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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Katowice

Prepared in cooperation with

Katowice

City area
164.7 sq km

Population
279,200
(Katowice, GUS 12.2023)
2,142,800
(GZM, InfoGZM 2022)

Population forecast
261,050
(2030, Katowice)

Unemployment rate
1.0%
(08.2024, GUS)

GDP growth
18.0%

PKB per capita
PLN **85,131**

Average salary (gross)
PLN **9,093.83**
(in the business sector, 08.2024, GUS)

Investment attractiveness

Rankings

7TH PLACE in the **"Top 10 Large European Cities of the Future 2024 – fDi Strategy"** City's strategy for attracting foreign direct investment

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

4. TH PLACE — in Business Insider's ranking **- Best city to live**

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

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

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

6. TH 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 transport: 28 electric buses, 22 hybrid buses and 8 CNG buses, 197 EV charging points.
- District of New Technologies - Katowice Gaming and Technology HUB - PLN 596.6m.
- District of New Technologies - development of the Poniatowski mining shaft area stage 6 - PLN 2.5m (documentation).
- Construction of the Jerzy Kukuczka Himalayan Centre – PLN 81.6m.
- Katowice "Kilar's House" Music Education Centre and a permanent exhibition - PLN 22.0m.
- Katowice Integrated Transfer Hub System - "Św. Jana" hub - PLN 7.5m
- Katowice Integrated Transfer Hub System - "Kostuchna" hub - PLN 74.8m.

Tasks to be completed in 2024:

- Construction of a municipal stadium in Katowice - PLN 355.3m.
- Construction of new road systems to connect functional areas housing and services in the city - PLN 224.9m.
- Construction and modernisation of city parks in Katowice - PLN 42.2m
- Improving the safety of road users through construction and modernization of engineering facilities along public roads in the area in Katowice - PLN 31.8m.
- Witos' Community Centre and a park - PLN 28.8m.
- Katowice Bicycle Infrastructure - Velostrada - construction of the Velostrada bicycle road no. 6 - approx. PLN 18.5m.
- Katowice Resident Card - 139,330 active cards.
- Participatory Budgeting – PLN 20m including Green Budget – PLN 3m.

Bike paths
197 km

Green areas
50%
of the city's area

Facts & Figures

Number of students
50,848 (Katowice)
91,083 (GZM)

Number of graduates
12,549 (Katowice)
22,862 (GZM)

Number of universities
12 (Katowice)
19 (GZM)

Airport - distance to the city centre
30 km

Airport - number of passengers
5.61m (2023)

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

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

Katowice

Q3 2024

Existing stock
752,000 sq m

Supply
under construction
51,000 sq m

Vacancy rate
20.5%

New supply
1 000 sq m

Take-up
35,000 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

The total office space in Katowice currently amounts to 752,000 sq m, representing approximately 6% of Poland's total office stock. Demand for office space leasing in Katowice weakened during the first three quarters of 2024, reaching only 35,000 sq m. However, limited new supply has contributed to a decline in the vacancy rate to 20.5%. Asking rental rates remain stable, typically ranging from EUR 9 to 14.50/sq m/month.

SUPPLY

In Q1-Q3 2024, the Katowice office market welcomed just under 1,000 sq m of new office space through the expansion of the Tetris building. At the same time, nearly 51,000 sq m is currently under construction, marking the second-largest volume among regional cities. If developers meet their deadlines, nearly half of this space is expected to be delivered in Q4 2024. The largest ongoing projects include the Grundmanna Office Park A, which plans to deliver 21,000 sq m by the end of 2024, and the Eco City Katowice complex, offering 18,000 sq m and slated for completion in 2025.

TAKE-UP

Demand for office space leasing in Katowice during Q1-Q3 2024 declined, totalling 35,000 sq m, which represents a 23% decrease compared to the same period last year.

On a positive note, the number of expansions within the leasing market grew, accounting for 7% of the leased office space during this period—the second-highest percentage in Poland, following Lublin. Lease renegotiations continued to dominate, comprising 45% of agreements, while 41% of leased space was secured through new agreements. The remaining 7% was designated for owner-occupier purposes.

VACANCY RATE

Despite weaker demand, the decline in the vacancy rate can be attributed to the limited amount of new office space delivered over the past four quarters. At the end of September, the vacancy rate stood at 20.5%, representing a decrease of 0.3 pp compared to the previous quarter and a drop of 2.7 pp compared to the same period last year, during which Katowice recorded a record-high vacancy rate. However, the significant volume of office space currently under construction, scheduled for delivery by the end of 2024, could potentially reverse this trend.

RENTS

At the end of September 2024, asking rents in Katowice remained stable, typically ranging from EUR 9.00 to 14.50/sq m/month. Service charges also remained consistent, ranging from PLN 14.00 to 27.00/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

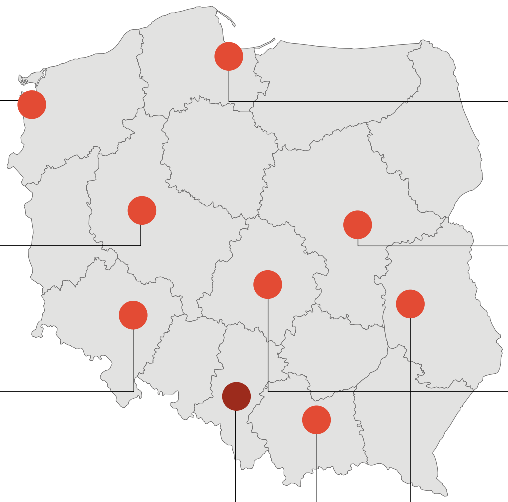
Vacancy rate
14.1%

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

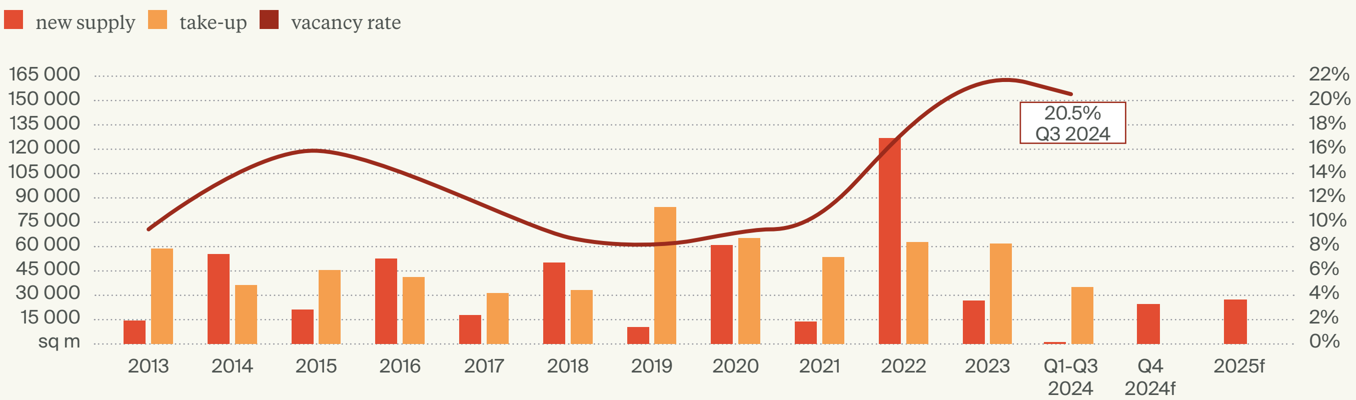
LUBLIN
221,000 sq m
12.6%
EUR 9-13

KRAKOW
1.82m sq m
18.9%
EUR 10-16

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

Source: Knight Frank

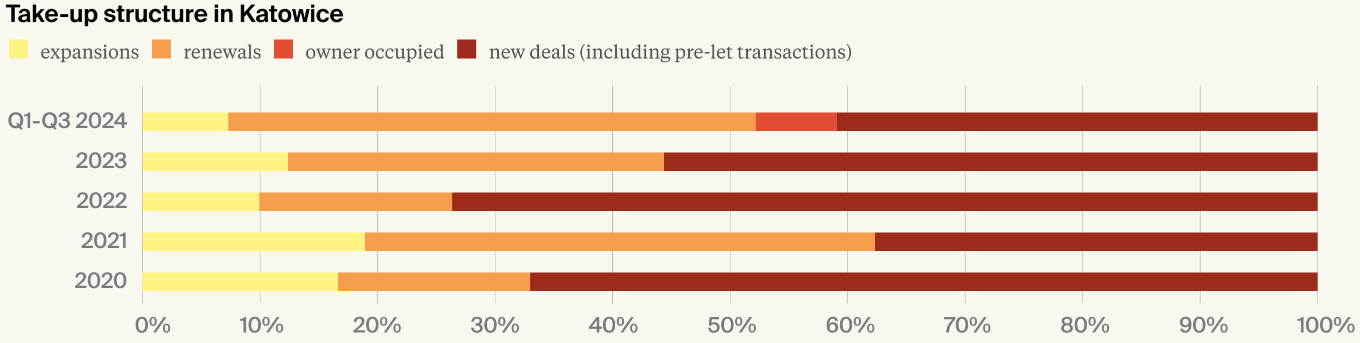
Annual new supply, take-up and vacancy rate in Katowice



f-forecast based on schemes under construction

Source: Knight Frank

Take-up structure in Katowice



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:

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- 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.

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KATOWICE
for a change

INVESTORS ASSISTANCE DEPARTMENT

www.invest.katowice.eu
linkedin.com/company/invest-in-katowice

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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