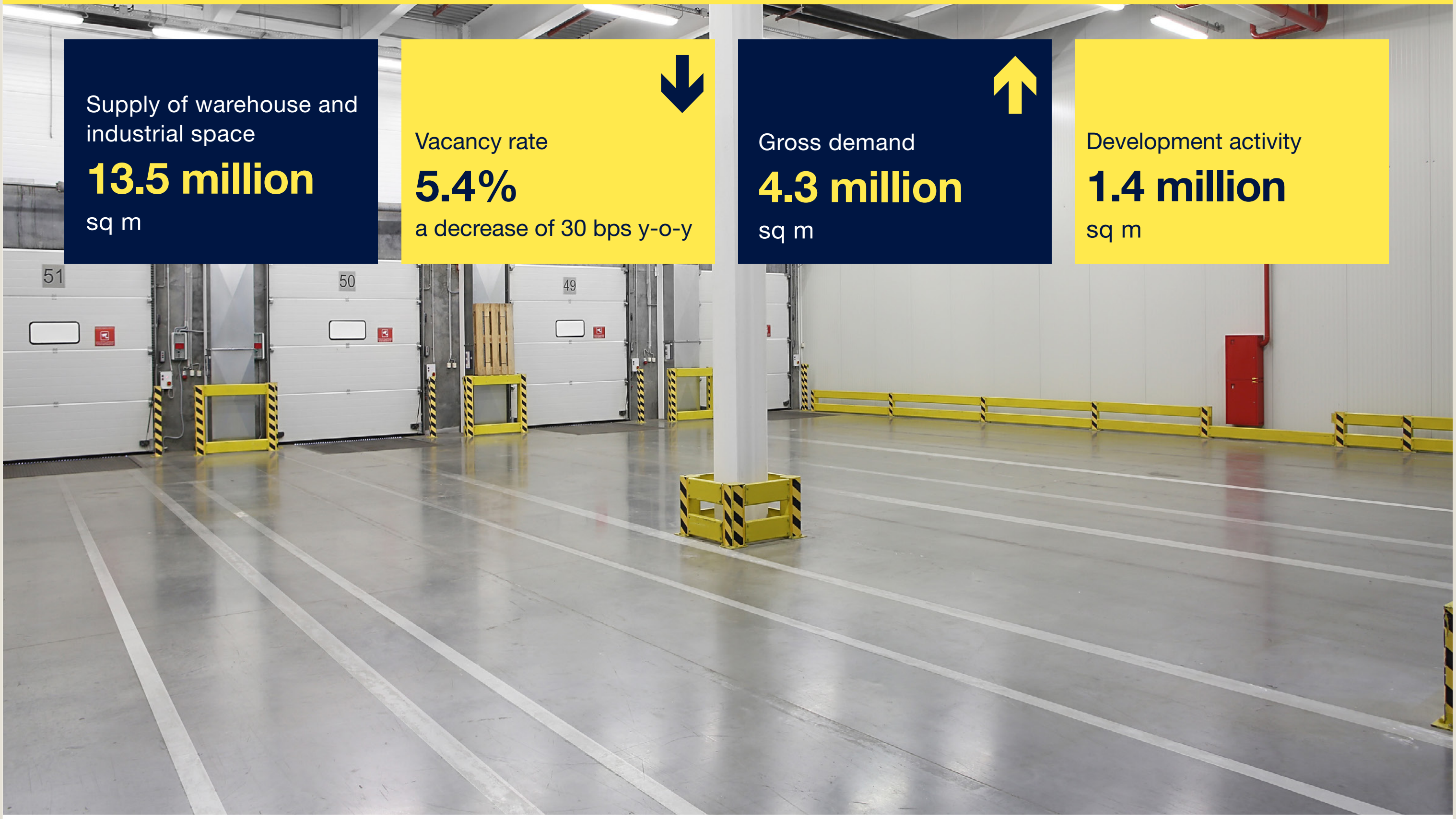
Savills World Research
Poland Warehouses

Market in Minutes
Warehouse and Industrial Market in Poland

February 2018



Supply of warehouse and industrial space
13.5 million
sq m

Vacancy rate
5.4%
a decrease of 30 bps y-o-y

Gross demand
4.3 million
sq m

Development activity
1.4 million
sq m

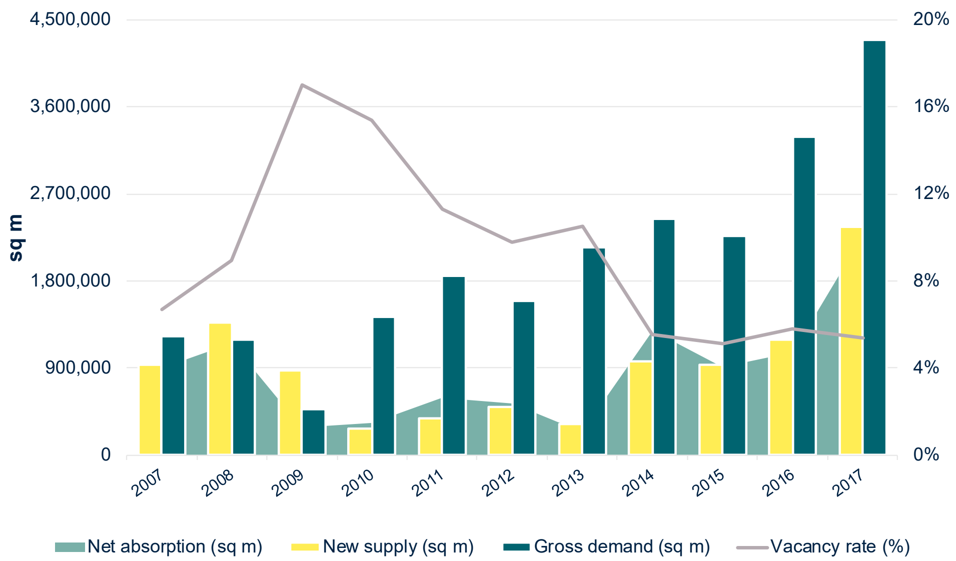
SUMMARY

2017

- Total supply of modern warehouse and industrial space in Poland at the end of 2017 stood at nearly 13.5 million sq m.
- The largest markets are: Warsaw (3.7 million sq m), Upper Silesia (2.4 million sq m), Poznań (1.9 million sq m), Central Poland (1.7 million sq m) and Wrocław (1.5 million sq m).
- In 2017 almost 2.4 million sq m of modern space was delivered to the market, over twice the volume observed in previous year.
- Currently over 1.4 million sq m of space Poland wide is under construction, of which only 1/3 is being developed speculatively.
- Gross demand in 2017 reached ca. 4.3 million sq m, an increase of nearly 33% year-on-year.
- Net absorption in 2017 doubled when compared with 2016 and reached 2.3 million sq m.
- The vacancy rate decreased by 30 bps y-o-y to 5.4%. The highest rate was noted in Kraków (11.4%), whereas the lowest one in Central Poland and was close to 0%.
- Third-party logistics and retail, both traditional and e-commerce, created ca. 60% of demand for warehouse and industrial space across the country.
- Base rents range between EUR 2.60 sq m/month and EUR 4.00 sq m/month in case of BIG BOX units. Rents for SBU in Warsaw may reach even EUR 5.25 sq m/month.
- Effective rents range between EUR 2.00 sq m/month and EUR 3.40 sq m/month in case of BIG BOX units and up to EUR 4.80 sq m/months for SBU.

Chart 1

New supply, gross demand, net absorption & vacancy rate in Poland



Source: Savills

The largest market – Warsaw
3.7 million sq m

The highest development activity – Upper Siliesa
373,200 sq m

11.4%
The highest vacancy rate – Kraków

Sector which created the highest demand for warehouse space
3PL

The highest net absorption – Warsaw
467,000 sq m

The highest demand - Central Poland
1,080,100 sq m

0.2%
The lowest vacancy rate* – Central Poland

*Among established markets.

Chart 2

Existing stock by region, 2017

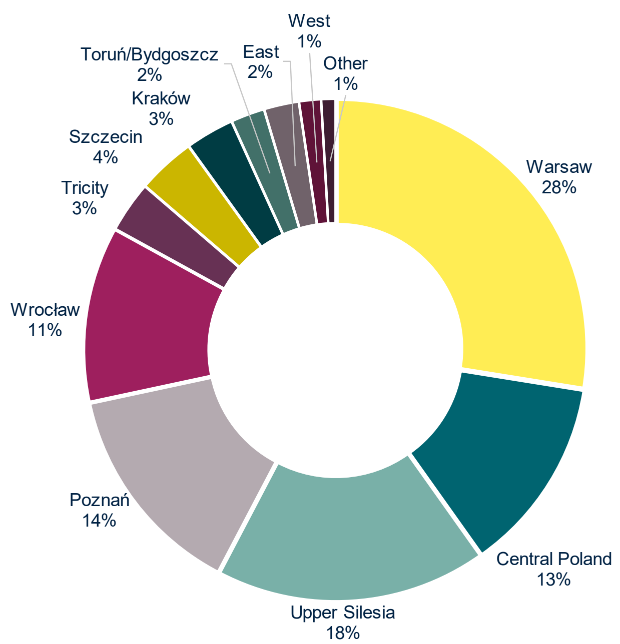
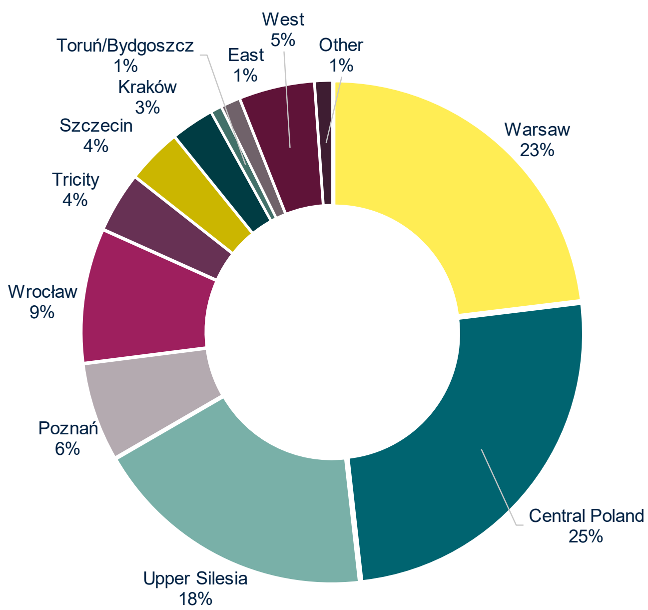


Chart 3

Gross demand by region, 2017



Source: Savills

The largest lease transactions in 2017

Market	Project	Tenant	Area (sq m)
Upper Silesia	BTS Panattoni Gliwice	Confidential tenant from e-commerce	146,000
Upper Silesia	BTS Panattoni Sosnowiec	Amazon	135,000
Central Poland	BTS Goodman Głuchów	Zalando	130,000
Central Poland	BTS Panattoni Stryków	Castorama	101,700

Source: Savills

The largest projects under construction

Market	Project	Developer	Area (sq m)
Upper Silesia	BTS Panattoni Gliwice	Panattoni	146,000
Central Poland	Central European Logistic Hub	Panattoni	115,000
West	Hillwood Świecko	Hillwood	73,000
Central Poland	P3 Piotrków	GIC	60,200

Source: Savills

As expected, 2017 was the year of records. Annual new supply was close to 2.4 million sq m, gross take-up reached 4.3 million sq m, whereas net absorption (showing how much space was absorbed by the market) stood at 2.3 million sq m.

High demand for warehouse and industrial space is largely created by e-commerce sector. The three largest transactions in 2017 were concluded by companies from this, still growing, sector of economy.

Wojciech Zoń, Head of Industrial Agency, Savills

Chart 4

Gross demand by sector, 2017

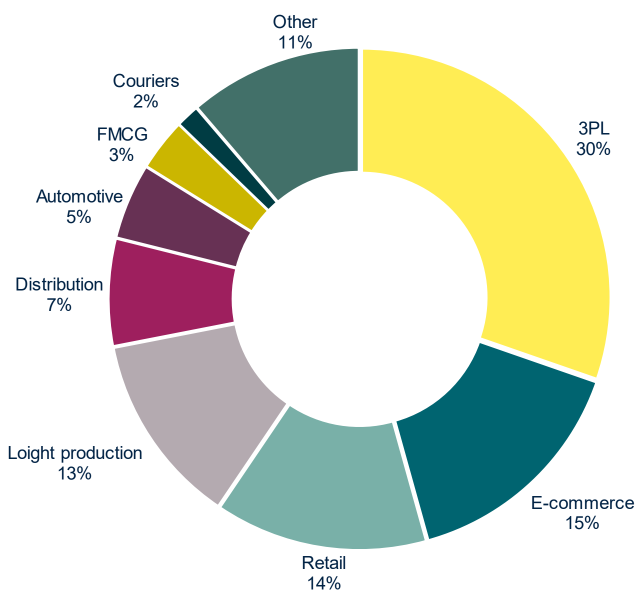
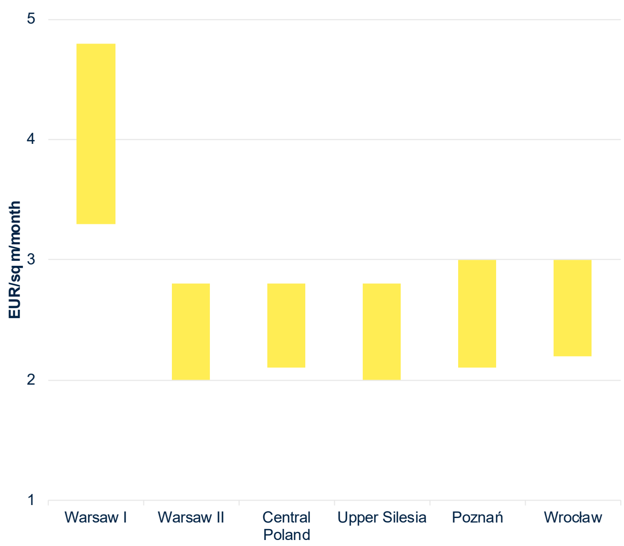


Chart 5

Effective rents on main markets, 2017



Source: Savills

POLAND - KEY INFORMATION

4.6%
GPD growth in 2017

3.8%
GDP growth forecast, 2018

6.6%
Unemployment rate (December 2017)

7.3%
Retail sales growth in 2017

USD 7.5 billion
Revenue of the e-commerce sector in 2017

PLN 4,589
Average gross monthly salary in enterprise sector (January 2018)

6.5%
Industrial production growth in 2017

5.3%
Industrial production growth forecast, 2018

2.0%
Consumer Price Index in 2017

Source: Oxford Economics, Central Statistical Office of Poland, Statista

Savills Contacts

Tomasz Buras
CEO & Managing Director,
Head of Investment
+48 22 222 4000
tburas@savills.pl

Wojciech Zoń
Head of Industrial Agency
+48 603 089 414
wojciech.zon@savills.pl

Marek Paczuski
Director,
Investment Department
+48 666 042 891
mpaczuski@savills.pl

Kamil Kowa
Head of Corporate Finance & Valuation
+48 510 201 209
kkowa@savills.pl

Wioleta Wojtczak
Head of Research
+48 600 422 216
wwojtczak@savills.pl