The Strength of Cities

Knight Frank

City attractiveness, office market, HR trends

Q3 2026	The office market sentiment, the investment potential of the city and the labour market.	*knightfrank.com.pl/en/research*



Łódź

Prepared in cooperation with

INVEST IN ŁÓDŹ

Michael Page

Łódź

City area
293.25 sq km

Population
642,530
(state of 30.06.2025, GUS)

Unemployment rate
5.7%
(state of 09.2026, GUS)

GDP growth
4.7%

PKB per capita
PLN 70,846

Average salary (gross)
PLN 8,706.95
(09.2026, GUS)

Investment attractiveness

Rankings

1 ST PLACE for the Mayor of Łódź, Hanna Zdanowska, in the "Perły Samorządu 2025" ranking by Gazeta Prawna, in the category **"Best Mayor"** f a Municipality with over 100,000 inhabitants

1 ST PLACE in the **City Ranking of the Polish Association of Developers**

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

1 ST PLACE in the category of cooperation with local universities and in the category of transport accessibility (rail), as well as three times **3rd place** for the quality of local universities, the availability of modern office space, and cooperation with the local investor support agency, according to the ABSL report.

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 fDi Intelligence magazine's "European Cities and Regions of the Future" 2024 ranking, in the **"Business Friendliness"** category

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**

7TH PLACE in the fDi Intelligence magazine's "European Cities and Regions of the Future" 2024 ranking, in the **"Human Capital and Lifestyle"** category

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

8TH PLACE in the fDi Intelligence magazine's "European Cities and Regions of the Future" 2024 ranking, in the **"FDI Strategy"** category (medium-sized cities)

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
260.5 km

Green areas
51.51 sq km

Facts & Figures

Number of students
~70,000

Number of graduates
14,479

Number of universities
24

Airport - distance to the City centre
6 km

Airport - number of passengers
488,813 (2025)

BSS sector - number of centres
134

BSS sector - number of employed
35,000

RATING AGENCY | S&P | RATING | BBB+ (stable forecast 2022)

Łódź

Q3 2026



Existing stock
655,000 sq m



Supply under construction
8,500 sq m ▲ (+100% YoY)



Vacancy rate
17.6% ▼ (-2.1% YoY)



New supply
2,200 sq m ▲ (+100% YoY)



Take-up
80,000 sq m ▲ (+117.3% YoY)

Standard lease terms in new buildings



Service charge
PLN/sq m/month
16.00-29.00



Rent-free period
1-1.5 months
for each contract year



Fit-out budget
EUR/sq m
350.00-500.00

The Łódź office market was characterised by exceptionally strong occupier activity in Q3 2026, while the supply of new developments remained limited. Robust take-up contributed to a further decline in the vacancy rate, which has been on a downward trajectory since the beginning of the year. Against a backdrop of subdued development activity, Łódź is gradually reducing its surplus of available office space, which should support further absorption in the coming quarters.

SUPPLY

The supply of modern office space in Łódź remains very limited. Following six consecutive quarters without any new completions, the Famuły Poznańskiego office building was delivered to the market, adding nearly 2,200 sq m of modern office space. At the same time, development activity remains modest. Around 8,500 sq m of office space is currently under construction as part of the Magazyn Bawełny project, which is scheduled for completion in 2027.

TAKE-UP

In Q3 2026, leasing volume in Łódź exceeded 50,200 sq m, marking the highest quarterly result in the market's history. This represents an increase of 112% y-o-y and 179% q-o-q. The leasing volume recorded in Q3 alone was only slightly lower than the total take-up achieved throughout the whole of 2025.

Total take-up from January to September 2026 reached nearly 80,000 sq m (+117% y-o-y), confirming the strong recovery of the Łódź office market.

The demand structure highlights the dominant role of new leases, which accounted for 49% of total take-up. Renewals represented 41%, while expansions generated 9% of total leasing volume. A small proportion of leasing activity also comprised owner-occupier transactions.

Between January and September 2026, the public sector was the most active occupier group, accounting for 30% of total take-up. The key transaction was the lease signed by the City of Łódź Office for around 20,500 sq m of office space in two buildings within the University Business Park A complex. This was also the largest office leasing transaction concluded across all major regional office markets in Poland since the beginning of 2026.

VACANCY RATE

At the end of Q3 2026, the vacancy rate in Łódź stood at 17.6%, representing a significant improvement compared with the previous quarter, when it reached 19.8%. On an annual basis, the vacancy rate declined by 2.1 p.p.

Looking ahead, the very limited scale of new development activity is expected to support further stabilisation of vacancy levels in the Łódź office market.

RENTS

At the end of September 2026, asking rents in Łódź remained stable compared with the previous quarter and ranged between EUR 9.00 and EUR 15.00 per sq m per month. Service charges also remained broadly unchanged, typically ranging between PLN 16.00 and PLN 29.00 per sq m per month.

Office market in Poland

Q3 2026

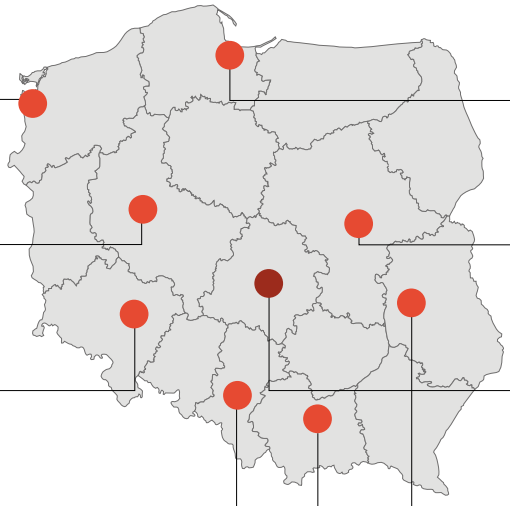
Existing stock **13m** sq m

New supply (Q1-Q3 2026) **124,000** sq m

Take-up (Q1-Q3 2026) **1.1m** sq m

Supply under construction **334,000** sq m

Vacancy rate **12.3%**



SZCZECIN
182,000 sq m
7.4%
EUR 10-14.5

POZNAŃ
678,000 sq m
10.9%
EUR 11.5-16

WROCŁAW
1.35m sq m
21.3%
EUR 11-16

KATOWICE
731,000 sq m
20.9%
EUR 10-15

KRAKOW
1.87m sq m
17.7%
EUR 10-18

TRICITY
1.08m sq m
10.3%
EUR 11-16

WARSAW
6.23m sq m
7.9%
EUR 12-32

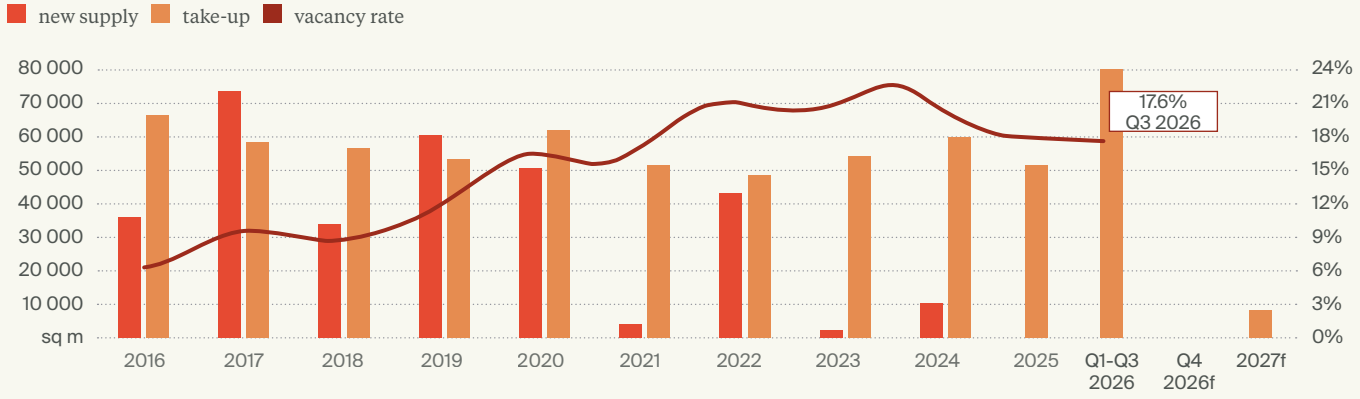
ŁÓDŹ
655,000 sq m
17.6%
EUR 9-15

LUBLIN
225,000 sq m
10.6%
EUR 9-14.5

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

Source: Knight Frank

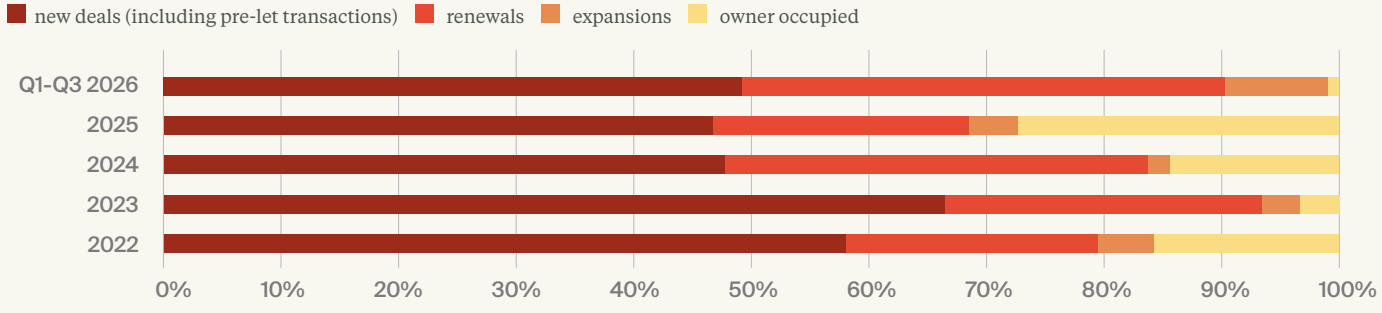
Annual new supply, take-up and vacancy rate in Łódź



f-forecast based on schemes under construction

Source: Knight Frank

Take-up structure in Łódź



Source: Knight Frank

Michael Page

How to find good people, and keep them

Employees rarely leave a company overnight. The decision to move on usually takes shape much earlier, as engagement fades, prospects for development dry up, people feel they have no real influence, or they become convinced their skills are not being put to proper use. By the time someone starts looking around for a new role, pay is only one piece of the puzzle.

IT'S NOT ONLY MONEY THAT KEEPS PEOPLE

Salary does, of course, need to be competitive. It is hard to expect loyalty from someone the company pays well below the market rate. A pay rise on its own, however, will not fix problems rooted in management style, organisational culture or a lack of opportunities to grow.

Trouble also arises when we reward good work with ever more responsibilities. For a while the company is happy: it has someone who "handles everything" and can always be relied upon. Sooner or later, though, that person may simply be overloaded and close to burnout.

"A pay rise on its own, however, will not fix problems rooted in management style, organisational culture or a lack of opportunities to grow."

That is why hiring and retaining good people is best treated as a marathon rather than a sprint. Pay matters, but so do the quality of the line manager, autonomy, a sense of influence, room to develop, meaningful work and fair treatment.

LOOK FOR POTENTIAL, NOT PERFECTION

The second challenge lies in how we recruit. Companies still too often look for someone who ticks every box in the job advert. Yet according to the Talent Trends 2026 report, as many as 41% of recruiters struggle to find candidates with the skills they need. In that situation, it makes sense to look first and foremost at potential.

Sport offers a good illustration. The best football clubs build their edge not only by signing star players but also by spotting talent and developing it within their own system. Business works in much the same way. We do not always need someone who can do every part of the job from day one.





"As many as 41% of recruiters struggle to find candidates with the skills they need. "

Sometimes a candidate who learns quickly and works well with the team is worth more. Specific processes are far easier to teach than a sense of responsibility or a way of thinking. This approach does, however, take courage on the employer's part.

THE BEST SPECIALIST SHOULD NOT ALWAYS BECOME A MANAGER

Many companies still follow a simple pattern: if someone is an outstanding specialist, the natural next step is a management role. Yet not everyone wants to manage people, and not everyone is suited to it. That is why it pays to build two parallel career paths, one for experts and one for managers.

Promotion should not be merely a reward for good results. It should be the next stage of a career, matched to the individual's ambitions, skills and aptitudes.

A GOOD LEADER KNOWS WHEN TO HAND OVER THE REINS

A similar problem crops up in fast-growing companies when the owner, often without realising it, starts holding the business back. In the early days they run the company with a handful of people and know every process inside out. As the organisation grows to dozens or even hundreds of employees, however, the management style often stays exactly the same. The owner still wants to sign off most decisions personally.

I would measure a leader's maturity not by the number of decisions they take themselves, but by the number the organisation can take without them. That requires trust and a willingness to accept mistakes. If we give someone the "number two" role but do not let them make significant decisions, we are not preparing a successor. We are simply teaching them to ask the boss for permission.

"I would measure a leader's maturity not by the number of decisions they take themselves, but by the number the organisation can take without them."

An owner who wants to build a company that does not depend on them must also accept one more thing: it is worth hiring people who are better than they are in particular areas. That is not a threat but a precondition for growth.

Trusting the team and delegating responsibility make it possible to build an organisation that is strong not only because of its owner, but also because of the people they have entrusted with responsibility.

Author: Radosław Szafrański, Managing Director at Michael Page

Michael Page

Is Poland still an attractive investment destination? Talent and geopolitics are taking precedence over labour costs

Poland remains one of Europe's most attractive investment destinations, although the criteria companies use to assess the country are changing significantly. Over the past 15 years or so, Poland has been one of the biggest beneficiaries of globalisation, attracting investors with competitive labour costs, workforce availability and its strategic position between Western Europe and Central and Eastern European markets. Today, the depth and quality of the talent pool, alongside the ability to operate securely in an uncertain geopolitical environment, are becoming increasingly important.

Interest in the Polish market remains strong, as reflected in the volume of enquiries Michael Page receives about salary benchmarks, the availability of skilled professionals, location comparisons and cost estimates for new ventures. However, this interest is not translating into a proportionate number of investments moving forward. Based on our observations, only 10–20% of projects currently being assessed and prepared by companies and investment advisers are moving into implementation.

GEOPOLITICS IS SHAPING THE PACE AND DIRECTION OF INVESTMENT

Uncertainty is the main reason behind investors' cautious approach. Decisions that would have taken just a few months several years ago are now sometimes being postponed for several quarters. Management boards are assessing regional stability, the potential consequences of armed conflicts, the security of critical infrastructure and energy supplies, and supply chain resilience. These considerations have become an important addition to traditional investment criteria, such as operating costs, land availability and tax incentives. Many projects are not being cancelled but put on hold until companies can assess the conditions for proceeding with greater confidence. A decline in the number of investments going ahead does not therefore necessarily indicate that Poland is losing its competitive position.

At the same time, geopolitical developments are encouraging companies to bring operations closer to their end markets. Despite its proximity to the war in Ukraine, Poland continues to benefit from the nearshoring trend. For some organisations, establishing operations in Central Europe offers an opportunity to shorten supply chains and reduce dependence on distant Asian markets. Poland's geographical location therefore remains a major advantage, although it is increasingly being viewed through the lens of security and business continuity.

A STRONG INDUSTRIAL BASE SUPPORTS THE GROWTH OF EMERGING TECHNOLOGIES

The nature of projects being considered by investors is also changing. While the automotive, household appliance and traditional manufacturing industries remain important, sectors linked to security, energy and advanced technologies are gaining prominence.

> "Based on our observations, only 10–20% of projects currently being assessed and prepared by companies and investment advisers are moving into implementation."

We are increasingly involved in discussions concerning defence electronics, energy storage, batteries and energy-related components, automation and power electronics. Investor interest also extends to cybersecurity, space technologies, unmanned systems and communications technologies.





Dual-use technologies, which have both civilian and military applications, are becoming particularly important. Rising defence budgets across Europe are driving demand for engineers, research and development specialists, and experts in electronics, automation and cybersecurity. Poland's established industrial base and experienced engineering workforce provide a strong foundation for such projects. Skills developed in traditional manufacturing industries can be applied to emerging sectors, broadening the range of investments Poland is well placed to attract.

A MATURE BUSINESS SERVICES SECTOR GIVES POLAND A COMPETITIVE EDGE

The changing criteria for investment location decisions are also evident in the business services and IT sectors. For years, rising salaries have been cited as a factor that could undermine Poland's attractiveness to shared services centres, global business services operations and technology companies. However, employment costs are also increasing in competing markets, including Romania, Bulgaria, Hungary, Serbia and Portugal, with double-digit wage growth forecast in some of these countries in 2026. As a result, the availability of a sufficiently large pool of qualified specialists is becoming an increasingly decisive factor in companies' ability to establish and scale their operations.

Poland benefits from the long-standing presence of international organisations that have established SSC, BPO and GBS centres, as well as technology hubs, across the country. This has helped develop a strong pool of managers and specialists with experience in business transformation, process migration, ERP implementations, artificial intelligence projects and the development of global operating structures. Investors can therefore recruit professionals who are already equipped to manage complex processes in an international environment.

This advantage is further reinforced by the size of Poland's labour market, foreign language proficiency and a well-developed network of technical universities. Together, these assets represent a competitive strength built up over many years. Replicating comparable conditions in other locations takes time, and lower employment costs alone cannot provide the same breadth of skills and experience.

SPECIALIST EXPERTISE AND STRATEGIC FUNCTIONS ARE BECOMING MORE IMPORTANT

As Poland's market matures, the structure of employment is also evolving. In the coming years, some simpler, repetitive processes may move to lower-cost locations or become automated, including through the use of AI. This will require employees to develop and adapt their skills, while increasing the importance of more advanced functions.

> "Poland is gradually moving beyond delivering relocated business processes towards developing specialist expertise and taking greater responsibility for international operations."

Already, a growing number of our conversations with investors focus on competence centres, data analytics, artificial intelligence, cybersecurity, systems architecture, financial and digital transformation, product management and global strategic functions. Poland is gradually moving beyond delivering relocated business processes towards developing specialist expertise and taking greater responsibility for international operations. This shift offers a way to sustain the country's investment appeal through the value created by its workforce, even as salaries continue to rise.

Poland's future as an investment destination will therefore depend largely on its ability to continue developing the skills businesses need. Special Economic Zones, tax incentives and geographical location remain important factors supporting investment, but Poland's greatest asset is its skilled workforce. The knowledge and experience of its people are what enable the country to attract higher-value-added projects.

The biggest uncertainty remains the pace at which these projects will be implemented. Poland has strong foundations for continued growth, but realising this potential will also depend on companies' willingness to make long-term investment commitments in an evolving geopolitical environment.

Commentary by: Krzysztof Tuszyński, Head of Business Development Poland & Head of Katowice Office at Michael Page Poland

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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, Kraków, 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.

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