

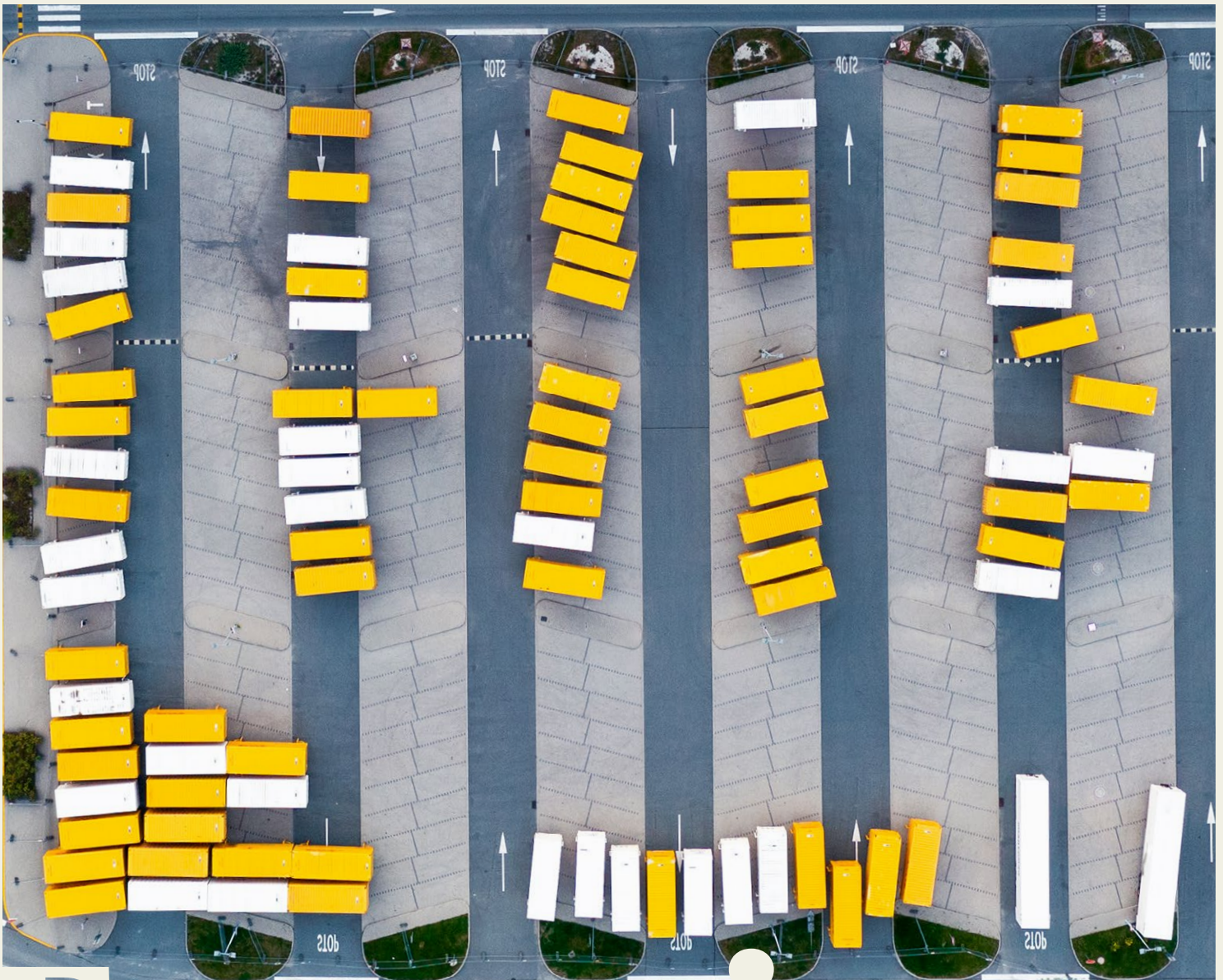
Warehouse market



Q1 2023

The comprehensive guide to the warehouse market in Emerging Markets






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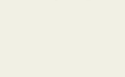

Emerging Markets

Emerging Markets

Q1 2023

-  Existing warehouse stock **4.4m sq m**
-  Supply under construction **410,000 sq m**
-  Vacancy rate **7.7%**
-  New supply **430,000 sq m**
-  Take-up **40,000 sq m**

Standard lease terms in warehouse buildings

-  Asking rents for warehouse space EUR/sq m/month **3.50-4.50**
-  Asking rents for office space EUR/sq m/month **10.00-11.50**
-  Service charge PLN/sq m/month **4.00-7.00**
-  Rent-free period **1-1.5 month**

Alongside Poland's main logistics hubs, increasingly dynamic development in the warehouse sector is also observable in emerging markets such as; the Toruń and Bydgoszcz region, the vicinity of Rzeszów, and the Eastern Poland region (including Białystok, Lublin, Olsztyn), Kielce, Zielona Góra, Legnica, and well-connected areas near the Polish-German border. At the end of Q1 2023, the warehouse stock in these cities was estimated at almost 4.4m sq m, constituting 14.6% of the total existing stock in Poland. Emerging markets are currently developing very dynamically as tenants are increasingly interested in new locations, offering improving communication infrastructure and access to a suitably qualified workforce. Manufacturing and logistics companies are increasingly looking for alternative locations due to the very low unemployment rate and difficulties in finding sufficient workers in the main logistics hubs. The implementation of the Via Baltica and Via Carpatia international routes will increase the accessibility of areas in Eastern Poland.

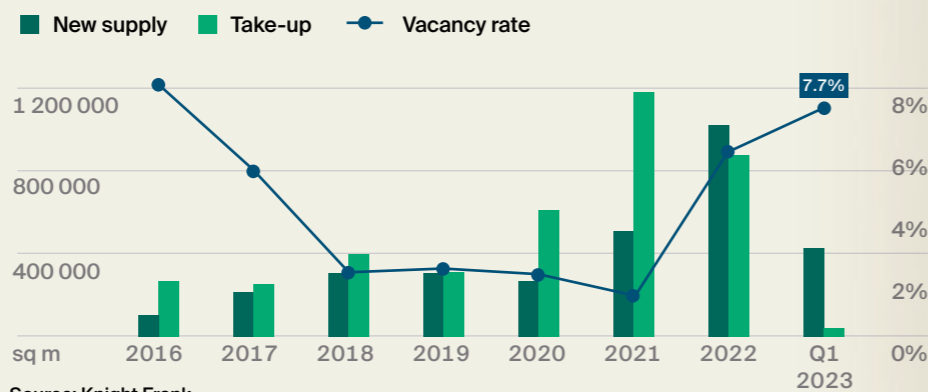
In Q1 2023, approximately 430,000 sq m of modern warehouse space was completed in the emerging market areas. This was the result of a total of 14 newly completed facilities, of which the largest were: Panattoni BTS Zalando Bydgoszcz (146,000 sq m), Panattoni BTS Best Secret in Sulechów (88,500 sq m), and CTPark Iłowa (50,000 sq m). It is worth noting that, for another successive quarter, emerging markets ranked first in terms of the volume of warehouse space delivered to the market. At the end of Q1 2023, 410,000 sq m of space was identified as under construction in these regions, with the largest facilities being a further warehouse facility in CTPark Iłowa (61,300 sq m). Following over two years of intensive development in emerging markets, the space under construction showed a significant decline compared to both the previous quarter's result and the y-o-y figure.

In Q1 2023, emerging areas recorded lease agreements for a total volume of some 40,000 sq m. It is worth noting that demand in the emerging markets region slowed noticeably compared to successive quarters of the previous year. The largest contracts signed in Q1 2023 were recorded in Panattoni Park Zielona Góra (16,600 sq m), Panattoni Park Rzeszów Airport III (7,500 sq m), and in 7R Park Kielce (5,600 sq m).

The vacancy rate in emerging markets stood at around 7.7% at the end of Q1 2023, an increase of 6 pp. on the corresponding period of 2022, due to the significant volume of new supply delivered to the market in recent quarters.

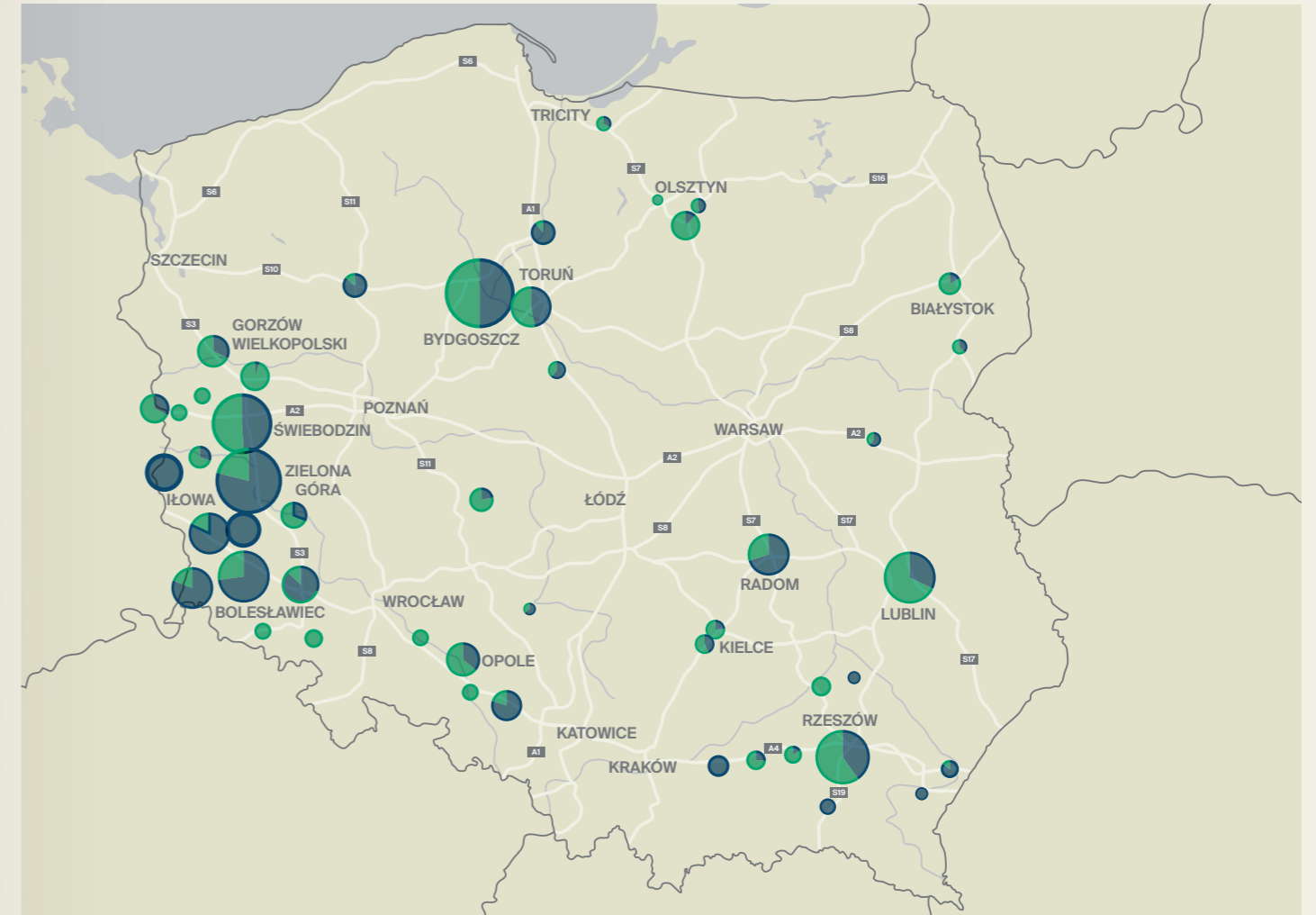
Following the increase in asking rents seen in the warehouse sector in H2 2022, due to higher financing costs for new projects and high construction costs, asking rents stabilised in Q1 2023.

New warehouse supply, annual take-up, vacancy rate in Emerging Markets






Source: Knight Frank

Location of warehouse projects in the region








Source: Knight Frank

-  Existing, under construction and planned warehouse space
-  % share of existing stock
-  % share of under construction and planned supply








TOP 5 warehouse destinations in the region (by existing stock)

- 1. Bydgoszcz**
620,000 sq m
- 2. Świebodzin**
370,000 sq m
- 3. Lublin**
360,000 sq m
- 4. Rzeszów**
350,000 sq m
- 5. Zielona Góra**
270,000 sq m

Poland

-  Population **37.9m**
-  Area **312,720 sq km**
-  Unemployment rate **5.4%**
-  Average monthly salary (enterprise sector) **PLN 7,508 (gross)**
-  Average monthly salary (transportation and storage sector) **PLN 6,895 (gross)**

HIGH-SPEED ROADS

-  Highways
 -  Kujawsko-pomorskie **170 km** | A1
 -  Opolskie **90 km** | A2
 -  Lubuskie **90 km** | A2
-  Expressways
 -  Lubelskie **90 km** | S12
 -  Podlaskie **90 km** | S61

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