Warehouse market

Knight Frank

H1 2024

The comprehensive guide to the warehouse market in Warsaw

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Warsaw

H1 2024

Existing warehouse stock
6.7m sq m

Supply under construction
410,000 sq m

Vacancy rate
8.6%

New supply
220,000 sq m

Take-up
510,000 sq m

Standard lease terms in warehouse buildings

Asking rents for warehouse space
EUR/sq m/month
3.50-7.50

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

Warsaw and its surrounding area represent the largest concentration of warehouse space in Poland. At the end of Q2 2024, the agglomeration's warehouse stock reached 6.7 million sq m, accounting for 19.9% of the country's total warehouse space. The warehouse market in Warsaw is diverse in terms of specifications, quality, and location, and is divided into two zones:

- **Zone I** - This zone covers an area up to 12 km from the city centre, including neighbourhoods such as Okęcie, Służewiec Przemysłowy, Targówek, and Żerań, where 20% of the region's warehouse stock is located.
- **Zone II** - Extending from 12 to 50 km from the centre, this zone primarily stretches southwest along the E30, E67, and E77 highways, encompassing towns like Błonie, Ożarów Mazowiecki, Piaseczno, Pruszków, and Sochaczew. Zone II houses 80% of the region's warehouse stock, primarily designated for large logistics parks.

Although Warsaw's warehouse market is steadily growing, the pace of growth noticeably slowed in H1 2024. In the first six months of 2024, approximately 220,000 sq m of modern warehouse space were delivered to the market - over 55% less than the same period last year. The largest facilities completed included two halls at CTPark Warsaw South, measuring 46,900 sq m and 20,500 sq m, as well as 33,200 sq m at MLP Pruszków II and 20,600 sq m at P3 Mszczonów. In Q2 2024 alone, 96,000 sq m were completed, including halls at MLP Pruszków II and Fresh - Warsaw by LemonTree.

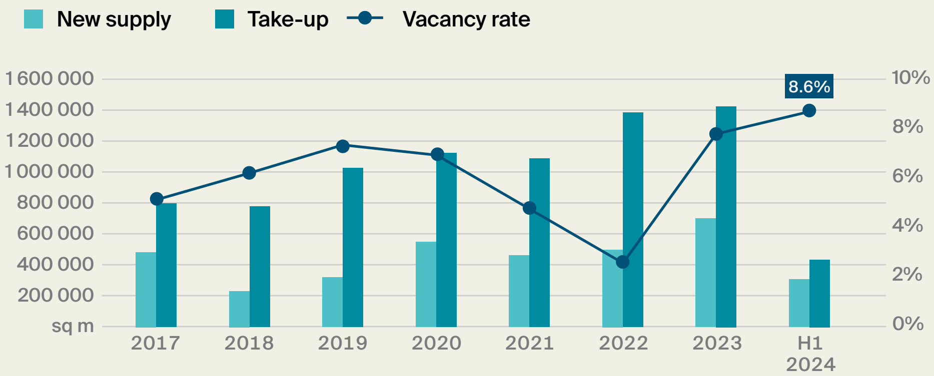
Developer activity remains at a moderate level. At the end of June 2024, 410,000 sq m of warehouse space were under construction, with the largest project being CTPark Warsaw West, spanning 62,300 sq m and scheduled for completion in Q4 2024. While the amount of warehouse space under construction increased by 12% from the previous quarter, it was down 8.5% year-on-year. In Q2 2024, construction commenced on 145,000 sq m, with 60% already secured by leases, highlighting developers' reluctance to initiate speculative projects.

In the first half of 2024, the total volume of signed leases reached nearly 510,000 sq m. Both quarterly and annual leasing volumes increased, with the most significant jump occurring compared to the previous quarter - over 43%. The largest transactions included a contract extension at Logicor Mszczonów Park (58,300 sq m), a new contract at P3 Warsaw I - Lesznowola Park (38,200 sq m), and another at Panattoni Park Warsaw South III (21,400 sq m). The distribution of leases was led by new agreements (57%), while renewals accounted for 39% and expansions for 4%.

At the end of Q2 2024, the vacancy rate in the Warsaw metropolitan area stood at 8.6%, an increase of 2.9 pp. from the previous year. This rise was primarily due to an influx of new supply that had not yet been fully leased at the time of completion.

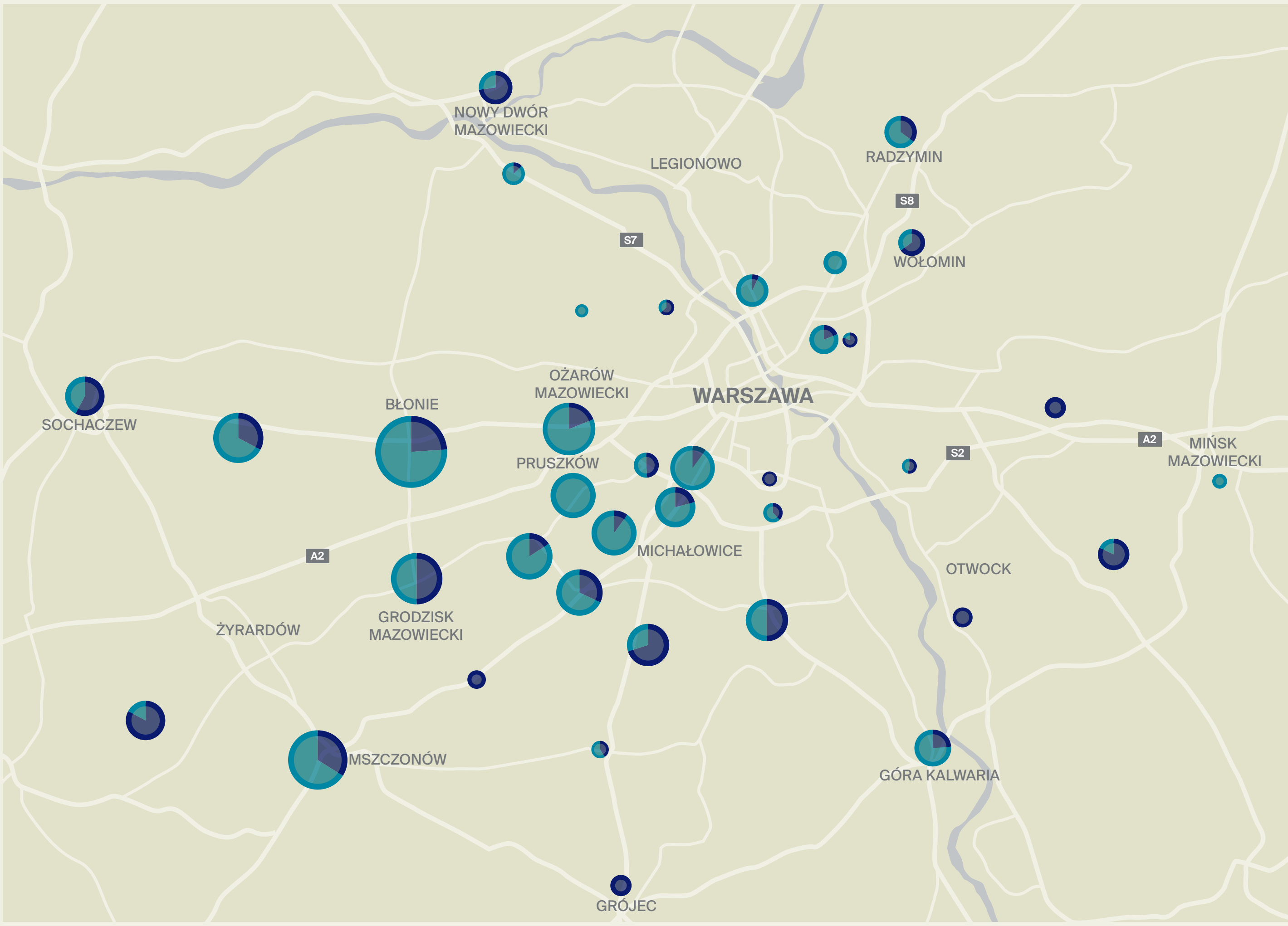
Asking rents in the warehouse sector remained stable compared to the previous quarter.

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



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. Błonie
800,000 sq m

2. Ożarów Mazowiecki
460,000 sq m

3. Pruszków
440,000 sq m

4. Mszczonów
430,000 sq m

5. Brwinów
410,000 sq m

Mazowieckie Voivodeship

Population
5.5m

Voivodeship area
35,559 sq km

ECONOMIC DATA
(06.2024, STATISTICS POLAND)

Unemployment rate
4.1%

Average monthly salary
(enterprise sector)
PLN **9,300** (gross)

Average monthly salary
(transportation and storage sector)
PLN **7,710** (gross)

HIGH-SPEED ROADS

Highways
80 km
A2

Expressways
480 km
S2, S7, S8, S17, S61

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