





Warszawa

The Capital and the largest city of Poland.

It is located in the Mazovia Province, in the central-eastern part of the country. The province is ranked as 1st in terms of regional GDP in Poland. Warsaw is administratively divided into 18 districts. The largest district in terms of the area is Wawer (79.7 sq.km) and the smallest is Żoliborz (8.5 sq.km). Built-up and urbanised areas constitute more than a half of the city's area (exactly 29,452 hectares).

Warsaw is inhabited by 1 778 000 of people. However, the estimated number of inhabitants is about 2 million, because about 200 000 of people live here without having a registered address. In addition, people commuting from nearby towns amount to about 500 000. The largest district in terms of population is Mokotów (217 000), and the smallest – Rembertów (24 000).

In addition, around 33 thousand expatriates live in the capital city. Women at the age of 35-39 constitute the largest group of residents – 90,465 (as compared to 81,000 men). Interestingly, the next largest groups are those of their fathers and mothers aged 60-64 (total 127 000) and 65-69 (total 114 000). The current population growth is mainly generated by migration (0.52%), to a lesser extent by the natural increase (0.08%).

According to GUS (Statistics Poland), the number of inhabitants of the capital will increase to 1 844 000 in 2030, and to as many as 2 260 000 in 2050 (PAN data). According to the identity survey of Warsaw and its inhabitants, carried out by the local government of the city in 2017, only 6% of the recent immigrants declare willingness to return to their place of origin.

CONTENTS

05	Labour Market	»
06	Investment Market	»
07	Office <u>space</u> Market	»
08	Retail Market	»
09	<u>Industrial&Logistic</u> Market	»
10	Infrastructure Market	»
11	Educational Market	»



Labour market



The vast majority of Varsovians do not encounter problems finding work. The unemployment rate in the capital is only 1.4%, regularly decreasing by about 2% year to year. This result is good, considering increased by pandemic unemployment rate of Poland, which is 5.7%. Until the lockdown, employers had problems finding proper employees, considering large Polish cities, however later on, the tables have turned and employees are the ones who are forced to take jobs which they were not considering earlier on.

Varsovians know their value on the labour market and they directly communicate their requirements to employers, knowing that finding a new job is not difficult. As many as 71% of the Varsovians participating in the "Warsaw Barometer" poll carried out by the local government in November 2019 said that they could easily find a new job. 47% said that in terms of a job search, the situation is much better in Warsaw than in other major cities. The most in-demand jobs include analysts, ICT system testers and operators, financial and investment advisors, civil engineers, software and web developers, sales managers and representatives.

Warsaw salaries are growing. Currently, the average gross salary amounts to PLN 6 850, which translates into about PLN 2 000 more than the national average. In addition to attractive salaries, employers offer a range of benefits, most often in the form of social and entertainment packages.

A steady growth in entrepreneurship is also observed in Warsaw. In 2017 alone, 22.5 natural persons per 100 inhabitants run businesses, which represented an increase in relation to the previous year, and the trend persists. Moreover, more than 30 000 companies with foreign capital operate in the capital city (and the number of them is also growing), as well as nearly 15 000 foundations and associations.

Investment market



Warsaw is the economic and financial capital of Poland. The excellent location, skilled workforce, fast-growing GDP and high quality of life make Warsaw a leader among business cities in the Central and Eastern Europe, with more than 400 000 businesses, including multinational corporations and local businesses. According to the fDi's European Cities and Regions of the Future ranking conducted in 2020, Warsaw ranked sixth in the category of business-friendly cities. In 2017, in turn, it held the first position in the Polish City of the Future 2019/2020 ranking, and was mentioned in LaSalle European Regional Economic Growth Index 2018 ranking as the city with the largest improvements made (promotion from 17th to 9th position), considering GDP and employment rate growth.

The sector of knowledge-based services, including Business Process Outsourcing Centres (BPOS), Shared Services (SSC), IT and Research and Development (R&D), is developing well in Warsaw. In 2019, the capital city housed as many as 215 of such centres, of which 85% were owned by foreign entities. The employment in these companies is systematically growing – daily, there are 85 job positions created within the sector. Considering the most possible scenario,, it can be assumed that 240 BPO, SSC, IT and R&D centres will operate in 2020, employing the total workforce of 65,000.

Warsaw is also the capital of start-ups. It ranks 5th among the new technology innovation hubs in Europe, 2nd among European cities and 25th among world cities in the Bloomberg Innovation 2020 global ranking. According to the *Polish Startups 2019* report, most projects in Warsaw operate in the fields of big data, analytics and fintech.

Office space market



Warsaw may boast high-quality commercial office space, as confirmed by BREEAM and LEED certificates. The office market in Warsaw is also distinguished by its modern designs. At the end of March 2020, the office space stock in Warsaw amounted to 5.6 million sqm. In the first 3 months there have been signed lease agreements for 139 thousand sqm, and 1/3 of them were renegotiations.

For several years, occupiers have been most interested in the central part of the capital, as well as the Służewiec and Jerozolimskie zones.

2020 began definitely less dynamic than previous years, considering commissioning for use, as only one property – Varso 1 can be taken into consideration. Currently, there are 77 000 sqm of leasing area under construction, projected to be completed until the end of 2022.

Vacancy rate in the first quarter of 2020 decreased to 7.5%, which constitutes for 1.6% decrease in comparison to the previous year.

The asking rates for office space in Warsaw amount to EUR 17.5-28/sqm/month in the Central Business Area, while in other central locations to EUR 17.5-25 /sqm/month. Asking rates outside the city centre are between EUR 10 and EUR 19/sqm/month.

Retail market



Warsaw, with its 1.7 million sqm of modern retail space located in 48 shopping malls, is the largest centre of commerce in Poland, yet new modern malls still emerge. In 2019, Galeria Młociny was commissioned for use, and it enlarged the retail market by 78 500 sqm.

Mixed-use projects combining commercial, office, entertainment and gastronomic functions enjoy a growing popularity in Poland. One of them is Centrum Praskie Koneser, whose first stage was put into operation in 2018, of a retail space of approximately 28 000 sqm. In the first quarter of 2020, Elektrownia Powiśle was commissioned for use. The 50 000 sqm project hosts office, retail, restaurant and residential areas, as well as a five-star boutique hotel. The site will also house about 100 luxury loft apartments. The hotel is scheduled to be completed in 2020. Another project considers the construction of Towarowa 22 shopping centre in Warsaw's Wola District is due to begin in 2020. Its estimated usable area is 230 000 sqm, including the largest retail and service component on 110 000 sqm.

Warsaw remains the most expensive retail space market in Poland. The typical prime rents for 100 sqm units in the best shopping centres are EUR 120-130/sqm/month (while high street rents in Warsaw range from EUR 20/sqm/month on Aleje Jerozolimskich between the Central Station and Rondo Dmowskiego to as much as EUR 80-90/sqm/month in the best locations on Nowy Świat Street). The vacancy rate in 52 shopping malls in the Warsaw agglomeration is only 3.3% (in comparison, in the case of high street locations it is 13% - 5 p.p. higher than three years ago).

In comparison to other cities, the saturation of retail space in Warsaw is still low. This is mainly due to the incomparably large number of inhabitants. The capital, however, excels among other agglomerations in terms of total retail space stock.

Industrial & Logistic market



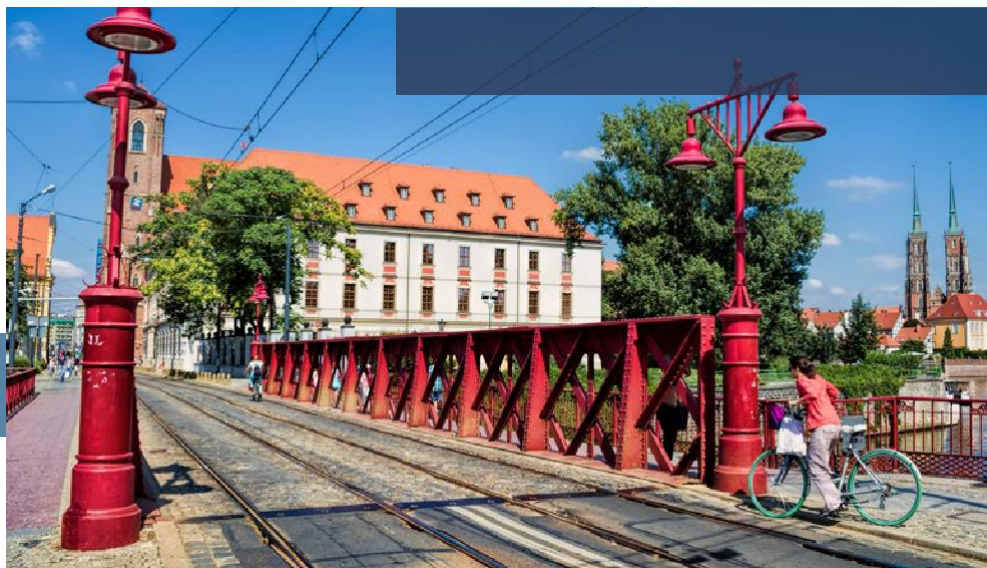
The capital city and its surroundings remain the largest industrial and logistics region in the country, with the total stock exceeding 4.3 million sqm, which within last four quarters has increased by 307 600 sqm – investors became twice more active.

Gross demand for industrial and logistics areas in 2019 in Poland exceed over 4.1 million sqm and it was the second highest volume within the market history. In the same year, the biggest amount of space was rented in Warsaw – over 1.3 milion sqm, so 32% more than a year before.

The market is divided into three zones: Zone I within the administrative limits of the city, up to 15 km from the centre, mainly in the post-industrial districts of the city, as well as around the airport, 743 000 sqm; Zones II and III, which cover, respectively, the areas within 15-30 km (2.7 million sqm) and 30-60 km (532 000 sqm) from the city centre.

Rent rates for industrial and logistics space in Poland were mostly stable. The biggest changes were recorded in Warsaw in the Zone I and in Krakow, where rent rates decreased, as well as in the Zone II of Warsaw, where the rent rates increased. Rent rates in 2020 amounted to EUR 4.8-5.25/sqm/month in zone I, and EUR 3.2–3.8/sqm in Zone II and Zone III.

Infrastructure market



Warsaw is located in the centre of Poland, at the junction of the most important European routes (E30, E67-Via Baltica, E77, E372) and rail lines (E20, E65, E75-Rail Baltica). The access to the city is also provided by the A2 motorway and the expressways S7, S8 and S17. Warsaw has excellent train connections to Katowice, Kraków, and Gdansk, as well as to the borders with Belarus, Germany and Ukraine.

Warsaw is served by Fryderyk Chopin Airport (WAW) located just 15 minutes by car from the city centre, offering regular flights to 121 regular destinations in 54 countries operated by 27 carriers and 68 charter destinations in 21 countries operated by 24 carriers (including London-Heathrow, Frankfurt, Chicago-O'Hare, Miami, Paris-Charles de Gaulle, Beijing, Madrid, Amsterdam, Dubai, and Doha). It is the largest airport in Poland. Warsaw is additionally served by a smaller Warsaw-Modlin Airport (WMI) located 33 km from the centre and offering flights to 10 European capitals.

Warsaw is a leader in the financing of public transport in Poland. It spends a larger percentage of its budget for this purpose than other large Polish cities (about 80% more per one passenger in public transport than the next city in the ranking). It boasts modern trams, buses and urban railway rolling stock. Moreover, it has excellent connections with the neighbouring municipalities, allowing their residents to travel quickly and comfortably to work and schools. As the only city in Poland, Warsaw also has an underground train system (with 2 metro lines).

Educational market



The number of students in Warsaw is the largest in Poland. The capital is home to 85 universities, including 21 state universities and several specialising in specific fields, such as the Maria Grzegorzewska University and the Fire Fighter College. 24% of the total number of students attend comprehensive universities and 17% universities of technology. In addition, more than 2 200 students attend vocational schools. The University of Warsaw (more than 42 500 students), Warsaw University of Technology (approx. 31 000 students) and SGH Warsaw School of Economics (approx. 14 000 students) are the most popular ones.

The total number of students in Warsaw amounted to about 235 000 in 2019, and the total number of graduates of all Warsaw higher education institutions is 60 000. Almost 30% of foreign students in Poland study in Warsaw. Warsaw universities are considered prestigious both in Poland and abroad. They are valued for their professional scientific staff and excellent development opportunities.

Within Polish rankings of universities, the University of Warsaw competes only with Jagiellonian University in Krakow. In the ranking of the best universities in the world – the Academic Ranking of World Universities (ARWU) – the University of Warsaw was ranked in a group of universities classified in the rank range 401-500. A year before, it was classified between the range of 301 – 400, which was the highest score among Polish universities. Report of „Nature” summed up scientific achievements of research centers from the last four years, on the basis of WFC indicator (weighted fractional count), which refer to publications from 68 prestigious natural sciences magazines. In the global ranking, the University of Warsaw was 96th best university, and within the Eastern and Southern Europe ranking it took the third place. What is more, according to the global rank of universities by US News and World Report 2019, the University of Warsaw is 132nd in Europe and 294th in the world.



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