

RESEARCH



# POLAND

▶ OFFICE MARKET H1 2017



## OFFICE MARKET - H1 2017

### WARSAW

Office stock:

**5.16 m** sq m

Office space under construction:

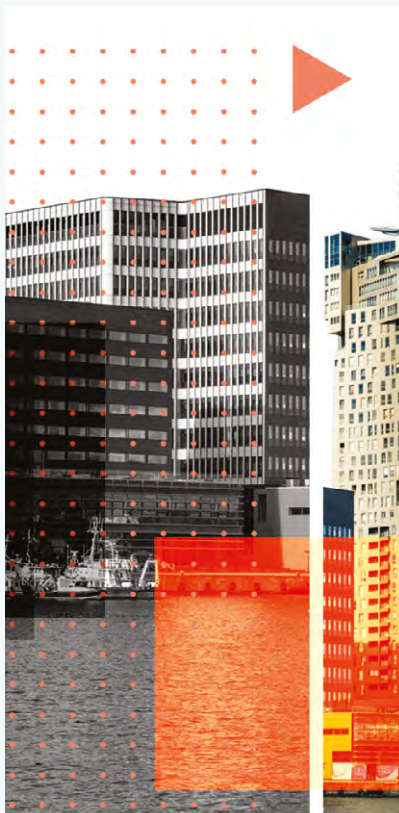
**754,000** sq m

New supply:

**131,000** sq m

Take-up:

**391,000** sq m



### WROCŁAW

Office stock:

**873,000** sq m

Office space under construction:

**208,000** sq m

New supply:

**22,800** sq m

Take-up:

**91,700** sq m

### KRAKÓW

Office stock:

**992,000** sq m

Office space under construction:

**275,000** sq m

New supply:

**81,000** sq m

Take-up:

**98,000** sq m

### TRICITY

Office stock:

**646,000** sq m

Office space under construction:

**155,000** sq m

New supply:

**11,000** sq m

Take-up:

**74,000** sq m



## POZNAŃ

Office stock:

**443,000** sq m

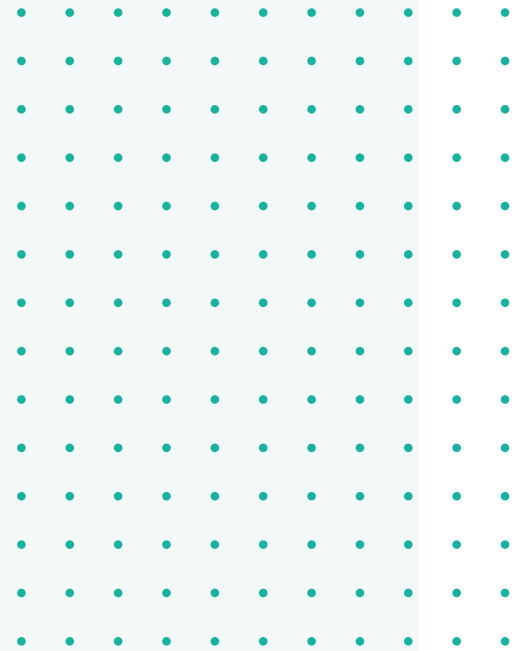
Office space under construction:

**78,000** sq m

New supply:

**15,500** sq m

Take-up:

**12,700** sq m

## KATOWICE

Office stock:

**459,000** sq m

Office space under construction:

**44,400** sq m

New supply:

**15,700** sq m

Take-up:

**17,000** sq m

## ŁÓDŹ

Office stock:

**397,500** sq m

Office space under construction:

**123,000** sq m

New supply:

**33,700** sq m

Take-up:

**29,700** sq m

# The Polish economy is in good shape and the country is perceived as an attractive place to invest. Favourable market conditions support business development, which results in, amongst other things, a dynamic growth of the office sector.

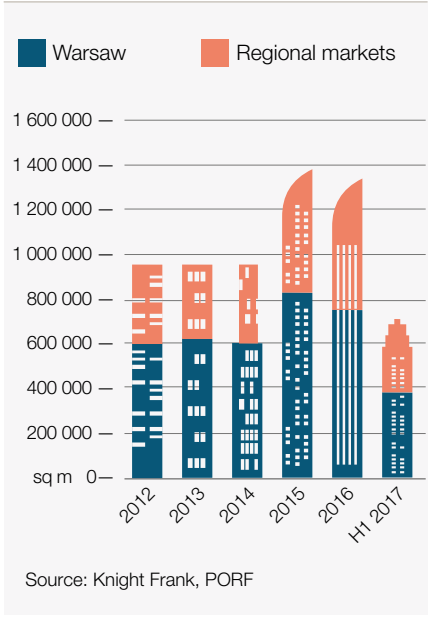
At the end of June 2017, the total modern office stock in Poland exceeded 9.6m sq m. With the total stock in Warsaw amounting to above 5m sq m, the capital remains the dominant market. Nevertheless, it is not the only dynamically developing business hub in Poland. Kraków, Wrocław, Tricity, Katowice, Poznań and Łódź also offer a diversified, modern business infrastructure and provide well-qualified employees, tax exemptions in special economic zones and lower rents for office space.

- High demand for office space has been observed in Poland for a few years. From 2012-2014 it remained at stable level of ca. 960,000 sq m annually, but in 2015 rapid growth by above 40% year-on-year was recorded. Since then tenants' activity remains strong. In answer to increasing demand, a few hundred thousand sq m of new office space has been delivered to the market every year. Currently, we can observe an investment boom in the office sector. In the major business locations above 1.6m sq m of office

space was identified under construction, of which 580,000 sq m is scheduled to be completed by the end of 2017. Companies locating their businesses in Poland have a wide range of available space of diverse standard in different locations to choose from.

In the regional markets office demand is driven mainly by companies representing the business services sector. Current employment in the sector is estimated at 244,000 people, and according to ABSL it may exceed 300,000 employees by 2020. Currently, BPO/SSC and IT companies occupy from 24% of office space in Poznań to nearly 50% in Kraków and their share is expected to systematically grow. In Warsaw the majority of lease agreements are concluded by companies from the financial, public, communication or IT sectors. On the other hand, the capital of Poland is also the 2<sup>nd</sup> largest business services hub in Poland and is constantly attracting new investors.

**CHART 1**  
Demand for office space in Poland  
2012 - H1 2017



**CHART 2**  
Office space under construction in Poland  
H1 2017

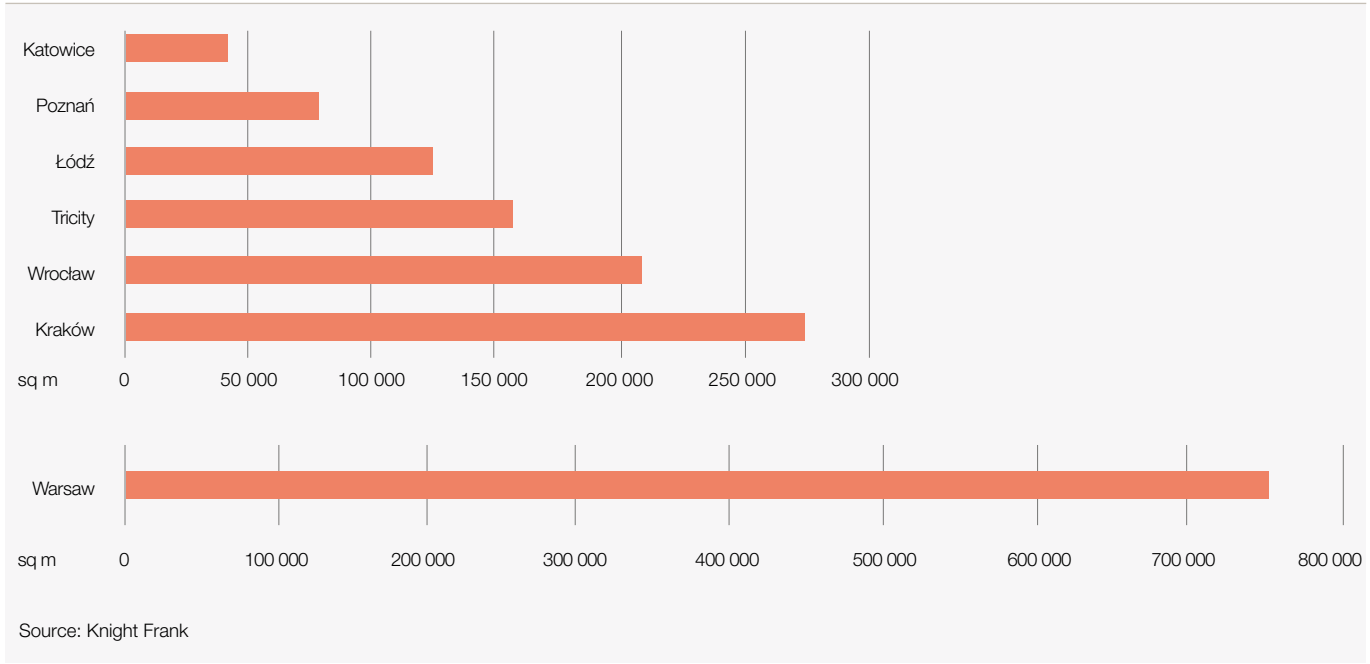
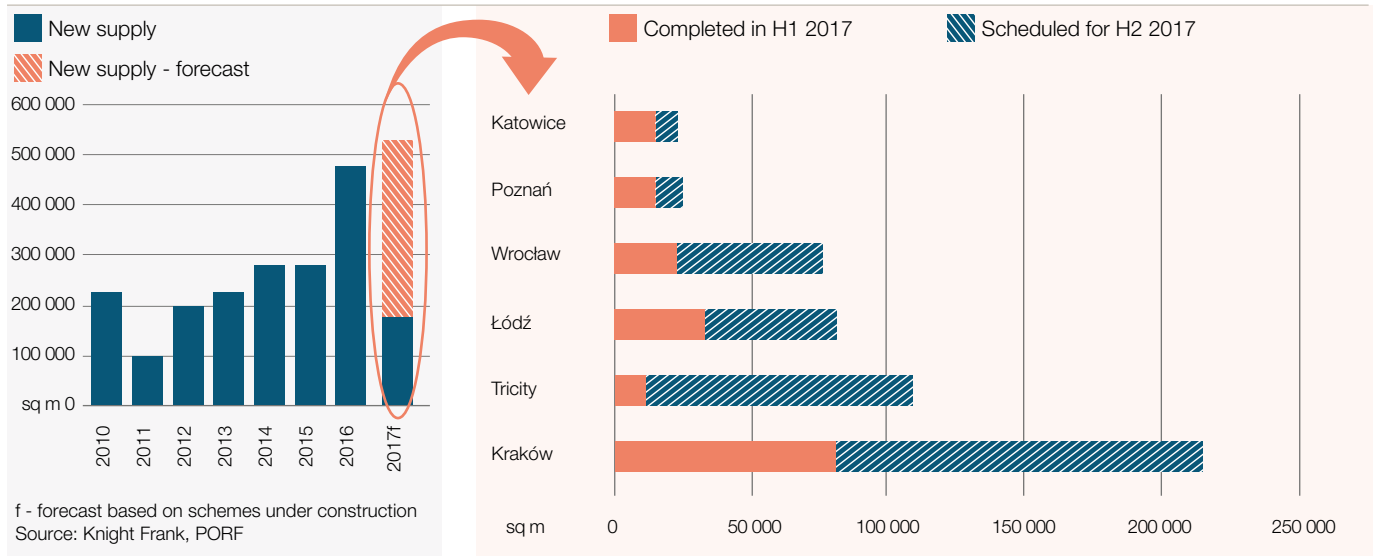
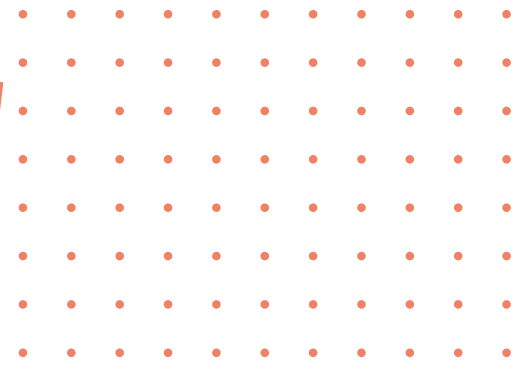


CHART 3  
Office supply in major regional markets  
2010 - 2017



## POLAND - STRENGTHS

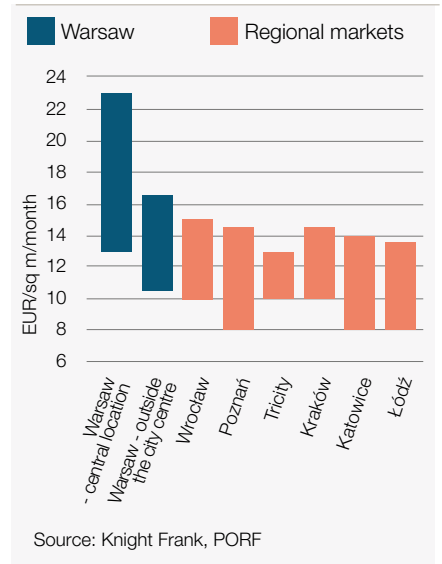
- Poland has the 8<sup>th</sup> biggest EU economy in terms of GDP.
- Poland is the 1<sup>st</sup> CEE country in terms of the largest number of Foreign Direct Investments with 211 new FDI projects.
- Well-developed airport infrastructure with 15 passenger airports handling more than 34 million passengers in 2016.
- There were 3,500 km of motorways and express roads built in Poland in the years 2003-2016.
- Over 850 business service centre operate in Poland. The most numerous group are IT centres – there is almost 370 of them. In consequence, Poland is ranked 9<sup>th</sup> in the Top 50 Countries 2017 Tholons Services Globalization Country Index.



## POLAND IN RANKINGS

- Poland is on the 24<sup>th</sup> place in the World Bank ranking “Doing Business” (out of 190 economies).
- Poland has moved to the 36<sup>th</sup> place in the Global Competitiveness Index ranking prepared by the World Economic Forum (five places up y-on-y).
- According to the Bloomberg 2017 Innovation Index, Poland stands on the 22<sup>nd</sup> place out of 50 (one place up y-on-y).
- According to The Heritage Foundation „2017 Index of Economic Freedom” Poland stands 45<sup>th</sup> out of 180.
- Poland’s was ranked 10<sup>th</sup> among other European countries in terms of English language proficiency in the 2016 English Proficiency Index survey.
- Poland is 2<sup>nd</sup> in the CEE region and 29<sup>th</sup> in the world in terms of business transparency (Corruption Perception Index 2016).

CHART 4  
Asking rents for office space  
in Poland  
Q2 2017





## FACTS AND FIGURES H1 2017

**5.16m sq m**



OFFICE STOCK

**13.9%**



VACANCY RATE

**391,000 sq m**



TAKE-UP

**131,000 sq m**



NEW SUPPLY

**754,000 sq m**



OFFICE SPACE  
UNDER CONSTRUCTION

**1m sq m**



PLANNED SCHEMES  
(WITH BUILDING PERMIT)

ASKING RENTS



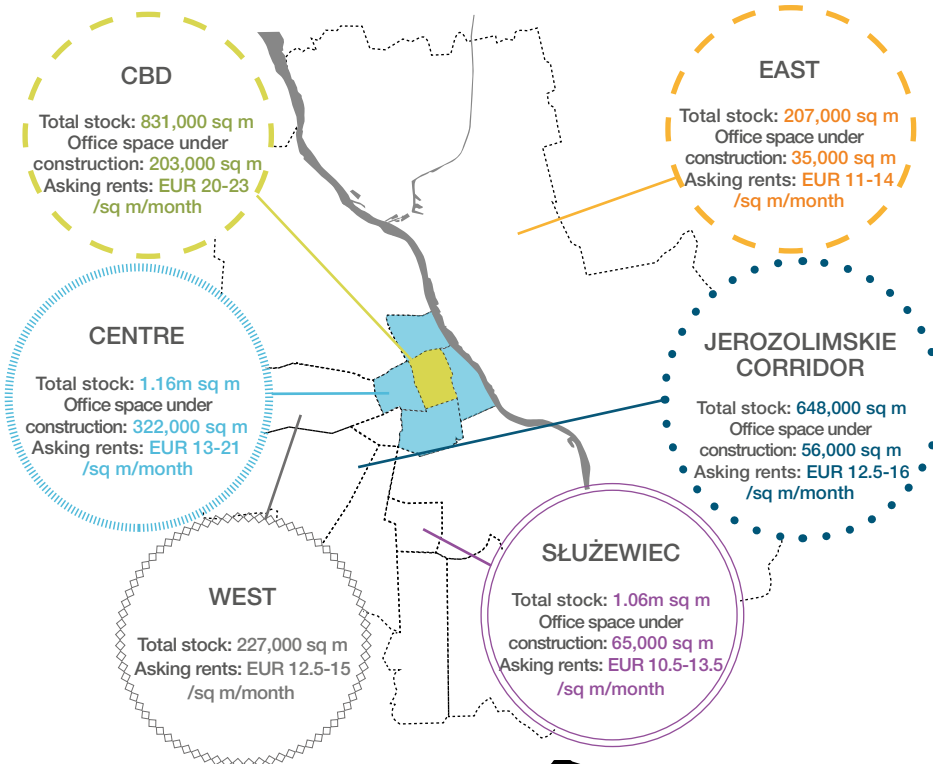
CBD: EUR 20-23 /sq m/month (prime buildings)  
Other central locations: EUR 13-21 /sq m/month  
Locations outside city centre: EUR 10.5-16.5 /sq m/month

Warsaw is the largest and most dynamically developing office market in Poland. In H1 2017 strong developers' activity has been observed. At the end of June 2017, there was 754,000 sq m of office space under construction, the largest amount in the history of the Warsaw office market. Since the beginning of the year, about 131,000 sq m of office space has been completed. If the projects under construction are completed in line with the developers' plans, over 206,000 sq m will be delivered to the Warsaw office market by the end of this year.

Within the last two quarters, a continuation of strong tenant activity was observed. At the end of June 2017, the take-up reached 391,000 sq m. This result is almost 20% higher than the half-year average demand within the period of 2012-2016. This transactions volume is the highest in the history of the office market registered in the first half of the year. Net absorption in the first half of 2017 amounted to 134,000 sq m and was lower by about 10% than the net absorption registered in the first half of 2016.

High levels of tenant activity and limited supply of space completed in recent months resulted in stabilization of the vacancy rate, which accounted for 13.9% in Q2 2017. However, when compared to the analogous period of 2016, the vacancy rate decreased significantly by 1.5 pp in Warsaw as a whole, and by 3.2 pp in central locations.





### SELECTED LEASE AGREEMENTS

2016/2017

Building Office space Tenant

- BGŻ BNP Paribas scheme Karolkowa/Kasprzaka 22,000 sq m
- LUX MED Group Park Postępu 12,300 sq m
- Millennium Bank Harmony Office Centre A 18,300 sq m
- CITI Service Center Poland Generation Park X 13,600 sq m

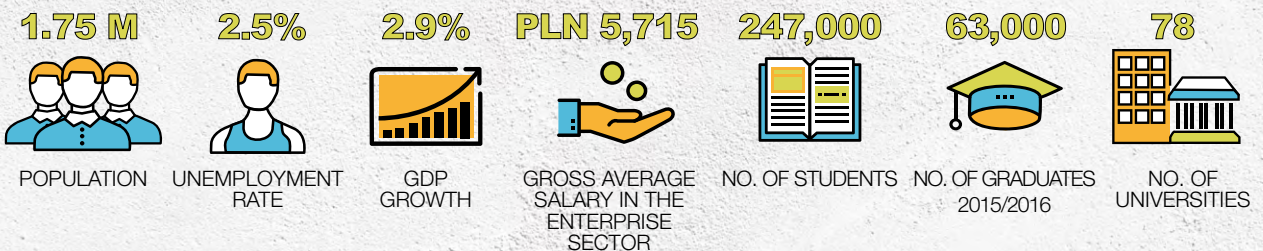
### SELECTED SCHEMES UNDER CONSTRUCTION

Building Office space Completion date Developer

- | Building                    | Office space | Completion date | Developer       |
|-----------------------------|--------------|-----------------|-----------------|
| <b>Varso Tower</b>          | 138,000      | 2019/2020       | HB Reavis       |
| <b>Warsaw Hub</b>           | 76,000       | 2019            | Ghelamco Poland |
| <b>Mennica Legacy Tower</b> | 66,000       | 2018/2019       | Golub GetHouse  |
| <b>Spinnaker Tower</b>      | 40,000       | 2019            | Ghelamco Poland |
| <b>West Station II</b>      | 37,000       | 2017            | HB Reavis       |

### CITY STRENGTHS

- The capital and the largest Polish city, the seat of government and national authorities
- The Warsaw Stock Exchange - the most important stock exchange in Central and Eastern Europe
- The second largest industrial centre in Poland (after the Upper Silesian industrial region)
- Warsaw is the 8<sup>th</sup> most business friendly city according to fDi Intelligence, Global Cities of the Future 2016/2017
- According to Stack Overflow, Warsaw is the 6<sup>th</sup> technological hub in Europe when it comes to the number of programmers
- Ranked 2<sup>nd</sup> (after Kraków) in terms of employment in the BPO/SSC sector





## FACTS AND FIGURES H1 2017

**992,000 sq m**



OFFICE STOCK

**9.2%**



VACANCY RATE

**98,000 sq m**



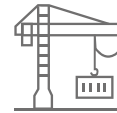
TAKE-UP

**81,000 sq m**



NEW SUPPLY

**275,000 sq m**



OFFICE SPACE  
UNDER CONSTRUCTION

**288,000 sq m**



PLANNED SCHEMES  
(WITH BUILDING PERMIT)

ASKING RENTS



A-class: EUR 13.5-14.5/sq m/month  
B-class: EUR 10-12/sq m/month

Kraków is the second largest office market in Poland (after Warsaw). The recent years were a period of a dynamic development of the local market, which is reflected by record-breaking developers' activity and strong demand.

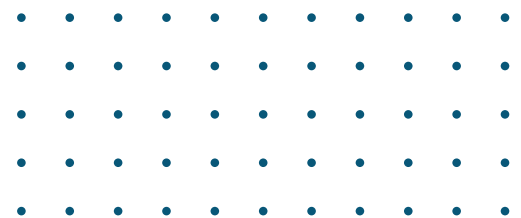
In H1 2017, 81,000 sq m of office space has been completed, and a following 275,000 sq m is under construction, of which some 133,000 sq m may be completed by the end of 2017.

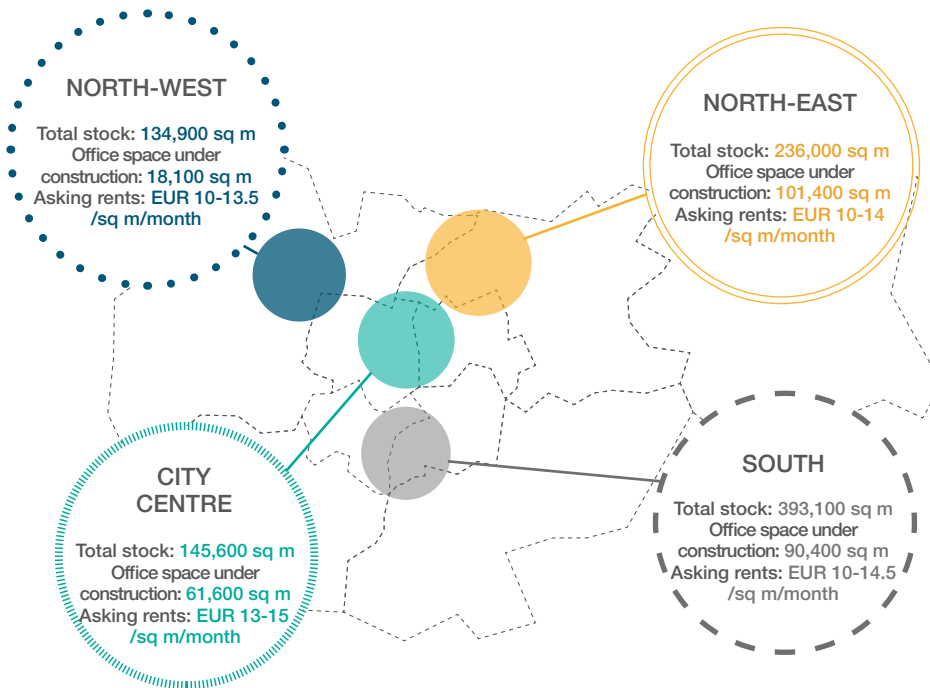
Record-breaking supply is an answer for high demand for office space. Within the first six

months of 2017, lease agreements amounting to 98,000 sq m were signed in the capital of Małopolska region, which constituted above 70% of an average annual lease volume within 2012-2016 and, at the same time, was barely 11% lower when compared with the record-breaking result noted in the analogical period of 2016. Positive sentiment in the Kraków office market is also confirmed by the net absorption indicator, which accounted for 55,500 sq m in H1 2017.

Significant new supply in buildings, which were not fully leased upon completion resulted in an

increase of the vacancy rate at the end of June 2017 by 2 pp when compared with Q4 2016. After a few years of limited availability of office space, situation in the local market became more favourable to tenants.





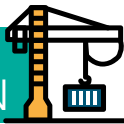
### SELECTED LEASE AGREEMENTS

2016/2017

Building Office space Tenant

- HCL  
O3 Business Campus II  
10,300 sq m
- Delphi  
Enterprise Park F  
6,300 sq m
- Brown Brothers Harriman  
Orange Office Park  
7,660 sq m
- Pega  
Bonarka for Business C  
5,300 sq m

### SELECTED SCHEMES UNDER CONSTRUCTION



Building Office space Completion date Developer

Building	Office space	Completion date	Developer	
V.Offices	High Five – stage 1	O3 Business Campus II, III	Equal Business Park B	Podium Park – stage 1
24,500	22,800	38,400	17,100	17,000
2018	2018	2017-2018	2017	2018
AFI Projekt 1	Skanska Property Poland	Echo Investment	Cavatina	Decon Investment

### CITY STRENGTHS

- The 2<sup>nd</sup> position in Europe and the 8<sup>th</sup> place in the world in the “Tholons 2017 Top 100 Outsourcing Destinations” list
- The second largest academic centre in Poland, after Warsaw; one of the most important academic centres in CEE
- Considered to be the cultural Capital of Poland
- Second largest airport in Poland, serving over 100 destinations in Europe
- A strong economy, focused on advanced technologies and professional services for business in which finance, IT and telecommunications dominate
- Kraków Technology Park

765,000



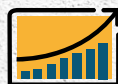
POPULATION

3.2%



UNEMPLOYMENT RATE

4.9%



GDP GROWTH

PLN 4,895



GROSS AVERAGE SALARY IN THE ENTERPRISE SECTOR

178,800



NO. OF STUDENTS

53,000



NO. OF GRADUATES 2015/2016

23



NO. OF UNIVERSITIES



## FACTS AND FIGURES H1 2017

**873,000 sq m**



OFFICE STOCK

**8.5%**



VACANCY RATE

**91,700 sq m**



TAKE-UP

**22,800 sq m**



NEW SUPPLY

**208,000 sq m**



OFFICE SPACE UNDER CONSTRUCTION

**242,000 sq m**



PLANNED SCHEMES (WITH BUILDING PERMIT)

ASKING RENTS



A-class: EUR 13-15/sq m/month  
B-class: EUR 10-12/sq m/month

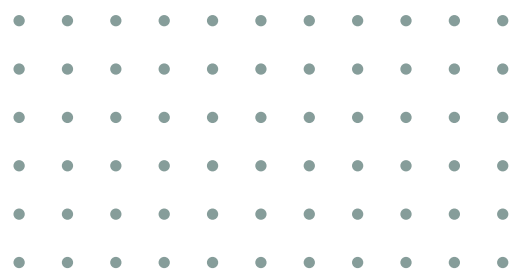
Wroclaw is the second largest regional office market in Poland. 2016 was record-breaking in the capital of Lower Silesia in terms of demand and new supply. H1 2017 brought the continuation of positive trends, although in the first six months of 2017 only 22,800 sq m of new offices were completed. At the end of June more than 207,000 sq m was identified at the construction stage, of which 53,000 sq m may be completed by the end of the year.

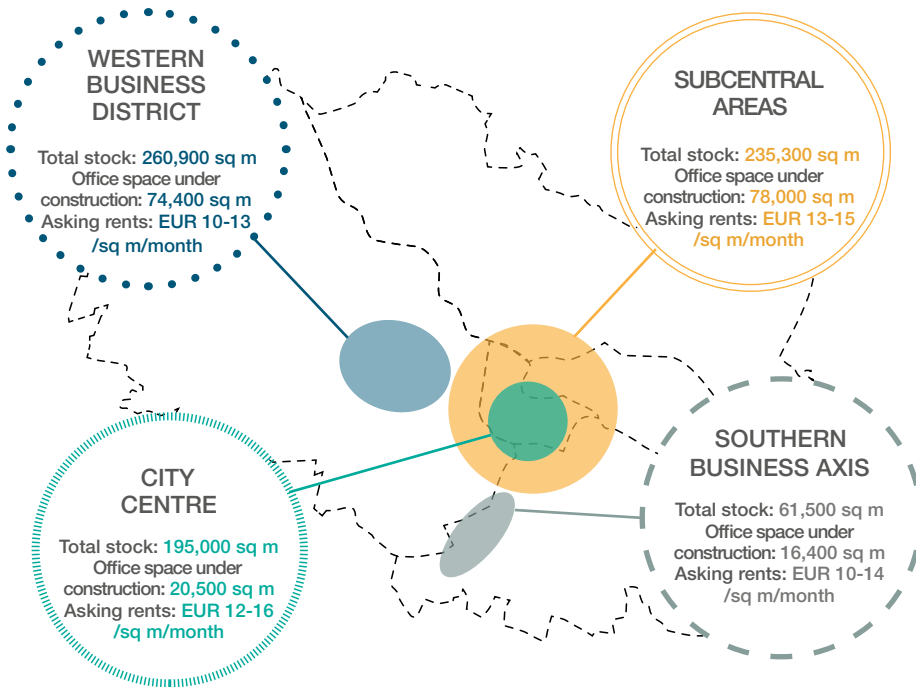
The end of 2016 and beginning of 2017 saw record-breaking tenant activity. In H1 2017

approximately 91,700 sq m of office space was leased in Wroclaw; nearly as much as the average annual volume of take-up from 2012-2016 and at the same time 75% more when compared to the analogous period of the previous year. High levels of demand for office space is confirmed also by net absorption, which in H1 2017 amounted to 55,000 sq m

Such high demand accompanied by limited new supply resulted in a decrease of vacancy rate, which at the end of June 2017 accounted for 8.5% of total stock, 4 pp less when

compared to the end of 2016. A slight increase is expected towards the end of 2017, as a result of the scheduled completion of a few new schemes.





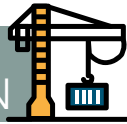
### SELECTED LEASE AGREEMENTS

2016/2017

Building    
 Office space    
 Tenant

- Credit Agricole Business Garden 2  
15,450 sq m
- Capgemini Business Garden 1  
13,100 sq m
- EY Sagittarius Business House  
10,500 sq m
- Nokia West Link  
14,400 sq m

### SELECTED SCHEMES UNDER CONSTRUCTION

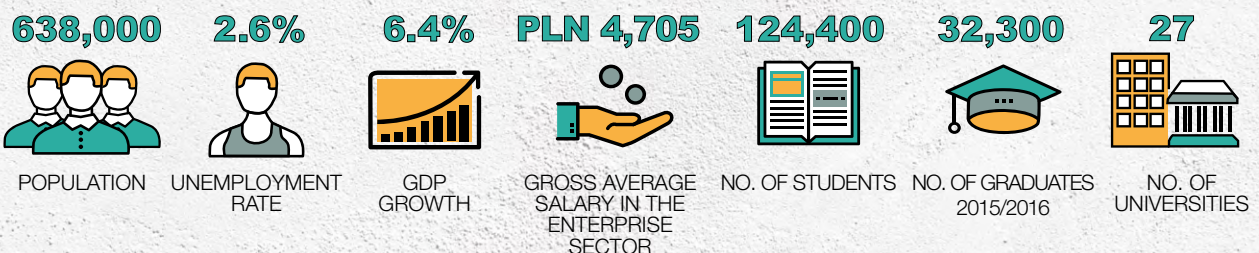


Building    
 Office space    
 Completion date    
 Developer

<b>Sagittarius Business House</b> 28,000 2018 Echo Investment	<b>Retro Office House</b> 20,900 2018 LC Corp	<b>Carbon Tower</b> 19,100 2018 Cavatina	<b>Nowy Targ</b> 18,500 2019 Skanska Property Poland	<b>Green 2Day</b> 15,800 2017 Skanska Property Poland
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### CITY STRENGTHS

- Wrocław is the most business-friendly Polish city according to Forbes 2016
- Wrocław is a city with the best English proficiency in Poland based on the English Proficiency Index 2016
- Over 50% of the city is covered by green areas
- Wrocław is the most innovative city in Poland with the largest number of R&D centers and was awarded by Financial Times with fDi Strategy Award 2016 (for academia business links)
- According to the Polish Investment and Trade Agency (2016), Wrocław is the 1<sup>st</sup> region in Poland in terms of the FDI projects' acquisition
- Tarnobrzeg Special Economic Zone – the Wrocław Kobierzyce subzone





## FACTS AND FIGURES H1 2017

**646,000 sq m**



OFFICE STOCK

**7.8%**



VACANCY RATE

**74,000 sq m**



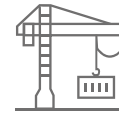
TAKE-UP

**11,000 sq m**



NEW SUPPLY

**155,000 sq m**



OFFICE SPACE  
UNDER CONSTRUCTION

**80,000 sq m**



PLANNED SCHEMES  
(WITH BUILDING PERMIT)

ASKING RENTS



A-class: EUR 12-13/sq m/month  
B-class: EUR 10-12/sq m/month

At the end of H1 2017, the total office stock in Tricity amounted to 646,000 sq m. Currently, Tricity is the 4th largest office market in Poland.

Since the beginning of the year, 10,900 sq m has been delivered to the market in 3 schemes. If developers keep to their schedules, 2017 could end with record-breaking new supply exceeding 100,000 sq m. It's worth mentioning that 80% of the high volume of office space planned for completion consists of two large projects: Olivia Business Centre - Star (43,000 sq m) and Alchemia

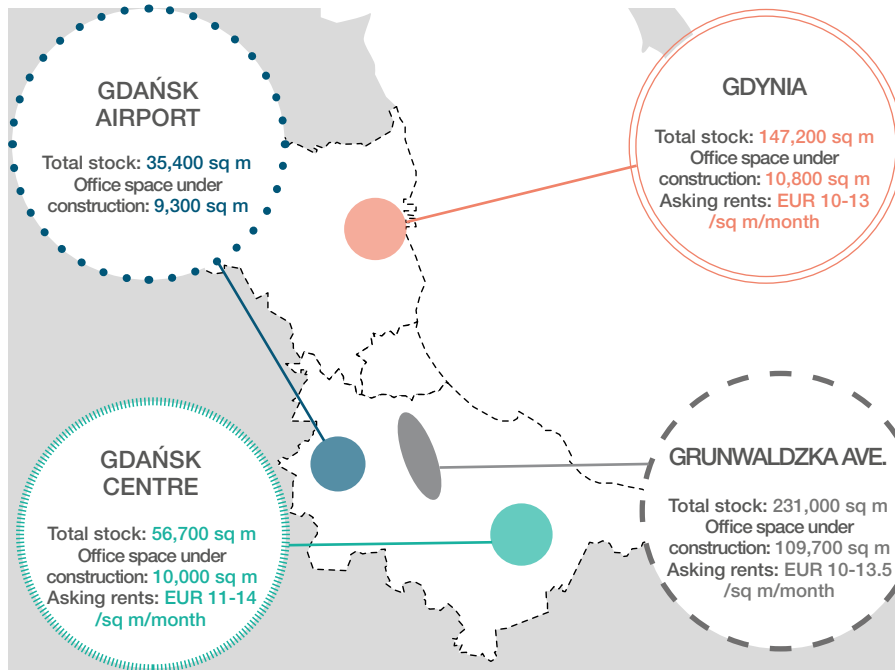
Argon (36,000 sq m).

At the end of June 2017, approximately 155,000 sq m of office space was under construction. Some 60% of this space is planned for completion in 2017, with the remainder in 2018. More than 145,000 sq m of space being developed is situated in Gdańsk and 12,000 sq m is in Gdynia.

Within the period from January to June 2017, approximately 74,000 sq m of office space was subject to new leases in Tricity. The recorded take-up volume was above 50%

higher than the half-year average within 2012-2016 and is the highest in the history of the office market in Tricity.

Since the beginning of the year, a decrease in the vacancy rate has been observed. At the end of Q2 2017, the vacancy rate in Tricity accounted to 7.8% (a decrease by 2.1 pp q/q and 6 pp y/y) and 50,000 sq m was available to lease. The decrease in the vacancy rate is a consequence of limited new supply delivered to the market and substantial tenants' activity.



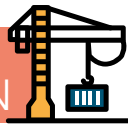
## SELECTED LEASE AGREEMENTS

2016/2017

Building Office space Tenant

- Intel
- Tryton Business House  
10,800 sq m
- Nordea
- Tensor Z  
6,400 sq m
- Swarovski
- Yoko  
6,100 sq m
- IHS Markit
- C200  
4,300 sq m

## SELECTED SCHEMES UNDER CONSTRUCTION



Building Office space Completion date Developer

- |                                                                                                   |                                                              |                                                                                                    |                                                                 |
|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <p><b>Olivia Business Centre - Olivia Star</b><br/>43,700<br/>2017<br/>Olivia Business Centre</p> | <p><b>Alchemia - Argon</b><br/>36,000<br/>2017<br/>Torus</p> | <p><b>Olivia Business Centre - Olivia Seven</b><br/>30,000<br/>2018<br/>Olivia Business Centre</p> | <p><b>Heweliusza 18</b><br/>10,000<br/>2018<br/>Apollo-Rida</p> |
|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|

## CITY STRENGTHS

- Convenient geographical location - the largest seaport in Poland
- Tricity received the CEE Shared Services and Outsourcing Award for the most dynamically developing city in 2017
- Attractive centre for Scandinavian investors - availability of employees with knowledge of Scandinavian languages
- Tricity is ranked 3<sup>rd</sup> (after Koszalin and Szczecin) in terms of the cleanest air in cities
- Pomorska Special Economic Zone

748,000



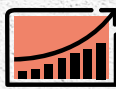
POPULATION

3.3%



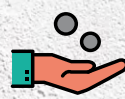
UNEMPLOYMENT RATE

2.9%



GDP GROWTH

PLN 4,588



GROSS AVERAGE SALARY IN THE ENTERPRISE SECTOR

93,400



NO. OF STUDENTS

24,100

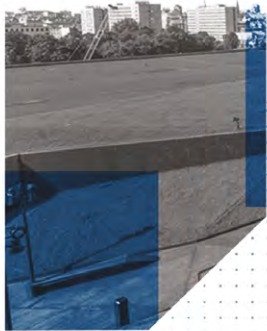


NO. OF GRADUATES 2015/2016

27



NO. OF UNIVERSITIES



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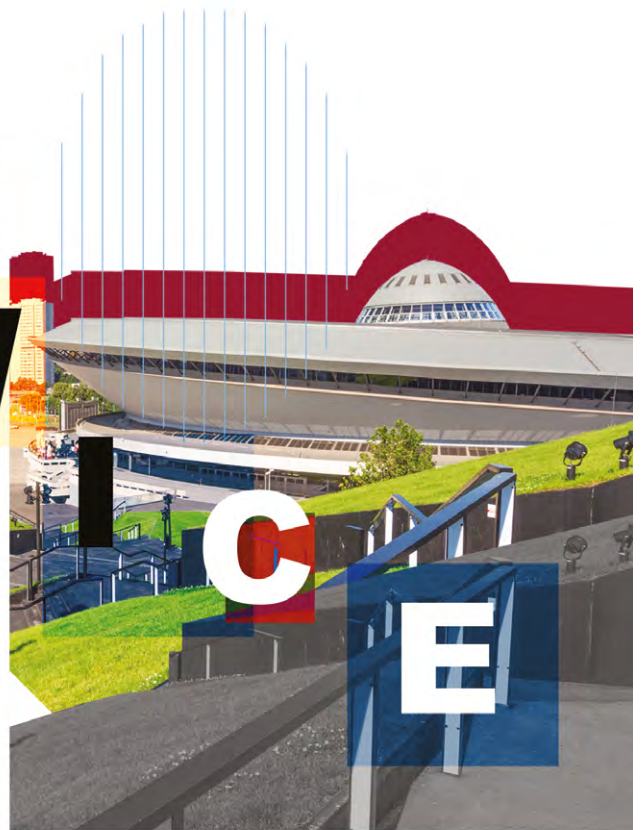
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## FACTS AND FIGURES

H1 2017

**459,000 sq m**



OFFICE STOCK

**12.7%**



VACANCY RATE

**17,000 sq m**



TAKE-UP

**15,700 sq m**



NEW SUPPLY

**44,400 sq m**



OFFICE SPACE UNDER CONSTRUCTION

**71,000 sq m**



PLANNED SCHEMES (WITH BUILDING PERMIT)

ASKING RENTS



A-class: EUR 12-14/sq m/month  
B-class: EUR 8-11/sq m/month

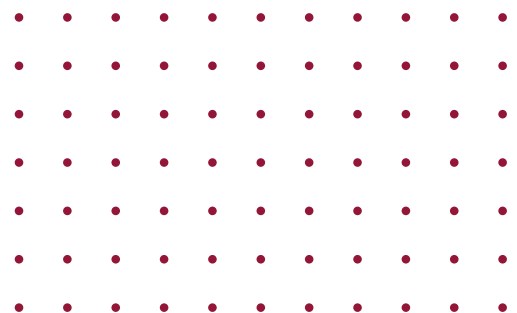
Katowice remains the 5<sup>th</sup> largest office market in Poland. After an exceptional 2016 in terms of new supply, the beginning of 2017 brought a slight decline in developers' activity. Within the first six months of 2017, 15,700 sq m of new office space was delivered to the market. Additionally, at the end of H1 2017, 44,400 sq m was identified under construction, of which 7,500 sq m should be completed by the end of this year.

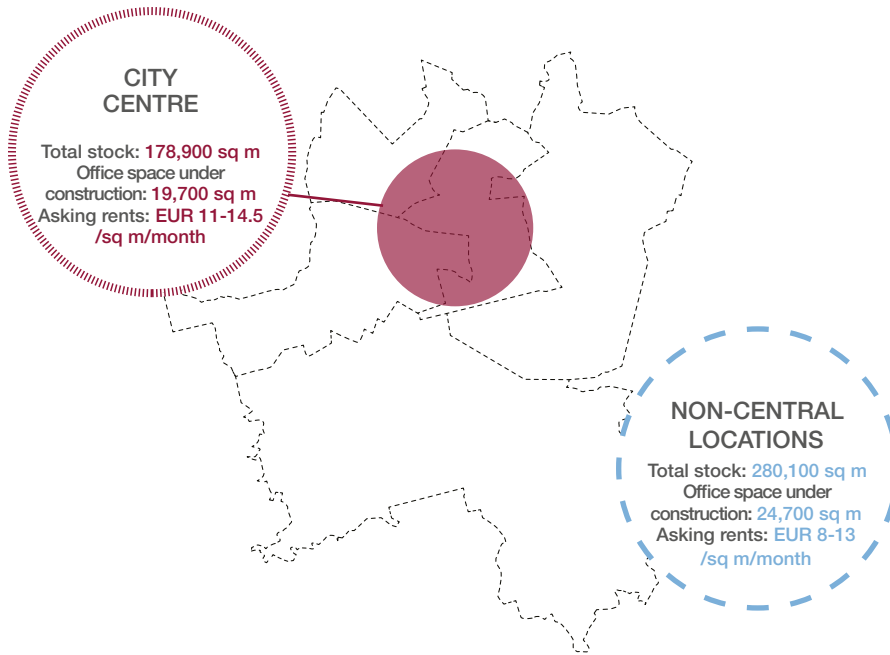
On the other hand, we could observe a slight decrease of demand. In H1 2017, lease

agreements amounting to 17,000 sq m were signed, which constituted 40% of an average annual take-up recorded within 2012-2016. Although tenants' activity has weakened, office space in Katowice is systematically absorbed by the market. Net absorption within January-June 2017 amounted to 19,800 sq m.

Nevertheless, limited new supply resulted in a decrease of the vacancy rate by 1.3 pp when compared to the end of 2016. Taking into account the small volume of office

space scheduled to completion this year, a slight decrease of the vacancy rate is expected.





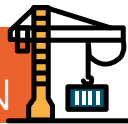
### SELECTED LEASE AGREEMENTS

2016/2017

Building Office space Tenant

- PwC  
Silesia Business Park  
2,000 sq m
- Groupon  
Supersam  
2,300 sq m
- Aldi  
Green Park  
2,000 sq m
- KPMG  
Centrum Biurowe Francuska  
1,560 sq m

### SELECTED SCHEMES UNDER CONSTRUCTION



Building Office space Completion date Developer

- .KTW - stage 1**  
18,200  
2018  
TDJ Estate
- Silesia Business Park D**  
11,500  
2018  
Skanska Property Poland
- Baidona 66 - stage 2**  
5,500  
2018  
Opal Maksimum

### CITY STRENGTHS

- Economic, cultural and scientific centre of Upper Silesia, inhabited by 2.2 million people.
- Capital of one of the largest industrial areas in Europe - Upper Silesia which comprises 19 cities.
- Conference and fair centres (International Congress Centre, Katowice International Fair and Expo Silesia Exhibition Centre).
- Katowice Special Economic Zone as the best special economic zone in Europe and the 2<sup>nd</sup> in the world according to Global Free Zones of the Year 2015 (Financial Times fDi Magazine).

298,000



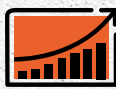
POPULATION

2.4%



UNEMPLOYMENT RATE

1.9%



GDP GROWTH

PLN 5,275



GROSS AVERAGE SALARY IN THE ENTERPRISE SECTOR

94,000



NO. OF STUDENTS

30,300



NO. OF GRADUATES 2015/2016

23



NO. OF UNIVERSITIES



## FACTS AND FIGURES H1 2017

**443,000 sq m**



OFFICE STOCK

**12.2%**



VACANCY RATE

**12,700 sq m**



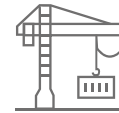
TAKE-UP

**15,500 sq m**



NEW SUPPLY

**78,000 sq m**



OFFICE SPACE  
UNDER CONSTRUCTION

**60,000 sq m**



PLANNED SCHEMES  
(WITH BUILDING PERMIT)

ASKING RENTS



A-class: EUR 12-14.5/sq m/month  
B- class: EUR 8-11/sq m/month

Total office stock in Poznań is estimated at 443,000 sq m, which makes the city the 5<sup>th</sup> largest regional office market in Poland. Currently, a growth of developers' activity is being observed in the city. Within the first six months of 2017, 15,500 sq m of new office space was delivered to the market, and a following 78,000 sq m is being developed, of which some 9,000 sq m should be completed by the end of this year.

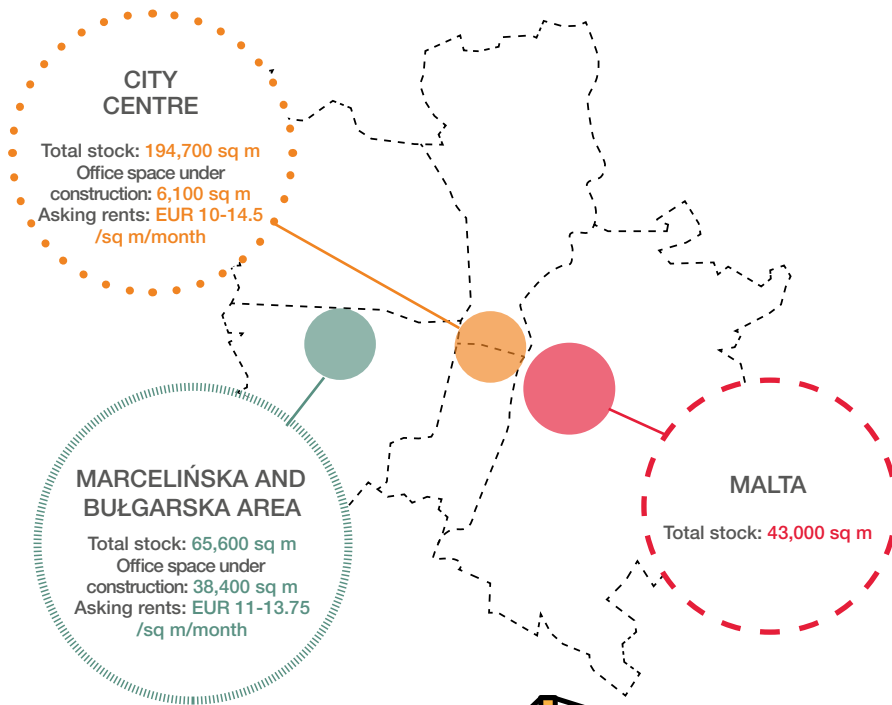
After a revival in tenants' activity observed within 2015-2016, a decrease of tenant activity

was observed in H1 2017.

However, in H1 2017 lease agreements amounting to 12,700 sq m were concluded, which constituted barely 30% of an average annual take-up within 2012-2016 and, at the same time, was approximately 50% lower than the result noted in the analogical period of 2016. Despite moderate demand recorded in H1 2017, office space is being systematically absorbed by the market. In the period of January-June 2017, net absorption in the Poznań office market amounted to 19,200 sq m.

Relatively low new supply resulted in a decrease of a vacancy rate. At the end of June 2017, some 12.2% of total stock was available to lease, which means a visible decrease when compared with the end of 2016 (13.6%). Due to limited volume of office space scheduled to completion in 2017, a stabilisation or slight decrease of the vacancy rate is expected in the forthcoming quarters.





### SELECTED LEASE AGREEMENTS

2016/2017

Building Office space Tenant

- Business Link Maraton 4,200 sq m
- Enea Skalar 6,650 sq m
- Roche Malta Office Park 3,300 sq m
- GSK Poznań Business Garden 2,000 sq m

### SELECTED SCHEMES UNDER CONSTRUCTION

Building Office space Completion date Developer

- Poznań Business Garden 2**  
 38,400 sq m, 2018, Vastint Poland
- Pixel – stage 2**  
 17,700 sq m, 2018, Garvest
- Delta 3**  
 5,000 sq m, 2018, Ataner

### CITY STRENGTHS

- Attractive location halfway between Warsaw and Berlin
- Poznań International Fair, the largest congress and exhibition centre in Poland and the second largest in Central and Eastern Europe
- Heart of the Polish automotive industry
- 2<sup>nd</sup> place in the large city category in the annual ranking „Attractive Cities of Business” (2016) prepared by Forbes in cooperation with the Central Business Information Center
- Kostrzyn-Słubice Special Economic Zone

540,000



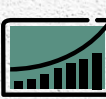
POPULATION

1.7%



UNEMPLOYMENT RATE

3.3%



GDP GROWTH

PLN 4,969



GROSS AVERAGE SALARY IN THE ENTERPRISE SECTOR

116,500



NO. OF STUDENTS

32,000



NO. OF GRADUATES 2015/2016

25



NO. OF UNIVERSITIES



## FACTS AND FIGURES H1 2017

**397,500 sq m**



OFFICE STOCK

**6.0%**



VACANCY RATE

**29,700 sq m**



TAKE-UP

**33,700 sq m**



NEW SUPPLY

**123,000 sq m**



OFFICE SPACE  
UNDER CONSTRUCTION

**74,000 sq m**



PLANNED SCHEMES  
(WITH BUILDING PERMIT)

ASKING RENTS



A-class: EUR 11-13.5/sq m/ month  
B-class: PLN 35-50/sq m/month

The office sector in Łódź is currently enjoying a phase of dynamic development. Between January and June 2017, some 33,700 sq m of new office space was delivered to the market and a further 123,000 sq m is under construction, of which 47,500 sq m is scheduled to be completed in 2017.

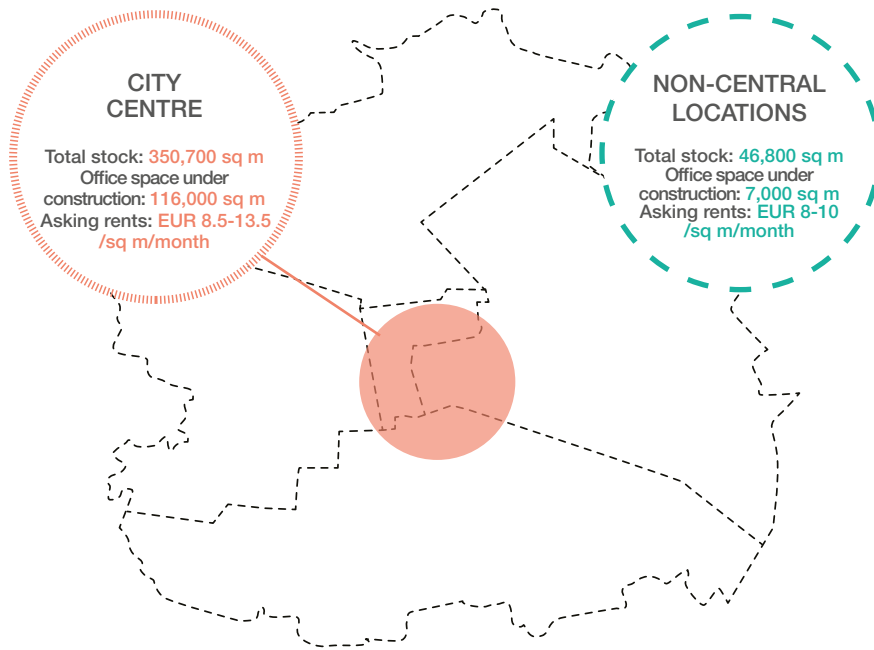
Record-breaking developers' activity is accompanied by strong demand. In H1 2017, lease agreements amounting to 29,700 sq m were signed in Łódź, which constituted 64% of the average annual take-up from 2012-2016

and at the same time was 65% higher than result noted in the analogous period of the previous year. It is worth noting, that almost all new supply delivered to the market in H1 2017 was absorbed by the market, with net absorption amounting to 32,100 sq m.

Strong demand and the fact that the vast majority of space delivered to the market was leased upon completion resulted in a decrease in vacancy rate by 0.2 pp to 6% in June 2017 when compared to the end of 2016. The vacancy rate in Łódź was the lowest in all

major regional office markets. An increase of the indicator is possible in coming quarters as new schemes will be completed, but taking into account high pre-lease levels in these buildings, the growth should not be too rapid.





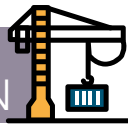
### SELECTED LEASE AGREEMENTS

2016/2017

Building    Office space    Tenant

- Fujitsu  
Textorial Park  
10,030 sq m
- Philips  
Symetris Business Park II  
4,000 sq m
- McCormick  
Nowa Fabryczna  
3,600 sq m
- Whirlpool  
Nowa Fabryczna  
5,600 sq m

### SELECTED SCHEMES UNDER CONSTRUCTION



Building    Office space    Completion date    Developer

<b>Brama Miasta – stage 1</b> 27,500 2019 Skanska Property Poland	<b>Ogrodowa Office</b> 25,600 2018 Warimpex	<b>Przystanek mBank</b> 26,300 2017 Ghelamco	<b>Symetris Business Park II</b> 9,500 2017 Echo Investment
----------------------------------------------------------------------------	------------------------------------------------------	-------------------------------------------------------	----------------------------------------------------------------------

### CITY STRENGTHS

- Central location in Poland, convenient road links to major cities
- Close proximity to two international airports: Łódź-Lublinek Airport and Chopin Airport in Warsaw
- Excellent cooperation with local authorities – the 1st place in this category according to the ABSL 2016 report
- City with strong industrial traditions, historically the textile centre of Poland
- Łódź Special Economic Zone

697,000



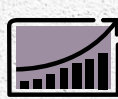
POPULATION

7.3%



UNEMPLOYMENT RATE

2.3%



GDP GROWTH

PLN 4,246



GROSS AVERAGE SALARY IN THE ENTERPRISE SECTOR

80,000



NO. OF STUDENTS

22,000



NO. OF GRADUATES 2015/2016

21



NO. OF UNIVERSITIES



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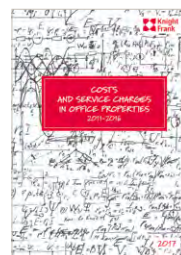
Office Market  
in Warsaw: I poł. 2017



Let's Meet in Warsaw.  
A culinary map: 2017



Omnichannel in Poland.



Costs and service  
charges in office  
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