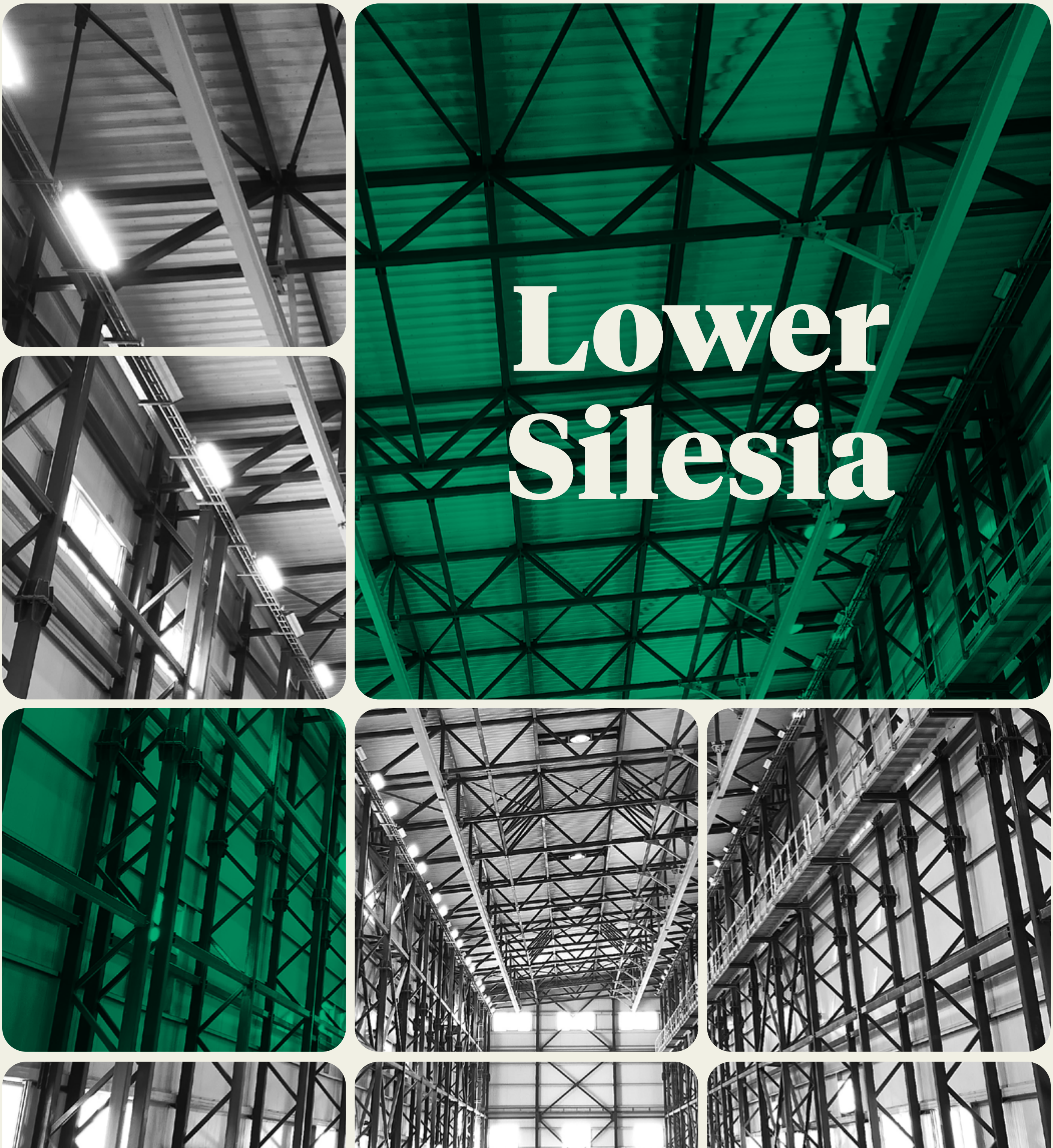
Warehouse market

Q1 2024

The comprehensive guide to the warehouse market in Lower Silesia

knightfrank.com.pl/en/research



Lower Silesia

Q1 2024

Existing warehouse stock
3.8m sq m

Supply under construction
585,000 sq m

Vacancy rate
9.6%

New supply
(Q1 2024)
270,000 sq m

Take-up
(Q1 2024)
70,000 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

The Lower Silesia region ranks as the fourth largest warehouse concentration area in Poland, boasting a well-developed road infrastructure that facilitates seamless connections to the neighbouring Czech Republic and Germany. At the end of Q1 2024, the region's warehouse stock reached 3.8m sq m, constituting 11% of the existing stock nationwide. The majority of warehouse facilities in Lower Silesia are situated around cities and towns such as Wrocław, Bielany Wrocławskie, Kąty Wrocławskie, Nowa Wieś Wrocławska, Polkowice, and Pietrzykowice. A strategic advantage of Lower Silesia lies in its position along the New Silk Road connecting China with Europe. Currently, two intermodal terminals are in operation in the Wrocław region: one in Kąty Wrocławskie and the other in Brzeg Dolny. The warehouse stock in Lower Silesia continues to exhibit robust growth, expanding by nearly 12% over the past year.

From January to March 2024, over 270,000 sq m of modern warehouse space were completed, marking a significant increase compared to the previous quarter. The largest facilities completed in Q1 2024 include Panattoni Park Wrocław Logistics South Hub (90,000 sq m), GLP Wrocław V Logistics Centre (86,200 sq m), and Hillwood Rawicz (53,700 sq m).

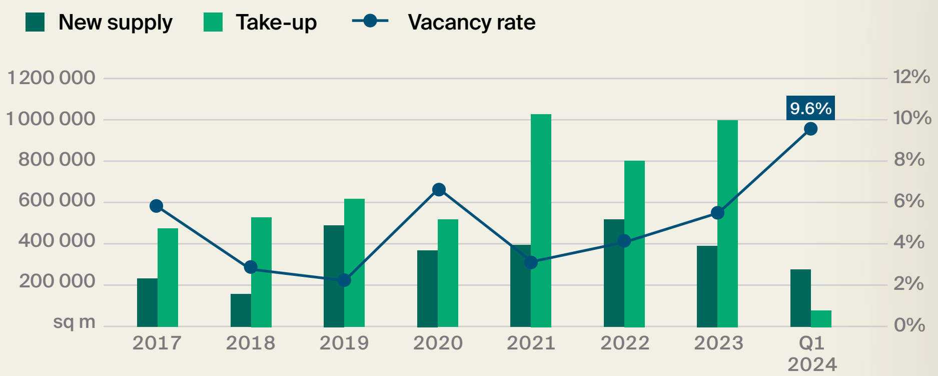
At the end of March 2024, 585,000 sq m were identified as under construction, with the largest complex consisting of 3 halls in P3 Wrocław, covering 265,000 sq m. This major development contributed to a significant increase in the total volume of supply under construction compared to the previous year's corresponding period. Construction commenced on nearly 130,000 sq m of warehouse space in Q1 2024, with 60% of the total supply under construction in the Lower Silesia region secured by leases.

In the Lower Silesia region, the total volume of signed contracts amounted to 70,000 sq m, representing a notable decline compared to both the previous quarter and the corresponding period in the previous year. The largest transactions concluded in Q1 2024 were: GLP Wrocław IV Logistics Centre (20,000 sq m) in the distribution sector, Hillwood Rawicz (17,000 sq m) in the retail sector, and Mapletree Park Wrocław II (7,700 sq m) in the 3PL sector. The take-up structure in Q1 2024 in Lower Silesia comprised 53% new contracts, 45% renewals of existing contracts, and only 2% expansions among all signed contracts.

At the close of Q1 2024, the vacancy rate in Lower Silesia stood at 9.6%, marking a 4.8 pp increase on the previous year.

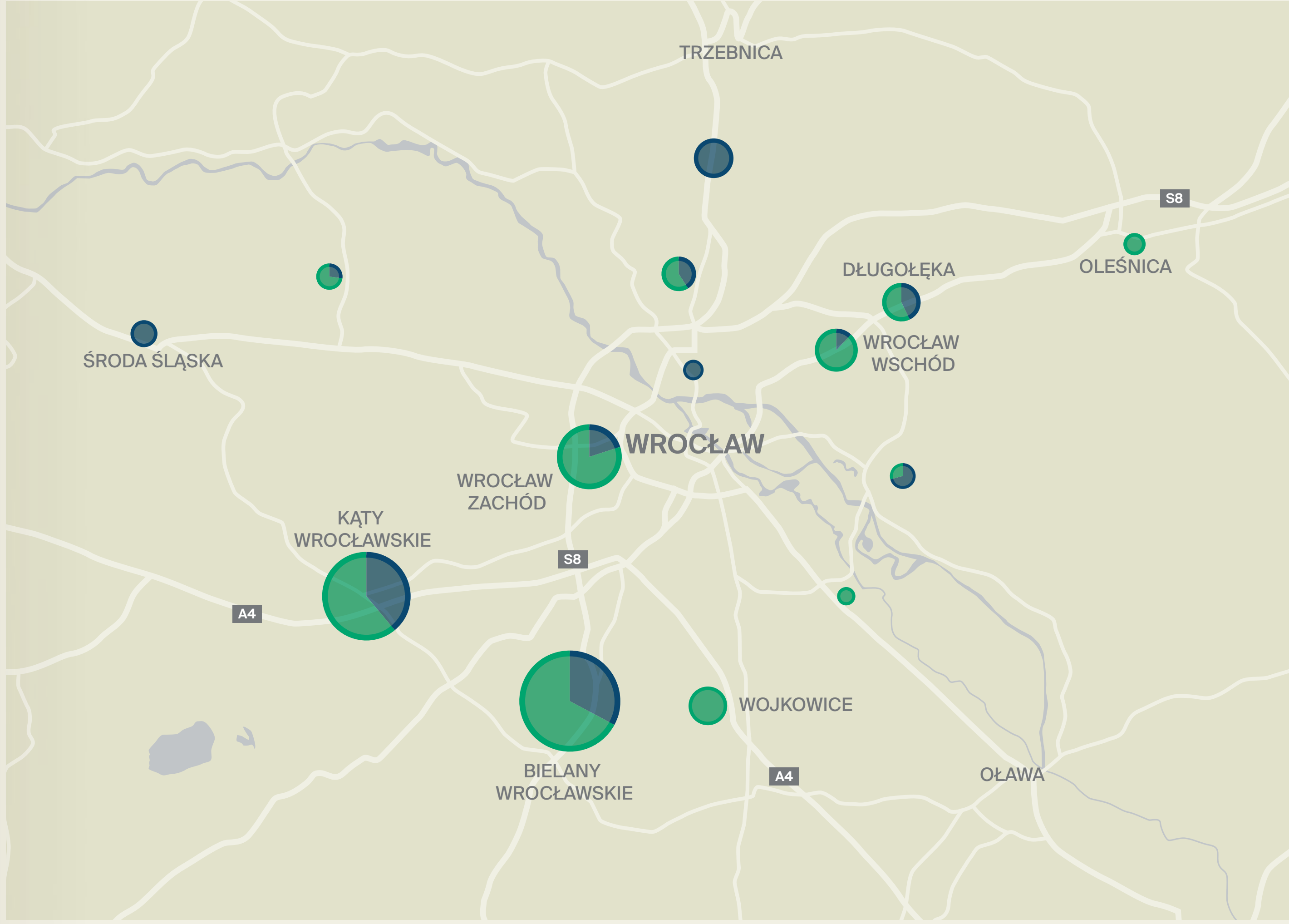
Asking rents in the warehouse sector in the Lower Silesia region remained unchanged from the previous quarter, indicating price stability in the market.

New warehouse supply, annual take-up, vacancy rate in Lower Silesia



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. Bielany Wrocławskie 1.53m sq m
2. Kąty Wrocławskie 780,000 sq m
3. Wrocław West 480,000 sq m
4. Wojkowice 220,000 sq m
5. Wrocław East 200,000 sq m

Dolnośląskie Voivodeship

Population
2.9m

Voivodeship area
19,947 sq km

ECONOMIC DATA
(03.2024, STATISTICS POLAND)

Unemployment rate
4.7%

Average monthly salary
(enterprise sector)
PLN **8,300** (gross)

Average monthly salary
(transportation and storage sector)
PLN **6,900** (gross)

HIGH-SPEED ROADS

Highways
220 km
A4, A8, A18

Expressways
220 km
S3, S5, S8

CONTACTS IN POLAND:
+48 22 596 50 50
www.KnightFrank.com.pl

RESEARCH
Dorota Lachowska
dorota.lachowska@pl.knightfrank.com

INDUSTRIAL AGENCY
Przemysław Jankowski
przemyslaw.jankowski@pl.knightfrank.com

CAPITAL MARKETS
Krzysztof Cipiur
krzysztof.cipiur@pl.knightfrank.com

VALUATION & ADVISORY
Małgorzata Krzystek
malgorzata.krzystek@pl.knightfrank.com

As one of the largest and most experienced research teams operating across Polish commercial real estate markets, Knight Frank Poland provides strategic advice, forecasting and consultancy services to a wide range of commercial clients including developers, investment funds, financial and corporate institutions as well as private individuals. We offer:

- strategic consulting, independent forecasts and analysis adapted to clients' specific requirements,
- market reports and analysis available to the public,
- tailored presentations and market reports for clients.

Reports are produced on a quarterly basis and cover all sectors of commercial market (office, retail, industrial, hotel) in major Polish cities and regions (Warsaw, Kraków, Łódź, Poznań, Silesia, Tricity, Wrocław, Lublin, Szczecin) and PRS sector in Poland. Long-term presence in major local markets has allowed our research team to build in-depth expertise of socio-economic factors affecting real estate market in Poland.

Knight Frank Research
Reports are available at

Substantive preparation: Szymon Sobiecki / Research / Knight Frank

Graphic design: Karolina Chodak-Brzozowska / Senior Graphic Designer / PR & Marketing / Knight Frank