

Prepared
in cooperation with



Michael Page



TRICITY

City attractiveness and office market
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)

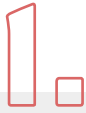


UNEMPLOYMENT RATE

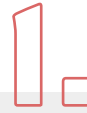
1.9%
(average of three cities)

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



4.600.000 (2022)
2.154.563 (2021)

BSS SECTOR - NUMBER OF CENTRES



183

BSS SECTOR - NUMBER OF EMPLOYED



36,000

OFFICE MARKET

TRICITY

Q4 2022



EXISTING STOCK

1.01m sq m



SUPPLY UNDER CONSTRUCTION

59,200 sq m



VACANCY RATE

13.3%



NEW SUPPLY (2022)

50,600 sq m



TAKE-UP (2022)

101,000 sq m

At the end of 2022, the total office stock in Tricity amounted to over 1.01m sq m, which made it the third largest regional market following Kraków and Wrocław. In the first half of 2022, almost 50,600 sq m of modern office space was delivered to the market, with no investment completed in the second half of the year. The volume of new supply in Tricity in 2022 accounted for 12% of completions in all regional cities, over 30% lower than in 2021. The largest completed investments in 2022 were Format (16,000 sq m, Torus) and K2 (10,900 sq m, Vastint Poland).

At the end of December 2022, a further 59,200 sq m of office space remained under construction, around 32% of which

is due for completion in 2023. This volume is significantly down on previous years, when 150,000-200,000 sq m of modern office space was under construction each year. At the end of 2022, Waterfront II in Gdynia (14,500 sq m, Vastint Poland) and Punkt (12,500 sq m, Torus) were among the largest projects under construction in Gdańsk.

In contrast to developers, tenants were active in the Tricity in 2022. Over the year, demand was high, with a lease transaction volume close to 101,000 sq m. This result was similar to 2021's demand figure (108,000 sq m), and higher than the average annual demand for the previous 5 years (96,600 sq m). The majority of

take-up in 2022 was in new agreements (almost 68,500 sq m - 68% of the total volume). Renegotiations accounted for 21% of total demand and expansions only 11%.

Despite the high demand, the Tricity's vacancy rate increased by 1 pp compared to the end of 2021, standing at 13.3% at the end of December 2022. Due, however, to the lack of new office space delivered in Q4 2022, this indicator decreased by 0.2 pp compared to Q3 2022. Further, it should be noted that this is the third lowest vacancy rate among regional cities, following Szczecin and Poznań.

Asking rents in the Tricity at the end of 2022 ranged from EUR 10.00 to EUR 15.00/sq m/month, with a slight increase visible in certain buildings. The continued high availability of office space may encourage tenants to renegotiate rents and incentive packages. On the other hand, high construction costs, as well as an increase in the cost of servicing construction loans, may effectively limit investors' negotiating power, particularly in new buildings. There are still noticeable increases in service charges due to the increasing cost of services and utilities - at the end of December 2022, these ranged from PLN 15.00 to 25.00/sq m/month.

SELECTED SCHEMES UNDER CONSTRUCTION

PALIO OFFICE PARK C

- 13,000 sq m
- Q1 2024
- Cavatina Holding

MATARNIA OFFICE PARK A

- 3,600 sq m
- Q2 2023
- PB Domesta

WATERFRONT II

- 14,500 sq m
- Q1 2024
- Vastint Poland

PUNKT

- 12,500 sq m
- Q1 2024
- Torus

Total office space Completion date Developer / Owner

STANDARD LEASE TERMS IN NEW BUILDINGS



SERVICE CHARGE PLN/SQ M/MONTH

15-25



RENT-FREE PERIOD

5-7 months



FIT-OUT BUDGET EUR/SQ M

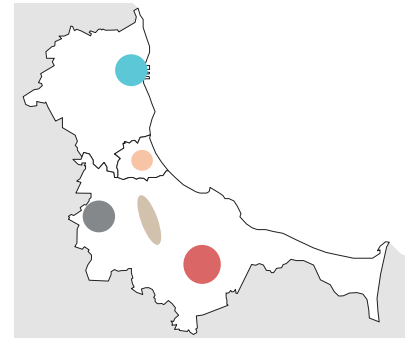
100-300

COWORKING OPERATORS IN TRICITY

Chillispaces | Flex | Spaces |

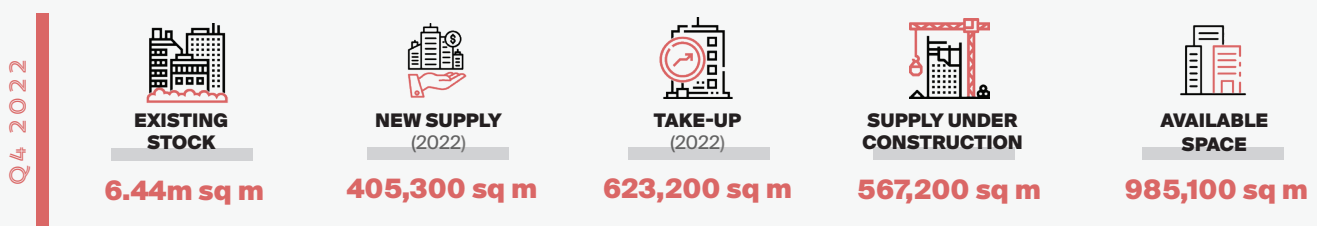
MAJOR OFFICE CONCENTRATION AREAS

	EXISTING STOCK	SUPPLY UNDER CONSTRUCTION	VACANCY RATE	MONTHLY ASKING RENT
GDAŃSK AL. GRUNWALDZKA	463,400 sq m	17,400 sq m	12.4%	EUR 11.5-15/sq m
GDAŃSK CITY CENTRE	120,500 sq m	18,700 sq m	9.5%	EUR 11-15/sq m
GDAŃSK AIRPORT	63,900 sq m	3,600 sq m	10.4%	EUR 12.5-13.5/sq m
GDYNIA	212,200 sq m	19,500 sq m	21.6%	EUR 10-15/sq m
SOPOT	35,200 sq m	0 sq m	22.9%	EUR 11-14/sq m

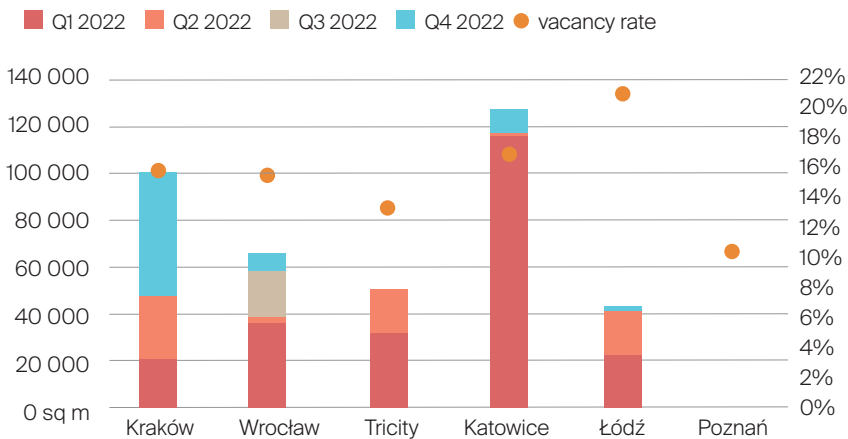


MAJOR REGIONAL CITIES

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



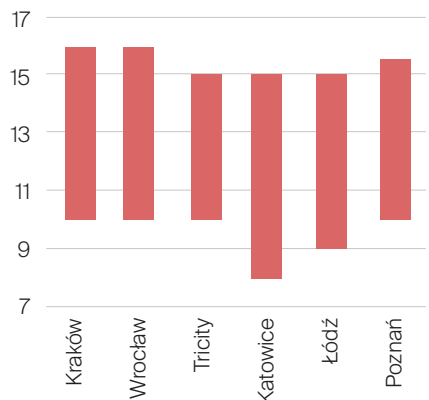
NEW SUPPLY (2022) AND VACANCY RATE (Q4 2022)



ASKING RENTS (Q4 2022)

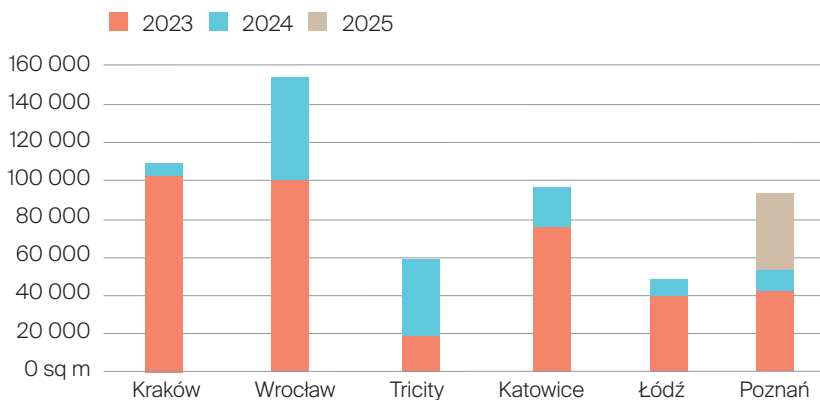
(Q4 2022)

(EUR/sq m/month)



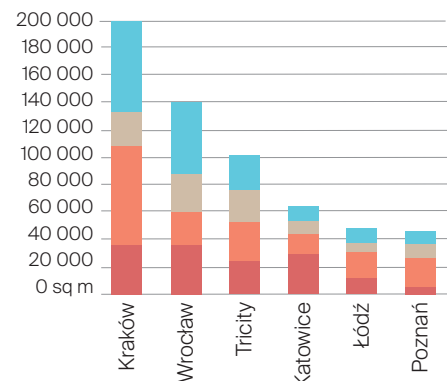
SUPPLY UNDER CONSTRUCTION BY COMPLETION YEAR (Q4 2022)

(Q4 2022)



TAKE-UP VOLUME (2022)

■ Q1 2022 ■ Q2 2022
■ Q3 2022 ■ Q4 2022



HR PERSPECTIVE

Michael Page

BENEFITS ARE SETTING THE TONE IN THE MODERN EMPLOYEE MARKET

According to a 2021 report by the Union of Entrepreneurs and Employers, last year employees already expected benefits that would allow them to meet their individual needs and thus respond to the effects of the pandemic. The study showed that additional benefits were typically expected to guarantee stability and be personalised and flexible. It is worth noting that there has been a small revolution in the area of non-wage benefits. Those that were attractive before the pandemic have become insufficient or even outdated in today's world. Multisport or medical plans are already a standard in Poland's labour market, and they are unlikely to attract the attention of potential employees. Just like delicious coffee from the coffee machine, or fruit Tuesdays.

FLEXIBILITY FIRST

Undoubtedly, the most important aspect of the modern labour market is the option of remote work. As stated in a study by Michael Page, the majority (59%) of respondents would prefer to work exclusively online, or in a hybrid system. Flexible working hours, the ability to perform one's duties from home is not only a way to save time and costs related to commuting, but it also helps staff to strike work-life balance, which is of key significance for as many as 88% of the respondents. It is the meeting of employees' expectations, an approach that respects their needs and family life that gives a sense of support, and in the long run it can help to bond with the organisation. The role of managers is also worth highlighting. On the one hand, employees expect trust and the opportunity to work from home from their superiors, but at the same time they also want to feel part of the team and be actively involved in integration events. We know perfectly well that it is not easy to build a sense of belonging to a company or a team in times of virtual meetings. Clearly, the benefit of remote/hybrid work entails further expectations of employees in the form of co-financing or equipping, on the part of the employer, of the workplace at home (extra allowances for desks or armchairs, or covering at least a fraction of the costs of electricity). Another response to high inflation and the needs of the labour market that seems to be gaining momentum can be found in prepaid cards, co-financing of meals, or a company car with a fuel card.



THE INS AND OUTS OF THE LABOUR MARKET IN THE HR SECTOR

Regardless of the industry, HR staff keep having to face up to the challenges that recent years have posed to them. The fourth quarter of the year is a period of intensified work, but also a time that sees several personnel-related changes in organisations. Companies want to go through another challenging year with competent employees on board. **HR Business Partners** are ambassadors of change within organisations and a perfect link between candidates and hiring managers. The high demand for specialists in this field means that the number of employees sought after for these positions is on the increase.



An effective strategy in the area of Learning & Development is also a real value for business. Monitoring and providing appropriate tools aimed at developing employees' skills, which, in turn, translates into increasing profits, is the role of **L&D experts** and **coordinators**. Recently, we have noticed more recruitment processes dedicated to these professionals.

The future undoubtedly belongs to digitization. Changes in this area will also apply to HR and payroll departments, as the scale of applications of new technological solutions keeps growing. The most desirable are those tools that streamline processes and help to save time. Clearly, one of the most sought-after roles in the fourth quarter of 2022 were **HR and payroll department leaders** with experience in process automation and digitization of resources.

TOP 3

MOST DESIRED POSITIONS FROM THE HR AREA:

The wages shown below correspond to the Michael Page & Page Executive | Part of PageGroup „Salary Guide“. The average rate given here indicates pay rates found across Poland.

1.

**HR
BUSINESS PARTNER:**

**PLN 12,000 – 18,000
gross**

2.

**EKSPERT
LEARNING & DEVELOPMENT:**

**PLN 14,000 – 18,000
gross**

3.

**HEAD
OF HR AND PAYROLL:**

**PLN 13,000 – 24,000
gross**

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- ◆ 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, 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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