

Prepared
in cooperation with



Michael Page



TRICITY

City attractiveness and office market

H1 2022

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CITY ATTRACTIVENESS

TRICITY



CITY AREA

414.8 sq km



POPULATION

1.6m
(metropolitan area)



POPULATION FORECAST

611,359 (2030)
577,658 (2050)



MIGRATION BALANCE

(+) 790



GDP GROWTH

9.7%



GDP PER CAPITA

PLN 89,995



AVERAGE SALARY

PLN 7,032
(gross, Gdańsk)

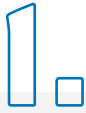


UNEMPLOYMENT RATE

2.2%
(average of three cities)

INVESTMENT ATTRACTIVENESS

RANKINGS



Outsourcing Stars 2021, 2022 in the City category for **the fastest growing city in the BSS sector in Poland**, Pro Progressio



In 2022 1st place for Tricity as **the most dynamically developing city** in Poland, CEE Shared Services and Outsourcing Awards



In 2020 and 2022 Tricity was ranked 1st as **the best place to do business in Poland** by ABSL

European Entrepreneurial Region 2020

Gdańsk, Gdynia and Pomeranian Voivodeship in **TOP 10 of fDi European Cities and Regions of the Future 2022/2023** ranking. Pomeranian Voivodeship in the category FDI strategy - medium-sized regions. Gdańsk was awarded a distinction as a business-friendly medium-sized city, and in the category of small cities, FDI strategy - Gdynia

INVESTMENT INCENTIVES

INVEST IN POMERANIA

Dedicated employer branding campaign, access to recruitment platform, dedicated recruitment campaign, support in immigration matters, scholarship for relocation, temporary office for investors

ECONOMIC ZONES

Employment grant and investment grant in the form of CIT exemptions

GOVERNMENT SUPPORT

Employment and investment cash grant for investors

QUALITY OF LIFE

RANKINGS

1.

1st place for Gdańsk in **People Friendly Cities 2020** ranking by Forbes

3.

3rd place for Gdańsk in **Quality of life category in Emerging Europe Awards, 2020**

2.

2nd place for Gdańsk in **quality of life category during last 5 years according to Report on the Quality of Life in European cities**

55.

55th in Europe - **Quality of Life Index by Numbeo (mid-2022)**

142.

142nd in the world - **Quality of Life Index by Numbeo (mid-2022)**

QUALITY OF LIFE IN NUMBERS

- Gdańsk systematically monitors quality of life and residents' satisfaction.
- According to Report on the Quality of life in European Cities, 2020, Gdańsk residents declare satisfaction with life in the city at - 97%.
- Activation measures and investments as part of revitalization program in four areas of Gdańsk: Biskupia Górka/ Stary Chełm, Dolne Miasto/Plac Wałowy/Stare Przedmieście, Nowy Port z Twierdzą Wisłoujście, Orunia.
- Gdańsk leads disease prevention programs aimed primarily at groups of increased risk. The city also takes actions to improve the quality of medical and social care.
- Bronze award - Gdynia as an example of clean living quality, The International Awards for Liveable Communities 2021.
- Launch of the first Polish subsidy program for the purchase of cargo bicycles in Gdynia. 90% of the funds allocated for this purpose have been used. There is also a cargo bike rental in the city with a fleet of 16 electric vehicles.
- In Gdynia there is a position in local government structure of vice-president for quality of life, who is responsible for education, health and smart city activities.
- In 2021, Gdynia joined the ranks of five cities in the world receiving ISO 37122 certification, a distinction designed for cities that effectively create and implement a sustainable development strategy using available technologies.
- Air protection program for the City of Gdańsk.
- Development of the groundwater monitoring system in the area of Gdańsk, Sopot and the commune of Pruszcz.



BIKE PATHS

293.7 km
(2020)



GREEN AREAS

123 sq km

FACTS & FIGURES

NUMBER OF STUDENTS



83,600

NUMBER OF GRADUATES



19,800

NUMBER OF UNIVERSITIES



24

AIRPORT - DISTANCE TO THE CITY CENTRE



15 km

AIRPORT - NUMBER OF PASSENGERS



2,154,563 (2021)
1,472,945 (2020)

BSS SECTOR - NUMBER OF CENTRES



181

BSS SECTOR - NUMBER OF EMPLOYED



34,600

OFFICE MARKET

TRICITY

H1 2022



EXISTING STOCK

1.01m sq m



SUPPLY UNDER CONSTRUCTION

82,500 sq m



VACANCY RATE

15.3%



NEW SUPPLY

50,600 sq m



TAKE-UP

50,100 sq m

At the end of Q2 2022, the office stock in the Tricity had reached more than 1.01 million sq m, crossing the symbolic threshold. As a result, it retained third place in terms of size among the regional office markets, just behind Kraków and Wrocław.

In Q2 2022, the Tricity market was boosted by nearly 19,000 sq m of additional modern office space, delivered in two projects: K2 (10,900 sq m, Vastint) and Palio Office Park B (7,900 sq m, Cavatina Holding). Moreover, since the beginning of the year, the Tricity market has seen nearly 50,600 sq m added to its stock - 16% of the volume of completed space in regional cities.

At the end of June 2022, there was approximately 82,500 sq m under construction. If developers meet their planned deadlines, more than 95% of this space will be delivered to the Tricity market in 2023. The largest developments under construction are Waterfront II (14,500 sq m, Vastint Poland) and Punkt (12,500 sq m, Torus).

From April to June 2022, the Tricity witnessed a high take-up of office space, with a transaction volume of more than 28,000 sq m (an increase of 26% q-o-q). This accounted for nearly 15% of leased space in the regions and was the second highest result among regional cities, close

behind Kraków. New agreements, at nearly 72%, accounted for the largest share of the volume (of which pre-let agreements contributed 3%). Both renegotiations and expansions made up 14% of the transaction volume. In the first half of the year, tenants had already leased more than 50,100 sq m of office space in the Tricity.

Despite the high take-up, the delivery of two significant projects resulted in a 1 pp increase in the vacancy rate in the Tricity over the quarter, with the rate reaching 15.3% by the end of June 2022. Compared to the same period in 2021, the vacancy rate had risen by 6.1 pp.

Asking rents in the Tricity at the end of June 2022 remain stable, ranging from EUR 10.00 to EUR 15.00/sq m/month. In the near future, pressure from tenants to renegotiate rents and seek incentive packages in older buildings seems likely due to the high availability of office space. On the other hand, rising construction costs (rising prices of construction materials and labour costs), and growing construction loan costs may inhibit investor openness towards negotiation, particularly in new buildings. In all projects, however, an increase in service charges can be expected due to ongoing increases in the price of services and utilities.

SELECTED SCHEMES UNDER CONSTRUCTION

PUNKT

- 12,500 sq m
- Q3 2023
- Torus

OFFICER

- 3,200 sq m
- Q4 2022
- Panorama Development

WATERFRONT II

- 14,500 sq m
- Q3 2023
- Vastint Poland

PALIO OFFICE PARK C

- 13,000 sq m
- Q3 2023
- Cavatina Holding

MATARNIA OFFICE PARK A

- 2,100 sq m
- Q2 2023
- PB Domesta

Total office space Completion date Developer / Owner

STANDARD LEASE TERMS IN NEW BUILDINGS



SERVICE CHARGE PLN/SQ M/MONTH

15-24



RENT-FREE PERIOD

5-7 months



FIT-OUT BUDGET EUR/SQ M

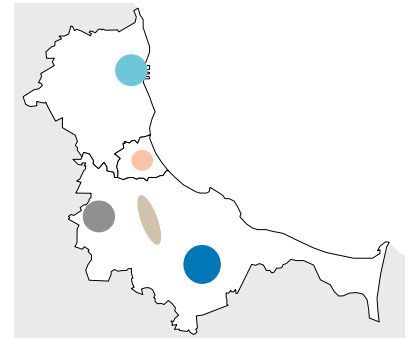
100-300

COWORKING OPERATORS IN TRICITY

Chillispaces.com | Flex | Spaces |

MAJOR OFFICE CONCENTRATION AREAS

	EXISTING STOCK	SUPPLY UNDER CONSTRUCTION	VACANCY RATE	MONTHLY ASKING RENT
GDAŃSK AL. GRUNWALDZKA	462,000 sq m	14,600 sq m	14.6%	EUR 11-15/sq m
GDAŃSK CITY CENTRE	120,500 sq m	10,700 sq m	15.0%	EUR 11-15/sq m
GDAŃSK AIRPORT	63,900 sq m	18,600 sq m	13.3%	EUR 12-13.5/sq m
GDYNIA	212,200 sq m	22,500 sq m	23.6%	EUR 10-15/sq m
SOPOT	35,200 sq m	0 sq m	22.7%	EUR 11-14/sq m



MAJOR REGIONAL CITIES

KRAKÓW, WROCŁAW, TRICITY, KATOWICE, ŁÓDŹ, POZNAŃ, SZCZECIN, LUBLIN

H1 2022



6.34m sq m



312,000 sq m



343,000 sq m



562,000 sq m

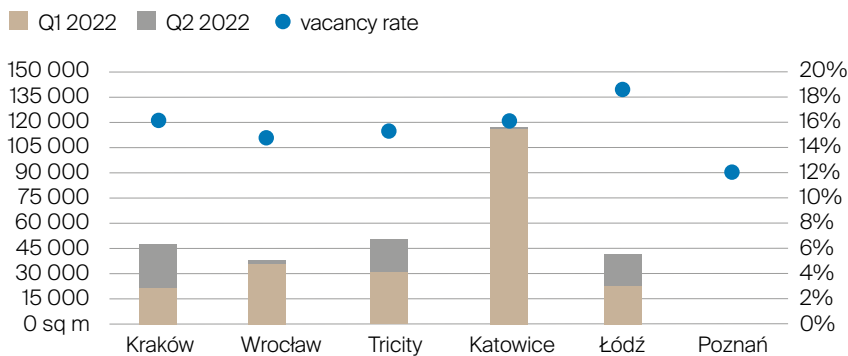


961,000 sq m

TRICITY AMONG THE MAJOR REGIONAL CITIES

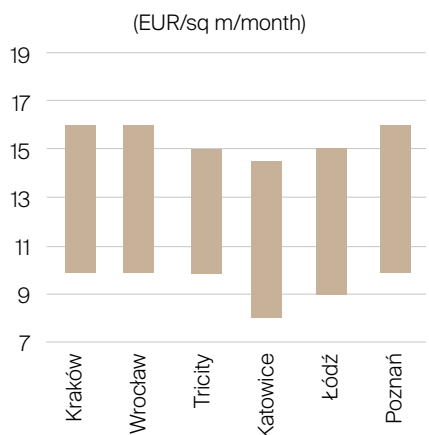
Without doubt, the Tricity is one of the most dynamically growing office markets in Poland. As a result, Q2 2022 saw it join Kraków and Wrocław as regional office markets with a stock in excess of 1 million sq m. High developer activity in the Tricity has contributed to the development of many modern office buildings offering class A office space.

NEW SUPPLY (H1 2022) AND VACANCY RATE (Q2 2022)



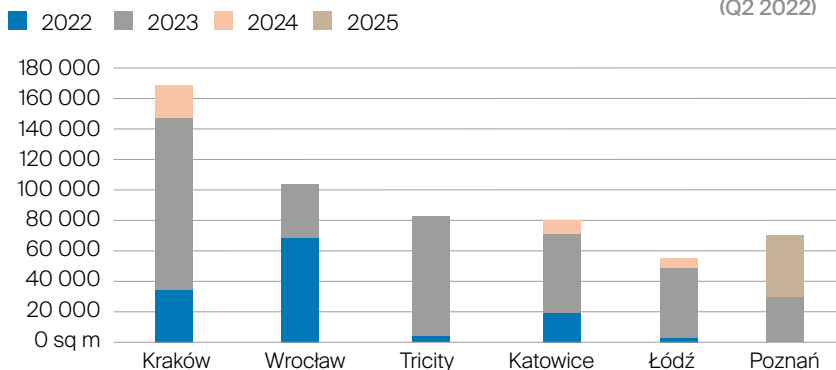
ASKING RENTS

(Q2 2022)



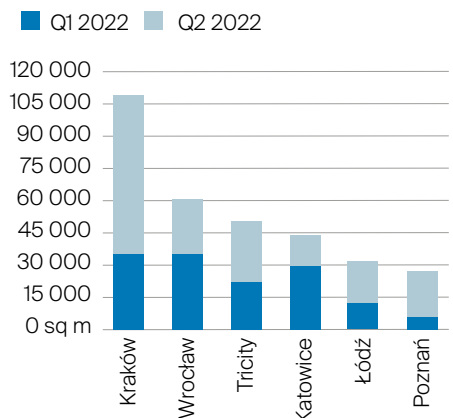
SUPPLY UNDER CONSTRUCTION BY COMPLETION YEAR

(Q2 2022)



TAKE-UP VOLUME

(H1 2022)



HR PERSPECTIVE

Michael Page

CLEAR CANDIDATE EXPECTATIONS

The research conducted by Michael Page has proven that as far as job advertisements are concerned, candidates are chiefly interested in the location of their prospective job – as confirmed by 59% of the respondents. The type of contract (47%) and the job title (44%) have been ranked second and third, respectively. **Such aspects as wages (37%) and the level of the position of interest (24%) came a lot lower on the list.** Apparently, candidates also pay close attention to the name of the company (19%), and the date when a given job offer was published (18%).



Despite the popularity of home office, as many as 6 of 10 respondents first look at the address of their potential employer when looking through job offers. This means that candidates care about a well-connected and often prestigious location. We can assume that for many people remote work is a very convenient alternative, but sometimes their home is simply unable to replace the amenities offered by a modern and comfortable office, which many people would like to keep using. As a result, those employers who offer candidates a hybrid solution will certainly appear more attractive on the labour market.

The Michael Page study has also revealed what sort of information candidates miss in job offers. **Almost nine out of ten (88%) respondents believe that job advertisements should contain information about the company's organisational culture, i.e. the principles and values that a given business adheres to.** A similar percentage of those surveyed (87%) would like to know the salary range, while 69% have shown real interest in the benefits package. These findings prove how mature candidates are these days, as their expectations towards employers are crystal clear. In addition, they are consistent with the general trends that dominate the labour market, such as employees' increasingly higher financial expectations, the growing importance of well-being in the workplace, or potential employers' engagement in CSR.



THE JOB MARKET OF THE IT SECTOR AT A GLANCE

The labour market in the IT industry remains very dynamic, and we do not expect major slowdowns in this sector in the nearest future.

Today's trends in IT world have created excellent conditions for contracting services. These days, specialists prefer B2B cooperation, as it gives them greater freedom of work – especially in terms of the place and time of performing their professional duties, as well as higher earnings. IT employees still most frequently opt for the home office model, even those whose specificity of work in the pre-Covid world consisted in clients coming to their office. Candidates, especially those interested in contracting, are more likely to go for remote work, even if their clients are based in the same town.



The IT industry has been witnessing an invariably steady increase in wage levels. Wage reports that look at wage rates from the previous year turn out to be inadequate to the market trends that prevail in 2022.

Despite the constantly growing financial expectations, the availability of experts on the recruitment market is going down. Candidates manage to find a new job very quickly. Time pressure and the competitiveness of offers push companies looking for IT specialists to eventually hire candidates even with exorbitant expectations.

Companies most often rely on IT specialists in middle and senior positions, which means that they spend less time, and thus less money, on onboarding new staff. Especially in the case of contracting, employers tend to go for cooperating with more experienced experts who, in the case of short-term contracts, make a greater contribution to the design work.

TOP 3 MOST DESIRED POSITIONS BY EMPLOYERS IN 2021:

1.

JAVASCRIPT DEVELOPER

2.

JAVA DEVELOPER

3.

SOFTWARE TESTER

THE RATES BELOW REGARD DEVELOPERS (JAVASCRIPT DEVELOPER, AND JAVA DEVELOPER):

JUNIOR (2-3 YEARS)	80-120 PLN/h
MIDDLE (3-5 YEARS)	130-170 PLN/h
SENIOR (5+ YEARS)	160-200 PLN/h

THE FOLLOWING RATES REGARD SOFTWARE TESTERS:

	JUNIOR (2-3 YEARS)	MIDDLE (3-5 YEARS)	SENIOR (5+ YEARS)
MANUAL TESTER	60-100 PLN/h	70-120 PLN/h	120-150 PLN/h
AUTOMATION TESTER	80-120 PLN/h	130-170 PLN/h	160-200 PLN/h

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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). Long-term presence in local markets has allowed our research team to build in-depth expertise of socio-economic factors affecting commercial and residential real estate in Poland.

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Invest in Pomerania is a regional non-profit initiative bringing together institutions responsible for the economic development of Pomerania. Supports foreign investors in the implementation of investment projects in Pomerania, providing support at every stage of investment process and building the investment attractiveness of the region.

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