European Research Studies Journal
Volume XXVIII, Issue 2, 2025

pp. 717-734

The Impact of REITs (Real Estate Investment Trust) on the Development of Residential Construction

Submitted 14/04/25, 1st revision 10/05/25, 2nd revision 24/05/25, accepted 20/06/25

Mirosław Bojańczyk[1]

Abstract:

Purpose: *This article analyses functioning of REITs and their impact on the development of residential construction.*
Design/Methodology/Approach: *The research employs an analytical approach predicated on macroeconomic showing, among other things, the impact of construction on economic development.*
Findings: ***T****he development of REITs in many countries shows that they not only have an impact on obtaining higher rates of return for investors, but by facilitating the financing of development projects, they also have a significant impact on economic development.*
Practical Implications: *The study's findings can provide policymakers, in countries such as Poland, with benefits associated with the introduction of such regulations conducive to the development of this type of institution..*
Originality/Value: *The article contributes to the understanding of functioning of REIT type institutions emphasizing the importance of introducing appropriate regulations necessary for their development.*

Keywords: *REIT, construction development, GDP growth.*

JEL codes: *H2, 010, R30, R38.*

Paper Type: *Research article.*

[1]*Dr hab., Akademia Finansów i Biznesu Vistula, Warsaw, Poland*
ORCID: 0000-0003-2985-6921, m.bojanczyk@vistula.edu.pl;

1. Introduction

REIT-type institutions that have been developing for many years in various countries have a significant impact on the development of the real estate sector and, more broadly, on the socio-economic development of these countries.

This study uses the author's many years of experience in managing various development projects. The author of the study participated in the preparation and establishment of the first Polish REIT in Great Britain. Due to the lack of appropriate regulations in Poland, such a fund was established in London.

The purpose of this study is, among others:

- to discuss the impact of the real estate sector on socio-economic development
- to analyze the development of REITs in the world and their impact on the development of construction
- to review the basic regulations concerning REITs in various countries
- to draw conclusions for Poland.

Research was conducted in years 2024-25. This research employs an analytical approach predicated on macroeconomic data from 1990 to 2024. The analysis included the structure of GDP, the impact of the real estate sector on GDP, the level of employment in the construction sector and others.

Numerous sources, such as national financial reports, European Central Bank publications, and international economic databases, were employed to accumulate data. Several statistical tools were used, including:

- *Descriptive statistics:* Summarized and described the main features of the data, such as mean, median and percentage changes which contributed to recognizing the central tendencies and dispersion in economic indicators;
- *Comparative analysis:* Compared USA and few another coutries economic indicators which provided a contextual understanding of the importance of the real estate sector in the development of these countries;
- *Historical trend analysis:* Identified long-term movements in key economic indicators by plotting historical data to visualize trends;
- *Structural break analysis:* Detected points in time where significant changes in the economic indicators occurred, often due to policy shifts or external shocks.

2. Literaturę Review: Housing Market and Economic Development

Housing construction is a powerful engine of economic development, with broad implications for employment, investment, social mobility, and infrastructure (Arku, 2006). However, it requires balanced regulation, sustainable practices, and inclusive planning to ensure it contributes positively to long-term economic and social well-being.

Housing construction has a significant and multifaceted impact on economic development (Wells, 1985). It influences both short-term growth and long-term development. Here we can talk about direct and indirect impact:

1. Direct Economic Impact:
a. Job Creation
- Construction industry employment - building homes directly creates jobs for construction workers, architects, engineers and contractors.
- Multiplier effect - job growth spills over into related sectors like manufacturing (e.g., cement, steel), transportation, and retail.

b. Investment and GDP Contribution
- Housing construction typically contributes 3–6% to GDP in developed economies and even more in developing nations (Turin, D., 1969.; Ofori, G., 1990.)
- Acts as a driver for capital investment and economic stimulus.

2. Indirect Economic Impact:
a. Demand for Goods and Services
- Stimulates demand for home appliances, furniture, and services like utilities and maintenance.
- Encourages the growth of small businesses and local commerce around newly developed residential areas.

b. Infrastructure Development
- Triggers public and private investment in roads, utilities, schools, and healthcare facilities.
- Improves overall economic efficiency and connectivity.

We can also talk here about Social and Long-Term Development Effects:

a. Urbanization and Productivity
- Well-planned housing enables urban migration, which concentrates labor and increases productivity.
- Boosts access to markets, education, and healthcare, improving human capital.

b. Property Ownership and Wealth Building
- Homeownership is a key vehicle for wealth accumulation for households.
- Increases financial stability, savings, and access to credit (via mortgage systems).

The development of this sector also has an impact on Government Revenues and Fiscal Policy:

- Tax revenues: Property taxes, sales taxes on materials, and income taxes from new jobs.
- Public spending: Encourages government spending on supportive infrastructure, enhancing development.

It is also worth mentioning that the development of this sector is also related to many risks and challenges:

a. Housing Bubbles
- Rapid, unregulated growth in housing construction can lead to speculative bubbles (e.g., 2008 global financial crisis).
- Risk of overbuilding and ghost towns if demand is overestimated.

b. Environmental Impact
- Urban sprawl and resource consumption.
- Need for sustainable construction practices to mitigate long-term environmental costs.

c. Inequality
- Housing booms can widen inequality if affordability is not addressed.
- Risk of gentrification displacing low-income residents.

Here are some key data illustrating the impact of housing construction on economic development:

1. Global Economic Impact – Developed Countries:

a/ United States:
- GDP Contribution: Housing's combined contribution to GDP averages 15–18%, with residential investment accounting for roughly 3–5% and consumption spending on housing services around 12–13% (nahb.org)
- Employment Impact: Each new single-family detached home constructed supports 3.05 jobs, while each new multifamily unit supports 1.16 jobs. Currently, housing construction supports an estimated 1.5 million jobs (INFOGRAPHIC: Housing's Economic Impact | Bipartisan Policy Center).
- Housing Starts: In the first quarter of 2024, housing's share of GDP rose to 16.1%, marking the first time since 2022 that it surpassed 16% (Eyeonhousing.org)

b/ Germany: In 2023, residential construction contributed €536.8 billion to the economy, accounting for approximately 14% of the country’s gross value added. The sector employed nearly 6.6 million people and generated around €140.8 billion in tax revenues (DIW Econ).
- GDP Contribution: In 2024, residential construction accounted for 6.50% of Germany's GDP, according to Eurostat data (Trading Economics).
- Employment: The construction sector employed approximately 2.65 million people in 2023 (FIEC Statystyczny Raport 2024).

- Economic Challenges: The sector faced challenges such as rising material costs and interest rates, leading to a 2.7% decline in construction investments in 2023 (FIEC Statystyczny Raport 2024).

c/ United Kingdom: In 2023, house building generated £53.3 billion in economic output, with £39.3 billion directly attributed to house building activities (hbf.co.uk).

- Economic Impact: In 2023, house building generated £53.3 billion in economic output, with £39.3 billion directly attributed to house building activities.
- Employment: The construction sector employed approximately 2.65 million people in 2023 (FIEC Statystyczny Raport 2024).
- Market Trends: The housing market experienced fluctuations, with a surge in home purchases in March 2025 followed by a decline in April, influenced by interest rate changes (The Times).

2. Global Economic Impact - Developing Countries:

a/ Bangladesh: In 2023, the real estate sector contributed approximately 7.93% to the GDP and employed 3.5 million people (Wikipedia).

- GDP Contribution: In 2023, the real estate sector contributed approximately 7.93% to Bangladesh's GDP (Wikipedia).
- Employment: The sector employed about 3.5 million people in 2023 (Wikipedia).
- Urbanization Impact: Rapid urbanization has boosted housing demand, contributing to economic growth (Wikipedia).

b/ Ghana:

- GDP Contribution: The construction sector contributes approximately 9.77% to Ghana's GDP, with real estate activities accounting for 8.48% (Wikipedia).
- Market Size: The market size of the sector is estimated between $9 trillion and $13 trillion (Trade.gov).
- Housing Deficit: The country faces a housing deficit of 1.8 million units, with efforts underway to address this through the "My Home, My Peace" program (Trade.gov).

c/ Philippines:

Housing construction has played a significant role in urban economies by creating employment, especially for unskilled labor, serving as a "port of entry" to urban labor markets (SpringerLink).

- Housing Program: The "Pambansang Pabahay Para sa Pilipino" program aims to build 1 million housing units annually to address a backlog of 6.5 million units (Wikipedia).
- Progress: As of April 2023, approximately 1.2–1.3 million housing sites have been initiated under this program (Wikipedia).

These figures highlight the substantial role housing construction plays in economic development across various regions.

Table 1. *Housing Construction & Economic Development – Summary Table*

Country	GDP Contribution	Employment Impact	Other Economic Effects
USA	15–18% total (2024)	~1.5 million jobs supported	Each new single-family home = 3.05 jobs
Germany	€536.8B (14% of GDP)	6.6 million jobs	€140.8B in tax revenue
UK	£53.3B in 2023	2,65 milion jobs	Stimulates £12.4B in tax revenue and £4.5B in infrastructure investment
Bangladesh	7.93% of GDP (2023)	3.5 million jobs	Rapidly growing sector linked to urbanization
Ghana	9,77% of GDP	Key entry-level employment in urban areas	Stimulates informal and formal sector activities
Philippines	Significant, urban-driven	Informal sector heavily involved	Enables infrastructure and retail growth

Notes:

- *GDP Contribution includes both direct construction activity and indirect economic output (e.g., services, materials).*
- *Employment Impact reflects both skilled and unskilled labor.*
- *Other Effects include taxes, infrastructure development, and private investment leverage.*

3. REIT

REIT-type institutions play an important role in the development of the real estate sector in many countries. A Real Estate Investment Trust (REIT) is a company that owns, operates, or finances income-producing real estate across a range of property sectors. REITs allow individual investors to earn dividends from real estate investments without having to buy, manage, or finance properties themselves.

Table 2. *Key Features of REITs*

Feature	Description
Income-Producing	REITs typically invest in commercial properties like apartments, office buildings, shopping centers, hospitals, hotels, and warehouses.
Liquidity	Publicly traded REITs are listed on major stock exchanges, making them highly liquid compared to direct real estate investments.
Dividend Yield	REITs are required by law (in many jurisdictions) to pay out **at least 90% of their taxable income** as dividends.

Feature	Description
Diversification	Offers exposure to a diversified portfolio of properties across sectors and regions.
Tax Structure	REITs usually do not pay corporate income tax if they distribute the majority of their income to shareholders .

Source: *Own study.*

Individual investors gain two basic benefits here:

- they can invest in real estate without having specialist knowledge and with small capital,
- they achieve higher rates of return thanks to tax relief.

Example 1. *REIT benefits for investors*

	Year 1	Year 2	Year 3
Net rental income	585 000	798 000	1 033 600
Total expenses	430 300	615 000	730 000
Profit before taxation	154 700	183 000	303 600
Profit after taxation	125 307	148 230	245 916
Invested capital	1 000 000		
Cum. ROE without tax relief	13%	27%	52%
Cum. ROE REIT	15%	34%	64%

Source: *Own calculations.*

There are several types of REITs:

1. Equity REITs (Most common)
   - Own and operate income-generating real estate.
   - Profit mainly from rents.
   - Example sectors: residential, industrial, retail, healthcare.

2. Mortgage REITs (mREITs)
   - Invest in mortgages or mortgage-backed securities.
   - Earn from interest on these financial assets.

3. Hybrid REITs
   - Combine strategies of equity and mortgage REITs.

There are several basic channels through which REITs can influence economic development:

Table 3. *The Impact of REIT on Economic Development*

Impact Area	**The impact of REITs on economic development**
Capital Access	Provide capital to the real estate sector, especially for commercial development. This is especially important when, for some reason, there are difficulties in obtaining bank financing. So-called bridging loans often occur here.
Employment	By facilitating the financing of development projects and contributing to the development of this sector, they significantly affect the supply of jobs.
Urban Development	Play a major role in revitalizing and expanding urban infrastructure.
Housing Solutions	Residential REITs support affordable and market-rate housing through institutional investment.

Source: *Own study.*

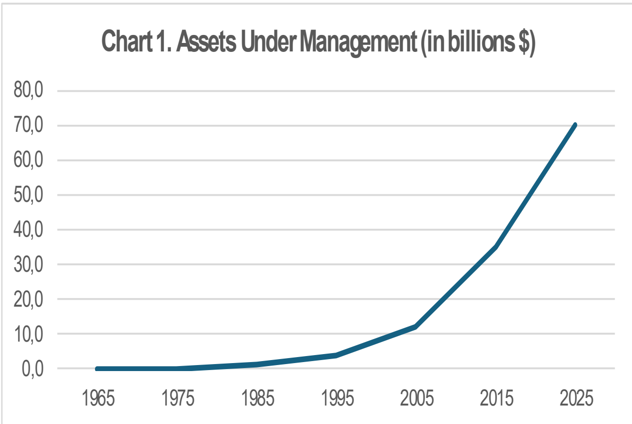
3.1 Global REIT Markets

For many years, REITs have been developing dynamically in many regions of the world.

Table 3.REITs growth

Year	Assets Under Management (in billions $)	Number of Properties	Global Presence (Countries)
1965	0.1	5	1
1975	0.5	20	3
1985	2	50	5
1995	4	100	8
2005	12	200	15
2015	35	350	25
2025	70	500	40

Source: https://www.reit.com/



Source: own based on https://www.reit.com/

Here's an overview of the global development of Real Estate Investment Trusts (REITs), highlighting key trends and data from various regions as of 2024.

Market Capitalization and Growth:

- *Asia-Pacific (APAC):* As of the end of 2023, the total market value of REITs in Asia stood at USD 252 billion, with Japan, Singapore, and Hong Kong accounting for over 80% of this value. Notably, India experienced the steepest rise in market value, increasing by 31% year-on-year (Cushmanwakefield).

- *Americas:* In the fourth quarter of 2024, the market capitalization of REITs in the Americas declined by 18.3% compared to the previous year, totaling USD 218.3 billion. This decline was attributed to factors such as rising interest rates and economic uncertainties (Focus).

- *Europe, Middle East, and Africa (EMEA):* The EMEA region saw a 16.5% increase in REIT market capitalization by the end of 2024, reflecting a positive trend in investor confidence and market stability (Focus).

United States:

- Capital Offerings: In 2024, U.S. equity REITs raised $72.75 billion, marking a 13.9% increase from the previous year. This included $52.19 billion from debt offerings and $20.36 billion from common equity offerings (S&P Global).

Singapore:

- Market Performance: Singapore's REIT market experienced a 4% growth in market value, with an average total return of 7.0% in 2023. The market's resilience was attributed to strong investor demand and stable economic conditions (Cushmanwakefield).

India:

- Emerging Market: India's REIT market witnessed significant growth, with a 31% year-on-year increase in market value. The introduction of new REIT products and favorable regulatory changes contributed to this expansion (Cushmanwakefield).

China:

- Regulatory Developments: China's REIT market has been evolving, with the issuance of seven new REIT products in the first four months of 2024. These products encompass various asset types, including industrial parks and consumer infrastructure, reflecting the government's support for REIT development (Cushmanwakefield).

Table 5 below provides key information about the size and growth of the global REIT market, broken down by region or major countries.

Table 5. *Global REIT Market Overview*

Region/Country	Market Size (USD Trillions)	Growth Rate (CAGR)	Number of Listed REITs
United States	1.3	5.2%	225
Europe	0.7	4.1%	130
Asia Pacific	0.9	6.4%	150
Canada	0.2	3.5%	40

Region/Country	Market Size (USD Trillions)	Growth Rate (CAGR)	Number of Listed REITs
Middle East	0.1	2.7%	10

Source: *Data based on recent market reports from sources like NAREIT and S&P Global.*

Table 6 below lists the performance of some of the top global REITs, showing their market cap, dividend yield, and FFO (Funds from Operations).

Table 6. *Performance of Major Global REITs*

REIT Name	Market Capitalization (USD Billion)	Dividend Yield (%)	Funds from Operations (FFO) (USD Billion)	Sector
Prologis	140	2.6%	4.2	Industrial
Simon Property Group	45	5.3%	3.1	Retail
Equinix	70	1.9%	2.4	Data Centers
Public Storage	45	3.2%	2.5	Self-storage
Link REIT	20	3.9%	1.1	Retail/Office

Source: *The dividend yield and FFO numbers are typically taken from quarterly reports, while market capitalization are updated based on current stock prices.*

Table 7 shows how REIT indices have performed over time.

Table 7. *Global REIT Index Performance*

Year	S&P Global REIT Index Return (%)	EPRA/NAREIT Global Index Return (%)	FTSE EPRA NAREIT Developed Markets Index Return (%)
2020	5.8	3.4	2.3
2021	22.4	20.1	21.2
2022	-5.5	-7.2	-6.4
2023	8.2	7.3	7.1

Source: *These returns are based on the performance of global REIT indices.*

Table 8 below is showing the distribution of global REITs by sector:

Table 8. *Sector Breakdown of Global REITs*

Sector	Market Capitalization (USD Trillions)	Number of REITs	Average Dividend Yield (%)
Retail	0.4	250	4.5%
Industrial	0.5	180	3.0%
Office	0.3	150	4.2%

Sector	Market Capitalization (USD Trillions)	Number of REITs	Average Dividend Yield (%)
Residential	0.2	120	5.1%
Healthcare	0.1	70	5.5%

Source: *These are general estimates based on market data from industry reports.*

Table 9 focus on emerging market REITs, showing how they compare in terms of size and growth.

Table 9. *REITs in Emerging Markets*

Country	Market Size (USD Billion)	Number of REITs	Top REIT by Market Cap	Growth Rate (CAGR)
China	25	8	China Vanke	10.3%
India	5	3	Embassy REIT	12.1%
Brazil	3	6	XP Logística	8.6%
South Korea	15	20	Samsung SRA	7.9%
Mexico	2	4	Fibra Uno	6.4%

Source: ukglobalinvest.com

3.2 Basic REITs Regulations

Obtaining REIT status and the possibility of exemption from CIT requires meeting a number of conditions. Below are the regulations existing in 5 countries:

Table 10. *Conditions for obtaining REIT status in selected countries*

Condition	**United States (US)**	**United Kingdom (UK)**	**Germany**	**Singapore**	**Australia**
Legal Structure	Must be a corporation, trust, or association	Must be a UK-resident company	Public limited company (AG)	Company listed on SGX	Listed Managed Investment Trust (MIT)
Listing Requirement	Not mandatory (but many are listed)	Must be listed on a recognized stock exchange	Mandatory listing	Mandatory listing	Must be listed on ASX
Asset Composition	≥75% of assets in real estate	≥75% of gross assets in real estate	≥75% in real estate assets	≥75% of total assets in real estate	≥75% in real estate assets
Income Source	≥75% from rents, interest on mortgages,	≥75% from rental income and real estate	≥90% from real estate income	≥75% from rental and real estate-	≥75% from rent or property

Condition	United States (US)	United Kingdom (UK)	Germany	Singapore	Australia
	etc.	sales		related income	income
Dividend Distribution	≥90% of taxable income	≥90% of tax-exempt property income	90% of profits	≥90% of taxable income	90–100% of distributable income
Shareholder Requirements	≥100 shareholders; no >50% held by 5 or fewer	Not more than 10% held by one investor	Min. 15% free float	No single investor >50% without approval	Widely held requirement
Corporate Tax Treatment	Exempt if conditions met	Exempt on qualifying property income	Exempt if all requirements are met	Exempt at REIT level; taxed at investor level	Exempt from corporate tax if distribution rule met
Other Notable Rules	Must file with IRS and meet reporting rules	Must meet interest cover and gearing limits	Retention of 10% income for reserves required	Leverage limits and gearing ratios apply	Strict compliance with tax rules and reporting

Sources: *U.S. IRS REIT Rules (irs.gov), UK HMRC REIT Guidance (gov.uk), MAS Singapore REIT Guidelines (mas.gov.sg), ATO Australia REIT Framework (ato.gov.au), EU & Germany REIT Regime (esma.europa.eu).*

Several basic conclusions can be drawn from the regulations presented above:

- US: Flexible listing but strict income and distribution requirements.
- UK: Listing is required; limits on investor concentration.
- Germany: REITs cannot invest in residential property (for existing tenants); must retain 10% of income.
- Singapore: Highly structured with Monetary Authority oversight and strong tax incentives.
- Australia: Focus on tax flow-through treatment and ASX listing; common for income-seeking investors.

3.3 Return on Investment

REITs historically have delivered competitive total returns, based on high, steady dividend income, and long-term capital appreciation. The return on investment (ROI) for REITs varies depending on the market, sector, and specific REIT in question. However, general trends can be observed across different regions and types of REITs. Here's an overview of ROI data from selected REITs in 2024:

Table 11. *Average Return on Investment (ROI) for Selected REITs in 2024*

REIT Name	**Region**	**Type**	**1-Year Return (%)**	**5-Year Average Return (%)**	**Sector Focus**
Prologis (PLD)	United States	Equity REIT (Industrial)	10.5%	12.3%	Industrial (Warehousing/Logistics)
Public Storage (PSA)	United States	Equity REIT (Industrial)	8.3%	9.1%	Self-Storage
Realty Income (O)	United States	Equity REIT (Retail)	6.9%	8.2%	Commercial Properties (Retail)
CapitaLand Integrated Commercial Trust (CICT)	Singapore	Equity REIT (Mixed-Use)	3.7%	4.5%	Office, Retail, Industrial
Link REIT (823)	Hong Kong	Equity REIT (Retail)	1.5%	4.8%	Retail Properties
Scentre Group (SCG)	Australia	Equity REIT (Retail)	2.2%	6.5%	Retail
Ascendas REIT (A17U)	Singapore	Equity REIT (Industrial)	7.0%	6.9%	Industrial
Hysan Development Company (0014)	Hong Kong	Hybrid REIT (Mixed-Use)	4.2%	6.3%	Office, Retail

Source: *Data from REITs reports.*

Factors Influencing ROI for REITs:

1. Sector-Specific Performance:
   - Industrial REITs (like Prologis and Ascendas REIT) tend to perform well due to the ongoing e-commerce boom and demand for logistics facilities. Industrial properties have shown stable growth, especially in regions with high demand for warehouses.
   - Retail REITs (like Public Storage and Realty Income) have been somewhat under pressure, especially post-pandemic, due to changing consumer shopping patterns. However, high-quality retail properties in strategic locations still generate solid returns.
   - Hybrid and Mixed-Use REITs (like CapitaLand Integrated Commercial Trust) tend to provide more diversified income streams, combining retail, office, and industrial properties, thus lowering risk and improving long-term returns.

2. Interest Rates:

- REITs are sensitive to changes in interest rates. When interest rates rise, REITs' dividend yields may become less attractive, and this can negatively affect their performance. However, high-quality REITs that focus on strong cash flows and have good debt management can still perform well.

3. Geographic Region:
   - The performance of REITs can vary significantly based on their location. For example, REITs operating in North America (especially in the US) have benefited from a robust economy and stable rental yields, while those in Asia-Pacific regions like Hong Kong and Singapore may be affected by local market conditions and economic cycles.

4. Property Management and Asset Quality:
   - REITs with diversified, high-quality properties in prime locations tend to outperform others. For example, Prologis and Realty Income have strong portfolios of premium industrial and retail properties, giving them an edge in terms of stable cash flow and growth potential.

Table 12. *Historical 5-Year ROI for Leading REITs (2020-2024)*

REIT Name	**5-Year Average Return (%)**
Prologis (PLD)	12.3%
Public Storage (PSA)	9.1%
Realty Income (O)	8.2%
CapitaLand Integrated Commercial Trust (CICT)	4.5%
Link REIT (823)	4.8%
Scentre Group (SCG)	6.5%
Ascendas REIT (A17U)	6.9%
Hysan Development Company (0014)	6.3%

Source: *Data from REITs reports.*

4. Current Situation on the Polish Real Estate Market

Currently, the Polish commercial real estate market is largely dominated by foreign investors. The lack of domestic REITs results in limited access for Polish individual investors to this market segment. The introduction of domestic REITs could increase the share of Polish capital, improve market liquidity and enable citizens to invest in commercial real estate.

Investing in Real Estate Investment Trusts (REITs) offers several key benefits, making them an attractive option for both individual and institutional investors. Here are the top benefits:

- *Reduced Risk:* REITs allow investors to diversify their portfolios by gaining exposure to the real estate sector without having to own or manage properties directly. This reduces the risk of being overly reliant on any single asset class.
- *Sector Exposure:* REITs invest in a variety of property types (commercial, residential, industrial, healthcare, etc.).

The Polish housing market has shown significant growth in recent years, but it differs in several ways from other prominent housing markets. Poland is currently one of the more affordable housing markets compared to Germany, the UK, and the US, but housing prices are rising, especially in major cities like Warsaw. Poland is experiencing strong market growth, especially in urban areas, fueled by increasing demand.

Poland and Germany offer specific government programs for first-time buyers, which can help alleviate affordability concerns. Poland's foreign investment in housing is still growing, with the commercial real estate market being a stronger target. Poland may face challenges as rising prices and demand push homeownership out of reach for some buyers, but this also presents opportunities for developers and investors.

5. REITs in Poland

In Poland, conceptual work on introducing regulations regarding REITs is underway, but the legal status of such entities remains unregulated. Despite previous legislative attempts, there is no specific timetable for adopting the appropriate regulations. In the spring of 2024, the Ministry of Development and Technology presented initial assumptions regarding the so-called SINNs (Real Estate Rental Investment Companies), which would act as Polish REITs. The proposed regulations include:

- Legal form: joint-stock company listed on the Warsaw Stock Exchange, minimum capital – PLN 100 million
- Income tax: 10% on rental income (after deducting depreciation) and 19% on other income.
- Distribution of profits: obligation to pay at least 90% of profit in the form of dividends, with the possibility of deducting dividends paid to Polish tax residents from CIT.
- Tax exemptions: dividends paid to investors would be exempt from PIT and CIT.
- Leverage - <50%

These initial proposals, however, do not give any hope of repeating on the Polish market the success achieved by REITs in other markets.

Discussions regarding the project is continuing, but there is no detailed information yet on the final shape of the regulation. Unfortunately, there is no indication that REITs will be allowed to operate in Poland on similar terms as in many other countries in the near future.

In this respect, Poland is unable to draw on the experience of others. Unfortunately, this situation is being benefited by foreign REITs, which have increased the scale of their operations on the Polish real estate market in recent years.

6. Conclussion

The information presented in the study confirms the significant impact of construction on the socio-economic development of many countries. It has a significant impact, among others, on GDP and employment. REIT-type institutions, allowing investors to achieve higher rates of return, contribute significantly to the development of this sector. Among other things, they help in obtaining funds for its development.

Discussions regarding the introduction of such solutions have also been ongoing in Poland for some time. However, there is no indication that these discussions will end quickly and that similar solutions will be introduced in Poland. When it is mentioned that tax reliefs played a key role in the development of these institutions in the world, the discussion in Poland ends.

There is a lack of understanding of the role played by these institutions in the development of this sector and, more broadly, socio-economic development. In Poland, the short-term horizon and the primacy of immediate goals still dominate.

The author hopes that this study, by presenting the benefits resulting from the development of this type of institution, will be an important voice in these discussions.

7. Limitations

The study's reliance on macroeconomic data which do not always accurately describe the situation in individual countries and may consequently influence the assessments formulated here.

Further research should include, among others, analysis of the impact of REITs on various macroeconomic indicators. The key here is to select the impact of these institutions on these macroproportions in isolation from other factors.

8. Conflicts of Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

References:

Arku, G. 2006. The housing and economic development debate revisited: economic significance of housing in developing countries. Journal of Housing and the Built Environment.

Bormpotsialou, O., et al. 2019. Housing Construction as a Leading Economic Indicator. Studies in Business and Economics.

Camoin Associates. 2025. The Impact of Affordable Housing on Economic Development.

Han, S.S., Du, P. 2004. The Impact of Housing Reform on Consumption, Investment and Industrial Growth: A Tale of Three Chinese Cities. Pacific Rim Real Estate Society Journal.

Housing Assistance Council. 2025. The Effects of Housing Development on a Rural Community's Economy.

Ofori, G. 1990. The Economy and the Construction Industry. World Bank Technical Paper No. 49.

Petropoulos, T., Liapis, K., Thalassinos, E. 2023. Optimal structure of real estate portfolio using EVA: a Stochastic Markowitz model using data from Greek real estate market. Risks, 11(2), 43.

Turin, D. 1969. The Economy and the Construction Industry. World Bank Technical Paper No. 49.

Wells, W. 1985. The Economy and the Construction Industry. World Bank Technical Paper No. 49.

Websites:

Nahb.org, https://www.nahb.org/News-and-Economics/Housing-Economics/Housings-Economic-Impact/Housings-Contribution-to-Gross-Domestic-Product?utm

Infographic:Housing's Economic Impact, https://bipartisanpolicy.org/report/housings-impact-on-the-economy/?utm

Eyeonhousing.org, https://eyeonhousing.org/2024/04/housing-share-of-gdp-surpasses-16-for-first-time-since-2022/?utm

DIW Econ, https://diw-econ.de/en/publications/the-economic-power-behind-housing/?utm

Trading Economics, https://tradingeconomics.com/germany/residential-construction-eurostat-data.html

FIEC Statystyczny Raport 2024, https://fiec-statistical-report.eu/germany?utm

Hbf.co.uk, https://www.hbf.co.uk/policy/economic-footprint/?utm

The Times, https://www.thetimes.com/life-style/property-home/article/why-homeowners-struggling-to-sell-8ld9ct7q2?utm

Wikipedia, https://en.wikipedia.org/wiki/Real_estate_in_Bangladesh?utm
ttps://en.wikipedia.org/wiki/Pambansang_Pabahay_Para_sa_Pilipino?utm

Trade.gov, https://www.trade.gov/market-intelligence/ghana-affordable-housing?utm

Springer, https://link.springer.com/article/10.1007/s10901-006-9056-3?utm

Cushmanwakefield, https://www.cushmanwakefield.com/en/insights/asia-reit-market-insight?utm
https://www.cushmanwakefield.com/en/greater-china/news/2024/07/total-asia-reit-market-values-recorded-at-usd252-billion-as-at-end-of-2023?utm
Focus, https://focus.world-exchanges.org/statistics/articles/reits-trends?utm
SPGlobal, https://www.spglobal.com/market-intelligence/en/news-insights/articles/2025/1/us-equity-reit-capital-offerings-rise-in-2024-87185540?utm
Irs.gov., https://www.irs.gov/
Mas.gov., https://www.mas.gov.sg/
Ato.gov., https://www.ato.gov.au/
Esma, https://www.esma.europa.eu/
Nareit, https://www.reit.com/
Ukglobalinvest, https://www.ukglobalinvest.com/2024/09/08/september-2024s-top-10-performing-reits-a-comprehensive-guide-for-investors/?utm