



2022

# REPORT POZNAŃ

**corees**

Commercial Real Estate

## FOREWORD

I am pleased to present our Poznań's market annual report for the year 2021.

In addition to the information on the commercial, office, and industrial and logistics real estate market, we also wanted to present a wider urban context. The report also includes basic data on demographics, urban infrastructure and education.

I hope you find this small summary helpful and interesting.

I wish you a pleasant reading,

*Marek Ciunowicz*

Warsaw, 02.2022



### Marek Ciunowicz, SIOR CEO at Corees Polska

I am connected with commercial real estate market from nearly 30 years. I founded the real estate agency which provides comprehensive and competent support for a Client, where a person and their needs builds up for our priority.

This is how Corees Polska was created.

A boutique-format agency, which specializes in commercial real estates. We advise, negotiate, and back upon external assistance, considering Polish and European companies, independently from their size or location, in the field of office spaces. Corees Team is a group of people who share those values, who present wide perspectives and ready for taking initiative. Corees Polska is a partner of The Instant Group, belongs to SIOR and ProProgressio.

# POZNAN

Poznań is located in central-western Poland. It is the capital of the Greater Poland (Wielkopolskie) Voivodeship. Poznań is the fifth largest city in Poland in terms of population. At the end of June 2021, it was inhabited by 530,000 registered people and about 100,000 unregistered people (full-time students commuting from outside Poznań and foreigners). Over 80,000 people commute every day to work or school in Poznań from neighboring towns. In terms of area, the capital of Greater Poland is the sixth largest city in Poland. It is situated on an area of 262 km<sup>2</sup>. Together with the poviats and neighboring communes, it forms the Poznań agglomeration, inhabited by 1.2 million people.

Green areas in Poznań cover almost 1/3 of the city's area. It consists of 47 public parks and 116 public green spaces. Poznań is in the top ten of the ranking of Polish green cities in the Europolis ranking - cities for the European Green Deal (2021).

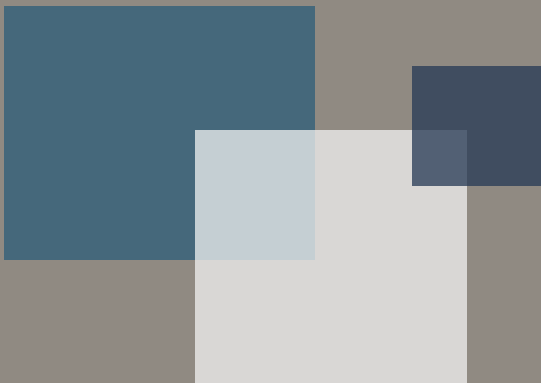


# Labor market

For many years, Poznań has consistently been ranked first among Polish cities in terms of the lowest unemployment rate. At the end of 2021, the unemployment rate was only 1.6 percent, and the number of unemployed was 5,700 people. Almost half (53.3%) of the jobseekers were women. People aged 25 to 44 who were unemployed accounted for more than half of the unemployed (52%). Most of the unemployed had the lowest education level (secondary and below) and a higher education. The working age population in Poznań accounts for 60% of the population. Most people, almost 80% are employed in services, the rest - in industry and construction.

The largest employers in Poznań, employing over 1000 people, include companies operating in the manufacturing, construction, transport, communications, financial intermediation, education, health care and administration sectors. Due to the low unemployment rate, employees have a problem with finding employees.

Job vacancies and places for professional activation reported in the Greater Poland voivodship accounted for 7.8% of the national pool of job offers. In 2021, the most sought after were employees with specialist vocational education and workers for simple jobs.



The level of wages in Poznań, as well as in the entire Greater Poland Voivodeship, is constantly growing. The difference between the average salary in 2019 and 2022 was over 6%. In January 2022, the average gross salary in the enterprise sector in Poznań was PLN 6,477.98 gross, i.e. PLN 423.54 more than in May 2019.

# Labor market



# Investment market

Poznań is one of the leaders of Polish cities in terms of economic development. The value of the GDP per capita here is PLN 103,400 which is twice the national average and is the largest in the country, after Warsaw. The service sector is definitely dominant here, with approximately 77% of Poznań residents employed there. There are 111,700 registered companies in Poznań, including 4,000 that are companies with foreign capital. Poznań is more and more often noticed by serious and large players on international markets, who locate their headquarters in the capital of Greater Poland. At present, there are already 120 shared service centers in Poznań. The largest investors include: Asahi, Beiersdorf, Bridgestone, GlaxoSmithKline, Unilever, Volkswagen, IKEA, Jeronimo Martins, McKinsey & Company, Mars, and MAN.

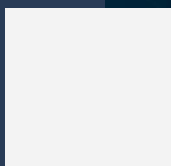
In 2016-2021, employment in Poznań shared service centers increased by as much as 72%. Out of 120 business service centers operating in Poznań in 2021, more than 30 are: IT, ITO or R&D centers. Poznań is also known as a city friendly to startups and projects such as computer games and the creative companies sector.

Poznań's attractiveness in terms of running a business here is also confirmed by awards, e.g. first place in the Outsourcing Stars competition by the Pro Progressio Foundation and the Investor-Friendly Cities Ranking of the Polish Association of Development Companies, or second place in the Forbes' Ranking of the Most Business-Friendly Cities.

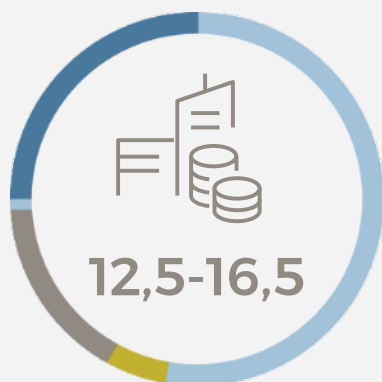
The events organized here are also important for the city's recognition and its prestige. Firstly, the Poznań International Fair, which has been attracting thousands of exhibitors and investors from all over the world for many years. They have an approx. 55% share in the exhibition market in Poland and are the first trade fair organizer in Central and Eastern Europe. The portfolio of MTP products includes over one hundred fairs organized on an annual or biennial basis. The fairgrounds also host congresses and conferences. The biggest international cultural events include Malta Festival Poznań and the OFF CINEMA International Documentary Film Festival. In 2018, the City of Poznań was awarded the organization of two large international sports events in 2020-2021: the European Junior Championships and U-23 Kayak Sprint and the European Rowing Championships.



# Investment market



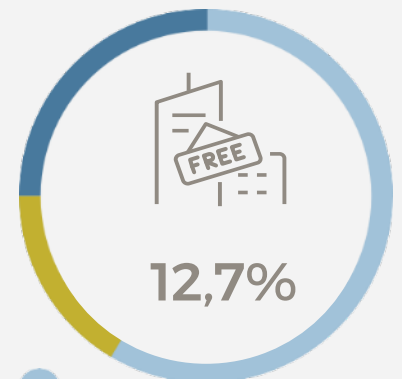
# Characteristics of Poznań's real estate market



Base rent for office space  
€ / m<sup>2</sup> varied from  
localisation



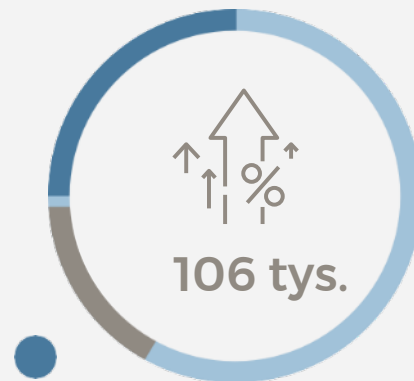
Total office space (m<sup>2</sup>)



Vacancy rate is 2,9pp  
higer vs last year



Delivered office space (m<sup>2</sup>)



Projects under construction  
(m<sup>2</sup>)



# Office market

In the first half of 2021, the total volume of office space in Poznań exceeded 620,000 sqm and increased by 6.7% during the year thanks to the delivery of 39,000 sqm of modern office space in the D office building of the Nowy Rynek complex, developed by Skanska. No office building was commissioned in Q3. Currently, 106,000 sqm is still under construction in several projects, including approx. 28,500 sqm in building E of the Nowy Rynek (Skanska) complex, the construction of which began in June and the end of which is planned for Q2 2023. Office and commercial space is also planned in a residential investment, implemented in the center of Poznań by BPI Real Estate Poland Revive, the completion of which is scheduled for 2029 and in the Stara Rzeźnia complex, which started in 2020. The largest investment currently under construction with an area of 40,000 sqm is Andersia Silver (Von der Heyden), which will also be the tallest building in the city (117m). There are also many examples of modernization of existing buildings in Poznań, which are to compete with new investments. One such example is the PFC skyscraper, currently being modernized by a new owner.

There are also 27 coworking spaces in Poznań.

The demand for office space in Poznań remains stable. The transaction volume in the first three quarters of 2021 amounted to 33,300 sqm which represents 54.2% of the annual average for 2015-2020 and an increase of 36% compared to the corresponding period of the previous year. In Q3 alone, the gross demand for offices amounted to 13,700 sqm - this is 87% more than in the previous year. The types of contracts were dominated by new contracts (56%) and renegotiations (44%). The largest transaction concluded in 2021 in Poznań was the renegotiation of a confidential client agreement from the financial sector in the Business Garden Poznań complex (17,400 sqm), it was also one of the largest transactions on all regional markets in Poland last year. Other significant transactions include the 3,500 sqm pre-lease agreement signed by F-Secure in Andersia Silver and the renegotiation of the 3,400 sqm lease agreement by Sii in the Maraton office building.

The number of spaces awaiting new tenants at the end of Q1 2021 was as much as 12.7 percent. This is a slight improvement over the previous year, when it was 13%. Rents in A-class office buildings in Poznań range between EUR 12.5 and EUR 16.5 / sqm / month. In B-class office buildings, between EUR 11 and EUR 14 / sqm / month.

# Office market



# Retail market

Poznań is one of the largest Polish retail markets, the second Polish city behind Wrocław in terms of saturation with shopping center space per capita (824 sqm per 1,000 inhabitants). There are 20 shopping centers in the agglomeration with a total area of approx. 700,000 sqm. Currently, a retail pavilion at ul. Leszczyńska, with an area of 1,600 sqm is under construction (Genesis Property).

The retail space saturation factor in Poznań means that the existing centers have a problem with filling the space with tenants (during the year the free space in shopping centers increased from 6.8% to 8.6%) and they are looking for new solutions to attract customers and, for example, they are modernizing or expand existing galleries or change their format (Galeria Malta). For example, the Poznań City Center shopping center (now Avenida) has undergone rebranding and renovation, while Galeria Kupiec Poznański is carrying out plans to transform the facility into a hotel, and Marriott is interested in the location. The largest lease agreements for commercial space in 2021 in Poznań include the lease of 3,500 sqm in Posnania by the PRIMARK fashion brand.



Prime rents for space in shopping centers range between EUR 42 and EUR 60 per sqm per month.

# Retail market



# Industrial and logistics market

The total volume of industrial and logistics space in Poznań and its vicinity at the end of Q3 2021 was 2,540,000 sqm. The greatest accumulation of industrial and logistics space occurs in the area of Żerniki and Gądko and in the vicinity of Tarnów Podgórne, Swarzędz and the commune of Komorniki. It is in the immediate vicinity of the A2 motorway or the Poznań Western Bypass. In Q3 2021, 88,000 sqm was delivered to the industrial and logistics market in Poznań. At the end of 2021, a record number was still under construction, as much as 401,000 sqm.

The total lease volume in the period from January to September 2021 in the Poznań industrial and logistics market amounted to 797,000 sqm, of which only in Q3 alone reached 147,000 sqm. In the first nine months of 2021, Poznań also noted a record of new demand, as much as 600,000 sqm. As many as  $\frac{3}{4}$  of the contracts concluded in 2021 constituted new leases and expansions. The largest transactions include the lease of 29,700 sqm in Segro LP Poznań Komorniki (which was also one of the five largest transactions in Poland in the aforementioned period). Industrial and logistics spaces in and around Poznań attract the greatest interest among tenants from the logistics (54%) and trade sectors, mainly e-commerce (27%). Smaller facilities also play an important role - last mile.

The vacancy rate compared to the end of December 2021 is 3.6%, which - despite the continuous and intense activity of developers - is a significant change compared to 2019, when it was 7%.

The headline rents for industrial and logistics space in Poznań are in the range of EUR 2.8-3.6 / sqm / month.

# Industrial and logistics market

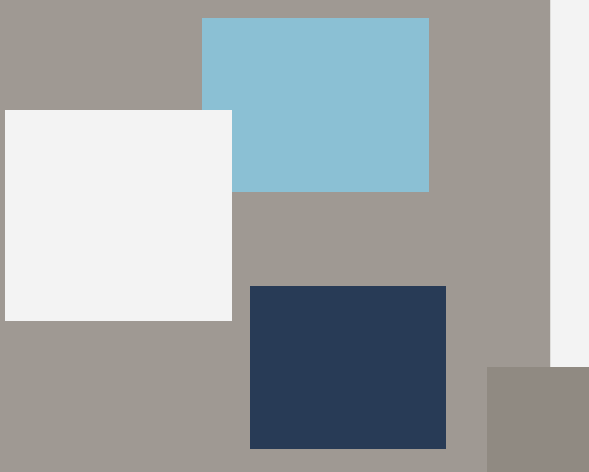


# Infrastructure market

Poznań, although located far from the center of the country, has a very good network of connections with other parts of the country, as well as with many German cities, such as Berlin or Dresden, with which it is connected by the A2 motorway. They are only 310 km away from Poznań. Currently, 11 inter-district roads run through Poznań, and there are a total of 429 km of expressways in the voivodship at the planning stage. In addition, 8 railway lines intersect at the Poznań railway station - in 2018, the modernization of railway lines connecting Poznań with Warsaw (E20), Wrocław and Szczecin (E59) was underway.

The Poznań - Ławica Airport is only 10 km away from the city center, and handled in 2021, over 1 million passengers. Taking into account the stagnation caused by the SARS-Cov2 pandemic, this is almost twice as many as the year before.

Public transport works very well in the city, used by over 250 million passengers annually. In 2018, the Poznań Metropolitan Railway was additionally launched on the sections connecting Poznań with nearby towns. Poznań also offers 242.2 km of bicycle paths and the Poznań City Bike (PRM) system, which is used by almost 150,000 people during the season.



# Education market

There are 25 universities in Poznań (36 in the entire voivodeship) with 104,000 students including 5,500 foreigners from 100 countries of the world (34% at universities, and 16% at technical universities). In 2020/21, approx. 66% of people attended full-time studies in the city. In 2020, more than 24,900 graduates left Poznań universities. Poznań offers over 250 study programs, including over 50 conducted in foreign languages, also with an MBA profile. Most students studied in the fields of: business and administration, medical, language, social, engineering and technical, pedagogical and information technology. The offer of studies in foreign languages, mainly in English, was expanded. The leading university where 1/3 of Poznań students study, the Adam Mickiewicz University, is one of the best universities in Poland.

A majority, as much as 80 % of the students in the city are people from outside Poznań, most of them from the Greater Poland voivodeship. Moreover, more and more foreigners choose universities in Poznań - over 5.5 thousand. Last year, foreigners studied at Poznań universities, on a permanent or temporary basis as part of the Erasmus program. Nearly 2,000 were citizens of Ukraine.





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