

Prepared  
in cooperation with



Michael Page

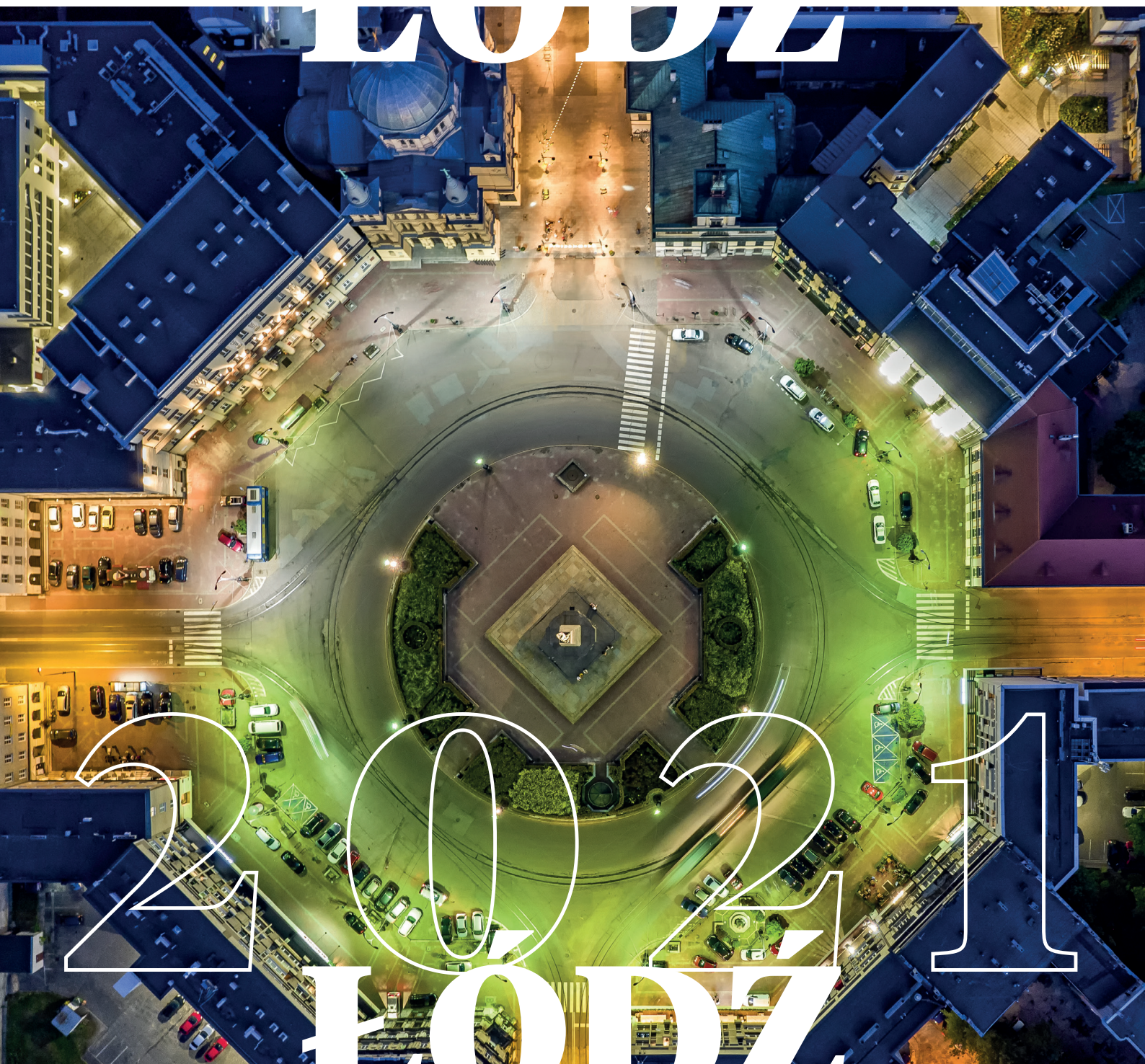


# ŁÓDŹ

*City attractiveness and office market*

2021

[knightfrank.com.pl/en/research](https://knightfrank.com.pl/en/research)



# CITY ATTRACTIVENESS

# ŁÓDŹ

## FACTS & FIGURES



CITY AREA

293.25 sq km



POPULATION

667,923  
(30 VI 2021)



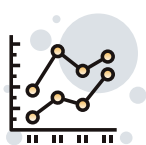
AVERAGE SALARY

PLN 5,707.45  
(gross / XI 2021)



GDP GROWTH

4.7%



GDP PER CAPITA

PLN 70,846



UNEMPLOYMENT RATE

5.9%  
(30 XI 2021)

## INVESTMENT ATTRACTIVENESS

### 1. RANKINGS INDICATING THE INVESTMENT ATTRACTIVENESS OF THE CITY

3.

3<sup>rd</sup> place in CEO Magazine in „**Best Country to Invest in 2020**” category.

1.

1<sup>st</sup> place awarded by the ABSL for **cooperation with local universities and for transport availability**, and 3<sup>rd</sup> place for local universities quality, modern office space availability and cooperation with the local investor service unit.

1.

1<sup>st</sup> place in Emerging Europe ranking – Business-Friendly Cities Perception Index 2020 in Business Climate – **the most business-friendly city category**.

2.

2<sup>nd</sup> place in **Local Authority Support – business-friendly city**.

**The best Special Economic Zone in Europe** according to FDI Free Zones of the Year 2020.

„**City of The Year**” awarded by Europa Property.

### 2. INVESTMENT INCENTIVES

Know-how in key areas: regularly prepared reports in the field of HR and real estate and annual economic guide.

Customized offer of investment lots (public and private).

Assigned employee of Łódź City Council (e.g. offering support for investments in the location selection process, in ongoing administrative processes in the office about related entities).

Other forms of support in recruitment activities: internship programs organized by Łódź City Council in cooperation with investors, activities in the field of employer branding.

Marketing support: preparing press conferences, publications in social media (FB, LinkedIn, [www.investinlodz.pl](http://www.investinlodz.pl)).

Support within the Łódź Special Economic Zone.

# QUALITY OF LIFE

## 3. RANKINGS ON THE QUALITY OF LIFE IN THE CITY

2.

2<sup>nd</sup> place in the **Forbes People Friendly Cities 2021** ranking.

3.

3<sup>rd</sup> place for President of the city Hanna Zdanowska in **Pearls of the Local Government 2021** by Dziennik Gazeta Prawna.

3.

3<sup>rd</sup> place in the **Europolis Green Cities** ranking.

5.

5<sup>th</sup> place in **People-friendly City in Forbes ranking 2020**.

5.

5<sup>th</sup> place in the **Forbes Green Cities 2021** ranking.

## 4. CITY INITIATIVES AIMED AT IMPROVING THE QUALITY OF LIFE IN THE CITY

- „ZazieleniaMY” program aimed at increasing number of green areas in the city.
- Parks conservation, e.g. Park Helenów.
- A series of eco workshops.
- Subsidy program for furnace replacement.
- Development of new infrastructure, e.g. Orientarium.
- Karta Łódzianina.
- Improving electromobility and ecological means of public transport.
- Civic budget.
- Municipal programs against addiction.
- Organization of recreational and sports events.
- Organization of cultural events.
- Downtown revitalization.
- Elimination of illegal landfills.
- City bike system, public electric scooters, expansion of the network of bicycle paths and electric charging stations.
- Expansion of the city transport system: construction of the Łódź metro (cross-city tunnel).
- Increasing the level of security in the city.
- Conducting more intensive CSR activities - „business for the environment”, as part of the implementation of the Ecopact - for example: cleaning on the Earth Day, sowing flower meadows, developing green areas, beekeeping workshops, creating new apiaries.
- The conducting of an anti-smog campaign „Łódź OddychaMy”, including information and educational activities in the field of ecology, and the promotion of pro-environmental behaviour, e.g. by providing information.
- The opening of a bus connection between Łódź and the Łódź Special Economic Zone in Ksawerów.
- Total road surface replacement on 12 streets across the city.
- Organising, in co-operation with MPK-Łódź Sp. z o.o., an event promoting ecological and sustainable methods of travel around the city to reduce the number of vehicles on the streets in favour of public transport, cycling and walking.



**BIKE PATHS**

**176 km**  
(Q4 2021)



**GREEN AREAS**

**51.51 sq km**

# FACTS & FIGURES

NUMBER OF STUDENTS



**75,047**

NUMBER OF GRADUATES



**17,412**

NUMBER OF UNIVERSITIES



**18**

AIRPORT - DISTANCE TO THE CITY CENTRE



**6 km**

AIRPORT - NUMBER OF PASSENGERS



**69,320 (2021)**  
**241,707 (2019)**

BSS SECTOR - NUMBER OF CENTRES



**99**

BSS SECTOR - NUMBER OF EMPLOYED



**30,000**

RATING

**BBB+** (STABLE OUTLOOK)

RATING AGENCY

**S&P**

# OFFICE MARKET

# ŁÓDŹ

Q4 2021



**EXISTING STOCK**

**583,000 sq m**



**SUPPLY UNDER CONSTRUCTION**

**91,900 sq m**



**VACANCY RATE**

**15.8%**



**NEW SUPPLY (2021)**

**3,600 sq m**



**TAKE-UP (2021)**

**51,600 sq m**

The total office stock in Łódź at the end of 2021 exceeded 583,000 sq m. Although only one project, offering 3,600 sq m of office space, was completed in 2021 (Dowborczyków 30/34), the activity of developers on the Łódź market remains quite high. Over 90,000 sq m of modern office space is under construction, of which more than a half is set to be delivered in 2022. The largest projects due for completion in H1 2022 are Fuzja, React and a further stage of Monopolis.

In 2021, tenants were still holding back on their decisions to lease office space and, as a result, the volume of lease transactions in Łódź amounted to just over 51,000 sq m - 21% lower than in 2020. From the beginning of the year, however, take-up grew steadily from quarter to quarter, and between October and December 2021 leases were signed for approximately 34,000 sq m. This growing tenant activity gives cause for optimism for the local market for the coming year. Renewals

(almost 35,000 sq m) represented the majority of agreements signed in 2021. New agreements accounted for 31% of the total transaction volume (of which pre-lets were 28%), while expansions accounted for 1%.

Despite the limited amount of new space delivered in 2021, weakened tenant activity resulted in the vacancy rate remaining at a high level. At the end of December 2021, the rate stood at 15.8%. The indicator, however, decreased by 0.5 pp. compared to its level at the end of 2020.

## SELECTED SCHEMES UNDER CONSTRUCTION

### WIDZEWSKA MANUFAKTURA

- 28,000 sq m
- Q4 2023
- Cavatina Holding

### REACT

- 15,500 sq m
- Q1 2022
- Echo Investment

### MONOPOLIS M3

- 7,900 sq m
- Q1 2022
- Virako

Total office space    Completion date    Developer / Owner

Asking rents in Łódź at the end of 2021 remained stable, ranging from EUR 10 to EUR 14 / sq m / month. The high availability of office space and limited demand, suggest tenants will take an interest in renegotiating rent rates and seeking incentive packages. On the other hand, rising construction costs (an increase in building material prices and labour costs), coupled with an increase in construction loan costs, may limit investor openness towards lease negotiations, especially in new buildings. In all projects, however, an increase in service charges is to be expected, due to the ongoing increases in the price of services and cost of utilities.

## STANDARD LEASE TERMS IN LARGE SCALE, NEW BUILDINGS



**SERVICE CHARGE  
PLN/SQ M/MONTH**

**15-18**



**RENT-FREE  
MONTHS**

**5-9  
months**



**FIT-OUT BUDGET  
EUR/SQ M**

**350-500**

## COWORKING OPERATORS IN ŁÓDŹ:

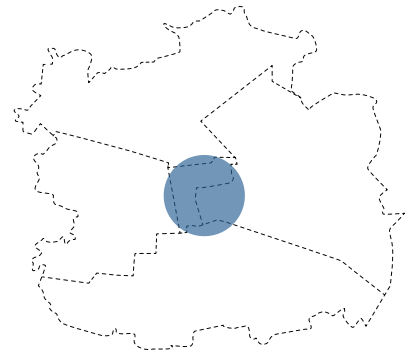
**Business Zone**

**New Work**

**Rise.pl**

## MAJOR OFFICE CONCENTRATION AREAS

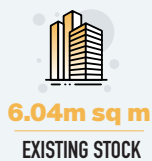
	EXISTING STOCK	SUPPLY UNDER CONSTRUCTION	VACANCY RATE	MONTHLY ASKING RENT
<b>CITY CENTRE</b>	445,100 sq m	18,000 sq m	18.6%	EUR 11-14/sq m
<b>OUTSIDE CITY CENTRE</b>	138,000 sq m	74,000 sq m	6.8%	EUR 10-13.5/sq m



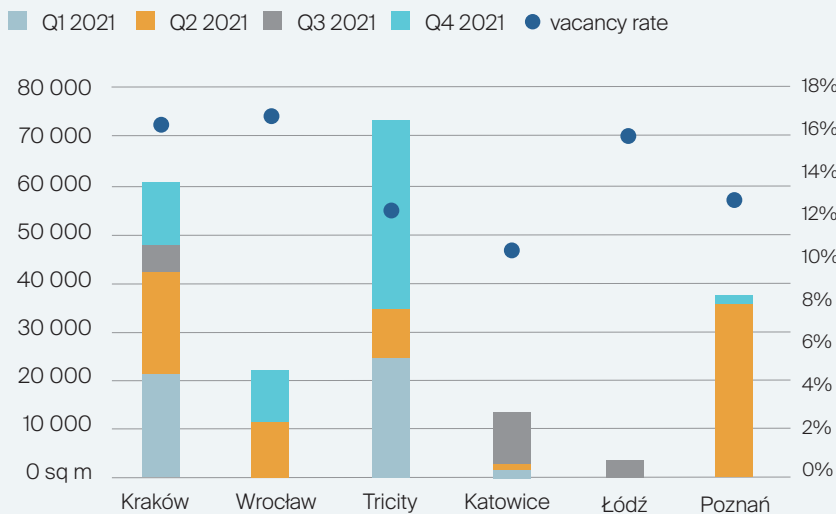
# MAJOR REGIONAL CITIES

KRAKÓW, WROCŁAW, TRICITY, POZNAŃ, KATOWICE, ŁÓDŹ

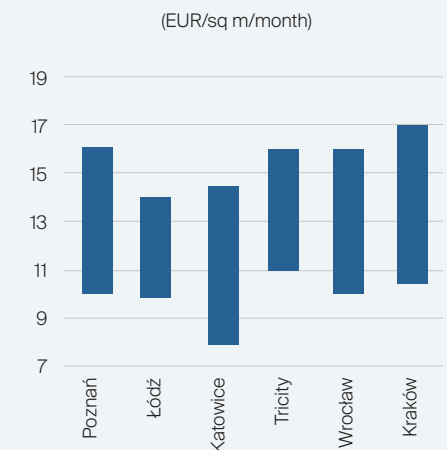
Q4 2021



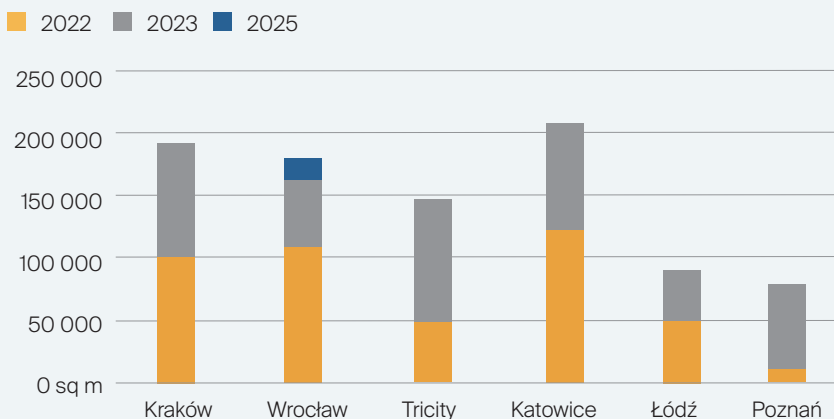
### NEW SUPPLY AND VACANCY RATE (2021)



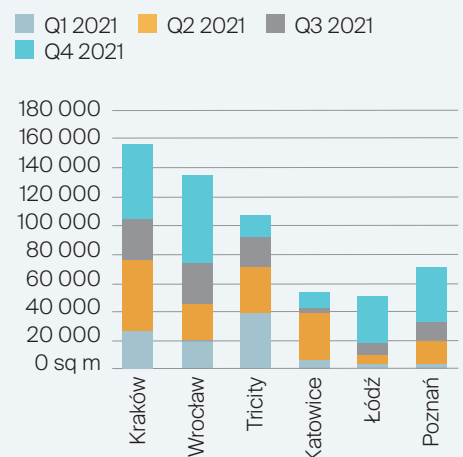
### ASKING RENTS (Q4 2021)



### SUPPLY UNDER CONSTRUCTION BY COMPLETION YEAR (2021)



### TAKE-UP VOLUME (2021)



# POLAND

## FP&A – SPECIALISTS AND MANAGERS

It looks like Financial Planning and Analysis (FP&A) is becoming one of the most popular financial functions currently placed in business centres on a massive scale. Once the accounting functions have proved their undeniable quality and effectiveness, companies have started looking for the same assets in financial analysis, planning and broadly understood controlling – apparently with outstanding results. Here, gross monthly wages of specialists start at PLN 11,000 and tend to go up to PLN 15,000–16,000, while managers can expect as much as PLN 17,000–25,000. What is more, additional benefits seem to be more and more a stock-in-trade of modern businesses with company cars for the managerial staff becoming common practice.



### AVERAGE SALARY:

#### SPECIALIST

**PLN 11,000 - 15,000**  
gross

#### MANAGER

**PLN 17,000 - 25,000**  
gross



## CUSTOMER SERVICE – ONE OF THE MOST “CAPACIOUS” FUNCTIONS PLACED IN BUSINESS CENTRES ACROSS POLAND

Customer service has become to a much lesser extent than before a simple “call centre” that solves the basic problems of customers, or the staff of the parent company. These days, it is more and more often geared towards advanced roles that revolve around the sale of products and services or its support, after-sales service, or second or third customer support lines tasked with the handling of more complex matters. Here, the wages of specialists are strongly correlated with the level of the required foreign language, which in a vast majority of cases makes them “language-dependent” roles. This means that the core competence actually lies in an excellent command of the language of the country or region where a person is going to work. Experienced candidates can expect a monthly salary ranging from PLN 7,000 gross (for those who know English only) to PLN 9,000-10,000 (for those who know other Western European languages, such as German, Italian, French, Spanish, as well as Scandinavian languages), or even all the way up to PLN 11,000-12,000 in the case of extremely niche languages – though gaining more and more popularity – such as Chinese, Arabic, or Hebrew.



### AVERAGE SALARY:

**SPECIALIST WITH ENGLISH LANGUAGE**

**PLN 7,000 - 9,000 gross**

**SPECIALIST WITH A WESTERN EUROPEAN LANGUAGE**

**PLN 9,000 - 10,000 gross**

**SPECIALIST WITH A NICHE LANGUAGE**

**PLN 11,000 - 12,000 gross**

## TAXES AND REPORTING



Accounting done in business centres no longer rests on plain transaction roles, which increasingly more often end up in Asian SSCs nowadays, but above all on such areas as intercompany, statutory, tax, compliance, or reporting. The successful centralisation of these functions has encouraged more and more companies to include this service in the portfolio of the services provided in the business centre, and to further penetrate this area within the already existing structures. In fact, these roles are often not dependent on the knowledge of foreign languages other than English, which allows you to recruit excellent specialists who can still be found in rather satisfying numbers on the Polish job market. Monthly wages in this sector start from PLN 8,000 gross for those with basic experience and can reach PLN 14,000-15,000 gross for accomplished experts with extensive expertise and additional certifications.

### AVERAGE SALARY:

**JUNIOR**

**PLN 8,000 gross**

**SPECIALIST**

**PLN 14,000 - 15,000 gross**

**CONTACT IN POLAND:**

+22 596 50 50  
www.knightfrank.com.pl

**RESEARCH**

Elżbieta Czerpak  
elzbieta.czerpak@pl.knightfrank.com

**CONTACT IN ŁÓDŹ:**

Izabela Dąbrowska  
izabela.dabrowska@pl.knightfrank.com

**COMMERCIAL AGENCY - OFFICE**

L-REP Janusz Garstka  
janusz.garstka@pl.knightfrank.com

T-REP Monika Sułdecka-Karaś  
monika.suldecka@pl.knightfrank.com

**CAPITAL MARKETS**

Krzysztof Cipiur  
krzysztof.cipiur@pl.knightfrank.com

**PROPERTY MANAGEMENT**

Izabela Miazgowska  
izabela.miazgowska@pl.knightfrank.com

**PROPERTY MANAGEMENT  
COMPLIANCE**

Magdalena Oksańska  
magdalena.oksanska@pl.knightfrank.com

**PROJECT MANAGEMENT**

Urszula Łuszczyńska  
urszula.luszczyńska@pl.knightfrank.com

**VALUATION & ADVISORY**

Grzegorz Chmielak  
grzegorz.chmielak@pl.knightfrank.com

**STRATEGIC CONSULTING EMEA**

Marta Sobieszczak  
marta.sobieszczak@pl.knightfrank.com

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**PARTNER OF THE PUBLICATION:****CITY COUNCIL IN ŁÓDŹ**

ul. Piotrkowska 104a  
90-926 Łódź

a.brzostowski@uml.lodz.pl

 /invest-in-lodz

**Michael Page**

**CONTACT:**

www.michaelpage.pl  
contact@michaelpage.pl