

Lublin

Lublin, the capital of the Lublin Province, also called the capital of Eastern Poland, is the largest city in the region. It is located in the eastern part of Poland, in the northern corner of Lublin Upland and belongs to the Małopolska region.

With the area of 147 sq km, the city is the 16th largest in Poland. At the end of 2018, Lublin, inhabited by nearly 340 thousand people, was the ninth most populated one in Poland and the second one in Małopolska. In addition, about 10,000 people without a registered address live in Lublin, including students. Along with four adjacent districts, the city forms the Lublin Metropolitan Area inhabited by 712 thousand people. The population of Lublin Province, in turn, exceeds 2.1 million. The working age population accounts for 60% of Lublin's inhabitants.

The city is divided into 27 administrative districts, and these into settlements.

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Labour market



At 5.6%, the unemployment rate in Lublin is currently the lowest in more than 25 years. The rate is decreasing throughout the province, and at the end of December 2018 the number of the unemployed was lower by 8.3% YOY. The average employment in the enterprise sector increased by 2.8% as compared to 2017. The largest increase in employment in 2018 was recorded in the following sectors: administration and supporting activities – by 9.8%, and professional, scientific and technical activities – by 6.6%. The gross monthly salary in Lublin Province was PLN 4,126.67 in 2018, an increase by 6.3% YOY. This increase was recorded in most industries, however, it was the largest in IT and communication, in professional, scientific and technical jobs and in automotive trade and repair.

Most of the economically active population have secondary vocational or tertiary education. Among the unemployed, individuals with lower secondary, primary and lower education dominate. The lowest rate of unemployment is recorded among people with higher education – 4.3%. The majority of economically active residents of the Lublin Province are employed in the sectors of services (54%) and industry (23%). Interestingly, Lublinians rarely change jobs. According to statistics, only one in five changed an employer once in the lifetime, and every one in three never changed work.

Investment market



Lublin is the investment centre and administrative capital of the region. Over the past ten years, the city has experienced a rapid economic growth. It currently ranks first in the country in terms of investment expenditure per person. Between 2010 and 2018, the total investment amounted to PLN 3.5 billion. GNP increased by 21.1% between 2010 and 2015 in the Lublin sub-region, and was PLN 30.495 million at the end of that time period.

In 2018, the number of business entities registered in Lublin increased by 3,440 compared to 2017. At the end of the year, 180,805 companies were registered in Lublin Province, of which 173,424 in the private sector. They accounted for 4.1% of all entities in the country. Around 1/4 of them had a seat in Lublin. Currently, more than 45 thousand companies are registered in the city, out of which 96% are micro companies with fewer than 10 employees. Small enterprises with less than 50 employees, make up a much smaller group – only 3%. The average gross monthly salary in Lublin was PLN 5,154.14 at the end of February 2018.

The industries dominating in Lublin include the automotive and machinery, medical, food processing and logistics industries, but the city is also one of the most promising Polish cities in terms of IT services. Most recognized Polish companies in the industry, as well as many important foreign companies, employ more than 5 thousand people in the city.

In early 2019, Lingaro, a Polish global IT company opened its branch in Lublin, planning to hire more than 100 people in the scope of Business Intelligence, Big Data, Data Science, Cloud and eCommerce. Convergys, one of the world leaders in the BPO industry, established an office in the city several years ago. An economic subzone, which belongs to the EURO-PARK MIELEC Special Economic Zone, operates in Lublin on 128 hectares. However, it is planned to be extended to 200 hectares.

Office space market



Thanks to three completed projects, almost 27 thousand sqm of office space was added in Lublin in 2018. Today, the total volume of the office space in the city is 204.6 thousand sqm in 51 modern office buildings, and the city ranks seventh in Poland in terms of available office space.

The largest of the projects completed in 2018 is the office building of Orion at 2, Spokojna street (more than 18.5 thousand sqm), followed by CZ Office Park C (Aleja Kraśnicka, 5 thousand sqm) and Point 75 (more than 1.8 thousand sqm of office space). 91.3 thousand sqm is in the pipeline, more than half of which (50 thousand sqm) in the second stage of the CZ Office Park project. The total demand for office space in 2018 was 14.1 thousand sqm, nearly 61% more than in 2017, the best recorded result on this market. The majority of the contracts were new (90%). The largest share of office space was rented in 2018 by occupiers in the sector of professional services (21%), public sector (20%) and IT industry (20%). The vacancy rate was 15.4% at the end of 2018, the highest among the nine largest office space markets in Poland. However, due to the growing demand, the rate dropped to 14.8% in the first quarter of 2019. The space available to new occupiers is 31.2 thousand sqm.

The rental rates for office space in Lublin range from EUR 10/sq m/month in Class B buildings to EUR 12/sq m/month in Class A buildings.

Retail market



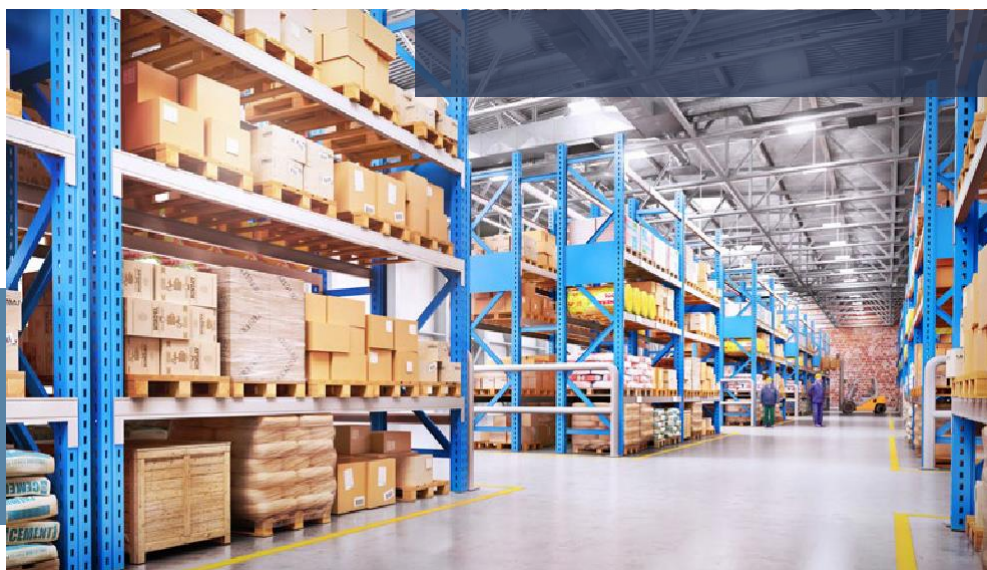
With 14 shopping centres in Lublin, the saturation of retail space per 1,000 population is more than 1,000 sqm. Traditional shopping centres dominate in the city, accounting for as much as 90% of the total supply. The largest shopping centres in Lublin include Galeria Olimp with the floorspace of nearly 110,000 sqm, Atrium Felicity with 75,000 sqm, IKEA Skende Shopping with 57,500 sqm and Tarasy Zamkowe with 38,000 sqm. No retail project is currently under construction and no new big shopping malls are planned in Lublin. The only plans include modernisation, expansion and construction of small convenience centres.

Due to the high shopping centre saturation throughout the country, in Lublin as elsewhere, solutions are being sought to make the existing ones more attractive, through their modernisation, remodelling or format change. Moreover, the average age of the shopping galleries in Lublin is more than 10 years, and they already require renovation works. In 2018, the modernization projects of Lublin Plaza, Kraśnicka Shopping Park and Galeria Olimp were completed. Other centres expand the offer to customers – in Lublin Plaza, Cityfit fitness club opened, and in PH Tatary – Just Gym. A growing interest of home improvement and furniture stores operators is evident on the markets of the regional cities. For example, a new Agata Meble furniture store opened in Lublin in 2018.

The situation on the regional retail markets is stable, which makes tenants show interest in the lease of space in shopping malls. The majority of transactions are concluded under the framework of re-commercialization (new lease contracts, extensions and relocations). The vacancy rate for retail spaces in Lublin was 3.3% at the end of 2018. The replacement of the chain food operators, the growth in the demand from non-grocery discount retailers and the development of entertainment and recreational concepts are the major factors determining the level of the available supply.

The rental rates for retail space in Lublin are stable, ranging from EUR 26 to EUR 28/sqm/month.

Industrial & Logistic market



Lublin is the most important industrial and logistics centre in Eastern Poland. In 2018, the total supply of modern logistics and warehouse spaces in that eastern region amounted to 333.2 thousand sqm, including 188.8 thousand sqm in Lublin. Two more stages of Panattoni Park Lublin with 34.6 thousand sqm were completed in Lublin last year, as well as MLP Lublin in nearby Świdnik, with about 45 thousand sqm. Currently two buildings are at the construction stage – a structure within MLP Lublin II park (the planned total rental space of approximately 51.5 thousand sqm), and Panattoni Park Lublin II (the planned total space of 77 thousand sqm).

The interest in the rental of industrial and logistics space in Lublin is increasing, and the region, due to its location in close proximity to the eastern border, is gaining attractiveness, especially in terms of trade and logistics. In 2018, the total space of 88.7 thousand sqm was rented across nine rental contracts. More than half of them (55%) were new contracts. The main occupiers of industrial and logistics space in Eastern Poland, including Lublin, comprise the companies operating in the light industry sector (69%) and trade (23%). The vacancy rate at the end of 2018 was 5%, which translates into around 9.4 thousand sqm of available industrial and logistics space.

The monthly rental rates for modern industrial and logistics spaces near Lublin range from EUR 2.4 and EUR 2.9/sqm.

Infrastructure market



The shortest road and rail routes from Berlin and Warsaw to Minsk, Moscow, Lviv, Kyiv and Odessa cross Lublin Province. The nearest border crossing with Ukraine, Dorohusk, is less than 100 km from Lublin. Seven inter-district roads and three railway lines cross the city, which is also the main transportation hub in the region. Currently, 597 km of express roads and 72 km of motorways are in the planning stage. Moreover, Lublin is the main railroad interchange in the region, crossed by the line connecting Warsaw with the border crossing in Dorohusk and then with Kiev.

Lublin Airport is located in Świdnik, just 10 km outside of Lublin, offering flights to such European cities as Dublin, Frankfurt, London, Oslo and Stockholm. The airport handles freight through its cargo terminal. A dedicated railway line provides fast transfers from the airport to the train station in the centre of Lublin. Lublin-Radawiec airdrome is located about 12 km southwest of the city centre.

The public transport in Lublin consists of 55 bus lines (including three night ones) and 12 trolley bus lines. Lublin, apart from Gdynia and Tychy, is one of the three Polish cities where trolley buses are operated.

Educational market



Lublin is an important university centre in the region. It has nine tertiary education institutions, including five public and four private ones. The total number of students is 65 thousand. Approximately one fifth of them are residents of the city. Lublin proves to be an attractive place to study to about 6.5 thousand foreigners from almost 100 countries. Their number is growing steadily. As far as the number of students is concerned, Lublin is one of the leading academic centres in Poland, and the largest one in the eastern part of the country (where about 80% of the students are enrolled in Lublin Province).

Each year more than 20 thousand students graduate from all institutions of higher education in Lublin. They offer more than 200 faculties, and the most important ones include economy, transport, logistics, engineering and medicine.

With 22 thousand students, Maria Curie-Skłodowska University is the largest tertiary education institution in Lublin, followed by the Catholic University of Lublin (10 thousand students), the Lublin University of Technology (about 9 thousand students), the University of Life Sciences in Lublin (about 8 thousand students), and the Medical University of Lublin (about 7 thousand students).

Despite the population decline, the number of students in Lublin is constant.



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