Warehouse market

Q1 2024

The comprehensive guide to the warehouse market in Upper Silesia

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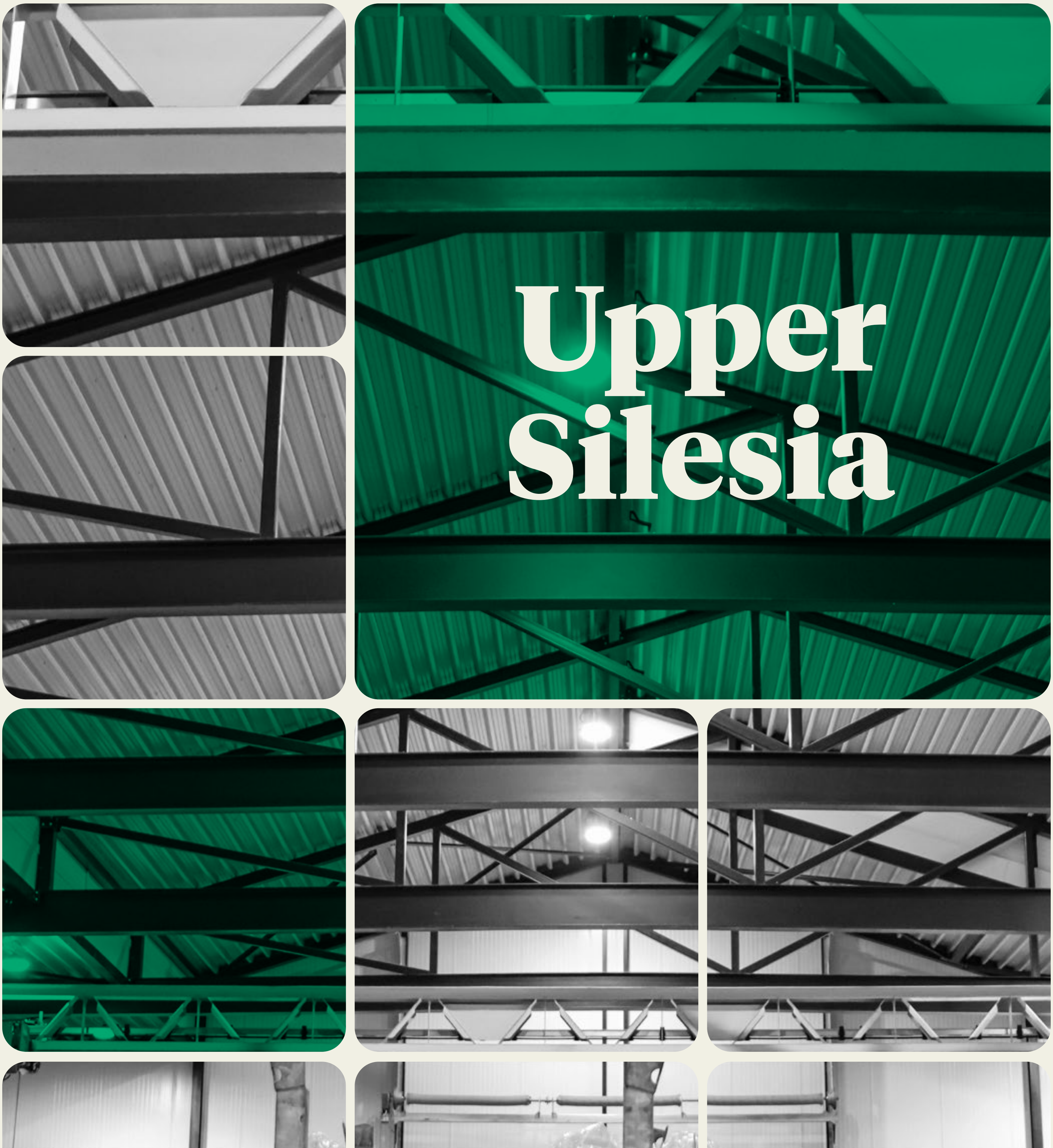


Upper Silesia

Q1 2024

- Existing warehouse stock **5.5m sq m**
- Supply under construction **220,000 sq m**
- Vacancy rate **6.4%**
- New supply (Q1 2024) **58,000 sq m**
- Take-up (Q1 2024) **135,000 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**

At the end of Q1 2024, the Upper Silesia region had the second largest warehouse stock in Poland, with an estimated 5.5 million sq m accounting for 17% of Poland's total stock. The region offers favourable development conditions for manufacturing and distribution companies, benefitting from a well-developed road infrastructure that offers excellent connections with neighbouring countries such as the Czech Republic, Germany, and Slovakia. Additionally, the presence of 5 intermodal terminals located in Gliwice, Sosnowiec, Dąbrowa Górnicza, and Sławków further enhances its appeal, making the Upper Silesia region an increasingly attractive location for warehouse and logistics facilities in both Poland and Central Europe.

While the warehouse market in Upper Silesia has witnessed a remarkable expansion over the past five years with the annual new supply reaching over 566,000 sq m annually, the first quarter of 2024 saw a slowdown in developers activity. Only 58,000 sq m of modern warehouse space were delivered to the market during this period. Notable schemesto obtain occupancy permits included Panattoni Park Bielsko-Biała IV (31,000 sq m), P3 Katowice (22,000 sq m), and Propco BTS Sosnowiec (5,400 sq m).

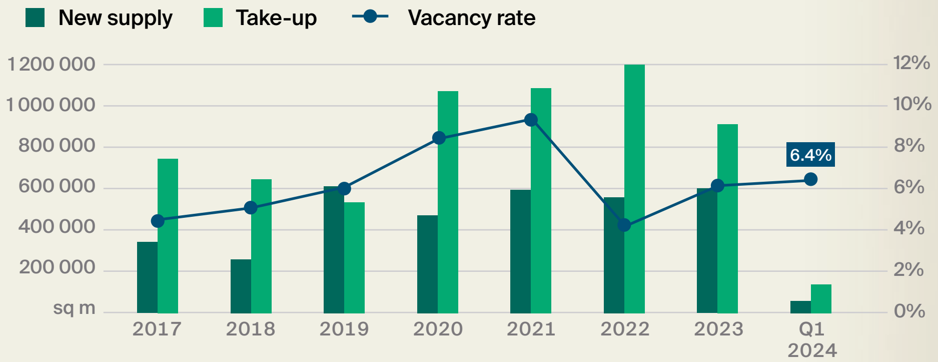
By the end of March 2024, the Upper Silesia region boasted a total of 220,000 sq m of modern warehouse space under construction, with the largest facility under construction being the Panattoni Park Ruda Śląska V, covering an area of 44,000 sq m. In Q1 2024, only one warehouse facility within the Panattoni Park Ruda Śląska IV logistics park (30,700 sq m) saw construction commence. Notably, around 70% of the space under construction was already secured by leases.

Between January and March 2024, approximately 135,000 sq m of modern warehouse space were leased in Upper Silesia, representing significant declines on both the previous quarter and Q1 2023 – some 45% and 80%, respectively. Notable deals in the region included Panattoni Park Sosnowiec I (18,700 sq m) in the 3PL sector, Prologis Park Ruda Śląska (16,800 sq m) in the distribution sector, and Panattoni Park Bieruń I (13,200 sq m) in the e-commerce sector. In Q1 2024, a similar number of warehouse space was leased in the Upper Silesia region under new contracts and renewals, while expansions constituted 10% of the total volume.

The vacancy rate in Upper Silesia at the end of Q1 2024 hovered around the 6.4% mark, reflecting a slight 0.1 pp decrease on the previous year's figure.

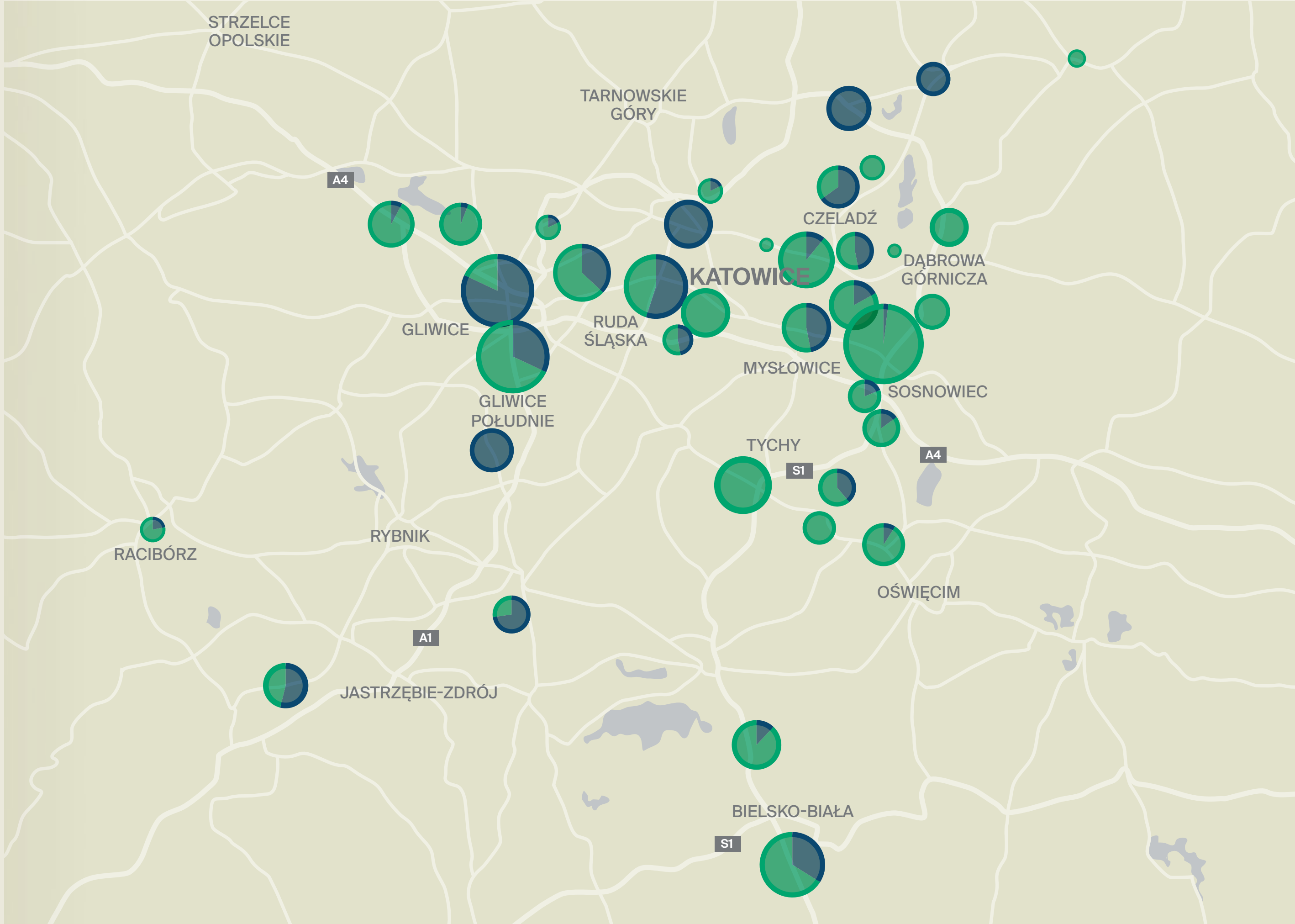
In Q1 2024, asking rents in the warehouse sector in Upper Silesia remained stable compared to the previous quarter.

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 **630,000 sq m**
2. Gliwice South **470,000 sq m**
3. Czeladź **310,000 sq m**
4. Gliwice **300,000 sq m**
5. Tychy **300,000 sq m**

Śląskie Voivodeship

- Population **4.3m**
- Voivodeship area **12,334 sq km**

ECONOMIC DATA
(03.2024, STATISTICS POLAND)

- Unemployment rate **3.8%**
- Average monthly salary (enterprise sector) **PLN 8,200** (gross)
- Average monthly salary (transportation and storage sector) **PLN 7,840** (gross)

HIGH-SPEED ROADS

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

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