Strong cities

City attractiveness, office market, HR trends

Q3 2024

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

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Wrocław

Prepared in cooperation with

Wroclaw Agglomeration Development Agency

Michael Page

Wrocław

City area
293 sq km

Population
673,500
(30.16.2024, GUS)

Population forecast
685,437 (2030)
646,629 (2050)

Migration balance
(+) 1.4 (12.2021)

Unemployment rate
1.7%
(09.2024, GUS)

GDP growth
8.5%

GDP per capita
PLN **104,360**
(gross)

Average salary (gross)
PLN **8,920.85**
(in the business sector, 09.2024, GUS)

Investment attractiveness

Rankings

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"** complied 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**

WROCŁAW - 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.
- Real estate tax exemption in case of investments in a photovoltaic installation, heat pump, recuperator, ground heat exchanger, solar collector.
- Apx inQube Program.
- Real estate tax exemptions in Wrocław.
- Lower Silesian Special Economic Zones.

Quality of life

Rankings

1. ST 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 Wroclaw 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 Wroclaw 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 Wroclaw Agglomeration.
- Designing the integrated, complete and friendly urban space in the Wroclaw 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 Wroclaw 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 Wroclaw 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 Wroclaw Agglomeration for the benefit of local interested parties.
- Attractive support instruments for investors, considering the development of the Wroclaw Agglomeration. The public administration builds facilities so that investing in business in the Wroclaw 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

RATING AGENCY | **Moody's**

RATING | **A-**

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

Wrocław

Q3 2024

Existing stock
1.37m sq m

Supply
under construction
38,000 sq m

Vacancy rate
19.7%

New supply
32,000 sq m

Take-up
96,000 sq m

Standard lease terms in new buildings

Service charge
PLN/sq m/month
16.00-31.00

Rent-free period
1.5 month
for each contract year

Fit-out budget
EUR/sq m
450.00-550.00

Wrocław is the third-largest office market in Poland, following Warsaw and Krakow. The city offers 1.37m sq m of office space, which accounts for nearly 11% of Poland's total office stock.

Since the beginning of 2024, approximately 96,000 sq m of office space has been leased in Wrocław, with over 43,000 sq m rented in Q3 alone. This positions Wrocław second among regional cities in terms of leasing volume. However, high levels of new supply have driven an increase in the vacancy rate, which has reached 19.7%.

SUPPLY

In the first three quarters of 2024, Wrocław saw the completion of 32,000 sq m of office space, representing 42% of new supply across major markets outside of Warsaw. Additionally, three projects totalling over 38,000 sq m are currently under construction. If developers adhere to planned deadlines, new supply in 2024 is anticipated to reach nearly 55,000 sq m, the highest among regional cities.

Similar to other cities, the amount of office space under construction in Wrocław is declining and has fallen to its lowest level in over a decade.

TAKE-UP

Demand for office space in Wrocław remains strong. Between January and September 2024, tenants leased nearly 96,000 sq m of office space, the second-highest figure among regional cities, accounting for 19% of total transactions in these markets.

Lease renewals continue to dominate leasing volume, constituting over 58% of rented space during the first three quarters of 2024. However, new lease agreements also played a significant role, contributing 37% to the total leasing volume. Expansions decreased to 2% (down from nearly 5% in 2023), while owner-occupier leases made up the remaining 3%.

The IT sector continues to drive demand for office space in Wrocław. By the end of Q3 2024, IT companies accounted for 38% of the leased volume, solidifying Wrocław's status as one of the largest IT hubs in Poland.

VACANCY RATE

Despite the strong demand for leasing, the vacancy rate in Wrocław is rising, primarily due to the high volume of new supply. As of the end of September 2024, the vacancy rate stands at 19.7%, marking an increase of 1.5 pp compared to the previous quarter and 2.5 pp y-o-y.

RENTS

Q3 2024 saw asking rents in Wrocław remaining stable compared to the previous quarter, typically ranging from EUR 10.00 to 16.00/sq m/month. However, rents for premium spaces in newly constructed buildings may exceed this range. Service charges have also remained stable as of September 2024, generally falling within the range of PLN 16.00 to 31.00/sq m/month.

Office market in Poland

Q3 2024

Existing stock
13m sq m

New supply
(Q1-Q3 2024)
151,000 sq m

Take-up
(Q1-Q3 2024)
1m sq m

Supply under construction
497,000 sq m

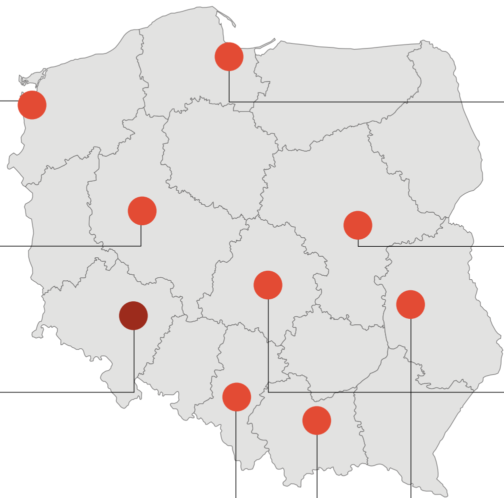
Vacancy rate
14.1%

SZCZECIN
187,000 sq m
6.8%
EUR 10-14.5

POZNAŃ
674,000 sq m
12.5%
EUR 11-15.5

WROCŁAW
1.37m sq m
19.7%
EUR 10-16

KATOWICE
752,000 sq m
20.5%
EUR 9-14.5



TRICITY
1.07m sq m
12.7%
EUR 11-15.5

WARSAW
6.26m sq m
10.7%
EUR 10-28

ŁÓDŹ
645,000 sq m
21.1%
EUR 9-15

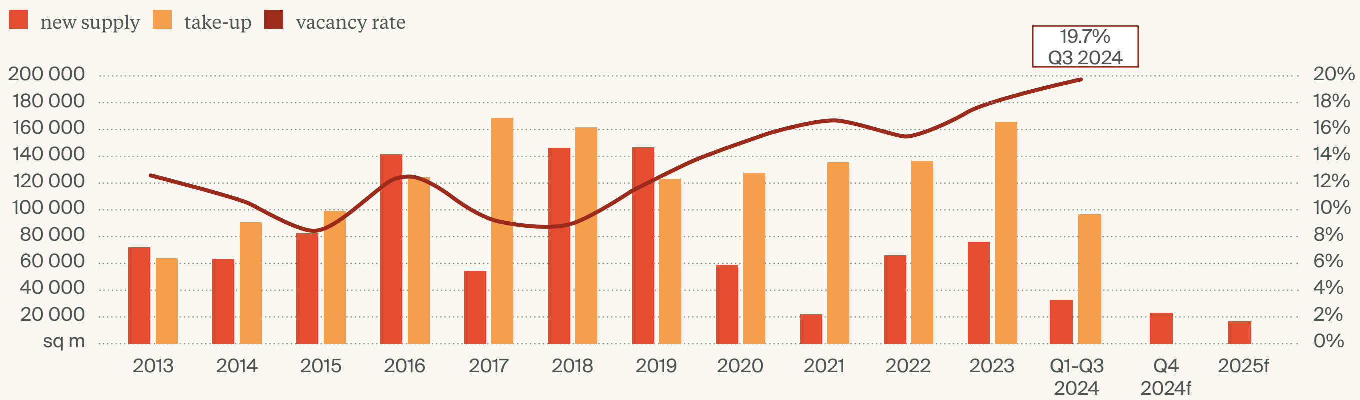
LUBLIN
221,000 sq m
12.6%
EUR 9-13

KRAKOW
1.82m sq m
18.9%
EUR 10-16

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

Source: Knight Frank

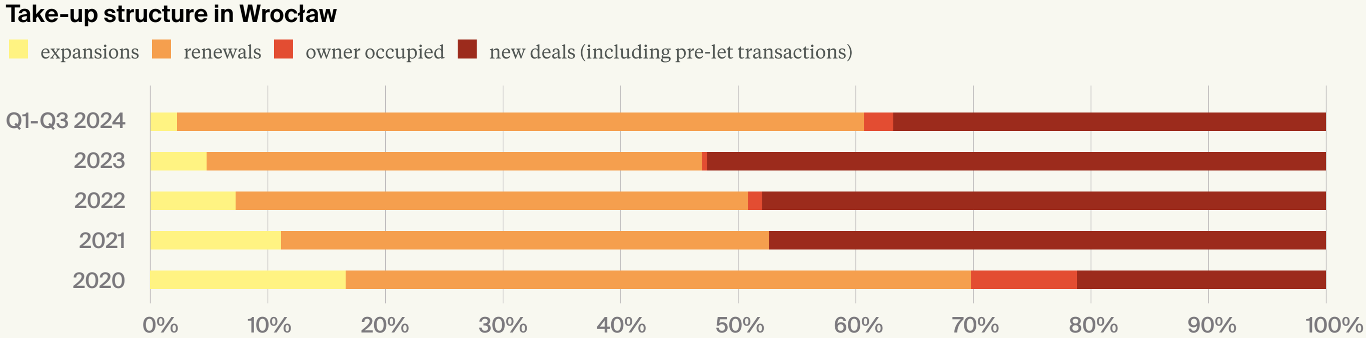
Annual new supply, take-up and vacancy rate in Wrocław



f-forecast based on schemes under construction

Source: Knight Frank

Take-up structure in Wrocław



Source: Knight Frank

Michael Page

Salary Guide 2025: Navigating the Changing Job Market

In 2025, the Polish job market will continue to undergo significant transformations. Global challenges such as social and political shifts, advancing digitalisation, demographic changes, increased competition for talent, and candidates' expectations are shaping pay and recruitment strategies across various sectors. In this context, "Salary Guide 2025" by Michael Page experts provides entrepreneurs, HR managers, and recruitment specialists with an in-depth analysis of trends and forecasts for the coming year.

Key Salary Trends for 2025

The year 2025 will bring several major changes impacting wages in Poland. The Michael Page salary report identifies the fastest-growing sectors and those facing wage-related challenges.

1. Growth in the IT and Technology Sector

The IT sector is experiencing changing recruitment trends. There is a shift away from hiring less experienced specialists and an increased focus on expert-level professionals, particularly in cybersecurity, AI, machine learning, and software development. These areas are seeing a rise in salary levels.

2. Candidates Expect More

Employees are increasingly looking for not only attractive salaries but also flexible working conditions, development opportunities, and values that align with their beliefs. Companies that fail to meet these expectations may struggle to attract and retain talent.

3. Rising Importance of Sustainability

In 2025 and the years that follow, the need for ESG managers in Poland will grow, driven by the CSRD (Corporate Sustainability Reporting Directive). By 2026, around 3,500 organisations will be required to report on ESG. As the ESG sector is relatively new in Poland, there is a limited pool of specialists available.

4. Increased Demand for Soft Skills and Multidisciplinarity

Expectations for candidates in finance and accounting sectors reflect current employer demands for experts across fields. Employers now require not only knowledge and experience but also agility in updating skills, the ability to identify and communicate business opportunities and risks, strong organisational understanding, data analysis and presentation skills, valuable business recommendations, and support for implementing them.

Take the opportunity to adapt your pay strategy and recruitment processes to the challenges you face. Ensure your company's success in a competitive job market.

Don't let job market changes catch you off guard. Utilise the expert insights from Michael Page's "Salary Guide 2025" – a leading authority in recruitment and HR consulting. Download the free report on our website and gain a competitive edge with the latest data and thorough trend analysis. Download "Salary Guide".

The ins and outs of the labour market in the IT sector

Changing trends with an emphasis on cybersecurity and AI

The IT sector is struggling with volatile recruitment patterns. It seems to be turning down specialists with little experience. That said, there is a clear growth of interest in employees at the expert level – especially in such areas as cybersecurity, AI, machine learning, and software development. Businesses are intensively looking for experts who can integrate AI into existing systems, and those who can secure their IT infrastructure against growing cyber threats.

Salary growth in key specialisations

Salaries in the IT sector remain stable; yet in AI, machine learning and cybersecurity, it is possible to see an increase in wages. Businesses are willing to pay more for skilled professionals in these fields.

Nearshoring centres and service migration

The creation of nearshoring centres and the relocation of IT services from Western Europe to Poland is becoming more and more a fact of life. Businesses looking for savings due to rising energy costs and falling margins in production decide to move their IT services to Poland. As a result, the number of recruitment processes in the IT sector in Poland will be going up. This is expected to happen in the fourth quarter of 2024.

Low-level job outflow

Along with the influx of new jobs, many entry-level jobs are migrating to countries such as India and the Philippines. Middle and senior specialists – especially in such areas as IT management, software engineering, and consulting – continue to find employment in Poland, which is due to the high quality of work of Polish consultants and the lack of appropriate competences on foreign markets.

Back to on-premises solutions

The cloud is no longer the only solution for IT companies. Due to high costs and the risk of vendor lock-in, companies are returning to on-premises solutions. FinOps managers will gain significance, and their job description will include effective management of cloud service costs.

The role of soft skills

Companies are increasingly valuing soft skills in candidates. Communication skills, teamwork and empathy are becoming as important as technical skills.

The importance of ethics at work

The younger generation of staff seem to be prioritising the values and ethics of the companies they work for. Candidates are increasingly choosing employers who act in accordance with their values, avoiding businesses from the industries that come across as unethical.

Cooperating with graduates of technical studies

The number of graduates of technical faculties of Polish universities remains at a high level, which ensures a constant inflow of new talent into the labour market.

TOP 3

Most desirable positions in the IT sector:

1. **SAP Consultant:**
   PLN 25,000 – 29,000
   gross monthly

2. **Security Engineer:**
   PLN 18,000 – 25,000
   gross monthly

3. **Cloud Engineer:**
   PLN 25,000 – 31,000
   gross monthly

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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, Krakow, Łódź, Poznań, Silesia, Tricity, Wrocław, Lublin, Szczecin) and PRS sector in Poland. Long-term presence in major local markets has allowed our research team to build in-depth expertise of socio-economic factors affecting real estate market in Poland.

Knight Frank Research Reports are available at:
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The Wroclaw 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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