Prepared in cooperation with

KATOWICE for a change

Michael Page

Knight Frank

KATOWICE

City attractiveness and office market

2021

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KATOWICE

FACTS & FIGURES

CITY AREA
164.7 sq m

POPULATION
Katowice: **270,277**
GZM **2.2m**

POPULATION FORECAST
261,050 (2030)

UNEMPLOYMENT RATE
1.8%

SHARE IN THE GENERATION OF GDP
11.6%
(Silesian Voivodeship)
(GUS, 2020)

GDP PER CAPITA
PLN 60,091
(Silesian Voivodeship)
(GUS, 2020)

AVERAGE SALARY
PLN 9,034.97
(gross)

INVESTMENT ATTRACTIVENESS

1. RANKINGS INDICATING THE INVESTMENT ATTRACTIVENESS OF THE CITY

5.

5th place in fDi European Cities and Regions **of the Future 2020/21 ranking among large European cities.**

7.

7th place **in global fDi's ranking fDi Tier 2 Cities of the Future 2020/21.**

According to the report **„Investment potential of Katowice"**, as part of the Business Environment Assessment Study, Katowice is included in the top four of the most advantageous areas for foreign investments in several categories.

RATING	A-	RATING AGENCY	Fitch

QUALITY OF LIFE

2. RANKINGS ON THE QUALITY OF LIFE IN THE CITY

KATOWICE - EUROPEAN CITY OF SCIENCE 2024

1.

1st in the Forbes Ranking **for the most ecological city in Poland** (2018-2019).

1.

1st place **for activities for air quality** in the **„Europolis" report: Green cities, Polish cities for the climate, environment and residents health by Polish Schuman and Adenauer Foundation.**

2.

2nd place in the „Electromobility Cities Ranking" prepared by Polityka Insight in cooperation with the Electric Vehicles Promotion Foundation. Katowice was also appreciated for public transport and clean air.

2.

2nd place in Green Cities Ranking in **„Europolis" report: Green cities, Polish cities for the climate, environment and residents health by Polish Schuman and Adenauer Foundation.**

Katowice was among the winners of the jubilee edition of the prestigious **„Top Municipal Investments of the Decade"** plebiscite - the **Culture Zone** was awarded. Additionally, in this year's edition of the competition, the project of swimming pools construction located in districs was awarded.

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

The most important infrastructure projects in Katowice currently under construction

- Reconstruction of Dworcowa St. and Tylna Mariacka St. (planned budget – PLN 41,547,704).
- Bicycle infrastructure in Katowice (planned budget – PLN 54,858,899).
- Construction of the city stadium in Katowice (planned budget - PLN 245m).
- Extension of national road no. 1 from the junction of the A4 motorway - road no. 86 to the junction under construction at Armia Krajowa St. - Stage I (planned budget - PLN 331,866,140).
- Construction of a new tram line along Grundmanna St. - the first new tram line in 74 years in Katowice - 1,900 m of a single track with parts of trackways at the junction of the new route with the lines running along Gliwicka St. and Chorzowska St. The section of the double-track line along Grudmanna St. is just over 600 m.
- Revitalization of Dolina Pięciu Stawów (preparation of documentation: PLN 2,661,439).
- „District of New Technologies in Katowice" - an initiative to create the Katowice Gaming and Technology Hub. The planned office and technology complex is to serve as an educational place and a design centre for technological needs. In practice, it will become the main offices of high technology companies, in particular the computer games and e-sports industry. For the purposes of the project, the area around the Pułaski Shaft, which is part of the shutdown „Wieczorek" mine, will be developed. The investment will be the next stage in the revitalisation of the Nikiszowiec district.
- Katowice was the first city in Poland to introduce the „Low-Emission Economy Plan". The implementation of the plan contributes to the improvement of air quality and energy security.
- Development of ecological public transport and a network of city bikes:
  - 20 electric buses;
  - 144 charging points for electric cars (68 stations);
  - City by bike - 107 bicycle stations with 866 bicycles, over 183 km of bicycle infrastructure;
  - 4 integrated transfer hubs, including 3 in the park&ride formula, with over 1,100 parking spaces.
- AWAIR - the largest air condition monitoring system in Poland, consists of 127 sensors installed throughout the city and 154 screens which present the concentrations of PM10 and PM2.5 particulate matter concentration.
- PLN 59.7m co-financing of the replacement of 7,440 non-ecological heat sources. PLN 7.7m co-financing of the installation of 1,360 renewable energy sources.
- A project to build 25 underground rainwater retention reservoirs with a total capacity of over 11,000 cubic metres, 17 of which have already been completed.
- „Good climate" is an initiative of the city of Katowice, which was created on the occasion with the organization of the COP24 climate summit in December 2018. Currently, the profile is run by employees of the Energy Management Office, who post information on the broadly understood climate and its protection.
- Green Budget - in the current edition of the budget 89 projects worth close to PLN 2.8m will be implemented.
- The "Przywróćmy światu Staw Kozubek! Dla Osiedla Witosa, Załęża i całych Katowic" project (planned budget - PLN 1.8m), involving the revitalisation of the Kozubek Pond and landscaping of the surrounding green recreation area at the former Kleofas Mine.

BIKE PATHS
183 km (2021)

GREEN AREAS
82 sq km

FACTS & FIGURES

NUMBER OF STUDENTS	NUMBER OF GRADUATES	NUMBER OF UNIVERSITIES	AIRPORT – DISTANCE TO THE CITY CENTRE	AIRPORT – NUMBER OF PASSENGERS	BSS SECTOR – NUMBER OF CENTRES	BSS SECTOR – NUMBER OF EMPLOYED
Katowice: **52,476** GZM: **85,655**	Katowice: **13,764** GZM: **22,757**	Katowice: **11** GZM: **18**	**30 km**	**2,328,973** (2021) **4,843,889** (2019)	Katowice: **96** GZM: **120**	Katowice: **22,900** GZM: **27,500**

GZM - Górnośląsko-Zagłębiowska Metropolia (The Metropolis consists of Katowice together with 40 other cities and communes)

RATING	A-	RATING AGENCY	Fitch

OFFICE MARKET

KATOWICE

Q4 2021

EXISTING STOCK	SUPPLY UNDER CONSTRUCTION	VACANCY RATE	NEW SUPPLY (2021)	TAKE-UP (2021)
603,000 sq m	210,000 sq m	10.5%	13,500 sq m	53,400 sq m

At the end of 2021, total stock in Katowice reached almost 603,000 sq m, crossing another symbolic threshold. Last year, four projects were delivered to the market, increasing the offer available to the local office market by less than 13,500 sq m. The largest completed investment in 2021 was Kolońska Park with an area of 7,900 sq m.

In Katowice, very high developer activity was maintained, relative to the scale of the local market. Almost 210,000 sq m is under construction, with the largest projects scheduled for completion in 2022. At the end of 2021, the largest projects under construction were Global Office Park A1 and A2 with an area of 56,000 sq m (Cavatina Holding), and .KTW II (42,000 sq m, TDJ Estate).

The activity of developers on the Katowice market shows no sign of weakening, although on the take-up side the effects of the pandemic are clearly visible. Over 53,000 sq m was subject to lease - a decrease of 18% on 2020's transaction volume. Almost half of the contracts concluded in 2021 are renewals (23,150 sq m), with new contracts accounting for almost 38% (of which 14.6% were pre-lets). A positive signal is the relatively large share of expansions in the transaction structure - some 19% of the total take-up.

At the end of December 2021, the vacancy rate stood at 10.5%, 0.4 pp. higher than in Q3 2021 and 1.6 pp. above 2020's corresponding figure. This stemmed from continued weakened tenant activity. It is, however, the second lowest result among the largest regional cities in Poland, behind Szczecin.

Asking rents in Katowice at the end of 2021 ranged from EUR 8.00 to EUR 14.50 / sq m / month. The high availability of office space and still limited demand, suggest tenants will take an interest in renegotiating rent rates and seeking incentive packages. On the other hand, rising construction costs (an increase in building material prices and labour costs), coupled with an increase in construction loan costs, may limit investor openness towards lease negotiations, especially in new buildings. In all projects, however, an increase in service charges is to be expected, due to the ongoing increases in the price of services and cost of utilities.

SELECTED SCHEMES UNDER CONSTRUCTION

Scheme	Total office space	Completion date	Developer / Owner
GLOBAL OFFICE PARK A1, A2	56,000 sq m	Q2 2022	Cavatina Holding
CRAFT	26,700 sq m	Q2 2023	Ghelamco Poland
ECO CITY KATOWICE I&II	18,000 sq m	Q1 2023	GPP
CARBON OFFICE	8,450 sq m	Q1 2022	Opal Maksimum
.KTW II	42,000 sq m	Q1 2022	TDJ Estate
DL TOWER	10,800 sq m	Q2 2022	DL Invest Group

Total office space | Completion date | Developer / Owner

STANDARD LEASE TERMS IN LARGE SCALE, NEW BUILDINGS

SERVICE CHARGE PLN/SQ M/MONTH	RENT-FREE MONTHS	FIT-OUT BUDGET EUR/SQ M
16-20	5-8 months	300-450

COWORKING OPERATORS IN KATOWICE:

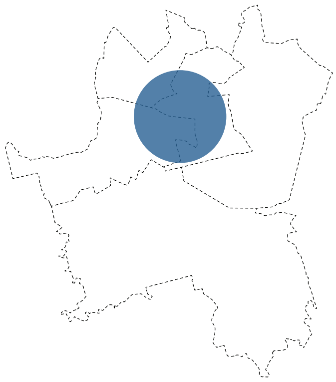
City Space

Regus

Własne B.

MAJOR OFFICE CONCENTRATION AREAS

	EXISTING STOCK	SUPPLY UNDER CONSTRUCTION	VACANCY RATE	MONTHLY ASKING RENT
CITY CENTRE	262,100 sq m	127,800 sq m	8.9%	EUR 8-14.5/sq m
OUTSIDE CITY CENTRE	340,800 sq m	82,100 sq m	11.7%	EUR 8-14/ sq m



MAJOR REGIONAL CITIES

KRAKÓW, WROCŁAW, TRICITY, POZNAŃ, KATOWICE, ŁÓDŹ

Q4 2021

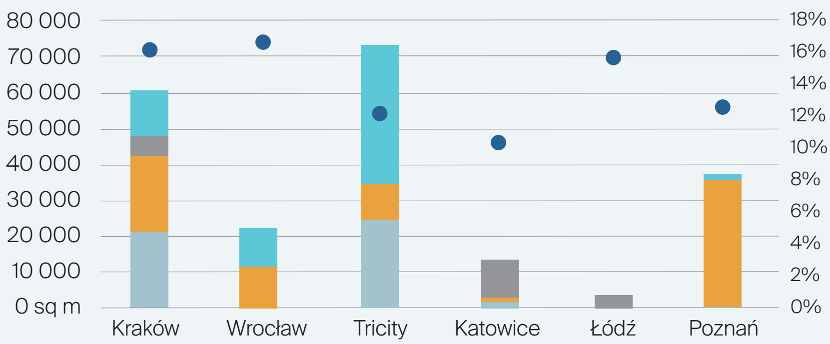
6.04m sq m	226,300 sq m	594,500 sq m	910,000 sq m	853,650 sq m
EXISTING STOCK	NEW SUPPLY (2021)	TAKE-UP (2021)	SUPPLY UNDER CONSTRUCTION	AVAILABLE SPACE

KATOWICE COMPARED TO MAJOR REGIONAL CITIES

Although Katowice is a smaller scale office market than the leading regional business hubs, recent years have seen dynamic development in the city. This potential has been noticed by developers, who had previously focused on the largest office markets. As a result, there is currently approx. 210,000 sq m under construction in Katowice, the vast majority of which will be delivered to the market in 2022, giving a wide selection of A-class space to potential tenants.

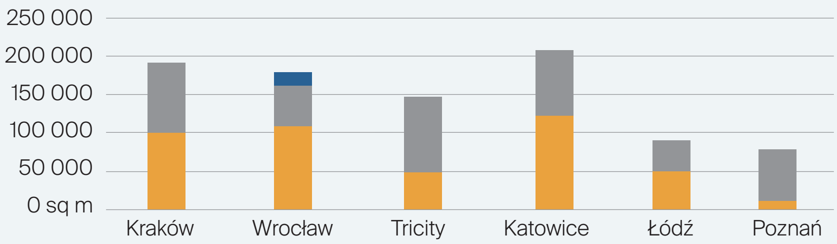
NEW SUPPLY AND VACANCY RATE (2021)

Q1 2021 Q2 2021 Q3 2021 Q4 2021 vacancy rate



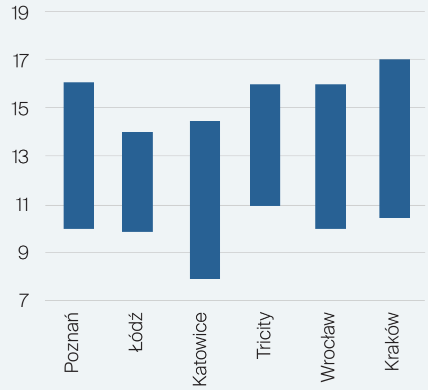
SUPPLY UNDER CONSTRUCTION BY COMPLETION YEAR (2021)

2022 2023 2025



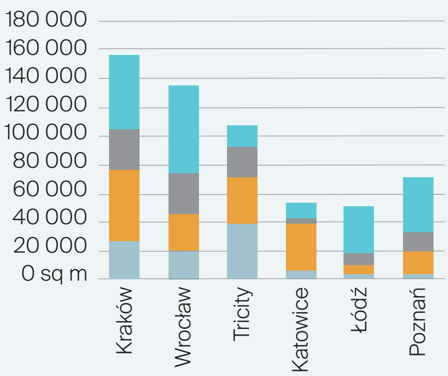
ASKING RENTS (Q4 2021)

(EUR/sq m/month)



TAKE-UP VOLUME (2021)

Q1 2021 Q2 2021 Q3 2021
Q4 2021



POLAND

FP&A – SPECIALISTS AND MANAGERS

It looks like Financial Planning and Analysis (FP&A) is becoming one of the most popular financial functions currently placed in business centres on a massive scale. Once the accounting functions have proved their undeniable quality and effectiveness, companies have started looking for the same assets in financial analysis, planning and broadly understood controlling – apparently with outstanding results. Here, gross monthly wages of specialists start at PLN 11,000 and tend to go up to PLN 15,000–16,000, while managers can expect as much as PLN 17,000–25,000. What is more, additional benefits seem to be more and more a stock-in-trade of modern businesses with company cars for the managerial staff becoming common practice.

AVERAGE SALARY:

SPECIALIST	MANAGER
PLN 11,000 - 15,000 gross	**PLN 17,000 - 25,000 gross**

CUSTOMER SERVICE – ONE OF THE MOST "CAPACIOUS" FUNCTIONS PLACED IN BUSINESS CENTRES ACROSS POLAND

Customer service has become to a much lesser extent than before a simple "call centre" that solves the basic problems of customers, or the staff of the parent company. These days, it is more and more often geared towards advanced roles that revolve around the sale of products and services or its support, after-sales service, or second or third customer support lines tasked with the handling of more complex matters. Here, the wages of specialists are strongly correlated with the level of the required foreign language, which in a vast majority of cases makes them "language-dependent" roles. This means that the core competence actually lies in an excellent command of the language of the country or region where a person is going to work. Experienced candidates can expect a monthly salary ranging from PLN 7,000 gross (for those who know English only) to PLN 9,000–10,000 (for those who know other Western European languages, such as German, Italian, French, Spanish, as well as Scandinavian languages), or even all the way up to PLN 11,000–12,000 in the case of extremely niche languages – though gaining more and more popularity – such as Chinese, Arabic, or Hebrew.

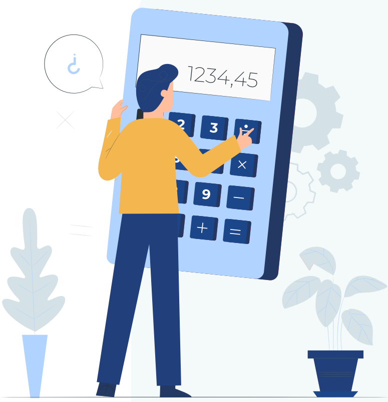
AVERAGE SALARY:

SPECIALIST WITH ENGLISH LANGUAGE
PLN 7,000 - 9,000 gross

SPECIALIST WITH A WESTERN EUROPEAN LANGUAGE
PLN 9,000 - 10,000 gross

SPECIALIST WITH A NICHE LANGUAGE
PLN 11,000 - 12,000 gross

TAXES AND REPORTING



Accounting done in business centres no longer rests on plain transaction roles, which increasingly more often end up in Asian SSCs nowadays, but above all on such areas as intercompany, statutory, tax, compliance, or reporting. The successful centralisation of these functions has encouraged more and more companies to include this service in the portfolio of the services provided in the business centre, and to further penetrate this area within the already existing structures. In fact, these roles are often not dependent on the knowledge of foreign languages other than English, which allows you to recruit excellent specialists who can still be found in rather satisfying numbers on the Polish job market. Monthly wages in this sector start from PLN 8,000 gross for those with basic experience and can reach PLN 14,000–15,000 gross for accomplished experts with extensive expertise and additional certifications.

AVERAGE SALARY:

JUNIOR
PLN 8,000 gross

SPECIALIST
PLN 14,000 - 15,000 gross

The source of the salaries and information presented is internal Michael Page data obtained during 2021 recruitment interviews with candidates and employers.

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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, 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.

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KATOWICE
for a change

INVESTORS ASSISTANCE DEPARTMENT
www.invest.katowice.eu
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Investors Assistance Department is a dedicated unit of the Katowice City Hall, which provides comprehensive services: from supporting business services investors, residential and commercial developers, to creating a friendly environment for start-up and the SMEs sector. Investors Assistance Department focuses on providing solutions customized to the needs of investment projects. Thanks to a wide range of innovative products an experienced team of experts supports investors in achieving their business goals in Katowice and in gaining and maintaining a competitive advantage.

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