

# Strong cities



City attractiveness, office market, HR trends

Q1 2024

The office market sentiment, the investment potential of the city and the labour market.

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# Łódź

Prepared  
in cooperation with



Michael Page

# Łódź

**City area**  
293.25 sq km

**Population**  
652,015  
(state of 31.12.2023, GUS)

**Unemployment rate**  
4.6%  
(state of 03.2024, GUS)

**GDP growth**  
4.7%

**PKB per capita**  
PLN 70,846

**Average salary (gross)**  
PLN 7,659.38  
(03.2024, GUS)



## Investment attractiveness

Rankings

**1<sup>ST</sup> PLACE** in the category of **Best Mayor** of a Municipality with over 100,000 inhabitants

**2<sup>ND</sup> PLACE** in the „**Best Local Government**” category, municipalities with over 100,000 inhabitants

**1<sup>ST</sup> PLACE** in the ranking of cities of PZFD as **the most efficient city in terms of administrative activities in 2021**

**1<sup>ST</sup> PLACE** in the **City of The Year category**, 12<sup>th</sup> Europa Property Investment & Manufacturing Awards

**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

## Investment incentives

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

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

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).

Personalized offer of investment areas (urban and private).

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

Support within the Łódź Special Economic Zone.

## Quality of life

Rankings

**2<sup>ND</sup> PLACE** in the Forbes **People Friendly Cities 2021** ranking

**3<sup>RD</sup> PLACE** in the **Europolis Green Cities** ranking

**4<sup>TH</sup> PLACE** in the Pearls of Local Government 2022 national ranking of Dziennik Gazeta Prawna, and recipient of the title of **Good Practice Leader in the Digitalisation category**

**5<sup>TH</sup> PLACE** in the **Forbes Green Cities 2021** ranking

distinction in the „**Innovative Local Government**” competition of the Polish Press Agency (PAP) for the innovative issue of 'Green Bonds' for Łódź in the large cities category

National Geographic - **Best of The World 2022** award, placed among 25 cities in the sustainability category

## Quality of life in numbers

- A series of eco workshops.
- 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.
- Conducting more intensive CSR activities - „business for the environment”, as part of the implementation of the Ecopact.

**Bike paths**  
230.3 km

**Green areas**  
51.51 sq km

## Facts & Figures

**Number of students**  
64,533

**Number of graduates**  
14,479

**Number of universities**  
19

**Airport - distance to the City centre**  
6 km

**Airport - number of passengers**  
87,349 (Q1 2024)

**BSS sector - number of centres**  
107

**BSS sector - number of employed**  
35,000

RATING AGENCY






S&P

RATING




BBB+ (stable forecast 2022)

# Łódź

Q1 2024

-  Existing stock  
**638,000 sq m**
-  Supply under construction  
**41,000 sq m**
-  Vacancy rate  
**21.3%**
-  New supply (Q1 2024)  
**0 sq m**
-  Take-up (Q1 2024)  
**6,000 sq m**

## Standard lease terms in new buildings

-  Service charge  
PLN/sq m/month  
**15.00-28.00**
-  Rent-free period  
**1-1.5 months**  
for each contract year
-  Fit-out budget  
EUR/sq m  
**350.00-500.00**

▶ Łódź boasts an office stock of 638,000 sq m, which accounts for less than 5% of the total office stock in Poland. The demand for office space has declined compared to previous quarters, totalling nearly 6,400 sq m in Q1 2024. This weakened demand has led to an increase in the vacancy rate, which reached 21.3% at the end of March 2024, marking the highest vacancy rate in Poland.

### SUPPLY

At the close of Q1 2024, the total office stock in Łódź reached 638,000 sq m, accounting for 5% of Poland's total office stock. The majority of office buildings are situated in the city centre and in the Widzew district. Throughout the period from January to March 2024, no new modern office buildings were introduced to the Łódź market.

By the end of Q1 2024, over 41,000 sq m of office space remained under construction in Łódź. If developers adhere to their timelines, all this space will be available to the market later this year. Notable ongoing projects include the 32,000 sq m Widzew Manufaktura A developed by Cavatina Holding, and an 8,300 sq m building in the Fuzja complex developed by Echo Investment.

### TAKE-UP

The volume of lease transactions in Łódź in Q1 2024 amounted to 6,400 sq m, representing 5% of the total volume of contracts concluded in regional cities during this period. This marked the lowest result in three years. New leases constituted the largest share at 59%, while renegotiations accounted for the remaining 41%. No tenant expanded their office during the period under review.

### VACANCY RATE

Due to the lack of new supply and low take-up for office space, the vacancy rate in Łódź at the end of March 2024 stood at 21.3%, the highest among major cities in Poland. This reflects a 1.0 pp increase from the previous quarter and a rise of 0.8 pp compared to the same period in 2023.

### RENTS

Asking rents in Łódź remained stable at the end of Q1 2024 compared to the previous quarter, ranging from EUR 9.00 to 15.00/sq m/month. Similarly, service charge rates also remained steady in comparison to the previous quarter, typically ranging between PLN 15.00 and 28.00/sq m/month.

# Office market in Poland

Q1 2024

-  Existing stock  
**13m sq m**
-  New supply (Q1 2024)  
**80,000 sq m**
-  Take-up (Q1 2024)  
**279,000 sq m**
-  Supply under construction  
**561,000 sq m**
-  Vacancy rate  
**14.5%**

### SZCZECIN

185,000 sq m  
5.5%  
EUR 10-14.5

### POZNAŃ

674,000 sq m  
14.1%  
EUR 11-15.5

### WROCŁAW

1.37m sq m  
19.1%  
EUR 10-16

### KATOWICE

751,000 sq m  
20.6%  
EUR 9-14.5

### KRAKOW

1.82m sq m  
20.2%  
EUR 10-16

### TRICITY

1.05m sq m  
13.4%  
EUR 11-15.5

### WARSAW

6.24m sq m  
11%  
EUR 10-27

### ŁÓDŹ

638,000 sq m  
21.3%  
EUR 9-15

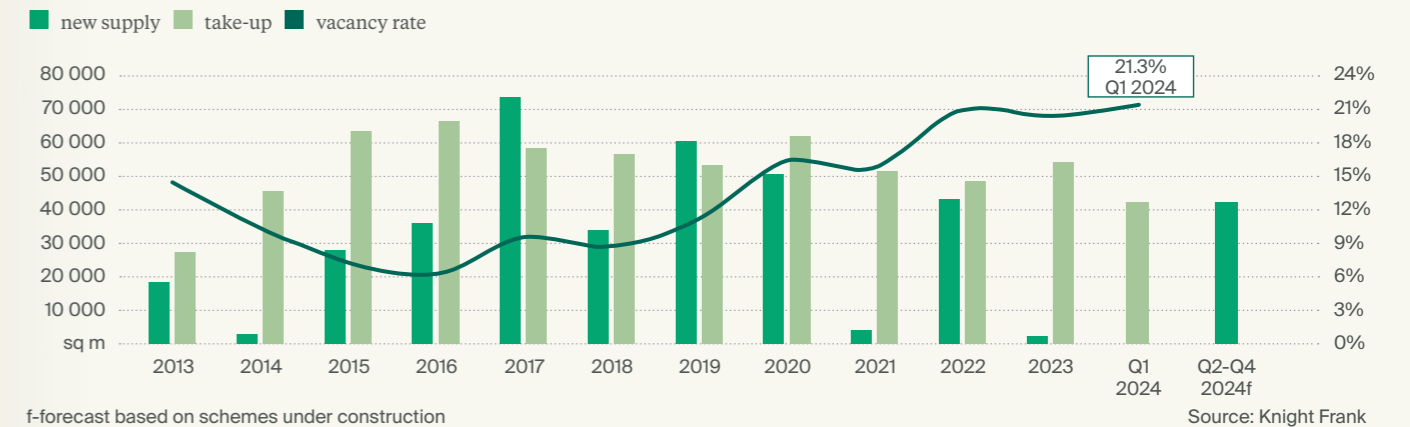
### LUBLIN

221,000 sq m  
12%  
EUR 9-13

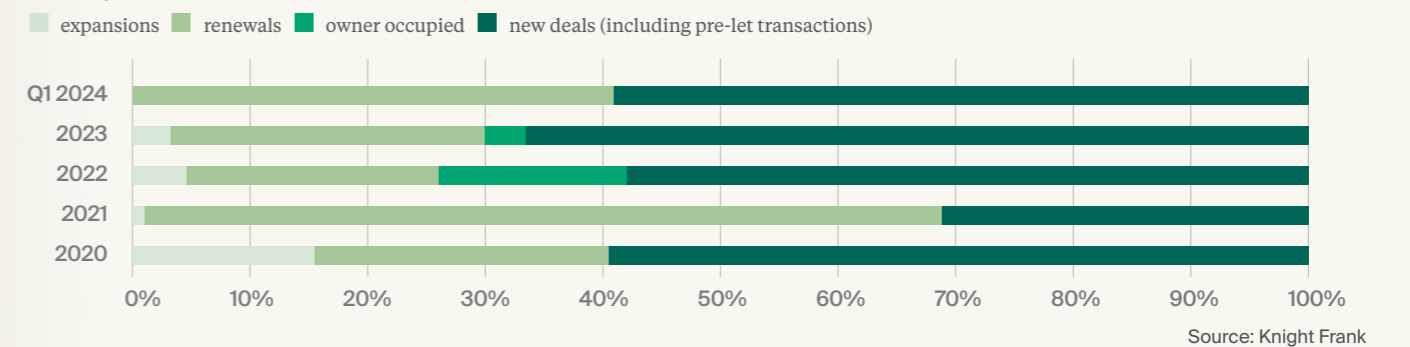
 - office stock  - vacancy rate  
 - asking rents (per sq m per month)

Source: Knight Frank

## Annual new supply, take-up and vacancy rate in Łódź



## Take-up structure in Łódź



# Talent Trends 2024: Bridging “The Expectation Gap”

Talent Trends 2024 stands out as the most extensive talent study ever conducted, engaging over 50,000 professionals across 37 countries. Offering unique insights, it illuminates what employees truly desire, revealing a landscape where individualised needs surpass traditional perks like competitive salaries and flexible work arrangements. In parallel, employers face the challenge of adapting to this shifting terrain within a rapidly evolving business ecosystem.

This year's report zeroes in on the "Expectation Gap" between employees and employers, a theme threading through discussions on salary expectations, the clamour for workplace flexibility, organisational culture, work-life balance, the advent of artificial intelligence (AI), and the imperative of diversity, equity, and inclusion (DE&I). This gap permeates every facet of modern workspaces.

## DE&I Challenges

Despite a surge in DE&I awareness across Poland, the journey to truly inclusive workplaces remains lengthy. Many Polish professionals perceive a dissonance between DE&I aspirations and the realities of their daily work lives, underscoring the need for substantive, not superficial, initiatives.

## AI Integration

While artificial intelligence tools have yet to achieve ubiquity, they already steer career decisions. Navigating ethical and legal parameters, such as safeguarding personal data and upholding intellectual property rights, remains paramount.

## Autonomy and Flexibility

Workers increasingly prize autonomy and flexibility, posing a quandary for employers with a penchant for traditional office setups. Prioritising the alignment of work with life, rather than the other way around, emerges as a key directive.

## Salary Still Reigns Supreme

Despite the global deceleration in wage growth, employees persist in seeking higher salaries to offset escalating living expenses. Discontentment with current compensation propels many to explore fresh career avenues.



Talent Trends 2024 unveils the intricate dynamics of the job market and the delicate dance between employers and employees. Grasping these interconnections is pivotal in crafting HR strategies that foster mutual benefit.

Michael Page stands at the forefront of global personnel consulting and recruitment, specialising in top-tier professionals and executive management.

<https://www.michaelpage.pl/>

## The ins and outs of the labour market in the Business Service Centres sector

in Poland

In 2023, the business services market saw a slight slowdown compared to previous years, which were record-breaking. Faced with a complex international situation and various economic challenges, many organisations in the Polish market adopted a cautious approach, scrutinising investments and expenditures, which naturally affected recruitment.

Nevertheless, Poland remains highly appealing for companies looking to centralise their core functions, leading to ongoing new investments in roles focused on operational tasks. Meanwhile, established organisations have increasingly automated less advanced processes or outsourced them to other countries for cost-saving reasons. Language proficiency remains an advantage in Polish centres, yet roles requiring advanced skills are on the rise, with companies actively seeking employees with specialised expertise. Particularly, there's a high demand for individuals proficient in analysing large datasets, with positions such as Business Analysts, FP&A Specialists, Data Engineers, or BI Experts being sought after in 2023.

The demand for skilled workers exceeded the availability of candidates meeting organisations' expectations. Successful recruitment became more challenging as offered terms and conditions often fell short of candidates' expectations. For instance, candidates typically expected a salary at least 15 percent higher than their current one. Additionally, employees became more selective, considering factors like the company's image, product, vision, and potential for further development. Counter-offers from existing employers and customised job offers, often more motivating than mere financial incentives, posed significant recruitment risks.

In an era shifting towards hybrid working models, candidates placed significant emphasis on remote work possibilities and flexible policies. They also emphasised the importance of achieving a better work-life balance, with some willing to forego promotions or higher positions in order to prioritise their well-being. Employers and HR departments worked intensively to align policies with these expectations to the best of their ability.



## TOP 3

most desirable positions in the SSC sector.

For more mature or well-established centres, we notice a strong interest in competencies in the following areas and positions:

**1** Finance and accounting roles from the areas of RTR/Reporting/FP&A:  
8,000 – 30,000\* gross monthly

**2** Compliance/Risk/Audit/Internal Control:  
12,000 – 30,000\* gross monthly

**3** Role w obszarze Transformation/Transition:  
14,000 – 40,000\* gross monthly

\* depending on experience level and position

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- ▶ market reports and analysis available to the public,
- ▶ tailored presentations and market reports for clients.

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