

THE HOUSING PROJECTS AND A POTENTIAL RECOVERY OF THE CITY. THE CASE STUDY OF LODZ

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Purpose: The article aims to investigate the changes in the city, looking for the areas with the most dynamic property value increase, analysing the role of public and private actors in changing the city's image.

Design/methodology/approach: Post-industrial cities often experience decline, becoming shrinking cities, and local authorities are feverishly seeking investments and new ideas for economic development. Lodz – the Polish textile industry capital from the past, experienced years of shrinking and decline. There were numerous post-industrial areas of ruined buildings, often dangerous, in the city. For many years, there was no interest in commercial housing investing, despite opening one of Europe's largest shopping centers in the post-industrial area (Manufaktura). Currently, there is an enormous number of commercial housing projects despite the continued depopulation of the city. Is it a hope for recovery due to new housing projects? The methods used to achieve the answer are the analysis of documents, statistical data, value maps, and case studies.

Findings: Łódź is undoubtedly an example of a specific shrinking city - unemployment is decreasing, many investments are being made, and at the same time, the population in the city is decreasing. Safe and aesthetic public spaces and a rich housing offer are necessary for their return and to retain residents. The cases studied indicated that developers start projects even in difficult places, on "bad" streets, because they hope to make a profit. This is inextricably linked to the need to change the image of a given part of the city by investing in public space and improving safety.

Research limitations/implications: The authors are aware of the limitations of their study, which was conducted in specific locations and at a particular time. In the future, a library of case studies can be created. This will allow for conclusions relating to a broader spectrum of issues.

Practical implications: The conclusions of the report indicate the need for cooperation in changing the image of the city between local authorities, investors, and the local community.

Social implications: Residents leave the city when they do not feel safe, cannot find a good job, or appropriate housing. Cooperation between local authorities and private entrepreneurs is essential to encourage returns or arrivals, especially of young people. The housing offer is significant in this regard.

Originality/value: Many shrinking cities are trying to find their way out of regression, attracting new residents, and stimulating economic activity. Łódź, on one hand, is a city that is increasingly perceived in terms of investment potential, but it continues to lose population. The authors analyze commercial housing project locations and conclude that it is stimulated by the processes of revitalizing the degraded urban fabric. After a phase of public investment, commercial projects become active. However, will they find buyers in a shrinking city? The authors argue that expanding the housing offer by making the pool of apartments built by developers and available to local authorities would support the influx of new residents.

Keywords: housing investment; shrinking city, public investment.

Category of the paper: Research paper.

1. Introduction – shrinking cities and recovery

The development of new industries and the disappearance of some of the old ones, lower transport costs and the transfer of production to countries with low labor costs and taxes, technological and cultural changes affecting the demand for consumer products, new structure of households are just some of the factors that, along with globalization, caused some of the dynamically developing industrial cities to enter the process of degradation. The closure of factories and a reduction in the number of employees, the outflow of population, and the lack of ideas of local politicians for new development stimulants are visible in many parts of the world (Mallach, Haase, Hattori, 2017; Martinez-Fernandez et al., 2016). The process of the formation of shrinking cities in developed countries was gradual and stretched over the years. Similarly, there were changes in the definition of shrinking cities; there are various interpretations of the phenomenon, concentrating on a continuous decrease in the total population of a given area and a structural crisis (Pallagst et al., 2013; Weaver, Bagchi-Sen, Knight, Frazier, 2016).

A similar mechanism, but with a delay and more significant dynamics, was felt by post-socialist countries. In artificially supported, centrally controlled economies, the economic calculation was not a priority, and the transformation towards a market economy caused the dramatic closure of unprofitable factories (or a significant part of them). The problems concerned mainly old industrial cities with the predominance of the heavy and textile industries (Sroka, 2022). The authorities and residents of these cities felt sudden changes, deep crisis, and shock, and younger and more active residents were looking for new places to live, often in other countries (Stryjakiewicz, Ciesiółka, Jaroszevska, 2012). Researchers point out that for some post-socialist cities, the shrinking stage was a painful part of the transformation process, resulting from political-economic, socio-population, and spatial-planning reasons (Sroka, 2022). This opinion is an apparent reference to the model of the city development cycle, in which the city's decline is a driving force that leads to a shift, new opportunities, and growth. The model of Van den Berg et al. (1982) considers re-urbanization to be a specific stage in the

development of cities as part of a cyclical process; it refers to a distinct phase of urban development after a period of decline, the reversal of suburbanization, looking from the point of view of population change. The model itself has been criticized, among others, for focusing on demographic processes because currently, many factors, including economic ones, are taken into account when assessing re-urbanization processes (Lever, 1993; Champion, 2001; Rerat, 2019; Dembski et al., 2021). There is also no unification in the course of processes in individual cities; suburbanization does not end unambiguously; in some cities, this process is still ongoing, but the inhabitants of the suburbs and the immediate vicinity of the city are being exchanged due to the displacement of the less affluent to cheaper areas (Haffner, Hulse 2021; Dembski et al., 2021). The re-urbanisation process transforms many secondary post-industrial cities, like Liverpool and Leipzig (Couch, Fowles, Karecha, 2009; Kabisch, Haase, Haase, 2010; Wolff et al., 2017). Analysts have underlined that economic and demographic factors play a fundamental role, but urban policy is also important in the resurgence of cities (e.g., Ring et al., 2011; Lord, O'Brien, 2017). Public intervention takes the form of local law related to spatial planning and local privileges for investors, as well as national law defining general norms for the entire country.

Studies looking for factors stimulating urban renewal and stopping the squeeze process indicate diverse conditions and aspects influencing the final results (Haase et al., 2021). First of all, economic growth does not automatically mean an increase in the population of a given city or the stopping of depopulation processes. Comparative studies of individual cases allow for determining the paths of transformation and the causes of change. Some authors indicate land reclamation and environmental upgrading, sprawl containment, improvement in transport infrastructure, physical redesign and restoration, neighborhood renewal, creation of jobs, building new skills among citizens, civic leadership and increased participation, social inclusion, and new actors established by public institutions (Power et al., 2010; Power, Katz, 2016). Other authors focus on the long-term nature of transformations and the need for involvement on a metropolitan scale and consider the need for a long-term vision as essential factors. They emphasize the need to develop a sustainable planning strategy, the need for alliances and partnerships, strong leadership and citizen engagement, diversification of the economy, a strengthening of the central city, investment in education, culture, quality of life, heritage and urban design, and a readiness to take risks (Carter, 2016). Further researchers dealing with the urban renewal process also add active population policy and provision to attract and retain young households, families, and early-stage professionals (Haase et al., 2021).

Our paper is structured as follows. Following this introduction, we provide a summary of the role of housing in re-urbanization, presenting Łódź as a shrinking city and examining developer activity. The two case analyses are then visualized. In the discussion, we try to find answers to the research questions about the drivers of potential recovery of the city.

2. The role of housing in re-urbanization – literature review

Residential buildings with infrastructure are essential to every city. The assessment of a city from a spatial, functional, social, and economic point of view is based on the external image of this resource. The level of development, availability of infrastructure, care for old and historic properties, the aesthetics of the surroundings, and the size of green areas indicate the wealth and culture of residents and the priorities and effectiveness of local urban policy. Without a doubt, a positive image favors the settlement of new residents and encourages them to participate in the life of the local community (Mehta, 2014). On the other hand, neglected buildings with visible signs of devastation discourage people from staying in a given place and stimulate decisions to migrate to another part of the city or, further, beyond its borders. This problem is evident in post-industrial shrinking cities. Buildings abandoned by some residents quickly become victims of devastation, fires, and it is difficult to find funds for necessary repairs and renovations. This problem has not only a technical dimension but also a large social one - most often, the households that remain in the old and neglected stock are those that are not very active in striving for change; often, these are older people who do not have sufficient financial resources to improve their life situation. For the local authorities, these neglected, half-empty, devastated areas are often a problem that is difficult to cope with. The answer lies in local policy instruments, which can take very different forms, starting from stimulating the supply of affordable housing through mass demolition activities undertaken in e.g. the states of the former German Democratic Republic and ending with the regeneration of the existing stock combined with gentrification. Prices are also a significant economic factor – they can increase due to gentrification, and apartments are beyond the limit of affordability for a substantial part of the local community. Wealthy newcomers or investors purchase the better part of the housing stock, counting on profits if the city is attractive and has strong drawing power. City authorities sometimes implement the concept of inclusionary housing; they provide cheaper land for affordable/social housing (Schuetz, Meltzer, 2012). In some countries, for example, in the former GDR, massive funds are allocated for structural transformations of the housing stock (Bernt, 2009; Bernt, 2019; Glock, Häußermann, 2004). Their results, however, are not as positive as politicians expected (Radzimski, 2016; Brandt, Schmitt, 2016). Another direction is the regeneration of existing buildings and infrastructure. In each case, local authorities desire to create residential attractiveness. This attractiveness often goes hand in hand with changing the profile of households that inhabit a given area. Residential attractiveness has many dimensions and definitions (Romão et al., 2018; Girardin et al., 2009; Alexandre et al., 2010). In general, it means a housing policy and strategy to prevent demographic losses, create a social mix, and develop the productive aspect of the residential function of cities by attracting new citizens. These new residents should be mainly well-educated and belong to the upper or creative classes (Miot, 2015). However, researchers point out that the negative consequence of

such a policy may be abandoning their fate or even worsening the situation of households in a difficult life situation, not in a privileged group (Kirszbaum, 2009; Hoover, 2023).

2.1. Łódź as a shrinking city

Łódź is a city that is losing its population very fast (Table 1). In 1988, the number of inhabitants exceeded 854 thousand, but the political transformation caused the collapse of the textile industry, which was the main generator of jobs. The very high level of unemployment stimulated some residents, significantly younger and more mobile ones, to move to more attractive cities, both Polish and foreign. In 2002, there were already 789 thousand inhabitants; according to the last census in 2021, there were 670.6 thousand. The latest data from 2024 indicate a further shrinking of the city; the population dropped to 648.7 thousand. Moreover, the population structure suggests a rapidly growing group of the oldest residents and a decreasing group of the youngest. The depopulation process continues despite economic growth, a significant drop in unemployment, and a developed function as an academic and cultural center (Zasina, 2020).

Table 1

Population in thousands, 1988-2021

Year	1988	2002	2011	2021
Total	854.3	789.3	728.8	670.6
Pre-working age	192.6	127.4	102.7	97.9
Working age	520.7	510.4	465.6	382.4
Post-working age	140.2	151.5	160.5	190.2

Source: Census data.

Other researchers of the shrinking cities problem have already drawn attention to the phenomenon of Łódź; comparative studies of Leipzig, Liverpool, Ostrava, and Łódź indicated specific conditions that stimulated negative depopulation processes (Haase et al., 2021). Attention was drawn to factors that concerned the entire country and resulted from the difficulties of the transformation process, both at the institutional and socio-economic level, including inefficient spatial planning law that did not protect against suburbanization, cultural changes regarding the family model, lack of incentives for settlers from other countries, lower wages in Łódź despite its proximity to Warsaw, lack of a city renewal strategy in the 1990s (Haase et al., 2021). Other researchers have also added a significant problem of the depletion of the housing stock, especially in the city center, which contributed to the image of Łódź as a neglected, dirty, and dangerous city, unattractive to live in (Kazimierczak, Szafrńska, 2019; Szafrńska et al., 2019). In the downtown area of Łódź, there are mainly old buildings from the nineteenth century in poor condition. After the II WW, the socialist authorities took them over, and after 1989, due to change of the political system, the municipality became the owner. The local authorities tried to privatize flats as fast as possible, hoping for the end of problems with huge expenses on municipal housing. However, sitting tenants who bought dwellings for a penny did not have the means to modernize them (Wójcik, Tobiasz-Lis, 2014).

We cannot overlook the findings of consulting reports, which frequently highlight Łódź's defects and problems when comparing the largest cities in Poland (PwC, 2007; Deloitte, Targeo.pl, 2016). The local authorities responded by trying to change the city's assessment, both in the context of the country and locally. The adopted plans and strategies provided for multi-directional actions primarily focused on changing the negative image of the ruined tenement houses in the city center by conducting revitalization. The Simplified Local Revitalization Program for selected urban and post-industrial areas of Łódź was adopted by the City Council of Łódź in 2004. The first pilot projects were then initiated. For the years 2011-2020, a renovation program was adopted for Łódź municipal tenement houses. The crowning achievement of the local government was obtaining significant funds from the EU, which allowed for a substantial expansion of the work's scope (Galuszka, 2017; Kazimierczak, Kosmowski, 2018). Moreover, due to the specific location of production plants, which no longer operate in the city center, attempts were made to stimulate investment activity to develop free spaces and attract desirable residents. The Film School and other universities, the rebuilt Łódź Fabryczna Railway Station, and the revitalized EC1 power plant, which houses museum and exhibition spaces, were also used for city marketing (Zasina, Sokołowicz, Nogalski, 2020). The local government promoted the city by highlighting its central location, major works on the railway tunnel (Łódź is to become the communication center of Poland), and the proximity of the new international airport under construction. The investment in the Manufaktura shopping center, built in post-industrial degraded areas, was also crucial for the image of the city. The significant investment, which brought commercial success, began to affect the surrounding streets after a few years, stimulating their renovation and the development of buildings and squares.

2.2. Creating residential attractiveness – new housing investments in Łódź

The housing market in Łódź was considered unattractive for investors and developers for many years due to low prices and low demand; wealthier residents built individual houses on the city's outskirts (Dzieciuchowicz, Groeger, 2016). The statistics of residential units put into use reflected this: in 1995, 977 apartments were built in the entire city; in 2000, it was 1232, and in 2010, 2082. Local authorities struggled with the unmet housing needs of many low-income households. Despite having many apartments in the city's resources, due to their technical wear and tear, it was impossible to meet the growing needs (Sikora-Fernandez, 2021). A significant part of the stock should be demolished because it is unsuitable for further use. Still, only a tiny part of the ruins of tenement houses was eliminated during regeneration. Despite active privatization, the city owned many apartments (table 2), with the longest queue in Poland waiting for housing assistance (approx. 6.6 thousand households in 2022 and 4 thousand in 2023). Many municipal dwellings are vacant due to ruined buildings.

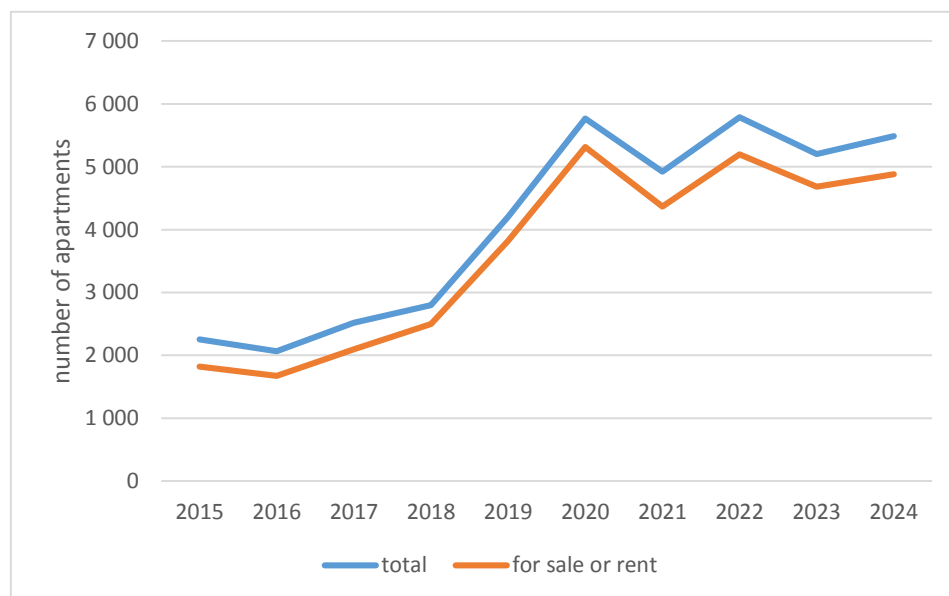
Table 2*Owners of the housing stock (apartments) in Łódź, 2002 and 2023*

	Municipality	Housing cooperatives	Companies	Individuals	Social Building Society	Other	In total
2002	77.362	144.951	8.484	96.967	814	1.857	330.435
2023	38.756	85.414	191	250.056	1.561	237	376.215

Source: CSO data.

Creating residential attractiveness and improving the city's image, by referring to the smart city concept, was to stop the depopulation processes and attract desired residents to the city. The regeneration process covered a significant part of the city center. Still, it only covered public spaces and buildings 100% owned by the city (this resulted from the principles of EU funding). The renovation of squares, arcades, and streets itself gave a lot to the city's image (Groeger, 2011; Jopek, 2018; Zdyb, 2017). The goal of the Łódź Spatial Development Strategy 2020+ was to achieve a sustainable compact city. Developers have begun to develop available plots in the city center, and apartments are finding buyers despite their higher prices than those on the outskirts. The effect of the city policy is the gentrification process, which has become visible in the city center. The revitalization processes have caused an increase in the rent rates of municipal apartments, and many residents temporarily relocated from the revitalized stock have not returned to their old places due to the costs (Tobiasz-Lis, 2014; Ogrodowczyk, 2024).

In 2016-2024, developers put into use over 35,000 apartments in Łódź, and they have been particularly active since 2019 (Fig. 1). Previously, between 2005-2015, they had built only 13.8 thousand apartments.

**Figure 1.** Apartments put into use in total and by developers in Łódź in 2015-2024.

Source: own study based on BDL.

For years, housing prices in Łódź were the lowest among the most prominent Polish cities (Table 3). The city was not considered attractive to live in. However, its proximity to the capital and the announcement of the launch of a high-speed railway started to stimulate investment demand.

Table 3

Prices of apartments sold by developers in chosen cities, 2006-2023 (PLN/1sqm)

City	2006	2010	2015	2019	2024
Warsaw	6186	7441	7462	9476	18685
Krakow	7089	6789	6357	8235	16552
Lodz	3624	4905	4697	6026	10312
Poznan	4724	6591	6234	7396	11769

Source: own work based on NBP data.

Apartment prices in Łódź are still significantly lower than in other attractive Polish cities, but the growth between 2019 and 2024 was 71.1%, in Warsaw it was 96.9%, in Kraków 100.9%, and in Poznań 59.1%.

3. Research methods

The authors were particularly interested in spatial relations between local policy, evaluated by public investments increasing the attractiveness of public spaces and housing, housing demand, and private housing projects. The authors used three research methods to achieve the assumed goal: desk research, case study, and conjunctural analysis.

The desk research method allows for collecting and analyzing data without the need to leave home. Their sources can be libraries, legal acts, databases, press articles, the Internet, and internal reports of various companies or organizations (Nowak, Kaniewski, 2016). These data were initially collected for a different purpose. In this article, the primary source of existing data was the Internet, including press articles, real estate portals, and statistical data or portals using spatial data (ŁOG maps and geoportal). On the other hand, the case study method involves an in-depth analysis of individual cases to learn and understand specific phenomena and behaviors in a natural context (Yin, 2012). According to Robinson (2006), cities' spatial phenomena help us understand different development paths that determine contemporary development processes. The case study method gives theoretical (analytical) generalization; this argument is underlined by Guba and Lincoln (1989) and Stake (1998). Even a single case study is methodologically justified due to universality, decisive significance, uniqueness, novelty, or longevity of the case (Yin, 2014). In the study presented below, the case studies were two selected areas of the city of Łódź, located in the city center, on the western and north-western sides of Piotrkowska Street.

Conjunctural analysis, in principle, is an approach that helps better understand the phenomena being studied. However, conjunctural analysis is understood very broadly here. It defines a space, moment, or place affected by various forces, causes, and determinants. Conjunctural analyses are usually used to study politically contested situations, developing crises, and specific historical turning points (Sheppard et al., 2024; Lorne et al., 2023). Initially, this method was used to understand the political actions and social and cultural movements that contributed to the defeat of the left in Italy in the early 20th century (Gramsci, 1971), later also by Stuart Hall to understand the crisis of Fordism and the rise of Thatcherism in Great Britain (Hall, 1979). It is indicated that "thinking conjuncturally allows us to historicise the present; and it is through our analysis of the present in all its complexity that we may be able to see the opportunity to take steps towards a new way of organizing society" (Grayson, Little, p. 62). Today, however, conjunctural analysis is also used to explain other phenomena, such as factors influencing the development of cruise tourism (Poort et al., 2021) or housing policy (Gustafsson, 2021). From a historical perspective, this article analyzes the development determinants that have influenced the current level of investment in two areas of Łódź. The authors focused on the reasons driving developers to start new projects in the shrinking city Łódź. Authors were particularly interested in spatial relations between local policy, evaluated by public investments increasing the attractiveness of public spaces and housing, housing demand, and private housing projects.

The study was conducted in several stages:

- first, the locations of residential development projects that have been implemented and are under implementation in the city since 2016 were analyzed,
- then, the changes in land values in Łódź between 2016 and 2024 were examined to select areas where positive changes occurred,
- the selection of locations was made focusing on areas where concentrated development activity and a significant increase in land value occurred simultaneously,
- the presence and type of public investments were identified in the two selected areas.

The time scope of the study mainly covers the years 2016-2024. This results from the availability of a conceptual map of land values presented on the Łódź Geodesy Center website. The area of Stare Polesie and the vicinity of Manufaktura were selected for detailed study, as areas where a significant increase in land value occurred during the studied period and housing and public projects were implemented. The points or areas marked on the maps indicate investments that have already been put into use or are being implemented. However, many projects that impact the implementation of subsequent ones were carried out in previous years, which was emphasized in the descriptive part of the research results. It should also be noted that the investments marked on the maps do constitute only a targeted sample that was identified based on various real estate portals, city hall websites, or press articles. Nevertheless, their number and nature allow for drawing conclusions.

4. Results

In Łódź, in recent years, there has been a significant increase in land value in specific locations (the darker the color on the maps - Fig. 2 and 4 -, the higher the value). The authors selected two areas for the study where this increase was very noticeable.

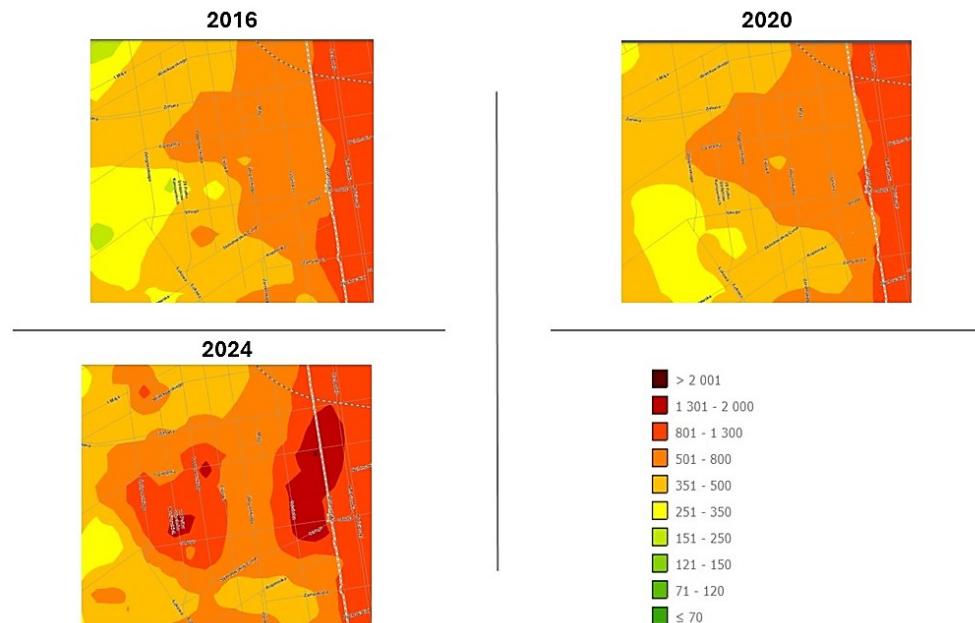


Figure 2. Change in land value in Stare Polesie in the years 2016-2024.

Source: own study based on the Conceptual Map of Land Values of the Łódź Geodesy Center.

Changes in land values in this area are evident in the vicinity of Gdańska, Wólczajska, and Zachodnia streets on the section between Zielona and Struga streets, as well as in the vicinity of 28 Pułku Strzelców Kaniowskich Street. In addition, the most significant increase in value occurred in the last four years. This is the area of Stare Polesie, where before World War II, there were many small textile factories, residences, as well as tenement houses. They were not destroyed, but after the war, they were taken over by the socialist authorities, who did not renovate the buildings (Zysiak et al., 2022). During the political transformation, many industrial plants were liquidated, contributing to a significant increase in unemployment in the city and the deterioration of post-factory buildings (Jakóbczyk-Gryszkiewicz, 2011). The buildings were subject to degradation, among others, due to the depopulation of this part of the city (Zielone Polesie..., 2017), but also due to the low level of wealth of the residents. The local government in 2010 decided to modernize the most neglected tenement houses under the Mia100 Kamienic program (since 2011), and since 2014, "Miasto Kamienic" (Janicka-Świerguła, 2017). The main task of this program was to improve the living conditions of the residents of the renovated tenement houses and the aesthetic values of these buildings while maintaining their cultural heritage (Podyma et al., 2016). The change of the image of these buildings, as well as the relocation of some residents (a part of the previous tenants, due to

higher rent rates, decided not to return to these buildings), encouraged private investors to undertake development activities (Fig. 3).

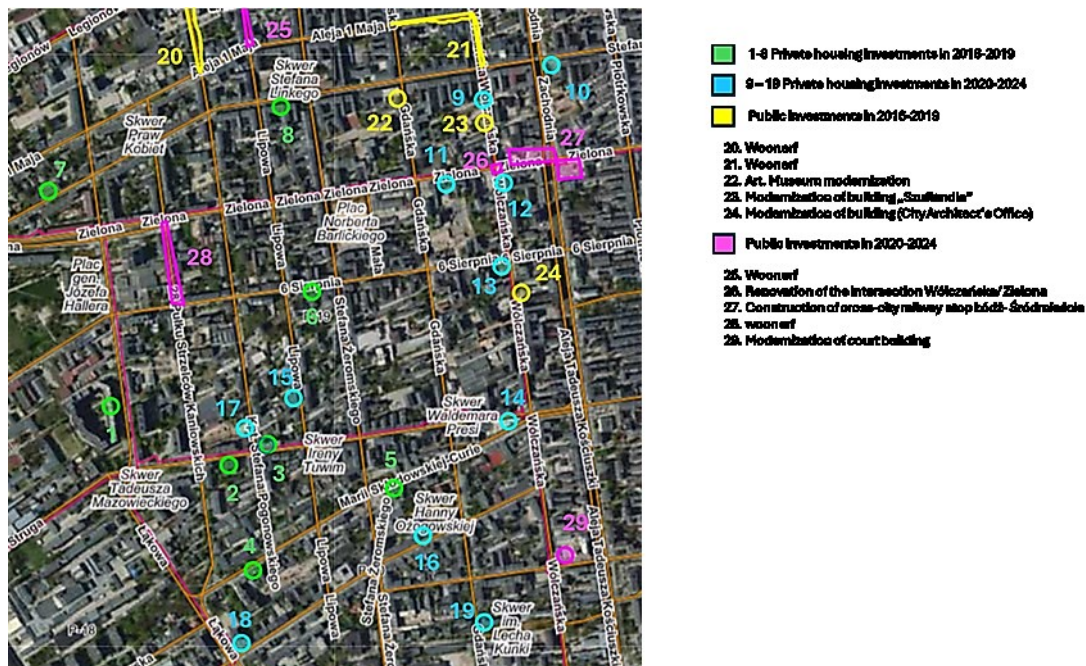


Figure 3. Public investments and private housing projects in 2016-2024 in Stare Polesie.

Source: own study based on Geoportal and internet sources.

In the years 2016-2024, several private investors undertook the implementation of housing projects, especially in the eastern and western parts of the analyzed area. The total number of projects was significant, 19 were identified in such a small area (8 in 2016-2019 and 11 after 2019). The analysis of the modernization activity of the city authorities indicates the public space and tenement houses renovations, but also new road infrastructure (including the implementation of woonerfs (Hac, 2021). Developers' interest in Wólczńska Street in recent years is probably related to its significant transformation. In 2019, the city completed, among other things, the reconstruction of the buildings at ul. Wólczńska 36, where the City Architect's Office is currently located. As part of this project, the building located on the side of the plot was also modernized – presently it is occupied by the Municipal Urban Planning Studio. The courtyard between the buildings was transformed into the Lapidarium of Architectural Detail, where decorations saved from Łódź factories, villas, and tenement houses are exhibited (Jach, 2022).

The second area of Łódź that was selected for detailed analysis is the area around Manufaktura (the border of Stare Polesie and Bałuty). Manufaktura is currently the third-largest shopping center in Poland, built on the premises of the former textile factory of Izrael Poznański. After World War II, the plants were nationalized, and since the 1980s, employment and production have seen a visible decline (Mastalerz, 2017). The systemic transformation contributed to the plant's declaration of bankruptcy. Investors and ideas for developing this huge space were sought for many years, and the buildings became more and more ruined (compare:

Michalski, 2014). Nearby, there are multi-family houses that Poznański built in the 19th century for his employees and were taken over by the state during the socialist period. Due to the plant's closure, many people lost their jobs and moved out in search of new work; the area was dangerous, and public space was devastated. The investor, the Apsys company, completed the revitalization and construction works in 2006 (Mastalerz, 2017). Since then, Manufaktura has been gaining popularity as the center of city life, not only of a commercial nature but also of a cultural and entertainment nature. However, for years, it was a kind of "island of wealth and luxury" in a devastated area, surrounded by ruined tenement houses and dangerous streets.

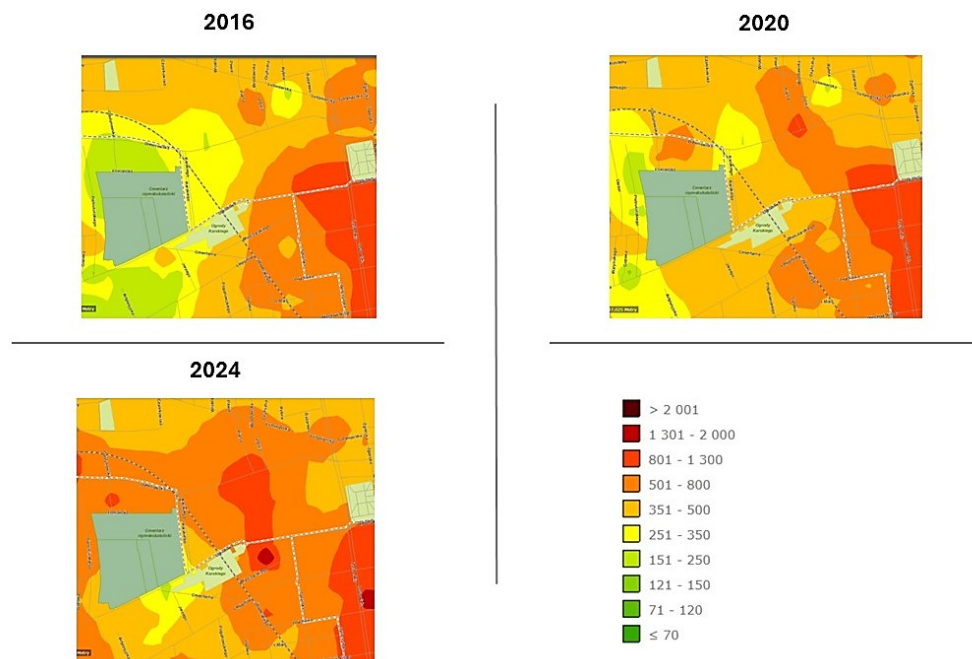


Figure 4. Change in land value in the vicinity of Manufaktura in 2016-2024.

Source: own study based on the Conceptual Map of Land Values of the Łódź Geodesy Center.

In this area, the change in land value is visible on both the northern and southern sides of Manufaktura. In 2016-2019, the first housing project appeared on the north side (Fig. 5). The south side of Manufaktura was more degraded. Although many tenement houses on Legionów Street had been previously modernized as part of the Mia100 Kamienic program, the neighborhood was devastated. Since 2017, the city has been conducting revitalization activities in this area. Roads, individual buildings, and entire blocks are being rebuilt, providing renovated public spaces.

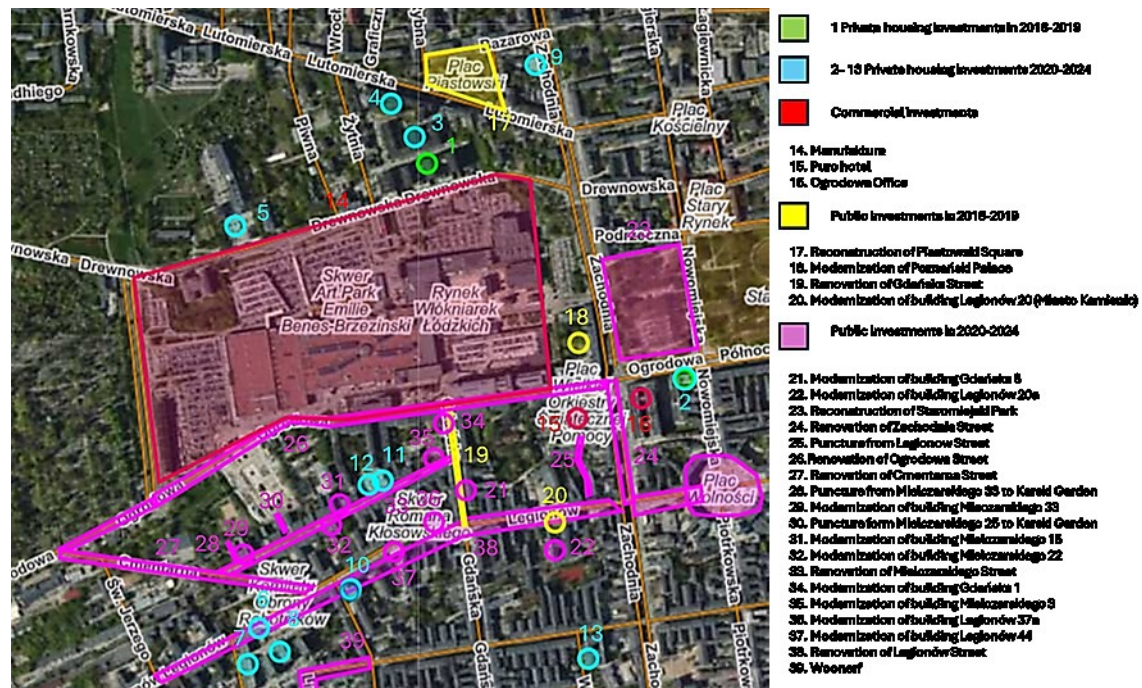


Figure 5. The most important residential and public investments in the vicinity of Manufaktura in 2016-2024.

Source: own study based on Geoportal and the Internet.

In 2018, investors built two other extensive commercial facilities near Manufaktura (an officebuilding and a hotel. In 2019, the reconstruction of the Poznański Palace, which serves as a museum, was also completed. Along with the ongoing revitalization, private investors interested in implementing housing projects also appeared on the southern side of Manufaktura. In recent years, a 3-stage investment at Legionów 66 and an investment at Mielczarskiego 9 have been started. The authors identified eleven new private housing projects in the years 2019-2024 in the analyzed area. Many public revitalization projects are currently under implementation, which may further stimulate demand for housing in these areas and increase their value in the future.

5. Discussion and conclusions

Developers and investors get involved in projects if they see the location's potential, not only the low price of land. This potential is determined by local policy. The city authorities try to stem the outflow of residents and attract new ones with desirable features, which is strongly related to creating a belief in the city's attractiveness. Intensive revitalization activities financed from public funds will not be enough to rebuild the city's image if private capital is not involved. However, many dangers and problems appear for both sides. Various households inhabit the city; some of them have a difficult life situation and are waiting for help from local authorities. There are many such households in shrinking cities. Revitalization projects often

concern problematic and excluded areas with the great potential. After making changes, sitting tenants frequently cannot afford to stay in the renovated stock; they do not come back after temporary relocation. Sometimes, new development projects are also enclaves surrounded by walls; their residents do not walk down or come into contact with native inhabitants; they create their world. Disproportions in access to education and culture are growing.

Łódź is undoubtedly an example of a specific shrinking city - unemployment is decreasing, many investments are being made, and at the same time, the number of inhabitants is constantly decreasing. Safe and aesthetic public spaces and a rich housing offer are necessary for their return and to retain residents. The cases studied indicated that developers start projects even in difficult places, on "bad" streets, because they hope to make a profit, i.e., find buyers, but this is inextricably linked to the need to change the image of a given part of the city by investing in public space and improving safety. The authorities of Łódź have been trying for many years to conduct revitalization activities, but only since 2014 have they taken on significant importance for the entire city center. Some of the analysed development projects are directly situated in revitalized areas, and others are under the influence of such areas in neighbourhood. The first signs of change became visible shortly after the revitalization began, and with each passing year, more and more organized, people-friendly spaces emerged. Moreover, residents and potential investors were aware of the broad scope of public funding works. The change was spectacular.

Construction processes are long-term, including the preparatory phase. Investors consider various socio-economic factors when they try to predict the future. Based on the authors' research, it is impossible to conclude that revitalization efforts financed by public funds are the driving force behind specific development projects. However, there is undoubtedly a correlation between improving the appearance of a city, increasing safety, and the willingness to invest, with revitalization playing a vital role here (Jadach-Sepioło, 2020). Interestingly, developers rarely include information about the transformations of analyzed areas in their marketing offers. Most often, they simply cite the excellent, central location, with good access to public transportation (including the upcoming railway), green spaces, and services. Sometimes, developers highlight the district's historic architecture and mention the proximity of Manufaktura, Poznański Palace, and Piotrkowska Street. In only a few projects, developers included information that they were being developed in areas where some revitalization work had already been carried out, while others were still underway.

In Łódź, a significant issue is the risk of overinvestment in an area with limited demand potential. In 2024, developers had a record number of apartments on sale, still waiting for buyers. They benefit from the improvement of the city's image and, at the same time, contribute to this process through their actions. The question arises whether they could cooperate with local authorities in meeting housing needs. The city authorities have a serious problem in fulfilling housing tasks. Young people are looking for a place to start a family in a more friendly environment. What if developers offered, in agreement with local authorities, a pool of

apartments in every project for municipal tenants? Of course, not for social rentals, but typical municipal ones for low-income families with children. Perhaps this is a way to attract new residents to Łódź.

In conclusion, the authors emphasize the need for cooperation between public actors, especially local authorities, and private investors to achieve favorable results in improving the city's image. The goals of the actions of the city authorities and private housing developers are different, but both sides strive to increase residential attractiveness.

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