

Warehouse market



H1 2023

The comprehensive guide to the warehouse market in Upper Silesia

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Upper Silesia

Upper Silesia

H1 2023

- Existing warehouse stock
5.3m sq m
- Supply under construction
126,000 sq m
- Vacancy rate
7.5%
- New supply
410,000 sq m
- Take-up
360,000 sq m

Standard lease terms in warehouse buildings

- Asking rents for warehouse space
EUR/sq m/month
3.50-6.00
- 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

The Upper Silesia region ranks second in terms of warehouse stock in Poland. Favourable development conditions for manufacturing and distribution companies are supported by a welldeveloped road infrastructure, offering good connections with neighbouring countries such as the Czech Republic, Germany, and Slovakia. In the Upper Silesia area, there are 5 intermodal terminals, located in Gliwice, Sosnowiec, Dąbrowa Górnicza, and Sławków. All these factors serve to make the Upper Silesia region an increasingly attractive location as a warehouse concentration area in both Poland and Central Europe. At the end of Q2 2023, the existing warehouse stock in this region was estimated at over 5.3m sq m, accounting for 17% of Poland's total warehouse stock.

Approximately 410,000 sq m of modern warehouse space was completed in H1 2023, a third more than in 2022's corresponding period. Although around 100,000 sq m less was completed in Q2 than in the first three months of the year, the volume of new warehouse space in H1 2023 was still one of the highest six-month results in the history of Upper Silesia. The largest projects that received occupancy permits in the analysed period were: Panattoni BTS Gorzycki (83,000 sq m), Panattoni BTS Carrefour Będzin (50,000 sq m), Hillwood Częstochowa - City (43,000 sq m).

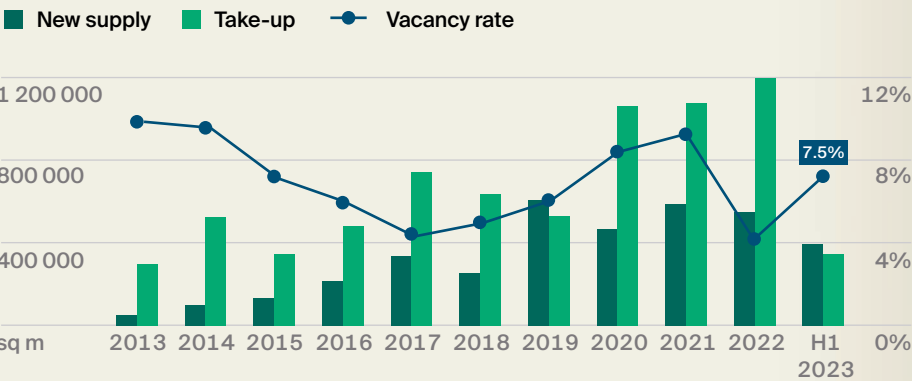
After H1 2023's exceptionally high new supply, developer activity has weakened in Upper Silesia. At the end of Q2 2023, only 126,000 sq m was under construction, the lowest level since 2016. During this period, only 8,600 sq m of logistics space commenced construction in MLP Gliwice. This situation can be attributed to the high construction and financing costs of new developments and weakening tenant interest.

In H1 2023, leases for some 360,000 sq m of logistics space were signed in Upper Silesia, marking a decrease on the same period in 2022. The majority of the signed contracts were new agreements (70%). Renewals accounted for some 20% and expansions for the remaining 10%. The largest contract signed in H1 2023 was for the lease of almost 35,000 sq m at Panattoni Park Knurów.

The high availability of new warehouse space delivered in H1 2023 has significantly raised the vacancy rate. At the end of Q2 2023, the rate in Upper Silesia stood at around 7.5%, an increase of 4 pp. on the figure from 12 months previous.

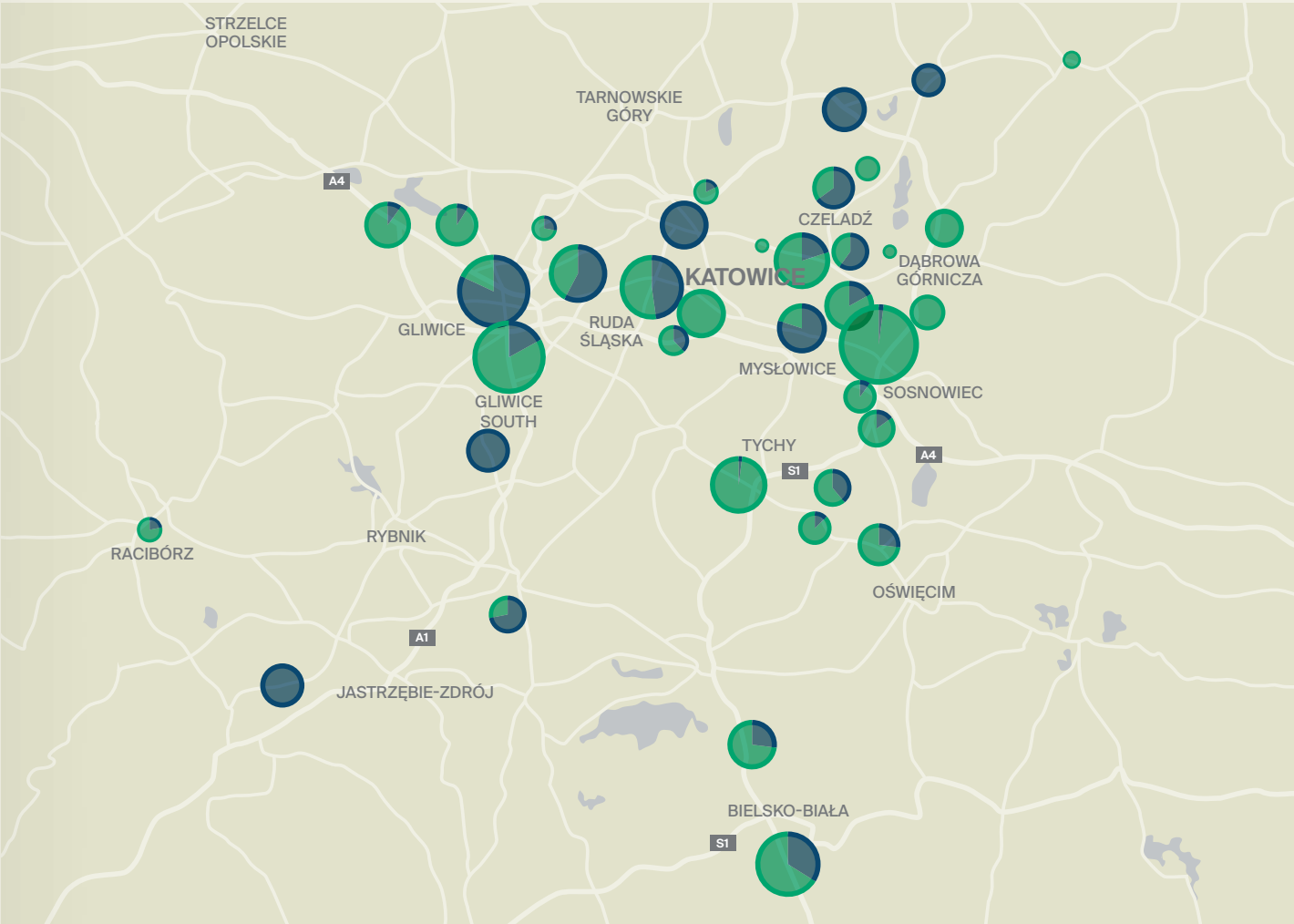
The cost of financing new projects and high construction costs are affecting leasing conditions for warehouse space. In Q2 2023, asking rents in the Upper Silesia warehouse sector experienced a slight increase.

New warehouse supply, annual take-up, vacancy rate in Upper 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)

- Sosnowiec South
630,000 sq m
- Gliwice South
470,000 sq m
- Czeladź
310,000 sq m
- Tychy
300,000 sq m
- Gliwice
300,000 sq m

Śląskie Voivodeship

- Population
4.3m
- Voivodeship area
12,334 sq km
- Unemployment rate
3.6%
- Average monthly salary (enterprise sector)
PLN 7,564 (gross)
- Average monthly salary (transportation and storage sector)
PLN 7,229 (gross)

HIGH-SPEED ROADS

- Highways
250 km
A1, A4
- Expressways
130 km
S1, S52, S86

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