



PZFD
Polish Association
of Developers



The Łódź Real Estate Market Focus on the PRS

Study by the Polish
Association of Developers





The report partners:



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The Łódź Real Estate Market

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Graphic design:
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Warsaw
2023



This year, Łódź celebrates the 600th anniversary of its founding. This provides us with the perfect moment to take a look at the way the city has been transformed from being a textile powerhouse to a modern metropolis, and to discuss the prospects and directions for its further development.

The strength of Łódź has always been its citizenry: people who are ambitious, enterprising and resourceful. It is thanks to them that Łódź has survived the many downturns and crises that have occurred and, with the help of local residents and investors who have recognised its potential, Łódź is today a significant and dynamic economic hub within the Central and Eastern European region, successfully competing with other large cities both for people as well as capital. It is worth noting that a characteristic feature of our city has always been its multiculturalism and as a result its openness and tolerance for people of other nations, cultures and religions. People from abroad feel at home and safe in Łódź, and willingly join the local community, taking up work in its companies and educational courses in its schools and universities.

It is for the citizens of Łódź, as well as the tourists who continue to visit our city in increasing numbers, that significant efforts have been made in recent years to improve the local quality of life. The city's revitalisation programme supported by EU funds has entered its implementation phase and its former industrial buildings, tenement houses and other public space (streets, parks and squares) have undergone comprehensive renovation. City-forming, municipal and private mixed-use investments (e.g. EC-1, Monopolis, Fuzja, Manufaktura) have already become flagships for the city and have been appreciated, among others, by the organisers of the EXPO exhibition – Łódź has been selected to host EXPO Horticultural (the so-called “green EXPO”) in 2029.



Hanna Zdanowska,
the mayor of the City of Łódź



The Polish Association of Developers (PZFD) – an association of around 300 companies – counts among its members not only residential, office, warehouse, retail and parking developers, but also investors from the PRS sector. As an organisation, we believe that developers and investors can come together to shape the real estate market in Poland. According to various estimates, there is still a shortage of between 1.5 million and 2 million homes in Poland, while according to Eurostat, more than a third of those resident in Poland live in overcrowded apartments. Therefore, structurally, the demand for housing in Poland is extremely strong.

Łódź is a particularly attractive market to invest in – being the country's fourth most populous city and given its location in central Poland. Łódź was ranked first in the PZFD's most recent Cities Ranking. While compiling the data for the ranking, we examined cities' local spatial development plan coverage as well as the time it takes for development conditions and building permits to be issued. Łódź is also a strong student centre. As a result, key players in the institutional rental sector now operate on the Łódź real estate market, including members of the PZFD's Łódź branch.

As an association, we focus on fostering a dialogue with the relevant authorities, both at the governmental and local level. We believe that an understanding of the needs of the private sector on the part of the legislative and executive authorities is crucial to good law-making.

It is our great pleasure to present you with this report, which will show you why it is worth investing in Poland, and in particular in Łódź. In the first part, representatives of the city detail the key facts about Łódź, outlining exactly why the city is an attractive place to invest. In the chapter that follows we present some macroeconomic environment. In the third chapter, Upper Finance explains how the central location of Łódź makes it especially attractive to investors - particularly those from the institutional rental sector. After this, JLL presents key data confirming Łódź's potential in terms of the residential and institutional rental markets. And how can investors really establish themselves in the city? Resi4Rent's case study answers this question.

We hope you enjoy the read! And we invite you to Łódź and to acquaint yourselves with the Polish Association of Developers.



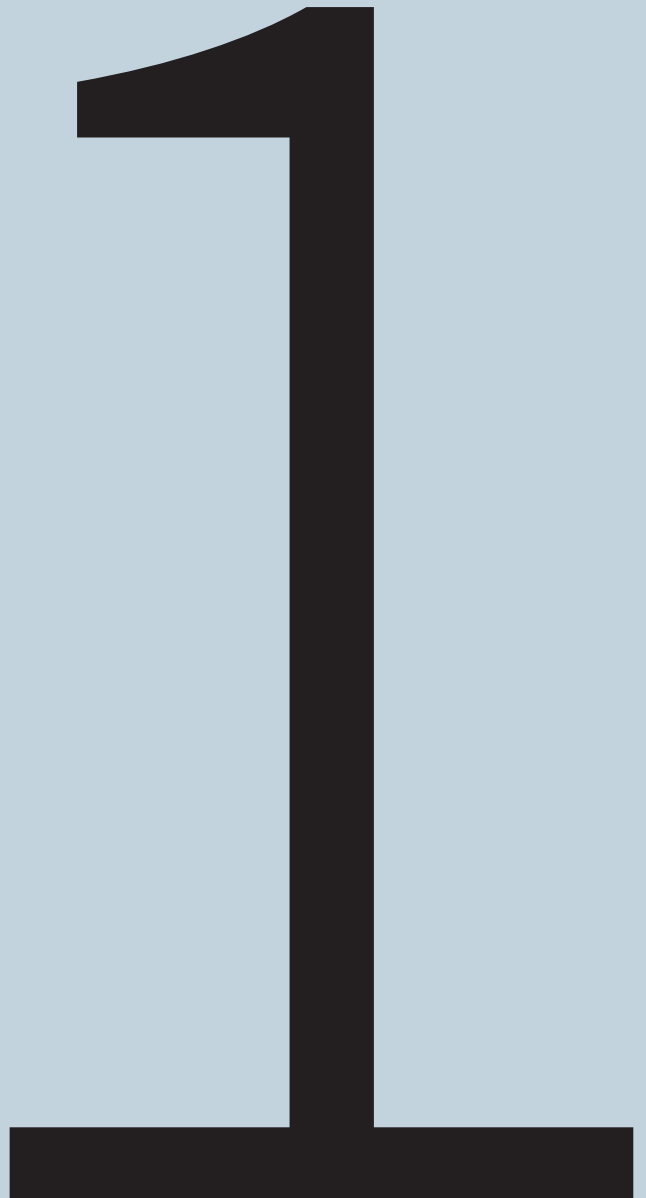
Konrad Płochocki,
the vice president of the management
board and general director of
the Polish Association of Developers

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A glance at the city and its potential



A glance at the city and its potential

The central location of Łódź, both on the Polish and European map, has helped to make the development of the city more dynamic and more attractive to current and potential investors. A number of key infrastructural investments that benefit from this undeniable advantage are at the final stage of implementation: the completion of the orbital motorway ring around the city, the construction of a cross-city tunnel, and the design of the New Centre of Łódź (NCL) – a new, centrally located business, residential and cultural district, attractive to developers, entrepreneurs, tourists and the inhabitants of Łódź themselves. The expansion and modernisa-

tion of the communication network is being complemented by the establishment of more industrial zones, such as on the western and eastern side of the city close to the airport. More than 400 ha of investment areas under the city's spatial development plan are now being prepared.

The key sectors currently driving the city's economic include both those that have undergone dynamic, even rapid growth in recent years (IT, BPO/SSC, Fin-Tech) and those that have long been Łódź's specialisation: production, logistics, e-commerce and the life sciences.

”

It should be emphasised that the motto “Łódź creates” is already inscribed into its DNA and is not just an empty slogan, as the creative sector – driven by companies from various industries, e.g. fashion, design, film production (including VR), gaming development and digital marketing agencies – feels at home here and its plans for future growth are embedded in this city.

A significant contribution is also made by the growing tourist sector. The city's industrial heritage, the historic buildings in the city centre, its attractive green areas, the constant additions to the leisure sector (e.g. the opening of the Orientarium and the Light.Move.Festival) and the significant improvement of the hotel base have acted as magnets for both the MICE sector and individual visitors from around the country and the world. The economic and social maturity of Łódź, as well as the current geopolitical and macroeconomic factors, i.e. high inflation and the reduced availability of mortgage loans, favour the development of new public and private initiatives such as apartments for rent managed by institutions.

The key factors for businesses in each sector also include qualified and competitive staff, of which Łódź has a lot to offer – experienced high- and middle-level managers, industry specialists and experts – as well as the students and graduates of the city's schools and universities. The pro-development environment of talent and

the companies employing them is complemented by universities and institutions that cooperate perfectly with business, such as in the Łódź Special Economic Zone, which is one of the best in Poland. Support at each stage of the project is provided by the city's Economic Development and International Cooperation Office. The Invest in Łódź team is also made up of passionate people with extensive professional experience, ready to respond in a comprehensively manner to the changing needs of investors over time.

In pursuit of further economic, social and infrastructural development, Łódź has not lost any of its spirit of creativity, entrepreneurship and authenticity. The initiatives and projects undertaken by the City and the private sector, as well as the experience we have gained, enable us to look with confidence to the future because, regardless of any economic turmoil, Łódź is on a stable course to economic success.

Key data about Łódź

670,642

Population (of which **382,440** are of working age).
Łódź is the fourth most populous city in Poland

19

Public and private universities (**74.773** students, **17.820** graduates, **5.000** foreign students)

35,000

Potential labour market (IT, finance, accounting, HR, customer services)

6,314

Average gross salary in the private sector (PLN)

4,5%

Unemployment

38%

Coverage the area of the city with local spatial development plans

59 days

The average time for issuing a site development conditions decision

39 days

The average time for issuing a building permit

Selected awards won by the City of Łódź

- **Ranking of Cities of the Polish Association of Developers – 1st place** for administrative efficiency of issuing development conditions and building permits
- **Europa Property CEE Investment Awards** – City of the Year
- **fDi ranking (Financial Times)**– one of the Top 10 European Cities and Regions of the Future in 2 categories: FDI Strategy and Business Friendliness
- **Emerging Europe ranking – 2nd place** in the most business-friendly city in the Central and Eastern Europe region category
- **ABSL ranking** – 1st place in the ‘**Cooperation with universities**’ category, 1st place in the ‘**Cost of renting office space**’ category, 2nd place in the ‘**Cooperation with local investment support organisations**’ category, 2nd place in the ‘**Remuneration level**’ category



The ongoing prospects and potential of Łódź

Michał Styś, the vice president of the board of the Łódź branch of the Polish Association of Developers and the CEO of OPG Property Professionals

The housing deficit, both in Poland and in Łódź itself, is still high and poses a fundamental issue. The soaring costs for mortgages for individual buyers have resulted in a drastic reduction in home purchases. In addition to this, since the last year, about 13% of Łódź residents are now Ukrainian refugees.

However, even before the conflict there was a shortage of apartments for rent. The solution for potential buyers requiring a modern and well-located place to live is an apartment for rent prepared according to the PRS format. In Łódź, this sector is at an early stage of development, with around 600 of such apartments in operation and another 1,600 under construction.

Compared to the other major cities in Poland, Łódź has one of the lowest percentages of apartments in PRS projects per 1,000 inhabitants – and it is one of the largest Polish cities in terms of population.

Łódź, located in the very centre of Poland and only 80 minutes by train from the capital Warsaw, has significant development potential, not only due to the large number of infrastructural and social investments carried out by the City of Łódź (and in particular its revitalisation projects), but also as an academic centre and a place to live.

The cross-city tunnel, which is under construction beneath the historic centre of the city together with the municipal railway network provide ideal access to the wider region. In addition, the bus and tram system, which is connected via a multimodal station with the railway, has provided the city with a highly advanced public transport



system, serving not only existing local residents, but also new generations who want to study and start their careers in the city. And then there is the New Centre of Łódź (on 100 ha of reclaimed former railway land, intended for multi-family housing as well as service and office development), which is one of the largest city-making projects in this part of Europe.

OPG Property Professional, which primarily operates in the Łódź region, is a member of the Polish Association of Developers. OPG is an experienced asset manager and development project manager in the field of unique and boutique residential, office and retail projects, in particular mixed-use projects and, recently, private rented sector projects.

* Based on JLL's data



The macroeconomic environment





The macroeconomic environment – the PZFD's forecasts for 2023

Patryk Kozierkiewicz, attorney-at-law trainee,
the Polish Association of Developers

The PZFD's forecasts for last year once again turned out to be much more moderate than how polish residential market actually performed. Last year, following a record-breaking 2021, we expected growth of homes prices to be maintained at the level of 7–9%, at the same time slightly above the then single-digit inflation. Meanwhile, according to a National Bank of Poland report, in Q3 2022 compared to the same period a year earlier, the nominal prices of homes on the primary market in the six largest Polish cities grew by as much as 18.5% (in terms of transaction prices)¹. Centrum Analiz PKO Bank Polskiego indicates, however, that due to the market environment, the growth dynamics have slowed down sharply in recent months, and according to the market consensus, this trend is likely to be maintained in 2023.

An analysis of last year cannot ignore the collapse in sales caused by the high inflation levels, as well as the introduction of the 'Recommendation S' changes by the Polish Financial Supervision Authority, along with the interest rate hikes, which significantly reduced the credit rating of the average Pole. All that can be said is that the sales figures in Q3 2022 were comparable to those during the intense lockdown period in Q2 2020. The critical month was August, when only 2,200 units were sold on the largest markets.

Since then, there has been a slight rebound in the sales figures. December was a particularly positive month in this regard, during which – according to Otodom Analytics – we saw the second highest monthly sales figures for the entire last year. However, until the problems on the mortgage market are resolved, it will be impossible to predict whether the situation on the market will improve significantly. And so, we have entered the new year in a more pessimistic mood. The launch of a housing scheme and a savings scheme for housing by the Ministry of Agriculture and Tourism, and the recent relaxation by the Polish Financial Supervision Authority of the method of calculating creditworthiness have provided a glimmer of hope. However, we are waiting for more specific details, although these three measures may only mitigate rather than eliminate a further decline in sales.

¹ The National Bank of Poland (NBP) – data on home prices and the situation on the residential and commercial real estate market in Poland in Q3 2022

How much of a slump are we seeing?

Research by Otodom Analytics shows that developers sold 38% fewer apartments in 2022 than in the previous year, and in terms of the number of transactions we returned to the levels of 2013/14. The decision to suspend new projects is a natural response by investors to the reduced interest from buyers. The launch of new projects in the face of reduced buyer interest, the rising costs of construction materials and labour, difficulties in obtaining financing and potential high debt servicing costs is simply too risky. Especially for smaller market players.

For this reason, 2022 resulted in a decrease in the volume of new developments by around a third. This means that developers started building 50,000 apartments fewer than a year earlier! Unfortunately, 2023 will be even worse in this respect. It is estimated that the decrease compared to 2021 will be even greater than 50%, which means that instead of 166,000 apartments, construction will only start on approx. 70–80,000 new units.

What will the new year bring?

The drastic reduction in the availability of mortgages has resulted in a decrease in purchases using credit and thus an increase in the share of cash transactions in the market. In order to move closer to the sales levels seen in previous years, it will be necessary for the Polish Financial Supervision Authority to relax lending policy and for interest rates to come down. Given the persistently high inflation levels, the latter seems particularly unlikely in 2023.

This means that the difficult situation will probably persist through 2023. A revival could be brought about by the government's launch of its 'First Apartment' scheme. If, as announced, this takes place on July 1st, in the second quarter we should expect an increase in the number of loan applications and reservation agreements concluded with developers. The introduction of the scheme could also encourage developers to increase the supply of new projects. However, everything will depend on the details of these measures, including the number of preferential loans available, the cyclical nature of the scheme, and the method used for calculating creditworthiness.

A slight rebound could also be triggered by the relaxation of Recommendation S by the Polish Financial Supervision Authority, or by purchasing decisions being taken by people who have been monitoring the market situation with a conservative eye over the last year and putting off their decisions to buy until relative stability returns, e.g. when interest rates normalise (in other words, the cumulative demand). However, due to the relatively strong Q1 2022, it seems that developers will sell fewer apartments this year than in the last twelve months. This is still likely to be the case even if the 'First Apartment' scheme is successful. The only factor that could certainly reverse the trend would be the beginning of a cycle of interest rate cuts, which seems very unlikely, unless it is adopted as a political tactic in the run-up to the general election.

How will developers react?

Undoubtedly, the trend of the last few months for limiting the supply of new developments is set to continue. Compared to 2021, the decrease in this respect could amount to over 50%.

Almost 100% of the respondents in a PZFD survey of some of its members are planning to reduce new projects, and as many as 48% of them by more than half. In the near future, investors are likely to only launch projects that are better located, as these are usually more popular with cash customers.

In the event of a failure to sell these units, such projects can then always be added to the rental market. Such a “safety cushion” is not possible for projects with inferior transport connections, on the outskirts of cities, and so launching them could turn out to be too much of a risk and end up being postponed until the market improves.

The supply of premium projects targeted at cash customers is set to remain relatively stable. However, due to the decrease in the total number of developments, their share of the entire housing market could possibly increase by as much as several percent.

In order to maintain the competitiveness of their projects and minimise the impact of rising building material costs, developers are likely to limit the number of cost-intensive solutions, especially those with a low utility value. However, this effect should only become visible at the end of the year at the earliest, when developers put into use the first building permits they applied for during the downturn, having attained a full picture of the market situation but with an awareness of the need to cut costs. The trend should also be to design more apartments with smaller areas and thus with greater sales potential – of course, taking into account such features as the minimum number of parking spaces.

The PRS market

Given the assumption that in more prosperous times the number of apartments completed is proportional to the volume of developments started about two years earlier, this year developers should bring onto the market around 150,000 apartments. Of course, one should bear in mind that during an economic downturn some projects are suspended, and so the launches recorded in the statistics increasingly tend to deviate from the true number of construction projects.

However, this does not alter the fact that the PRS market in Poland is still in its infancy, and – according to JLL – the total number of units in the hands of institutional investors amounts to 10,800², while in their plans for the next few years, investors are planning to increase the housing stock by several thousand a year. This means that over that period, about 3% of the stock of apartments built in a given year will be delivered to the market. This percentage

² JLL – data for the end of 2022

is even smaller if we take into account that a portion of the PRS stock is going to be developed on commercially-zoned land and so, according to the law, these are not classified as residential units.

The growth of the PRS market equates to a greater number of rental apartments in good locations, serviced by specialist firms and with a guaranteed stability that is lacking on the wider, more unruly rental market dominated by private investors. In addition to that, more rental units will contribute to a slowdown in the rent growth in this sector. This is particularly important if we consider that due to the combination of the aforementioned economic factors, in some cities rents went up by several dozen percent last year. The interest in rental apartments provided by investment funds is best evidenced by the renting levels of units available in PRS developments, which currently amount to approx. 99%.

With the current refugee crisis, rental housing is urgently needed. This is confirmed by moves made by the European Bank for Reconstruction and Development, which in December announced that it had granted a loan to a company operating in the PRS sector in Poland.





Łódź – a real estate investor-friendly city and an urban regeneration success story

Tatiana Piechota, partner at Upper Finance Group

Łódź, with its location in the centre of Poland, is one of the leading growth cities for each of the various real estate sectors.

As one of the country's largest and fastest growing metropolises, the city has gone through a profound economic and social transformation over the last three decades and, as such, reflects the changes that have taken place across the entire CEE region. Once a major textile manufacturing centre, Łódź has successfully transformed into a vibrant business, financial and technological hub, and continues to attract talent and investors from across the country.

Łódź can be viewed as an urban regeneration success story. The city has been successful in revitalising its historic districts through the refurbishment of tenement houses, the redevelopment of its streets, enhancements to parks and public areas, improvements to public transport and the reduction of traffic in the city centre. All of this investment has been welcome and has been supported by private investors, who have made a significant contribution to the city's revitalisation efforts and infrastructural improvements. Łódź is one of those places where private capital works hand-in-hand with the city authorities to make the best use of the city's real estate and commercial potential. As a result, a number of former industrial areas have been converted into thriving new districts with modern functions, bringing together office, retail, residential and hospitality space.

The city benefits from its central location and excellent road network. It lies at the intersection of Poland's two major motorways and enjoys convenient railway and airport connections. Further improvements in this area are on the way, thanks to the development of the Polish Central Airport halfway between Łódź and Warsaw. All of this has resulted in a booming industrial and production sector, as well as the rapid growth of the local warehousing market driven by increasing logistics activity. The top market players – tenants, developers and investors – continue to choose Łódź for their projects. In just the last four years, the modern warehouse space in the Łódź area has doubled, from 1.8 million square metres in 2018 to 4.1 million square metres in 2022.



Apart from its excellent location and well-developed transport infrastructure, the city provides access to both a competitive labour market and a diverse talent pool. As one of the major academic centres in Poland, Łódź can boast leading universities and colleges that attract both domestic and overseas students. All of these factors have been the driving forces for the development of the residential market, which offers investors a wide range of opportunities, including both the revitalisation of historic tenant buildings and new housing development. The first private rental investors have already entered the city's residential market and, judging from the success they have had so far, more PRS projects are in the pipeline.

The city authorities are keen to cooperate with investors when it comes to the further growth of rental housing. In 2022, Łódź was named the most real estate developer-friendly city, as it offers developers a quick and reliable decision-making process. With more businesses and highly skilled employees coming to the city, we can be sure that new PRS transactions, involving both domestic and global players, will continue to make the headlines in the years ahead of us.



The growing need for rental housing in Łódź represents an opportunity for the international PRS community

Iwona Załuska, partner at Upper Finance Group

The rental housing market in Poland has experienced rapid growth in recent years. As Poland still has a relatively low number of residential units per capita, as well as floorspace smaller than the EU average, Poles continue to live in apartments that do not reflect their current aspirations. The housing gap is still wide, which has been one of the reasons for the recent robust expansion of the residential market, especially in Poland's six largest metropolises, including Łódź.

The last few quarters have seen significant macro-economic changes. Soaring inflation has had a considerable impact on interest rates and the cost of mortgage loans. Although Poles still prefer owning to renting, the entry barrier for buying a residential property has risen to such a level that we are now seeing a renaissance in the build-to-rent sector. It is also worth pointing out that up to 1.5 million people from Ukraine came to Poland last year, mostly to the largest cities, where they are looking for quality rental housing.

The lack of rental housing in Poland has created the perfect environment for the further development of the professional institutional rental market and for attracting international entities seeking excellent investment opportunities. What they can find in Poland is a mature ecosystem populated by land acquisition companies, residential developers, general contractors and financial institutions. By working together, they can offer PRS projects tailored for individual investment strategies. This means that a PRS firm wishing to enter the Polish market can do so at various stages of a project's development and benefit from cooperating with experienced local partners.

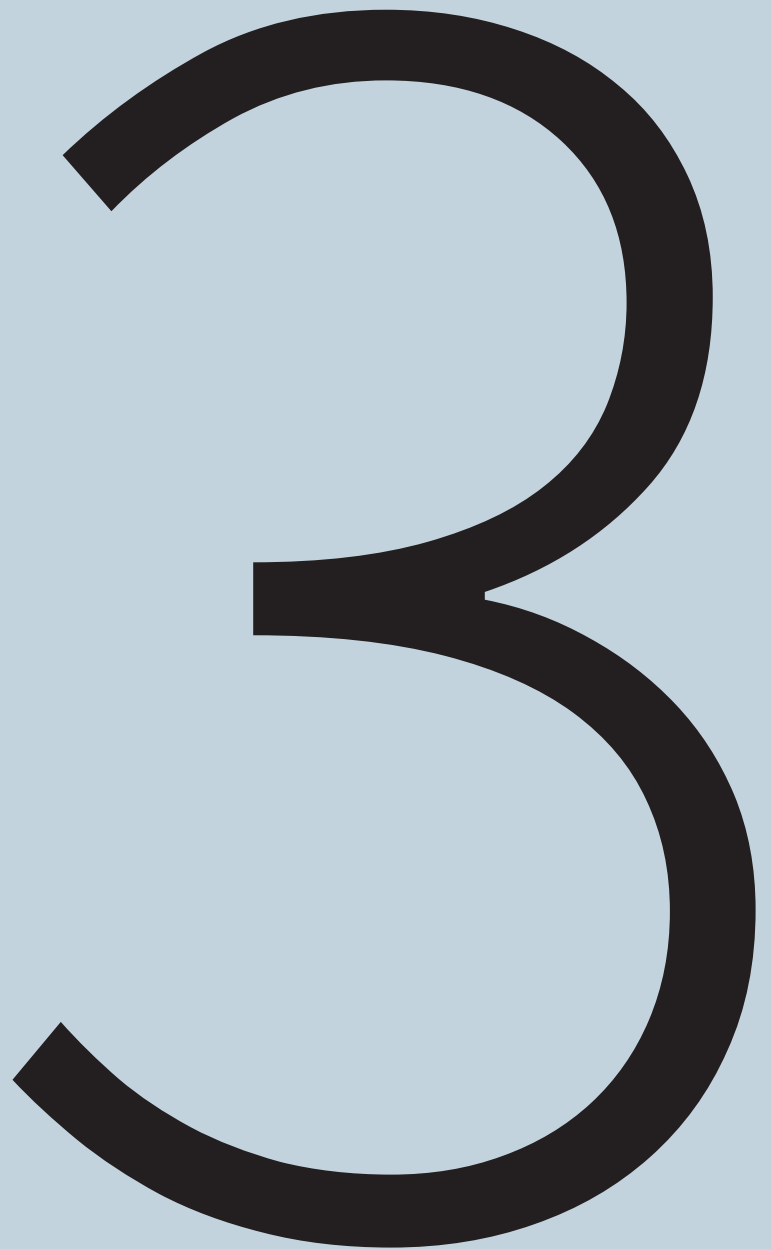


Even in a challenging macro-economic situation characterised by increased capital costs and new restrictions on the financial sector, Polish developers still have a range of options when it comes to raising money for PRS projects that can later be offered to investors. Both the bond and the bank loan sectors have created a competitive marketplace through being willing to finance or refinance 50% of net land acquisition costs. Bonds are typically issued for three- to four-year periods and are available in both Polish złoty and euro. With professional support from local advisors, developers are well equipped to launch projects and eventually offer them to players looking to invest their capital in Poland.

Since location is a crucial factor in this process, Łódź can offer highly attractive investment opportunities for the PRS community. Łódź benefits from both its central position on the Polish map and the proximity of the country's capital, Warsaw, as well as from its own industrial heritage, which has been transformed into modern business potential. The first build-to-rent projects in the city have already proven to be successful and, given the record low vacancy they have enjoyed, we can be confident that they will continue to perform strongly. As the city's residential market has a growing need for rental housing, the co-operation of international PRS investors and local developers, supported by the financial and consulting community, is the obvious solution to this challenge and represents a win-win situation for everyone.



Łódź as a business centre





Łódź as a business centre

Mateusz Polkowski, head of Research & Consultancy
– Poland & CEE, JLL

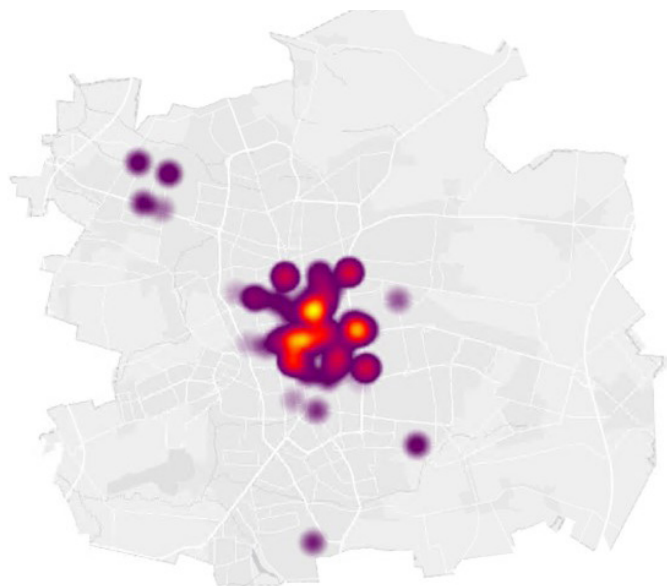
Łódź is the sixth-largest market in Poland in terms of office stock. Thanks to its central location and the intensive development of transport infrastructure across the country, it offers easy access from the largest business centres in both Poland and across Europe. As a result, significant investment has been attracted from the BPO/SSC and IT sectors to the Łódź office market.

And due to the considerable interest in the city, its office supply has grown rapidly over the years. Since the office market in Łódź is relatively young, the office buildings in the city offer modern space with cutting-edge technological systems. For companies from the BPO/SSC and IT sectors, this represents an extremely important factor during the selection process for locating their offices.

Supply and development activity

Currently, the office stock in Łódź amounts to approx. 631,200 m², with the majority of the office space to be found in the very centre of the city. A large number of the office buildings are situated along ul. Piłsudskiego and al. Adama Mickiewicza, as well as along ul. Kościuszki.

Łódź office stock heatmap



Source: JLL, Q4 2022

Over the last few years, the new supply added to the Łódź office market has included such flagship projects as Brama Miasta (Skanska), and Hi Piotrkowska 155 (Master Management Group) as well as a number of mixed-use projects, including Monopolis (Virako) and the partially completed Fuzja, where another three buildings are scheduled for completion over the next two years.

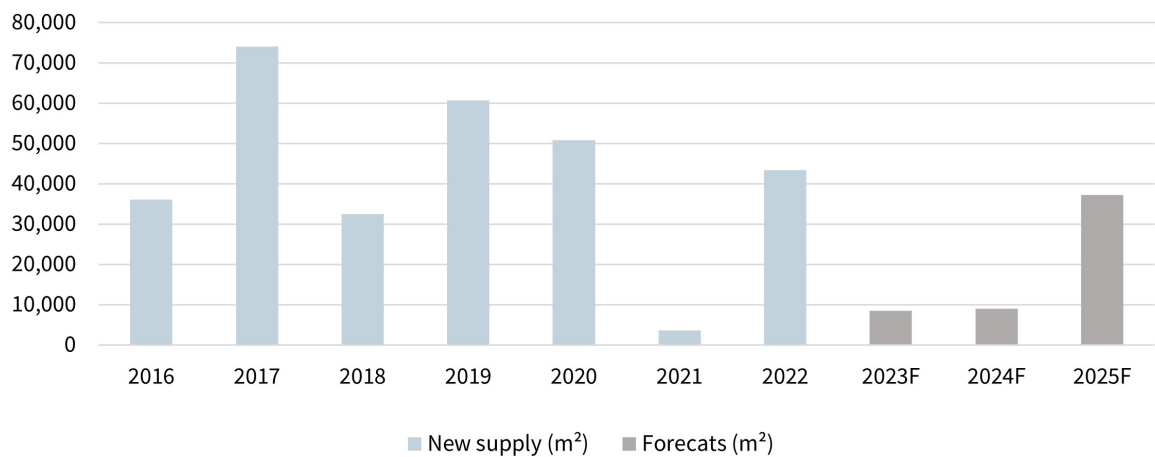


↑ Brama Miasta
ul. płk. Jana Kilińskiego 66,
Łódź



↑ Monopolis
ul. dr. Stefana Kopcińskiego 62,
Łódź

Łódź office completions, 2016–2025F



Source: JLL, Q4 2022

A limited amount of new supply is due to be completed in 2023 and 2024. Currently, 46,400 m² is under construction, of which the largest project is WIMA (A&D) comprising 31,000 m².

Recently, there has been a marked slowdown in development activity, especially since the outbreak of Covid-19 and the introduction of the hybrid working model. Since then, developers have become more cautious about starting new projects due to the rising vacancy rate and increased financing costs as well as the continuing inflationary pressure. As the situation stabilises, the volume of new supply is expected to begin to increase again from 2025.

Tenant activity

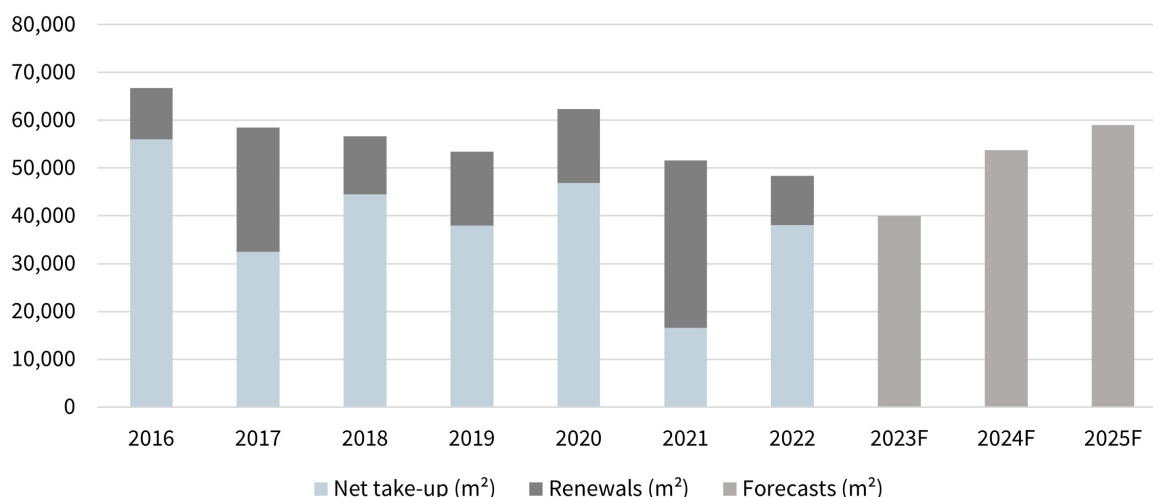
Since the outbreak of the Covid-19 pandemic and the subsequent switch to the hybrid working model, some companies have been working on their strategies for the final work model they want to adopt.

While the 2020 take-up was still determined to some extent by the finalisation of leasing processes begun before the pandemic, 2021 was characterised not only by a reduced volume of tenant activity but also by a significant increase in renegotiations. This has been cau-

sed by both the conservative approach taken by companies to leasing new space and the record low level of new supply delivered during this period. The demand for offices in 2022 was similar to the pre-pandemic volumes, which shows that tenants are gradually adapting to the new reality.

Over the next two years, tenant activity in the city is forecasted to remain stable but to increase in 2025. Due to the general economic slowdown in Europe, we can also expect an increased number of newcomers to Łódź – companies looking for savings and to establish new SSC centres in cheaper locations that offer access to well-qualified labour and a wide pool of graduates.

The gross office take-up in Łódź, 2016–2025F



Source: JLL, Q4 2022

The largest office leasing transactions in Łódź, 2021–2022

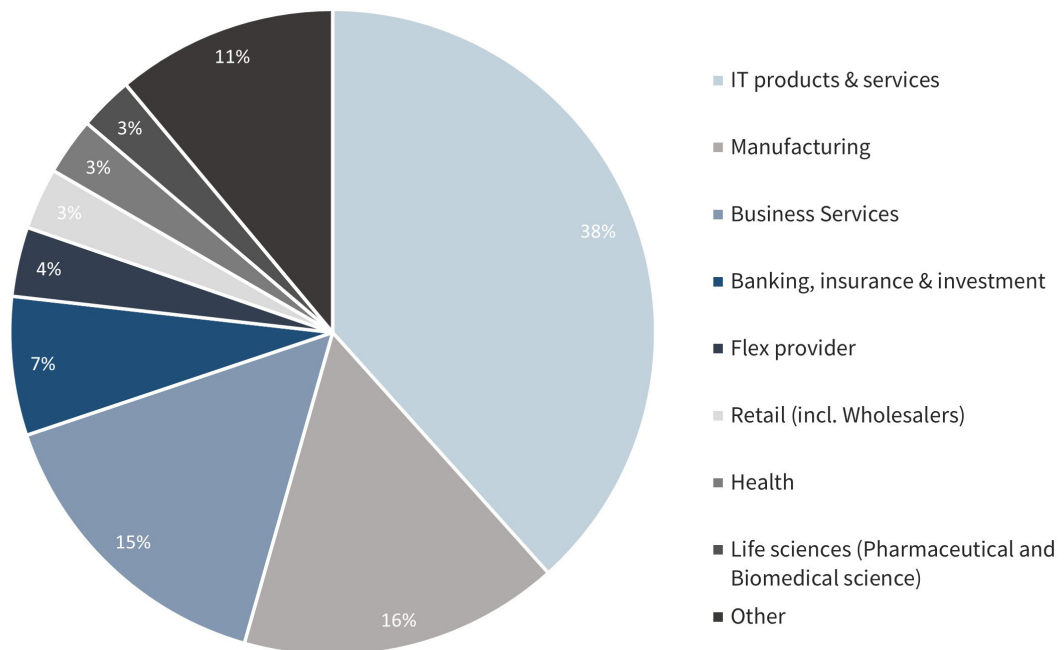
Date	Building	Tenant	Type	Total Size (m²)
2021	Green Horizon	Confidential tenant	Renewal	24,100
2022	Ericsson	Olimpia Software Pool	Renewal	7,700
2022	Monopolis M3	McCormick Shared Services - EMEA	New deal	5,300
2021	React	Chillispaces.com	New deal	3,600
2021	Hi Piotrkowska 155	Signify	New deal	2,900

Source: JLL, Q4 2022

Over the last five years, the average lease agreement in Łódź was for an area of 1,023 m². During this period, the most active companies leasing office space in Łódź (approx. 40% of the total take-up) were from the IT sector.

Furthermore, more than 50% of the leased office space in Łódź is occupied by companies from the BPO/SSC sector. The segment continues to grow in terms of employment (with 8% growth forecasted for 2023), which could balance the existing requirements for leased office space with the new realities of the hybrid working model.

Office demand by sector (2018-2022)



Source: JLL, Q4 2022

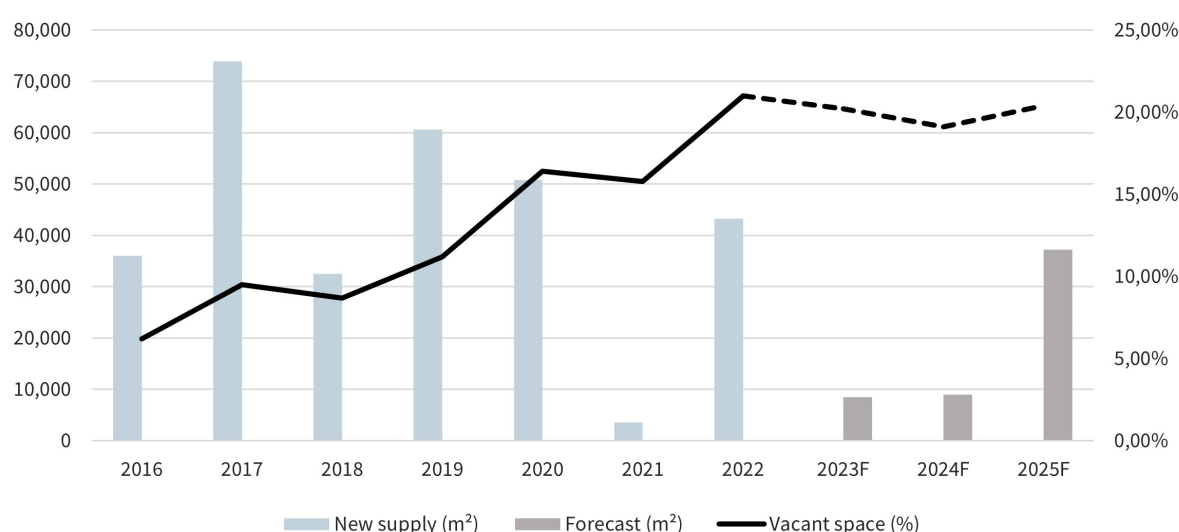


Vacancy

As was already mentioned, the vacancy rate in Łódź is mostly due to the new supply being delivered to the local market. Over the last few years, vacancy has gradually increased and currently stands at 21%, which represents 132,500 m² of available office space.

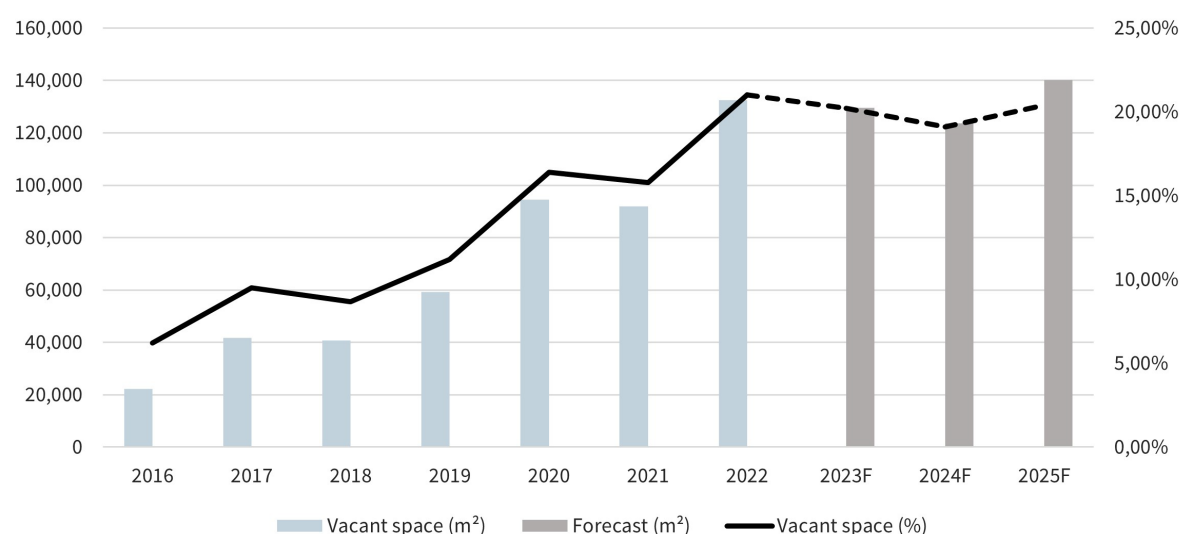
Over the next two years, the vacancy is expected to decrease slightly but with a possible uptick in 2025, when approx. 40,000 m² is scheduled to be added to the stock.

Office vacancy in Łódź – new supply vs. vacancy rate, 2016 – 2025F



Source: JLL, Q4 2022

Office vacancy in Łódź – vacant space vs. the vacancy rate, 2016–2025F



Source: JLL, Q4 2022

Rents

The prime headline rents in Łódź are among some of the lowest in Poland. The city's attractiveness in terms of office leasing can be compared to that of Lublin or Szczecin. Across the Polish office market, prime headline rents have been largely maintained by speculative construction because – as is the case with most planned projects – construction starts are dependent on securing a key tenant pre-lease. Although there are evidently inflationary pressures and rising construction costs, due to the very high vacancy rates the local market is not reflecting this in terms of prime headline rents. At present, they range from €12 to €14/m²/month. Slight increases of up to €1/m²/month in the upper limit of rents are possible for 2023–2025.



Prime headline office rents in Łódź (EUR/m²/month, 2016–2025F)



Source: JLL, Q4 2022



Łódź as the distribution hub of Poland

Maciej Kotowski, director, Research & Consultancy,
JLL Poland

Its continuing strong market fundamentals have ensured that the European industrial and logistics market has remained resilient. Demand has softened, but is still healthy and roughly in line with the previous year.

The European warehousing market has, however, been facing unprecedented challenges in the wake of the Covid-19 pandemic and the Russian invasion of Ukraine. And although the market has been impacted by the economic headwinds, the sentiment around it is nevertheless still positive and healthy.

Global supply chain de-risking has been reflected by increased 3PL activity and greater momentum from manufacturing companies. The growth of e-commerce, meanwhile, has returned to its pre-Covid rate, as is reflected in the significant fall in the take-up generated by this sector.

Poland is at the heart of these changes, being the third most active market in the EU, just after Germany and France, with huge potential for further growth. Logistics operators and manufacturers are at the centre of the supply chain readjustments, which is having a significant impact on Polish market in its role as a major distribution hub for the entire region. This is also strongly evident in Central Poland, one of the most sought-after industrial locations in the country.

Central Poland, the third largest logistics market in Poland and the heart of the national distribution network, comprises Łódź and its surrounding areas.

The junction of two major motorways, the A1 and A2, lies within the region, which also benefits from its central location and excellent road network. The region includes areas of up to 60 km from the city of Łódź, such as Stryków, Piotrków Trybunalski and Rawa Mazowiecka.

The ease of commuting has had an additional positive impact on the availability of labour, as employees can conveniently reach their workplaces from more distant locations. Due to all these factors, Central Poland now ranks among the top five industrial and logistics markets in Poland, with a total of over 4.5 million m² of modern stock at the end of 2022.

Industrial market - key statistics

Q1-Q4 2022	Łódź	Central Poland	Poland
Existing stock	1,500,000	4,500,000	28,700,000
Gross demand	190,000	780,000	5,700,000
Vacancy	2.2%	6.7%	5.1%
Pipeline	19,000	360,000	3,560,000
Rents	3.8 – 4.6	3.6 – 4.4	

Source: JLL, warehousefinder.pl, 2022

The industrial market at the end of 2022

Existing and planned industrial and logistics parks

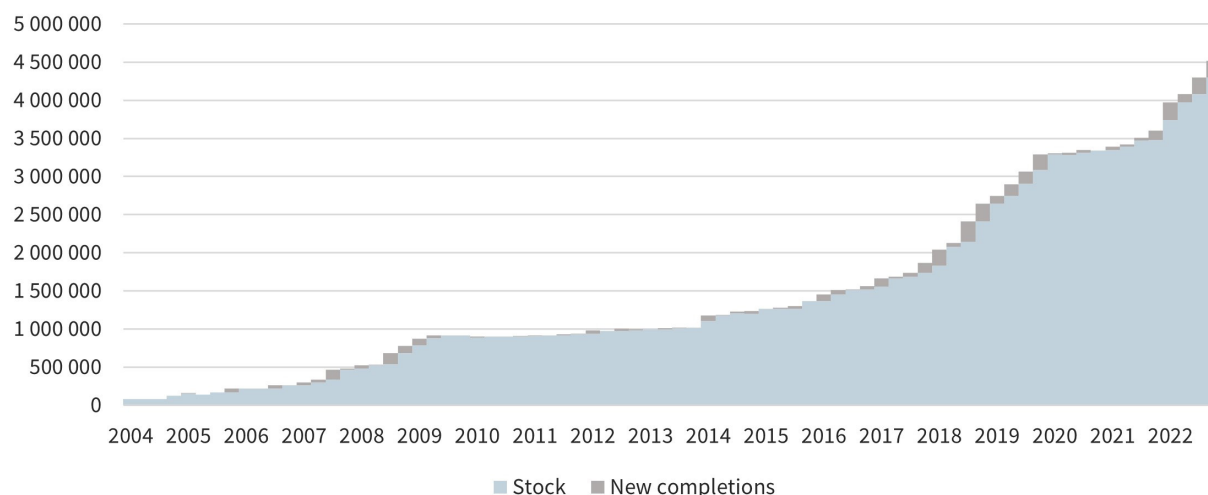
The geographical distribution of stock in the Central Poland market, since it has the major advantage of its excellent road infrastructure, is not spread evenly over the region, with most of the warehousing located alongside motorways (particularly junctions) or in urban areas. Thus, a number of sub-regions have been established.

What differentiates Central Poland from almost all other regional markets is the fact that almost 35% of its existing stock is to be found within cities, making it the largest subzone in this market. This is mainly due to the availability of former industrial sites.

The city of Łódź is exceptionally-well connected, offering convenient access to motorways and a relatively high availability of labour, which is a key factor for the logistics, e-commerce and manufacturing sectors. It also benefits from the manufacturing tradition of the city, which is advantageous for both logistics and production tenants while also adding to their prestige.

The second largest subzone, accounting for approx. 25% of the regional stock, is located around Stryków, which lies north-east of Łódź, close to the junction of two major Polish motorways (the A1 and A2). The third most significant logistics location, with 14% of the existing stock, is Piotrków Trybunalski, about 50 km south of Łódź.

The annual growth of modern industrial stock in Central Poland (m²)



Source: JLL, warehousefinder.pl, 2022

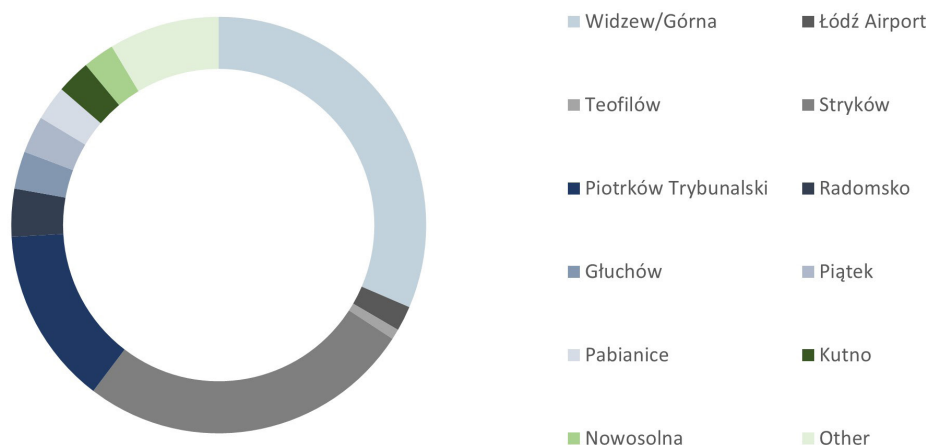
The first modern commercial warehouses appeared in Central Poland in 2005, in Piotrków, Łódź and Rawa Mazowiecka, which acted as the catalyst for the subsequent dynamic growth of the market. Following the first significant construction boom in 2007–2009, when around 630,000 m² was delivered, the growth of the market ground to a halt due to the global economic downturn. The recovery of the market began in 2014, when 140,000 m² of logistics space was completed that year.

The most intensive growth has occurred since the beginning of 2016. In 2017, a total of 311,000 m² was delivered to the market. The record year for Central Poland was 2018, when the stock exceeded the 2 million m² mark. At that time, Central Poland dominated the national industrial market, growing by more than 760,000 m², which constituted a third of the total new supply in Poland. In 2018, the market grew by more than 40% in just a single year.

The 3 million m² threshold was reached in 2019. In 2022, the total existing stock broke the 4 million m² barrier and had reached 4.5 million m² by the end of 2022.

Nonetheless, there is still the demand and room for new projects in the region, as can be seen by the 360,000 m² currently in the pipeline. In terms of growth, Central Poland remains one of the most dynamic warehousing markets in Poland.

The geographical distribution of the warehousing supply in Central Poland



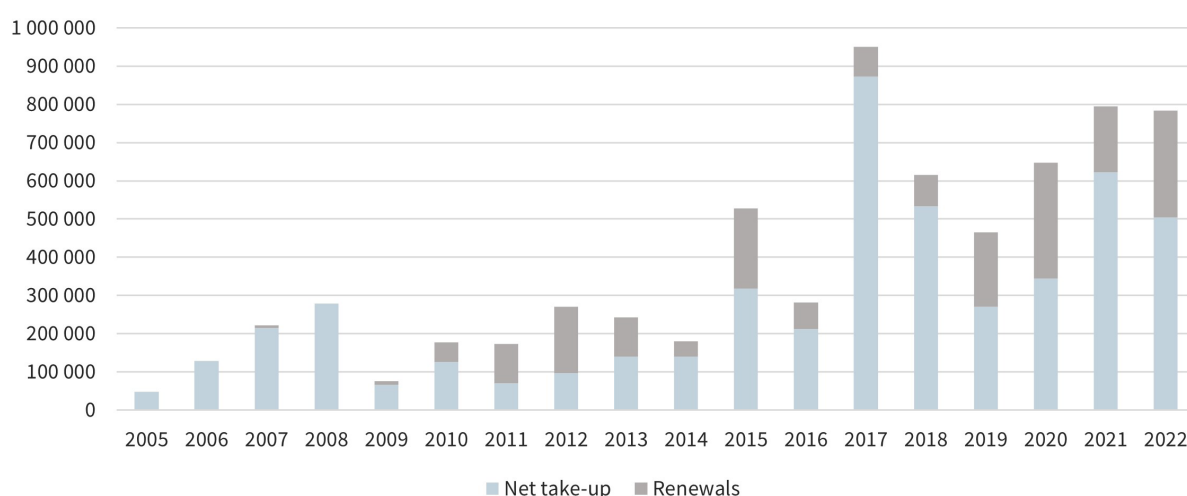
Source: JLL, warehousefinder.pl, 2022

Demand

The dynamic growth of the logistics sector in Europe and Poland, which has been driven by e-commerce, logistics operators, structural shifts in supply chains and strong manufacturing sector activity, has only added to the resilience of the fundamentals in place for sustained growth in Central Poland.

The record-breaking demand registered in 2017, with almost 1 million m² leased during the year, put Central Poland's industrial market under the spotlight. But this impressive result was certainly not a one-off occurrence for this market, as the average annual take-up in 2018–2021 has remained well above 600,000 m². The strength and resilience of the foundations of the market were most evident in the challenging year of 2022, when despite the headwinds affecting the global markets, occupiers still signed leases for another 780,000 m² in the Central Poland region.

The annual growth in the demand for modern industrial stock in Central Poland



Source: JLL, warehousefinder.pl, 2022

The demand in Central Poland is concentrated in its three most sought-after locations: the city of Łódź, Stryków and Piotrków Trybunalski, which together account for almost 75% of the gross demand recorded in 2020–2022. Interestingly, around 25% of the demand has been registered during the last ten years and is attributable to the three largest parks in the region, which act as flagships for the Central Poland market – Segro Logistics Park Stryków, P3 Piotrków and the Central European Logistics Hub (Łódź).

Another significant driver of growth in the region are BTS/BTO (built-to-suit/built-to-own) developments, with some remarkable deals having been made by such global players as Zalando, Leroy Merlin, Castorama, BSH, Media Expert and Amazon.

Selected major leasing transactions in the Central Poland, 2013–2022

Park	Location	Developer	Tenant	Area (m ²)
BTS Łódź Zalando	Głuchów	Goodman	Zalando	125,000
BTS Leroy Merlin Piątek	Piątek	Panattoni	Leroy Merlin	124,000
Panattoni Park Stryków	Stryków	Panattoni	Castorama	102,000
CELH	Łódź	Panattoni	BSH	79,000
Hillwood Górna	Łódź	Hillwood	Amazon	73,000

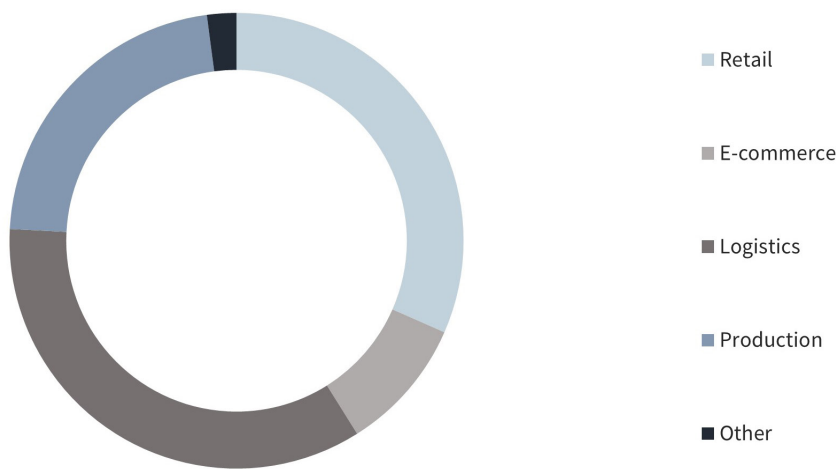
Source: JLL, warehousefinder.pl, 2022

As its name suggests, Central Poland, with its location in the heart of the country, is the perfect destination for handling both national and Europe-wide distribution.

This is also reflected in the demand, which is dominated by retailers and logistics operators (including e-commerce), whose total share in the 2020–2022 net take-up came to more than 75%, while 22% of the new demand came from the light manufacturing sector, with the largest deals involving K-Flex and Ontex.

A similar situation in terms of the demand structure can also be seen in the city of Łódź, but with a slightly higher share for the logistics sector.

The demand for industrial space in Central Poland by sector, 2020–2022

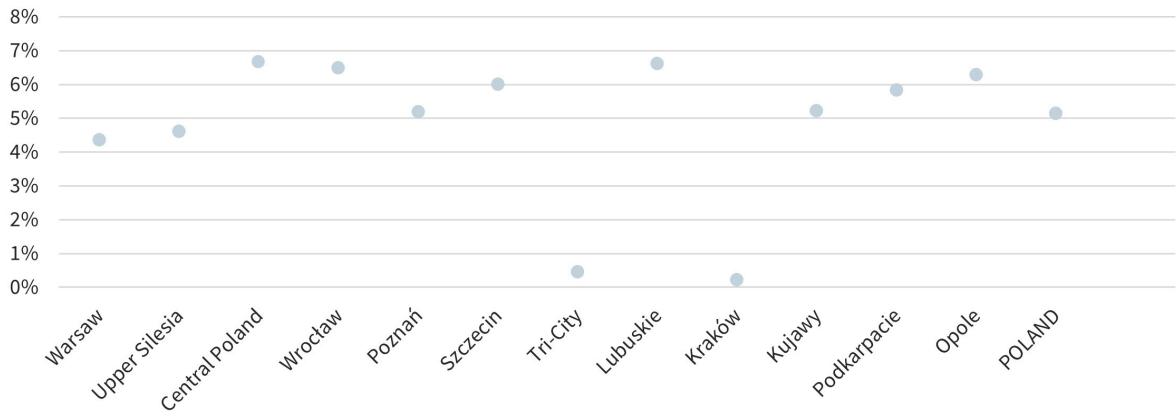


Source: JLL, warehousefinder.pl, 2022

Vacancy

Such high levels of demand are also reflected in the healthy vacancy rate in the region. Even given the robust development activity of the last few quarters, in Q4 2022 around 6.7% of the total existing space was vacant, which translated into an area of almost 300,000 m². This space, however, is highly fragmented, scattered across several parks across the region, as it is marked by a scarcity of large-scale units ready to be leased immediately.

The vacancy rate for industrial space in Poland (%)



Source: JLL, warehousefinder.pl, 2022

Rents

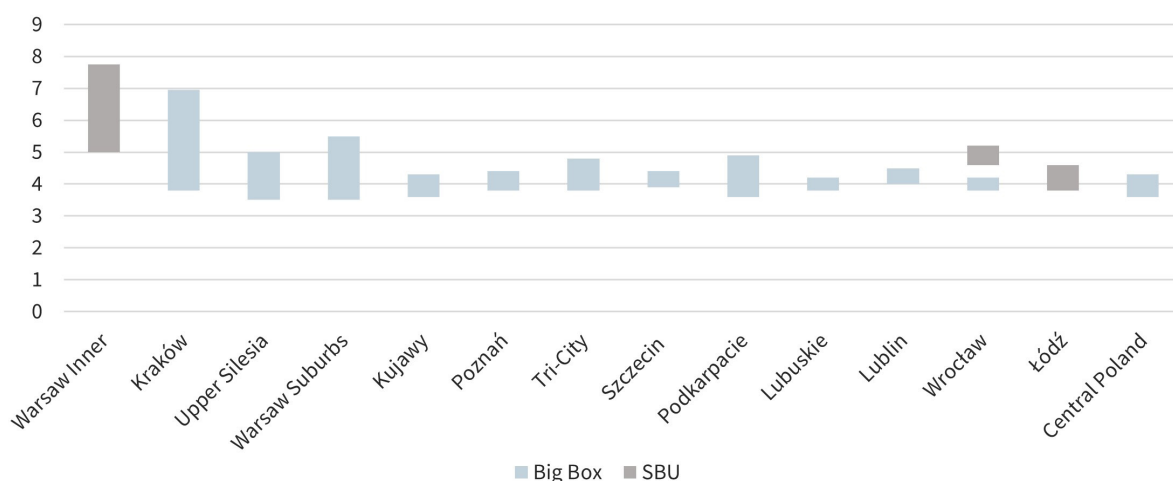
In addition to its ideal location and competitive labour market, another factor that makes Central Poland so attractive to tenants, including top market brands, are the rental terms.

After years of rent stability, 2022 witnessed a dramatic upward trend. As rents across Europe and Poland began to rise, Q4 saw a further growth in rents, driven by a range of factors, such as land prices, the costs of labour and financing, and soaring inflation. The increased asking rents, especially when it comes to new developments, could push them as much as

20–30% above the levels seen at the end of 2021. This will, however, vary geographically and from park to park.

In general, however, the rent levels in Central Poland are among the lowest of all the industrial markets in Poland. Space in big box facilities in the region was being offered for €3.60–€4.40/m²/month at the end of Q4 2022. Naturally, facilities within the city limits of Łódź are being offered in higher rental brackets, at €3.80–€4.60/m²/month. The above-mentioned prices do not include incentives from landlords and should be treated as the basis for negotiation (i.e. headline rents).

Prime warehousing headline rents in Poland (EUR/m²/month)



Source: JLL, warehousefinder.pl, 2022

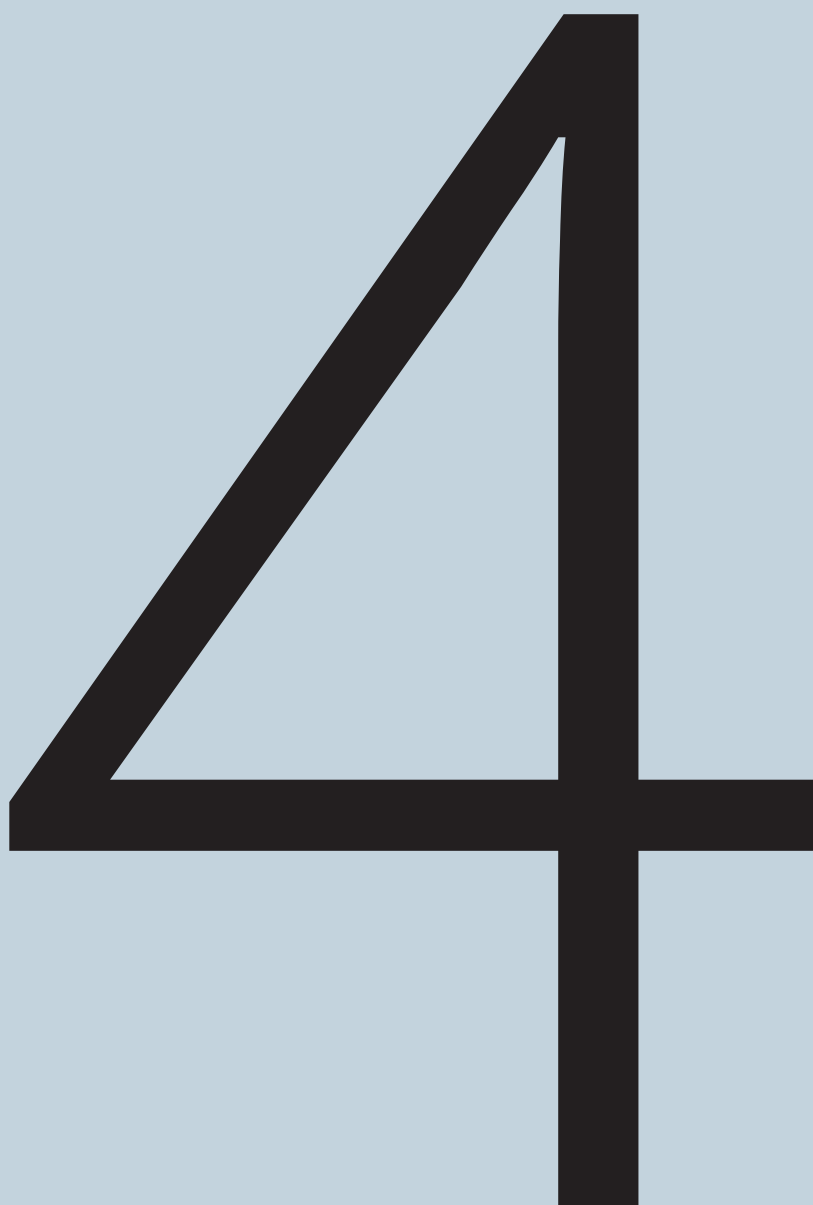
Outlook

Owing to its strategic location in the very heart of Poland and the junction of the A1 and A2 motorways being situated within it, and the access to the large Łódź consumer market, Central Poland has excellent prospects for further development. Additionally, it could even efficiently supply the Warsaw market – especially from Stryków, which has the potential to act as a bridge between Central Poland and Warsaw’s suburbs.

Given the strong market fundamentals across Europe, with Poland being one of the major contributors to its logistics sector, the Central Poland market is expected to continue on its steady growth path. Its ideal location, well-developed road network and relatively low rents are the factors that will guarantee its success, as is already confirmed by the many market players locating their business in the region. The only potential risks to this could be the temporary economic slowdown and future labour shortages. However, the latter danger could be somewhat mitigated by the increased automation of warehousing processes that is now taking place in Poland.



The residential and PRS market in Łódź





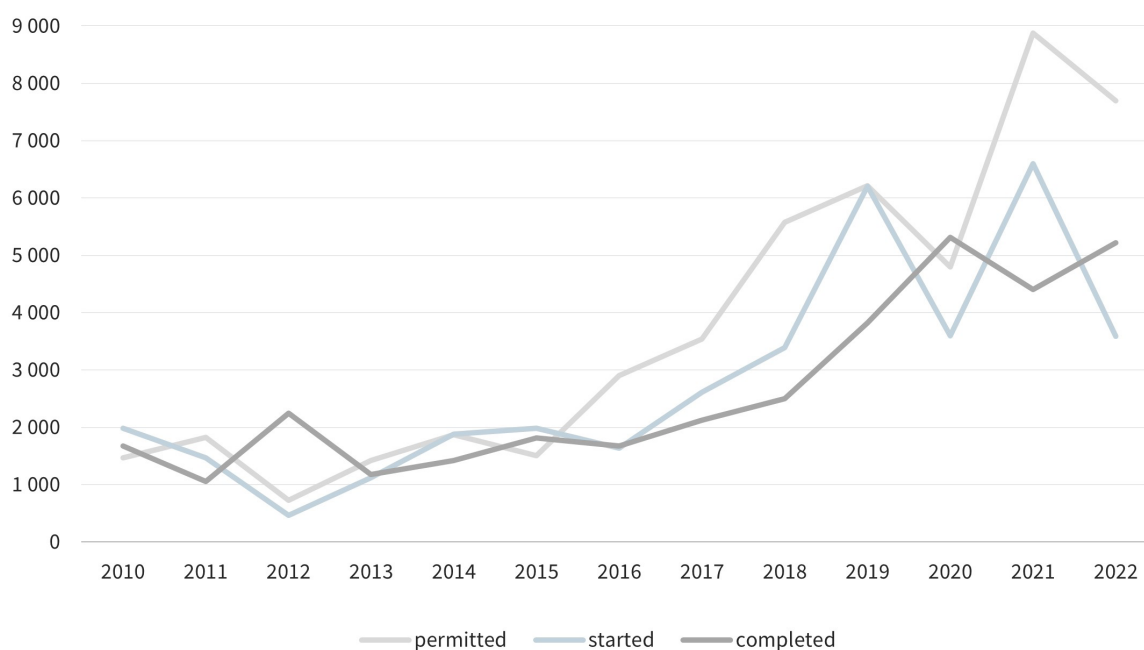
The growing importance of the residential market in Łódź

Aleksandra Gawrońska, head of Residential Research, JLL Poland

According to Statistics Poland (GUS), the number of permits granted to residential developers in Łódź in 2012–2022 was on a clear upward trajectory. In 2021, there was a record number of permits issued for new dwellings – 8,900 units. This was significantly higher than in 2020, when a slowdown occurred due to the Covid-19 pandemic.

As the number of permits issued decreased in 2022 compared to 2021, the number of construction starts in terms of units fell as well. However, the downturn in Łódź wasn't as severe as in other large cities where the number of construction starts slumped to the levels of 2012–2015. In 2022, the number of units completed once again reached the record-high levels of 2020 – a total of 5,200 units.

The number of permits granted, construction starts and completions by year for new units in Łódź

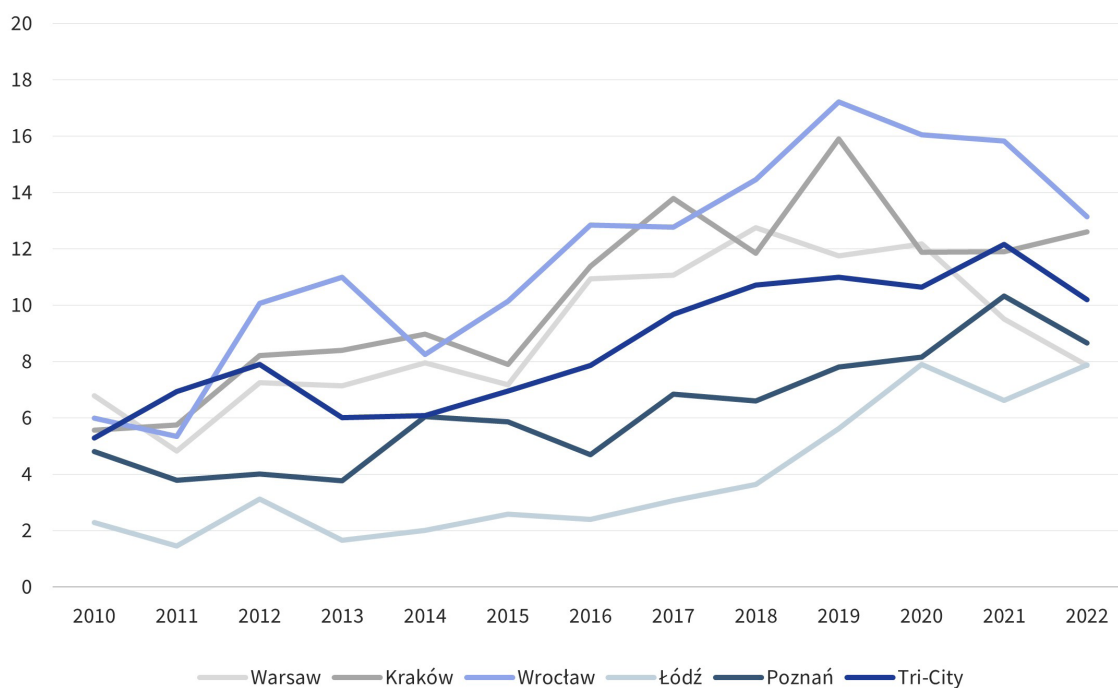


Source: JLL based on Statistics Poland

When compared to the other largest Polish markets, over most of 2010–2022 Łódź registered the lowest number of new residential units completed by developers per 1,000 inhabitants. On the other hand, the growth trend for this figure was clearly the most stable in Łódź over this period.

In 2022, the number of dwellings completed per 1,000 inhabitants in Łódź had increased by 3.5 times since 2010 – from just over 2 in 2010 to almost 8 in 2022. Thus the figure achieved - in 2022 was the same as in Warsaw.

The number of new units completed per 1,000 inhabitants



Source: JLL based on Statistics Poland

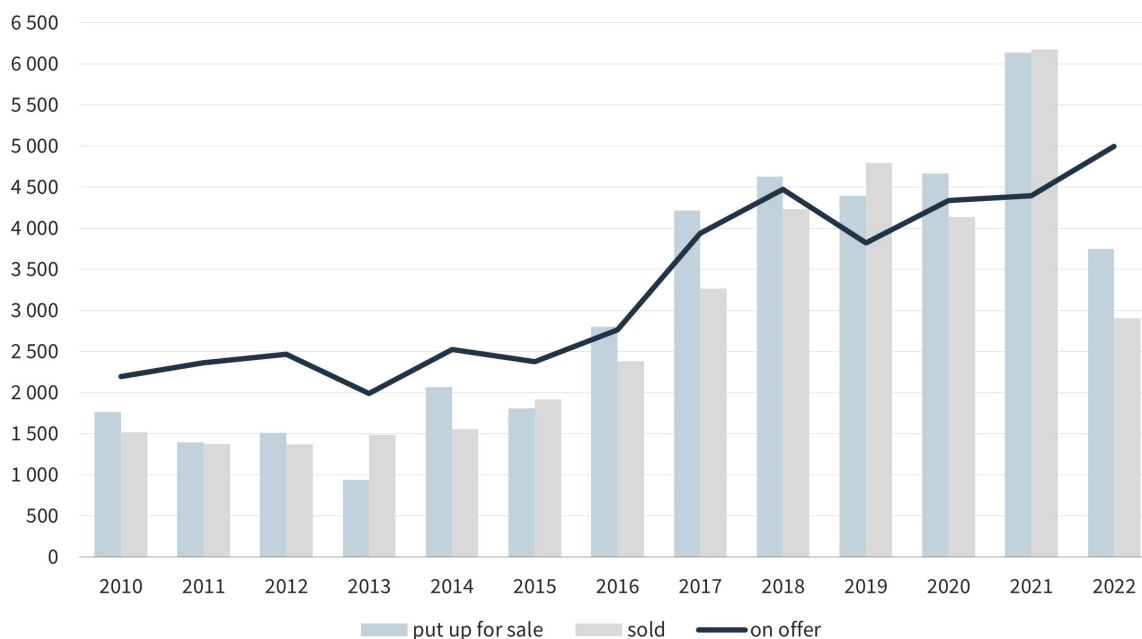


The current state of the primary market

The residential market in Łódź has grown immensely since 2013–2014, when annual sales only just exceeded 1,500. While many other cities saw record sales in 2017, in Łódź this happened later, in 2021, when almost 6,200 units were sold.

The sales figures in 2022 are comparable to those of 2017. In 2022, a total of 2,900 units were sold, 54% less than in 2021, while 3,800 units were put up for sale, 39% less than in 2021. The number of dwellings offered for sale over the last four quarters increased by 14% to 5,000 units.

The annual number of units put up for sale, sold and on offer



Source: JLL

After a very weak Q3 2022, sales on the Łódź housing market in Q4 2022 exhibited a marked increase (+46%). The mortgage market data indicate that the higher sales were due to cash buyers or those looking for payment schemes with a reduced first instalment and most of the price paid by the end of the investment. At the end of 2022 the new supply increased significantly on a quarterly basis (almost three times the total for Q3 2022) and significantly surpassed sales, but due to some projects being withdrawn from sale, the new supply remained at the same level as three months earlier. This means that there is still a significant imbalance in the Łódź market due to limited demand and substantial supply.

Highlights:

- almost 700 units sold in Q4 2022
- almost 900 units put up for sale in Q4 2022
- 5,000 units on offer at the end of the Q4 2022
- -49.5% y/y – the decrease in sales of new units
- 13.6% y/y – the increase in new units offered for sale
- 87% y/y – the increase in the average price of new units for sale





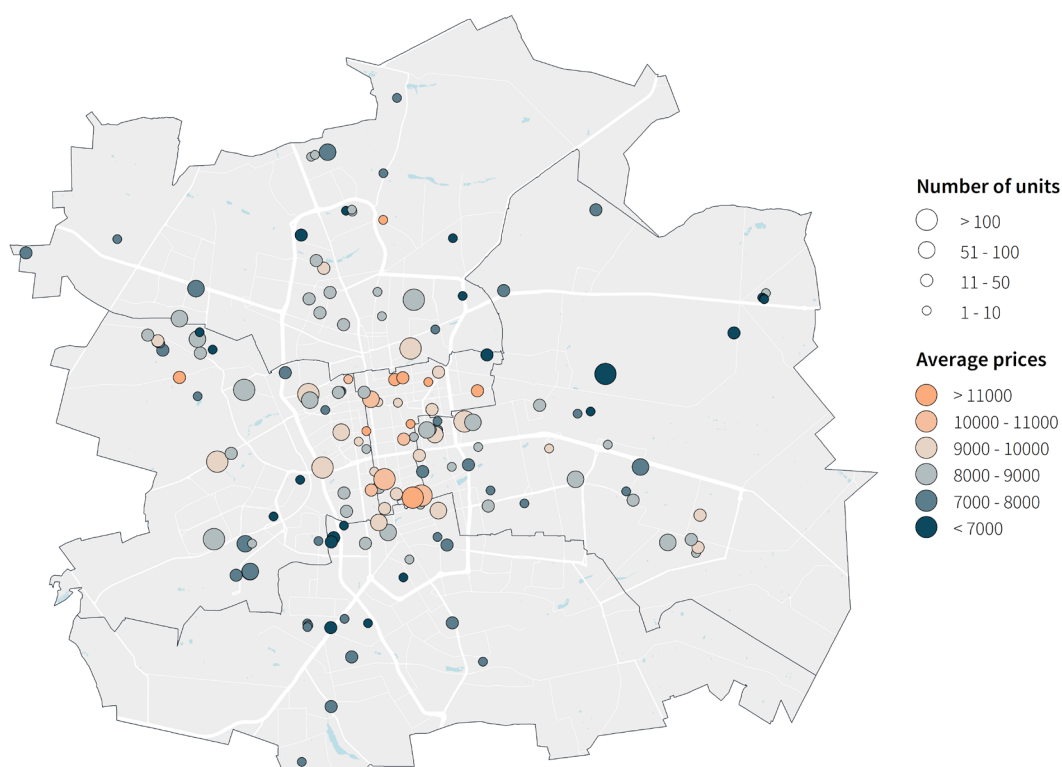
The geographical spread of the latest projects

At the end of December 2022, the number of units on sale on the Łódź primary market came to 5,000 in 160 projects. As many as 100 developers had projects on offer.

In Łódź's five districts, the highest prices were recorded in Śródmieście (central district). Some higher-priced projects have, however, come onto the market outside the city centre. In Bałuty (in the north of the city) and Polesie (in the west), the range of units on sale was quite diverse, with both more expensive and cheaper homes available. The cheapest projects were generally found in Widzew (in the east of the city) and Górna (in the south).

”

The largest number of flats on sale were located in Polesie and Widzew (each with approx. 30% of the entire total of homes on sale in Łódź).



Source: JLL

Pricing

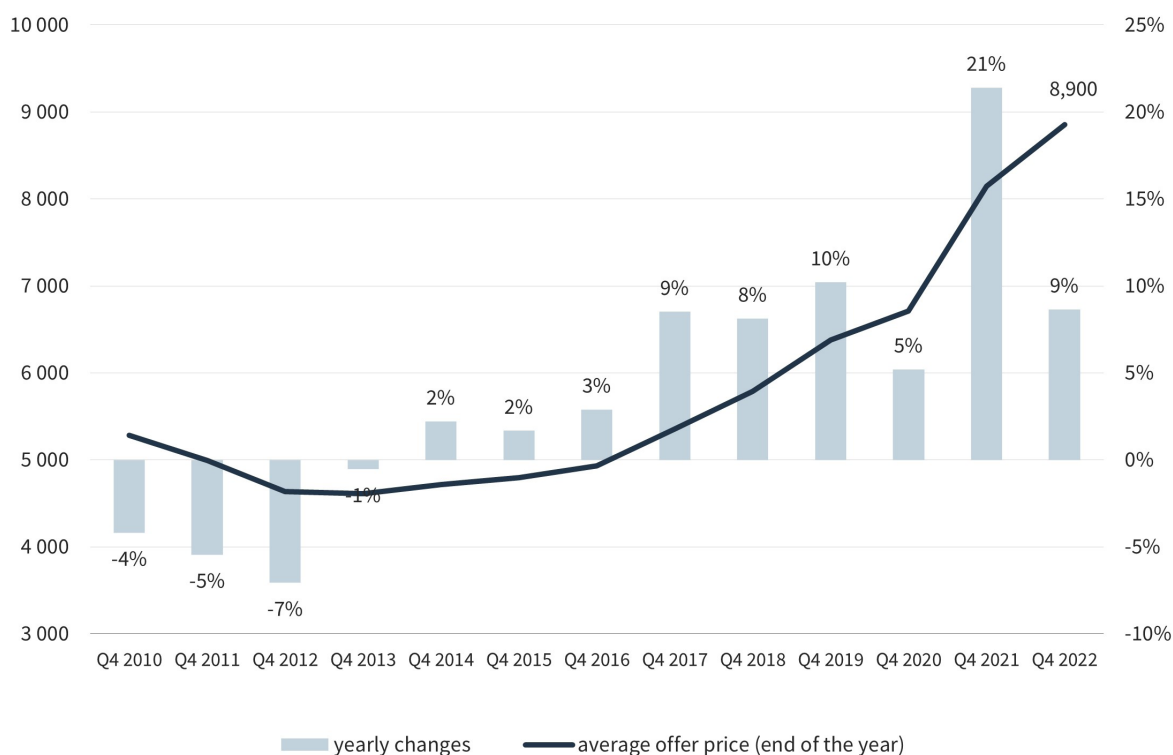
The average price of homes on sale in Łódź at the end of 2022 amounted to PLN 8,900/m², representing the highest year-end figure ever recorded for this market. Compared to the end of 2021 it was 9% growth. The price growth has been significant since 2017. Over the 2017–2022 period, prices on the Łódź primary market have gone up by an average of 10%.

A major factor in the increased housing prices in Łódź in 2022 was the high prices of dwellings put up for sale in second half of the year. However throughout 2022, the prices of new units were generally very high, ranging from PLN 8,600 to PLN 9,400/m²/ month.

Since the beginning of 2021, the average prices of units sold has been significantly lower than the average prices of units on offer. This represents a clear lack of acceptance from demand side for the high prices. The situation changed in the last quarter of 2022 when this difference markedly decreased.

Despite the record high prices at the end of last year, the average for new units in Łódź remained the lowest compared to the other large Polish markets.

The average gross prices of units offered, PLN/m²



Source: JLL



The PRS market in Łódź is set to undergo significant growth

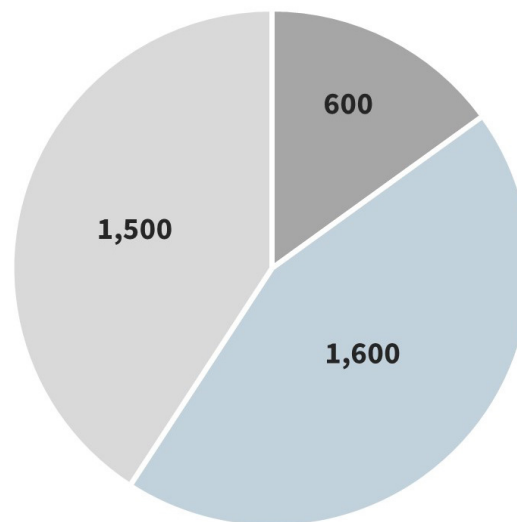
Paweł Sztejter, MRICS, head of Living, JLL Poland
vice president of the management board

The institutional rental market in Poland, in which entire buildings of units are rented and the landlord is a commercial, free market based entity, is still in the initial stages of its development.

While it is difficult to estimate the precise number of units in Poland's entire rental stock, the number of private institutional units is quite well known. At the end of January 2023, the number of such units stood at 10,900 units. Compared to the total housing stock in Poland, the number of PRS units in use is extremely small. Including pipeline projects, the PRS stock still only amounts to between 1% and 2% of the total stock in the largest Polish cities.

Until 2014, the only entities in Poland offering rental in entire buildings were municipalities and social housing associations. Since then, the institutional rental market, where entire buildings of units are rented on a free market basis, has gradually expanded – especially in the last three years. A record new supply could be added to the institutional rental market in 2023 – almost 8,300 units – while in 2024 approximately 6,200 units are scheduled to be delivered.

The institutional PRS supply in Łódź



■ operating ■ under construction ■ planned

Source: JLL

The first PRS project came into operation in 2020. It had over 200 rental units and was launched by Resi4Rent. At the end of 2022 there were three institutional private rental projects with almost 600 units in operation.

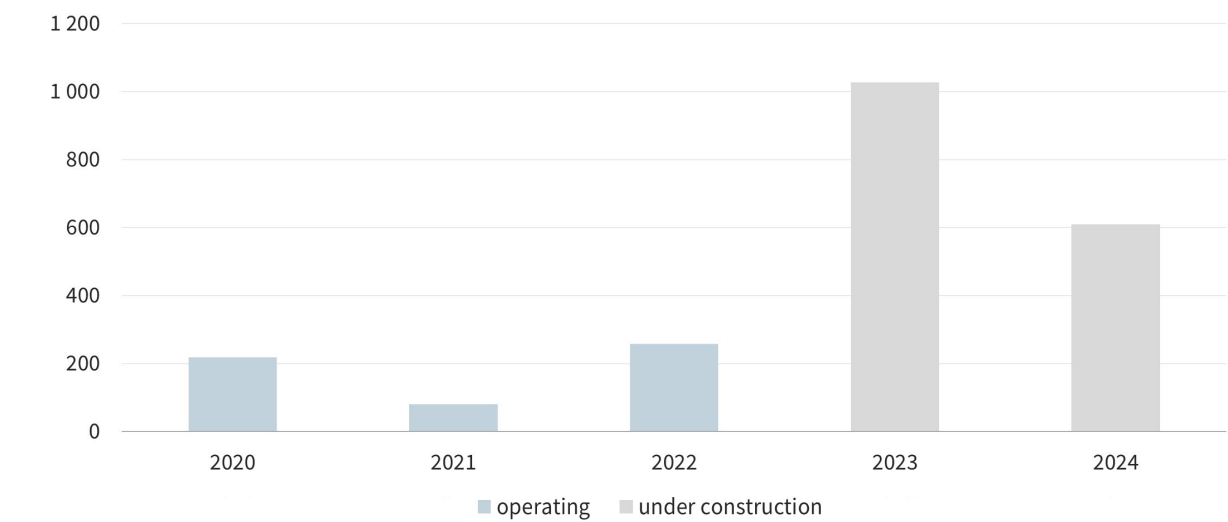
From 2023 onwards, the PRS market in Łódź is set to undergo dramatic growth. More than 1,600 units in 4 projects are currently under construction and the construction of 1,500 units is planned in the future.

There is no strict pattern regarding the location of such projects, but most are generally located in the city centre.

In terms of the types of rental units, the most popular are clearly studio and one-bedroom units.

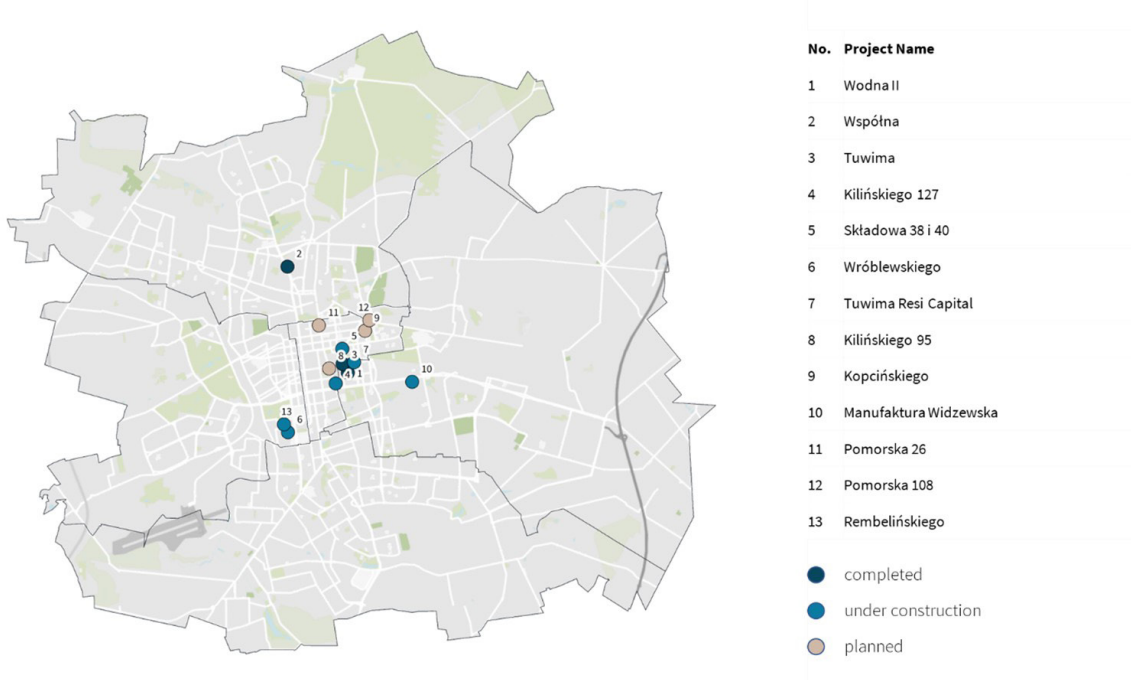
Only taking into consideration projects under construction at the end of December 2022, it can be assumed that the institutional PRS supply in Łódź will increase almost fourfold by the end of 2024 and beginning of 2025.

Institutional PRS development in Łódź, 2020–2024



Source: JLL

The vast majority of PRS multifamily projects are located in central Łódź

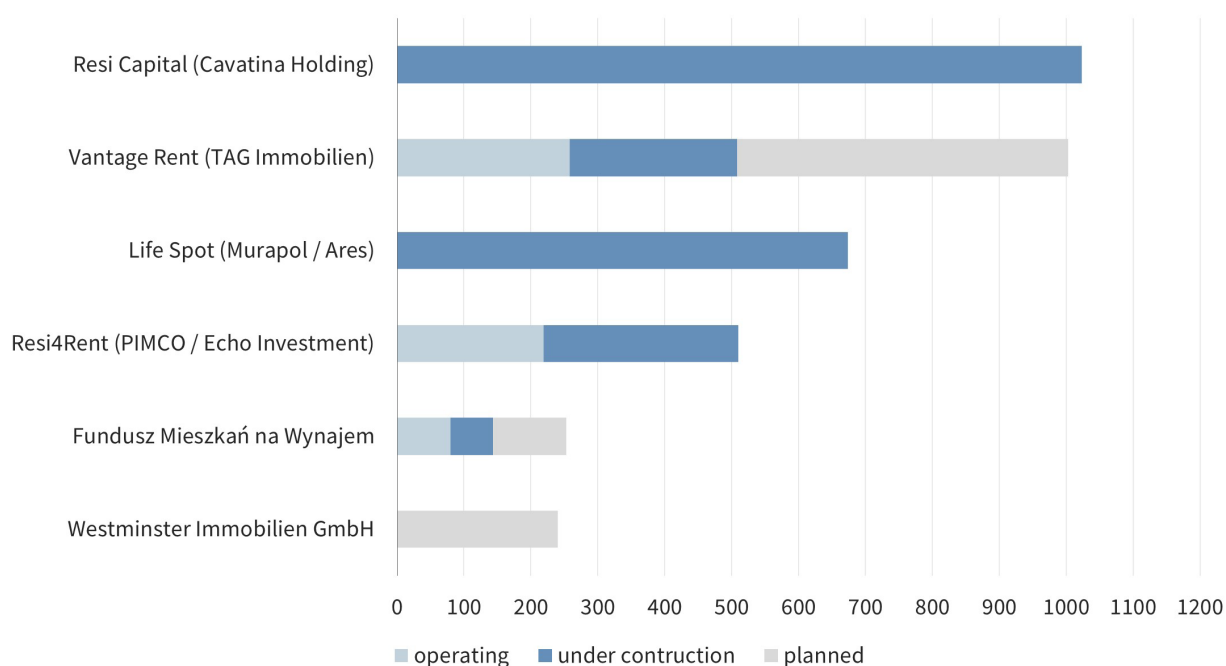


Source: JLL

The key players

In terms of projects in operation, the largest landlord in Łódź is **Vantage Rent with 260 rental units**, while **Resi4Rent** is the second biggest **with 220 units**. **Fundusz Mieszkań na Wynajem** already has **80 operating units** in its portfolio. In terms of the pipeline volume (both under construction and planned), the largest landlord is Resi Capital with 1,000 rental units now under construction, followed by Vantage Rent with 750 units and Life Spot with 670 units (all under construction).

The main players in the PRS sector in Łódź (multifamily projects)



Source: JLL

Rents in Łódź

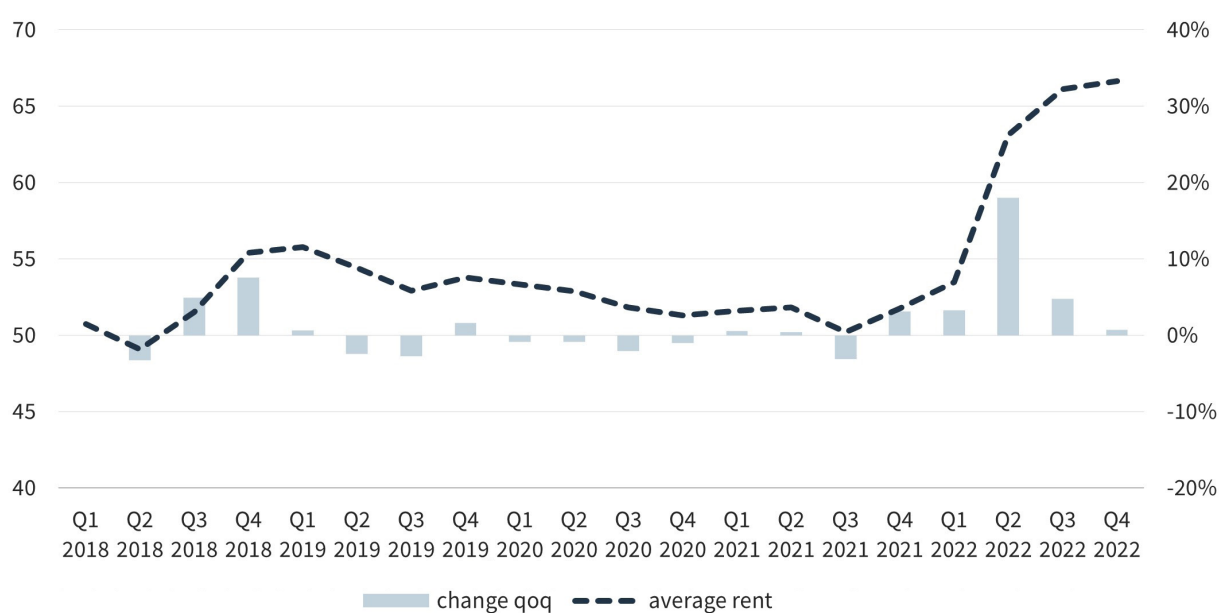
The institutional PRS market is still in the initial stages of its development, thus the rental rates tend to be modelled using those from the non-institutional market as a benchmark.

Compared to other cities, the rental levels in Łódź remained relatively stable for the longest period, lasting from the beginning of 2012 until mid- 2016. Following this, rental rates increased until 2019. After that year and in the wake of the outbreak of Covid-19, rents in Łódź fell. Along with the pandemic, another reason for this could be the growing stock of apartments for rent.



Since the end of 2021, a time which has seen soaring inflation and the outbreak of the war in Ukraine, rental rates entered a period of very rapid growth. The average rent at the end of 2022 hit a new record of PLN 66.6/sqm for new stock. Over the last year, rents have increased by 29%. The main reason for this was the drastic decline in available units due to the increased demand and the fact that the most expensive units are still available.

Average rents between 2018 and 2022 in Łódź (incl. SC and utilities, new stock PLN/sqm)



Source: JLL

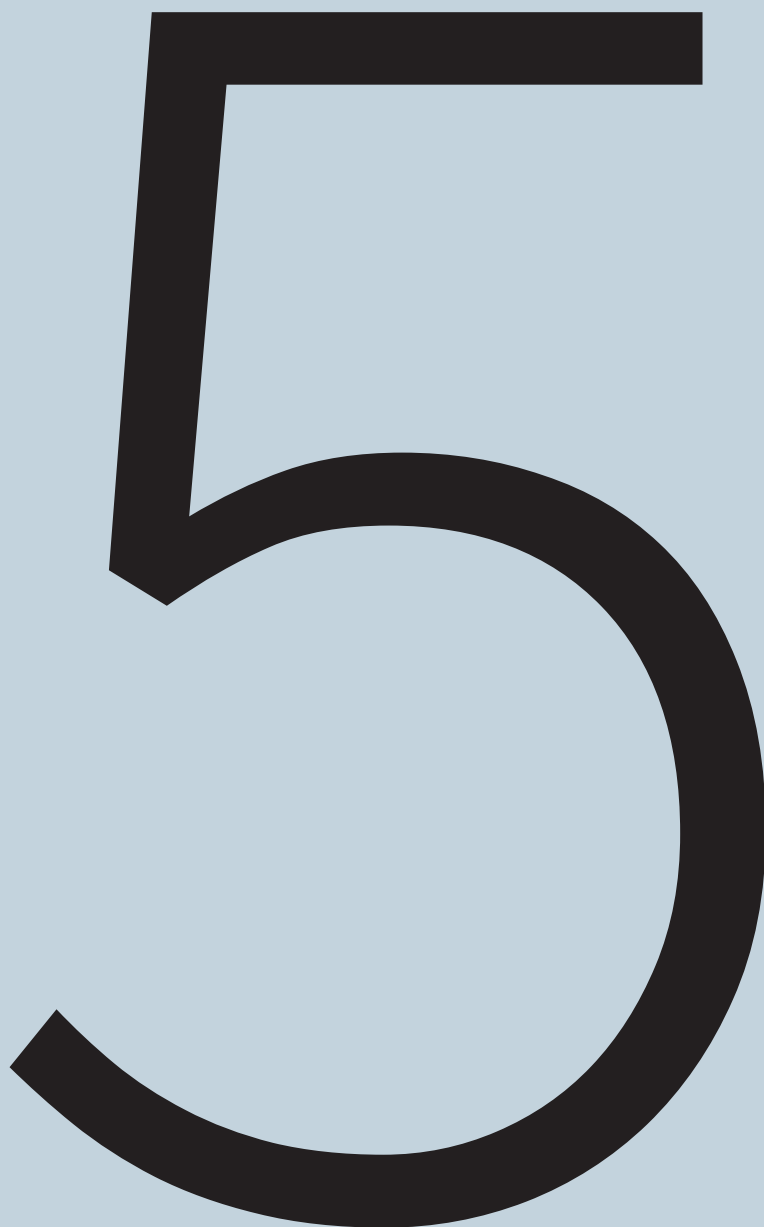
Key points:

- The relatively good availability of potential development sites in prime locations
- The close proximity to Warsaw (1.5 hours by train) and significantly more affordable prices
- The growth in the local labour market as companies are increasingly attracted to Łódź (including the BPO/SSC sector)
- The relatively limited institutional PRS supply compared to the city's size – the room for potential new developments





**Resi4Rent - the leader of the PRS market
in Poland, which first emerged in Łódź**



Resi4Rent - the leader of the PRS market in Poland, which first emerged in Łódź

Resi4Rent is today the largest apartment subscription rental company in Poland. It currently has 3,000 completed units in its portfolio, but by 2025 this will increase to 10,000. Łódź is one of the most attractive locations for the development of such flats. It was here that the first of these projects, R4R Wodna, was developed, which has been almost 100 pct rented from the outset, thus confirming that Poland and Łódź are a very attractive proposition for potential investors in rental apartments.

All the units in the 219-apartment building on ul. Wodna in Łódź were rented out in a dozen or so weeks around the end of 2019. The investors behind the project – Griffin Capital Partners on behalf of an American investment fund and Polish developer Echo Investment – fully expected this to happen. It was one of the first buildings in Poland with apartments for rent, which were fully finished and fitted with new furniture, and could be rented under transparent contracts, guaranteeing tenants both stability and the market rate. This represented the best conditions on an absorptive market. And the high occupancy rate continues. Now R4R Łódź Wodna has only three flats available to rent.

The Resi4Rent project on ul. Wodna in Łódź is situated close to Park Źródlińska, a few stops from Galeria Łódzka and a few minutes' walk from the city's main promenade – ul. Piotrkowska. This location offers residents the opportunity to enjoy all the advantages of living in a city – a wide range of local shops, services, parks and cultural centres in the same neighbourhood. The rental price covers the use of a Wi-Fi network, access to a control panel with contract management functions (among others) and a dedicated customer service office. The range of available units includes one-room flats, apartments with both a bedroom and a living room, as well as apartments with two or three bedrooms and a living room. Resi4Rent focuses not only on a building's facilities, but also its community – residents can meet up for various events and take part in special activities, e.g. for charitable causes. The company does not hold casting interviews for tenants – the premises are rented out according to purely financial criteria.

The existing stock in the PRS sector in Poland at the end of 2022 came to approx. 10,000 units. Although it

has enjoyed dynamic growth in recent years, PRS is still at the beginning of its road in Poland and so far makes up only a small percentage of all the premises available on the domestic rental market. However, the prospects for its development are very promising – both for investors and potential tenants. The last twelve months have witnessed the outbreak of the war in Ukraine, which resulted in a massive wave of refugees from across our eastern border, of whom more than 62,500 have remained in the Łódź Voivodeship. In addition, the last year has seen the imposition of a strict lending policy, which has resulted in a 35% decrease in the number of homes sold. This has left many of Łódź's young residents who had been looking to embark upon an independent life with the choice of living with their parents or renting.



Resi4Rent started renting out apartments in 2019. Last year, it increased the number of its managed apartments by 30% when it brought 700 apartments onto the market in three projects – two in Kraków and one in Warsaw. Today, it has a portfolio of 11 buildings with 3,000 apartments in Poland's six largest cities – Gdańsk, Łódź, Poznań, Warsaw, Wrocław and Kraków. The rate at which they are being rented is simply dizzying. R4R Kraków Bonarka was fully rented in less than eight weeks, while R4R Warszawa Woronicza was full within six weeks of its occupancy permit being issued. In total, these projects comprise 376 subscription rental apartments. Such rapid renting confirms the huge potential of the market and has convinced not only investors, but also the major financial institutions that finance the development of Resi4Rent – including the European Bank for Reconstruction and Development (EBRD), which has provided the company, the first entity on the Polish PRS market, with EUR 50 million in financing for the development of its apartment portfolio in cities hosting Ukrainian refugees.

The last year has also shown how important it is to have a flexible rental offer and adapting it to the changing requirements of customers. In the face of the growing housing gap, the war in Ukraine and the influx of refugees, among the key factors when deciding to choose such a flat has been the option of a contract for several months, viewing the premises and signing the contract remotely, the optimal price, the high quality of the service and the administrative and technical support in each building, along with the provision of customer support in a foreign language.

Other advantages of institutional rental include the attractive locations of the apartment buildings, transparent provisions in the contract, the fact that there is no commission, as well as the standard of the fittings.

The economic situation in 2023 will continue to have an influence on the rental market – many young people will not be able to afford mortgages, but many of them at this current stage of their lives are also not interested in a long-term commitment and being tied down to one place. The fact that PRS projects offer a solution to the current shortage of housing on the market and are able to meet the current expectations of consumers by fulfilling their housing needs is also evidenced by the record-breaking times in which the most recent Resi4Rent projects have been rented out.

Having recognised the huge potential of the Łódź market, Resi4Rent has now started the development of another project in the city, this time at ul. Kilińskiego 127. The building, which is scheduled for completion in Q2 2024, will contain 287 apartments. It will feature attractive architecture and is to be built on the site of a derelict pre-war tenement house. The historic building was beyond repair, but Resi4Rent will recreate its façade so that the new project fits into the style of the surrounding downtown buildings.





‘The Polish residential market is currently going through major changes. Due to the structural shortage of apartments, difficulties in taking out loans and changing habits, very strong demand can now be seen in the rental housing sector. This has confirmed the faith we placed in this market segment. Its excellent conditions are reflected in the 100% commercialisation level of Resi4Rent’s buildings. The company currently has almost 3,000 ready and fully-leased premises, while another 3,000 are under construction. Resi4Rent’s goal by the end of 2024 is to have approximately 10,000 units for rent. We have already secured sites for 90% of these apartments,’ reveals Nicklas Lindberg, the CEO of Echo Investment.

Resi4Rent – a few key numbers

3,000

the number of apartments **currently rented** out by Resi4Rent

4,874

the number of people who live in them, including **49 different nationalities**

5,615

the number of leases Resi4Rent has signed since its inception

1,100

the number of **rental apartments** that will be offered and brought into use by Resi4Rent in 2023



The report partners:



Media partner:



The Polish Association of Developers is the largest and most influential development and real estate industry organization, which for over 20 years has represented the interests of development companies in Poland and the European Union. We take action to creation of good legislation, improvement of investment conditions in the real estate market, professional development of employees of member companies and improving the image of industry. PZFD associates 300 firms: developers building apartments, offices, hotels, service and commercial spaces, warehouses or PRSs as well as multi-storey parking lots.

