



**HAYS** Recruiting experts  
worldwide

Report

# Poznań Office Market

March 2021

## Population

**535,000**  
city



**850,000**  
agglomeration

## Education



**25**  
higher education institutions



**102,000**  
students

## Macroeconomics



**3.4%**  
GDP Growth 2021 forecast



**€ 26,350**  
GDP per capita

# Poznań

## Labour market

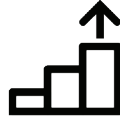


**2.0%**  
Unemployment Rate



**PLN 5,713**  
Average salary

## Office sector



**583,000 m<sup>2</sup>**  
Total stock



**77,000 m<sup>2</sup>**  
Space under construction



**13.60-15.00**  
Prime rents (€/m<sup>2</sup>/month)



**13.00%**  
Vacancy rate



**6.75%**  
Prime office yields

## Key city info

Poznań has undoubtedly enormous development capabilities. According to the fDi Polish Cities of the Future 2019/20, Poznań is a third city in the economic potential rank, and fourth in terms of the business friendliness. Moreover, Poznań was credited A- rating based on the city's strong operating performance outlook over medium term as well as its wealthy and well diversified economy (Fitch 2020). It is a 5th largest city in Poland in terms of population with 535 thousand inhabitants, and over 850 thousand in the metropolitan area. It also records second highest GDP per capita in the country: €26,350 (200% of national average), ahead of Wrocław and Kraków.

The economic fabric of the city is diversified and highly developed. Key industries include the retail,

electromechanical, automotive, chemical and food production, as well as service sectors. Blue chip line-up of companies invested in Poznań, including Samsung, Volkswagen, Unilever, Nivea, Wrigley, Sab Miller, Bridgestone, Carlsberg, Man, Ikea, McKinsey and Allegro. At the end of 2018 the volume of direct foreign investment in Poznań amounted to €7.1 billion. More than 260 large foreign investors have invested in Poznań so far, and there are over 111,700 business entities operating in the city. Poznań is highly innovative and fast developing business hub with mature BSS sector. There are 113 BPO/SSC/IT/R&D centres in Poznań, with 6 new centres opened in 2020. The city is also well-established educational centre with 25 institutions of higher education (8 public and 17 private



universities) and over 102 thousand students. It provides access to educated and high-skilled labour workforce.

Poznań remains the historical centre of the Polish exhibition industry with a number of important business and cultural events. The city hosts, for example the Poznań International Fair, which is the biggest industrial fair in Central and Eastern Europe, with over 13,000 exhibitors annually, including 3,000 foreign companies from 70 countries.

It also offers many diverse and appealing ways of spending free time. A wide range of cultural and sporting events combined with wining and dining options in the city centre and on the Warta riverbank make Poznań a vibrant and exciting place to live.

## Rating:

---

Fitch's A- based on the wealthy and well diversified economy

## 111,700

---

of business entities operating in the city

## 113

---

BPO/SSC centres



## Entertainment and culture

**13** 

---

 cinemas

**23** 

---

 theatres

**20** 

---

 shopping malls

**30** 

---

 museums

**10** 

---

 festivals

**78** 

---

 hotels



## Selected top Poznań attractions

In the very heart of the Old Market Square there is the beautiful Renaissance **Town Hall**. Every day, as the clock strikes noon, the tower opens, and two billy-goats appear. Controlled by the clock's mechanism, they butt their horned heads 12 times.

Poznań is definitely a city for sports enthusiasts. **Maltańskie Lake** is a venue for one of the most advanced regatta courses in Europe and its surroundings contain a year-round open artificial ski slope and a toboggan run, just to name a few.



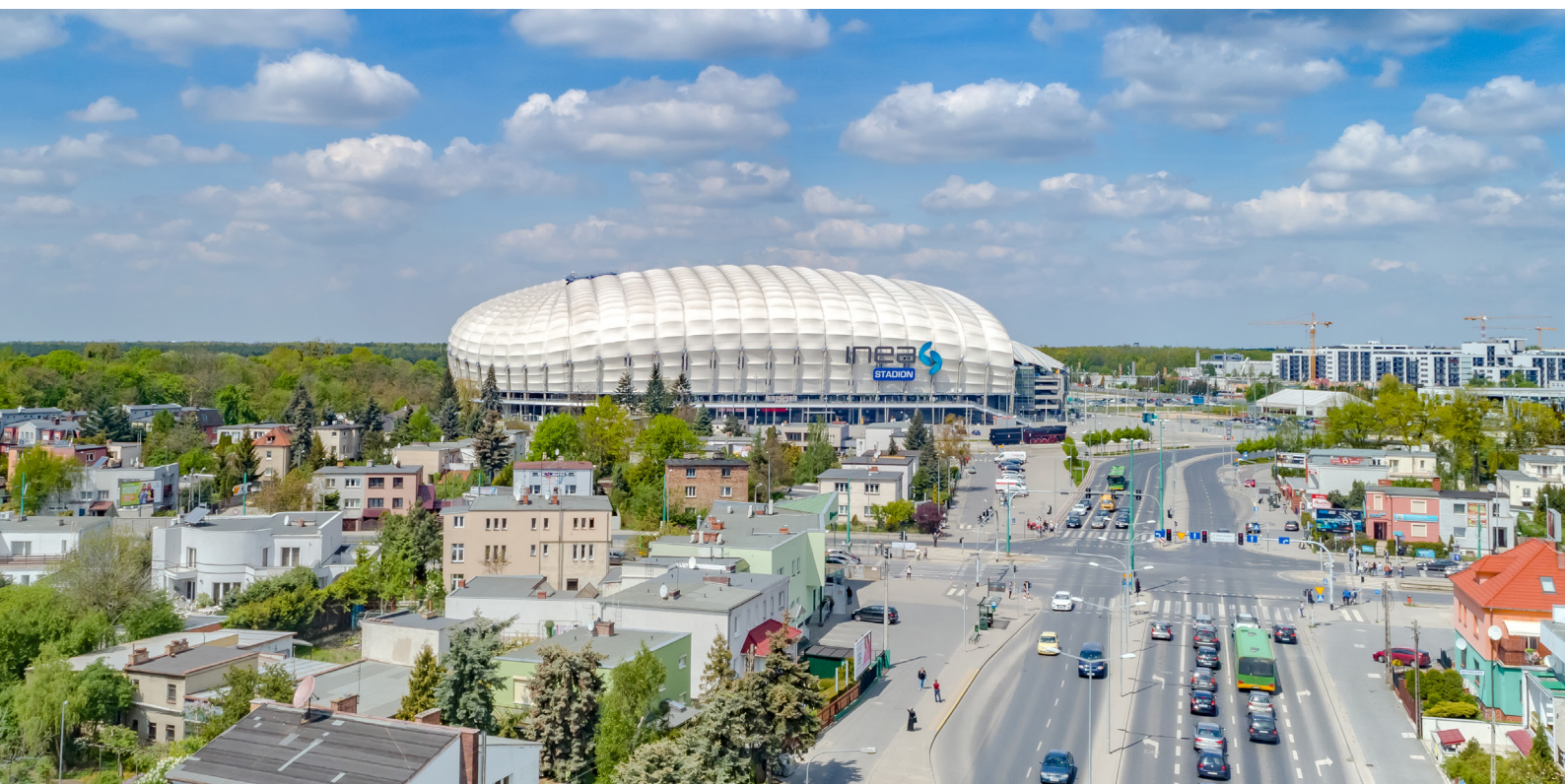
**The Old Brewery** is a unique centre that combines business, art and shopping, created in a former 19<sup>th</sup> century brewery. Apart from many shops, there are also beer gardens, clubs, a park, an arts centre and a 5-star hotel. In 2005, the Old Brewery received the International Council of Shopping Centers Award in the best medium sized shopping centre in the world category.



© Marek Kaczmarczyk

The Poznań's largest urban **Citadel park** of around 100 hectares and is located in the center of the city, on the remains of a former Prussian fortress. Until the 19th century it was a hill with a picturesquely located village of Winiary (the name referring to vine cultivation). There is also a large city beach and 4 lakes within the city's limits.

**Poznań Stadium** is famous for its grand atmosphere. It was the arena of UEFA EURO 2012 football championships. It can hold up to 43 thousand sports fans. It is a place of exciting sporting events, great concerts, shows, meetings and other spectacular events.



# Office Market Key Stats

Total stock	Vacancy rate	Space under Construction	Prime rents €/m <sup>2</sup> /month
583,000 m <sup>2</sup>	13%	77,000 m <sup>2</sup>	13.60-15.00

Source: JLL, Q4 2020

## Office stock in Poznań

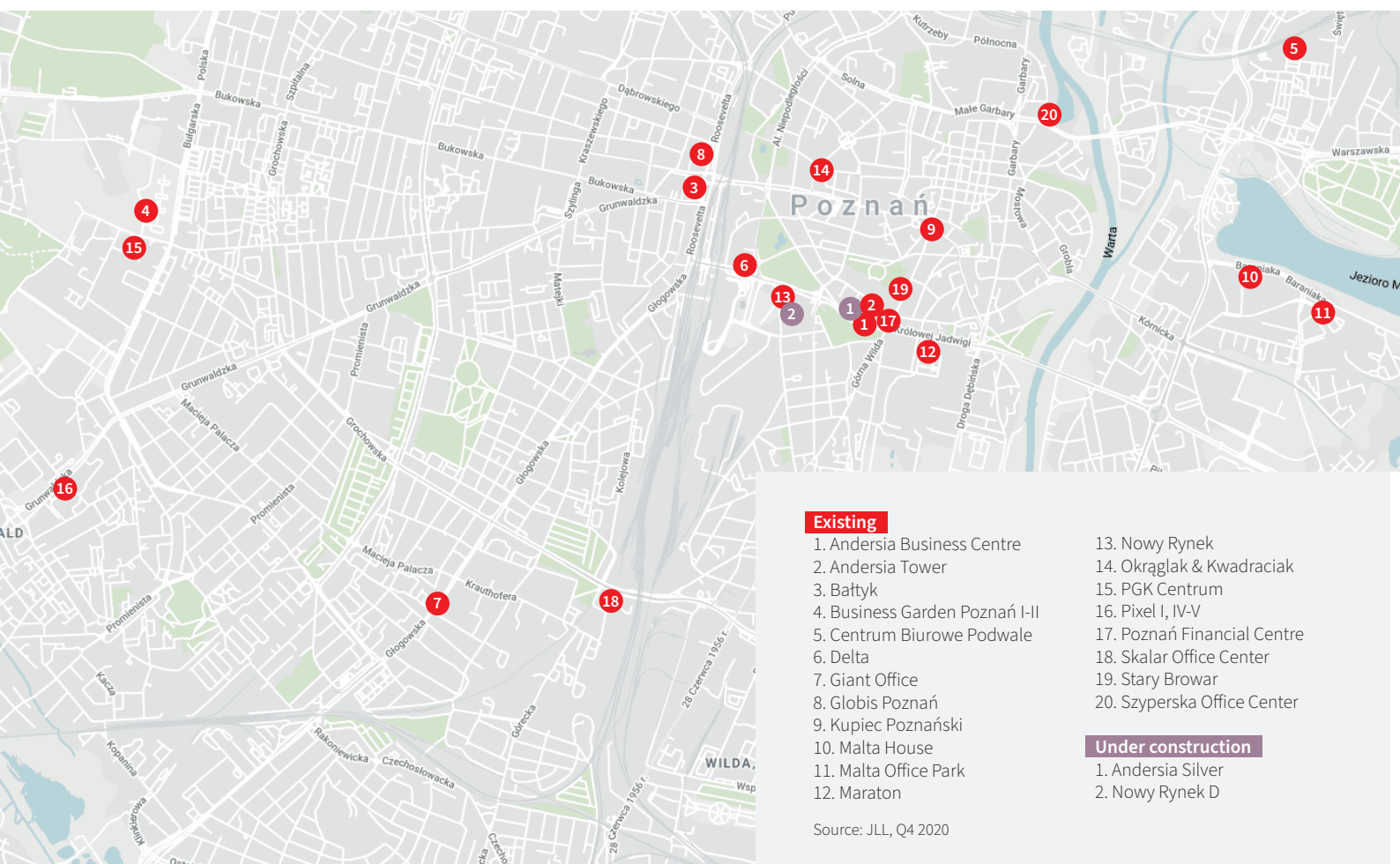
Over the recent years Poznań has been recognised as one of the fastest-developing business hubs in Poland. Increasing interest from foreign investors, especially companies in the modern business services sector, contributed largely to a rapid expansion of the office market.

Between 2015 and 2020 developers completed over 257,000 m<sup>2</sup> of new quality space, which accounts for nearly 45% of the existing supply.

Today, with the total office stock estimated at 583,000 m<sup>2</sup>, Poznań is the fifth largest regional market in Poland (after Kraków, Wrocław, the Tri-City and Katowice).

2019 was a record-breaking year in terms of new supply coming to the Poznań office market. New completions totalled as much as 87,500 m<sup>2</sup>, which pushed the total stock above the 0.5 million m<sup>2</sup>. Such an outstanding result was mainly due to the

## Map of major existing and planned office developments in Poznań



### Existing

- Andersia Business Centre
- Andersia Tower
- Bałtyk
- Business Garden Poznań I-II
- Centrum Biurowe Podwale
- Delta
- Giant Office
- Globis Poznań
- Kupiec Poznański
- Malta House
- Malta Office Park
- Maraton
- Nowy Rynek
- Okraglak & Kwadraciak
- PGK Centrum
- Pixel I, IV-V
- Poznań Financial Centre
- Skalar Office Center
- Stary Browar
- Szyperska Office Center

### Under construction

- Andersia Silver
- Nowy Rynek D

Source: JLL, Q4 2020

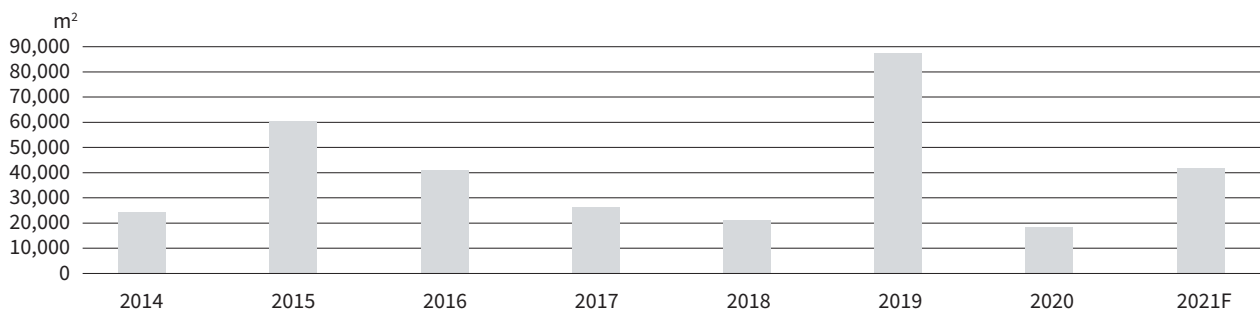


completion of the second phase of the Business Garden complex (46,000 m<sup>2</sup>) and two buildings within the Nowy Rynek scheme (31,000 m<sup>2</sup>). Compared to previous year, 2020 recorded a moderate growth with only 18,300 m<sup>2</sup> delivered in two schemes: Giant Office (15,300 m<sup>2</sup>) and Towarowa 39 (3,000 m<sup>2</sup>).

Development pipeline looks much more modest with only 77,000 m<sup>2</sup> currently under construction.

Over half of this space will be delivered by H1 2021, while the remaining part will enter the market not sooner than in H2 2023. With no new development completions planned before late 2023, Poznań is likely to experience a supply gap, especially in the prime segment of the market. Although improving economic and business conditions may encourage developers to start new projects, they are not expected to enter the market before 2023.

### New supply evolution in Poznań 2014-2021f



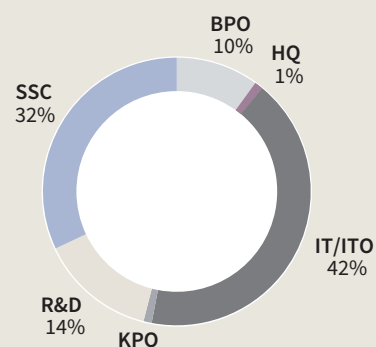
Source: JLL, Q4 2020

### Office space demand

The increase in availability of high-quality spaces in Poznań was driven by a growing interest from corporate occupiers, especially in the modern business services sector.

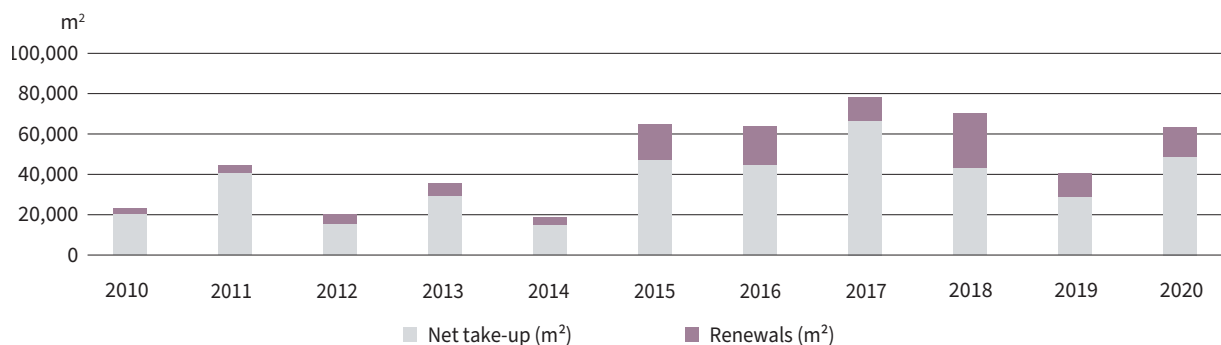
Along with delivery of large-scale projects, the BPO/SSC sector has become increasingly active in the city. Currently, Poznań is home to a number of international players, namely Franklin Templeton Investments, GSK Services, IKEA Business Services Centre, MAN Accounting Center, the Roche Global IT Solutions Center, among others. A significant share (42%) of outsourcing centres in Poznań specialise in providing IT & ITO services, which makes the city one of the key hubs for the ICT industry in Poland.

### Modern business services companies by type



Source: ProProgressio, Focus on Poznań (2021)

## Evolution of gross take-up in Poznań 2010 – 2020



Source: JLL, Q4 2020

Despite the COVID-19 pandemic, 2020 leasing activity in Poznań remained strong, underpinned by a number of high-profile deals. The largest transaction was a record-breaking agreement for 26,000 m<sup>2</sup> secured by Allegro in Nowy Rynek, followed by 5,900 m<sup>2</sup> taken up by Rockwool in the same office complex and expansion of 3,400 m<sup>2</sup> by GSK in Business Garden.

Although the coronavirus crisis created a lot of uncertainty with regards to traditional workplace, it has become clear that physical offices will remain critical in ensuring companies' success in the long-term. While demand for offices may temporarily slow down over H1 2021, occupiers' appetite for quality space and improved economics fundamentals should propel leasing activity from 2022 onwards.

## Largest transactions in Poznań in 2017 – 2020

Date	Building	Tenant	Type	Total Size (m <sup>2</sup> )
2020	Nowy Rynek D1	Allegro	Pre-let	26,000
2017	Nowy Rynek B	Franklin Templeton	Pre-let	25,500
2018	Poznań Business Garden	Santander	Expansion&Renewal	14,800
2017	Malta Office Park	Confidential tenant	Expansion&Renewal	11,200
2018	Nowy Rynek A	Żabka	Pre-let	10,300
2017	Park Handlowy Franowo	Ikea Business Service Center	Owner occupier	8,000
2020	Nowy Rynek	ROCKWOOL	Pre-let	5,900

Source: JLL, Q4 2020

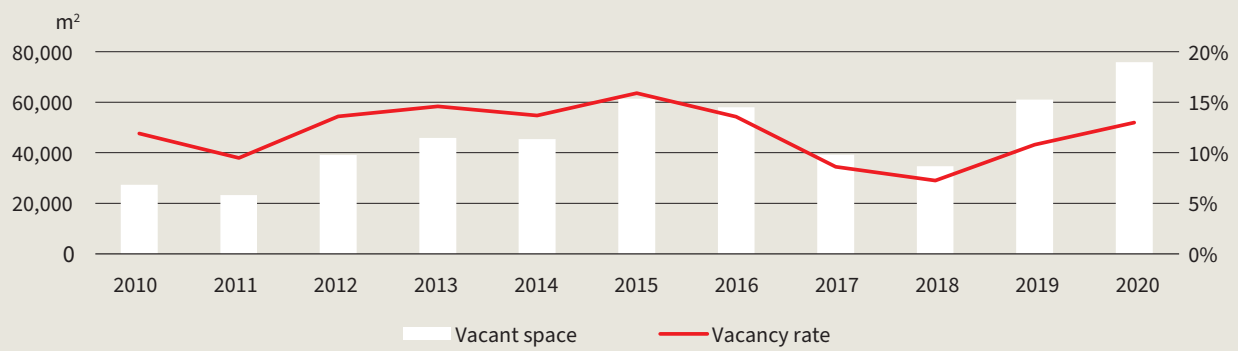


## Vacant space

The vacancy rate in Poznań registered dynamic changes over the course of the last six years. After a peak in 2015, the availability of office space has gradually decreased to 7.5% at the end of 2018 on the back of consistently strong demand. A surge in new supply in 2019 pushed the overall vacancy up to 10.8%. The upward trend continued over 2020, as many companies

have deferred their real estate decisions due to COVID-19. At the end of 2020, the vacancy rate stood at 13.0%, which translated into 75,900 m<sup>2</sup> of immediately available supply. The overall vacancy rate is likely to stabilise in the short term; however, modest pipeline combined with a steady demand may result in vacancy decreases in the medium term.

### Evolution of vacancy in Poznań 2010 – 2020



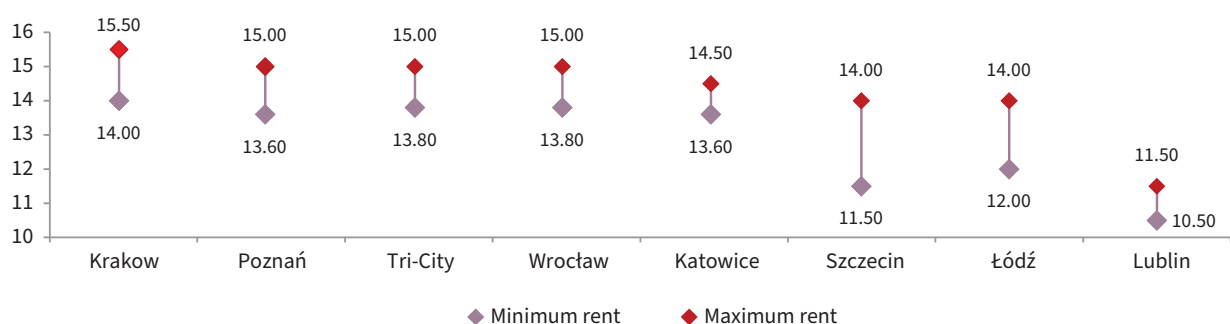
Source: JLL, Q4 2020

## Rents

Prime headline rents have steadily moved up during the last few years as a result of limited availability of new product. Nevertheless, COVID-19 related uncertainty halted any rental growth over the last 12 months with prime rents currently standing between €13.60-15.00 /m<sup>2</sup>/month. Rents should hold

stable in the short term as demand for prime quality space remains firm and most of new supply scheduled for 2021 has already been secured by occupiers. Prime rental growth is expected from 2022 onwards, driven by relatively limited new supply of high quality spaces.

### Rental levels in Poznań vs. other office markets in Poland (€/ m<sup>2</sup>/ month)



Source: JLL, Q4 2020

## Quotes

Rockwool Global Business Service Center operates in Poznań for over 4 years now, and ever since we have been observing how the city transforms and becomes a fabulous place to live and to run a business. Poznań has always been a business friendly city, attracting many companies from various sectors, especially SSC/BPO. It successfully combines several aspects including higher education, sustainability, innovation, development, and last but not least availability of superior real estate products. That leads to further growth of the business activities and allows to attract more talents. It is vital for any company and also for us, as we appreciate the continually evolving and growing environment, parallel to the company's cultural fit and values.

### **Ewelina Płocieniczak**

Head of Rockwool Global Business Service Center

Poznań is a very good place to live and to run the business. On one hand compact scale of the city, access to the diversified cultural offer and many recreation areas provide high quality of life. On the other hand rapidly developing office market, availability of the highly skilled talent pool and competitive costs of doing business, ensure perfect working environment. Consequently, it translates to increasing customer satisfaction and improvement of the company results.

### **Tim Oldenburg**

Operations Director Poland at Lumen Technologies





# The Poznań office investment market

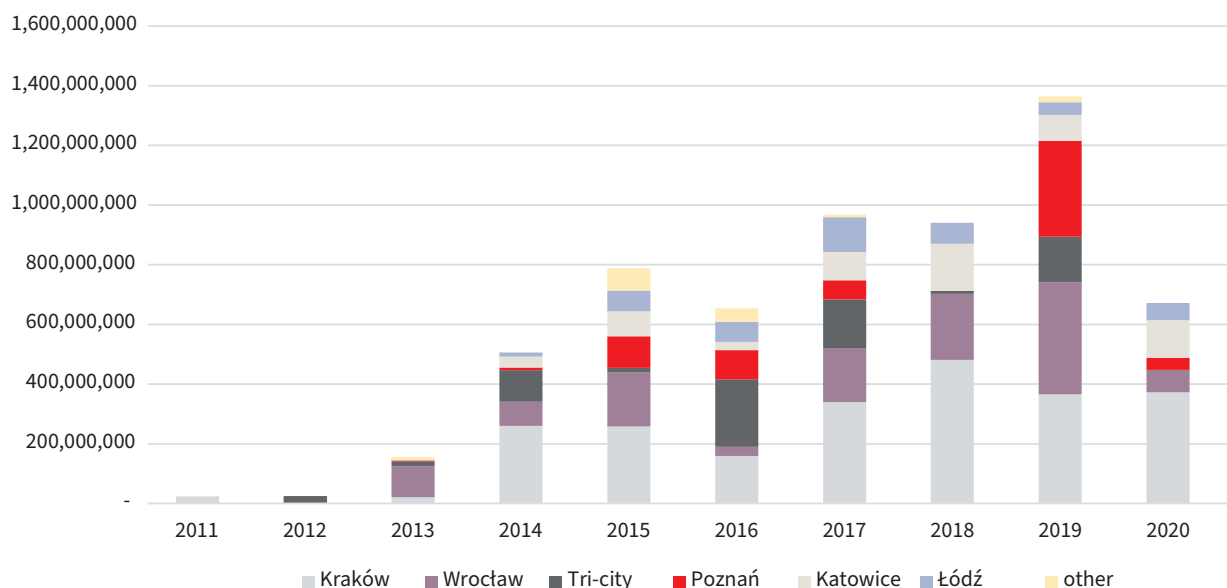
## Growing appetite for regional markets

About ten years ago, office investments outside Warsaw represented less than 10% of the annual turnover in the segment. The rapid growth of the business services sector, which accelerated in the CEE region about 5-6 years ago, has generated a great demand for both well-educated workforce and office space. Poland as a truly polycentric country, with a number of large (over 400,000 inhabitants) cities, huge talent pool, as well as very competitive labour costs, has effectively attracted attention of international investors. Consequently, the office markets in Polish regional cities have been thriving. Both international and domestic developers have been providing a myriad

of modern, well-leased office assets to the market. As a result, regional office transactions represented on average 40% of office investments throughout the last five years (2016-2020). Even over the course of 2020, which was marked by the COVID-19 pandemic, the investors' activity in regional markets remained relatively high.

Investment volumes across regional cities totalled €672 million during 2020, down 51% on the record-breaking previous year, but still 21% up on the ten-year average. Taking into consideration the last four years (2017-2020), the average annual turnover amounts to nearly €1 billion.

## Office investment in the regional markets (€)



Source: JLL, Q4 2020

## Very busy 2019, slowdown in 2020

Taking into consideration the last ten years, Poznań is the fourth most-popular regional market in terms of office investments. The higher volumes were seen only in larger markets (Kraków, Wrocław, Tri-city). Moreover, the Poznań office market is characterised by rental rates observed in more mature office destinations (Kraków, Wrocław), which means that prime office schemes in the city can generate income comparable to the best office assets outside Warsaw.

In terms of office investment, Poznań should be still recognised as an emerging market. The market reached its peak in 2019, when it was responsible for almost 24% of the turnover outside Warsaw. This result was driven by as many as six transactions, the most meaningful of which were the acquisitions of two phases of Nowy Rynek, building A and building B purchased by Corum Asset Management and Franklin Templeton Investment respectively. The estimated price for both buildings exceeded €111 million. Equally important office deal was a sale of Business Garden Poznań (Phase 1) committing four buildings. The complex was bought by Cromwell (CEREIT) from Vastint for €88.5 million. Other deals included Malta Office Park, being a part of the EPP share transaction (70%), Poznań Financial Center acquired by Adventum International and Malta House purchased by Reino Capital and CorVal.

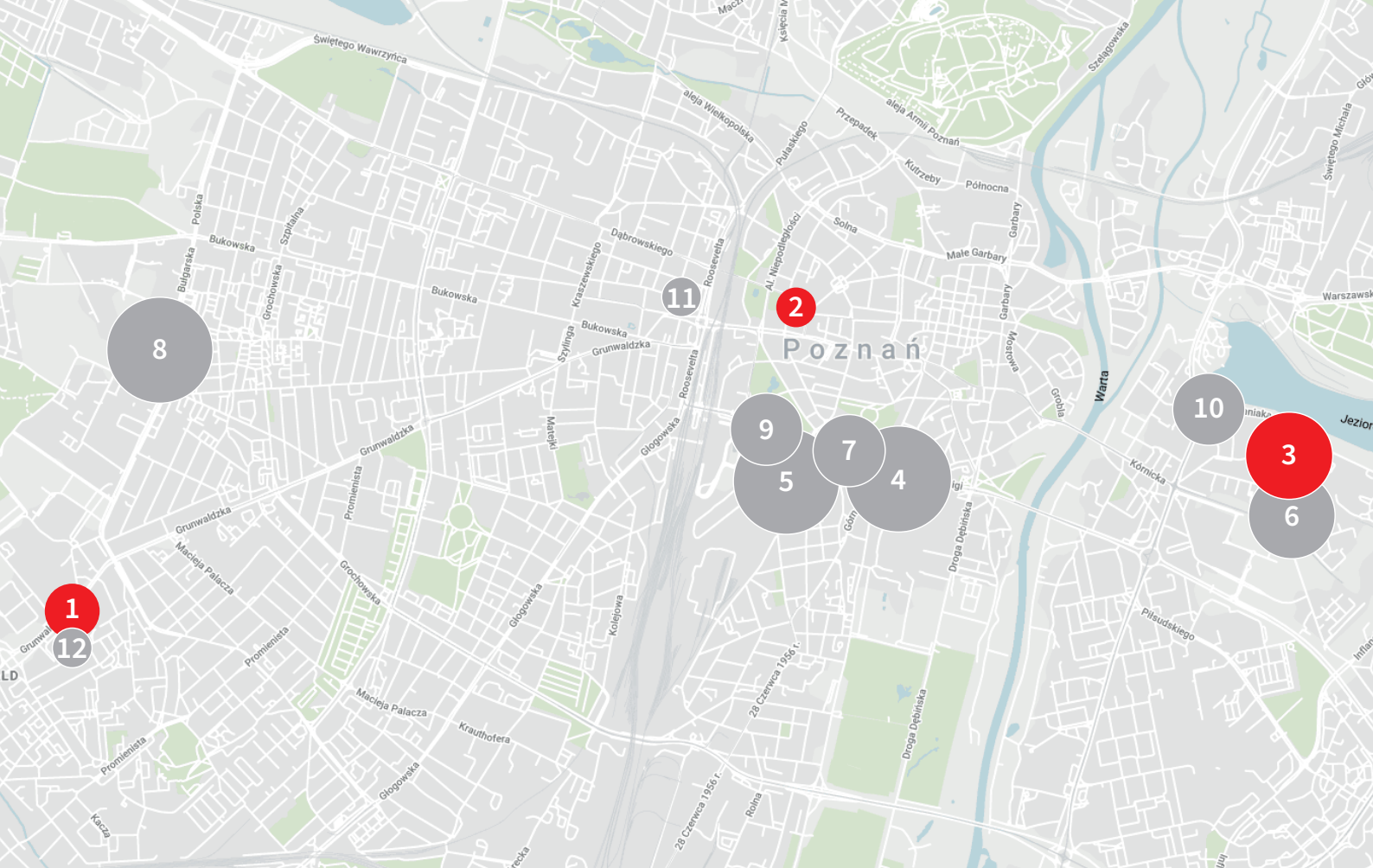
Similarly, to other regional cities, investors' activity in Poznań was subdued in 2020. Throughout the entire year, the market saw only one deal. This transaction was the sale of 61.49% stake in GTC (which owns Pixel I and Globis Poznań) by Lonestar in a corporate deal to a Hungarian investment fund – Optima. Consequently, the annual turnover in Poznań was estimated at ca. €40 million.

## Cap rates and future outlook

Prime office yields in Poznań stand at around 6.75% and should remain stable over the course of 2021. It is expected that sentiment in the office sector will remain undermined for the first half of 2021 while tough lockdown restrictions remain, but once these are eased, most of the deals that have been postponed should resume, boosting 2021's turnover. The time needed for a full recovery of investments in regional markets will be longer than in Warsaw, as investors continue to favour well-leased properties in the most mature office market. Notwithstanding the above, we expect to observe increased activity of European capital screening regional markets for suitable investment product looking for value arbitrage comparing to other European cities of similar size and market profiles. In our view Poznań will be definitely significant destination to be considered on their investment radar. A significant yield decompression trend is unlikely and regional cities may see a growing number of notable deals as soon as in the second half of this year.



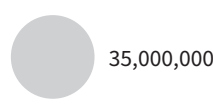
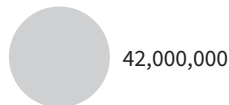




Sale price (€)

● JLL transaction

● other



### Selected major office deals in Poznań in detail, 2016-2020

#	PORTFOLIO NAME	PROPERTY NAME	AREA	YEAR	ESTIMATED YIELD (PORTFOLIO)	VENDOR	PURCHASER
1	<b>Pixel 1</b>	<b>Pixel 1</b>	14,500	2016	ca. 7.25%	<b>Garvest Real Estate</b>	<b>GTC</b>
2	<b>Okraglak &amp; Kwadraciak</b>	<b>Okraglak &amp; Kwadraciak</b>	7,900	2016	confidential	<b>Immobil</b>	<b>Benson Elliot</b>
3	<b>Echo Porfolio (75%)</b>	<b>Malta Office Park A-F (75%)</b>	28,300	2016	blended ca. 7.6%	<b>Echo Investment / Echo Prime Properties</b>	<b>Redefine</b>
4	Maraton	Maraton I, II	24,100	2017	ca. 6.9%	Skanska	Union Investment
5	Nowy Rynek B	Nowy Rynek B	25,000	2019	sub. 6.5%	Skanska	Franklin Templeton Investments
6	EPP Office Porfolio (70%)	Malta Office Park A-F (70%)	28,300	2019	ca. 7.5%	Echo Polska Properties	Henderson Park
7	Poznań Financial Center	Poznań Financial Center	18,300	2019	ca. 8.0%	Peaksid Capital	Adventum International
8	Business Garden Poznań (Phase 1)	Business Garden Poznań B1-B4	41,900	2019	ca. 8.0%	Vastint Group	Cromwell (CEREIT)
9	Nowy Rynek A	Nowy Rynek A	11,800	2019	ca. 6.3%	Skanska	CORUM Asset Management
10	Malta House	Malta House	15,500	2019	ca. 7.45%	Bluehouse Capital	Reino Capital & CorVal
11	GTC (61.49% stake)	Globis Poznań	13,300	2020	confidential	Lonestar	Optima
12	GTC (61.49% stake)	Pixel 1	14,500	2020	confidential	Lonestar	Optima

Source: JLL, Q4 2020, JLL transactions highlighted in red

# Poznań labour market

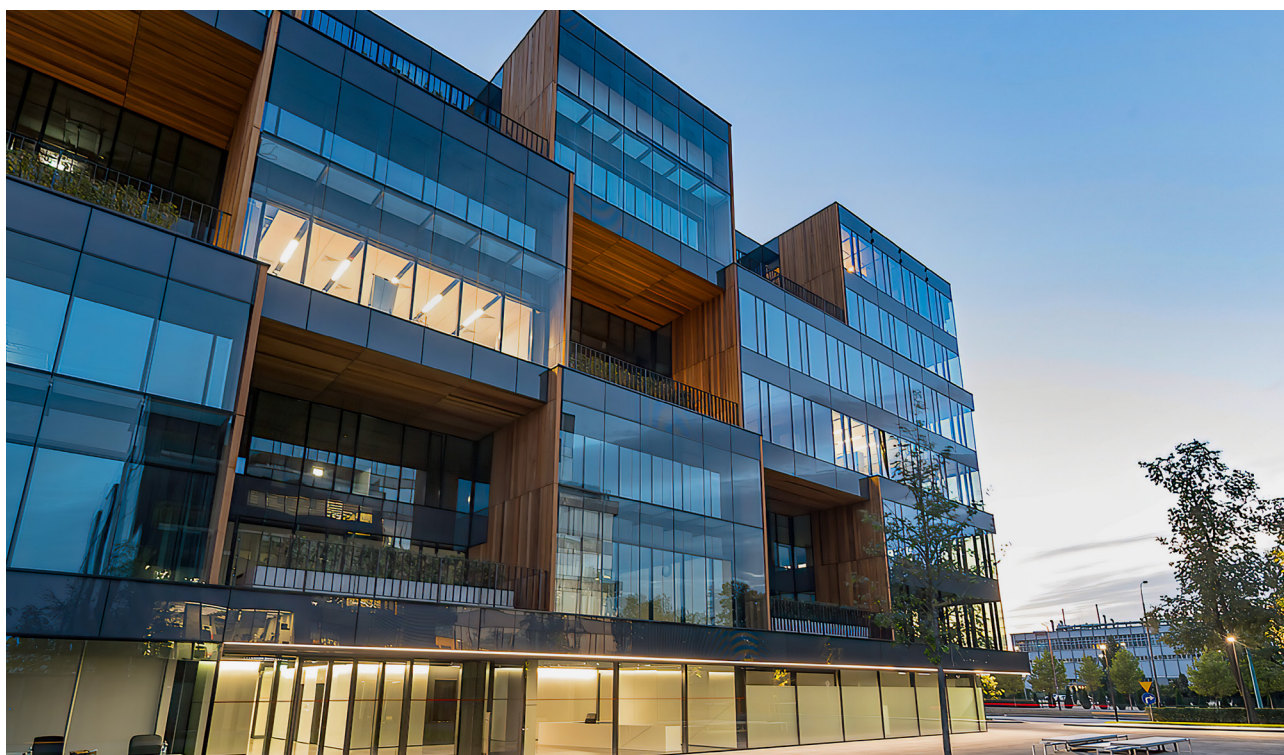
## Labour market

For several years, Poznań has been recognised as an attractive location for investing capital in regards to the Business Services Sector. The city regularly maintains one of the lowest unemployment rates in Poland, and even the COVID-19 pandemic has not diminished its strong position. Among numerous factors that contribute to Poznań's prominent place on the European business services map, the key one is the available talent pool. The entire agglomeration is inhabited by over one million people, many of whom are qualified workers, speaking foreign languages.

Poznań has one of the most developed academic bases in Poland with over 100,000 students at public and private universities. Higher education institutions offer a wide scope of faculties that respond to the skills demand of business services sector. Hence, they serve as a permanent source of qualified and

ambitious candidates for junior roles in the local centres. Working in the business services structures is an interesting professional perspective for graduates as it offers a clearly defined career development path. Employers from the business services sector also attract young candidates who are still undecided about their future profession and want to gain first experience.

In addition to numerous career opportunities, Poznań offers high quality of living, modern infrastructure, well-developed public transport, good road and rail connections and the abundance of green space. As a result, Poznań is perceived as an attractive relocation destination, not only by people from the Greater Poland region, but also from the rest of the country and increasingly from all over the world. In recent years, at Hays we have delivered many recruitment projects, which included relocation of candidates mainly from Łódź, Szczecin, Lublin and Bydgoszcz.





Each sector of the labour market has been affected differently over the past year. Although some previously planned business process migrations and new investment projects had to be postponed, the lack of significant job cuts in the Poznań's business services sector proved its stability. This in turn has had a very positive impact on the attractiveness of the industry in the eyes of potential candidates. Additionally, the COVID-19 pandemic did not negatively affect remuneration levels, so employers from the business services sector still have to strongly compete for the best specialists. Companies are attracting potential employees with employer branding campaigns, benefit packages, value-based organisational culture and constant improvement of candidate experience at every stage of recruitment processes. Candidates mostly appreciate transparent and fast recruitment processes with constructive feedback.

For many years, the Poznań's business services sector has maintained its moderate but steady growth rate. Investors that have recently decided

to locate their centres in the city, most often carry out operations within finance and accounting, IT, HR, customer service, R&D and Business Processes Outsourcing. The continuous improvement and growing advancement of processes serviced in local centres translate into attractive development opportunities for employees and more exciting daily tasks.

Worth emphasising are well-developed and proactive investor support institutions that are present in the Greater Poland region – local authorities, chambers of commerce and industry associations. Investors appreciate their level of meritocracy, good communication and readiness to include their needs and plans in devised strategies.

Despite uncertain times, Poznań's openness to innovation and the ability to adapt to new, fast-changing market conditions are noticed by potential investors, also from the business services sector. This in turn allows us to look to the future with optimism.



## Table of salaries

<b>CHOSEN ROLES</b>	<b>MIN*</b>	<b>OPT**</b>	<b>MAX*</b>
<b>GL</b>			
Junior Accountant (up to 1 year of experience)	4 200	4 800	5 200
Accountant (1-3 years of experience)	5 500	6 300	6 800
Senior Accountant (over 3 years of experience)	7 500	8 500	9 500
Team Leader (5-15 FTEs)	11 000	12 000	14 000
<b>AP/ AR</b>			
Junior Accountant (up to 1 year of experience)	4 000	4 500	4 800
Accountant (1-3 years of experience)	5 000	5 700	6 500
Senior Accountant (over 3 years of experience)	6 800	7 500	8 000
Team Leader (5-15 FTEs)	9 000	10 500	12 000
<b>CUSTOMER SERVICE</b>			
Junior Specialist (up to 1 year of experience)	3 800	4 200	4 500
Specialist (1-3 years of experience)	4 800	5 300	5 800
Senior Specialist (over 3 years of experience)	6 000	6 500	7 000
Team Leader (5-15 FTEs)	8 000	10 000	11 000
<b>ORDER MANAGEMENT</b>			
Junior Specialist (up to 1 year of experience)	4 000	4 200	4 800
Specialist (1-3 years of experience)	4 800	5 500	6 200
Senior Specialist (over 3 years of experience)	6 500	7 200	8 000
Team Leader (5-15 FTEs)	8 500	10 000	13 000
<b>SUPPLY CHAIN (PROCUREMENT ADMIN, LOGISTICS, PLANNING)</b>			
Junior Specialist (up to 1 year of experience)	4 000	4 500	4 800
Specialist (1-3 years of experience)	4 800	5 500	6 200
Senior Specialist (over 3 years of experience)	6 500	7 200	8 000
Team Leader (5-15 FTEs)	8 500	10 000	13 000
<b>HR ADMINISTRATION PROCESSES</b>			
Junior Specialist (up to 1 year of experience)	4 000	4 500	4 800
Specialist (1-3 years of experience)	5 000	5 700	6 500
Senior Specialist (over 3 years of experience)	6 500	7 000	8 000
Team Leader (5-15 FTEs)	9 000	10 000	12 000
<b>IT SUPPORT</b>			
1st Line Support (up to a year of experience)	4 000	4 500	5 000
2nd Line Support (1-3 years of experience)	5 000	6 000	7 500
2nd Line Support (3-5 years of experience)	7 000	9 000	11 000
3rd Line Support (4-7 years of experience)	10 000	12 000	15 500
<b>DEVELOPER</b>			
Python Developer (3-5 years of experience)	10 000	11 000	14 000
.NET / C# Developer (3-5 years of experience)	10 000	12 000	14 000
Java Developer (3-5 years of experience)	11 000	13 000	15 000
<b>IT TESTER</b>			
Manual Tester (3-5 years of experience)	7 000	8 000	9 000
Automation Tester (3-5 years of experience)	9 500	11 000	13 500
<b>IT PROJECT MANAGEMENT</b>			
IT Project Manager (3-5 years of experience)	10 000	12 000	15 000
IT Project Manager (5+ years of experience)	14 500	17 000	20 000

\* Gross monthly remuneration in a given position (full-time) without language bonuses (in PLN).

\*\* The most frequently offered salary in a given position. Command of an additional foreign language may affect the total amount. The data for this report was obtained in recruitment processes conducted by Hays Poland in 2020.

## Language bonuses

LANGUAGE	BONUS
Bulgarian	20%
Czech	10%
Danish	20%
Dutch	20%
Finnish	20%
French	25%
German	25%
Hungarian	15%
Italian	10%
Norwegian	20%
Portuguese	10%
Russian	10%
Slovak	10%
Spanish	10%
Swedish	20%

## Recruitability

EASE OF FINDING TALENT	NUMBER OF OPEN POSITIONS		
	10	20	30
GL Accountant (1-3 years of experience)	4-6 weeks	8-10 weeks	12 weeks
AP/ AR Accountant (1-3 years of experience)	3-4 weeks	6-7 weeks	10 weeks
Customer Service (1-3 years of experience)	3 weeks	4-5 weeks	7-8 weeks
HR Admin Specialist (1-3 years of experience)	3 weeks	4-5 weeks	7-8 weeks
IT 2nd Line Support (1-3 years of experience)	2 weeks	4 weeks	6 weeks
Java Developer (3-5 years of experience)	3 weeks	5 weeks	7-8 weeks
.NET / C# Developer (3-5 years of experience)	3 weeks	5 weeks	7-8 weeks
Python Developer (3-5 years of experience)	4 weeks	6 weeks	10-12 weeks
IT Project Manager (3-5 years of experience)	3 weeks	6 weeks	10-12 weeks





## Contacts

**Mateusz Polkowski**

Head of Research & Consulting – Poland & CEE  
mateusz.polkowski@eu.jll.com

**Tomasz Puch**

Head of Capital Markets  
tomasz.puch@eu.jll.com

**Zuzanna Kowalczyk**

Director, Office Agency - Tenant Representation  
zuzanna.kowalczyk@eu.jll.com

**Miłosz Jankowski**

Business Services Client Manager  
jankowski@hays.pl

[jll.pl](http://jll.pl)