

# Strong cities



City attractiveness, office market, HR trends

Q1 2025

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  
**4.8%**  
(state of 02.2025, GUS)



GDP growth  
**4.7%**



PKB per capita  
**PLN 70,846**



Average salary (gross)  
**PLN 8,126.23**  
(02.2025, GUS)

## Investment attractiveness

Rankings

**1<sup>ST</sup>**  
**PLACE**

in the category of **Best Mayor** of a Municipality with over 100,000 inhabitants

**1<sup>ST</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

|||||

distinction in the **"Innovative local government"** competition of the PAP Local Government Service for the innovative issue of "Green Bonds" for Łódź in the category of large cities

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Prime Property Prize 2024 for Łódź: **Łódź is an investor-friendly city**

## 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](http://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  
**431,142** (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 2025



Existing stock  
● **642,000** sq m



Supply under construction  
↓ **9,000** sq m



Vacancy rate  
↓ **22.3%**



New supply  
↓ **0** sq m



Take-up  
↓ **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 ranks as the sixth largest office market in Poland, with total stock accounting for 642,000 sq m. Take-up for office leasing remains limited, amounting to only 6,000 sq m in Q1 2025. Consistent with the trend in most other cities, no new buildings were delivered to the market in Q1, which contributed to a decrease in the vacancy rate to 22.3% by the end of March. Nevertheless, the vacancy rate in Łódź remains the highest among the major office markets in Poland.

### SUPPLY

At the end of Q1 2025, the total office stock in Łódź amounted to 642,000 sq m, representing approximately 5% of the national resources. The vast majority of office buildings are concentrated in the city center and the Widzew district.

Developer activity in Łódź remained limited in the first quarter of 2025, with no modern office buildings completed or delivered to the market between January and March. At present, only one office project is under construction: the Fuzja IO1 building, comprising approximately 9,000 sq m of office space. This development forms part of the broader Fuzja complex, undertaken by Echo Investment. Subject to adherence to the construction schedule, the building is expected to be completed and ready for occupancy in the second half of 2025.

### TAKE-UP

Since the beginning of 2025, the take-up for office space in Łódź has amounted to just under 6,000 sq m representing the lowest quarterly result in four years.

New leases held the largest share in the total take-up structure, accounting for 61%. Renegotiations comprised 39% of the volume. Notably, no expansions or owner-occupier deals were recorded in Q1 2025.

The most active sector in the Łódź lease market is IT, which accounted for 83% of the space leased.

### VACANCY RATE

At the end of Q1 2025, the vacancy rate in Łódź stood at 22.3%, representing a decrease of 0.4 pp compared to the previous quarter and an increase of 1 pp compared to the same period of the previous year. Łódź has the highest vacancy rate in Poland. However, given the limited new supply which is the third lowest in the country after Lublin and Szczecin, the vacancy rate is expected to decline in the upcoming quarters.

### RENTS

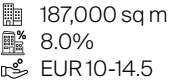
Asking rents in Łódź remained stable at the end of Q1 2025 compared to the previous quarter, ranging from EUR 9.00 to 15.00/sq m/month. Service charges, on the other hand, experienced a slight increase and typically ranged between PLN 16.00 and 29.00/sq m/month.

# Office market in Poland

Q1 2025



## SZCZECIN



## POZNAŃ



## WROCŁAW



## KATOWICE



## TRICITY



## WARSAW



## ŁÓDŹ



## LUBLIN



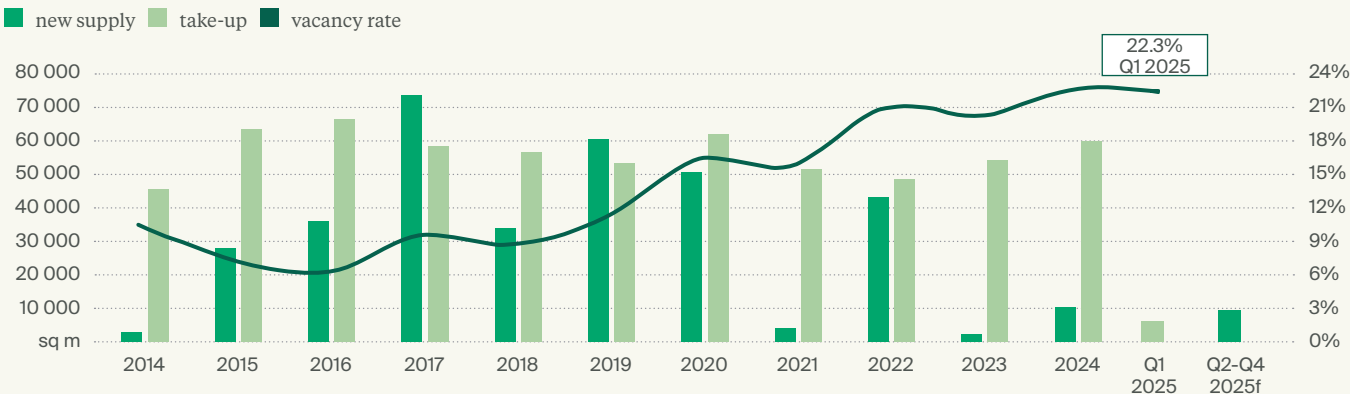
## KRAKOW



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

Source: Knight Frank

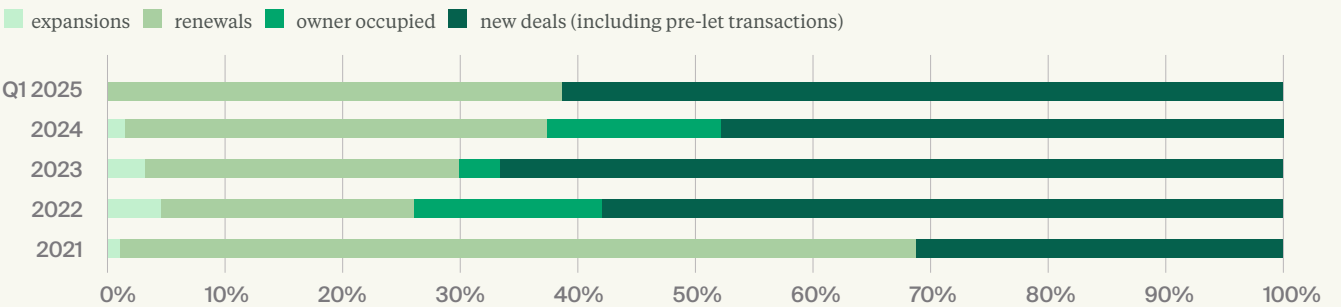
## Annual new supply, take-up and vacancy rate in Łódź



f-forecast based on schemes under construction

Source: Knight Frank

## Take-up structure in Łódź



Source: Knight Frank



# Up to 44% of Polish construction and real estate companies may soon face the succession challenge.

- The real estate market in Poland is experiencing a notable slowdown and, according to many analysts, is currently characterized by considerable uncertainty. Companies are increasingly recognizing a range of challenges, extending beyond demand stimulation or general economic conditions. Business owners are placing significant emphasis on leadership competencies, which they believe will be critical in navigating potential market downturns. According to experts at Michael Page, the industry is at a pivotal moment of profound transformation, already impacting executive teams within development companies. The topic of succession is becoming a frequent focus in discussions with clients in this sector.

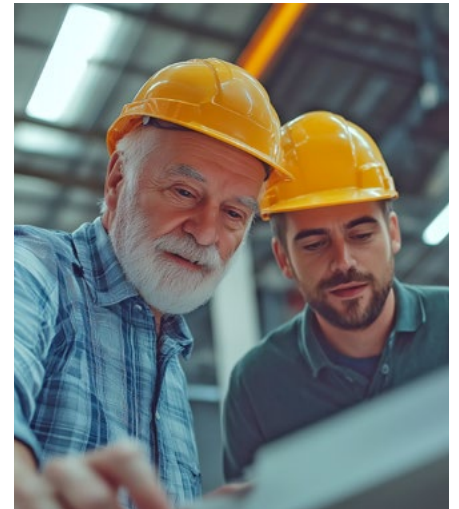
A recent report by Bank Pekao identifies construction and real estate services as two of the most significant sectors of the Polish economy, both heavily dominated by domestic private capital accounting for approximately 75% of total industry revenues in each case. These sectors are now facing a multitude of challenges, no longer limited to macroeconomic cycles. Increasingly, governance issues are emerging, particularly the impact of demographic shifts and generational change at senior leadership levels. In 2023, of the 673,000 entrepreneurs operating in Poland's construction and real estate sectors, as many as 299,000 were over the age of 50, many of whom are actively considering the transition of power and responsibility.

- The importance of succession has grown significantly in recent years. Not long ago, companies proactively seeking advisory support for succession planning were rare exceptions. Over the past two years, however, the number of such cases has increased severalfold. Given the demographic trends, we can confidently

**"Around 75 % of revenues in the construction and real estate services sectors come from domestic private capital."**

assume that this is only the beginning of a broader shift – comments **Krzysztof Butyński, Senior Associate Executive Manager**. He adds that Michael Page completed four succession processes last year, and in the first quarter of 2025 alone, that number has already been matched.

– It is estimated that there may currently be up to 45,000 entrepreneurs in the construction and real estate sectors who have already reached retirement age. Many of these individuals have been in business for decades and view succession as a natural step in their company's evolution, though one that is often complex. While they may wish to maintain influence within the organization, the experience gained during periods of growth does not always translate easily into today's market environment, which demands managing



**"Over 45,000 business owners in the construction and real estate sectors have already passed retirement age."**

more dynamic structures and navigating the expectations of a demanding Generation Z workforce. Today's business landscape calls for agility, energy, and a fresh perspective – qualities that not all senior leaders may still possess – Butyński observes.



## TRUST: THE CORNERSTONE OF SUCCESSFUL SUCCESSION

According to data from Bank Pekao, only 20% of family business owners report no difficulty in executing succession plans. Conversely, up to 60% acknowledge that their intended successors may lack the necessary leadership competencies. An additional perspective comes from the successors themselves - 67% of them believe assuming a leadership or executive role will be a significant challenge<sup>1</sup>.

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**"As many as 85% of potential successors have no interest in taking over the family business."**

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Further complicating the picture, as many as 85% of next-generation family members express a lack of interest in taking over the family business, indicating reluctance to assume leadership responsibilities. This creates a fundamental dilemma for owners - should they sell the business or recruit a qualified external candidate to take the reins? It is a

question that more companies are increasingly forced to address and one without a definitive answer.

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**"Even family-run businesses with rich, deep-rooted traditions are opening their doors to leadership from outside the inner circle."**

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*– The situation presents a considerable challenge not only for current owners and founders but also sends a strong signal to the broader market. Even in legacy family businesses with deep-rooted traditions, there is growing openness to external candidates who possess the right qualifications and can earn the trust of the outgoing leadership. It is important to recognize that succession of this nature is one of the most critical and complex recruitment processes a company will face. Fortunately, business owners do not have to navigate this journey alone. At Michael Page, our extensive experience allows us to support clients effectively and address the many nuances involved. Returning to the core question - sell or recruit? Conversations with our clients indicate a growing preference for the latter – Butyński emphasizes.*

It is also worth considering the opportunity from the candidate's perspective. Market data shows that average base salaries for top executive roles range from PLN 60,000 to PLN 80,000 per month, with salaries in listed companies often exceeding PLN 100,000.

*– In addition to this, candidates can expect various performance-related bonuses - both short-term and annual - amounting to as much as six times their monthly salary. Another common and highly effective approach to reinforcing loyalty and alignment is the inclusion of equity or stock options as part of a long-term incentive structure – Butyński explains.*

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**"Top executive roles command average base salaries of PLN 60,000 to 80,000 per month."**

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<sup>1</sup> Source: [https://www.pwc.pl/pl/pdf-nf/2024/NextGen\\_PL\\_2024\\_Raport\\_Polski\\_Sukcesor.pdf](https://www.pwc.pl/pl/pdf-nf/2024/NextGen_PL_2024_Raport_Polski_Sukcesor.pdf)

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