

Strong cities



City attractiveness, office market, HR trends

H1 2024

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

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Poznań

Prepared
in cooperation with

POZnań*

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Poznań

-  **City area**
261.9 sq km
-  **Population**
538,400
(04.2023, GUS)
-  **Population forecast**
503,800 (2030)
-  **Number of companies**
131,400
(03.2023, GUS)
-  **Unemployment rate**
1.1%
(05.2024, GUS)
-  **GDP growth**
11%
-  **GDP per capita**
PLN 139,000
(2021, GUS)
-  **Average salary (gross)**
PLN 9,271.91
(in the business sector, 05.2024, 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:

- 11 areas for residential and service functions,
- 2 properties for service development,
- 1 residential property,
- 1 area for industrial and logistics development and non-public car parks,
- 1 area for service development or manufacturing or warehousing or storage,
- 1 property designated in the zoning plan as areas of sports, leisure, greenery and water in a green wedge,
- 3 locations for future cubature car parks.

Quality of life

Rankings

- 1ST PLACE** **Economics category** (among Polish cities) - Oxford Economics Global Cities Index
- 1ST PLACE** **Smart City Award** - cities with over 300,000 inhabitants
- 2ND PLACE** in the ABSL ranking - perception of the **general quality of life**
- 2ND PLACE** in the ABSL ranking - **quality of public transport**

- 3RD PLACE** in the ranking of **best cities to live in Poland** – Business Insider Polska
- 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.
- 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**
2,788,990 (2023)
-  **BSS sector - number of centres**
150
-  **BSS sector - number of employed**
30,000

RATING AGENCY **Fitch Ratings**

RATING **A-**

Poznań

H1 2024

Existing stock
674,000 sq m

Supply under construction
58,000 sq m

Vacancy rate
13.9%

New supply
0 sq m

Take-up
31,000 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

► The office market in Poznań is the fifth largest in Poland, with total office space of 674,000 sq m. No new office buildings have been delivered to the market for the past two quarters, while demand has remained relatively stable. As a result, the vacancy rate has decreased. By the end of the year, the office supply is expected to increase slightly. Considering the positive macroeconomic environment, demand is anticipated to remain stable, which provides a positive outlook for the office market in Poznań in the coming quarters.

SUPPLY

In H1 2024, no new modern office buildings were delivered to the market in Poznań, with only 6,000 sq m expected to be added by the end of the year.

New supply, however, is projected to increase significantly in the coming years, as nearly 58,000 sq m are currently under construction, one of the highest amounts among regional cities in Poland. Among these projects is the AND2 building, with 40,000 sq m, set to be completed in the second half of 2025. This office building, developed by the Von der Heyden Group, will be the largest office building in Poznań by size upon completion.

TAKE-UP

In Q2 2024, the leased office space in Poznań totalled almost 7,000 sq m, with total take-up for the first half of the year surpassing 31,000 sq m, marking a notable 40% increase on H1 2023 figures.

During H1 2024, the Poznań market accounted for approximately 11% of the total volume of leased space across regional cities.

Continuing the trend from previous quarters, a majority of the leased space resulted from new contracts and renegotiations, making up 51% and 42% of the total volume respectively. Expansions contributed slightly over 6%, while leases for own use represented less than 1%.

VACANCY RATE

The vacancy rate in Poznań declined for the third consecutive quarter, reaching 13.9% at the end of June 2024, a decrease of 0.2 pp compared to the previous quarter. The reduction in the vacancy rate is primarily due to the lack of new supply in the first half of 2024. The vacancy rate in Poznań remains significantly below the average for regional cities, which stands at 17.7%.

RENTS

At the end of H1 2024, asking rents in Poznań remained steady, typically falling within the range of EUR 11.00 to 15.50/sq m/month. It's worth noting that rents for office space on the top floors of premium buildings in prestigious locations can significantly exceed this range. Service charges have also remained stable compared to the previous quarter, typically ranging from PLN 16.00 to 28.00/sq m/month.

Office market in Poland

H1 2024



SZCZECIN

187,000 sq m
6.3%
EUR 10-14.5

POZNAŃ

674,000 sq m
13.9%
EUR 11-15.5

WROCLAW

1.38m sq m
18.2%
EUR 10-16

KATOWICE

751,000 sq m
20.8%
EUR 9-14.5

KRAKOW

1.82m sq m
20.2%
EUR 10-16

TRICITY

1.05m sq m
12.5%
EUR 11-15.5

WARSAW

6.26m sq m
10.9%
EUR 10-27

ŁÓDŹ

645,000 sq m
23.3%
EUR 9-15

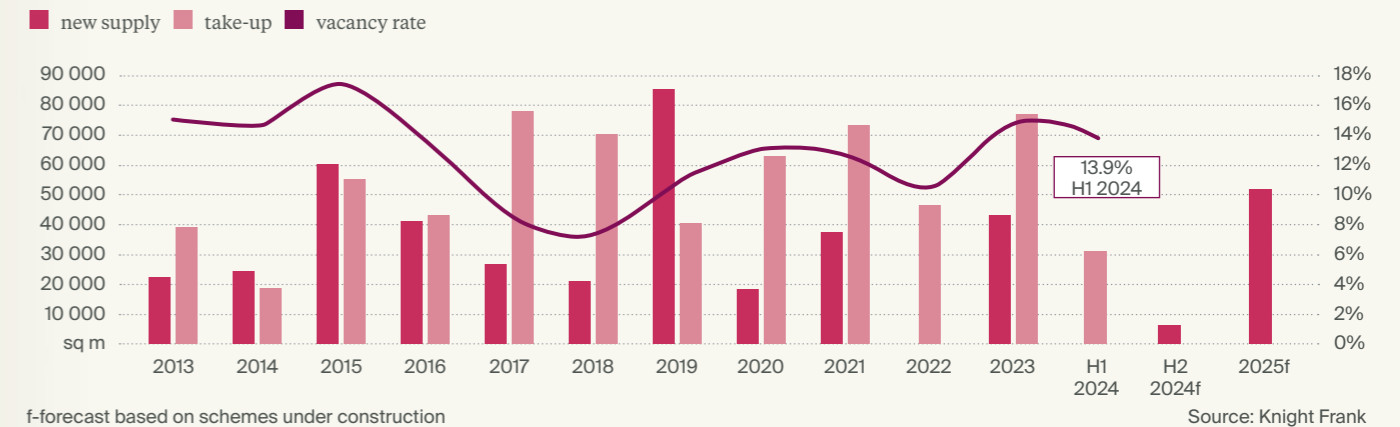
LUBLIN

221,000 sq m
12.3%
EUR 9-13

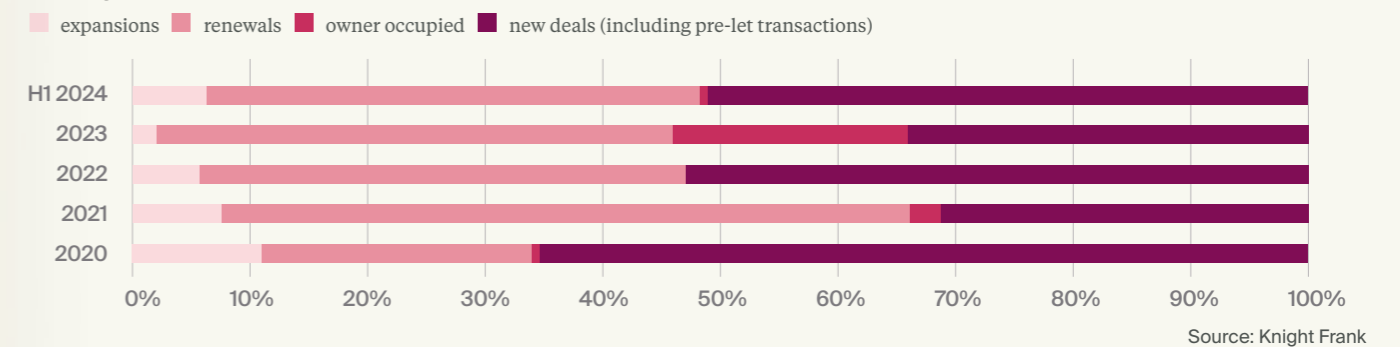
🏢 - office stock 📊 - vacancy rate
🏗️ - asking rents (per sq m per month)

Source: Knight Frank

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



Take-up structure in Poznań



Human Leadership: Effectively Managing Teams in the Digital Era

Despite Poland achieving the lowest unemployment rate in the EU in 2024, job vacancies are on the rise, particularly in IT, data analysis, sales, marketing, and fields related to digitalisation and AI. The European Commission reports that 77% of companies struggle to hire suitable specialists. Given these shifts, leaders must adapt their strategies to effectively manage teams in the digital era by adopting the Human Leadership approach.

Human Leadership

Human Leadership is a management style grounded in empathy, understanding employees' needs, and building trust. In today's job market, where attracting and retaining talent is vital, leaders must view employees as individuals with unique needs and aspirations. Key elements of this approach include effective communication, flexibility, adaptability, and technological proficiency.

Communication and Empathy

Effective communication and empathy are crucial in managing teams, especially in the context of remote work. Leaders should regularly meet with their teams, listen to employees' opinions, understand their needs, and encourage open dialogue. In a competitive job market, understanding individual employee needs can significantly improve retention rates.

Flexibility and Adaptation

Leaders need to quickly adapt to changes, adopting new work models and adjusting strategies to a dynamic market. The Talent

Trends 2024 report indicates that 45% of companies plan to increase hiring in 2024, emphasising the importance of flexibility in attracting talent.

Technological Proficiency

Leaders should be well-versed in digital tools, support innovation, and build digital competencies within their teams. In Poland, the demand for automation specialists is growing, making it crucial for leaders to bridge the gap between technical and non-technical team members.

Benefits of Implementing Human Leadership

Companies that have implemented Human Leadership report increased employee engagement and productivity, better talent attraction and retention rates, and a stronger organisational culture. Prioritising career development, work-life balance, competitive compensation, investing in employee development, fostering open communication, and building trust all contribute to organisational success.



► For more information on Human Leadership and employee retention, please see our latest study [Talent Trends 2024](#).

Recruitment in the Manufacturing and Supply Chain Sector

According to data from the Central Statistical Office (GUS), approximately 6.5 million people are currently employed in Poland. In the industrial sector alone, there are 2.8 million employees, making up 17.5% of the total 16 million employed. With a low registered unemployment rate of 4.9%, companies must compete with increasingly attractive offers to recruit production workers. Is it worth it? Yes. Experts highlight that well-selected and motivated team members can boost productivity by up to 18% and improve production quality by 15%.

Operational Efficiency in the Hands of Manufacturing Workers

Recruiting qualified workers in the manufacturing sector is one of the key challenges for industrial companies. This is crucial for maintaining operational continuity, high product quality, and cost optimisation.

A report by the Polish Economic Institute titled Poles on Foreigners in the Job Market – Facts, Myths, Opinions revealed that last year, 70% of employers reported difficulties in finding Polish workers. As a result, they are increasingly hiring foreign employees.

Experts from the Polish Confederation Lewiatan estimate that the Polish economy needs about 2.5 million workers from abroad annually, and there is no indication that this number will decrease. Our society is aging, and the number of available qualified workers is diminishing.

Consequences of Recruitment Errors

Recruitment errors can significantly impact an organisation's productivity and profitability, leading to high financial costs associated with re-recruitment processes, training, and onboarding new employees. The departure of an employee just a few months after being hired, during which they received an average monthly salary of 7,998.81 PLN gross, can realistically cost the employer around 100,000 PLN.

Best Practices

Effective recruitment in the production sector includes precisely defining job requirements, using multiple recruitment channels, employing advanced selection tools, and promoting a strong company culture and development opportunities. Systematic evaluation and optimisation of the recruitment process are key to its effectiveness.



TOP 3

Positions in the Manufacturing and Supply Chain Sector.

► KATOWICE & KRAKOW:

- **Automation Engineer**
12,000 – 16,000 PLN gross
- **Process Engineer**
13,000 – 16,000 PLN gross
- **Technical Manager**
20,000 – 27,000 PLN gross

► WROCLAW & POZNAŃ:

- **Automation Engineer**
12,000 – 14,000 PLN gross
- **Quality Planning Engineer**
10,000 – 13,000 PLN gross
- **Quality Manager**
20,000 – 25,000 PLN gross

► WARSAW, ŁÓDŹ & TRICITY:

- **Automation Engineer**
12,000 – 16,000 PLN gross
- **Project Manager**
15,000 – 25,000 PLN gross
- **Quality Manager**
20,000 – 25,000 PLN gross

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- ▶ strategic consulting, independent forecasts and analysis adapted to clients' specific requirements,
- ▶ 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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