SURVEY 2024

A FOREIGN EMPLOYEE

ACCOMMODATION IN POLAND

A report from the survey conducted by the EWL Group, RentLito and the Centre for East European Studies at the University of Warsaw.

ewl RentLito STUDIUM EUROPY WSCHODNIEJ UNIWERSYTET WARSZAWSKI

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Andrzej Korkus

EWL Group
Chairman of the Board
CEO of the EWL Foundation

The worker accommodation market in Poland has experienced significant changes in the recent years, becoming the subject of detailed analysis among economic experts, investment entities and property market analysts. An increased interest in this segment, driven by a number of factors such as the mobility of the workforce and the changing housing needs of workers, finds its justification in the growing number of immigrants in Poland. According to the Social Insurance Institution (ZUS), the number of insured foreigners was approximately 1.1 million at the end of December 2023 or 6.5% of the total number of foreigners. In comparison, ten years ago at the end of December 2013, this number was ten times lower standing at 101,000 (<1% of the total). It is worth noting that our previous studies indicate that more than 60% of cross-border workers in Poland are more concerned about their accommodation in Poland than their employment.

Faced with a labour shortage that has been growing for years, employers in Poland are usually involved in the process of housing their employees, realizing the fact that the provision of adequate accommodation is key to remaining competitive on the labour market. For several years now, this has been a major competitive advantage of the Polish labour market compared to Western Europe. **It has been confirmed by the first report on the housing situation of working immigrants carried out by the EWL Group together with RentLito and the Centre for East European Studies at the University of Warsaw. It shows that almost half of the cross-border workers in Poland (47%) were provided with accommodation by their employer or an employment agency and the vast majority of respondents are satisfied with such a solution. This is an essential fact, which indicates the significant role of entrepreneurs in the process of integration of foreigners in Poland.**

I hope that this report will provide many valuable insights into current trends related to the accommodation of immigrants in Poland, thus contributing to their better integration into society and the labour market.

Maria Dąbrowska

RentLito Chair of the Board

A few years ago, I decided to take on the challenge of building a start-up called RentLito dedicated to developing a market for worker accommodation, primarily for foreign workers. At the time of making the decision, I considered it a proverbial downgrade, as I was abandoning the institutional rental market in favour of an area generally considered as less prestigious. At the time I did not have any research or analyses to support my choice. I did not even have access to any reports or industry summaries. However, I met a group of interesting people who had been passionate about this field for many years, and who ultimately influenced my final decision.

Now that several years have passed, I know that it was the right decision to take and a huge personal and professional opportunity. To prevent others from duplicating my former mindset, including insurers, furniture manufacturers, hoteliers, or those considering working 'for' or 'with' this market, I've aimed to systematize the knowledge I've gained and share it broadly in the form of a report.

The other important issue is technology, or rather lack thereof. It is rare to find a market segment with such a technological debt. The first step to catching up is therefore a large group of people thinking about how to help this market with innovative solutions. Access to knowledge about the 'worker accommodation' market that is as easy to obtain as possible is crucial for this group to be large enough. **Let us open then the minds of those smarter than ourselves – all those who, after reading the report, will have an idea of what kind of a technology start-up they would like to create to support those residing, renting or searching. We invite you to join us! We will help you raise funding, enable you to test your concept on a real entity – together we will take this market to the next stage of development!**

Jan Malicki

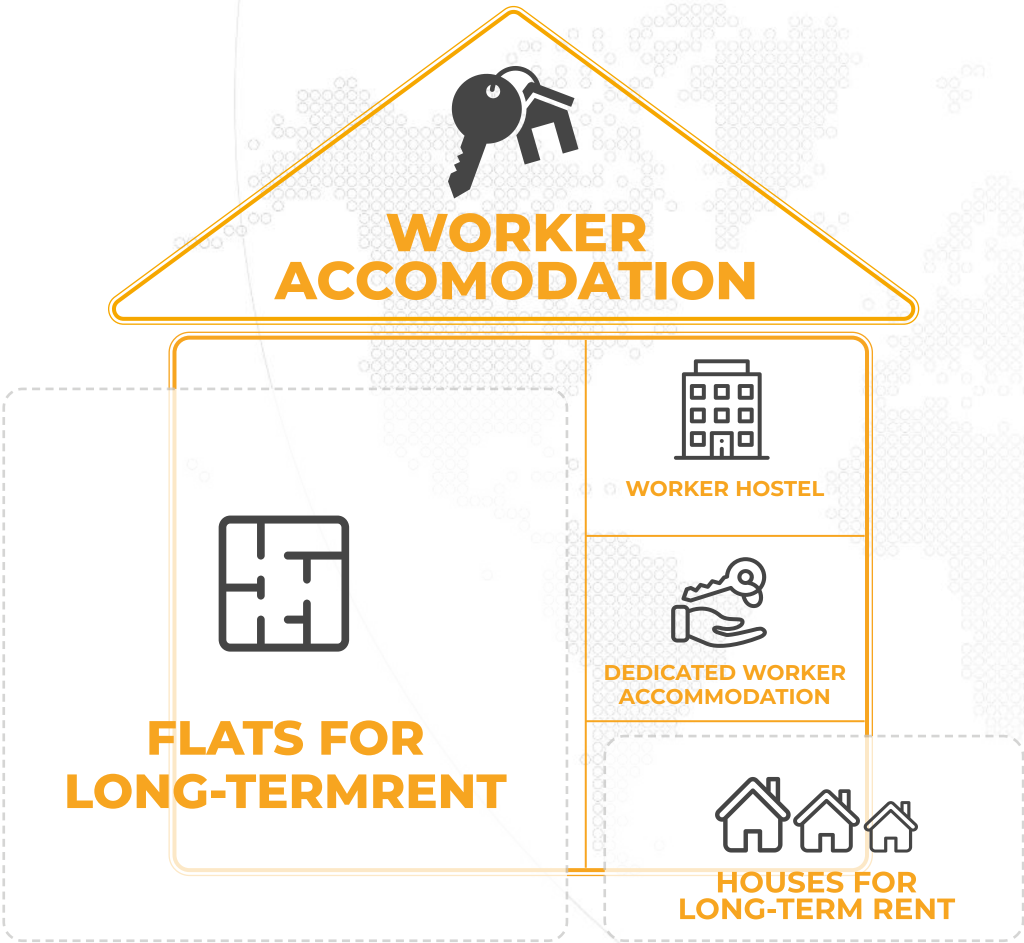
Director of the Centre
for East European Studies
at the University of Warsaw

The issue of accommodation of foreigners in Poland appears to be extremely up-to-date and of significance, especially as in the recent years our country has been experiencing an intensive influx of both economic migrants, as well as war refugees from Ukraine. For almost two decades, Poland has been a destination country – first for hundreds of thousands and now for almost three million immigrants, offering foreigners security, opportunities of development and a chance at a new life. Now our country faces the challenge of not only providing them with a roof over their heads, but also an environment that fosters integration, understanding and acceptance.

This task is of particular importance in light of the results of this survey, which found that almost half of the immigrants working in Poland (42%) live in blocks of flats or tenement houses, thus in the immediate vicinity of Polish neighbours, among the Polish society, next to Polish families. It implies the need to develop new housing options and to further expand the housing infrastructure, which would enable all the newcomers to create a secure foundation in the new country. It should also be noted that 4% of war refugees from Ukraine are still living in shelters despite taking up employment.

Integration of immigrants by creating opportunities to acquire adequate housing is a process that benefits both the foreigners themselves and the host communities, building open and diverse societies. Therefore, it is encouraging to hear that the majority of foreigners working in Poland (51%) admitted to never having experienced hostile attitudes in our country.

This report, which I am handing over to you together with my partners from the EWL Group and RentLito, is a compendium of knowledge on the current needs, challenges and trends in the accommodation of foreigners in Poland, taking into account the diversity of their expectations and dreams and their impact on social and professional integration.



80% Agencies buying accommodation for their employees

10% Employees buying accommodation for themselves

10% Employers buying worker accommodation

Worker accommodation market. Size estimates. January 2024. Compiled by FLTR on behalf of RentLito.

The market of worker accommodation in Poland goes beyond the standard definitions. What does it include? Worker hostels and dedicated worker accommodation (premises that are built for this purpose) – these properties are part of the worker accommodation segment and none other.

It is more difficult to answer the question with regard to flats and houses for long-term rental. Some of these are used as worker accommodation and belong to the analysed market, but a large part of them is used for other purposes (standard tenancy long-term rental, business rental, etc.). Therefore, the worker accommodation market in question comprises two segments entirely and two partly, as shown in the diagram above.

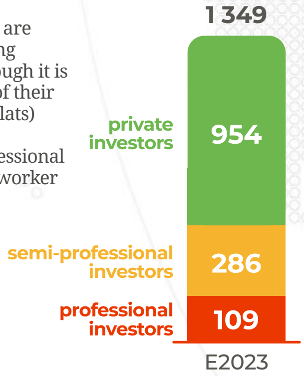
Who are the customers of the worker accommodation market? There are no precise statistics, but experts estimate the share of employment agencies to be dominant (80% of accommodation purchased). Non-agency employers and the employees themselves generate the remainder of the demand, totalling 20% of purchases.

The market of worker accommodation is estimated to be around 180,000-350,000 beds

POTENTIAL MAXIMUM SUPPLY

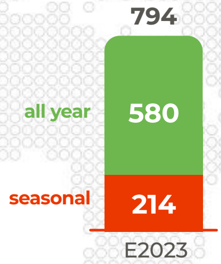
Number of total commercial flats for rent [thousand flats]

- Professional investors are the main group offering accommodation, although it is a smaller proportion of their portfolios (up to 20% flats)
- Private and semi-professional investors rarely offer worker accommodation
- A typical worker accommodation unit has on average 10 beds (5-20+)



Number of tourist beds [thousand beds]

- Of the 793,000 tourist beds, 214,000 operate seasonally and can be used in the low season as worker accommodation
- However, it should be noted that most seasonal facilities are located by the sea, therefore this value should not be taken as a whole



AN EFFECTIVE MARKET OF WORKER ACCOMMODATION

Estimated effective size of worker accommodation market [thousand beds]

Estimation methodology:

MAX SUPPLY ~205-390 thousand people → **MARKET ESTIMATION** ← **MAX DEMAND ~330-520 thousand people**

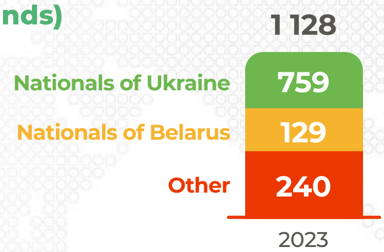
Potential supply of beds in worker accommodation

Potential number of users of worker accommodation in a year

- For the estimation of the effective market of worker accommodation, a potential maximum supply was assumed (7.5-15% of the professional portfolio and 4-5 times smaller share of semi-professional and amateur portfolio x 10 beds on average + 20-40% of tourist seasonal beds) and maximum demand (approx. 40-60% of people with a temporary residence permit, 50-75% of people with a work permit and about 5-20% of local workers from selected sectors).
- The effective demand was adjusted downwards by the average duration of use of accommodation by an employee (4-5 months) and seasonality (it was assumed that during peak season, demand is almost twice as high as on average)

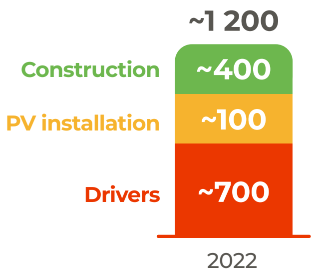
POTENTIAL MAXIMUM DEMAND [THOUSAND PEOPLE]

Foreigners registered in the Social Insurance Institution (ZUS) (in thousands)



- In 2023, there were 64,483 foreigners more in the social security system, an increase of 6.1% compared to 2022.

Local employees (in thousands)



- In addition to economic migrants, worker accommodation is sometimes used by the construction sector, installers of PV panels or international truck drivers (not calculated above). Their total number is around 1.2 million.

Worker accommodation market. Size estimates. January 2024. Compiled by FLTR on behalf of RentLito

Only 47% of immigrants used the help of an employer or employment agency in finding accommodation in Poland. In contrast, one in three respondents found accommodation on their own, and one in two already had accommodation at the time of employment. This fact demonstrates a high level of independence of foreigners in Poland, as well as their feeling more and more confident on the Polish labour market. On the other hand, for many years now Polish employers have been offering cross-border workers the possibility of accommodation "in package" with the job offer, especially for those taking up employment in Poland for the first time. It is also worth mentioning that among the respondents who had their accommodation organised as part of their employment the level of satisfaction with this solution is as high as 80%.

47%

OF FOREIGNERS WORKING IN POLAND HAD ACCOMMODATION PROVIDED BY THE EMPLOYER OR AN EMPLOYMENT AGENCY

43%

OF RESPONDENTS FIRST FOUND ACCOMMODATION, AND THEN LOOKED FOR EMPLOYMENT

Accommodation that provides a sense of security and stability in a foreign country is a key factor for foreigners in the context of taking up employment. The survey shows that almost half of the immigrants first looked for accommodation and then for employment in the area. Both the quality of accommodation and distance from the workplace are important factors for immigrants and therefore often determine the place of employment.

As many as 42% of cross-border workers in Poland live in blocks of flats or tenement houses, i.e. among Poles. This is an important aspect in the context of social integration of migrants. Previous EWL research shows that making contacts with the local community is important in terms of integration of foreigners, just like integration in the workplace. In contrast, one in three cross-border workers in Poland lives in a worker hostel. It is possible that this percentage will be decreasing year by year as the foreigners will have adapted to the Polish labour market.

42%

OF FOREIGN WORKERS IN POLAND ARE ACCOMMODATED IN A BLOCK OF FLATS OR TENEMENT HOUSES

19%

OF FOREIGNERS EMPLOYED IN POLAND ASSESS THE STANDARD OF THEIR CURRENT ACCOMMODATION AS LOW OR VERY LOW

Almost one in five foreigners working in our country is dissatisfied with the standard of accommodation, which suggests a need for further improvement and adaptation of housing conditions to the expectations of the migrants. In an era of global competition for hands to work understanding and meeting the needs of cross-border workers are significant challenges for Polish employers. **However, it is worth noting that as many as 68% of immigrants working in Poland assess the standard of accommodation in Poland as average, and 13% assess it as high.**

Only 23% of foreigners employed in Poland indicate that the commute to their current place of work exceeds 15 minutes. It is worth noting that, according to the PageGroup survey “Poles commuting to work”, the average commuting time to work is approximately 40 minutes. **In the case of foreigners in Poland there is a tendency to choose a place of residence close to their place of employment.** The survey shows that 38% of immigrants commute to their place of work in less than 15 minutes, and an identical number, 38% of respondents, declare to be able to reach their place of employment on foot within a similar time frame.

77%

OF FOREIGN WORKERS IN POLAND GET TO THEIR PLACE OF WORK IN NO MORE THAN 15 MINUTES

42%

OF IMMIGRANTS WORKING IN POLAND LIVE IN SINGLE OR TWIN ROOMS

Almost half of the respondents declared that they live in single or twin rooms in their current accommodation in Poland. This fact indicates an increasing desire of the migrants to ensure a certain level of comfort and privacy. In contrast, nearly one in three migrants live in a room with three beds. **It is worth noting that more than a quarter of those surveyed live in rooms inhabited by more than three people. At the same time 59% of respondents are willing to pay extra to live in single or twin rooms.**

In addition to spending money on groceries and supporting their families, 95% of migrants working in Poland spend an average of PLN 755 per month on other expenses. Of these, 38% invest in additional items or services connected with their accommodation, e.g. purchase of an iron, rice cooker or laundry tokens, and 28% of respondents declare that they spend PLN 356 per month on average to improve the housing standard. It means that immigrants attach great importance to the quality and comfort of their accommodation, which reflects their desire to provide themselves and their families with better living conditions.

356 PLN

ON AVERAGE PER MONTH IS SPENT BY CROSS-BORDER WORKERS IN POLAND ON HIGHER HOUSING STANDARDS

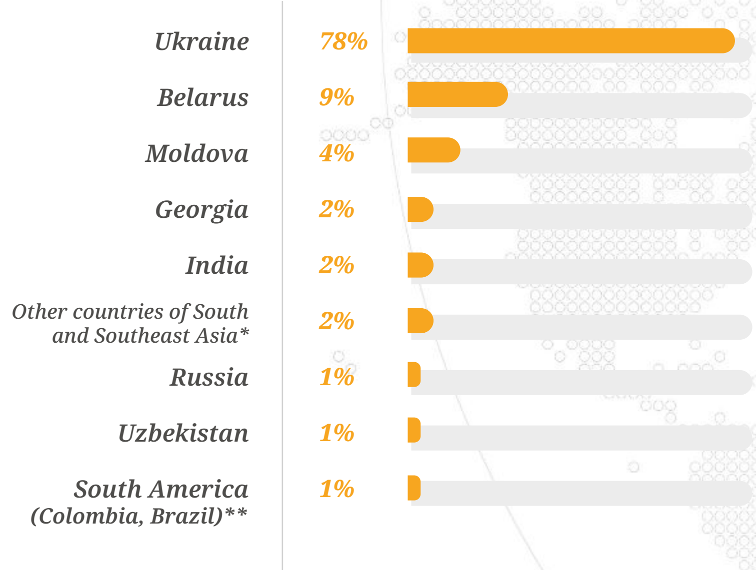
72%

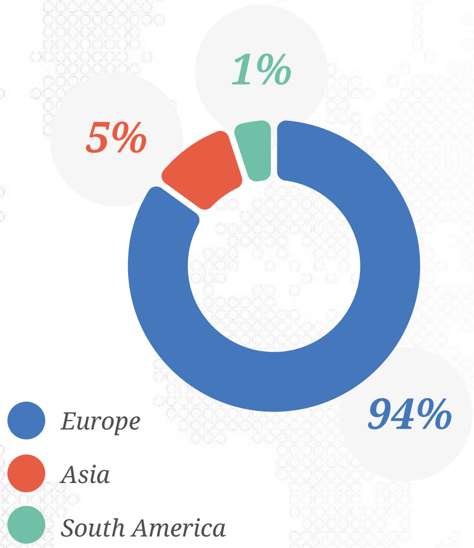
OF RESPONDENTS CONSIDER WORKER ACCOMMODATION AS AN ACCEPTABLE SOLUTION ONLY AT THE INITIAL STAGE OF EMPLOYMENT IN POLAND, AND THEN SEEK OWN PREMISES

Almost three quarters of foreigners employed in Poland perceive worker accommodation as a temporary solution at the initial stage of employment in Poland. With the prolonged stay and a growing sense of professional stability, migrants aspire to find their own flats, which may also suggest their long-term plans to settle in Poland.

Country of origin

N=400

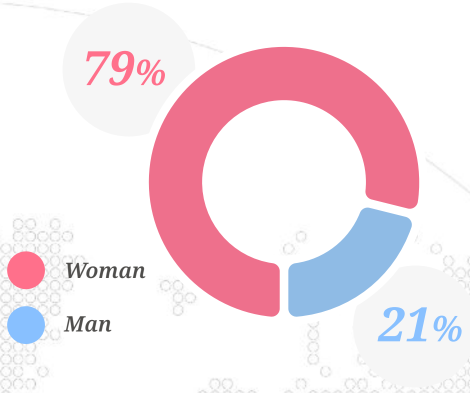




*Bangladesh, Pakistan, Nepal, Indonesia, Sri Lanka.
** Colombia, Brazil

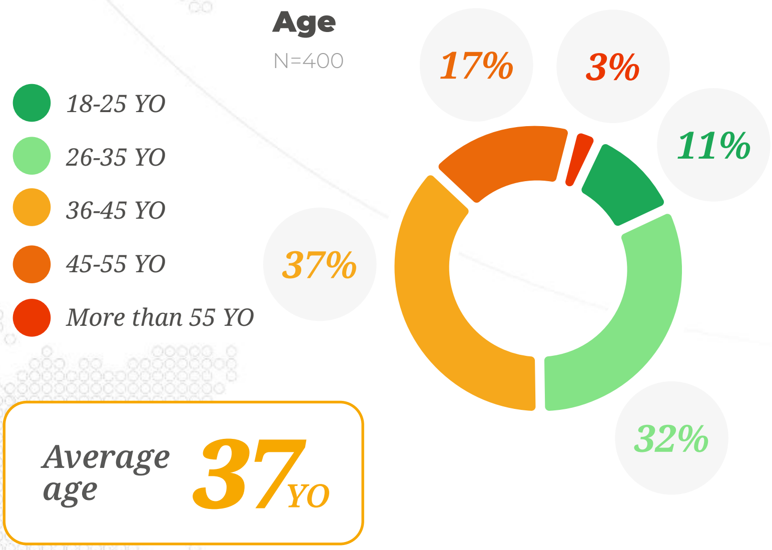
Gender

N=400



Age

N=400



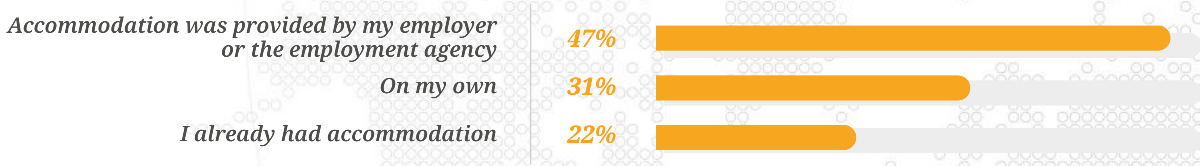
The predominant country of origin of cross-border workers employed in Poland is Ukraine, where more than three quarters of respondents come from (78%). Every eleventh respondent (9%) is a citizen of Belarus. A much smaller share is represented by countries such as Moldova (4%), Georgia (2%), India (2%), Russia (1%), Bangladesh (1%), Nepal (1%), Indonesia (1%), Pakistan (1%) or Uzbekistan (1%).

A high proportion of the respondents from Ukraine may reflect the intensive influx to Poland of economic migrants in the recent years, as well as war of refugees arriving after 24 February 2022. In the context of accommodation of foreigners in Poland, it is not without significance to consider both individual housing needs of particular nationality groups, as well as common challenges associated with the adaptation to a new environment.

When analysing the profile of survey participants in terms of demographic data, it should be noted that more than three quarters of the respondents are women (79%), which is caused by the influx of refugees from Ukraine, the majority of whom (over 90%) are women. More than two-thirds of the respondents (69%) are 26-45 years old. Representatives of this age group may already own their own flats, which determines their level of life and economic stability, together with their ability to make long-term plans associated with staying in Poland. The average age of the respondents is 37.

How did you look for accommodation related to your current employment in Poland?

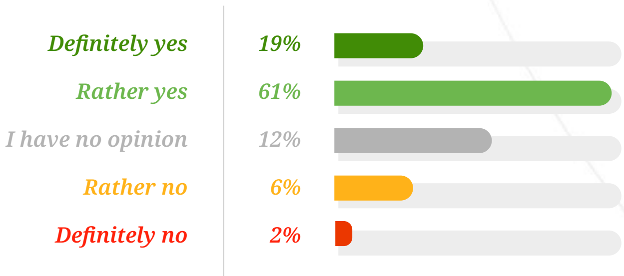
N=400



Are you satisfied with the fact that accommodation was arranged as part of your employment?

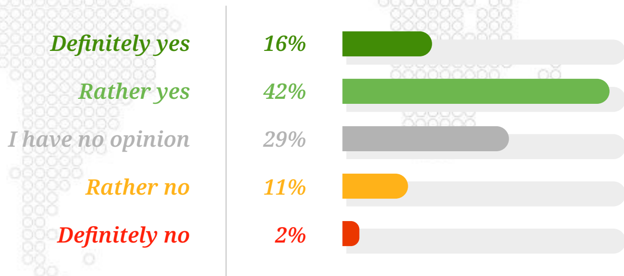
(among those whose residence was provided by an employer or an employment agency)

n=188



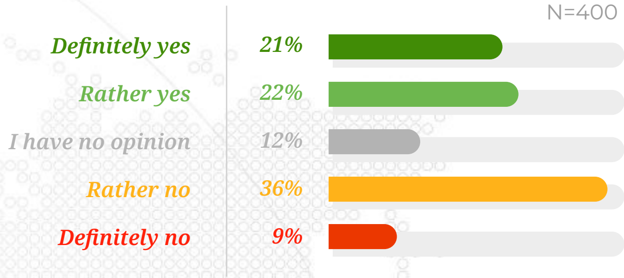
Is the possibility of choosing accommodation yourself a priority for you?

N=400



Do you agree with the following statement:
I found my accommodation first and then I looked for employment

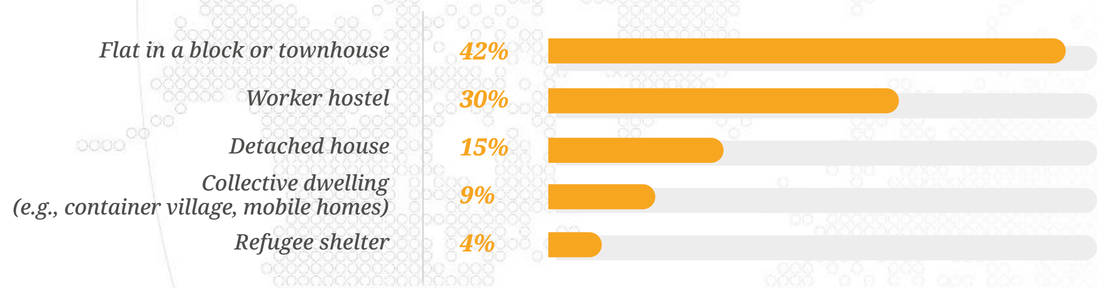
N=400



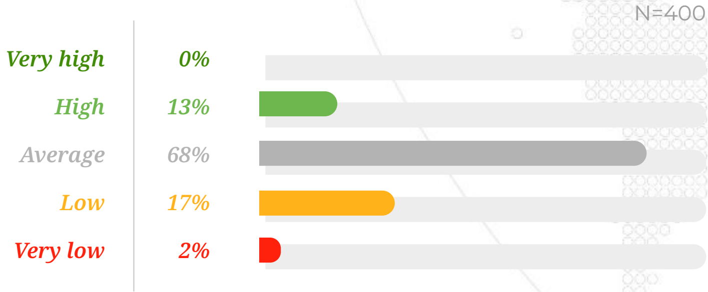
The survey shows that almost half of the respondents (47%) were provided with accommodation in Poland by an employer or an employment agency, suggesting an important role of these entities in the process of accommodating foreigners in Poland. Almost every third respondent (31%) declares that they found accommodation on their own. This demonstrates that working foreigners are feeling more and more secure in Poland, gaining greater decisiveness and independence. More than one in five respondents (22%) admits to having found accommodation before taking up their current employment. This data is significant and may indicate a growing share of immigrants, primarily Ukrainian nationals, in the Polish real estate market. According to data of the Ministry of the Interior and Administration, only in 2022 Ukrainian citizens purchased 365.7 thousand sq. m. of flats and commercial premises, which accounts for one third of the total area of real estate purchased by foreigners.

It is also reflected in the next question, in which the majority of the respondents admit that their own choice of accommodation is important (42%) or very important (16%). The data suggest that a significant proportion of the respondents value the possibility of making their own choices in this regard, which may serve as an indication for institutions supporting the integration of foreigners in Poland.

What type of accommodation do you live in with regard to your current employment in Poland?

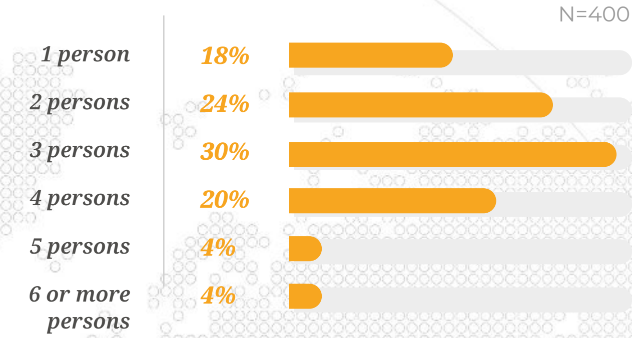


How would you rate the standard of your accommodation related to your current employment in Poland?

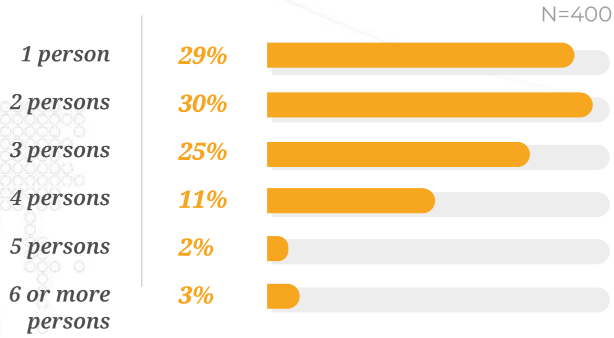


68% of immigrants working in Poland rate the standard of their accommodation as average

How many people are currently living with you in one room in your accommodation related to your current employment in Poland? (including yourself)?



How many people at most would you be willing to accept in one room, if this were to affect the price of accommodation related to your current employment in Poland?

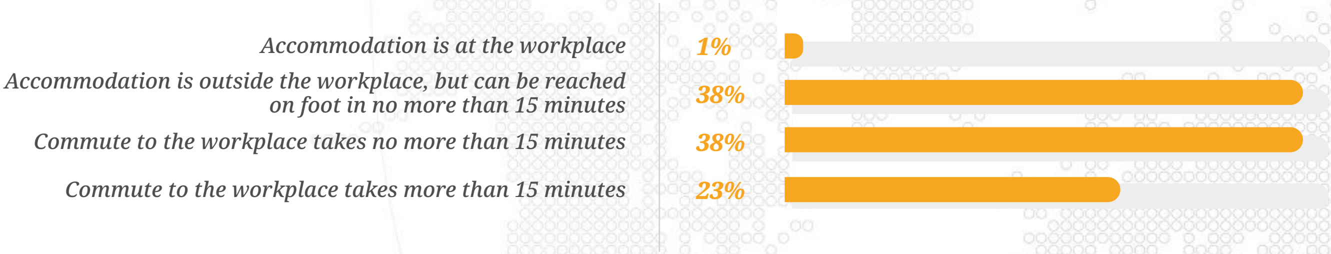


The survey showed that a significant proportion of immigrants working in Poland (42%) live in a block or tenement house. This is important data in the context of social integration of foreigners in Poland. Living in a block of flats or tenement houses is often associated with a close vicinity of other inhabitants, which creates the potential for establishing relations and cooperation with the local community, e.g. by organising local cultural events or other joint activities. Only one in three respondents (30%) declares accommodation in a worker hostel, and one in seven (15%) in a detached house.

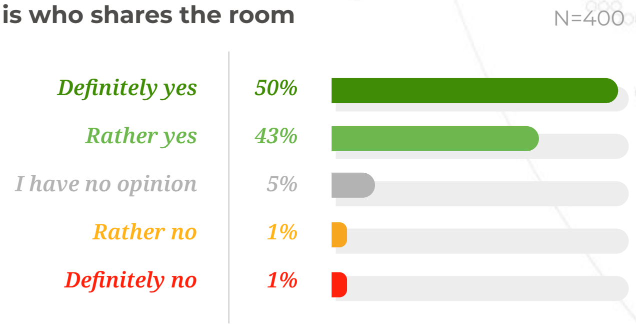
The results indicate a moderate satisfaction of foreigners with their accommodation associated with their employment in Poland. More than two-thirds of the respondents (68%) admit that the standard of their current accommodation is average. Nevertheless, 17% indicated that the standard was low, meaning that this is an area which needs further improvement and adaptation of the housing conditions to the expectations of the migrants.

More than half of the respondents (54%) declared that there are currently two or three people sharing their room in their accommodation. In contrast, 18% of respondents admitted that they did not share a room with anyone, and one in five (20%) shared a room with three people.

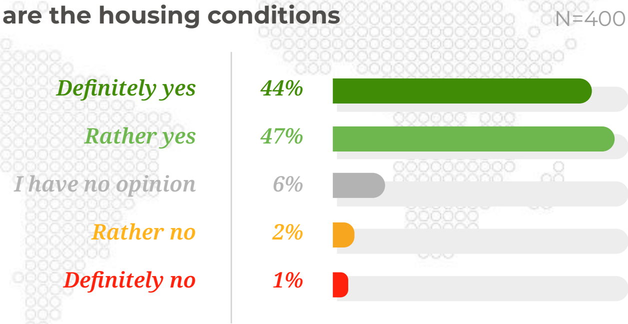
How far is your accommodation from your current workplace in Poland?



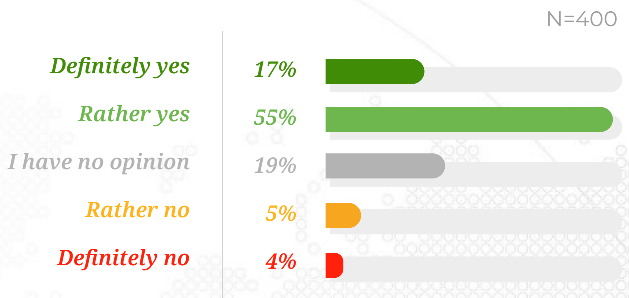
Do you agree with the following statement: The most important issue is who shares the room



Do you agree with the following statement: The most important issue are the housing conditions



Do you agree with the following statement: Worker accommodation is an acceptable solution for me only at the initial stage of my employment in Poland, then I want to find my own premises



72%

of immigrants in Poland treat worker accommodation as a temporary solution, acceptable only at the initial stage of employment in Poland

According to the survey, the majority of the migrants working in Poland (76%) live at such a distance from their place of work that they can get to it in less than 15 minutes. It is worth adding that in the case of temporary workers expectations regarding accommodation are high, especially in terms of the location that determines the commute time to the workplace.

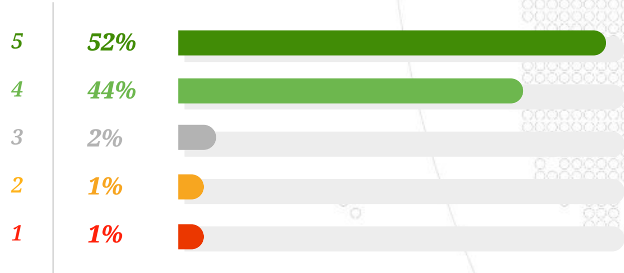
The survey shows that the quality of accommodation and roommates is crucial for immigrants working in Poland. It is confirmed by 93% of respondents who agree with the statement that the most important issue is who shares a room with them. In turn, 91% of respondents agree with the statement that the most important issue are housing conditions, which highlights how important it is for migrants working in Poland to create a safe and comfortable living environment.

In third place was the issue of looking for similarities to the housing conditions known from their country of origin. This was confirmed by 82% of respondents who would like their current place of residence to be similar to those in their country of origin. This may include aspects such as the layout, size and even interior design.

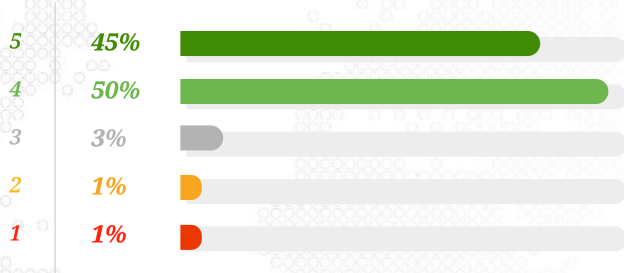
It is worth adding that nearly three quarters of the migrants working in Poland (72%) agree with the statement that worker accommodation is an acceptable solution only at the initial stage of employment in Poland, which suggests that foreigners often treat worker accommodation as a temporary solution rather than a long-term place of residence. This is an important observation, which reflects the evolution of the needs and expectations of the immigrants as they stay longer in the country. Initially, worker accommodation may be an attractive option, e.g. due to its availability, price or proximity to the workplace. Over time, however, migrants expect more living space and privacy, which determines their choice.

Please rate each of the following factors in terms of their importance with regard to accommodation, using a scale of 1 to 5, where 1 is the least important factor and 5 the most important?

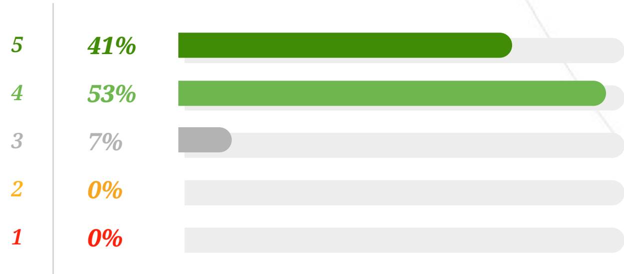
Flatmates



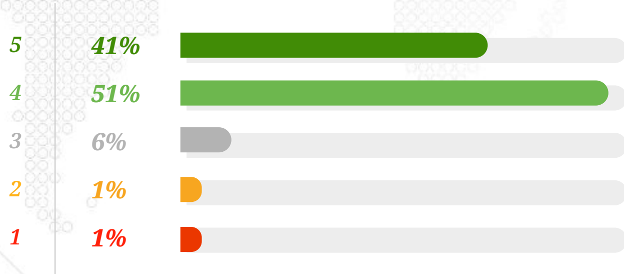
Cleanliness of the accommodation



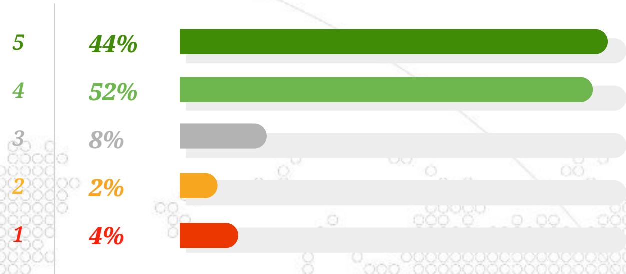
Safe neighbourhood



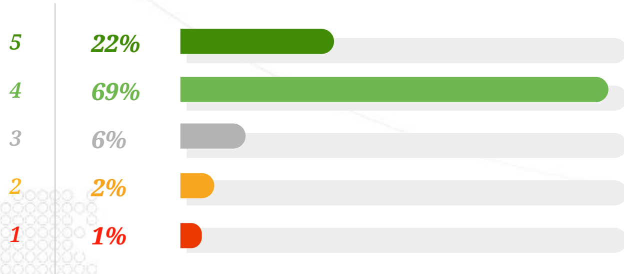
Distance from the workplace



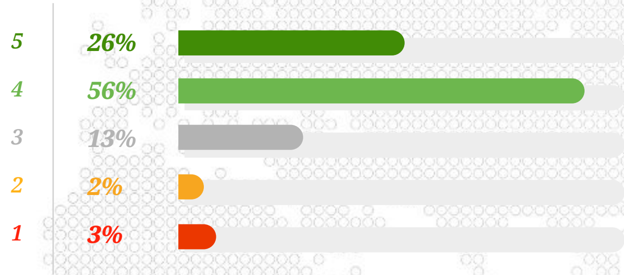
Possibility of living with family (e.g., availability of family rooms)



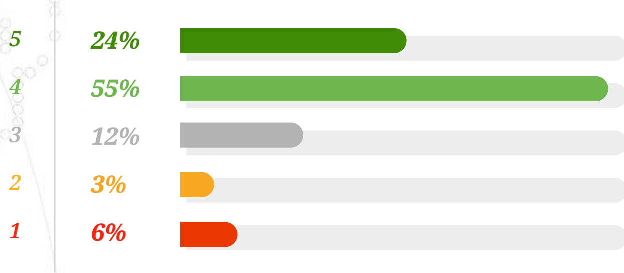
Proximity to a shop with a wide range of products



Attractiveness of the location



Proximity to educational facilities (school, kindergarten)

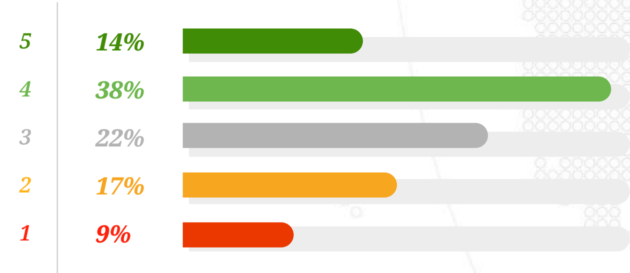


The survey showed that room- or flatmates (96%) are a key factor influencing the overall evaluation of the place of residence of immigrants working in Poland, highlighting the importance of relationships and the atmosphere prevailing in the accommodation. In the case of people staying away from their home country, roommates often act as close friends, which can have a significant impact on their comfort in daily life.

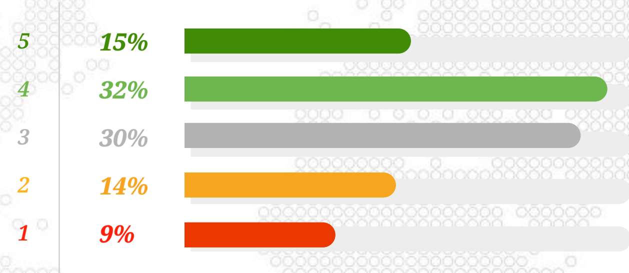
In addition, 95% of respondents agreed that the key factor was the cleanliness of the accommodation, which suggests how important organisation and tidiness in their surroundings is for immigrants. Among the important factors respondents also indicated a safe neighbourhood (93%) and distance from the workplace (92%), which confirms the fact that immigrants attach great importance to the general living conditions in the host country. The distance from the workplace, determining both the commute time and the costs associated with transport, is an important criterion for those taking up work in a new country.

Please rate the extent to which each of the following factors bothers you in your daily life in your accommodation, using a scale of 1 to 5, where 1 means least annoying and 5 means most annoying?

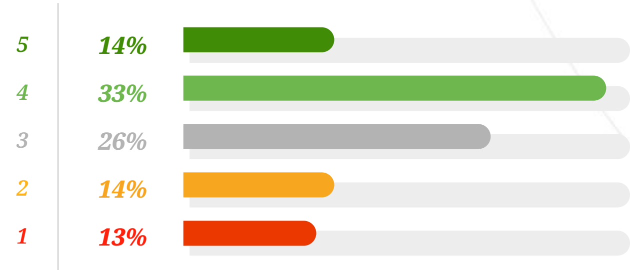
Large number of tenants



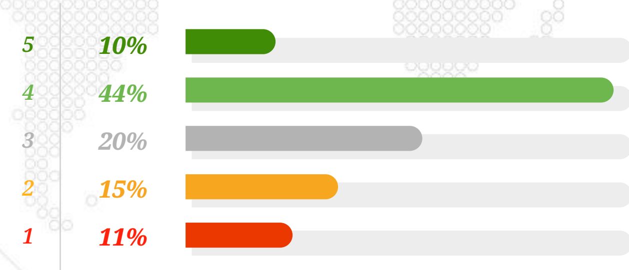
Necessity of sharing kitchen or bathroom



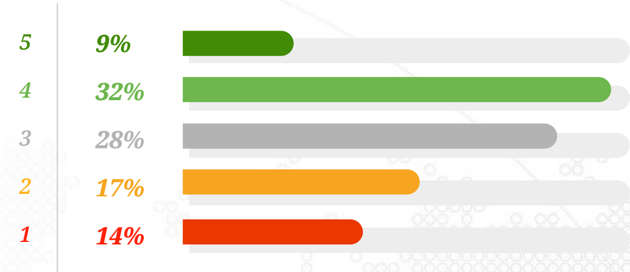
Frequent rotation of tenants



Bunk beds



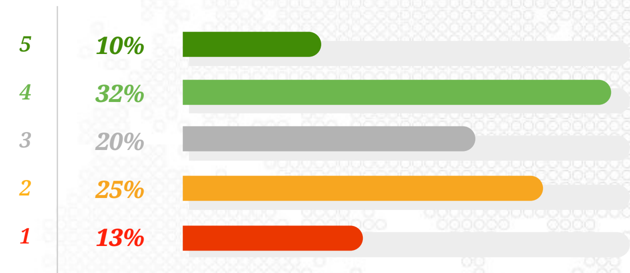
Noise that makes it difficult to sleep



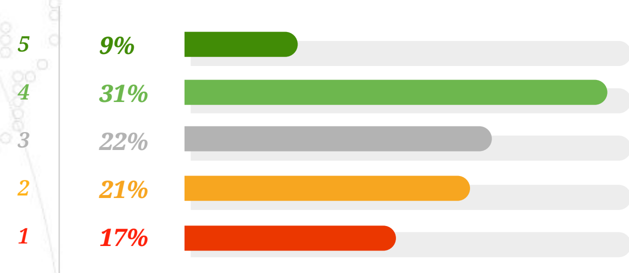
ROOMMATES, CLEANLINESS and at SAFE NEIGHBOURHOOD are the most important factors in the place of accommodationt for working foreigners.

A LARGE NUMBER OF TENANTS, SHARED KITCHENS AND BATHROOMS and FREQUENT ROTATION OF TENANTS are the most annoying factors in the place of residence of economic migrants.

Personal conflicts with roommates



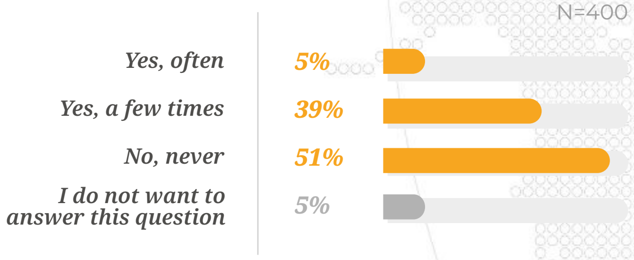
Technical problems and the time taken to fix them



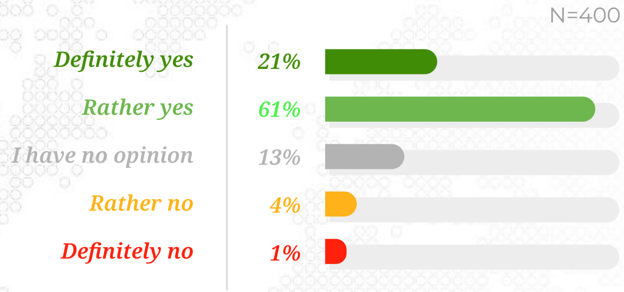
More than half of the respondents indicated a large number of tenants (52%) among the most troublesome factors that hindered the daily functioning in the accommodation. This result suggests that migrants who share a limited space with many people may feel a lack of privacy and experience difficulties in maintaining spatial comfort. In many cases it is also associated with increased noise levels, which can be disruptive to people who need to relax after work.

In addition, 47% of respondents admitted that having to share a kitchen or bathroom was the most burdensome, which complements the previous issue. A large number of tenants can lead to increased competition for shared spaces such as a kitchen or a bathroom, and this can cause conflicts and delays in the use of amenities. A similar percentage of respondents pointed to the frequent turnover of tenants (47%), which can affect the overall sense of stability of foreign workers in their place of residence.

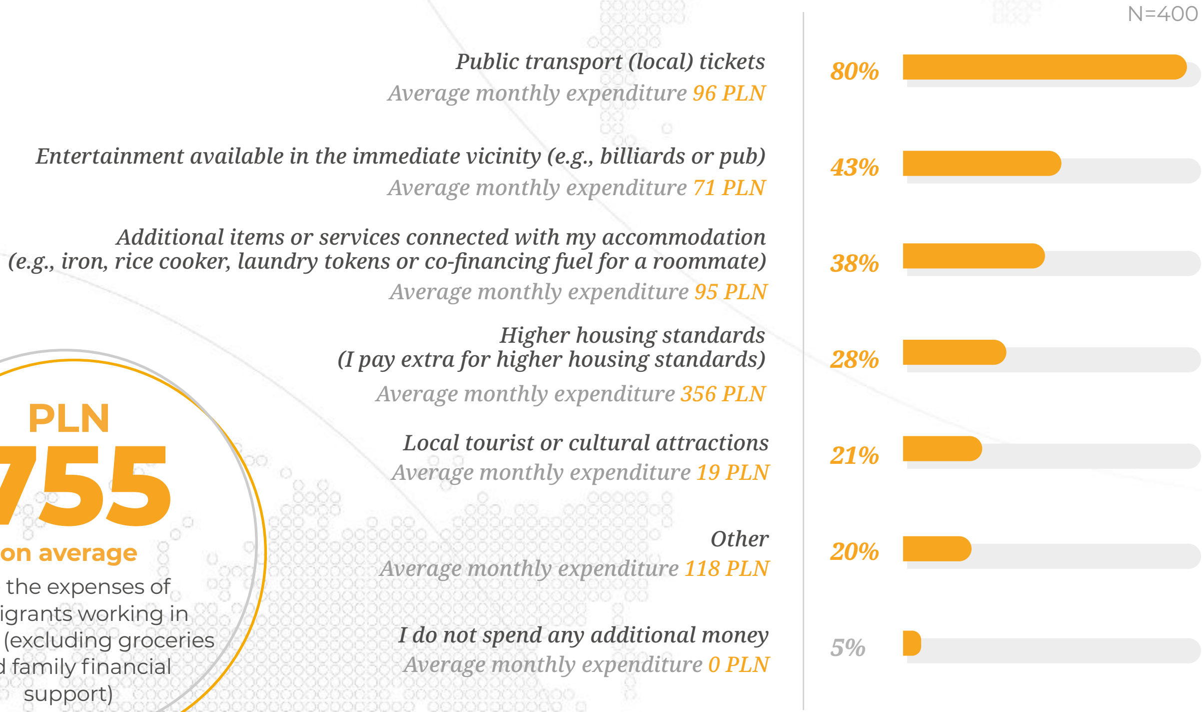
Have you experienced hostile attitudes in or around your accommodation, such as unkind comments or aggressive behaviour from neighbours or strangers?



Would you like the conditions in your current accommodation to be similar to those in your home country?



What do you use the money you receive as remuneration for, excluding groceries and family financial support? (multiple responses possible)



PLN 755 on average are the expenses of immigrants working in Poland (excluding groceries and family financial support)

The majority of the respondents (82%) would like the conditions at their current place of residence to be similar to those in their country of origin. Adjusting the premises to personal preferences, including decorations or kitchen equipment, can help create an environment that resembles the place of residence in the home country. In this context, it is worth mentioning the possibility of customisation, i.e. adapting the living space to individual preferences, which makes it possible to maintain a certain degree of comfort that is particularly important in the process of adaptation of the migrants to the new environment.

The majority of the respondents (51%) admitted that they had never experienced manifestations of unfriendly attitudes in their current accommodation in Poland. However, it should be noted that a significant proportion of the respondents (39%) experienced such situations several times and 5% a lot of times, which may serve as an indication for further understanding of the needs in terms of the support of the integration of foreigners in Poland.

In addition to spending money on groceries and financial support for their families, immigrants working in Poland spend on average PLN 755 per month, with the largest amount being spent on improving the housing standards (PLN 356). This confirms the fact that migrants attach great importance to the housing conditions, which may reflect their desire to provide themselves and their families with better living conditions.

METHODOLOGY

The survey with immigrants working in Poland was conducted between 13 November – 21 December 2023 by means of online questionnaires (CAWI) and face-to-face interviews (F2F).

The interviews were conducted in Ukrainian, Russian and English on a sample of a total of N=400 adult citizens (18+) who were staying in Poland at the time of the survey.

The survey was representative (quota and purposeful selection of respondents), preserving the nationality structure of migrants working in Poland.

The survey was carried out with migrants working in Poland, living in different towns and regions in Poland including Warsaw, Krakow, Rzeszow, Lodz, Poznan, Gdansk, Katowice, Radom, Kielce, Olsztyn, Dabrowa Gornicza, Gdynia, Myslowice, Ustron, Police, Plock, Mielec, Raszyn.

Worker accommodation market in Poland

Mechanisms and trends

Looking back, we analyse the evolution of the market

When working with the market of worker accommodation, it is impossible not to notice the significant changes that have taken place in this field over the last five years. Some are easily recognisable from other segments of the property market – working in short-term rental, hospitality or the so-called flipping (a method of investing in real estate that involves buying cheap properties, renovating them and reselling them at a profit) one can observe many common elements. Others are completely unique to the market of worker accommodation and will not be encountered anywhere else. Here are the most important developments of the recent years.

1

The “advancement” of the worker accommodation market into mainstream media and public awareness as a business activity

For many years, worker accommodation did not exist in the mainstream imagination as a business of noticeable size. Most people sometimes passed a notice on the fence of a local corner shop saying “beds for workers”, or remembered from the communist era worker hostels built for steel mills, heating plants or other large enterprises – that was their only contact with this segment of the market. Worker accommodation was seen as an exotic fringe of the real estate market, operating alongside other businesses and in an unprofessional manner. However, it is worth emphasizing that actually for years the supply of several hundred thousand employee beds had translated into a business with a turnover (conservatively counting) in excess of PLN 100 million per month. It is only in the last two years or so that worker accommodation has started to be on the lips of business analysts, investors, journalists and real estate experts as an equivalent market segment to long-term rental or hospitality. Equivalent not in the sense of “of the same size”, but noticeable, significant, professional and distinct.

2

A significant reduction of room sizes

For a long time, the worker accommodation market in Poland had not been covered by any quantitative studies, so it is difficult to provide accurate data on averages and medians, but as recently as 2015-2020 the most common rooms on the market were “6-bed rooms”, often equipped with bunk beds. Tenants were mostly male (one gender per accommodation), so shared bathrooms and combined kitchens for more than fifteen people were not a problem. However, after the COVID-19 pandemic and the Russian aggression against Ukraine the situation began to change. In comparison, in 2023 twin and 3-bed rooms were among the most sought after, often for married couples and with access to a kitchenette, or the more expensive version also with a private bathroom. Bunk beds in the accommodation are now perceived as sub-standard.

3

The role of utility prices

Due to the rising prices of utilities, above all electricity, technical solutions that were episodically found before 2020 have become a permanent feature of worker accommodation: solar panels on roofs, aerators in the taps or heat pumps as the main source of heating. These solutions translate not only into changes in the construction or furnishing of the buildings, but also in the way of billing the tenants or occupants (tokens for extra laundry, photocell light switches, submetering in bedrooms).

4

Worker accommodation: from business by chance to business by choice

For many years, the business of worker accommodation was highly fragmented and was mainly operated by entrepreneurs who owned property close to the workplaces looking for accommodation. Sooner or later, the owner of such a property would be approached by a so-called “scout” looking for accommodation for the employees. The owner would adapt the premises and start to provide services. When the business prospered, they would sometimes buy one or two properties in the area and expand the service. A few dozen beds on offer meant a significant player, a few hundred were sporadic. **Recent years have seen the beginning of market concentration with investors or brokers focusing on this business segment and offering even more than a thousand beds in multiple locations.**

Looking ahead, let us observe the first signs of revolutionary change

Worker accommodation as passive investment

To date, due to the lack of professional accommodation managers and the lack of IT tools to remotely manage the accommodation (such as Booking or Airbnb or electronic locks for short-term rentals etc.), the so-called passive investors have not considered worker accommodation as an investment option, competing with business premises or a studio apartment in the city centre rented by the day. Within months, years at most, a full-time employee will be able to and will be willing to invest their spare money in accommodation (or a share in accommodation) as in the hitherto popular assets. The odium of the 'exotic' business has now subsided. With the increasing share of technological tools, we can assume that the supply of the market for worker accommodation will start to grow in leaps and bounds.

The tenant is a customer!

Landlords of worker accommodation will be forced to open up to rent directly to the tenants (i.e. the B2C segment), instead of working only with the tenant's employer (B2B segment). This will be influenced by, for example, rising minimum wages that will reduce the incentive for the employers to pay for the accommodation. On the other hand, the tenants are expecting more and more involvement in the decision-making about where, how and with whom they will live. With shortage of labour, only the biggest risk-takers among the employers will leave the question of accommodation in such a situation entirely on the side of the employee, because they know that it will reduce their competitiveness in recruiting. However, combined cooperation – the choice of accommodation on the part of the employee, with funding or assistance in formal matters on the part of the employer, with a contract on the part of the employee – will be a better model for all parties. Landlords who find a secure place for themselves in this chain will win the market in the coming years.

Specialised suppliers and products

The natural development of a particular market segment means that at some point in time products and services dedicated to its needs will emerge. Thus, insurance for landlords or homestaging for short-term rentals were born. IKEA offers guides for those furnishing their homes for rent, with an indication of its own products that will work best in such cases. In the worker accommodation market we have several hundred thousand landlords, potential customers, who are currently using all kinds of unconventional methods to adapt products to suit their business needs. **The market abhors a vacuum. It has already come to believe that worker accommodation is a business like any other and we can expect a flood of products dedicated to serving it.**

Blurring lines between real estate market segmentation

It will become increasingly difficult in the coming years to clearly separate the various segments of the market, the beginnings of which can already be seen. Examples? The shortage of doctors, paramedics and nurses is forcing the country to increasingly open up to workers from outside Poland. In the first few months of working in Poland, they decide to rent flats together, the so-called former student "rooms". Can a three-room flat occupied by six nurses be called worker accommodation? If not, how does it differ from one? Or employees of logistics centres near Lodz, who after a few months decide to bring their families and rent a flat for a long period of time – is this worker accommodation or just ordinary lease? And what if they move after a year looking for work?

Maria Dąbrowska
RentLito Chair of the Board

It is impossible to operate in this market without understanding segments related thereto – and by understanding them well and following the changes taking place, you can use this knowledge to stay ahead of the competition in your own segment.

EWL Migration Platform

One of the fastest growing companies in the employment sector in the EU, which successfully connects candidates from five continents (Europe, Asia, Africa, North and South America) with European employers. The company is gradually increasing the number of countries from which job candidates come, and is implementing technological solutions that aim to further digitalise the recruitment, employment legalisation and accommodation of employees.

Since its founding in 2007, the company has helped more than 150,000 people from 28 countries to find employment with more than 1.6 thousand employers in EU countries.

As a global migration platform, EWL uses dedicated AI technology in its operations, which quickly and effectively matches candidates with employers, taking into account the skills and experience of potential employees.

The development of the migration platform has been supported since 2021 by the National Centre for Research and Development. Since 2018 EWL has been conducting sociological studies among foreigners who have taken employment in the EU.

EWL is guided by the values of: openness, cooperation and responsibility, being fair, challenging the status quo and customer focus. The company's mission is to structure issues related to global mobility by eliminating the barriers facing millions of candidates around the world, to connect jobseekers with the best employers and to provide a transparent employment process.

RentLito

RentLito is the result of the work of people who for more than 15 years have been providing accommodation for more than 11,000 people a month. Our experience and know-how have allowed us to create a platform that facilitates contacts between property owners and companies. There are specialists in each voivodship who are constantly expanding our portfolio and acquiring new landlords. It is our own recipe for success.

Our mission is to create a place that contributes to the success of property owners, businesses and employees by facilitating the process of worker accommodation.

At RentLito, we believe that finding accommodation for employees should be easy, comfortable, transparent and beneficial for all parties involved. To property owners, we offer a steady source of income by maximising the visibility of the offer and minimising the risks. With RentLito, property owners can enjoy the benefits of renting out their properties without the unnecessary stress. To those who are looking for worker accommodation, we provide an easy and convenient booking of accommodation with a wide selection of locations and cost transparency. It is what effective budget and time management

The Centre for East European Studies at the University of Warsaw

The Centre for East European Studies is a unique academic unit in Poland, continuing the traditions of Pre-war Sovietological centres – the East European Institute in Vilnius (1930–1939) and the Eastern Institute in Warsaw (1926–1939). The teaching offer of the Centre includes elite Eastern Studies (1st and 2nd degree and postgraduate courses) as well as schools for foreign students. The lecturers are eminent scientists, diplomats and specialists from Europe and the USA.

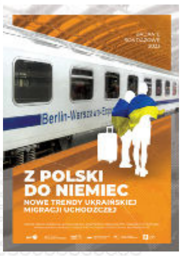
The Centre annually organizes international scientific conferences and a series of events building positive relations between Poland and the countries of the former USSR. It is also the publisher of numerous books and magazines devoted to the eastern themes.

In the years 2004–2013, the Centre for East European Studies, under the content–related supervision of Mariusz Kowalski and the general management of Jan Malicki, conducted a series of social studies in Ukraine. The first of them took place in December 2004. A total of about 2,000 questionnaire interviews was carried out, pertaining issues such as political views and preferred directions of international cooperation, with particular emphasis on the place of origin, nationality and language of the respondents' daily communication.

EWL MIGRATION PLATFORM AND THE CENTRE FOR EAST EUROPEAN STUDIES UW REPORTS

2023





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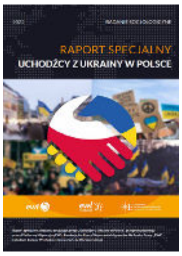

2020-2021

2018-2019


REPORT “A FOREIGN EMPLOYEE — ACCOMMODATION IN POLAND”

A survey by EWL, RentLito and the Centre for East European Studies at the University of Warsaw

SOURCE OF QUOTED DATA

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AUTHORS

Anatoliy Zymnin (project leader), Mariusz Kowalski PhD (social geographer, content-related supervision), Maria Dąbrowska, Sylwia Kowcuń, Szymon Bryzek, Margaryta Sytnik, Tomasz Malinowski, Adam Cichoń (graphic design)

CONTACT

Anatoliy Zymnin
Spokesperson
+48 535 888 815
anatol.zymnin@ewl.com.pl

Maria Dąbrowska
RentLito Chair of the Board
+48 501 092 881
maria.dabrowska@rentlito.com

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