Warehouse market

Q3 2024

The comprehensive guide to the warehouse market in Emerging Markets

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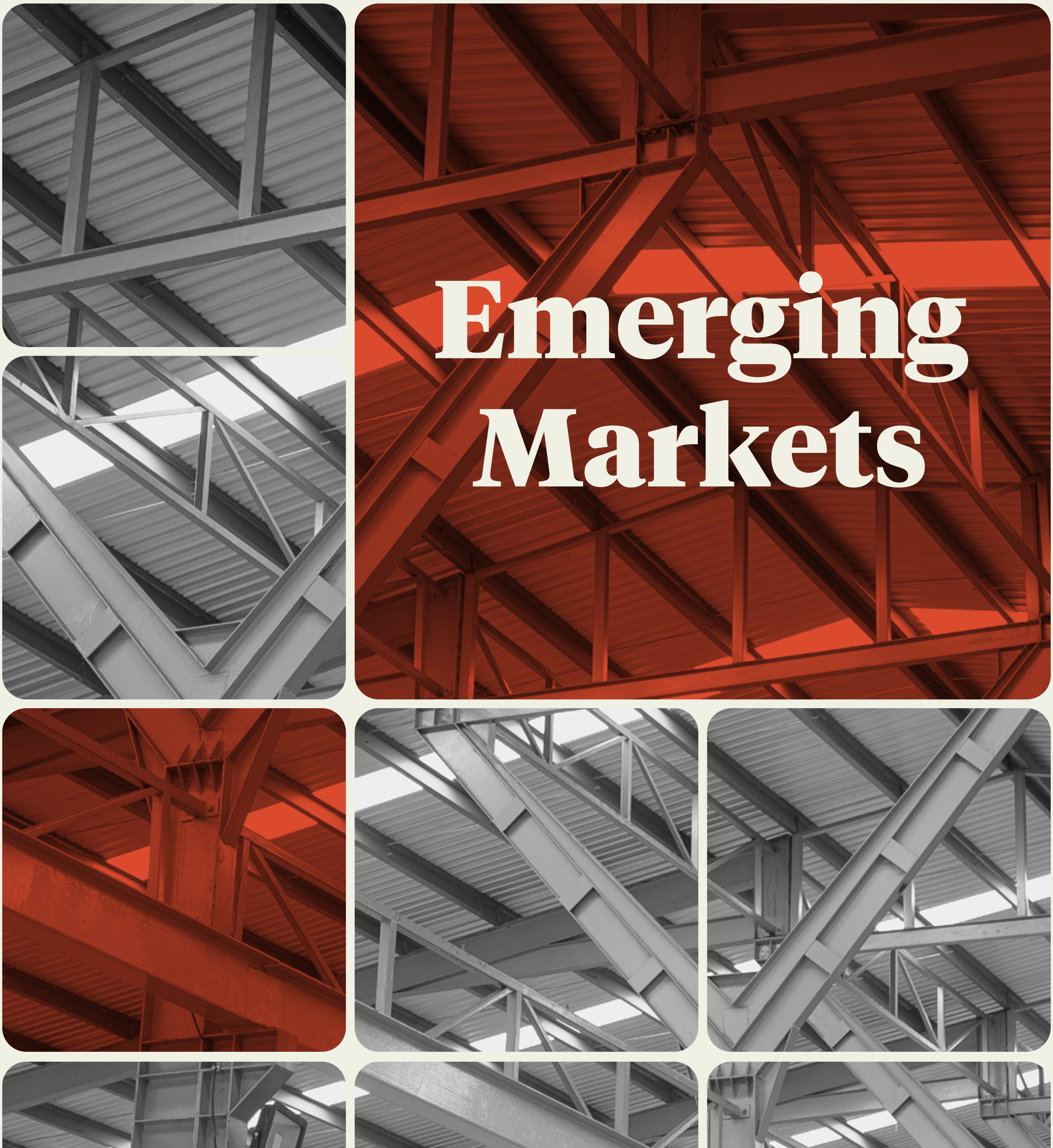


Emerging Markets

Q3 2024

Existing warehouse stock
5.2m sq m

Supply under construction
200,000 sq m

Vacancy rate
12.9%

New supply
(Q1-Q3 2024)
210,000 sq m

Take-up
(Q1-Q3 2024)
325,000 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
10.00-12.50

Service charge
PLN/sq m/month
4.00-7.00

Rent-free period
1-1.5 month

Alongside Poland's primary logistics hubs, the warehouse market is expanding into emerging regions, including areas around Toruń, Bydgoszcz, Rzeszów, Białystok, Lublin, Olsztyn, Kielce, Zielona Góra, and Legnica, as well as regions near the German border. The increasing importance of these emerging markets is attributable to improved road infrastructure, the availability of more affordable land, and a more favourable labour market.

A key factor driving the development of these emerging regions is the implementation of the Via Carpatia route, which enhances accessibility in Eastern Poland and supports warehouse development in the Podlaskie, Lublin, and Podkarpackie provinces.

By the end of Q3 2024, warehouse resources in emerging markets reached 5.2 million sq m, accounting for 15.2% of the total warehouse space in Poland. Between Q1 and Q3 2024, 210,000 sq m were delivered to the market, reflecting a decrease of over 70% compared to the same period in 2023. In Q3 2024, new completions included facilities in CTPark Opole (6,000 sq m) and Panattoni BTS Świdnik (23,700 sq m).

At the end of September 2024, 200,000 sq m were under construction, representing a 20% increase from the previous quarter. The largest project under construction is in 7R Park Lublin, featuring a hall of 57,500 sq m. Approximately 63% of the space under construction has been secured by lease agreements, indicating a cautious approach by developers towards speculative investments.

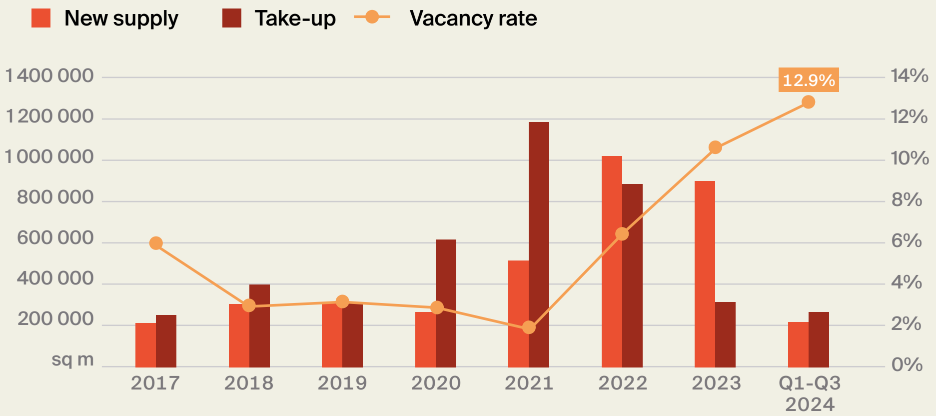
From January to September 2024, demand in emerging markets amounted to 325,000 sq m, marking a year-on-year increase of 24%. The highest leasing activity was recorded in Q2 2024, with 206,000 sq m leased, while Q3 2024 saw a decrease to 70,000 sq m leased, a decline of 66% compared to the previous quarter.

Significant transactions in Q3 2024 included leases in Panattoni Park Głogów (30,700 sq m), a renewal in Panattoni Park Gorzów Wielkopolski (11,000 sq m), and a new contract in Panattoni Park Rzeszów North II (9,900 sq m).

The lease structure predominantly featured new contracts (65%), while renewals accounted for 35%. No expansions were recorded during this period.

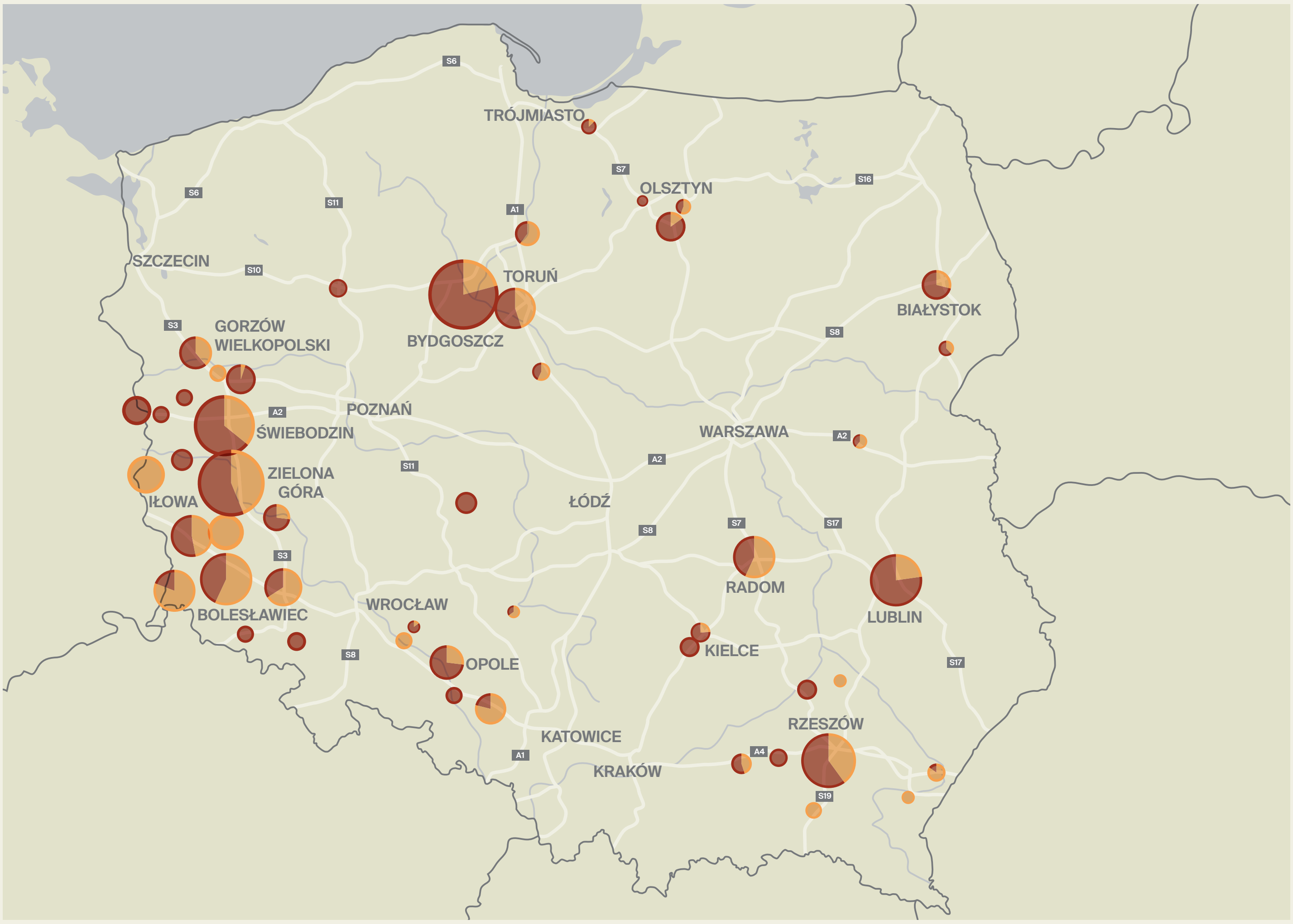
Due to the limited volume of leased space in Q3 2024, the vacancy rate at the end of September increased by 1.9 pp to 12.9%. Asking rents remained stable compared to the previous quarter.

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
405,000 sq m

4. Świebodzin
370,000 sq m

5. Zielona Góra
270,000 sq m

Poland

Population
37.8m

Area
313,930 sq km

ECONOMIC DATA
(09.2024, STATISTICS POLAND)

Unemployment rate
5.0%

Average monthly salary
(enterprise sector)
PLN **8,140** (gross)

Average monthly salary
(transportation and storage sector)
PLN **7,860** (gross)

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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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