

# Strong cities

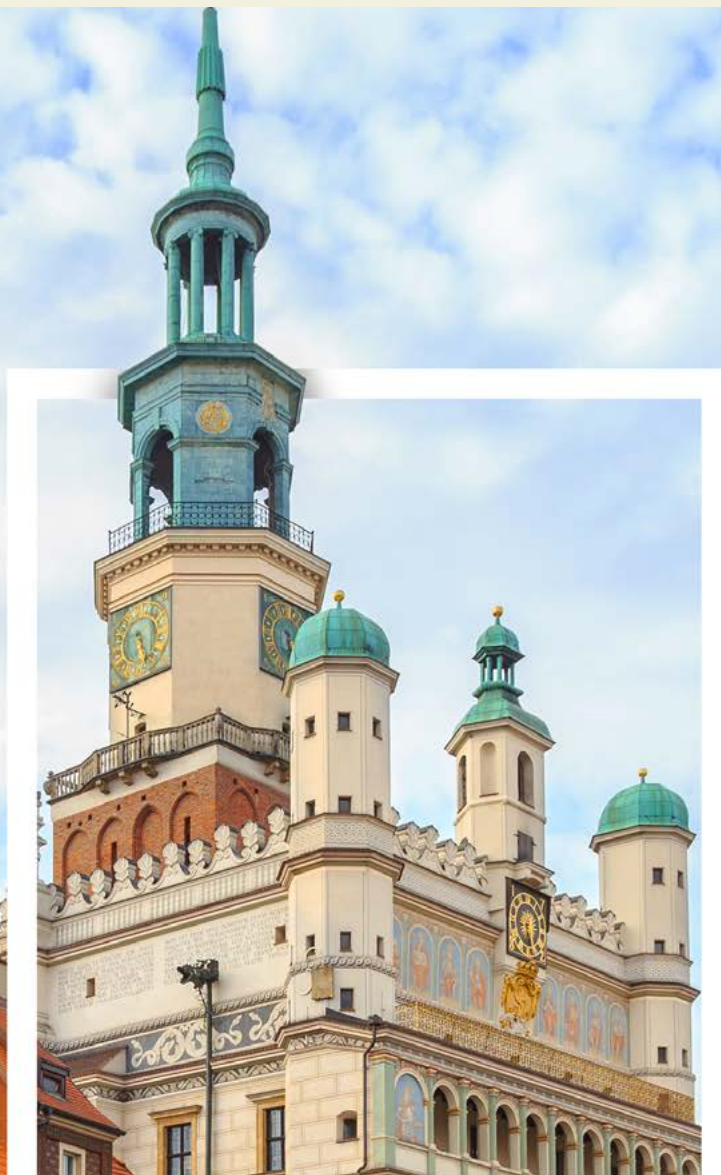


City attractiveness, office market, HR trends

Q3 2023

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

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## Poznań

Prepared  
in cooperation with

POZnań\*

Michael Page

# 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

- 1<sup>ST</sup> PLACE** in the ABSL ranking - **attractiveness of office space location**
- 3<sup>RD</sup> PLACE** in the ABSL ranking - **quality of local universities**
- 3<sup>RD</sup> PLACE** in the ABSL ranking - **cooperation with a local investor service office**
- 2<sup>ND</sup> 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 5<sup>th</sup> 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](http://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

- 1<sup>ST</sup> PLACE** in the category **Transport and Infrastructure** in Saint-Gobain ranking - Polish Cities of the Future 2050
- 3<sup>RD</sup> PLACE** in the ABSL ranking - **general quality of life**
- 1<sup>ST</sup> PLACE** **Smart City Award** - miasta powyżej 300 tysięcy mieszkańców
- 2<sup>ND</sup> PLACE** in the ABSL ranking - **quality of local environment**
- 2<sup>ND</sup> PLACE** in the ABSL ranking - **quality of public transport**
- 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

Q3 2023

**Existing stock**  
661,300 sq m

**Supply under construction**  
69,100 sq m

**Vacancy rate**  
13.2%

**New supply (Q1-Q3 2023)**  
32,400 sq m

**Take-up (Q1-Q3 2023)**  
48,400 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

Poznań, one of the smaller regional office markets, ranks sixth in terms of size in Poland. At the end of Q3 2023, the total office stock in Poznań stood at 661,300 sq m.

Since the beginning of the year, office space has increased by 32,400 sq m, accounting for 14% of the space completed in all regional cities. No new office space was delivered to the Poznań market in Q3 2023.

In the city, 69,100 sq m of office space remained under construction at the end of September 2023 and will be systematically delivered in the coming years. If developers meet their planned deadlines, nearly 17,000 sq m of the space under construction will be delivered to the market in the final quarter of 2023, with the remaining 52,000 sq m reaching the market between 2024 and 2025. The largest developments under construction are Andersia Silver with a planned completion date of 2025 (40,000 sq m, Von der Heyden Group) and the owner-occupied development on Pastelowa Street (10,800 sq m, Tetos).

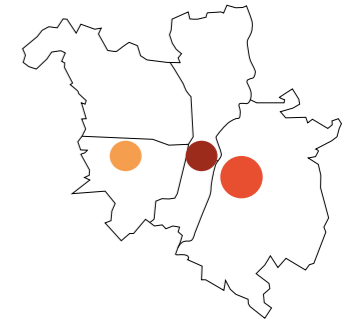
Since the beginning of the year, demand for office space in Poznań reached 48,400 sq m, accounting for 9% of the total volume of contracts signed in regional cities. New contracts, at 64%, accounted for the largest share of the demand structure from January to September 2023, while renegotiations accounted for nearly 34% of the volume, and expansions a mere 2% of all signed contracts. In Q3 2023 alone, leases were signed for nearly 26,600 sq m.

The vacancy rate at the end of September 2023 stood at 13.2%, up 0.5 pp q-o-q. Compared to the corresponding quarter of 2022, there was a 2 pp increase in office availability. Asking rents in Poznań have remained stable in recent months and ranged from EUR 10.00 to EUR 15.50/sq m/month. Service charges ranged from PLN 16.00 to PLN 28.00/sq m/month.

## Office space

Major concentration areas

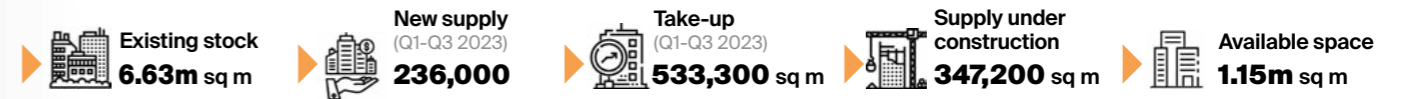
	EXISTING STOCK	SUPPLY UNDER CONSTRUCTION	VACANCY RATE	MONTHLY ASKING RENT
<b>City Centre</b>	297,600 sq m	46,000 sq m	12.8%	EUR 10-15.50 sq m
<b>Malta</b>	43,000 sq m	9,260 sq m	4.3%	EUR 14 sq m
<b>Marcelińska/Butgarska</b>	144,100 sq m	10,800 sq m	13.0%	EUR 11-14.50 sq m



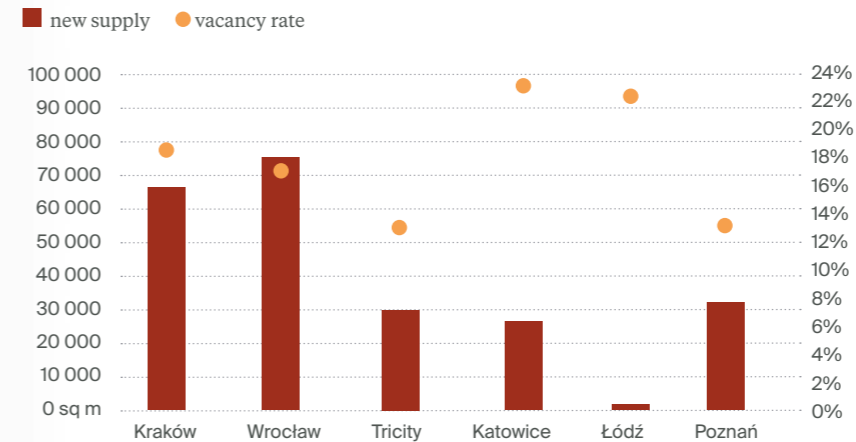
## Major regional cities

Q3 2023

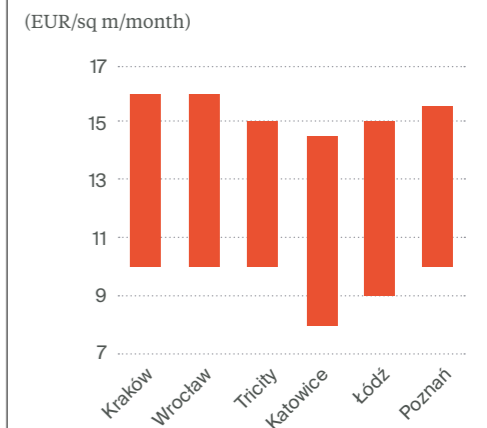
Kraków, Wrocław, Tricity, Katowice, Łódź, Poznań, Szczecin, Lublin



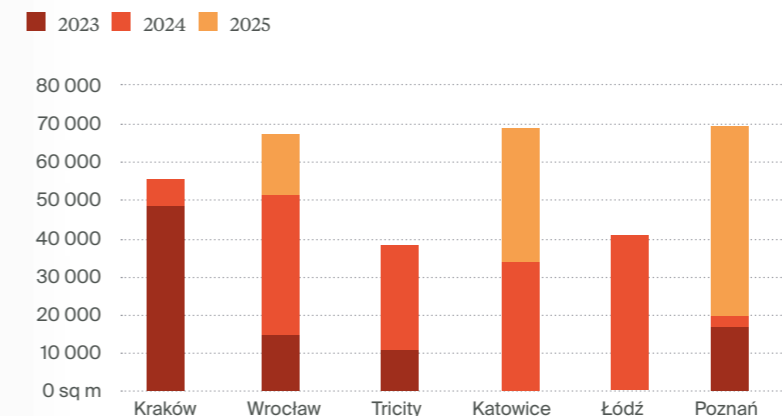
### New supply (Q1-Q3 2023) and vacancy rate (Q3 2023)



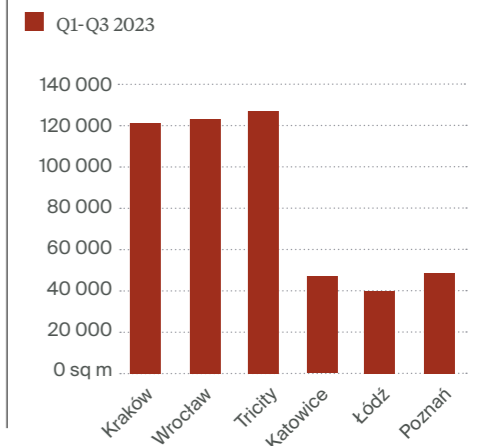
### Asking rents (Q3 2023)



### 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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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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