Warehouse market

Q1 2023

The comprehensive guide to the warehouse market in Warsaw

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Warsaw

Warsaw

Q1 2023

Existing warehouse stock
6m sq m

Supply under construction
390,000 sq m

Vacancy rate
6.5%

New supply
365,000 sq m

Take-up
200,000 sq m

Standard lease terms in warehouse buildings

Asking rents for warehouse space
EUR/sq m/month
3.50-7.00

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

Warsaw and its surroundings remains the largest warehouse concentration area in Poland. By the end of Q1 2023, the warehouse stock in this region amounted to 6m sq m, accounting for 20% of the total warehouse stock in the whole country. The area's existing logistics facilities are characterised by a significant diversity in terms of specifications, equipment quality, and a location in one of the two following concentration zones within the agglomeration:

- **Zone I** – a zone that comprises some 20% of the existing warehouse stock in the Warsaw agglomeration, includes the area of radius 12km radiating out from the city centre. The zone mainly consists of areas like Okęcie, Służewiec Przemysłowy, Targówek, and Żerań. There are two intermodal terminals located in this zone, both situated at its northern extremities.
- **Zone II** – an area between 12 and 50 km from the centre of Warsaw, mainly including areas located southwest, along the national roads A2, S8, and S7 (leading respectively to Poznań, Wrocław, and Kraków), and including such towns as Błonie, Ożarów Mazowiecki, Piaseczno, Nadarzyn, Pruszków, Mszczonów, Teresin, Grodzisk Mazowiecki, and Sochaczew. Approximately 80% of the total stock in the Warsaw region is located in Zone II. It is mainly dedicated to large logistics parks offering the possibility of expansion, depending on tenant requirements. There is one intermodal terminal located in Zone II - in Pruszków.

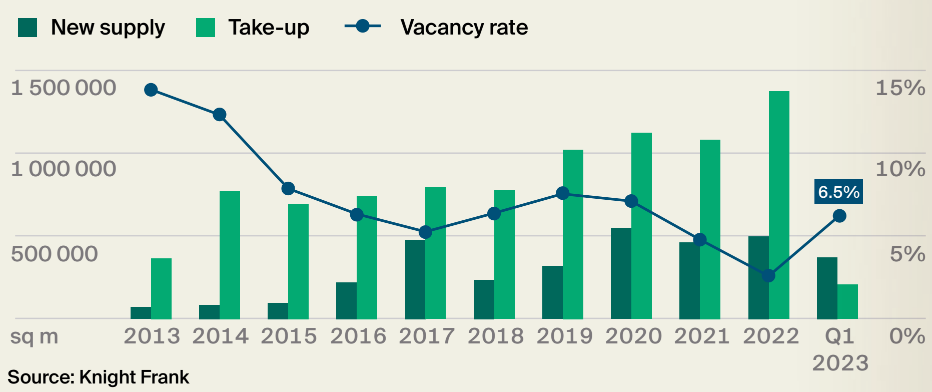
In Q1 2023, the Warsaw warehouse market increased by 365,000 sq m, the largest quarterly volume of new supply in the history of the market. In Q1 2023, warehouse facilities were delivered to the market such as: CTPark Warsaw South (77,500 sq m), CTPark Warsaw North (64,100 sq m), and Panattoni Park Warsaw South IV (49,300 sq m). As a result of the completion of many new investments, the supply under construction dropped sharply to its lowest level for two years, standing at 390,000 sq m. The largest facility under construction was located in Wiskitki, CTPark Warsaw West, with a total area of 61,000 sq m.

In Q1 2023, a slowdown in demand was noted in the warehouse sector. In the Warsaw area, the volume of lease agreements signed during this period amounted to 200,000 sq m - the lowest quarterly volume in almost 4 years. Despite this decline in demand, Warsaw ranked first among the nine major warehouse markets in terms of space leased in Q1 2023. The largest agreement in the area was signed by a tenant from the logistics sector for 26,000 sq m in Panattoni Park Janki II.

At the end of March 2023, the vacancy rate stood at 6.5%, an increase of 2.2 pp. on the same period of the previous year. This increase was the result of the large volume of new supply delivered to the market and the significant volume of lease agreements being renegotiated.

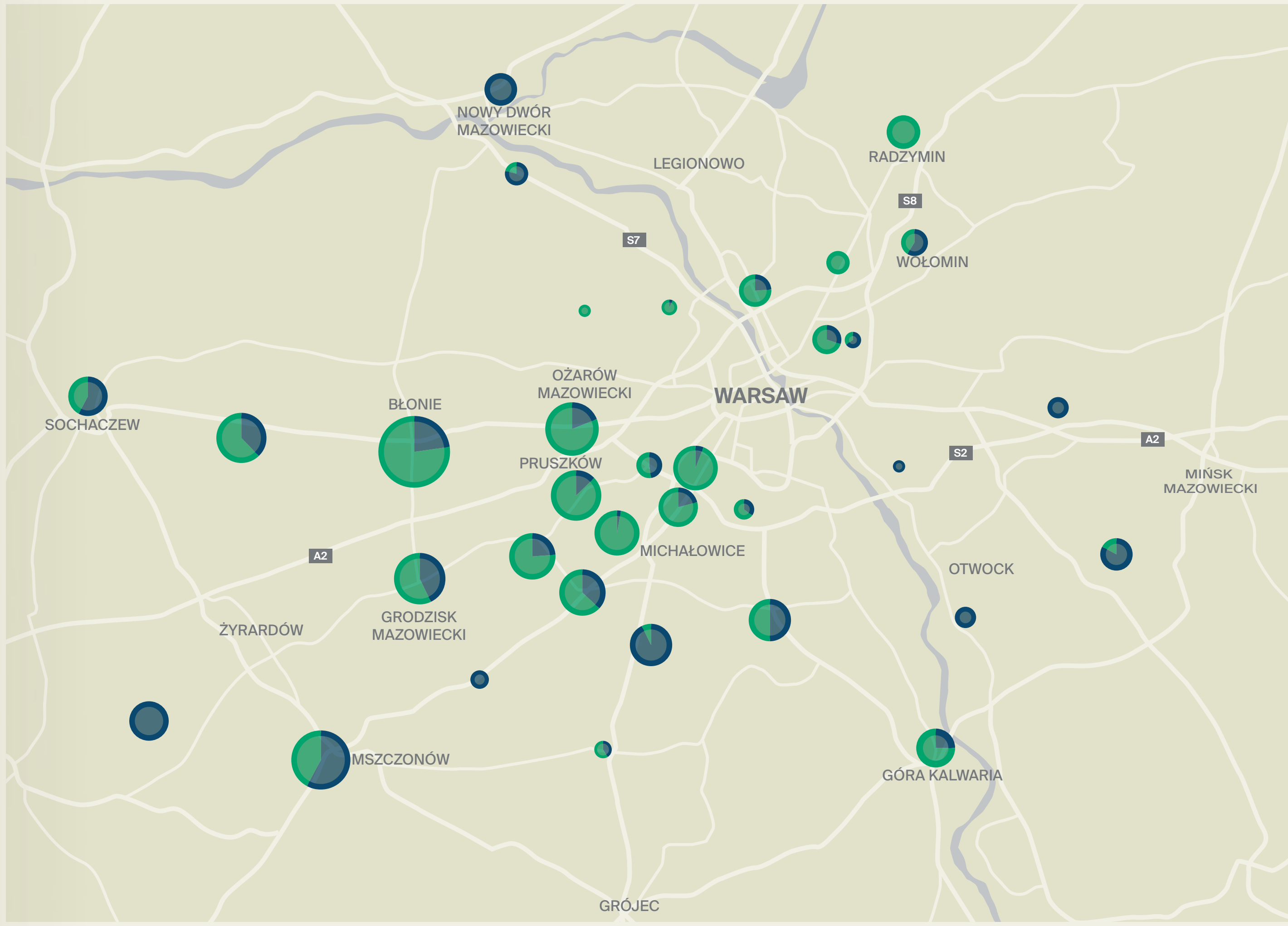
Following the increase in asking rents seen in the warehouse sector in H2 2022, due to higher financing costs for new projects and high construction costs, asking rents saw a further increase in Q1 2023.

New warehouse supply, annual take-up, vacancy rate in Warsaw



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. Błonie
800,000 sq m

2. Ożarów Mazowiecki
460,000 sq m

3. Pruszków
440,000 sq m

4. Michałowice/Janki
400,000 sq m

5. Mszczonów
370,000 sq m

Mazowieckie Voivodeship

Population
5.51m

Voivodeship area
35,559 sq km

ECONOMIC DATA

Unemployment rate
4.3%

Average monthly salary
(enterprise sector)
PLN **8,856** (gross)

Average monthly salary
(transportation and storage sector)
PLN **7,018** (gross)

HIGH-SPEED ROADS

Highways
80 km
A2

Expressways
400 km
S2, S7, S8, S17, S61

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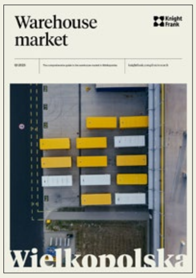

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