

Strong cities



City attractiveness, office market, HR trends

Q1 2025

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

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Katowice

Prepared
in cooperation with



KATOWICE
for a change

Michael Page

Katowice



City area
164.7 sq km



Population
278,100
(Katowice, GUS 06.2024)
2,128,034
(GZM, InfoGZM 2023)



Population forecast
261,050
(2030)



Unemployment rate
1.2%
(02.2025, GUS)



GDP growth
18.0%



PKB per capita
PLN 85,131



Average salary (gross)
PLN 11,644.87
(in the business sector,
02.2025, GUS)

Investment attractiveness

Rankings

9TH
PLACE

in the **"Top 10 Large European Cities of the Future 2025 – fDi Strategy"** City's strategy for attracting foreign direct investment (fDi Intelligence)

2ND
PLACE

in the ranking of **Business-Friendly Cities** of "Forbes" - cities and municipalities of 150,000 - 299,000 inhabitants

3RD
PLACE

in the **"Polish Cities of the Future 2050"** ranking - in the sub-ranking of office, residential and "after hours" and **1st place in the school category**

TITLE:

"European City of Science" 2024
awarded by EuroScience Association

CERTIFICATE:

"Standards of Investor Service in Local Government"

Investment incentives

The Investors 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.

Structured educational projects to support the development of talent in the city from secondary school to higher education: FUJITSU-Tech, KYNDRYL Future Achievers, 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

4RD **PLACE** in Business Insider's ranking
- **Best city to live**

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

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

2ND **PLACE** in **"Electromobile Cities Ranking"** by Polityka Insight

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

silver award for sustainable development, in the category of cities with more than 400,000 daily population, in The International Awards for Liveable Communities LivCom Awards 2023

Quality of life in numbers

- Implementation of the 17 UN Sustainable Development Goals and the goals of the City Development Strategy.
- Katowice 2030 – fair transformation, climate change and equity.
- Green urban transport: 28 electric buses, 22 hybrid buses and 8 CNG buses; 197 EV charging points for electric cars.
- Katowice Resident Card – 145,842 active cards.
- Participatory Budgeting – over PLN 20m, including the Green Budget – PLN 3m.

Selected investment projects in progress:

- District of New Technologies – Katowice Gaming and Technology HUB – PLN 630m.
- District of New Technologies – development of the Poniatowski mining shaft area, stage 6 (documentation) – PLN 2.7m.
- Construction of the Jerzy Kukuczka Himalayan Centre – PLN 82.8m.
- Katowice Integrated Transfer Hub System – "Św. Jana" hub – PLN 7.4m.
- Katowice Integrated Transfer Hub System – "Kostuchna" hub – PLN 74.6m.
- Katowice "Kilar's House" Music Education Centre and a permanent exhibition – PLN 22.1m.
- Restoration of the wooden Church of St. Michael the Archangel in Kościuszeko Park – construction and conservation works – PLN 10.8m.
- Modernisation of infrastructure at the Muchowiec Airport – completion of runway construction – PLN 18.2m.



Length of cycling infrastructure
206.35 km



Green areas
50%
of the city's area

Facts & Figures



Number of students
50,123 (Katowice)
92,522 (GZM)



Number of graduates
12,173 (Katowice)
22,901 (GZM)



Number of universities
12 (Katowice)
19 (GZM)



Airport - distance to the city centre
30 km



Airport - number of passengers
6.38m (2024)



BSS sector - number of centres
105 (Katowice)
140 (GZM)



BSS sector - number of employed
26,600 (Katowice)
33,400 (GZM)

Katowice

Q1 2025



Existing stock
● **772,000 sq m**



Supply under construction
↓ **34,000 sq m**



Vacancy rate
↓ **21.1%**



New supply
↓ **0 sq m**



Take-up
↑ **18,000 sq m**

Coworking operators in Katowice

City Space | Regus
Własne B. | Cluster Offices

Standard lease terms in new buildings



Service charge
PLN/sq m/month
14.00-26.00



Rent-free period
1-1.5 month
for each contract year



Fit-out budget
EUR/sq m
350.00-500.00

► Katowice ranks as the fourth largest regional office market in Poland, with stock exceeding 772,000 sq m, accounting for nearly 6% of the country's total office space.

In Q1 2025, take-up for office leasing increased by 14% compared to the previous quarter, reaching over 18,000 sq m. The absence of new supply coupled with stable demand has resulted in a significant decrease in the vacancy rate, which currently stands at 21.1%.

SUPPLY

At the end of Q1 2025, the total modern office stock in Katowice exceeded 772,000 sq m. No new office completions were recorded during the first quarter, which reflects the currently limited level of developer activity in the market. Nevertheless, approximately 34,000 sq m of office space remains under construction across four projects. The largest of these is the Eco City Katowice complex, a development by Górnośląski Park Przemysłowy, which will deliver 18,000 sq m of leasable space upon completion.

TAKE-UP

Demand for office space in Katowice is on the rise. In Q1 2025, over 18,000 sq m of office space were leased in the city, indicating a 14% increase compared to the previous quarter and a substantial 60% growth compared to the same period of the preceding year.

In Q1 2025 new lease agreements constituted a significant 68% of the total volume, reflecting a growing tenant interest in new locations and a desire to improve lease terms. Renegotiations accounted for 27% of the leased space, while expansions represented the remaining 5% of the volume.

Demand for office space in Katowice in Q1 2025 was primarily driven by the IT sector, which accounted for approximately 43% of total leasing activity during the period.

VACANCY RATE

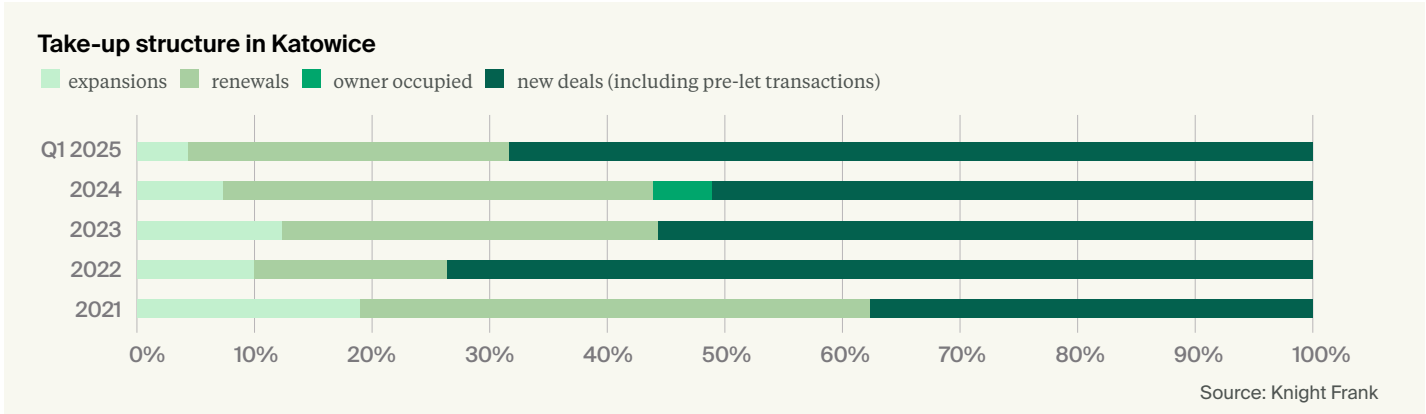
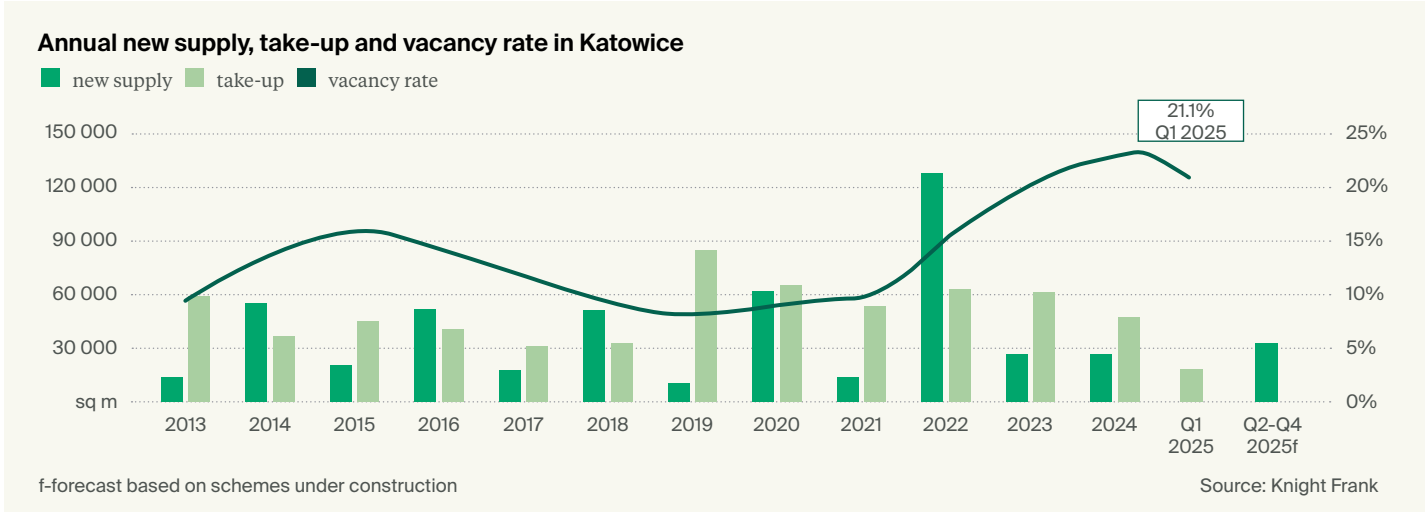
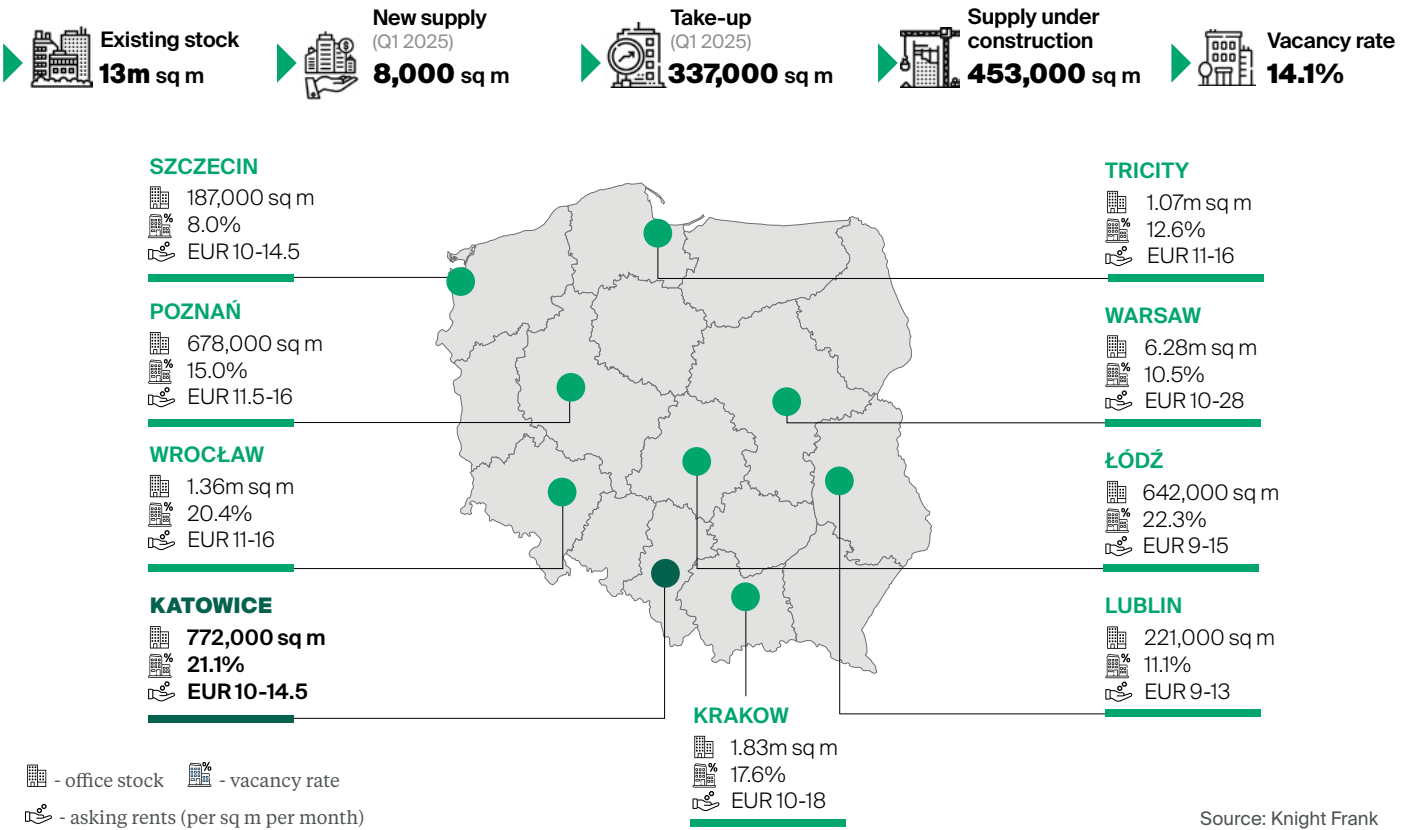
Due to the absence of new supply and strong demand, the vacancy rate in Katowice decreased by 2.1 pp in Q1 2025 compared to the previous quarter, reaching 21.1%. Despite this decrease, Katowice remains among the markets with the highest level of vacant office space in Poland; a higher rate was only recorded in Łódź, where it stood at 22.3%.

RENTS

At the end of Q1 2025, rents in Katowice remained stable, typically ranging from EUR 10.00 to 14.50/sq m/month. Service charge also held steady and ranged between PLN 14.00 and 26.00/sq m/month.

Office market in Poland

Q1 2025



Up to 44% of Polish construction and real estate companies may soon face the succession challenge.

- The real estate market in Poland is experiencing a notable slowdown and, according to many analysts, is currently characterized by considerable uncertainty. Companies are increasingly recognizing a range of challenges, extending beyond demand stimulation or general economic conditions. Business owners are placing significant emphasis on leadership competencies, which they believe will be critical in navigating potential market downturns. According to experts at Michael Page, the industry is at a pivotal moment of profound transformation, already impacting executive teams within development companies. The topic of succession is becoming a frequent focus in discussions with clients in this sector.

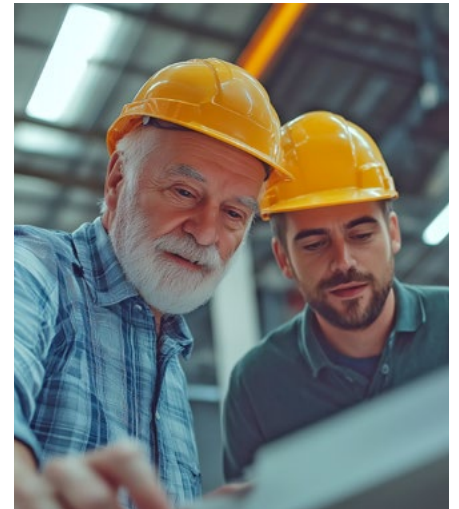
A recent report by Bank Pekao identifies construction and real estate services as two of the most significant sectors of the Polish economy, both heavily dominated by domestic private capital accounting for approximately 75% of total industry revenues in each case. These sectors are now facing a multitude of challenges, no longer limited to macroeconomic cycles. Increasingly, governance issues are emerging, particularly the impact of demographic shifts and generational change at senior leadership levels. In 2023, of the 673,000 entrepreneurs operating in Poland's construction and real estate sectors, as many as 299,000 were over the age of 50, many of whom are actively considering the transition of power and responsibility.

- The importance of succession has grown significantly in recent years. Not long ago, companies proactively seeking advisory support for succession planning were rare exceptions. Over the past two years, however, the number of such cases has increased severalfold. Given the demographic trends, we can confidently

"Around 75 % of revenues in the construction and real estate services sectors come from domestic private capital."

assume that this is only the beginning of a broader shift – comments **Krzysztof Butyński, Senior Associate Executive Manager**. He adds that Michael Page completed four succession processes last year, and in the first quarter of 2025 alone, that number has already been matched.

– It is estimated that there may currently be up to 45,000 entrepreneurs in the construction and real estate sectors who have already reached retirement age. Many of these individuals have been in business for decades and view succession as a natural step in their company's evolution, though one that is often complex. While they may wish to maintain influence within the organization, the experience gained during periods of growth does not always translate easily into today's market environment, which demands managing



"Over 45,000 business owners in the construction and real estate sectors have already passed retirement age."

more dynamic structures and navigating the expectations of a demanding Generation Z workforce. Today's business landscape calls for agility, energy, and a fresh perspective – qualities that not all senior leaders may still possess – **Butyński** observes.



TRUST: THE CORNERSTONE OF SUCCESSFUL SUCCESSION

According to data from Bank Pekao, only 20% of family business owners report no difficulty in executing succession plans. Conversely, up to 60% acknowledge that their intended successors may lack the necessary leadership competencies. An additional perspective comes from the successors themselves - 67% of them believe assuming a leadership or executive role will be a significant challenge¹.

"As many as 85% of potential successors have no interest in taking over the family business."

Further complicating the picture, as many as 85% of next-generation family members express a lack of interest in taking over the family business, indicating reluctance to assume leadership responsibilities. This creates a fundamental dilemma for owners - should they sell the business or recruit a qualified external candidate to take the reins? It is a

question that more companies are increasingly forced to address and one without a definitive answer.

"Even family-run businesses with rich, deep-rooted traditions are opening their doors to leadership from outside the inner circle."

– The situation presents a considerable challenge not only for current owners and founders but also sends a strong signal to the broader market. Even in legacy family businesses with deep-rooted traditions, there is growing openness to external candidates who possess the right qualifications and can earn the trust of the outgoing leadership. It is important to recognize that succession of this nature is one of the most critical and complex recruitment processes a company will face. Fortunately, business owners do not have to navigate this journey alone. At Michael Page, our extensive experience allows us to support clients effectively and address the many nuances involved. Returning to the core question - sell or recruit? Conversations with our clients indicate a growing preference for the latter – Butyński emphasizes.

It is also worth considering the opportunity from the candidate's perspective. Market data shows that average base salaries for top executive roles range from PLN 60,000 to PLN 80,000 per month, with salaries in listed companies often exceeding PLN 100,000.

– In addition to this, candidates can expect various performance-related bonuses - both short-term and annual - amounting to as much as six times their monthly salary. Another common and highly effective approach to reinforcing loyalty and alignment is the inclusion of equity or stock options as part of a long-term incentive structure – Butyński explains.

"Top executive roles command average base salaries of PLN 60,000 to 80,000 per month."

¹ Source: https://www.pwc.pl/pl/pdf-nf/2024/NextGen_PL_2024_Raport_Polski_Sukcesor.pdf

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- ▶ 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.

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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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