

The logo of the National Bank of Poland (NBP) is a dark teal square with the letters 'NBP' in white, bold, sans-serif font.

NBP

Narodowy Bank Polski

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Hedonic analysis of office and retail rents in the three major cities in Poland

Zalesie, 23rd of November 2017



The specifics of the real estate commercial market survey

- It has been conducted by 16 regional branches of the National Bank of Poland since 2013
- The survey is obligatory for the owners of commercial spaces, intermediaries on the market and companies responsible for renting the resources in office buildings, commercial centres and warehouses.
- The data collection is made twice a year and concerns ended half of the year.
- The statistical data basis collected since 2013 only for Poznań contains 12 thousands of records.
- All data possessed from our respondents are treated as strictly confident, so it can be published only in an aggregate form.

What is collected in the survey?

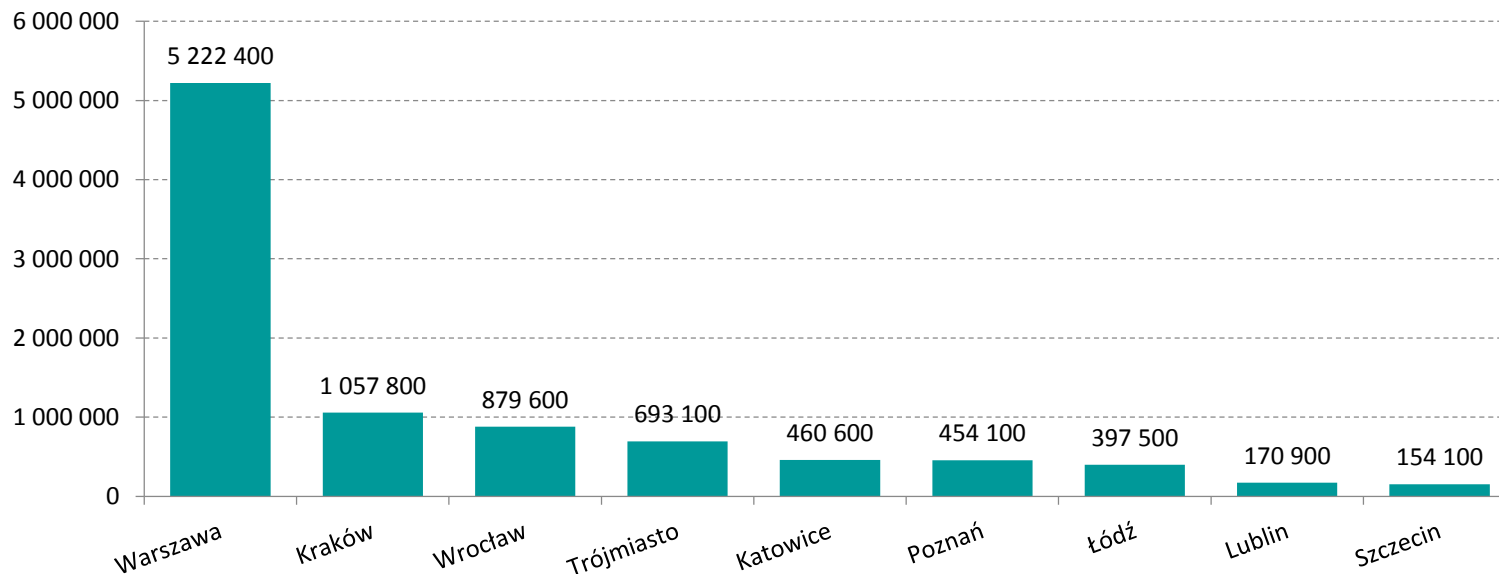
- Transaction and offer rent per square meter related to the size of an individual local,
- Some details concerning the rent: term of the contract, vacation from paying, possible adaptation of the rent,
- prices of the whole buildings, in case of latest transactions or putting the building into an offer,
- capitalisation rate,
- valuation of the building,
- some parameters of the building itself, like: the total leasing space, the space unleased, the size of the parking space, the number of floors, the year of finishing the construction of the building, number of shops, share of commercial space in office building etc.
- We add some additional data like the distance to the centre of the city and age of the building.

Factors conducive to commercial market development in Poznań

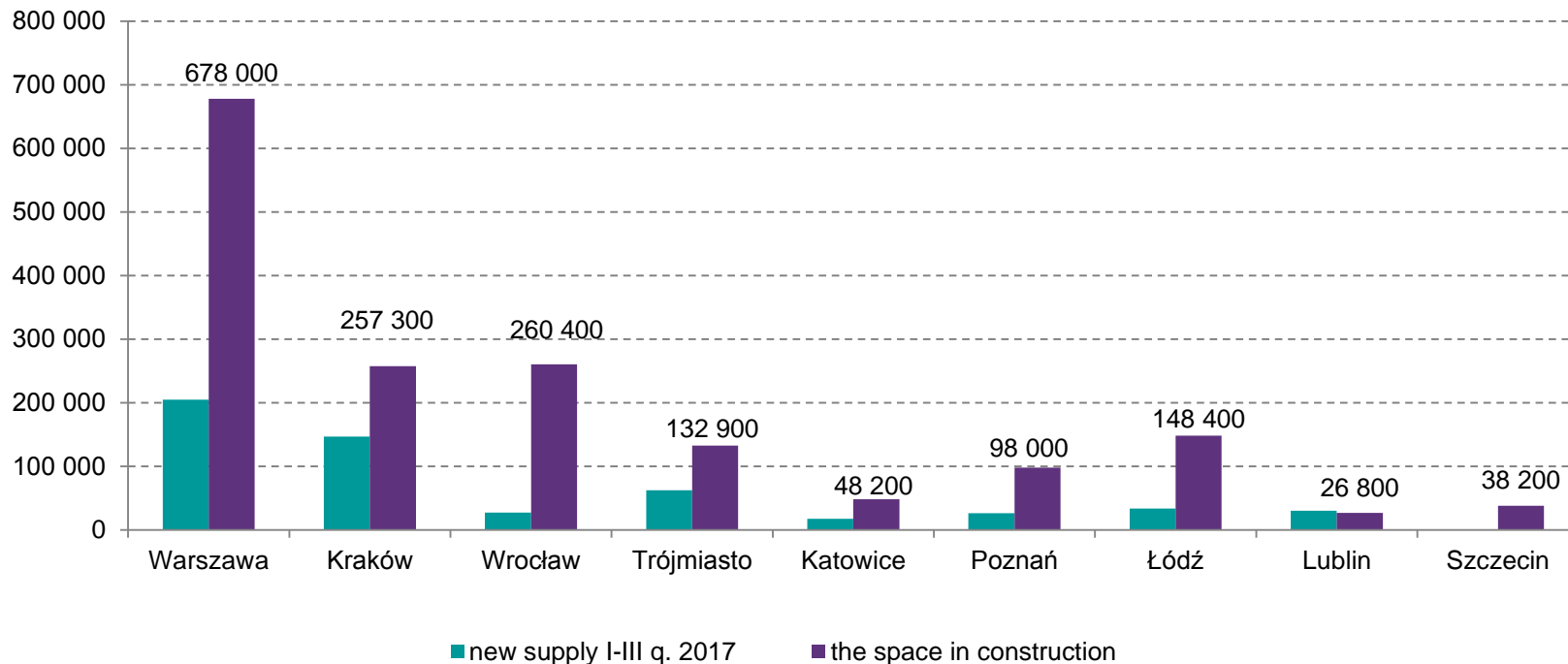
- Convenient geographic location of Poznań between Berlin and Warsaw;
- Communication availability of the city (motorway, modernised railway from Poznań to the west border, the significant railway junction, the Airport Ławica);
- University character of the city, which enables to provide the labour market with the high-class specialists (key factor for BPO and SSC companies, that are main tenants on the office market);
- Economic potential of the city

Existing supply of the office space in Poznań

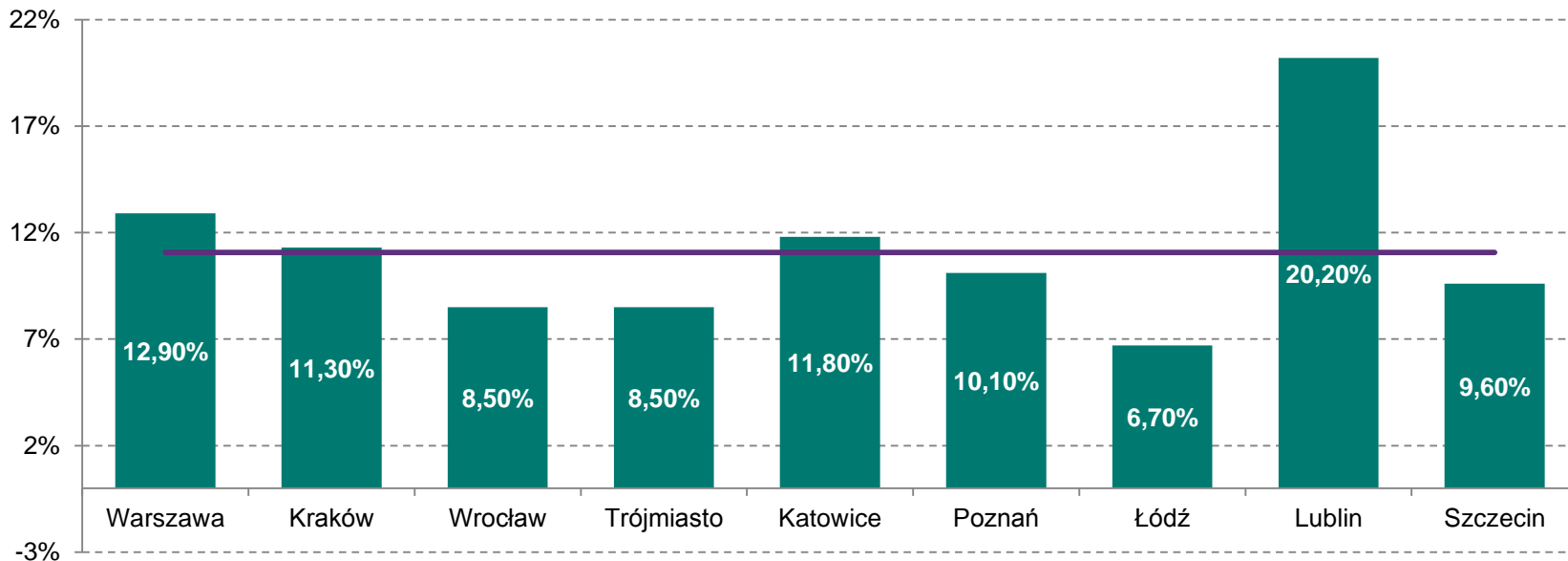
Office market in Poznań, with a space amounted to 454 thousand square meters, takes the sixth position in Poland, offering 11% of the total space accessible on the eight main regional markets in Poland.



The comparison of lately completed and available to use space and the space in construction

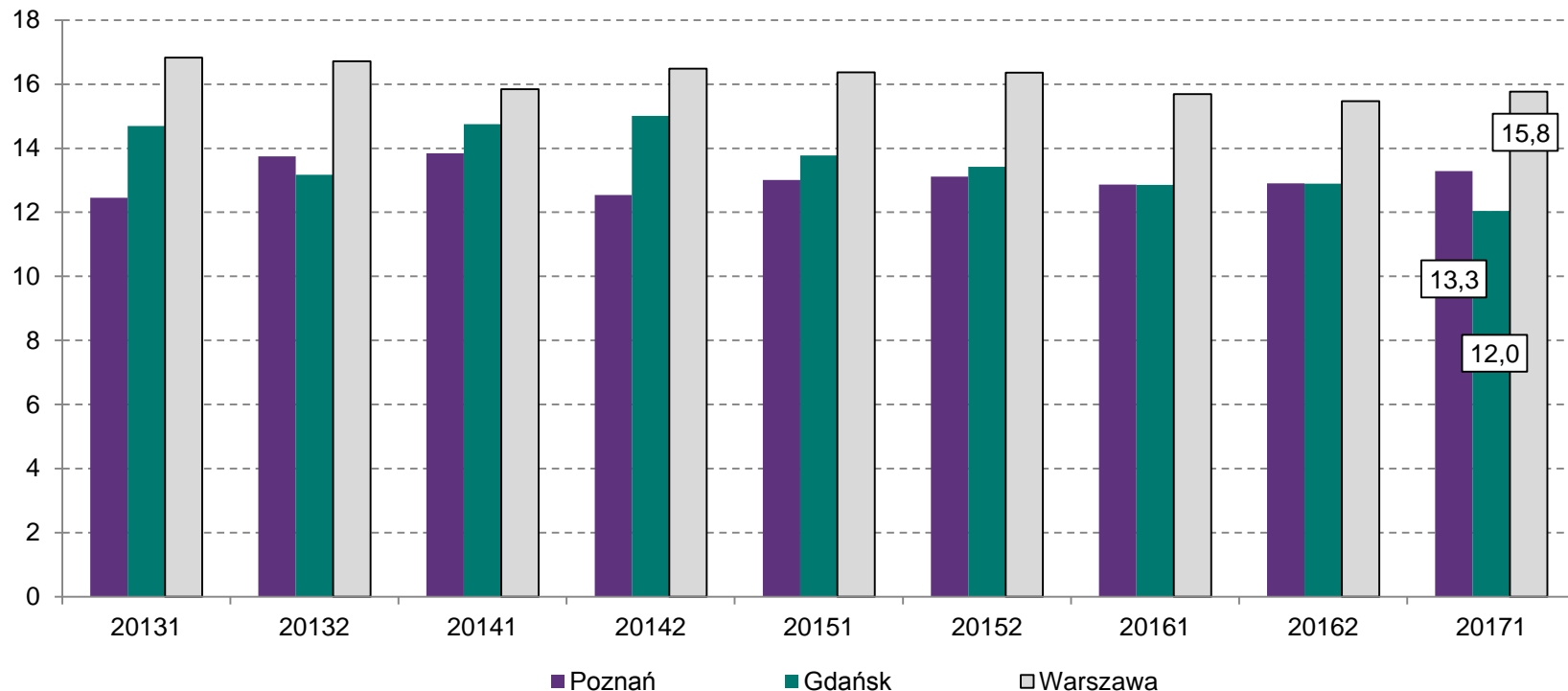


The vacancy rate

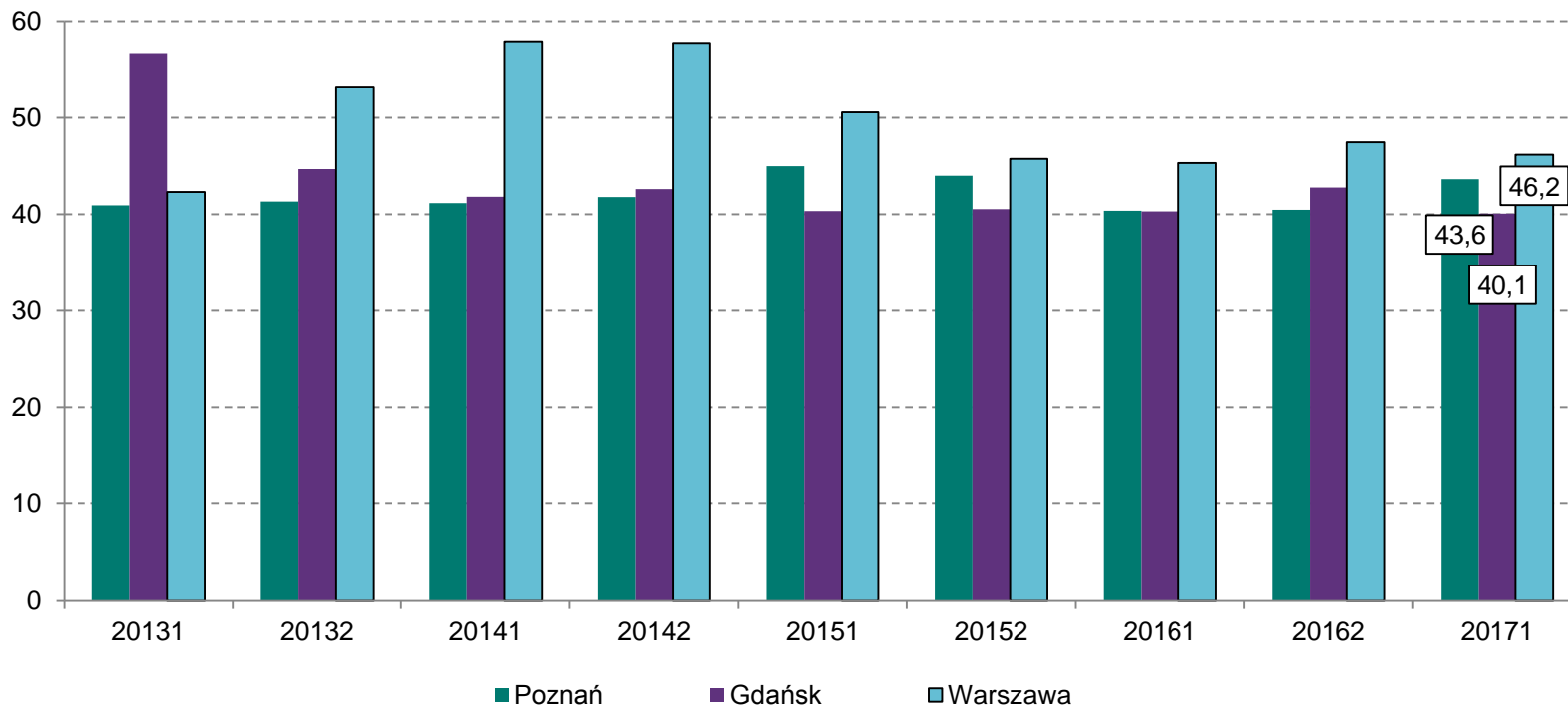


Dane Colliers International, *Polska Market Insights III q. 2017*

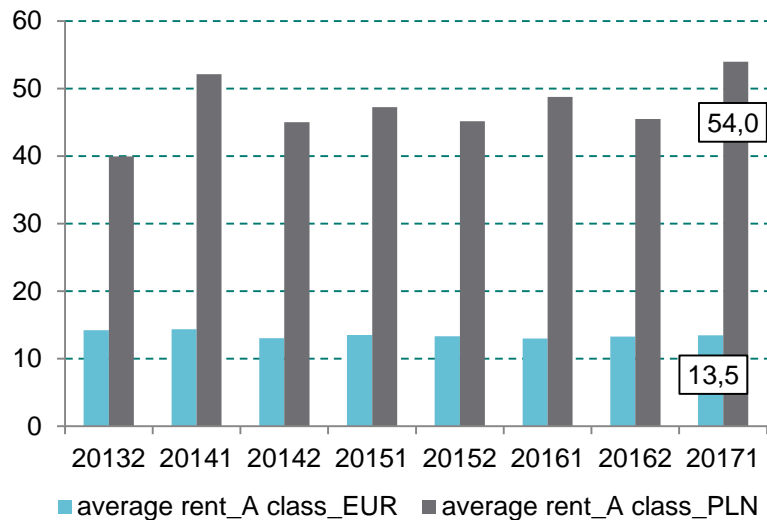
The average rent in office buildings in three analysed cities – the average transaction rent in EUR weighted by the size of locals



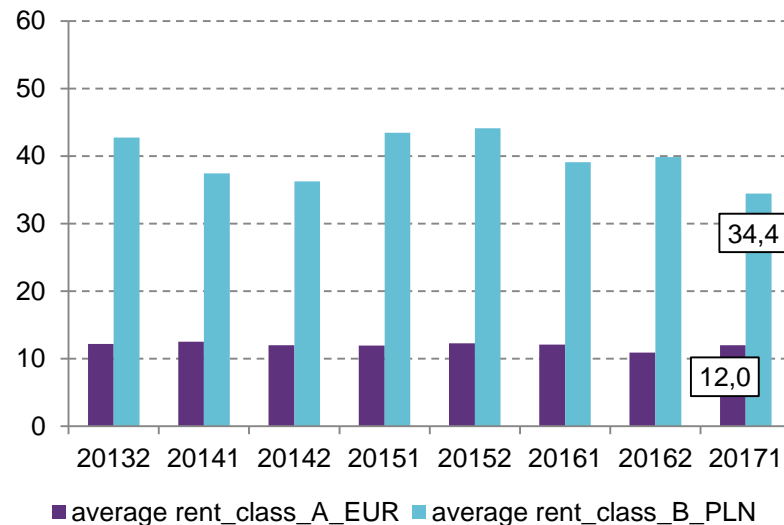
The average rent in office buildings in three analyzed cities – the average transaction rent in PLN weighted by the size of locals



The height of rents vs. the building class



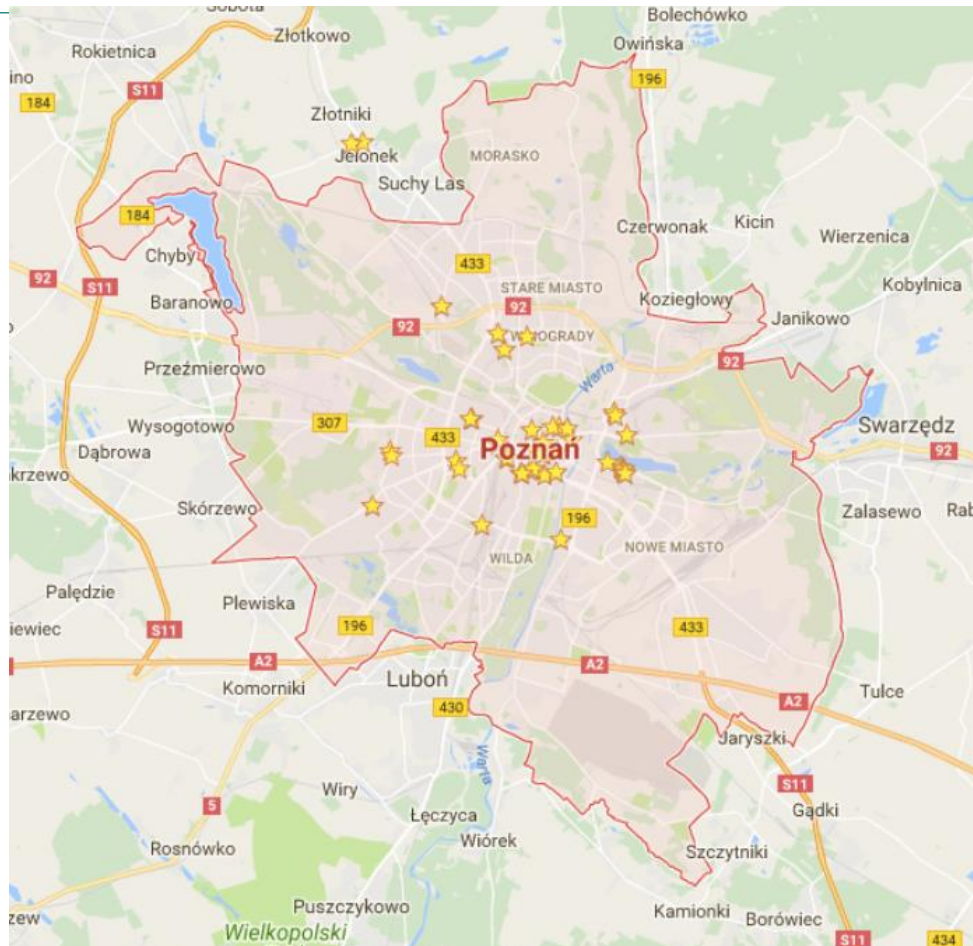
Class A



Class B

Location of the office space

The office space is concentrated particularly in the centre of the city.



The results of the estimation of office space rents in EUR in Poznań

Statistical estimation was made by the least square method,
25 observations, coefficient of determination = 50%

In rent sqm. EUR	coefficient	Standard error	Statistical significance
In the distance to the centre	-0,0820732	0,0331071	**
In the age of the building	-0,0875951	0,0335437	**
In leasing space	-0,017167	0,0414553	
Buildings class B	-0,161368	0,0894716	*
constant	3,50652	0,473187	***

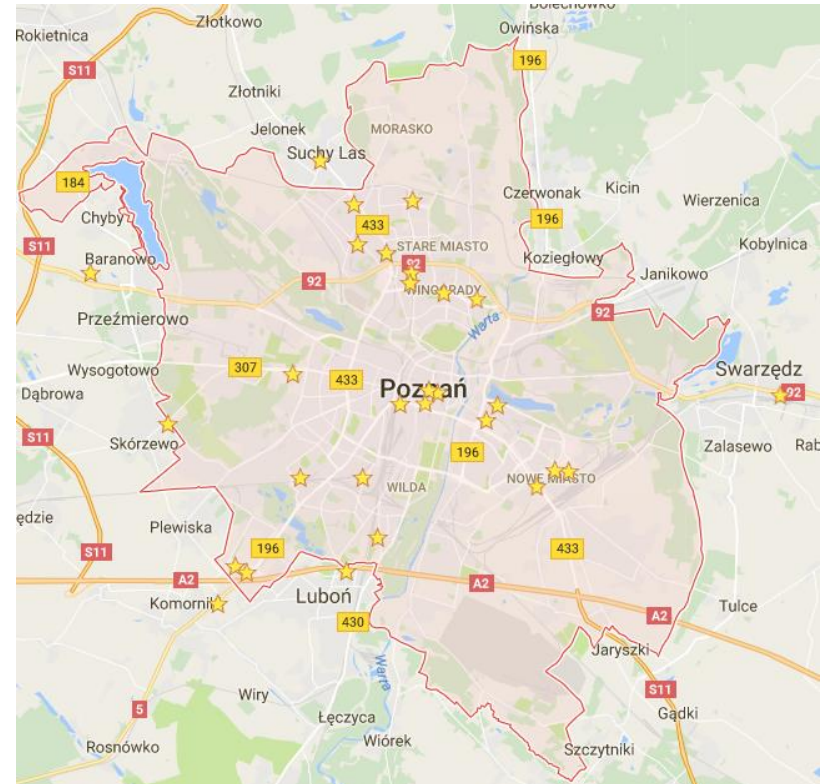
Statistically significant determinants of the office space rents

	Warszawa	Poznań	Trójmiasto
Class B	-0,268	-0,161	
Class C	-0,405		
In_space to lease			0,065
Number of floors			0,197
In_age_plus_2	-0,033	-0,087	
In_parking space			-0,054
In_distance from the centre	-0,107	-0,082	
localization Gdańsk-Oliwa			0,150
localization Gdańsk – the rest			-0,209

The retail market in Poznań

- The total retail space in Poznań amounts to 728 thousands square metres*.
- Commercial centres are in domination, taking 85% of the whole modern supply.
- There are currently 22 buildings in Poznań agglomeration.

*NBP estimations III q. 2017 r.

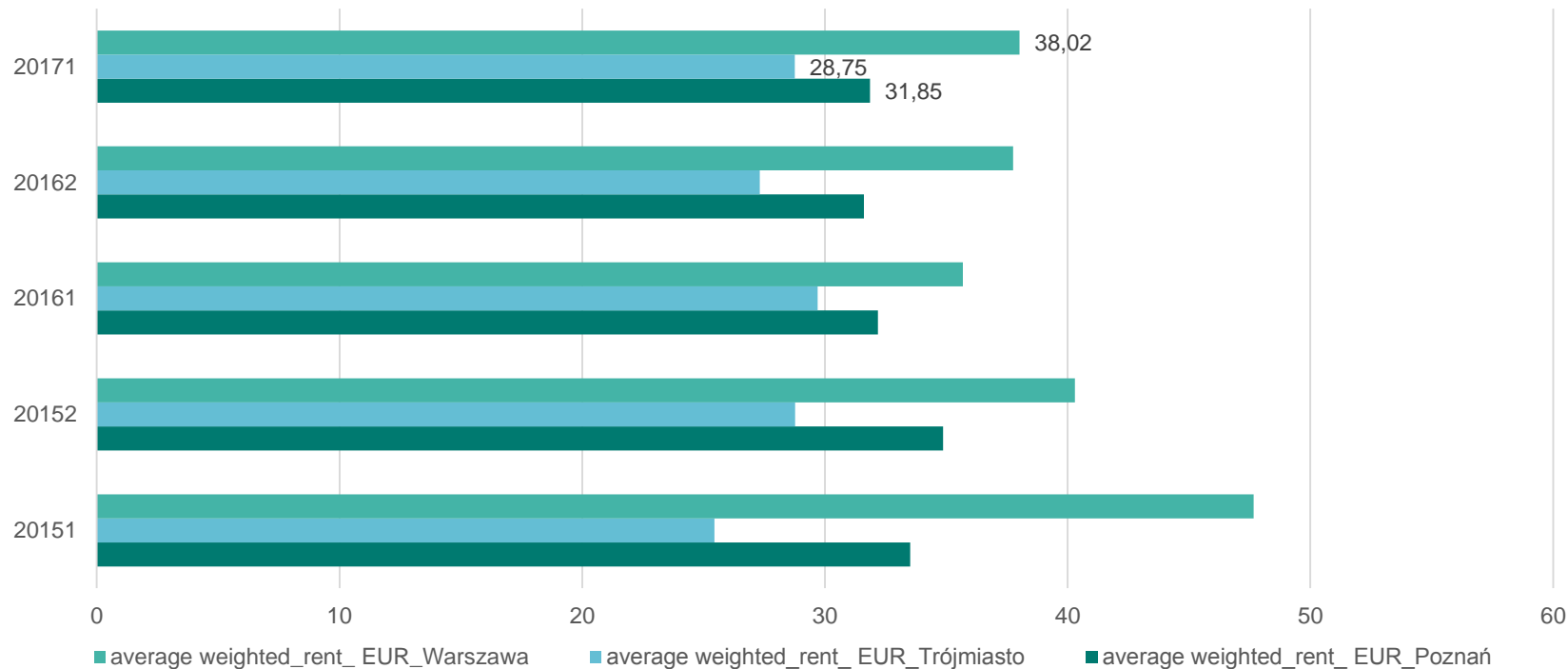


The main characteristics of retail market of three chosen cities

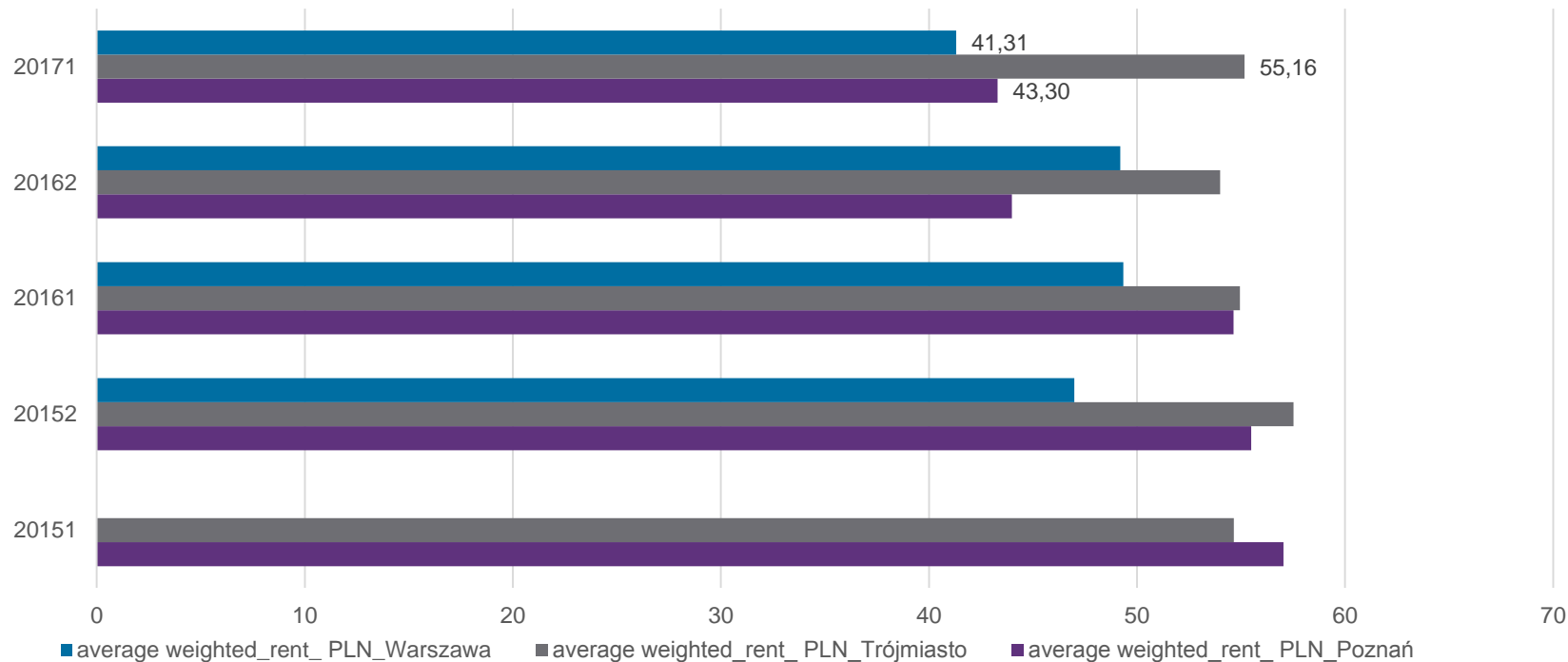
- The biggest in Poland saturation of the retail space in Poznań, which amounts to 888 square metres per 1000 inhabitants.
- The vacancy rate of trade space in Poznan by the end of June 2017 amounts to 4,5%, for Gdansk – 3% and for Warsaw – 2,6%
- The average vacancy rate for 18 big cities in Poland at the end of the third quarter of 2017 amounted to 4,1%*

* *Colliers data*

The average weighted transaction rate for retail market – in EUR



The average weighted transaction rate for retail market in PLN



The results of the estimation of retail space rents in EUR in Poznań

Statistical estimation was made by the least square method, 656 observations, coefficient of determination = 54,5%

In rent sqm. EUR	coefficient	Standard error	Statistical significance
In space of the local	-0,382686	0,0356806	***
In quantity of shops	0,375076	0,0401149	***
SC_Centrum	0,132408	0,0552929	**
S.C._furniture	-0,351021	0,109501	***
In quantity of parking places	0,162222	0,0245902	***
In the age of the building_plus2	0,157563	0,0295405	***
constant	1,84106	0,353092	***

Statistically significant determinants of the retail space rents

	Warszawa	Poznań	Trójmiasto
SC_top	0,686		0,541
SC_local and outlet	-0,297		
Shopping centres_Trójmiasto			0,403
SC_centrum		0,132	
SC_furniture		-0,351	
In_distance	-0,157		
In_local_space	-0,400	-0,382	-0,318
In_age_plus_2		0,157	0,139
Ln_quantity of parking places		0,162	
Ln_exploitation			0,386
Ln_Quantity of shops		0,375	

Thank you for you attention

Dbamy o wartość pieniądza