

# Poland - TriCity

## Key Performance Indicators

Prime Yield

**7,55%**

Expected Investment Returns  
Change YoY: 65 bps

Prime Rent

**€ 15,00**

Monthly, per sq m  
Change YoY: 7,9%

Average Rent

**€ 14,00**

Monthly, per sq m  
Change YoY: 12,0%

Office Investment Volume

**€ 354M**

In Poland during Q4 2022  
€ 2.04B (Rolling 12 months)

Take Up

**23K**

Square Meter  
23K Year2Date

Vacancy Rate

**13,28%**

Percentage of Stock vacant  
Change YoY: 102 bps

Completions

—

Square Meter  
51K Year2Date

Total Stock

**1 012K**

Square Meter  
878K Occupied Stock

(Forecast) Completions

**51K (2022)**

Square Meter  
67K (2023) // 35K (2024)

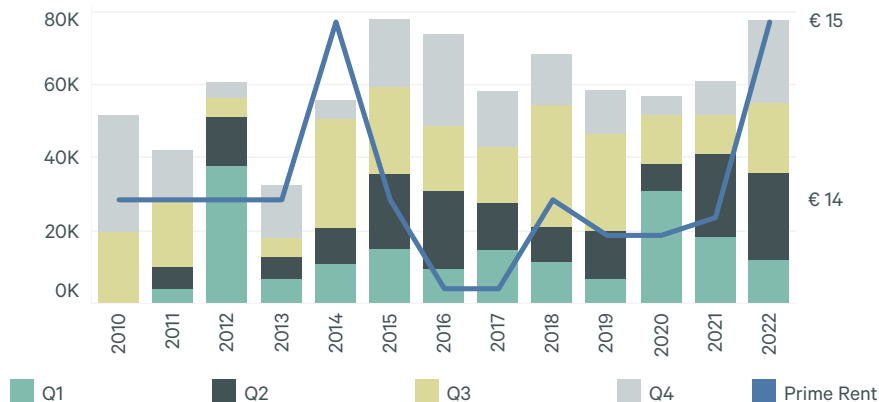
The total office market stock in Tri-City amounts to 1.01 m sq m. In H2 2022, no new buildings were completed, however since the beginning of the year, 50,600 sq m in five projects has been delivered to the market. The new stock is on average 42% let. The largest building constructed in 2022 in Tri-City was the Format building with a total area of 16,000 sq m, which is now 73% leased.

Total demand in 2022 remained strong at 101,000 sq m (despite a 7% y-o-y decrease) - over 24,500 sq m was let throughout Q4 alone. Tenant sentiment is positive, as reflected by new leases' participation (65%). Renegotiations constituted 21%, with expansions at 11% and pre-lets amounting to 3%. The largest transaction in 2022 in Tri-City was LSEG's new lease of 8,300 sq m at 3T Office Park.

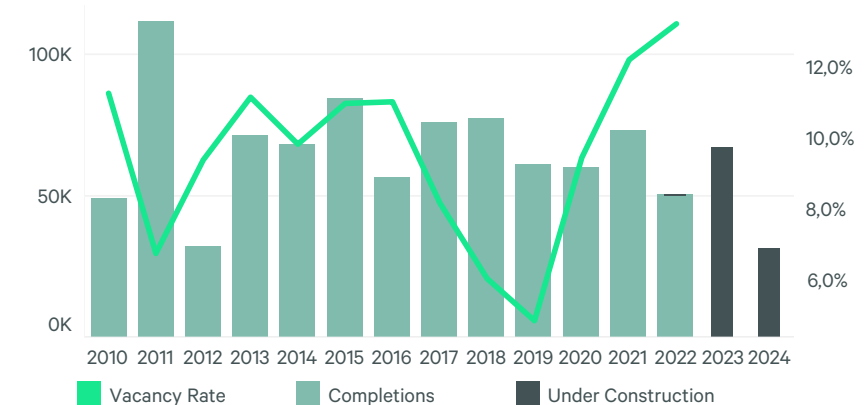
At the end of 2022, the vacancy rate stood at 13.28%, which translates into 134,400 sq m of readily available space. Despite the relatively high demand, an increase of 1.02 p.p. was recorded in the vacancy rate across the city compared to 2021.

The prime headline rent has risen to the level of EUR 15.00/sq m/ month. The average rent increased to 14.00 EUR/sq m/month, while tenants with a standard 5-year agreement may obtain up to 7 months' rent free.

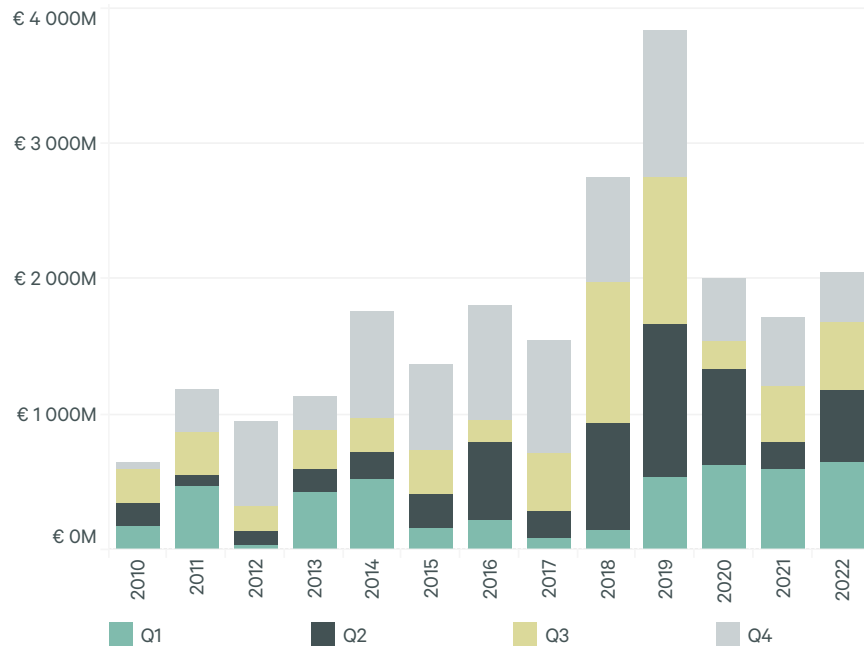
Market Trend (Take-Up | Prime Rent)



Development Activity (Completions | Vacancy Rate)



### Poland Office Investment Volumes



In recent years, the Tri-City office market has developed dynamically, and even the outbreak of the pandemic did not cause a significant slowdown. Currently, demand is back on track, which is a positive trend and the BSS sector remains very active, being one of the main driving forces for further development. A total of approximately 101,600 sq m of office space will be developed by the end of 2024, adding more than 10% to the total stock over the next few years.

The first signs of rental increases are now visible across the Tri-City market. Prime asking rents in well-located schemes are beginning to sharpen. Incentive packages, which were rising throughout the beginning of the pandemic, now show signs of stabilization. Nonetheless, in upcoming years we will witness a more distinctive polarization between A and B locations and A and B class assets, which will also result in an increased gap between asking rents across the city.

### Contacts

**Katarzyna Gajewska**  
Associate Director Research & Consultancy  
katarzyna.gajewska@cbre.com  
+48 693 330 163

**Łukasz Kaładkiewicz**  
Senior Director, Head of A&T Services, Head of Office Sector  
lukasz.kaledkiewicz@cbre.com  
+48 501 501 586

© Copyright 2023. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.