

Strong cities



City attractiveness, office market, HR trends

Q4 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 **2.1%** (12.2023, GUS)
-  GDP growth **9.7%**
-  GDP per capita **PLN 89,995**
-  Average salary (gross) **PLN 8,159.61** (Gdańsk) (in the business sector, 12.2023, GUS)



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**
86,400
-  **Number of graduates**
19,521
-  **Number of universities**
24
-  **Airport - distance to the City centre**
15 km
-  **Airport - number of passengers**
5,907,280 (2023)
-  **BSS sector - number of centres**
185
-  **BSS sector - number of employed**
36,000

Tricity




Q4 2023

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

► The Tricity ranks as the third largest regional office market in Poland, behind Kraków and Wrocław, with a total office stock exceeding 1.0m sq m. By the end of 2023, the Tricity office stock had reached 1.05m sq m, representing over 8% of the total office stock in Poland.

In 2023, the amount of office space leased in the Tricity region doubled compared to 2022, reaching a record high of 152,700 sq m. This significant increase in leased space helped to stabilize the vacancy rate, which stood at 13.3% at the end of 2023.

SUPPLY

At the end of 2023, the total office stock in the Tricity had reached 1.05m sq m. The majority of office space is situated in Gdańsk, particularly along Aleja Grunwaldzka and around the city's historic centre. Some 20% of the Tricity's office space is in Gdynia, with the remaining 5% in Sopot.

In 2023, only 33,000 sq m of modern office space was brought to the market, marking the smallest annual increase since 2012. Developer activity has remained low, with just 35,000 sq m of office space under construction in Q4 2023. Of this, over 60% is expected to be delivered to the market in 2024. The largest projects under construction are Waterfront II, a 15,000 sq m development by Vastint Poland in Gdynia, and Punkt, comprising 12,650 sq m and developed by Torus in Gdańsk.

TAKE-UP

In 2023, the amount of office space leased in the Tricity reached a record-breaking 152,700 sq m, marking a substantial increase of over 50% compared to 2022. The Tricity continues to be one of Poland's most attractive regional office markets, with a 12% share in the total volume of leased office space nationwide. Renegotiations made up 43% of the transactions, while new agreements held the largest share at nearly 54%, with expansions constituting just 3% of the total volume.

VACANCY RATE






At the end of Q4 2023, the vacancy rate in the Tricity reached 13.3%, reflecting a 0.2 pp increase on the preceding quarter. This vacancy rate is the third lowest rate among regional cities, behind only Szczecin and Lublin. Gdańsk recorded the lowest vacancy rate at 10.7%, while Sopot and Gdynia saw rates of 24.5% and 21.3% respectively. With high demand and a decline in the growth of new office space, a reduction in vacancy rates is anticipated in the coming years.

RENTS

By the end of 2023, asking rents in the Tricity remained stable compared to the previous quarter, ranging between EUR 10.00 and 15.00/sq m/month, with the possibility of being higher in prime office buildings situated in prized locations. Following a period of rapid growth, service charges now typically range from PLN 19.00 to 32.00/sq m/month.

Office market in Poland

Q4 2023

-  Existing stock **12.9m sq m**
-  New supply (2023) **342,000 sq m**
-  Take-up (2023) **1.5m sq m**
-  Supply under construction **534,000 sq m**
-  Vacancy rate **14.1%**

SZCZECIN

185,000 sq m
4.8%
EUR 10-14.5

POZNAŃ

672,000 sq m
14.7%
EUR 10-15.5

WROCŁAW

1.35m sq m
18.2%
EUR 10-16

KATOWICE

748,000 sq m
21.5%
EUR 8-14.5

KRAKÓW

1.81m sq m
19.8%
EUR 10-16

TRICITY

1.05m sq m
13.3%
EUR 10-15

WARSAW




6.15m sq m
12.7%
EUR 10-25

ŁÓDŹ

637,000 sq m
20.3%
EUR 9-15

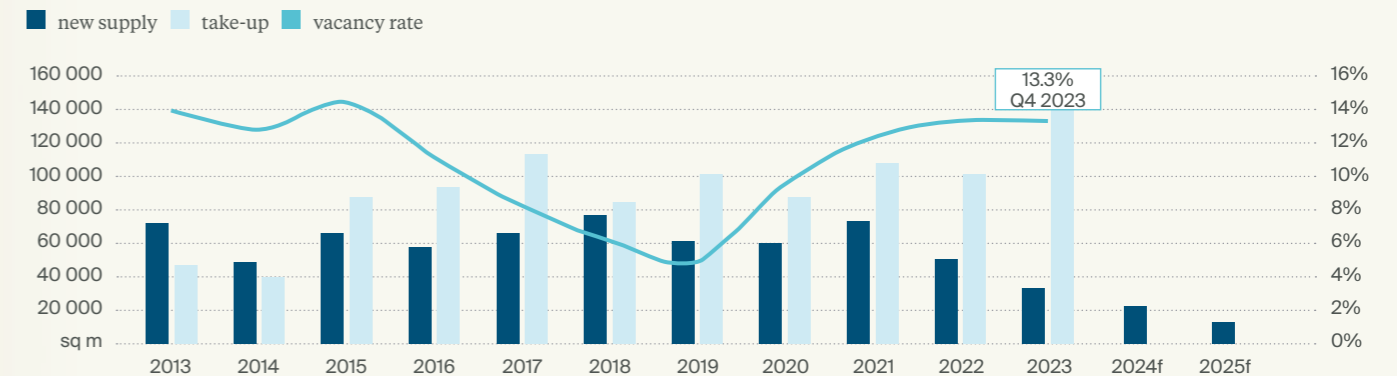
LUBLIN

221,000 sq m
11.9%
EUR 8-13

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

Source: Knight Frank

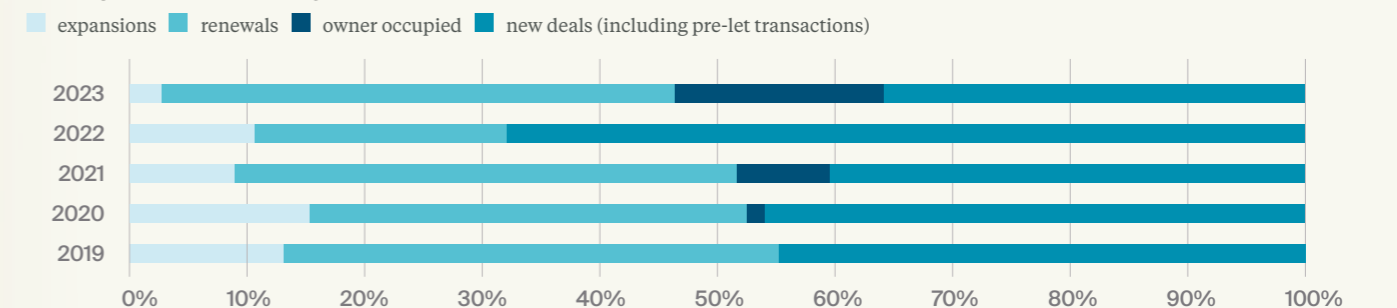
Annual new supply, take-up and vacancy rate in Tricity



f-forecast based on schemes under construction

Source: Knight Frank

Take-up structure in Tricity



Source: Knight Frank

Businesses keep a sharp lookout for effective leaders - as highlighted by the Michael Page 2024 Guide to Salaries and Trends in the Labour Market

The current decade is a time of transformation in the business world. ESG and DE&I are gaining momentum. At the same time, the impact of modern technologies is growing, with primary focus placed on artificial intelligence. There is also a clear change in the attitudes of employees, who prioritise work-life balance. All this proves the far-reaching metamorphosis of workplace culture.



Employees expect businesses to be committed to and actively involved in ESG, as well as in Diversity, Equity & Inclusion. These days, candidates tend to combine their ultimate decision of whether or not to join a given organisation with the thought of whether they identify with the values of their prospective employer.

Indeed, artificial intelligence has become an intrinsic feature of work in many sectors. Staff in various positions use AI tools to optimise their daily tasks. The development of this particular technology is also associated with the creation of more and more new positions in many teams.

Having said that, given the employee's market, we can see a far-reaching transformation of the workplace culture. Candidates stress the need for better work-life balance, which they prioritise over professional success. This explains why so many employees are reluctant to give up the more flexible working hours or hybrid work model that the pandemic has made possible.

In the face of these changes, businesses need effective leaders who can attract and retain talent within an organisation. The last months of 2023, however, revealed that the quality of leadership in the new reality is sometimes insufficient. The leadership skills deficit is a major challenge that organisations have to face up to if they want to operate efficiently in the ever-changing business environment.

► For more information on the market analyses, forecasts for 2024, and the overall structure of salaries across 9 sectors the structure of wages in 9 sectors, please see the report [A Guide to Salaries and Trends in the Labour Market](#). The publication was prepared by experts from Michael Page.

The ins and outs of the labour market in the IT Contracting sector

in Poland

Following the outbreak of the pandemic, there was a surge in demand for IT products and services, with increased recruitment needs for companies. In 2023, the number of projects in the area of new technologies has been lower, and thus the number of recruitment processes has returned to the levels known before the pandemic. Representatives of the sector actively observed the development of artificial intelligence during this time, trying to anticipate its impact on the IT labour market. Due to the partial slowdown in demand for new technologies, global giants decided to reduce employment. However, Poland was still seen as a location worth setting up technology hubs and recruiting IT experts.



Cloud solution experts were invariably of great interest to employers. Companies also sought software developers, in particular those specialising in programming languages such as Java and Python. Employers were also very interested in specialists in the areas of ERP and big data.

Candidates, on the other hand, were more reserved about the prospect of changing jobs. They paid attention to the opportunities for development in the new company, taking into account currently implemented and planned projects, the technologies used, as well as the employer's offer to subsidise training courses. A person changing a job could usually count on a salary approximately 10-20% higher than the current one.

Average salary increases at companies were on a similar level. Those specialising in cyber security, cloud solutions, software development and data science gained the most in this respect. In 2023, there was an increase in companies accepting remote working only to a limited extent. Younger companies in particular, still building their corporate culture, were interested in having employees in the office at least on selected days of the week.

TOP 3

Most desirable positions in the IT sector:

- 1 ► **IT Business Analyst:**
PLN 20,000 – 24,000
gross/monthly
- 2 ► **BI Developer:**
PLN 18,000 – 23,000
gross/monthly
- 3 ► **SAP Implementation Consultant:**
PLN 23,000 – 27,000
gross/monthly

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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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