POLAND
OFFICE DESTINATIONS

BPOland

Poland, the biggest economy of Central and Eastern Europe, has grown to be one of the most important European destinations for the BPO / SSC sector over the last decade. The reforms introduced by the government, together with the strong local support for the service sector and a sustainable labour pool have translated into considerable employment growth in the outsourcing sector. In 2015 employment in the BPO / SSC segment reached 150,000 people, becoming the biggest sector (after mining) of the Polish economy. The high effectiveness and creativity of the Polish workforce, infrastructure developments and the stability of local economies were recognized in the ranking of Tholons (2015 Top 100 Outsourcing Destinations), which ranked Krakow, Warsaw and Wroclaw at 9th, 30th and 62nd place, respectively. Notably, all of these cities have been mentioned for the last 8 editions of the report.

The strong expansion of the BPO / SSC sector has led to the dynamic growth and polarization of the Polish regional office markets. The office stock in the 8 biggest Polish office cities (excluding Warsaw) doubled during the last 5 years. This expansion was achieved due to the constant increase of employment in the Polish BPO / SSC segment. We estimate that companies operating in this sector occupy ca. 50% of the existing regional office stock.

Currently, three groups of locations for the BPO sector in Poland can be identified:

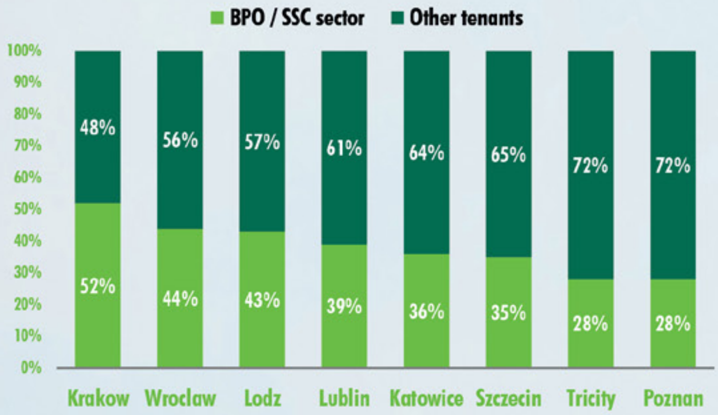
Tier I: Non-central Warsaw, Krakow and Wroclaw, which are considered as the most mature, developed and recognized markets.

Tier II: Tricity, Poznan, Lodz and Katowice, forming a secondary group, strongly developing their service sectors, but offering a lower density of BPO companies, a relatively lower level of salaries and a strong aspiration to stimulate the growth of the sector.

Tier III: Szczecin, Lublin, Rzeszow and Bydgoszcz (and also smaller cities), which are characterized by a huge workforce potential, with developing office stock to stimulate the growth of existing players and attract new BPO investors.

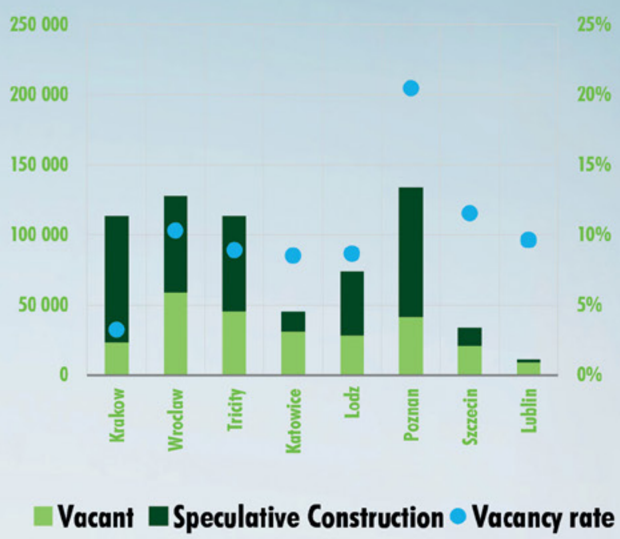
Noteworthy, the proposed division does not mean that one of
these cities is any better than the other. Every office destination has a unique competition advantage. In the next section of the report we present the key characteristics of selected biggest BPO destinations in Poland and illustrate the differences between particular locations. We hope that the report will help to shed a light on the complexity of the BPOland.

BPO / SSC occupancy in selected Polish cities



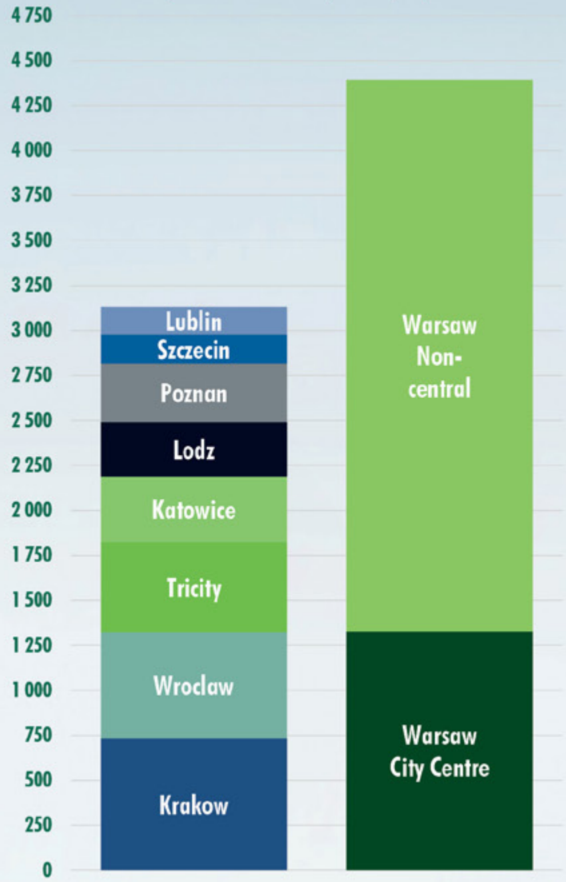
Source: CBRE, 2015

Office space availability in selected cities



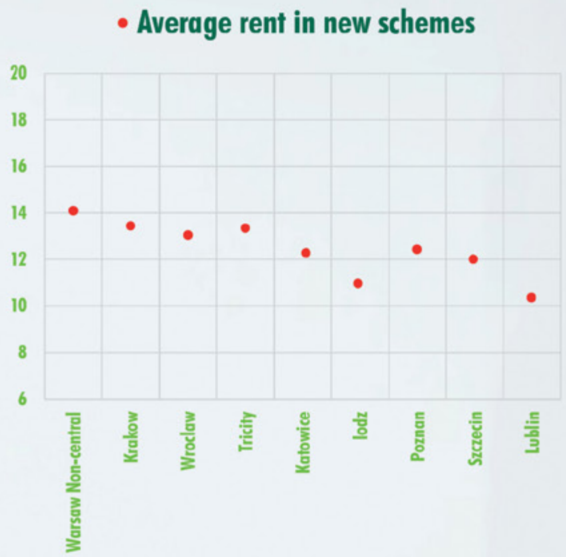
Source: CBRE / PORF H1 2015

Office stock in largest Polish cities ('000 sq m)



Source: CBRE / PORF H1 2015

Typical office rental spread in selected cities (EUR/sq m/month)



Source: CBRE, H1 2015

Warsaw

Labour force

Inhabitants	1.73M
Students	247,500
Graduates	63,900
Universities	78

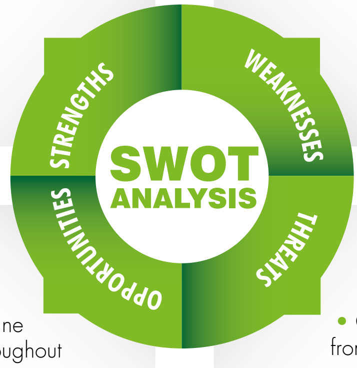
Source: GUS, 2015

SSC/BPO sector essentials

Number of companies	194
Employment	22,000
Specialization	Finance and accounting Call Centre
Tholons 2014 ranking	30th

Source: ABSL, CBRE, Oxford Economics, Tholons 2015

City SWOT analysis



Strengths

- The most recognized business destination in the CEE region and the biggest agglomeration of Poland
- Developed road and public transportation infrastructure
- Cultural and administrative centre of the country
- Very high availability of office space, students and graduates

Weaknesses

- Relatively high salary in comparison to other Polish agglomerations
- High competition for talent from other sectors located in the city, high attrition ratio
- Considerably high rent in the City Centre
- Relatively weak public support for the BPO / SSC sector

Opportunities

- Constantly developing transportation infrastructure
- Considerably high pipeline planned for delivery throughout 2015 - 2016
- High absorption of young population from other agglomerations
- Rental levels in non-central markets comparable to other regional cities

Threats

- Competition from other agglomerations, which may offer higher incentives
- Growing number of companies from BPO / SSC sector in the city

Gross salaries in financial sector

Position	Min	Max
Transition Manager	18,000	25,000
Team Leader	8,000	11,000
Process Specialist	8,000	9,500
Senior Accountant	5,500	7,500
Accountant	4,500	6,000
Junior Accountant	3,200	4,200

Source: Antal, 2015 (PLN/month)

Office stock

14% Vacant

43% A-class stock

EXISTING (sq m)	4,540,000
UNDER CONSTRUCTION (sq m)	633,000
PLANNED BY THE END OF 2017 (sq m)	150,000

Office demand

TAKE UP 2014 (sq m)	612,000
ABSORPTION 2014 (sq m)	176,000
OCCUPIED BY BPO 2014 (in %)	17%

Gross salaries in banking sector

Position	Min	Max
Project Manager	8,000	16,000
Financial controller	8,000	14,000
Business Analyst	8,000	13,000
KYC Analyst	4,000	7,000
AML Analyst	4,000	7,000
Fund Accountant	5,000	7,000

Source: Antal, 2015 (PLN/month)

Office rents

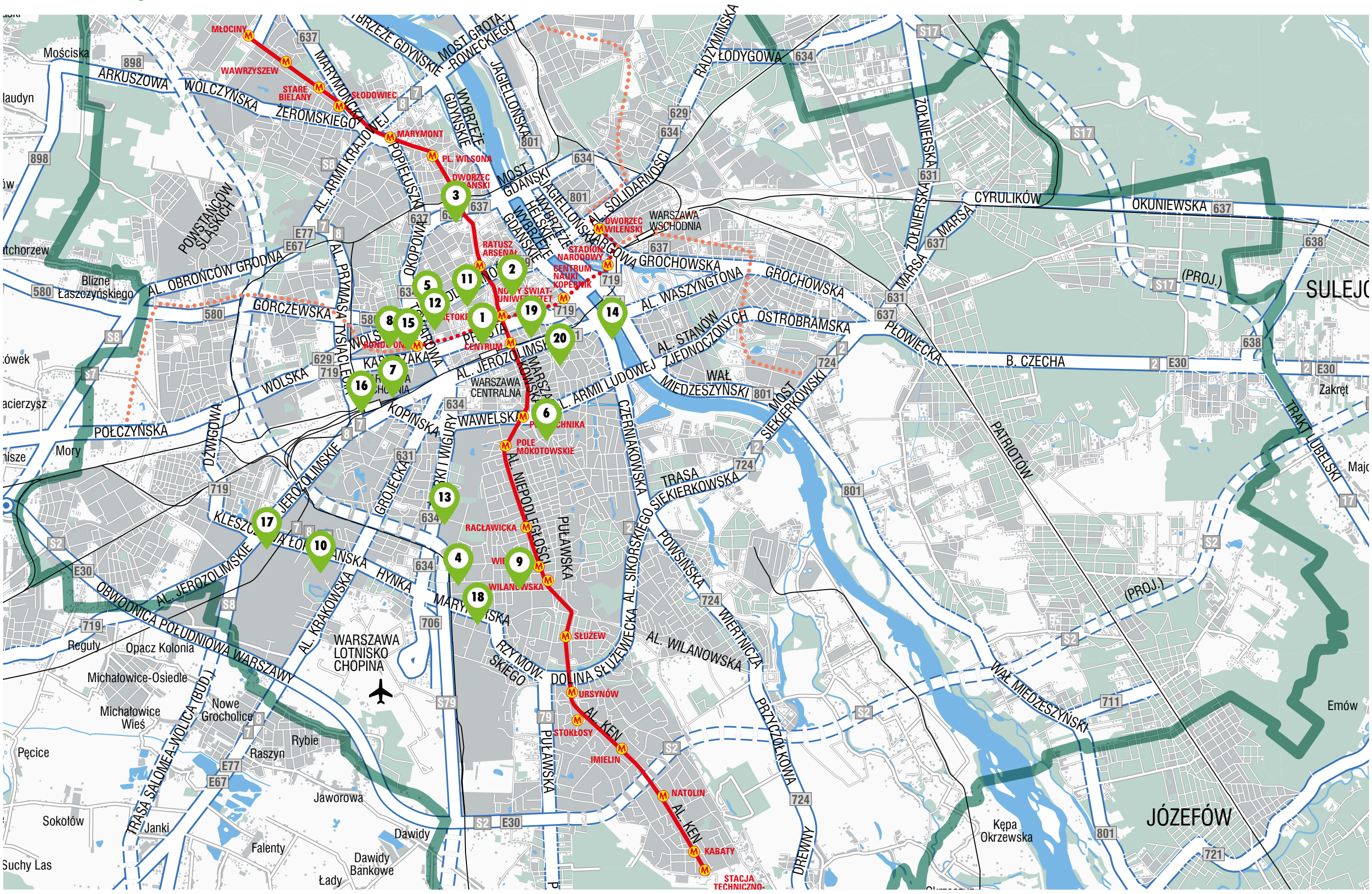
PRIME EUR / sq m / month	16.0-24.5
AVERAGE EUR / sq m / month	14.0-22.0
EFFECTIVE EUR / sq m / month	12.0-21.0
PRIME YIELDS %	7.2-6.0

Typical lease terms

SERVICE CHARGE PLN / sq m / month	16-25
FIT-OUT BUDGET EUR / sq m	200-250
RENT-FREE months	6-9
PARKING EUR / space / month	70-200

CBRE

Location map



Selected office schemes

Number	Building	Address
1.	Rondo 1	Rondo ONZ 1
2.	Metropolitan	Plac Pilsudskiego 1
3.	Gdanski Business Center	Inflancka 3
4.	Konstruktorska Business Center	Konstruktorska 13
5.	Warsaw Trade Tower	Chlodna 51
6.	Plac Unii	Pulawska 2
7.	Nimbus Office	Jerozolimskie 98
8.	Wola Center	Przyokopowa 33
9.	Ocean Business Park	Domaniewska 34
10.	The Park	Krakowiakow 50

Number	Building	Address
11.	Q22	Jana Pawla II 22
12.	Warsaw Spire	Plac Europejski 1
13.	Business Garden	Zwirki i Wigury 18
14.	The Tides	Wioslarska 6
15.	Proximo	Przyokopowa / Hrubieszowska
16.	West Station	Jerozolimskie
17.	Astrum Business Park	Lopuszanska 95
18.	Postepu 14	Postepu 14
19.	Cedet	Krucza 50
20.	Ethos	Plac Trzech Krzyzy 10/14

Selected BPO / SSC / ITO / KPO / R&D companies

Number	Tenant	Building	Space (sq m)	Sector
1.	Samsung	Warsaw Spire (to move)	21,100	R&D
2.	Citi Service Center	Marynarska 12	12,600	SSC
3.	MoneyGram	Konstruktorska Business Center	7,300	SSC
4.	Royal Bank of Scotland	Wisniowy Business Park	5,300	SSC
5.	SII	BTC Office Building	4,100	ITO
6.	BNP Paribas Securities Services	Warsaw Spire	4,000	SSC
7.	Lionbridge	Oxygen Park	2,600	BPO
8.	CBRE Corporate Outsourcing	Ambassador / Trinity Park I	2,150	BPO
9.	Atos Origin	Empark Neptun	2,100	ITO
10.	Capgemini	Equator II	950	ITO

Krakow

Labour force

Inhabitants	761,900
Students	166,000
Graduates	46,500
Universities	21

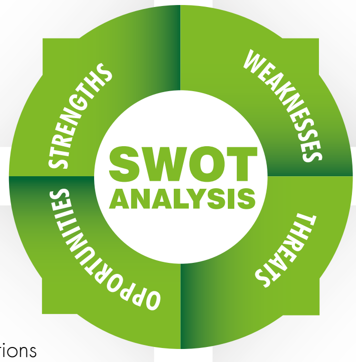
Source: GUS, 2015

SSC/BPO sector essentials

Number of companies	103
Employment	30,000
Specialization	IT, Finance & accounting
Tholons 2014 ranking	9th

Source: ABSL, CBRE, Oxford Economics, Tholons 2015

City SWOT analysis



Strengths

- Third largest agglomeration in Poland
- Convenient access to public transportation and road infrastructure
- Second highest availability of students
- Great recognition as one of the top world outsourcing destination
- International Airport

Weaknesses

- Undefined business districts
- Bureaucratic barriers
- Limited support from local authorities
- Low availability of immediate leasing options

Opportunities

- Strengthening position of the city
- Stable rental levels
- Increasing number of options due to high amount of space under construction
- Development of infrastructure
- Attractive touristic region

Threats

- High density of outsourcing companies
- Strengthening competition for talents
- Growing number of new occupiers coming to the city
- High number of expanding existing companies
- Competition from other cities (especially Katowice)

Gross salaries in financial sector

Position	Min	Max
Transition Manager	12,000	20,000
Process Specialist	8,000	10,000
Team Leader	7,000	12,000
Senior Accountant	5,500	8,000
Accountant	3,800	6,000
Junior Accountant	2,800	4,500

Source: Antal, 2015 (PLN/month)

Office stock

4% Vacant

36% A-class stock

EXISTING (sq m)	752,000
UNDER CONSTRUCTION (sq m)	95,000
PLANNED BY THE END OF 2017 (sq m)	102,000

Office demand

TAKE UP 2014 (sq m)	115,000
ABSORPTION 2014 (sq m)	104,000
OCCUPIED BY BPO 2014 (in %)	52%

Gross salaries in banking sector

Position	Min	Max
Financial Controller	8,000	16,000
Project Manager	6,500	12,000
Business Analyst	6,000	9,000
KYC Analyst	3,500	7,000
AML Analyst	3,500	7,000
Fund Accountant	3,500	6,000

Source: Antal, 2015 (PLN/month)

Office rents

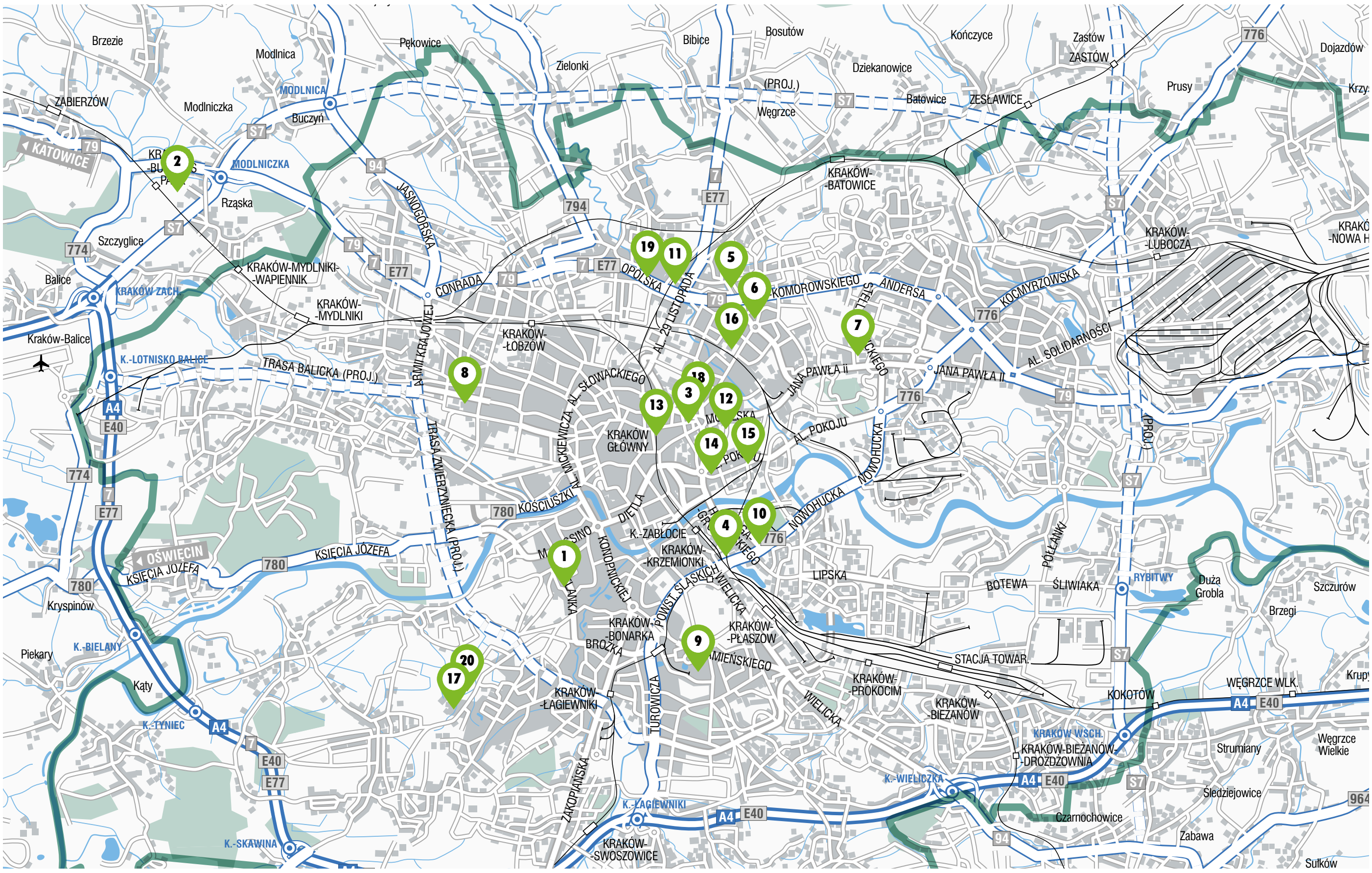
PRIME EUR / sq m / month	14.0
AVERAGE EUR / sq m / month	13.5
EFFECTIVE EUR / sq m / month	12.0
PRIME YIELDS %	7.2

Typical lease terms

SERVICE CHARGE PLN / sq m / month	13-15
FIT-OUT BUDGET EUR / sq m	150-200
RENT-FREE months	6-9
PARKING EUR / space / month	50-65

CBRE

Location map



Selected office schemes

Number	Building	Address
1.	Kapelanka 42	Kapelanka 42
2.	Krakow Business Park	Krakowska 280
3.	Centrum Biurowe Lubicz	Lubicz 23
4.	Enterprise Park	Powstancow Wielkopolskich 13d
5.	Quattro Business Park	Bora Komorowskiego 25
6.	Alma Tower	Pilotow 10
7.	Avia	Jana Pawla II 41
8.	Pascal	Armii Krajowej 18
9.	Bonarka 4 Business	Puszkarska 9
10.	Orange Office Park	Klimeckiego 1

Number	Building	Address
11.	Opolska Business Park (UC)	Opolska / 29 Listopada
12.	AXIS (UC)	Rondo Mogilskie
13.	Lubicz Brewery	Lubicz 17
14.	K1	Aleja Pokoju 1
15.	Al. Pokoju 5 (UC)	Aleja Pokoju 5
16.	Benaco (UC)	Pilotow 2e
17.	Medusa I (PL)	Czerwone Maki
18.	TreiMorfa (PL)	Rondo Mogilskie / Lubomirskiego
19.	Vinci Office Center	Opolska 100
20.	Green Office	Czerwone Maki 82

Selected BPO / SSC / ITO / KPO / R&D companies

Number	Tenant	Building	Space (sq m)	Sector
1.	Shell	Krakow Business Park	16,100	SSC
2.	Google	Quattro Business Park / Rynek 12/13	13,300	SSC, R&D
3.	Motorola Solutions	Green Office	12,800	SSC, R&D
4.	State Street	Centrum Biurowe Kazimierz	12,600	BPO
5.	HSBC	Kapelanka 42	14,500	SSC
6.	Capgemini	Quattro Business Park	14,500	BPO
7.	SABRE	Buma Square	8,900	SSC
8.	Lufthansa	Bonarka 4 Business	8,500	SSC
9.	Aon Hewitt	Diamante Plaza / Newton	6,400	BPO
10.	IBM	GTC Korona	5,000	ITO, BPO

Wroclaw

Labour force

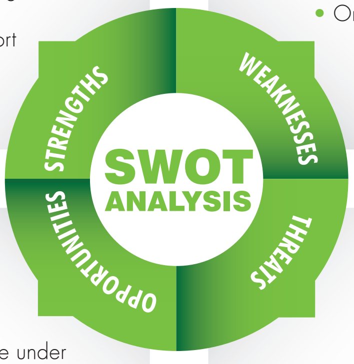
Inhabitants	634,500
Students	122,100
Graduates	31,600
Universities	25

Source: GUS, 2015

City SWOT analysis

- Fourth biggest academic hub of Poland and fifth largest agglomeration
- Attractive touristic region, growing cultural and social potential
- Great recognition of Wroclaw as one of the world's top outsourcing destination
- Developed public transport and international airport

- Undefinied business district
- Poor public transportation in remote business hubs
- Slow connections with a number of large Polish cities
- Only 38% of the office stock can be classified as of A-class



- Stable rental levels
- Developing infrastructure
- Increasing number of options due to new space under construction
- Experienced city authorities and local developers

- Growing competition from other Polish cities
- Increasing number of new companies coming to the city
- High number of existing companies expanding rapidly
- Competition from other cities
- Growing rivalry for talents

SSC/BPO sector essentials

Number of companies	75
Employment	23,700
Specialization	IT, R&D
Tholons 2014 ranking	62th

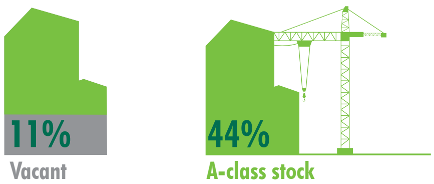
Source: ABSL, CBRE, Oxford Economics, Tholons 2015

Gross salaries in financial sector

Position	Min	Max
Transition Manager	10,000	14,000
Process Specialist	6,000	9,000
Team Leader	6,000	7,500
Senior Accountant	5,500	6,500
Accountant	4,000	5,500
Junior Accountant	3,000	4,000

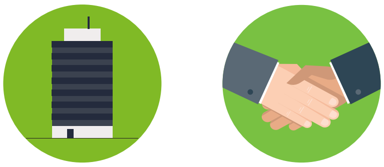
Source: Antal, 2015 (PLN/month)

Office stock



EXISTING (sq m)	651,000
UNDER CONSTRUCTION (sq m)	88,000
PLANNED BY THE END OF 2017 (sq m)	200,000

Office demand



TAKE UP 2014 (sq m)	94,700
ABSORPTION 2014 (sq m)	62,800
OCCUPIED BY BPO 2014 (in %)	44%

Gross salaries in banking sector

Position	Min	Max
Project Manager	7,000	15,000
Financial Controller	6,000	12,000
Business Analyst	6,000	10,000
KYC Analyst	4,500	5,500
AML Analyst	4,500	5,500
Fund Accountant	5,000	6,500

Source: Antal, 2015 (PLN/month)

Office rents

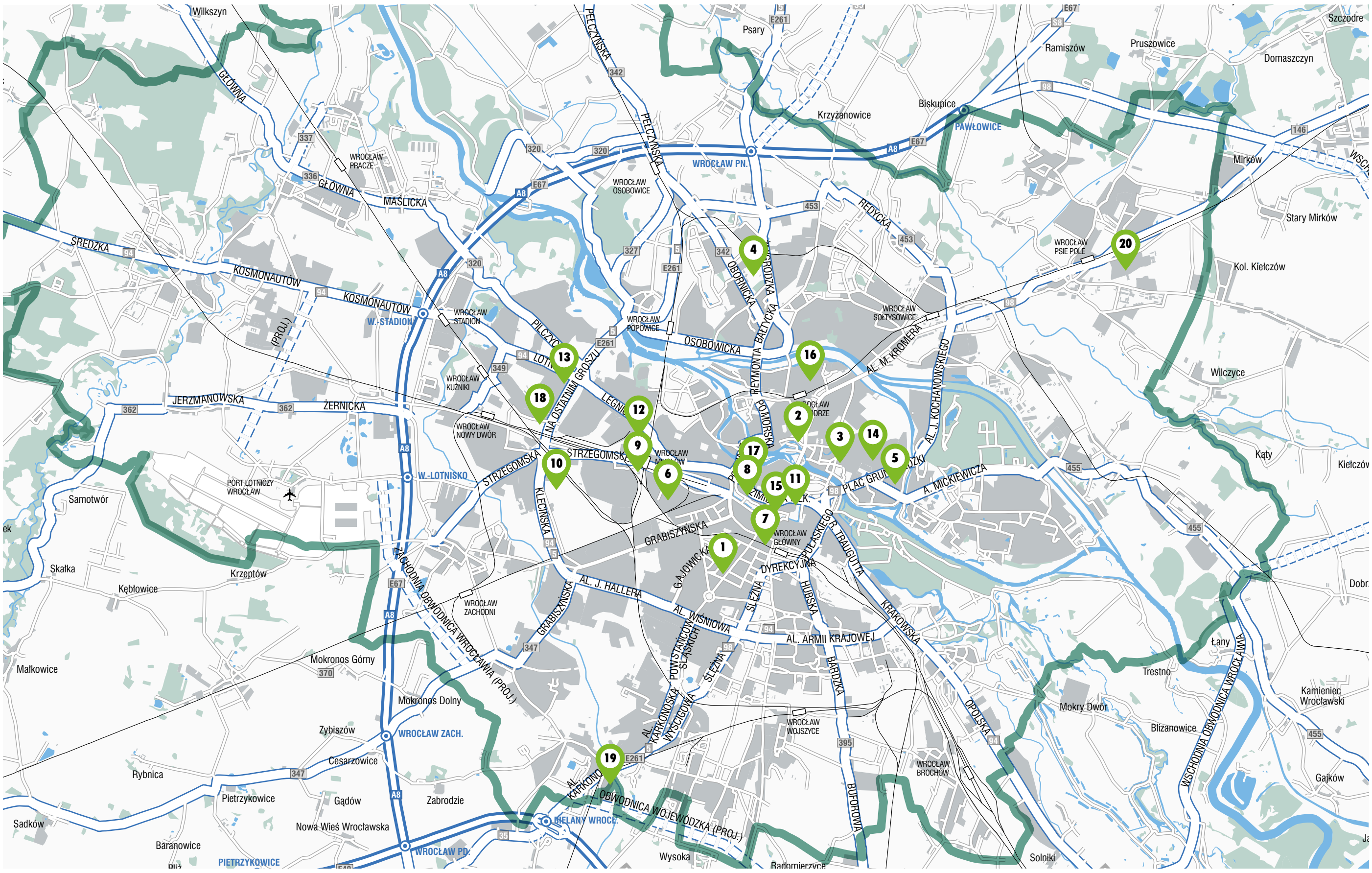
PRIME EUR / sq m / month	15.0
AVERAGE EUR / sq m / month	14.0
AVERAGE EFFECTIVE EUR / sq m / month	12.5
PRIME YIELDS %	7.2

Typical lease terms

SERVICE CHARGE PLN / sq m / month	13-16
FIT-OUT BUDGET EUR / sq m	150-200
RENT-FREE months	6-9
PARKING EUR / space / month	45-60

CBRE

Location map



Selected office schemes

Number	Building	Address
1.	Sky Tower	Powstancow Slaskich 95
2.	Bema Plaza	Plac Bema 2
3.	Green Day	Szczytnicka 9
4.	Wroclawski Park Biznesu II	Wolowska 4 - 20
5.	Grunwaldzki Center	M. Sklodowskiej-Curie 34
6.	Silver Forum	Strzegomska 2 - 4
7.	Aquarius Business House	Swobodna 1
8.	Pasaz Pokoyhof	Sw. Antoniego 2/4
9.	Millennium Tower	Strzegomska 42
10.	Wojdyla Business Park	Muchoborska 6 - 8

Number	Building	Address
11.	Dominikanski (UC)	Olawska 33
12.	Business Garden (UC)	Legnicka 48/50
13.	West Gate (UC)	Lotnicza 12
14.	Nobilis Business House (UC)	Reja / Szczytnickiej
15.	Hieronimus	Swidnicka 34
16.	Promenady Wroclawskie - Zita (UC)	Trzebnicka
17.	Pegaz (UC)	Kazimierza Wielkiego 1
18.	Synergy Business Park (PL)	Horbaczewskiego 26
19.	Brama Poludniowa (PL)	Karkonoska
20.	Wroclawski Park Biznesu III (UC)	Bierutowska

Selected BPO / SSC / ITO / KPO / R&D companies

Number	Tenant	Building	Space (sq m)	Sector
1.	IBM	Wojdyla Business Park	17,300	SSC, ITO
2.	Hewlett-Packard	Dominikanski	16,400	BPO
3.	Nokia Siemens Networks	West Gate	14,400	ITO, R&D
4.	Credit Suisse	Green Day	10,600	BPO
5.	Tieto Poland	Aquarius Business House	8,500	ITO, R&D
6.	Google	Bema Plaza	5,500	BPO
7.	UPS	Bema Plaza	4,000	SSC
8.	Capgemini	Millennium Tower IV	3,600	ITO, BPO
9.	EY	Green Towers	1,800	BPO
10.	Qatar Airways European	Promenady Epsilon	1,580	BPO

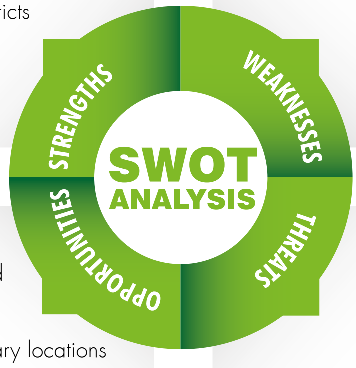
Tricity

Labour force

Inhabitants	747,000
Students	93,100
Graduates	23,300
Universities	34

Source: GUS, 2015

City SWOT analysis



Strengths

- Fourth largest agglomeration in Poland
- High institutional support for outsourcing enterprises and activities
- Developed road and public transportation infrastructure
- Established business districts
- International airport and Pendolino fast train connection

Weaknesses

- New office space available mostly in developed business parks
- Relatively long distance from southern Poland (Krakow, Wroclaw)
- Relatively young location for BPO with short-term experience and track record

Opportunities

- Stable rental levels
- Large number of planned office developments
- Opportunities of temporary locations
- Improving transportation - A1 highway underway

Threats

- Competition from new companies coming to the city
- Growing costs of operation
- Growing competition from Bydgoszcz and Szczecin

SSC/BPO sector essentials

Number of companies	84
Employment	12,000
Specialization	IT, R&D
Average employment	140

Source: ABSL, CBRE, Oxford Economics 2015

Gross salaries in financial sector

Position	Min	Max
Transition Manager	16,000	22,000
Manager	9,500	14,000
Team Leader	7,500	9,000
Senior Accountant	5,500	7,000
Accountant	3,800	5,000
Junior Accountant	2,700	3,700

SSource: Antal, 2015 (PLN/month)

Office stock

8.5% Vacant

41% A-class stock

EXISTING (sq m)	539,000
UNDER CONSTRUCTION (sq m)	84,000
PLANNED BY THE END OF 2017 (sq m)	51,000

Office demand

TAKE UP 2014 (sq m)	66,500
ABSORPTION 2014 (sq m)	67,500
OCCUPIED BY BPO 2014 (in %)	28%

Gross salaries in HR Processes sector

Position	Min	Max
Talent Manager	9,000	12,000
Payroll Manager	8,000	11,000
Benefits Specialist	6,500	9,000
Development Specialist	6,000	8,000
Payroll Specialist	4,800	7,000
HR Administrator	4,000	6,000

Source: Antal, 2015 (PLN/month)

Office rents

PRIME EUR / sq m / month	14.0
AVERAGE EUR / sq m / month	13.5
EFFECTIVE EUR / sq m / month	11.0
PRIME YIELDS %	7.4

Typical lease terms

SERVICE CHARGE PLN / sq m / month	15-19
FIT-OUT BUDGET EUR / sq m	100-150
RENT-FREE months	5-7
PARKING EUR / space / month	45-60

CBRE

Location map

Selected office schemes

Number	Building	Address
1.	Alchemia	Grunwaldzka 363 - 417
2.	Centrum Biurowe Neptun	Grunwaldzka 107 - 109
3.	Olivia Business Center	Grunwaldzka 472
4.	Arkonska Business Park	Arkonska 2 - 6
5.	BCB Business Park	Azymutalna 9
6.	Allcon@Park	Slowackiego 171 - 175
7.	Luzycka Office Park	Luzycka 6
8.	Sienna Grobla (Griffin)	Sienna Grobla
9.	Garnizon Business Park	Grunwaldzka 184 - 188
10.	Office Island	Grunwaldzka 163

Number	Building	Address
11.	Opera Office	Aleja Zwyciestwa 13
12.	Waterside	Dlugie Ogrody 6 - 14
13.	Abrahama Office Building	Abrahama 1a
14.	Centrum Biurowe Hossa	Wladyslawa IV 43
15.	C200 Office	Marynarki Polskiej
16.	Tryton Business House	Jana z Kolna 11
17.	Gdynia Waterfront	Waszyngtona 1
18.	Enter	Slaska 47
19.	Tensor X	Luzycka 8
20.	Pomerania Office	Zabi Kruk 16

Selected BPO / SSC / ITO / KPO / R&D companies

Number	Tenant	Building	Space (sq m)	Sector
1.	Young Digital Planet	Luzycka Plus/Allcon@Park	6,400	BPO
2.	Intel	Allcon@Park	5,750	ITO
3.	Lufthansa Systems	Opera Office	3,500	ITO, SSC
4.	SII	Olivia Business Center	3,450	ITO, BPO
5.	Arla Foods	Centrum Biurowe Neptun	3,400	SSC
6.	Kemira	Alchemia	3,300	SSC
7.	Bayer Service Center	Olivia Business Center	3,100	SSC
8.	Jeppesen Poland	Arkonska Business Park	2,500	ITO, R&D
9.	Metsa Group Services	Opera Office	1,400	BPO
10.	WNS Holding	Luzycka Office Park	1,300	BPO

Poznan

Labour force

Inhabitants	545,700
Students	117,000
Graduates	32,500
Universities	25

Source: GUS, 2015

SSC/BPO sector essentials

Number of companies	38
Employment	8,000
Specialization	Finance and accounting
Average employment	210

Source: ABSL, CBRE, Oxford Economics 2015

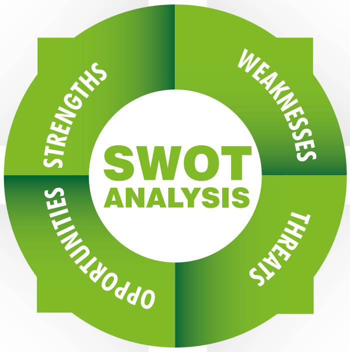
City SWOT analysis

Strengths

- Fifth biggest academic hub in the country and sixth largest agglomeration in Poland
- Good knowledge of German language among graduates
- Convenient location, close to the German border and Warsaw
- Good access to the highway network

Weaknesses

- Relatively high rental level
- Low availability of immediate office stock
- Undefined business districts
- Relatively higher salaries compared to other cities



Opportunities

- Forecasted gradual rental decrease
- Increasing number of leasing options in new planned office buildings

Threats

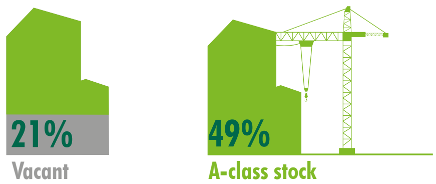
- Growing number of new companies starting their operation in Poznan
- Competition from other cities
- Competition for talent creates a gradual pressure on growing costs of operation

Gross salaries in financial sector

Position	Min	Max
Transition Manager	18,000	25,000
Manager	11,000	15,000
Team Leader	8,500	11,000
Senior Accountant	5,500	7,500
Accountant	4,000	5,500
Junior Accountant	3,200	4,200

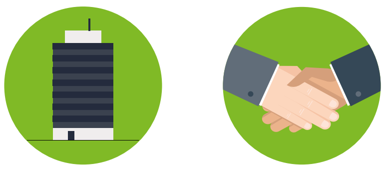
Source: Antal, 2015 (PLN/month)

Office stock



EXISTING (sq m)	376,000
UNDER CONSTRUCTION (sq m)	66,000
PLANNED BY THE END OF 2017 (sq m)	59,000

Office demand



TAKE UP 2014 (sq m)	19,800
ABSORPTION 2014 (sq m)	25,800
OCCUPIED BY BPO 2014 (in %)	28%

Gross salaries in HR processes sector

Position	Min	Max
Talent Manager	8,000	11,000
Payroll Manager	7,500	10,500
Development Specialist	5,500	7,500
Benefits Specialist	5,500	7,500
Payroll Specialist	4,500	6,500
HR Administrator	3,500	5,000

Source: Antal, 2015 (PLN/month)

Office rents

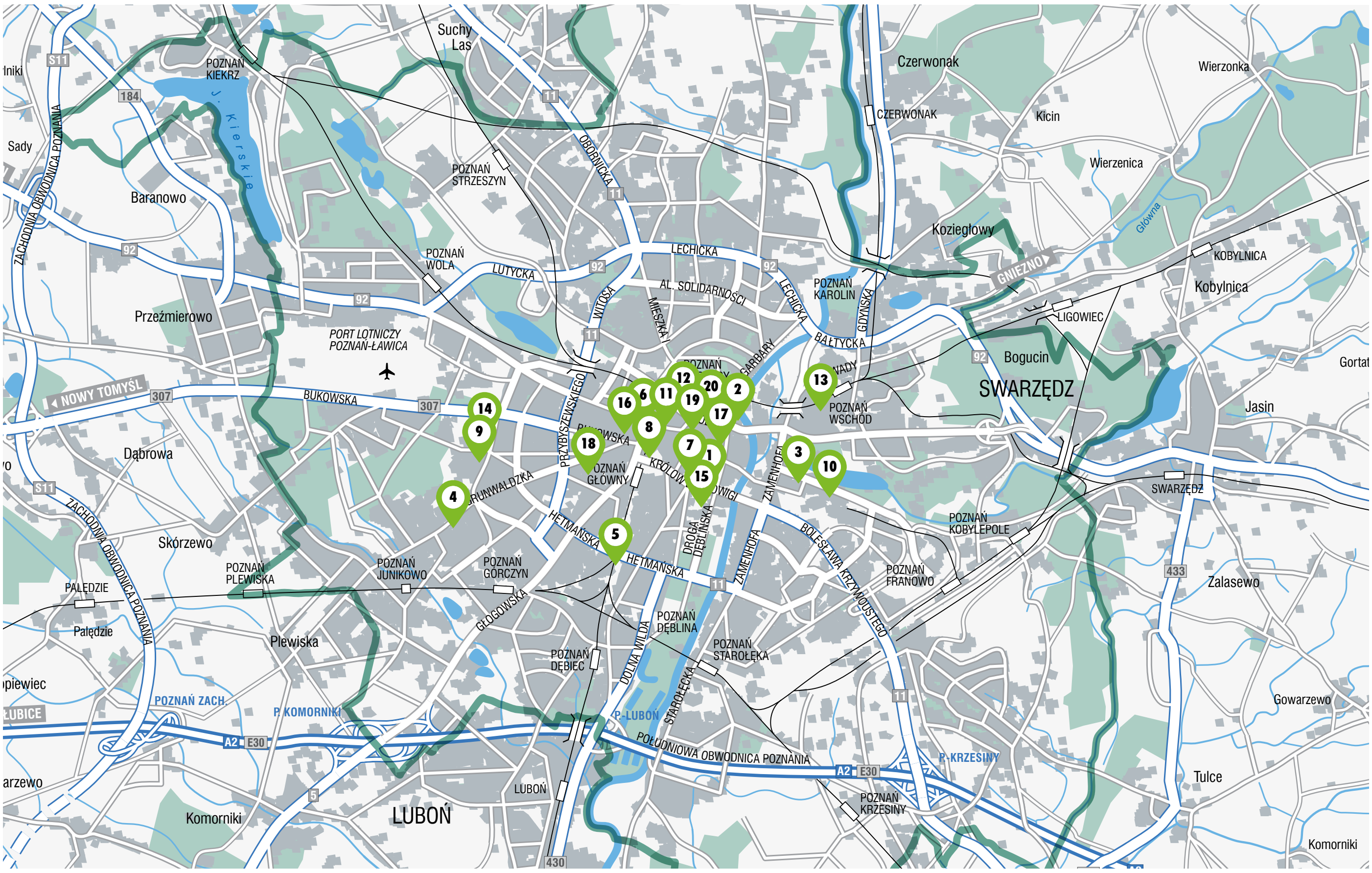
PRIME EUR / sq m / month	14.0
AVERAGE EUR / sq m / month	12.5
AVERAGE EFFECTIVE EUR / sq m / month	10.5
PRIME YIELDS %	7.4

Typical lease terms

SERVICE CHARGE PLN / sq m / month	14-17
FIT-OUT BUDGET EUR / sq m	100-150
RENT-FREE months	5-8
PARKING EUR / space / month	60-70

CBRE

Location map



Selected office schemes

Number	Building	Address
1.	Poznan Financial Centre	Plac Andersa 5
2.	Szyperska Office Center	Szyperska 14
3.	Malta House	Arcybiskupa Baraniaka 6
4.	Pixel	Grunwaldzka 182/196
5.	Skalar Office Center	Gorecka 1
6.	Centrum Biurowe Globis	Roosvelta 18
7.	Andersia Business Center	Plac Andersa 7
8.	Delta House	Towarowa 35/37
9.	PGK Centrum	Marcelinska 90
10.	Malta Office Park	Arcybiskupa Baraniaka 88

Number	Building	Address
11.	Okraglak i Kwadraciak	Mielzynskiego 14
12.	Temida Offices	Mlynska / Solna
13.	Centrum Biurowe Podwale	Malachowskiego 10
14.	Business Garden	Bulgarska / Marcelinska
15.	Maraton (UC)	Krolowej Jadwigi
16.	Baltyk Tower (UC)	Rondo Kaponiera
17.	Biurowiec za Bramka (UC)	Za Bramką
18.	UBIQ Business Park (UC)	Grunwaldzka 34a
19.	Polwiejska 2 (UC)	Polwiejska 2
20.	ONYX	Obornicka 281

Selected BPO / SSC / ITO / KPO / R&D companies

Number	Tenant	Building	Space	Sector
1.	Carlsberg	Nowe Garbary Office Center	8,000	SSC
2.	Franklin Templeton Investment	Andersia Tower	7,800	SSC
3.	Arvato Services	Centrum Biurowe Globis	4,000	BPO
4.	Roche	Malta Office Park	3,200	BPO
5.	IKEA Business Service Center	Malta Office Park	2,800	SSC
6.	McKinsey & Company	Malta Office Park	2,500	SSC
7.	Jeronimo Martins	Kupiec Poznanski	2,200	SSC
8.	Samsung R&D	Malta Office Park	2,000	R&D
9.	Bridgestone	Skalar Office Center	1,800	BPO
10.	Carl Zeiss	Malta Office Park	1,000	BPO

Katowice

Labour force

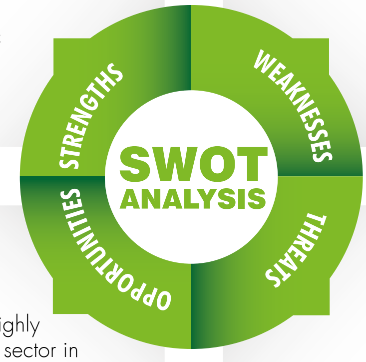
Inhabitants	302,000
Students	54,800
Graduates	16,500
Universities	44

Source: GUS, 2015

City SWOT analysis

Strengths
- Third largest academic hub of Poland
- Second largest agglomeration
- High institutional support for investors
- Stable rental levels
- Highly developed road infrastructure and public transport, international airport

Weaknesses
- Undefined business districts
- Low amount of A class office space
- Limited experience and business networking



Opportunities
- Growing number of office developments
- Possibility to become a satellite location for a highly developed BPO / SSC sector in Krakow

Threats
- Competition from new companies in terms of qualified staff
- Growing cost of operation
- High competition from locations like Rzeszow or Krakow

SSC/BPO sector essentials

Number of companies	63
Employment	10,000
Specialization	IT, Human Resources
Average employment	160

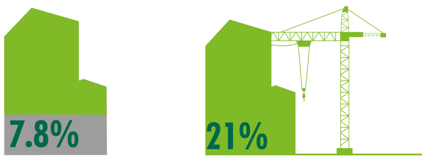
Source: ABSL, CBRE, Oxford Economics 2015

Gross salaries in financial sector

Position	Min	Max
Transition Manager	11,000	18,000
Process Specialist	8,000	10,000
Team Leader	7,000	11,000
Senior Accountant	5,500	7,500
Accountant	3,800	5,500
Junior Accountant	2,800	4,000

Source: Antal, 2015 (PLN/month)

Office stock

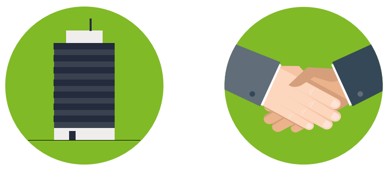


Vacant

Speculative construction

EXISTING (sq m)	380,000
UNDER CONSTRUCTION (sq m)	23,000
PLANNED BY THE END OF 2017 (sq m)	10,000

Office demand



TAKE UP 2014 (sq m)	38,200
ABSORPTION 2014 (sq m)	37,000
OCCUPIED BY BPO 2014 (in %)	36%

Gross salaries in HR processes sector

Position	Min	Max
Payroll Manager	4,500	10,000
Talent Manager	3,500	6,500
Benefits Specialist	3,500	5,500
Development Specialist	3,500	7,000
Payroll Specialist	3,500	6,500
HR Administrator	3,000	6,000

Source: Antal, 2015 (PLN/month)

Office rents

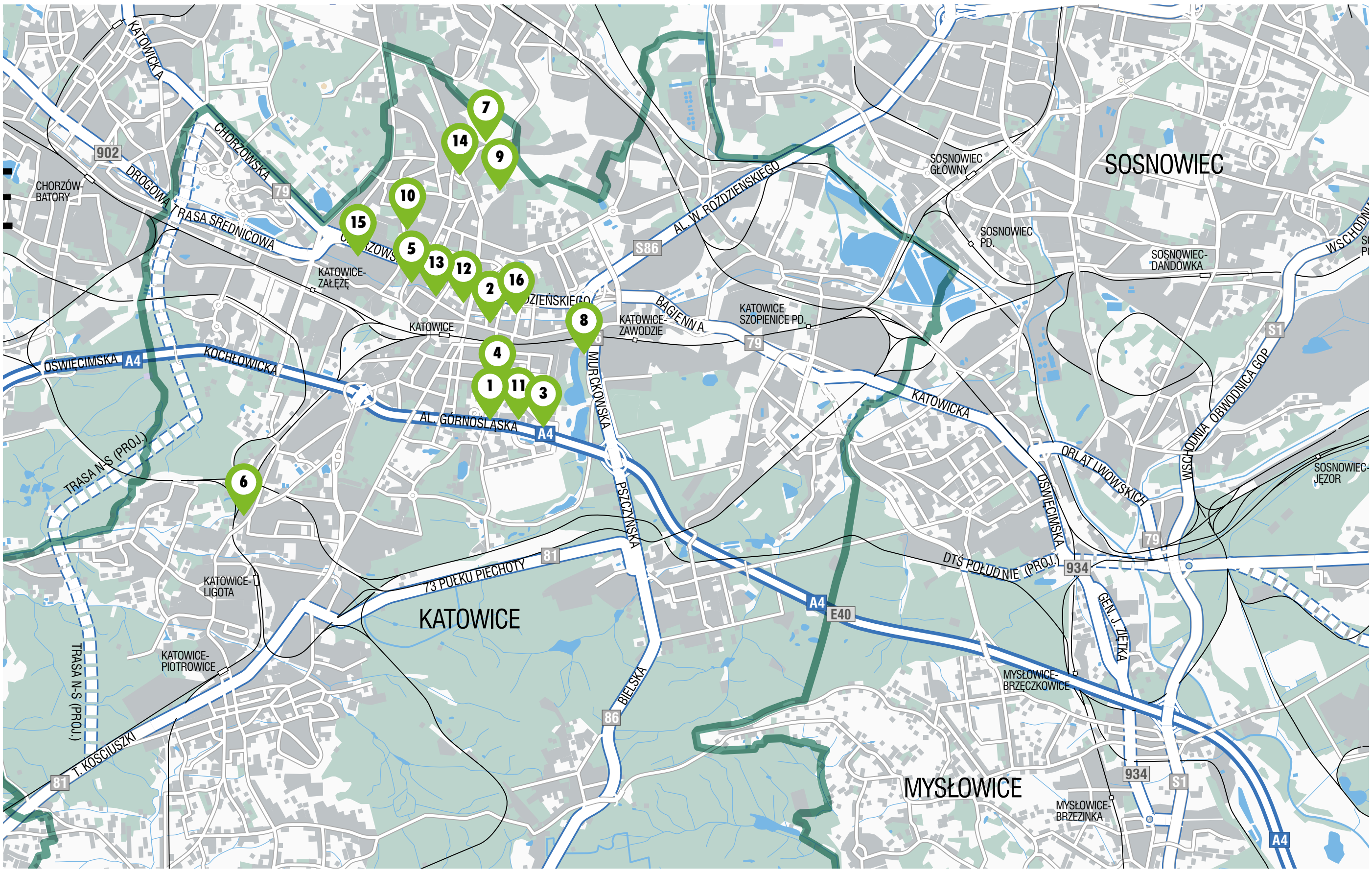
PRIME EUR / sq m / month	13.00
AVERAGE EUR / sq m / month	12.50
AVERAGE EFFECTIVE EUR / sq m / month	10.50

Typical lease terms

SERVICE CHARGE PLN / sq m / month	14-16
FIT-OUT BUDGET EUR / sq m	100-150
RENT-FREE months	7-9
PARKING EUR / space / month	50-65

CBRE

Location map



Selected office schemes

Number	Building	Address
1.	A4 Business Park	Francuska 42
2.	Altus	Uniwersytecka 13
3.	Atrium	Graniczna 27
4.	Centrum Biurowe Francuska	Francuska 34
5.	Dabrowki 16	Dabrowki 16
6.	Euro-Centrum Katowice	Ligocka 103
7.	Goeppert-Mayer	Konduktorska 39
8.	Green Park	Murckowska 20

Number	Building	Address
9.	Jesionowa Business Point	Jesionowa 22
10.	Katowice Business Point	Sciegiennego 3
11.	Millennium Plaza	Sowinskiego 47
12.	Nowe Katowice Centrum Biznesu	Chorzowska 6
13.	Opolska 22 A-F	Opolska 22
14.	Reinhold Center	Korfantego 138
15.	Silesia Business Park	Chorzowska
16.	Silesia Star	Rozdzienskiego 10

Selected BPO / SSC / ITO / KPO / R&D companies

Number	Tenant	Building	Space (sq m)	Sector
1.	IBM	A4 Business Park	9,000	SSC
2.	Unilever	Nowe Katowickie Centrum Biznesu	8,600	SSC
3.	ING Services	GGP Business Park	7,200	SSC
4.	PwC	Silesia Business Park	6,800	BPO
5.	Capgemini	Atrium	6,100	ITO
6.	Mentor Graphics	Chorzowska 50	3,100	SSC
7.	Steria	Altus	2,800	ITO
8.	Rockwell Automotion	Centrum Biurowe Francuska	2,700	SSC
9.	Archidoc	GGP Business Park	2,500	SSC
10.	Grupa Zywiec	Katowice Business Point	2,500	SSC

Lodz

Labour force

Inhabitants	706,000
Students	80,700
Graduates	16,500
Universities	23

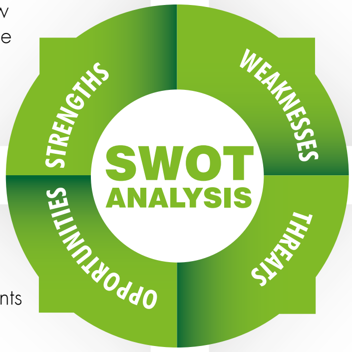
Source: GUS, 2015

SSC/BPO sector essentials

Number of companies	71
Employment	11,000
Specialization	Finance and accounting R&D
Average employment	150

Source: ABSL, CBRE, Oxford Economics 2015

City SWOT analysis



Strengths
- Average salary lower than in other large cities
- Extended institutional support for outsourcing enterprises and activities
- Relatively low rental level
- Location close to Warsaw with a good access to the highway
- International airport

Weaknesses
- Undefined business districts
- Low availability of A+class modern office schemes
- Proximity to Warsaw, draining the labour market

Opportunities
- Improving image of the city thanks to a number of new investors and infrastructure improvements in the city
- Low costs of operations
- Experienced city authorities
- Experienced developers

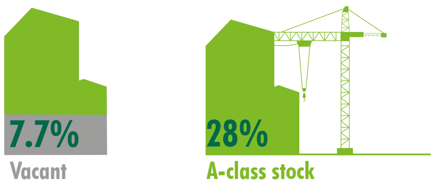
Threats
- Constant outflow of young population
- Availability mostly in the pipeline schemes
- Increasing competition from other emerging cities

Gross salaries in financial sector

Position	Min	Max
Transition Manager	18,000	25,000
Manager	11,000	15,000
Team Leader	8,500	11,000
Senior Accountant	5,500	7,500
Accountant	4,000	5,500
Junior Accountant	3,200	4,200

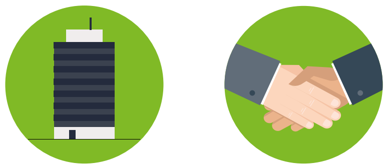
Source: Antal, 2015 (PLN/month)

Office stock



EXISTING (sq m)	320,000
UNDER CONSTRUCTION (sq m)	59,000
PLANNED BY THE END OF 2017 (sq m)	59,000

Office demand



TAKE UP 2014 (sq m)	46,000
ABSORPTION 2014 (sq m)	15,000
OCCUPIED BY BPO 2014 (in %)	43%

Gross salaries in customer service sector

Position	Min	Max
Customer Service Manager	7,500	10,000
Customer Service Team Leader	5,500	7,500
Customer Service Specialist	3,000	4,500
Help Desk Specialist	2,500	3,500

Source: Antal, 2015 (PLN/month)

Office rents

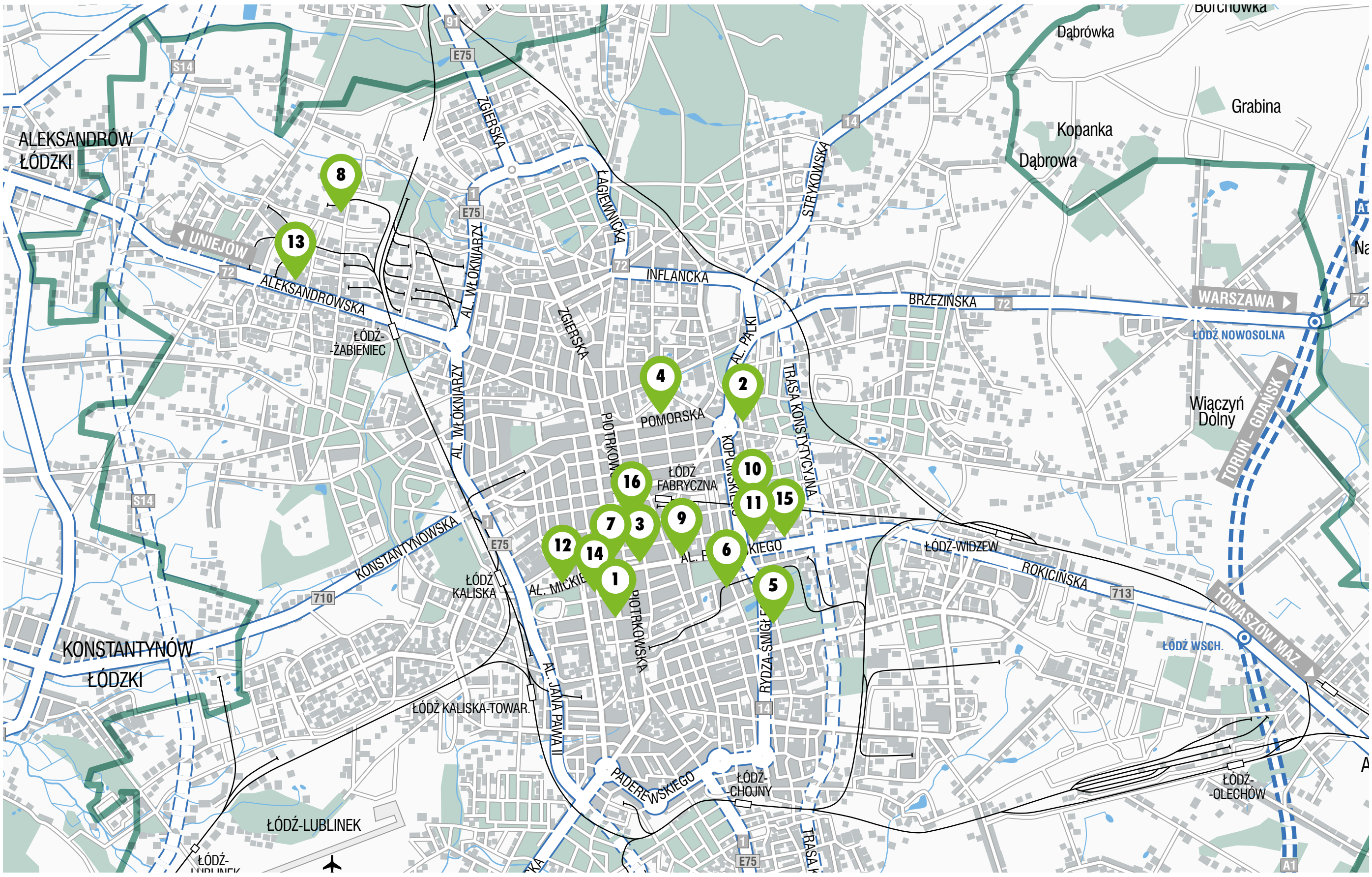
PRIME EUR / sq m / month	12.00
AVERAGE EUR / sq m / month	11.00
AVERAGE EFFECTIVE EUR / sq m / month	9.50

Typical lease terms

SERVICE CHARGE PLN / sq m / month	10-16
FIT-OUT BUDGET EUR / sq m	100-150
RENT-FREE months	6-9
PARKING EUR / space / month	45-65

CBRE

Location map



Selected office schemes

Number	Building	Address
1.	University Business Park	Wolczanska 178
2.	Green Horizon	Pomorska 106
3.	RED Tower	Piotrkowska 148/150
4.	Sterlinga Business Centre	Sterlinga 8a
5.	Cross Point	Rydza Smiglego 20
6.	Textorial Park	Fabryczna 17
7.	Orion	Sienkiewicza 85 / 87
8.	Park Biznesu Teofilow	Traktorowa 141 / 143
9.	Centrum Targowa 35	Dobrowczykow 32 / 34
10.	Aviator	Kopcinskiego 56
11.	Forum 76	Pilsudskiego 76
12.	MediaHub	Lakowa 29
13.	Alexander Plaza	Aleksandrowska 67 / 93
14.	Synergia	Kosciuszki 103
15.	Aurus	Pilsudskiego 86
16.	Avangarda Center	Dowborczykow 18

Selected BPO / SSC / ITO / KPO / R&D companies

Number	Tenant	Building	Space (sq m)	Sector
1.	Infosys BPO Poland	Green Horizon	21,000	BPO
2.	Nordea	Cross Point	6,000	SSC
3.	Fujitsu Services	Textorial Park	3,700	BPO
4.	Samsung R&D	University Business Center	3,500	R&D
5.	DHL Express	Centrum Targowa 36	3,000	SSC
6.	Atos Origin	Gdanska 47	3,000	SSC
7.	SouthWestern BPS Poland	Green Horizon	2,100	BPO
8.	Citi Handlowy	University Business Center	2,000	BPO
9.	Accenture	University Busiens Center	1,700	BPO
10.	Hewlett-Packard	University Business Center	1,500	BPO

Szczecin

Labour force

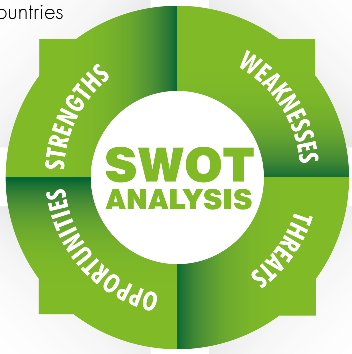
Inhabitants	407,200
Students	42,100
Graduates	10,900
Universities	19

Source: GUS,2015

City SWOT analysis

- Relatively low average salary
- Relatively high availability of immediate leasing options
- Attractive and stable rental level
- Close proximity to the German border and ferries to Skandinavian countries
- International airports in Goleniow and Berlin

- Undefined business districts
- Weak rail and road connection with Warsaw
- Relatively long distance from southern Poland (Krakow, Wroclaw)
- Short history of BPO / SSC sector in the city



- Growing institutional support for outsourcing sector
- Large number of planned office developments
- Recognized location by Scandinavian investors
- Possibility to become a secondary choice for the Tricity region

- Constant outflow of young population
- Competition from much experienced and larger cities
- Only 46% of the stock is of A-class, of which only around 15,000 sq m is vacant

SSC/BPO sector essentials

Number of companies	23
Employment	5,000
Specialization	Finance and accounting Call Centre
Average employment	220

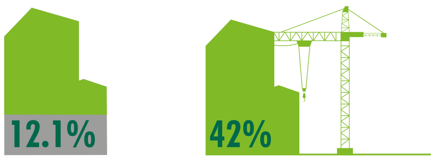
Source: ABSL, CBRE, Oxford Economics 2015

Salaries in financial sector

Position	Min	Max
Transition Manager	15,000	18,000
Business Improvement Manager	10,000	12,000
Manager	9,500	12,000
Process Improvement Specialist	8,000	10,000
Team Leader	6,500	8,500
Senior Accountant	5,000	6,000
Accountant	4,000	5,000
Junior Accountant	3,000	3,800

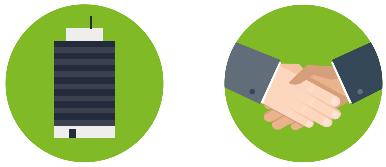
Source: Antal, 2015 (PLN/month)

Office stock



EXISTING (sq m)	175,000
UNDER CONSTRUCTION (sq m)	2,300
PLANNED BY THE END OF 2017 (sq m)	27,000

Office demand



TAKE UP 2014 (sq m)	15,000
ABSORPTION 2014 (sq m)	16,400
OCCUPIED BY BPO 2014 (in %)	35%

Office rents

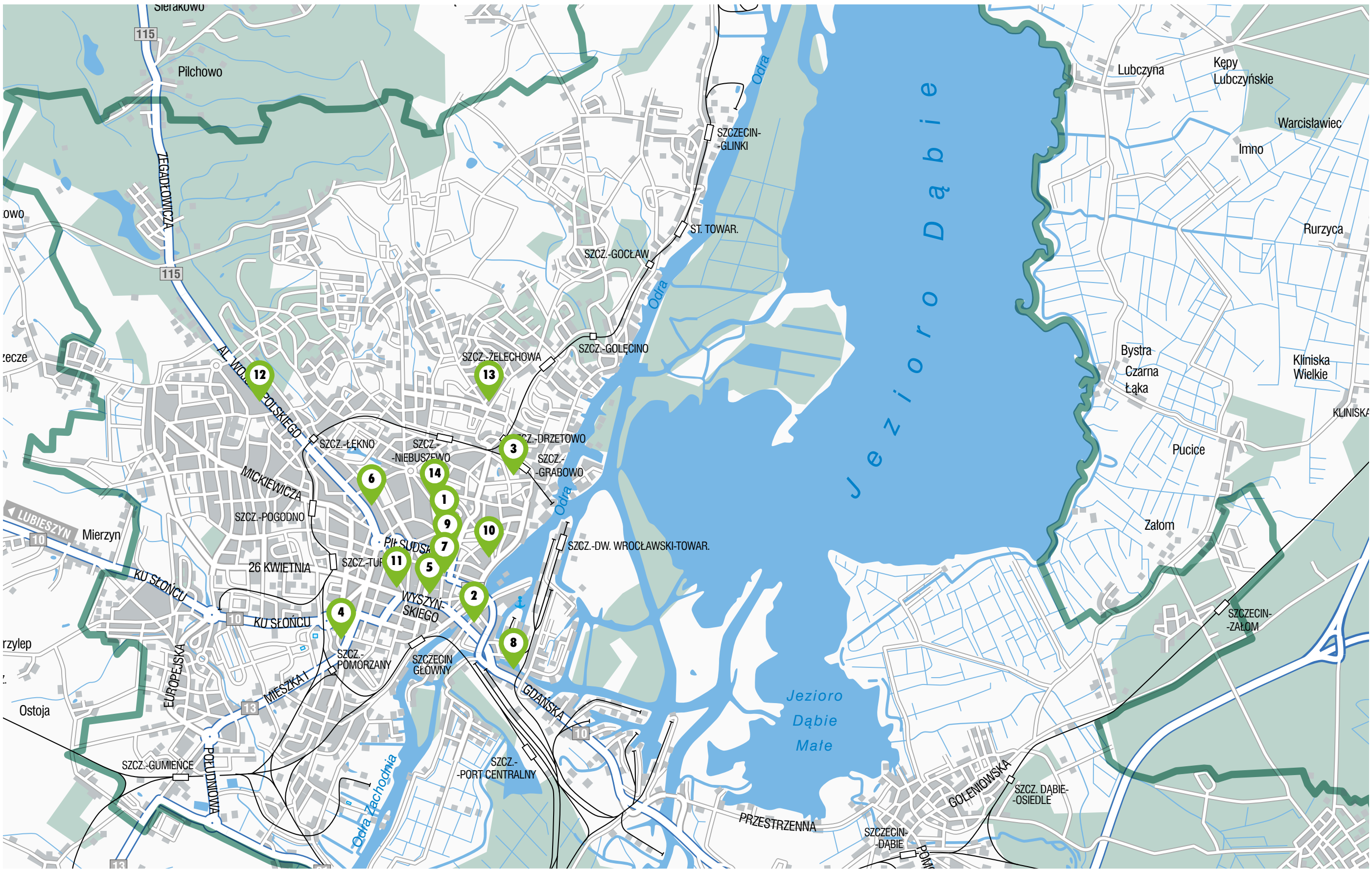
PRIME EUR / sq m / month	12.0
AVERAGE EUR / sq m / month	10.5
AVERAGE EFFECTIVE EUR / sq m / month	10.0
PRIME YIELDS %	7.4

Typical lease terms

SERVICE CHARGE PLN / sq m / month	10-16
FIT-OUT BUDGET EUR / sq m	100-150
RENT-FREE months	4-6
PARKING EUR / space / month	30-50

CBRE

Location map



Selected office schemes

Number	Building	Address
1.	Oxygen	Malczewskiego 22
2.	LaStadia Office	Zbozowa 4
3.	Baltic Business Park	1 Maja 38/39
4.	Piastow Office Centre	Piastow 30
5.	Brama Portowa	Brama Portowa 1
6.	Buchalter	Wojska Polskiego 83
7.	Centrum Biurowe Maris	Holdu Pruskiego 9

Number	Building	Address
8.	Szczecin Odra Park (PL)	Gdanska
9.	PAZIM	Rodla 8
10.	Storrady Park Offices (UC)	Storrady 3
11.	Kosmos Art & Business Center (UC)	Wojska Polskiego 6
12.	Fabryka MS Polmo (PL)	Wojska Polskiego 184
13.	Centrum Biznesowe Wilcza	Bandurskiego 1
14.	Hanza Tower (PL)	Wyzwolenia 50

Selected BPO / SSC / ITO / KPO / R&D companies

Number	Tenant	Building	Space (sq m)	Sector
1.	Unicredit	Baltic Business Park	7,000	SSC
2.	Tieto Poland	Oxygen	6,800	ITO
3.	Stream International	Pentagon	2,300	SSC
4.	Arvato Poland	Piastow Office Center	2,000	BPO
5.	BL Stream	Centrum Biurowe Maris	1,850	ITO
6.	Genpact	Brama Portowa I	1,700	BPO
7.	BrightOne	Oxygen	1,500	ITO
8.	Coloplast	Oxygen	950	SSC
9.	Gemalion	Centrum Biurowe Maris	est. 850	ITO
10.	Mobica Limited	Centrum Biurowe Maris	400	ITO

Lublin

Labour force

Inhabitants	341,700
Students	69,700
Graduates	20,500
Universities	9

Source: GUS, 2015

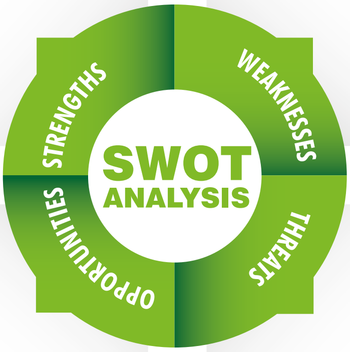
City SWOT analysis

Strengths

- Strong academic hub for Eastern Poland
- Relatively low salaries and lease rents
- Institutional support for BPO / SSC companies from governmental and local authorities
- Proximity to Warsaw and international airport

Weaknesses

- Undefined business districts
- Lack of access to highway
- Low availability of A-class office space
- Relatively long distance from southern Poland (Krakow, Wroclaw)
- Low number of BPO/SSC investors



Opportunities

- Improving infrastructure - express road to Warsaw under construction
- Low costs of operations
- A number of new office buildings in the pipeline
- Strong support for the Eastern Poland
- BPO / SSC sector to expand in tertiary cities

Threats

- Constant outflow of young population
- Availability mostly in the pipeline buildings
- Limited experience of local authorities in terms of BPO sector

SSC/BPO sector essentials

Number of companies	18
Employment	5,000
Specialization	Finance and accounting Call Centre

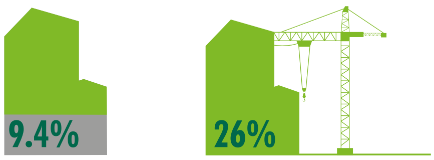
Source: ABSL, CBRE, Oxford Economics 2015

Gross salaries in financial sector

Position	Min	Max
Senior Accountant	4,000	5,000
Accountant	3,000	3,500
Junior Accountant	2,500	3,000

Source: Antal, 2015 (PLN/month)

Office stock

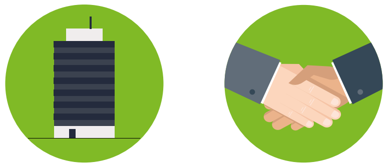


Vacant

A-class stock

EXISTING (sq m)	154,000
UNDER CONSTRUCTION (sq m)	2,000
PLANNED BY THE END OF 2017 (sq m)	21,000

Office demand



TAKE UP 2014 (sq m)	6,000
ABSORPTION 2014 (sq m)	20,300
OCCUPIED BY BPO 2014 (in %)	39%

Gross salaries in HR processes sector

Position	Min	Max
Payroll Manager	4,000	7,500
Talent Manager	3,000	5,500
Payroll Specialist	3,000	5,500
Development Specialist	3,000	6,000
Benefits Specialist	3,000	5,000
HR Administrator	2,500	5,000

Source: Antal, 2015 (PLN/month)

Office rents

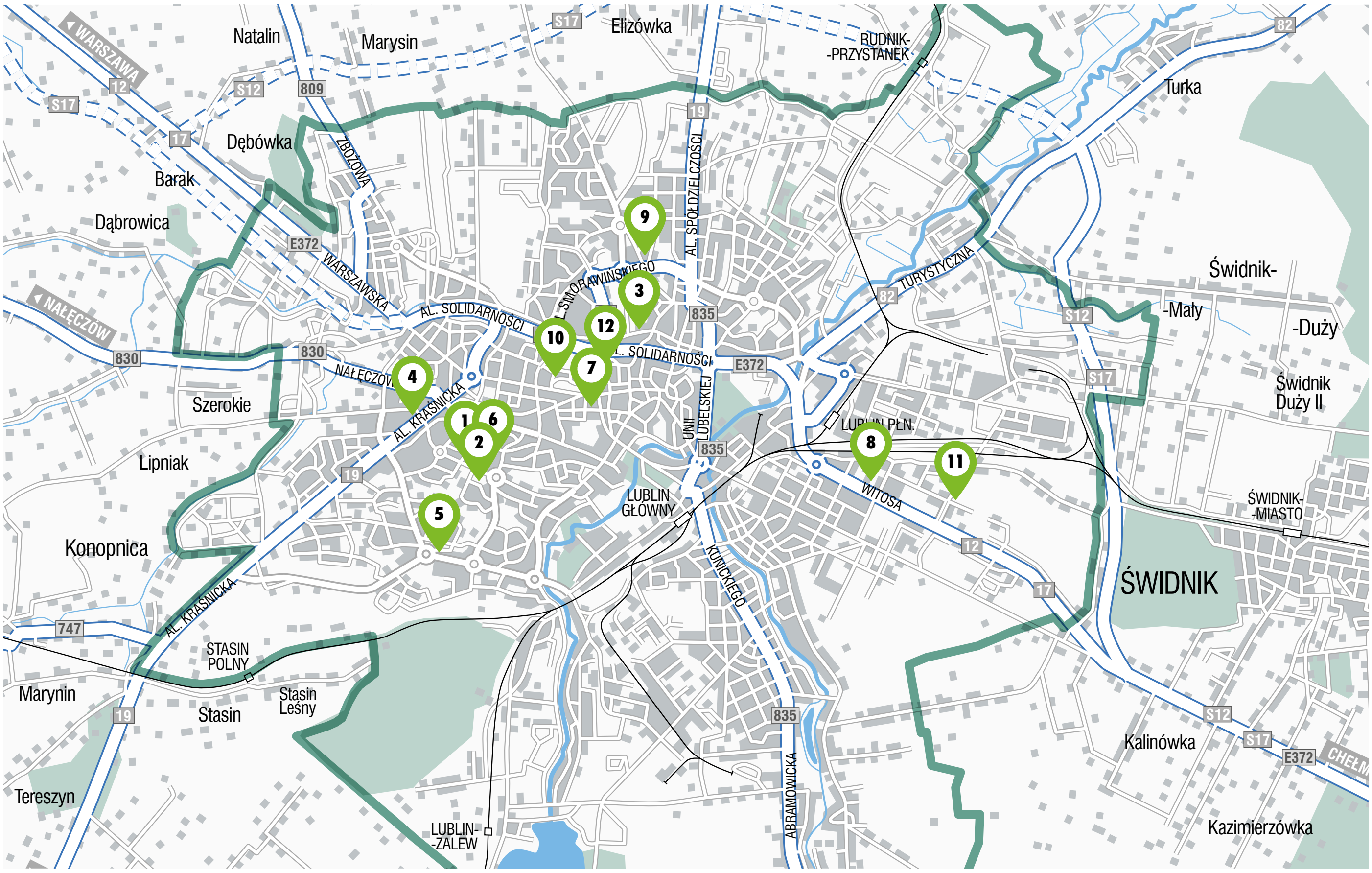
PRIME EUR / sq m / month	10.50
AVERAGE EUR / sq m / month	10.50
AVERAGE EFFECTIVE EUR / sq m / month	8.50

Typical lease terms

SERVICE CHARGE PLN / sq m / month	10-12
FIT-OUT BUDGET EUR / sq m	50-100
RENT-FREE months	4-6
PARKING EUR / space / month	30-50

CBRE

Location map



Selected office schemes

Number	Building	Address
1.	Grey Office Park	Zana 32a
2.	Centrum Zana	Zana 39
3.	Nord Park	Szeligowskiego 6/8
4.	Batory	Krasnicka 31
5.	JPBC Business Center	Jana Pawla II 17
6.	Zana Office	Wallenroda 2

Number	Building	Address
7.	Rupes	Zwirki i Wigury 1/3
8.	Witosa I & II	Witosa 16/18a
9.	Centrum Biurowe Kaskada	Chodzki 27
10.	Centrum Park Offices	Leszczynskiego
11.	Wikana Business Park	Felin / Grygowej
12.	SOUL Lublin	Szeligowskiego

Selected BPO / SSC / ITO / KPO / R&D companies

	Tenant	Building	Space (sq m)	Sector
1.	Proama	Nord Park	2,500	BPO
2.	Genpact Poland	Witosa II	2,200	BPO
3.	Orange Customer Service	Chodzki	6,000	Call Centre/ SSC
4.	PKO BP	various locations	est. 5,000	BPO
5.	RTV EURO AGD	JPBC Business Center	1,000	BPO
6.	SII	Nord Park	est. 500	ITO
7.	Convergys	Nord Park	n/a	Call Centre/BPO

Rzeszow

Labour force

Inhabitants	185,100
Students	45,800
Graduates	15,100
Universities	4

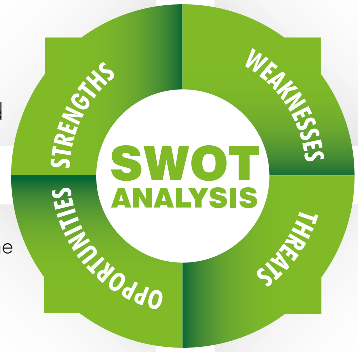
Source: GUS, 2015

SSC/BPO sector essentials

Number of companies	18
Employment	3,000
Specialization	Finance and accounting Call Centre
Average employment	170

Source: ABSL, CBRE, Oxford Economics 2015

City SWOT analysis



Strengths

- High number of students and established cooperation between business, city and universities
- Relatively low costs of lease, operation & salaries
- Highly developed aircraft industry
- Good road connection with the A4 highway - rapid access to southern Poland and Ukraine and international airport

Weaknesses

- Unrecognized location among BPO/ SSC investors
- Low availability of A-class office space
- Undefined business districts
- Relatively long railway and road travel time to Warsaw

Opportunities

- Institutional support for the Eastern Poland
- Visible tendency of BPO sector from Krakow to consider opening premises in smaller cities
- Convenient location for companies cooperating with Ukraine
- New A class office developments to be delivered this year

Threats

- Unexperienced local authority in terms of BPO / SSC sector
- Constant outflow of young population
- Availability mostly in the pipeline buildings
- Relatively low number of planned A-class schemes

Gross salaries in customer service sector

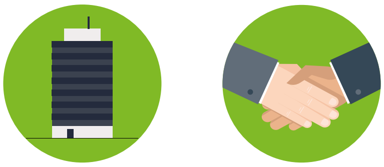
Position	Min	Max
Customer Service Specialist	2,300	4,100
Help Desk Specialist	2,200	4,000

Source: Antal, 2015 (PLN/month)

Office stock

EXISTING (sq m)	75,300
UNDER CONSTRUCTION (sq m)	28,600
PLANNED BY THE END OF 2017 (sq m)	25,000

Office demand



TAKE UP 2014 (sq m)	8,000
ABSORPTION 2014 (sq m)	6,000
OCCUPIED BY BPO 2014 (in %)	25%

Office rents

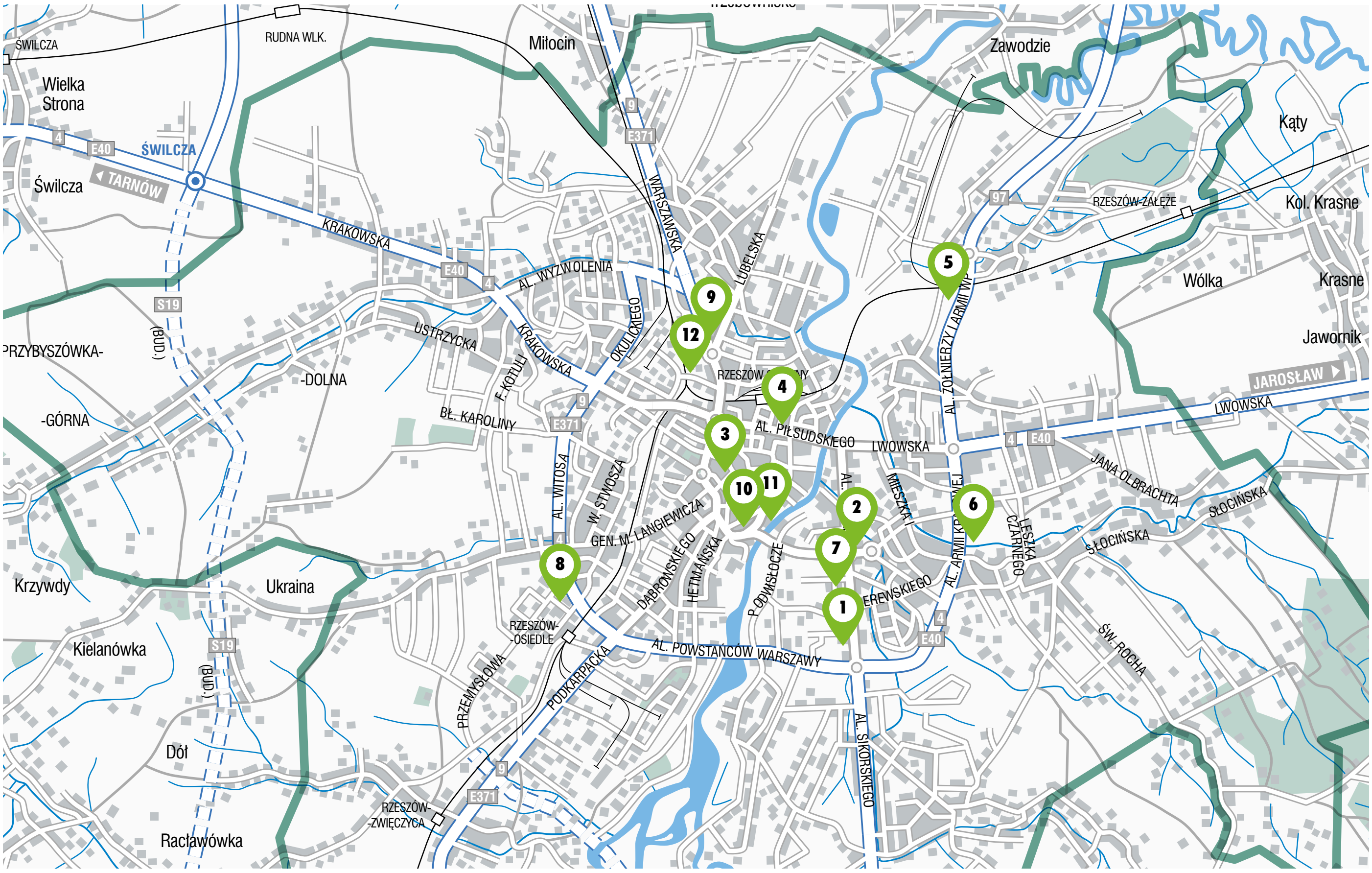
PRIME EUR / sq m / month	12.00
AVERAGE EUR / sq m / month	10.00
AVERAGE EFFECTIVE EUR / sq m / month	9.00

Typical lease terms

SERVICE CHARGE PLN / sq m / month	10-12
FIT-OUT BUDGET EUR / sq m	50-100
RENT-FREE months	4-6
PARKING EUR / space / month	30-50

CBRE

Location map



Selected office schemes

Number	Building	Address
1.	Conres	Rejtana 36
2.	Capital Park	Rejtana 23
3.	Pasaz Rzeszow	Slowackiego 16
4.	Center Park	Kolejowa 1
5.	Asseco HQ	Olchowa 14
6.	Centrum 2000	Armii Krajowej 80

Number	Building	Address
7.	Karowa Office	Rejtana 20
8.	Przemyslowa I	Przemyslowa 1
9.	SkyRes (UC)	Warszawska 18
10.	Olszynki Park (PL)	Warszawska / Lubelska
11.	Capital Towers (PL)	Pilsudskiego 32
12.	Konopnickiej Business Park (PL)	Konopnickiej

Selected BPO / SSC / ITO / KPO / R&D companies

Number	Tenant	Building	Space (sq m)	Sector
1.	Asseco Poland	Olchowa 14	est. 10,000	ITO
2.	Soft System	Leszka Czarnego 6a	est. 3,000	Call Centre
3.	Carlson Wagonlit Travel	Conres, Rejtana 38	est. 2,100	Call Centre/BPO
4.	Hamilton Sundstrand	Hetmanska 120	est. 1,200	R&D
5.	Mobica	Slowackiego 20	est. 1,200	BPO/ITO
6.	ACP Pharma	Hanasiewicza 17a	est. 1,000	BPO
7.	Contact Point	Hanasiewicza 10	est. 800	Call Centre/BPO
8.	Pratt&Whitney	Hetmanska 120	est. 800	SSC/ R&D

Bydgoszcz

Labour force

Inhabitants	357,700
Students	34,600
Graduates	10,400
Universities	8

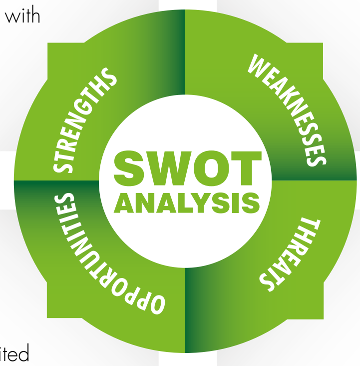
Source: GUS, 2015

SSC/BPO sector essentials

Number of companies	39
Employment	5,000
Specialization	Call centre, Finance & Accounting
Average employment	140

Source: ABSL, CBRE, Oxford Economics 2015

City SWOT analysis



Strengths

- Together with Torun, the agglomeration is inhabited by nearly 600,000 people
- Relatively low salaries and office rents
- Institutional support for BPO/SSC companies from local authorities
- Good road connections with the A1 highway, central location in the country

Weaknesses

- Lack of A-class office space suitable for large tenants
- Undefined business districts
- Lack of established reputation of the city as SSC/BPO location

Opportunities

- BPO/SSC sector expanding in smaller cities
- Low saturation of the employment market, limited competition from other employers
- Long history of some large centres (Atos Origin, Alcatel) in the city
- Interesting city in terms of culture and business environment, investments in infrastructure

Threats

- Constant outflow of young population
- Availability mostly in the pipeline buildings
- Low number of planned A-class office schemes

Gross salaries in customer service sector

Position	Min	Max
Customer Service Specialist	2,500	4,400
Help Desk Specialist	2,300	4,000

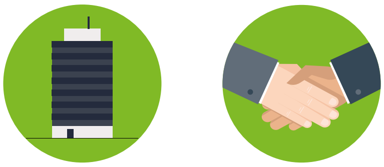
Source: Antal, 2015 (PLN/month)

Office stock

Vacant
A-class stock

EXISTING (sq m)	54,000
UNDER CONSTRUCTION (sq m)	10,000
PLANNED BY THE END OF 2017 (sq m)	15,000

Office demand



TAKE UP 2014 (sq m)	10,000
ABSORPTION 2014 (sq m)	7,000
OCCUPIED BY BPO 2014 (in %)	45%

Office rents

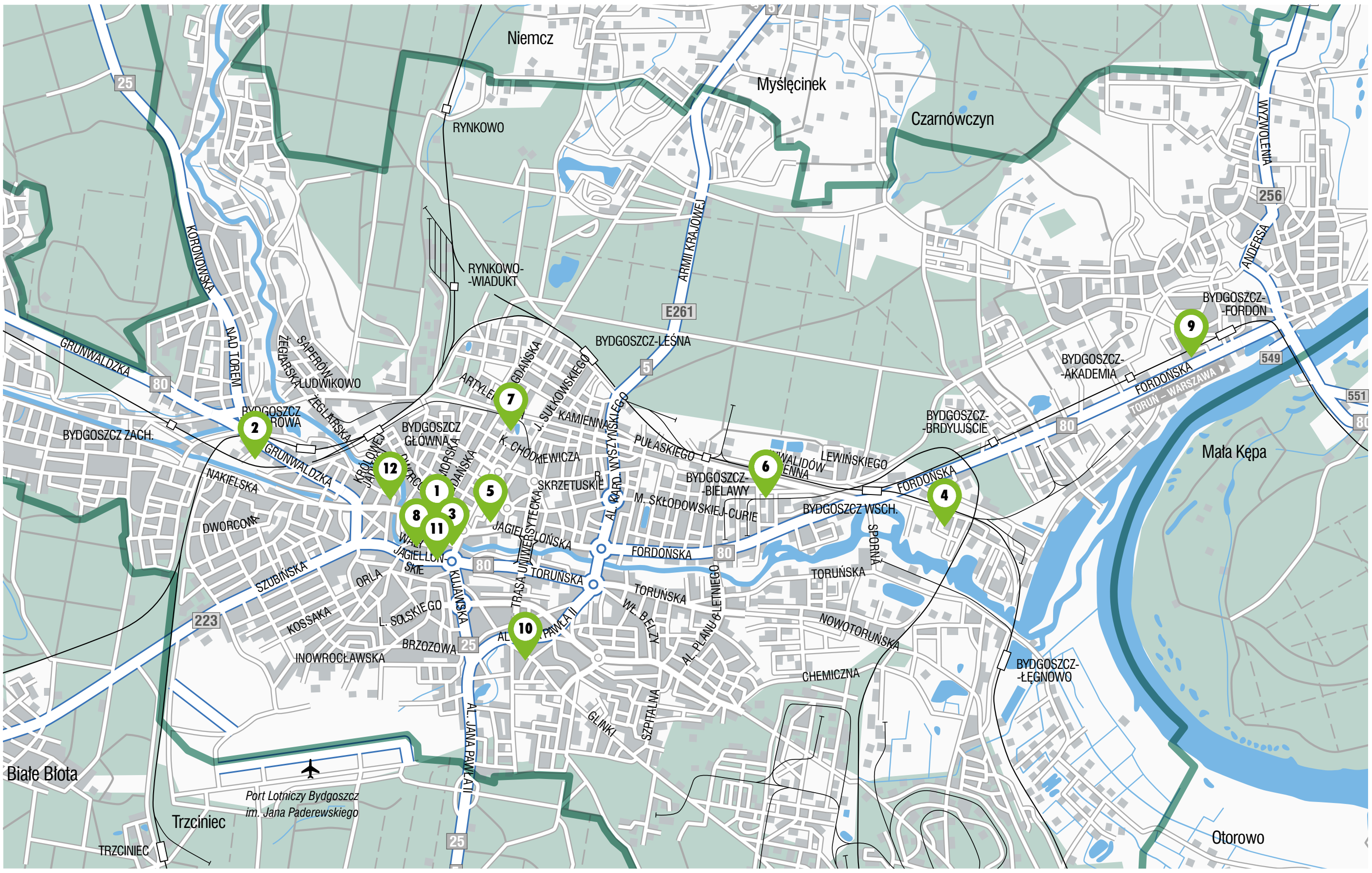
PRIME EUR / sq m / month	10.00
AVERAGE EUR / sq m / month	9.00
AVERAGE EFFECTIVE EUR / sq m / month	8.50

Typical lease terms

SERVICE CHARGE PLN / sq m / month	10-12
FIT-OUT BUDGET EUR / sq m	50-100
RENT-FREE months	4-6
PARKING EUR / space / month	30-50

CBRE

Location map



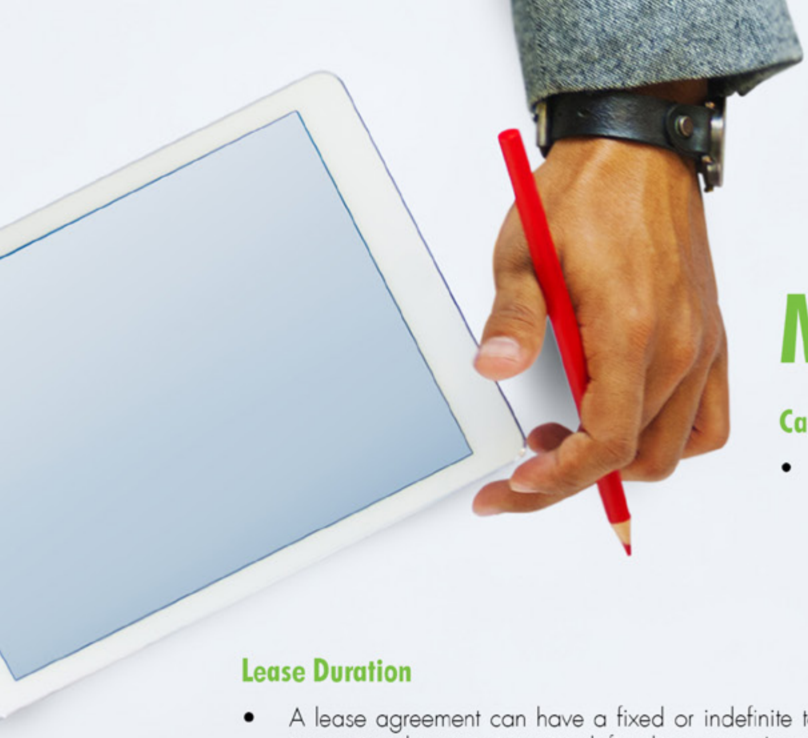
Selected office schemes

Number	Building	Address
1.	Bank PeKaO SA	Plac Teatralny 4
2.	Biznes Park Kraszewskiego	Kraszewskiego 1
3.	BRE Bank	Grodzka 17
4.	Bydgoskie Centrum Biznesu	Przemyslowa 8
5.	Citibank Handlowy	Jagiellonska 21
6.	Dan House	Towarowa 36

Number	Building	Address
7.	Gdanska 128	Gdanska 128
8.	Mostowa 2	Mostowa 2
9.	Rosegg Business Center (PL)	Fordonska 393
10.	ML Office	Cmentarna 2
11.	Makrum Office (PL)	Plac Koscieliskich 4
12.	Nordic Haven (PL)	Grottgera 4

Selected BPO / SSC / ITO / KPO / R&D companies

Number	Tenant	Building	Space (sq m)	Sector
1.	Alcatel-Lucent Polska	Pilicka 6	est. 4,500	ITO
2.	Asseco Poland	Lenartowicza 33/35	est 3,000	ITO
3.	Bank Pocztowy	Jagiellonksa 17	est. 2,000	SSC
4.	Atos Origin	Biznes Park Kraszewskiego	est. 2,000	ITO
5.	Mobica	Danhouse	1,200	ITO
6.	Genesys	Danhouse	340	BPO



Market Practice

Car Parking

- The tenant pays extra for parking. The fee for a parking space can be EUR 50–200 per month. Parking spacesare allocated according to a parking ratio, usually: one space per 90–100 sq m in the Central Business District; one space per 70 sq m in the City Centre, and one space per 25–30 sq m (with one per 50 sq m acceptable depending on local public transportation) in non-central areas.

Lease Duration

- A lease agreement can have a fixed or indefinite term. The most common type of lease agreement for domestic and international tenants is a standafixed-term one. In new office buildings it usually ranges from 3–7 years. The maximum office lease length for companies under Polish law is 30 years. Leases entered into for an indefinite period of time may be terminated by either party upon an agreed termination notice, or, in the absence of the respective contractual provision, upon statutory notice (usually three months).
- Lease signed for the indefinite term may either be terminated in accordance with the conditions stated in the lease or in case there are no such conditions, with 3 months notice (for leases where rent is paid by monthly installments) The termination is effective at the end of calendar month.
- Renewal - fixed term leases may incorporate an automatic renewal clause that requires 6–12 months' notice for termination or an usual renewa option dependent on the intention of the parties.
- Termination - Options to terminate are more common in fixed-term leases over 10 years, although shorter leases sometimes include a break option, which allows the tenant to end the lease with a cancellation penalty.

Transaction Costs

Agency Fees

New Lease: between 12–16% of annual rent paid by landlord or tenant

Renewal: 8.33%–15% paid by tenant

Sublease: 8.33% paid by tenant or subtenant

Other transaction costs

Legal Fee: The landlord's lawyers usually prepare the lease agreement. Each party pays its own lawyers.

Notary fees: Optional Cost, applies to acquisition of property

Registration Duty: Optional Cost, applies to acquisition of property

Other terms

- Standard Lease Contract - Standard leases are triple net leases (operational costs, insurance and taxes paid by tenant).
- Right to Sublet - Subleasing is subject to the landlord's written consent and sometimes restricted
- Option to Expand - Negotiable.

- Late Delivery by Landlord - If a landlord delivers the premises late, a tenant pays no rent for the duration of delay, and can terminate the agreement if agreed in the contract.
- Holdover by Tenant - The tenant pays a penalty, negotiated and stipulated in the contract, typically 100–200% of rent for every day of delay.
- Signage and Naming of Building - Signage costs depend on the landlord's policy, and can be free of charge.

Market Definitions

Prime Rent

Represents the top open-market tier of rent that could be expected for a unit of standard size (commensurate with demand in each location), of the highest quality and specification and in the best location in a market at the survey date. The Prime Rent should reflect the level at which relevant transactions are being completed in the market at the time, but need not be exactly identical to any of them, particularly if deal flow is very limited or made up of unusual one-off deals. If there are no relevant transactions during the survey period, the quoted figure will be more hypothetical, based on an expert opinion of market conditions.

Take-up / Total Leasing Activity (TLA)

Represents the total floor space, including renewals, known to have been let or pre-let, sold or pre-sold to tenants or owner-occupiers during the survey period.

Vacant Space Rate

Represents the percentage ratio of total Vacant Space to Stock.

Total Stock

Represents the total completed space (occupied and vacant) in the private and public sector at the survey date. Includes owner occupied (OO) space.

Prime Yield

Represents the yield that an investor would receive when acquiring a grade/class A building in a prime location (for offices in the CBD, for example), which is fully let at current market value rents. Prime Yield should reflect the level at which relevant transactions are being completed in the market at the time but need not be exactly identical to any of them, particularly if deal flow is very limited or made up of unusual one-off deals. If there are no relevant transactions during the survey period a hypothetical yield should be quoted, and is not a calculation based on particular transactions, but it is an expert opinion formed in the light of market conditions, but the same criteria on building location and specification still apply.

Business Process Outsourcing (BPO)

Specialized organizations that provide specific business functions (or processes), usually non-production ones to third parties.

Shared Service Centre (SSC)

Separated part of an enterprise that provides a service to an organization or group where that service had previously been found in more than one part of the organization or group. The funding and resourcing of the service is shared and the providing department effectively becomes an internal service provider.

Knowledge Process Outsourcing (KPO)

Form of outsourcing, in which knowledge-related and information-related work is carried out by workers in a different company or by a subsidiary of the same organization, which may be in the same country or in an offshore location to save cost. This typically involves high-value work carried out by highly skilled staff.

Information Technology Outsourcing (ITO)

Organizations that provide outsourcing of IT services to other companies.

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Source: CBRE, Oxford Economics, GfK, KRF, PKRF