

Strong cities



City attractiveness, office market, HR trends

Q1 2025

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

knightfrank.com.pl/en/research



Poznań

Prepared
in cooperation with

POZnań*

Michael Page

Poznań



City area
261.9 sq km



Population
716,800
(01.2025, Mobile data)



Population forecast
503,800 (2030)



Number of companies
134,000
(11.2023, GUS)



Unemployment rate
1.0%
(11.2024, GUS)



GDP growth
11%



GDP per capita
PLN 139,000
(2021, GUS)



Average salary (gross)
PLN 9,330.73
(in the business sector,
11.2024, GUS)

Investment attractiveness

Rankings

1ST
PLACE

in the **Most dynamically developing city in Poland**
category – CEE Business Services Summit&Awards 2024

1ST
PLACE

in the ABSL ranking - **cooperation with a local investor service office**

2ND
PLACE

in the ABSL ranking - **attractive location in the city centre**

2ND
PLACE

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

2ND
PLACE

in the **Human Capital and Lifestyle** category – European Cities and Regions of the Future fDi Report

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.

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

Promotion of the City's real estate at national and international real estate events – MIPIM, Poznań Housing Fair.

Supporting real estate investors in talks with offices, departments of the Office, city companies involved in the processes of preparing and implementing investments.

Regularly updated database of the City's investment areas at www.poznan.pl.

Publication and updating of the City's investment offers in the database of the Polish Investment

Cooperation with Special Economic Zones in the context of obtaining government grants.

Preparation of sector analyses for the needs of investors.

Preparation and promotion of urban real estate offer, including:

- 9 residential and commercial properties,
- 1 area composed of fields defined as areas of production facilities, warehouses and storages, with permissible service development, as well as non-public car parks,
- 2 areas for service development or placement of retail facilities with a sales area of more than 2000 m² or production facilities, warehouses and depots,
- 1 property for service activities,
- 1 project for cubic car parks (3 separate locations),
- 1 property for the function of green and water areas and sports and recreation in the green wedge.



Quality of life

Rankings

1ST PLACE	Economics category (among Polish cities) - Oxford Economics Global Cities Index	2ND PLACE	in the ABSL ranking - perception of the general quality of life
1ST PLACE	Smart City Award - cities with over 300,000 inhabitants		The only city in Poland listed in the "Forbes" ranking of the 20 best cities for Americans to live, invest and work in Europe
1ST PLACE	in the ranking of best cities to live in Poland – Business Insider Polska		Michelin Guide - Poznań restaurant awarded a Michelin star, 11 restaurants with distinction.
2ND PLACE	in the ABSL ranking - quality of public transport		

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, SOFTSWISS, 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.
- Poznań Equality Week – 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
345.3 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
3,407,127 (2024)



BSS sector - number of centres
156



BSS sector - number of employed
30,500

RATING AGENCY

Fitch Ratings

RATING

A-

Poznań

Q1 2025



Existing stock
↑ 678,000 sq m



Supply under construction
↓ 52,000 sq m



Vacancy rate
↑ 15.0%



New supply
↓ 2,000 sq m



Take-up
↓ 14,000 sq m

Coworking operators in Poznań

Business Link | Regus

Standard lease terms in new buildings



Service charge
 PLN/sq m/month
16.00-28.00



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



Fit-out budget
 EUR/sq m
250.00-500.00

► At the end of March 2025, Poznań's office stock amounted to 678,000 sq m, representing over 5% of the total office stock in Poland. Poznań is the only city in Poland, besides Warsaw, where new space was delivered to the market in Q1 2025, although it was only 2,000 sq m.

Take-up for office space rental remains stable, reaching over 14,000 sq m. Despite the limited new supply and stable demand, the vacancy rate increased to 15%.

SUPPLY

As of the end of Q1 2025, the office space stock in Poznań reached 678,000 sq m. Consistent with other cities, development activity remains limited. Since the beginning of the year, just over 2,000 sq m of modern office space have been delivered to the market, resulting from the completion of a single property – Dymka 188.

Over 52,000 sq m of modern office space are currently under construction, of which 40,000 sq m are located in the AND2 building, developed by Von der Heyden Group and scheduled for completion in early 2026. Upon completion, this will be the largest office building in Poznań in terms of area.

TAKE-UP

Demand for office space in Poznań remained stable in Q1 2025, reaching over 14,000 sq m, which represents a 9% increase compared to the previous quarter. Consequently, the Poznań market accounted for over 8% of the total lease agreement volume concluded in regional cities.

New agreements held the largest share in the structure of concluded lease agreements, a trend that has been systematically growing for the fourth consecutive year. In the period from January to March 2025, they constituted nearly 56% of the total volume. Renegotiations accounted for 40%, confirming that many tenants still prefer to remain in their current locations, avoiding relocation costs. The remaining 4% comprised expansions.

VACANCY RATE

Despite the limited new supply and stable demand, the vacancy rate in Poznań at the end of March 2025 increased to 15%, representing a rise of 1.6 pp compared to the previous quarter and 0.9 pp compared to the same period of the previous year. Despite this increase, the vacancy rate in Poznań still remains below the average for regional cities, which stands at 17.5%.

RENTS

At the end of Q1 2025, asking rents in Poznań ranged from EUR 11.50 to 16.00/sq m/month. However, rates in new buildings located in prestigious areas of the city may be higher. Service charges also experienced a slight increase, typically ranging from PLN 17.00 to 29.00/sq m/month.

Office market in Poland

Q1 2025



SZCZECIN

187,000 sq m
8.0%
EUR 10-14.5

POZNAŃ

678,000 sq m
15.0%
EUR 11.5-16

WROCŁAW

1.36m sq m
20.4%
EUR 11-16

KATOWICE

772,000 sq m
21.1%
EUR 10-14.5

TRICITY

1.07m sq m
12.6%
EUR 11-16

WARSAW

6.28m sq m
10.5%
EUR 10-28

ŁÓDŹ

642,000 sq m
22.3%
EUR 9-15

LUBLIN

221,000 sq m
11.1%
EUR 9-13

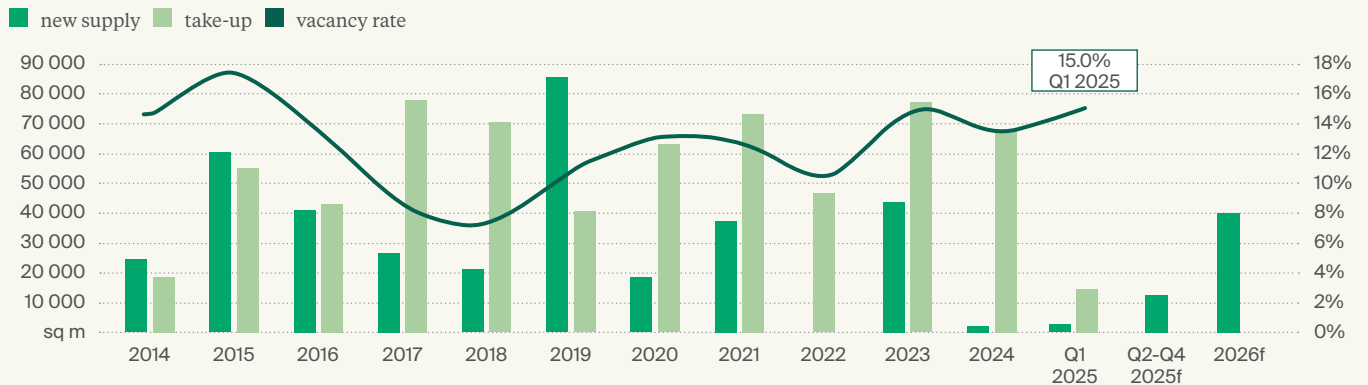
KRAKOW

1.83m sq m
17.6%
EUR 10-18

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

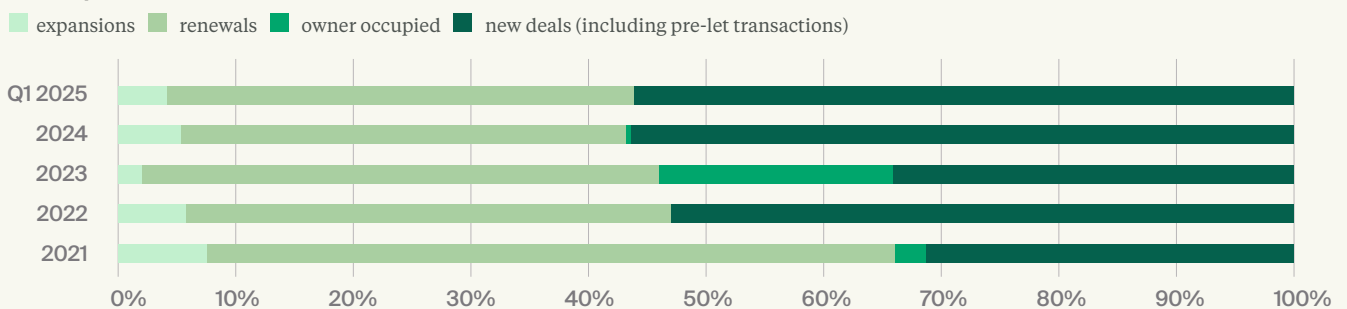
Source: Knight Frank

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



Source: Knight Frank

Take-up structure in Poznań



Source: Knight Frank

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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- ▶ 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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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.

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