

Strong cities



City attractiveness, office market, HR trends

Q3 2024

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

knightfrank.com.pl/en/research



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 31.08.2024, GUS)


▶  **GDP growth**
4.7%

▶  **PKB per capita**
PLN 70,846


▶  **Average salary (gross)**
PLN 7,810.20
(31.08.2024, GUS)

Investment attractiveness


Rankings


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

1ST PLACE  in the „**Best Local Government**” category, municipalities with over 100,000 inhabitants

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

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

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

 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

 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).

Support within the Łódź Special Economic Zone.



Quality of life

Rankings

2ND PLACE in the Forbes **People Friendly Cities 2021** ranking

3RD PLACE in the **Europolis Green Cities** ranking

4TH 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**

5TH 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**
107,967 (Q2 2024)
-  **BSS sector - number of centres**
107
-  **BSS sector - number of employed**
35,000

RATING AGENCY **S&P**




RATING **BBB+ (stable forecast 2022)**

Łódź

Q3 2024

- ▶  Existing stock
645,000 sq m
- ▶  Supply under construction
11,000 sq m
- ▶  Vacancy rate
21.1%
- ▶  New supply
7,000 sq m
- ▶  Take-up
45,000 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

- ▶ The office space in Łódź totals 645,000 sq m, which represents 5% of Poland's overall office stock and 10% of that found in regional cities.

While demand for office rentals remains moderate compared to other major metropolitan areas, it is showing an upward trend. Between Q1 and Q3 of 2024, over 45,000 sq m were leased in Łódź, accounting for 9% of the total leasing volume in regional cities.

Despite this slight increase in demand and a limited supply of new properties, the vacancy rate remains high at 21.1%, the highest among major office markets. Conversely, asking rents have remained relatively stable, with upper limits around EUR 15/sq m/month, similar to other comparable cities.

SUPPLY

Developer activity in Łódź has been limited. In 2023, the new supply totalled just 2,000 sq m, while the first three quarters of 2024 saw 7,000 sq m delivered. If developers stick to their timelines, a slight increase in new supply is expected in Q4 2024, with an additional 11,000 sq m anticipated. However, based on current plans, no new office buildings are scheduled for completion in Łódź in 2025.

TAKE-UP

The demand for office rentals in Łódź is gradually increasing. During Q1-Q3 2024, the volume of leased space exceeded 45,000 sq m, reflecting increases of 14% and 19% respectively compared to the same periods in 2023 and 2022.

In the leasing structure for Q1-Q3 2024, new leases and renegotiations dominated, constituting 42% and 37% of the total leased space, respectively. The share of owner-occupier agreements rose to 19%, driven by a single significant transaction. Expansions, however, remained a small part of the leasing market, making up only 2.2% during Q1-Q3 2024, down from 3.1% in 2023.

VACANCY RATE

In Q3 2024, the vacancy rate fell by 2.2 pp compared to the previous quarter, reaching 21.1%. Nevertheless, this figure is significantly higher than the national average of 14.1% and the regional cities' average of 17.3%.

The combination of limited new supply and a rising demand trend is expected to positively influence the vacancy rate.

RENTS

As of the end of Q3 2024, asking rents in Łódź remained stable, typically ranging between EUR 9.00 and 15.00/sq m/month. Service charges also stabilised, ranging from PLN 15.00 to 28.00/sq m/month.

Office market in Poland

Q3 2024



SZCZECIN

187,000 sq m
 6.8%
 EUR 10-14.5

POZNAŃ

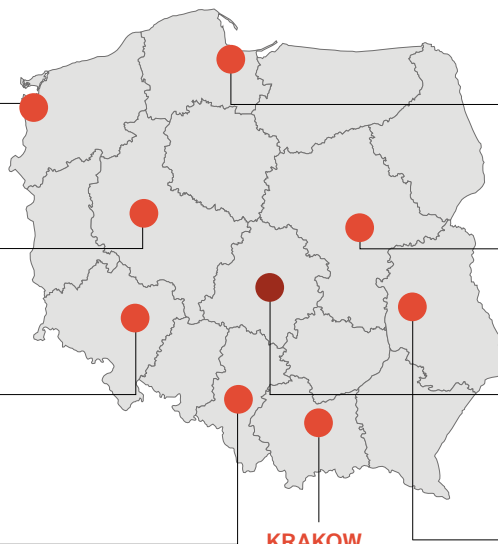
674,000 sq m
 12.5%
 EUR 11-15.5

WROCŁAW

1.37m sq m
 19.7%
 EUR 10-16

KATOWICE

752,000 sq m
 20.5%
 EUR 9-14.5



TRICITY

1.07m sq m
 12.7%
 EUR 11-15.5

WARSAW

6.26m sq m
 10.7%
 EUR 10-28

ŁÓDŹ

645,000 sq m
 21.1%
 EUR 9-15

LUBLIN

221,000 sq m
 12.6%
 EUR 9-13

KRAKOW

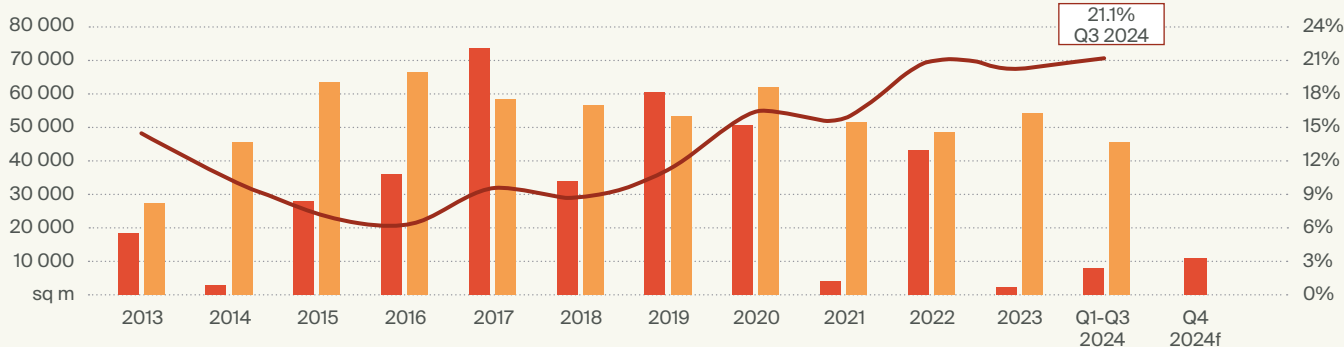
1.82m sq m
 18.9%
 EUR 10-16

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

Source: Knight Frank

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

■ new supply
■ take-up
■ vacancy rate

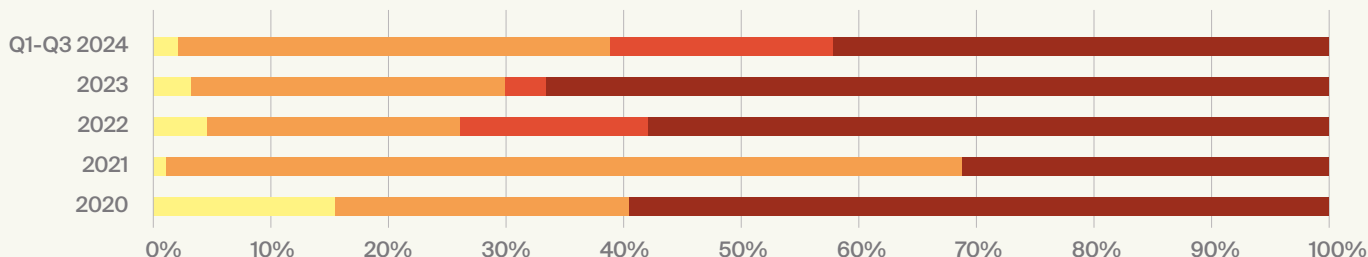


f-forecast based on schemes under construction

Source: Knight Frank

Take-up structure in Łódź

■ expansions
■ renewals
■ owner occupied
■ new deals (including pre-let transactions)



Source: Knight Frank

Salary Guide 2025: Navigating the Changing Job Market

In 2025, the Polish job market will continue to undergo significant transformations. Global challenges such as social and political shifts, advancing digitalisation, demographic changes, increased competition for talent, and candidates' expectations are shaping pay and recruitment strategies across various sectors. In this context, "Salary Guide 2025" by Michael Page experts provides entrepreneurs, HR managers, and recruitment specialists with an in-depth analysis of trends and forecasts for the coming year.

Key Salary Trends for 2025

The year 2025 will bring several major changes impacting wages in Poland. The Michael Page salary report identifies the fastest-growing sectors and those facing wage-related challenges.

1. Growth in the IT and Technology Sector

The IT sector is experiencing changing recruitment trends. There is a shift away from hiring less experienced specialists and an increased focus on expert-level professionals, particularly in cybersecurity, AI, machine learning, and software development. These areas are seeing a rise in salary levels.

2. Candidates Expect More

Employees are increasingly looking for not only attractive salaries but also flexible working conditions, development opportunities, and values that align with their beliefs. Companies that fail to meet these expectations may struggle to attract and retain talent.

3. Rising Importance of Sustainability

In 2025 and the years that follow, the need for ESG managers in Poland will grow, driven by the CSRD (Corporate Sustainability Reporting Directive). By 2026, around 3,500 organisations will be required to report on ESG. As the ESG sector is relatively new in Poland, there is a limited pool of specialists available.

4. Increased Demand for Soft Skills and Multidisciplinary

Expectations for candidates in finance and accounting sectors reflect current employer demands for experts across fields. Employers now require not only knowledge and experience but also agility in updating skills, the ability to identify and communicate business opportunities and risks, strong organisational understanding, data analysis and presentation skills, valuable business recommendations, and support for implementing them.



► Take the opportunity to adapt your pay strategy and recruitment processes to the challenges you face. Ensure your company's success in a competitive job market.

Don't let job market changes catch you off guard. Utilise the expert insights from Michael Page's "Salary Guide 2025" – a leading authority in recruitment and HR consulting. Download the free report on our website and gain a competitive edge with the latest data and thorough trend analysis. Download "[Salary Guide](#)".

The ins and outs of the labour market in the IT sector

Changing trends with an emphasis on cybersecurity and AI

The IT sector is struggling with volatile recruitment patterns. It seems to be turning down specialists with little experience. That said, there is a clear growth of interest in employees at the expert level – especially in such areas as cybersecurity, AI, machine learning, and software development. Businesses are intensively looking for experts who can integrate AI into existing systems, and those who can secure their IT infrastructure against growing cyber threats.

Salary growth in key specialisations

Salaries in the IT sector remain stable; yet in AI, machine learning and cybersecurity, it is possible to see an increase in wages. Businesses are willing to pay more for skilled professionals in these fields.

Nearshoring centres and service migration

The creation of nearshoring centres and the relocation of IT services from Western Europe to Poland is becoming more and more a fact of life. Businesses looking for savings due to rising energy costs and falling margins in production decide to move their IT services to Poland. As a result, the number of recruitment processes in the IT sector in Poland will be going up. This is expected to happen in the fourth quarter of 2024.

Low-level job outflow

Along with the influx of new jobs, many entry-level jobs are migrating to countries such as India and the Philippines. Middle and senior specialists – especially in such areas as IT management, software engineering, and consulting – continue to find employment in Poland, which is due to the high quality of work of Polish consultants and the lack of appropriate competences on foreign markets.

Back to on-premises solutions

The cloud is no longer the only solution for IT companies. Due to high costs and the risk of vendor lock-in, companies are returning to on-premises solutions. FinOps managers will gain significance, and their job description will include effective management of cloud service costs.

The role of soft skills

Companies are increasingly valuing soft skills in candidates. Communication skills, teamwork and empathy are becoming as important as technical skills.

The importance of ethics at work

The younger generation of staff seem to be prioritising the values and ethics of the companies they work for. Candidates are increasingly choosing employers who act in accordance with their values, avoiding businesses from the industries that come across as unethical.

Cooperating with graduates of technical studies

The number of graduates of technical faculties of Polish universities remains at a high level, which ensures a constant inflow of new talent into the labour market.

TOP 3

Most desirable positions in the IT sector:

- 1 ▶ SAP Consultant:**
PLN 25,000 – 29,000
gross monthly
- 2 ▶ Security Engineer:**
PLN 18,000 – 25,000
gross monthly
- 3 ▶ Cloud Engineer:**
PLN 25,000 – 31,000
gross monthly



Contacts

in Poland

+48 22 596 50 50
www.KnightFrank.com.pl

RESEARCH
Dorota Lachowska
dorota.lachowska@pl.knightfrank.com

COMMERCIAL AGENCY - ŁÓDŹ
T-REP Piotr Kalisz
piotr.kalisz@pl.knightfrank.com

CAPITAL MARKETS
Krzysztof Cipiur
krzysztof.cipiur@pl.knightfrank.com

VALUATION & ADVISORY
Małgorzata Krzystek
malgorzata.krzystek@pl.knightfrank.com

STRATEGIC CONSULTING EMEA
Marta Sobieszczak
marta.sobieszczak@pl.knightfrank.com

INDUSTRIAL AGENCY
Przemysław Jankowski
przemyslaw.jankowski@pl.knightfrank.com

As one of the largest and most experienced research teams operating across Polish commercial real estate markets, Knight Frank Poland provides strategic advice, forecasting and consultancy services to a wide range of commercial clients including developers, investment funds, financial and corporate institutions as well as private individuals. We offer:

- ▶ strategic consulting, independent forecasts and analysis adapted to clients' specific requirements,
- ▶ market reports and analysis available to the public,
- ▶ tailored presentations and market reports for clients.

Reports are produced on a quarterly basis and cover all sectors of commercial market (office, retail, industrial, hotel) in major Polish cities and regions (Warsaw, Krakow, Łódź, Poznań, Silesia, Tricity, Wrocław, Lublin, Szczecin) and PRS sector in Poland. Long-term presence in major local markets has allowed our research team to build in-depth expertise of socio-economic factors affecting real estate market in Poland.

Knight Frank Research Reports are available at:
www.knightfrank.com.pl/en/research/

© KNIGHT FRANK SP. z o.o. 2024

This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank to the form and content within which it appears.

PARTNER OF THE PUBLICATION:



INVEST IN ŁÓDŹ

CITY COUNCIL IN ŁÓDŹ
ul. Piotrkowska 104a
90-926 Łódź

a.brzostowski@uml.lodz.pl

 [/invest-in-lodz](https://www.linkedin.com/company/invest-in-lodz)

Michael Page

CONTACT:

+48 (22) 319 30 00
contact@michaelpage.pl

www.michaelpage.pl