Warehouse market

Q1 2024

The comprehensive guide to the warehouse market in Central Poland

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Central Poland

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Q1 2024

- Existing warehouse stock **4.5m sq m**
- Supply under construction **400,000 sq m**
- Vacancy rate **10.2%**
- New supply (Q1 2024) **26,500 sq m**
- Take-up (Q1 2024) **180,000 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**

Central Poland is the third-largest warehouse market in Poland, behind only Warsaw and Upper Silesia in scale. The region's warehouse space stock reached 4.5m sq m in Q1 2024, constituting almost 14% of the total volume in Poland. Due to its strategic location, Central Poland continues to be an appealing choice for logistics operators and retail chains seeking to establish their central warehousing and distribution centres to serve the entire country. Additionally, the activation of the railway connection to Chengdu in China has significantly added to the region's allure. Currently, there are three operational intermodal terminals in Central Poland, two of which are within the administrative boundaries of Łódź, with a third being the transshipment terminal in Stryków. Notably, Konin and its surrounding area have recently emerged as an increasingly attractive location for the logistics sector, with an expansion in warehouse supply expected due to its proximity to the A1 highway.

The volume of warehouse space in Central Poland has expanded by nearly 7% over the past year. However, the first quarter of 2024 witnessed a decline in developer activity, with only one facility delivered to the market — the speculatively built City Logistics Łódź VI, covering 26,500 sq m. Consequently, the volume of new supply experienced significant drops compared to both the previous quarter and the previous year's corresponding period.

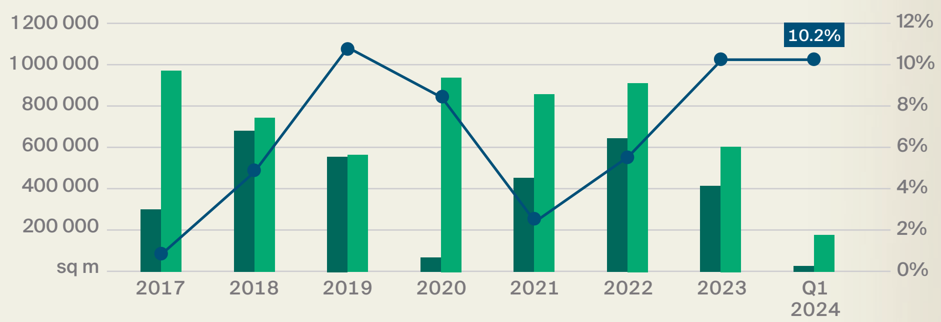
At the end of Q1 2024, over 400,000 sq m of warehouse space was under construction. The largest schemes included: Park Magazynowy Tuszyn (57,000 sq m), MDC2 Park Łódź South (52,000 sq m), Panattoni Park Łódź West II (51,200 sq m), and Hillwood Zgierz II (50,100 sq m). Notably, no new warehouse projects were commenced in Central Poland during the period from January to March 2024.

The demand for warehouse space in the Central Poland region also witnessed a clear slowdown. During Q1 2024, the total volume of leased warehouse space reached less than 180,000 sq m, representing a 25% decrease on Q4 2023. Notable warehouse transactions in Central Poland included Hillwood Łódź II (62,000 sq m) in the retail sector, P3 Piotrków (31,700 sq m) in the courier sector, and Panattoni BTS K-Flex (19,500 sq m).

In Central Poland, the vacancy rate stood at 10.2% at the end of Q1 2024, representing a 3.1 pp increase on the value from the previous year. This rise in the vacancy rate was attributable to reduced tenant activity.

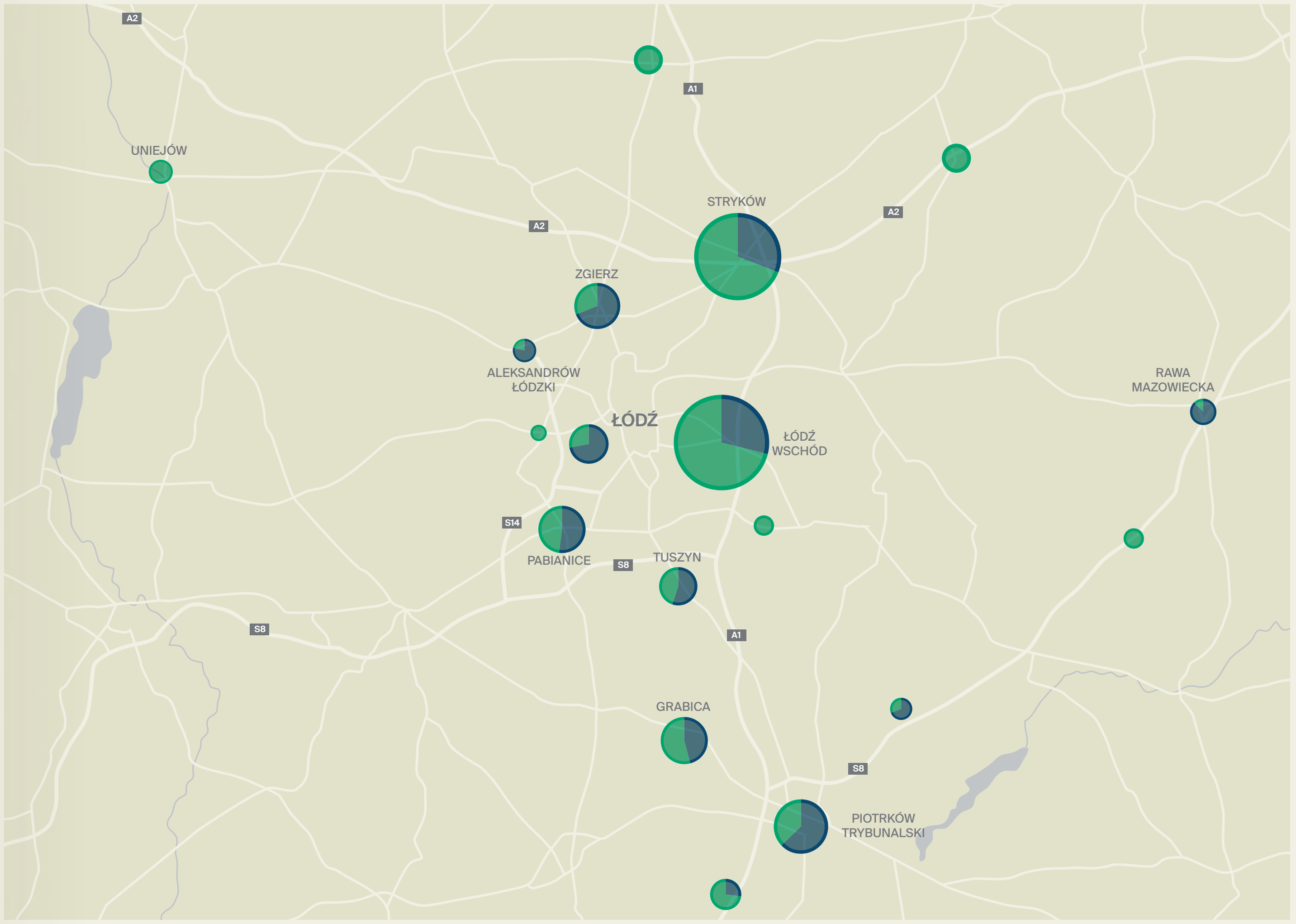
In Q1 2024, asking rents in the warehouse sector in Central Poland remained consistent with the levels seen in Q4 2023.

New warehouse supply, annual take-up, vacancy rate in Central Poland



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. Łódź East 1.37m sq m
2. Stryków 1.08m sq m
3. Grabica 270,000 sq m
4. Piotrków Trybunalski 210,000 sq m
5. Tuszyn 130,000 sq m

Łódzkie Voivodeship

- Population **2.4m**
- Voivodeship area **18,218 sq km**

ECONOMIC DATA
(03.2024, STATISTICS POLAND)

- Unemployment rate **5.6%**
- Average monthly salary (enterprise sector) **PLN 7,500** (gross)
- Average monthly salary (transportation and storage sector) **PLN 7,800** (gross)

HIGH-SPEED ROADS

- Highways **270 km** A1, A2
- Expressways **230 km** S8, S14

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