



REPORT

Savills Research

Służewiec 2019



Introduction

The metamorphosis of Służewiec is entering its final stage.



Daniel Czarnecki

Head of Landlord Representation,
Office Agency, Savills

Służewiec is one of the most important areas of Warsaw. Today this location houses not only thousands of workplaces, but also a growing number of residents who decided to call this place home.

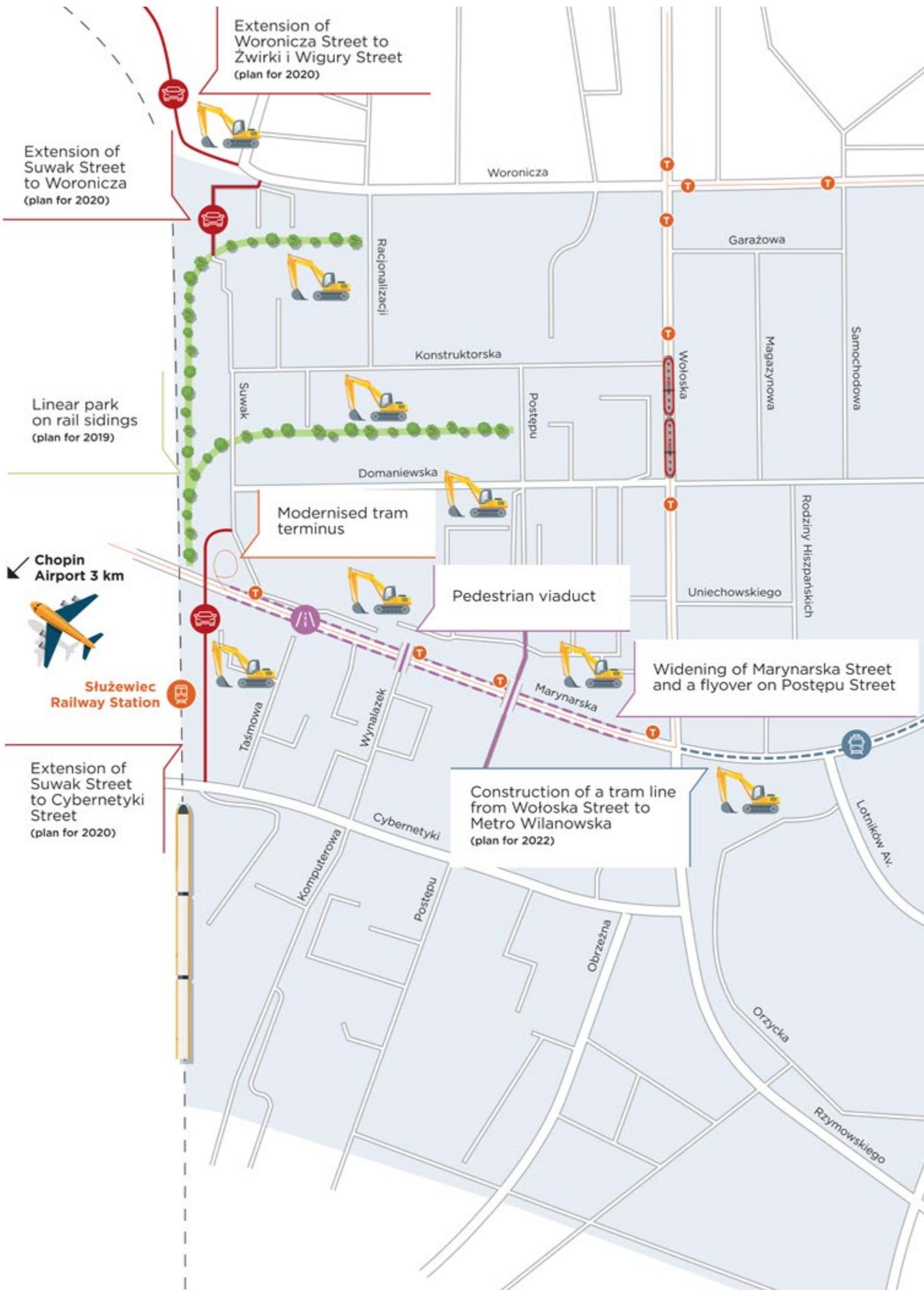
There were nearly 8,000 flats built by 2018, and according to estimates this number will increase to 12,000 by 2020. Służewiec is changing before our eyes – new hotel investments, relaxation zones, richer food and drink offer, the first

coliving space in Poland – all this makes Służewiec not just a place for professional activity, but also for life after work. This is related to the long-awaited improvement of road infrastructure.

As a consulting firm active in Służewiec, we can see it changing from a typical business monoculture into a multifunctional and attractive place.

The scale of these changes prompted us to reanalyze this area, which is one of the most dynamically developing regions in Warsaw.

Two years ago we witnessed the beginning of the metamorphosis of Służewiec. Today we are convinced that it is a great place to #live #reside #work.



Extension of
Woronicza Street to
Żwirki i Wigury Street
(plan for 2020)

Extension of
Suwak Street to
Woronicza
(plan for 2020)

Linear park
on rail sidings
(plan for 2019)

Chopin
Airport 3 km



Służewiec
Railway Station



Extension of
Suwak Street to
Cybernetyki
Street
(plan for 2020)

Modernised tram
terminus

Pedestrian viaduct

Widening of Marynarska Street
and a flyover on Postępu Street

Construction of a tram line
from Wołoska Street to
Metro Wilanowska
(plan for 2022)



Infrastructure changes in Służewiec

Communication is one of the greatest challenges for Służewiec. After many months of intense road works, an enormous transformation finally took place.

Marynarska Street, extended to three lanes in every direction, is now the main artery of the district. The viaduct over Postępu Street, which is already available for use, reduced traffic in Domaniewska Street. The extension of Suwak Street to Cybernetyki Street and the plans to build a tram line leading to Metro Wilanowska – all this shows that Służewiec is back in the game. After a period during which tenants sought alternative locations, this area regained their interest and is now taken into account during relocations.

Our map of road investments shows the scale of the changes – those we can already benefit from and those that will be implemented soon. The completion of works in Marynarska Street may suggest that one of the greatest problems of Służewiec can in fact be solved.

Office market

Służewiec, offering more than 20% of Warsaw’s total stock of modern office space, despite the challenges associated with transport, still remains highly attractive to tenants.



Wioleta Wojtczak
Head of Research, Savills



Agnieszka Giermakowska
Senior Consultant at the Research Department, Savills

The current total modern office stock in Służewiec, over 1.1 million sq m, is located in approximately 80 office buildings. For many years it was the largest office subzone in Warsaw. It was not until 2015 that it was overtaken by the City Centre.

The activity of developers in Służewiec is highly volatile and, one might say, “seasonal” – strongly dependent on the demand on the part of tenants. The growing popularity

of the City Centre West subzone, which is currently becoming one of the most dynamically developing areas in Warsaw, was an important test for this region of the city. Nevertheless, Służewiec is still enjoying the interest of tenants and investors, some of whom have remained faithful to this subzone for years.

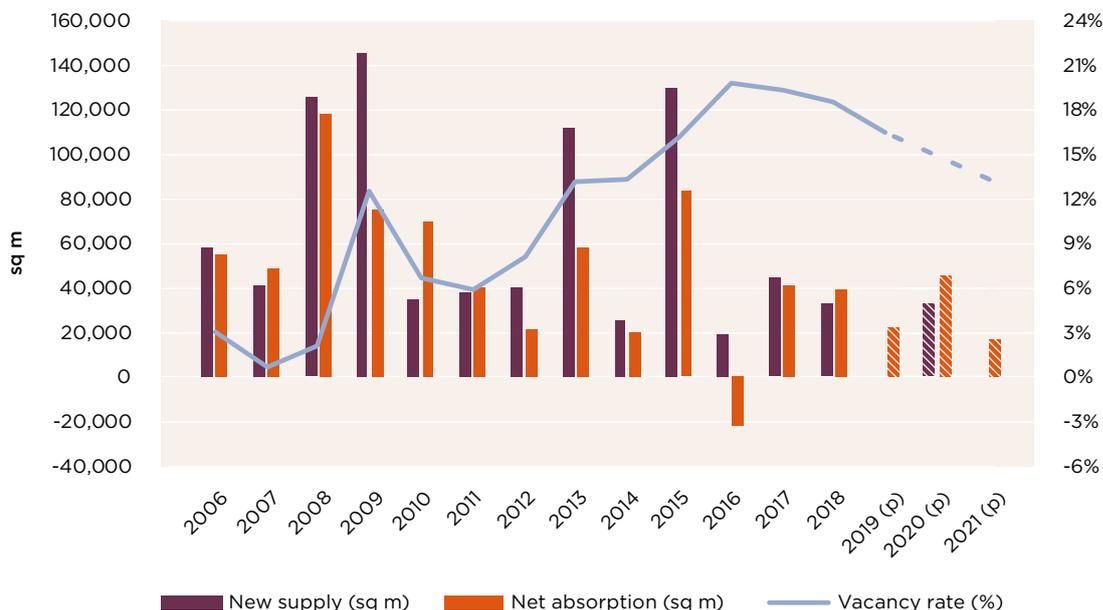
Since 2005 the space available in Służewiec increased by more than 865,000 sq m, with the years 2008, 2009, 2013 and 2015 being the busiest for developers, who completed over 510,000 sq m in total, which constituted almost 60% of the total new supply in 2005-2018.

At the moment only one office building is under construction – the seat of DSV, whose office space will not be available for commercial lease.

In addition to new investments, the existing office buildings in Służewiec are not lagging behind and are gradually adapting to the changing needs of tenants. The most frequently implemented changes include: renovation of the common areas of buildings, new lobbies and receptions, additional services and conveniences for tenants, such as parking areas and cloakrooms for cyclists, designation of spaces for short meetings, or establishment of micro co-working zones.

These changes are most frequently implemented in buildings that are at least 10 years old. 44% of the total office stock in Służewiec was built up to and including 2008 (over 486,000 sq m), over 61% of which underwent, is undergoing or will undergo minor or major modernization inside or outside the building (almost 298,000 sq m).

New supply, net absorption and vacancy rate in Służewiec



Source: Savills

“ 2 million sq m – that was the tenants’ activity in Służewiec in the period 2005-Q1 2019, which is over 23% of the total demand recorded in this period in all of Warsaw. ”

Another significant change for Służewiec will be the conversion of a section of one of its flagship office complexes – Empark. Immofinanz intends to sell the plot with the oldest four of the nine office buildings constituting the complex (Galaxy, Jupiter, Mars, and Mercury). The development plan for this area includes the construction of a housing estate with a service section on the ground floors.

The Służewiec offices invariably maintain a high annual volume of tenant activity. In 2009-2018 the average annual demand amounted to almost 152,000 sq m, with tenant activity dropping below 100,000 sq m only once (in 2009). The years 2012 (198,600 sq m) and 2015 (194,000 sq m) were record-breaking for Służewiec in terms of recorded demand for office space. Since 2005 lease agreement have been signed for

almost 2 million sq m in this subzone, which constitutes over 23% of all lease agreements signed in this period in Warsaw. In the first quarter of 2019 tenants contracted additional 34,800 sq m in the analyzed subzone.

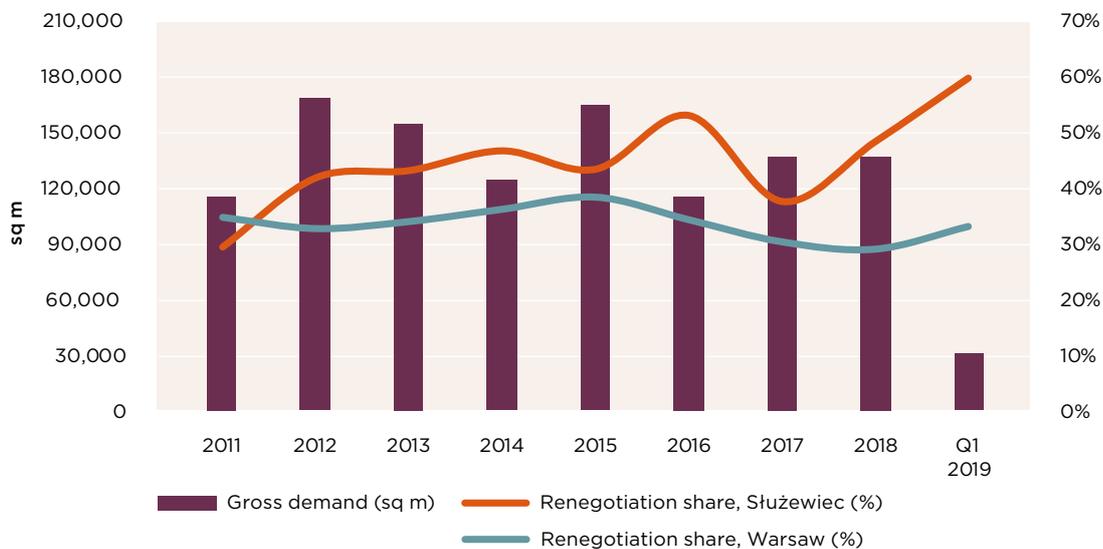
When compared to other office zones, Służewiec is characterized by a high share of agreement renewals in the total volume of transactions. In 2018 this share was 41%, while in the first quarter of 2019 it was already 51%. This shows that the tenants are not that willing to change their location, and even prefer to stay in Służewiec and consider further expansion – the share of such instances was 18% in 2018 and 9% in Q1 2019. Due to the low activity of developers, the share of pre-lease agreements, i.e. signed before and during construction, is marginal in Służewiec – 1% in 2018 and complete lack of such transactions in Q1 2019.

Since 2010 there have been 48 transactions with an area of over 10,000 sq m concluded in Warsaw, including 12 in Służewiec. It is worth noting that when looking for such space in Służewiec, tenants can expect not only attractive lease terms, but also further development opportunities, especially in the several office parks located within the subzone.

Służewiec has a high availability of office space. Out of 82 buildings, 66 have space available for lease. The smallest available area within one building is 51 sq m, while the largest is almost 18,000 sq m, which is the entire Trinity Park I building.

The vacancy rate in Służewiec has remained at 18-20% since 2016, which translates into 200,000-220,000 sq m of available offices. At the end of the first

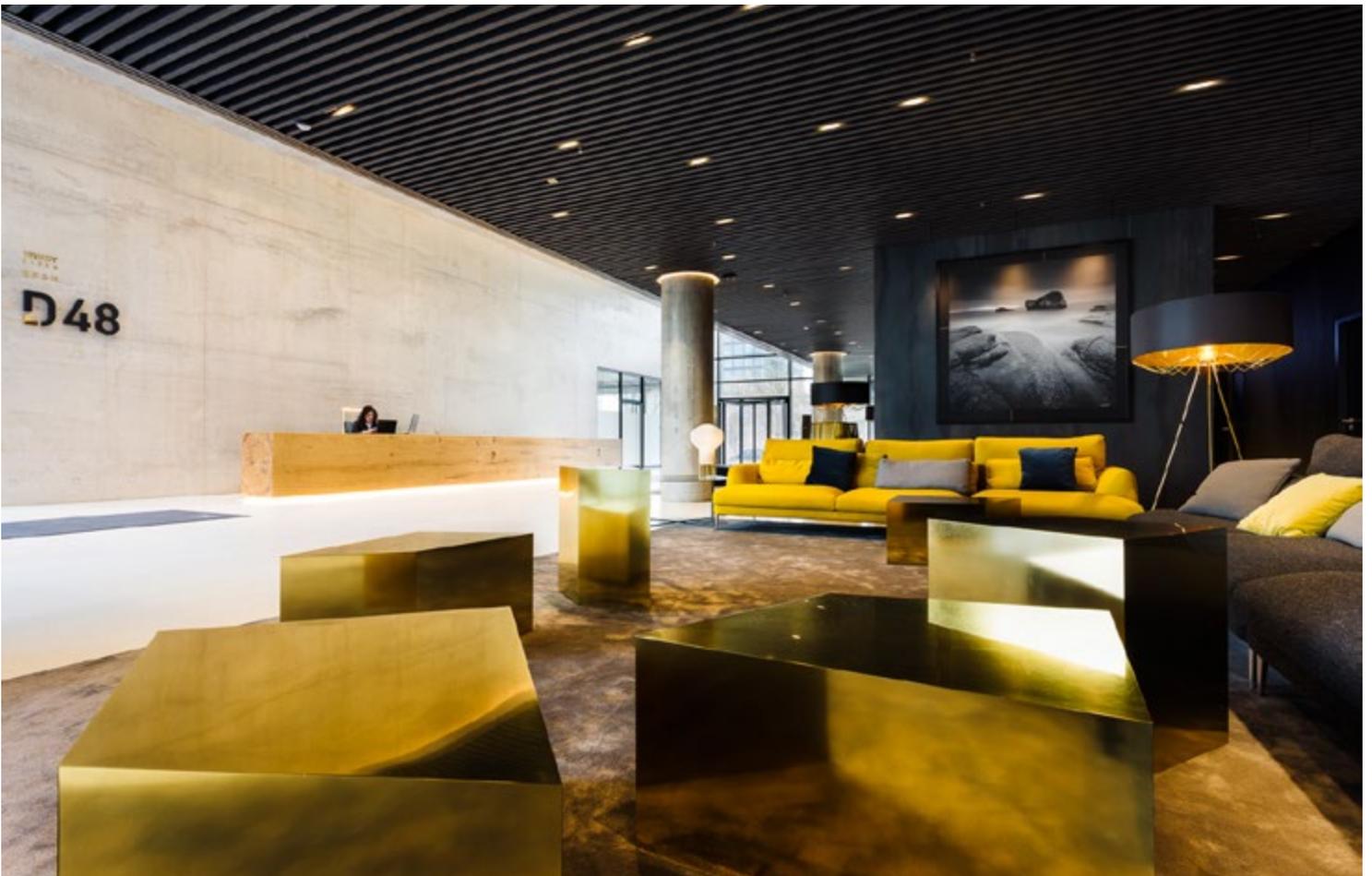
Gross demand for modern office space in Służewiec



Source: Savills



The Marynarska Point I office building managed by Savills (source: Savills)



Main lobby of the D48 office building (source: Penta Real Estate)

👉 **13%** – this is the level to which the vacancy rate in Służewiec drops once the so-called “structural vacancy”, i.e. office space that has not been leased for at least three years, is deducted from the available office space. 🙏

quarter of 2019 this index reached 19.8%, or 220,100 sq m, which is an increase by 110 basis points year on year. Due to the limited new supply planned for Służewiec until the end of 2020 (this space is fully leased), by the end of 2019 and in 2020 the vacancy rate is expected to go down.

When analyzing the available space with regard to the age of the buildings, 2009 seems to constitute a kind of border. Buildings completed after 2009 offer their tenants a limited volume of available office space of approximately 56,000 sq m. (25% of the total volume of office space available in Służewiec), while in the case of older buildings (built before 2009), there is almost three times more space available to tenants (164,400 sq m),

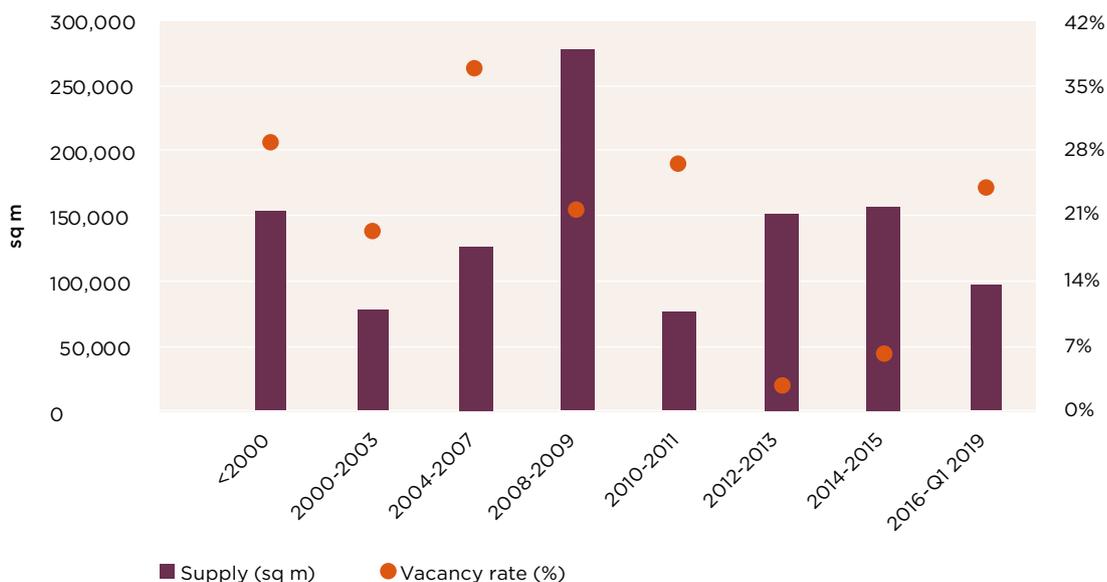
which translates into a vacancy rate of 25.9% (higher than the average index for the entire subzone).

When it comes to the available space, it is worth taking a closer look at the so-called “structural vacancy”, i.e. the space that has remained vacant for a long time due to its incommensurability, poor lighting, low standard, or other factors. In older office buildings it is usually difficult to find tenants for certain spaces. In Służewiec, after excluding the spaces that have remained vacant for at least three years, the vacancy rate drops to 13.0%, while after excluding spaces vacant for at least two years, it goes down even further to 11.5% .

The above figures show that Służewiec may have from 80,000 sq m to 100,000 sq m of “lingering” space, which is less attractive to potential tenants.

The highest rents for the best office spaces located in Służewiec range from 13.00 to 14.75 EUR/sq m/month. Still, it is possible to find spaces from 8.00-9.00 EUR/sq m/month in standard B buildings. It is worth emphasizing that because of the high availability, tenants can expect attractive incentives, both in existing and planned buildings.

Vacancies by building age in Służewiec



Source: Savills

We are changing for the tenants

Modernization of office buildings in Służewiec.

The activity of developers in Służewiec in terms of new office investments is currently very limited. The last investments include the D48 building and Neopark. Older buildings are also fighting for tenants. They are not lagging behind and keep investing in modernization. Revitalization of the lobby, new co-working spaces, innovative solutions for cyclists are just some of the facilities that are to increase the attractiveness of buildings with a longer history.

Signum Work Station and Innova Work Station

The Innova Work Station (former Trinity Park II) and Signum Work Station (former Trinity Park III) office buildings offer a total of approximately 57,000 sq m of office space. The changes currently taking place in both buildings include rebranding and revitalization of interiors, which are part of the new lease strategy. The goal is to make the space attractive and draw in new tenants.

The rebranding of Innova Work Station and Signum Work Station is connected with the modernization of the buildings and refreshing of their image. Their common areas will be changed to respond to the needs of their users and keep up with the times.

The reception areas will have special zones available to tenants depending on their needs during work, such as a business zone with a coffee corner, ideal for less formal meetings.

The surroundings of the buildings within the complex will also be subject to significant change. The green areas around both properties will soon feature, among others, bicycle stations and electric chargers.

Glazed facades and hinged windows provide high comfort of work and maximum access to daylight. The greenery present in the receptions of office buildings will protect employees from smog, removing pollution from the air.



Tulipan House, main lobby (source: Commerz Real AG)

In addition to expanding the infrastructure of the property itself, what is going on inside is equally important. This is why several events, particularly suited for the spring and summer season, have already been planned. Apart from tenants, the offer is also aimed at local residents, whose number is constantly growing.

Empark

The strategy developed for the Empark office complex focuses on providing tenants with an attractive work environment – by investing and developing the range of available services and organizing the life of tenants in the building. It turns out that especially the latter aspect often supports the tenants' business objectives – tenants appreciate the proposed initiatives, which in turn has a positive impact on the renewal of lease agreements.

Completely new lobbies have recently been made available in four buildings of the complex. A two-level modern conference centre with a beautiful view of Warsaw was also opened in the Taurus building.

The list of amenities for tenants in Empark is exceptionally long, with the centre of all events being a special spring-summer zone located between the buildings. It is a lively place, not only during lunch, when tenants flock to take advantage of the offer provided by food trucks and spend their breaks in the fresh air. It is also a central venue for events such as a summer cinema, sports fan zone, morning yoga, or Warsaw Business Run, which is attended by nearly 5,000 people.

Empark is also one of the best developed shared mobility zones in Poland. On its premises one can rent not only bicycles, but also cars, motor scooters, as well as the recently popular electric scooters.

In addition, light therapy sessions are also available to tenants in the complex, and thanks to BioBazar everyone who cares about their diet has access to a wide range of foods.

“Older buildings are also fighting for tenants. They are not lagging behind and keep investing in modernization.”

The blossoming of Tulipan House

Tulipan House is planned to be completely redefined. The collaboration with renowned designers from Australia will guarantee the highest quality of solutions and allow to differentiate the building from everything known in the market. The project includes, among others, implementation of a new colour palette, natural materials and greenery, new lighting and advanced technologies all of this to create a home-like feeling combined with a touch of urban jungle.

After the planned makeover, the facility will become more attractive to tenants, answering all their evolving needs through adapting the latest trends from such fields as best-in-class design, co-living and healthy life-style. The owner of the building, Commerz Real, plans to remodel the main entrance and the reception lobby that will invite those who enter the building to the world of work, play, good, diversified cuisine and networking opportunities. Tenants will be able to use common areas on the ground floor, such as comfortable, flexible meeting points and spaces designed to stimulate creative working. It will reduce the need to create such spaces in their own offices and allow them to play a more active part in the Tulipan House community. Conference rooms and recreational facilities, for example for yoga trainings, are also considered in the social area, together with several other themed islands dedicated to various needs of the tenants. One of the most unique and creative ideas are so-called treehouses, state-of-the-art structures that will ensure privacy in the lobby., Another idea includes building a stage with auditorium to hold local events.

People will be able to socialise not only in the common spaces but also while meeting in the food truck area in front of the building and visiting facilities open after office hours, like the best in the neighbourhood cafeteria and wine bar.



Innova Work Station, main lobby, (source: Cromwell Property Group)



Tulipan House, main lobby (source: Commerz Real AG)

👉 **Tulipan House is to be completely redefined. The project includes, among others, new zones for meet & greet and work & collaboration.** 👈

In addition, thanks to the recent non-office developments in Służewiec, the facilities within a ten-minute walking distance from the building include nearly 30 restaurants, 18 cafés, four fitness clubs and two kindergartens. Tulipan House will thus become a vital part of Służewiec, with an easy access to all amenities in the area.

The most innovative amenity that will be implemented as part of the modernisation works is a cycling path running across the building. This, together with showers, special storage with cycle racks and events dedicated to cyclists will turn Tulipan House into a bicyclist's heaven and make it one of the best-adapted office buildings in

Służewiec with regard to both, the latest trends and current needs of its tenants in the line with its new motto Let your business blossom.

Marynarska Point 2

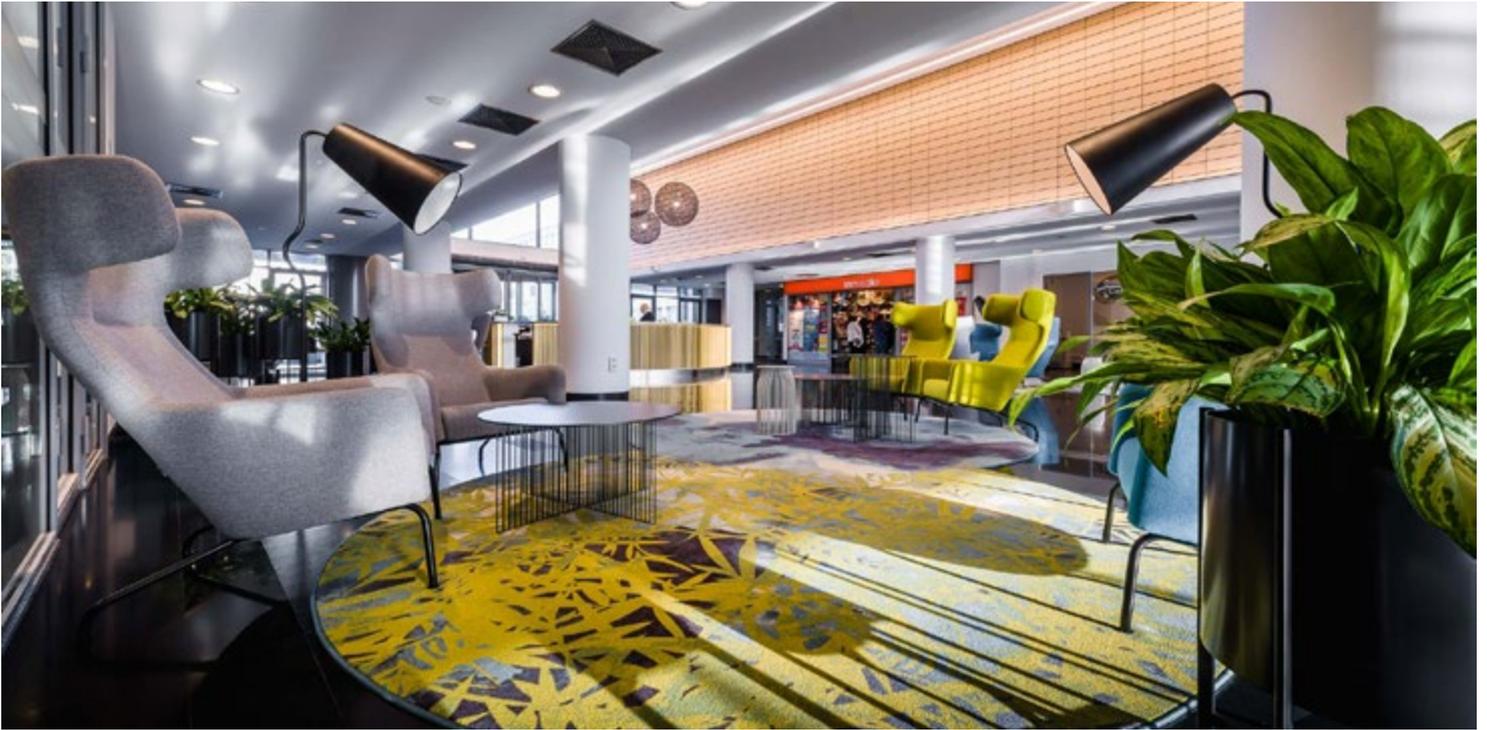
Marynarska Point 2 is another example of a building located in Służewiec whose owner decided to respond to the changing needs of tenants. They planned a number of changes in the main lobby and around the property. The design includes a common space to facilitate relaxation and encourage work outside regular offices. The new owner provides solutions that harmonize with the natural environment. They encourage the use of bicycles and public transport located in the

immediate vicinity of the building. Another important part of the planned changes is the addition of natural greenery.

Summary

The investments of owners in the modernization of their properties will positively affect not just the image of individual office buildings, but also the perception of the entire district as an attractive workplace.

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EmparkMokotów Business Park, common sections (source: Immofinanz AG)



Signum Work Station, lobby (source: Cromwell Property Group)

Coworking in Służewiec

Space as a service (SaaS), which is currently one of the strongest trends on the office market, has naturally reached Służewiec.



Jarosław Pilch

Head of Tenant Representation,
Office Agency, Savills

Warsaw houses the largest amount of flexible office space in Poland. At the end of March 2019 it was over 136,000 sq m, which accounted for approx. 2.5% of the total stock of modern office space in the capital.

In Służewiec there are six largest operators of serviced offices and coworking spaces offering over 21,000 sq m in total. Two brands belong to Adgar Poland – Brain Embassy located in Adgar Plaza A (17a Postępu Street) and Adgar BIT (11 Konstruktorska Street) and BeYOURSELF in Adgar Wave (53 Rzymowskiego Street), Adgar BIT (11 Konstruktorska Street), and Adgar Plaza A (17a Postępu Street). The former attracts mainly smaller companies and freelancers, while the latter is aimed at larger tenants. In the Adgar Wave building serviced offices are also offered by Regus, which also owns space in Marynarska Point 2 (15c Postępu Street). Spaces operates in Platinum Business Park IV (44 Domaniewska Street). Another operator, City Space, is available in Park Rozwoju (12 Konstruktorska Street). The InOffice Group has its offices in the Horizon Plaza complex (39a Domaniewska Street), while HubHub, a brand of developer HB Reavis, offers space in the office building at 14 Postępu Street. In addition, the Hungarian New Work leased space in Neopark A (10 Cybernetyki Street).

Thus far, open flexible spaces in Służewiec have enjoyed great interest, which translates into a high occupancy rate. The dynamic development of serviced offices and coworking spaces, which we have observed over the past two years, has somewhat saturated the centre of the capital. Mokotów seems to still have room for more operators. The demand for flexible space in this region will be additionally increased as a result of the development of the non-office functions of Służewiec and the improvement of road infrastructure.

One of the advantages of Służewiec is its high concentration of companies and institutions which daily cooperate with one another. This means that by having an office here we can work more efficiently and dynamically by remaining close to our clients. This convinces many freelancers and smaller companies to change their own flat for a professional serviced office or coworking space. Especially because Służewiec offers more attractive lease terms than the flexible areas in central locations.

“Flexible office space can help make Służewiec fashionable again.”

Flexible office space can help make Służewiec fashionable again. Offering the opportunity to rent even small office modules for short periods of time, they are a perfect example of how much this part of Warsaw has changed.



Neopark office building (source: Yareal Polska)



Hotel market

Despite having vast resources of office space, Służewiec has, until recently, been a "white spot" on the hotel map of Warsaw.



Patrycja Koszewska
Research & Market Specialist
at Hotel Professionals

The hotel investment boom in Warsaw continues. Warsaw's hotel market is undoubtedly the leading market in terms of the number of new hotel investments announced in the last two-three years. Considering the number of projects, both planned and those under construction, we can estimate that by the end of 2021, the supply of rooms in Warsaw will increase by nearly 5,000 new rooms.



Holiday Inn Express, Postępu 15A (source: King Cross Group)

👉 New hotel openings mean not only new rooms but also new Food & Beverage outlets and additional MICE space for local tenants. 👈

Considering the emerging hotel investments and announced projects in terms of location, we can see that investors are particularly interested in the city center and the immediate region of rondo Daszyńskiego, but also in the analyzed Służewiec Przemysłowy region.

For years, we have seen a clear demand for accommodation services generated by nearby offices. Due to the lack of a hotel offer, business guests typically stayed at hotels located near the airport.

It is not until 2018, that the first hotel opened in Służewiec Przemysłowy and it is the Hampton by Hilton Mokotów hotel, positioned in the 3-star segment. This year, first guests were welcomed by Vienna House Mokotów Warsaw and Four Points by Sheraton Mokotów. In case of the latter, it is the first hotel in Poland to open under the Four Points by Sheraton brand of Marriott International.

Currently, the region offers a total of 517 rooms. Analyzing the number of rooms in relation to the available office space, there are only 46 rooms per 100,000 sq m of offices, whereas per every 100,000 sq m of leased office space there are roughly 57 rooms.

At the end of 2018, the Holiday Inn Express project at 15A Postępu street was purchased by the King Cross group. The project is currently under development in cooperation with 5th Avenue Holding.

A total of four hotel projects remain in the pipeline (including hotels planned and under construction). After all the announced hotels open, Służewiec Przemysłowy will have around 1,600 (branded) hotel rooms to offer. We will then be able to characterize the local hotel market as saturated and the demand for hotel accommodation will be balanced with the existing supply.

The development of the hotel market in the Służewiec Przemysłowy region is in line with the ongoing process of transforming Służewiec from a strictly office district into a district with a diversified services, commercial, gastronomy and residential offer. New hotel openings mean not only new rooms but also new Food & Beverage outlets and additional MICE space for local tenants.

Hotels in Służewiec

	Hotel	No. of rooms	Category	Opening Year	Status	Hotel Chain
1	Hampton by Hilton Mokotów	163	****	2018	Open	Hilton Worldwide
2	Vienna House Mokotów Warsaw	164	*****	2019	Open	Vienna House
3	Four Points by Sheraton	190	*****	2019	Open	Marriott International
4	Holiday Inn Express Mokotów	167	****	2020	Under Construction	Intercontinental Hotels Group
5	Focus Hotel Premium	238	*****	2020	Under Construction	Focus Hotels
6	Moxy & Residence Inn	312	**** & *****	2020/2021	Planned	Marriott International
7	Holiday Inn Warsaw Mokotów	370	*****	2021	Planned	Intercontinental Hotels Group
Total number of rooms		ca. 1,600				

46

Number of hotel rooms per 100,000 sq m of office space

OPERATING

3

hotels

517

hotel rooms

HOTEL PIPELINE

4

hotels

1,100

hotel rooms

Source: Hotel Professionals

Residential market

Służewiec Przemysłowy, especially during the last few years, has been a region of significant changes: it is transforming from an office monoculture into a district where the importance of other segments of the real estate market is constantly growing.



Wojciech Marzec
real estate market analyst,
redNet Property Group

Służewiec Przemysłowy is a part of Mokotów – one of the most attractive districts in Warsaw. The supply of flats on the primary market in Mokotów is second (after Białołęka) in the entire city in terms of count. Only Praga Południe and Wola have a comparable number of flats in their offer.

Another clear advantage of Służewiec Przemysłowy, as well as the whole of Mokotów, is the broadly understood infrastructure of the district. There is a diverse offer of

educational and health care institutions, while the available commercial and service facilities are constantly being expanded. The centre of Służewiec Przemysłowy is also the location of Galeria Mokotów. What is more, developers are trying to carry out investments that best meet the preferences of buyers, so they include commercial premises on the ground floors of buildings, which contributes to the continuous expansion of the commercial, service, as well as entertainment offer in this part of Mokotów.

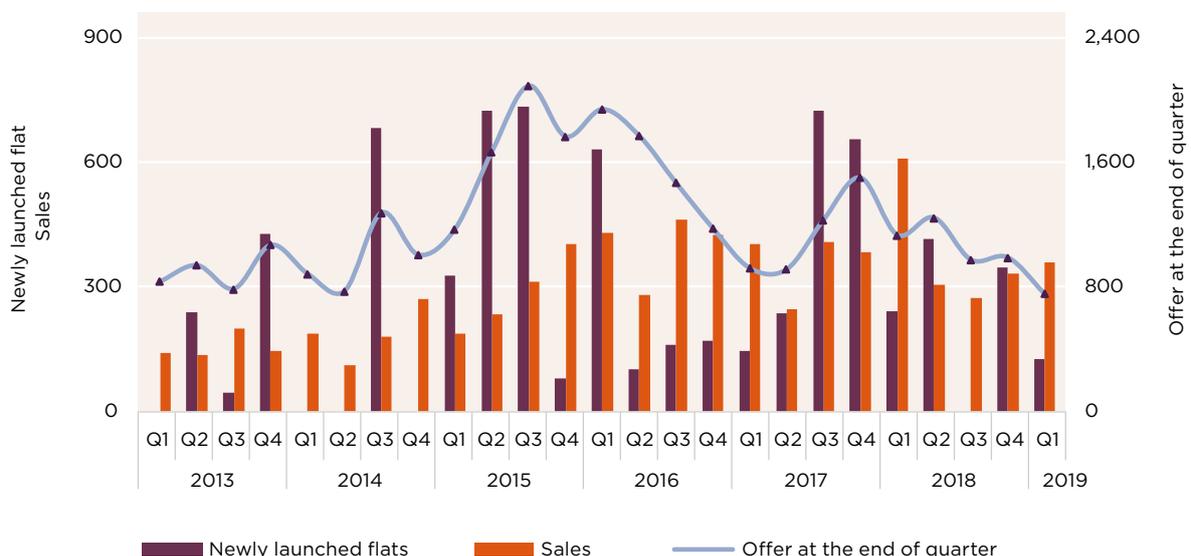
The success and popularity of residential investments in Służewiec Przemysłowy is largely influenced by the communication between this region and other districts of Warsaw. This area is very well connected with buses, trams, as well as fast city rail, among others. What is more, it is located near the

Chopin Airport, as well as express and national roads, which provide a convenient way of leaving the city. There is also an ongoing discussion concerning the improvement of communication in the district through further development of the road network, tram lines, and bicycle transport.

The offer of shell flats in this area is very rich and diverse. Young people and couples looking for compact flats as well as families with children in need of a comfortable place to live will surely find something suitable. What these buyers have in common is that they want to save the time spent commuting.

Due to the proximity and scale of the office area, as well as the closeness of universities, Służewiec Przemysłowy is also a very attractive

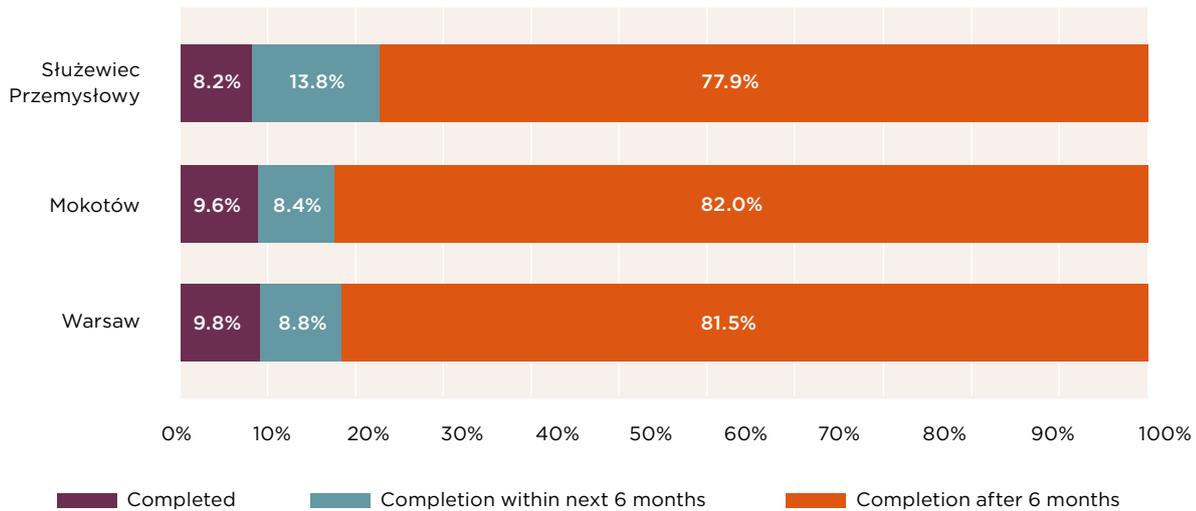
Offer, sale and new flats in the area of Służewiec Przemysłowy



Source: redNet Property Group

“ In 2018 in Służewiec Przemysłowy there were over 50% more flats purchased than put up for sale. ”

The flat offer structure according to the date of completion in Warsaw, Mokotów, and Służewiec Przemysłowy at the end of the first quarter of 2019



Source: redNet Property Group

region for tenants. This neighbourhood is extremely attractive for anyone who likes modern architecture and appreciates easy access to the city centre. As a result, the flats located in this area are very popular among investors purchasing them for rental. Some of the flats are also purchased by companies for their employees.

At the end of March 2019, in Służewiec Przemysłowy there were 752 flats for sale, which was the lowest number registered in this part of the city since 2015. Such a small residential offer results from a high demand for flats (the number of flats sold was higher than the number of new flats entering the market). In the first quarter of 2019 a total of 359 flats were sold in Służewiec Przemysłowy (net value).

Most flats for sale at the end of March 2019 were available in the improved standard segment (407 flat units, 21.2% of Mokotów’s offer – standard B), additional 345 flats were offered by developers in the so-called the popular standard segment (51.8% of the entire Mokotów’s offer – standard C). There are no flats in the high standard and suite segment in Służewiec Przemysłowy (standard A).

In 2018, unlike in 2017, the demand for new flats in Służewiec Przemysłowy was higher than the supply. In this period (2018) there were over 51,2% more flats purchased than put up for sale. This means that the demand for new flats in the Służewiec Przemysłowy region is high, and developers are not able to keep up with the construction of new flats.

At the end of the first quarter of 2019 the largest share in the offer (77.9%) in the Służewiec Przemysłowy region was constituted by flats whose time to completion/delivery was longer than the next 6 months. Next in the offer structure are flats with a date of completion within the next 6 months – 13.8%, while completed flats constitute 8.2% of the offer. The situation is different for Warsaw and Mokotów, where the offer mostly includes flats whose time to completion is longer than the next 6 months (81.5% and 82.0% of the offer, respectively), while the remaining positions in the structure of the offer are occupied by finished flats (9.8% and 9.6% of the offer, respectively) and flats with a completion date within the next 6 months (8.8% and 8.4% of the offer, respectively).

Further development of the residential market in Służewiec Przemysłowy in Warsaw seems inevitable. More investments are under implementation, and plots of land and properties are also available for the construction (or conversion in the case of properties) of blocks of flats and apartment buildings.

Thanks to the ongoing investments the face of the Służewiec Przemysłowy office monoculture is changing before our eyes

“ There are no flats in the high standard and suite segment in Służewiec Przemysłowy (standard A). ”

Coliving – a new face of Mordor?

Investments in the Living Services sector have become one of the hottest trends on the real estate market in recent months.



**Przemysław
Chimczak**

Co-founders of
think co. - real estate research lab



**Tomasz
Bojęć**

The first coliving space in Warsaw will be built in Domaniewska Street in Służewiec, Warsaw – this location was not chosen by accident.

Coliving spaces are an alternative to the studios and rooms for rent available on the market. They are meant to fill the temporary residence gap. At the same time they do not compete with the traditional residential market, because they respond to a need arising at a specific moment in life. Their addressees are the so-called young professionals, i.e. people who are at a point in their professional careers in which they rotate very frequently between positions, companies, or even cities. Such careers are characteristic especially of the Millennial generation – the first to treat work as a means to an end, not a goal in itself.

A significant proportion of corporate employees are people who moved to the capital for work or became its residents only recently. Creating a residential offer with

easy rental and good connection with the workplace is an answer to a real need. It is also important to provide opportunities to meet other residents and establish first relationships in a new, unfamiliar city.

It is, therefore, reasonable to expect that more coliving spaces will appear in Służewiec, and the scale of the investment already carried out is not associated with significant risk. It seems very likely that the first facility of this type will become fully occupied without any problems – just like those built afterwards, which will probably appear in this area in the coming years. It is also important that coliving spaces are not formally flats, but services, which means that they constitute tax-deductible expenses.

Ownership is becoming less and less important for younger generations. This does not mean that sharing economy, which has so strongly conquered the film and music industry, will also take over the real estate market and replace traditional forms of rental. It means, however, that the perspective is changing. The likely effect of the emergence of residential services and the popularization of rental may be a different view of the needs flats should meet – including those that are purchased.

“Coliving spaces are an alternative to the studios and rooms for rent available on the market. The first coliving space in Warsaw will be built in Służewiec.”

Advantages of coliving spaces as compared to the traditional rental of flats from the private sector:

1 No long-term commitment – rental for one month or half a year is the norm.

2 Access to valuable common spaces, whose cost is distributed among all building users.

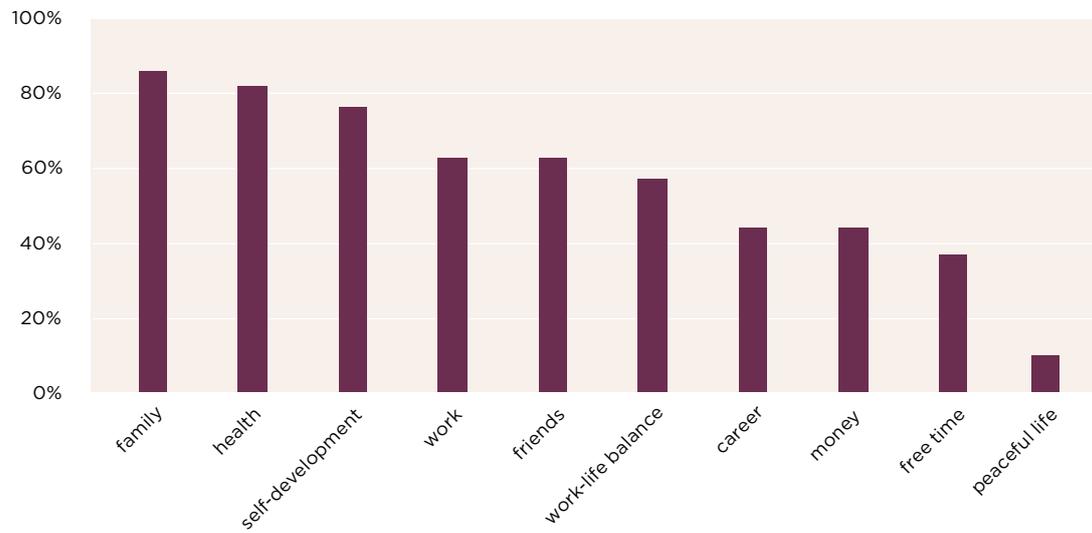
3 Clearly delimited private space, which includes one's own bedroom and bathroom, regardless of the size of the building and the number of residents.

4 Services that provide a higher standard of living (maintaining cleanliness in common spaces, community events, such as workshops, sports activities, film projects, etc.)

5 Proximity of the city centre or office park, which guarantees shorter travel time between important points of urban life.

6 Creating a community in a building, which is an answer to the growing problem of loneliness in cities.

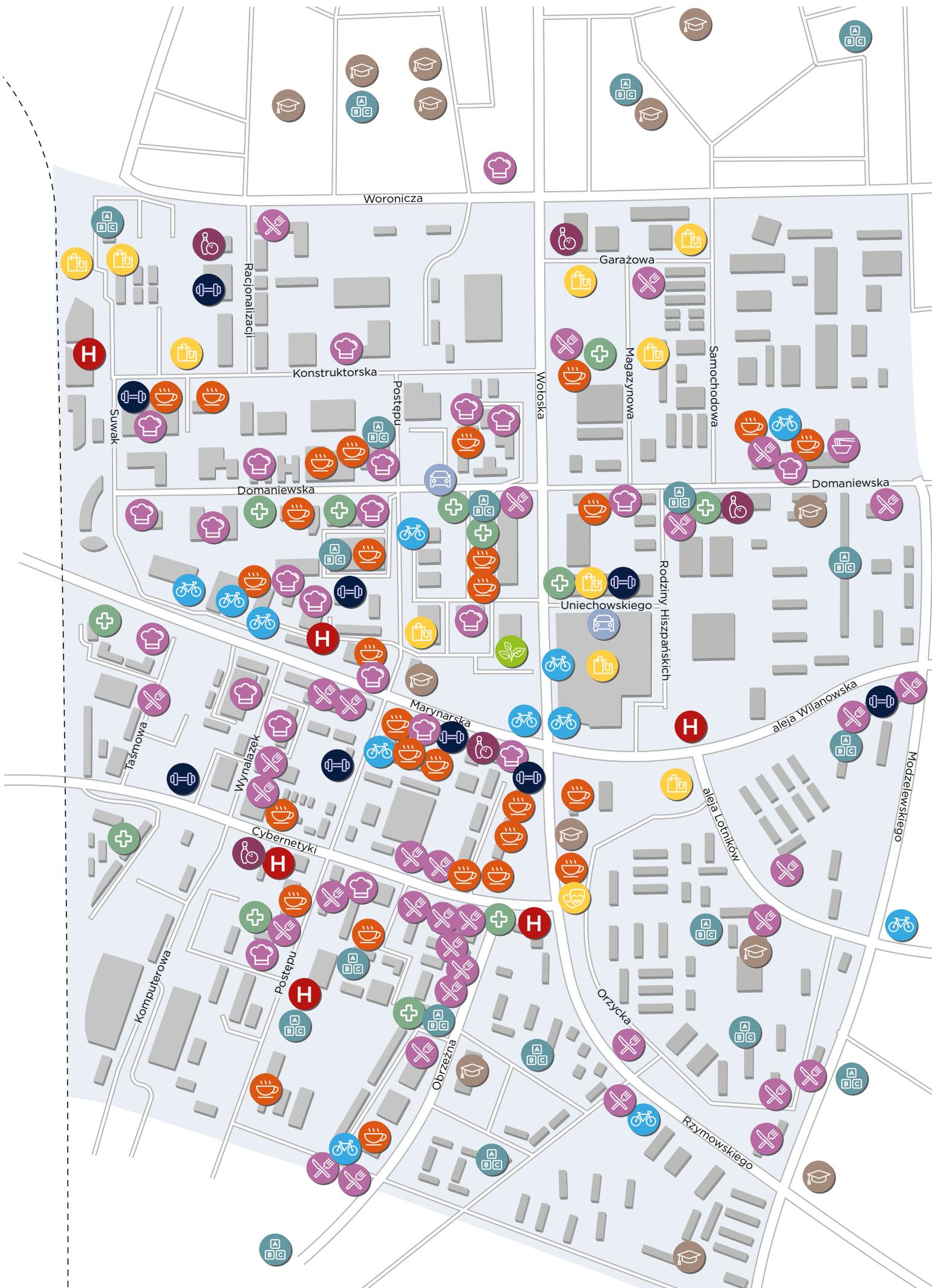
The hierarchy of values of Millennials



Source: "First steps on the labour market. International survey of students and graduates.", Deloitte, April 2013



Concept of a coliving space in Służewiec – view of the inner courtyard (source: think co. – real estate research lab)



Service map of Służewiec



Restaurant



Canteen



Café



Shop / Galeria Mokotów



Biobazar



Hotel



Gym



Entertainment



Kindergarten



School



Veturilo station



PANEK CarSharing parking area



Medical facility



KADR cultural centre

Modern means of transport

Communication in big cities is changing significantly – should electric scooters, bikes, and carsharing be just an addition to the traditional public transport system or its new core?



Izabela Hartlieb

Sales & Marketing Director,
Nextbike Polska S.A.

Commuting with your own car can be a nuisance. Traffic jams and searching for a parking space, sometimes more distant from the place of work than the nearest public transport stop, can effectively spoil the entire day. The city gives us more and more alternatives, the most popular of which is the bike.

Veturilo is a relatively new facility. The first stations were launched in 2012. After seven years many users cannot imagine moving around Warsaw without a bike in the season. There are over 5,500 bikes and 380 stations in the entire city. In Służewiec itself and in the immediate vicinity there are ten rental points, nine of which operate thanks to the cooperation of Nextbike Polska with private business. These are mainly office building operators, companies with offices in the area, but also Galeria Mokotów, which has two stations nearby.



Map of the Veturilo station in Służewiec (source: Nextbike Polska S.A.)

👉 According to the studies published by Michael Page, as many as 85% of employees commuting to work by bicycle do not feel any stress when waking up and getting to work. 🙏

Veturilo to work – why?

According to the studies published by Michael Page, as many as 85% of employees commuting to work by bicycle do not feel any stress when waking up (the average for all employees is 76.7%) and getting to work. People commuting by bicycle are also more satisfied with the balance between professional and private life, and they are less often late.

The benefits are therefore visible to both employees and employers. Hence, more and more companies are introducing solutions that facilitate commuting by bicycle and reward the employees who use this mode of transport. For new investments, safe, monitored parking areas for private bicycles, and often also public bicycle stations, are the standard. They are located in places indicated by the employers, who also choose the names and symbols. Everyone can use them, but the employees and clients have priority – they can use the bike to conveniently travel almost to the very door of their office.

Fifteen minutes and I'm at work

Reaching most office buildings in Służewiec from Metro Wilanowska by Veturilo takes ten to fifteen minutes on average. It costs nothing, because every Veturilo rental not exceeding 20 minutes is always free of charge. It takes a similar amount of time to commute from other transfer nodes – Metro Służew, Żwirki i Wigury Street, or the intersection of Wołoska and Odyńca. Not to mention moving around Służewiec itself. Driving from station to station takes only a few minutes, but waiting for the green light at intersections takes more time than the drive itself.

Switch to Veturilo

Seven years after its launch, the Veturilo system is gaining new users every day. They come to realize that Warsaw looks completely different from the bicycle seat, and Mordor becomes much less imposing from behind the handlebars.

Alternative means of transport

Electric scooters have become increasingly popular in Polish cities since autumn 2018. In the capital city alone, Lime has approximately 60,000 users. E-scooters are the latest incarnation of transport economy – they operate in the same way as city bikes or electric scooters, which constantly gaining popularity. Companies leave the scooters around the city, the user installs an application, adds payment card data, and then simply rides it, renting the equipment with a few clicks.

A similar situation can be seen in carsharing in general. The basic

principle is identical with other forms of modern mobility. A smartphone, an application, registration in the system, and finally payment. The 4mobility Carsharing company, which started its business in mid 2016, may serve as an example. Since the beginning the company has gained over 30,000 customers, and this number is increasing day by day.

The interest in this service continues to grow, also in office locations, where carsharing is an attractive alternative to company cars, taxis, and public transport. The 4Mobility zone covers the majority of Służewiec, so one can find a car right outside the office, go for lunch or a business meeting,

and return home at the end of the day.

It was in Służewiec, at the intersection of Domaniewska and Postępu streets, where the first 10 spots dedicated exclusively to carsharing services were created.

Carsharing constantly gives rise to new solutions and ideas. In April 2019 Innogy Polska launched the innogy go service, enabling the rental of electric cars by minute. The people of Warsaw will ultimately gain access to 500 BMWi3 cars, which will be the largest electric car rental offer in the country.



Veturilo station near the T-Mobile Office Park complex (source: Nextbike Polska S.A.)

Służewiec deserves more

The “Lepszy Służewiec” Association was established to answer the needs of approx. 250,000 people coming to the largest business centre in Poland every day.



Jakub Kompa
development manager,
“Lepszy Służewiec” Association

The challenges faced by the business areas of Mokotów have been known for years – crowded streets at rush hour, few green areas, and lack of cultural events after working hours. In order to deal with these challenges we first defined the most urgent tasks and then developed a plan for their implementation.

“We are changing our previous perspective, focused solely on our investments goals, into a wider and more social approach.”

Improving communication

One of the main tasks of “Lepszy Służewiec” is the organization of a dialogue between developers, building owners, tenants, residents, and officials. Establishing common goals, understanding mutual needs and expectations results in many improvements, such as the construction of additional cycling lanes, parking areas for electric vehicles, or the largest projects – a linear park along railway tracks, which is now under construction, and a planned woonerf, i.e. a restricted traffic area, in the block the streets: Postępu, Domaniewska, Suwak, Konstruktorska.

More green areas

The aforementioned linear park, running along the railway line parallel to Suwak Street, will be a place of rest for residents and employees of nearby offices as well as a communication route for pedestrians and

cyclists. It will ultimately connect with the woonerf, whose creation required “Lepszy Służewiec” to gain the support of numerous parties. It was necessary to convince all owners whose properties were located on adjacent plots to act together. Transferring a part of the land, developing a plan to dismantle fences, and finally setting out new crossings for pedestrians – this is the result of our talks, but even the best intentions would not have been enough to implement the project.

The Urban Greenery Department is the key partner that joined the space design process. The preparation of proposals for complete solutions and a list of benefits the project would bring to the local community convinced the officials to provide help and support, without which it would be difficult to implement such an ambitious undertaking.

Woonerf

The lack of tidy public spaces and greenery in the Służewiec office area is, apart from problems with transport, the most important challenge that must be addressed to make this area a good place to live and work. This is why the “Lepszy Służewiec” Association undertook the task of creating a place where employees and residents could rest, but it was not an easy path, even though everyone was aware of the scale of the challenge.

We invited 12 owners of the properties that are adjacent to the planned investment for joint talks. We established cooperation with a valued landscape architecture studio. Residents and employees who filled out surveys concerning the needs that they thought this area should satisfy also

took part in the preparation of the land development plan. Many of the answers were included in the project prepared by the architects. We also organized a debate devoted to public space in Służewiec in the “Kadr” cultural centre, attended, among others, by representatives of the City Hall, developers, and experts. The key to reaching an agreement was communication between many stakeholders and joint development of solutions in a work team whose creation we initiated, which included, apart from the “Lepszy Służewiec” Association, the Economic Development Department, the Department of Architecture and Spatial Planning, and the Urban Greenery Department.

Plans of the Association

The plans for the coming months and years are focused on strengthening the local community even further. We are planning a series of events to integrate the local community, such as a summer cinema, resident meetings, cooking demonstrations, or sports competitions. Thanks to constant contact with the interested parties, we know their expectations and try to meet them.

We are changing our previous perspective, focused solely on our investments goals, into a wider and more social approach.



SUMMARY

Sustainable district

This is certainly not the end of changes in Służewiec, but their scale and pace have already changed the face of the district.



Daniel Czarnecki

Head of Landlord Representation,
Office Agency, Savills

Służewiec #live #reside #work are the slogans that guided us in the first edition of the report. Today we know that the area we analyzed has taken measures to find its place in each of these three aspects. Is it satisfactory for us – residents, employees, and visitors of Służewiec? This is a question everyone should answer on their own. We look at Służewiec with great optimism, hope, and anticipation for more.

Several years ago nobody expected Służewiec to become such a good place to live. The so-called “Mordor” would become deserted after 6 pm, when all its employees would

return to their urban bedrooms. Today many new housing projects are being developed in the area, and attempts have also been made to battle the infamous traffic jams. Infrastructure changes, linear parks, housing estates, and an increasingly richer food, drink, and entertainment offer create a good atmosphere for living.

Is Służewiec, the largest business area of Warsaw, back in the game? There are certainly many changes, renovations, and new communication and transport investments ahead of us. Looking back at where the region was two years ago, we are convinced that Służewiec has taken the right path and is now changing for the better each day, which is something few believed until recently.



Empark Mokotów Business Park, relaxation zone (source: Immofinanz AG)

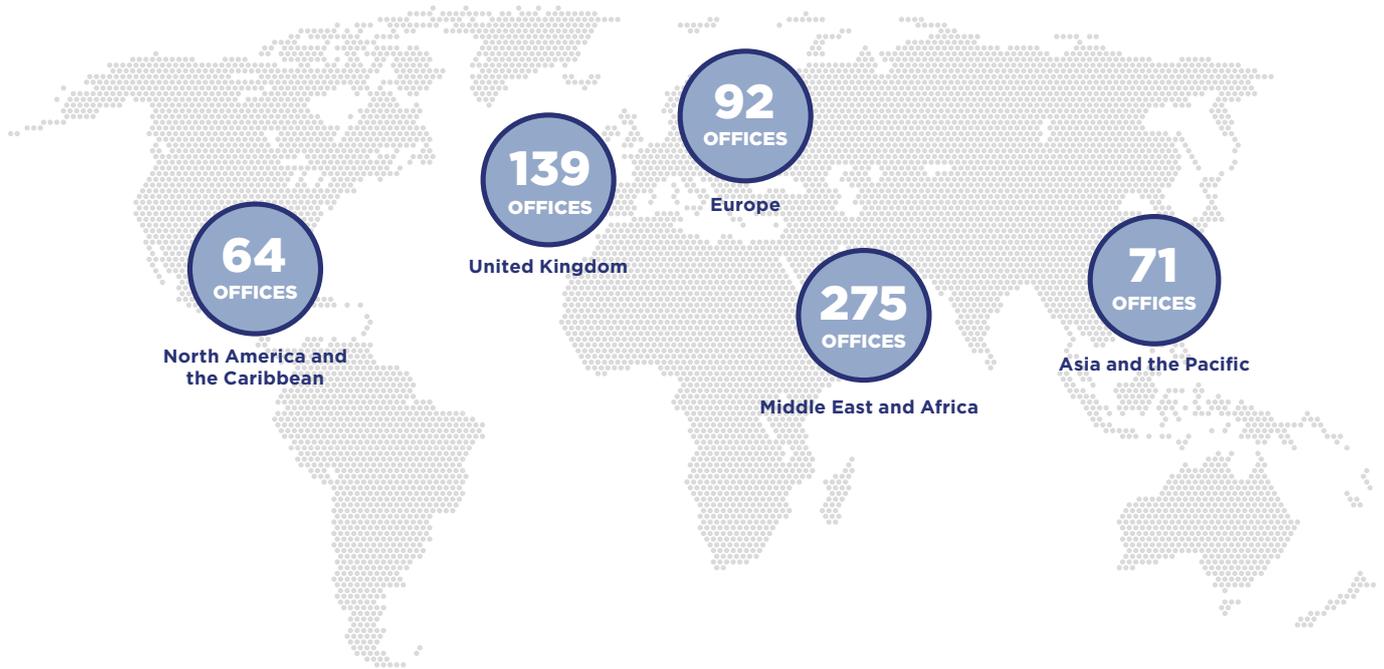


Empark Mokotów Business Park, relaxation zone (source: Immofinanz AG)

About Savills

Savills is one of the leading global advisory companies operating on the real estate market. It was founded in 1855 in the United Kingdom. With a network of over 600 offices in the Americas, Europe, Africa, the Asia-Pacific region,

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Savills in Poland

Savills was established in Poland in 2004. We currently have offices in four locations in Poland - Warsaw, Wrocław, Poznań, and Kraków. In total, we employ over 120 specialists. The services offered by our company include office, retail, and industrial agency, property valuation, investment consulting, property management, as well as technical and construction consultancy.





15
years in
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Acknowledgements:

Savills would like to thank the following partners for their assistance in the preparation of the report: Bluehouse Capital, Commerz Real AG, Cromwell Property Group, Hotel Professionals, Immofinanz AG, Nextbike Polska S.A., redNet Property Group, "Lepszy Służewiec" Association and think co. - real estate research lab.



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