

Strong cities



City attractiveness, office market, HR trends

Q4 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 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

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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).

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


Q4 2024

- 


Existing stock

646,000 sq m
- 


Supply under construction

9,000 sq m
- 

Vacancy rate

22.7%
- 


New supply

11,000 sq m
- 

Take-up


60,000 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's office stock stands at 646,000 sq m, accounting for just under 5% of Poland's total office space. While demand for office leasing remains moderate compared to other regions, it continues to grow. In 2024, over 60,000 sq m were leased, representing 8% of the total take-up volume across regional cities.

Despite rising demand, the vacancy rate remains high at 22.7%. However, with limited new supply in the pipeline and a sustained increase in teke-up, a gradual decline in vacancy levels is expected in the coming quarters.

SUPPLY

At the end of 2024, the total office stock in Łódź reached 646,000 sq m. Throughout the year, nearly 11,000 sq m of office space was delivered to the market, representing 9% of the new supply across regional cities.

Currently, only one project is under construction—an office building totalling 9,000 sq m, developed by Echo Investment as part of a larger complex, with completion scheduled for early 2025.

TAKE-UP

Office space take-up in Łódź has been increasing for the third consecutive year, reaching nearly 60,000 sq m by the end of 2024. This marks an 8% rise compared to the five-year average and accounts for over 8% of the total leasing activity in regional cities.

New leases accounted for the largest share of transactions (48%), while lease renewals represented 36% of the total volume. Owner-occupied deals reached a record-high share of nearly 15%, driven by Rossmann's lease of approximately 9,000 sq m in Park Biznesu Teofilów C. The remaining portion of the leasing volume was attributed to expansion transactions.

VACANCY RATE

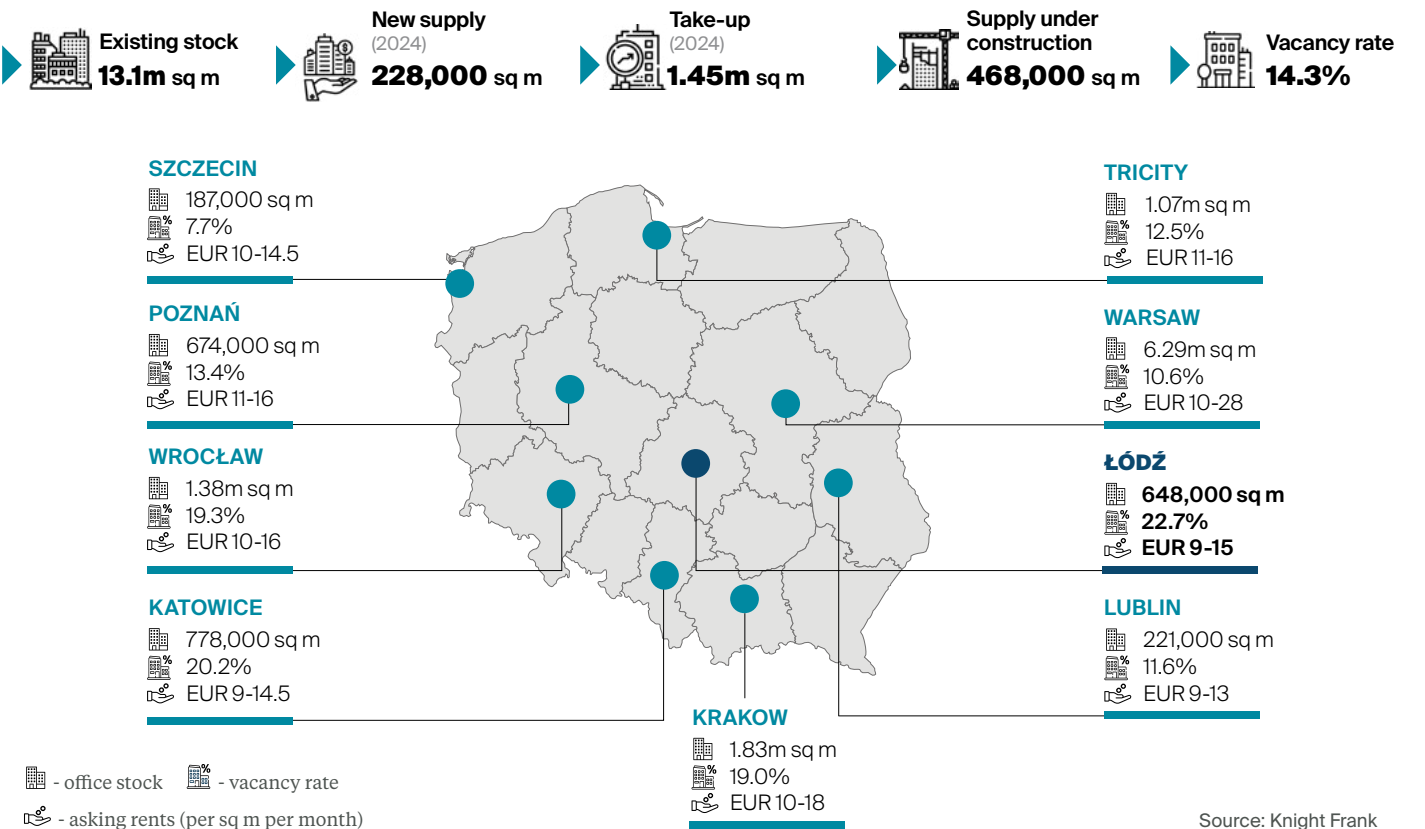
As of the end of 2024, the vacancy rate in Łódź stood at 22.7%, reflecting an increase of 1.6 pp. compared to the previous quarter and 2.4 pp. year-over-year. However, given the limited new supply under construction and the sustained growth in take-up, the vacancy rate is expected to decline in the upcoming quarters.

RENTS

By the end of Q4 2024, asking rents in Łódź remained stable compared to the previous quarter, ranging from EUR 9.00 to 15.00/sq m/month. Service charges also remained unchanged, typically between PLN 15.00 and 28.00/sq m/month.

Office market in Poland

Q4 2024



Salary and Trend Overview in Production, Warehouse Logistics, and Manufacturing in Poland

The year 2025, as a continuation of 2024, brings numerous challenges for the sector of production logistics, warehouse logistics, and manufacturing in Poland. Naturally, the context of these challenges is broader and involves changes across Europe and globally. The market is facing several significant difficulties related to growing challenges in operational efficiency, the need to attract qualified employees, and changing salary expectations, which are evident throughout Europe, with this increase being particularly noticeable in Poland.

Although the production and logistics industry plays a key role in the economy, its dynamics are constantly evolving, requiring companies to demonstrate flexibility and adapt to new economic realities and labor market challenges.

Salaries in Logistics and Manufacturing

According to industry reports, including one published by Michael Page, average salaries in production and logistics are expected to continue growing in 2025, although at a slower pace than the previous year. The level of remuneration largely depends on the specific position, location, and company size, but a general trend of rising salary expectations is observed across the market. In addition to macroeconomic factors and inflation, the increase in the minimum wage also plays a role, impacting not only the salaries of production workers and warehouse staff but also those in specialized, expert, and managerial roles.

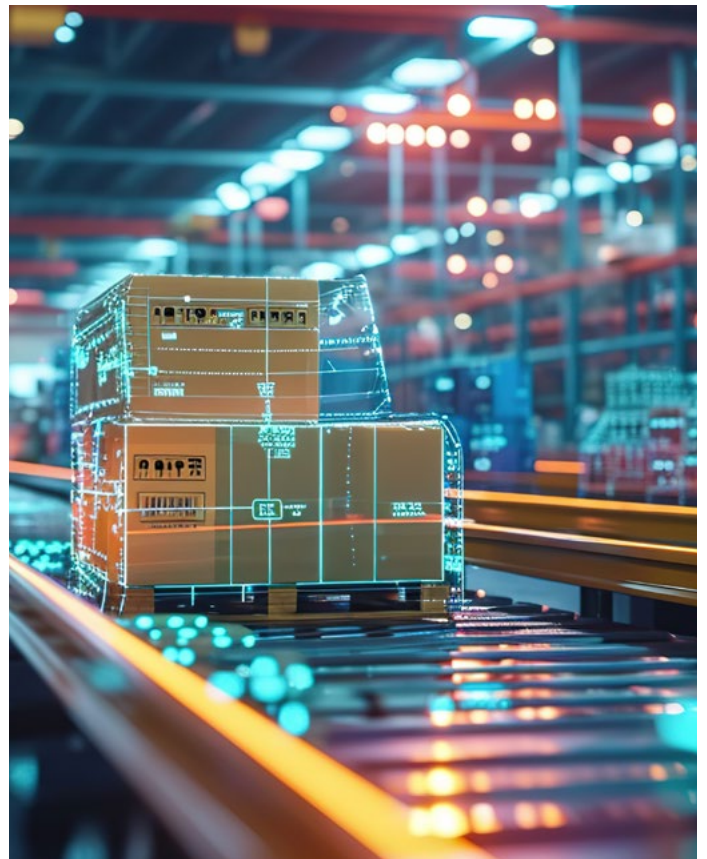
For another consecutive year, the gap in salaries between qualified experts and managers is expected to diminish, with the wage distance between these two groups narrowing.

The increase in wages in recent years, despite intense competition in the labor market, is a result of the growing automation and digitalization of production and logistics processes. Operational efficiency is becoming increasingly important, and achieving this without appropriate human and technological resources is difficult.

Recruitment in Logistics and Manufacturing: Challenges and Needs

With each passing year, as automation of processes advances, the demand for workers in logistics and manufacturing also increases, particularly in warehouse management, transport, and maintenance areas. It is estimated that, in 2025, the number of job vacancies in this sector in Poland could exceed 100,000. The logistics sector, especially with the intensive growth of e-commerce, requires adequately skilled employees who can meet the growing demands related to the speed and precision of deliveries.

According to a 2024 report from the Polish Institute of Logistics and Warehousing (PILM), 60% of companies in the warehouse and logistics industry report difficulties in recruitment, especially for manual laborers and middle management positions. Employers must rely on innovative methods of talent acquisition, such as





collaborating with technical universities, organizing internships, and creating career development programs. Companies often also turn to specialized headhunting firms to acquire the best talent, as they face challenges reaching them independently.

Automation and the Future of Employment

Trends indicate continued development in the automation of logistics, warehouse, and production processes, which may reduce the demand for manual labor in the short term. On the other hand, there is an increasing demand for specialists in the operation of advanced technologies such as robotics, automation, artificial intelligence, and the Internet of Things (IoT). These changes prompt companies to invest in the development of their employees' skills, offering courses and training related to modern warehouse systems or advanced production lines, and encouraging the search for new talent to strengthen existing teams.

Experts predict that in the coming years, the most sought-after specialists will include supply chain managers, logistics data analysts, and automation engineers. In the production sector, increasing importance will be placed on individuals involved in designing and implementing new technological solutions that enable more efficient process management. The manufacturing sector will also face the impact of artificial intelligence development and advancing automation, aiming to meet numerous standards, stabilize product prices, and improve cost efficiency.

Best Practices in Personnel Management in Logistics and Manufacturing

Companies in the logistics and manufacturing sectors that successfully attract and retain employees implement a range of best practices. Transparency in the recruitment process, aligning job offers with the actual needs of employees, and creating opportunities for career development are crucial factors before entering into collaboration with a potential candidate. Employers are increasingly adopting work flexibility, using hybrid work models for positions where this is technologically or process-wise feasible. Moreover, companies are investing in motivational and loyalty programs that support long-term retention of talent. These include, among other things, bonus programs and the development of career paths.

The logistics and manufacturing industries in Poland face many challenges, but their growth is essential to maintaining the competitiveness of the economy. Rising salaries, changing employee expectations, and the increasing role of technology are key elements shaping the future of the sector. Companies that successfully adapt to these changes will gain a competitive advantage in the market and can expect continued growth and enhanced operational efficiency.

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