**Szczecin an attractive destination for investors**

**Warsaw, 18 January, 2021** – Numerous advantages make Szczecin not only a friendly city to live in, but also an attractive business choice. The region is increasingly appreciated by investors looking for new locations for warehouse and office investments. Colliers International in cooperation with Szczecin Metropolis Development Agency published a report entitled [**"Bound for Szczecin"**](https://bit.ly/38IYnBC), in which they analyzed the condition and development prospects of the office and warehouse real estate market in the capital of the West Pomeranian Voivodeship. The publication also indicates what help from ARMS can be counted on by potential investors interested in the region.

**What attracts investors?**

High investment attractiveness of Szczecin is mainly due to its location as well as an extensive and favorable network of transport connections, both national and international.

“Szczecin provides comfortable road, rail, air and sea transport, which is a unique value on a national scale, in particular for companies from the logistics or e-commerce industries. A well-developed road network, the airport in Goleniów located only 33 km from the city centre, the Port of Szczecin, which together with Świnoujście forms one of the largest port complexes in this part of Europe, enable efficient transport of goods both to other regions of Poland and abroad”, says **Maciej Chmielewski**, senior partner, director of the Industrial and Logistics Agency at Colliers International.

Another important advantage of Szczecin from an investor’s standpoint, is its location within two Special Economic Zones (SEZ): the Szczecin Sub-zone of the Euro-Park Mielec SEZ and the Kostrzyń-Słubice SEZ, operating within the Polish Investment Zone. The first of them offers investment areas already prepared for industrial development, as well as special reliefs and subsidies for employee training for entrepreneurs, who plan to start business in this region.

Companies can also obtain help in business development in the largest city of Western Pomerania from the Szczecin Loan Fund and the Szczecin Metropolis Development Agency (ARMS).

“The role of the Szczecin Metropolis Development Agency is to support investors and to create a favorable business environment for them”, says **Marek Kubik**, president of ARMS. “For this purpose we have launched a wide range of services, such as assistance in finding suitable real estates, future employees or providing sureties. Our support enables companies to quickly acclimatise to the local market and solve many problems”.

**Szczecin office market in bloom**

The modern office real estate market in Szczecin is at a relatively early stage of development, and the supply is characterised by a noticeable cyclicality which means that new spaces gain adequate time for absorption. At the end of Q3 2020, 185,000 sq m of office space was available to tenants here within 38 existing developments, 7 of them have been completed in the last three years. The year 2019 was marked by record supply - 5 projects were completed at that time, thanks to which 21,300 sq m was added to the local office market. The largest office buildings in Szczecin with the area of more than 10,000 sq m include Posejdon (18,070 sq m), PAZIM (14,700 sq m), Oxygen (13,130 sq m), Lastadia Office (11,530 sq m) and Baltic Business Park C (10,850 sq m).

“Local developers, such as Alsecco, Koncepta, Realkapital and SGI Baltis, are responsible for most of the projects on the Szczecin’s office market. National players such as Echo Investment and White Stone Development also decide to implement individual investments. The only international office developer active on this market for years is Vastint, which is responsible, among others, for the Posejdon investment. The vast majority of office space, as much as 80%, is located in the city centre. However, the south-western part of Szczecin - Gumieńce, where large office projects such as Cukrowa Office and Szczecin Business Plaza have been completed in recent years, is also rising in importance”, says **Dominika Jędrak**, director of the Research and Consultancy Services at Colliers International.

Szczecin is one of the main centres of modern business services in Poland. According to ABSL estimates, in the last 3 years alone, employment in this sector rose by 47%, and the industry itself has leased 22% of available office space. However, the clear leader among tenants is the IT products & services sector which accounted for 46% of the volume in 2019. The decision to locate their outsourcing centres (BPO/SSC) and headquarters in Szczecin was made, among others, by Asseco Data Systems, Mobica and TietoEVRY.

“In recent years, we have noticed a growing demand for office space, which was reflected in the increasing supply of projects. We anticipate that this trend will be maintained and the city will gain even more importance among investors from the BPO/SSC sector, who appreciate the relatively small fluctuations in rent and access to qualified staff”, says **Sebastian Bedekier**, partner and regional director in Poznań at Colliers International.

**Great potential of warehouses**

The modern warehouse space market in Szczecin is considered to be relatively young, with promising development prospects. Developers have already noticed the potential of the region and are investing here in large and smaller warehouse parks, standalone BTS projects, as well as small municipal warehouses (SBU).

“We are seeing increased interest particularly in this last type of space, especially in the context of last mile delivery and smaller e-commerce companies”, says **Dominika Jędrak.**

At the end of Q3 2020, the total supply of modern warehouse space in Szczecin reached 762,000 sq m, ranking the region seventh out of 11 major warehouse markets in Poland. In the first three quarters of 2020, 34 800 sq m was delivered to the market thanks to the completion of later phases of Panattoni Park Szczecin I (Załom). As at the end of September, projects under construction included 7R Logistics (BTS of 30,100 sq m) and Hillwood's debut in the Szczecin market (4,900 sq m), as well as further phases of Panattoni Park Szczecin Goleniów (9,900 sq m) and Exeter Park Szczecin II (19,600 sq m). 65% of space under construction is already secured with lease agreements. Projects scheduled for 2021 include: 7R Park Szczecin (60,200 sq m), further stages of Panattoni Park Szczecin Goleniów (39,900 sq m) or Panattoni Park Szczecin I (42,100 sq m).

The high supply of warehouse space goes hand in hand with high demand among tenants.

“Szczecin is characterised by a low vacancy rate (0.7%). Among the largest companies that have located their operations here are Amazon with its e-commerce centre and Zalando with a distribution centre. Other companies that have decided to lease space in Szczecin's warehouse parks include DHL, Rhenus, Momox, Mycs, IKEA, Carlsberg, InPost, AUTODOC Logistics, IQ Metal and the KION group. The largest share in the lease structure is held by the 3PL, light manufacturing and e-commerce industries, which in 2018 accounted for 16%, 13% and 12% of leased warehouse space, respectively”, reports **Maciej Chmielewski**.

Taking into account the current plans of developers, it can be expected that the total stock of modern warehouse space in Szczecin will reach 1.09 million sq m by the end of 2022, however, uncertain situation in the market related to the pandemic may cause the implementation of some projects to be delayed. Nevertheless, this will not affect the increased interest in Szczecin, both among developers and tenants.

*Link to the report for your own use -* [*https://bit.ly/38IYnBC*](https://bit.ly/38IYnBC)*. If you publish the report on your website, please use the following link -* [*http://bit.ly/3ihRQAE*](http://bit.ly/3ihRQAE)*.*

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