

# Market in Minutes

## Warehouse and Industrial Market in Poland

November 2017

Supply of warehouse and industrial space

**12.8 million**  
sq m



Vacancy rate

**5.5%**

a decrease of 100 bps y-o-y



Gross demand

**19%** increase y-o-y

Development activity

**1.1 million**  
sq m



## SUMMARY

### Q1 - Q3 2017

■ Total supply of modern warehouse and industrial space in Poland at the end of Q3 2017 stood at 12.8 million sq m.

■ The largest markets are: Warsaw (3.6 million sq m), Upper Silesia (2.2 million sq m), Poznań (1.9 million sq m), Central Poland (1.6 sq m) and Wrocław (1.6 million sq m).

■ In Q1 - Q3 2017 over 1.7 million sq m of modern space was delivered to the market, 72%

more than in the corresponding period of the previous year.

■ Currently almost 1.1 million sq m of space across 43 projects is under construction in Poland, of which over 3/4 is already committed to.

■ Gross demand in Q1 - Q3 2017 reached over 2.6 million sq m, 19% increase year-on-year.

■ Net absorption in Q1 - Q3

2017 stood at ca. 1.7 million sq m, over 100% more than during the same period last year.

■ The vacancy rate stood at 5.5% - a decrease of 100 bps y-o-y. The highest rates were noted in Warsaw (7.5%), Poznań (7.4%), Kraków (7.4%) and Toruń and Bydgoszcz (7.0%).

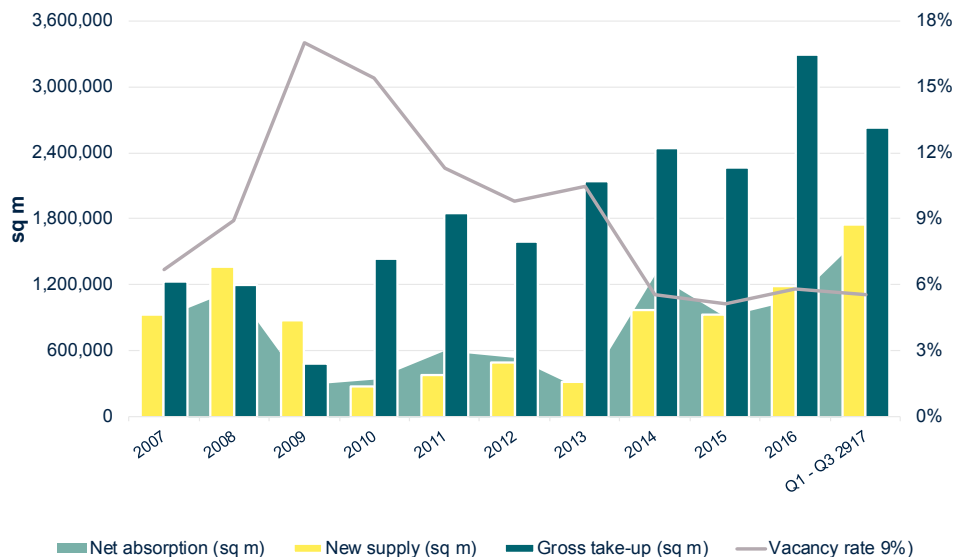
■ Base rents are stable and range between EUR 2.60 sq m/month and EUR 4.10 sq m/month in case of BIG BOX units. Rents for SBU

in Warsaw may reach even EUR 5.25 sq m/month.

■ Effective rents increased slightly and 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

## Stock, under construction &amp; vacancy rate in Q3 2017



The largest market  
– Warsaw

**3.6 million** sq m

The highest development  
activity  
– Central Poland

**340,400** sq m

**↑ 7.5%**

The highest vacancy rate  
– Warsaw

Source: Savills

The highest share of  
space under construction  
among developers  
– Panattoni

**53%**

The highest net absorption  
– Warsaw

**342,400** sq m

The highest demand  
– Central Poland

**605,200** sq m

**↓ 0.7%**

The lowest vacancy rate\*  
– Szczecin

\*Among established markets.

Chart 2

## Existing stock by region

**Σ12.8 million sq m**

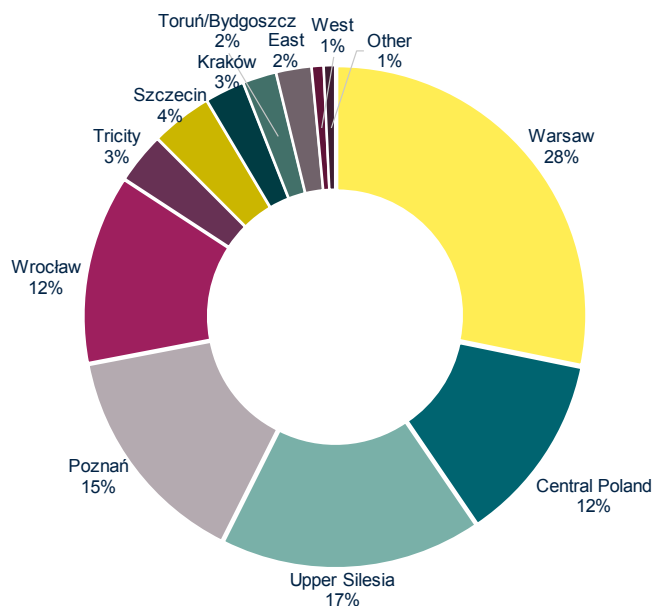
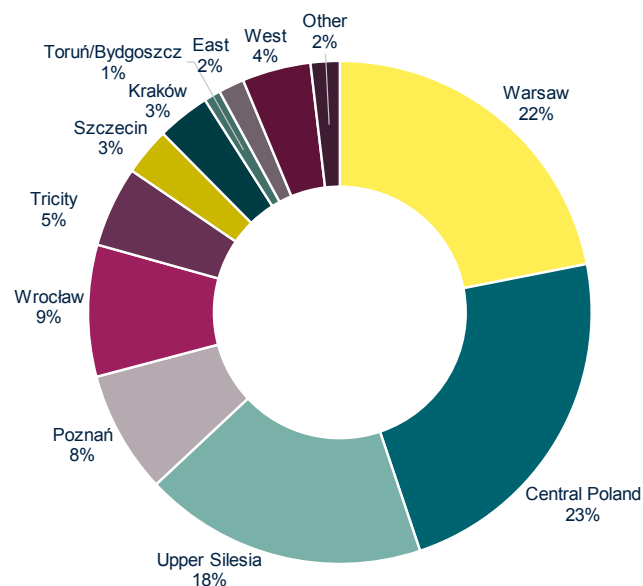


Chart 3

## Gross demand by region

**Σ2.6 million sq m**



## The largest lease transactions in Q3 2017

Market	Project	Tenant	Area (sq m)
Upper Silesia	Prologis Park Chorzów	Raben	36,900
Warsaw II	P3 Błonie	eMAG	33,100
Szczecin	Panattoni Park Szczecin I	DHL	31,000
Other	Panattoni Park Kielce	Vive Transport	26,200
Wrocław	Goodman Wrocław Logistics Centre	Whirlpool	25,900

Source: Savills

“ Another quarter of dynamic development observed in the warehouse and industrial market in Poland. 2017 is expected to be the best year ever. A new supply record has already been broken and demand is almost 20% above last year's result. It is likely 2017 will be a record year. It is worth noting that the boom is observed not only in the largest markets but also in new emerging locations.

## The largest projects under construction in Q3 2017

Market	Project	Developer	Area (sq m)
Upper Silesia	Panattoni BTS Amazon Sosnowiec	Panattoni	135,000
Central Poland	Panattoni BTS BSH	Panattoni	79,000
Central Poland	P3 Piotrków	GIC	61,100
West	Panattoni BTS H&M	Panattoni	60,000
Central Poland	Panattoni BTS OBI	Panattoni	50,700
Central Poland	Panattoni BTS Castorama	Panattoni	50,000

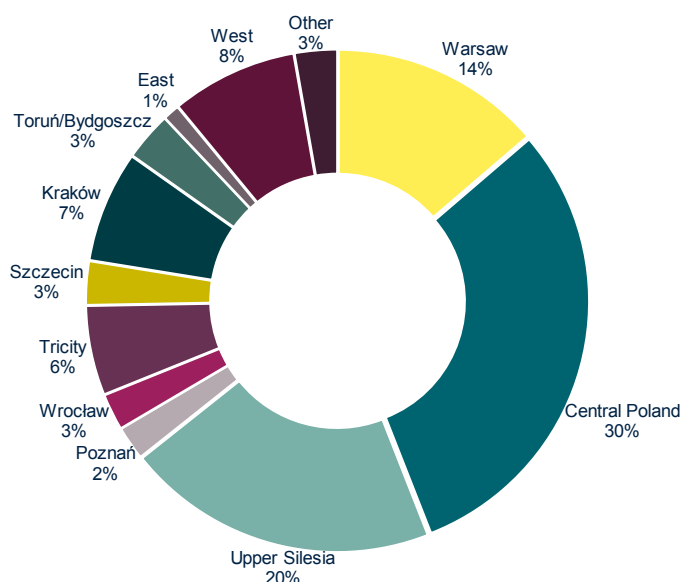
Source: Savills

Expectation of bright future is strengthened by the autumn upward revision of Polish GDP by the European Commission, World Bank, IMF, EBRD, Morgan Stanley and S&P.

Wojciech Zoń, Head of Industrial Agency, Savills

Chart 4

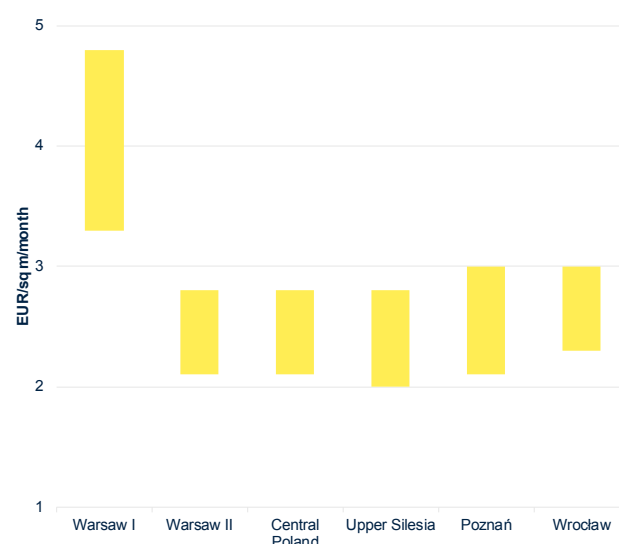
## Under construction by region Σ1.1 million sq m



Source: Savills

Chart 5

## Effective rents in Q3 2017



## POLAND - KEY INFORMATION



Source: Oxford Economics, Central Statistical Office of Poland

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