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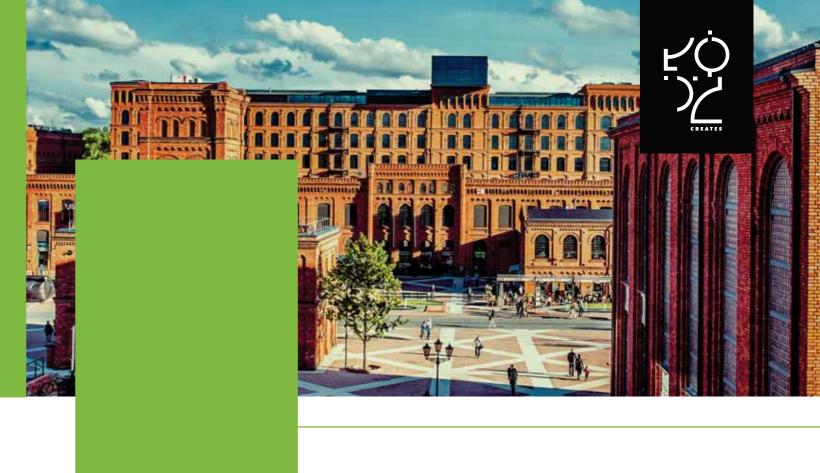








The programme aimed to develop and promote the economic potential of the city of Łódź and the Łódź region is carried out as part of the project entitled "Economic internationalization of enterprises from the Łódź region by means of dedicated promotional activities and territorial economic marketing", which is co-financed by the Regional Operational Programme for Łódzkie Voivodeship 2014-2010.



REPORT BY DELOITTE

# HIDDEN POTENTIAL OF ŁODŹ

WWW.INVEST.LODZ.PL NOVEMBER 2019





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INTRODUCTION

# THE HIDDEN POTENTIAL OF ŁÓDŹ

Łódź is a city with an unusual history. Even though it was granted town privileges in 1423, it was not until the 1820s that it started growing considerably, attaining a certain economic significance. Within just 60 years, Łódź, currently the third largest city in Poland, underwent a massive change. The tiny commune of craftsmen it was in the 1850s turned into a powerful industrial centre with a population of around half a million in 1910.

This dynamic development of Łódź was nothing unusual in the times of industrial cities. After all, between 1850 and 1900, the population of Glasgow and Birmingham grew almost twofold, and that of Manchester grew almost sixfold. However, these numbers pale in comparison with Łódź, which observed a twentyfold increase in population, a growth dynamic experienced in that time by no other city in Europe. Globally, only three urban areas had an ever more rapidly growing population: Los Angeles and Chicago in the USA, and Yokohama in Japan. After Poland regained independence in 1918, Łódź became the second largest city in the





The rapid population growth is, however, not the only thing that makes the history of Łódź unique. The industrialisation of the city began suddenly, and its progress was quite dynamic, even for what was par for the course for the Industrial Revolution. What is important, is that the textile industry that thrived in Łódź contributed to the city's status of a powerful industrial centre almost single-handedly. In 1913, the businesses operating in the city accounted for 30 percent of output in the whole of Congress Poland, which made Łódź the largest industrial centre of the land. The city actively built its entrepreneurial ethos, and was a place where everyone could come and work, regardless of their country of origin or religious beliefs. Łódź became a symbol of business, the "promised land" for

industrialists who played a large part in the city's success story.

However, the trade and industrial development of Łódź was delayed by World War I, and then stopped in its tracks for good by World War II. Though the city itself, with its architecture and buildings, did not suffer greatly as a result of the war, the spirit of Łódź, no longer marked by multiculturalism, underwent a lasting change. After 1945, Łódź was no longer a city of four cultures, with no more citizens of German, Jewish or Russian descent in the city. The 230 thousand Jews, who constituted the second largest community after Poles, disappeared almost entirely from the city as a result of the war operations.

The post-war years saw factories nationalised, and Łódź remained an important location for the textile industry in Poland. However, the transition that followed after 1989 led to a collapse of the industry, as a result of which Łódź lost its unique identity, and suffered an economic crisis. The rate of unemployment reached 21.3 percent in 1993. In light of this, Łódź had to create itself anew.

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The situation of the city has been gradually improving, but only in the past few years did it manage to rediscover its economic potential. Thanks to the development of home appliance, logistics, and transport industries, and a growing business services sector, Łódź is once more one of the most important cities in Poland, presenting its unique potential.

What supports the transformations, are extensive investment programmes (including an ambitious city centre revitalisation project), the international Expo Horticultural 2024, and other considerable infrastructure projects. Thanks to those initiatives, the city has become as good a place for business as it was for the industrialists.

Łódź has everything it takes to succeed. It is a city which is conveniently placed in the heart of Poland, with universities offering high-quality education, and the potential of a population of almost a million in the whole urban area. The local government actively supports transformations through wide-ranging infrastructure and urban revitalisation projects.

The city attracts investors, and is currently one of the most active real estate markets in Poland. The value of real estate transactions carried out since 2017 has reached EUR 625 million, with EUR 230 million in the office sector alone. The city is also gradually turning into a business hub for BPO centres, SSCs and new technologies. Step by step, the revitalisation projects and infrastructural improvements are making the real estate market of Łódź more and more attractive, as regards both commercial

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and residential properties. Modern glass office buildings coexist with the revitalised historic urban fabric. It is certainly a place where one wants to be.

Currently, Łódź is the third largest city in Poland, with a population of approx. 690k inhabitants and the unemployment rate of 4.9 percent in the city, at the end of September 2019 according to GUS data.

The current efforts of the authorities of Łódź focus on societal issues and the quality of living in the city. For many Polish cities, revitalisation is an incredibly important issue, but it is Łódź that finds its new identity in this process to the fullest degree, both improving the residents' quality of living, and honouring the city's history. The key factor here is the fact that Łódź has been given rights to organise Expo Horticultural 2024. The Łódź Expo is to be devoted to urban greenery and green spaces. The theme of the exhibition will be "Nature of the City". The organisation of such a large international event is the crowning moment for the transformations of Łódź, and an opportunity to promote the city worldwide.

## Population growth in Łódź up to 1946:



1534 1800 1820 1830 1850 1860 1865 1872 1886 1897 1900 1905 1913 1914 1915 1918 1919 1921 1931 1939 1946

Source: Analysis based on Statistics Poland

#### CHAPTER ONE

# EXPO AND LEISURE AREAS OF ŁÓDŹ

Understanding the need to change the way people perceive public space, and to promote it as resident-friendly; the need for greenery to be intensively present in the city; and the opportunity to create the right image of Łódź to attract investors, the authorities of Łódź have made a bid to host a Horticultural Expo. In 2018, Łódź was given the rights to organise such an exhibition. The Expo will take place in 2024.

**Expos are world-class international events**, which allow for developing dialogue between regions, cities, countries, and enterprises. They are the perfect opportunity to promote the region and the whole country. Organising an Expo also entails significant investments which have an impact on the quality of the hosting city and its surroundings. After Expos are over, many facilities remain there to serve the residents, offering public services.

Horticultural Expos, also known as Green Expos, focus on developing urban open space, and creating new leisure areas for residents. It is also a platform for promoting innovations in sustainability, ecology, environmental protection, as well as agriculture, and horticulture.

It is expected that 43 countries, 12 sponsors and partners, 16 regions, as well as 17 Polish and foreign cities will participate in Expo Horticultural 2024. The Expo will be held from April to September 2024. An estimated 4.5 million visitors (including 0.5 million foreign visitors) will attend the exhibition.

Expo Horticultural 2024, which is to be hosted in Łódź, is an opportunity to make a series of investments and introduce positive changes. These include:

- changing the way people think about urban open space;
- revitalising an area of around 85 ha which will serve as the exhibition site;
- introducing ecological and pro-environmental solutions
- promoting the city's tourist, cultural, and leisure offer;
- investing in infrastructure and transport and strengthening the city's and the region's economic development.

Cities which have hosted Expos are a testament to the success and benefits that come with organising the exhibition.

## **History of Expos**

The history of Expos begins in the middle of the 19th century, with the Great Exhibition of 1851 held in London, which was dedicated to technological innovations of the Industrial Revolution. Visitors could also view exhibits representative of the exotic cultures of the British colonies.

EXPO AND LEISURE AREAS OF ŁÓDŹ

Post-war Expos focused on promoting the development of technologies as a source of progress and international dialogue. Technology, still at the heart of the exhibitions, was presented as an important element in the development of mankind, a trend which can be seen in the themes of various Expos of those times: "Progress and Mankind" in Brussels (1958), "Man in the Space Age" in Seattle (1962), and "Man and his World" in Montréal (1967).

1928 saw the signing of the Convention Relating to International Exhibitions, establishing the Bureau of International Exhibitions (Bureau International des Expositions, or BIE). The main objective of the organisation is guaranteeing the quality of Expos, protecting the rights of the organisers and participants, and maintaining the educational value of Expos. Currently, BIE has ca. 170 member countries.

Expos have become a global and peaceful discussion platform, contributing to international dialogue and tighter international cooperation. At the same time, the process of decolonisation allowed new countries to become fully-fledged Expo participants. Today, Expos are events which showcase cultural diversity, guided by principles of equality and respect for all cultures.

Since the beginning of the 21st century, World Expos have also been focusing on highlighting the importance of ensuring sustainable development and searching for solutions to the crucial challenges of our time. Expo 2000, which took place in Hannover, promoted sustainable development, and aligned itself explicitly with Agenda 21.

Five years later, in Aichi, the aim was to demonstrate the competitive advantage lying in designing technology in harmony with nature, with the theme of "Nature's Wisdom". Expo 2010 in Shanghai showcased solutions for sustainable urban development, with the theme of "Better City, Better Life". Those issues were also strongly highlighted in Milan during Expo 2015 ("Feeding the Planet, Energy for Life"). The next World Expo, in Dubai, starts on 20 November 2020, and lasts until 10 April 2021. Its theme is "Connecting Minds, Creating the Future".

Expos have become a unique platform that stimulates discussion and fosters international cooperation that covers such issues as sustainable development, the environment, energy, health and education.

## **Expos** now

Bringing together countries from all other world, Expos support building global relationships which serve all people. Individual countries promote technological innovations in their pavilions, combining them with their national culture. There is a transformative force to Expos. They change the perception of international ideas and bring dissimilar cultures together. At the same time, they strengthen the image of the host country. Those events drive the economic and cultural development of their host cities and countries, and contribute to their lasting transformations. Projects related to Expos set the course for how cities develop, and are a catalyst for said development. Their impact can be observed in both the urban and architectural transformations of the host cities, and their enriched cultural environment.

Preparing an exhibition that is to be visited by millions from all around the world requires reorganising public space, which brings positive pro-development effects in the long term.

With time, BIE started noticing that the scope of the themes touched upon during Expos got wider and wider, and the interest of cities and countries in organising such events also became increasingly greater. A new classification system was introduced, and currently, there are three types of Expos: World Expos, International Expos and Horticultural Expos, which are also referred to as Green Expos or Garden Expos.











EXPO AND LEISURE AREAS OF ŁÓDŹ

#### **EXPO Horticultural**

The first Horticultural Expo took place in Rotterdam in 1960. Since then, BIE has recognised 22 such exhibitions approved by the International Association of Horticultural Producers (L'Association Internationale des Producteurs Horticoles. or AIPH). These exhibitions foster cooperation, knowledge sharing, and innovative solutions related to such issues as healthy and sustainable lifestyles, and the ecological transformation of the economy and cities. In line with the organisers' guidelines, A1 Horticultural Exhibitions last from three up to six months, and the minimum exhibition size is 50 ha. The Horticultural Expos are organised once every two years or so.

#### Green Expo in Łódź

The opportunity to organise Expo Horticultural 2024 is a great honour for Łódź, a culmination of the changes that have taken place so far, and a motor for further development.

The idea of this Expo fits into the city's policy, the objectives of which include creating green space that meets the residents' needs and makes it more convenient for them to function in the city. The Expo's theme, "Nature of the City", is a motto which covers green urban revitalisation, modern urban design, and urban landscape formation which preserves green space and develops its potential. The theme also pertains to such matters as sustainable development, circular economy, renewable energy sources, smart cities, conscious management of urbanisation processes, supporting the entrepreneurial and innovative activities of residents, and preserving cultural heritage.

Poland and Łódź perfectly fit into the mission of Expos. It is a region which has been, and is, subject to many political, economic, and societal transformations.

As evidenced by their history, Expos involve searching for solutions which are important for all humanity that support sustainable development and progress of civilisations. The Łódź exhibition will focus on the relationship between the growing urban population and diminishing natural resources, looking for answers to the auestion how one can exploit the natural environment, and maintain it in the best condition possible. Another key issue is improving the quality of living in the ever-growing urban areas by undertaking such steps as improving air quality, curbing land degradation, modifying means of transport, and minimising the impact the cities themselves have on the environment.

Urban revitalisation and green investments

constitute an opportunity for Łódź to change the way people think about urban open space. Innovative solutions in forming urban space shape the environment and improve its quality. They also have a positive impact on the aesthetic values of urbanised areas. The city is to become a friendly space for living, working and relaxing. The Horticultural Expo in Łódź intends to be an international platform for deliberating how to improve the urban residents' quality of living and ensure sustainable development at the same time. There will be numerous discussion panels, conferences, workshops, training sessions, and cultural events devoted to these issues precisely. The Expo is an incredible opportunity not only for Łódź, but also for Poland. It will help to build the presence of Poland globally, and to establish an image of Łódź and Poland as a healthy and friendly city and country both home and abroad.

The main theme of the Expo, "Nature of the City", symbolises perceiving the city as a safe and healthy place in which to live.

The ideas underlying this theme include "Nature of Living", i.e. home, the direct neiahbourhood, and matters pertaining to recycling and environment-friendly architectural solutions, as well as "Nature of Leisure", understood as managing public space in such a way that will best serve the people in relaxing and actively spending their leisure time. In turn, "Nature of Health" involves promoting the idea of building a safe and ecological society, and it forms a part of "Nature of Us", i.e. a sense of community in the society. All of this constitutes "Nature of Business", a socially responsible and sustainable economy, together with green technologies and relevant inventions. All of those ideas are to be implemented and promoted through lectures, workshops, and many cultural events that will take place during the Expo. Aiming at successfully handling this theme, and in its preparations for the Expo, Łódź is already becoming a modern and ecological city. The City of Łódź established a new unit which will pursue those goals, too, the Department of Climate and Ecology.

The main theme of the 2024 Expo complements the city's revitalisation processes which were the main focus of the previous bid that Łódź made, which was with respect to organising the 2022 International Expo, with the theme of "City Re:Invented". The revitalisation projects involve not only giving degraded areas a new shine, but also acting for the benefit of the environment while preserving the local and national heritage. All of this is reflected in the due respect and protection given to the city's traditions, and the new lease of life that the city gets at the same time.

# THE PLAN FOR EXPO 2024

It is expected that 43 countries, 16 regions, 17 Polish and foreign cities, as well as around a dozen of important sponsors and partners will take part in the Expo. Preliminary estimates say the exhibition may be attended by around 4.5 million visitors, a figure which includes half a million foreign visitors. The Expo is to take place between 27 April and 28 September 2024, on a site with an area of around 80 ha.

This means that the exhibition will take place right in the heart of the city. The well-connected location is in the close vicinity of the modern Łódź Fabryczna railway station building, which will become one of the most important road and rail hubs, both in Łódź and in Poland, once the works on the city tunnel are completed in 2023.

The site is also two kilometres away from the Piotrkowska street, which is one of the main landmarks of the city. Among other things, this area was chosen for the Expo site for its central location, and certain security concerns.



The choice of this location for the Expo will allow the organisers to tap into the incredible potential of this area, with due respect for the nature present there, which is partially under the protection of the city's heritage conservation officer.

What will constitute a particular challenge for them, will be to introduce green solutions also outside the area of the Expo, e.g. in the historic city centre which is undergoing revitalisation-related changes. After the Expo Horticultural 2024, this area is to serve as an urban park, right in the heart of Łódź and next to the New Centre of Łódź, a new business and service district which is currently under construction.

Organising the Expo entails rearranging the designated exhibition site. Among many other facilities, the site will consist of temporary structures where the Expo's "internal gardens" will be presented, together with temporary exhibitions and accompanying fairs.

The other part of the Expo will consist of the so-called "external gardens", i.e. permanent buildings designed in such a way, that they can be easily converted into publicly owned facilities after the Expo is over. Organisers will also have to provide and develop office and logistical facilities, together with temporary entry points, entertainment zones and service space.

The area development project must satisfy the needs of all social groups that avail themselves of urban open space. Apart from leisure-related functions, the plan should also emphasise educational aspects related to environmental protection.

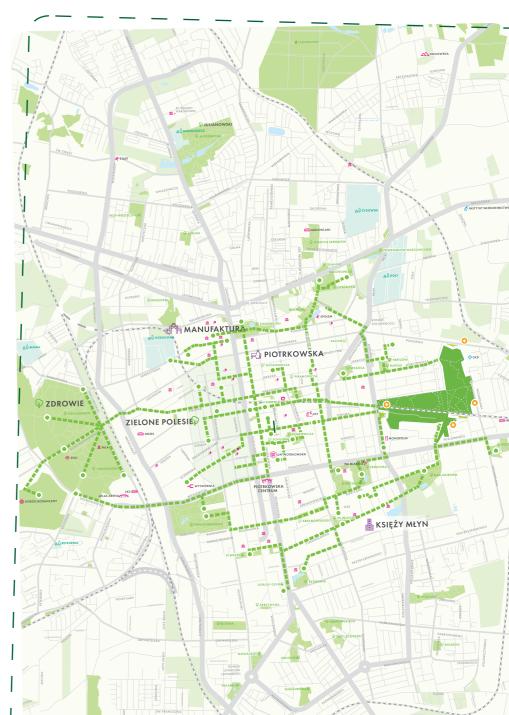


The initial concept envisages two main entry points. The western, colses to the city centre, form Kopcińskiego Street and the southern facig the parking lot by the shopping mall. Four additional entries were planned facing the Niciarniana railway station, Czechosłowacka, Pomorska and Narutowicza Street. There will also be an additional gate dedicated to the residents of the Radiostacja housing estate, adjacent to Krzywickiego Street, who use this areas on a daily basis.

The organisers will have to face the challenge of incorporating other parts of the city into the project, by creating green walls, woonerfs, and pocket parks, and by developing street greenery. This is because this event should not only have an impact on the exhibition site itself. It should also have an impact on the area around it, and the positive effects of organising the Expo should be visible to and felt by all residents of Łódź. One of the projects involves extending the network of cycle paths, which will make the parks in Łódź connected with a "greenway".

The organisation of the Horticultural Expo is to have a positive impact on the perception of Łódź and Poland worldwide.

It is also expected to bring many benefits for the society nationally, regionally, and locally.



Source: UMŁ materials Exhibition area as of November 2019

# BENEFITS OF ORGANISING EXPO FOR THE SOCIETY AND THE ECONOMY



#### Impact on the image and international partnerships

- Building positive relations between Poland and other countries participating in the exhibition, and strengthening the positive image of the country abroad;
- Having the opportunity to emphasise the favourable geographical location of Poland and Łódź, and their potential to organise similar events in the future;
- Changing the way the city is perceived, which may be an incentive for some to remain or settle in Łódź, and which may have a positive impact on the investment climate among businesses:
- Making use of the exhibition as a symbol of a successful political and economic transformation in Poland;

  • Elevating the status of the city internationally.
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#### Tourism promotion

- Having the opportunity to present the tourism assets of the country and the region which are related to its cultural, historical and natural
- Making the city more attractive by creating a tourism offer which covers the "greenway" and the cultural institutions within its boundaries



#### Introduction of ecological and pro-environmental solutions

- Developing green space within the city, which will contribute to building its image as a leader in introducing modern ecological solutions and fighting smog;
   Presenting ideas and solutions relatingto urban horticulture;
- Raising the residents' and visitors'
   awareness of and interest in ecological
   subjects, and strengthening positive attitudes
- Promoting the scientific and research achievements in horticulture and other subjects related to the natural environment;
- Increasing the biological diversity in the city, making the city more attractive by improving the technical condition and aesthetic values of the Expo area.



#### Stimulation of the local and national economy

- Tapping into the local entrepreneurial potential, with new food outlets, hotels and
- Increasing the number of jobs in such industries and sectors as restaurant and catering, construction, horticulture and other professional services:
- Having an opportunity to promote Polish agricultural, horticultural and agro-food processing products, which allows for establishing contacts with new outlets.



#### New solutions in infrastructure and transport

- Improving the transport infrastructure by renovating selected roads, pavements and cycle paths, which will improve transport
- Investing in green spaces, which will contribute to making them more accessible to residents, and improving the residents' quality



#### Know-how in organising large events

- Developing the skills of city officials related to carrying out large-scale projects;
   Gaining experience in obtaining external
- (EU or state) funding for investments implemen-

The challenge of organising the exhibition fits into the economic and social transformation which Łódź is currently undergoing. It also complements the city's development strategy, and it may improve the society's awareness of ecology and of the importance of a good quality of living in the city.

Even though Łódź is one of the greenest cities (with green space constituting approx. 19 percent of its area according to Statistics Poland), it is the highly urbanised heart of the city that constitutes a challenge. Investments regarding this area include the development of mass urban transport. an anti-smog programme, and many revitalisation processes that give run-down buildings a new lease of life, and an opportunity to repurpose them. Auxiliary areas for the Expo and the investments that are planned there will also be important.

Thanks to those areas and investments. green spaces in the city will become connected through paths for cyclists and pedestrians. This will make city more appealing for tourists, and moving about the city will become more convenient. The idea and the theme of Expo 2024, "Nature of the City", refer to the model example of a green and sustainable city of the future which addresses the needs of its residents. Łódź is precisely becoming such a city.

# **BENEFITS FROM ORGANISING SIMILAR EVENTS**

In analysing the benefits from organising Expo 2024 in Łódź, it is worth considering previous Horticultural Expos and other events of a similar nature, together with the promotional benefits they brought for their organisers.

## **Expo Horticultural 2019 Beijing**

The main theme of Expo 2019 in Beijing (29 April – 7 October) was "Live Green, Live Better". This theme promoted the pursuit of a green lifestyle and of integration with nature. The exhibition attracted 16 million visitors and had 100 participating

With 503 ha of exhibition space along the River Guishui, the site was the largest of all Horticultural Expos up to date.

The visitors could enjoy many educational and interactive exhibitions involving artificial intelligence and 5G technology, together with lectures and public cultural events. According to data from the 2018 budget implementation report, Beijing spent approximately USD 740.7 million (CNY 5 million) for adapting the areas for exhibition purposes. The pavilions designed for the Expo will become an important part of the city in the future.

## 02

#### **EXPO Horticultural 2016 Antalya**

The Horticultural Expo in 2016 took place in Antalya, Turkey. Its main theme was "Flowers and Children". With the site area of 112 ha, the Expo attracted around 4.7 million visitors. 29 percent of them came from abroad. The Expo aimed to address global environmental issues, to share experiences in horticulture and agriculture, and to increase the quality of life through the creation of new areen spaces.

The exhibition site had as its central landmark a 111-metre observation tower which attracts tourist to this day. This event allowed not only for increasing environmental awareness, but also for promoting the Turkish culture and tourism on a worldwide scale.

In consultation with participating countries, the closing day of the Expo saw a declaration announced, calling for raising ecological awareness and promoting it to younger generations. The Turkish government pledged to plant one tree for every child born in the country via the "Newborns Forests Project". The Declaration also stipulates that the Expo site is to be used as an international technology and training centre to promote international cooperation and tackle environmental issues.



## 3 |

#### **EXPO Horticultural 2012 Venlo**

The Floriade 2012 was a Horticultural Expo that took place in the city of Venlo, the Netherlands. The Floriade welcomed over 2 million visitors, with over a half of them from abroad. Organised under the theme "Be part of the theatre of nature; get closer to the quality of life", the Expo focused on sustainability, circularity and recycling raw materials.

The exhibition site made use of 25 hectares of existing forest, and was divided into five main areas, reflecting the five subthemes of the exhibition. Buildings constructed for this Expo include "Innovatoren", a conference centre, and "Villa Flora", the main exhibition pavilion. A cable car ran through the middle of the site to facilitate access and to give visitors the chance to appreciate the views. Visitors could also enjoy the Floriade's cultural scene, with concerts, harvest shows, musical shows and light shows.

Conclusions of the Floriade Dialogue were compiled in the "Our Planet is a Plant" report. Following the Floriade, 90 percent of the site became transformed into the Venlo Greenpark innovation complex, which offers office space for entrepreneurs and researchers working in the area of agriculture and sustainability.

#### EXPO AND LEISURE AREAS OF ŁÓDŹ

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# 04

#### World Expo 2015 Milan

In 2015, it was Milan that hosted the World Expo, with the theme of "Feeding the Planet, Energy for Life". The Expo tackled one of the major challenges of the modern era, raising questions over food production, healthy eating, the zero-waste trend, and the efficient use of natural resources in the context of the ever-growing population. 145 international exhibitors took part in the event, which was attended altogether by 21 million visitors.

As the exhibition site, the organisers decided to use 110 ha of a disused industrial and warehouse zone. The symbol of the Expo, the "Tree of Life", was a 30-metre wooden and steel structure inspired by the design of Michelangelo's Piazza del Campidoglio in Rome

One of the achievements of Expo 2015 was drafting the Milan Charter, which sets out principles and objectives regarding nutrition, sustainability and the universal right to food. Mayors of over 100 cities from across the world additionally signed a pact on urban food policy. The pact in question encourages cities to develop sustainable and healthy systems while promoting biodiversity and reducing waste. With the Expo closed, the exhibition site is currently being redeveloped to host an innovative park dedicated to science and technology that is to be fully operational in 2024.

## 05

#### The 2012 UEFA European Football Championship – Euro 2012

The positive long-term impact of organising international events can also be observed in events of a totally different nature. The UEFA European Football Championship, or Euro 2012, hosted jointly by Poland and Ukraine, is precisely such an event. Granting the rights to organise this tournament expedited the modernisation and development of Poland's infrastructure, and contributed to promoting the country's image abroad. This, in turn, translated to greater tourist traffic. The valuable know-how linked to managing large and challenging projects is also an aspect worth considering.

The organisation of Euro 2012 had a positive impact on Poland's GDP in 2008-2020, with the cumulative value of the forecast GDP growth in nominal terms amounting to PLN 21.3 billion, according to PL.2012. The transformations mainly resulted from accelerated investments, mostly in transport infrastructure. The greater tourist traffic was also of some import. The actual expenditures of foreign visitors during the tournament were 33 percent higher than expected, at PLN 1.121 billion.

It is estimated that during Euro 2012, a total of 685 thousand foreign football fans visited the Polish host cities (including special guests such as VIPs, national football associations, and members of the UEFA Family), together with 750 thousand domestic fans and several thousand representatives of foreign media. According to the organisers' calculations, they altogether left PLN 960 million in Poland.

Estimates say that Warsaw alone was visited by 215 thousand foreign and 335 thousand domestic football fans in connection with the tournament. 74 percent of foreign visitors stayed in Warsaw for more than one day. The foreign football fans spent about PLN 411 million in Warsaw, whereas the domestic fans spent about PLN 178 million. 59 percent of domestic fans spent only one day in the capital.

The unique experiences related to organising such a large tournament have shown that Poland does have the capacity and the capability to organise large international events. Furthermore, the positive reception of the event had an impact on Poland's brand, with its value growing from USD 270 billion to USD 470 billion.

It is clear from analysing the impact of events similar to Expo 2024 that such events positively contribute to the cities economic development, and the residents' quality of living. Organising the Horticultural Expo in Łódź will allow the tourist, restaurant and catering, and leisure industries to develop. In preparations for the Expo, the existing parks will undergo modernisation works, and new green and leisure spaces will be developed. The Expo is also supposed to change the way people think about the key parameters that have an impact on the quality of living: pure water, clean air, and a lifestyle that is in harmony with nature. For Łódź, which is a post-industrial city, investments in green spaces and greenery are extremely important, and the coexistence of historic buildings and monuments together with urban open space will create a new quality for residents and investors.



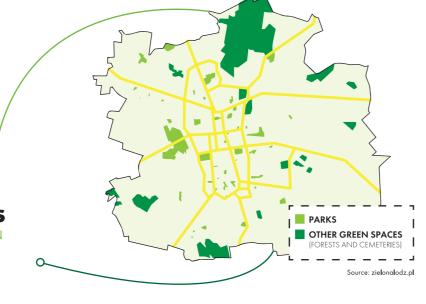
Organising the Horticultural Expo aims at changing the way people in Łódź, but also throughout Poland, perceive urban open space. Even though the data from Statistics Poland show that green spaces constitute as much as almost 19 percent of the area of Łódź (a total area of 5,405 ha), it is key that greenery is introduced deeper into the dense urban fabric – especially in the heart of the city, so that living and functioning there becomes more healthy and appealing.

The 5.4 thousand hectares of green space in Łódź comprise woodland (including the Łagiewnicki Forest, the largest wooded area within city boundaries in Europe) and 34 public parks, 21 of which are classified as cultural heritage parks. There are also two nature reserves under strict protection, and many squares, green spaces along streets, greenery at the heart of city quarters, and mansion gardens (ten of which are included in the heritage register). Currently, the green spaces are not evenly distributed. However, they are also diverse when it comes to their size. In total, nine city parks have an area of less than 10 ha, with Moniuszki Park being the smallest with an area of 1.8 ha. The largest park complex is Piłsudskiego Park, with 169 ha. Together

with the Łódź Zoo, the Botanic Garden, and the premises of the old military training ground in Brus, the park

constitutes the largest green space in the western part of the City. In turn, the Łagiewnicki Forest, with an area of over 1,200 ha, is located in the northern part of the city. However, this is not the only such large a green space that can be found in the city. There is also the Lublinek Forest near the Retkinia housing estate, which is also considerably popular among the residents.





EXPO AND LEISURE AREAS OF ŁÓDŹ

The features that parks in Łódź have on offer are becoming more and more diverse. The greenery notwithstanding, the parks provide well-equipped playgrounds, outdoor gyms, renovated alleys and pathways, and benches to relax on. Some parks, especially those that are heritage sites, also serve as venues for various cultural events, such as concerts, theatre performances, outdoor cinema screenings or other open air shows.



The oldest park in Łódź, Źródliska I, features one of the most modern palm houses in Poland, with impressive collections of exotic plants, the oldest of which are palms over 150 years old that originally belonged to industrialist families. It forms part of the city's Botanic Garden, serves an educational purpose, and is a perfect place for leisure for both children and adults.

What is an important change in the recent years, is the growing amount of money devoted to investments in Łódź parks thanks to participatory budgeting. Now, areas such as Podolski Park and Źródła Olechówki Park also feature graduation towers.

Among the green attractions of Łódź is the Botanic Garden. With an area of as much as 67 ha, it is one of the largest such gardens in Poland. The original garden was established in 1929 in Źródliska Park. Only after World War II did the works on the current garden begin. Its first part was opened to visitors in 1973. The park is adjacent to Piłsudski Park, the Zoo, and the Polesie Konstantynowskie forest reserve. It has nine distinct sections. where one can enjoy collections of plants from all across the world. The garden is also a place where various educational classes take place for children and adolescents on subjects of biology, protecting nature, and the environment.



1,205.5 ha

With an area of 1,205 ha, the Łagiewnicki Forest is the largest forest complex situated within city boundaries in Europe. Almost 70 ha of the forest constitute a nature reserve.

What also forms part of the forest is Arturówek, an outdoor leisure complex located in the headwater area of the River Bzura with a water playground and three ponds, one of which, with a wide beach, serves for bathing and swimming. Arturówek also features a kayak and pedalo rental dock.



Na Zdrowiu Park is the largest park in the city, and is also one of the largest parks in Europe. Developed in 1919-1939, it was designed as a forest-like leisure park with various features: sports facilities, an educational game park, and a funfair. The Łódź Zoo, Botanic Garden, City Stadium, "Atlas Arena" sports and entertainment hall and "Fala" water park are all in the direct vicinity of the park. Na Zdrowiu Park is one of the most popular leisure areas in the city. Thanks to projects financed from the participatory budget, the park saw the construction of an entertainment and activity centre (which features a relaxation zone and a workout zone) on what were formerly the premises of an amusement park. The centre is being continuously expanded.

EXPO AND LEISURE AREAS OF ŁÓDŹ



Park im. A. Mickiewicza 49.4 ha

Established as a manor park, from the end of the 19th century Mickiewicza Park constituted a part of the now defunct mansion of industrialist Juliusz Heinzel.

The park features picturesque ponds on the River Sokołówka, with a concert shell located close to one of them.

Several new features appeared in the park in 2015: a gazebo, barbecue spots, playground, outdoor gym, and various sport fields. The space in the park was also complemented with new plantings. It is a place for leisure and relaxation.



J. Poniatowskiego

The park was constructed in 1904-1910 with a plan designed by Teodor Chrzański on what remained of the former urban forests. Following World War II, two cemeteries were created in the park (one for Polish, and the other for Soviet soldiers), and an obelisk, named the Monument of Gratitude, was erected where a monument to composer Stanisław Moniuszko had earlier stood. The park is currently a place for leisure, relaxation, and sport, as it houses the City Tennis Club and a bike obstacle course. The park stands out from others in Łódź with its wide alleys that were originally designed for

July 2018 saw the end of modernisation works on the eastern part of the park, which involved replacing the alley surface, and introducing further plantings, additional lighting, and a new fountain.



Stawy Jana

38.2 ha

18.0 ha

Stawy Jana has previously been a part of a mansion garden.

The park features a pond with a guarded bathing and swimming area (4.3 ha). It also features a kayak, boat, and pedalo renting

There is a sandy beach around the pond, with an enclosed beach volleyball court, and a multi-purpose Orlik 2012 playing field. The park serves as the urban beach, and has several barbecue spots.



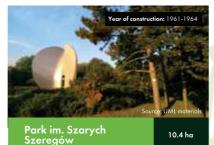
Established in 2010, Źródła Olechówki Park is one of the youngest parks in Łódź.

It covers the area of the valley of the River Olechówka, together with its active headwaters. The park features barbecue spots, a playground, and an outdoor gym.



Established in 1970, it is an extension of 3 Maia Park.

The two parks will form an essential part of the site for the 2024 Horticultural Expo. Baden-Powella Park features an amphitheatre, a playground, and a children's traffic park.



The park features a well-known Children's Martyrdom Monument, also known as the Broken Heart Monument.

The park has seen complementary plantings and a modernised path layout in recent years.



Park nad Jasieniem

Constructed in 1964, the park is situated north to a pond on the River Jasień, on what had previously been a grange belonging to industrialist Karol Scheibler.

The park features ponds, a playground, and an outdoor gym.

The park will feature an urban beach by the pond.



1 Maja Park features Stawy Stefańskiego a pond which was created by widening the bed of the River Ner. The pond has an area of

It also features the first wakeboarding park in

The park features barbecue spots, playgrounds, an outdoor gym, and other



The park is a green belt that separates the Dabrowa and Zarzew housing estates.

Visitors to the park can enjoy the benefits of the graduation tower built there in 2018.

Furthermore, the park features two fountains, chess tables, a playground, and a skate park.



14.5 ha

Na Młynku Park is an urban open space, and it features a body of water situated in the valley of the River Olechówka.

The body of water, around 370 m long and 95 m wide, intended for sport activities and active leisure, is open in the summer season. Visitors to the park may avail themselves of the playground, barbecue spots, outdoor gym, and a dock with watercraft.

The park has undergone profound changes. mainly thanks to projects implemented with funding secured in participatory budgets.



The park was established in 1915 on what remained of the former urban forest.

Its eastern part is still forest-like nature, with oaks and hornbeams dominating among the

It is currently a place for leisure and relaxation, featuring tennis courts, football pitches, and a running track. The municipal sports and recreation centre (MOSiR) is located at the border of this park and of Baden-Powella Park. The park will form an essential part of the 2024 Expo.



Also commonly known as "park śledzia" (Herring Park), Staromiejski Park was constructed in 1951-1953 within the area of the former ahetto.

The park is a place for relaxation, with a large body of water, fountain, and a square with chess tables. It is situated in the valley of the River Łódka (which currently flows in an underground canal).

As part of the urban revitalisation programme, the park is to be restored in 2021-2022. The plans for the park include restoring the greenery, adding new plantings, modernising the lighting and park furniture, and renovating the sculptures adorning the space.

The park was established by Karol Anstadt.

Although fees were charged for entry, the park was highly popular among the wealthy residents thanks to many attractions. Julian Tuwim, the famous 20th-century Polish poet,

The park is to undergo revitalisation works as part of the "OdNowa Parku Helenów" project. It is currently a place for relaxation.

used to visit this park.



The oldest park in Łódź, today, Źródliska I is a venue for numerous cultural events.

It has been declared a natural monument in its entirety (together with Źródliska II Park). It is close to the Łódź Film School.

The park features a palm house, three ponds, and a square with a gazebo and a café in its northern area.

2008 saw a construction of a gazebo on a parterre near the Gardener's House in the park. In the summer season, the gazebo serves as a venue for concerts.



Formerly known as Park Hibnera, this park was established by industrialist Ernst Leonhardt.

To this day, it features the palace in which Leonhardt lived. It is currently a place for relaxation.



The park is a leisure area with sports and entertainment features (i.a. a playground, a stage, and an outdoor gym).

The park attracts people with its varying elevation, and good spots from which to view the panorama of the city.



The park is a leisure area with sports and entertainment features (i.a. a playground and chess tables).

The park came to being thanks to a social initiative. It also features a graduation tower.



The park is a place for leisure and relaxation. It is situated where the old evangelical-augsburg cemetery used to be, and what remains of the cemetery are the old ivy-covered trees which are considered natural monuments. In 2015, a playground was added to the park; 2016 saw the construction of an outdoor gym.



EXPO AND LEISURE AREAS OF ŁÓDŹ

Park Ocalatych

The park is adjacent to what had previously been the area of the Łódź Ghetto.

The purpose of the park was to commemorate all those who survived through the ghetto. The park was officially opened on the 60th anniversary of its liquidation.

It is home to the Marek Edelman Dialogue



Originally a part of a single park together with Źródliska I (which it borders to the east). Źródliska II was separated and handed over to industrialist Karol Scheibler.

The palace that was Scheibler erected there now houses the Museum of Cinematography.

After World War II, it once again became an urban park.

It has been declared a natural monument in its entirety (together with Źródliska I Park).



The park is a place for leisure and sports, with the "Anilana" swimming pool, a defunct fountain, and a pond.

The River Jasień flows through the park, hidden in a canal.



Park im. Wł. Reymonta

The park was established by Ludwik Geyer, who was one of the most powerful industrialists in Łódź.

The park is a place for relaxation. It also features a pond. The building of the White Factory, which now houses the Central Museum of Textiles, is near the park. 2015 saw the restoration of the whole park. with the layout of alleys partially changed, and their surface replaced.



The park was established on premises which had previously been partially occupied by industrial buildings, which were later demolished.

The many features of the park include an outdoor gym. It is a place for leisure and relaxation.



One of the oldest parks in Łódź, it was originally known as the Mikołajewskiego Garden. The park was dedicated to writer Henryk Sienkiewicz in 1916 upon his death. The park features the buildings of the Museum of Natural History, and the City Art Gallery.

The park is being renovated as part of the urban revitalisation works, which are set for completion in Q4 2019. The investment involves building new alleys, restoring the park fountain, and constructing playgrounds.

EXPO AND LEISURE AREAS OF ŁÓDŹ EXPO AND LEISURE AREAS OF ŁÓDŹ



The park, constructed with a plan by Leon Grabowski, was the fourth urban aarden in Łódź. In 1912, the park saw the erection of the Monument to Labour, and the construction of a concert shell (which was later redesigned into a summer theatre) for the Artisanal and Industrial Exhibition which was organised in the

The park was devastated during World War II, with monuments destroyed, and many trees felled. The park features four trees and two glacial erratics that are natural monuments. At the heart of the park is a monument to writer and educator Stanisław Staszic, and a pond.



3.3 ha

Situated directly by the buildings of the Łódź University of Technology, it is mainly a place to relax and take a stroll. It is one of the most visited parks in the whole city.

It is so particularly in spring, when thousands of Siberian squills bloom.



It was originally a part of a park and palace complex belonging to industrialist Ferdynand

The park features such amenities as a playground and a football pitch. It is a place for leisure and relaxation.



The second park to be established in Łódź, the Moniuszki Park was the first public park in the heart of the city. Its final shape came into being in 1934, and has remained almost unchanged until today. Due to being located close to the Łódź Fabryczna railway station, it has sometimes been referred to as the Railway Park or Aleksandrowski Park. The park is currently being modernised as part of urban revitalisation works. Modernisation works are set for completion in Q3 2019. The park area has recently grown, given the incorporation of free space that was left after the demolition of a tenement house. The investment involves planting new greenery, the construction of park alleys, playground, and fountain, and the installation of park furniture.



Park im. J. Matejki

The park was established in 1924 by then senator Aleksander Heiman-Jarecki with help from well-known gardeners - Edward Ciszkiewicz (Head of Urban Plantings Department) and Zygmunt Hellwig. It was intended to be a miniature version of Versailles, which is why, resembling a French formal garden, it is so different from other parks in Łódź. The park is currently a place for relaxation



Located in the Teofilów district, it is a place for leisure and relaxation. The park came into being not long after the works on the housing estates in its vicinity had been completed. The park was subject to revitalisation in 2014, the funding for which was secured in a participatory budget. New alleys, a playground, and an outdoor aym were added. The park also features the symbol of the Teofilów district, a sheet metal sign spelling out "TEO".



Originally, this park surrounded the villa and brewery of Ludwik Anstadt. The villa exists until

The park is a place for relaxation with sports and entertainment features (i.a. a playground, and an outdoor avm).



It is a place for relaxation

It is in this park that Saint Maria Faustina Kowalska had its first vision of Jesus. It is now a place of cult.



It is another park whose history relates to industrialists. It was established near the palace owned by A. Grohman . What remains of the old features of the park is a wrought iron gazebo. Currently, the old palace is not spatially related to the park.



It is a place for relaxation. It was the first park to established in the city after World War II.



The city has already seen the opening of four pocket parks in the Stare Polesie housing

estate. More are being planned.

The city is getting ready to restore and redevelop more parks and to introduce some green space into the areas deprived of urban open space. The planned investments include revitalisation works on Staromiejski Park (2021-2022), and the redevelopment of Plac Wolności square, which will involve planting various trees, bushes and low-growing plants (2021-2023). October 2018 saw works commence on the modernisation of Moniuszki Park (set for completion in Q3 2019). The renovation of Sienkiewicza Park is also underway (to be completed in Q4 2019). Green spaces are also to be included as part of the works on urban revitalisation. It is also worth mentioning the four pocket parks which came into being in the Stare Polesie housing estate. More miniature parks are being planned, to be located within other housing estates and districts, i.a. in Baluty.

"The Blue-green Łódź concept" is an idea of the development of the urban and suburban space in the city and was created as a result of implementation of SWITCH project (Sustainable Water Management Improves Tomorrow's Cities' Health).

The concept was founded by the European Regional Centre for Ecohydrology of the Polish Academy of Sciences in Łódź and the Department of the Applied Ecology of University of Łódź, which as the basis of economic, logical organization of space determined the use of the preserved in good condition system of rivers, their valleys and associated with the, greenery areas.

The network created in such manner will contribute to maintaining continuity of the ecological processes and support of ecosystem goods and services for the city. The project assumed use of the existing and reconstructed river system and greenery territory as the basis for "economic and logical city organization".

Construction of the "blue-green network" is to improve air quality, microclimate, city aesthetics and strengthen recreational potential - the connected river valleys and greenery areas may form the basis for development of friendly urban area, attractive to the inhabitants and investors.

# The Łódź Zoo and the Orientarium

The Łódź Zoo is located in the Zdrowie district, on what was previously the Łódź Primeval Forest. The 16.64 ha zoo features a monkey house, aquarium (22 tanks), vivarium (displaying reptiles and amphibians), butterfly house, pavilion of small mammals, and the "World of Birds" pavilion. The Łódź Zoo is home to 677 different species of animals, including the only representatives of the endangered Asiatic lion in Poland. The zoo had around 140 thousand visitors in 2018.

The largest project in the Łódź Zoo's history is the ongoing construction of the Orientarium, the modern pavilions and animal enclosures of which will take up around a half of the current zoo area. The investment also involves building a considerable leisure and restaurant area of around 20 thousand sq. m. The largest of the Orientarium's planned water tanks will have a volume of 2.5 thousand cubic meters, and will be 6 meters deep. The works on the Orientarium are set for completion at the beginning of 2021. The Orientarium is expected to attract around two million visitors per year. The zoo's renovation is supposed to make both living for animals and visiting for guests more convenient. The total cost of this investment is PLN 262 million. The Orientarium building will consist of two parts - one serving as a foyer and as conference space, and other being intended for displaying animals. The intention is for the Orientarium to display the fauna of Southeast Asia. The implementation of the project will allow the Łódź Zoo to import new species of animals.

The Orientarium in Łódź may well constitute competition for the Afrykarium in the Wrocław Zoo. The authorities of the Urban Green Spaces Management Board believe that the construction of the Orientarium will have a tremendous impact on the city, making it considerably more attractive – as was the case with the Wrocław Zoo, which saw its annual number of visitors grow from 440 thousand to 2 million after the Afrykarium was built.





The Orientarium in Łódź will be one of the few such zoo-related facilities in Europe.

#### Water leisure areas

Located on a watershed, Łódź does not have one large body of water. In turn, there are many smaller ones which serve as leisure and relaxation areas for the residents.

Apart from the stretches of the River Ner and the River Bzura, the city has no rivers per the official classification system. There are 18 smaller rivers and streams flowing through the city; however, they are very small watercourses, and currently they largely flow through underground canals. Most of them are remnants of the old rivers, which, historically, were one of the reasons why it was in tódź precisely that the textile industry was located. The city's largest rivers are: the Ner and the Bzura, as well as the Łódka, the Jasień, the Sokołówka, and the Olechówka.

The Sokotówka deserves a special mention, as it is the first of those old rivers that is currently undergoing renaturalisation works. The works involve operating a biofilter on the eastern stretch of the river in Julianowski Park. Thanks to the small-scale water retention programme, and the SWITCH initiative, more and more ponds are being created on it, and the water is

becoming cleaner. The whole process also involves planting the banks and the bed of the river with plants which also serve as a filter. One of the elements of the city's hidden potential lies precisely in restoring stretches of former rivers, and exploiting them in an environment-friendly manner that will benefit the residents.

#### **Bodies of water**

One of the bodies of water that is visited most often is Arturówek in the Łagiewnicki Forest, which is situated in the located in the headwater area of the River Bzura. Arturówek is part of the Łódź Hills Landscape Park. It consists of three artificial ponds, one of which is adapted for bothing and swimming thanks to the guarded beach. In summer, visitors can also rent watercraft and enjoy themselves on the ropes course.

Another leisure area is the body of water commonly referred to as "Młynek" together with green space around it. It is situated in the valley of the River Olechówka in the south-eastern part of Łódź. Visitors who come to Młynek in the summer can rent watercraft there, and so can those who visit Stawy Jana, a complex of ponds south-west of Młynek with a boat and pedalo rental station, a playground and many other leisure facilities.

1 Maja Park also features Stawy Stefańskiego ponds, which came about as a result of widening the bed of the River Ner. It features a seasonal bathing and swimming area with wakeboarding park facilities, together with an outdoor gym, bike track, and barbecue spots. Other bodies of water often visited within the city include "Malinka" in Zgierz, and reservoirs in Stryków and Przedbórz. All of those feature sandy beaches, water docks and watercraft rental stations.

Neither does tódź have large natural bodies of water, nor does it have any access to sea; nonetheless, it is the large number of bodies of water that allows the residents to relax and enjoy themselves. Even though the residents of tódź can already enjoy what the largest bodies of water in the city have on offer, with Stawy Jana, Stawy Stefańskiego, the ponds on the River Jasień, the Młynek ponds, and Arturówek seeing considerable numbers of visitors, those bodies of water still hold an enormous untapped potential when it comes to leisure and relaxation.

### Leisure facilities

All of the above bathing and swimming areas are open only in the summer season. However, in winter, Łódź also has many modern leisure centres on offer, such as Wodny Rai, Anilana and the University Sports Association swimming pool. However, it is the "Fala" water park that is the pride of the city. Located in Na Zdrowiu Park, it houses numerous indoor swimming pools, and it also features a heated outdoor swimming pool open all year round. The water park also features steam rooms and a Finnish sauna, water chutes open all year round, and a water playground for children. Other outdoor pools within the water park are open in the summer season. What is a testament to the growing popularity of this water park is the growing number of people who are turning to it for leisure and relaxation. Almost half a million people visited Fala in the first half of 2019, which is a 46% increase compared to the first half of 2018.

There are also many theme parks and leisure centres being built ground the country. Of note is "Park of Poland" which is currently being developed in the amina of Mszczonów. Jocated between Łódź and Warsaw. The first stage of works involves the construction of the "Suntago Wodny Świat" water park and a housing estate of bungalows. The works commenced in 2017, and are set for completion at the end of 2019. "Park of Poland" will be the largest indoor complex of its kind in Poland and in Europe. Apart from the water park and the bungalow housing estate, the project envisages the construction of a hotel, a conference and commercial centre. several theme parks, and even office and residential buildings.



Another investment, which is to be located even closer to Łódź, is the "Mandoria Miasto Przygód" theme park, which is to be open all vear round. Located in Rzaów on a site of 50 ha, and developed by Ptak S.A., the theme park is to be opened in summer 2020. The park features roller coasters, a shooting range, a labyrinth, and many other attractions. The investment site is located right by the intersection of the A1 motorway and the S8 expressway, and close to other facilities developed by the same investor, such as Ptak Fashion City, a wholesale clothing shopping centre. The indoor part of the theme park will have an area of 15 thousand sq. m, thanks to which the park will be open all year round. The estimated cost of the first phase of construction is PLN 108 million. Depending on whether the investment proves to be a commercial success, the investor might or might not follow through with subsequent

phases. The premise of the Mandoria theme park is to transfer the visitors to the world of Renaissance, and to allow them to experience how the wealthy centres of trade functioned in 1520.

# Łódź compared to other cities

Unlike Warsaw, Wrocław or the Tricity, Łódź has no direct access to any river or sea. Though access to bodies of water is surely an important factor generally influencing the attractiveness of cities, it is nonetheless not decisive when it comes to tourism success. With respect to the number of visitors, Łódź is often compared to Katowice and Poznań. Katowice is also a city which is not directly situated by a river, whereas Poznań does not take full advantage of the River Warta flowing right through it.

Katowice is a city which implements a

green solution strategy. Its main objectives include combating smog, and creating resident-friendly leisure areas at the same time. According to data from Statistics Poland, at around 1,351 ha, green spaces in Katowice constitute 8.2 percent of the city's total area. These include the largest park in the city, Kościuszki Park, Bogucki Park (which was revitalised in 2019), and the Katowice Forest Park, which is the largest green space within the city. The Katowice Forest Park also features the Valley of Three Ponds with an area of 86 ha (9 ha of which are water bodies), which is a fully developed leisure and relaxation spot situated close to urbanised areas. Even though Katowice does have a river flowing through the city (the Rawa) its banks remain undeveloped. However, there is an artificial river running right through the city's market square, which is supposed to resemble the Rawa that flows beneath. The artificial river is surrounded by deck chairs and, curiously, palm trees from the palm house in Gliwice.

The largest planned green investment in Katowice is a complex of five ponds in the Szopenice and Burowiec districts.

The project involves the revitalisation of the Morawa, Borki, and Hubertus ponds. Three new parks are also to be built in the Zawodzie, Bogucice and Dąbrówka Mała districts, together with pocket parks throughout the whole city . Furthermore, three swimming pools are being built in the city, including one in the vicinity of Zadole Park. The city of Katowice itself does not feature many modern water parks – the nearest are in Tychy, Dąbrowa Górnicza and Ruda Ślaska.

In turn, Poznań has a record percentage of green space. According to data from Statistics Poland, green spaces take up 5,186 ha, i.e. 19.8 percent of the whole urban area, which is just a bit more than the percentage of green spaces in Łódź. The largest green spaces include Cytadela Park with an area of 100 ha, the heritage Wilsona Park with a palm house, the heritage Mickiewicza Park (which features the Grand Theatre opera house), and Sołecki Park.

In 2017-2022, Poznań takes part in CONNECTING NATURE, a project that aims at developing and implementing plans to adapt cities to climate change. Poznań is one of the so-called front-runner cities of this project, together with Glasgow and Genk (Belgium). The city's experiences related to such matters as making public space more green will be a source of inspiration for other large cities in Europe. The main natural attraction present in the heart of the city is the River Warta, with city beaches where residents and tourists can relax on deck chairs and hammocks or enjoy the beach volleyball court and leisure zone. However, the areas by the Warta are only just being developed. There are many more investments planned to make the river even more accessible to the city's residents. Other areen initiatives include creating community gardens and setting up natural playgrounds which make use of what the nature has to offer.

## Łódź – a green city

Łódź is the second greenest city in Poland, with the percentage of green spaces within

its boundaries being just under that of Poznań. Both in Poznań and in Łódź, this percentage amounts to almost 20 percent of the area. The current efforts to make the city greener and greener are incredibly important. Those efforts include creating pocket parks where there is no space to develop a fully-fledged leisure area (e.g. as part of the Zielone Polesie project), engaging in large-scale urban revitalisation works which involve planting new trees, and carrying out revitalisation works on historic parks in the heart of the city. Another large green investment is the 2024 Horticultural Expo.

The tagiewnicki forest, which acts as the green lungs of the city, is the largest forest within administrative city boundaries in Europe. The heart of the city also features various parks, such as Sienkiewicza Park and Moniuszki Park, both of which are located among the high-density urban development between Piotrkowska Street and the New Centre of Łódź. Apart from the Planty Park in Kraków, which is a compact green space, there are no other examples of such parks among the largest cities of Poland.

The current structure of the authorities of the City of Łódź shows how important greenery has become for the city. The Department of Environment has been present for many years, and new units were created with a view to caring for greenery and the environment. 2012 saw the establishment of the Urban Greenery Management Office, 2018 saw the appointment of the first City Gardener, and a year later the Department of Climate and Ecology came into being. Officers of that Department will deal with low-emission transport, furnace replacement, and river retention. The Office also plans to establish a landscape architecture team, which will be responsible for designing green spaces and protecting the existing greenery in ongoing investment processes. The changes also aim at obtaining external funds better. Łódź is also home to the European Regional Centre for Ecohydrology, which is coordinated by prof. Maciej Zalewski. It was the Centre that developed the idea of the Blue-Green Network. The project envisages introducing green spaces into the city, and creating green corridors connected to one another through parks along the river valleys. This can lead to creating a network covering all parts of the city, an entwork that will improve air quality, make for a better climate, enhance the aesthetic values of the city, and increase the city's leisure potential. With such a network established, on average, every resident would be able to reach the closest green corridor in three minutes.

In 2019, Łódź became the coordinating city of the nation-wide EKOstrategia project developed by the Union of Polish Metropolises. The project aims at identifying various aspects of the condition of today's environment, and devising a series of solutions which will allow for reducing the negative impact of climate change, and for improving the residents' quality of living. Apart from developing solutions that can be introduced within local governments, the project also aims at yielding suggestions of amendments to statutory legislation. The efforts will lead to signing a comprehensive list of good practices and ecological solutions for Polish cities.

Other large investments, such as modernising the Zoo and building the Orientarium, and introducing greenery and green spaces as part of the Urban Revitalisation Programme, will significantly increase the ecological value of the city. The whole process will culminate with the Horticultural Expo – the city's symbol of its green strategy, and its distinctive feature that makes it stand out from other cities in the country. Following the Expo, the exhibition site will be converted into a unique leisure area located right in the heart of the t6dź, and will become an attraction not only for the city's residents.

The actions that aim at increasing the importance of greenery in public space make Łódź positively stand out from other cities. Those actions constitute a real opportunity to make the city more attractive for current and future residents, and tourists. The positive impact of those initiatives not only improves the aesthetic values of the city but also gradually reduces air pollution. With the use of green technologies in public space, Łódź has a chance to become the leader of modern solutions that have an impact on the quality of living. This will distinguish Łódź from other Polish cities.

R E V IT A LIS A TION

#### CHAPTER TWO

# REVITALISATION

Revitalisation is a process of reversing a decline of degraded areas through comprehensive measures including social issues. The process involves improvement of the physical structure not limited to individual facilities, activating the community and revitalising urban quarters, among others through repairs of buildings, introduction of new functionalities, improved quality of public space, infrastructure, etc.

Revitalisation marks the newest trend among European cities. The governing objective includes improving the appearance and standard of the living, public, commercial and office space in cities. Positive effects of revitalisation include the restoring of urban functionalities, i.e. making the city user-friendly and increasing the value of real property, which is an indirect benefit.

Private revitalisation initiatives, such as Manufaktura with Andel's Hotel, Monopolis, Fuzja or Ogrody Geyera are the programme's material aspects.

Łódź is the national pioneer in terms of the broad-scale urban revitalisation.

In a sense, the New City Centre project is a revitalisation initiative, as it concerns the construction of a new business district in a degraded area, which will thus regain life.

In Łódź, revitalisation initiatives are aimed at regeneration of degraded parts of the city: the first "Mia 100 kamienic" (The City of Tenement Houses) initiative, implemented in 2011, served as an introduction to a broad Urban Revitalisation programme.

In order to allow Łódź to combine tradition with modernity, in-depth renewal of the degraded downtown space is necessary. The process, commenced with investing in separate facilities, has finally turned into the largest revitalisation project in Poland.

The value of pending and planned projects is to exceed PLN 1 billion with the objective to realise the potential of the centre of Łódź and its inhabitants, improve social coherence, change the image of the city and its downtown and trigger local business initiatives. Łódź may become a model for other cities interested in the planning and implementing of such processes.

# WHAT IS REVITALISATION?

The political transformation in Poland deprived Łódź of its former identity. Large enterprises and production plants closed, affluent inhabitants moved uptown, historical downtown buildings underwent degradation. The best-educated people sought employment in other cities. All these processes took a heavy toll on the city. Reinventing the brand of Łódź and reversing the decline was a big challenge, at the same time providing the only development opportunity.

Revitalisation, therefore, understood as the combining of repairs with social changes. was an idea to create the "new Łódź". The thorough modernisation of the former Izrael Poznański estate, today housing the famous Manufaktura, the Museum of Art and Museum of History of Łódź was the pilot initiative. Assessing the outcome of broader-scale activities, commenced in 2009, we may say that Łódź has taken the right course. The former Izrael Poznański factory and palace returned to life, attracting millions of city residents and tourists; the revitalisation, thus commenced, gained momentum. The city is brimming with new spirit, which facilitates other positive developments.

The statutory definition of revitalisation refers to "a comprehensive process of reversing degradation through integrated measures addressed to a local community, space and economy, focused on a specified area, carried out by revitalisation stakeholders in line with a local revitalisation plan".

The definition implies, therefore, a comprehensive approach to such tasks, considering their social impact. The concept is broader than the popular belief that revitalisation means converting historic buildings to fit new uses or making infrastructural investments.

A similar definition is included in the National Urban Policy, which refers to "social, economic, cultural, spatial (including technical) and environmental renewal".

Revitalisation, therefore, should not be understood as mere treatment of building facades, although this is the low-hanging fruit. The true concept includes comprehensive renewal of the degraded part of the city and providing it with new functionalities.

Most revitalisation processes take long time and require involvement of local communities for the changes in the revitalised space to become permanent.

In the case of Łódź, often addressed as "the museum of 19th century architecture" with its unique, post-industrial outlook that survived World War II, a large-scale revitalisation programme provides a great opportunity. It will improve the quality of inhabitants's life, bring changes in spatial organisation and trigger business activity. The related measures are addressed not only to public space, but also - bearing in mind ownership issues - to the private sector. The new functionalities of each quarter being well-suited to the needs of contemporary users is a proof of success .

Depending on the scope of activities, revitalisation may take a variety of forms, ranging from passages between quarters of buildings to speed up transport from one street to another, renewing and converting an old factory to allow its use as an office building, all the way through organisation of community workshops in the revitalised area. Therefore, an analysis of each revitalisation measure should include both individual and comprehensive approach in order to preserve the broader view of the project as a whole.

#### Mia 100 Kamienic

The project involving repairs of municipality-owned real property located within the area classified in the strategy of spatial development of Łódź as "Mia 100 Kamienic" (the City of Tenement Houses), performed in 2011-2014, was the introduction to the broader revitalisation programme.

The overhaul of these houses allowed improvement of their dwellers' quality of life and the outlook of selected best locations.

The programme included 100 historical tenement houses and involved, among others, renewal of apartments and converting them to the needs of contemporary dwellers. The scope of work included the drainage of walls, replacement of ceilings, renewal of staircases, arranging bathrooms and toilets, installation of the heating system, converting attic and treating the facades, which produced the most spectacular effects.

The changes included green space adjacent to these buildings (courtyards and patios).

The Mia100 Kamienic programme was wholly funded by the city. As assumed, a portion of funds generated by sales and rent of the municipality-owned houses was used to finance subsequent investments under the programme.

During the four years of the programme, the municipality spent over PLN 200 million on the related investments, including the overhaul of 76 plots occupied by 149 buildings.

Being a large-scale undertaking, the programme improved the image of the city's representative quarter. The ultimate metamorphosis of the buildings improved the quality of life of their inhabitants, positively affected local entrepreneurs and attracted more tourists.

Mia 100 Kamienic may be treated as the pilot of the revitalisation programme. At present, the initiative is being completed. The current policy aims at converting the centre of Łódź into a place attracting both potential residents and artists, by 2022. Investments and support for social and economic growth in cooperation with local communities will help to achieve this objective.

# Urban Revitalisation Programme

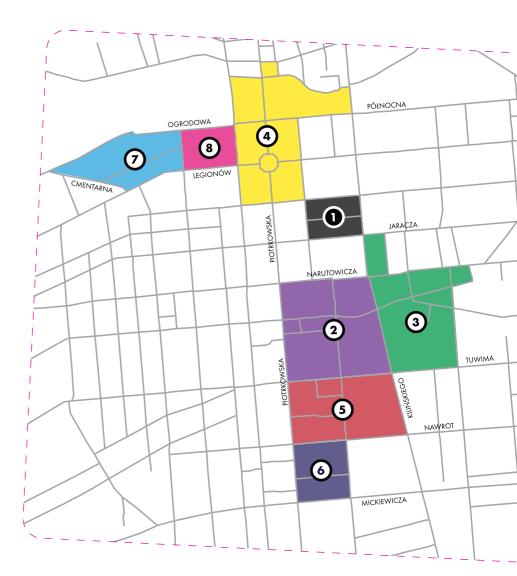
The revitalisation of Łódź commenced with the determining of the areas subjected to degradation and planned for revitalisation. It was based on guidelines contained in "Social Policy for Łódź 2020+" and "Spatial Development Policy for Łódź", which indicate the existing social problems and the scope of spatial and technical degradation. Having carried out a social consulting cycle, the Municipality Council of Łódź determined the area degraded and qualified for revitalisation in its Resolution no. XXV/589/16 of 10 February 2016.

The subsequent revitalisation initiatives were based on "Municipal Revitalisation Programme for Łódź 2026+", adopted in July 2018 and presenting the future vision of the "friendly, creative and growing city, featuring sustainable development, competitive living, working and investing conditions, and using its historical, infrastructural and creative potential". In order to achieve the vision, consecutive measures should be implemented in three key areas: economy and infrastructure, community and culture, space and environment.

The analysed area covered 1,783 ha, inhabited by approx. 150,000 people, i.e. one-fifth of the city population.

For certain areas, borders were determined for 20 priority revitalisation initiatives, eight of which have been already commenced.

Although the revitalisation programme and efforts aimed at altering the look of the city centre commenced some time ago, the scale of the programme and its pace indicate that the process has entered the key stage. The first outcome is visible.



Priority initiatives include eight projects, co-funded by the European Regional Development Fund under the Regional Operational Programme for the Łódź voivodeship for 2014-2020. The value of these projects nears PLN 1 billion, 45 percent of which is provided by the EU, and approx. 3 percent by the State Budget. The project work will include nearly 70 addresses and over 50 public space locations (approximating 150 ha). The revitalisation shall cover approx. 40 percent of the area, the intensity of work depending on the location, and ranging from 8 to 59 percent of each quarter's

The programme's innovative approach to revitalisation results from the comprehensive perspective adopted in the process. Therefore, key investments may be identified, which may radically alter the look of a given quarter. The work, therefore, focuses on the entire areas of the urban space, as opposite to spot initiatives, and includes other aspects, such as social development, road repairs, providing park furniture or green spaces. Some investments focus on ecology and culture.

Expectations of the local community, expressed in the course of the preparatory consulting process, indicate the need to provide space that would support a variety of functions. In order to achieve this purpose, residential areas should be mixed with shopping, office and typical urban spaces. An analysis of parking needs and smart use of space allocated for this purpose is another material aspect of the preparatory work.

#### Woonerf

Typical city streets have evolved from being public space and a meeting place to become merely transportation routes. Based on the current trends, the process may be reversed, among others owing to new street design approaches, e.g. aimed at developing a woonerf. In Dutch, woonerf is "a street to live at" (the concept originates from the Netherlands). As a result of the innovative designer approach,

roads turn into promenades, parking and meeting places for local communities, which by no means restricts the driving possibilities. Preserving the continuity of sidewalks in places where they cross with driving lanes proves that pedestrians are given priority.

First model woonerfs have been created in Traugutta, 6 sierpnia, Lindleya and Zacisze streets. The currently implemented eight revitalisation projects include remodelling of nearly 30 streets and providing 17 new car passages to make the inter-quarter traffic smoother, as well as pedestrian passages . Some will be designed as woonerfs, the other as streets with calmed car traffic and green spaces added.



#### Revitalisation and the New Centre of Łódź

The New Centre of Łódź (NCŁ) initiative supplements the revitalisation programme covering 100 hectares of land in the middle of the city enclosed by Narutowicza, Kopcińskiego, Tuwima and Piotrkowska streets. The project was initiated in 2007, with the objective to organise modern, attractive business and residential space. Currently, the New Centre of Łódź (NCt) is a priority, affecting the growth of the city and its business potential and involving certain aspects of urban revitalisation. It will take the form of providing new functions to historical buildings (e.g. the old EC1 heating plant, converted into a renowned cultural centre), or revitalising degraded, unused property leased by the Polish Railways.

The benefits of the revitalisation process include changes in the social fabric, a refreshed look of downtown zones, transport efficiency improvement (with special focus on pedestrians and bikers) and image improvement.



# EXEMPLARY INVESTMENTS INCLUDED IN THE URBAN REVITALISATION PROCESS

The revitalisation is carried out by the Revitalisation Office of the Municipality (Biuro Rewitalizacji UMŁ), which is in charge of social aspects of the process, and by the Municipal Investment Office (Zarząd Inwestycji Miejskich), which is in charge of tenders and investments.

Medialeka near Moniuszki street - wizualizada

Additionally, the municipality has

Additionally, the municipality has undertaken certain investments beyond the urban revitalisation programme, which will supplement the programme in relation to the key historical facilities of Łódź. They include such places as Księży Młyn, buildings located in the New Centre of Łódź, e.g. Moniuszki 3/5, Tuwima 10 or the new passage road connecting Tuwima Street with Moniuszki Street.

# Summary of key data regarding the eight priority revitalisation initiatives

Project (quarter number)	Project value (PLN'000,000)	EU subsidies (PLN'000,000)	State Budget subsidies (PLN'000,000)	Number of tenement houses	Number of public spaces
1	228,9	101,2	4,4	   27	   6
2	126,6	70,1	1,8	<sup> </sup> 7	   4
3	77,1	31,1	3,0	5	5
4	150,1	69,2	5,3	,   9	15
5	116,6	44,3	6,3	6	6
6	93,1	33,3	2,5	6	2
7	136,3	59,7	3,1	   7	9
8	51,9	23,2	1,2	2	   6
1	980,8	432,1	27,6	<b>69</b>	<b>53</b>

Source: Deloitte analysis based on data provided by Łódź Municipality (https://rewitalizacja.uml.lodz.pl/).





REVITALISATION

# COOPERATION ON REVITALISATION

## - EXAMPLES OF SUCCESSFUL PRIVATE INVESTMENTS

Although the urban revitalisation is a public initiative, led by the city administration, the participation of private investors is the prerequisite and guarantee of the citywide success. Residents of Łódź have already been provided benefits resulting from private revitalisation of various facilities converted to serve new purposes.

The process of renewing the old urban fabric by investors started with the pioneer initiative to restore the Izrael Poznański estate, including the factories and the palace located at Ogrodowa Street.

#### **MANUFAKTURA SHOPPING MALL**

WITH ANDEL'S HOTEL, IZRAEL POZNAŃSKI PALACE



Izrael Poznański was one of the wealthiest factory owners in Łódź. He built a group of production facilities at Ogrodowa Street, locating a self-designed palace next to it. The modernisation of the estate was carried out by several entities.

Most of it is occupied by a shopping mall. The hotel-related initiative was performed by another investor. The Poznański palace is a public building.

The revitalisation, completed in 2006, provided the city with the largest shopping mall and made Łódź famous. The scale and quality of work has become the benchmark for subsequently performed and planned projects.

The estate occupies 27 ha and consists of 13 historical buildings, originally housing the production plant owned by Izrael Poznański, recently converted to perform other functions. During the eight years, the expenses related to revitalisation of the estate exceeded EUR 200 million.

The usable floor area of the facility exceeds 270,000 sq. m. The project included a modern shopping hall occupying 110,000 sq. m, still remaining one of the largest shopping facilities in Poland. Apsys, the firm that led the revitalisation process, has been managing the facility ever since.

During the first year of operation, 16 million people visited Manufaktura. In 2017, the number of visitors grew to 20 million

The 30,000 sq.m market square, in 2017 named Rynek Włókniarek Łódzkich, is one of the place's hallmarks. It is surrounded by fountains and restaurants. In summer, it houses a beach with volleyball courts, which is replaced with a skating rink in winter.

The estate includes a revitalised weaving plant, at present occupied by MS2 Art Museum

In 2009, a four-star hotel (Andel's Hotel) was opened in the old spinning mill, thus completing the offer of Manufaktura. This was the first four-star hotel in Łódź, with 278 rooms. The remodelled roof, matching the historical architecture and housing a swimming pool, SPA and patios, is the most spectacular place in the building. In 2017, the hotel was sold to U City Public Company Limited, a Thai business, in the package transaction including eight Warimpex hotels located in Romania, Poland and the Czech Republic.

At present, modernisation work is carried out in the Izrael Poznański palace, standing close to Manufaktura and housing the Museum of the City of Łódź, and in the adjacent garden. The total investment value shall exceed PLN 40 million. Its completion is planned for 2020.

In the nearest future, the place shall undergo improvement, the cost of which is estimated at PLN 90 million, to match the current expectations of visitors.

Manufaktura is much more than a shopping mall. It is the epitome of the recent rebirth of the city in the form of realising the potential hidden in old brick buildings. Today it serves as a meeting and event place that contributes to the new image of the city.

# HOTELS IN HISTORICAL SPACE:

# **GRAND HOTEL** (PIOTRKOWSKA 72)

In July 2019, revitalisation of the leaendary Grand Hotel, acquired in 2010 by Liwa Holding. After the completion of the work, it shall become the first five-star hotel in Łódź. At present, it has 90 rooms, but the number will grow after the overhaul. This is one of the much-awaited revitalisation initiatives in the city. Discussions regarding the planned scope of works and the ways to convert the building commenced upon its acquisition by the Holding. So far, the investor has not published any visualisation of the refurbished building. Bearing in mind projects carried out in other cities, though, such as Hotel Warszawa in the former Prudential building in Warsaw, a spectacular metamorphosis and top quality of work should be expected.

# TOBACO HOTEL (KOPERNIKA 64)

The former Kretschmer production plant was converted into a three-star hotel and opened in 2013. Close to the hotel, the investor, Arche Group, built Tobaco Park residential quarter. The hotel has 115 rooms and innovative interiors, preserving the climatee of the old manufacture. Along with the hotel, it houses a restaurant, named "U Kretschmera". Its interiors, designed by EC-5 Architekci, refer to the aesthetics of the 1950's, to draw attention

to the "golden age" of Łódzki Monopol (a State-owned cigarette factory). The design won an award for the best hotel interior in Poland and in Europe during European Property Awards 2014 competition included in International Property Awards. Tobaco is among the most popular successful revitalisation initiatives in Łódź.



Aparthotel operates in the converted and refurbished building, originally housing the first cinema in Poland, opened in 1899 by Władysław and Antoni Krzemiński. The hotel, opened in 2013, offers 50 rooms, including 22 suites arranged with reference to different periods in the history of cinema. It is a good example of successful revitalisation of a tenement house converted into aparthotel. In 2017, eight more rooms opened in an annexe opposite to the hotel. Each room is arranged in a unique manner. Due to perfect location and untypical settings, the place is considered one of the best boutique hotels in the city. The revitalisation of the Old Cinema provides a good example of conversion which, while introducing new functionalities, refers to the history of the converted place. It has been funded and managed by RR Office.

REVITALISATION

# **OFFICES IN HISTORIC SPACES:**

(STERLINGA 26/ JARACZA 62)

The project, involving revitalisation of the historical Kerstenberg villa and converting it to office space, was performed by an investor from the Łódź voivodeship in 2016.

An IT firm is the key tenant of the building. The investment included regeneration of the villa's interiors, preserving precious architectonic details. The building is unique and beautifully designed, standing out due to its interesting interior arrangement and good location. After thorough regeneration, it has become one of Łódź hallmarks. The success made investors take another step and build Office R, an office building, nearby.



# CENTRUM BIZNESOWE ZENIT 1 ZENIT 2

(SIENKIEWICZA 82/84)

Revitalisation and extension of the Hosiery Factory buildings performed by another investor from the Łódź region. Zenit is an A class office building, located in the inner downtown. In the course of regeneration work, the construction elements of the production plant were preserved. The first part of the investment took place in 2007-2009. The building provides the total of approx. 7,000 sq. m of space on five overground and one underground floor. The second part of the project, the renewal of a palace of 2,300 sq. m, was completed in 2017. At present, another building is being renewed. Ultimately, the facility shall offer 11,000 sq. m of modern office space.



REVITALISATION

Another project involving conversion of a historical building, the Teodor Meyerhoff Factory, whose design includes office space with unique characteristics. A co-working zone is planned on the ground floor. The project, commenced in

2018, is to be completed in Q1 2020. This is the first revitalisation project carried out by OKAM Capital.



# **OFF PIOTRKOWSKA**

(SEPIA OFFICE | FERN OFFICE)

Sepia Office is warehouse building, being a part of the Franciszek Ramisch Factory, which was revitalised in 2017-2019 and converted into office space. It offers the total of 2,500 sq. m of usable space with a small space allocated for shops. Next to it, a new office building, called Teal Office, was constructed (offering approx. 3,000 sq. m of space). Sepia Office is an example of a very successful combination of modern solutions with the historical shell. The facility was revitalised by OPG Property Professionals, a project and real property manager

On the Polish market, it has pioneered the transfer of placemaking and revitalisation tools into commercial space. OFF Piotrkowska Center, a unique project combining art, ecology and business initiatives, carried out in the old Franciszek Ramisch cotton factory in Łódź, is its flagship initiative. Its original, post-industrial space houses both leading restaurants and cultural events, design offices, top fashion boutiques, as well as firms offering new technologies, business and creative sector services. OFF Piotrkowska Center has been acclaimed one of the "Seven New Wonders of Poland" in a poll carried out by National Geographic Traveler.

Soon, the former factory will gain two new facilities: Fern Office, an A+ class, energy-saving modern building, offering approx. 8,000 sq. m of office and commercial space, and an ecological multi-level parking facility with a green roof and green facades, offering 222 parking spaces for guests and tenants of OFF. Fern Office shall complete the frontage of the revitalised houses at the main promenade, providing a perfect location for both fashion and design shops, interior arrangement firms, beauty saloons and other designers, offered with dedicated premises. Further, the building will include nearly 4,000 sq. m of modern office space, perfect for technology companies, creative firms and business service entities. A rooftop restaurant, accompanied with a music club, relax zone and a spectacular patio, all open for the public, will complete the offer. The planned construction commencement: 2020.





REVITALISATION REVITALISATION Page 36

# OFFICES IN HISTORICAL BUILDINGS:

#### **SIENKIEWICZA 53**

The investment includes a tenement house with an eclectic facade, including elements of Art Nouveau, gained its current look in the beginning of 20th century. An annexe building (formerly "Kompas" Print Shop) occupies the western part of the plot. At the end of 1920's, it was converted into a house.

The regeneration process, performed by Sommo sp. z o.o., was divided into three stages. The last one is to be completed in 2020. The project includes the construction of 79 suites ranging from 25 to 120 sq. m, offered as shell and core, with original historical details and style preserved.



The last floor includes two high-profile penthouses. Despite the priority given to historical details (e.g. original thoroughly regenerated internal doors), the smart design provides prospective owners with opportunities to arrange the interior to their liking.

#### **TUWIMA 48**

"Wiszące Ogrody" (Suspended Gardens) is a three-floor tenement house with an extra floor added and the garden roof on the garage and annexes. Revisit Home is

the investor. The building of 2,700 sq. m will house 39 suites and service shops (three shops totalling 560 sq. m). The work commenced in 2019. The project is of special interest due to the concept of turning the roof space into a green area to be used by the residents. The investment is carried out by a group of (mainly private) investors, thus allowing participation of not affluent people.

#### **NARUTOWICZA 41**



The project is carried out by Skarbiec Kamienic, a firm operatina mostly in Silesia and in Poznań, which has already invested in two tenement houses in Łódź. The investor plans to modernise the shared space in the regenerated houses (including facades, staircases and roof), leaving the restoration of individual apartments to future owners. The building includes 34 apartments and eight shops totalling 3,300 sq. m. The investment is in the design stage. The building, located in the New City Centre, shall offer a variety of apartments. According to investor's statements, the facade with its original decorations shall be preserved and given priority in the course of work. The interesting business model and untypical scope of modernisation provides an attractive investment opportunity.

## KOPERNIKA 62-28 ORAZ 72 (TOBACO PARK)

The last Tobaco Park building was completed by Arche in 2015. The work

had been commenced in 2011 and included regeneration of the 19th-century Cigarette Factory, accompanied with the construction of a new residential building. Most of the facility is intended for residential purposes. The renewal focused on preserving the most of the historical factory buildings.



# MULTIFUNCTIONAL BUILDINGS WITH CHARACTER:

# MONOPOLIS

(KOPCIŃSKIEGO 56/58)



An office and shopping facility developed by Virako in the former "Monopol Wódczany" Vodka Factory (later operating under the Polmos brand). The project includes modernisation of the old factory building and construction of two new ones. The tenement space shall approximate 23,000 sq. m and 5,000 sq. m for shops.

The first part of the project shall be completed in 2020.

With musical events, exhibitions, theatre performances, a museum presenting employees of the former Polmos and old vodka production technologies, as well as a swimming pool, Monopolis shall be a comfortable place to work and to take a family to. The office buildings will be highly effective in terms of ecology, which will be confirmed with the prestigious BREEM certificate. As the investor restores the splendour of historical facilities, Monopolis will look authentic.

FUZ (TYMIENIECKIEGO 5

The heart of Łódź is now seeing a unique development project carried out by Echo Investment in the area between Piotrkowska, Tymienieckiego, Kilińskiego and Milionowa Streets.



Echo Investment is giving a new lease of life to what had formerly been a part of the textile empire of industrialist Karol Scheibler, turning this untapped quarter of post-industrial architecture full of historical heritage into "Fuzja", a new friendly part of the city that will encourage meeting and interacting with people.

"Fuzja" is a mixed-use development, conveniently combining flats, offices, shops, food outlets and restaurants, as well as cultural and entertainment establishments. The works on the project include the renewal and conversion of fourteen historic buildings, and construction of six new mixed-use buildings, which will serve office, residential, service, and council housing purposes. The regenerated facility occupies 7.7 ha with approximately 90,000 square metres of usable space.

The post-industrial buildings will become a place for office employees, and for people who love eating good food, drinking good coffee, and meeting good friends. The newly built flats will welcome many future residents. The public squares, common areas, and green spaces will connect the historic urban fabric with modern architecture, encouraging people to spend their time with their family and friends. "Fuzja" is a "city-creating" project, which will turn that part of Łódź into space that is friendly to live in, inspiring to work in, and attractive to spend your time in. The first stage of the works on "Fuzja" is set for completion in 2021.

## **OGRODY GEYERA** (PIOTRKOWSKA 293/305)

A multi-functional facility housing office space, shops, apartments and a hotel, located in the old Ludwik Geyer Factory. It will include a museum section; cooperation with the Paper and Print Museum has already commenced. The planned total space of the facility shall exceed 190,000 sq. m and its estimated value approximates PLN 230 million. Most of the facility shall be occupied by green areas, as suggested by its name (ogrody - gardens). Ultimately, the historical buildings shall be converted to serve new purposes, and the unused space shall be developed to match the new spectacular project. Offering smart solutions and being

opened to the city, the investment may positively impact its neighbourhood. In 2022, once the first stage is completed, 10,000 sq. m of commercial space shall be offered to prospective users. Monnari Trade from Łódź is the investor.



# **POMORSKA 21**

The facility, owned by the Fenix Group, is the revitalised building of the former Towarzystwo Kredytowe Miejskie w Łodzi with the old address Średnia 17 (at present Pomorska 21). It originates from 1878-1882 and after 2008 it regained its splendour, following the purchase and thorough renovation by the current owner.



# URBAN LIFE TRENDS

Revitalisation is a trend observed in European and non-European urban agglomerations. Regeneration projects affect the perception of cities by both residents and investors. Wide-scale urban revitalisation improves living standards and look of city centres, including all types of resources.

Initiatives of municipalities encourage private investors to follow. As a result, free-market offers meet the top standards.

The current trends related to the development of urban agglomerations are best illustrated by the slogan "Cities for Humans". It is high time to change priorities and stop focusing on car traffic development. Today, pedestrian and bike traffic, supported by public transport, are the top fashion. Spatial planning gains therefore a new meaning in a rapidly growing metropolis, with the comfort and safety of humans being the governing objective for designers.



# Space for humans

The new idea is reflected in gradual space reclamation by pedestrians, development of various public transport networks and care for natural environment, manifested by promotion of solutions that eliminate phenomena harmful for the global climate.

In the course of the evolution, traditional urban policy tools are accompanied with smart city solutions, such as electric scooters, zero-emission shared cars, Intelligent Transport Systems (ITS), green roofs finding their place in the urban landscape, or increasingly popular renewable energy sources. All these phenomena mark the new direction of urban development.



# Social participation

The changes we are witnessing would not be possible without social participation, demonstrating public involvement, both on the part of residents and local officials, in the life of the city.

Building agreement in order to actually solve problems, as opposite to performing administrative procedures, has become a popular approach. Strong and well-developed local government provides a cooperation platform for all public life stakeholders, both in terms of business and social life.

New times force a change in the image of a local official, who turns into an efficient administrator with broad knowledge, demonstrating sensitivity to social problems and ability to see the broadly defined real life the office has to cope with.



# Reversing urban sprawl

Urban sprawl, i.e. uncontrolled spreading of a city and its suburbs over more and more rural land, becomes a serious problem faced by all cities.

American cities, whose suburbs in certain cases may spread beyond twenty kilometres, provide a classical example. Polish cities also face the issue of suburbanisation. Reversing the trend in order to trigger the inbound development is intended to re-direct urban agglomerations back to their downtown.

After decades of outbound migration, the trend involving revitalisation of centres and developing their functionalities can be observed in many cities.



## **Smart Cities**

A smart city is a city that uses IT and IC technologies to improve the interactivity and efficiency of urban infrastructure and its components and increase the level of awareness among its residents.



# Sustainable development

Low-emission economy and energy-saving solutions applied in the urban space represent just a few aspects of agglomeration's sustainable development. Low-emission urban transport, including the governmental electromobility development programme, gains special importance in this context.



# Towards a better climate

At present, plans are being developed to adapt urban agglomerations in excess of 100,000 residents to climate changes. The project, authored by the Ministry of Environment, is aimed at evaluation of 44 Polish cities' sensitivity to the process and planning activities that would adequately respond to the identified threats. The necessary adjustment to the climate change is a new topic in the development policy of many countries.

Urban agglomerations face a variety of problems, characteristic for their structure, geography and other local specifics. Except for extreme conditions, such as draught or flood-causing rainstorm, as well as extreme temperature changes, climate changes necessitate handling the problem of water deficit and uncontrollable growth of invasive species that can endanger human health.



# Parking facilities as an urban policy tool

Availability, price and location of parking facilities in a city materially affect travel plans of residents and may become an effective urban policy tool. Appropriate planning in this respect may contribute to the reduction of traffic jams and adverse effects of car traffic on the urban environment.



#### Clean air

Air pollution is an invisible cause of a number of civilisation diseases. Road transport emissions are particularly dangerous for urban residents due to high concentration of gas and particulate matter (PM 2.5 and PM 10) close to the ground.

According to the European Environment Agency: "...three out of five [Europeans] do not feel informed about air quality issues in their country. [...] there is no easy and quick fix to improve Europe's air quality. It

requires tackling many different pollutants from different sources over the long term.
[...] The air quality in urban areas is generally affected by the air quality in the surrounding rural areas and vice versa.

An integrated approach involving reduction of transport emissions and liquidation of so-called low-emission sources, mainly stoves combusting low-quality solid fuel, should improve the quality of air, thus improving health and well-being of city residents.



## Urban gardening

The urban gardening trend is gaining popularity also in Poland. City residents run microfarms on their balconies. Local vegetable patches or apiaries, often referred to as social gardens, are developed in public space.

The idea of micro-farming on undeveloped land in city centres becomes an alternative to participating in the global goods distribution system. This is an aspect of a broader idea to make city residents partly self-reliant in terms of food sources.



# Ecomobility, urban mobility and sharing economy

The popular global trend of sharing cars, bikes, scooters etc. has reached Poland. The expectation that shared transport is our future underlies the success of such brands

and Uber and Lyft. Urban mobility assumes taking intermodal trips, using both traditional modes of transport, such as metro, bus or tram, combined with new ones, such as urban bikes or scooters.

These trends fit into the concept of the rational use of resources. According to estimates, a single vehicle used in the car sharing system may replace 12 privately owned cars, and as many as 125 people may use one leased car per month.



## Net-Zero Energy standard: a closed circulatory system in cities

The zero waste approach based on efficient use of natural resources is growing in importance. It is reflected in investments designed so as to allow a net zero energy balance, which means that a building uses local renewable energy sources to generate the energy that balances its demand. This is enabled by installing rainwater collecting systems on roofs, composting toilets and solar cells to be used as an energy source. In 2016, in the U.S. about 200 such buildings were existing.



## Silent zones

Providing non-commercial space to allow people relax and contemplate in silence in the close downtown, is one of the newest trends. The idea is included, among others, in the project to develop Wyspa Spichrzów in Wrocław, prepared by Academy of Fine Arts students. The idea opposes the commercial use of the most expensive urban land in favour of providing inhabitants with public leisure space to improve the quality of life in the noisy downtown.



## **Touristification**

Degradation of historical city centres caused by tourist traffic, can be seen e.g. in Barcelona, Venice, and in Poland mostly in Sopot or Kraków, i.e. the cities with intense tourist traffic. The most popular metropolises indicate the adverse effects of intense tourist traffic with increasing frequency. Growing popularity of short-term apartment rent and cheap airlines contribute to the growing number of visitors. Tourists who rent apartments for weekend in city centres live side by side with regular residents and may disturb their lives. An increase in real estate prices is a negative side effect accompanying the trend.



# Population aging

Population aging means the need to adjust the urban fabric and its design to residents' needs related to their age. Over years, living in a city was perceived as a good solution for older people due to an easy access to basic infrastructure. Now, the trend has reversed. Older people tend to get away from the downtown noise and move closer to nature. Noticing the trend and offering the right solutions is a challenge the contemporary urban designers must face.



#### Revitalisation

Revitalisation is a trend observed in European and non-European urban agglomerations. Regeneration projects affect the perception of cities by both residents and investors. Wide-scale urban revitalisation improves living standards and look of city centres, including all types of resources. Initiatives of municipalities encourage private investors to follow. As a result, free-market offers meet the top standards.

Under the new approach, the governing objective of revitalisation involves improving the quality of life of local communities, while physical modernisation is just an aspect thereof. Revitalisation assumes optimised use of conditions that occur in a given place and enhancing its local potential. This is a long-term process, carried out by stakeholders (including businesses, NGOs, real property owners, public authorities, etc.), mainly in cooperation with local communities.

REVITALISATION

#### Use not own

Changing social conditions directly affect the real estate market. An increased mobility of young people makes their preferences shift from owning to using, especially that in general, they wait longer before starting up a family.

# Residential space: a different design

Not only in the context of urban space, but also in a narrow meaning, limited to buildings and flats. Today, the average usable space of a flat is several square metres smaller than, say, a dozen years ago, as the share of singles and 2+1 families in the number of users grows.

#### **Mobility**

According to Eurostat, in 2002-2009 just four percent of Poles decided to change their place of residence, in stark contrast with the subsequent five years (2008-2012) when the percentage neared ten. The growing preference of use over ownership and the increased mobility of people trigger the development of the rental market. Young people are reluctant to get bound to a specific place and job position having taken a long-term housing loan.

#### Flexible and comfortable

Young Poles prefer being flexible. This trend can be observed in the form of a growing rental market and with regard to furniture and applicances, consisting the equipment of flats . A flat must be comfortable, with easy access to public transport and key services; not necessarily owned, though.

#### Places with a spirit

More and more Poles grow interested in living in places with certain "history". Young people are less keen to find a new shell-and-core flat in an average-looking estate; they look for a place to live in old factories converted to lofts or in restored old tenement houses.

This group includes mostly people who want to live downtown, having an easy access to services and the necessary infrastructure. Although the market has a limited offer for such people, usually with relatively high prices, these clients are ready to pay more for quality and a piece of history.

#### **Co-living**

Co-living has become a visible trend, especially on Western markets. It involves designing buildings with untypical apartments for rent. Tenants are offered private quarters, usually consisting of a room with a bathroom, and access to shared spaces, such as a kitchen, dining room or study. Co-living is a good solution for individuals interested in economic optimisation of their living conditions, combined with full mobility. The first facility of this type, Smartti Mokotów, is being constructed now by YIT, a Finnish developer.

#### The young in the centre

Young people are the engine of the economy. Now, they tend to return to city centres. An increase in the young population living downtown results in a number of benefits, including:

- > Growing lifestyle-related spends
- Development of creative services and businesses
- Higher standard and bigger choice for consumers
- > Higher quality of urban space offered

#### Po

# ADAPTING GLOBAL URBAN TRENDS TO THE SPECIFICS OF ŁÓDŹ

In Poland, Łódź is perceived as a pioneer of large-scale revitalisation. The downtown, the core of the city's identity, full of historical buildings, has underwent the most adverse occurrences, resulting in low quality of public space, lack of key utilities and decapitalisation of buildings.

Therefore, the city considers revitalisation to be the key development factor and foundation of such programmes as Mia 100 Kamienic and Urban Revitalisation.

The organisation of Horticultural Expo 2024 brings big hopes related to the promotion of the city and its accelerated development. Bearing in mind that prior editions of the Expo were organised in Amsterdam and Beijing, Łódź has joined a prestigious group of global metropolises. This event is of key importance and fits the current "green" trends.

# Exemplary "green" activities performed by the city:

- "Clean Air" programme subsidising thermal modernisation of buildings and installation of renewable energy sources in single-family houses;
- "Wczujmy się w klimat!" a plan of adaptation to climatee changes until 2030 :
- Parking policy Park&Ride facilities and fees;

- The policy involving filling frontage gaps with new buildings;
- Purchasing new, energy-saving and environment-friendly urban transport fleet;
- Creating multi-generational houses (the first one has been opened);
- "Zielone Podwórka" (green backyard) programme, involving subsidies to projects of developing shared space used by housing communities into green space;
- Zielone Polesie, i.e. a programme involving modernisation of streets and developing green spaces in the historical Wiazowa district;
- Regular edition of the participatory budget, in Łódź being one of the largest in Polish cities; in 2019 the amount of PLN 50 million was distributed among 36 urban estates.

From the first edition of the budget, the total amount spent has exceeded PLN 250 million.

Smart City Expo Poland Łódź 2019 - the first fairs in Poland devoted exclusively to smart cities.

During the two-day event, state-of-the--art technologies, products and services, developed to improve the quality of urban life, were presented;

EXPO 2024 Horticultural – a global scale event that will provide an opportunity to present the green image of tódź worldwide. Łódź follows the key trends visible in other large European cities.

Efficient implementation of these programmes, and urban policy addressing global trends, related to the way and form of living, will help attracting young people to the city centre and may become a key argument for new residents supporting their decision to stay in the city.





REAL ESTATE MARKET

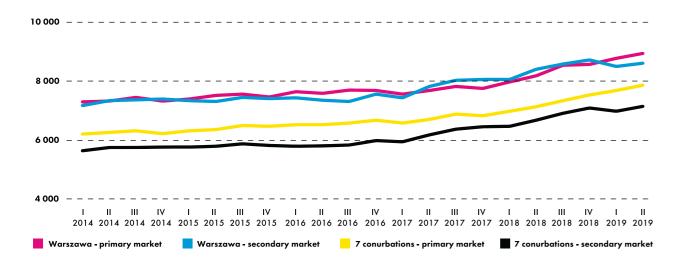
# REAL ESTATE CHAPTER THREE MARKET

Housing markets in Polish conurbations

The major real estate markets in Poland have seen an upward trend for five years in a row. According to the National Bank of Poland (NBP), prices in the seven largest urban agglomerations have gone up by one-fourth on average between 2014 and 2019, including by nearly 10 percent only over the past year. Currently (H2 2019), the average secondary market flat price calculated for the said seven cities is 7,867 zlotys per square metre versus 7,128 zlotys per square metre a year before.

A similar trend has been observed in Warsaw, which is the major real estate market in Poland. Since 2014, the average flat prices have risen by ca. 20 percent to nearly 9 thousand zlotys per square metre on the primary market and 400 zlotys less on the secondary market in mid-2019.

Transaction prices of flats on the primary and secondary market in Warsaw and 7 other major cities\* over the past 5 years (PLN) based on NBP's figures (Gdańsk, Gdvnia, Łódź, Poznań, Warsaw, Wrocław, Kraków)



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However, a rapid increase in flat prices in 2018 combined with a decline in supply suffered by the major markets in Poland has affected the sentiments of prospective buyers, who have begun to delay their decisions to invest in real property, waiting for the trend to reverse. Meanwhile, market analysts have indicated that such upward price trends should continue for other objective reasons, to include dwindling supply and rising construction costs.

In terms of the number of flats sold, 2018 was better than 2016 but not as good as 2017, when the volume was the highest on record. Nevertheless, it may be regarded as a very good year for property developers.

At the beginning of the second half of 2019, a downward trend emerged on the housing market, both as regards property developers and buyers. It is very likely that the increases seen before have reached a turning point. The primary market prices may be on the rise but it is not as strong as before, allowing property developers to maintain their margins. This means that the most optimistic slowdown scenario has played out. The situation on the secondary market is quite an accurate reflection of the conditions prevailing on the primary market.

It is forecast that demand should remain steady both by the end of 2019 and in 2020, provided that interest rates do not rise. Alternative safe investment opportunities could have a destabilizing effect on the industry.

# Flats sold on the primary market in the largest conurbations:

(Kraków, Łódź, Poznań, Tricity, Wrocław and Warsaw)



Source: Based on REAS' figures.

## Residential property market in Łódź

In 2018, Łódź began to be perceived as one of the "rising stars on the property development market." After years of slowdown, the city has begun to take the lead and may today boast a 30 percent rise in the primary market transaction volume year-on-year in addition to a more than twofold increase versus 2015.

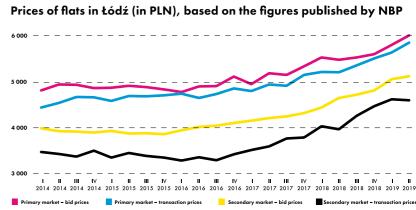
In 2018, sales exceeded 4.2 thousand flats, which is nearly 2.5 times more than in 2015. The volume of flats sold only in the first half of 2019 was higher than in 2016 as a whole.

Residential property prices in Łódź are very attractive when compared with other conurbations in Poland and lower than the average. The housing market in Łódź is growing and catching up with the largest metropolises, while the prices of flats are still competitive although they are going up and will surely continue to rise.

In June 2019, the average price of a new flat sold in Łódź was 5.9 thousand zlotys per square metre.

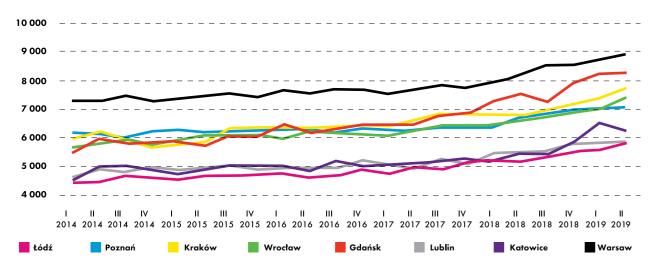
For their salaries the residents of Łódź may buy more than the inhabitants of other cities. Currently, for the monthly pay one purchasing a flat may buy 0.8 square metre in Łódź versus only 0.65 square metre in Warsaw.

The price range from 5 to 6 thousand zlotys per square metre is predominant and covers a half of the flats available on the market. Transaction prices differ depending on the location and the highest primary market prices are paid for flats in the city centre (Śródmieście).



REAL ESTATE MARKET

#### Transaction prices (in PLN) on the primary market in the major Polish cities / based on NBP data



#### Flats sold in Łódź on the primary market:



Source: Based on REAS' figures

An analysis of price trends on the primary and secondary housing markets in Łódź reveals that the increases seen over the past five years have been considerable, even though not as high as those observed in other major cities. Transaction prices recorded at the end of Q2 2019 went up by nearly 30 percent and by 35 percent versus 2014 on the primary and the secondary market, respectively. Only last year the transaction value rose by 12 percent on the primary and by 16 percent on the secondary market.

NBP figures also show that prices are not as easily negotiable as they used to be, especially on the primary market (ca. 9 percent difference between the listing and the transaction price in H1 2014 as compared to 3 percent in H1 2019). The secondary market shows a similar trend, although the flexibility of sellers is slightly greater - currently the difference between the listing and the transaction price is approximately 10 percent in this market segment in Łódź. The record high was in H2 2016, when the said difference could be 20 percent or more.

Other real estate market segments are experiencing strong growth as well. Programmes launched by the local authorities have also encouraged rapid expansion of the office segment. Creation of an attractive investment environment, the convenient geographical location of Łódź and the well-developed road infrastructure in the central part of the country have also contributed to the development of the warehousing seament.

It should be emphasised that buyers have become more interested in primary market flats located in the centre of Łódź. Three years ago (2Q2016-2Q2017) sales in Łódź Śródmieście accounted for less than 10 percent of the total sales volume in the city, to reach nearly 25 percent recently (2Q2018-2Q2019).

#### REAL ESTATE MARKET Page **47**

## Factors affecting real estate prices

The Property Management Act in force defines the market value as: "the estimated price which may be realised at the valuation date for a real property in an arm's length sales transaction between a buyer and a seller who have a firm intention to make a deal, are informed and prudent and not acting under duress."

This definition points to some important factors which are relevant to real estate valuation. Additionally, there is a "negotiability" aspect, which results in the existence of listing and transaction prices at the same time.

## THE KEY FACTORS THAT AFFECT REAL ESTATE **PRICES ARE:**



Both in the macro scale, i.e. in the country voivodeship or city, and in the micro scale - a specific district, street, building or floor.

#### **Example:**

Positive effects of infrastructure development projects on property values are seen in Warsaw, where the construction of the 2nd line of the Metro is underway, and apart from the overall increase in prices driven by a favourable economic climate, the prices of flats located along the Metro line are undergoing considerable changes.



Not only in economic and business terms (in the macro scale, on the local market and in a specific industry - affecting value through growing costs of materials and labour etc.) but also from the legal and institutional, social and demographic as well as planning and infrastructural perspective.



#### **Surroundings**

A good, prestigious neighbourhood is a factor that improves the perception of real properties in the area, thus increasing their



#### Area and shape of the unit or plot

As far as larger properties are concerned, the unit prices (per square metre of usable area of the unit or plot) are lower. A far from perfect functional structure of a unit or a shape of the plot that limits the construction options will have a negative effect on their value.



#### Standard of finish

As far as developed property is concerned, the major factors at play are the quality of materials used as well as the furnishings and finishes of the unit and the standard of the common areas.



# **Characteristics**

Depending on a specific type of real property - e.g. for flats the key factors are the floor and exposition or the stage of the development project at the time of the purchase (special prices are frequently offered during pre-sale or at the sales).



#### Manifestation of the latest urban trends

At present, smart cities are in great demand - people want to live in a friendly and modern neighbourhood, expecting closeness to nature at the same time. Those cities which are making endeavours to put fresh ideas into action are seen as more appealing and more often selected as a place of permanent residence.



#### **Transaction-related** factors

The negotiation power of the parties affects the difference between the listing and the transaction price, thus playing a crucial role in determining the market value of real estate.

# Regenerated neighbourhoods and real estate value

A positive change in the neighbourhood, driven for instance by urban redevelopment projects, translates into an increased focus on real estate located in such places, thus its appreciation. Areas experiencing urban decline are not seen by prospective investors as obviously attractive but their perception is being changed by the city's regeneration initiatives. This way they are seen as capable of satisfying the needs of specific projects in addition to offering a higher return on investment once the redevelopment initiatives produce tangible results.

A convenient location may raise the value of real property even if its technical condition is far from perfect. Such objective parameters as the distance from the city centre and the major transport facilities or tourist attractions play a crucial role. In contrast, a less convenient location or a noisy road with heavy traffic have a

negative effect on real estate value even if other features are appealing (e.g. a modern building that has been invested in). As far as tódź is concerned, urban decline is manifested in the very centre of the city. Consequently, proper regeneration projects are capable of restoring the value of real estate to a considerable extent.

As shown by housing market transaction figures, the transaction prices of flats on new housing estates located on the outskirts, which are not sufficiently "urbanised", are typically lower than of those situated in the city centre, which offer good transport connections, in addition to being surrounded by green spaces, close to cultural or historic attractions as well as commercial and service facilities.

As far as the regenerated areas of Łódź are concerned, the location itself is very good, as it is in the immediate surroundings of Piotrkowska Street, the Łódź Fabryczna Railway Station, the City of Łódź or Manufaktura. They all constitute the historic urban landscape and are situated next to the major historic landmarks or institutions

in the city centre. What also matters is the vicinity of numerous parks, including Moniuszko and Sienkiewicz Parks as well as representative space such as Komuny Paryskiej Square or Schiller's Passage. This ideal location benefits enormously from projects aimed to improve the quality of the surrounding areas, such as modernisation of the road infrastructure, systems, pavements or street lighting. This acts as an incentive for private investors to launch their own projects in the immediate vicinity of renovated buildings. The architectural and aesthetic value of the newly-restored tenements is an additional asset for investors as well as new and existing residents of the centre of Łódź.

In recent years, investors have been recognising the potential for growth in the value of real estate in the redeveloped neighbourhoods, which has manifested itself in a higher number of both new investments integrated into the historic urban landscape and modernisation projects.



#### REAL ESTATE MARKET

# REVITALISATION PROGRAMMES AND PROPERTY VALUES IN POLAND – CASE STUDY

The perception of regenerated quarters, also through the prism of rising property prices, continues to change, which may be illustrated by numerous examples of positive transformation of Polish city quarters that have experienced urban decline before.

#### Praga Północ, Warsaw

Being one of the oldest districts of Warsaw, Praga Północ is one of a few that have managed to retain their natural historic feel. A number of buildings date back to pre-war days, while small craftsmen's workshops uphold the tradition of trade and services. A major part of the district is an architectural conservation area. For years nothing had been done to preserve or protect the cultural heritage sites.

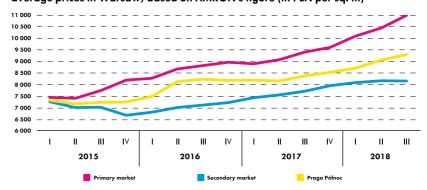
An urban renewal programme was launched at the end of the 1990s, focusing on Ząbkowska Street and the adjacent areas. Between 2005 and 2013, Praga Północ implemented a Micro-Revitalisation Programme comprising ten city regeneration projects for ten third-party beneficiary initiatives. The scope of the Programme included renovation of tenements of historic importance, along with their conversion to serve social purposes (e.g. at 4 and 36 Ząbkowska Street), and refurbishment of those located at 2 Radzymińska Street, 12, 14 and 16 Markowska Street, and 6 and 8 Białostocka Street, in addition to regeneration of green spaces: courtyards and patios. The construction of the Museum of Praga was completed in 2014. From then on, the district has been changing its face, which has been attributable to the combined efforts of both the city and private investors.

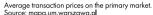
The impact of the second Metro line and projects aimed to incorporate the areas adjacent to the Vistula River into the bustling city has been tremendous. These positive initiatives have facilitated the transformation of Praga from a neglected and squalid district into a trendy location, being now part of big-city life.

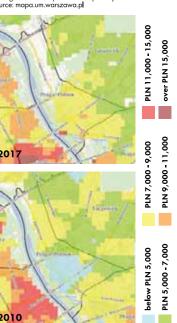
The integrated 2022 Revitalisation Programme for Warsaw, which will cost the city 1.4 billion zlotys, is expected to bring about a revolution on the real estate market through the renovation of more than 600 units, including a number of vacancies located in the Old and New Praga.

In 2019, in Praga Północ the average prices of flats sold on the primary market have exceeded 12.6 thousand zlotys. It's a quantum jump. Still eight years ago it was one of the cheapest and not particularly popular districts in the capital. Today, the construction of the second Metro line and new housing estates in the vicinity of the Praga Port has made it one of the most attractive locations for prospective property buyers.

## Changes in transaction prices of flats in the Praga Północ district, compared to average prices in Warsaw, based on AMRON's figure (in PLN per sq. m)







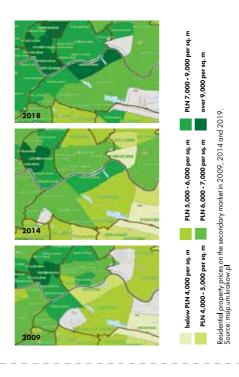
#### Zabłocie, Kraków

In Kraków, the post-industrial Zabłocie used to be perceived as a chaotic district without a structured layout. During the interwar period, it experienced spectacular growth, becoming one of the major industrial districts of Kraków. A Jewish ghetto was built there during the Second World War and the post-war era saw the opening of new factories. But a crisis hit when the communist regime was toppled and a number of plants were shut down.

Between 2005 and 2006 a regeneration plan was designed for that part of the city, drawing attention to the fact that "the district of Zabłocie is one of the most attractive locations in Kraków, while its revitalisation and redevelopment are aimed to preserve the cultural heritage and memorial sites." A division of the Historical Museum of the City of Kraków was opened to the public in the former office building of Schindler's factory in 2010 and old shop floors have been home to the MOCAK Museum of Contemporary Art since 2011.

However, a lack of planning discipline has led to inconsistencies and an excessive number of new property development projects. The recent years show that the regeneration initiatives have brought this quarter back to life, which is also reflected in property prices. Spatial studies indicate that the revitalisation projects launched in Zabłocie have triggered price increases both as far as land and residential units are concerned.

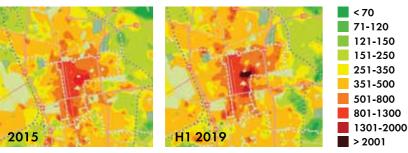
The average secondary market prices were around 4.2 thousand zlotys per square metre in 2009 versus a little bit more than 7.1 thousand zlotys in 2014, to exceed 9 thousand zlotys in 2018.



## **ANALYSIS OF REAL ESTATE PRICES**

## Changes in land prices in the centre of Łódź

The dynamics of real estate prices in the city centre reflect investors' growing interest in the New Centre of Łódź. On the map produced by the Łódź Survey Centre, which presents the distribution of average transaction prices paid for land in mid-2019, prices exceeding 2 thousand zlotys per square metre concentrate around the Łódź Fabryczna Railway Station. An analysis of price trends over the past four years reveals that the concentration of land sold at the highest average prices in the city has been shifting from Piotrkowska Street towards the New Centre of Łódź, Kilińskiego and Tuwima Strees as well as areas located to the north of Łódź Fabryczna.



Land prices: 2015 vs. 2019H1 based on Łódź Survey Centre's figures Source: Łódź Survey Centre

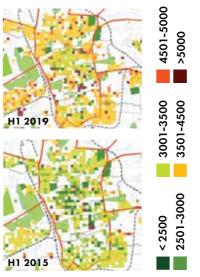
On the one hand, this is attributable to several large transactions in the New Centre of Łódź but on the other to the revitalisation initiatives that are currently underway in this area.

# Flats in Łódź – price trends

REAL ESTATE MARKET

An analysis of the prices of flats sold on the secondary market in 2015 and 2019. performed on the basis of figures published by the Łódź Survey Centre, shows that the prices of residential property located in the city centre have undergone substantial changes - from 2.5-3.5 thousand zlotys per square metre in Q2 2015 (in most transactions) to 3.5-4.5 thousand zlotys per square metre in H1 2019. Secondary market prices reflect well the effect of urban revitalisation initiatives on property values. Although prices have been on the rise across the city, the process has been considerably faster in the very centre of Łódź than on the outskirts. Flats located in the central part of the city are more attractive in terms of the available infrastructure. However, for years their prices have been understated because of urban decline and reduced demand. "Back to the city centre" initiatives and the related investment have already begun to produce the desired effects.

Prices of flats on the secondary market, H1 2015 vs. H1 2019 (gis.mapa.lodz.pl)



Source: Łódź Survey Centre

# TRANSACTION PRICES OF UNITS IN HISTORIC BUILDINGS (ANALYSIS)

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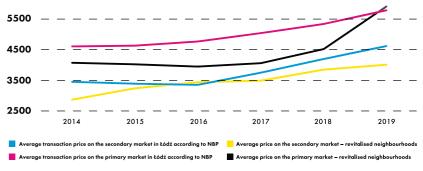
An analysis of transaction prices of real properties located in the centre of Łódź was conducted by reference to information derived from the register of prices and values. It focused on the quarters covered by the urban revitalisation programme (districts: S-6, S-1, S-2, P-9, and W-24) and units with an area of more than 20 square metres. The analysis examined nearly 1,600 transactions made between 2014 and 1H2019. However, the findings should be treated as simplified due to considerable differences in the volumes of data available for each period. For greater precision, unusual and non-representative (non-arm's length) transactions were disregarded.

Property prices in the regenerated neighbourhoods went up from the average of ca. 2.9 thousand zlotys per square metre in 2014 to almost 4 thousand zlotys per square metre in the first half of 2019 on the secondary market, and from approx. 4 thousand zlotys per square metre in 2014 and 2015 to nearly 5.9 thousand zlotys per square metre in the first half of 2019 on the primary market.

When compared with the average transaction prices on the secondary market for the entire city of  $\ell$  ( $\ell$ ), the prices in the area subject to the analysis are still slightly lower than the city average but they follow a general trend.

As far as the primary market is concerned, transaction price dynamics in the revitalised areas are considerably higher than in the case of the average prices in the city. During the last analysed period (H1 2019) the average price of a flat sold on the primary market in the revitalised area exceeded the average price determined for the city as a whole inconsiderably.

Average transaction prices per square metre for flats on the primary and secondary market in Łódź and in revitalized neighbourhoods (in PLN per sq. m)



Source: Deloitte's analysis based on figures published by the Łódź Survey Centre and NBP.

An analysis of the average price dynamics after 2014 indicates a definitely more substantial increase in the average annual transaction prices in the revitalised areas versus the entire city.

# TRANSACTION PRICES OF HISTORIC BUILDINGS - ANALYSIS

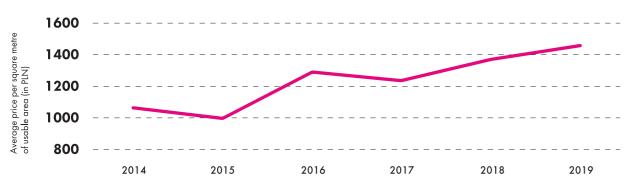
The analysis of the transaction prices of buildings situated in the central parts of the city (districts: S-6, S-1, S-2, P-9, and W-24) between the beginning of 2014 and the beginning of Q3 2019 was based on nearly 90 transactions involving tenements.

Almost a half of them concerned entire buildings (1/1 share), while the remaining ones involved interest in the ownership of plots with buildings. During the period under review, 9 transactions concerned Piotrkowska Street and a further 9 involved buildings situated in Legionów Street, and the transaction data made available by the Łódź Survey Centre shows that these locations concentrated the majority of tenement transactions.

Due to a simplified nature of the analysed data and limited verification possibilities, the findings ought to be treated as estimates. A large number of transactions focused on tenements with the usable area of ca. 1-2 thousand square metres and four above-ground floors.

Once non-representative and unusual transactions were disregarded, the range of current market prices for such buildings was determined at ca. 1.5k PLN for square meter of usable area. However due to relatively small amount of data and large differences in individual transaction prices, a more adequate indicator at the end of 2019 is the price range of acquisition of tenement houses at the level of approx. 1.5-2k PLN per square meter of usable floor space.

# Average transaction prices per square metre for tenements located in the revitalised areas of Łódź



Source: Deloitte's analysis based on figures published by the Łódź Survey Centre.



# SELECTED REVITALISATION PROJECTS **CARRIED OUT SINCE 2018**

## SECTOR (EXISTING)

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PIŁSUDSKIEGO

30

**26** 

(31)

26

18

34

- Office
- Residential
- Mixed-use
- Hotel/Commercial
- Public services

## ONGOING / PLANNED

- Office
- Residential
- Mixed-use
- Hotel/Commercial
- **Public services**
- Revitalisation of public buildings

Source: Deloitte's analysis based on market research

#### No. Name

- 01 Centrum Biurowe Zenit 2
- 02 Sepia Office
- 03 Skrzywana Factory
- 04 Textorial Park I&II
- 05 Siedziba Regionalnej Izby Obrachunkowej
  06 Kamienica Auerbachów

- O7 Centrum Biurowe Targowa 35O8 Registered office of Łucznik-Lockpol
- 09 Księży Młyn
- 10 Sienkiewicza 53
- 11 Kilińskiego 113 12 Barciński Park
- 13 Targowa 55
- 14 Art. Modern
- 15 Wiszące Ogrody16 Drewnowska 77
- 17 Osiedle Ilumino
- 18 Więckowskiego 46
- 19 Narutowicza 41
- 20 Piotrkowska 44
- 21 Fuzja
- 22 Manufaktura
- 23 Off Piotrkowska
- 24 Monopolis
- 25 Geyer's Gardens
- 26 Drúkarnia Center
- 27 Targowa 77
- 28 Łódź.work
- 29 Meyer Villa
- 30 WiMa
- 31 Grand Hotel
- 32 Hotel Andel's
- 33 Jatki Jojne Pilcera
- The Academic Design Centre (former building of a school at Księży Mtyn)
- Seat of the Appellate Court in Łódź
- Izrael Poznański Palace (Seat of the Museum of the City of Łódź)
- Pałac Steinertów

## Revitalisation programmes and property value

In 2019, the City of Łódź has conducted a survey among investors who have implemented regeneration projects in the city in recent years. The respondents, active on the real estate market and engaged in revitalisation projects carried out in Łódź, consider the city's efforts worthwhile. As many as 83 percent underscore that the space available in renovated historic buildings acts like a powerful magnet attracting tenants, prospective workers and clients alike in comparison with new development projects. What is more, 92 percent of respondents are interested in launching further revitalisation investments. regarding the New Centre of Łódź as the most promising part of the city centre.

# Tuwima Street – growing interest and higher value

The projects launched in the third quarter covered by the urban revitalisation programme and involving a major renovation of Tuwima Street along with a number of tenements situated in or near that street are an excellent example of a positive impact of the regeneration process on real estate values and willingness to invest. Investment activity has already produced tanaible results and the neighbourhood is being transformed into a neat and attractive centre of a European city. Efforts to improve green spaces in the city, slow-moving traffic and safety increased through the use of urban surveillance systems and street lighting attract private investors whose initiatives are complementary to public projects.

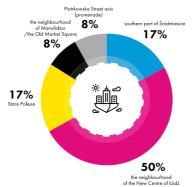
Tuwima Street may be seen as a classic example of such unofficial but highly effective partnerships – either the city or the housing communities have already refurbished historic tenements located at

number 1 (Mia100 kamienic), 3, 4, 6 (housing communities' effort) and currently a project is underway to convert a former factory located at 10 Tuwima Street, which is expected to be completed by the end of 2020. It will be home to one of the departments of the City of Łódź. Further buildings have also been renovated (e.g. 16 Tuwima Street – Mia100 Kamienic) or are planned to be refurbished (e.g. 12a Tuwima Street).

The effects of a wide spectrum of public investment projects have been recognised by private investors - the building located between tenements at 15 Tuwima Street (Solaris) is considered to be one of the most prestigious new residential properties in the city. The listing prices on the secondary market exceed even 12 thousand zlotys per square metre. Opposite, at 32 Tuwima Street, the "Perla Śródmieścia" project is under construction, scheduled to be completed by the end of 2019. The prices suggested by the property developer are around 7 thousand zlotys per square metre. Another project, known as "Wiszace Ogrody", is underway at 48 Tuwima Street. Property developers' efforts have been accompanied by the city's regeneration works preceding renovation of the tenements located at 33, 35, 46 and 52 Tuwima Street (project # 3).

It is an excellent example showing how the urban renewal initiatives are complemented by new investment projects where prices are considerably higher than the average transaction prices in Łódź as a whole. The attractiveness of the street is additionally increased by the immediate vicinity of Sienkiewicz Park, which is also going through a complete metamorphosis. One of the most prestigious locations in the city centre – the modernist Komuny Paryskiej Square as well as EC1

# The most promising parts of the centre of Łódź: Source: The City of Łódź



and the Łódź Fabryczna Railway Station are within a short distance. Investors' interest in this part of Łódź is growing, which demonstrates the tremendous potential of the city centre best.





#### A SAMPLE TENEMENT INVESTMENT

# Tenement market in Poland

In Poland, the tenement segment is diversified in terms of prices, building sizes and forms of investment, which makes it open to a larger group of buyers, whether major investment funds or private investors.

Investing in tenements, especially those situated in the very centre of the city, seems to be increasingly more attractive. They are perfectly suited to serve hotel, aparthotel or long-term rental purposes – a central location, typically near high-level educational institutions or tourist sights, may provide an interesting alternative to a purchase of one's own flat or to hotel accommodation.

Renovated tenements are an important segment of the luxury property market, although this trend is particularly strong mainly in Warsaw, Kraków or Wrocław. The current boom attracts investors interested in similar projects. However, the major challenge is not a lack of prospective clients but a short supply of attractive tenements situated in a convenient location, offering a proper size, architectural and historic value and enough space for a parking lot expected by future tenants.

In the main Polish cities such buildings are immensely popular among investors and not only transformed into offices but also used to host restaurants, hotels, exclusive boutiques or even chain stores. A vast majority retain their residential functions, though.

The Old Praga district in Warsaw is an excellent example showing how refurbishment of old buildings and their improvements alter the perception of the whole neighbourhood. The district has recently become increasingly popular among potential residents and tenants. Further buildings are gradually renovated to serve

new functions, for instance part of the revitalised "Koneser" complex is now home to the Google Campus, thriving with social and cultural life and hosting numerous fancy restaurants. The largest projects in the capital, such as the Praga Port, are carried out in the adaptive reuse formula.

Considering that such old buildings have some unique features, they are typically leased by smaller companies, often from the creative industry, which deliver services to smaller customer groups, to include law firms, consultancies, accounting firms as well as creative, advertising or PR agencies. Their quality is also recognised by IT companies.

A prestigious and newly-renovated tenement is often the first choice for those business entities which are focused on enhancing their image and visibility.

Revitalisation initiatives are becoming increasingly popular among companies from the office or residential property sector. An excellent example of a tenement renovation project in Warsaw is the building located at 13/15 Foksal Street, which has been renewed by Ghelamco, or at 55 Hoża Street, refurbished by Yareal.







The tenement at 51 Krakowskie Przedmieście Street in Lublin is also a model redevelopment project, carried out by a private investor.

It now accommodates a fashion house (on the former "Moda Polska" premises), in addition to the Royal Routes Residences aparthotel. REAL ESTATE MARKET

Investors carrying out revitalisation initiatives in Poland and their sample projects:

#### Fenix Group

One of the most well-known investors active in the prestigious tenement segment in Poland. The property developer focuses on the Warsaw market and has completed such projects as: 27 Jagiellońska Street. 22 Jagiellońska Street, 21 Targowa Street, 49a Koszykowa Street, 16 Noakowskiego Street, 15 Kopernika Street or 50 Hoża Street.



#### **Mzuri Group**

The Mzuri Group is one of the major rental operators on the housing market in Poland (more than 5 thousand units for rent across Poland). In the beginning it was connected with Łódź, which was one of the Group's first two branches established in 2009 (the other one was in Warsaw). In Łódź, the Group operates more than a thousand units for rent and employs nearly 100 people, including in the operational headquarters (handling such processes as customer service, payments, call centre or IT), which is situated in the city centre.

Mzuri has also carried out regeneration projects and completed the renovation of

tenements located at 35 Pabianicka Street and at 55 Targowa Street, Additionally, the Mzuri Group has established a collective investment company, Mzuri CFI Łódź Sp. z o.o., with a view to renovating further tenements in Łódź. Currently, two projects are underway – at 42 Kilińskiego Street and at 17 Żeromskiego Street.



#### **Fortem**

In the very heart of the New Praga district in Warsaw, Fortem S.A. has begun to revitalise a complex of historic buildings, which will also include the construction of a unique "Inżynierska 5B" loft apartment house.



A historic brick building of a former lace factory will house functional lofts with huge windows in a post-industrial style which will be their unique asset. The size of the apartments ranges from 25 to 54 square metres. An invaluable asset of the "Inżynierska 5" project is its perfect location and access to transport services, which is typical of renovated properties.

#### **Skarbiec Kamienic**

Skarbiec Kamienic is an entity that operates in Silesia, Poznań and Łódź in the crowd-funding formula. Thus far, it has been engaged in the following projects: Sosnowiec: 4 Strzelców Bytomskich Street, Katowice: 14 Teatralna Street, Łódź: 41 Narutowicza Street, 46 Więckowskiego Street, Poznań: 21 Małeckiego Street, 23 Rvbaki Street / 12 Kwiatowa Street



#### Ślaskie Kamienice

The entity focuses on projects carried out in Silesia, mainly in Katowice. Some of its projects are: 10 Moniuszki Street, 14 Zarebskiego Street or 3 Kopernika Street

#### Tenement market in Łódź

Investors' activity in Łódź shows clearly their growing willingness to participate in urban regeneration projects.

A LinkedIn survey undertaken by the City of Łódź and addressed to a sample of more than 700 office workers from Łódź and its urban area reveals that the majority of respondents (62.5 percent) would like to work in offices located in renovated historic buildings. A half of them admit that they work in such offices today. The survey participants were representatives of the IT (ca. 44 percent), BPO/SSC (ca. 15 percent) and banking and insurance (ca. 15 percent) sectors. Approximately one-fourth of the respondents were from other industries.

## Which industry do you represent?

The surveys conducted by the City of Łódź

indicate that prospective tenants would like

developers and investors to launch projects

to work or live in historic buildings, which

definitely acts as a stimulus for property

Considering that 8 urban revitalisation

projects will focus on the renovation of 69

tenements, one may assume that private

investors (to include housing communities,

private owners and other entities carrying out residential property or office projects)

will complement the efforts of the local

Municipal Revitalization Program, the total

value of revitalization projects in the city of

Łódź will amount to almost PLN 4.5 billion

leverage of 1.41. This means that every 1

PLN spent by public entities on revitaliza-

tion, should generate PLN 1.41 of private

and it is expected that it will give a financial

According to the provisions of the

of this kind.

government of Łódź.

investors' expenditure.

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## 13,8% 1,2% 3,5% In a renovated post-industrial building 44,6% 4,3% 43,7% 15,2% 39,6% 15,3%

#### Source: The City of Łódź

Where is your office

located?

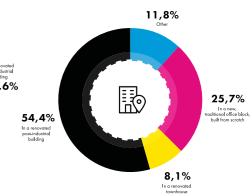
Considering the above-mentioned ratio and the planned scope of urban regeneration projects, one might expect that in the upcoming years private investors will finance the cost of renovation of even 97 tenements located in the very centre of

Investors are interested in buildings which are situated in neighbourhoods covered by the urban revitalisation programme. According to the Łódź Survey Centre, between Q1 2014 and the end of Q3 2019 in the revitalised quarters or in their immediate vicinity:

- > 1,575 transactions were made involving residential units
- > 89 transactions were made involving entire tenement buildings or interest in their ownership

#### Where would you like your office to be located?

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#### **SIENKIEWICZA 53 (SOMMO)** - RESIDENTIAL PROPERTY



PIOTRKOWSKA 120 (STARE KINO) - HOTEL



#### **Examples of tenement** renovation projects in Łódź:

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## PIOTRKOWSKA 44 (VISION DEVELOPMENT) - RESIDENTIAL PROPERTY





#### NARUTOWICZA 48 (WILLA QUANTUM) SEAT OF THE QUANTUM GROUP



#### WIĘCKOWSKIEGO 46 (SKARBIEC KAMIENIC) – RESIDENTIAL PROPERTY



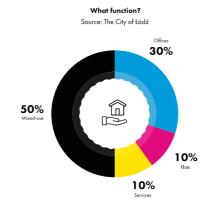
## Key aspects of tenement investments

A number of interviews and an in-depth analysis have led to the definition of the following key aspects of investment in a typical tenement in Łódź:

#### **Function**

Due to their original function, tenement buildings offer interesting space that may be adapted mainly for residential purposes. In the majority of cases, the space may be brought into line with the latest standards and trends (e.g. doing away with connecting rooms or an enfilade layout).

Tenement houses may also be converted by investors into cosy office buildings (typically, offering usable area of up to ca. 3 thousand square meters), service buildings (clinics, language schools) or retail space (department stores, luxurious boutiques). Considering the objectives defined originally by their architects, tenement buildings provide a very natural



living and working environment. Thus, their conversion is more predictable and typically does not require as much cost as adaptive reuse of post-industrial facilities.

As many as 50 percent of City of Łódź survey respondents recognise that historic buildings could serve mixed functions and a further 30 percent perceive them as capable of being converted into offices.

#### **Building purchase costs**

The building purchase cost is the first and the key financial parameter. An analysis of transaction prices from the database of the Łódź Survey Centre reveals that the average transaction prices have in recent years ranged from ca. 1.5 to 2.0 thousand zlotys per square metre of usable area.

Interviews with investors also confirm and specify that the expected building purchase cost is around 1.5 to 2.0 thousand zlotys per square metre of usable area.

#### Renovation costs

A complete renovation of a tenement includes roof repair, replacement of all systems and installations, including electrical, water, sewage and gas, installation of the central heating system, modernisation of staircases, courts, patios and yards as well as refurbishment of residential and commercial units. Depending on the planned function, the standard of the renovation may vary and the decision has a considerable influence on the cost of the project.

## Renovation costs for public revitalisation projects

Considering that the technical condition of each tenement varies, it is extremely difficult to establish the cost of their renovation precisely.

As the tendering procedures organised by the city (Zarząd Inwestycji Miejskich) with respect to the urban revitalisation programme are not typical, submitted tenders exceed the market costs of modernisation considerably. Sometimes, a contract is not awarded as there are no tenderers interested in carrying out such renewal projects. The reason is the current economic climate. Rising costs of materials and labour make such projects definitely

more expensive than those which were carried out between 2014 and 2016.

Where no contract is awarded, the city looks for alternative solutions – if possible, by increasing the budget or by modifying the criteria (e.g. requirements as to the experience of construction companies) so as to be able to find contractors.

Another option is to change the approach to the tendering procedure – the designs and complete documentation are prepared by the entity (e.g. ZIM), while the contractors rely on the taking off included in the design documentation, excluding an additional mark-up which results from the risk of purchases of materials the value of which has not been determined precisely, from the price specified in the tender.

Therefore, the costs of urban revitalisation projects are not estimated reliably and do not reflect the actual amount to be incurred by a private investor. Undoubtedly, in the course of the project the highest risk is assumed by contractors working in the functional plan formula. Another difficulty is a tight schedule and an uncertainty as to the precise scope of works to be performed due to unforeseen circumstances – the technical condition of a tenement may require additional efforts which have not been taken account of in the cost estimate before.

The standard imposed for renovation projects launched by the city is extremely high, in line with the best European practices. What is more, such projects are often implemented in the turnkey formula, which involves expensive furnishings being provided to studios, youth clubs, offices or sheltered flats. Therefore, it is difficult to compare the costs of urban revitalisation projects with average market renovation costs.

An increased project risk is reflected in higher contractors' fees. Major renovations carried out under urban revitalisation programmes may be compared to "resuscitation", while a typical project carried out by a company is more like modernisation, which is incomparably less expensive.

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## Renovation costs for private revitalisation projects

Private investors do not share information concerning the cost of their works.

However, our interviews reveal that tenement renovation projects may cost about 2-4 thousand zlotys per square metre, depending on the technical condition of the building. As for post-industrial buildings converted into offices, the cost is higher and may reach even 5-6 thousand zlotys per square metre for the highest quality buildings ("A" class). If former factory buildings are renovated in line with the highest standards, the clients' expectations and the rents for office or commercial space are also the highest.

According to 43 percent of the City's survey respondents the cost of "renewal" of one square metre of space is within a range to 5 thousand zlotys, while 57 percent admit that it is even higher.

However, the survey does not specify the types of buildings, their standard or function and does not define the types of "renewal" costs. The majority of respondents were investors regenerating former factory buildings.

On the basis of surveys, interviews with investors and analyses of public procurement processes relating to tenement revitalisation initiatives, the cost of renovation of a square metre of usable area of a tenement building may be estimated at ca. 2.5-3 thousand zlotys, depending on the current technical condition and ultimate standard, assuming that the project is carried out in the "shell and core" formula and the building is expected to serve a residential function.

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#### Revenue

#### Property for sale

According to NBP, in Q2 2019 the average transaction sales price per square metre of residential space on the secondary market in Łódź was 4,596 zlotys versus 5,853 zlotys on the primary market. In recent years, sales of flats in the city have been growing rapidly, which points to rising demand.

Although officially tenements belong to the secondary market, due to the scope of renovation works, such buildings and flats are closer to and may compete with those sold on the primary market. Having undergone extensive renovation, such tenements meet in fact all standards and requirements for new buildings.

An analysis of sales prices of flats located in historic buildings (serving mainly a residential function) indicates that the listing price is around 6 thousand zlotys per square metre.

On the other hand, an analysis of the transaction sales prices of flats located in the very centre of Łódź indicates that the average price on the primary market is ca. 5.9 thousand zlotys per square metre (Q3 2019).

Sales prices may differ depending on the size, function and location of revitalised tenement buildings. However, considering a residential property investment, one has to assume that the potential sales price for flats located in renovated buildings in the centre of Łódź is approximately 5.9 thousand zlotys per square metre.

#### Property for rent

An analysis of flats for rent in Łódź, listed at otodom.pl, gratka.pl and bankier.pl, reveals that the price is affected by such factors as the size of the flat, its location, rental formula (short-term, long-term) or furnishings and finishes.

However, in order to obtain information regarding the average rents, three categories of flats were examined, with the size criterion considered to be of key importance. Flats were grouped into three categories:

- a) small from 10 to 37 square metres;
- b) medium-sized from 38 to 60 square metres; and
- c) large 61 square metres and up.

#### Current listings of flats for rent in Łódź – September 2019 (monthly rents)

	Small flats (10-37 sq.m./month)	Medium-sized flats (38-60 sq.m./month)	Large flats (61 sq.m./month)	
Based on data available at: Otodom.pl				
Number of listings	218	336	252	
Rents (min)	PLN 350	PLN 450	PLN 1,000	
Rents (max)	PLN 2,200	PLN 3,500	PLN 10,000	
The price range (for the largest number of listings)	PLN 750-PLN 1,500	PLN 1,250-PLN 2,250	PLN 1,500-PLN 3,500	
	Based on data available	at: Gratka.pl		
Number of listings	293	347	300	
Rents (min)	PLN 500	PLN 850	PLN 1,000	
Rents (max)	PLN 2,452	PLN 3,500	PLN 10,000	
The price range (for the largest number of listings)	PLN 750-PLN 1,700	PLN 1,250-PLN 2,250	PLN 1,700-PLN 4,000	
Вс	sed on data available at: Bank	cier.pl (August 2019)		
Average rent	PLN 1,157	PLN 1,716	PLN 2,338	

The data available at bankier.pl for August 2019 indicates that the average rent for a flat (calculated for all size categories) in Łódź was 1,742 zlotys per month, which means that it was the lowest among large Polish cities. For comparison, in the same period the average rent for a flat in Warsaw was 4,481 zlotys a month, which means that it was more than 2.5 times higher.

Considering the average rents presented above and interviews with investors, one may assume that the rent for a flat with an area of around 40 square metres, located in a revitalised building in the very centre of Łódź, will be ca. 1,600 zlotys.

The listed prices of flats for rent in Łódź are among the most attractive in Poland from the point of view of those seeking accommodation.

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## Rates of return, ROI



In an analysis of the financial potential of investment in a tenement house in Łódź, a mixed-function building may be taken as a model – with a primary residential function supplemented with services on the ground floor, with the total usable area of approx. 2 thousand square metres.

Considering the average cost of purchase of a tenement building, which has already been discussed in this report, one should expect a cost of approx. 1.7 thousand – 2 thousand zlotys per square meter of usable area. Assuming in the calculation 2 thousand square meters the cost of the building would be ca. 3-4 million zlotys.

Assuming renovation costs at the level of 2.5–3 thousand zlotys per square metre, a complex revitalisation project will cost about 5-6 million zlotys. The total estimated investment outlays amount to 8-10 million zlotys for such an investment project.

As flats in a revitalised tenement building are in fact considered to be part of the primary market, the potential sales price should correspond to the average primary market price determined for Q2 2019 at the level of approx. 5.9 thousand zlotys per square metre. As a simplification, it may be assumed that the average sales margin, which represents the surplus of revenue over the costs of purchase and renovation, is about 900-1,600 zlotys per square metre. This means the developer's margin calculated as the difference between the sales price per square metre and the cost of the project (purchase and renovation), reaching approximately 17-30 percent.

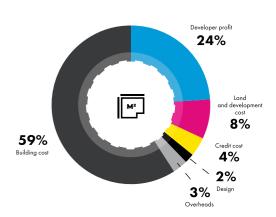
In Q1 2019, the majority of property developers active on the Polish housing market achieved a higher gross profit margin than in the corresponding period of the preceding year . The average margin earned by companies in this sector reached 26.4 percent versus 24 percent in the corresponding period of the preceding year and 24.7 percent in 2018 as a whole .

For the calculation of potential investment, the purchase cost was assumed to be about 10 percent higher compared to the average

transaction prices resulting from analysis of Łódź Survey Center data (1.5-2.0 thousand zlotys per square meter) and resulting in the estimated purchase price of a tenement house in the nearest period at 1.7-2.0 thousand zlotys per square meter.

As far as the primary market in Łódź is concerned, figures published by NBP in Q1 2019 indicate the following structure of the net price per square metre of space:

## Estimated structure of the net price per square metre in a flat in Łódź in Q1 2019, based on NBP's figures



These calculations are theoretical and have been made by reference to data for Q2 2019 for Łódź and on the basis of interviews with investors. What is more, the results do not take account of financing costs (ca. 4 percent of the net value of the flat on average, according to NBP in Q1 2019) or other specific costs related to a particular investment, which are highly dependent on the nature and type of the investor and the project.

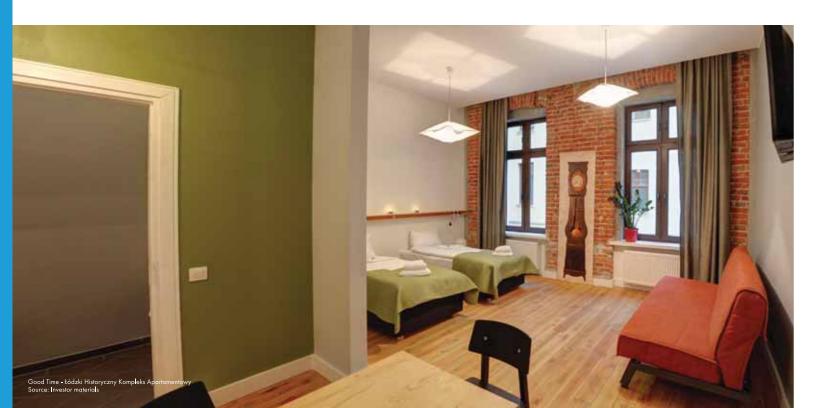
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If the analysed model building is intended for short- or medium-term rental (for several weeks or months), rents of ca. 1,500-1,800 zlotys per month may be expected on the basis of the analyses for a flat with the area of ca. 40 square metres as income for the owner, provided that the maintenance costs (energy, heating) are paid by tenants separately. Assuming that the investment is made in a building with the area of 2 thousand square metres and the most optimal structure of flats with the average size of 40 square metres is created (which translates into approximately 50 units), cash flows of ca. 75-90 thousand zlotys a month and 825-990 thousand zlotys a year may be generated.

If flats situated in a renovated tenement building are rented, one should take account of tenant rotation, which is a natural phenomenon on the market. Accordingly, it ought to be assumed that each unit will be occupied for 11 months a year on average. Additionally, the analysis assumes inconsiderable common area costs, a pool of funds for renovations or maintenance, a cleaning service and the necessity to hire a facility manager who will handle the rental process. With such assumptions, the annual operating profit is within a range of 690-860 thousand zlotys.

Such an investment should generate the average ROI of ca. 7-8 percent a year for the owner, but excluding financing costs and income tax. Depending on the profile and nature of the investment, different financing arrangements are possible – from 100 percent own funds to a mix of the investor's own funds and debt financing or money from yet another source. Debt financing is the most popular solution, which may combine a bank loan with the investor's contribution of approximately 15-25 percent of the investment value.



## Investment step by step



## Search process

Needless to say, the first step is to find a tenement building that meets the investor's expectations with regard to the location, usable area, architecture, aesthetics or technical condition.

As far as Łódź is concerned, frequently the sales of tenements are not announced publicly, sometimes the city invites tenders, while others are offered on the free market via popular property sales websites.



#### Pre-purchase analyses

Another necessary step is a due diligence process aimed to examine not only the technical condition but also the legal aspects of the investment. A legal analysis of the ownership is a key element of this process, as buildings may have a number of owners or entries may be made in the land and mortgage register regarding encumbrances or pending proceedings which concern the property.

Another important step is an analysis of the technical condition. As tenement buildings in Łódź are usually more than 100 years old, examination of their technical condition is necessary to assess the costs of the project and the potential for possible superstructures and extensions. To this end, it is worth seeking the opinion of an experienced building constructor who. together with an architect, could assess the technical condition of the building based on examination and structural survey of ceilings, foundations, plasters and moisture. The structure of the building also needs to be examined to confirm whether superstructures or extensions will be possible.

If the investor plans to expand the usable area and the technical analysis confirms that it is possible, the Local Development Plan should be examined as it may not allow for such works. The architect should also rely on the property condition survey or the available documentation to prepare the ultimate layout of residential, office or commercial space. Where the Local Development Plan is not available, the investor ought to consult the conservator and apply for a zoning decision covering the planned superstructure or extension.

A financial analysis will allow the investor to identify the available debt financing options to cover the cost of the purchase and renovation, in addition to determining the potential rate of return on the investment. It will also affect significantly the decision on the ultimate function of the building as well as the concept design.

Once the technical condition has been examined, the potential for extension analysed and the financial analysis conducted, it is recommended to find an answer to a question about the ultimate function of the building, as its use may differ depending not only on the investor's expectations but also the characteristics of the property. Even if the primary function, e.a. residential, has been determined, there

is still room for a decision regarding the possible layout, the size of flats that is considered to be the most attractive and desired by potential clients and the standard of finish that will be the most cost-effective.

Another step is the definition of the modernisation objectives, to include the standard

of the building and flats, the time horizon for the investment, selection of the ultimate function, the exit model (sale, rental) as well as a variant analysis of potential

The purchase decision may be easier if one uses professional advisory services provided by companies from the real estate sector which will perform a comprehensive HBU (Highest and Best Use) analysis to determine the profitability of the investment, in addition to presenting the best use options.

#### Selected real properties regarded as historic buildings, listed for sale by the City of Łódź:

- 53 Pomorska Street
- 26/28 Pomorska / 7 Kilińskiego Street
- 10 6 Sierpnia Street
- 95 Kilińskiego Street
- 54 Piotrkowska / 1 Narutowicza Street
- 40-42 Jaracza Street

When looking for a suitable property, it is worth contacting the Real Estate Sales Office of the City of Łódź and visit: www.uml.lodz.pl/dla-biznesu/nieruchomosci-na-sprzedaz





As the ownership history is typically complex, those planning investment have to consider the necessity to buy interests in the property. As far as old buildings are concerned which have frequently changed hands over the decades, partial interests held by different owners may need to be consolidated. The services of an experienced law firm may come in useful, especially as regards negotiations with the existing owner or owners.

Once the price negotiations have been completed, a draft gareement will be prepared by the law firm in consultation with a notary public. As the area covered by the urban revitalisation programme has been determined, one should take into account the existence of the pre-emptive right of the city of Łódź if the tenement is situated in the city centre. Typically, the City is not interested in repurchasing the property. However, the procedure that it has to perform delays the purchase process by approximately 1 or 2 months (as the City may respond to the notarial deed within 30 days). It is also necessary to sign the notarial deed twice - when the conditional agreement is executed and when the sales agreement proper is signed and the City waives the pre-emptive right.



#### **Documentation**

Property condition survey is an indispensable stage of the investment process, as it precedes the design stage and reflects the actual condition of the surveyed facility. Technical due diligence, which allows thorough property check or verification of its former condition survey, is often carried out simultaneously.

The multi-functional blueprint, including architecture, construction, electric and sanitary aspects provides the basis for further work. It is based on the current facility documentation and on the property condition survey. In listed buildings, the heritage conservation officer's approval of the adopted solutions is required. For Łódź, such approvals are issued by the Voivodeship Heritage Conservation Officer. Therefore, cooperation with the authority should be commenced in the initial stage of the project work, and completed upon the investment handover. The blueprint is subsequently developed into working plans.

A building permit (BP) is issued based on the blueprint and includes all arrangements with utility operators (checking the status of connections and possible power allocation adjustments), any issues related to the replacement of installation or connections (e.g. in case of overhead transmission lines). For listed buildings, a positive opinion of the City Heritage Conservation Officer is the prerequisite to obtain a BP.

The inspection and obtaining the use permit constitutes the last stage of the investment and allows full utilisation of the facility.



#### **Renovation process**

The duration and scope of renovation depends on an individual case: the technical condition of a building, its usable space, the scope of the planned remodelling, its original and intended use. The process of full revitalisation of a facility with 2,000 sq. m of usable space must be assumed to take two years on average, or even longer, if any unpredicted issues arise.

Cooperation with the contractor, who should have experience with investments in listed buildings, is crucial in this process. Although the number of market participants offering high standard of service in this respect is still small, it has been regularly growing year on year. The emerging specialisation results from the growing demand for such services, which, in turn, is the consequence of an increase in the number of revitalisation initiatives.



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#### Challenges facing the revitalisation process

Although investments in tenement houses enjoy considerable popularity, prior to making a decision, investors should analyse risks resulting from involvement in such projects:

**Technical condition** – developing a full priced bill of quantities for the necessary work is not always possible upon the purchase of a facility, usually due to gaps in documentation and "surprises" that may come up after the commencement of work;

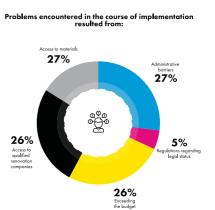
Legal status – distributed ownership structure, unclear legal status, claims or easement may make a facility purchase a complex issue;

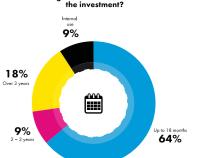
**Contractors** – access to qualified staff, materials and contractors.

Commercialisation/sale – the process can be optimised if renovation is carried out at the same time as commercialisation. In the case of the investments in question, the commercialisation period alone took 1.5 year (64 percent) despite high demand for this type of space: in approximately four-fifths of the analysed buildings, 90 percent of available space is being rented. The average commercialisation period for historic facilities ranges from two to three years.

In the survey carried out by the City of Łódź among entities that had already carried out revitalisation work in the city, as many as 50 percent of investors stated that the supply of qualified contractors was insufficient.

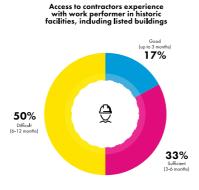
Source: The City of Łódź

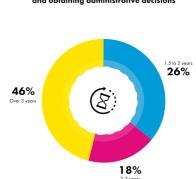


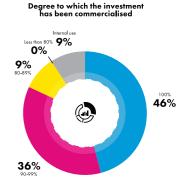


How long did it take to commercialise

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Project duration, including design and obtaining administrative decisions

## Advantages of revitalisation investments compared to greenfield projects

#### Financial advantages

Based on data and Emmerson Evaluation methodology, in 2018 in Łódź, two-room flats under lease generated a return of 3.6 percent compared to 5.2 percent for bedsits. In this respect, Łódź is among the most attractive cities in Poland.

Data provided by Expander and Rentier.io indicate that premises up to 35 sq. m of usable space generate a gross profit ratio of 9.6 percent over a 12-month rent period, and of 8.6 percent over a 11-month rent period, making tódź the Polish market leader in this respect. In a ranking of the attractiveness of Polish regions prepared by rentier.io, two tódź districts: Śródmieście and Widzew made it to the top five, with the annual ROI approximating 8 percent.

Higher profit may be generated by flats in revitalised old tenement houses, especially those located at prestigious streets in largest cities. When considering rent, it is important to remember that a fast increase in the number of flats for rent requires an equally fast growth in the number of potential tenants. An imbalance between demand and supply may end up with a price war, causing a decrease in the return rate. The risk is particularly high in the segment of most popular premises, including small and cheap flats.

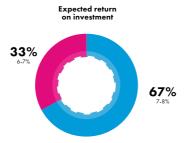
On the other hand, the value of high-standard flats in converted old, beautiful houses usually increases considerably, as illustrated by the tenement house located at Sienkiewicza 53 in Łódź, where the price

offered per square metre exceeded PLN 6,000, being higher than the average transaction prices in the city. Solaris Park at Tuwima 15 is an example of a high-standard investment placed close to historic tenement houses and the revitalised area. At present, transaction prices of flats in this facility, completed in 2012, range from PLN 9,000 to PLN 13,000 per square metre.

From the financial perspective, implementation of a revitalisation project has considerably higher potential than areenfield initiatives, mostly due to the purchase price and renovation costs. Rental rates are similar, regardless of the space offered. Differences regard the finishing standard of individual flats, or offers including a parking space, usually hard to obtain in historic buildings. Examples. including facilities in Warsaw or the tenement house at Sienkiewicza 53 show, though, that lack of parking spaces does not necessarily reduce the selling prices or rental rates of such flats as parking facilities (both private and public) are available in close proximity.

Thus, the key parameters include the purchase price and renovation cost, which are hard to determine, as they depend on the technical condition of a building and flats, investor's ambitions and expectations, a finishing standard adopted and service prices quoted by contractors.

Based on the assumptions presented above and the expected return of 8 to 9 percent per year, investments in tenement houses intended for rent provide an attractive alternative to greenfield projects. Investors participating in the survey carried out by the municipality determined the expected return rates at 6 to 8 percent, with vast majority hoping to obtain 7 to 8 percent. This means that revitalisation may provide an interesting business alternative on the real property market.



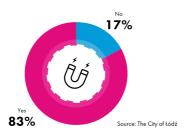
Source: The City of Łódź

#### Non-financial advantages

- The history of a building, district and city is another aspect that may contribute to higher sales prices or rental rates.
- Perfect location: usually in the close downtown.
- Attractive look, architectonic value, local patriotism
- The magic of revitalisation: nearly all investors that have already modernised old urban fabric call it an exceptional and highly satisfactory experience.

  According to 83 percent of respondents participating in the survey organised by the City, space available in revitalised buildings is highly attractive for tenants, employees and clients, much more so than in the case of greenfield investments.

Is space available in revitalised historic buildings more attractive for tenants/employee /clients than greenfield investments?



# Synergies of two revitalisation approaches

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Business cases regarding investments in tenement houses should include a number of synergies resulting from measures undertaken by local authorities. In the case of Łódź, this is the broad urban revitalisation programme. City authorities, such as Zarząd Inwestycji Miejskich (Urban Investment Office), Zarząd Dróg i Transportu (Road and Transport Office) or Biuro Rewitalizacji (Revitalisation Office) offer investors support, e.g. in the course of negotiating with network operators, or include private investments into municipal programmes, such as infrastructure modernisation.

The revitalisation process carried out by the city is a large-scale operation. Quarters of buildings gain new, attractive look, adding value for private investors, potential tenants or residents, i.e. those who actually live in this space.

In principle, developers are unable to offer the standard and complexity level of investments equal to those offered by the city under public programmes, but are allowed to use the public infrastructure, such as green sites or parks, granite sidewalks, new street lighting or monitoring, unavailable even in highest-standard estates built by private developers.

Łódź hopes for the snowball effect, encouraging private investors and homeowner associations to join the public revitalisation process. The local authorities, undertaking modernisation of entire quarters, motivate private investors to restore facades, undertake more comprehensive renovation or new investments in close proximity. In this case, the synergy of neighbourhood is easy to see.

Street renovation, including the newly established woonerfs (e.g. in 6 sierpnia or Traugutta Street) changed the use of roads. Residents spend more time in public space, using their money for shopping, leisure, sports or entertainment. Thus, the street turns from a simple transport route to multi-functional urban space.

Revitalisation translates into intensified traffic, mostly pedestrian, in the city centre. The living space fosters investment, business and cultural opportunities. The processes focus on improving the efficiency of transport (providing new passage roads between quarters), green patches, creating mini-parks and skillful location of urban and park furniture. These measures encourage people to spend time outdoors and improve the perception of the renovated quarters among private sector investors.

#### Incentives for potential investors:

- Facade restoration subsidies granted by Voivodeship / City Heritage Conservation Officer
- Subsidies to heating systems in single-family and multi-family houses, as well as a renewal or compensatory bonus under the Thermal Modernisation and Renovation Fund managed by Bank Gospodarstwa Krajowego;
- For three years, a contest for construction work has been organised, regarding restoration or remodelling, renewal or preservation, open for non-listed buildings located in the Special Revitalisation Zone. The registration procedure regarding the work to be performed in 2020 was closed at the end of September 2019. The prior edition included 63 subsidy applications totalling PLN 10,6 million. Thirteen earmarked subsidies totalling PLN 1.71 million were granted.

> Based on the survey carried out by the City, most investors (83 percent) do not use this form of support, as the group of potential addressees is limited and includes mostly homeowner associations, and high requirements are accompanied with low subsidy amounts.

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Michał M. Styś EO (OPG Property Professionals)



Michał Styś, CEO of OPG Property Professionals, admits that investing in historic buildings is around 15 to 30 percent more expensive than building from scratch. However, it brings a few more benefits.

"The older, historic, post-industrial buildings are often areat for mixed-use developments that serve office. commercial, service, hotel, and residential purposes. The economic cycles of the individual sectors are not the same, which means that such developments are safer investments. yielding more stable revenue," says Styś, referring to the company's experience in developing OFF Piotrkowska Center in Łódź. Stvś adds: "Such places as the old Ramisch factory are living proof of how important it is in planning living and working space for commercial outlets, services, and office areas, but also for catering and cultural establishments, to be diverse. When every aspect of such developments falls into place, we get space that does not get old as fast as the new office blocks; space that is less vulnerable to economic downturns: space that, most of all, stands out from other developments for the investors."

# Advantages and disadvantages of investing in tenement houses: summary

#### **Advantages**

- Post-industrial facilities and tenement houses have high historic value and often present extraordinary architectonic solutions originating from the 19th and early 20th century.
- Decorative details, often preserved in historic buildings, are absent in new constructions, which makes this type of projects unique.
- The use of high quality materials (wood, stone, terrazzo) further improves the living standard in such facilities.
- Often located in historic quarters, such residential facilities combine attractive location, specific climate, cosiness and prestige of living in a high-profile old building.
- Prices of flats in unique buildings with own history are high.
- High financial return offered.
- High ceilings (in excess of 3 metres) in tenement houses allow increasing the usable space, for example through adding a mezzanine.

#### **Challenges**

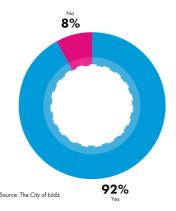
- Poor technical condition of certain facilities may generate high renovation costs, sometimes several times higher than the purchase price.
- Renovation work may undergo certain constructive conservation restrictions, depending on the scope of building preservation.
  Conservation arrangements: for listed buildings, the design and investment scope must be agreed with the City or Voivodeship Heritage Conservation Officer. These procedures usually take two to three months.
- Unclear ownership structure and legal status may complicate the purchase procedure.

#### Conclusion

Based on the survey carried out by the City, 92 percent of investors intend to undertake new revitalisation initiatives.

The response demonstrates high level of optimism regarding such projects, perceived by investors as growth opportunities.

Are you interested in implementation of a new revitalisation project?



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# SUCCESSFUL EUROPEAN REVITALISATION PROJECTS

#### **CUSTARD FACTORY**

Custard Factory is a group of powder factory buildings originating from 19th century and located in Birmingham. Facing regular deterioration of the place, the local authorities decided to sell it. It was purchased in 1988 by an English developer family. In 1990, the renovation, modernisation and re-arrangement process commenced. The project was divided into two stages: during the first one, the space for art and culture-related businesses was designed, along with office space for creative industry; in the second, commercial and study space was designed.

The investment value approximated GBP 50 million and involved modernisation of the existing factory buildings, arranging of public space and construction of a few new facilities.

In the 1980s, the place drove away both residents and tourists. In subsequent decades, owing to the consistent development concept, it has become attractive for potential visitors.

#### **TOBACCO FACTORY**

The former tobacco plant, located in Ljubljana, discontinued operation in the beginning of 21st century. The place was purchased by an investor who wanted to establish a culture and art centre with office space for creative businesses.

In 2011, a tobacco museum was opened, located in the first modernised warehouse building. In subsequent years, the facility gained new functionalities, offering office, exhibition, residential and event space. The newest projects include the construction of apartment buildings containing office space. Ultimately, the place will offer space for small service shops, too.

According to the investor, the project cost approximated EUR 300 million, mostly own funds and foreign capital (approx. EUR 90 million).

#### **GOUDA CHEESE WAREHOUSE**

The large (8,500 sq. m) centennial Gouda cheese warehouse has been thoroughly revitalised. It contains 52 unique lofts customised to residents' needs, designed by Mei Architects and White House Development.

Flats range from 60 to 180 sq. m and each has been individually designed. The investment was completed in 2017.

The special "double" construction of the warehouse, adjusted to high weight, was used to make new floors. Old wooden ceilings, steel beams and brick walls remained unchanged, bringing a touch of history to the new flats.

Following the revitalisation, the property value increased considerably, and the design won a number of awards, among others Iconic Awards 2018 - Innovative Architecture Selection, Durch Steel Award 2018 and ARC18 Development Award.

#### **HAFEN CITY - HAMBURG**

HafenCity in Hamburg is among the highest-profile revitalisation projects in Europe. The untended port district, with docks gradually converted into warehouses, attracted attention of outstanding architects, including Michael Graes and Zaha Hadid. In 2000, the final version of Master Plan was approved, assuming revitalisation of 155 hectares of post-industrial, untended and deserted space. From then on, remodelling of the entire district, named HafenCity, commenced.

The ultimate cost of the project, implemented on the Grasbrook Island, was EUR 12 billion, including mere EUR 2.4 billion provided by the city. The remaining amount was contributed by private investors. According to plans, 5,500 flats will be built by 2025, and new office buildings will offer workplaces for 45,000 people. The designers wanted HafenCity to become truly urban space, as opposite to an office centre, such as La Defense in Paris or Canary Wharf in London. Thus, the city made sure appropriate communication and consultation with the quarter residents had taken place. As a result, such issues as lack of playgrounds for kids or sports clubs for adults were included in investment plans.

#### **ELBPHILHARMONIE - HAMBURG**

The Concert Hall in HafenCity is a modern building, embedded in the revitalised district of old docks and warehouses. The design included modernisation of an old warehouse, originally used to store cocoa beans, and adding a superstructure to it. The facility was completed in 2016 for the total of EUR 866 million. The concert hall was designed by Herzog&de Meuron, an international architect firm. The facility has become a hallmark of Hamburg, attracting hundreds of thousands of tourists from all over the world.



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# SUCCESSFUL REVITALISATION PROJECTS IN POLAND:

#### **CENTRUM PRASKIE KONESER, WARSAW**

The Koneser facility is another large-scale revitalisation initiative (apart from the Manufaktura in Łódź, being an obvious example) successfully implemented in Poland.

The facility, located in the Warsaw district called Praga, originates from 1897 and originally housed one of the largest vodka factories in the Russian empire. The factory closed in 2007, and then an idea was offered to convert the place into an entertainment centre called Centrum Praskie Koneser. The buildings gained new purpose: they house restaurants, bars, the Vodka Museum, offices and a residential facility. One of the converted buildings houses the office of Google Campus Warsaw, which stimulates innovative businesses, and Moxy Warsaw Praga hotel opened in 2019.

Due to its large scale, the project was implemented in stages. The first included the historic Mint building, converted into high-standard lofts, as well as Treasury and Production buildings, intended for shops. The Workshop building became a restaurant.

The first stage produced 25,500 sq. m of office space, which totals to 44,000 sq. m in the entire facility, and 22,000 sq. m of commercial space.

4E building, a.k.a. Mint, provides an example of how revitalisation may positively affect local space and return life to old buildings. The restored facility looks like new, and includes nine lofts. A new floor has been added with roof windows. The prices of these flats are among the highest in Warsaw, attracting a great number of potential buyers.

The converted Koneser nicely fits the tradition and local specifics of Praga. The historic building and modern solutions make a perfect match. Apart from the fancy flats, the facility offers event space, a number of restaurants, coffee bars, a shopping mall and creative office space.



The space open to public nears 9,000 sq. m and includes walks, squares and paths winding among relics of the past. The Koneser Square of 4,000 sq. m is the core of the facility and is open to the public. It is a popular place for cultural events, concerts or fairs.

The investment was funded by BBI in cooperation with Liebrecht&Wood and cost PLN 700 million. Certain work was performed in cooperation with Bank Pekao S.A. (financial contribution of EUR 89.6 million).



"Preserving the place identity was of crucial importance. We have called it Stara Drukarnia (Old Print-house) as the name refers to its history. The investment includes the "Drukarnia Sztuki" project aimed at supporting young artists and promoting art in office space. Before completing the commercialisation of the building, we let artists in to let their creative visions come true"



(GDAŃSKA 130)

Stara Drukarnia is a unique project, combining modern office space with services and art. Its exceptional features make it a perfect workplace,

located in the city centre.

It is an example of a successful conversion of an old building. In the past, the former Drukarnia Wojskowa, today an A class office facility, offers nearly 5,000 sq. m of office and shop space. The designers successfully combined history (red brick and steel poles) with modern solutions (raised floor, structured cabling - Cat 6, 50 parking spaces, bike stands, facilities for bikers, e.g. showers, a conference room for tenants next to the reception).

The building was completed in 2019.



Marta Zgłobicka

# **KESTENBERG VILLA**

(STERLINGA 26/ JARACZA 62):

"Our investment in the Kestenberg Villa consists of substantial funds, enormous effort to meet high requirements of the tenant, and passion, to convert the building in a prestigious IT office, at the same time making it a hallmark of Łódź, something residents like to look at", says Janusz Mostowski, the owner of Inwestor, the firm performing the project.



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# FUZJA (TYMIENIECKIEGO 5/7)





Anna Malarczyk-Arcidiacono Project Director (Fuzja - Echo Investment S.A.)

"What we offer for Łodź, is an authentic revitalisation project showing what used to happen in the historic space of "Fuzja" in the times gone by. We are building a new identity of this space based on its history. Through our investment, we want to make this part of Łódź open, friendly and full of life. "

# A GROUP OF BUILDINGS IN THE CENTRE OF ŁÓDŹ

(AL. KOŚCIUSZKI 10 i 12

Orange Polska S.A. holds a portfolio of historic estates in Poland, most of which are intended for sale.

The facilities originally housed telephone exchanges and are located in city centres. In Łódź, the facility includes eight buildings located at Kościuszki 10/12 on a plot of land of 5,000 sq. m. The company developed a revitalisation plan, including the construction of a six-floor residential building with shops on the ground floor and an underground parking facility, conversion and extension of the existing buildings.

This is by no means the first Orange offer in Łódź. The former telephone exchange building located at Lutomierska 162 in the Batuty district has been converted into 31 lofts (turnkey) intended for long-term rent under the SLLOW LOFT brand.



"In Orange, we have a team of experts who, in cooperation with third parties and architects, work to increase the value of our assets. We talk to investors interested in the purchase of real property we offer for sale to hint them about the possible use of each facility. The concept of revitalising an old cotton mill located at Kościuszki Avenue, near Piotrkowska, is a particularly interesting project", says Małgorzata Stochmal. "We want our buildings to serve others as long as possible to the benefit of their neighbourhood. As illustrated by many examples of real property we sold, following conversion they house schools, clinics, offices or flats".





Małgorzata Stochmal Project Manager, Head of Marketing of Real Estate (Orange Polska S.A.)

# ŁÓDŹ.WORK (DOWBORCZYKÓW 18)

"Obviously, old buildings mean certain legal problems. Once we have purchased all shares and identified the scope of necessary work the condition of floors, roof, construction

and identified the scope of necessary work (the condition of floors, roof, construction elements), certain surprises may come up. What matters is the original use of the building: the scope of work to be done depends on what purpose it served in the past." According to OKAM Capital, investments in office space located in historic urban fabric, such as Łódź. Work, are profitable. Apart from unique historic background and climate, another argument supporting this sort of investments includes "non-obvious technical aspects, such as windows that you can open, i.e. something absent in most modern glass-and-steel office buildings. The thick walls of centennial tenement houses and factories provide good thermal isolation, which allows switching off air conditioning systems, thus reducing operating expenses and health issues. High ceilings are another advantage".

Dagmara Grebowska points out the future prospects of arranging office and residential space in old tenement houses: "Tenement houses provide more natural conditions for people. In many cases, they are easily convertible to offices for the growing number of smaller businesses: IT firms, lawyer's offices, designers or entities interested in coworking space. Often, tenants are interested in small space, where they naturally stand out and therefore find it easier to build their brand. Old tenement offices in Łódź still have considerable potential!"



Dagmara Grębowska Project Manager (OKAM Capital)



"When carrying out revitalisation projects, we learned that dealing with historic buildings, you must be prepared for everything. No one knows what you run into in the course of work"





#### CHAPTER FOUR

# TOURISM

# THE CURRENT SITUATION OF THE TOURISM MARKET IN ŁÓDŹ

Given its industrial history, Łódź is a unique city when it comes to tourist attractiveness. Such post-industrial cities as Manchester, Birmingham, Glasgow, and Lyon also achieved considerable success in this respect, and they set the direction for the future tourism development of Łódź.

Łódź is becoming more and more recognised as a potential destination by foreign tourists, as evidenced by Lonely Planet's "Best in Travel 2019" ranking, in which the city came second among the top ten cities to travel to in 2019.

#### The main tourism assets of Łódź include:



#### **Architecture**

Streets full of unique tenement houses, factory buildings, and palaces (including the Piotrkowska Street)



#### The industrial history

The industrialists, the textile industry, and a new lease of life given to revitalised industrial complexes (e.g. EC1, Manufaktura, and Art.Inkubator)



#### The film legacy

Łódź being the capital of the Polish film industry, "the City of Oscars"



#### Green areas

Łódź being one the greenest cities in Poland

Thanks to its history and location, Łódź has a unique tourism potential. The current investment boom is turning it into a modern metropolis. Heretofore unappreciated, the city captivates growing numbers of visitors, who are amazed by unique way in which the city developed; who admire the unique historic urban fabric, who enjoy the wide range of cultural events and establishments on offer; and who appreciate the fact that the city centre is not so crowded with tourists yet.

So far, Łódź has not been considered a tourist destination due to its industrial nature. However, the active and promotional measures taken by the city together with revitalisation processes have radically changed the image of Łódź. The city is now becoming an attractive destination for post-industrial tourism, enchanting the visitors with its one-of-a-kind atmosphere.

There is a global trend that post-industrial cities are becoming increasingly more popular among tourists. One of the drivers for this is active revitalisation works. Indeed, thanks to well thought-out and fine-tuned promotional strategies, such cities as Manchester, Birmingham, Glasgow, and Lyon have become attractive destinations. In the 1980s, Glasgow undertook intensive revitalisation efforts and, at the same time, ran a promotional campaign to do away with the image of Glasgow as a grim working-class city. The campaign's slogan, "Glasgow's Miles Better", was supposed to create an image of happiness and hope that everything was heading the right way. What further supported this project was the fact that Glasgow was selected the European Capital of Culture in 1990. The good marketing efforts warded off the negative energy around the city and attracted the tourists' attention. In turn, Manchester, called the first industrial city of the world, experienced an economic and social crisis in the 20th century due to the downfall of the industry. Intensive recovery programmes began in the 1980s, and the

revitalisation works in the city centre also became more intensive. Buildings in the historic urban fabric were repurposed for tourism, business, and public services. Thanks to such investments, the post-industrial fabric of the city now features such institutions as the People's History Museum, the Corn Exchange, and the Museum of Science and Industry (MOSI). Now, Manchester is an important player on the tourist market. Also through efforts oriented towards culture and sports, Manchester, having two well-known football clubs, and having organised the 2002 Commonwealth Games, has become an example of how an urban area can rework its spirit. Manchester is now the third most popular tourist destination in the United Kingdom. In 2018, the number of overnight visitors exceeded 1.4 million.

Today, Łódź is following a similar path.
"Even though Łódź has no access to sea, and no historic barbican, it can be a perfect destination for weekend or business tourism," says Krzysztof Piatkowski, the Deputy Mayor of Łódź and President of the Łódź Tourism Organisation (ŁTO).

Established in 2017, ŁTO is responsible for creating the image of Łódź as an appealing urban metropolis. The effects of the efforts that ŁTO has undertaken are already visible with respect to business and weekend tourism, also with the segment of leisure considered to be growing at a substantial rate. What is a testament to this success, is Lonely Planet's "Best in Travel 2019" ranking, in which Łódź came second among the top ten cities to travel to in 2019

The rapid development of Łódź in the 19th century, driven by industry, attracted people of many different nationalities, thereby making Łódź a true mix of cultures. With revitalisation works skilfully carried out, Łódź, the capital of the textile industry, retains its unique post-industrial nature, and keeps the memory of its recent history alive. A city of four cultures with industrial architecture, Łódź can be an incredibly interesting destination for weekend tourists all across Europe.

Many eminent Polish figures are associated with the city: pianist Artur Rubinstein, poet Julian Tuwim, resistance-fighter soldier Jan Karski, political activist Marek Edelman, composer Aleksander Tansman, and novelist Jerzy Kosiński, to mention just a few. Following their steps, tourists will encounter impressive historic architecture and traces of multicultural heritage. Łódź has also been the heart of the Polish film industry for many years. The city also has many fascinating museums and galleries, including one of the oldest museums of avant-garde art in the world – the Museum of Art in Łódź, which was established in 1930.

TOURISM

# Main points of interests in the city

What has always been the symbol of Łódź, is the Piotrkowska Street. Located right in the very heart of the city, it is a renovated promenade, an iconic meeting place, and one of the longest shopping streets in Europe, stretching over 4 km. It is fully entered in the register of objects of cultural heritage, and constitutes a unique tract of tenement houses, palaces and villas that once belonged to the industrialists. The street also has many monuments and memorials: the Gallery of Great People of Łódź, the Monument of Citizens of Łódź at the Turn of the Millennium, the Monument of Łódź Citizens of the New Millennium, and the Łódź Identity Monument, which consists of thousands of paving stones with cast-iron plaques bearing the names of founders. In turn, located on the Piotrkowska Street, the Łódź Walk of Fame, inspired by the Hollywood original, is one of the many attractions that the city has on offer when it comes to its film heritage. The bustling stately Piotrkowska Street also features the atmospheric Off Piotrkowska development with many restaurants, situated in a former cotton weaving mill.

However, Łódź has much more to offer than just the Piotrkowska Street, with hundreds of impressive tenement houses, palaces and factory buildings. To a substantial degree, the heart of Łódź is shaped by Art Nouveau architecture, as it was at the turn of the 20th century that the industry in Łódź reached its peak. The wealthy textile industrialists would erect stately residences for themselves, and many indeed were built in that style, which was popular at that time. The large number of Art Nouveau structures, and their high architectural finesse caused the city to join the Réseau Art Nouveau Network in 2006.

Those historic properties make for a unique route of buildings and structures that serve a wide range of purposes, i.e. cultural (Art.Inkubator, the EC1 Planetarium with the Centre for Science and Technology).

commercial (Manufaktura), hotel (Andel's) museum (Izrael Poznański palace, Herbst Palace), and even business purposes (Łódź Special Economic Zone). All those buildings serve as an example of how objects of heritage are given new leases of life, and how public and private revitalisation works can be carried out. What can be deemed as the unique feature of Łódź, is the fact that industrial architecture interminales with high-density residential buildings and mansions; and, apart from that, what is also unique, are the valuable works of art found in the necropoli of various denominations that also bear witness to the city's multicultural past.

The multicultural landscape of Łódź as an industrial city was declared a Monument of History in 2015. It covers the urban layout of the Plac Wolności square, Moniuszki Street, and Piotrkowska Street, together with Ludwik Geyer's residential and industrial complex, Karol Scheibler's and Izrael Poznański's industrial complexes, as well as the Old Cemetery and the New Jewish Cemetery. This was in recognition of the historical, artistic and scientific values the city derives from its past status as the largest domestic and one of the largest European centres of the textile industry, and of the precious post-industrial complexes located in the city.

Łódź features many points of interest, much of which are related to the city's industrial history. Taking the route of Łódź industrialists, we can visit the impressive must-see Izrael Poznański Palace which houses the Museum of the City of Łódź, and the adjacent Manufaktura, where one can ride a zip line over the Łódź Women Textile Workers Market Square. The post-industrial points of interest also include the historic "Ksieżv Młvn" (Pastor's Mill) housina estate for factory workers, the neighbouring palaces of Karol Scheibler (which houses the Museum of Cinematography) and Edward Herbst (which houses a branch of the Museum of Art), and Ludwik Gever's White Factory (currently the Central Museum of Textiles). Cémeteries are also highly appealing points of interest in Łódź.

The Old Cemetery features imposing tombs of Łódź industrialist families – the Grohmans, the Geyers, the Scheiblers, and many others – and as a whole, the cemetery constitutes one of the largest works of funerary art in the world. Łódź also has the second largest Jewish cemetery in Europe, which features many unique tombs, including Poznański's Mausoleum.

However, it is not only the historic urban fabric that attracts visitors to Łódź. The city's newest points of interest include incredible murals, a planetarium, and a peculiar unicorn sculpture by Japanese artist Tomohiro Inaba that came to being thanks to participatory budgeting, and which is, as such, a symbol of social participation. Those who want to take a break from the hustle and bustle of the city will gladly turn to the Botanic Garden, Palm House or the Zoo.

The multicultural tradition and vibrant history of Łódź are at one's fingertips in the city's fascinating museums. Those most worthy of notice include:

- the Central Museum of Textiles located in Ludwik Geyer's White Factory – one of the city's oldest objects of heritage when it comes to its industrial architecture, which also houses an Open Air Museum of Wooden Architecture:
- the Museum of Art in Łódź a museum of international renown with a rich collection of 20th-century and 21st-century art, including the a.r. International Collection of Modern Art set up by the members of the early 20th-century "a.r." group of revolutionary artists itself;
- the only Museum of Cinematography in Poland – an institution that documents the history of the Polish cinema, set up in the former palace of Karol Scheibler;
- the Museum of the City of Łódź located in the most resplendent building of the city, the eclectic Izrael Poznański Palace a museum where one can visit the Pantheon of the Famous Citizens of Łódź exhibition that presents profiles of famous people connected with Łódź.

The city authorities are currently undertaking efforts to have the objects of cultural heritage in Łódź declared a UNESCO World Heritage Site, to cover the Piotrkowska Street, the water-factory estate at Tymienieckiego Street, Izrael Poznański palace (together with the merchant trading office and the colossal

cotton mill where the Andel's hotel is now located), as well as the Old Cemetery at Ogrodowa Street, and the second largest Jewish cemetery in Europe at Bracka Street. The resulting prestige from having those sites declared a UNESCO World Heritage Site would translate to an even greater interest in the city on the part of tourists.

TOURISM

After all, Łódź is an important place for Polish design, which is thanks to not only the legacy of art academies but also, most of all, the avant-garde painter Władysław Strzemiński and sculptor Katarzyna Kobro who together established Łódź as one of the most important centres of modern art in Poland.

# Łódź as the heart of the film industry

Łódź has for many years enjoyed a status of a cultural and artistic centre, which is to be attributed the city's film legacy, its avant-garde artists, but also its architecture. It is one of the many important elements which shape the city's identity, and which is exploited, too, in promotional activities. The Łódź Film School is one of the best in the world.

Many eminent representatives of the Polish film industry studied or lectured there, including such critics, directors, and screenwriters as Jerzy Toeplitz, Andrzej Munk, Andrzej Wajda, Roman Polański, Janusz Morgenstern, Kazimierz Kutz, Witold Sobociński, Kazimierz Dejmek, Jadwiga Barańska, Jerzy Skolimowski, Krzysztof Zanussi, Krzysztof Kieślowski, Marek Piwowski, Filip Bajon, Jan Machulski, and Jan Jakub Kolski. Łódź is also associated with such iconic Polish actors as Eugeniusz Bodo, Stanisław Mikulski, and Leon Niemczyk. Furthermore, the city currently serves as the set for many

iconic films. Only in the past few years, Łódź has featured in such films as "Afterimage" directed by Andrzej Wajda, "Ida" directed by Paweł Pawlikowski, "Bodo" directed by Michał Kwieciński, "Little Crushes" directed by Aleksandra Gowin and Ireneusz Grzyb, "Animals" directed by Greg Zgliński and "Music, War and Love" directed by Martha Coolidge. Łódź is once again the place to shoot films, and it attracts new projects. It is often the case, too, that Łódź serves to portray other beautiful European cities such as London or

Virtually every film award that goes to Poland is related to Łódź. In 1983, the avant-garde "Tango", written and directed by Zbigniew Rybczyński, who was born in Łódź and studied cinematography at the Łódź Film School, won the Academy Award for Best Animated Short Film. In 1993, it was Spielberg's "Schindler's List" (which was shot in Łódź that won i.a. the Academy Award for Best Art Direction/Set Decoration, which (shared with Ewa Braun) went to Allan Starski, resident of Łódź for many years and guest at multiple seminars

for the students of the Łódź Film School. Another animated short film related to Łódź that received an Academy Award in 2007 was the Polish-British "Peter & the Wolf", which was co-produced by the legendary Łódź production company "Se-ma-for". Importantly, the recent years have also brought successes, with "Ida" winning the Academy Award for Best Foreign Language Film in 2015, and "Cold War" winning the Palme d'Or for Best Director in 2018 – both films being directed by Paweł Pawlikowski and co-produced by Opus Film. a Łódź filmmaking company.

In 2017, Łódź joined the UNESCO Creative Cities Network (UCCN) as the City of Film. The objective of the UCCN is to strengthen international cooperation between cities through incorporating cultural efforts into sustainable development plans.





TOURISM TOURISM

#### Łódź – a green city

Łódź is one of the greenest cities in Poland, with green spaces taking up almost 20 percent of the whole urban area. The Łagiewnicki Forest, one of the laraest woodland areas within city boundaries in Europe, has an area of over one thousand hectares. The Łódź Zoo is currently implementing a PLN 262 million project that involves the construction of the Orientarium, a complex that is likely to be put to use as early as in 2020. With a planned area of 2 ha, and 5.5 ha of animal enclosures, the Orientarium is to serve as a place where visitors will be able to behold the fauna and flora of Asia. It is estimated that approx. 2 million visitors will be visiting the Orientarium per year. The Orientarium is supposed to constitute competition for the Afrykarium - an African aquarium complex which was opened in the Wrocław Zoo in 2014, and which has since then become the largest tourist attraction of that kind in the whole of Poland, with over 1.6 million visitors in 2018.



#### Łódź as a place of entertainment

On average, there are over 70 different events organised in Łódź throughout the year. The most important include the Light Move Festival, Łódź Ballet Festival, Fotofestiwal, Łódź of Four Cultures Festival, Cinergia Forum of European Cinema,

International Festival of Pleasant and Unpleasant Arts, the Golden Thread competition, and Philosophy Fashion Week Poland, the last two being related to the city's textile tradition. However, it is Łódź of Four Cultures, organised since 2010, that unlike any other festival exemplifies the spirit of Łódź, as it celebrates the mix of German, Jewish, Polish and Russian cultures that influenced the development of the city. The festival combines elements of theatre, film, music, and visual arts, and evolves hand in hand with the dynamic transformations of the city itself.

Another exceptional festival is the Light Move Festival, which takes place right on the streets of the city. It is the largest light festival in Poland, and each autumn it features several dozen historic tenement houses illuminated with colourful patterns projected onto them, including through 2D/3D mapping. The whole event is complemented with large-scale video projections and light installation art in public parks, woonerfs, and galleries. The festival is organised by the Lux Pro Monumentis foundation

Łódź is also proud to have hosted major sports events. Atlas Arena, a stadium commissioned in 2009, has a capacity of 10 thousand, and is a venue for important sports events, especially volleyball tournaments (World League, Champions League, Women's European Volleyball

Championship, and Volleyball Nations League), and athletics championships. It is also a great concert venue.

The stars that have performed there in the past few years include Rod Stewart, Deep Purple, Jean-Michel Jarre, Michael Bublé, Lenny Kravitz, Bryan Adams, Depeche Mode, Sting, Kylie Minogue, Eric Clapton, Florence and the Machine, Elton John, Shakira, Rihanna, Andrea Botticelli, Muse, Green Day, Iron Maiden, Leonard Cohen, Aerosmith, and Modern Talkina.

Another stadium worth mentioning is the stadium of the Widzew Łódź football club with a capacity of over 18 thousand, the construction works on which were completed in 2017. The stadium, with covered stands, has a clinker brick exterior which alludes to the industrial architecture of the city. The stadium is the leader in Poland when it comes to the number of subscription passes sold (with over 16 thousand this season). Widzew Łódź is also one of the leaders in terms of the large turnout of their football fans at Lotto Ekstraklasa leaaue matches. The ŁKS football club, which is returning to the Ekstraklasa, is also carrying out expansion works on its stadium. With additional three stands, the ŁKS City Stadium will have a capacity of almost 20 thousand. What was also an important investment, was the construction of the motorcycle speedway stadium for the Orzeł Łódź club.

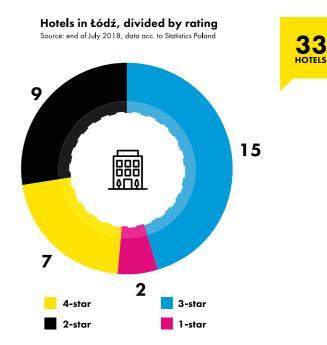


#### The hotel market in Łódź

In terms of the number of rooms available Łódź currently constitutes the sixth largest hotel market in Poland. Most of the hotels are located in the heart of the city, Łódź features hotels by such brands as Andel's, Holiday Inn. Campanille (Louvre Hotels Group) and the French brand B&B. 2019 saw the opening of a hotel by Puro, a popular Polish lifestyle hospitality brand. The hotel is located in the direct vicinity of Manufaktura. More hotels are being planned, including a Hampton by Hilton hotel, set to open in March 2020.

In the recent years, Łódź has started to attract the attention of hotel investors. They focus their efforts on the heart of the city itself, but also recognise the assets of the New Centre of Łódź, the works on which are currently under way. To show the scale of this market's development, it suffices to say that there were almost one thousand new hotel rooms being planned or built in Q3 2019. According to data from Statistics Poland, there were 33 classified hotels operating in Łódź in 2018, offering accommodation for almost as many as 6 thousand people in over 3.2 thousand rooms.

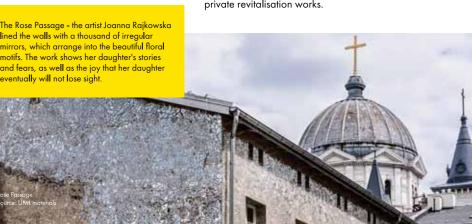
Despite this boom, the city is still waiting for its first five-star hotel. It is likely that the legendary Grand Hotel, which is currently undergoing the initial phase of modernisation works, will be the first one to achieve such a status. The modernisation works are an investment implemented by the Likus brothers, whose portfolio also includes such revitalised five-star establishments as Hotel Warszawa in Warsaw, Hotel Monopol in Katowice, and Vitkac, a luxury department store in Warsaw. Apart from improving the hotel's standard, the works will probably also involve increasing the number of rooms from 160 to 220. The precise scope of modernisation works is, however, unknown. Hotel Grand suspended bookings, and the hotel's exterior became



surrounded by scaffolding. It is likely that the renovation plans have not changed. and the investment will involve the construction of a swimming pool, a two-floor underground parking lot, and a glass roof above the hotel courtyard; and comprehensive modernisation works on hotel apartments. All of these works will be carried out with a view to ensuring that the hotel is granted the status of a five-star

The Rose Passage - the artist Joanna Rajkowska lined the walls with a thousand of irregular mirrors, which arrange into the beautiful floral motifs. The work shows her daughter's stories and fears, as well as the joy that her daughter eventually will not lose sight.

It is also expected that the currently revitalised Heinzel Palace in the Łagiewnicki Forest will also be awarded a five-star rating. Following the modernisation, the palace will offer 11 apartments in the heritage building, 34 apartments in a new building, and four floating apartments. The construction works on the complex will be carried out in several stages, starting at the end of 2020, and ending in autumn 2021. It is also yet another perfect example of private revitalisation works.



# HOTELS AND SELECTED HOTEL ESTABLISHMENTS IN ŁÓDŹ EXISTING AND PLANNED

Three-star hotels make up for almost a half of all hotels in Łódź. In turn, only a third of all hotel rooms on the Łódź hotel market have a rating of three stars - another third have a rating of four. Most hotels are located in the heart of the city, along main tourist routes. Apart from the classified hotels, there are many other accommodation establishments operating in the city, the diversity of which is becoming ever greater, with boutique hotels and aparthotels enjoying some popularity.

#### **EXISTING** HOTELS

TOURISM

21

10

(39)

23

5-star

3-star

2-star 1-star

Hotel establishment

#### UNDER CONSTRUCTION /PLANNED

5-star

4-star

3-star

#### NO. OF ROOMS











<100 100-200 200<

No.	Name	Date opened
01	Grand Hotel	(under reconstruction to 2020) 1888
02	Pałac Heinzla	b/c
03	Ambasador Centrum	2010
04	Andel's by Vienna House Łódź	2009
05ິ	DoubleTree by Hilton Łódź	2010
06	Holiday Inn	2011
07	Novotel Łódź Centrum	2012
80	Ambasador Premium	2013
09	Hotel Puro	2019
10	Hotel spółki Center	(under reconstruction) 1962
11	Borowiecki	2014
12	Campanile	2008
13	Focus	2007
14	Yuca	2003
15	Iness	2009
16	Qubus Łódź	2006
17	Reymont	1959
18	Swiatowit	1977
19	Tobaco	2013
20	Boutique Hotel's Milionowa	2010
21	Boutique Hotel's Rewolucji	2012
22	Boutique Hotel's Piłsudskiego	2013
23	Stare Kino	2013
24	Arche Kaliska	2021
25	Hotel spółki Legs	2019
26	Hampton by Hilton	2020
27	Ambasador Chojny Łódź	(modernized in 2000) 1996
28	Flora	b/9
29	Mhotel	2009
30	Nobo	2011
31	Rubin	2011
32	Vigo	2014
33	Skarpa	2011
34	B&B Hotel	2016
35	lbis	2000
36	Mazowiecki	1972
37	Polonia Palast	1912
38	Savoy	1911
39	Boutique Hotel's Stefanowskiego	2011
40	Agat	2003
41 42	Daria Eskulan	1984 1989
	Eskulap	1989
43 44	Alicja Boss	1998
44 45	Nu	2011
46	Abton	2018
70	Abioli	2016



According to data from Statistics Poland. 1.35 million people availed themselves of accommodation services in the łódzkie voivodeship in 2018, which is a 3.3 percent increase compared to 2017. This figure includes almost as many as 195 thousand foreign visitors (compared to 190 thousand in 2017) The largest share of visitors, i.e. almost 620 thousand tourists stayed in the city of Łódź (an increase of close to 5 percent compared to 2017). This means that tourists visiting the capital city of the voivodeship constituted 45.8 percent of all tourists.

### Selected cities with poviat rights, according to the dynamics of the number of overnight stays in 2018 as compared with 2017, based on data from Statistics Poland (GUS) (by growth dynamics)

Warsaw and cities with poviat rights	   Voivodeship 	Overnight stays (in thousand)	Overnight stays in 2018 against 2017 (in %)	Overnight stays per 1,000 inhabitants (as at 30 June 2018)
Katowice	śląskie	796.7	117,8	2,696.7
łódź	łódzkie	1,166.3	116.3	1,696.0
Gdańsk	pomorskie	2,616.3	108.0	5,628.6
Kraków	małopolskie	5,579.3	105.9	7,250.5
Sopot	pomorskie	831.0	105.0	22,874.3
Wrocław	dolnośląskie	2,049.3	104.4	3,205.8
Warsaw	mazowieckie	6,383.6	103.6	3,607.5
Poznań	wielkopolskie	1,484.1	103.2	2,760.3
Szczecin	   zachodniopomorskie 	925.4	98.5	2,294.7

When analysing the data on overnight stays in the largest cities with poviat rights and poviats in Poland, leaving aside the places that are attractive to tourists due to their landscape features, such as Pomerania or the Tatra Mountains, the most popular cities are Warsaw, Kraków, Wrocław, Poznań and Łódź, with 1.2 million overnight stays in 2018. Among them, Łódź is characterised by the highest increase in the number of overnight visitors to the city (over 16 percent YoY). The data for Katowice and Poznań are especially interesting – with a similar ratio of the number of nights spent in hotels per population (approx. 2,700 per 1,000 inhabitants), the absolute value for Poznań is nearly twice as high (almost 800 thousand for Katowice vs. almost 1.5 million for Poznań). However, one can see that with 1,700 overnight stays per 1,000 inhabitants, Łódź still has a large potential to arow.



The Łódź Tourist Organisation estimates that over one million tourists visited Łódź in 2018 .

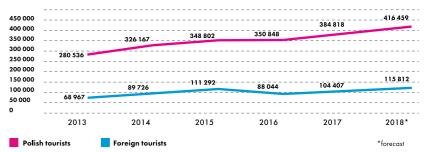
The exceptional results for 2018 and H1 2019 point to a positive trend in this respect. The number of visits to the city tourist information centre in itself testifies to the growing interest in Łódź among tourists – 6 thousand people searched for information there in 2019, which is twice as many as in the previous year.

Examining this data in view of the tourist traffic development predictions and the growing interest of foreign media in Łódź allows for very optimistic forecasts of demand for hotel services.

The average occupancy rate in Łódź hotels between January and October 2018 reached 63.1 percent, it being the best result for the past several years. The average price per room in that period was PLN 210.4 (with the average annual growth in the examined period at the level of 1.7 percent), which, taking account of the occupancy rate indicated above, translates into PLN 132.7 of revenue per hotel room. Nonetheless, the increase in the occupancy has not directly led to a rise in prices. In 2015 the average prices dropped when compared with the previous year, with a simultaneous increase in the occupancy rate. In the Łódź market, there is a potential for growth in terms of both moderate occupancy and the average prices. Unquestionably, the new office building investment projects and gradual revitalization that stimulates the tourist traffic are bound to act as powerful drivers for the growth of the market.

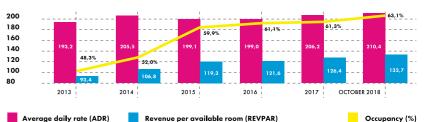
#### Number of guests in hotels in Łódź over the years 2013-2018



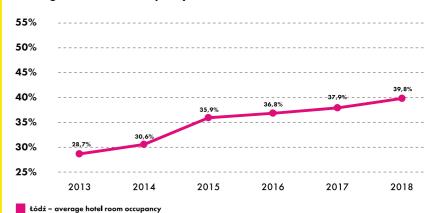


#### Basic operational parameters of hotels in Łódź in the years 2013-2018 (PLN)

urce: Walter Herz based on STR Global



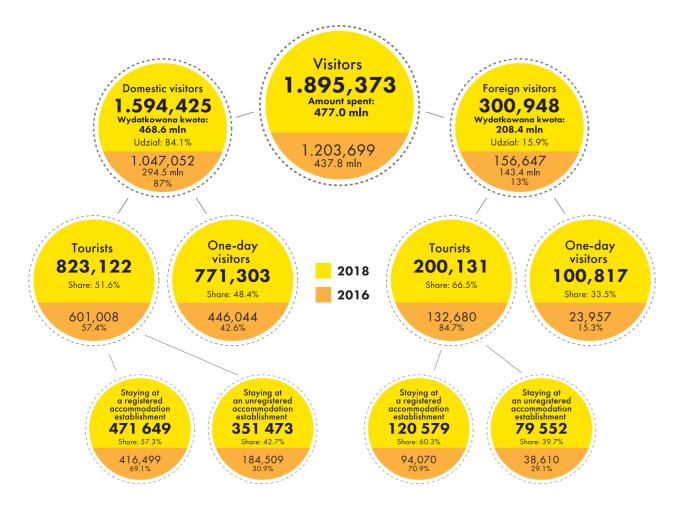
#### Average hotel room occupancy – data from Statistics Poland



TOURISM

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#### The structure of tourist traffic in Łódź and amounts spent in 2018 and 2016



Source: Drafted based on data from the Statistical Office in Łódź and the "Tourist traffic in Łódź and the Łódź Region in 2018" report.

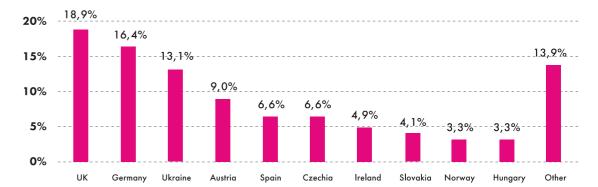
T O U R I S M

The Marshall's Office of the Łódź Voivodeship commissioned a study of tourist traffic in Łódź in 2018. In 2018 the city welcomed almost 60 percent more visitors in total than in 2016, and almost twice as many foreign visitors as in 2016. In total, Łódź was visited by almost 2 million people, with tourists accounting for just over a half of that figure. The rest visited the city for only one day. Over 10 percent of the total number of visitors were foreign tourists.

People visiting Łódź spent PLN 677 million in the city, which constitutes an increase of almost 50 percent compared to the figure from two years earlier (almost PLN 438 million).

In 2018, a large majority of the study's respondents (almost 90 percent) were foreign visitors. The foreign visitors who took part in the study came from a total of 19 countries, with most of them coming from the United Kingdom (almost one-fifth of all respondents), Germany (over 16 percent), and the Ukraine (just over 13 percent).

#### 2018 study participants (foreign visitors), by country of residence, in 2018



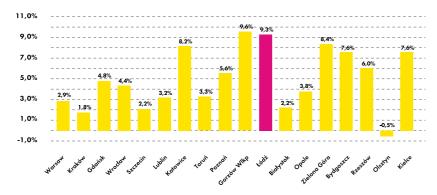
Source: Own elaboration based on research concerning tourist traffic in Łódź and the Łódź region in 2018



TOURISM

Considering the accumulated increase in occupancy rates of hotels in Łódź and other voivodeship cities in 2013-2017, one may conclude that the occupancy has improved significantly. This progress has been driven inter alia, by the better quality of hotels and the new investment projects (including those linked with revitalization) that enhance the cities' appeal to tourists. The fact that Łódź is promoted as a great city for people to live, work and play is not insignificant either.

## Compound annual growth rate in the hotel occupancy in voivodship cities in the years 2013-2017 Source: Walter Herz based on Statistics Poland



The Łódź hotel market offers diversified standards. The best hotels have been awarded four stars, and they are all relatively new. On the other hand, 3-star hotels are often older and in some cases require refurbishment. Hence, a revolution is to be expected in this market, as some of the older, run-down hotels either will be renovated or may disappear altogether, to be replaced by aparthotels and boutique-style hotels that mainly develop in the city centre.

# Apartments to rent

The analysis of the short-term rental market in Łódź shows that there are 306 places to stay available at Airbnb, 153 of which are offered by superhosts (experienced hosts who provide a shining example for other hosts, and extraordinary comfort for their guests). Booking.com, in turn, features 280 establishments available in total. 59 are classified by the portal as "hotels". A vast majority of those establishments (197) are apartments for short-term rentals. 115 have been reviewed as "wonderful", given their guest review scores of 9+ (on a scale of 1 to 10).

Analysing the Polish market of condo hotels and aparthotels, one can see that it

performs very strongly. Despite a slowdown, market reports are pointing to a 36-percent growth YoY in 2019. The current supply of condo units in large Polish cities is estimated at around 11.2 thousand in 60 different establishments which are at various stages of completion (including those already commissioned). The scale of the short-term rental market in Poland is, however, currently difficult to assess due to the lack of reliable and comprehensive studies which would factor in agaregate data concerning flats rented per day. Booking platforms would show the most complete picture of the situation, with Booking.com and Airbnb as the largest and most popular websites. These, however, do not share such data.

#### TOURISM

#### Listings at Booking.com (October 2019)

ource:	De	oitte	ana	ysis	
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As at 1 October 2019	Łódź	Poznań 	Wrocław 	Gdańsk 	Warszaw	   Katowice 
Number of establishments, including:	280	806	868	2 192	3 411	309
- hotels	59	96 	99	79 	150	37
- apartments, including:	197	608	690	1 912	2 987	247
those reviewed as "wonderful"	115	38 <i>7</i>	351 	1 098 	1 302	   150 

#### The number of listings at Airbnb as at October 2019 (based on airdna.co)

As at 2 October 2019	Łódź	   Poznań	   Wrocław	   Gdańsk	   Warszaw	   Katowice
Q2 2019	569	1 574	2 394	4 080	8712	1 041
Q2 2018	335	992	2 128	3 197	6 828	391
Q2 2017	278	730	1 484	2 307	4 955	235
Q2 2016	164	398	492	l 1317	2 715	73
ADR (PLN)	161	201	213	261	217	261
Average occupancy rate (2019)	59 %	55 %	74 %	67 %	65 %	45 %

The number of listings at Airbnb has been dynamically growing over the past few years. Just to compare Q2 2018 with Q2 2019, we can observe a growth of almost 70 percent . If one compares the data from the platform for Łódź with those for other large urban areas in Poland, one can see that there does exist a growth potential for the average daily rate, or ADR (PLN 161 in Łódź vs PLN 261 in Katowice), and for the number of places to stay, too (569 in Łódź vs 1,041 in Katowice for Q2 2019).

Considering the situation on the short-term rental market in Łódź, and comparing it to

other Polish cities, one can see that the growth potential in this segment is considerable, and that Łódź substantially stands out as regards the number of listings from such cities as Poznań or Wrocław. Given the city's modest number of hotels with relatively high occupancy rates, and the relatively modest number of apartments for short-term rental, one can conclude that the market would allow for a continued expansion of the offering in this respect.

Based on the market analysis carried out by the Digital Economy Lab of the University of Warsaw in August 2019 for Airbnb listings in Warsaw, one can claim that it is the "professional hosts" (those who offer four places to stay at the same time or more) that dominate the market in Warsaw. Their listings constituted 57 percent of the listings analysed. Those hosts who have only one place to stay constituted around a quarter of the supply of places to stay in 2018. Five percent of the most active hosts (i.e. around 200 of them) were responsible for half of the bookings and 60 percent of all revenues.

T O U R I S M

The comparative analysis of the hotels and Airbnb apartments shows that hotels are more expensive if they are located in the heart of the city (with prices higher by around 80 percent compared to Airbnb listings), whereas their rates are more affordable compared to Airbnb listings if they are located outside the city centre. At the same time, hotels offer greater discounts when there are more apartments available in their vicinity, which shows that the hotel sector does react to competition that arises. The report also shows that around 40 percent of flats available via Airbnb in the heart of Warsaw earn more than they would if they were to be traditionally rented for a period of one year. This figure rises to over 60 percent with respect to hosts that have four places to stay or more.

The results of the analysis of the Warsaw Airbnb market provide what will also be the direction of development for the short-term rental market in Łódź. Given the greater interest of tourists in the city, and the growing number of people migrating to it, there is a growth potential for those hosts and entities who offer establishments for short-term rental. This type of rental provides them with a larger return on investment than long-term rental. Furthermore, the greater the scale of their activities, the greater the return.

The report also points to the fact that the short-term rental market requires statutory regulations, which would take into account the autonomy of individual cities, and allow them to conduct their own policies as regards tourism and the housing market.

The apartment rental market fits into the market trend of searching for an experience of a "unique" stay. A stay in a historic building with a fascinating history or in a tree house is a great time compared to a stay at a normal chain hotel. Tourists also appreciate the apartment owners' efforts to ensure that their stay is successful. This, in turn, stems from i.a. couchsurfing, i.e. the practice of offering, and searching for, gratuitous overnight accommodation in one's private home or flat. Couchsurfing is

currently on another level, with hosts offering their residences on an exclusive basis, as well as helping their guests to find new ways to spend time in the city and showing them the best that the city has to offer when it comes to entertainment.

# Affordable private dormitories

Apartments offered for rental by individual investors in Łódź are complemented by the places to stay in the ever growing number of private university dormitories. There are more and more foreign students studying in the city - there were 2.6 thousand of them in the 2017/18 academic year, together with over 500 more that have come to the city as part of international student exchange programmes. Łódź universities can accommodate over 8 thousand people in their dormitories. The dormitories themselves are of various standards, and private investors have started noticing the potential to accommodate this group of people. The first private dormitory in Łódź, Salsa, was opened in 2015. It has 267 rooms, and average monthly rental prices at PLN 1,260-1,950 for a studio, 500 more student apartments were added to this tally with the establishment of BaseCamp in 2017, a dormitory impressively repurposed from the former building of the Printing House of Łódź, developed by an investor that has heretofore been operating on the Danish and the German market.

Łódź is among Poland's five largest academic centres, with foreign students constituting around 5 out of a total of 76 thousand students at Łódź universities. Polish universities are striving to make their educational offering more appealing, and to attract more foreign students. It will be no different for Łódź. This opens up new opportunities for investors in the sector of Purpose-Built Student Accommodation.

The market in Łódź also features tenement houses converted into aparthotels or apartments for short-term or medium-term rental. There are currently at least a few such establishments in Łódź, and more are being planned:

#### Good Time Łódzki Historyczny Kompleks Apartamentowy at 120 Piotrkowska Street

offers cosy studios and apartments in the spirit of Łódź residences, together with vintage lofts in the attic of one of the Łódź tenement houses. The building has a façade and two wings in the courtyard. The establishment is a family-owned business.



Aparts B&B

is an aparthotel by RR Office, located in a refurbished historic building at 46 Żeligowskiego Street. It has 22 apartments on offer, which can also be rented for a longer time.



#### Łódź 55

located in a historic tenement house at 55 Piotrkowska Street, has 11 rooms and apartments for rental on offer.



#### Arche Łódź Residence

Completed at the end of 2018 and situated at 11 Matejki Street, offers units sold within a condominium. The building houses 223 apartments with floor areas from 29 to 89 sq. m. The Arche Group is also preparing another establishment in the city, the traditional Hotel Kaliska.



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Given the current trends, one can expect that there will be an increase in the activity of professional companies operating on the rental market (i.e. investors and rental administrators), and new establishments will arise that will combine the advantages of hotels and private flats.

The relatively low prices on the residential market compared to other Polish urban areas mean that the return rates on investment with respect to apartments for rental are more appealing than those in Warsaw, Gdańsk or Kraków. Łódź is a leader in this respect. According to data from Expander and Renter.io, the most popular small units at up to 35 sq. m enjoy a gross return on investment of 9.6 percent (for traditional annual rental throughout 12 months in a year) and of 8.6 percent if they are rented for 11 out of 12 months. This shows that the outlook for both the short-term and the long-term rental market in the city is very promising.

## Rental cost and return on investment in flats acc. to Expander and Renter.io in Q2 2019 for flats below 35 sq. m in selected urban areas

City	Average flat rental cost  (PLN / sq. m, discounting utility charges and administrative fees)	Return on investment for rental throughout 12 months	Return on investment for rental throughout 11 months
Łódź	45 	9.6 percent	8.6 percent
Katowice	43 	7.9 percent	7.2 percent
Wrocław	57 I	7.5 percent	6.8 percent
Warsaw	   66	7.1 percent	6.4 percent
Kraków	52 I	6.6 percent	6.0 percent
Gdańsk	55 	6.8 percent	6.1 percent
Poznań	<b>44</b> 	6.7 percent	6.0 percent

TOURISM TOURISM

#### New trends in the overnight stay market

## Short-term rental via Internet platforms

Renting flats and apartments for short periods is an increasingly more popular alternative to using hotel services. From the investors' point of the view, it is a good capital investment, given the development of the market tourism-wise and business-wise. What helps those places stand out from other competitor establishments, gain good reviews, and enjoy high occupancy rates, are attractive locations, high standards, and additional amenities similar to what hotels have on offer.

From the visitors' point of view, renting apartments via platforms is an appealing option for business travellers, families travelling with children, and larger groups of friends, all of whom appreciate it when their stay is convenient and unique.

## Hotels located in office quarters

It is more and more often the case that hotel establishments in Poland are not only located close to the main tourist points of interest or transfer points (airports). They are also located around what are strictly office buildings (see e.g. the Four Points Sheraton in Warsaw's Slużewiec district). The proximity of the workplace for business travellers is becoming ever more important. Some establishments even go a step further. Varso, an investment currently implemented by HB Reavis in Warsaw will combine offices and a four-star NYX hotel.

#### Condo hotels – apartments with service

From the visitors' point of view, condo hotels function just like any other hotel, offering the typical services and amenities in the segment. However, in this case, almost every single one of the individual condo units belongs to a private investor.

Such establishments are most often seen in resorts, be they by the sea or in the mountains, but they can also be seen in large urban areas.

#### Two hotel brands in one establishment – an offer for everyone

One of the new ideas is to combine two hotel brands within one establishment, which allows for offering various hospitality standards to the guests. This idea is exemplified by Kyriad and Première Classe by Louvre Hotels planned in Katowice. The Group aims at continuing its expansion within the Polish market.

Another example by this chain of hotels is the establishment in Warsaw at 2 Towarowa Street. It houses Campanille, a three-star hotel; Première Classe, a one-star hotel; and Golden Tulip, a four-star hotel.

#### Co-living

Co-living is an alternative to buying and owning a flat, and an answer to the changing housing needs. Buildings designed for co-living have extended shared areas adapted for the needs of a specific group of people (e.g. for singles or families with children), and flats offered solely for rental.

#### Development of private dormitories

Given the growing expectations of students, dormitories that offer higher hospitality standards attract more and more attention. Projects implemented by private investors combine convenience and an atmosphere of student life.

#### Flexible housing

Flexible housing involves compact apartments designed in such a way that

allows for exploiting the space as best as possible, and adapting it to the needs of the tenants throughout the various stages of their lives. Given the various groups of people interested in such an offering, interesting design solutions in such flats prove themselves just right.

#### Couchsurfing

Travellers who search for budget solutions turn to the ever popular practice of couchsurfing, which allows them to stay at the residents of the foreign countries they visit. Hosts offer the stays for free.

The idea of couchsurfing is based on getting to know the local life of the place, without all the tourist atmosphere. The practice, which already began some time ago, is still attracting new followers.

#### Personalising experience

This trend is especially visible in hotels that offer higher hospitality standards. The aim is to surprise the visitors with even the smallest gestures of the hotel staff. This makes for nice memories, and has an impact on the visitors' attachment to the hotel brand.

## Boutique hotels, lifestyle establishments

New niches on the hotel market are oriented towards those who are bored with the standard offerings of popular hotels.

The answer to those visitors' ennui are boutique hotels, which offer up to several dozen rooms of varying hospitality standards. It is often the case that these establishments are located in historic buildings, and exploit those buildings' unique and unconventional nature.

In turn, lifestyle establishments, i.e. brands which incorporate new technologies and services oriented towards the young, have a different kind of establishments on offer. Examples of lifestyle chains include Puro and Sound Garden.

#### Summary

Łódź still holds an incredible growth potential. With the growing tourist traffic and what is still a small number of hotels and apartment listings compared to other Polish urban areas, there is a chance to introduce new establishments into the market, especially such that fit into the current trends. What is a testament to this fact, is the success of platforms that offer apartments to rent, such as Airbnb or Booking.com The growing number of stays (a 16 percent increase between 2017 and 2018) shows that Łódź is currently one of the most dynamically developing tourist markets in Poland. What can also be observed, is the growing number of units offered for short-term rental via Internet platforms. One can expect that the growth dynamics at over a dozen percent per year are a realistic indicator of the growth of the tourism market in Łódź. This points to a considerable potential and space for new and profitable investments.

Investors are also interested in such niche assets as dormitories and aparthotels adapted to certain groups of people (e.g. based on co-living). The advantage of the Łódź real estate market, including the hotel market, lies in the high supply of investment areas, and in the possibility of repurposing the existing buildings through e.g. revitalisation. In this context, it is also worth mentioning that Łódź has a large supply of perfectly situated tenement houses which may be converted into such establishments as boutique hotels, aparthotels or co-living spaces intended for medium-term and long-term rental.

The demographic trends, including the influx of immigrants into Poland and the growing number of foreign students, are favourable factors for owners of flats intended for rental. The changes in the preferences of the adolescents are also not without importance. It is increasingly more often the case that they choose rentals in favour of ownership, as this gives them mobility. At the same time, their expectations include high standards, both as

regards the finishes, as well as the household equipment. Rental, as a form of occupancy, is also promoted by Poland's government, i.a. through the Mieszkanie Plus programme, which also leads to people perceiving rental better, and there being less pressure to buy flats. This trend is also supported by the growing mobility of Poles which is related e.g. to the labour market. However, there is a potential risk for the development of the market, which lies in increasing control over it through attempts to regulate short-term rentals. The industry experts say that Łódź, Gdańsk and Wrocław are the three cities with the largest growth potential when it comes to the hotel market. There is still some place in the city for new establishments, be they traditional or more modern ways to stay or live in the city. Source: UMŁ materials

# LABOUR MARKES RESEARCH CHAPTER FIVE

Surveys were carried out concerning the propensity to return to Łódź among people who had studied but no longer lived there. The research was conducted through the LinkedIn portal and in-depth interviews, and it covered almost 160 people aged 35 or less.

The motivations to work in Warsaw were examined on the basis of a direct questionnaire given to those travelling on PKP trains from Łódź to Warsaw. The said questionnaire was administered on working days, in the

The research made it possible to obtain information about the motivations driving people to take up employment in a specific city and their familiarity with the current labour market in Łódź.

The results of both surveys indicate

that campaigns aimed to raise the

awareness of the scale of changes

that have taken place in Łódź over

the recent years are likely to

transform the perception of the city

among potential employees.

64 percent of those not living in Łódź claimed to be open to the possibility of taking up employment in

> Two thirds of the respondents reported that they were considering giving up commuting and accepting a job in Łódź, while almost half of them claimed to have been looking for a job in the city recently.

Commuters to Warsaw represent various industries - they are mainly employed in the sector of finance, consulting, law, advertising (people working in those sectors constituted 40 percent of the survey participants), culture & arts, and in companies from the medical and related sectors (over 20 percent in total).

One third of the respondents believe that the costs of living in Warsaw are relatively higher when compared with their salaries. Surprisingly, as much as 37 percent are of the opinion that such costs are relatively higher in Łódź than in Warsaw.

45 percent of people who used to live in Łodź have no knowledge about the urban area revitalisation programme, but as many as 5 percent believe that investments of that kind may entice people back to the city.

Only 35 percent of the commuters are considering the possibility of moving to Warsaw on a permanent basis, but if the train travel time were to increase by 30 minutes, as many as 73 percent of the respondents would stop commuting. 31 percent mentioned that they were searching for a job in Łódź, 41 percent in Warsaw.

Results of the questionnaire conducted among people living outside of Łódź

Considering the proximity to Warsaw and its high economic development, many ex-residents of Łódź have moved permanently to the capital. As it was hard to find good jobs in Łódź for years, many have also relocated to other cities.

Today, the representatives of the group aged 35 or less are most likely to return to Łódź because of their increased mobility and natural fondness for the hometown. Hence, further development of the labour market in Łódź may make it attractive for Łódź-born people currently living in Warsaw who may become a potential resource of human capital

The objective of the surveys was to determine the chances that the people who used to live and study in Łódź and now work in a different city, would decide to return to Łódź. The crucial matter was whether the ex-residents of Łódź would be willing to resettle in the city, should the appropriate job offer come up. The questionnaire also checked the respondents' awareness of the changes that have been taking place in Łódź.

LABOUR MARKET RESEARCH

Where do you currently live?	
Warsaw	48 percent
Other	29 percent
Poznań	7 percent
Wrocław	4 percent
Częstochowa	3 percent
Katowice	2 percent
Kraków	2 percent
Trójmiasto	2 percent
Kielce	l 1 percent
Olsztyn	1 percent
Opole	1 percent
Toruń	1 percent

\*The results have been rounded

The capital, being the most developed city in Poland, has drawn almost half of the respondents. Its attractiveness results from the highest level of salaries in Poland and the short distance between the two cities. With 7 percent share, Poznań comes second, while the remaining respondents are very dispersed.

How often do you visit Łódź?*	
At least once a week	19 percent
Several times a month	22 percent
Several times a year	43 percent
Once every few years	17 percent

\*The results have been rounded.

Quite a few still have strong connections with Łódź - as many as 19 percent of respondents visit Łódź at least once a week, another 22 percent - several times a month. Indisputably, good transport connections significantly affect the frequency of visits to the city.

At which university did you study?*	
University of Łódź	51 percent
Łódź University of Technology	40 percent
University of Social Sciences in Łódź	2 percent
Medical University of Łódź	2 percent
University of Computer Sciences and Skills in Łódź	2 percent
University of Humanities and Economics in Łódź	1 percent
Strzemiński Academy of Fine Arts in Łódź	1 percent
Academy of Business and Health Sciences	1 percent
Łódź International Studies Academy	1 percent

\*The results have been rounded.

The University of Łódź and the University of Technology in Łódź are two most popular universities in the city, their graduates together constituting 91 percent of the surveyed respondents. Both these universities offer courses of studies tailored to the needs of the current labour market - as a consequence their graduates easily find employment in such sectors as SSC, BPO, IT, finance, manufacturing or industry.

# Interest in finding employment in Łódź

The majority of the respondents would be open to the possibility of taking up employment in Łódź (64 percent). Many of them even attempted to look for a job in the city over the previous year (43 percent), but without success. Undertaking specific types of investment in the city, especially in the area of new technologies, finance, FMCG, the automotive sector and industrial manufacturing, would help broaden the job offer.

LABOUR MARKET RESEARCH

Would you be interested in taking a job in Łódź?	
Definitely yes	31 percent
Probably yes	33 percent
Unsure	15 percent
Probably not	13 percent
Definitely not	8 percent
	ı

Have you been looking for a job in Łódź over the past year?	
Yes	43 percent
No	57 percent

#### Good offer terms

Despite the above, for many respondents, the salary is the main reason that could persuade them to return to Łódź. Only 5 percent of respondents declare that they would accept a lower salary, and every third respondent - a salary that would be similar to the present one. The expectations depend on the remuneration received now and most often range from PLN 8 to PLN 15 thousand gross.

To make it possible for employees to return to Łódź, it is necessary to organize the appropriate promotional actions and offer suitable jobs. An effective information campaign may prove especially significant, because today salaries in BPO, SSC and IT sectors do not differ from those offered in other cities or in Warsaw itself, whereas the costs of living in Łódź are generally lower.

Many of the respondents are not aware that the purchasing power of the same amount of money in Łódź is statistically almost twice as high, e.g. when buying or renting an apartment.

What minimum salary would make you decide to consider a job offer in Łódź, if it were attractive in terms of career prospects?	
Definitely higher than the current salary	42 percent
Slightly higher than the current salary	22 percent
Similar to the current salary	31 percent
Even slightly lower than the current salary	5 percent

At the same time however, a large group of respondents (44 percent) were not able to compare the purchasing power of their salary in the current place of residence to the Łódź market, which also confirms that there is insufficient information about the costs associated with the purchase or rent of an apartment in Łódź (in this case, every third respondent overstated the prices).

What range of gross monthly salary would you find attractive when considering a job offer in Łódź?	
PLN 3,501 -5,000	   8 percent
PLN 5,001 - 8,000	13 percent
PLN 8,001 - 15,000	42 percent
More than PLN 15,000	37 percent

It needs to be pointed out that the level of salaries currently offered to specialists such as: project leaders, team leaders and C-suite in the sector of SSC, BPO and IT to a large extent meets the financial expectations of the majority of the respondents.

LABOUR MARKET RESEARCH

How do you assess the purchasing power of your salary in relation to the costs of living in Łódź as compared with the costs of living in your current place of residence?	
Definitely higher	12 percent
Probably higher	24 percent
Unsure	44 percent
Probably lower	14 percent
Definitely lower	6 percent

The majority of respondents correctly estimated the costs linked with the purchase or rent of an apartment in Łódź and it needs to be noted that such prices in Łódź are currently among the lowest in Poland, which translates into greater opportunities to buy or rent an attractive apartment and increase the standard of living.

In your opinion, what is the average price per sq. m of apartment space in Łódź?	
Less than PLN 4,000	6 percent
PLN 4,000 - 5,500	49 percent
PLN 5,501 - 7,000	40 percent
PLN 7,001 - 8,500	4 percent
More than PLN 8,500	1 percent

How would you rate the pay gap between your current place of residence and Łódź?	
Salaries in Łódź are higher by at least 30 percent or more	4 percent
Salaries in Łódź are higher by approx. 20 percent	6 percent
Salaries in Łódź are higher by approx. 10 percent	5 percent
Salaries in Łódź are similar	15 percent
Salaries in Łódź are lower by approx. 10 percent	111 percent
Salaries in Łódź are lower by approx. 20 percent	19 percent
Salaries in Łódź are lower by approx. 30 percent or more	41 percent

	Nearly 41 perc
	that salaries in
	30 percent or n
	rences are sma
	IT or even BPO
t	result may indi
t	activities to info
t	many interesti
	financial terms
t	

*The results have been rou	unded.
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In your opinion, what is the average price of renting a 38 - 60 sq. m apartment in Łódź?	
Less than PLN 1,500	10 percent
PLN 1,501 - 2,000	56 percent
PLN 2,001 - 2,500	26 percent
PLN 2,501 - 3000	6 percent
More than PLN 3,000 *The results have been rounded.	1 percent

cent of respondents reported Łódź are on average lower by nore. Nonetheless, the diffeıller in certain sectors, such as /SSC, and the above survey icate the need for marketing orm the public that there are ng job offers in Łódź, also in

#### Knowledge about the changes taking place in Łódź

LABOUR MARKET RESEARCH

The majority of the survey participants do not realize that many changes have been occurring in the city. The above holds true about the urban area revitalisation, the organisation of 2024 Horticultural EXPO and the New Centre of Łódź undertaking. The percentage of people who declare to have been following the progress of these initiatives does not exceed a dozen or so percent. Over 60 percent of our respondents are not familiar with the companies headquartered in the New Centre of Łódź.

Do you have any knowledge about the progress of the Łódź City Centre Revitalization Programme?	
Definitely yes - I am following the progress of the Programme	14 percent
Generally yes - I have a general idea about it	41 percent
I have no knowledge about it	45 percent
Do you have any knowledge about the organization of 2024 Horticultural EX	PO?
Do you have any knowledge about the organization of 2024 Horticultural EX  Definitely yes – I am following the progress of the event organizatio	ı
Do you have any knowledge about the organization of 2024 Horticultural EX  Definitely yes - I am following the progress of the event organizatio  Generally yes - I have a general idea about it	ı

The majority of the people who are aware of the changes taking place in Łódź believe that they might constitute a factor encouraging them to come back to Łódź. Green investments and 2024 EXPO are not the only initiatives that significantly impact the quality of urban areas and standards of living in the city. Nonetheless, they may also be used to promote the city as a place that is friendly to residents, which is one of the crucial criteria to consider when choosing a place to live, work and raise a family.

Do you have any knowledge about the New Centre of Łódź undertakin; and the investments and business conducted there?	9,
Definitely yes - I am following the progress of the project	111 percent
Generally yes - I have a general idea about it	47 percent
I have no knowledge about it	42 percent

Promoting the companies seated in the new centre of Łódź should be seen as the mainstay of all activities aimed at bringing people back to Łódź.

From the viewpoint of a job seeker, the character and reputation of employers, the competences sought, the scope of services and the remuneration offered constitute the most basic information.

Do you think that 2024 EXPO and other green investments can serve as an incentive for people to return to Łódź?	
Definitely yes	10 percent
Probably yes	32 percent
Unsure	36 percent
Probably not	16 percent
Definitely not	6 percent

Do you know anything about the companies located in the New Centre of Łódź?	
Definitely yes - I know most of the companies seated there	3 percent
Generally yes - I know some of the companies seated there	32 percent
I have no knowledge about them	65 percent

Do you think that the urban area revitalisation project can serve as an incentive for people to return to Łódź?	
Definitely yes	1 18 percent
Probably yes	39 percent
Unsure	25 percent
Probably not	13 percent
Definitely not	6 percent

Changes in the city structure and its infrastructure investments are part of large-scale Łódź city centre revitalisation activities.

They directly contribute to the creation of new jobs, e.g. within the building construction sector, and the improvement of the quality of the urban environment and the services offered.

Do you have any knowledge about the unemployment rate in Łódź? If so, what is it in your opinion?	
Below 3 percent	4 percent
3.1 - 6.0 percent	37 percent
6.1 - 10.0 percent	20 percent
More than 10 percent	2 percent
I have no knowledge about it	37 percent

At least 22 percent of respondents overstate the city's unemployment rate.

# Recommendations in the context of profiling an advertising campaign targeted at the surveyed group

- Those who have studied but no longer live in Łódź do not exclude the possibility of returning there. It is recommended to address attractive job offers to people from that group. They should be informed about the projects undertaken in the city (such as the New City Centre of Łódź project, the urban revitalisation programme and 2024 EXPO), the businesses operating there, the earnings and the costs of living, e.g. the price ranges to expect if one wants to purchase or rent an apartment.
- When preparing online promotional and advertising campaigns, the target group should be defined as graduates of Łódź universities, especially the University of Łódź and the Technical University of Łódź (Linkedln), or people who are interested in Łódź's transformations (e.g. targeting campaigns at appropriate groups on social networking sites). If traditional marketing activities are to be undertaken, it is worthwhile to focus on the Warsaw market.
- When planning promotional strategies it also needs to be kept in mind that the pay is a key parameter for our respondents. Hence, the advertising campaign should concentrate on the lower costs of living in tódź please note that many survey respondents tended to overestimate, e.g. the prices of apartments (both to be rented and to be purchased).
- Another crucial issue is the focus on the changes for the better which are currently taking place in the city.

#### Methodology

The survey was carried out using CAWI methodology, over the period: 12.09.2019 - 26.09.2019, on a sample of 156 respondents meeting all the following criteria: 1) currently not living in Łódź; 2) used to study in Łódź; 3) working; 4) under 35 years of age.

#### Results of the survey carried out on PKP trains

A similar analysis was conducted with the participation of people domiciled in Łódź and commuting to Warsaw every day. The survey involved direct interviews conducted on Łódź-Warsaw trains running on working days, in the morning. An important issue was to check what compensated for the difficulties associated with travelling to and fro another city on a daily basis. The survey took into account the impact of the possible increase in commuting costs and travel time on the respondents' presence on the labour market.

On the basis of the questionnaire given to a sample of 204 people working in Warsaw and living in Łódź, the market of commuters to Warsaw was examined. The largest groups were people aged 36-50 (45 percent), and 26-35 (slightly over 40 percent). 75 percent of respondents were in a relationship, less than 20 percent were single and uninvolved. A vast majority (over 90 percent) worked for companies, less than 10 percent ran their own business or acted as freelancers.

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Age groups	
18-25 years	4.9 percent
26-35 years	40.7 percent
36-50 years	45.1 percent
51 years old and older	9.3 percent

According to the survey data, the salaries of almost 70 percent of the respondents fall within the range of PLN 5-15 thousand gross, where approx. 40 percent earn more than PLN 8 thousand gross. It needs to be pointed out though that a salary is not an easy topic for conversation nearly 13 percent of our respondents refused to answer the question about the earnings.

Professional status	
Sole proprietorship/freelancer	9.3 percent
Employee	90.7 percent

6.9 percent

75 percent

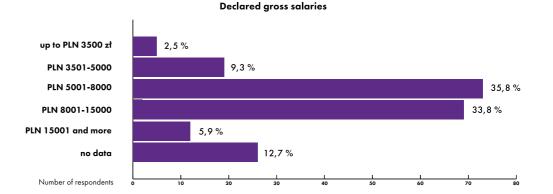
18.1 percent

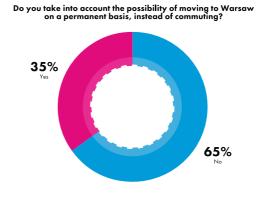
Personal situation

No data

in a relationship

sinale





35 percent of our respondents are considering the possibility of moving to Warsaw on a permanent basis. If the costs of commuting were to go up, a similar percentage would be ready to change their place of residence (approx. another 35 percent). Only a relatively small group of people (less than 17 percent) would then start looking for a job in Łódź. Therefore, it appears that the cost of commuting to Warsaw is of secondary importance for many of the respondents. The travel time is much more crucial and if it were to increase, the respondents would move to Warsaw (42 percent) or look for a job in Łódź (32 percent).

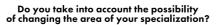
How would you react to a possible increase in travel costs (e.g. by PLN 200 per month)?	
No answer	1.0 percent
It does not matter	43.1 percent
I would start looking for a job in Łódź	16.7 percent
I would start looking for a job in Łódź / would stop working	1.5 percent
I take into account the possibility of moving to Warsaw	35.3 percent
I would stop working	2.5 percent

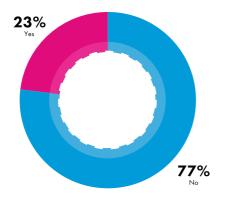
How would you react to a possible increase in travel time (e.g. by 30 minutes one way)?	
No answer	1.0 percent
It does not matter	20.6 percent
I would start looking for a job in Łódź	31.4 percent
I would start looking for a job in Łódź / would stop working	1.0 percent
I take into account the possibility of moving to Warsaw	41.1 percent
I would stop working	4.9 percent

Which industry do you work in?	
Shared Services Centres / Business Process Outsourcing	5.9 percent
Advisory services/ consulting, law firms, advertising and PR agencies	17.1 percent
FMCG, pharmacy and retail	9.3 percent
Other	30.9 percent
Financial Institutions	15.7 percent
IT and Telecommunication	14.7 percent
Real property and building construction	1 percent
Industrial manufacturing, logistics, power industry, mining and quarrying	5.4 percent

The commuters work in various industries - the majority are employed by consulting companies or law firms, advertising and PR agencies (almost 20 percent), financial institutions (about 15 percent) or IT and telecommunication concerns (15 percent). Nonetheless, many other industries are also represented - as much as 31 percent stated that they worked in other sectors of economy than those listed above.

How long have you been commuting to Warsaw?	
Less than 1 year	15.2 percent
1-3 years	32.4 percent
3-5 years	14.2 percent
5-10 years	20.1 percent
10-15 years	9.3 percent
More than 15 years	4.4 percent
No data	4.4 percent

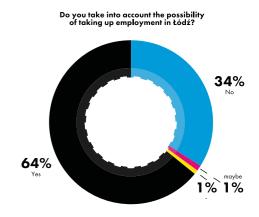


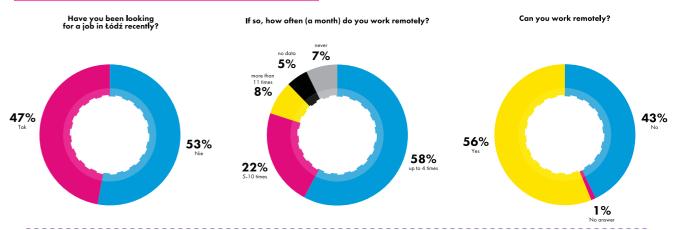


#### LABOUR MARKET RESEARCH

The majority of our respondents have not been commuters for long. Almost 50 percent of them have been travelling to work to Warsaw for 3 years or less (and one third of that group - for less than one year). Approx. 35 percent of survey participants have been commuting for 3 to 10 years. Those who have been commuters for 15 years or longer are closer to the retirement age and most likely, this is the reason why they would not want to quit their job. In the case of changes in travel conditions, such people tend to think about giving up working.

About two thirds of the respondents reported that they were considering giving up commuting and accepting a job in Łódź, while almost half of them claimed to have been looking for a job in the city recently. More than three fourths would consider changing their area of specialization if they received an attractive offer, but interestingly, in the case of Shared Services Centres, Business Process Outsourcing (SSC/BPO), industrial manufacturing, logistics, power sector and mining, only 1.5 percent of the respondents would consider taking a job in Łódź.





Where there are commuting-related problems, remote working might serve as a good solution. More than a half of the respondents declared that they had the option of remote work, and nearly 60 percent of them said that they used that possibility up to 4 times a month (on average, once a week). The development of remote work trends may positively affect Łódź residents, because with remote working, the number of commuters will decrease, the daily consumption expenditures in the city will go up, and the time saved may lead to more frequent use of the city's cultural and entertainment offer.

What kind of employer would need to relocate to Łódź to convince you to change your job and start working in Łódź? Approx. 64 percent of the respondents answered that question. In the majority of cases they mentioned banks and financial institutions, PR agencies, advisory and consulting firms. Almost 20 percent did not express any sector preferences. A relatively large group of people mentioned medical enterprises, cultural institutions and the entertainment industry in general. One person indicated a specific company - the American animation film studio Pixar.

Which employer (or business sector) would need to relocate to Łódź to indine you to accept employment there? (percentage of people who answered the question)		
Banks and financial institutions	-  -	19.4 percent
Advisory services/ consulting, law firms, advertising and PR agencies	1 -	19.4 percent
Unspecified (no data)	- 	17.9 percent
Medical/pharmaceutical/biotech/research companies	1 -	13.2 percent
Culture/art, film and entertainment industry	I I	8.5 percent
IT and Telecommunication	1	7.8 percent
Public institutions	I	6.2 percent
FMCG, retail	1	4.7 percent
Shared Services Centres / Business Process Outsourcing	I	1.6 percent
Industrial manufacturing, logistics, power industry, mining and quarrying	I I	1.6 percent

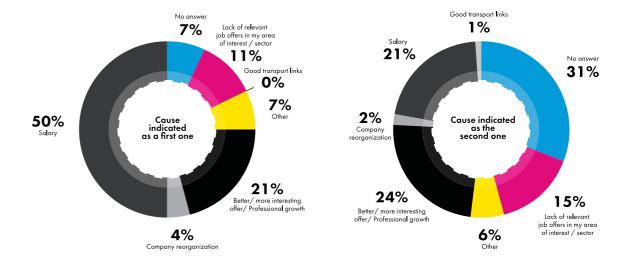
When asked "What maximum (percentage) salary reduction would you accept when changing your place of employment to Łódź?", more than 52 percent of the respondents indicated a value within the range of 5-30 percent of their current salary. Nearly 15 percent declared to be unable to name the amount that could make them decide to change the place of employment, and almost as many did not answer the question. Approximately 10 percent indicated an amount equivalent to the travel costs.

What maximum (percentage) salary reduction would you accept when changing your place of employment to Łódź?	
0 percent	14.2 percent
up to 5 percent	8.8 percent
5 - 20 percent	46.6 percent
20 - 30 percent	6.9 percent
Travel costs (up to PLN 1,000)	9.8 percent
No answer	13.7 percent

#### LABOUR MARKET RESEARCH Page 105

In response to the question about two main reasons why they started working in Warsaw, half of the respondents indicated the salary as the decisive factor, while approx. 20 percent mentioned a better, more attractive offer and greater opportunities for professional development. Circa every tenth respondent declared that in Łódź there were no job offers in his/ her sector of choice.

#### What were your two main reasons for taking up employment in Warsaw?



The question about the reasons for taking up a job in Warsaw additionally checked the respondents' familiarity with the purchase and rental prices of apartments in Łódź and Warsaw. Nearly two thirds of respondents believe that a square meter of a new apartment in Łódź costs PLN 4-6 thousand, with two thirds indicating a range of PLN 4-5 thousand. This shows that the respondents do have up-to-date information about property prices (according to NBP data, in Q2 2019 the price fluctuated around 5,800 PLN/sq. m on the primary market and 4,600 PLN/sq. m on the secondary market). None of the respondents quoted a value above 8,000, but one third did not answer this question. On the question of prices in Warsaw, the majority pointed to values between PLN 6,000 and 10,000 (about two thirds of those who answered the question), with one third

# Less than PLN 4 thousand 4 percent PLN 4-5 thousand 17 percent PLN 5-6 thousand 5 percent PLN 6-7 thousand 5 percent PLN 7-8 thousand 0 percent No answer 23 percent Other 7 percent

indicating lower values, i.e. PLN 6,000 - 8,000. Currently, prices in Warsaw (Q2 2019 according to NBP data) are at the level of ca. 8,900 PLN/sq. m on the primary market and 8,600 PLN/sq. m on the secondary market. It should be pointed out that the answers above were often given without conviction which may suggest a low level of awareness among the respondents.

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In your opinion, what is the average price per square meter of apartment space in Warsaw?	
Less than PLN 6 thousand	2.9 percent
PLN 6-8 thousand	18.6 percent
PLN 8-10 thousand	44.1 percent
More than PLN 10 thousand	3.4 percent
Other	7.4 percent
No answer	23.5 percent

In your opinion, what is the average cost of renting an apartment in Łódź?	
Less than PLN 1.5 thousand	19.6 percent
PLN 1.5 – 2.0 thousand	45.1 percent
PLN 2-2.5 thousand	0.5 percent
PLN 2-3 thousand	10.8 percent
PLN 3 thousand and more	1.5 percent
No answer	20.1 percent
Other	2.5 percent

In your opinion, what is the average cost of renting an apartment in Warsaw?	
Less than PLN 2 thousand	5.9 percent
PLN 2-3 thousand	55.4 percent
PLN 3-4 thousand	9.8 percent
PLN 5 thousand and more	55.4 percent
No answer	23.5 percent

How would you rate the cost of living (the purchasing power of the salary) in Warsaw and Łódź?	
No answer	4.4 percent
I don't know	25.6 percent
In Łódź, the cost of living is relatively higher in relation to salaries	37.0 percent
In Warsaw, the cost of living is relatively higher in relation to salaries	33.0 percent

The rent price ranges indicated by the respondents were also consistent with the current market spreads (according to Bankier.pl, in September 2019 the average price in Warsaw equalled PLN 2.934 for apartments with an area of 38-60 sq. m, while in Łódź it was PLN 1.716). Almost half of the respondents indicated the range of PLN 1,500-2,000 in Łódź, and PLN 2,000-3,000 in Warsaw.

Approx. one third of the respondents believe that the cost of living in Warsaw is relatively higher than in Łódź when compared with the salaries, while a little more (37 percent) believe that this is the case in Łódź.

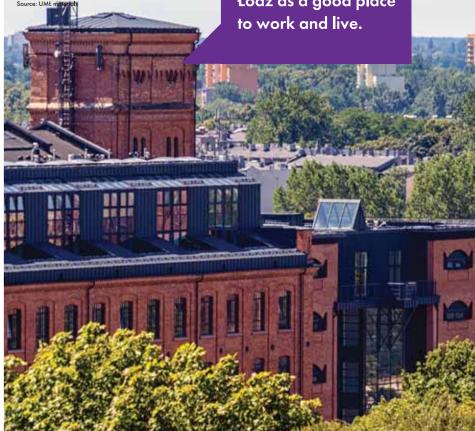
#### Summary

Both those who commute to Warsaw every day for professional reasons and those who have studied in Łódź but currently do not live there are open to the possibility of returning to the city or finding employment in Łódź. The basic condition, however, is the availability of a suitable job offer. Commuters to Warsaw represent various industries - they are mainly employed in the sector of finance, consulting, law, advertising (people working in those lines of business constituted 40 percent of the survey participants), culture & arts, and in companies from the medical and related sectors (over 20 percent in total). It is recommended to address attractive job offers to people from that the last of the groups above and inform them about the projects undertaken in Łódź, as such undertakinas continuously increase the city's attractiveness. The potential marketing activities should be intensified on the stations, interchanges and possibly also on petrol stations. The respondents of both surveys consider the salary to be an important factor determining whether to take up employment or not, but not the only one. It is worth noting that many people surveyed through LinkedIn tended to overstate the rental and purchase prices of apartments in Łódź. Thus, a special emphasis should be placed on this issue in the promotional activities. The survey conducted through LinkedIn has also shown that people often do not realize which companies currently operate in the New City Centre of Łódź and are not interested in the offer of the local labour market. Hence, spreading information about well-recognized employers located there may contribute to changing the perception of the city.

When analysing the development of the labour market in Łódź it needs to be emphasized that many people do not reject the possibility of finding employment in Łódź only a little less than 15 percent of our

respondents commuting to work to Warsaw by train definitely refused to consider this option by stating that no salary could persuade them to change the place of employment. In the majority of cases, attractive financial terms and a promise of professional development could encourage the respondents to work in the place of their domicile. It should be noted here that 20 percent of the respondents declared that they would even be willing to accept a lower salary (by 5 percent), because - in their opinion - the lack of monthly travel costs and reduced inconvenience would balance out the difference. Most probably, this group should be the easiest to convince to move their professional activity to Łódź.

The results of both surveys indicate that conducting a campaign or introducing an information policy focused on positive changes that are taking place in the city can increase the attractiveness of Łódź as a good place to work and live.



POTENTIAL LOCKED IN ŁÓDŹ'S SPECIALIST UNIVERSITIES

# CHAPTER SIX

# POTENTIAL LOCKED IN SPECIALIST UNIVERSITIES

In tódź there are six public universities and eleven private ones and in the academic year 2018/2019 there were 76 thousand students.

The University of Łódź and Łódź University of Technology are the two biggest public universities with nearly 41 thousand students. However, when analysing Łódź's higher-education offer, one should also consider three institutions with altogether different subjects:

- > Medical University of Łódź
- Strzemiński Academy of Fine Arts in Łódź
- > Film School in Łódź

These are schools which might not seem an obvious choice as far as the skills usually sought by employers in Poland are concerned, but rather a secondary source of talents, specifically, considering the dominance of universities and technical universities.

In Poland, the potential offered by the business-university collaboration is still underestimated. Łódź has got model student- and university-support schemes in place (e.g. the "Młodzi w Łodzi" programme offered by the City of Łódź) and

76000
students

11
private universities

public universities

maintains close relationships with over 280 local companies and the biggest universities. The aim of the project is to encourage the young to see their future in the city. It helps students advance their professional career so that they gain qualifications which specific local companies need.

There have been numerous examples of fruitful collaboration between academic and business institutions in Poland and all over the world. These include: Polpharma and the Medical University of Gdańsk;

Ćmielów Design Studio and various Poland's academies of fine arts; Pfizer and the University of Cambridge and Oxford; Royal Academy of Dramatic Arts (London) and Warner Bros.

One should build awareness of the benefits of such partnerships and exploit the economic potential of higher-education institutions, including also arts and medical universities.



# Higher education in Łódź

For demographic reasons the number of students in Poland has been declining since the record high figures of nearly two million students in 2005/2006. In the academic year 2018/2019, the number of students in Poland dropped to approximately 1.23 million. This figure would be even smaller, had it not been for the increasing number of foreign

students in Poland (10 thousand in the year 2005/2006 compared to nearly 78 thousand in the year 2018/2019).

In the record year of 2005/2006, there were 131.5 thousand students in the Łódź voivodeship and in the year 2018/2019 — slightly over 78.2 thousand.

Statistics Poland report that in 2019 in Łódź there were seven public universities and eleven private ones and that in the analysed academic year there were over 76 thousand students in Łódź itself.



## Higher education institutions in Łódź according to the Ministry of National Education and the number of students in Łódź in the 2018/2019 academic year according to Statistics Poland:

No.	Name of the institution	Туре	Number of students in 2018/2019	Share in the total numbe of students	Number of graduates
1	University of Łódź	public	25986	34 percent	7444
2	University of Social Sciences	private	15121	20 percent	4187
3	Łódź University of Technology	public	14993	20 percent	3549
4	Medical University of Łódź	public	9176	12 percent	1883
5	University of Humanities and Economics in Łódź	private	5168	7 percent	1252
6	University of Computer Sciences and Skills in Łódź	private	1245	2 percent	422
7	Academy of Business and Health Sciences	private	947	l percent	227
8	Strzemiński Academy of Fine Arts in Łódź	public	901	1 percent	255
9	Film School in Łódź	public	846	1 percent	173
10	Academy of Music in Łódź	public	790	1 percent	265
11	University of Social Sciences	private	364	l percent	128
12	College of Cosmetology and Health Sciences in Łódź	private	306	below	no data
13	Other private institutions	private	265	below 1 percent	no data

The University of Łódź is the sixth biggest university in Poland with nearly 26 thousand students in the academic year of 2018/2019.

It is one of Poland's top universities and in 2019 it was ranked 20th higher education institution in Poland (among over 90 such establishments) and sixth university in Poland by Perspektywy in the magazine's 20th list of higher education institutions.

Łódź University of Technology, the second biggest public university in Łódź, with nearly 15 thousand students in the academic year of 2018/2019, is one of the best rated higher education institutions in Poland. In 2019 Perspektywy ranked it eighth among all higher education institutions and fifth among technical universities.

These two public universities have in total over half of all students in Łódź.

Nearly 15 percent of all students in Łódź in the academic year of 2018/2019 studied at three universities which may not seem an obvious choice as far as the job market is concerned. These are the Medical University of Łódź, Strzemiński Academy of Fine Arts in Łódź and the Film School in Łódź.

# The potential offered by specialist universities

An analysis of historic data reveals that despite the generally declining number of students in Poland, the Medical University of Łódź reported an increase. Compared to the record academic year of 2005/2006, the number of students at the Medical University of Łódź went up considerably (from 6.5 thousand in 2005/2006 to 9.2 thousand in 2018/2019). This is the effect

of the University's ability to attract foreign students: in the academic year of 2005/2006 there were approximately 300 of them, but in 2018/2019 — nearly 1000. In the academic year of 2018/2019, there were in total five thousand foreign students in Łódź.

Though over the years the number of students at Łódź Academy of Fine Arts and the Film School has declined, as it has all over Poland, the share of foreign students has increased and the institutions' graduates are highly qualified.



#### Medical University of Łódź

The Medical University of Łódź is one of the biggest universities teaching medicine in Poland. It has been operating in its present form since 2002 after the civil Medical School (established in 1950) was combined with the Military Medical School (established in 1957). The university has vast clinical resources: four hospitals, five faculties with over eight thousand students and fifteen fields of undergraduate and master's programmes as well as long-cycle studies, the majority of which is both fulland part-time. The University offers also PhD courses and has a wide range of post-graduate programmes (Centre for Postgraduate Studies).

The majority of foreign students choose the medical and medical-dentistry programmes conducted in English and most of them come from Saudi Arabia (190), Lebanon, Malaysia, Norway and Germany. Medical schools in Poland are increasingly chosen by foreigners because, while still being considerably cheaper than those in

Western countries, they offer very high quality education. Unfortunately, the benefits to Poland's health services market are scarce — after graduation, students take up jobs in their home countries.

#### Subject areas:



Faculty of Pharma

- Pharmaceutical studies (full- and part-time
- Cosmetology
- Medical analysis



Faculty of Medicine

- Medicine (full- and part-time, also in English)
- Medicine-dentistry (full- and part-time, also in English)
- Dental techniques



Military Medical Faculty

- Medicine (full- and part-time)
- Medicine under the programme of the Ministry of National Defence
- Physiotherapy (Masters studies)



Faculty of Biomedical Sciences and Postgraduate Training

- Biotechnology
- Radiation Therapy



Faculty
of Health Sciences

- Dietetics
- Physiotherapy
- · Coordinated elderly care
- Paramedics
- Public health (full- and part-time)
- Nursina
- Midwifery



entre or Postgraduate Studies:

#### Specialization:

- Medical Laboratory Science:
- /Laboratory diagnostics
- /Laboratory diagnostics genetics
- /Laboratory diagnostics toxicology
- /Laboratory diagnostics transfusion medicine
- Medical microbiology
- Radiopharmacology
- Toxicology
- Retail pharmacy
- Cosmetology

#### Post-graduate studies, e.g.:

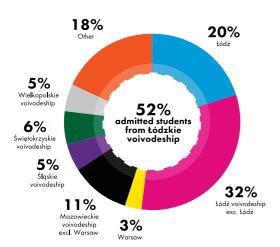
- Emerging trends in modern cosmetology
- Empirical research in medicine and application of statistics to biomedical research

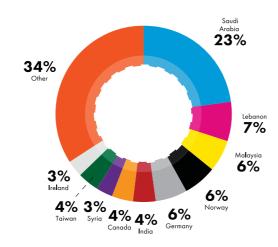
POTENTIAL LOCKED IN ŁÓDŹ'S SPECIALIST UNIVERSITIES

POTENTIAL LOCKED IN ŁÓDŹ'S SPECIALIST UNIVERSITIES

# Where do the students of the Medical University of Łódź come from? Based on data regarding the persons admitted in the academic year 2018/2019 (courses in Polish)







Source: Analysis based on the data regarding admissions to the Medical University of Łódź in the academic year of 2018/2019

#### he most popular full-time courses in the academic year 2018/2019

- Medicine-dentistry22.3 applications per place
- Medicine15.3 applications per place
- Pharmacy10.2 applications per place

Medicine at the Medical University of Warsaw had four applications per place, at the Medical University of Gdańsk — nine, in Kraków — six and in Wrocław — fourteen applications per place.

# PARTNERING WITH THE PRIVATE SECTOR

The Medical University follows a policy of partnering with businesses through a range of initiatives aimed at developing an innovation ecosystem around the university.

#### **Programmes for students**

The University's career centre collaborates with employers helping graduates find a job and has internship and grant schemes in place. Some of them are subsidized by the European Union, e.g. APK for UMED, Szkoła Orłów, Studiujesz — Pracujesz, Studia z Powerem etc.). Another way of partnering with employers are the university job fairs. In 2019, the 14th job fair was attended by approximately 17 thousand students and graduates

# Centre for Innovation and Technology Transfer

The University's Centre for Innovation and Technology Transfer, incorporating a clinical research unit, has been established to better exploit the potential of the university in the area of industry-science partnership. The Foundation for the Medical University of Łódź provides the university with organizational and in-kind assistance.

#### **Business incubator**

The university has also its own business incubator which supports the development of local business entities. Its priority is to support newly established companies and start-ups.

#### Post-graduate and PhD courses

The Faculty of Medicine of the Medical University in collaboration with StatSoft Polska offers a post-graduate course in "Empirical research in medicine and application of statistics to biomedical research" which is a unique combination of theory and actual experience of statistics specialists of StatSoft Polska. The programme was first offered in the academic year of 2014/2015 and this year saw its fifth edition.

In 2018, the Medical University entered into strategic partnership with Roche Polska, the world-biggest biotechnology company with the aim of establishing PhD programmes to make use of the university's expertise and the support of Roche's practices.

Another form of private-public partnership involves scientific and research projects carried out in collaboration with EIT Health, an international consortium of over 140 partners from across 14 countries.

#### **MOLecoLAB**

The Medical University is building a modern Centre for Molecular Studies on Lifestyle Diseases MOLecoLAB to be incorporated into the University's Teaching and Clinical Centre. The cost of the project has been estimated at 60 million zlotys, with 41 million zlotys from EU funds. The new laboratory will help carry out more advanced research and expand the operations of the university. The work is slated for completion at the end of 2021.

In 2015, the Medical University of Łódź, which is Johnson&Johnson's Centre of Excellence, received specialist equipment to be used in the Electrocardiology Unit.

#### UMED sp. z o.o.

UMED sp. z o.o. has been spun off from the university to generate extra revenue through collaboration between universities and third parties. The entity helped improve

the management of the university's infrastructure. It also provides implementation, conception and research services and carries out life science development.



Akademia Sztuk Pięknych im. Władysława Strzemińskiego w Łodzi

# Strzemiński Academy of Fine Arts in Łódź

The Academy was established in spring 1945, right after the end of World War II. under the name of National Academy of Visual Arts in Łódź. Initially it comprised three faculties: Textiles, Ceramics and Graphics offering courses in applied and fine arts. In line with the Bauhaus philosophy, from its very beginnings, the Academy intended to collaborate closely with the industry at a local and national level. In 1987, one of the Academy's founders, Władysław Strzemiński, a painter, theoretician and academic teacher, became its patron. The artist was associated with the city since 1931 and expanded the operations of the Association of Polish Artists and Designers. Mr Strzemiński was married to Katarzyna Kobro, one of Poland's greatest sculptor of the interwar period.

In 1996 the institution was named the Academy of Fine Arts. It has now nearly 900 students, six faculties and seven subject areas. Approximately seven percent of students are foreigners. The Academy's infrastructure is developing and new facilities help produce specialists eagerly awaited by the labour market. The year 2013 saw the opening of the Centre for the Promotion of Fashion and the year 2014 — Centre for Science and Arts and Academic Design Centre which is set to be housed in a historical building in Księży Mtyn and to promote partnership of Poland's art schools.

In the new academic year of 2019/2020 the Academy will undergo structural

changes — there will be two faculties instead of six: Faculty of Fine Arts and Faculty of Design Arts and eleven new institutes. The heads of those divisions will ensure high-quality education and will support the collaboration between the Academy and the industry. The changes are intended to help fully exploit the potential of the staff, improve its ratings and — ultimately — ensure higher subventions.



#### Subject areas:



Painting

The Painting course was established in the academic year of 2016/2017. It was the first faculty in Poland to offer a painting course focused on practical skills — over half of the programme comprises painting practice and training.

Students learn about the work of visual artists at theatres, film studios, publishing houses, galleries, museums, advertising agencies and other institutions and companies which need painting skills.

An important asset is that the academy fosters conditions for the collaboration between the industry and students which helps establish business relationships.



#### Photography and Multimedia

The Photography and Multimedia is a new, full-time undergraduate and master's programme, offering courses in photography and related subjects, providing students with specialist theoretical instruction.

Graduates are expected to be ready to start their careers and pursue art as a profession as well as take up jobs in the cultural sector. The department operates specialist studios:

- Photographic Studio Relationships with space
- Photographic Imaging Studio
- Photographic Document Studio
- Photography and Multimedia Studio
- Multimedia Studio
- Sound Studio



The programme comprises a variety of graphics-related topics, such as: graphic design for advertising, graphic design for publishing, visual information, packaging design, typeface design, internet graphics. The programme is designed to help students develop a conscious and rational approach to broadly understood design issues by combining the practical function and the contemporary aspects of designing. The printing techniques programme includes: lithography, digital printing techniques, screen printing, intaglio and letterpress printing, which help acquire manual and workshop skills necessary for future, independent work of an artist. Graphics for multimedia, established in the academic year of 2007/2008, provide students with practical skills (how to use professional IT tools — multimedia and electronic drawing, video production and

mobile media). The idea behind all specializations is to combine the tradition of visual arts and the humanistic thinking with the way arts function nowadays.



Established in the academic year of 2015/2016, the Sculpture department draws on the heritage of Łódź's leading artists — Władysław Strzemiński and Katarzyna Kobro - showing how to use design and fine arts to create one's individual artistic image.



#### Teaching visual arts

The way visual arts are taught nowadays is becoming increasingly modern. With the numerous specializations on offer: theatrical, film and television techniques, animation, photography and intermedia, the faculty produces stage and costume designers; 2D and 3D animation, puppetoon animation, design animation graphic specialists as well as photographers and multimedia designers.



This is a unique faculty in Poland as it incorporates visual art skills and the understanding of the techniques used by designers into the process of creation. The programme offered is full- and part-time. Graduates find jobs at clothing companies Many of them start their own businesses. Łódź's Academy is the only higher-education institution in Poland to provide its students with the opportunity to design fashion, textiles, knitwear and imprints, as well as shoes, accessories and jewellery. The faculty graduates are today's well-known designers recognized in Poland

and abroad: Lidia Kalita, Marcin Paprocki, Mariusz Brzozowski, Dawid Woliński Mariusz Przybylski, Łukasz Jemioł and Natalia Jaroszewska, to name a few. It is the Faculty's priority to ensure close collaboration with companies which in future may benefit from the aualifications of students and graduates.



#### Interior design

The Interior design programme is intended to produce specialists with relevant knowledge and skills necessary to provide professional interior design services, for residential, office, public and special purposes.

The syllabus comprises an introduction to the architectural composition, ergonomics, colour psychology, street art design, decoration, interior furnishing, interior greenery projects and comprehensive interior design projects based on an analysis of the functional layout.

The degree produces graduates who are well equipped to work as designers and to manage the interior design work.



The aim of the programme is to produce designers capable of creating innovative forms while maintaining a product's functional characteristics. Students are provided with specialist knowledge and skills in the area of designing everyday objects in line with the latest stylistic trends.

The degree students come up with ideas which are often later deployed in production. The Academy students win many competitions and present their designs at international festivals

and professional fairs, starting collaboration with numerous producers while still studying.

Considering the increasing popularity of the profession, the Academy has been taking measures to enhance its prestige through e.a. national professional conferences. The year 2014 saw the opening of the Academic Design Centre, which brings together Poland's art academies to help establish partnerships with the industry.



- Fashion and trends designing fashion imprints and accessories
- Design product design
- Interior designing
- Interior decoration and styling
- Graphic design
- Painting and drawing
- Illustration and cartoons with elements of game and film pre-production
- Food Design
- Jewellery design
- Textiles construction, deconstruction. reconstruction

#### The most popular courses in the academic year 2018/2019:

- Teaching visual arts 3.1 applications per place;
- Design 2.9 applications per place;
- Graphic design 2.8 applications per
- Interior design 2.8 applications per place.

#### **PARTNERING WITH THE** PRIVATE SECTOR

The Academy's representatives believe that their graduates do well in the job market, specifically those holding a diploma of the Faculty of Graphic Design. Painting and sculpture graduates encounter some difficulties in the labour market due to the specific nature of their field and their rather artistic than commercial focus.

The Academy has established a Centre for Technology Transfer, Academic Design Centre, Centre for the Promotion of Fashion and Centre for Science and Arts with the intention to foster business partnerships. The entities expand their facilities depending on needs - preparations are underway for the opening of a glass art studio and the Department of Jewellery has been provided with new technologies and new equipment.

The Academy participates in initiatives carried out in cooperation with other universities, e.g. the architecture programme to be opened with Łódź University of Technology.

Currently, students at undergraduate and master's levels may take part in an internship programme co-financed by the European Union under the Operational Programme Knowledge Education Development 2014-2020. The aim of the project is to help such students enter the job market. Students themselves look for employers to complete the required 120 hours of internship. The Academy collaborates with e.g. Łódź's Grand Theatre, clothing companies Top Secret (Redan) and Monnari, property developers, architects and designers, as well as Ceramika Paradyż and Tubądzin in the area of design. Every year, the programme is delivered to approximately 100

participants. The Academy also collaborated with the City of Łódź to launch the "Młodzi w Łodzi" scheme.

There are recruitment and promotional activities carried out at local secondary schools of visual arts to encourage their graduates to take up study at the Academy as well as the Kids Arts Academy at the Philharmonic Orchestra of Łódź.

Graduates of the Academy of Fine Arts in Łódź are sought after in the market - e.g by Deante, a producer of kitchen and bathroom fittings. To celebrate the company's 25th anniversary, Malgorzata Płoskońska designed a mixer tap which became part of the jubilee collection Hiacynt, and Michał Łój – a collection of sinks. Łódź's children's books publisher Ameet collaborates with graphic designers and drawers who graduated from Łódź's Academy. Students may participate in a number of competitions, also those held by the city. One of them, to design a ceramic tile floor in selected gates leading to buildings in Piotrkowska Street, was organized in collaboration with Tubadzin.

In 2016 the Academy launched collaboration with Radaway, Poland's leading producer of shower enclosures, which invited a group of students to visit the company and take part in a competition to design glass engravings. Students worked on their projects in the product design studio and the utility process modelling studio throughout a semester.



# Film School in Łódź

In the academic year of 2018/2019, Łódź's Film School, one of the oldest film schools in the world, celebrated its 70th anniversary. It was founded in 1958, following the merger of two Łódź institutions: the Film School (since 1950 — PWSF) and the National Drama School.

The school's most notable alumni directors and cinematographers who later created the so-called Polish Film School include: Andrzej Munk, Janusz Morgenstern, and later Andrzej Wajda and Kazimierz Kutz. Its araduates and students are winners of the most prestigious film awards in Poland and in the world: Zbigniew Rybczyński (Oscar 1982), Roman Polański (Oscar 2002 and Palme d'Or, Cannes 2002), Krzysztof Zanussi (Golden Lion, Venice and Golden Lions), Krzysztof Kieślowski (The European Film Awards 1988 and Golden Lion), Juliusz Machulski (Golden Lions), Andrzei Waida (Oscar 2000 and Palme d'Or 1981).

In 2014, The Hollywood Reporter, a Los Angeles based magazine founded in 1930, ranked the Łódź Film School the world's second film school (excluding American schools). The magazine stated that the Polish National Film, Television and Theatre School, founded in 1948, has launched a pantheon of cinema greats including Oscar winner Roman Polanski.

The School produces film, television and photography specialists — film directors, directors of photography, animators, photographers, screenwriters, editors, production managers and actors.



#### Film and TV Direction Department

Film and Television Direction
 / Film editing
 / Screenwriting



#### Acting Department

Acting



Cinematography and TV Production Departme

 Film and TV Picture Production and Photography
 / Direction of Photography
 / Animation Film and Film Special Effects
 / Photography



Film Art Organization Department

• Film and TV Production Organization



Post-graduate studie

- Film and TV Production Organization
- Digital Film Post-Production Management
- International Post-Graduate Course for Creative Producers

The Film School in Łódź is one of the most popular universities in Poland.

# The top subjects in the academic year 2017/2018 (by departments):

- Acting 33.5 applications per place (22 persons admitted);
- Film and TV Direction
- 11 applications per place;
- Film and TV Picture Production and Photography 7 applications per place.

In the academic year of 2019/2020, the Film School in Łódź received nearly 1700 applications. There were 97 admissions to undergraduate programmes, 25 — to master's programmes and 13 — to the part-time photography programme.

# PARTNERING WITH THE PRIVATE SECTOR

The School has implemented a "Media Business Hub: an integrated programme for the development of competencies at the Film School in Łódź", which is co-financed by the European Union. The aim of the programme is to improve the competencies of staff, provide the students with skills necessary to work in the creative sector and digital media and to coordinate the School's collaboration with the marketplace.

The Media Business Hub, as the School's new unit, is set to operate as a career and business centre and develop internship programmes for students, organize professional meetings and courses in media market practices as well as cyclical business development programmes based on the idea of film groups and creative media start-ups.

There are plans to hold training and classes to improve the competencies of the School's staff and to expand the school's IT management system and to organize film productions during classes.

## The project has been divided into modules:

Establishment of the School's career and business development centre (Media Business Hub) intended to carry out the following tasks:

- "Media Business Start-up" a cyclical programme for business development based on the idea of film groups and creative media start-ups;
- "Media Business Expert" a series of professional meetings and competency classes conducted by practising specialists and experts;
- "Media Business Lab" a modern facility used for teaching entrepreneurial skills and media innovations in the market:
- "First Job" high-quality internship programmes.

# Streamlining the School's management processes:

- Training to improve staff's competencies;
- Expanding the School's IT management system;
- > Implementation of an IT system to be used in film project management.

#### The Filmteractive Festival

An important event is the Filmteractive Festival (an interactive communication festival) organized by the Media Klaster Foundation the objective of which is to foster the development of the media industry in Łódź. It was established in 2007 by the Film School in Łódź in cooperation with the

University of Texas in Austin (USA), local businesses, authorities, institutions, universities as well as regional cultural, business and research and development establishments.

The Festival dates back to 2011. In October 2019, it was held both in Łódź and in Warsaw and its main theme was "How digital technologies are transforming creative industries". It discussed the latest techniques and changes faced by the creative industries over the past years.

An important topic was the financing of creative projects and looking for sources of development of modern film production technologies. One way to solve the problem may be multilateral cooperation helping combine innovation and creativity. Examples of such collaboration are: TheMuBa, a project delivered in cooperation with the Helios cinema network or Experimental Visualization Lab (ExpVisLab)/University of California, which is one of the six Media Arts & Technology labs.

Holding the festival in both cities is one of the examples of a joint cultural offering. The Warsaw part was about creativity and was devoted to the impact of the digital revolution on the creative industries. In Łódź, the Festival — in cooperation with the Film School — focused on the achievements of the School's Visual Narrative Laboratory, the latest technological achievements and VR productions.

# Professional careers of the graduates of specialist universities

A tracer study carried out in 2017 by ELA revealed that in the first year following the

graduation, the average gross salary of graduates of long-cycle studies at the Medical University of Łódź was 3028 zlotys, Academy of Fine Arts in Łódź — 2137 zlotys and the Film School in Łódź — 2774 zlotys. Poland's average monthly salary of graduates, right after graduation, was 2945 zlotys. Salaries of the graduates of the universities in question do not differ significantly from the average national levels.

#### "Młodzi w Łodzi"

In order to encourage young people to stay in Łódź, the City was the first in the country to create a unique project "Młodzi w Łodzi" which has already got over 280 participating companies and biggest universities. The aim of the collaboration is to develop education programmes so that universities produce well-qualified specialists that will find jobs at local companies and support the professional development of their graduates.

"Młodzi w Łodzi" comprises several initiatives, e.g. scholarships offered by employers to students of specific subjects. So far, there have been eleven editions of the programme. The scholarship committee has selected 247 students to be awarded the scholarships, 44 students to have their accommodation costs paid, and 250 to receive financial assistance to pay for additional language classes.

"Mtodzi w Łodzi" has also included nine editions of an internship scheme, with the total of 1360 participants in 450 local companies as well as free training offered to over 8350 persons. Furthermore, the City collaborates with 115 entities to offer the students in Łódź a discount card accepted at theatres, language schools, dance schools, driving schools, fitness clubs, entertainment centres and restaurants.

#### Start-ups

An important element of the programme is the support offered to people with innovative start-up ideas ("Mam pomyst na Startup"), ensuring means for development and implementation of such projects. The aims of the competition is to award innovative projects: scientific, technological as well as creative/artistic ones, at their early stages of development. The most promising ideas and their authors are provided with access to training, advice and mentor support from experienced entrepreneurs, investors and representatives of VC funds. The idea behind the competition is to link start-ups and potential counterparties and investors.

#### "Zasmakuj studiowania w Łodzi"

The highest achieving secondary school students in the Łódź voivodeship weekend are offered trips to learn what it is like to be a student in Łódź and to visit universities ("Zasmakuj studiowania w Łodzi"). Surveys taken after such events show that a vast majority of the participants consider Łódź as a city to study in.

# Graduates of arts academies

Graduates of arts academies feel that the vision of a professional career in the arts, laid out during their studies, does not necessarily reflect the reality they face after graduation and propose that the syllabus be completed with information about the limitations they may encounter in the market. Such were the conclusions drawn from the 2017 Poland's Arts Graduates Tracer Study.

The graduates participating in the survey define a professional success as starting a career in line with one's degree and a failure — as having a job not related to one's degree, tantamount to not reaping the benefits of long-time efforts put to get the degree.

The surveyed employers valued the graduates' competencies in arts, including their artistic design skills. However, they pointed to certain technical deficiencies, teamwork problems and lack of appropriate skills largely arising from a mismatch between the curriculum and the actual needs of employers.

As far as drama and film schools are concerned, employers considered their graduates to be highly skilled, stage-ready, professional, enterprising, courageous and self-confident. On the other hand, they also pointed to certain less sought for attitudes: individualism, lack of self-discipline, excessive emotionalism, inflated self-esteem. Sometimes, they indicated insufficient understanding of the employment law, economics or tax law. At the same time, the respondents admitted that the quality of education at Poland's universities is high, though they believed it should be revised at the central level to account for the labour market's need for graduates of specific faculties and to adjust the curriculum to the requirements arising from current professions and employers'

Job interviews with students of drama and film schools revealed that they have problems with team work. This is the effect of producing artists-individualists, though employers seek mainly persons who can work in a team. As far as graduates of visual art schools are concerned, the respondents pointed to the need to improve the teaching of practical skills, but they realized that this was not an easy task due to the ever-changing working environment.

The respondents stressed the importance of internship and training during university studies which are not only a means of acquiring important practical skills for students, but also a way of searching talents for the employers.

Those participating in the survey identified ideal characteristics of arts professionals: actors, production designers, producers and directors. They listed necessary skills as well as a range of complementary qualities. An actor, for example, should possess such qualities as uniqueness and distinctiveness; a producer should understand how the film industry operates; a production designer should display artistic skills and understanding of architecture; and a director — interpersonal, management and communication skills.

Both graduates and employers call for changes in the way Polish universities and faculties educate artists. The priority is to develop a more effective and modern approach to help graduates establish themselves in the labour market. The employers indicated that — though excellent - the artistic education must be completed with technical and practical skills to help graduates enter a company which offers specific goods or services, i.e. it is subject to certain market rules. Creative ideas must fit the process of developing new products or services. Such efforts are increasingly often undertaken by university career centres and change slowly becomes a reality.

# Graduates of medical universities

It is a well-known fact that medical and medical-dentistry courses are highly demanding and their graduates have no problems with finding a job. Apart from a short period after the end of the work placement following graduation, those with a degree in medicine generally do not face unemployment. Right after studies, doctors earn little, however, once they have completed their placement, their salary shoots up. A nationwide survey of graduates, ELA, revealed that the average gross salary of doctors who graduated in 2017 was 2.4 thousand zlotys a year right after their graduation and as much as six thousand zlotys in the fourth year after the araduation.

The Medical University of Łódź has been conducting a graduate tracer study since 2010. It collects information about the history of education, reasons for choosing a given course and university, how one got one's first job and under what conditions. An anonymous survey is carried out after a year, three, and five years following graduation.

The Medical University of Łódź reported that the latest edition of the survey found that:

- > nearly 93 percent of graduates had a job at the time the first survey was conducted, i.e. a year after graduation;
- > 70 percent of respondents answered that they found a job within a month, 23 percent within three months and less than five percent had to look for a job for six months. Only two percent of the respondents needed more than six months to get their first job;

- > approximately 82 percent of the respondents work in their field of study and the work of 88.36 percent is in line with their interests;
- 74 percent of the respondents work in the broadly understood medical and pharmaceutical industry;
- > 85 percent of the respondents find their work satisfying.

A 2018 report by the Regional Labour Market Observatory: "Medical and pharmaceutical products and cosmetics — the future industry in Łódź voivodeship" revealed that 37 percent of analysed producers of medicines, pharmaceuticals or cosmetics in the Łódź voivodeship would need new employees within the 12 months following the survey. Nearly half of them plans to look for employees in the medical, pharmaceutical and cosmetics professions. Employers indicated that they needed staff in the areas of sales of medical equipment and clinical microbiology.

The most sought for skills and professional qualifications among job candidates (largely graduates of medical universities and secondary technical schools) are manual skills, e.g. spectacle lens cutting skills. Employers also want the candidates to be able to work with a client/patient. They look for people with self-development skills willing to acquire new competences. Many employers require the knowledge of the English language, including specialist vocabulary, necessary to track the latest trends across the industry. The also emphasized the importance of communication skills, creativity, commitment, resistance to stress, self-organization and teamwork skills. As far as medical, pharmaceutical and cosmetics professions are concerned. employers look for analytical and observational skills, ability to see cause and effect, draw the right conclusions, formulate

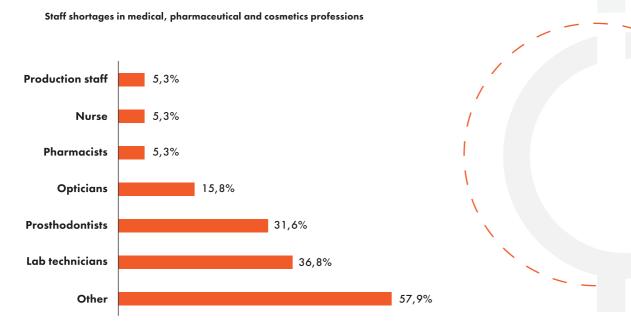
and verify hypotheses. Advanced computer skills and knowledge of new technologies were also much sought after.



POTENTIAL LOCKED IN ŁÓDŹ'S SPECIALIST UNIVERSITIES

POTENTIAL LOCKED IN ŁÓDŹ'S SPECIALIST UNIVERSITIES

The survey also revealed that every third employer (30.5 percent) saw staffing problems, specifically regarding jobs in the medical, pharmaceutical and cosmetics industry. The study found shortages of professional skills, mainly among laboratory technicians — 29.3 percent of employers who have experienced difficulties with filling vacancies, specifically pointed to this profession. At the same time nearly half of the respondents (48.1 percent) who saw such staffing problems launched collaboration with specialist schools.



Source: Survey by the Regional Labour Market Observatory in Łódź, 2018.

#### Potential of partnering with business

Universities have an important impact on the functioning of Łódź and the entire region as well as on their potential for development. They attract young and bright people from outside the city, which may later stay in Łódź for longer. Therefore, it is so important to ensure that universities are highly ranked and recognized and that their educational offering is enhanced. Yet primarily the market should be able to use the skills of university graduates.

In Poland and in Łódź a lot may still be done to bolster the School's reputation through presentation of well-known graduates (also as ambassadors) and their career paths. The Film School in Łódź is well recognized and reputed also abroad, in part thanks to its graduates. The school is world-famous and its status is reflected in the number of applications. However, other universities are not as effective in using success stories.

The potential that could be unlocked through university and business partnerships is still underestimated, though the change in the mindset in university and business circles has become apparent. Poland has seen positive examples of university and business collaboration, however, shared programmes are still at an early stage and local research facilities remain far behind Western Europe or the U.S. American and British universities may serve as a model which is partly due to the way high education is funded in those countries and how expensive it is. Universities do not receive subsidies from the state and therefore partnerships with business are an important means of securing financing.

In countries where university and business partnerships are well developed, companies are eager to participate e.g. in internship programmes seeing it as a way of influencing the development of skills of future graduates so that they meet their expectations. Universities collaborate closely with large companies' HR Departments and industrial partners present job offers to selected graduates.

The so-called sandwich years or sandwich courses, which are industrial placements, usually between the second and third year, and are often taken in the United Kingdom, have been increasingly popular. Students take a two-semester break from university so that their knowledge may be verified by the industry. Once this time is over, they go back to the university with new experience and skills that may be later used in the labour market.

#### A growing trend is the companies' involvement in the development of the syllabus and the organization of lectures and classes which discuss actual business issues.

For example, companies sponsor research schemes or even new units or institutes to be established at natural science and new technology institutes: Johnson&Johnson's collaboration between Coalition for Epidemic Preparedness Innovations (CEPI) and The Jenner Institute at the University of Oxford (a partnership between the University of Oxford and the The Pirbright Institute) to develop a vaccine against Middle East Respiratory Syndrome Coronavirus (MERS-CoV) or Novartis's collaboration with the University of Basel (Switzerland) through an independent affiliate of both entities, Friedrich Miescher Institute for Biomedical Research.

Poland's universities — also due to legal regulations — are still far away from such advanced collaboration with the industry, however, there has been a visible change, specifically at business or technical schools, for example in the IT industry. One may expect that higher-education institutions will realize the potential locked in such forms of collaboration and that it may be used for the purposes of building the brand's image in the market.

In Poland, the collaboration with the industry mainly takes the form of post-graduate courses tailored to meet the university's partner's needs. Often, companies support industry-specific subjects which are in the syllabus. They provide students with access to the latest technologies, finance the purchase of new equipment to be used in laboratories or establish special units to teach specific skills. Numerous syllabuses provide for compulsory internship which makes

collaboration with companies whose internship programmes are related to the development of required skills even more important. An interesting form of collaboration are theses which analyse actual problems submitted to the university by companies, though such trend is only beginning.

Such partnership has been established by the University of Łódź and MakoLab (University of Łódź for Employers) — students write their master's theses on subjects provided by companies. It may happen that students receive remuneration for their thesis. Sometimes a fee goes to the university. A research carried out by the University of Łódź revealed that a student spends on average approximately 500 hours to write their master's thesis. Considering that every year there are over eight thousand graduates of master's programmes, the potential for research to be exploited is enormous.

Poland's universities increasingly see the benefits from dual studies which are designed in collaboration with companies. Classes are held at the campus and at the facilities of potential employers. Some classes are also conducted by practising specialists.



In Łódź there are several dual programmes and the University of Łódź has received a grant in the "Dual programmes" competition held by the National Centre for Research and Development.

Soon, the university will offer two programmes:

# "Theatrical production and organization of artistic events"

 Faculty of Languages with a subsidy of over 650 thousand zlotys.

The University of Łódź has launched collaboration with Łódź's Grand Theatre, Marek Edelman Dialogue Centre, City Art Gallery in Łódź and the organizers of well-known Łódź's festivals such as the Łódź of Four Cultures festival. This collaboration has resulted in a syllabus including theory as well as practical skills and training. The programme provides for three-month paid internship at selected cultural establishments.

DualKosStud – "Industry-integrated cosmetic chemistry" designed for students of Cosmetics and Pharmaceuticals Chemistry with Business offered at the Faculty of Chemistry, with a subsidy of nearly 770 thousand zlotys.

The syllabus has been developed in cooperation with the Faculty of Economics and Sociology and the Faculty of Management. This way, graduates will acquire not only professional knowledge, but also the basics of economy. The university's major partner is Delia Cosmetics.

Łódź University of Technology offers a dual programme in cooperation with BSH, an international producer of household appliances. Students of Mechatronics at the Faculty of Electrical, Electronic, Computer and Control Engineering spend at least one day a week at the BSH's site and may gain their first professional experience as early as during the undergraduate studies.

# University and business partnerships from all over the world

#### **MEDICAL UNIVERSITIES**

Medical universities find it easier to transfer knowledge to business and collaborate with profitable industries. However, this provokes certain ethical controversies. Medical university graduates are not only doctors, but also specialists in related medical industries, experts in biomedicine, specialized analyses, cosmetology and nutrition. Graduates of medical faculties take up jobs at pharmaceutical, cosmetics or food production companies. Nevertheless, there are many examples of successful collaborations between the industry and universities in the world:

# Pfizer and Cambridge and Oxford Universities

The Innovative Target Exploration Network (ITEN) is a new, early-stage partnering model that enables collaborative relationships with select academic institutions and principal investigators around the world and complements Pfizer's long-standing commitment to academic collaboration. Such measures help combine the universities' research potential and the industry's business capabilities.

Each ITEN is managed by an External Scientific Innovation Lead (ESIL) from Pfizer, who serves as the liaison between senior scientists from Pfizer and academic principal investigators from the applicable institution, and who facilitates discussions on research topics of mutual interest.

Established in 2017, the first ITEN partnerships with Cambridge, Oxford and UTSW have each already generated research projects that have been identified.

The Cambridge and Oxford University research projects each focus on deubiquitinylation enzymes (DUBs), a gene family previously considered challenging to target, which might aid in potentially treating cancer as well as autoimmune, cardio-metabolic and rare diseases.

The UTSW research project is a collaboration with Nobel Prize-winning immunologist Dr Bruce Beutler, focused on elucidating genetic targets for specific indications, particularly in oncology and metabolic diseases.

The aim of ITEN is to enable collaboration with universities and foster the creation of the next generation of breakthrough medicines. The ITEN model will complement the successful work of Pfizer's Centres for Therapeutic Innovation (CTI), a pioneering collaboration model that was launched by Pfizer in 2010 to forge academic-foundation-industry collaborations and to bridge the gap between early scientific discovery and its translation into clinical candidates. With 25 academic institutions and six foundations in its network, as well as the National Institutes of Health, CTI has successfully brought multiple projects to the clinic across a diversity of disease areas.

akademickimi i biznesem, wypełniając lukę między wczesnym odkryciem naukowym a jego przełożeniem na kandydatów klinicznych. Dzięki 25 instytucjom akademickim i sześciu fundacjom w swojej sieci, a także National Institutes of Health, CTI z powodzeniem przeprowadziły wiele projektów dotyczących różnych chorób.

# BGI China and the University of Copenhagen

BGI is one of the largest genome sequencing companies in China. It has initiated a project with the Danish University of Copenhagen (UCPH) in which academic researchers provide samples and ideas and BGI performs the genomic sequencing and analysis — notable examples include meta-genomic sequencing of human gut bacteria and helping piece together DNA.

In 2012, BGI launched a Genome Research Centre located in Copenhagen Bio Science Park (COBIS) with the aim to bring innovations in health care, agriculture, bioenergy and other related areas in Europe.

BGI Chairman Huanming Yang has expressed his appreciation to the Danish government and the scientific partner in Denmark saying that: "It is the strong tie between BGI and Denmark both culturally and scientifically which led BGI's choice to establish the first European Genome Research Centre of BGI in Copenhagen, Denmark."

The research carried out in the centre includes e.g. identification of previously unknown cancer pathogens that will lead to the development and patenting of commercial vaccines and to the establishment of a genome atlas which will serve as the foundation for new studies that will cast light on the hereditary causes for a number of common diseases, as well as the

treatment and prevention. With over 38 thousand students and more than nine thousand employees (half of whom are research staff), the University of Copenhagen is the largest institution of research and education in Denmark and the right place for the project.

# Novartis and the University of Basel (Switzerland)

Though the University of Basel (UB) and the global headquarters of Novartis are located close to each other, the key to their partnership is the Friedrich Miescher Institute for Biomedical Research (FMI) located on the other side of the Rhine river, an independent institution established in 1970, with longstanding ties to the university and the pharmaceutical giant. The Institute receives roughly 70 percent of its funding from the Novartis Research Foundation and remains affiliated with the company's in-house lab, the Novartis Institutes for BioMedical Research (NIBR).

Students at FMI take courses and receive degrees at the University of Basel, where FMI group leaders also teach and advise students as lecturers. Novartis reviews FMI's research portfolio every year and has first right of refusal on any intellectual property.

# ARTS AND DESIGN SCHOOLS

#### MasterCard and the New School's Parsons School of Design in New York

In 2016 MasterCard invited students of the design school to develop a practical idea for future payment technologies. This single challenge has shown how seemingly unrelated areas may be linked to each other by introducing technological changes to everyday life.

During the fashion and design Hackathon, sponsored by both organizations, teams of students competed to develop solutions and build prototypes of new solutions for commerce. The task was to combine payments with products as well as to develop new fashion designs or ideas. The new projects were set to give consumers the freedom to shop using the device or thing that is most convenient to them, with the highest level of security available. This way MasterCard welcomes a new generation that thinks differently about its money and making payments.

"More and more, companies are turning to design to help build a more positive consumer experience. By partnering with Parsons, MasterCard is engaging with our students' creative and innovative approaches to design viable solutions", said Burak Cakmak, dean of Parsons School of Fashion at The New School.

This partnership supports MasterCard's digital philosophy that every device — watches, wearables, keychains, dresses, sunglasses, gloves, rings and even refrigerators — can be a connected device. After MasterCard, Visa launched similar programmes in cooperation with the Royal College of Arts in London.

# Royal College of Arts (London) and Hyundai Motor Group:

Launched in 2016, the Hyundai Kia Innovation Laboratory is one of the first industry funded innovation labs at the Intelligent Mobility Design Centre (IMDC). Its aim is to envision the future of mobility using advanced technologies.

The inaugural project "Future Luxury" was performed in the academic year 2016/17. The project looked at multiple facets of "luxury" and completed three sub-projects "Immersive Luxury", "Flagship" and "Renaissance" resulting in an overview of future potential luxury trends from a variety of design disciplines such as textile, architecture, industrial design engineering and sculpture together with conceptual designs for future luxury vehicles and vehicle designs informed by luxury trends.

The "Emotional Tech" project for the academic year 2017/2018, applied emotional design as a research approach for investigating how people feel about state of the art and new emerging mobility technologies, designing satisfying disruptive mobility experiences that capture and enable the essence of the freedom of the road.



#### FILM SCHOOLS

# Royal Academy of Dramatic Arts (London) and Warner Bros

POTENTIAL LOCKED IN ŁÓDŹ'S SPECIALIST UNIVERSITIES

The Academy has been cooperating with Warner Bros Entertainment since 2008 to support emerging talents to ensure talented people are able to reach their potential, regardless of their background or financial means. The partnership has rooted film training within RADA's classical curriculum and Warner Bros.'s sustained commitment benefits students across the Academy, enhancing its world-renowned curriculum.

Every year, RADA produces six short films featuring original, commissioned scripts. A professional director leads the company of final year BA (Hons) Acting and Foundation Degree Technical Theatre students to produce screenplays filmed on location, which are premiered at the annual Film Showcase in the Jerwood Vanbrugh Theatre. Thanks to the involvement of Warner Bros., this activity has continued to develop, notably to include an increased number of students with experience in the film craft. Students are connected with a business mentor to help them navigate the entertainment industry.

#### Los Angeles Film School and Soundly

Operating since 1999, the LA Film School offers bachelor's degrees in majors relating to the media and entertainment industry, focusing on the sound production. Due to a fixed library of sounds that could be used in projects carried out during production classes, the art of sound design and mixing, were not creative and innovative. Once the School paired up with Soundly, student had access to a fast, online search tool and could work from nearly anywhere. Sound mixes have become more creative, richer and more interesting than before. In

addition to the Soundly cloud library, the Soundly search tool also lets students search the vast Freesound.org library. Students in the LA Film School film classes receive a laptop with programs such as the Adobe Creative Cloud, Avid Media Composer and Final Draft. Many students work at full or part time jobs in addition to going to school, so the laptop allows them to do school work from home.

# examples of successful university and business partnerships in Poland

#### Polpharma and the Medical University of Gdańsk

In the academic year of 2017/2018, the Medical University of Gdańsk's Faculty of Pharmacy with Subfaculty of Laboratory Medicine, in cooperation with Zakłady Farmaceutyczne Polpharma SA, launched a master's programme "Pharmaceutical and cosmetics industry". The syllabus of this dual programme is set to combine theory with the industry practices. This year the number of places available is 38. The aim of the programme is to produce best-prepared graduates who will take up jobs at companies producing medicines, medical devices, cosmetics and dietary supplements. Theory classes are held at the Medical University of Gdańsk's facilities whereas the practical sessions are conducted by specialists working in the pharmaceutical and cosmetics industries. Every student must complete a nine-week internship at Polpharma's production facilities and laboratories to find out about

the latest technologies and learn how to operate world-class equipment.

## Ćmielów Design Studio and Poland's fine arts academies

An innovative design studio opened in 2013 — headed by Artistic Director Marek Cecuła, a world-famous ceramics artist and designer - next to the Ćmielów and Chodzież porcelain factories, creates space for education and artistic projects. The design studio, drawing on undisputed experience in the production of Poland's best porcelain products and contemporary design trends, works on an offer which will win over the European and global markets. The current offering of "Ćmielów" and "Chodzież" goes beyond the traditional approach to designing. The studio creates "art for the industry", which emphasizes the importance of the designer during the development of industrial designs.

The studio holds annual seminars devoted to ceramic design addressed to designers from all over the world. Invitations are extended to the students of arts academies in Poland, including the representatives of the Łódź Academy of Fine Arts' Academic Design Centre. The porcelain factories also hold competitions for new designs.

#### Collaboration between ceramic tile manufacturers, Ceramika Tubądzin and Opoczno, and arts schools

Over the past few years, Poland's leading manufacturers of ceramic tiles has launched cooperation with students and graduates of arts subjects. In 2015, Ceramika Tubądzin launched a programme to support the Polish design ("Inspirują nas najlepsi"). The Academy of Fine Arts in Łódź has become an honorary sponsor of the national "Tubądzin Design Awards", a series of meetings and competitions promoting Polish architects. The aim of the collaboration is to promote the highest achieving students and to combine business practices with the knowledge and the potential of an arts school.

The GPoland Group, which brings together fashion brands and opens in Poland stores with Italian fashion and LPP brands (LPP is Central and Eastern Europe largest clothing company owning such brands as Reserved, Cropp, House, Mohito and Sinsay) has collaborated with Warsaw's ViaModa, a private college, to launch a post-graduate course: Artistic director, stylist and visual merchandising specialist. The programme, drawing on business experiences, expands the skills and knowledge about the professional world of fashion.

# The potential of Łódź's medical universities and arts academies — summary

A comparison of Poland's past achievements with selected examples from abroad shows that a lot of potential for cooperation between Polish universities and the private sector remains untapped. However, there are industries or companies which are more involved in this process and which engage universities to above-average levels.

The universities in Łódź, with their high-quality curricula and well-prepared graduates, maintain a very strong position in the labour market. A wider range of projects carried out with entrepreneurs and a curriculum that better serves the needs of the industry, specifically in terms of developing technical skills and their practical use, may help Łódź become a regional source of specialized staff and a training centre for graphics and designers.

One example of such partnership is the case of BGI China and the University of Copenhagen described above — long-term collaboration led to the launch of the Chinese company's research centre in the capital of Denmark which offered jobs to the university's graduates. Likewise, the collaboration between Novartis and the University of Basel resulted in the establishment of a research institute which has developed many breakthrough biomedical technologies.

Similar partnerships are much more difficult in the area of art. Nevertheless, there are interesting examples of collaboration which has proven highly successful to both parties:

- Many graphic designers are freelancers who deliver specific tasks. However, there are companies and design studios associating teams of graphic designers specializing in a specific industry.
- Countries with an advanced automotive industry, such as Germany, need the services of graphic designers. These are produced by such universities as: Hochschule Esslingen and Hochschule Pforzheim (near Stuttgart), Westschi-

- schehochschule Zwikau (near Leipzig) and RWTH-Aachen University (near Cologne) which offer master's programmes in automotive design.
- As far as the United States are concerned, the centre for automotive design schools is located in South California, e.g. in the City of Irvine. Among the graduates of the ArtCenter College of Design in Pasadena is J Mays, a globally recognized designer, who graduated in 1980 and, having worked at VW and BMW, became Group Vice President of Global Design Chief Creative Officer at Ford Motor Company.



Łódź universities are becoming increasingly successful in partnering with business. Measures already taken to this end include:

- internship programmes launched at the Academy of Fine Arts in Łódź and co-funded by the European Union;
- > promotion of design competitions held by private entrepreneurs, e.g. Radaway's competition to design glass engravings to be used for shower enclosures. Students worked on their projects in the product design studio and the utility process modelling studio;
- > a post-graduate course launched at the Medical University in collaboration with Statsoft Polska. The "Empirical research in medicine and application of statistics to biomedical research" — a response to the market's needs for certain skills helps graduates find their desirable jobs;

- cooperation between the Medical University and Roche designed to launch PhD programmes merging the university's expertise and the experience gained during the work placements at the biotechnology company;
- > Łódź's Film School's Media Biznes Hub co-financed by the European Union.

An analysis of the measures taken by the three universities reveals that the scope of partnerships with the industry differ depending on the entity and this affects the curriculum.

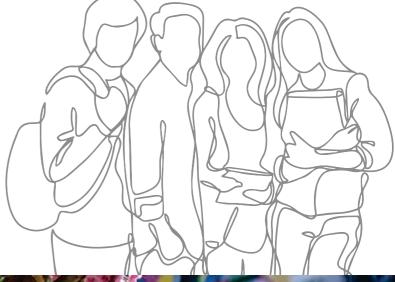
The authorities of the Medical University have been actively cooperating with the market and established structures to foster the transfer of research results to the industry (e.g. incorporation of a spin-off, UMED sp. z o.o.). The Academy of Fine Arts has just started this process with internship programmes and participation in external initiatives organized by the industry (e.g. competitions).

Still, these are not large-scale projects. The Film School has admitted that limited collaboration with the market poses a problem and a means to solving it is the Media Biznes Hub. Though the universities curricula vary so widely, each of them may

present the industry with an attractive offering and each of them faces the challenge of how to make a better use of the economic potential.

Each university must identify their capabilities. For example, the profile of the Film School is even more art-oriented than that of the majority of faculties at the Academy of Fine Arts. Its graduates are largely individuals who do not form attachments with places, but follow their own paths.

Actors play in films and theatres all over Poland, cinematographers with all their equipment travel with the crew to film sets. The individualism inherent in these areas narrows the opportunities for partnering with business. However, such partnership is not impossible. Łódź could become home to a large film centre. The foundations have already been laid — the revitalized EC-1 has already become home to the National Centre for Film Culture, though the range of its operations is still limited and its full potential remains untapped.





POTENTIAL LOCKED IN ŁÓDŹ'S SPECIALIST UNIVERSITIES

Graduates of the Academy of Fine Arts in Łódź are also prone to choose a freelancing career, yet considering their design skills and provided they are equipped with the right tools (as the case of the LA Film School — Soundly shows), they can adjust to the labour market and join design and architecture studios as well as animation and 3D design studios and video game developers. They could also be successful in the fashion industry and help develop interesting innovations such as functional clothing. MasterCard invited students of the New York-based Parsons School of Design to embed payment functionality into products. A similar, highly interesting project is delivered by the Łódź University of Technology's Faculty of Material Technologies and Textile Design which works on a "Textile charger" to power up mobile electronic devices. The invention designed by a team headed by Professor Katarzyna Grabowska has already been patented. Such partnerships could help exploit the legacy of Łódź, once the hub of the textile industry.

#### Skills sought after in the region:

- In the recent years, investors planning to locate their business in Łódź looked for various skills.
- What is interesting is that IT employers sought not only graduates of universities, but also of secondary and technical secondary schools offering extended IT curriculum.
- Xnowledge of foreign languages, specifically of English, is an important skill, regardless of the sector.
- > Łódź has the potential to attract students and qualified staff from abroad.

Investor / Sector	Question regarding graduates, competencies, universities
Investors in the technology and manufacturing industry planning to build production plants (production of technologically complex components) or plants servicing or repairing specific equipment or components	- Pt graduates - in an extensive range - Graduates of technical vocational schools (in particular electrical, electrotechnical, electronic, etc.) - knowledge of foreign languages (mainly English)
Investors in the textile industry (modern textile industry)	- Graduates of graphics, design (including ASP) and other fields related to the textile and printing sector (including Pt)  - High school graduates with a textile technician profile, textile technician, fashion industry technician, graphic and digital printing technician
Investors from the BPO / SSC industry	Graduates who are fluent in certain foreign languages (graduates in philology and other business-oriented subjects fluent in a given language - mainly English, German, Spanish, Italian, French) (University of Lodz)
Investors from the medical industry - life science (production of medical equipment, healthcare, etc.)	- Graduates of faculties related to the medical industry (Medical University, Pt and Ut)
Investors in the biotechnology, pharmaceutical and chemical sectors	- Graduates of biotechnology, pharmaceutical and chemical faculties (Medical University, PŁ and UŁ)
IT industry investors	- IT graduates (Pt, Ut)
Investors in the construction industry	- Graduates of engineering and construction-related faculties (Pt) - Graduates of vocational schools with a construction profile
Investors already present in Łódź considering increasing employment / updating their internal data	Questions mainly:  - About students and graduates who are fluent in certain foreign languages (graduates in philology and other business-oriented subjects fluently who know a given language - mainly English,  German, Spanish, Italian, Scandinavian, Eastern languages),  - For international students studying in Łódź or for students of broadly understood IT faculties and high school students of the same profile.

#### POTENTIAL LOCKED IN ŁÓDŹ'S SPECIALIST UNIVERSITIES

Examples of employers who may use the competences of graduates who have already turned to the City of Lodz for information about the competences of graduates of Lodz universities.

As far as medical universities are concerned, a relatively high proportion of all graduates are dentists. Considering the university's teaching resources and the demand for graduates, it is desirable that other medical sciences are also promoted. The tables below do not include foreign language and entrepreneurial skills.

#### **Medical Universities**

#### Field of study Medical, Biomedical and biotechnology companies • rese-Medicine and Dentistry, arch centres - diagnostic, testing and research laboratories dealing with advanced methods biotechnology, Elektroradiology, combining medicine and experimental Pharmacy cosmetology, biology • experimental biology • diagnostic and Medical analytics therapeutic process support • pharmaceutical industry • cosmetics industry • marketing of medical equipment • entities producing and marketing Dietetics, Physiotherapy, • Nursing homes • hospitals • clinics • food Senior care, emergency medical Services, Public factories • specialist clinics • catering businesses health Nursing, Obstetrics

#### **Medical Universities**

Employer
Manufacturers of technical and utility fabrics of fashion houses of clothing companies of institutions looking for costume designers of theatres operas and community centres.
Companies involved in the implementation of projects in public space — implementation of projects on request, working as a teacher * 3d sculpture — working in the video games, film and animation industries
Manufacturers of household goods — furniture, furnishings * property developers * car manufacturers
Film industry companies looking for production designers • costume designers • animators, animation graphics specialists • photographers • multimedia companies
designers • costume designers • anim animation graphics specialists • photo

#### Film Schools

Field of study	Employer
Directing film and television	Film industry companies • event and festival organizers
Theatre arts/acting	• Theatres • film studios • community centres
Production of film, television and photography, Organization of film and television production $ \\$	• Film studios • production companies • theatres • event and festival organizers

#### Summary

University and industry collaboration — one of the pillars of economic growth of many countries — to better use the skills taught at arts and medical schools requires closer relationships with the private sector.

The resultant synergies are the basis of the future society. This is best illustrated by the futuristic and unusual measures such as those taken by MasterCard and design schools with the intention to develop every-day products with embedded payment functionalities. Another notable example is Elon Musk's collaboration with Oxford and Cambridge University to carry out research into artificial intelligence. In Poland, such collaborative initiatives are still nascent, but the progress is apparent. Such partnerships are increasingly beneficial to both parties, specifically with the EU funds available.

A good thing is that universities establish centres which foster relationships with the private sector. Science and Technology Parks (Bionanopark and Technopark Łódź) also provide fertile grounds for collaboration.

A notable example of transferring research results to the market in Poland is NEXBIO, a newly established company managed by Adam Kuzdraliński, a biotechnologist and scientist from the University of Life Sciences in Lublin and the manager of scientific and research projects. Together with a team of scientists, they work on DNA analysis technologies to early detect plant diseases. They also analyse biotechnological solutions for the needs of the plant protection market. NEXBIO was established as part of the "Innova-Invest: investments in innovative projects in the Lublin Science and Technology Park" project and has been operating since

2015. The project was funded by the Innovative Economy Operational Programme; Priority Axis 3. Innovation capital; Measure 3.1. Initiating innovations. The research team includes both people with scientific experience in genetics and molecular methods, as well as practitioners with many years of experience in commercializing research. The projects delivered by the team received financial support from the National Centre for Research and Development and the Ministry of Agriculture and Rural Development. Lublin's Science and Technology Park serves as a platform for collaboration between technical universities and the industry.

Graduates of the Medical University of Łódź develop their research ideas in the science and technology park Bionanopark Sp. z o.o. which offers investment and research support and serves as an incubator for advanced-technology companies and institutions. The park incorporates seven innovative labs and there are 140 companies using the incubator's support. Available research services include: cosmetics research, industrial biotechnology, food research, 3D printing and scanning, textile testing, advanced medical implants and the processing capacity of ARUZ which is a unique digital analyser of real complex systems. Bionanopark operates as part of Technopark Łódź — a company owned by the City of Łódź and the Łódź voivodeship authorities.

The best-known example of an area attracting technology talents is undoubtedly the Silicon Valley with its Stanford University, one of the top universities in the United States and in the world, as well as the University of California, Berkeley. The surrounding area is home to many high-tech companies: Adobe Systems, Apple Inc., Cisco Systems, eBay,

Facebook, Google, HP, Intel, Oracle Corporation etc. Much of the Silicone Valley's success lies in its new research model — private research centres were replaced with companies vying for contracts, e.g. for the military. Stanford graduates were encouraged to set up their own businesses and work at local companies developing breakthrough high technology to be used by the business and the army. The Silicone Valley is open to innovations designed both by university graduates and entrepreneurs, also from abroad.

A review of enterprises operating in Łódź and in the region helps identify university subjects which would benefit considerably from partnerships with business and provide workforce equipped with skills sought by local companies.

Łódź has a rich heritage of manufacturing textiles and is home to a number textile industry companies. However, it is also becoming one of the largest centres for the cosmetics and pharmaceutical industries in Poland with many companies and multi-national corporations operating in this sector (such as: Sandoz, Procter&Gamble, Aflofarm, Medana, Mabion, Sensilab (formerly Polfa Łódź), Pelion, Adamed and Delia Cosmetics). This way the demand for highly-qualified specialists continues and the production keeps on growing.

#### Ideas for cooperation between business and specialist universities

It is easier to perceive the business aspect of one's skills in sciences (engineering and economic programmes) than it is in medical or artistic subjects. One needs to remember, however, that with the globalization of the market, traditional forms of business are no longer sufficient and one should reach for unconventional solutions to gain competitive advantage. Art schools come as a natural source of creative and innovative ideas.

There still are few examples of collaboration between the art industry and business, however, those that have been launched show that once such partnership begins, it is hugely beneficial to both parties. Creative industries develop original and unique products. Their inherently innovative approach to the world helps develop inspiring, and thus more effective and productive, working environment. Persons with artistic inclinations who work in business tend to look for creative solutions to problems which break down organizational barriers.

#### **ART SCHOOLS**

#### Film and Entertainment Centre

Łódź lacks a large-scale entertainment centre. At the same time, amusement parks, such as, to name but a few, Universal Studios Hollywood (owned by: NBCUniversal), Magic Kingdom (Florida), Puy Du Fou in France (historic amusement park) World Beto Carrero in Barcelona and, of course, Disneylands, are becoming more and more popular and have been operating in the most developed regions of the world for years now. An amusement

park to be located in Łódź obviously does not need to compete in scale with the above-mentioned ones, but it could specifically focus on films which are a fundamental part of the identity of the city.

Generally, the attractions offered by amusement parks are structured around a central theme that is crucial for the park's functioning, and the forms of entertainment proposed — such as the accompanying services — typically revolve around it. Such a theme is especially important if the park is to provide a sense of unity with its surroundings. Theme parks may also incorporate instructive activities and informative content with a view to preserving cultural heritage and offering educational benefits to the public.

Implementing the idea of a film and entertainment theme park could make use of the competence developed by both the Film school and the Academy of Fine Arts, and perform an extremely important function within the city.

Łódź is intrinsically linked with the world of film — through cartoons, animation art and films for children, but also through dozens of films produced in Łódź over the years.

# Theoretically, a theme park in Łódź could be composed of the following elements:

> Museum of Children's Stories — relying on the heritage of the Se-ma-for studio, e.g. incorporating props, and potentially, also interacting experience that could involve the characters known from the children's shows made in Łódź, such as, Miś Uszatek, Pingwin Pik-Pok, Filemon & Bonifacy, Zaczarowany Ołowek, Plastuś, Wróbel Ćwirek, Miś Coralgol. The presence of the characters from Peter and the Wolf, an animated short film co-produced by the Łódź studio which won an Oscar in 2008, would constitute an additional attraction.

Apart from the exhibits specifically associated with children's stories created in Łódź, the museum should also feature other items and thus, could be counted among the national institutions of culture.

- Wax Museum: waxwork exhibitions in the world (e.g. Madame Tussauds in London) attract many visitors. Wax figures are an example of direct collaboration between the Academy of Fine Arts (sculpture and execution) and the authors of cartoon and film characters;
- Computer Game Centre it could offer a well-prepared space to play VR and AR (virtual reality & augmented reality) games, developed in collaboration with the art schools in Łódź. The first large-scale project of this kind in Poland, it could bring in many visitors, both Polish and foreign, especially if the best Polish game producers were to be involved.
- Educational elements, e.g. workshops on making animated videos, films, photography and arts — painting, sculpture and drawing.
- Mazes, roller coasters and other more typical theme park attractions.
- Commercial aspects aside, the project could contribute to promoting the cinematographic heritage of the city (advertising Łódź as the heart of the film industry), with a special focus on animation art. It could also serve as an extension of the Łódź Bajkowa tourist route that features movie-themed bronze statues.

The involvement of two creative universities, i.e. the Academy of Fine Arts in Łódź and Łódź Film School, could result in developing a new concept for potential investors.

POTENTIAL LOCKED IN ŁÓDŹ'S SPECIALIST UNIVERSITIES

#### Computer game cluster

Creating a computer game production cluster in Łódź could be a very interesting idea, with a potential to enhance the city's appeal and widen the job opportunities.

Graphic design projects are already carried out as part of the Centre for Comics and Interactive Narration created in the revitalized EC1 building. The Centre regularly hosts events that attract computer enthusiasts, such as the Promised Land Art Festival — an international meeting of professional graphic designers working in the sector of video games, film and special effects, organised by CD Projekt RED and the city of Łódź as part of the International Festival of Comics and Games.

The evident success of this undertaking shows that Łódź has a potential and can attract both industry enthusiasts and — as the next step — investors interested in locating their business in a place where industry expertise is available.

Adding the technical aspects of 3D design to the curricula of educational institutions would make it possible to create a computer games centre in Łódź as well as prepare resources for large architectural design offices, by offering visualisation capabilities to be utilised in projects implemented anywhere in the world.

#### Film Centre

Establishment of the largest film centre in Łódź, drawing on the history, knowledge and experience of the Film School.

In order for the Film Centre to create an added value, the project needs to embrace a number of key elements:

- Creating a film studio and film production facilities is one of the ways to capitalize on the city's film traditions. Considering the availability of well-qualified experts, namely the graduates of the internationally renowned Film School, persuading one of the market tycoons to invest in Łódź could be possible.
- > Consolidation of the Łódź film industry:

The restoration plan for the Feature Film Production Company (Wytwórnia Filmów Fabularnych) closed in 1998 as a result of acute crisis brought about by the gradual relocation of the film production facilities to Warsaw. The 'remnants' of that company, i.e. TOYA post-production sound studio, Wytwórnia Club, local branch of the National Film Archive and Opus Film — the producer responsible for making films as successful as Ida and Cold War, still operate at the same address (the famous ul. Łąkowa 29). The consolidation could also apply to the Se-Ma-For animation studio.

> Relocation of the offices and the Polish Film Institute to Łódź

Functional merger with the Museum of Cinematography and other

> film-related institutions, such as the film prop archive collection of the former Feature Film Production Company at Łąkowa street. The Museum of Cinematography in Łódź is the only museum in Poland displaying Polish artistic photography, visual arts, and film-related items

- > Promotion of the film festivals organized regularly in Łódź and hosting or preparing a new European-scale festival in the city:
  - Transatlantyk Festival created by Jan A.P. Kaczmarek, an Oscar-winning composer who acts as the festival director. The Festival is an artistic platform which, through music and film, fosters interactions of people, art, and environment, and inspires legendary masters and young artists to share their experience. The festival is based on three pillars film (presentation of the latest and most important productions, awarded at prestigious film festivals), music (unique world-class compositors' competitions) and education. It also promotes other film and music events (workshops, Master Classes, discussion panels with world-class specialists).
  - Cinergia Festival a festival of the European film industry held in Łódź ever since 1992, initiated and organized by Sławomir Fijałkowski, the founder of the Charlie cinema and president of the Łódź Filmowa Association. The principal concept behind the Cinergia festival is to promote artistic films by providing an alternative for commercial mainstream repertoire of other cinemas. Every year, its international jury hands out the Kryształowa Łódka Award.
  - Kamera Akcja! Film Critics' Festival
  - Filmteractive Festival
  - Polówka Włodzimierz Puchalski International Nature Film Festival
- A film-lover route guiding tourists through places linked with film, culture and art could become an important element of this project. (The Łódź Walk of Fame located on the Piotrkowska street should definitely be included.)
- > Considering the city's high-class educational resources and legacy, it appears that in order to restore Łódź to its former glory of the heart of the Polish film industry, it is enough to attract a significant partner from the film industry. Creating a film production base in Łódź would make it possible to exploit locally the potential of its people who have competence in the field and to re-establish the city as the centre of the film industry in Poland. Cooperation with global tycoons, such as Warner Bros, or even with entities that operate in domestic film industry only when combined with the relocation of the Polish Film Institute to Łódź should open up excellent opportunities for the city.
- Initiatives of this kind have already been started in Łódź, the most important one being the National Centre for Film Culture which is operational and could potentially become a catalyst for changes and consolidation of the film community.

#### **MEDICAL UNIVERSITIES**

The potential of the medical university graduates can be best put to use in research projects undertaken by pharmaceutical or biotechnology companies that use innovative solutions in agriculture, cosmetics and pharmaceutical industries. Attracting a large investor to Łódź could become the next stage in the development of cooperation between the Medical University and the private sector (for example, based on the projects implemented with Roche).

In Lublin, creating favourable conditions for the development of research companies has led to research-based projects that rely on the resources supplied by the local universities. By analogy, founding a research centre in Łódź, even if established as part of an investment that has already been planned, i.e. the modern Centre for Molecular Studies on Lifestyle Diseases MOLecoLAB, and further development of the Bionanopark concept could be substantial growth drivers.

Taking the example of Novartis from Switzerland and the University of Basel, if a private partner joins the investment, in effect, a centre of local and — in the long run — of regional or even global importance may be created.

# Academic competence from the perspective of business expectations

The term competence embraces:

- knowledge (the so-called declarative knowledge, i.e. I know 'what / that'),
- skills (the so-called procedural knowledge, i.e. I know 'how', I can),
- attitude (the so-called personality-based and motivational readiness to use knowledge and skills).

Competence is not knowledge, skills or motivations communicated and analysed separately. Competence is achieved when all of the above occur simultaneously and lead to specific behaviour.

For that reason, the curricula of the faculties with the highest economic potential (such as cosmetology, electro-radiology, biotechnology and pharmacy at the Medical University; graphic art, design, textile and clothing at the Academy of Fine Arts, and film, TV, photography and film and television production at Łódź Film School) need to be adapted to emphasise the practical aspects of knowledge.

The representatives of business point out that a shortage of technical competence can be observed on the market of university graduates. This problem can be solved, for example, by introducing dual

studies — such a system has already been launched as part of several programmes of studies at Łódź universities. Moreover, the currently implemented models are also partly based on the suite of competence standards developed at specialist universities (those that might not seem obvious as far as commercial benefits are concerned), e.g. the Department of Theatre Production and Artistic Events Organisation of the Faculty of Philology, and The Studies in the field of Cosmetics Chemistry Integrated with Industry — a programme for the students of Cosmetics and Pharmaceutical Chemistry at the Faculty of Chemistry of the University of Łódź. Similar programs could successfully be introduced into the offer of the Medical University of Łódź or the Film School, if private entities interested in employing specialists in specific fields got involved in the project.

Hence, an analysis of the knowledge and skills that are most desired and searched for on the market and consultations conducted simultaneously with international concerns operating in Europe and in the world which could be potentially interested in employing people possessing specific types of competence could help tailor the programmes of study offered by universities to the current labour market requirements.

Nonetheless, irrespective of the possible practical application of the skills developed in Łódź, the most crucial issue is to acquire an appropriate business partner — an investor.

Suggested projects that make use of the types of competence developed by the three analysed universities which could be included in todz's investment offer:

#### The Film School in Łódź:

A division of an international large-scale film production studio, such as Warner Bros Entertainment Inc. (WarnerMedia, LLC), Paramount Pictures Corporation, Universal Pictures, The Walt Disney Company.

- Types of competence developed jointly by artistic universities (The Film School in Łódź and the Academy of Fine Arts in Łódź):
  A 3D design centre, for example as part of co-production of computer games, a design agency creating products based on VR technology 360 movies, virtual walks, etc.
- > Academy of Fine Arts in Łódź:

A utility design centre for interior furnishings — the furniture industry (e.g. IKEA, or domestic manufacturers — VOX, Agata Meble, BRW), objects of everyday use — bathroom fittings (e.g. Grohe, Kludi, Roca), homeware (e.g. BSH).

#### Medical University of Łódź:

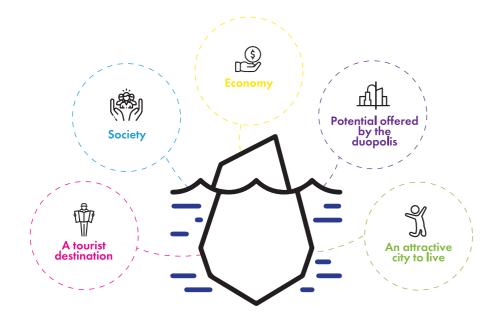
Production facilities of multi-national cosmetics concerns (e.g. companies operating within the French Cosmetic Valley cluster — L'Oreal or Avon). Research laboratory created in cooperation with an international pharmaceutical group (e.g. Roche, Bayer, Pfizer, GSK, Johnson & Johnson), medical equipment (Philips, Siemens), food industry (e.g. Coca-Cola, Danone) or tobacco manufacturers (e.g. Philip Morris).

THE HIDDEN POTENTIAL OF ŁÓDŹ
SUMMARY

THE HIDDEN POTENTIAL OF ŁÓDŹ

Łódź is a city which has not yet reached its full economic, social and tourism potential. It is also still not fully recognized as an attractive place to live though it has been drawing new residents from outside its area.

The measures which the City of Łódź has taken so far show that the direction is right — urban regeneration carried out with the involvement of private investors, hosting of the 2024 Horticultural exhibition, growth of the real estate sector, creation of a thriving business services centre, looking for synergies arising from the partnership with Warsaw as well as the promotion of Łódź as a creative and investor-friendly city whose resident may live a slow life. Evidence of this can be seen in the results of 2019 Emerging Europe in which Łódź came out as a city with the greatest economic potential in this part of Europe, ahead of Kiev and Kaunas. Łódź may unlock its "hidden potential" and experience a rapid growth in many areas.



#### -POTENTIAL OFFERED BY-THE DUOPOLIS-

The duopolis is a highly interesting idea of a functional partnership with Warsaw and development of a strong economic hub. The cities, linked by high-speed rail and the central SPH airport lying between them, may at some point share institutions, pursue a joint tourism and cultural strategy and most of all develop a joint value proposition for the biggest companies in Europe. It seems that the duopolis is an essential and key project not only for Łódź and Warsaw, but for the country as a whole. For Poland, putting the idea into practice may create an opportunity for developing an innovative and specialized region in Europe and even globally, if one considers the SPH and the Belt and Road Initiative. Łódź may benefit from its central location, close relationships with Warsaw and as part of the duopolis become an important place on the economic map of Europe. The success of the duopolis will bring positive changes also in other important areas: social capital, cultural and entertainment as well as tourism offering.

#### THE HIDDEN POTENTIAL OF ŁÓDŹ

#### rage 13

#### **ECONOMY**

In the past few years, in terms of economy, tódź has become one of the top large regional cities in Poland. It is a strong industrial and logistics hub which is also a nascent centre for business services. However, representatives of the business community say that the potential for collaboration between todź universities and the industry is still not fully realized, though it offers opportunities for new jobs for graduates and may benefit local businesses.

Łódź regional specializations (RSI. LORIS 2030) such as: medicine, pharmaceuticals and cosmetics; logistics; modern textiles and fashion industry; advanced building materials; power generation (including renewable energy); innovative agriculture and food processing; IT and telecommunications, may boost the city's and the region's economy. Companies operating in such industries need support with promotion and they would also benefit from clusters which foster conditions for a more dynamic growth compared to the rest of Poland.

Industry is especially important as it offers long-term job stability. It ensures that even residents of smaller towns may enjoy living standards comparable to those in the biggest economic hubs. Łódź does not need metropolitan ambitions, but it may pursue its project of providing its residents with high-quality of life.

tódź is a nascent centre of business services and it is important to attract employers with increasingly specialist knowledge and technologies and move away from the simplest tasks which may be easily transferred to cheaper locations in Europe and in the world to the detriment of the tódź labour market. Therefore, it is so important to start university-business partnerships by e.g. launching dual university programmes, niche language courses or producing IT employees.

In order to attract new employers, Łódź should customize its offering to show the determination of the city authorities. Business partners examine specifically the availability of staff, the city's business environment, quality of living for the employees, public transport, availability of air transport as well as investment incentives. However, the city must remain actively involved in the early stages of relationships with potential investors and assign department directors and deputy mayors to contacts with the business community.

#### -SOCIET

Łódź must realize its potential to attract new residents. On the one hand, the city must be promoted as an attractive place to live and work, on the other — there is the challenge of creating desirable conditions for the residents. Presence of appealing employers is usually one of the main reasons for migration.

An interesting idea is acquiring employees and new residents from Eastern neighbours such as Ukraine or Belarus. Łódź is already very popular as seen by the high numbers of work permits issued. However, special measures need to be taken to attract new residents: language help with official matters, support going beyond filling formal documents such as assistance with finding an apartment, educational offering for children and training.

The third pillar of the potential for social growth is attracting several thousand — or more — highly-qualified employees who commute to Warsaw every day. Analyses have revealed that such persons would take up jobs in Łódź, provided they are attractive enough.

Though the unemployment rate hit a record low, it remains relatively high comparing to other large cities in Poland. This suggests that there is still some potential locked in the group as some of the unemployed could find jobs with the new investors that may arrive in the region. However, to tap the potential there must be effective training and urban regeneration programmes to bring jobless people back to the labour market.

#### -A-TOURIST DESTINATION

tódź demonstrates a unique tourism potential. Although for decades it has not been perceived as an important tourist destination, the situation has been changing recently.

The uniqueness of tódź has been underscored in various publications and foreign rankings and the city has become popular among tourists not only in Poland but also across Europe.

Owing to its remarkable history and incredible architecture, including hundreds of palaces and villas, factories and tenement buildings, &ddź stands a chance of joining Manchester or Glasgow as one of the leading post-industrial cities in Europe that are immensely popular among tourists and telling its story to the world. In order to unleash its potential, &ddź will definitely need to continue its efforts aimed to build its brand as a post-industrial city engaged in urban regeneration initiatives launched on the European scale, in addition to presenting its cultural heritage. Its importance as a major centre of contemporary art being home to the Museum of Art and numerous other institutions still needs to be emphasized. Also the multicultural character of the city may play a role in its promotion. The Four Cultures Festival and the activity of the Dialogue Centre may help &ddź to be seen around the world as a melting pot where different cultures and religions intermixed and which used to be perceived as the promised land.

If £ódź is positioned as a European destination for weekend tourists and the city's tourist strategy for the key cultural and art institutions is adopted, the number of visitors may be expected to arow exponentially.

#### -AN-ATTRACTIVE-CITY-TO LIVI

Although the process aimed to alter the perception of the city and change the opinions of its residents has begun only recently, it has already produced tangible results manifested in improved social sentiment. However, the process has to continue and the good economic climate should be used, for instance with a view to implementing the strategic vision of the city. At present, cities around the world compete primarily for resources, residents and investors. It is becoming more and more clear that the effectiveness of initiatives undertaken in order to attract them to the city is determined by the quality of life it offers. Rising standards and growing resident expectations on the one hand, coupled with increased mobility and flexibility on the other, make it imperative for the city to become a place that is pleasant to live.

tódź is going in the right direction – the launch of the urban revitalization programme, efforts related to the organization of the Green EXPO 2024, creation of more green spaces in the city or a wide spectrum of eco-friendly initiatives will undoubtedly lay a sound foundation to build on. However, this is only the beginning. Łódź could position itself among both existing and prospective inhabitants as a "slow" city, offering a more peaceful atmosphere that is so different from the hectic pace of life in business centres, including capital cities. A slow city is also a smart and green city offering its residents the possibility to spend their leisure time close to nature and by the water. Łódź may not have direct access to a lake or a river but a number of the existing areas located by the water, along with the possible renaturalization of rivers, create an enormous potential which has not been unleashed yet.

Development of an appropriate strategy addressing these issues may be of key importance. It is crucial to come up with an offering that will not be addressed to investors but to the residents and make the city an appealing place where people will come and live. Redevelopment of the city centre, creation of pedestrian zones, bike infrastructure, implementation of the Vision Zero concept or a comprehensive council housing programme are those initiatives which are capable of attracting especially young people and encouraging them to stay in the city.

THE CITY OF THE FUTURE

# THE CITY OF THE FUTURE

# A friendly city to live



#### **Spatial policy**

- Designing a Local Development Plan for the whole city
- Densifying the city centre to make the city compact
- Constraining uncontrolled urban sprawl, stopping suburbanisation
- · Factoring in certain indices in the Local Development Plan, e.g. parks and green spaces constituting 50% of the area covered by the plan
- · Designing spaces for children across the whole city
- · Setting high ecological and energy efficiency requirements for new buildings
- · Caring for aesthetic values and consistency in public space through requirements
- concerning i.a. the construction materials used Planning the layout of the city's streets and squares
- · Setting guidelines concerning the quality of architecture
- Implementing an Advertising Code



- Designing a pedestrian- and bicycle-friendly city
- Prioritising the pedestrians, implementing a safe city programme such as
- Restricting car traffic, especially in the city centre
- Developing the pedestrian and cycling infrastructure, and improving infrastructure
- · Promoting public transport, especially among the young and the more wealthy
- · Minimising the fares for using public transport
- Ensuring a higher standard and better quality of public transport with more frequent service, better infrastructure, and bus lanes
- · Making accessibility arrangements with public institutions, and developing a joint policy for promoting the means of transport and infrastructure
- Implementing an urban parking policy, with park and ride facilities, multi-storey car parks, public transport connections, and a cycling network
- Exploiting the synergy between the transport networks in the urban area and in the city (the metropolitan tramway, and the Łódzka Kolej Aglomeracyjna
- Developing infrastructure that promotes environmentally friendly vehicles, such as free charging stations for electric vehicles
- · Exploiting and developing the city bike system
- Developing a cycling policy by implementing the Charter of Brussels through i.a. creating cycle paths and parking station systems, and promoting bicycles as a means of transport
- Making a network of bike paths and cycleways that will allow cyclists to reach the heart of the city right from its very outskirts safely
- Introducing closed pedestrian zones that make for cleaner, more attractive and more sustainable spaces to work, live and invest in
- Restricting the traffic in the city centre, through i.g. reducing the maximum speed to 20 km/h, limiting the number of paid parking zones and increasing parking fees, turning streets into woonerfs
- Analysing and selecting the course of action with respect to air transport using the city's own airport or the planned STH



- Implementing a policy of supporting the creation and development of local businesses
- Implementing a strategy of finding external investors
- Introducing incentives: tax reliefs, subsidies, lower real property prices for local
- Engaging local entrepreneurs in decision-making and social participation processes
- Implementing a long-term economic and financial policy
- Ensuring active real estate management: preparing investment sites for businesses



#### Smart City

- Developing innovative public services
- Digitalising the City
- Introducing a surveillance system
- · Introducing an air quality control system





#### Demographic policy

THE CITY OF THE FUTURE

- · Implementing a strategy of retaining residents, and retaining the young
- Promoting the city as a place which is attractive to live in
- Implementing a policy of attracting new residents from other cities and countries
- Creating more places in crèches and kindergartens, also for new residents'
- · Fostering cooperation between primary schools, secondary schools, universities,



#### City infrastructure

- Promoting central heating systems
- Ensuring that water sewage systems are installed in every building
- Hardenina road surfaces
- Introducing incentives (subsidies) and penalties (for failure to implement the investments) for private owners of historic buildings



#### Housing policy

- Ensuring more council housing
- Developing and supporting social housing
- Exploiting the city's resources (tenement houses) for the implementation of its
- · Subsidising rent: preferential treatment e.g. for families with children, single parents, and the elderly
- · Analysing PPP opportunities e.g. with construction companies for the exploitation of the tenement houses



#### Ensuring that vacancies for posts are advertised in public, and that the selection process is transparent

Modern city institutions

**Green & Ecological City** Implementing a sustainable development strategy

and promoting ideas such as urban gardening

• Ensuring a friendly attitude towards the residents

and on creating and maintaining green spaces

• Improving environmental quality - ensuring air quality together with and access to clean water and green spaces

• Medium-sized cities near large urban areas are able to compete with those areas when it comes to attracting residents by offering them a high quality of living.

Apart from ensuring good transport opportunities and new places to live in, it is

 Making public institutions the model and inspiration for others, e.g. in drinking water from the city's water supply network and in implementing a model parking

Introducing a system that will allow the citizens to control and supervise the works

Providing training sessions on the role and methods of social participation,

also necessary to drive the development of green spaces and active leisure areas,

- Implementing a water management policy involving water retention
- Designing a plan for developing and maintaining green spaces
- Providing grants for furnace replacement
- Implementing an intensive thermal modernisation programme
- Exploiting renewable energy sources by ensuring they are enshrined in the Local Development Plan and other strategic documents, and exploited by municipal
- Combating smog through paving and walls' coating, green walls and green roofs
- Lowering CO2 emissions extending the city's heating network and limiting individual heating systems, increasing the share of renewable energy sources, promoting mass transport



#### Social participation and revitalisation

- Fostering participatory budgeting
- Introducing a citizens' assembly
- Introducing an ombudsman for residents' rights Providing grants for local communities
- Ensuring the support of community councils
- · Consulting public investments with communities
- Combating poverty and exclusion
- Fostering civic crowdfunding initiatives funded voluntarily by the residents
- · Stimulating the social activity of the residents
- Conducting revitalisation as a process of combating unemployment, poverty, crime, and low educational levels



#### Cultural and entertainment offering

- Involving cultural institutions and NGOs in creating the city's cultural policy
- Developing a joint promotional and tourism strategy



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