Strong cities

City attractiveness, office market, HR trends

H1 2023

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

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Prepared in cooperation with

Poznań

City area
261.9 sq km

Population
543,400
(02.2023, Statistics Poland)

Population forecast
503,800 (2030)

Number of companies
127,400

Unemployment rate
1.0%
(06.2023, Statistics Poland)

GDP growth
11%

GDP per capita
PLN **121,000**
(2020)

Average salary (gross)
PLN **7,914.43**
(in the business sector, 06.2023)

Investment attractiveness

Rankings

1st PLACE – in the ABSL ranking - **attractiveness of office space location**

3rd PLACE – in the ABSL ranking – **quality of local universities**

3rd PLACE – in the ABSL ranking - **cooperation with a local investor service office**

2nd PLACE – **in the Business Friendly City category** – European Cities and Regions of the Future fDi Report

Business Friendly City of the Year in terms of local government support, according to Future of Emerging Europe Summit and Awards 2022

Investor Service Office of the City of Poznań, gaining a distinction in **the Best Team** category in the 5th edition of the TOP WOMAN in Real Estate contest

Investment incentives

Project Manager - a person dedicated to the project, responsible for the preparation and launch of the investment, cooperation with the investor after the start of the project.

Implementation of non-standard solutions in order to recruit the best employees, e.g. through organization of events, competitions for candidates for specific positions, cooperation in acquiring employees speaking niche languages.

Employer branding - organization of press conferences, distribution of materials to local media, through social media and on the website www.poznan.pl.

Preparation and promotion of urban real estate offer.

Preparation of sector analyses for the needs of investors - IT Report, Presentation of the Modern Services Sector in Poznań, Language Potential of the City, Move to Improve publication, GameDev catalogue.

Organisation of conferences for IT professionals - Pozitive Technologies.

The first in Central and Eastern Europe quantum hub as part of the IBM Quantum Network.

Assistance in obtaining government subsidies - government grants, Special Economic Zones, real estate tax exemption.

Quality of life

Rankings

1st PLACE – in the category **Transport and Infrastructure** in Saint-Gobain ranking - Polish Cities of the Future 2050

1st PLACE – **Smart City Award** - miasta powyżej 300 tysięcy mieszkańców

2nd PLACE – in the ABSL ranking **- quality of local environment**

2nd PLACE – in the ABSL ranking **- quality of public transport**

3rd PLACE – in the ABSL ranking **- general quality of life**

The only city in Poland listed in the "Forbes" ranking of the **20 best cities for Americans to live, invest and work in Europe**

Michelin Guide - Poznań restaurant awarded a Michelin star, 11 restaurants with distinction.

Quality of life in numbers

Improving the quality of life of residents through:

- Creating attractive jobs. Companies in the modern services sector such as Rockwool Global Services Center, SwissSoft, Miele – among others - are expanding and increasing employment opportunities in the process.
- Pozitive Technologies conference - attracting top employers, creating a strong and active IT community.
- Smart City - implementation of new technologies, along with the development of creative entrepreneurship and the startup sector, with an emphasis on education at every level and active support for universities.
- The Smart City Poznań application won the Wings of IT in Administration award, in the Tools for communication with citizens category.
- Ecology - increasing green areas, creating an improved energy mix using renewable energy sources, modernising the public transport fleet (electric vehicles, hybrid vehicles). A number of programmes are being carried out: "Let's end smog in Poznań", "Keep warm", asbestos removal programme.
- Mobility – green transport solutions – car-sharing, scooter-sharing.
- Centre project - among other things, revitalisation of the city centre, reduction of car traffic in the city centre.
- Rich cultural life - numerous festivals, e.g. the world-famous Malta Festival Poznań, some 40 art galleries, 30 museums, 13 cinemas, the philharmonic.
- Culinary capital of Poland - around 500 restaurants and bars, offering food from all corners of the world.
- Poznan Days of Tolerance – promoting diversity, tolerance and respect.
- A rich array of leisure and recreation opportunities - aqua park, ice rinks, artificial ski slope, climbing walls, bowling alleys, lakes, swimming pools, city beaches with numerous attractions for inhabitants and tourists along the Warta River, 10 sports stadiums, over 500 playgrounds, zoo, palm house - the largest in Poland and one of the largest in Europe.
- Poznan International Fair - the leading trade fair organiser in Poland and Central and Eastern Europe.

Bike paths
333.53 km

Green areas
128.3 sq km

Facts & Figures

Number of students
102,200

Number of graduates
24,500

Number of universities
24

Airport - distance to the City centre
7 km

Airport - number of passengers
2,252,428 (2022)

BSS sector - number of centres
150

BSS sector - number of employed
27,000

RATING AGENCY	Fitch Ratings	RATING	A-

Poznań

H1 2023

Existing stock
654,300 sq m

Supply
under construction
60,000 sq m

Vacancy rate
12.7%

New supply
32,400 sq m

Take-up
21,800 sq m

Coworking operators in Poznań

Business Link | Regus

Standard lease terms in new buildings

Service charge
PLN/sq m/month
16.00-30.00

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

Fit-out budget
EUR/sq m
250.00-500.00

The total office stock in Poznań at the end of Q2 2023 reached almost 654,300 sq m. Thanks to the delivery of three office projects: Nowy Rynek E (25,100 sq m, Skanska Property Poland), Pollux (3,800 sq m, Soltex), and Mercator D (3,500 sq m, Mercator), it increased by 32,400 sq m in H1 2023. This result represents 28% of the office space completed in regional cities over this period. It should be noted that all of the aforementioned developments in Poznań were completed in Q2 2023, giving the highest result for new supply among regional cities for the quarter.

At the end of June 2023, there was 60,000 sq m of space under construction in the Poznań office market, all of which is expected to be completed between 2023 and 2025. The largest developments under construction are Andersia Silver with a planned completion date in 2025 (40,000 sq m, Von der Heyden Group) and an owner-occupied development on Pastelowa Street (10,800 sq m, Tetos), which is scheduled for completion in 2023.

Since the beginning of the year, demand for office space in Poznań amounted to 21,800 sq m - 6.5% of the total volume of contracts signed in regional cities. At 76%, new contracts made up the largest share of demand in H1 2023, while renegotiations accounted for nearly 19% of the volume, and expansions a mere 5%. In Q2 2023 alone, lease agreements were signed for nearly 12,300 sq m.

Due to the delivery of a large amount of new office space to the market in Poznań, the vacancy rate at the end of June 2023 was 12.7%. This was an increase of 1.4 pp q-o-q. Relative to the corresponding quarter of 2022, it represented a 0.7 pp. increase. It should be noted however that this is still the second lowest vacancy rate among regional cities, behind Szczecin (4.4%).

Asking rents in Poznań at the end of June 2023 ranged from EUR 10.00 to EUR 15.50/sq m/month. Persistently high construction costs, along with the still high costs of servicing construction loans, are limiting investor negotiating possibilities. Thus, rent increases, particularly in new buildings, remain a possibility. Service charges ranged from PLN 16.00 to PLN 30.00/sq m/month.

Selected schemes under construction

PL. WOLNOŚCI 6
6,000 sq m
Q4 2023
Inwestycje Wielkopolski

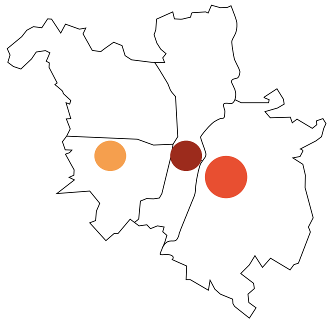
ANDERSIA SILVER
40,000 sq m
H2 2025
Von der Heyden Group

Total office space | Completion date | Developer / Owner

Office space

	EXISTING STOCK	SUPPLY UNDER CONSTRUCTION	VACANCY RATE	MONTHLY ASKING RENT
City Centre	297,400 sq m	46,000 sq m	10.4%	EUR 10-15.50 sq m
Malta	43,000 sq m	0 sq m	6.3%	EUR 14 sq m
Marcelińska/ Bułgarska	144,100 sq m	10,800 sq m	12.6%	EUR 11-14.50 sq m

Major concentration areas



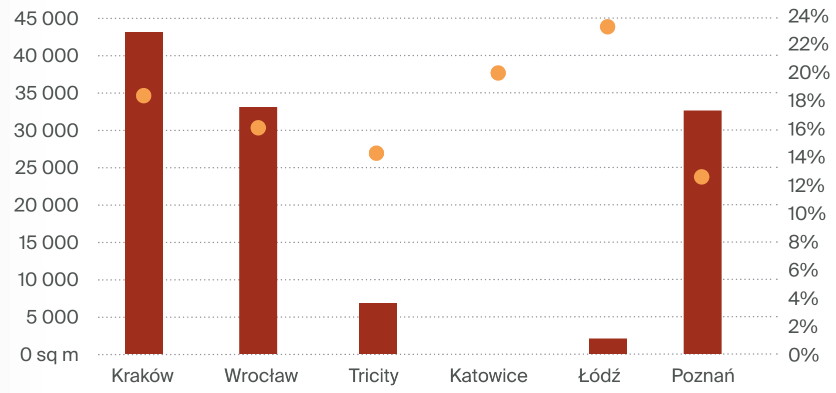
Major regional cities

H1 2023

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

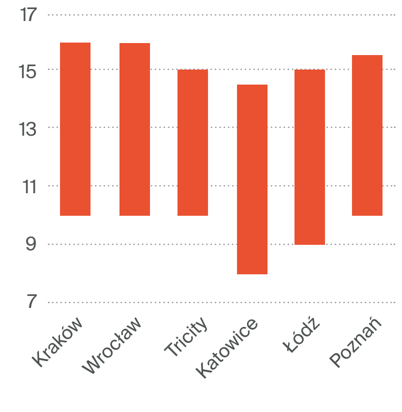
Existing stock **6.51m** sq m | New supply **116,300** sq m | Take-up **333,760** sq m | Supply under construction **465,000** sq m | Available space **1.09m** sq m

New supply and vacancy rate (H1 2023)

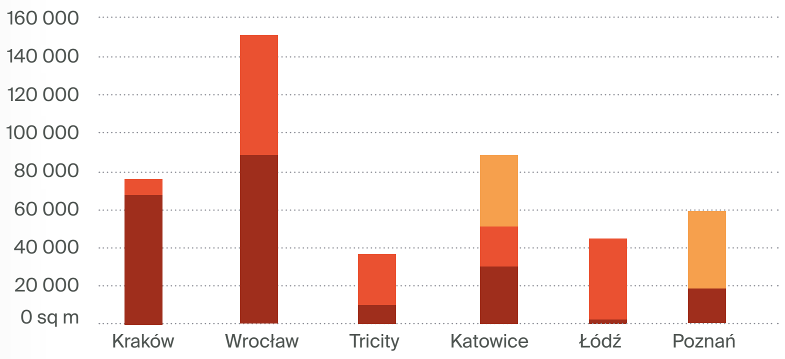


Asking rents (H1 2023)

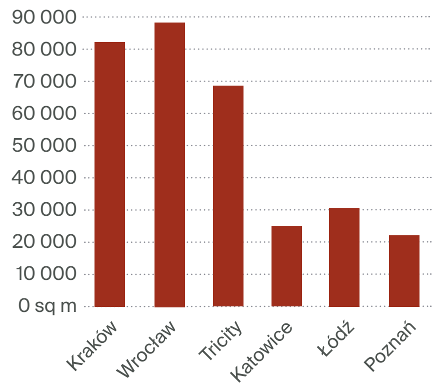
(EUR/sq m/month)



Supply under construction by completion year (H1 2023)



Take-up volume



Talent Trends 2023: a complete transformation of workplace culture

80% of people who started a new job throughout the last year are open to new opportunities. The factors that have the greatest impact on candidates when choosing a new place of employment are salary (26%), flexibility (15%), and career growth (14%). This is clear to see in the Talent Trends 2023 survey, carried out by PageGroup experts on a group of Polish respondents.

Employees ready and willing to look for new opportunities

Employees are increasingly more open to change and are very flexible. Of the nearly 1,000 people who took part in the Talent Trends survey in Poland, 94% of respondents admitted to being ready for new professional challenges, and more than half said they were actively looking for a job or planning to look for it in the next six months. Interestingly, this attitude can be seen even in those employees who are satisfied with both their current employer and earnings.

The salary is the strongest motivator for change

These days, remuneration is the most common reason for quitting, the most frequent reason for accepting a new position, the key component of a job advertisement, and the core of the recruitment process.

Flexibility is the new basis

Employers should adapt their mindset to the new reality, prioritising work-life balance and staff well-being. 7 out of 10 people would choose mental health and work-life balance over professional success.

Career growth: the key element of the recruitment strategy

37% of employees claimed they prioritised those companies that invest in the career growth of their staff. Professional development plans should be clearly communicated and consistent with the culture of the organisation. In order to improve employees' loyalty, it is worth developing a transparent promotion path that will have a specific time frame.

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 SSC sector

in Poland

Over the last couple of years, global business has focused on transformations related to the digitisation and streamlining of processes. Poland has become one of the key beneficiaries of this trend, which proves its attractiveness. A large number of talented and competent candidates in our country is the main factor that helps to draw new investors toward it.

Here are the 5 major trends in the SSC sector that determine the trajectory of changes in the labour market in 2023:

Experienced recruiters = effective recruitment

In the face of stiff competition for candidates with specialist expertise, effective communication and recruiter experience are of primary significance. By understanding the mechanisms that take place in the labour market, recruitment consultants can effectively respond to the needs of both employers and candidates

20 days

A candidate's activity cycle on the market is a maximum of 20 days, and it results from the increased number of job offers received. Greatest effectiveness and best competitive advantage are achieved by those employers who cut down their recruitment to a maximum of 2 stages.

Building your own brand in conversations with candidates

As many as 77% of candidates are guided by the company's image on the market before deciding to take up a job. In 2023, meetings with candidates are crucial to show the values and position of the organisation.

Market diversification

Apparently, more and more strategic functions are being centralised these days. In 2022, roles in such areas as supply chain, purchasing, and human resources dominated in southern Poland, while positions in the controlling and financial analysis departments prevailed in the north. The trend is due to continue this year.

TOP 4

The most desired positions in the SSC sector:

1. **FP&A Expert:**
   PLN 12,000 – 19,000 gross/monthly
2. **Process Excellence Lead:**
   PLN 16,000 – 22,000 gross/monthly
3. **Procurement/Supply Chain Specialist:**
   PLN 10,000 – 15,000 gross/monthly
4. **Reporting/Management Accounting:**
   PLN 12,000 – 18,000 gross/monthly

Contacts

in Poland

+48 22 596 50 50
www.KnightFrank.com.pl

RESEARCH
Elżbieta Czerpak
elzbieta.czerpak@pl.knightfrank.com

COMMERCIAL AGENCY - POZNAŃ
T-REP Filip Kowalski
filip.kowalski@pl.knightfrank.com

CAPITAL MARKETS
Krzysztof Cipiur
krzysztof.cipiur@pl.knightfrank.com

VALUATION & ADVISORY
Małgorzata Krzystek
malgorzata.krzystek@pl.knightfrank.com

STRATEGIC CONSULTING EMEA
Marta Sobieszczak
marta.sobieszczak@pl.knightfrank.com

INDUSTRIAL AGENCY
Przemysław Jankowski
przemyslaw.jankowski@pl.knightfrank.com

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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, Kraków, 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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PARTNER OF THE PUBLICATION:

CITY OF POZNAŃ
INVESTOR RELATIONS DEPARTMENT
ul. Za Bramką 1
61-842 Poznań
(+48) 61 878 5428
inwestor@um.poznan.pl

Invest in Poznan
www.poznan.pl

Poznań is one of the most attractive cities for investors in the Central and Eastern European region, repeatedly awarded in prestigious business rankings. The city is developing in a sustainable manner, in line with the smart city idea. In Poznań we create good conditions for investment, but also for living for all residents. We focus on openness and diversity, we care for green areas, a rich cultural and modern public transport. Investors, among others, from the modern services sector and the IT industry choose Poznań due to the availability of qualified workforce - global giants, including: Franklin Templeton, GSK, Miele, Capgemini or Bridgestone SSC are completing in Poznań the most advanced processes.

CONTACT:
www.michaelpage.pl
contact@michaelpage.pl