b>Legal advice or counselling</b>	Ensuring that the transaction is valid and that the parties know about their rights and duties, encumbrances, risks	unusual	Only done if there is a complex legal situation and the parties need advanced contractual clauses to protect their interests in various possible scenarios.
<b>Certification of signatures</b>	-	No	This step is basically replaced by the fact the sale is done through a notarial deed
<b>Contract execution (transfer of payment)</b>	Executing the contract (and securing that both parties perform their obligations)	Yes	This is to be performed by the parties themselves; currently the transfer is made electronically by the buyer directly to the account of the seller right after signing the deed. If bank credit is utilised, the deed is delivered to the bank by the buyer and the bank makes a direct transfer of money to the seller.
<b>Contract execution (transfer of property)</b>	Automatic transfer upon signing the notarial deed	No	Signing the deed transfers ownership, no additional steps need to be taken.
<b>Registration</b>	Making the transaction visible to third parties and the public	Yes	Duty of the notary, who files a motion for entry in the register electronically on the day the transaction takes place.

**Table 9: Main steps of the process to buy or sell a property**

<b>Taxation (esp. transfer tax)</b>	Creating revenue for the state	Yes	The notary is obliged to collect and pass on to relevant authorities all the applicable taxes, namely the tax on private law transactions (2% of the transaction value) and a fixed fee for an entry in the land register (200 PLN, approx. 50 Euro).
<b>Post-transaction controls (if applicable)</b>	-	No	-
<b>Other steps</b>		Yes	Money laundering notification as required of the notary by money laundering provisions.

## 5.2 Sale contract and transfer of ownership

**Table 10: Contract of sale and transfer of ownership**

<b>Main steps</b>	<b>Actors involved per intermediate step</b>	<b>Payment details<sup>5</sup></b>		<b>Typical risks associated to these steps</b>
		<b>Payments expressed :</b> • <b>In EUR as % of total purchase price and</b> • <b>As a fixed amount if available (add if VAT applies)</b>	<b>When is the payment made</b>	
<b>Estate agent services or alternative matching devices</b>	Agency usual; payment is by vendor	1.5-3% of the purchase price or one months' rent	After completing the transaction	The agency is at risk that client won't pay and will have to take legal steps to collect the money

<sup>5</sup> Payment shall be considered as the 'discharge of an obligation by its settlement equal to the monetary value of the debtor's obligation' while fees can be defined as 'a charge for services rendered' (Retrieved from: <http://www.investorwords.com/3634/payment.html>, <http://www.investorwords.com/1922/fee.html>). Payment, therefore, includes both the cost of the service and the fees for the service in question.

<b>Table 10: Contract of sale and transfer of ownership</b>					
<b>Preliminary contract (usual)</b>	Usual	None if not concluded in front of a notary but by e.g. using a template from the internet  Notary – fee not more than 50% of the fee that would be calculated for the final contract	When the preliminary contract is concluded	N/A	
<b>Preliminary checks (land register, administrative permits)</b>	To a limited extent agent and notary	No additional fees – usually covered by fees charged by the real estate agent and the notary; if separate solicitors or estate valuers are hired the fees depend on the complexity of the situation and the rate of a given professional	N/A	No culture of having a comprehensive check done by a professional lawyer – reliance mainly on the notary, however the notary does not check environmental issues, or more detailed administrative burdens.	
<b>Drafting the sales contract and/or deed of conveyance</b>					
<b>Legal advice or counselling</b>				N/A	
<b>Certification of signatures</b>					
<b>Contract execution (transfer of payment and registration; transfer of property)</b>					
<b>Registration in land register or similar device</b>				Fixed fee – 200 PLN (approx. . . 50 Euro)	Land registration works well
<b>Taxation (esp. transfer tax)</b>				Transfer tax – 2% of the transaction value	N/A

**Table 10: Contract of sale and transfer of ownership**

<b>Other steps</b>	Electronic bank transfer	Cost depend on the type of account one has, electronic accounts often have free money transfers	N/A	N/A
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**▲ The legal position of a tenant occupying the dwelling to be sold. In particular: Does the rule *emptio non tollit locatum* apply?**

Consumers will only buy property with vacant possession. Terminating a residential lease of a sitting tenant is very difficult because of tenant protection. The general rules are as follows:

The general rule expressed in art. 678 PCC is that if the lessor sells the leased property, the purchaser takes the place of the lessor, but with the ability to terminate the lease by serving notice in accordance with the statutory notice periods. If, however, the lease was concluded for a fixed term and reduced to writing and the lessee has entered into the possession of the property, the purchaser may not terminate the lease. It should also be mentioned that if a lease concerns an immovable (or a part thereof) for which a register is available (which is usually the case), it may be registered in that register. Pursuant to art. 16 s.1 of the *Land Register and Mortgages Act*, personal rights and claims may be registered. The LRM further provides that such registration causes that right (claim) to become effective against rights acquired subsequent to registration through legal transactions (art. 17 LRM). This effectively denotes that the acquirer of the leased property will also be bound by the lease. In the two cases mentioned above, when the acquirer of the leased property is bound by the lease, that lease may be considered to be the so called ‘real burden,’ since the new owner of the property is subjected to duties and restrictions following from a contract he/she was not a party to.

Important modifications concern the possibility of terminating a lease protected by Protection of Tenants Act 2001 (PTA) provisions. It is interesting to note that the *Protection of Tenants Act* does not contain a special regulation of the effects of a sale of premises on its lease. Simultaneously, pursuant to art. 11 PTA, termination is admissible only for reasons indicated in that article. Consequently, PCC provisions, which allow the acquirer to terminate the existent leases, do not apply. The rule introduced by art. 11 PTA is that a paying tenant who is not in breach of the contract cannot be deprived of the lease through its termination by notice. In such cases the lessor may only terminate the lease if s/he intends to live in the premises or intends the premises to be inhabited by his/her linear descendants, ascendants or a person, whom the lessor is obliged to maintain. Only then may the lessor terminate a lease concluded for an indefinite period by giving either six months’ notice (if the lessee is entitled to use other premises or the lessor supplies him with alternative accommodation) or three years’ notice (if the lessee is not entitled to use other premises and the lessor does not supply him with alternative accommodation). The termination of a lease by giving notice is possible in cases when the lessee uses the premises in a manner which violates the contract, flagrantly or persistently violates house rules, is in rent arrears for at least three full months, subleased the premises without the lessor’s written consent, uses premises that are to be vacated in connection with the planned demolition of a building. The notice period is one month at the end of a calendar year (art. 11 s. 2 PTA).

Calculation of maximum notarial fees, depending on the value of the transaction (in practice the sale price). To obtain the equivalent in Euro divide figures by four (the approximate exchange rate):

Transaction value	Maximum value of notarial fees
• Up to 3.000 PLN	• 100 PLN
• From 3.000 PLN to 10.000 PLN	• 100 PLN + 3% of the sum exceeding 3.000 PLN
• From 10.000 PLN to 30.000 PLN	• 310 PLN + 2% of the sum exceeding 10.000 PLN
• From 30.000 PLN to 60.000 PLN	• 710 PLN + 1% of the sum exceeding 30.000 PLN
• From 60.000 zł to 1.000.000 PLN	• 1.010 PLN + 0,4% of the sum exceeding 60.000 PLN
• From 1.000.000 PLN to 2.000.000 PLN	• 4.770 PLN + 0,2% of the sum exceeding 1.000.000 PLN
• From 2.000.000 PLN	• 6.770 PLN + 0,25% of the sum exceeding 2.000.000 PLN, but no more than 10.000 PLN, and in case of persons within the first tax group (closest relatives) no more than 7.500 PLN

### 5.3 Professional services performed in the real estate market related to buying and selling a property

**Table 11: Professional services performed in the real estate market related to buying and selling a property**

Services in the real estate market	Minimum standards for information provided by law	Service providers involved	Quality of involvement (mandatory, optional; if optional, indicate whether usual or not)	Fees expressed: <ul style="list-style-type: none"> <li>• In EUR as % of total purchase price <u>and</u></li> <li>• As a fixed amount (if available)</li> </ul>
Estate agent services or alternative matching devices	-	Estate agents/online agents	Optional but usual	1.5-3% of total purchase price
Provision of mandatory information before the start of the transaction	-	-	-	-



**Table 11: Professional services performed in the real estate market related to buying and selling a property**

<b>Preliminary contract (usual)</b>	-	Parties may sign themselves by using a template from the internet or ask for the involvement of a notary	Optional but usual – often parties decide to use the services of a notary	Half of the maximum notarial fees (see 5.2 above)
<b>Preliminary checks (land register, administrative permits)</b>	-	Agent/notary	It is theoretically possible to employ a lawyer to do checks, but this is unusual and would only concern particularly complicated circumstances	Included in the agent/notary fee. There is no separate fee: all is included in the fee charged.
<b>Drafting the sales contract and/or deed of conveyance</b>	-	Notary	Mandatory	Included in the notary fee. There is no separate fee: all is included in the fee charged.
<b>Legal advice or counselling</b>	-	Solicitor	Unusual – only in complex and unusual cases	Flat rate depending on the complexity of the case, individually negotiated with the client. Fees can vary greatly. The initial analysis of the situation may cost 100-1000€.
<b>Certification of signatures</b>	N/A	-	-	-
<b>Contract execution (transfer of payment; transfer of property)</b>	N/A	-	-	-
<b>Registration in land register or similar device</b>	--	Motion filed electronically by the notary	Mandatory	200 PLN (approx.. 50 Euro)
<b>Taxation (esp. transfer tax)</b>	-	Collected by notary	Mandatory	2% of the value of transaction

## 5.4 Creating a Mortgage

Table 12: Mortgage requirements

Main steps to create a mortgage	Actors/institutions involved	Minimum standards for information	Additional requirements for consumer mortgages	Fees expressed: • In EUR as % of total purchase price <u>and</u> • As a fixed amount	Typical risks associated to these steps
<b>Conclusion of credit and mortgage agreement with lender (bank)</b>	Reference is sometimes made by agent; the buyer independently seeks the best credit offer, often using advice from financial intermediaries (e.g. open finance, etc.).  Bank must provide information in ESIS.	Banking Law Act 1994 as amended, PCC (particularly unfair contract terms), currently new act implementing the Mortgage Credit Directive 2014/17 - Mortgage Credit and Supervision of Mortgage Credit Intermediaries and Agents Act 2017	Lenders have detailed lending handbooks  Regulatory bodies also have detailed conduct rules	<ul style="list-style-type: none"> <li>• Commission fee for the bank for granting credit -0% to 4% of the credit granted</li> <li>• Mortgage valuation fee – depends on the type of property being bought, for typical flats or homes about 600 PLN – about 150 Euro</li> <li>• No fee for the intermediary</li> </ul>	No consultation with a lawyer means that the buyer may sign an unfavourable mortgage contract – this should be diminished by the new act on mortgage credit
<b>Insertion of mortgage in the land register</b>	The buyer with the assistance of the bank	-	No need to observe the notarial deed if the mortgage is established to secure a bank loan for the purchase of the immovable.	200 PLN (approx. 50 Euro)	
<b>Credit sum paid to mortgagor (buyer) or seller</b>	The buyer	Providing the contract in the form of a notarial deed.	-	-	

## 6. The process to rent or let a property

## 6.1 Main steps in the transaction process to rent and let a property

<b>Table 13: Main steps of the process to rent and let a property</b>	
<b>Main steps</b>	<b>Process involved</b>
<b>Finding and matching landlords and tenants</b>	Many possibilities – newspaper advertisement, internet advertisement, personal contact, etc., sometimes via real estate agents
<b>Information search by landlords or tenants (e.g. about salary, outstanding debts)</b>	Not admissible, apart from searches in official, governmental records of debtors
<b>Inspection of the property by tenants (in some cases with the help of professionals)</b>	Viewing organized by the agent or arranged personally between the prospective landlord and tenant, professionals rarely used
<b>Delivery of mandatory information to tenants prior to the conclusion of the contract</b>	No mandatory information, basic info on costs of upkeep provided by agent if one was employed
<b>Delivery of energy performance certificate to tenant</b>	Agent or landlord, if required
<b>Provision of additional guarantees to landlord</b>	Unusual, the deposit usually serves as a guarantee
<b>Conclusion of the contract in the usual form (e.g. oral, written, preformulated)</b>	Informal contracts are oral (in such cases income from rent is not shown by the landlord to tax authorities); if agent was involved contract is written (not strictly required)
<b>Rent payment and deposit (e.g. bank account)</b>	Payment via bank transfers made every month or payed in cash. Deposit of up to 12-month rent allowed as security, usually 3 months' rent. Deposits are payed directly to the landlord who is not obliged to keep them on any special bank account, indeed no provisions concerning how to deal with the deposit exist; it is good practice to decide this in the lease contract.
<b>Registration of the contract in the land register</b>	Optional, if registered, in case of sale of property the lease prevails and cannot be terminated. However, with residential leases increased protection from termination makes registration unnecessary.

## 6.2 Rent contract

Table 14: Rent contract

Main steps	Actors involved per intermediate step	Payment details <sup>6</sup>		Typical risks associated to these steps
		Payments expressed : • In EUR as % of total purchase price <u>and</u> • As a fixed amount if available (add if VAT applies)	When is the payment made	
<b>Finding and matching the parties</b>	Usually real estate agents	One month's rent	On conclusion	Unsuitable tenant: The lessee uses the premises in a manner which violates the contract, flagrantly or persistently violates house rules, is in rent arrears for at least three full months, subleased the premises without the lessor's written consent, uses premises that are to be vacated in connection with the planned demolition of a building.
<b>Information search by landlord on tenant (e.g. about salary, outstanding debts)</b>	N/A	N/A	N/A	
<b>Inspection of the property by tenant (in some cases with the help of professionals)</b>	Always accompanied by agent	N/A	N/A	Usually no other professionals involved, the technical state of premises is not usually investigated, assessed on 'as is' basis.

<sup>6</sup> Payment shall be considered as the 'discharge of an obligation by its settlement equal to the monetary value of the debtor's obligation' while fees can be defined as 'a charge for services rendered' (Retrieved from: <http://www.investorwords.com/3634/payment.html>, <http://www.investorwords.com/1922/fee.html>). Payment, therefore, includes both the cost of the service and the fees for the service in question.

**Table 14: Rent contract**

<b>Delivery of mandatory information to tenant prior to the conclusion of the contract</b>	N/A	N/A	N/A	N/A
<b>Delivery of energy performance certificate to tenant</b>	Landlord	N/A	N/A	At landlord's cost
<b>Conclusion of the contract in the usual form (e.g. oral, written; if written, indicate whether preformulated are usual)</b>	Oral or if real estate agent was employed—in writing following the agent's template with additional clauses negotiated by the parties	N/A	N/A	N/A
<b>Rent payment and deposit (e.g. bank account)</b>	Deposit payed in cash directly to the landlord, rent payed in cash or by transfer to landlord	N/A	N/A	Possible problems with recovering the deposit from landlord  Direct debit rarely, if ever used, possibility of rent arrears
<b>Registration of the contract in the land register or other device</b>	Not necessary	N/A	N/A	N/A

### 6.3 Professional services performed in the real estate market related to renting and letting a property

**Table 15: Professional services performed in the real estate market related to renting and letting a property**

Services in the real estate market	Minimum standards for information provided by law	Service providers involved	Quality of involvement (e.g. mandatory; exclusive rights)	Fees expressed: <ul style="list-style-type: none"> <li>• In EUR as % of total purchase price <u>and</u></li> <li>• As a fixed amount</li> </ul>
Finding and matching landlords and tenants	N/A	Real estate agent	Agreement	One month's rent
Information search by landlords or tenants (e.g. about salary, outstanding debts)	N/A	N/A	N/A	N/A
Inspection of the property by tenants (in some cases with the help of professionals)	N/A	N/A	N/A	N/A
Delivery of mandatory information to tenants prior to the conclusion of the contract	N/A	N/A	N/A	N/A

**Table 15: Professional services performed in the real estate market related to renting and letting a property**

<b>Conclusion of the contract in the usual form (e.g. oral, written, preformulated)</b>	Oral or in writing	Rental agency or individual activity	N/A	N/A
<b>Rent payment and deposit (e.g. bank account)</b>	N/A	N/A	N/A	N/A
<b>Registration of the contract in the land register (e.g. excluded, optional or mandatory)</b>	Not necessary	N/A	N/A	150 PLN (about 35 Euro)

## 7. Professional services regulation: notaries

### 7.1 Market entry and structure regulation

Table 16: Market entry and structure regulation		
	Regulation	
<b>Subjective requirements</b>	<i>Qualifications (diplomas, exams, concours) required to become a notary in the Country:</i>	<ul style="list-style-type: none"> <li>• Completion of a 5 year master degree in law</li> <li>• Completion of professional training (entry exams and concluding exams)</li> <li>• Application to be appointed and appointment for the notary within a given city by the Minister of Justice</li> <li>• Within 2 months of appointment opening of a notarial office in the designated city</li> </ul>
<b>Objective requirements</b>	<i>Do numerus clauses and other objective requirements exist?</i>	Yes
<b>Citizenship requirements</b>	<i>Are foreign candidates admitted de iure and also de facto under the same conditions as nationals?</i>	EU and EEA citizens may become notaries, however they have to complete the professional training required and pass the exams associated to that training – thus in practice they will have to demonstrate knowledge of Polish law and language.
<b>Inter-professional cooperation</b>	<i>Are forms of collaboration between notaries and other professionals allowed and usual?</i>	Notaries have their own separate offices, cooperation with other lawyers is only loose in the sense that lawyers may prefer to use the services of a particular notary; as a rule a notary cannot have any other form of employment apart from academic and teaching jobs. In particular a notary cannot perform jobs in industry, commerce, agency, or counselling.
<b>Business structure</b>	<i>Are notary associations/corporations allowed?</i>	A notary may only have one notarial office. Notaries may have a joint office in the form of a partnership company or a private law cooperation.



**Table 16: Market entry and structure regulation**

<b>Geographical limitations</b>	<i>Are there limitations with respect to the area in which the notary can exercise his/her activities (e.g. at the regional or municipal level)?</i>	Yes – within a given municipality
	<i>Are these limitation restricted to specific tasks?</i>	The tasks of the notary are enumerated in the Profession of Notaries Act 1991

The notary performs notarial activities, which are as follows (art. 79 Profession of Notaries Act 1991):

- Prepares notarial deeds;
  - Prepares certificates of succession;
  - Undertakes activities concerning the European certificate of succession;
- Certifies documents;
- Delivers statements;
- Devises protocols;
- Prepares protests for cheques and warranty bills;
- Takes into deposit money, securities, documents, data in electronic form from bodies performing public tasks;
- Prepares excerpts, copies and summaries of documents;
- At the request of the parties prepares drafts of deeds, statements and other documents;
  - Files motions for entries in the land register;
- Performs other activities specified in other statutes.

## 7.2 Market conduct regulation

**Table 17: Market conduct regulation**

	<b>Regulation</b>	
<b>Exclusive rights</b>	<i>Specify for which transactions or parts of them only notaries may act against payment.</i>	Substantive law provisions indicate which transactions must be made in the form of a notarial deed; the most common ones include sales or encumbrances of immovable but also certain acts of commercial companies. In addition, notaries have duties within succession law (e.g. the notarial testament, issuing certificates of succession).
<b>Duty to provide services</b>	<i>Are notaries allowed to refuse a request to act?</i>	A notary is obliged to refuse services for activities, which violate the law. At the party's request, the notary confirms his refusal in a protocol. Within 7 days, the party may appeal to court against the notary's decision.
<b>Professional standards</b>	<i>How are professional standards regulated? What are the tasks of the professional representation (e.g. Chamber of Notaries) in this context?</i>	Chambers of Notaries (function with a territory of the a Court of Appeals) and the National Board of Notaries represent the interest of notaries, organize professional training, invoke disciplinary measures, enforce the code of ethics, etc.
<b>Mandatory intervention</b>	<i>Is the intervention of a notary required for the registration procedure?</i>	The notary is obliged to act for the parties and file a motion for entry in the register if a deed he concludes concerns a matter connected with rights registered in the land register. According to art. 92 §4 of the Profession of Notaries Act 1991, if a notarial deed contains dispositions affecting the transfer, change or renouncement of a right entered in a land register, the creation of a right which is to be entered in a land register, or the transfer of the ownership of an immovable, even if no land register is kept for that immovable, the notary is obliged to file a motion for a relevant entry to be made in the land register. In other situations, the parties may act themselves and file motions for entry using templates available at the Ministry of Justice.

<b>Table 17: Market conduct regulation</b>		
<b>Compulsory indemnity insurance</b>	<i>Is indemnity insurance compulsory? If yes, what is the indicative amount of the insurance? List of the different types of indemnity insurance (if applicable).</i>	Yes – minimum insurance for civil liability is 50 000Euro; more active notaries may buy additional insurance for a higher sum.
<b>Continuing education</b>	<i>Do forms of continuing education exist? If yes, is continuing education mandatory?</i>	Continuous Professional Development is mandatory.
<b>Advertising restrictions</b>	<i>Are there limitations on advertising?</i>	Advertising of notaries is not permissible, it is only permissible to provide information about the existence of a notarial office and its location (e.g. website).
<b>Fee regulation</b>	<i>Brief explanation of the notarial fees system. In particular: indicate whether notarial fees are fixed by statute and which party has to bear them.</i>	Maximum fees are fixed by an ordinance, if there is competition on local markets, notaries will charge less than maximum fees – see 5.2.

8. Professional services regulation: solicitors/licensed conveyancers (legally admitted to perform real estate transactions and/or to assist the conclusion of tenancy agreements)

8.1 Market entry and structure regulation

Table 18: Market entry and structure regulation		
	Regulation	
<b>Subjective requirements</b>	<i>Conditions (diplomas, exams, concours) required to become a lawyer in your country.</i>	<ul style="list-style-type: none"> <li>• Completion of a 5 year master degree in law;</li> <li>• Completion of professional training (entry exams and concluding exams);</li> <li>• Appointment by a Regional Chamber of Advocates or Attorneys-at –Law.</li> </ul>
<b>Objective requirements</b>	<i>Do numerous clauses and other objective requirements exist?</i>	Yes
<b>Citizenship requirements</b>	<i>Are foreign candidates admitted de iure and also de facto under the same conditions as nationals?</i>	Yes- implemented Directive 77/249/EEC Act on Performing Legal Services in Poland by Lawyers from Abroad 2002.
<b>Inter-professional cooperation</b>	<i>Are forms of collaboration between lawyers and other professionals allowed and usual?</i>	Advocates, legal counsellors (Attorneys-at law), tax advisors and patent attorneys as well as foreign lawyers who practice in Poland may set up a joint legal office/practice.
<b>Business structure</b>	<i>Are lawyer associations/corporations allowed?</i>	<p>Yes. Examples are as follows:</p> <p><b>Advocates:</b></p> <ul style="list-style-type: none"> <li>• The Polish Bar Council</li> <li>• District Bar Councils</li> </ul> <p><b>Attorneys:</b></p> <ul style="list-style-type: none"> <li>• National Chamber of Attorneys-at Law</li> <li>• Regional Chambers of Attorneys-at-Law</li> </ul>

		The above are governing, official bodies of the professions. Advocates and attorneys may also form corporations (in the form of commercial companies) or associations, but they must always have their own practice that may be exercised within those organizations.
<b>Geographical limitations</b>	<i>Are there limitations with respect to the area in which the lawyer can exercise his/her activities (e.g. at the regional or municipal level)?</i>	No
	<i>Are these limitation restricted to specific tasks?</i>	N/A

## 8.2 Market conduct regulation

**Table 19: Market conduct regulation**

	<b>Regulation</b>	
<b>Exclusive rights</b>	<i>Transactions or parts of them only lawyers may act against payment</i>	No such transactions.
<b>Neutrality</b>	<i>Is the lawyer allowed to act on behalf of both parties involved in the transaction? In this case, what type of fees apply and which party has to bear them?</i>	No
<b>Duty to provide services</b>	<i>Are lawyers allowed to refuse a request to act?</i>	Yes (e.g. conflict of interest, activities violating the law, activities which require expertise a given lawyer does not possess, loss of trust).
<b>Professional standards</b>	<i>How are professional standards regulated? What are the tasks of the professional representation (e.g. Chamber of Lawyers/Advocates) in this context?</i>	Discipline is enforced by professional chambers on a national and regional level.  <b>Advocates:</b> <ul style="list-style-type: none"> <li>• The Polish Bar Council</li> <li>• District Bar Councils</li> </ul>

**Table 19: Market conduct regulation**

		<p><b>Attorneys:</b></p> <ul style="list-style-type: none"> <li>• National Chamber of Attorneys-at Law</li> <li>• Regional Chambers of Attorneys-at-Law</li> </ul>
<b>Compulsory indemnity insurance</b>	<i>Is indemnity insurance compulsory? If yes, what is the indicative amount of the insurance?</i>	Yes - minimum insurance for civil liability is 50 000Euro; more active lawyers may buy additional insurance for a higher sum.
<b>Continuing education</b>	<i>Do forms of continuing education exist? If yes, is continuing education mandatory?</i>	Yes.  Professional training (lectures, conferences, topical meetings) organized by professional bodies often including academics, judges, court experts in a given field, etc.
<b>Advertising restrictions</b>	<i>Are there limitations on advertising?</i>	Advertising is not permissible, it is only permissible to provide information about the existence of an advocate/attorney office and its location (e.g. website).
<b>Fee regulation</b>	<i>Are lawyer fees fixed by statute and which party has to bear them?</i>	Fees are agreed between the parties.

Reserved legal activities:

- Most important: the conduct of litigation before the Supreme Court, the Supreme Administrative Court, and the Constitutional Tribunal.

## 9. Professional services regulation: estate agents

## 9.1 Market entry and structure regulation

Table 20: Market entry and structure regulation

	Regulation	
<b>Subjective requirements</b>	<i>Qualifications (level and duration of education and training, diplomas, exams, traineeships or professional experience requirements, concours) required to become an estate agent in your country. Other access requirements for a professional (such as compulsory membership in professional bodies/compulsory registration, minimum age requirements, clean criminal record, etc.)</i>	None – since 1 Jan 2014.  Previously: <ul style="list-style-type: none"> <li>• At least a bachelor's degree;</li> <li>• Completion of dedicated postgraduate studies;</li> <li>• Completion of a 6 month training in a real estate agency;</li> <li>• Application to the ministry responsible for the real estate market in order to receive a license to perform activities of a real estate agent (until 2008 also successfully completing a written and oral exam at the ministry).</li> </ul>
<b>Objective requirements</b>	<i>Do numerous clauses and other objective requirements exist?</i>	N/A
<b>Licence requirements</b>	<i>Are estate agents licenced or do they work as employees?</i>	Since the 1 <sup>st</sup> of January 2014, no special training or licensing required. For previous requirements, see above.
<b>Citizenship requirements</b>	<i>Is unlimited access to the profession granted to foreign professionals de iure and de facto?</i>	Yes
<b>Inter-professional cooperation</b>	<i>Are estate agents allowed to exercise another profession or business activity? Is inter-professional cooperation regulated?</i>	Yes  Sometimes estate agents are qualified property valuers or managers or real estate and they perform these professions simultaneously.
<b>Business structure</b>	<ul style="list-style-type: none"> <li>• <i>Indicate the share of estate agent acts acting as sole practitioners and as companies (if data are available)?</i></li> <li>• <i>Can the agent be employed by another agent or establish a partnership with other agents?</i></li> </ul>	Not known  Yes

**Table 20: Market entry and structure regulation**

	<ul style="list-style-type: none"> <li>• <i>Are there any restrictions on the corporate structure of a real estate enterprise (such as voting rights reserved to qualified members of a profession, shareholding requirements etc.)?</i></li> </ul>	No
<b>Geographical limitations</b>	<ul style="list-style-type: none"> <li>• <i>Are there limitations with respect to the area in which the estate agent can exercise his/her activities (e.g. at the regional or municipal level)?</i></li> </ul>	No
	<ul style="list-style-type: none"> <li>• <i>Are these limitation restricted to specific tasks?</i></li> </ul>	No

## 9.2 Market conduct regulation

**Table 21: Market conduct regulation**

	<b>Regulation</b>	
<b>Neutrality</b>	<i>Is neutrality regulated? Is the agent allowed to act on behalf of both parties involved in the transaction? In this case, what type of fees applies and which party bears these?</i>	No. The agent often represents both the seller and the buyer.
<b>Professional standards</b>	<i>How are professional standards regulated? Are entities or associations ensuring the professional representation and respect of rules of good practice (e.g. association of real estate professionals)?</i>	No, standards except for private ethics codes introduced by private association of real estate agents. General provisions of the Civil Code on contracts, their performance, unfair contract terms will apply.



<b>Table 21: Market conduct regulation</b>		
<b>Compulsory indemnity insurance</b>	<i>Is indemnity insurance compulsory for estate agents? If yes, what is the indicative amount of the insurance?</i>	Yes – 25 000 Euro; no different types of insurance are usual.
<b>Continuing education</b>	<i>Do forms of continuing education exist? If yes, is continuing education mandatory? What are the requirements related to the content and duration of continuing education? What are the consequences of non-compliance?</i>	No
<b>Advertising restrictions</b>	<i>Are there limitations on advertising?</i>	No
<b>Fee regulation</b>	<i>Are fees limited by statute? Which party is responsible for their payment?</i>	Fees are paid by the parties the agent acts for, it is not uncommon for them to be collected from both the seller and the buyer. Currently sellers refuse to sign a contract with an estate agent only allowing for the marketing of the property and collecting the fee from the buyer; fee is 1,5-3% of the transaction price or one month's rent in case of rental contracts.
<b>Compulsory membership in professional bodies/compulsory registration</b>	<i>Is membership in professional bodies compulsory? If so, what are the membership conditions and the membership fees? Does the professional body have a supervisory or another important regulatory role?</i>	No

## 10. The real estate market

## 10.1 Transaction costs for sample transactions

Table 22: Transaction costs VAT excluded

	Estate agent <sup>7</sup>	Technical services (if usual)	Legal services <sup>8</sup>	Land register fee	Transfer tax/stamp duty	Insertion of mortgage in the land register	Total usual transfer costs
€ 50 000 sales price primary markets (apartment) without mortgage	€750-1500	-	€247,5	€85,5	-	-	€1083-1833
€ 50 000 sales price primary markets (apartment) with mortgage	€750-1500	-	€247,5	€85,5	-	€52	€1135-1885
€ 50 000 sales price secondary markets (apartment) without mortgage	€750-1500	-	€247,5	€71,2	2% = €1000	-	€2069-2819
€ 50 000 sales price secondary markets (apartment) with mortgage	€750-1500	-	€247,5	€71,2	2% = €1000	€52	€2121-2871
€ 75 000 sales price primary markets (apartment) without mortgage	€1125-2250	-	€297,5	€85,5	-	-	€1508-2633

<sup>7</sup> Optional, an agent usually receives a percentage of the transaction value (1,5-3%).

<sup>8</sup> Calculation of maximum notarial fees, depending on the value of the transaction (in practice the sale price), 6 pages of the notarial act.

**Table 22: Transaction costs VAT excluded**

<b>€ 75 000 sales price primary markets (apartment) with mortgage</b>	€1125-2250	-	€297,5	€85,5	-	€52	€1560-2685
<b>€ 75 000 sales price secondary markets (apartment) without mortgage</b>	€1125-2250	-	€297,5	€71,2	2% = €1500	-	€2994-4119
<b>€ 75 000 sales price secondary markets (apartment) with mortgage</b>	€1125-2250	-	€297,5	€71,2	2% = €1500	€52	€3046-4171
<b>€ 100 000 sales price primary markets (apartment) without mortgage</b>	€1500-3000	-	€347,5	€85,5	-	-	€1933-3433
<b>€ 100 000 sales price primary markets (apartment) with mortgage</b>	€1500-3000	-	€347,5	€85,5	-	€52	€1985-3485
<b>€ 100 000 sales price secondary markets (apartment) without mortgage</b>	€1500-3000	-	€347,5	€71,2	2% =€2000	-	€3919-5419
<b>€ 100 000 sales price secondary markets (apartment) with mortgage</b>	€1500-3000	-	€347,5	€71,2	2% =€2000	€52	€3971-5471

**Table 22: Transaction costs VAT excluded**

<b>€ 100 000 sales price primary markets (detached house) without mortgage</b>	€1500-3000	-	€347,5	€61,8	-	-	€1909-3409
<b>€ 100 000 sales price primary markets (detached house) with mortgage</b>	€1500-3000	-	€347,5	€61,8	-	€52	€1961-3461
<b>€ 100 000 sales price secondary markets (detached house) without mortgage</b>	€1500-3000	-	€347,5	€47,5	2% =€2000	-	€3895-5395
<b>€ 100 000 sales price secondary markets (detached house) with mortgage</b>	€1500-3000	-	€347,5	€47,5	2% =€2000	€52	€3947-5447
<b>€ 125 000 sales price primary markets (detached house) without mortgage</b>	€1875-3750	-	€397,5	€61,8	-	-	€2334-4209
<b>€ 125 000 sales price primary markets (detached house) with mortgage</b>	€1875-3750	-	€397,5	€61,8	-	€52	€2386-4261
<b>€ 125 000 sales price secondary markets (detached house) without mortgage</b>	€1875-3750	-	€397,5	€47,5	2% =€2500	-	€4820-6695

**Table 22: Transaction costs VAT excluded**

<b>€ 125 000 sales price secondary markets (detached house) with mortgage</b>	€1875-3750	-	€397,5	€47,5	2% =€2500	€52	€4872-6747
<b>€ 150 000 sales price primary markets (detached house) without mortgage</b>	€2250-4500	-	€447,5	€61,8	-	-	€2759-5009
<b>€ 150 000 sales price primary markets (detached house) with mortgage</b>	€2250-4500	-	€447,5	€61,8	-	€52	€2811-5061
<b>€ 150 000 sales price secondary markets (detached house) without mortgage</b>	€2250-4500	-	€447,5	€47,5	2% =€3000	-	€5745-7995
<b>€ 150 000 sales price secondary markets (detached house) with mortgage</b>	€2250-4500	-	€447,5	€47,5	2% =€3000	€52	€5797-8047
<b>%VAT applicable</b>	23%	23%	23%	-	-	-	-

€ = 4,21 PLN (27.06.2017)

## 10.2 Transaction features

Table 23: Transaction features			
Transaction / service	Party bearing the costs of intermediation service (buyers or sellers, landlords or tenants)  Costs expressed: • In EUR as % of total purchase price <u>and</u> • As a fixed amount (if available)	Indicate fees as expressed in the contract: • In EUR as % of total purchase price <u>and</u> • As a fixed amount (if available)	Possible hidden costs faced by buyers or tenants, if applicable
Estate agents	Buyer, sometimes buyer and seller	For sole agency typically 1.5% of selling price	N/A
Letting agent	Landlord	Typically one month's rent	N/A
Technical services	Buyer	Unusual, fixed price negotiated individually	N/A
Legal services	Each party	Unusual, fixed price negotiated individually	N/A
Land register fees	Buyer	Fixed in legislation on costs regarding civil cases	N/A
Taxes on conveyancing	N/A	N/A	N/A
Transfer taxes	As a rule Buyer	2%	N/A

## 10.3 Taxes during the process of buying and selling a property

Table 24: Taxes related to buying and selling a property

	Relevance of the tax	When to pay the tax as part of the process of buying or selling	Tax amount (expressed in EUR as % of total purchase price <u>and</u> as a fixed amount if available)
<b>Registration tax</b>	No		
<b>Mortgage tax</b>	No		
<b>Cadastral tax</b>	No		
<b>Stamp tax</b>	No		
<b>Transfer tax (tax on the acquisition of property)</b>	Yes	At the notary's office – notary obliged to collect it for the State	2%
<b>Archives tax</b>	No		
<b>Other taxes</b>	Capital gains tax	Seller may be liable if s/he sells before 5 years from purchase unless money is devoted to purchase another home	

## 10.4 Taxes during the process of renting and letting a property

<b>Table 25: Taxes related to renting or letting a property</b>			
	<b>Relevance of the tax</b>	<b>When to pay the tax in the process of renting or letting</b>	<b>Tax amount (expressed in EUR as % of total purchase price <u>and</u> as a fixed amount if available)</b>
<b>Registration tax</b>	No		
<b>Stamp tax</b>	No		
<b>Other taxes concerning the use of the property, if applicable</b>	No		



## 11. Consumer situation in the market

## 11.1 Consumer rights

Table 26: Consumer rights		
<b>Are there specific consumer rights in the context of real estate transactions and residential tenancies in your country?</b>  <b>In particular: are residential tenants treated as consumers?</b>	<i>With respect to buyers</i>	General consumer protection, unfair contract terms
	<i>With respect to sellers</i>	General consumer protection, unfair contract terms
	<i>With respect to tenants</i>	Protection of tenants in PTA 2001
	<i>With respect to landlords</i>	No
<b>Which existing marketing practices are non-compliant with national consumer legislation?</b>	-	
<b>Which existing marketing practices are non-compliant with EU consumer legislation?</b>	-	
<b>Are there existing marketing practices detrimental to consumers, even if not necessarily illegal, in both domestic and cross-border transactions?</b>	<ul style="list-style-type: none"> <li>• Attempts of developers to limit their warranty liability for building defects in sale contracts;</li> <li>• Developers charging high fees for management of common parts which is performed by the developer or his daughter's/son's company;</li> <li>• Developers not clearly defining their obligations concerning the unit and thus charging for works within the unit that should be included in the purchase price (e.g. installing additional electric outlets, etc.);</li> <li>• Developers using the cheapest building materials and solutions thus increasing the future costs of maintenance of the building for unit owners;</li> <li>• Developers not informing clients of future investments in the vicinity of the property which will be onerous for the owners;</li> <li>• Developers ensuring a free right for themselves to advertise on the building, even after the units have been sold;</li> </ul>	

**Table 26: Consumer rights**

	<ul style="list-style-type: none"><li>• Developers introducing clauses that oblige the buyer to pay the full legal costs for the transfer, whereas these costs are to be borne equally by the seller and buyer pursuant to the art. 26 of the Protection of a Residential Unit or a Single Family Home Buyer Act of 2011;</li><li>• Since the deregulation of the profession of the real estate agent (which effectively means that anyone runs such a business as a company or a sole trader), real estate agents often employ unfair practices, like: advertising for sale or rent real estate that has been privately advertised by the owner who does not want to use a real estate agent, charging fees for just viewing properties by potential buyers/sellers, increasing the price beyond expectations of seller to increase commission but risking lengthy marketing time, not providing precise information on legal status of the property or the actual costs of upkeep.</li></ul>
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## 11.2 Consumer complaints

<b>Table 27: Consumer complaints</b>	
<b>How often do buyers and sellers complain due to arising legal issues (e.g. invalid contract, missing information, hidden defects, missing building permit, delay in payment)?</b>	No data available
<b>How often do tenants and landlords complain due to arising legal issues (e.g. invalid contract, missing information, increase of rent, termination of the contract without proper notice)?</b>	No data available
<b>Are consumer complaints against a professional service provider frequent, in particular as regards the fees and quality or service?</b>	No data available
<b>To whom can consumers complain (e.g. local or national administration, consumer protection agencies)? And through which means (e.g. formal letter, online form)? Is the procedure effective (in particular: average time needed for reply, solutions available for redress)?</b>	No data available

The Office for the protection of Competition and Consumers publishes reports in which unfair market practices are discussed (usually concerning developers' activities), together with the most common unfair clauses, however there is no information as to the number of complaints or to any numeric data that would allow to state the frequency of consumer complaints or provide any aggregate numbers.

Register of Prohibited Clauses: [https://uokik.gov.pl/abusive\\_contract\\_terms.php](https://uokik.gov.pl/abusive_contract_terms.php) (only in Polish);

Official website of the Office: <https://uokik.gov.pl> (English version available).