

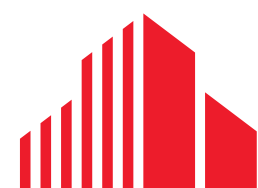
POLAND

AS THE

PERFECT FIT

FOR YOUR BUSINESS

CUSHMAN & WAKEFIELD // 20TH OF SEPTEMBER



CUSHMAN &  
WAKEFIELD





## Warehouse market

**2.6** MILLION sq m

+11% Y/Y

New supply (YTD)

**2.1** MILLION sq m

-50% Y/Y | 39% pre-leased

Under construction

**6.7%**

+0.3 PP Q/Q | +3.4 PP Y/Y

Vacancy rate

**2,066,000** sq m

Vacant space

**30.7**

MILLION SQ M

Total stock

+19% Y/Y

**2.2** MILLION sq m

-39% Y/Y

Gross take-up (YTD)

**1.3** MILLION sq m

-49% Y/Y

Net take-up (YTD)

**4.9** EUR sq m/month

+3% Q/Q | +22% Y/Y

Prime headline rent

Average for big-box projects in 5 key regional markets



# Share of Poland stock

Mazowieckie

**20%** share of Poland stock

Śląskie

**17%** share of Poland stock

Łódzkie

**14%** share of Poland stock

Dolnośląskie

**13%** share of Poland stock

Wielkopolskie

**11%** share of Poland stock

Lubuskie

**5%** share of Poland stock

Pomorskie

**5%** share of Poland stock

Zachodniopomorskie

**4%** share of Poland stock

Kujawsko-Pomorskie

**3%** share of Poland stock

Małopolskie

**3%** share of Poland stock

Podkarpackie

**2%** share of Poland stock

Opolskie

**1%** share of Poland stock

Lubelskie

**1%** share of Poland stock

Warmińsko-Mazurskie

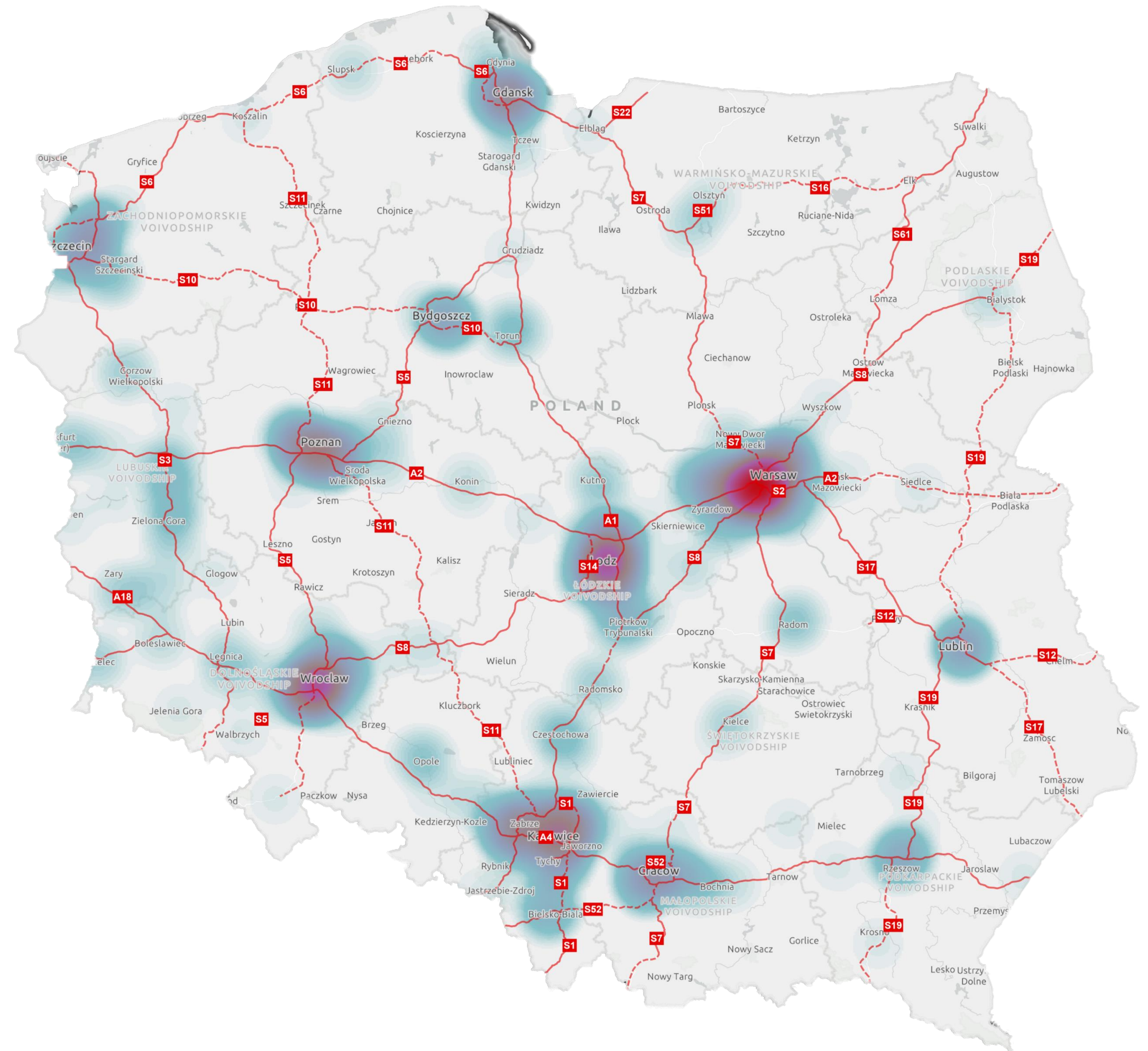
**1%** share of Poland stock

Podlaskie

**0.3%** share of Poland stock

Świętokrzyskie

**0%** share of Poland stock



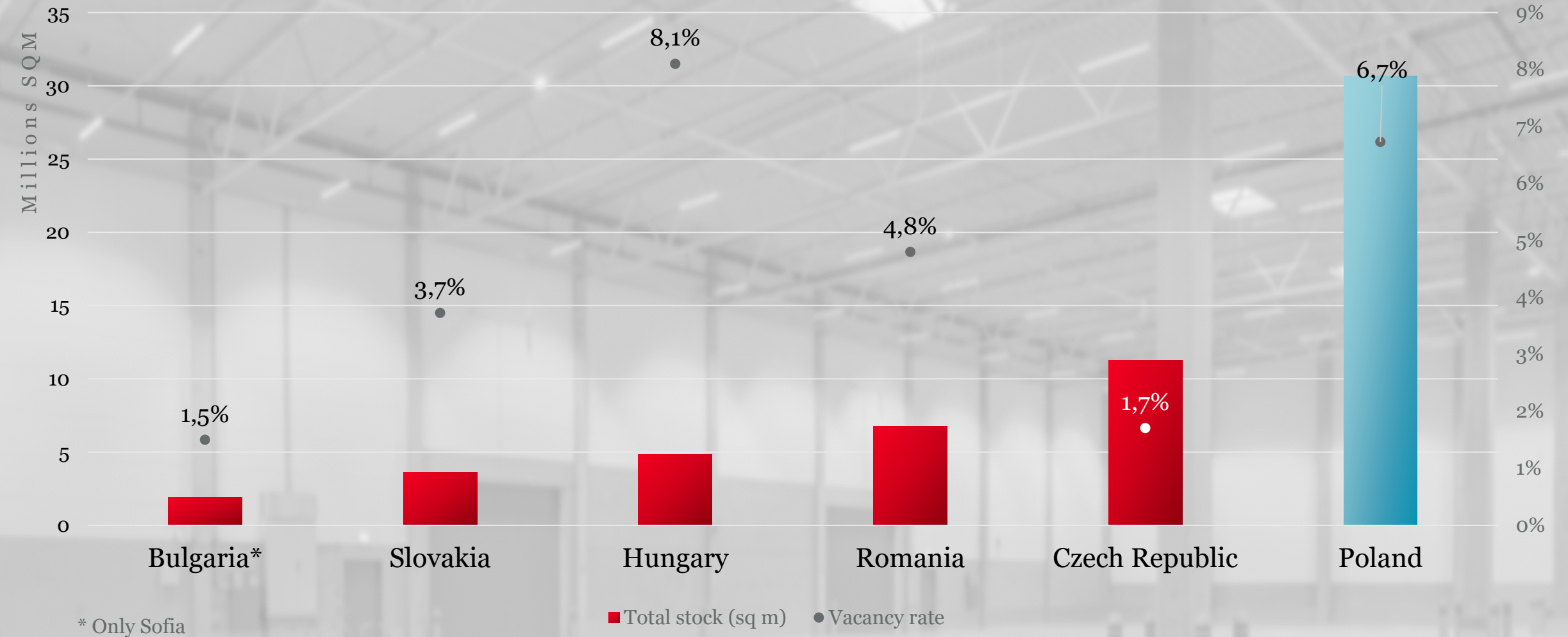


## ■ Poland

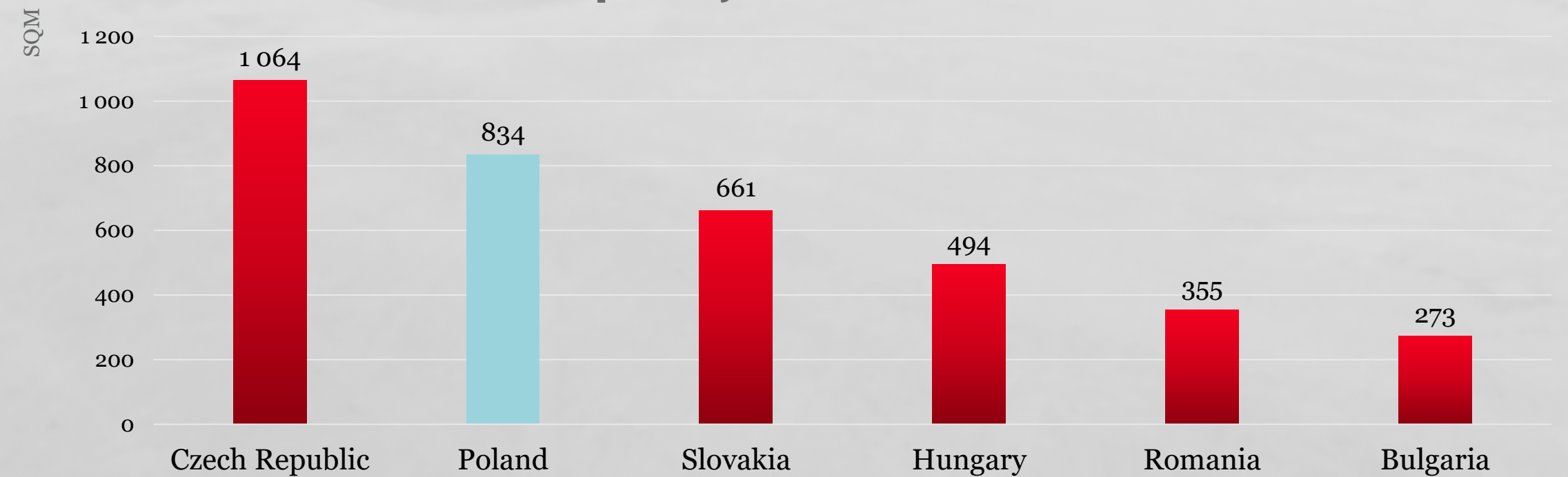
### The largest logistics market in CEE region

With 30.7 million sqm of modern space, Poland is the largest warehouse market in the Central and Eastern Europe region (52% share). In the last 5 years alone, new warehouse supply in Poland amounted to 16.3 million accounting for approx. 53% of the total stock as of June 2023.

#### Industrial Stock & Vacancy



#### Stock per 1,000 inhabitants



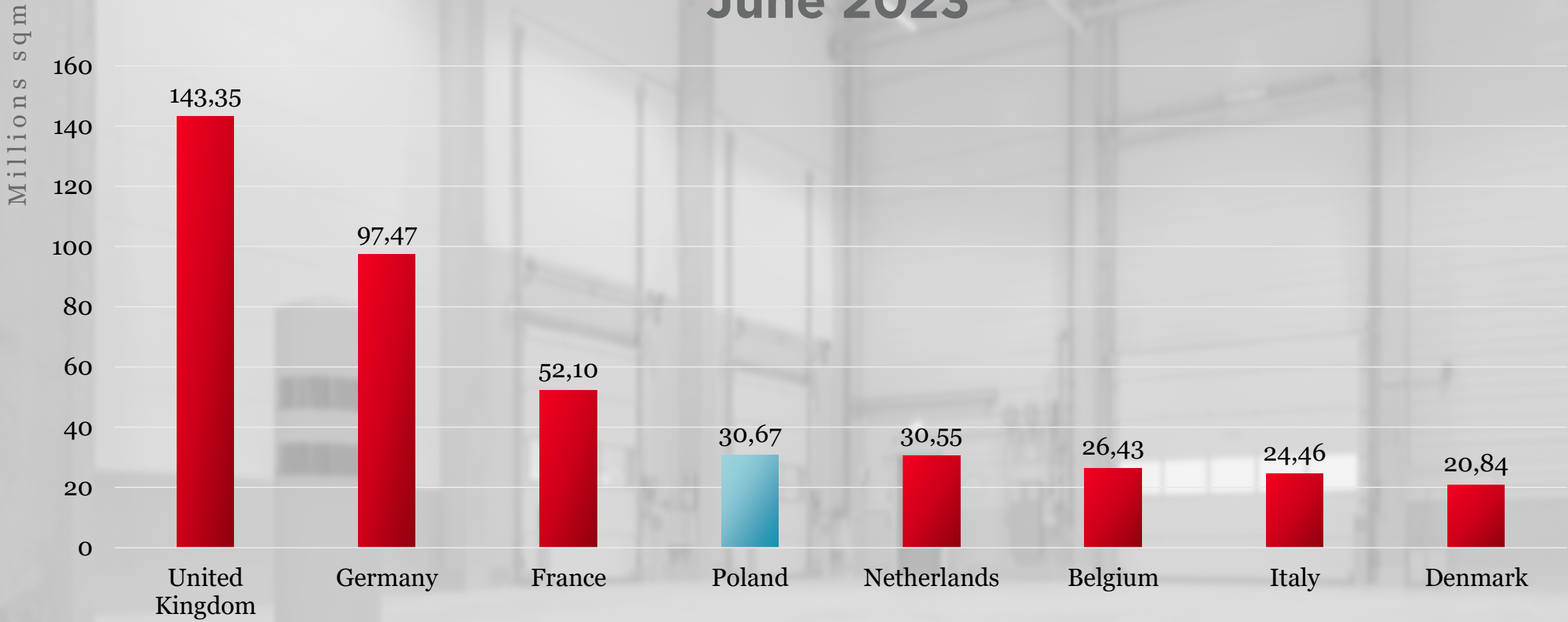


■ Poland

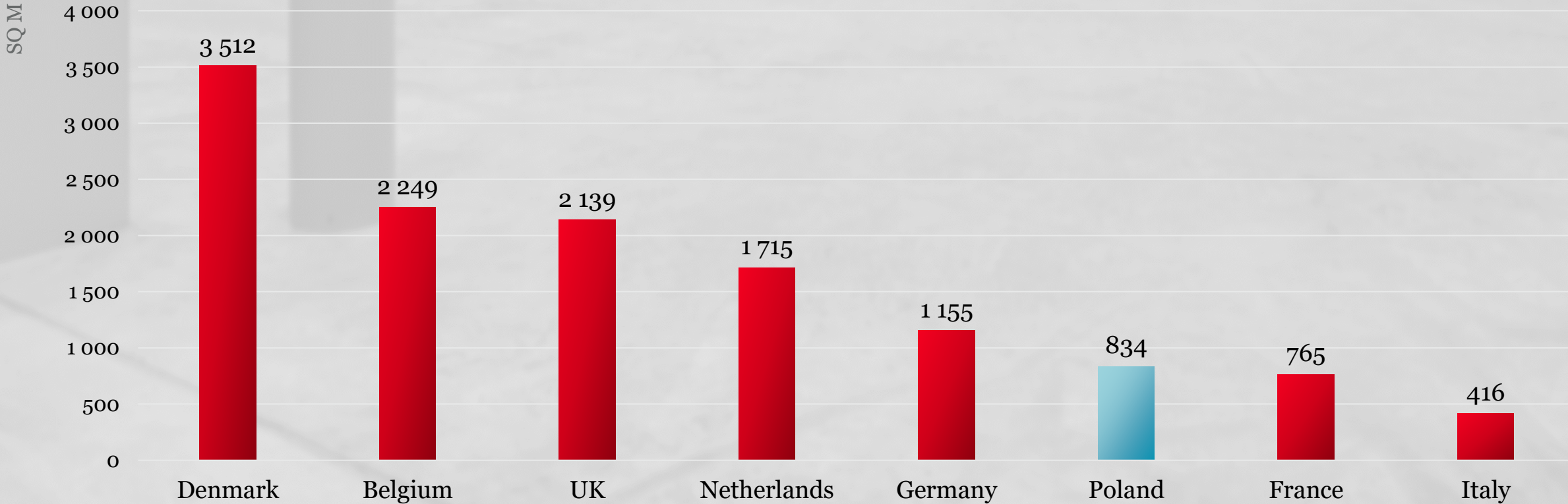
# 4th largest logistics market in Europe

Poland has moved up in the ranking of the largest logistics markets in Europe, overtaking the Netherlands in Q2 2023. The high importance of the Polish industrial market is confirmed by 17% share of the total European take-up in last 12 months to June 2023.

### Top 8 Industrial Markets in Europe June 2023



### Stock per 1,000 inhabitants





## ■ Poland

### **RECORD SUPPLY** volumes in 2022-2023

A record 7 million sq m of industrial and logistics space was delivered by developers in last 18 months to June 2023 of which 2.6 million sq m in the first half of this year. About 2.1 million sq m remains under construction to increase total stock up to 33.0 Mn sq m before Q2 2024.

Regions with highest supply:

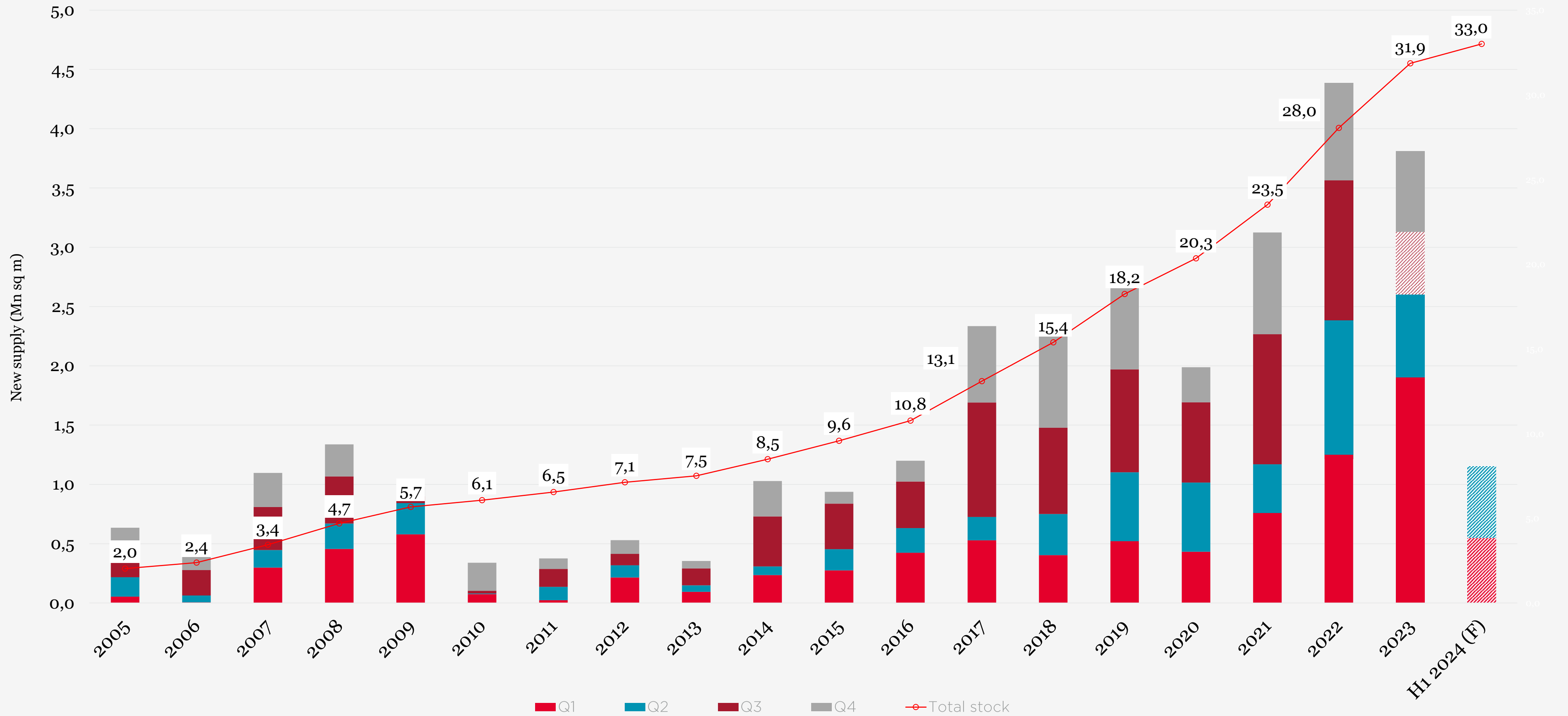
1. Lower Silesia; 1.10 M sq m
2. Mazovia; 1.00 M sq m
3. Silesia; 0.95 M sq m
4. Łódzkie; 0.85 M sq m
5. Greater Poland; 0.79 M sq m

### Stock development, y/y change





# Stock growth forecast





## ■ Poland

### **VACANCY RATE** returned to 6-8% territory

Vacancy rate of 6.7% does not yet indicate a state of oversupply and is still considered healthy for the market balance.

In the 5 main regional markets (Warsaw, Silesia, Central Poland, Wrocław and Poznań), the vacancy rate varies between 5-8%. Space shortages are still evident in Kraków or Tricity markets but to some extent are compensated by speculative supply in the pipeline.

The demand forecast is difficult to capture, but unless economic conditions worsen significantly, which is not expected (i.e. there will be no process of significantly reducing warehouse space by existing tenants), the market should develop flexibly with fluctuations in the vacancy rate between 5-8%.





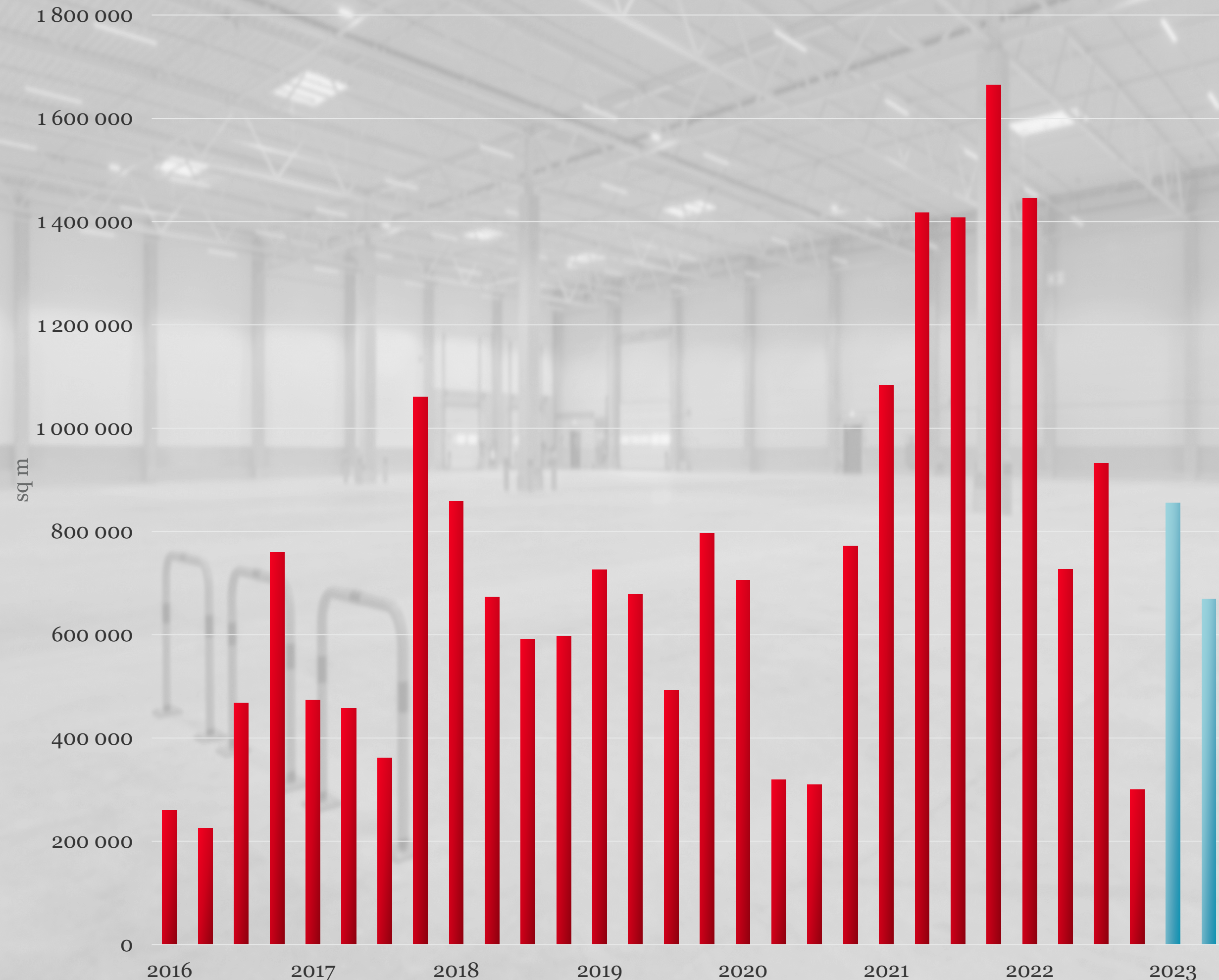
## ■ Poland

### **DEVELOPMENT ACTIVITY** has rebounded after a weak end of 2022

The war in Ukraine, high inflation and interest rates combined with the energy crisis led to visible decrease of construction activity which was most evident in Q4 2022. As can be seen from the chart, last years outages of activity have been of a short-term nature which demonstrates the high resilience of the logistics sector.

Nowadays we see more predictable construction costs, higher rents and shortages of space in selected locations which are supporting construction activity. H1 2023 saw more than 1.5 million sq m of new developments started, 35% less compared to the H1 2022 but nearly same level compared to pre-covid volumes started in H1 2018 and H1 2019.

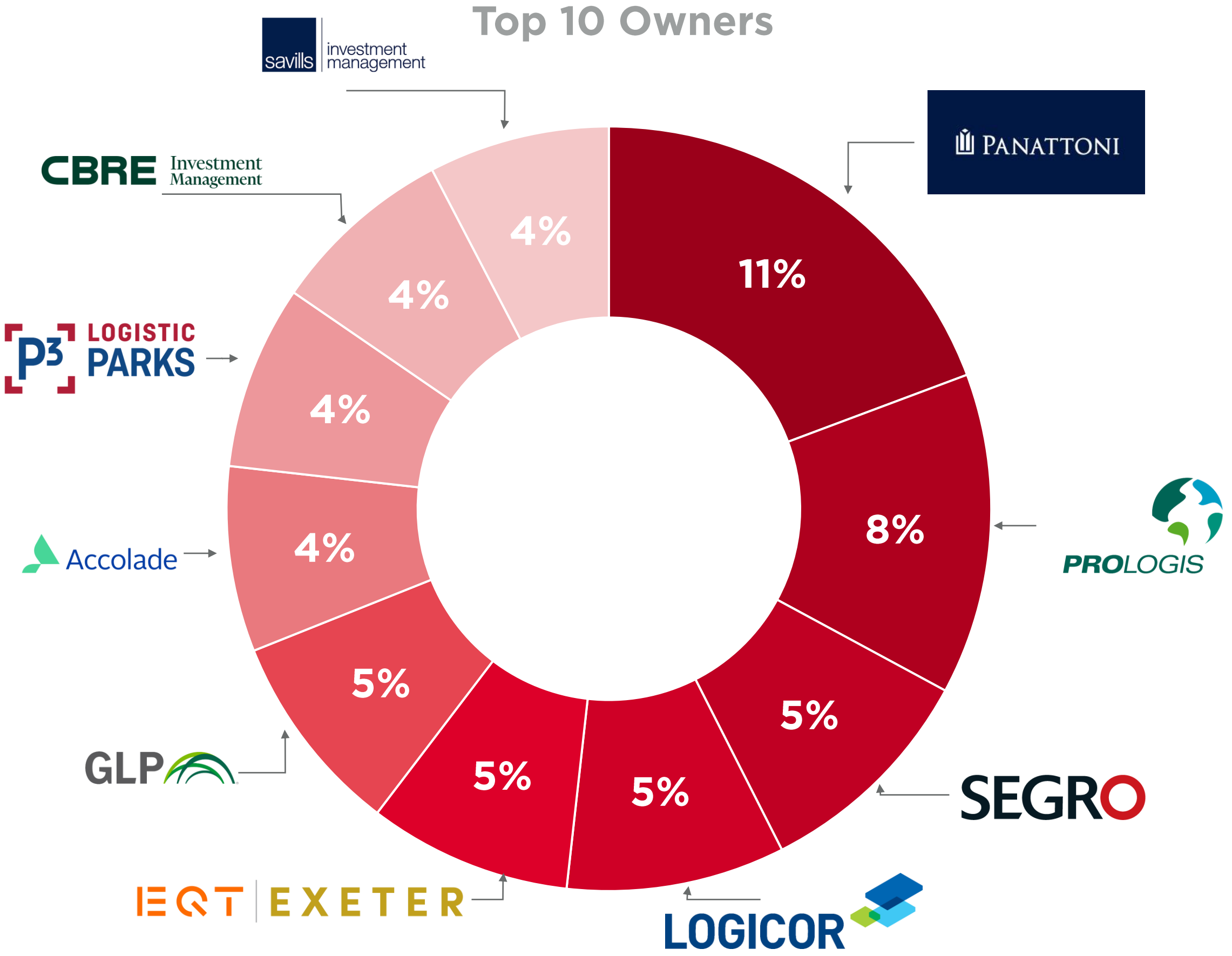
### Industrial construction volumes started





# Who owns the warehouses?

Developer / Owner	Stock	% share
Panattoni & JV	3 369 480	11,00%
Prologis	2 371 873	7,70%
SEGRO	1 682 727	5,50%
Logicor	1 613 153	5,30%
EQT Exeter	1 501 300	4,90%
GLP	1 499 146	4,90%
Accolade	1 368 629	4,50%
P3 Logistic Parks	1 359 296	4,40%
CBRE IM	1 357 482	4,40%
Savills IM	1 335 552	4,40%
ELI	1 200 225	3,90%
Mapletree	1 157 286	3,80%
MLP Group	999 654	3,30%
Macquarie / GLL	531 528	1,70%
AEW	528 506	1,70%
PZU TFI	515 217	1,70%
Rosewood	479 687	1,60%
Hillwood	450 125	1,50%
7R SA	433 289	1,40%
Ares Managment	378 739	1,20%
Reino	341 116	1,10%
CGL Investment Holdings	316 692	1,00%
CTP	276 660	0,90%
Others	5 503 712	18,0%
<b>TOTAL</b>	<b>30 661 922</b>	<b>100%</b>



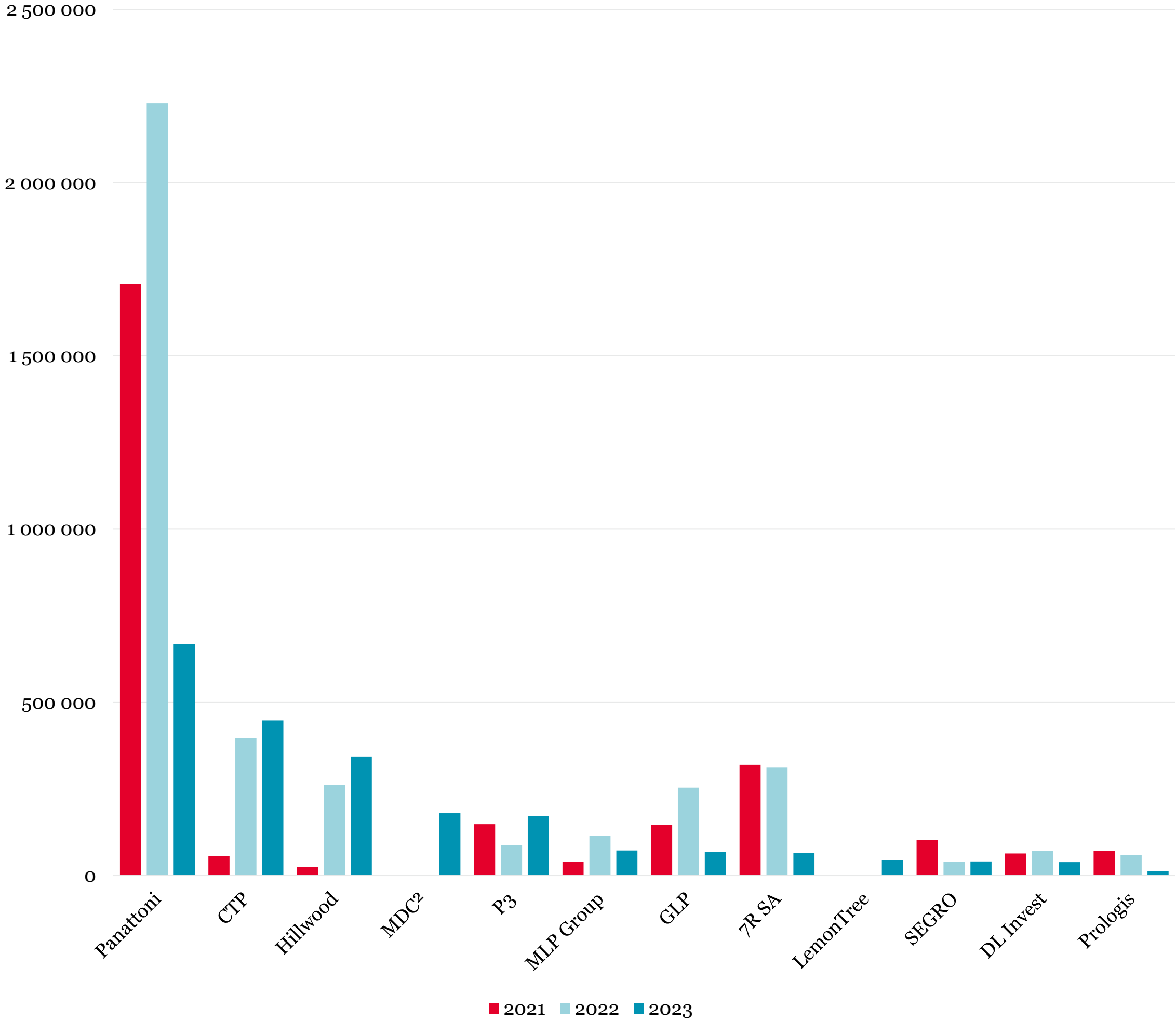


# Who builds the warehouses?

Developer	Stock UC	% share
-----------	----------	---------

Panattoni	667 918	32%
CTP	448 117	21%
Hillwood	343 688	16%
MDC <sup>2</sup>	180 315	9%
P3 Logistic Parks	172 373	8%
MLP Group	72 552	3%
7R SA	65 211	3%
GLP	58 138	3%
LemonTree	43 679	2%
SEGRO	40 992	2%
DL Invest	38 850	2%

Developers activity in June





## ■ Poland

### DEMAND

calming tenant activity after the post-pandemic peak

Demand for warehouse space slowed down recently and leasing volumes seems returning to levels noted in 2017-2020. Nevertheless, we expect total take-up to reach 4 million sq m in the 7th consecutive year .

Demand from 3PL and e-commerce companies slowed down recently but they still account for the largest share in net take-up (47% in H1 2023).

On the positive side, there has been an increase in activity from manufacturing and automotive companies responsible for 27% of new leases.



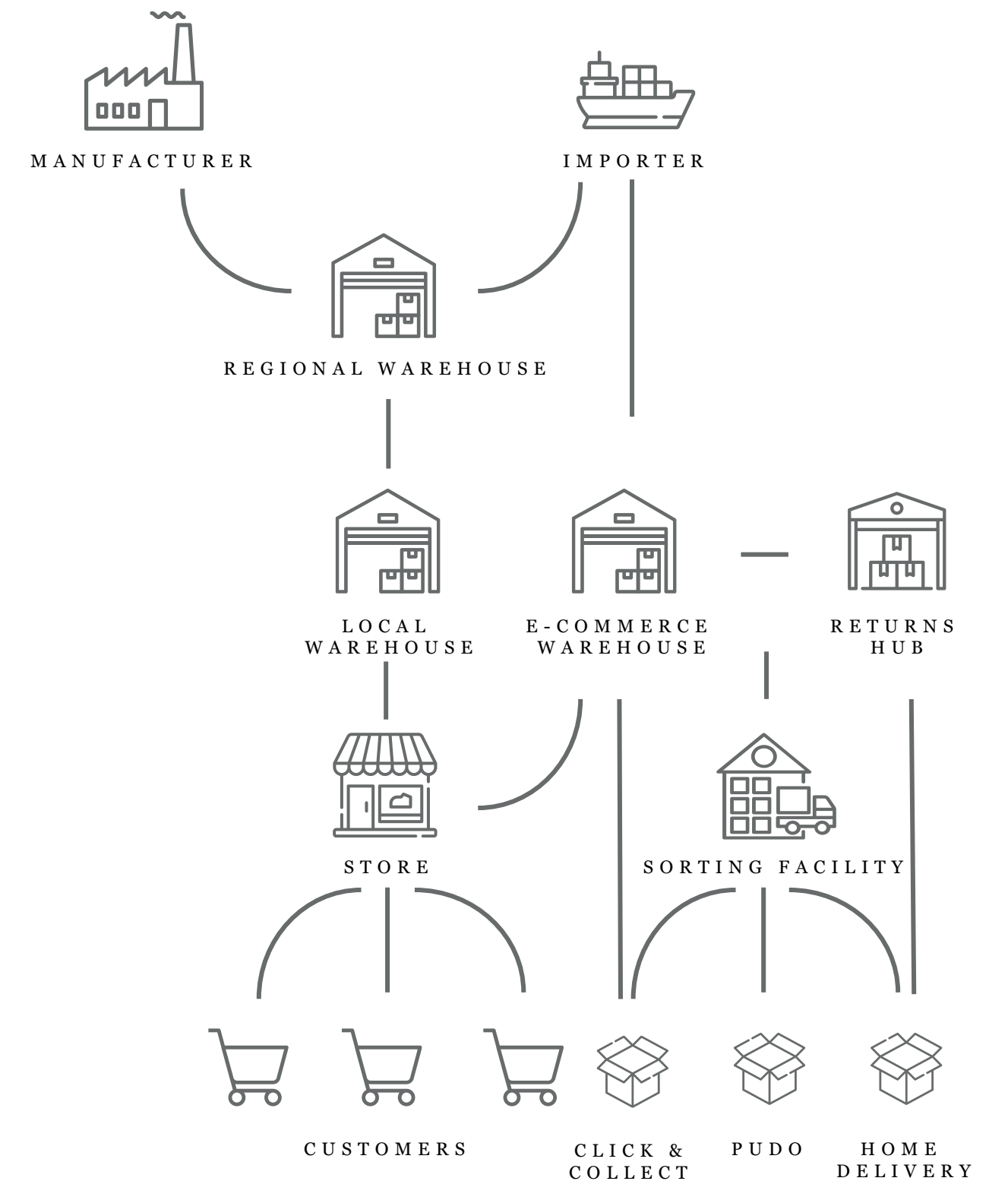


# Supply chain model



A NEW SUPPLY CHAIN MODEL IS NEEDED TO MEET MARKET DEMANDS

E-commerce requires up to 3 times more storage space than conventional retail.

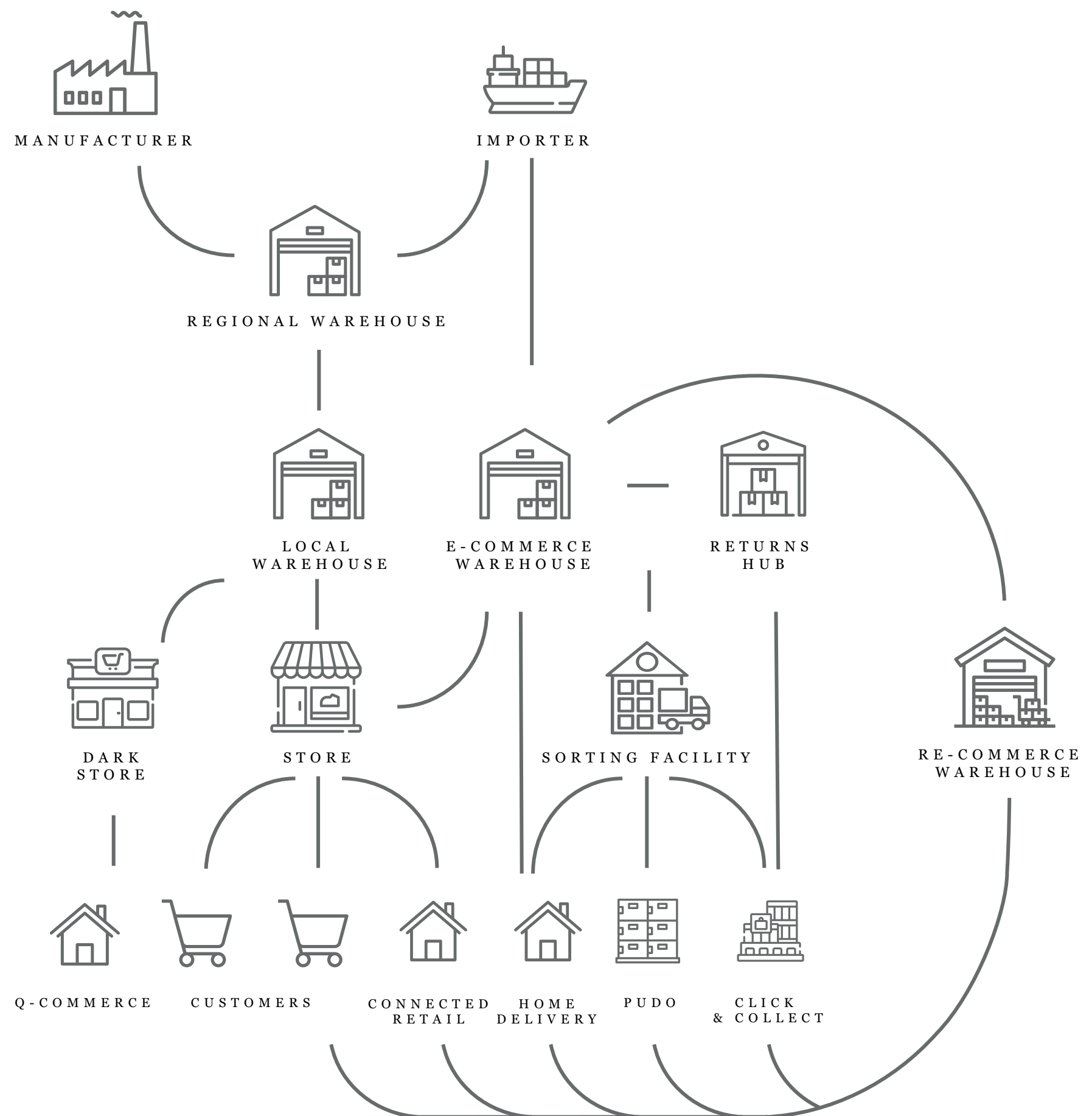




# Adjustment to the new reality

IN ORDER TO ADJUST TO THE NEW REALITY AND HIGHER CUSTOMERS REQUIREMENTS NEW WAYS OF DELIVERIES WERE INVENTED.

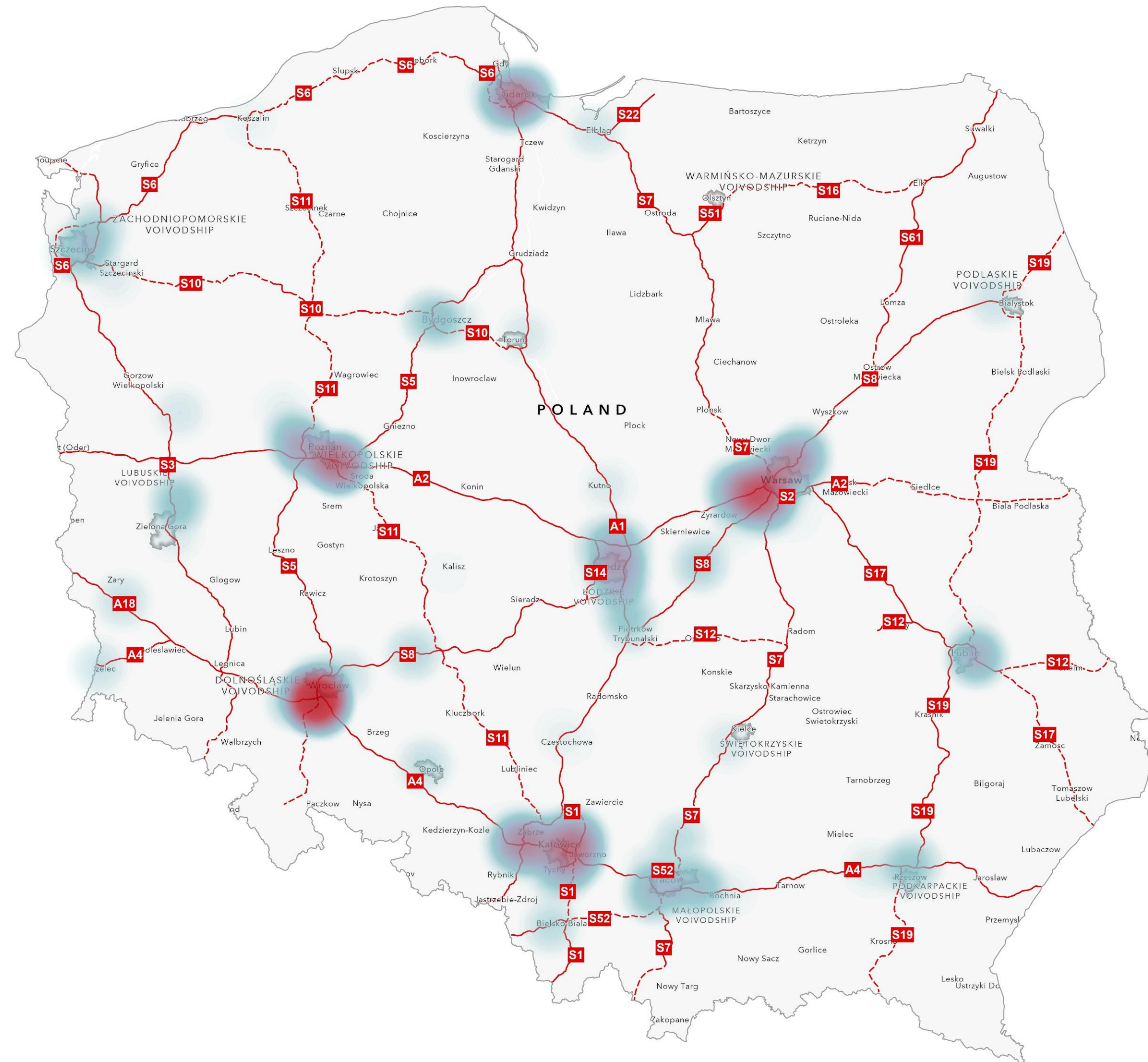
Above that, sustainability trend impacted the faster re-commerce growth .





# Take-up Poland

Region	Net take-up H2 2022-H1 2023	% share
Lower Silesia	564 229	18,4%
Mazovia	551 766	17,9%
Silesia	492 623	16,0%
Greater Poland	314 197	10,2%
Łódzkie	280 553	9,1%
Pomerania	203 909	6,6%
Lesser Poland	172 010	5,6%
West Pomerania	104 143	3,4%
Lubusz	96 092	3,1%
Lubelskie	80 157	2,6%
Kuyavia-Pomerania	73 529	2,4%
Subcarpathian	67 171	2,2%
Opole	23 752	0,8%
Podlaskie	19 774	0,6%
Warmia and Mazury	17 100	0,6%
Świętokrzyskie	13 769	0,4%
<b>TOTAL</b>	<b>3 074 487</b>	<b>100%</b>





## Poland

### RENTAL GROWTH should weaken along with HICP growth

Developers needed to increase rents as there is no chance of further yield compression in the near-term. Tenant incentives are less generous, spread between headline and effective is narrowing up to max 20% of headline rents. However, current observations suggest that the biggest increases are over, and rents will stabilize in H2 2023.

#### Headline rents by regional market in Poland

MARKET	HEADLINE RENTS (eur/sqm/month)	
	Q2 2022	Q2 2023
Warsaw Suburbs	3.40 - 4.20	3.80-5.75
Warsaw Inner City	5.00 - 5.75	5.10-7.50
Upper Silesia	3.40 - 4.10	4.20-5.20
Central Poland	3.40 - 4.00	3.65-4.90
Wrocław	3.40 - 5.00	3.80-5.50
Poznań	3.50 - 3.90	3.80-4.50
Western Poland	3.80 - 4.10	3.90-4.30
Tricity	3.60 - 4.50	4.30-5.50
Szczecin	3.60 - 4.10	3.90-4.80
Kraków	4.20 - 5.50	4.80-6.50
Eastern Poland	3.40 - 4.20	4.00-5.50
Bydgoszcz & Toruń	3.40 - 3.90	3.90-4.10
<b>POLAND</b>	<b>3.40 - 5.75</b>	<b>3.65 - 7.50</b>

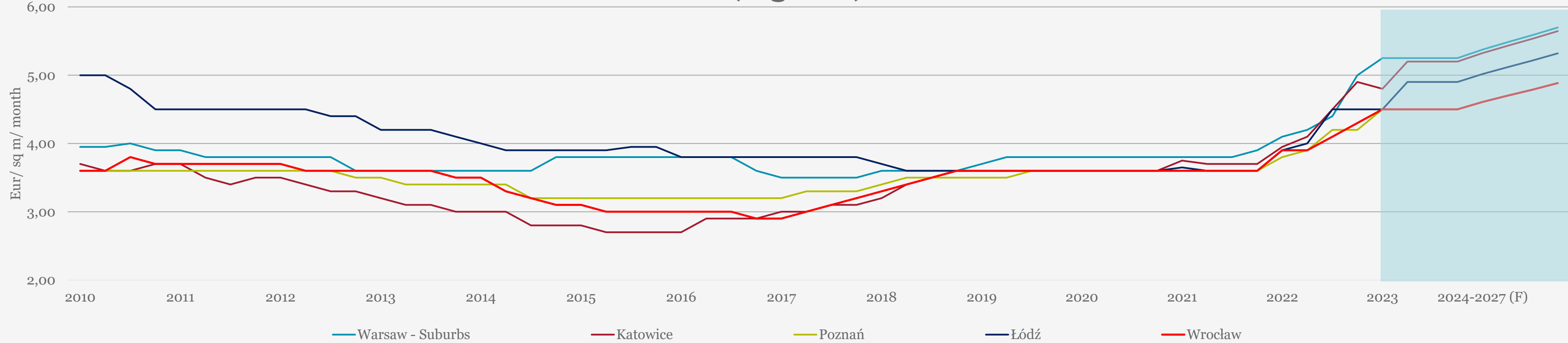
#### Effective rents by regional market in Poland

MARKET	EFFECTIVE RENTS (eur/sqm/month)	
	Q2 2022	Q2 2023
Warsaw Suburbs	2.40 - 3.80	3.40-4.50
Warsaw Inner City	4.50 - 5.50	4.50-6.50
Upper Silesia	3.40 - 4.50	2.90-4.20
Central Poland	3.00 - 3.80	2.80-4.70
Wrocław	2.70 - 4.20	3.30-4.80
Poznań	2.85 - 3.30	3.20-3.95
Western Poland	2.90 - 3.30	3.20-3.95
Tricity	3.00 - 3.70	3.20-4.20
Szczecin	3.00 - 3.40	3.15-4.00
Kraków	3.00 - 3.90	3.70-6.50
Eastern Poland	2.45 - 3.50	3.20-4.20
Bydgoszcz & Toruń	2.80 - 3.00	3.20-3.35
<b>POLAND</b>	<b>2.40 - 5.50</b>	<b>2.80 - 6.50</b>

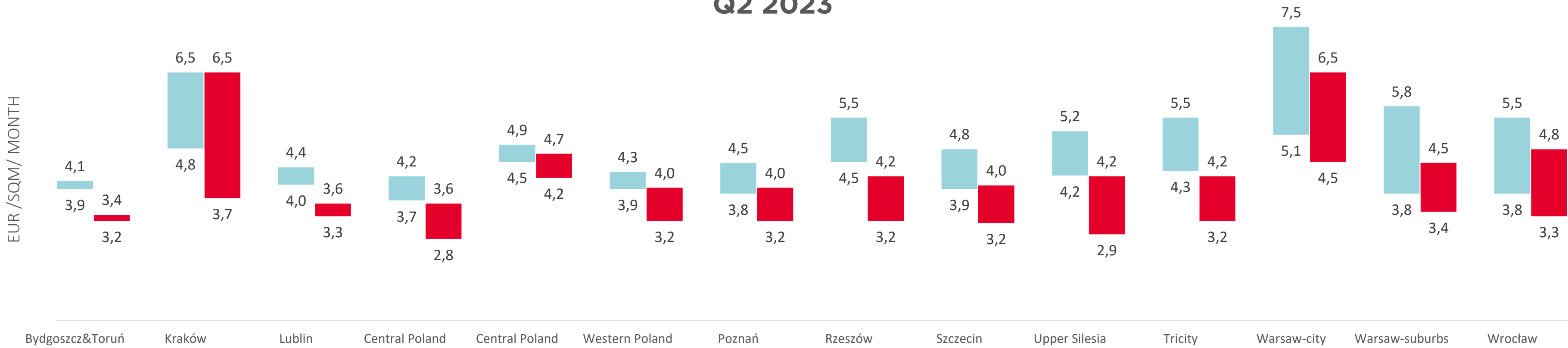


# Rental growth

## Prime headline rents development (big-box)



## Industrial headline and effective rents Q2 2023





# Outlook

**Poland remains one of the most attractive logistics locations**, due to its strategic geographic location, large supply of investment land, continued development of a transportation infrastructure, large consumer base and diversified workforce.

Industrial buildings constructed in accordance with current thermal insulation standards, using renewable energy sources, equipped with modern technologies and systems to reduce consumption of electricity, gas and water, will make it possible to generate **savings up to EUR 2 sqm/month as compared to older schemes**.

Demand should be continuously generated by various companies from the light **manufacturing, automotive, white goods and logistics/e-commerce industries** looking to reduce the risk of broken supply chains and rising transportation costs.

The outlook for demand in the medium term remains optimistic thanks to several factors such as: the anticipated recovery in consumer sentiment; further growth in the logistics industry servicing e-commerce; and nearshoring processes implemented to secure and shorten supply chains amid economic, geopolitical and environmental risks. In addition, once the Ukrainian war is over, the logistics hub in Poland will play an important role in the recovery of Ukraine







# Thank You!



## DAMIAN KOŁATA

Partner  
Head of Industrial & Logistics Agency |  
Poland  
Head of E-Commerce | CEE

+48 515 117 114  
damian.kolata@cushwake.com

# Industrial & Logistics

[industrial.pl](https://industrial.pl)

The Industrial & Logistics team offers comprehensive services associated with the rental of warehousing, industrial and logistics space.

Our team, consisting of 24 experts, has extensive knowledge and experience in the sector and market expertise, thanks to which they are able to identify clients' needs and propose optimal solutions.

Working with us, you will receive assistance throughout the entire rental process - from needs analysis, search for suitable space, negotiations, to signing a favourable lease agreement.

**OVER THE LAST 2 YEARS WE HAVE ADVISED  
AND SUPPORTED THE LEASE OF ALMOST**

**1,000,000** sq m!