Strong cities

City attractiveness, office market, HR trends

Knight Frank

Q3 2024

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

knightfrank.com.pl/en/research

Poznań

Prepared in cooperation with POZnan MichaelPage

Poznań

City area
261.9 sq km

Population
538,400
(04.2023, GUS)

Population forecast
503,800 (2030)

Number of companies
131,200
(08.2023, GUS)

Unemployment rate
1.1%
(08.2024, 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

1ST PLACE in the ranking of **best cities to live in Poland** – Business Insider Polska

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

2ND PLACE in the ABSL ranking - perception of the **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, 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 **2,788,900** (2023)

BSS sector - number of centres **156**

BSS sector - number of employed **30,500**

RATING AGENCY **Fitch Ratings** RATING **A-**

Poznań

Q3 2024

Existing stock
674,000 sq m

Supply
under construction
57,000 sq m

Vacancy rate
12.5%

New supply
0 sq m

Take-up
53,000 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

By the end of Q3 2024, the total office stock in Poznań reached 674,000 sq m, making it the sixth-largest office market in Poland.

Stable demand, combined with a lack of new supply, led to a decrease in the vacancy rate to 12.5%, the second-lowest among regional cities, just behind Szczecin. Asking rents have remained stable, typically reaching up to EUR 15.50/sq m/month.

SUPPLY

Since the beginning of 2024, no new office buildings have been delivered in Poznań. However, over 8,000 sq m of space is expected to come online by the end of the year across three projects.

Currently, more than 57,000 sq m of modern office space is under construction, the highest figure among regional cities. The largest ongoing project is AND2, a 40,000 sq m development by the Von der Heyden Group, which is scheduled for completion in mid-2025 and will become the largest office building in the city.

TAKE-UP

Leased office space in Poznań has increased slightly in 2024, with over 53,000 sq m leased during Q1-Q3, marking a 7% rise compared to the same period last year. Poznań accounted for 11% of the total leasing volume in regional cities.

New agreements have dominated the leasing structure, with their share steadily rising since 2022. Between January and September 2024, new agreements accounted for nearly 57% of total leasing activity, up from 54% in 2023. Expansions have also gained significance, representing 6% of the leased volume, up from just 1.5% in 2023. Renegotiations remained important, comprising 37% of all lease agreements, indicating tenants' ongoing focus on optimising operational costs such as relocation expenses and workspace adjustments.

VACANCY RATE

The vacancy rate in Poznań has been on a downward trend for four consecutive quarters, reaching 12.5% in Q3 2024. This represents a decline of 1.4 pp from the previous quarter and 0.7 pp compared to the same period in 2023. This decline can be attributed to stable demand and the lack of new supply throughout 2024.

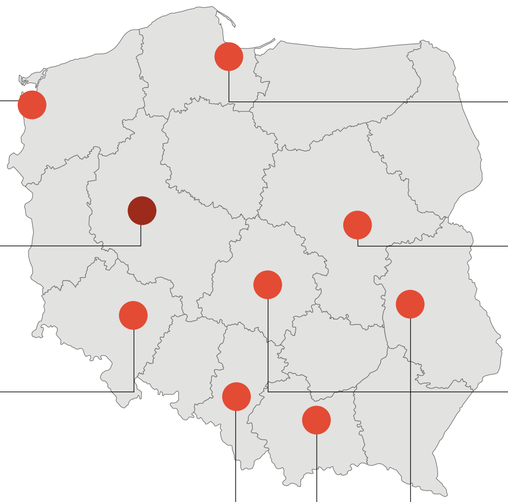
RENTS

In Q3 2024, asking rents in Poznań remained stable, typically ranging from EUR 11.00 to 15.50/sq m/month. However, rents for office space on the upper floors of premium buildings in prestigious locations may significantly exceed this range. Service charges have also remained stable, ranging from PLN 16.00 to 28.00/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

KRAKOW
1.82m sq m
18.9%
EUR 10-16

TRICITY
1.07m sq m
12.7%
EUR 11-15.5

WARSAW
6.26m sq m
10.7%
EUR 10-28

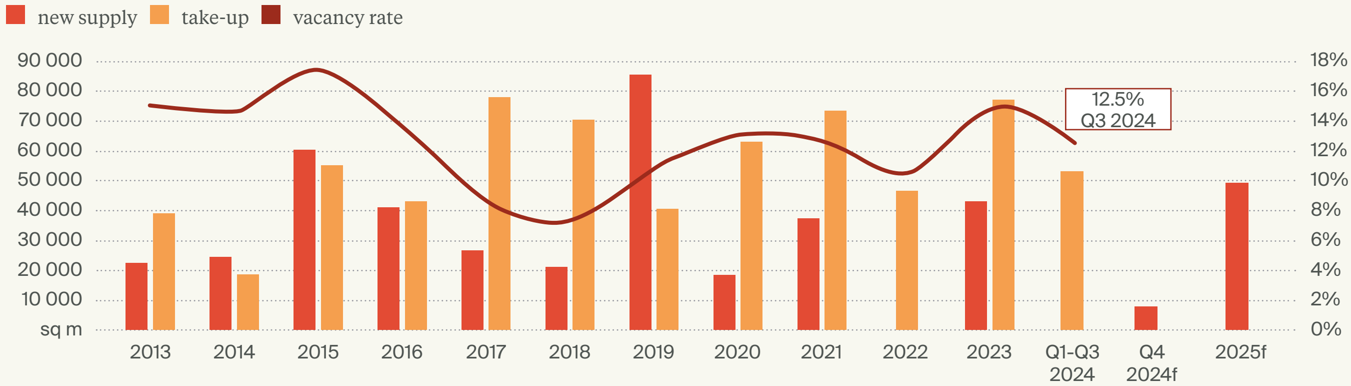
ŁÓDŹ
645,000 sq m
21.1%
EUR 9-15

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

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

Source: Knight Frank

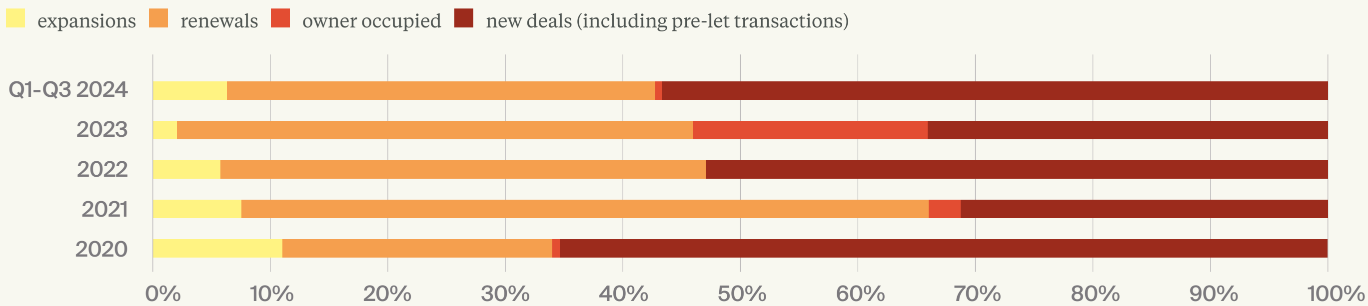
Annual new supply, take-up and vacancy rate in Poznań



f-forecast based on schemes under construction

Source: Knight Frank

Take-up structure in Poznań



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

Knight Frank

Contacts

in Poland

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

RESEARCH
Dorota Lachowska
dorota.lachowska@pl.knightfrank.com

COMMERCIAL AGENCY - POZNAŃ
T-REP Piotr Kalisz
piotr.kalisz@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

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:

- 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, 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.

Knight Frank Research Reports are available at:
www.knightfrank.com.pl/en/research/

PARTNER OF THE PUBLICATION:

POZnań

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.

Michael Page

CONTACT:
+48 (22) 319 30 00
contact@michaelpage.pl

www.michaelpage.pl