Warehouse market

Q1 2023

The comprehensive guide to the warehouse market in Upper Silesia

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Upper Silesia

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Q1 2023

Existing warehouse stock
5.1m sq m

Supply under construction
270,000 sq m

Vacancy rate
6.5%

New supply
260,000 sq m

Take-up
190,000 sq m

Standard lease terms in warehouse buildings

Asking rents for warehouse space
EUR/sq m/month
3.50-5.50

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 Upper Silesia region ranks second in terms of warehouse stock in Poland. Favourable development conditions for manufacturing and distribution companies are supported by a well-developed 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 make the Upper Silesia region an increasingly attractive location as a warehouse concentration area in both Poland and Central Europe. At the end of Q1 2023, the existing warehouse stock in this region was estimated at over 5.1m sq m, accounting for 17% of Poland's total warehouse stock.

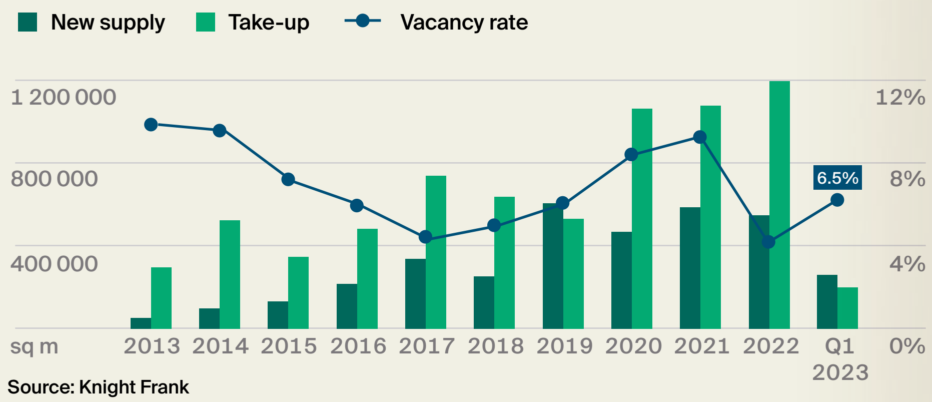
In Q1 2023, a total of 260,000 sq m of modern warehouse space was completed in the region, in 11 facilities. The largest of these is the warehouse located in Będzin (50,000 sq m), built by Panattoni in the BTS format for Carrefour. Other facilities completed in the past quarter include a warehouse hall in the CTPark Katowice logistics park with an area of 41,100 sq m, and a hall in CTPark Zabrze with an area of 37,800 sq m. The volume of new supply recorded in Q1 2023 was the second highest in the history of the local market. At the end of Q1 2023, 270,000 sq m remained under construction, with the largest projects being Panattoni BTS Gorzyczki (82,800 sq m), Hillwood Częstochowa – City (42,900 sq m), and Panattoni Park Bielsko-Biała IV (31,000 sq m).

The volume of space under construction showed a clear decline, reaching its lowest level in over 5 years. Such a result stems from the simultaneous commissioning of a large number of projects and increased caution among developers, due to the economic situation both in Poland and worldwide. The Upper Silesia region continues to be popular among tenants, although, as with most other concentration areas, lower activity compared to recent years was observed in Q1 2023. Since the beginning of 2023, lease agreements for a total volume of some 190,000 sq m have been signed in Upper Silesia. The largest transactions were Panattoni Park Ruda Śląska V (32,500 sq m), Panattoni BTS Hags Aneby (27,000 sq m), and Panattoni Park Bielsko-Biała IV (22,000 sq m).

The vacancy rate in Upper Silesia stood at 6.5% at the end of Q1 2023. Due to the intensive development of this area in the past year and the commissioning of impressive volumes of new supply, coupled with relatively sustained tenant activity, the vacancy rate increase was only 0.9 pp. compared to 2022's corresponding period.

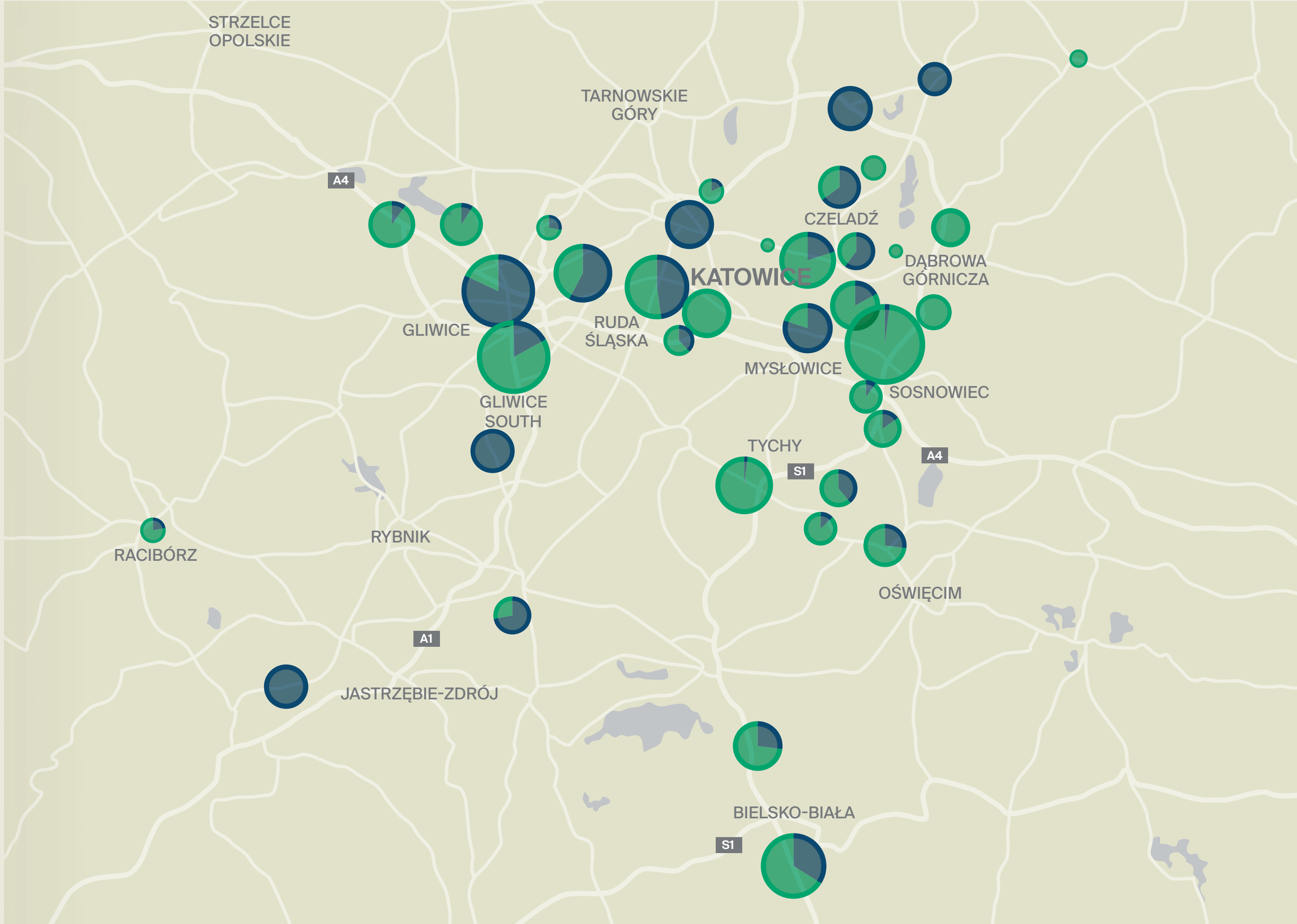
Following the increase in asking rents seen in the warehouse sector in H2 2022, due to higher financing costs for new projects and high construction costs, asking rents saw a further increase in Q1 2023.

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

1. Sosnowiec South – 620,000 sq m
2. Gliwice South – 470,000 sq m
3. Czeladź – 300,000 sq m
4. Tychy – 300,000 sq m
5. Ruda Śląska – 290,000 sq m

Śląskie Voivodeship

Population
4.37m

Voivodeship area
12,334 sq km

ECONOMIC DATA

Unemployment rate
3.9%

Average monthly salary
(enterprise sector)
PLN 7,404 (gross)

Average monthly salary
(transportation and storage sector)
PLN 7,067 (gross)

HIGH-SPEED ROADS

Highways
250 km
A1, A4

Expressways
130 km
S1, S52, S86

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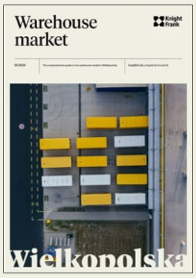

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