

Poland - Poznan

Key Performance Indicators

Prime Yield

7,25%

Expected Investment Returns
Change YoY: 95 bps

Prime Rent

€ 15,75

Monthly, per sq m
Change YoY: 1,6%

Average Rent

€ 14,50

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

Office Investment Volume

€ 75M

In Poznan during Q4 2022
€ 196M (Rolling 12 months)

Take Up

7K

Square Meter
7K Year2Date

Vacancy Rate

10,46%

Percentage of Stock vacant
Change YoY: -220 bps

Completions

-

Square Meter
- Year2Date

Total Stock

623K

Square Meter
558K Occupied Stock

(Forecast) Completions

- (2022)

Square Meter
32K (2023) // - (2024)

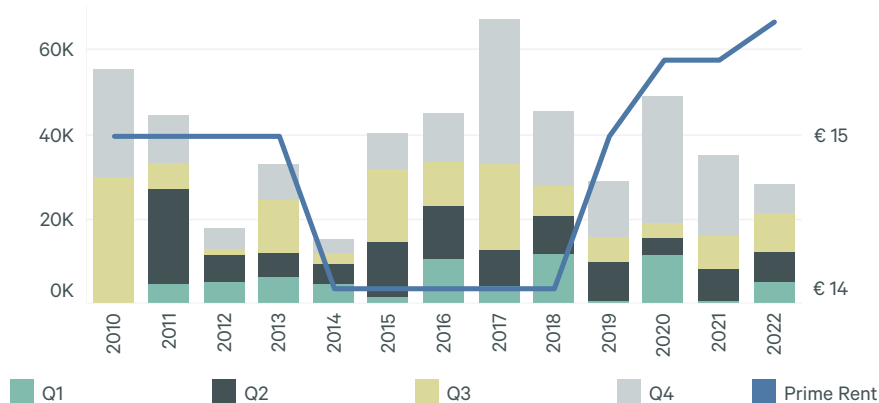
The total office market stock in Poznan amounts to 623,100 sq m. In 2022 no new buildings were completed. However, by the end of 2024, a total of 32,000 sq m is expected to be added to the supply in three buildings (a 5% increase), the largest being Nowy Rynek E (25,000 sq m) developed by Skanska.

The demand in 2022 reached almost 46,600 sq m which constitutes a 37% decrease in comparison to 2021. Tenants' demand in 2022 was 48% comprised of new contracts, with 41% being renegotiations and 6% resulting from expansion. The largest transaction in Q4 2022 was Wunderman Thompson Technology's (IT) pre-let agreement of 2,100 sq m in Nowy Rynek E. We observe the most activity coming from the business services (27%) and consumer services sectors (25%).

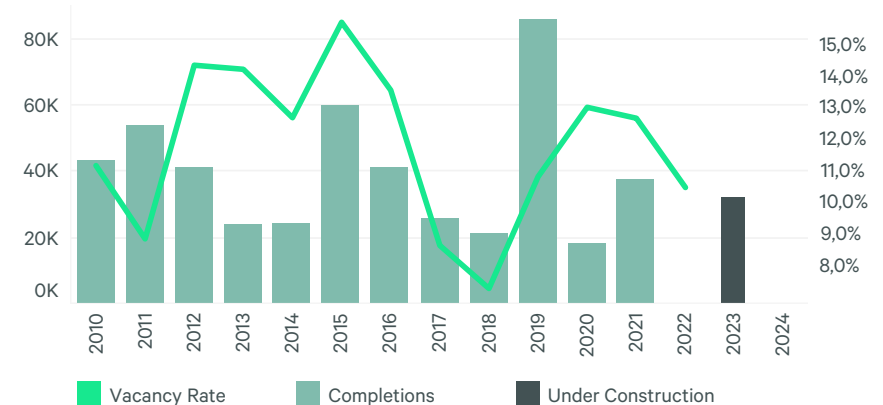
At the end 2022, the vacancy rate stood at 10.46%, which translates into 65,200 sq m readily available. Due to the lack of new buildings delivered throughout 2022 and many new contracts, it showed a decrease by 2.20 p.p. since 2021 and is at the lowest level since the end of 2018. Most of the vacant space is located in older buildings.

The prime headline rent remains on a stable level at EUR 15.75/sq m/ month. Average rents amount to 14.50 EUR/sq m/month, while tenants with a standard 5-year agreement may obtain up to 9 rent free months.

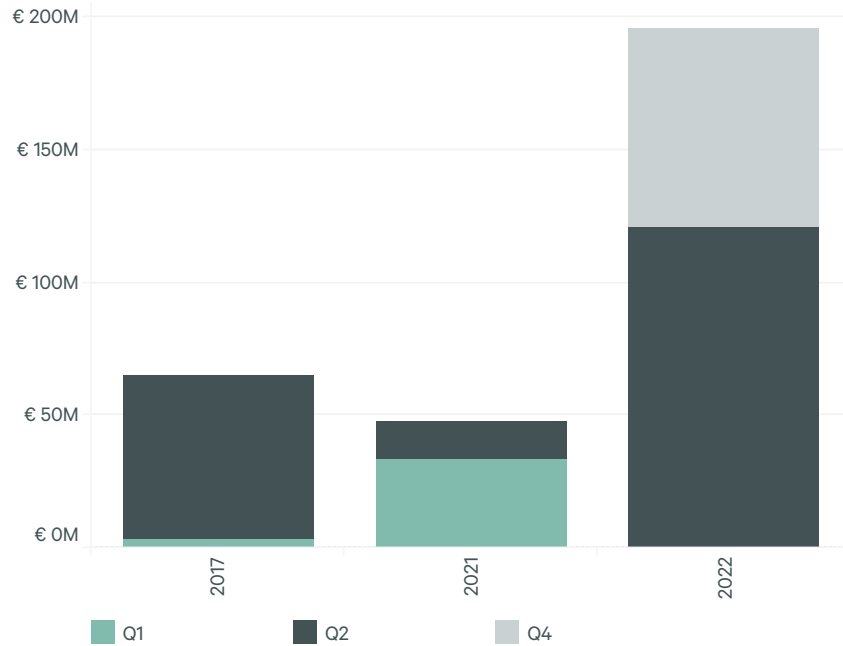
Market Trend (Take-Up | Prime Rent)



Development Activity (Completions | Vacancy Rate)



Poznan Office Investment Volumes



While the office market in Poznan did not develop rapidly during the pandemic, it remains relatively stable in terms of vacancy, suggesting a very positive tenant sentiment, which is also backed up by the growing amount of new projects under construction.

In the coming years, we predict continued stability in most areas of the market. Rental values are forecasted to remain at a similar level. The slow and steady increase in stock should not contribute to a noticeable increase in vacancy.

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