

Newsletter

Centre of Migration Studies
University of Lodz



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Dear Readers,

we invite you to read the new issue of the Newsletter of the Center of Migration Studies, where Olha Ivasechko (Lviv Polytechnic National University, Ukraine) discusses the housing situation of Ukrainian migrants in Lodz.

The Newsletter is a publishing space for the latest analyzes, research reports and comments on current migration issues in Poland and beyond. If you are interested in contributing to the Newsletter, please contact us: csm@uni.lodz.pl



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Housing situation of Ukrainian labor migrants in Lodz

The problem of migration and its consequences is an important issue that has been on the agenda of the international community for a long time. The complex and cross-sectoral nature of it leads to the observation that the factors that motivate the population to cross borders in order to change their place of residence are economic, political, social, cultural or even environmental ones. However, when analyzing the trends of international migration flows, we can conclude that the most driving motive of migrants is the economic one, in particular the search for a better paid job, better living conditions. This, in turn, is expressed in the development of labor migration, which involves the movement of working-age people with the intention of employment abroad. However, it should be understood that labor migration is not just about crossing the border and employment. This is a complex process that contributes to various problems, one of which is the issue of housing, including its search and payment.

As of today, Ukraine is an active labor exporter. Under the influence of geopolitical transformations and geoeconomic factors, the largest share of labor migrants from Ukraine is concentrated in Poland. According to unofficial estimates, this are 1.5 million Ukrainians in this neighboring country (TSN 2019). There is also a tendency to strengthen close ties and establish cooperation between Ukrainian and Polish cities and regions. For example, Odessa and Lodz are recognized as partner cities, whereas Lviv and Lodz are now actively cooperating in science and education. The facts of cooperation and the importance of the housing problem as a consequence of migration together make the study of the housing situation of Ukrainian labor migrants in Lodz very important.

Features of Ukrainian labor migration in Lodz

Labor migration to Poland is a common and dynamic phenomenon. The attractiveness of this country for labor migrants from Ukraine is explained by a number of factors: the development of migration networks, the wage gap between both countries,

geographical location, access to the Polish market, linguistic and cultural affinities, geographical proximity and, in part, safety in the workplace. But Lodz was not always among the priority places for Ukrainian workers who tried to find jobs in the largest or nearest Polish cities/regions. However, there is an intensification of migration flows of Ukrainians to Lodz now, which is undoubtedly also due to the moderate migration policy of the Polish authorities.

It is difficult to give precise number of Ukrainian citizens in the Lodz region. According to some estimates, as of 2019, even 100,000 labor migrants from Ukraine were employed in the Lodz Voivodeship, 80,000 of whom found jobs in Lodz (EuRabota 2019). Other authors claim that these numbers are exaggerated (cf. Gońda 2021), still the growth of Ukrainian (and other foreign) workers is unprecedent.

An important factor regarding migration is the perception of migrants in the host country. To assess the current integration policy of Poland, I consider it appropriate to use the Migrant Integration Policy Index (MIPEX), which is composed by a consortium of European organizations led by the Migration Police Group and covers 52 countries. The MIPEX index analyzes integration policy in eight areas: access to the labor market; family reunification; education; long-term stay; participation in the political life of the country; obtaining citizenship; protection against discrimination; health care.

Non-EU citizens have faced a number of obstacles in Poland. Thus, according to MIPEX for 2020, the country's integration policy is estimated at 40 out of 100 points and classified as "Equality on paper". As in most Central and Eastern European countries, immigrants in Poland enjoy some basic rights but do not have equal opportunities. Poland still needs to invest in equal rights and opportunities for immigrants, which are below the average in Poland compared to most MIPEX countries. Immigrants in Poland face many obstacles in several areas, mainly the labor market, education, health care and political participation. Under such a restrictive policy, the

public experiences a higher level of xenophobia and a lower level of social trust, which leads to fewer contacts and positive experience with immigrants. Poland's integration policy is estimated to be below the EU average (MIPLEX 2020).

But Lodz is believed to be friendly host city to Ukrainian workers. Among the advantages of the stay of Ukrainian workers in Lodz is the possibility of receiving free legal advice. The provision of such legal support was initiated by the Marshal of the Lodz Voivodeship and is part of the European Union project «Arrival Regions Interreg Central Europe». Issues that may be raised during the consultations include legalization and extension of stay in Poland, labor law, opening and running a business, the rights of foreigners in education, social security, health care and housing (Leskiv, Stempniewych 2021). Since 2017, the Honorary Consulate of Ukraine has also been operating in Lodz, which guarantees Ukrainians the protection of their rights and freedoms.

It is worth noting that the Lodz authorities positively evaluate the arrival of migrants from Ukraine and their impact on the development of the local economy. Lodz officials are ready to encourage Ukrainian workers to move to Lodz, so they are preparing a relocation package of services and bonuses for them. It is important for local authorities that Ukrainians come not only for work, but also are interested in permanent residence. This issue is relevant in the context of the internal demographic crisis. The relocation package is expected to include assistance with paperwork, housing or resettlement, psychological and cultural support. The Ukrainian language can also be found on the city's website and in the ticket vending machines for public transport. In addition, in the Center for Contact with the Residents of Lodz, which operates in the Lodz City Hall, service in the Ukrainian language is possible (Shataieva 2019). This aspect of migration policy can be assessed as positive, because, on the one hand, it confirms the respect of Polish people for Ukrainian identity, and on the other hand, it simplifies life for Ukrainians in Lodz. Both factors can be important arguments for Ukrainian workers when choosing a place of job.

Ukrainians often apply for work permits in Lodz Voivodeship. In 2019, about 93% (136,000 contracts) of all contracts issued as part of the simplified procedure for employing of a foreigner were given to Ukrainians. They were mostly employed in industry, administrative services, as well as in agriculture or gardening (Gońda 2021).

Housing situation of foreigners in Poland

Housing situation in Lodz is an important issue to study, as this city is attractive for buying housing, both among Polish people and foreigners. In 2019 in the real estate market of Lodz Voivodeship 26,536 transactions were carried out, the total cost of which amounted to over 5,5 billion PLN (GUS 2020).

Almost all migrants who, for one reason or another, change their place of residence and move abroad face the problem of housing. Obviously, everyone is trying to find a housing option that will combine both quality and affordability, but this is often quite problematic. The Polish Ministry of the Interior and Administration's report on the purchase of real estate by foreigners states that in 2020 the largest group of foreigners interested in buying real estate and carrying out the most transactions in the domestic housing market were Ukrainian citizens (Rynek Pierwotny 2021). In general, Ukrainians buy apartments for housing, while Germans, Britons and Scandinavians usually buy apartments for investment. This is due to the fact that every year the share of Ukrainian citizens who plan to stay in Poland for permanent residence is growing (Interia 2021). In 2020 Ukrainians bought 15,416 square meters of real estate, so if we assume that the average size of the purchased apartment is 59 square meters, they got about 2,600 apartments (Forsal 2021).

Such a significant interest in the purchase of Polish real estate by Ukrainian citizens can be explained by migration policy and the political situation in Ukraine. Emigration of Ukrainians to Poland and their subsequent desire to stay there for permanent residence, often implies the need to purchase housing. In addition, in Poland it is possible for foreigners to receive offers of housing support, bank loans (mortgages) or housing vouchers. Given also the fact that the average monthly salary in Poland is higher than in Ukraine (as of mid-2021, about 1,202 euros in Poland and 457 euros in Ukraine) (Ziatuk 2021), the growing demand of Ukrainians for Polish real estate is a tendentious phenomenon (Rynek Pierwotny 2021).

It should be understood that buying a housing in Poland is a profitable operation, given the availability of lower prices compared to other European markets. As a result, real estate prices in Poland are statistically 6-7 times lower than in London and 5 times lower than in Paris. It may especially refer to Lodz where housing prices are lower than in other major Polish cities. In addition, the purchase of

housing by Ukrainians in Poland can be seen as a promising investment that can bring profit in the future. For example, Polish banks offer several lending services for foreigners (Atlant Estates 2021). However, it should be noted that there is a shortage of apartments in the largest cities in Poland, which arose against the background of the formation of high consumer demand for apartments, associated with increased migration (NBP 2019).

If foreigners buy real estate in Poland, they prefer to buy an apartment in a big city. However, not every location is equally attractive. Warsaw, Krakow, Gdansk and Wroclaw are among the most popular cities, where foreigners search for housing. Other large cities, such as Lodz and Poznan traditionally are their second choice. When choosing a location, foreigners are mainly guided by the attractiveness of a given city for an apartment and then compare the price (Dziennik.pl 2021).

It is important to underline that in the first quarter of 2021, compared to the fourth quarter of 2020, a significant increase in housing prices in Lodz Voivodeship was recorded - by approximately 5.5% (GUS 2021). As for rent in Lodz, the average rental price for housing in July 2021 was 1 211 PLN (0-38 m²); 1 765 PLN (38-60 m²); 2 719 PLN (60-90 m²), that compared to rent in other big cities in Poland is relatively reasonable (Kaźmierczak 2021).

In order to take a mortgage in Lodz, foreigner needs to have a residence permit and legal permanent income. Traditionally, the loan is granted for 30 years for 2 - 5 percent. The first installment, as a rule, is 10-20 percent. The mentality of Ukrainians affects the fact that they seek to repay the loan as soon as possible. Ukrainian migrants who work as managers and businessmen in Poland manage to pay off their loan within 8-10 years on average (Interia 2021).

In addition, as the spread of the Covid-19 pandemic had a negative impact on most processes of public life, it is worth assessing its influence on the housing situation in Lodz. In December 2020 OPG Property Professionals, together with the Department of Investments and Real Estate at the University of Lodz and the Students' Science Club "Real Estate", presented report summarizing the situation on the primary residential market in Lodz. According to report, many clients postponed their decision to buy a real estate in Lodz, some of them were unable to meet the higher requirements of lenders. Besides, not all developers were ready to use online sales tools and provide transparency of online property transactions.

At the beginning of the pandemic outbreak there was considerable social and economic uncertainty. But in a few weeks the market rapidly began to return to its old tracks and the interest in Lodz real estate has relatively returned to the level which had been before the pandemic (UMŁ 2020).

Housing issue of Ukrainian labor in Lodz

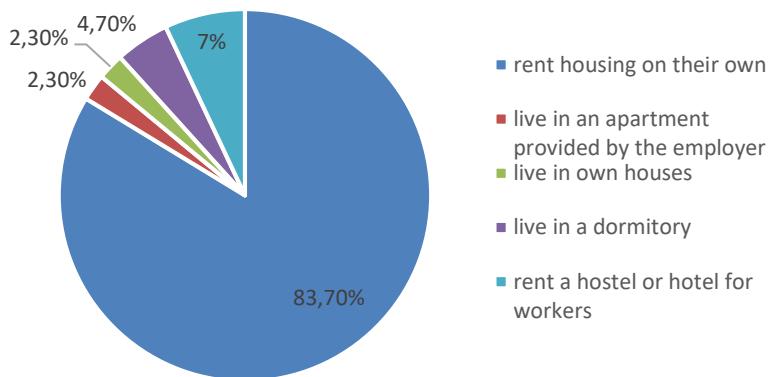
In order to better understand the housing problem of Ukrainian labor migrants in Lodz, which was the subject of my study, a web survey with an emphasis on important aspects of the Polish real estate market was conducted in 2021 (from April 15 to the end of July). The research was carried out as part of the Ivan Vyhovsky Award during a research internship in Lodz, namely at the Center of Migration Studies, University of Lodz. The aim of the survey was to examine the experience of Ukrainian labor migrants related to the barriers they face during their stay in Lodz regarding access to rent/purchase of housing.

The survey was posted on the Facebook, in particular in those groups where labor migrants from Ukraine are registered ("Foreigners in Lodz", "All foreigners in Lodz", "Ukraińcy w Polsce", "Ukraińcy Lodz City", "Ukraińcy w Polsce", "OGŁOSZENIA-Ukraińcy w Polsce", "Ukrainian Greek Catholic Parish of the Meeting of the Lord in Lodz" etc).

Despite the fact that the survey was posted twice on the above-mentioned portals (both in Ukrainian and Polish language), only 45 answers were received (31 answers after the first posting, and 14 more responses after repeated posting). Despite this number of respondents is not statistically significant, undoubtedly it left some impressions about the housing situation of Ukrainian migrants in Lodz. Besides, it should be noted that the text below uses only part of the material obtained and the survey actually also covered other issues (type of housing, number of rooms, cohabitants, advantages and disadvantages of the housing, quality of life, plans for housing, way and time of getting to work etc.).

First of all, it was important to find out where Ukrainian workers live in Lodz. Among 45 respondents, most respondents – 83.7% (36 people) – rent housing on their own. In return, only 2.3% of respondents (1) have their own housing. The rest rent a hostel/hotel for workers – 7% (3), live in a dormitory – 4.7% (2) or live in an apartment provided by the employer (1) (see chart 1).

Chart 1. Housing situation of Ukrainians in Łódź



Source: Author's research

As more respondents rent housing on their own it is interesting to know whether their salaries allow them to pay rent. Thus, the survey raised the question of how much they paid per month for housing along with utilities. The lowest indicated price was 300 PLN, the highest 4,000 PLN and an average price was 1 352 PLN. Actually, these prices are slightly different from the above mentioned Bankier.pl data, because they depend on living space, housing conditions, type of house etc. According to respondents' answers, the average monthly personal income is 3000-3500 PLN. If we take into account the fact of difference in payment for housing in Poland and Ukraine, 26 out of 43 respondents (60.5%) stated that payment for housing in Poland is higher than in Ukraine. Three people (7%) said that rent in Ukraine was more expensive than in

Poland. Another 14 respondents (32.5%) were convinced that the payment was the same in both countries.

It is interesting to see whether there is a correlation between the length of Ukrainian migrants' stay in Poland and their financial situation. Applying a contingency table for this purpose (see table 1), we can make the following conclusions: among all 45 respondents there are 16 migrants who are satisfied with their financial situation, but they are not among those who stay in Poland the longest. It can be asserted then that the length of stay does not directly affect

the financial situation of migrants. Besides, it should be understood that there are also exogenous factors that may affect it, in particular the general economic situation in Poland during their stay.

Figure 2. Connection between the financial situation and the length of stay

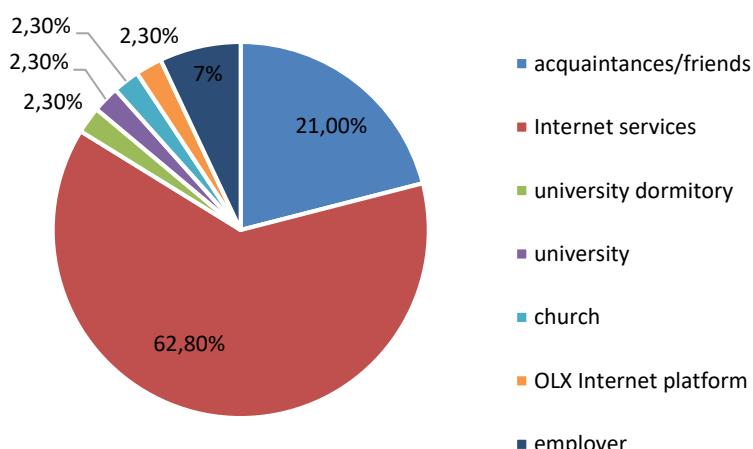
Financial situation \ The length of stay	up to 1 year	1-3 years	3-5 years	more than 5 years	Total
satisfied	4	5	4	3	16
average level	1	10	9	1	21
unsatisfied	2	1	0	2	5
difficult to answer	1	0	1	1	3
Total	8	16	14	7	45

Source: Author's research

Among the most common ways to find housing there were Internet services (62.8% of respondents) and search through acquaintances and friends (21%). Respondents also found it with the help of employer (7%), the church (2.3%) or the university (2.3%) (see chart 2).

The COVID-19 pandemic has also caused significant complications for labor migrants. Thus, 83.7% of respondents confirmed that coronavirus infection had a serious impact on rental housing. When clarifying what exactly changed after the COVID-19 outbreak, migrants indicated a change in prices, living conditions, and an increase in housing supply. One part of Ukrainian workers faced an increase in the cost of rent whereas another its decrease, which was due to the growing number of housing offers because of the outflow of business trips and tourists.

Chart 2. The way to find housing



Source: Author's research

In the context of assessing the housing situation of Ukrainian labor migrants, a questionnaire has been also sent to Ukrainian organizations and churches in Lodz. For example, respondent Mr. Mykhailo, 42 years old, called economic situation as the main factor for leaving Ukraine and looking for job and housing in Poland. Before that he worked in Ukraine as accountant, and in Lodz he is warehouse worker. He stated that he did not plan to return to Ukraine. Another respondent who also works as a warehouse worker in Lodz now, in Ukraine worked in a bank. Due to the difficult financial situation, he was forced to move to Lodz, where he has been renting a housing. Mr. Danylo is even ready to sell his own house in Ukraine in order to buy real estate in Lodz.

Conclusions

Examining the housing situation of Ukrainian labor migrants in Lodz, we can conclude that there is a growing interest of Ukrainian workers in both renting and buying Polish real estate. First of all, these processes are connected with the increase in the intensity of labor migration of Ukrainians to Poland. It is also worth taking into account the relatively low prices for housing in Poland (compared to prices on other European markets), availability of mortgages and loans.

Analyzing the opinions of the respondents, it becomes obvious that Ukrainians in Lodz mostly rent houses, which they found using the Internet. The most common motive for the migration of Ukrainians to Lodz is economic one, the desire to improve own financial situation. In this context, it is disappointing that Ukrainians who have worked in prestigious jobs in Ukraine, when they come to Lodz, become, for example, ordinary workers in factories, but at the same time earn more. This, in turn, underscores once again the problem of low wages in Ukraine, which devalue the work of Ukrainians and force them to leave the country in search of a better financial assessment of their work.

The tendency is that Ukrainian migrants, given the prospects of work and rent/ purchase of housing, intend to stay in Lodz on a permanent basis. This step of Ukrainians is positively perceived by the Polish authority, that is trying to solve the demographic problem and overcome the challenges of the labor market in such way. However, for Ukraine this phenomenon is quite negative, both in the demographic context and in terms of brain-drain.

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