

Tenants in Silesia migrate to Katowice

Katowice, 5 September 2019 – According to the latest Cresa Poland report: „Occupier Economics”, Katowice’s total office stock rose by more than 10% over the year to nearly 528,000 sqm at the end of H1 2019. The cumulative annual growth rate for the last five years topped 10%.

According to Cresa’s experts, Katowice is the fastest-growing city in the region. Thereby it is attracting many companies based in other Silesian cities to relocate their offices to the capital of Silesia. The city provides better access to skilled labour and more cultural and entertainment options for employees. This is encouraging developers to commence new projects which are expected to deliver approximately 150,000 sqm of new office space to the market in the next two years.

- Companies locating in Katowice have a choice of central locations and higher office fit-out standards, which is critical for the IT sector in particular, but first and foremost are frequently capable of securing better commercial lease terms than in smaller cities – says Karolina Słysz, Advisor in the Office Department at Cresa Poland.

In the first half of 2019 two office projects were completed: Bracka 28 (2,320 sqm) and Bracka 28A (6,070 sqm), both developed by Opal. In the same time total office take-up amounted to 29,804 sqm, up by nearly 25% compared to the same period a year earlier. The leasing activity was dominated by new leases (46%) and renegotiations (43%).

The largest leases on Katowice’s office market in the first six months of 2019 included the renegotiation of Unilever’s lease of 7,300 sqm in Nowe Katowickie Centrum Businessu, Perform Group’s lease of 6,400 sqm at Face2Face Business Campus and the renegotiation of Capgemini’s lease of 5,700 sqm in Atrium.

Absorption hit nearly 15,000 sqm in Q2 2019 compared to just 76 sqm in Q1 2019. In addition, in H1 2019, total absorption was down by 20% on the same period in 2018.

- The city’s vacancy rate stood at 7.4% in H1 2019, down by 3.4 pp compared to the same period a year earlier, indicating a strong downward trend from 17.4% in early 2016 – says Bolesław Kołodziejczyk, Head of Research and Advisory Department at Cresa Poland.

Rents in Katowice stand at EUR 13,5-14,5 sqm/month in upper class buildings, and EUR 9-12 sqm/month in lower class buildings.

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