

Prepared
in cooperation with

POZnań*

Michael Page



POZNAŃ

City attractiveness and office market

Q3 2021

knightfrank.com.pl/en/research

POZNAŃ



POZNAŃ

CITY ATTRACTIVENESS

POZNAŃ

FACTS & FIGURES



CITY AREA

261.9 sq km



POPULATION

530,464
(GUS, 30 VI 2021)



POPULATION FORECAST

503,800 (2030)



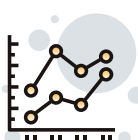
UNEMPLOYMENT RATE

2%
(GUS, 30 VI 2021)



GDP GROWTH

4%
(2018)



GDP PER CAPITA

PLN 108,264
(2018)



AVERAGE SALARY

PLN 6,694
(gross)

INVESTMENT ATTRACTIVENESS

1. RANKINGS INDICATING THE INVESTMENT ATTRACTIVENESS OF THE CITY

3.

3rd place in the ABSL ranking of locations in terms of doing business (2021).

In 2021, Poznań was awarded the title of **the City of the Year** in a ranking organized by the prestigious EuropaProperty magazine

The most dynamically developing city in Poland, according to CEE Business Services Summit&Awards 2021.

2.

2nd place in Emerging Europe Business Friendly City Perception Index 2021.

2.

2nd place in the ranking of Polish cities with the greatest investment potential according to **Business Environment Assessment Study #BEAS2021**.

2. INVESTMENT INCENTIVES

FINANCIAL SUPPORT

- Scholarship programme aimed at students preparing to start their career in Poznań.
- Employer branding.

NON-FINANCIAL SUPPORT

- Project Manager – a person assigned to the project, offering support during preparation, implementation and execution of investment.
- Investment preparation.
- Preparation for investment launch.
- Support in recruiting process.
- Cooperation with the investor after launching the project.

QUALITY OF LIFE

3. RANKINGS ON THE QUALITY OF LIFE IN THE CITY

4.

4th place in Sustainable Development Ranking.

7.

7th place in TOP10 best European cities for remote work ranking by OVO Network.

3.

3rd place in Ranking of Local Governments Most Dynamically Developing Entrepreneurship.

8.

fDI European cities and regions of the future 2020/21: 8th place in „fDi Strategy” category, among medium-sized cities.

9.

9th place in „Business friendliness”, among medium-sized cities.

Award in „Municipality for 5!” and the title of „Golden Municipality for 5!”.

„Pearls of Local Government” 2020 for two projects launched in 2020: positive technologies conference and EU project „Let’s play in Wielkopolska”.

4. CITY INITIATIVES AIMED AT IMPROVING THE QUALITY OF LIFE IN THE CITY

Attracting new inhabitants

Our response to the demographic challenge and migration trends is to retain inhabitants and attract new ones through the consistent implementation of the open city strategy and taking actions to improve the quality of life by: developing infrastructure, city centre renovation, housing, improving natural environment, improving city’s easthetics, promoting cultural events.

Creating attractive jobs

Poznań is an example of a city where the most advanced processes are performed in modern services centres. Companies like GSK, McKinsey or Franklin Templeton are constantly developing and increasing employment rates.

Poznań provides human capital for innovative companies in modern services sector by ensuring quality of education at all levels.

Mobility – ecological solutions for transport

Car-sharing, scooter-sharing.

Projekt Centrum (Project Centre)

Infrastructure modernisation, car traffic limiting and other activities undertaken in the city centre in order to „give it back” to the inhabitants.

Openness – promoting diversity, tolerance and respect:

36,6 campaign – the slogan of the campaign: „Tolerance towards people is not enough, they deserve respect”. The key is openness to foreigners, including migrants from Ukraine.

Smart City

Strengthening the innovative character of the economy and implementing new technology, development of the creative entrepreneurship and start-up sector, putting emphasis on education at all levels and active support for universities.



BIKE PATHS

275.59 km (2019)



GREEN AREAS

128.3 sq km

FACTS & FIGURES

NUMBER OF STUDENTS



102,164

NUMBER OF GRADUATES



25,100

NUMBER OF UNIVERSITIES



24

AIRPORT – DISTANCE TO THE CITY CENTRE



7 km

AIRPORT – NUMBER OF PASSENGERS



657,709 (2020)
2,379,635 (2019)

BSS SECTOR – NUMBER OF CENTRES



120

BSS SECTOR – NUMBER OF EMPLOYED



21,500

RATING

A- (STABLE OUTLOOK)

RATING AGENCY

Fitch

POZNAŃ

Q1-Q3 2021



EXISTING STOCK

618,700 sq m



SUPPLY UNDER CONSTRUCTION

76,500 sq m



VACANCY RATE

13%



NEW SUPPLY

35,800 sq m



TAKE-UP

33,300 sq m

Total office stock in Poznań at the end of September 2021 exceeded 618,000 sq m and remained at the same level as in the previous quarter. No new office building was completed. At the end of September 2021, approximately 76,000 sq m was identified as under construction, although none of the ongoing projects are due for completion this year. The two largest projects under construction, representing

87% of the supply, are scheduled for completion in 2023. At 13,700 sq m, take-up on the Poznań market remained at a similar level to the previous quarter. Over 50% of the transaction volume was in new contracts, while the remainder - over 6,000 sq m - was in renegotiations. Almost 33,000 sq m has been leased in Poznań since the beginning of 2021. At the end of September 2021, the vacancy

rate stood at 13%, i.e. 0.1 pp. higher than in Q2 2021 and 0.3 pp. lower compared to the corresponding period of the previous year. The y-o-y decrease in vacancy rate is a result of relatively high tenant activity in previous quarters, together with a limited amount of new supply. Asking rents in Poznań in Q3 2021 remain stable, ranging from EUR 10.00 to EUR 16.00 per sq m per month.

SELECTED SCHEMES UNDER CONSTRUCTION

ANDERSIA SILVER

- 40,000 sq m
- Q1 2023
- Von der Heyden Group

NOWY RYNEK E

- 26,000 sq m
- Q2 2023
- Skanska Property Poland

Total office space Completion date Developer / Owner

SELECTED BPO, SSC/GBS, IT AND R&D CENTERS:

ROCKWOOL | Arvato Polska | Capgemini | Carlsberg Shared Services | Franklin Templeton | Miele | B.Braun | Sii | Veolia Centrum Usług Wspólnych | Volkswagen Group Services |

STANDARD LEASE TERMS IN LARGE SCALE, NEW BUILDINGS



SERVICE CHARGE PLN/SQ M/MONTH

15-18



RENT-FREE MONTHS

5-8 months



FIT-OUT BUDGET EUR/SQ M

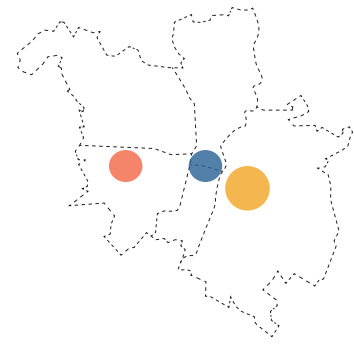
250-500

COWORKING OPERATORS IN POZNAŃ:

**Business Link
Regus**

MAJOR OFFICE CONCENTRATION AREAS

	EXISTING STOCK	SUPPLY UNDER CONSTRUCTION	VACANCY RATE	MONTHLY ASKING RENT
CITY CENTRE	269,700 sq m	76,400 sq m	11.1%	EUR 10-16/sq m
MALTA	43,000 sq m	0 sq m	1.1%	EUR 14-15/sq m
MARCELIŃSKA/ BUŁGARSKA	144,000 sq m	0 sq m	18.7%	EUR 11-14/sq m



MAJOR REGIONAL CITIES

KRAKÓW, WROCŁAW, TRICITY, POZNAŃ, KATOWICE, ŁÓDŹ

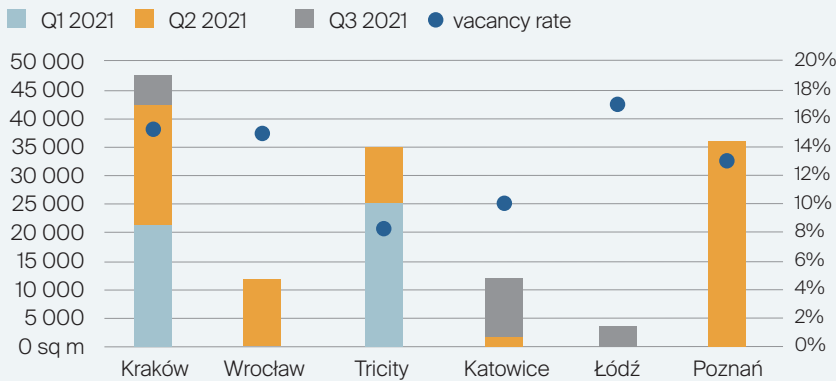
Q1-Q3 2021



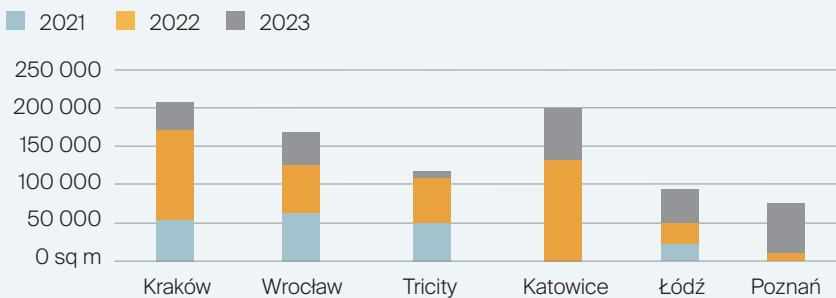
POZNAŃ COMPARED TO MAJOR REGIONAL CITIES

Poznań, as one of the smaller-scale office markets, ranks fourth in terms of size among regional markets in Poland. After a large increase in new supply in 2019, the space available in Poznań is systematically being leased. After completion of the next phase of the Nowy Rynek complex in Q2 2021, further office buildings will be finished in 2023 - with the prestigious projects planned for completion set to strengthen Poznań's position among the regional office markets.

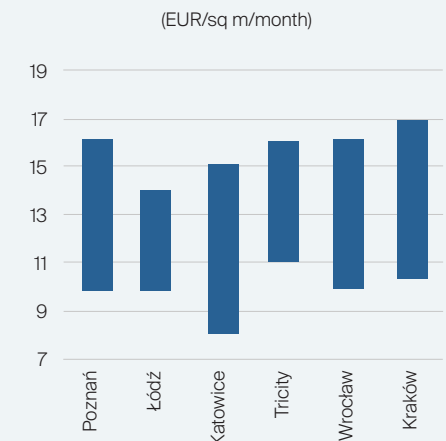
NEW SUPPLY AND VACANCY RATE (Q3 2021)



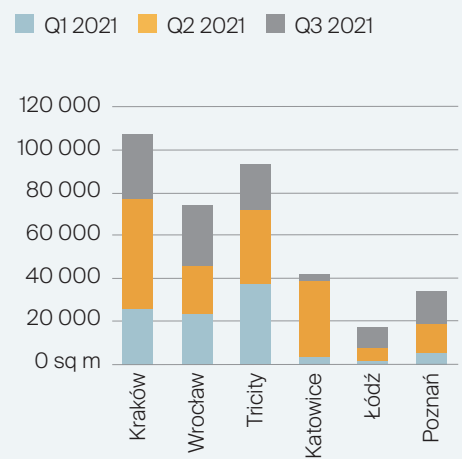
SUPPLY UNDER CONSTRUCTION BY COMPLETION YEAR (Q3 2021)



ASKING RENTS (Q3 2021)



TAKE-UP VOLUME (Q3 2021)



POZNAŃ

RECRUITMENT IN THE IT SECTOR



In a vast majority of businesses, staff use **SQL** as a major programming language (80%), followed by **JavaScript** (68%), and **C#/.NET** (68%). The least popular programming tools among employees are **Sybase** (4%), and **Scala** (12%).



Within the IT branch, the local labour market in Poznan is chiefly searching for **Java programmers**, **C++ programmers**, **PHP programmers**, **.NET programmers**, as well as web developers and software testers. Advertising agencies are really keen on hiring graphic designers and web designers.



The city's major potential is the large number of IT specialists. At least 7 universities and colleges run programmes related to computer technology. The sector of businesses that offer IT services is growing dynamically, providing a wide array of top-quality services.



TOP 3

1.

PRODUCT
OWNER

PLN 15,000 - 23,000
gross

2.

DATA
ENGINEER

PLN 16,000 - 25,000
gross

3.

SAP FO/CO
CONSULTANT

PLN 18,000 - 24,000
gross



THE CRISIS IN THE HR SECTOR WAS INTENSE, BUT RELATIVELY SHORT

It looks like the changes brought about by the pandemic are here to stay. Both recruiters and candidates have openly appreciated the separation of the recruitment process from the physical location. Online job interviews will surely become a trend that will take root for a long time to come once the COVID-19 epidemic has been combatted. Online recruitment sessions simply save a lot of time to both parties of the process. Face-to-face meetings will now only be held at the final stages of the hiring procedure and will involve exclusively a handful of most promising candidates. There were already some feeble symptoms of recovery in July, followed by a calm and more holiday-like August. September, in turn, has seen a major upward trend, which is still in full swing. Those clients who earlier on preferred to hold back on taking major steps have now started to feel the need to hire additional staff on a mass scale.

THE DAWN OF THE DIGITAL TRANSFORMATION OF RECRUITMENT

In the past, it was common practice to vet candidates on the phone at the preliminary stage of recruitment, which in most cases eventually led to face-to-face meetings. Since the pandemic, new standards have been set, making video interviews a permanent fixture in modern hiring practices, forcing consultants to instantly shift to the virtual world. About 99% of recruitment procedures, including final meetings, are now conducted online. The force of habit of the past seems to have made room for the new pandemic-driven reality of the present. Despite the initial uncertainty, it has turned out that at the end of the day it is perfectly possible to use online tools to hire specialists, managers, or top-level managers.



THE ROLE OF MOTIVATION THROUGHOUT RECRUITMENT

In the era of the COVID-19 pandemic, particular emphasis is placed on issues related to work motivation, which are often raised at job interviews. Currently, the risk that a potential employee will change his/her place of employment after a few months is extremely high, and employers strive to avoid such situations. Candidates are also asked to explain why they are looking for a new job, and what factors lie behind their choices when deciding to change jobs. In this way, it is possible to check whether an applicant will successfully settle down within the structure of a given organisation, and whether his/her values coincide with its mission. Potential employees are expected to freely and honestly answer the questions they get during an interview. If they want to stay with the company for longer, they also need to be sure that they will adapt to its organisational culture. Since remote work to some extent hinders the mutual understanding and bonds between employers and employees, businesses often ask candidates about their attitude to the idea of coming back to traditional work in the office, even on a part-time basis.



CONTACT IN POLAND:

+22 596 50 50
www.knightfrank.com.pl

RESEARCH

Elżbieta Czerpak
elzbieta.czerpak@pl.knightfrank.com

CONTACT IN KATOWICE:

Iwona Kalaga
iwona.kalaga@pl.knightfrank.com

COMMERCIAL AGENCY - OFFICE

L-REP Janusz Garstka
janusz.garstka@pl.knightfrank.com

T-REP Monika Sułdecka-Karaś
monika.suldecka@pl.knightfrank.com

CAPITAL MARKETS

Krzysztof Cipiur
krzysztof.cipiur@pl.knightfrank.com

PROPERTY MANAGEMENT

Izabela Miazgowska
izabela.miazgowska@pl.knightfrank.com

**PROPERTY MANAGEMENT
COMPLIANCE**

Magdalena Oksańska
magdalena.oksanska@pl.knightfrank.com

PROJECT MANAGEMENT

Urszula Łuszczyńska
urszula.luszczyńska@pl.knightfrank.com

VALUATION & ADVISORY

Grzegorz Chmielak
grzegorz.chmielak@pl.knightfrank.com

STRATEGIC CONSULTING EMEA

Marta Sobieszczak
marta.sobieszczak@pl.knightfrank.com

As one of the largest and most experienced research teams operating across Polish commercial real estate markets, Knight Frank Poland provides strategic advice, forecasting and consultancy services to a wide range of commercial clients including developers, investment funds, financial and corporate institutions as well as private individuals. We offer:

- ◆ strategic consulting, independent forecasts and analysis adapted to clients' specific requirements,
- ◆ market reports and analysis available to the public,
- ◆ tailored presentations and market reports for clients.

Reports are produced on a quarterly basis and cover all sectors of commercial market (office, retail, industrial, hotel) in major Polish cities and regions (Warsaw, Kraków, Łódź, Poznań, Silesia, Tricity, Wrocław). Long-term presence in local markets has allowed our research team to build in-depth expertise of socio-economic factors affecting commercial and residential real estate in Poland.


© Knight Frank Sp. z o.o. 2021

**Knight Frank Research
Reports are available at
www.knightfrank.com.pl/
en/research/**

This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank to the form and content within which it appears.

PARTNER OF THE PUBLICATION:**CITY OF POZNAŃ
INVESTOR RELATIONS DEPARTMENT**

ul. Za Bramką 1
61-842 Poznań
(+48) 61 878 5428
inwestor@um.poznan.pl

 Invest in Poznań
www.poznan.pl

Poznań is one of the most attractive cities for investors in the Central and Eastern European region, repeatedly awarded in prestigious business rankings. The city is developing in a sustainable manner, in line with the smart city idea. In Poznań we create good conditions for investment, but also for living for all residents. We focus on openness and diversity, we care for green areas, a rich cultural and modern public transport. Investors, among others, from the modern services sector and the IT industry choose Poznań due to the availability of qualified workforce - global giants, including: Franklin Templeton, GSK. Miele, Capgemini or Bridgestone SSC are completing in Poznań the most advanced processes.

**CONTACT:**

www.michaelpage.pl
contact@michaelpage.pl