

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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Tricity

Prepared
in cooperation with



Michael Page

Tricity

-  **Agglomeration area**
5,316 sq km
-  **Agglomeration population**
~1.6m (2021)
-  **Population forecast for agglomeration**
~1.58m (2030)
-  **Migration balance**
(+) 790
(Tricity)
-  **Unemployment rate**
1.9%
(08.2023, Statistics Poland)
-  **GDP growth**
9.7%
-  **GDP per capita**
PLN 89,995
-  **Average salary (gross)**
PLN 8,674.99 (Gdańsk)
(in the business sector, 08.2023)



Investment attractiveness

Rankings

1ST PLACE Outsourcing Stars 2021, 2022 in the City category for **the fastest growing city in the BSS sector in Poland**, Pro Progressio

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

1ST PLACE in 2020 and 2022 for Tricity 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

1ST PLACE for Gdańsk in **People Friendly Cities 2020** ranking by Forbes

3RD PLACE for Gdańsk in **Quality of life category** in Emerging Europe Awards, 2020

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

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

142ND PLACE 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 with Fortress 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






 **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**
4,600,000 (2022)
-  **BSS sector - number of centres**
185
-  **BSS sector - number of employed**
36,000

Tricity




Q3 2023

-  Existing stock **1.05m sq m**
-  Supply under construction **38,300 sq m**
-  Vacancy rate **13.1%**
-  New supply (Q1-Q3 2023) **29,800 sq m**
-  Take-up (Q1-Q3 2023) **127,100 sq m**

Coworking operators in Tricity

Spaces | Regus | Chilliflex | O4 | Collab | City Space

Standard lease terms in new buildings

-  Service charge PLN/sq m/month **19.00-32.00**
-  Rent-free period **1-1.5 month** for each contract year
-  Fit-out budget EUR/sq m **100.00-300.00**

At the end of Q3 2023, office stock in the Tricity reached nearly 1.05m sq m, making it the third largest regional market, behind Kraków and Wrocław.

In H1 2023, the Tricity market gained more than 6,800 sq m, with a further 23,000 sq m of modern office space delivered in Q3 2023, upon the completion of the Intel building. Since the beginning of the year, the Tricity market has thus gained some 29,800 sq m, representing just under 13% of the volume of space delivered to the office market in regional cities.






At the end of September 2023, there was approximately 38,300 sq m under construction. If developers meet their planned deadlines, nearly 30% of the space currently under construction will be delivered to the Tricity market in the closing quarter of 2023. The largest developments under construction include: Waterfront II (15,000 sq m, Vastint Poland) and Punkt (12,650 sq m, Torus) – both of which are expected to be delivered in 2024.

From January to September 2023, the volume of transactions in the Tricity amounted to nearly 127,100 sq m, accounting for 24% of the total volume of contracts signed in the regions - the highest result among regional cities. Since the beginning of 2023, renegotiations accounted for the largest share, almost 49%, while new agreements accounted for 48% of the transaction volume, and expansions amounted to only 3% of all contracts signed during the period. Q3 2023 alone saw a demand for office space of nearly 58,400 sq m, mainly due to the recording of a landlord agreement at the newly completed Intel headquarters (23,000 sq m).

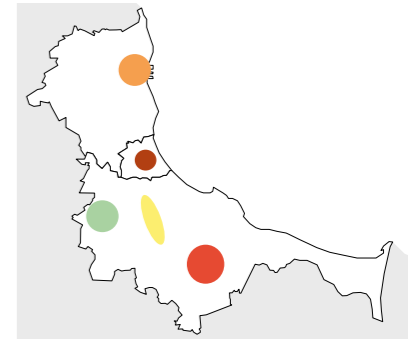
Despite the delivery of new buildings, the high demand resulted in a 1.2 pp. decrease in the vacancy rate over the quarter, which stood at 13.1% at the end of September 2023. Moreover, compared to the same period in 2022, the rate decreased by 0.4 pp.

Asking rents in the Tricity at the end of September 2023 remained stable relative to the previous quarter and ranged from EUR 10.00 to EUR 15.00/sq m/month. Continued high construction costs and the still high cost of servicing construction loans are inhibiting the negotiating power of investors, making further increases in rental rates possible, especially in new buildings. Service charges ranged from PLN 19.00 to PLN 32.00/sq m/month.

Office space

	EXISTING STOCK	SUPPLY UNDER CONSTRUCTION	VACANCY RATE	MONTHLY ASKING RENT
 Gdańsk Al.Grunwaldzka	463,400 sq m	17,600 sq m	11.9%	EUR 11.5-15 sq m
 Gdańsk City Centre	120,500 sq m	5,700 sq m	8.5%	EUR 11-15 sq m
 Gdańsk airport	89,000 sq m	0 sq m	7.4%	EUR 13-14 sq m
 Gdynia	217,000 sq m	15,000 sq m	20.4%	EUR 10-15 sq m
 Sopot	35,200 sq m	0 sq m	23.5%	EUR 11-14 sq m

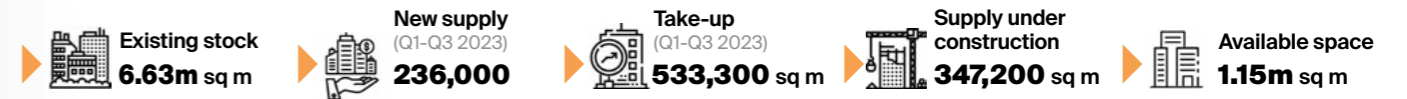
Major concentration areas



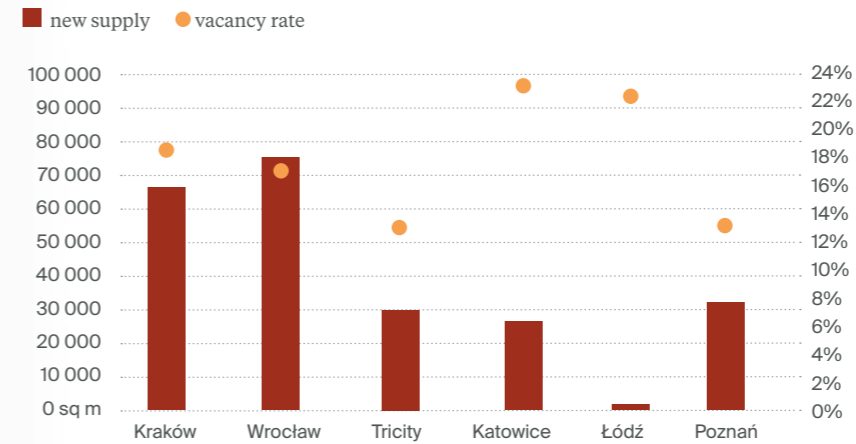
Major regional cities

Q3 2023

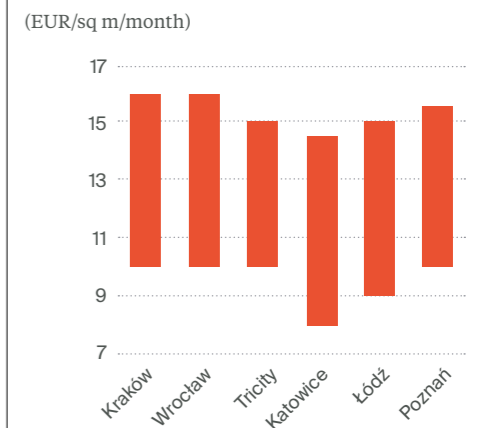
Kraków, Wrocław, Tricity, Katowice, Łódź, Poznań, Szczecin, Lublin



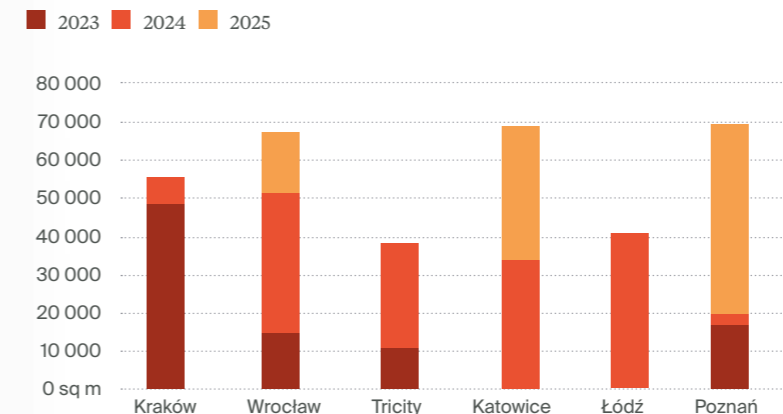
New supply (Q1-Q3 2023) and vacancy rate (Q3 2023)



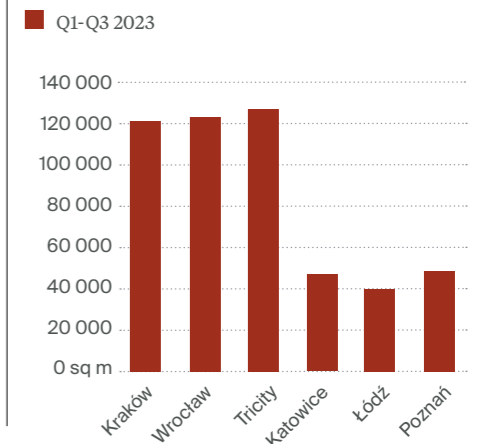
Asking rents (Q3 2023)



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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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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