

Strong cities



City attractiveness, office market, HR trends

H1 2024

The office market sentiment, the investment potential of the city and the labour market.

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Wrocław





Prepared
in cooperation with



Wrocław Agglomeration
Development Agency

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Wrocław

-  **City area**
293 sq km
-  **Population**
673,700
(31.12.2023, GUS)
-  **Population forecast**
611,359 (2030)
577,658 (2050)
-  **Migration balance**
(+) 1.4 (12.2021)
-  **Unemployment rate**
1.7%
(02.2024, GUS)
-  **GDP growth**
8.5%
-  **GDP per capita**
PLN 104,360
(gross)
-  **Average salary (gross)**
PLN 8,883.74
(in the business sector, 05.2024, GUS)



Investment attractiveness

Rankings

-  **Intel**, the world's largest microprocessor manufacturer, **will invest nearly PLN 20bn in its factory in Miękinia near Wrocław**. This is the largest foreign investment in the history of Poland.
 - 1ST PLACE** in fDi's **Mid-Sized European Cities of the Future 2024 - Overall**
 - 1ST PLACE** in fDi's **Mid-Sized European Cities of the Future 2024 - Business Friendliness**
 - 1ST PLACE** in „**Polish Startups 2023**” compiled by the Startup Poland Foundation
 - 1ST PLACE** in fDi's **Mid-Sized European Cities of the Future 2024 - Human Capital and Lifestyle**
 - 2ND PLACE** in **Business Environment Assessment Study (BEAS) 2024**
 - 4TH PLACE** in fDi's **Mid-Sized European Cities of the Future 2024 - FDI Strategy and Economic Potential**
- WROCLAW - rising star among technology hubs**
- No. 1 in Poland, No. 2 in Europe, No. 8 in the world, according to the „The next generation of tech ecosystems” report compiled by Dealroom

Investment incentives

- "One stop shop" - Investment process support from the Wrocław Agglomeration Development Agency.
- Apx inQube Program.
- Real estate tax exemptions in Wrocław.
- Real estate tax exemption in case of investments in a photovoltaic installation, heat pump, recuperator, ground heat exchanger, solar collector.
- Lower Silesian Special Economic Zones.

Quality of life

Rankings

1ST PLACE in the classification of a place for **doing business** according to the subjective ranking by managers, ABSL report 2023



Wrocław listed among the 100 cities of the EU mission, „**100 Climate Neutral and Smart Cities by 2030**”

Drivers of ICT development in the Wrocław Agglomeration

Based on the analysis of historical signals of change, the results of the quantitative survey and the conclusions of the research workshop organized as part of the work on the report 'Digital Co-creation and other scenarios for the future', 8 factors affecting the ICT industry in the Wrocław Agglomeration have been defined.

- Committed and inclusive ICT community operating at the interface of business, education, and administration. Focus on cooperation, openness and exchange of competencies helps build innovativeness in the Wrocław Agglomeration.
- Designing the integrated, complete and friendly urban space in the Wrocław Agglomeration to satisfy the needs of diverse groups of residents and workers.
- Creating programmes and initiatives supportive of careers in the ICT industry for a diverse workforce. Systemic solutions addressing challenges related to the employment of people with different backgrounds, genders and demographic profiles support the building of diverse teams in the ICT sector.
- Development of local enterprises, investors and workers thanks to end-to-end support models. The Wrocław Agglomeration builds a good growth environment for enterprises and implements the strategy based on the needs of residents and enterprises.
- Building a flexible strategy of the Wrocław Agglomeration, supportive of urban resilience and helping to respond quickly to unexpected external factors.
- Diversification of educational paths and models. The possibility to use various sources of knowledge in the area of ICT industry technologies.
- Creation of technology solutions positively impacting and responding to the needs of various recipients. Implementation of the technology created in the Wrocław Agglomeration for the benefit of local interested parties.
- Attractive support instruments for investors, considering the development of the Wrocław Agglomeration. The public administration builds facilities so that investing in business in the Wrocław Agglomeration both supports the needs of businesses and benefits the agglomeration and its residents.

 **Cyclist-friendly routes**
1,400 km

 **Green areas**
120 sq km

Facts & Figures

-  **Number of students**
106,555
-  **Number of graduates**
27,320
-  **Number of universities**
30
-  **Airport - distance to the city centre**
10 km
-  **Airport - number of passengers**
3,891,553 (2023)
-  **BSS sector - number of centres**
220
-  **BSS sector - number of employed**
63,421



STEM - chart your future

RATING AGENCY **Moody's**

RATING **A-**

Wrocław

H1 2024

- ▶ Existing stock **1.38m sq m**
- ▶ Supply under construction **39,000 sq m**
- ▶ Vacancy rate **18.2%**
- ▶ New supply **32,000 sq m**
- ▶ Take-up **50,000 sq m**

Standard lease terms in new buildings

- ▶ Service charge **16.00-31.00** PLN/sq m/month
- ▶ Rent-free period **1.5 month** for each contract year
- ▶ Fit-out budget **450.00-550.00** EUR/sq m

▶ The office market in Wrocław ranks as the third largest in Poland, following Warsaw and Kraków, with a total office stock of almost 1.4m sq m, which represents nearly 11% of the country's total office stock.

Since the beginning of the year, approximately 50,000 sq m of office space has been leased in Wrocław; the third highest result among regional cities. Additionally, 32,000 sq m of modern office space have been delivered to the market. Despite the high new supply, the vacancy rate has decreased to 18.2%. It is expected that the reduced rate of new office space additions in the coming quarters may contribute to a further decrease in the vacancy rate.

SUPPLY

At the end of the first half of 2024, Wrocław had a total office space of 1.4m sq m, with 32,000 sq m added in the first six months. Completed constructions include the 18,000 sq m Quorum Office Park A and the 14,000 sq m B10, making Wrocław the leading contributor to new office space among regional markets, accounting for 53% of total deliveries across all regional cities. There is, however, a decline in developer activity, with only three projects under construction, totalling 39,000 sq m. If developers adhere to their timelines, 72% of the office space under construction will be completed by the end of 2024.

TAKE-UP

In the first half of 2024, tenants in Wrocław leased almost 50,000 sq m of office space, representing over 17% of the total transaction volume reported in regional cities. This makes Wrocław the third-most active market among such cities, following Kraków and the Tricity. The majority of the leased space resulted from renegotiations, encompassing nearly 54% of the total leased area, while new agreements made up almost 42%, and approximately 5% were attributable to tenants' own use. Expansion accounted for the remaining leased space in Wrocław. Notably, the IT sector is growing rapidly in Wrocław, with companies from this branch leasing nearly 46% of the office space in the first half of 2024, solidifying the city as one of Poland's leading IT markets.

VACANCY RATE

Due to a consistent demand for office space, the vacancy rate in Wrocław decreased by 0.9 pp from the previous quarter, settling at 18.2% by the end of June 2024. However, this figure remains 2.1 pp higher than the same period in the previous year. With a decrease in the amount of office space under construction and sustained demand, the vacancy rate is anticipated to continue decreasing in the upcoming quarters.

RENTS

As of the end of Q4 2024, asking rents in Wrocław remained stable compared to the previous quarter, typically falling within the range of EUR 10.00 to 16.00/sq m/month. Nevertheless, rents for prime office spaces in newly constructed buildings could surpass this range. Service charges at the end of June 2024 also remained steady, typically varying from PLN 16.00 to 31.00/sq m/month.

Office market in Poland

H1 2024

- ▶ Existing stock **13m sq m**
- ▶ New supply (H1 2024) **125,000 sq m**
- ▶ Take-up (H1 2024) **602,000 sq m**
- ▶ Supply under construction **530,000 sq m**
- ▶ Vacancy rate **14.4%**

SZCZECIN

187,000 sq m
6.3%
EUR 10-14.5

POZNAŃ

674,000 sq m
13.9%
EUR 11-15.5

WROCLAW

1.38m sq m
18.2%
EUR 10-16

KATOWICE

751,000 sq m
20.8%
EUR 9-14.5

KRAKOW

1.82m sq m
20.2%
EUR 10-16

TRICITY

1.05m sq m
12.5%
EUR 11-15.5

WARSAW

6.26m sq m
10.9%
EUR 10-27

ŁÓDŹ

645,000 sq m
23.3%
EUR 9-15

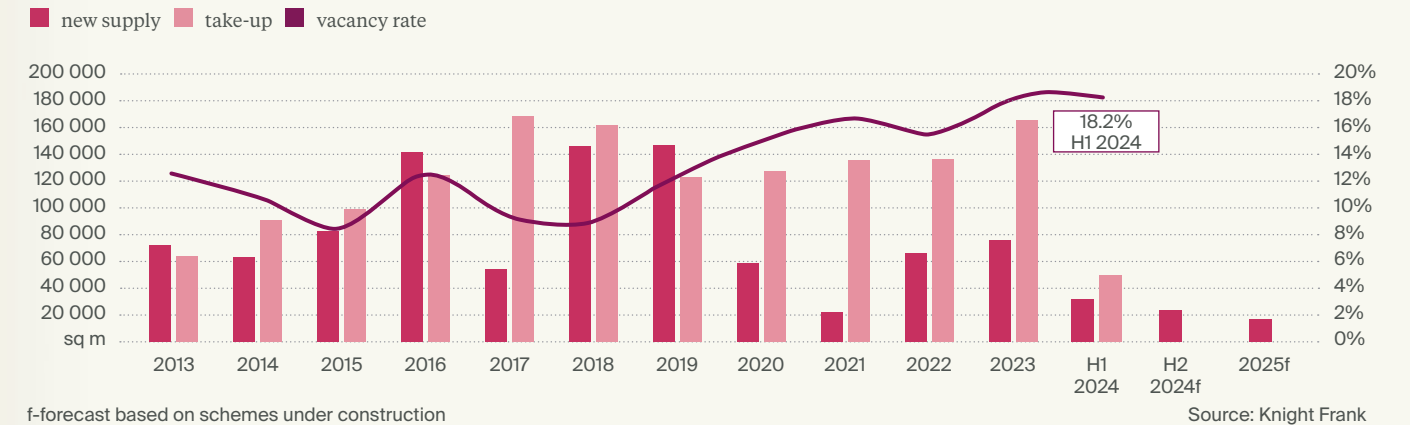
LUBLIN

221,000 sq m
12.3%
EUR 9-13

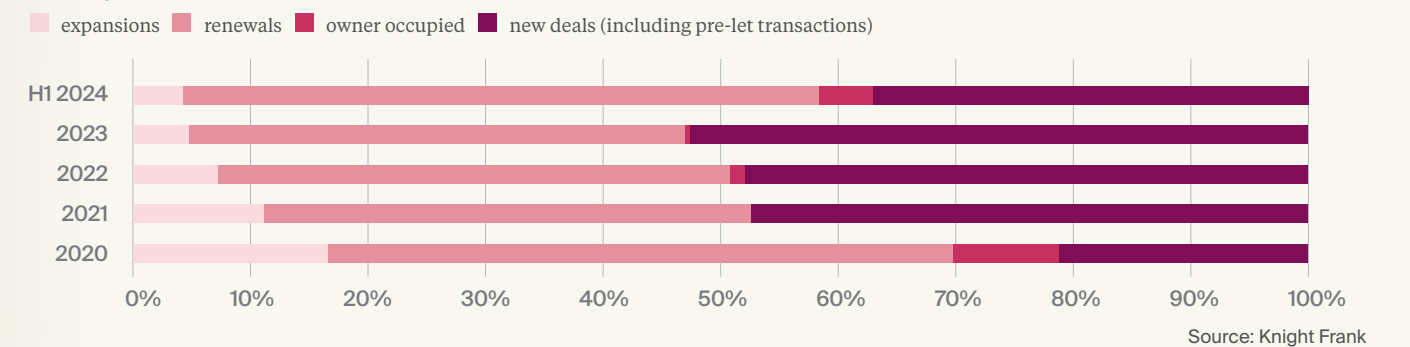
🏢 - office stock
📊 - vacancy rate
📈 - asking rents (per sq m per month)

Source: Knight Frank

Annual new supply, take-up and vacancy rate in Wrocław



Take-up structure in Wrocław



Human Leadership: Effectively Managing Teams in the Digital Era

Despite Poland achieving the lowest unemployment rate in the EU in 2024, job vacancies are on the rise, particularly in IT, data analysis, sales, marketing, and fields related to digitalisation and AI. The European Commission reports that 77% of companies struggle to hire suitable specialists. Given these shifts, leaders must adapt their strategies to effectively manage teams in the digital era by adopting the Human Leadership approach.

Human Leadership

Human Leadership is a management style grounded in empathy, understanding employees' needs, and building trust. In today's job market, where attracting and retaining talent is vital, leaders must view employees as individuals with unique needs and aspirations. Key elements of this approach include effective communication, flexibility, adaptability, and technological proficiency.

Communication and Empathy

Effective communication and empathy are crucial in managing teams, especially in the context of remote work. Leaders should regularly meet with their teams, listen to employees' opinions, understand their needs, and encourage open dialogue. In a competitive job market, understanding individual employee needs can significantly improve retention rates.

Flexibility and Adaptation

Leaders need to quickly adapt to changes, adopting new work models and adjusting strategies to a dynamic market. The Talent

Trends 2024 report indicates that 45% of companies plan to increase hiring in 2024, emphasising the importance of flexibility in attracting talent.

Technological Proficiency

Leaders should be well-versed in digital tools, support innovation, and build digital competencies within their teams. In Poland, the demand for automation specialists is growing, making it crucial for leaders to bridge the gap between technical and non-technical team members.

Benefits of Implementing Human Leadership

Companies that have implemented Human Leadership report increased employee engagement and productivity, better talent attraction and retention rates, and a stronger organisational culture. Prioritising career development, work-life balance, competitive compensation, investing in employee development, fostering open communication, and building trust all contribute to organisational success.



► For more information on Human Leadership and employee retention, please see our latest study [Talent Trends 2024](#).

Recruitment in the Manufacturing and Supply Chain Sector

According to data from the Central Statistical Office (GUS), approximately 6.5 million people are currently employed in Poland. In the industrial sector alone, there are 2.8 million employees, making up 17.5% of the total 16 million employed. With a low registered unemployment rate of 4.9%, companies must compete with increasingly attractive offers to recruit production workers. Is it worth it? Yes. Experts highlight that well-selected and motivated team members can boost productivity by up to 18% and improve production quality by 15%.

Operational Efficiency in the Hands of Manufacturing Workers

Recruiting qualified workers in the manufacturing sector is one of the key challenges for industrial companies. This is crucial for maintaining operational continuity, high product quality, and cost optimisation.

A report by the Polish Economic Institute titled Poles on Foreigners in the Job Market – Facts, Myths, Opinions revealed that last year, 70% of employers reported difficulties in finding Polish workers. As a result, they are increasingly hiring foreign employees.

Experts from the Polish Confederation Lewiatan estimate that the Polish economy needs about 2.5 million workers from abroad annually, and there is no indication that this number will decrease. Our society is aging, and the number of available qualified workers is diminishing.

Consequences of Recruitment Errors

Recruitment errors can significantly impact an organisation's productivity and profitability, leading to high financial costs associated with re-recruitment processes, training, and onboarding new employees. The departure of an employee just a few months after being hired, during which they received an average monthly salary of 7,998.81 PLN gross, can realistically cost the employer around 100,000 PLN.

Best Practices

Effective recruitment in the production sector includes precisely defining job requirements, using multiple recruitment channels, employing advanced selection tools, and promoting a strong company culture and development opportunities. Systematic evaluation and optimisation of the recruitment process are key to its effectiveness.



TOP 3

Positions in the Manufacturing and Supply Chain Sector.

► KATOWICE & KRAKOW:

- **Automation Engineer**
12,000 – 16,000 PLN gross
- **Process Engineer**
13,000 – 16,000 PLN gross
- **Technical Manager**
20,000 – 27,000 PLN gross

► WROCLAW & POZNAŃ:

- **Automation Engineer**
12,000 – 14,000 PLN gross
- **Quality Planning Engineer**
10,000 – 13,000 PLN gross
- **Quality Manager**
20,000 – 25,000 PLN gross

► WARSAW, ŁÓDŹ & TRICITY:

- **Automation Engineer**
12,000 – 16,000 PLN gross
- **Project Manager**
15,000 – 25,000 PLN gross
- **Quality Manager**
20,000 – 25,000 PLN gross

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- ▶ tailored presentations and market reports for clients.

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The Wrocław Agglomeration Development Agency is a company whose goal is to attract foreign investors, and thus create new jobs and increase economic region. The company also conducts extensive information and promotion activities for residents and implements projects supporting development and cooperation in the agglomeration.

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