

Strong cities



City attractiveness, office market, HR trends

Q3 2023

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

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Katowice

Prepared
in cooperation with



Michael Page

Katowice

-  **City area**
164.7 sq km
-  **Population**
279,100 (Katowice)
2,279,600 (GZM)
(09.2023, Statistics Poland)
-  **Population forecast**
261,050
(2030, Katowice)
-  **Unemployment rate**
1.1%
(09.2023, Statistics Poland)
-  **GDP growth**
4.7%
-  **PKB per capita**
PLN 71,400
-  **Average salary (gross)**
PLN 8,622.89
(in the business sector, 09.2023)

Investment attractiveness

Rankings

6TH PLACE in the **"Top 10 Large European Cities of the Future 2023 - fDi Strategy"** ranking - 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: 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

1ST 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

- Implementing the 17 UN Sustainable Development Goals and the objectives of the Development Strategy City 2030 - equitable transformation, climate change and equity.
- Green urban transportation: 20 electric buses, 22 hybrid buses and 8 CNG buses (in 2023), 147 EV charging points, 69 charging stations.
- Connecting residential and service areas in Katowice - PLN 200m and an investment to improve the safety of road users in Katowice - PLN 30m (projects subsidised by the RFPL Strategic Investment Programme).
- Construction of a new tramway (the final stage).
- Katowice Intelligent Transportation System - the system of adjusting traffic lights to the current traffic volume - PLN 91,7m (PLN 72m comes from UE funding).
- District of New Technologies: Katowice gaming and technology HUB and development of the Poniowski 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 a municipal stadium in Katowice - PLN 289m.
- Construction of the Jerzy Kukuczka Himalayan Centre - PLN 3,1m - documentation.
- Katowice "Kilar's House" Music Education Centre - PLN 17.8m.
- Witos' Cultural Center and park - PLN 28.6m.
- Construction and modernisation of city parks in Katowice - PLN 48m, (co-financed by the RFPL Strategic Investment Programme). Greening Warszawska Street - PLN 18m, greening of Plac Sejmu Śląskiego - PLN 5.2m.
- Development of the area around Starganiec pond - PLN 7.2m.
- Katowice Resident Card - 115,784 active cards.
- Participatory Budgeting - PLN 20m including Green Budget - PLN 3m.

 **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**
105 (Katowice)
135 (GZM)
-  **BSS sector - number of employed**
26,600 (Katowice)
32,000 (GZM)

Katowice




Q3 2023

-  Existing stock **748,500 sq m**
-  Supply under construction **68,600 sq m**
-  Vacancy rate **23.2%**
-  New supply (Q1-Q3 2023) **26,700 sq m**
-  Take-up (Q1-Q3 2023) **47,200 sq m**

Coworking operators in Katowice

City Space | Regus
Wlasne B. | Cluster Offices

Standard lease terms in new buildings

-  Service charge PLN/sq m/month **14.00-27.00**
-  Rent-free period **1-1.5 month** for each contract year
-  Fit-out budget EUR/sq m **350.00-500.00**

Katowice is the fourth largest regional office market in Poland. At the end of Q3 2023, the office stock in Katowice amounted to 748,500 sq m.

No new office project was delivered in H1 2023, while in Q3 2023 the Katowice office market added 26,700 sq m of modern office space with the delivery of the Craft building (Ghelamco Poland). This represented 11% of the space completed in all regional cities since the beginning of the year.

In Katowice, 68,600 sq m of office space remains under construction and will be delivered systematically over the coming few years. If developers meet their planned deadlines, nearly half of the space under construction will be delivered to the market in 2024. Projects under construction are; the Eco City Katowice complex (18,000 sq m, Górnośląski Park Przemysłowy), and Grundmanna Office Park A (20,650 sq m, Cavatina).



Since the beginning of 2023, the demand for office space in Katowice reached over 47,200 sq m, accounting for 9% of the total volume of contracts signed in regional cities - 16% down on the figure for the corresponding period of 2022. New agreements accounted for the largest share of the transaction structure, 53%, while renegotiations accounted for 35% of the volume, and expansions the remaining 12%. In Q3 2023, leases were signed for just 21,700 sq m.

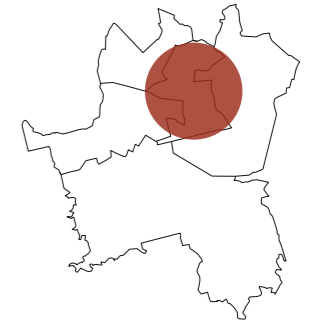
Despite the good result on the demand side, the rather high new supply led to an increase in the vacancy rate. At the end of September 2023, it stood at 23.2%, the highest rate recorded among the regional cities. Compared to the previous quarter, the rate increased by 3.1 pp, and compared to 2022's corresponding period by 6.3 pp.

Asking rents in Katowice at the end of September 2023 ranged from EUR 8.00 to EUR 14.50/sq m/month. Continued high construction costs and the still high cost of servicing construction loans are inhibiting the negotiating power of investors, making further increases in rental rates possible, especially in new buildings. Service charges ranged from PLN 14.00 to PLN 27.00/sq m/month.

Office space

Major concentration areas

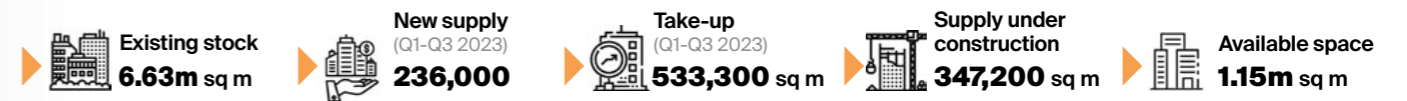
| | EXISTING STOCK | SUPPLY UNDER CONSTRUCTION | VACANCY RATE | MONTHLY ASKING RENT |
|---------------------------------------------------------------------------------------------------------|----------------|---------------------------|--------------|---------------------|
|  City Centre | 387,400 sq m | 24,050 sq m | 19.1% | EUR 8-14.5 sq m |
|  Outside City Centre | 361,100 sq m | 44,500 sq m | 27.5% | EUR 8-13.5 sq m |



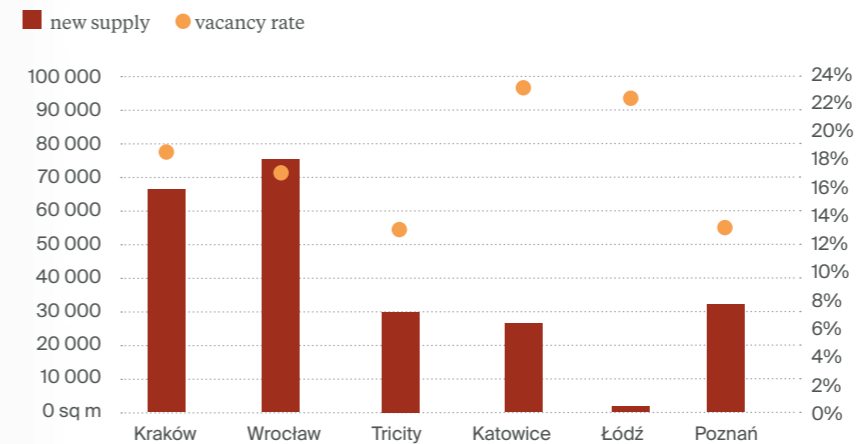
Major regional cities

Q3 2023

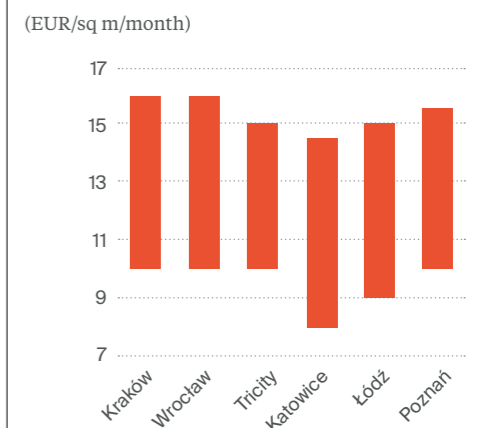
Kraków, Wrocław, Tricity, Katowice, Łódź, Poznań, Szczecin, Lublin



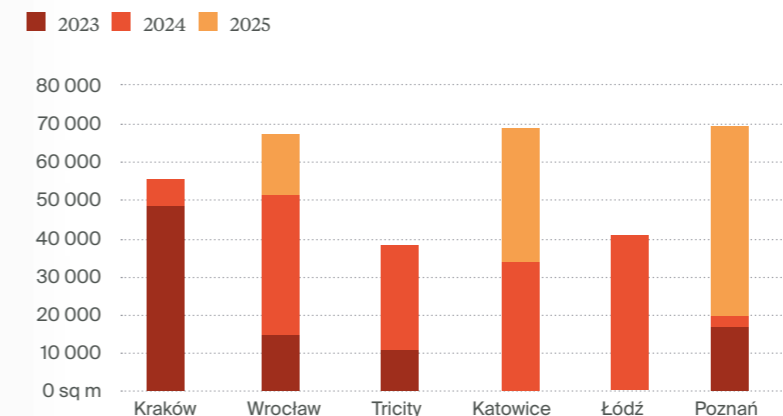
New supply (Q1-Q3 2023) and vacancy rate (Q3 2023)



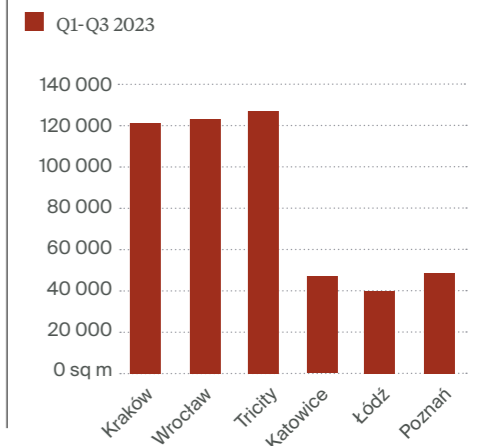
Asking rents (Q3 2023)



Supply under construction by completion year (Q3 2023)



Take-up volume



I'd like some work-life balance and a competitive salary, please. Thank you!

The time of the pandemic has had a direct impact on people's approach to work, leading to the creation of a completely new employment culture. In today's job market, talent scouts have to work hard to ensure that their offer not only finds the right candidate, but also meets with a positive response.

Flexibility first

The Talent Trends 2023 report leaves no doubt – the importance of work-life balance is rising, a trend that will be difficult to halt. Indeed, work-life balance has now become a key component of professional life. As many as 7 in 10 people would prioritise mental health and work-life balance over success at work, and 40% of employees would turn down an offer of promotion if they felt it could have an adverse effect on their general wellbeing. That is why today's employees expect flexibility from their employers, focusing on the freedom to choose how, where, and when they can do their job.

An ideal offer tempts with good salaries and benefits

Additional days off per year, shorter working weeks, use of the company's gym at lunch time, or foreign language lessons during office hours. An offer like this can be very effective, provided that financial expectations are also met. If staff are satisfied with their earnings, advanced benefits act as yet another lure. Recruiters in the industries where demand still exceeds supply need to be particularly creative in this field. Although proportions have been changing over the last months, and even IT workers are beginning to feel competition breathing down their neck, this sector keeps leading the way, and, truth be told, it is still calling the shots.

Promises likely to be met

An ideal job offer meets several criteria. In order to attract talents effectively, it must be tailored to the profile of a particular candidate that is being sought, and it should respond to any doubts in detail. Having said that, even the best-prepared advertisement can't fulfil its role in the long term if the promises it makes diverge from the actual offer of the employer.



► For more information on the transformation of workplace culture, make sure to read the findings of our latest [Talent Trends 2023 survey](#).

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

in Poland

Technology picked up the pace in a major way already during the pandemic, a trend that carried on until the end of 2022. The beginning of 2023 brought mass-scale layoffs at various tech giants in the US, which also affected the mood of IT companies in Poland. The situation has deteriorated further due to high inflation, which has halted Poland's economic growth, forcing businesses to be more cautious in developing their new IT projects, which has translated into the overall demand for the services of IT freelancers on the market. Several subcontractors of IT giants from the US – including software producers or IT outsourcing companies – have experienced major drops in their turnover. This said, there are industries in which the demand for IT competences shows no signs of weakening. These include financial institutions and insurance companies, which are constantly expanding their development teams and the area of security.



IT freelancers are still most likely to work for or cooperate with businesses based entirely on remote work. These job offers are still the most attractive, especially if they are made available by global businesses.

The financial requirements of IT specialists are not growing at such an exponential pace as the one we saw back in 2021 and 2022. There is now more room to negotiate even with experienced consultants and experts. This is also the result of a slight decrease in demand for their project work. The projects that companies had to implement to adapt to the pandemic, and now to the post-pandemic reality, are now coming to an end, and, as a result, the demand for freelancers has dropped.

Despite these changes, the best employees are still in demand on the labour market, especially if they have senior or expert experience in a given field, as their skills allow them to significantly shorten the span of an IT project, while maintaining high quality of service. The areas that are in the lead are software development, security, and SAP.

Even though the conditions worsened in 2023, many of our clients are planning the demand for IT Contracting in 2024, and they are currently analysing budgets for their new projects. Over the year, the situation in the US and in European markets has calmed down, and the cyclical decline in inflation also bodes well for a more propitious economic situation next year.

TOP 3

Most desired positions in IT Contracting in 2023:

1 ▶ Software Tester

PAY RATE (PER HOUR, NET)

| JUNIOR (1-3 YEARS) | REGULAR (3-5 YEARS) | SENIOR (5+ YEARS) |
|--------------------|---------------------|-------------------|
| 105-145 PLN/h | 155-185 PLN/h | 185-200 PLN/h |

2 ▶ Frontend Developer

PAY RATE (PER HOUR, NET)

| JUNIOR (1-3 YEARS) | REGULAR (3-5 YEARS) | SENIOR (5+ YEARS) |
|--------------------|---------------------|-------------------|
| 105-145 PLN/h | 155-195 PLN/h | 185-225 PLN/h |

3 ▶ DevOps

PAY RATE (PER HOUR, NET)

| JUNIOR (1-3 YEARS) | REGULAR (3-5 YEARS) | SENIOR (5+ YEARS) |
|--------------------|---------------------|-------------------|
| 115-155 PLN/h | 165-205 PLN/h | 210-250 PLN/h |

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INVESTORS ASSISTANCE DEPARTMENT

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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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