Warehouse market

Knight Frank

Q1 2025

The comprehensive guide to the warehouse market in Emerging Markets

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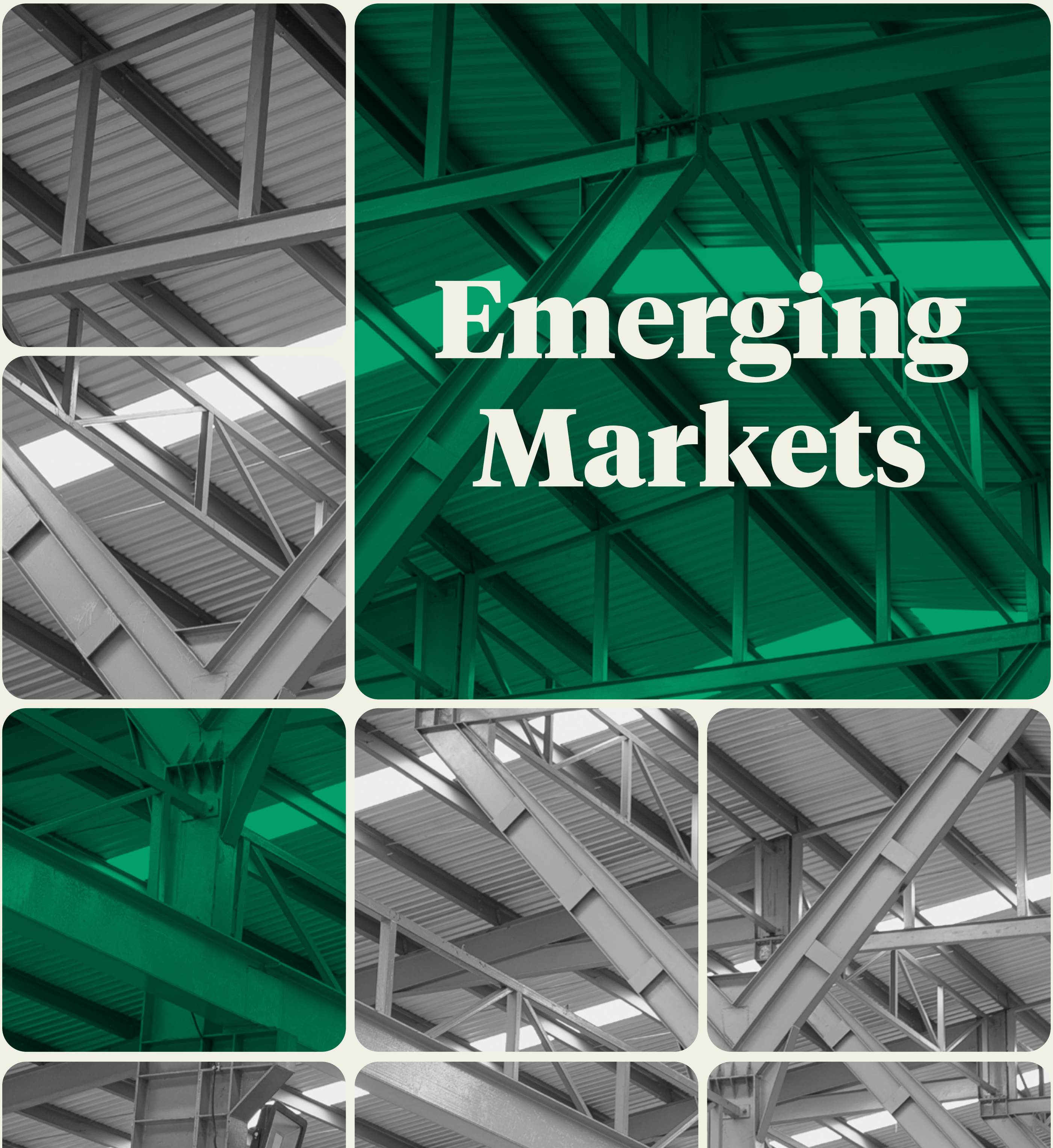


Emerging Markets

Q1 2025

Existing warehouse stock
5.3m sq m

Supply under construction
165,000 sq m

Vacancy rate
12.4%

New supply
(Q1 2025)
88,000 sq m

Take-up
(Q1 2025)
105,000 sq m

Standard lease terms in warehouse buildings

Asking rents for warehouse space
EUR/sq m/month
3.80-4.50

Asking rents for office space
EUR/sq m/month
10.00-12.50

Service charge
PLN/sq m/month
4.00-7.00

Rent-free period
1-1.5 month

Among the developing warehouse locations in Poland, the emerging markets are increasingly important. These include the Kujawy region (Toruń, Bydgoszcz), Podkarpacie (Rzeszów), Eastern Poland (Białystok, Lublin), as well as the areas around Olsztyn, Kielce, Zielona Góra, Legnica and the border areas with Germany. The total stock of modern warehouse space in these locations at the end of March 2025 reached 5.3m sq m, which accounted for 15% of the national supply. The development of these markets is driven by infrastructure investments and the relatively greater availability of workers than in the main logistics hubs. Particularly high potential is observed in Eastern Poland, where the completion of the Via Carpatia route is of key importance, as it will improve the accessibility of investment areas in the Podlaskie, Lubelskie, and Podkarpackie provinces.

In Q1 2025, 88,000 sq m of new warehouse space was delivered in emerging markets, representing a nearly 50% y-o-y increase, yet this result continues to be below the quarter average for the last five years. The largest completed developments included: three halls in MLP Zgorzelec (50,100 sq m), CTPark Rzeszów (33,300 sq m) and Next Step Kożuchów (4,100 sq m). During the year, total supply in emerging regions increased by nearly 5%.

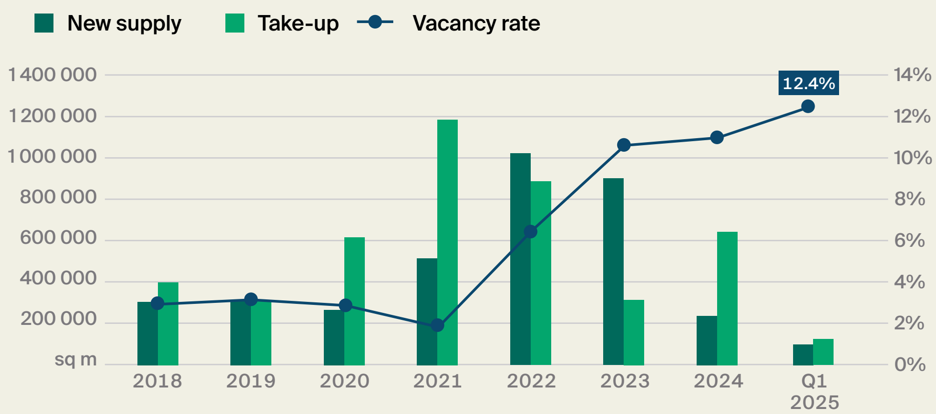
Development activity remains limited, with 165,000 sq m of modern warehouse space under construction at the end of March, 37% less than a year earlier. The largest schemes under construction include 7R Park Lublin (57,500 sq m), developed as BTS. In the first quarter of 2025, construction began on four schemes totaling 55,500 sq m, including Bi Park Radom (30,800 sq m). In emerging markets, developers are reluctant to start construction on a speculative basis, and the pre-let level among projects under construction reached 70%.

Tenant activity in emerging markets amounted to 105,000 sq m, slightly below the quarter average for the last five years. The largest transactions were new contracts in the following parks: Bydgoszcz II (18,300 sq m) and Zielona Góra II (11,000 sq m). New contracts accounted for 80% of all contracts, renewals for 14% and expansions for 6%.

The vacancy rate increased to 12.4%, an increase of 2.2 pp year-on-year. The high level of new supply delivered to the market in the first quarter and moderate take-up had a significant impact on this result.

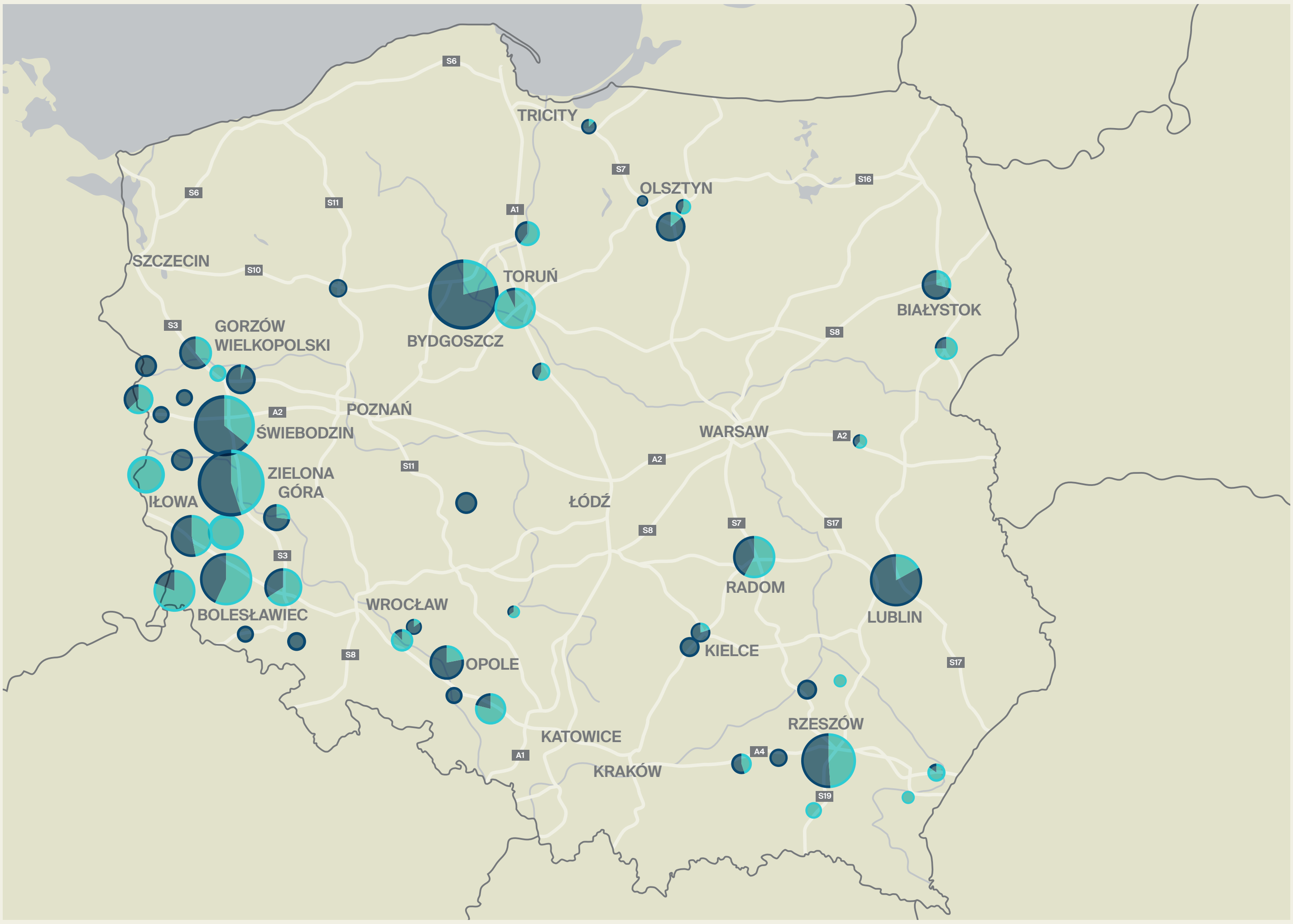
Despite the increase in availability of space, asking rents in Q1 2025 remained stable.

New warehouse supply, annual take-up, vacancy rate in Emerging Markets



Source: Knight Frank

Location of warehouse developments 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. Bydgoszcz
680,000 sq m

2. Lublin
450,000 sq m

3. Rzeszów
430,000 sq m

4. Świebodzin
370,000 sq m

5. Zielona Góra
270,000 sq m

Poland

Population
37.5m

Area
313,930 sq km

ECONOMIC DATA
(03.2025, STATISTICS POLAND)

Unemployment rate
5.1%

Average monthly salary
(enterprise sector)
PLN **9,056** (gross)

Average monthly salary
(transportation and storage sector)
PLN **8,303** (gross)

HIGH-SPEED ROADS

Highways
- Kujawsko-pomorskie
  170 km | A1
- Opolskie
  90 km | A2
- Lubuskie
  90 km | A2

Expressways
- Lubelskie
  90 km | S12
- Podlaskie
  90 km | S61

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