Warehouse market

Q4 2023

The comprehensive guide to the warehouse market in Warsaw

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Warsaw

Warsaw

Q4 2023

- Existing warehouse stock **6.4m sq m**
- Supply under construction **460,000 sq m**
- Vacancy rate **7.8%**
- New supply (2023) **700,000 sq m**
- Take-up (2023) **1.4m 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 **10.00-11.50**
- Service charge PLN/sq m/month **4.00-7.00**
- Rent-free period **1-1.5 month**

Warsaw and its surrounding areas continue to be the largest warehouse concentration area in Poland. As of the end of Q4 2023, the warehouse stock in this region totalled 6.4m sq m, representing 20% of the country's total warehouse stock. The existing logistics facilities in the area exhibit a significant diversity in specification, equipment quality, and are strategically located in one of the two concentration zones within the agglomeration:

- **Zone I** – a zone that comprises some 15% of the existing warehouse stock in the Warsaw agglomeration, taking in an area of radius 12 km radiating out from the city centre. The zone mainly consists of areas like Okęcie, Służewiec Przemysłowy, Targówek, and Żerań. There are two intermodal terminals located in this zone, both situated at its northern extremities.
- **Zone II** – an area between 12 and 50 km from the centre of Warsaw, primarily including areas to the southwest of the city, along the A2, S8, and S7 national routes (leading, respectively, to Poznań, Wrocław, and Kraków), and including such towns as Błonie, Ożarów Mazowiecki, Piaseczno, Nadarzyn, Pruszków, Mszczonów, Teresin, Grodzisk Mazowiecki, and Sochaczew. Approximately 85% of the total stock in the Warsaw region is located in Zone II. It is mainly dedicated to large logistics parks offering the possibility of expansion, depending on tenant requirements. There is one intermodal terminal located in Zone II, in Pruszków.

The warehouse market in Warsaw has seen a steady increase in its stock, with a growth of over 12% compared to the previous year. In 2023, 700,000 sq m of modern warehouse space were delivered to tenants, marking a 40% increase from the previous year. This total new supply significantly surpassed the average annual supply of the previous five years, establishing a record for the full-year volume of new supply in the Warsaw concentration area. The most substantial developments that obtained occupancy permits were CTPark Warsaw South (77,500 sq m), CTPark Warsaw North (64,100 sq m), and CTPark Warsaw West (61,400 sq m), situated in Warsaw Zone II. Furthermore, the new supply showed a notable increase in the final three months of 2023, both compared to the preceding quarter and the same period in the previous year.

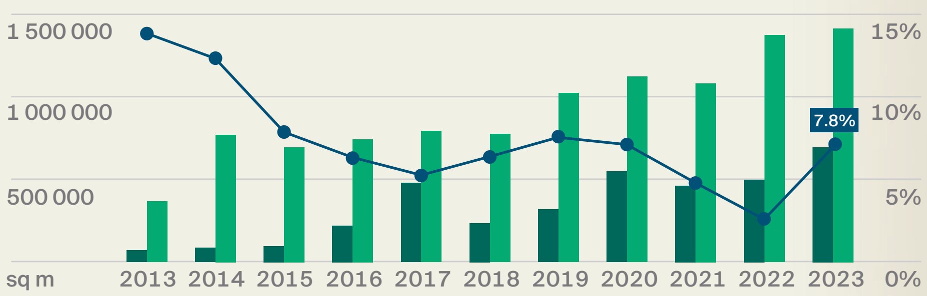
By the end of Q4 2023, the Warsaw region had nearly 460,000 sq m of space under construction, with the largest facility being CTPark Warsaw West in Wiskitki (62,000 sq m), scheduled for completion in mid-2024. Approximately 40% of the space under construction was already secured by leases. Despite declines on both a quarterly and annual basis, the supply under construction remains relatively high, as construction began on another 80,000 sq m in Q4 2023.

In 2023, the total leased space reached 1.4m sq m, showing stability when compared to the previous year. The take-up for warehouse space in the Warsaw metropolitan area notably increased quarter on quarter, both in comparison to the previous quarter of 2023 and the fourth quarter of 2022. The most significant transactions in 2023 occurred in logistics parks, namely CTPark Warsaw West (110,000 sq m), Prologis Park Janki (50,000 sq m), and MLP Pruszków II (47,000 sq m). The structure of leases was predominantly characterized by renewals of existing agreements, constituting 60% of the leased space, while new agreements accounted for 35%, and expansions made up the remaining 5%.

At the close of Q4 2023, the vacancy rate in the Warsaw metropolitan area stood at 7.8%, marking a significant 5.3 percentage point increase from the prior year. This rise can be attributed primarily to the influx of a record volume of new supply into the Warsaw market, which has yet to be entirely commercialized.

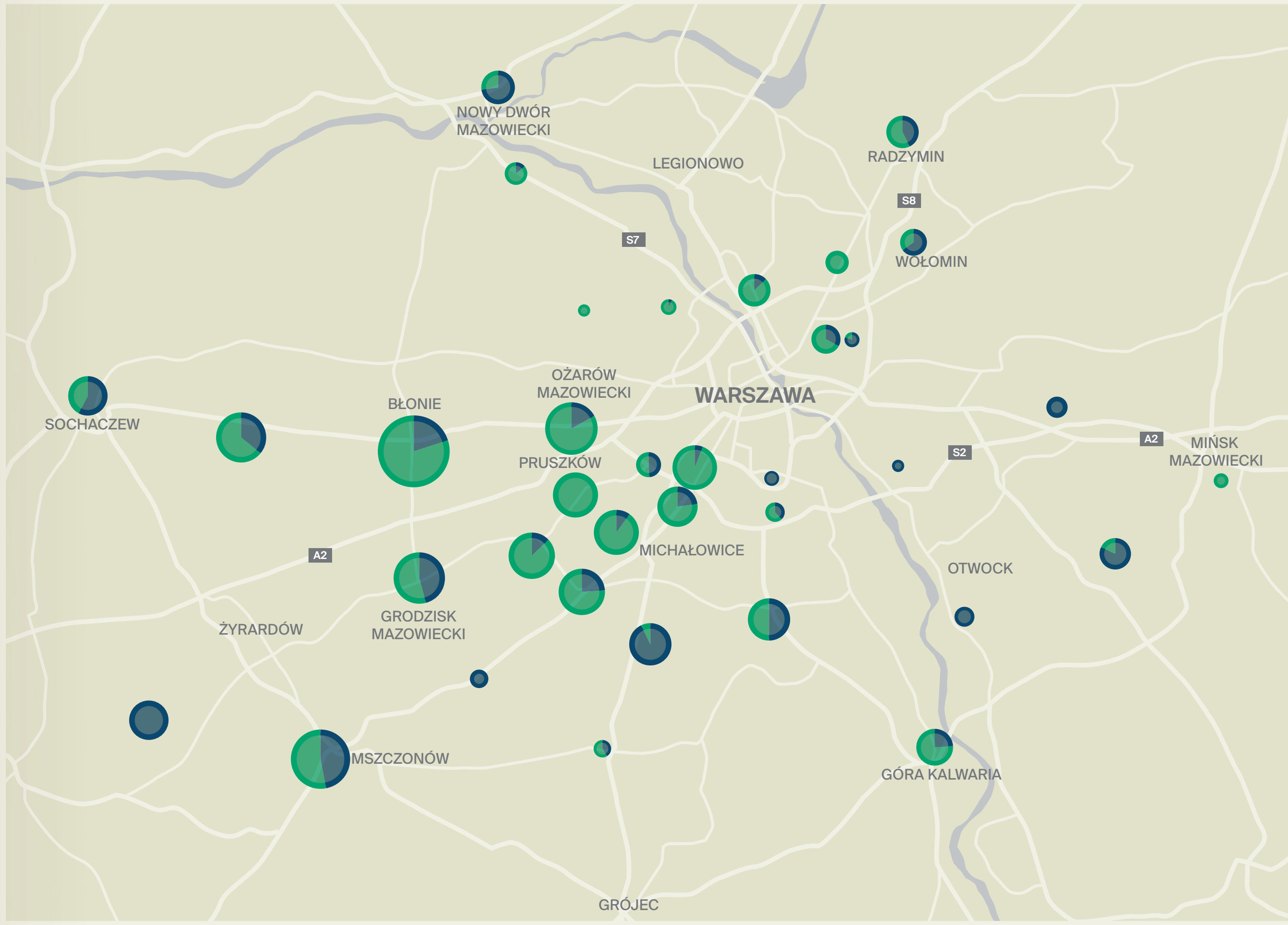
In Q4 2023, asking rents for the warehouse sector in the Warsaw region remained unchanged compared to the previous quarter.

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. Michałowice **400,000 sq m**
5. Brwinów **380,000 sq m**

Mazowieckie Voivodeship

Population **5.5m**

Voivodeship area **35,559 sq km**

ECONOMIC DATA

(12.2023, STATISTICS POLAND)

Unemployment rate **4.1%**

Average monthly salary (enterprise sector) **PLN 9,030** (gross)

Average monthly salary (transportation and storage sector) **PLN 7,830** (gross)

HIGH-SPEED ROADS

Highways **80 km**
A2

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

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