Warehouse market

Knight Frank

Q3 2023

The comprehensive guide to the warehouse market in Wielkopolska

knightfrank.com.pl/en/research

Wielkopolska

WAREHOUSE MARKET

Wielkopolska

Q3 2023

Existing warehouse stock
3.2m sq m

Supply under construction
215,000 sq m

Vacancy rate
7.1%

New supply (Q1-Q3 2023)
280,000 sq m

Take-up (Q1-Q3 2023)
326,000 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

Wielkopolska is one of the key warehouse concentration areas in Poland. With existing stock estimated at 3.2m sq m, 11% of the total stock in Poland, it ranks fifth in terms of market size behind Warsaw, Upper Silesia, Central Poland and Lower Silesia. The development of the region's warehouse sector is well supported by its proximity to the German market, ease of access to the A2 highway, the availability of a wellqualified workforce, and an increasing interest from Western European companies in moving their operations to Poland. Wielkopolska enjoys special recognition among tenants from the automotive and logistics sector. The key areas of warehouse space concentration in the region are Swarzędz, Tarnowo Podgórne, Gądki, and Komorniki. There are currently three intermodal terminals operating in the Poznań area, one of which is located within the administrative boundaries of the city, and the other two in Gądki and Swarzędz.

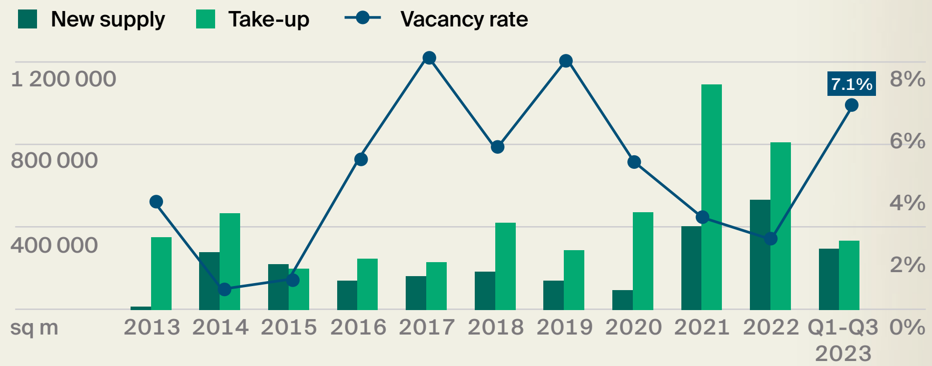
Between the beginning of 2023 and the end of September 2023, a total of over 280,000 sq m of modern warehouse space was delivered to the Wielkopolska market. The new supply recorded, showed a marked decline, with the total volume of new supply for the first nine months almost 40% down on the previous year's corresponding period. A mere 6,500 sq m were delivered in Q3 2023, in the form of the completion of a warehouse hall at the MLP Poznań West logistics park. The largest projects to receive occupancy permits in Q1-Q3 2023 were: P3 Poznań II (77,000 sq m), Panattoni Park Poznań West Gate II (48,000 sq m), and Panattoni Park Poznań West Gate I (43,000 sq m).

There has also been a noticeable slowdown in developer activity in the region, with almost 30% less space under construction than a year ago. At the end of Q3 2023, 215,000 sq m was identified as being at the construction phase, of which the largest facility under development was Panattoni Park Poznań A2 (80,000 sq m). In Q3 2023, construction commenced on only 25,000 sq m of space. This situation is the result of a combination of high construction costs, lower warehouse space take-up, and the high financing costs of new developments.

The limited supply situation was accompanied by sizeable changes on the take-up side, which has witnessed large declines in activity this year. In the first nine months of 2023, the volume of signed leases in Wielkopolska amounted to some 326,000 sq m - a decrease of over 50% on the figure for 2022's corresponding period. The majority of signed contracts for warehouse space came in the form of new agreements (53%). Renegotiations accounted for some 35%, while expansions made up the remaining 12%.

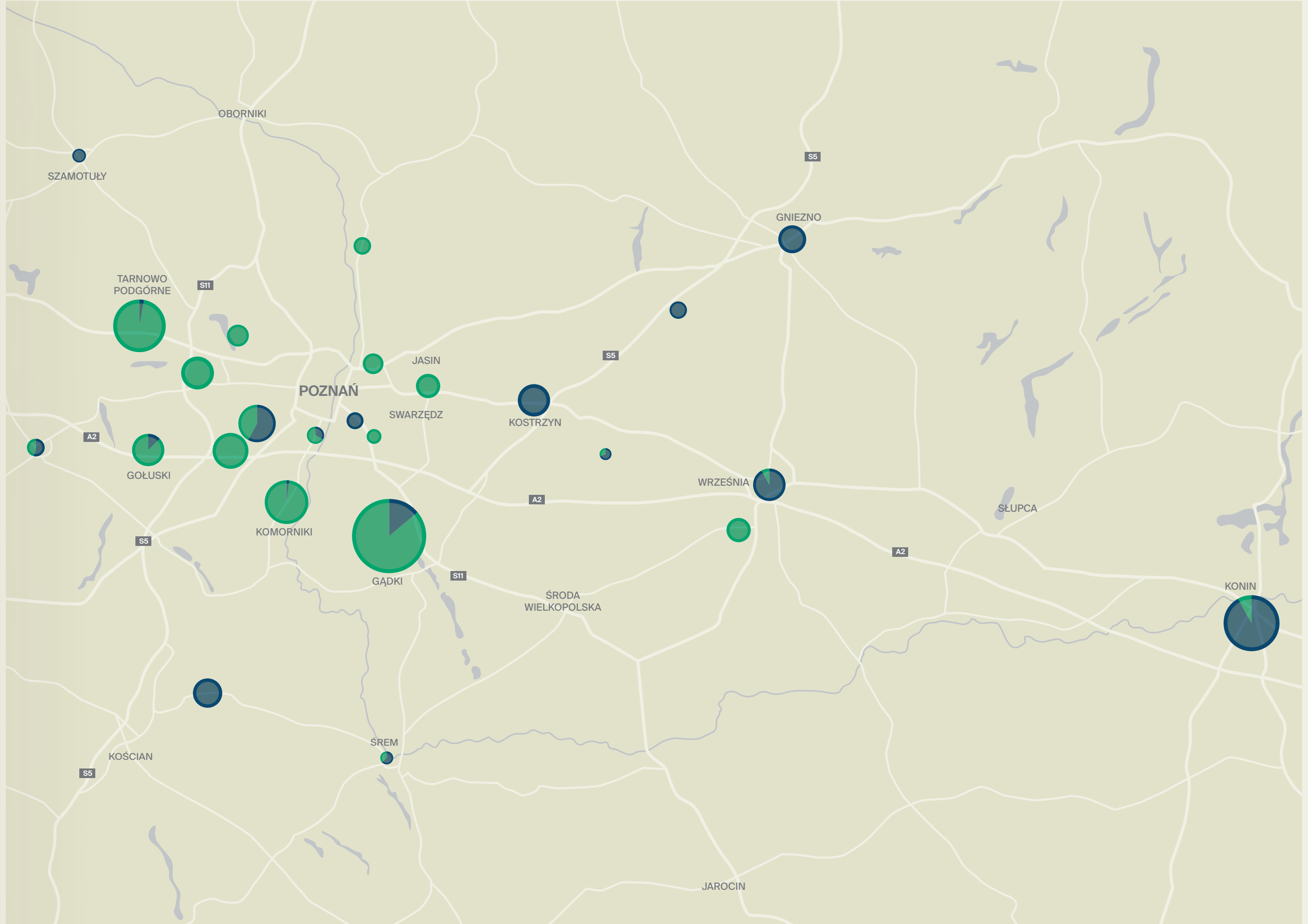
Following a significant increase in the vacancy rate over the previous year (due to the volume of not fully leased new supply), the figure in Wielkopolska at the end of Q3 2023 hovered around the 7.1% mark - an increase of 4.4 pp. over the 12 months. In Q3 2023, asking rents in the Wielkopolska warehouse concentration area remained stable relative to the previous quarter.

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



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. Gądki – 1.15m sq m
2. Tarnowo Podgórne – 550,000 sq m
3. Komorniki – 410,000 sq m
4. Poznań – 300,000 sq m
5. Gołuski – 250,000 sq m

Wielkopolskie Voivodeship

Population
3.5m

Voivodeship area
29,827 sq km

ECONOMIC DATA
(09.2023, STATISTICS POLAND)

Unemployment rate
3.0%

Average monthly salary (enterprise sector)
PLN **6,640** (gross)

Average monthly salary (transportation and storage sector)
PLN **7,010** (gross)

HIGH-SPEED ROADS

Highways
210 km
A2

Expressways
270 km
S5, S8, S10, S11

CONTACTS IN POLAND:

+48 22 596 50 50
www.KnightFrank.com.pl

RESEARCH
Dorota Lachowska
dorota.lachowska@pl.knightfrank.com

INDUSTRIAL AGENCY
Przemysław Jankowski
przemyslaw.jankowski@pl.knightfrank.com

CAPITAL MARKETS
Krzysztof Cipiur
krzysztof.cipiur@pl.knightfrank.com

VALUATION & ADVISORY
Małgorzata Krzystek
malgorzata.krzystek@pl.knightfrank.com

As one of the largest and most experienced research teams operating across Polish commercial real estate markets, Knight Frank Poland provides strategic advice, forecasting and consultancy services to a wide range of commercial clients including developers, investment funds, financial and corporate institutions as well as private individuals. We offer:

- strategic consulting, independent forecasts and analysis adapted to clients' specific requirements,
- market reports and analysis available to the public,
- tailored presentations and market reports for clients.

Reports are produced on a quarterly basis and cover all sectors of commercial market (office, retail, industrial, hotel) in major Polish cities and regions (Warsaw, Kraków, Łódź, Poznań, Silesia, Tricity, Wrocław, Lublin, Szczecin) and PRS sector in Poland. Long-term presence in major local markets has allowed our research team to build in-depth expertise of socio-economic factors affecting real estate market in Poland.

OUR PUBLICATIONS:

Knight Frank Research Reports are available at www.knightfrank.com.pl/en/research/

Author: Szymon Sobiecki.