

# Office market



Prepared  
in cooperation with



**KATOWICE**  
for a change

Michael Page

Q1 2023

City attractiveness, office market, HR trends

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## ***Katowice***

# Katowice

-  **City area**  
**164.7 sq km**
-  **Population**  
**281,400** (Katowice)  
**2,279,600** (GZM)  
(02.2023, Statistics Poland)
-  **Population forecast**  
**261,050**  
(2030, Katowice)
-  **Unemployment rate**  
**1.4%**  
(02.2023, Statistics Poland)
-  **GDP growth**  
**4.7%**
-  **PKB per capita**  
**PLN 71,400**
-  **Average salary (gross)**  
**PLN 7,709.03**  
(in the business sector, 01.2023)



## Investment attractiveness

Rankings

**6<sup>TH</sup> PLACE** in the **"Top 10 Large European Cities of the Future 2023 - fDi Strategy"** ranking - attracting foreign direct investment (fDi Intelligence)

**1<sup>ST</sup> PLACE** in the ranking of **Business-Friendly Cities** of "Forbes" - cities and municipalities of 150,000 -299,000 inhabitants

**3<sup>RD</sup> PLACE** in the **"Polish Cities of the Future 2050"** ranking - in the sub-ranking of office, residential and "after hours" and **1<sup>ST</sup> place in the school category**

**TITLE:** **"European City of Science" 2024**  
awarded by EuroScience Association

## Investment incentives

The Investor Assistance Department is a special unit in the Katowice City Hall. It provides various services ranging from supporting investors who create business service centres, developers of the residential space, hotels and offices, to creating an ecosystem for start-ups and a friendly environment for the SME sector.

Providing investors with support based on their individual expectations and requirements: preparing market analyses, information on investment locations, offering image-building assistance, organising investors' visits, coordinating cooperation with universities, etc.

Katowice Special Economic Zone - the best in Europe and one of the best in the world (fDi Intelligence), offering income tax exemptions.

The opportunity to join the structured educational projects to support talent development in the city: P-TECH, Corporate Readiness Certificate (CRC).

A chance to invest inside a centre that has been implementing sustainable development policies based on Agenda 2030, UN.

## Quality of life

Rankings

**1<sup>ST</sup> PLACE** in Business Insider's ranking - **Best city to live**

**2<sup>ND</sup> PLACE** in the "Europolis" ranking of the Schuman Foundation for **the most ecological Polish cities**

**1<sup>ST</sup> PLACE** for the **Culture Zone** in the "Top Municipal Investment of the Decade" poll of Portal Samorządowy

**2<sup>ND</sup> PLACE** in **"Electromobile Cities Ranking"** by Polityka Insight


**6<sup>TH</sup> PLACE** in Poland among cities with more than 100,000 residents in terms of **quality of life** assessment in the "Newsweek" ranking

**2<sup>ND</sup> PLACE** in the "Rzeczpospolita" **Local Government Ranking**

## Quality of life in numbers

- Green urban transportation: 20 electric buses, 147 EV charging points, 69 charging stations.
- Rebuilding two DK 81 interchanges (two investments worth almost PLN 400m in Piotrowice and Giszowice separated local traffic from transit traffic).
- Construction of a new tramway.
- Katowice Intelligent Transportation System - system of adjusting traffic lights to the current traffic volume - PLN 85m (PLN 67m comes from EU funding).
- New technology districts: Katowice gaming and technology HUB and development of the Poniatoski mining shaft area (stage 4) - PLN 26.9m (documentation), implementation of the investment is worth over PLN 600m.
- Construction of a photovoltaic farm - PLN 5.7m.
- Construction of municipal stadium in Katowice - PLN 286m.
- Construction of the Jerzy Kukuczka Himalayan Centre - PLN 2.9m - documentation.
- Katowice "Kilar's House" Music Education Centre - PLN 17.8m.
- Witos' Cultural Center and park - PLN 28.6m.
- Improvement of the quality of life of residents in urban areas through construction and modernisation of city parks in Katowice (PLN 48.6m), including greening of Warszawska Street (PLN 18m), greening of Plac Sejmu Śląskiego (PLN 5.2m).
- Development of the area around the Starganiec pond - PLN 7.2m.
- Katowice Resident Card - 103,943 active cards.
- Participatory Budgeting - over PLN 20m and Green Budget - PLN 3m.
- Implementation of the 17 UN Sustainable Development Goals.
- Expansion of the Karol Miarka Elementary School No 21 with Integrative Branches in Katowice - PLN 26.6m.

 **Bike paths**  
**185 km**






 **Green areas**  
**50%** of the city's area

## Facts & Figures

-  **Number of students**  
**50,864** (Katowice)  
**89,907** (GZM)
-  **Number of graduates**  
**12,410** (Katowice)  
**22,002** (GZM)
-  **Number of universities**  
**11** (Katowice)  
**18** (GZM)
-  **Airport - distance to the City centre**  
**30 km**
-  **Airport - number of passengers**  
**4,419,090** (2022)
-  **BSS sector - number of centres**  
**96** (Katowice)  
**126** (GZM)
-  **BSS sector - number of employed**  
**24,400** (Katowice)  
**29,700** (GZM)

# Katowice

Q1 2023

-  Existing stock **725,800 sq m**
-  Supply under construction **99,300 sq m**
-  Vacancy rate **17.1%**
-  New supply **0 sq m**
-  Take-up **19,200 sq m**

At the end of Q1 2023, Katowice's stock of office space reached 725,800 sq m. From January to March 2023, no new office buildings were completed, although it should be noted that last year saw a record level of new office space coming to the market.

Developers remain active, however, and at the end of March 2023 some 99,300 sq m of office space was under construction, the second highest level among regional cities. In the coming quarters of 2023, more than 75% of the space under construction is expected to be delivered to the Katowice office market. The largest projects under construction are the Craft building (26,700 sq m, Ghelamco Poland) and the Eco City Katowice complex (18,000 sq m, Górnośląski Park Przemysłowy). Both investments are due to be delivered to the Katowice market later this year.

In Q1 2023, tenants in the Katowice office market were much more active than in the previous quarter. From January to March 2023, the volume of office transactions was more than double that of Q4 2022, reaching almost 19,200 sq m. However, compared to the corresponding quarter of 2022, demand for office space was some 35% lower.

The majority of contracts concluded between January and March 2023 were renegotiations (over 8,600 sq m, 45% of the total volume). New contracts amounted to 29% of total demand, with expansions making up 26% of the share.




Due to the lack of new supply and a relatively good quarter on the demand side, the vacancy rate remained at the same level as in December 2022 and stood at 17.1%, meaning that over 124,300 sq m of office space was available immediately for rent.

Asking rents in Katowice at the end of Q1 2023 remain stable, ranging from EUR 8.00 to EUR 15.00 per sq m per month. Continuing high construction costs, along with the still high cost of servicing construction loans, are inhibiting the negotiating power of investors, making further increases in rents a possibility, particularly in new buildings. At the same time, due to the rising costs of utilities and services, an increase in service charges is also noticeable. At the end of March 2023 in Katowice they ranged from PLN 14.00 to PLN 28.00/sq m/month.













## Coworking operators in Katowice

City Space | Regus  
Własne B. | Cluster Offices

## Standard lease terms in new buildings



-  Service charge PLN/sq m/month **14.00-28.00**
-  Rent-free period **1-1.5 month** for each contract year
-  Fit-out budget EUR/sq m **350.00-500.00**

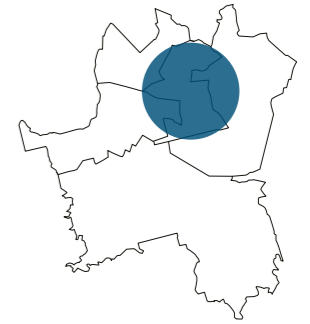
## Selected schemes under construction

CRAFT	CROSS OFFICE	ECO CITY KATOWICE
 26,700 sq m	 8,800 sq m	 18,000 sq m
 Q2 2023	 2023/2024	 Q4 2023
 Ghelamco Poland	 Opal	 GPP
 Total office space	 Completion date	 Developer / Owner

## Office space

Major concentration areas

	EXISTING STOCK	SUPPLY UNDER CONSTRUCTION	VACANCY RATE	MONTHLY ASKING RENT
 City Centre	369,400 sq m	69,700 sq m	16.7%	EUR 8-15 sq m
 Outside City Centre	356,400 sq m	29,600 sq m	17.6%	EUR 8-13.5 sq m



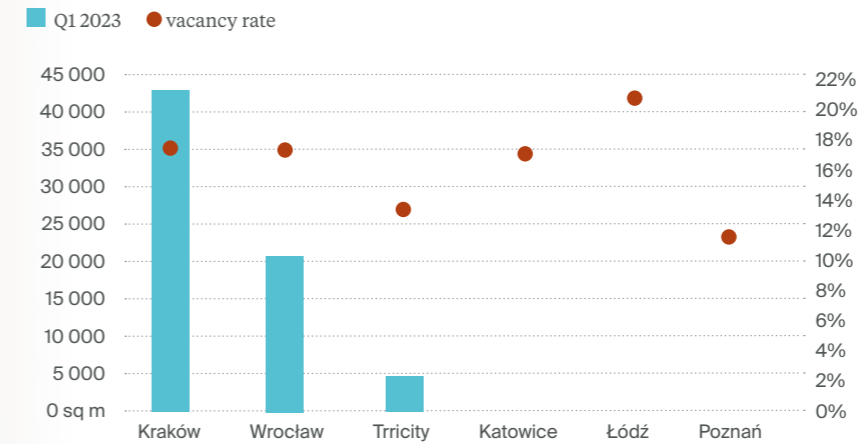
## Major regional cities

Q1 2023

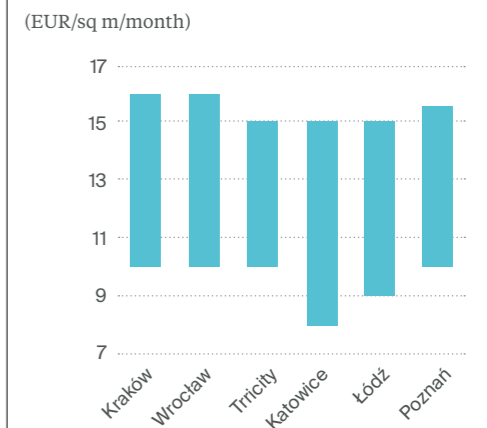
Kraków, Wrocław, Tricity, Katowice, Łódź, Poznań, Szczecin, Lublin



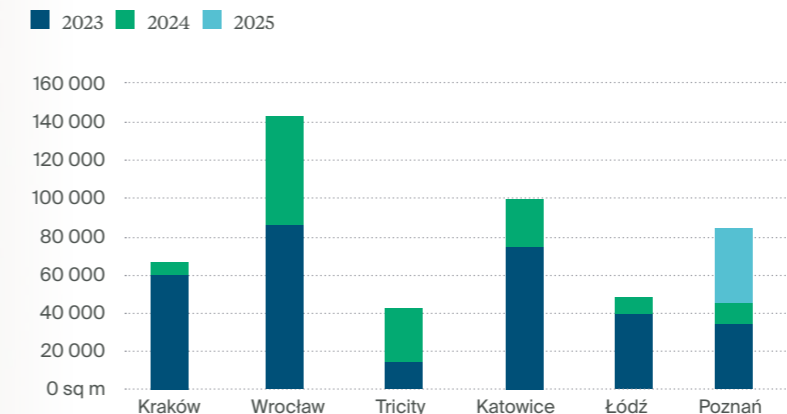
### New supply and vacancy rate (Q1 2023)



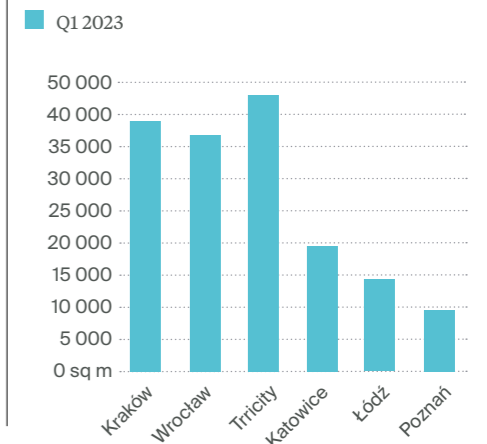
### Asking rents (Q1 2023)



### Supply under construction by completion year (Q1 2023)



### Take-up volume



# Promotion – is this what employees desire most?

An overwhelming 92% of employees who participated in Michael Page survey said that promotions were either “very important” or “important” to them. Indeed, 23% said they would consider resigning if they did not receive an expected promotion. Therefore, today’s employees are ambitious, and ready for career growth.

## Why do employees want to be promoted?

Even though a higher salary is the most important factor for employees when assessing a promotion, it is not their only motivation. 9 in 10 respondents consider having more responsibilities and accessing advanced training as crucial incentives when pursuing a promotion. Public recognition (internal and/or external communications announcing the employee’s new status) was also listed as an important promotion perk. Recognition is seemingly more important for older employees, with 73% of over-45s naming it as a critical factor.

## Who should make the first move?

The survey conducted by Michael Page also revealed that the majority of employees have never asked for a promotion, with almost half (45%) believing that it’s their manager’s responsibility to raise the subject. Employers should consider that some talented employees may not ask for a promotion, for example, due to lack of confidence, and employees should train themselves in the art of asking for a promotion or negotiating a salary raise.

Candidates considered access to advanced training as one of the most desirable promotion perks. However, according to the study, only 14% of companies provide regular training and 67% of respondents lacked a mentor who would guide them and give career advice. Therefore, employers who offer skill development programs, mentoring, and transparency around promotion criteria will have a greater chance of attracting and retaining talent.



## THE INS AND OUTS OF THE IT-BASED LABOUR MARKET

in Poland

Recent years have been marked by an unprecedented pace of changes and developments, both social and business ones. Global companies have focused on transitions related to digitization and process improvement. Poland is among the beneficiaries of these developments as in the 21<sup>st</sup> century it has confirmed its attractiveness for investors, mainly due to a rich pool of talents and skills of Polish job candidates.

### Here are the top 5 IT trends that set the trajectory for changes in the labour market in 2023:

#### Four-day working week

The issue of the four-day working week is gaining currency, in particular in the IT sector. Probably this year, measures similar to those already implemented in the UK, Spain, or Belgium will be introduced in Poland as well.

#### BIG DATA

In 2023, it is expected that the demand for competences required to work with big data will grow further. The trend has been consolidated along with the development of AI products and companies’ move towards decision-making based on real-time data.

#### Attacks in cyberspace

This year, the demand for IT Security Analysts is expected to increase further, with Identity and Access Management Specialists (IAM) representing the vacancies which will be the hardest to fill.

#### New positions in the structure

Already in 2022, it was observed that some roles were created without any standard scope of responsibility. New challenges which companies and organizations have been facing do not often fit into the scope of duties defined for positions known until now, and more and more jobs are offered with non-standard



responsibilities. The same tendency is expected to persist in 2023, as exemplified by an increased demand for the position of Enterprise Architect.

#### Digitization of companies

Digitization of processes is yet another distinct trend in the IT industry. Recruitments are most often done in SAP and MS Dynamics, in each module, both for the positions of In-House Functional Consultants and ERP Developers. In the field of digital transition, the hardest vacancies to fill include:

1. SAP EWM Consultant;
2. SAP QM Consultant;
3. MS Dynamics F&O Senior Consultant (Manufacturing/ Logistics).

## TOP 3

### The most desired positions in the IT sector:

- |   |   |   |
|---|---|---|
| <p><b>1</b> ▶ <b>IT Project Manager:</b><br/><b>PLN 19,000 – 23,000</b><br/>gross/monthly</p> | <p><b>2</b> ▶ <b>SAP Consultant (different modules):</b><br/><b>PLN 21,000 – 25,000</b><br/>gross/monthly</p> | <p><b>3</b> ▶ <b>Java Developer – Mid (3-4 years of experience):</b><br/><b>PLN 16,000 – 23,000</b><br/>gross/monthly</p> |
|---|---|---|

## Contacts

in Poland

+48 22 596 50 50  
[www.KnightFrank.com.pl](http://www.KnightFrank.com.pl)

**RESEARCH**  
Elżbieta Czerpak  
[elzbieta.czerpak@pl.knightfrank.com](mailto:elzbieta.czerpak@pl.knightfrank.com)

**COMMERCIAL AGENCY - KATOWICE**  
Iwona Kalaga  
[iwona.kalaga@pl.knightfrank.com](mailto:iwona.kalaga@pl.knightfrank.com)

**CAPITAL MARKETS**  
Krzysztof Cipiur  
[krzysztof.cipiur@pl.knightfrank.com](mailto:krzysztof.cipiur@pl.knightfrank.com)

**VALUATION & ADVISORY**  
Małgorzata Krzystek  
[malgorzata.krzystek@pl.knightfrank.com](mailto:malgorzata.krzystek@pl.knightfrank.com)

**STRATEGIC CONSULTING EMEA**  
Marta Sobieszczak  
[marta.sobieszczak@pl.knightfrank.com](mailto:marta.sobieszczak@pl.knightfrank.com)

**INDUSTRIAL AGENCY**  
Michał Kozdrój  
[michal.kozdroj@pl.knightfrank.com](mailto:michal.kozdroj@pl.knightfrank.com)

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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.

**Michael Page**

**CONTACT:**  
[www.michaelpage.pl](http://www.michaelpage.pl)  
[contact@michaelpage.pl](mailto:contact@michaelpage.pl)