

Prepared
in cooperation with



Michael Page



TRICITY

City attractiveness and office market

Q3 2022

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CITY ATTRACTIVENESS

TRICITY



CITY AREA

414.8 sq km



POPULATION

1.64m
(metropolitan area)



POPULATION FORECAST

706,339 (2030)
642,404 (2050)



MIGRATION BALANCE

(+) 790



GDP GROWTH

9.7%



GDP PER CAPITA

PLN 89,995



AVERAGE SALARY

PLN 7,032
(gross, Gdańsk)



UNEMPLOYMENT RATE

2.0%
(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



77,174

NUMBER OF GRADUATES



18,237

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



183

BSS SECTOR - NUMBER OF EMPLOYED



35,100

OFFICE MARKET

TRICITY

Q3 2022



EXISTING STOCK

1.01m sq m



SUPPLY UNDER CONSTRUCTION

100,200 sq m



VACANCY RATE

13.5%



NEW SUPPLY (Q1-Q3 2022)

50,600 sq m



TAKE-UP (Q1-Q3 2022)

76,300 sq m

At the end of Q3 2022, the total office stock of the Tricity stood at more than 1.01m sq m, keeping it in third place in terms of size among regional office markets, just behind Kraków and Wrocław. Since the beginning of the year, there has been a steady supply of modern office projects delivered, although in Q3 2022, the Tricity market did not receive any.

At the end of September 2022, there was more than 100,000 sq m under construction in the Tricity. If developers meet their planned schedules, 84% of the space under construction will be delivered to the Tricity market in 2023, with the remaining approximately 16,000 sq m delivered this year. The developments still under construction are Waterfront II in Gdynia (14,500 sq m, Vastint Poland) and Punkt (12,500 sq m, Torus) in Gdańsk.

From July to September 2022, the Tricity recorded the second highest take-up of office space among regional cities, just behind Krakow, with a transaction volume of more than 24,200 sq m, accounting for nearly 23% of the space leased in the regions. Since the beginning of 2022, tenants have already leased 76,300 sq m of modern office space in the Tricity (by comparison, the average annual demand in the last 5 years was 99,300 sq m). New agreements accounted for the largest share at over 64% (of which pre-let agreements accounted for 7%), while renegotiations represented 26% of the volume. Expansions amounted to nearly 10% of the leased space in the Tricity during this period.

Due to the high take-up and lack of new office space, the vacancy rate decreased by 1.8 pp. q-o-q, standing

at 13.5% in the Tricity at the end of September 2022. Over the past year, however, the vacancy rate has increased by 2.8 pp in comparison with the corresponding period of 2021.

Asking rents in the Tricity have remained stable in recent months, and at the end of September 2022 ranged 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. At the same time, due to the rising costs of utilities and services, there has also been a noticeable increase in service charges, which at the end of September 2022 in Tricity ranged from PLN 15.00 to PLN 24.00/sq m/month.

SELECTED SCHEMES UNDER CONSTRUCTION

PUNKT

12,500 sq m
 Q4 2023
 Torus

WATERFRONT II

14,500 sq m
 Q3 2023
 Vastint Poland

MATARNIA OFFICE PARK A

3,600 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

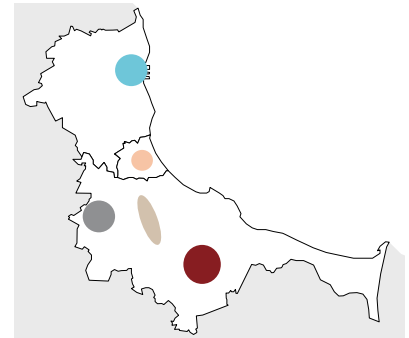
100-300

COWORKING OPERATORS IN TRICITY

Chillispaces | Flex |
Spaces |

MAJOR OFFICE CONCENTRATION AREAS

	EXISTING STOCK	SUPPLY UNDER CONSTRUCTION	VACANCY RATE	MONTHLY ASKING RENT
GDAŃSK AL. GRUNWALDZKA	462,000 sq m	17,300 sq m	11.8%	EUR 11-15/sq m
GDAŃSK CITY CENTRE	120,500 sq m	20,700 sq m	14.9%	EUR 11-15/sq m
GDAŃSK AIRPORT	63,900 sq m	26,600 sq m	10.8%	EUR 12-13.5/sq m
GDYNIA	212,200 sq m	19,500 sq m	21.8%	EUR 10-15/sq m
SOPOT	35,200 sq m	0 sq m	21.9%	EUR 11-14/sq m

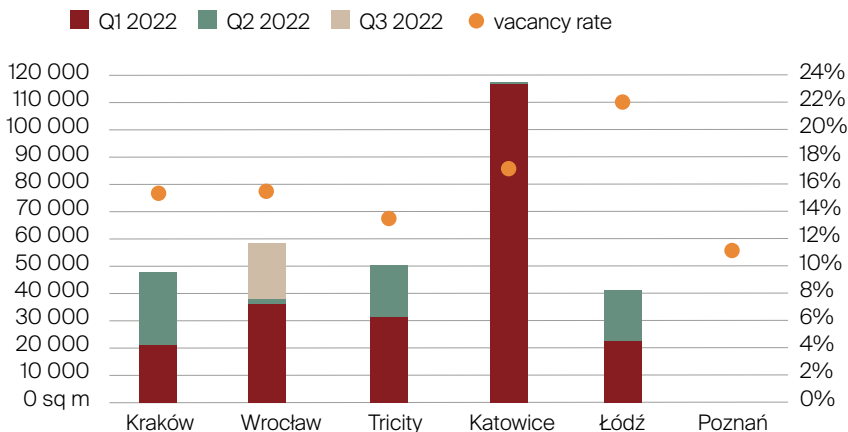


MAJOR REGIONAL CITIES

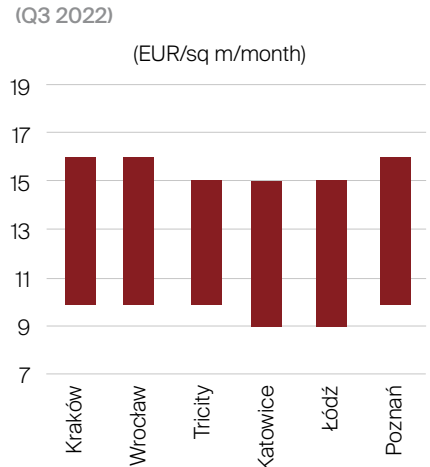
KRAKÓW, WROCŁAW, TRICITY, KATOWICE, ŁÓDŹ, POZNAŃ, SZCZECIN, LUBLIN



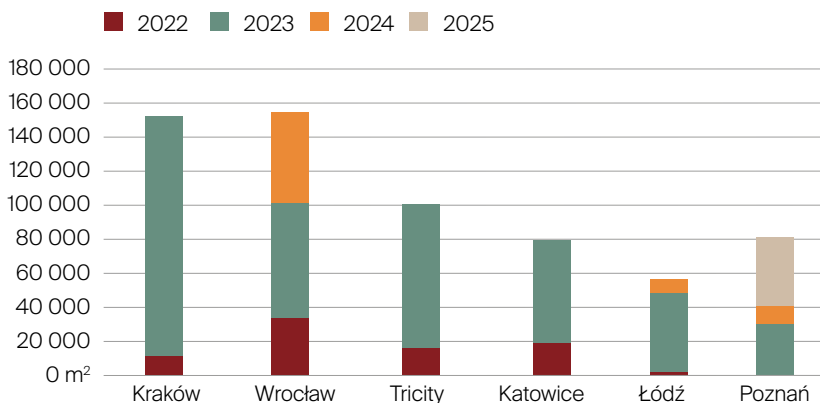
NEW SUPPLY (Q1-Q3 2022) AND VACANCY RATE (Q3 2022)



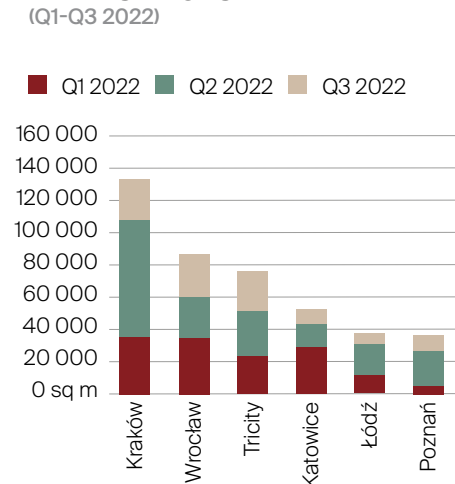
ASKING RENTS (Q3 2022)



SUPPLY UNDER CONSTRUCTION BY COMPLETION YEAR (Q3 2022)



TAKE-UP VOLUME (Q1-Q3 2022)



HR PERSPECTIVE

Michael Page

A DREAM JOB – WHAT EXACTLY DOES IT MEAN?

According to a study by Michael Page, these days, the idea of a dream job goes hand in hand with a permanent contract (80% of respondents), working in a medium-sized company (41%), and a clear and unambiguous job description (93%). At the same time, the idea of working with an ideal leader means for a lot of candidates receiving the support needed to develop their potential (48%), respect (47%), professional management (46%), and effective communication (44%). What else makes a dream job, what discourages people from accepting a particular job offer, and what motivates them to turn elsewhere in their job search?

COMPANY SIZE MATTERS

What sort of company would candidates be most willing to link their future with? Although the number one choice is a medium-sized organisation – 41% of respondents have opted for it – 30 and 25% have pointed to a large or small business, respectively. Medium-sized businesses are commonly perceived by candidates as those in which one can count on a clear sense of agency and have a major impact. This is what seems to explain the fact that such a preference is most often determined by a short decision-making process (for 36% of people), the possibility of training (30%) and a clear strategic vision (27%).

As far as large organisations are concerned, the strongest motivator is the possibility to grow through the various training schemes that they offer. This aspect has been indicated by almost half of the respondents (46%). Next on the list came advancement opportunities (39%), followed by higher wages (27%). Such a distribution of responses also proves that remuneration is no longer the key incentive that attracts candidates to a given company. Having said this, the significance of developing competences and enhancing opportunities to accelerate a career keeps growing.

A lot of candidates argue that such prospects are not available in small businesses, which have been chosen by the least respondents. In fact, only a quarter of those who have taken part in the Michael Page survey have listed them as a dream workplace. This does not mean, however, that these places do not have other important assets – especially for those who value the possibility of quick spontaneous action, an almost intimate work environment, and a high degree of independence. Here, too, as in medium-sized organisations, quick decision-making is a major driving force which is important for 41% of those who prefer this type of work environment. This way of working is also related to a typically less formal organisational culture, which attracts almost as many candidates to small companies (40%). In turn, one third of the respondents (34%) have mentioned the possibility of managing their duties more independently, a feature that seems to correspond well to the above characteristics.



THE INS AND OUTS OF THE SSC-BASED LABOUR MARKET

Over the last couple of years, we have been witnessing a steady annual growth of the market of centralised business services around the world in every possible respect: the number of people employed at the centres, the number of companies creating such places, and the countries in which they are launched, as well as their share in the GDP. Poland not only takes an active part in this trend, but it even sets it, taking the lead as one of the major players on the continent, and, certainly, the largest centre of this type of services in Central and Eastern Europe. In addition to transaction services, more and more complex processes are being centralised these days, which is why Centres of Excellence (CoE), Global Business Services and Shared Services Centres (SSC), which support them, are gaining momentum, taking over more and more advanced activities. Business centres are also developing in terms of the variety of services they provide. Beyond accounting processes, which dominated in the past, the area of finance has been further enriched with reporting, FP&A, and taxes. There is also a continuously growing interest in centralising IT functions and using the impressive and highly qualified talent pool of our country.



One of the characteristic features of the industry is also the very high competitiveness in acquiring the best talent on the market. Companies are already striving not only for university graduates with impeccable language skills, but also for people with a rich portfolio of professional experience and competences. This implies challenge for recruitment companies and their consultants who, whilst looking for experienced specialists, have to demonstrate a long practice and extensive expert knowledge. Alongside the growth of the percentage of roles that necessitate high competences, also referred to as 'knowledge-intensive', it is also obvious that the wages offered in such positions are correspondingly higher. It can be said with a high degree of certainty that wage growth is ahead of inflation. Despite the attractiveness of wages and professional challenges in this sector, the demand for workers exceeds the supply.

TOP 4

THE MOST DESIRED POSITIONS IN THE SSC SECTOR:

1.	2.	3.	4.
FP&A EXPERT	CUSTOMER SERVICE SPECIALIST (with foreign language skills, other than English)	PROCUREMENT / SUPPLY CHAIN SPECIALIST (with foreign language skills, other than English)	PAYROLL SPECIALIST (with foreign language skills, other than English)
PLN 12,000 – 18,000 gross	PLN 6,000 – 10,000 gross + language bonus	PLN 9,000 – 12,000 gross	PLN 7,500 – 10,500 gross

CONTACT IN POLAND:

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

RESEARCH

Elżbieta Czerpak
elzbieta.czerpak@pl.knightfrank.com

COMMERCIAL AGENCY - TRICITY

L-REP oraz T-REP Joanna Gomułkiewicz
joanna.gomulkiewicz@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

Michał Kozdrój
michal.kozdroj@pl.knightfrank.com

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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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PARTNER OF THE PUBLICATION:**CONTACT TO INVEST IN POMERANIA:**

Al. Grunwaldzka 472 D
Olivia Business Centre - Olivia Six
80-309 Gdańsk

+48 (58) 32 33 256
office@investinpomerania.pl

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.

Michael Page

KONTAKT:

www.michaelpage.pl
contact@michaelpage.pl