

Tri-City Office Market - May 2013

High quality office space available for potential tenants.

Tri-City is the largest office market in Northern Poland and ranks fourth nationwide in terms of office stock, behind Warsaw, Kraków and Wrocław. The total office space in Tri-City is currently estimated at 409,000 m², with 31,600 m² delivered in Q1 2013. Gdańsk remains the leading office destination in the region, accounting for more than 60% of office space in Tri-City, followed by Gdynia (30%) and the tourist-driven Sopot (10%).

In Q1 2013, more than 12,600 m² was leased in the region, 45% of which were renegotiations. Major renewals signed in Q1 2013 included: Geoban (2,800 m² in Łużycka Office Park), Acxiom Polska (1,600 m² in Garnizon.biz) and First Data Global Service (1,200 m² in Arkońska Business Park). Other significant lease transactions concluded in Q1 2013 were: LPP (expansion of 1,200 m² in Artus Park) and Allianz (a new deal of 1,000 m² in Olivia Tower). It is worth mentioning that 61% of the total take-up volume in 2012 (68,800 m²) consisted of pre-lets. These included the largest pre-let agreement signed in Q1 2012 - Bank BPH (18,900 m² in EURO Office Park), which represented almost 30% of the total gross take-up in 2012.

At the end of Q1 2013, more than 56,000 m² was vacant, which equates to a vacancy rate of 13.7%. Significant availability of office accommodation (over ten buildings offer vacant space over 1,000 m² and six over 5,000 m²) is beneficial to tenants, particularly those from the BPO and SSC sector, who typically require larger floor plates (over 1,000 m²), offering the opportunity to expand in the future.

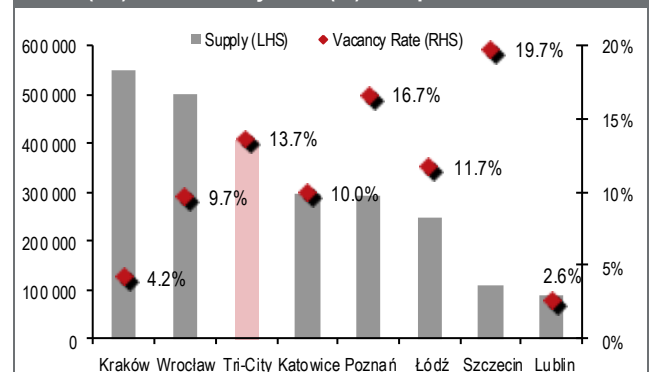
Currently, there is approximately 80,800 m² of modern office space under construction in the entire Tri-City. The majority of this is in Gdańsk, with more than 68,000 m². Nearly 53,000 m² (61% secured with pre-lets) should be delivered between Q2-Q4 2013 and an additional 63,000 m² in 2014. With such robust development activity, the vacancy rate will increase further as new office buildings are delivered.

At the end of Q1 2013, headline rents in Tri-City stood at €12 to 14 / m² / month, however, additional incentives offered by landlords cause lower effective rents. Compared to the other largest office markets in Poland, rents in Tri-City seems are at attractive levels. We are of the view that office market conditions will most likely remain tenant-favourable in both 2013 and 2014.

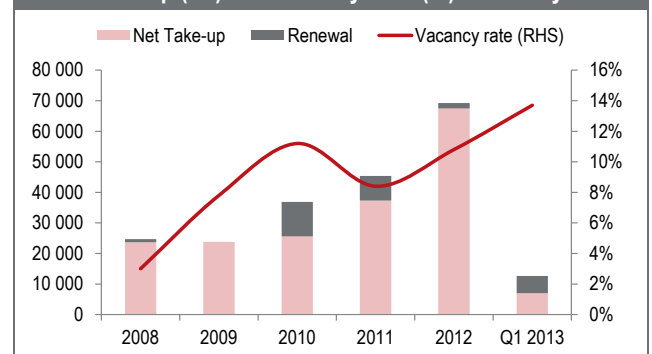
Summary Statistics	Q1 2013	Y-o-Y change	12 Month Outlook
Gross Take-up* (m ²)	12,600	-20,500	↗
Net Take-up (m ²)	7,000	-26,100	→
Vacancy (m ²)	56,100	+31,700	↗
Vacancy Rate (%)	13.7	+6.7p.p	↗
Completions (m ²)	31,600	+31,600	↗
Under construction (m ²)	80,800	-14,500	→
Prime Headline Rent (€ / m ² / month)	12-14	0%	→

* Gross Take-up = Net Take-up including registered renewals

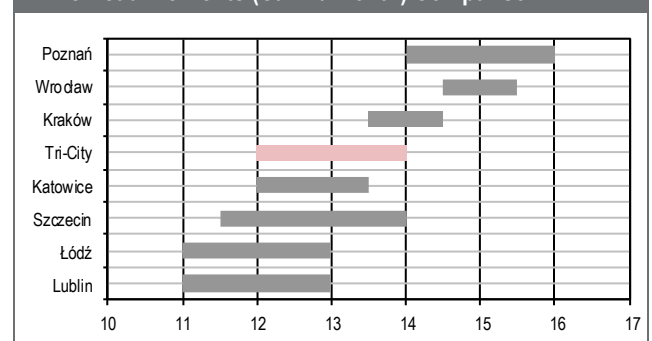
Stock (m²) and Vacancy Rate (%) Comparison, Q1 2013



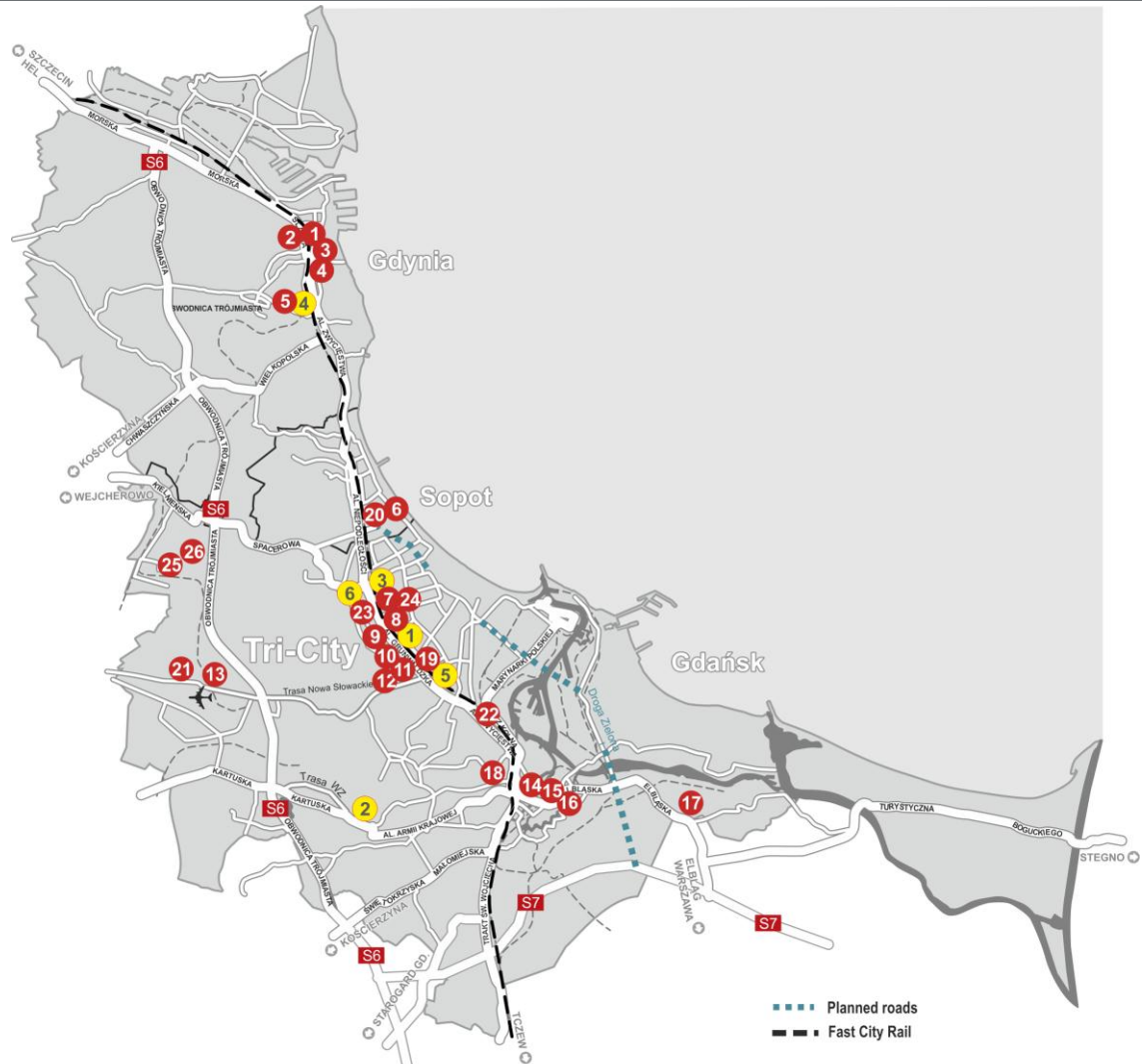
Gross Take-up (m²) and Vacancy Rate (%) in Tri-City



Prime Headline Rents (€ / m² / month) Comparison



Source all charts: Jones Lang LaSalle



● Major Existing Office Buildings

1. Alfa Plaza Business Center
2. Baltic Business Center
3. Prokom HQ
4. Centrum Biurowe Hossa
5. Łużycka Office Park
6. Hestia HQ
7. Arkońska Business Park
8. Grunwaldzka 413
9. Abrahama 1A
10. Centrum Biurowe Vigo
11. Garnizon.biz
12. Garnizon.biz - Omega&Gamma
13. Allcon@park
14. Centromor
15. Artus Park
16. Sadowa Business Park
17. Lotos HQ
18. Ka5
19. Office Island

20. Rzemieślnicza 17/19
21. BCB Business Park B1
22. OPERA Office
23. Olivia Business Centre - Olivia Gate, Olivia Point, Olivia Tower
24. GIP Starter
25. Stabilator
26. Galaktyczna 30a

● Major Under Construction Office Buildings

1. Alchemia phase I
2. Euro Office Park
3. Oliva Business Park - Alfa
4. Łużycka Plus
5. Centrum Biurowe Neptun
6. Olivia Business Centre - Olivia Four

Jones Lang LaSalle Contacts

Tomasz Czuba
Head of Office Agency
Warsaw, Poland
+48 22 318 0198
tomasz.czuba@eu.jll.com

Magdalena Reńska
Head of Tri-City Office
Gdańsk, Poland
+48 602 116 816
magdalena.renska@eu.jll.com

Agnieszka Sosnowska
Research Analyst
Warsaw, Poland
+48 22 318 0056
agnieszka.sosnowska@eu.jll.com

officefinder.pl