

Prepared
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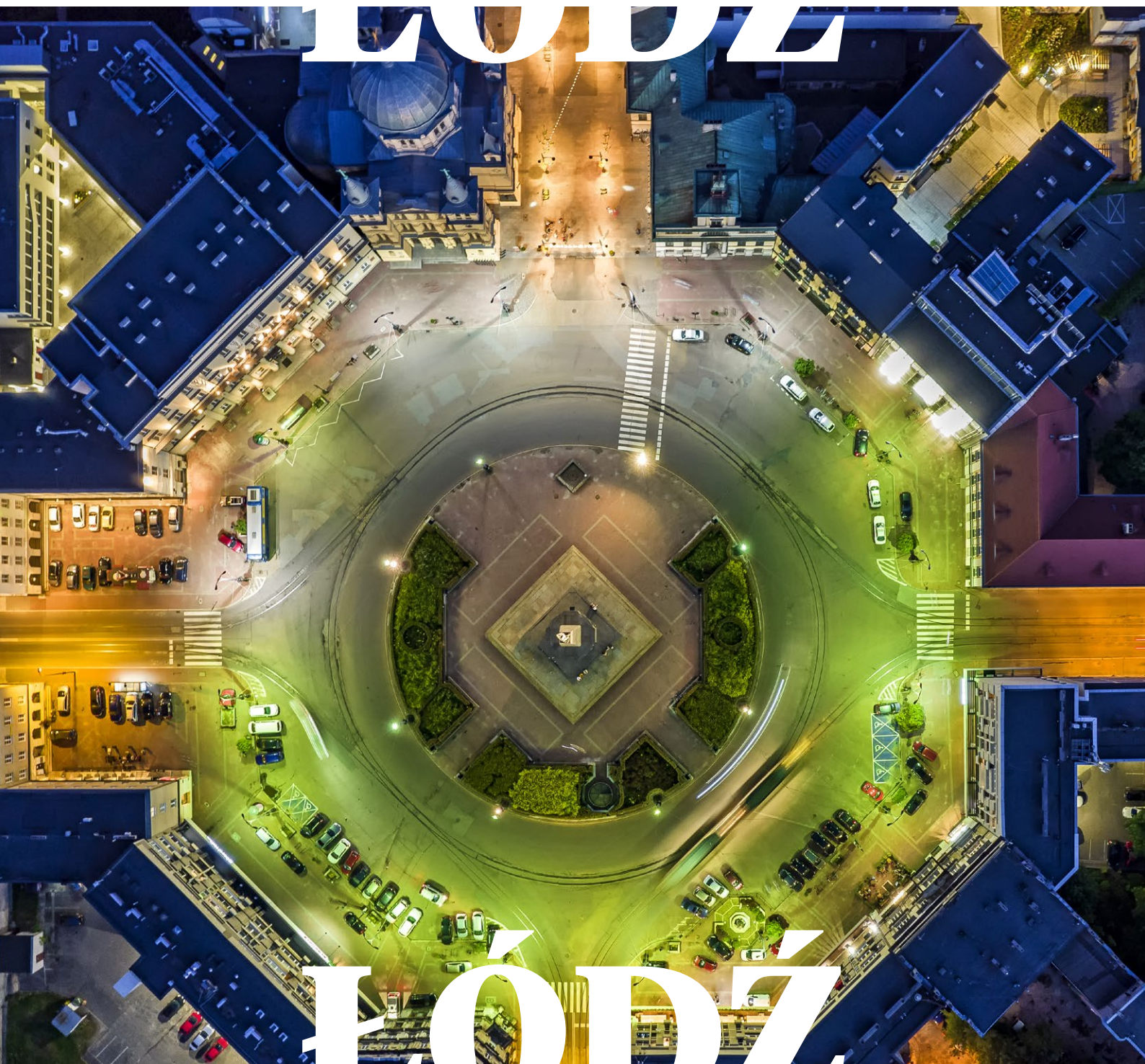


ŁÓDŹ

City attractiveness and office market

H1 2021

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ŁÓDŹ

FACTS & FIGURES



293.25 sq km



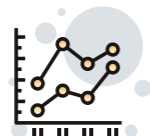
672,185



PLN 5,797 (gross)



4.7%



PLN 70,846



5.9%

INVESTMENT ATTRACTIVENESS

1. RANKINGS INDICATING THE INVESTMENT ATTRACTIVENESS OF THE CITY

3.

3rd place in CEO Magazine in „Best Country to Invest in 2020” category

1.

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

1.

1st place in Emerging Europe ranking – Business Friendly Cities Perception 2020 in Business Climate – the most business friendly city category

2.

2nd 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.

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).

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

Customized offer of investment lots (public and private).

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.

Support within the Łódź Special Economic Zone.

QUALITY OF LIFE

3. RANKINGS ON THE QUALITY OF LIFE IN THE CITY

3.

3rd place in Pearls of the Local Government 2020.

5.

5th place in People-friendly City in Forbes ranking 2020.

3.

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

In People Friendly Cities 2020 ranking by Forbes Łódź overtook: Gdynia, Wrocław, Kraków, Szczecin and Opole.

Łódź was the laureate of the nationwide competition of the Minister of Culture and National Heritage, and the Conservation Officer “Local Government for Heritage” in the category of municipal communes, which rewards **communes for model development and implementation of local government programs for the care of landmark buildings**, with the aim of motivating local governments to prepare and implement programs and promoting good practices in this regard.

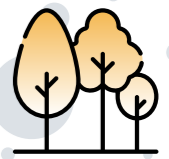
4. CITY INITIATIVES AIMED AT IMPROVING THE QUALITY OF LIFE IN THE CITY

- „ZazieleniaMY” program aimed at increasing number of green areas in the city.
- Parks conservation, e.g. Park Helenów.
- Activities carried out in the parks, e.g. walking tours, yoga, bicycle tours.
- A series of eco workshops.
- Subsidy program for furnace replacement.
- Development of new infrastructure, e.g. Orientarium.
- Karta Łodzianina.
- 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.



BIKE PATHS

171 km



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



5 km

AIRPORT - NUMBER OF PASSENGERS



75,275 (2020)
241,707 (2019)

BSS SECTOR - NUMBER OF CENTRES



92

BSS SECTOR - NUMBER OF EMPLOYED



26,300

RATING

BBB+ (STABLE OUTLOOK)

RATING AGENCY

S&P

ŁÓDŹ

H1 2021



EXISTING STOCK

580,000 sq m



SUPPLY UNDER CONSTRUCTION

97,000 sq m



VACANCY RATE

18.3%



NEW SUPPLY

-



TAKE-UP

8,300 sq m

Total stock in Łódź reached 580,000 sq m at the end of Q2 2021. Due to a lack of new supply, the total stock remained the same as the previous year. Approx. 100,000 sq m remains under construction, with it due for systematic completion in the coming years, and with some 50% due for delivery in 2023. Demand in the second quarter of 2021 remained at a similar level to that in Q1, continuing a trend observed in the

previous quarters, i.e. tenants withholding decisions regarding the leasing of office space due to the uncertainty surrounding the COVID-19 pandemic. Łódź is the market with the highest increase in the vacancy rate over the past year, reaching 18.3% at the end of June (a 1.5 pp. increase q-o-q and 5.1 increase y-o-y). The growth in amount of available office space is the result of the low level of leased new supply

in projects completed in 2020 and weaker tenant activity in H2 2020 and H1 2021. Despite the increase in the vacancy rate, asking rents for modern office space remain stable, fluctuating in the range of EUR 9-15 /sq m/month.

SELECTED SCHEMES UNDER CONSTRUCTION

WIDZEWSKA MANUFAKTURA

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

REACT

- 15,470 sq m
- Q3 2021
- Echo Investment

MONOPOLIS M2

- 7,830 sq m
- Q4 2022
- Virako

DOWBORCZYKÓW 30

- 3,700 sq m
- Q3 2021
- Domena

Total office space Completion date Developer / Owner

SELECTED BPO, SSC/GBS, IT AND R&D CENTERS:

- Accenture | Barry Callebaut
- Clariant | Fujitsu Technology Solution | GFT | McCormick
- Shared Services | Nordea Bank | UPS Global
- Business Services

COWORKING OPERATORS IN ŁÓDŹ:

- Business Zone
- New Work
- Rise.pl

STANDARD LEASE TERMS IN LARGE SCALE, NEW BUILDINGS



SERVICE CHARGE PLN/SQM/MONTH

15-18



RENT-FREE MONTHS

5-9

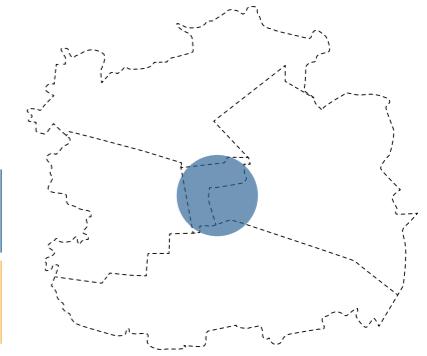


FIT-OUT BUDGET EUR/SQM

350-500

MAJOR OFFICE CONCENTRATION AREAS

	EXISTING STOCK	SUPPLY UNDER CONSTRUCTION	VACANCY RATE	MONTHLY ASKING RENT
CITY CENTRE	441,000 sq m	23,100 sq m	21.2%	EUR 11-15.5 /sq m
OUTSIDE CITY CENTRE	138,600 sq m	73,900 sq m	9%	EUR 11-13.5/sq m



MAJOR REGIONAL CITIES

KRAKÓW, WROCŁAW, TRICITY, POZNAŃ, KATOWICE, ŁÓDŹ

H1 2021



5.9m sq m
EXISTING STOCK



127,000 sq m
NEW SUPPLY



264,000 sq m
TAKE-UP

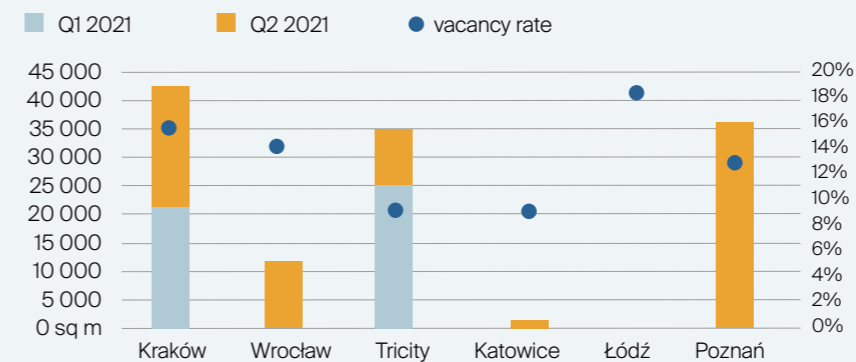


925,000 sq m
SUPPLY UNDER CONSTRUCTION

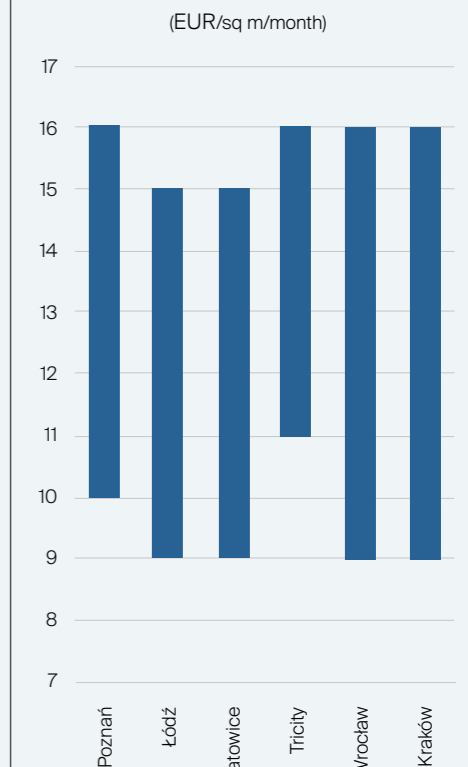


793,000 sq m
AVAILABLE SPACE

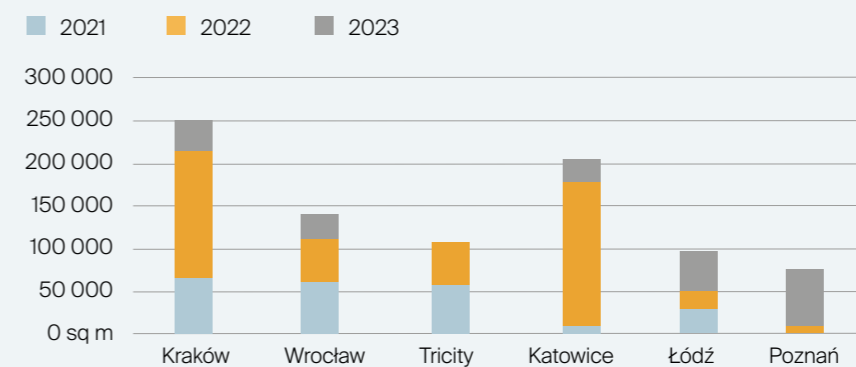
NEW SUPPLY (H1 2021) AND VACANCY RATE (Q2 2021)



ASKING RENTS (Q2 2021)



SUPPLY UNDER CONSTRUCTION BY COMPLETION YEAR (Q2 2021)



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