

Industrial market in Poland

Presentation prepared for

by **Industrial and Logistics Agency Colliers**

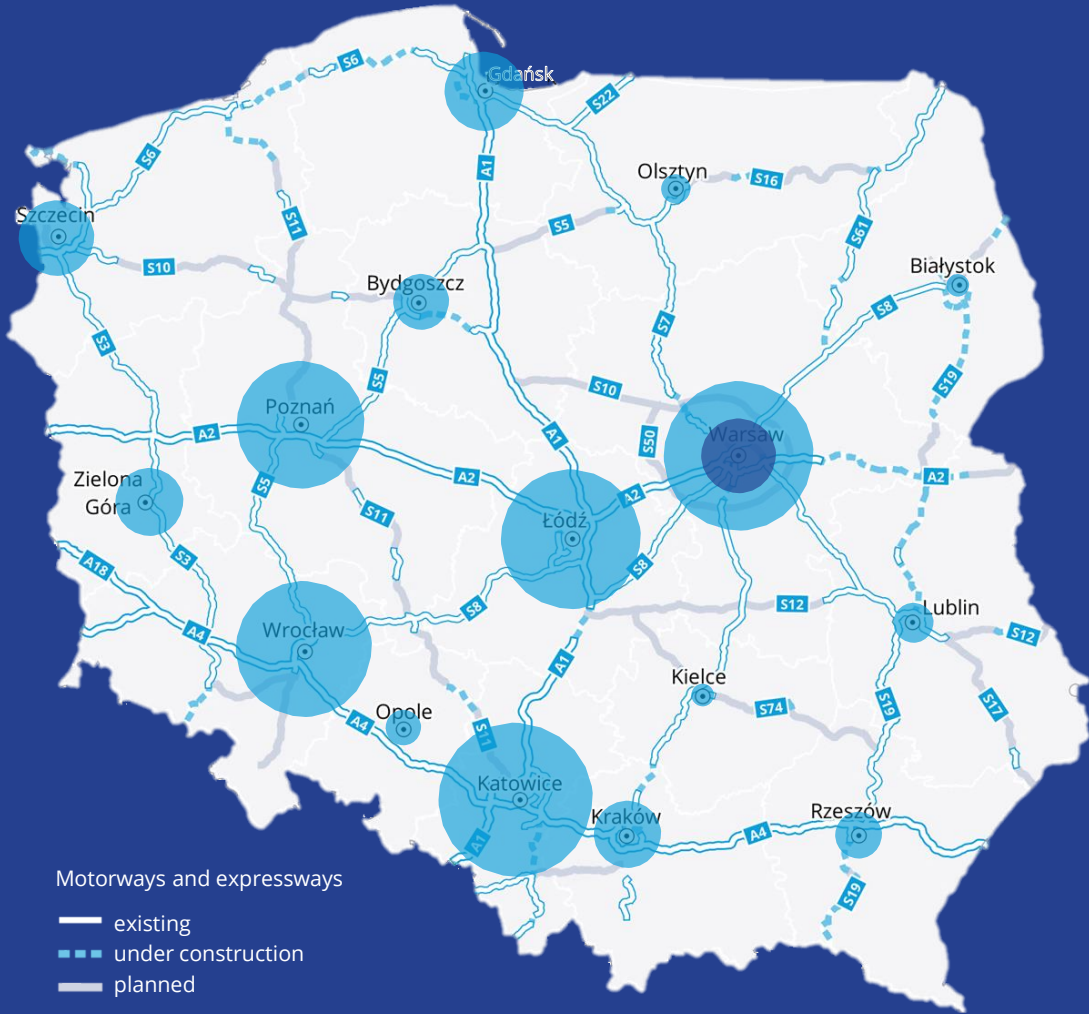
Warsaw | October 2024



01

Industrial market in Poland

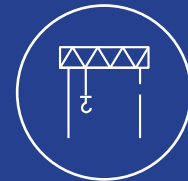
Industrial market in Poland | H1 2024



Total supply
33.2 mln m²



New supply in 2024
1.6 mln m²



Space under construction
2.0 mln m²



Vacancy rate
8.2 %



Planned space
18.9 mln m²



Demand in 2024
2.7 mln m²

I&L market in Poland

H1 2024

Region	Stock (m ²)	New supply	Gross demand	Space u/c (m ²)	Vacancy rate
Warsaw	1,253,900	75,000	91,500	51,300	7.9%
Masovian (regional)	5,358,500	155,500	415,900	355,100	8.4%
Masovian	6,612,400	230,500	507,400	406,400	8.3%
Silesian	5,575,000	153,900	469,400	275,900	5.7%
Łódzkie	4,648,800	150,600	413,000	323,200	10.7%
Lower Silesian	4,538,300	425,100	526,900	569,500	10.1%
Wielkopolskie	3,610,300	227,000	298,500	75,400	5.8%
Pomeranian	1,647,900	238,300	140,900	122,400	7.0%
West Pomeranian	1,218,700	0	82,200	29,100	4.1%
Lubuskie	1,665,100	68,000	21,900	13,900	19.5%
Małopolskie	1,148,900	131,400	42,700	61,200	6.0%
Kujawsko-pomorskie	870,600	0	144,200	26,100	6.1%
Lubelskie	420,600	10,300	59,800	23,700	10.7%
Podkarpackie	525,300	0	5,000	33,400	1.6%
Opolskie	273,100	0	16,400	18,600	2.6%
Warmińsko-mazurskie	186,900	0	-	0	7.1%
Świętokrzyskie	125,400	0	4,800	0	16.1%
Podlaskie	100,600	0	4,000	0	0.0%
Total	33,167,800	1,635,100	2,737,200	1,978,800	8.2%

Stock

33.2M m²

New supply

1.6M m²

Space u/c

2.0M m²

Vacancy rate



8.2%

Gross demand

2.7M m²

Headline rents (EUR/m²/month)

Warsaw: 4.30 – 7.00
Reg. markets: 3.10 – 5.90

Effective rents (EUR/m²/month)

Warsaw: 4.00 – 6.50
Reg. markets: 2.60 – 5.20

Dynamics of changes on I&L market

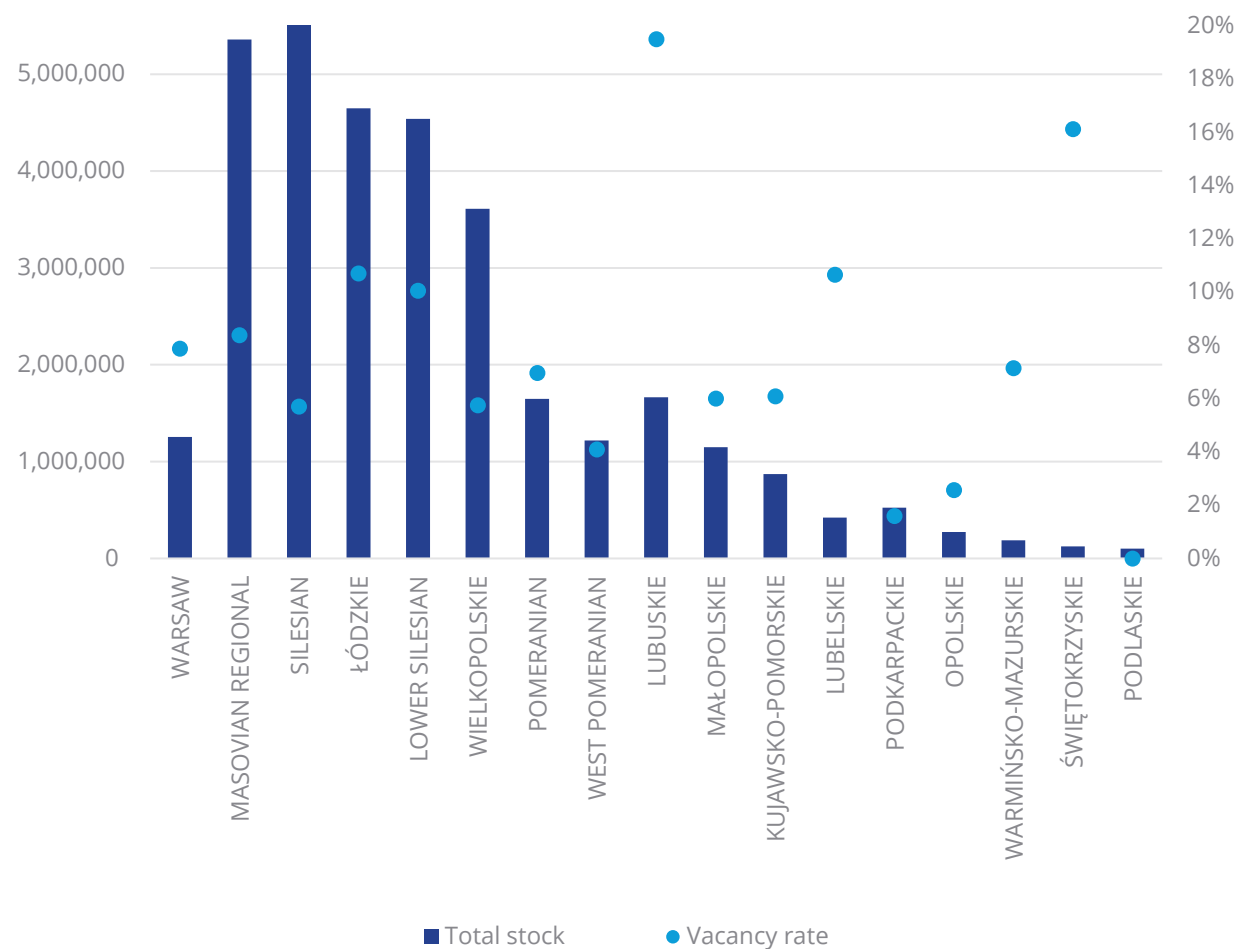
H1 2024

Name of statistics	Value in H1 2024	Change in relations to H1 2023	Change in relations to H1 2022
Stock	33.2M m ²	+ 2.9M m ² (+10%)	+ 7.3M m ² (+28%)
New supply	1.6M m ²	- 947,000 m ² (-37%)	- 759,000 m ² (-32%)
Space u/c	2.0M m ²	- 150,000 m ² (-7%)	- 2.3M m ² (-54%)
Gross demand	2.7M m ²	+ 471,000 m ² (+21%)	- 1.0M m ² (-27%)
Net demand	1.7M m ²	+ 295,000 m ² (+22%)	- 936,000 m ² (-36%)
Vacancy rate	8.2%	+ 1.6 p.p.	+ 5.0 p.p.
Share of new deals in demand	54%	+ 3 p.p.	- 8 p.p.
Share of renegotiations in demand	39%	+ 0 p.p.	+ 9 p.p.
Share of expansions in demand	7%	- 3 p.p.	- 1 p.p.
Pre-let level*	55%	+ 16 p.p.	+ 4 p.p.
Headline rents	3.10 – 7.00 EUR/m ² /month	+ around 1%	+ around 20%
Effective rents	2.60 – 6.50 EUR/m ² /month	+ around 2%	+ around 25%

* Occupancy level of buildings under construction

Stock and vacancy rates

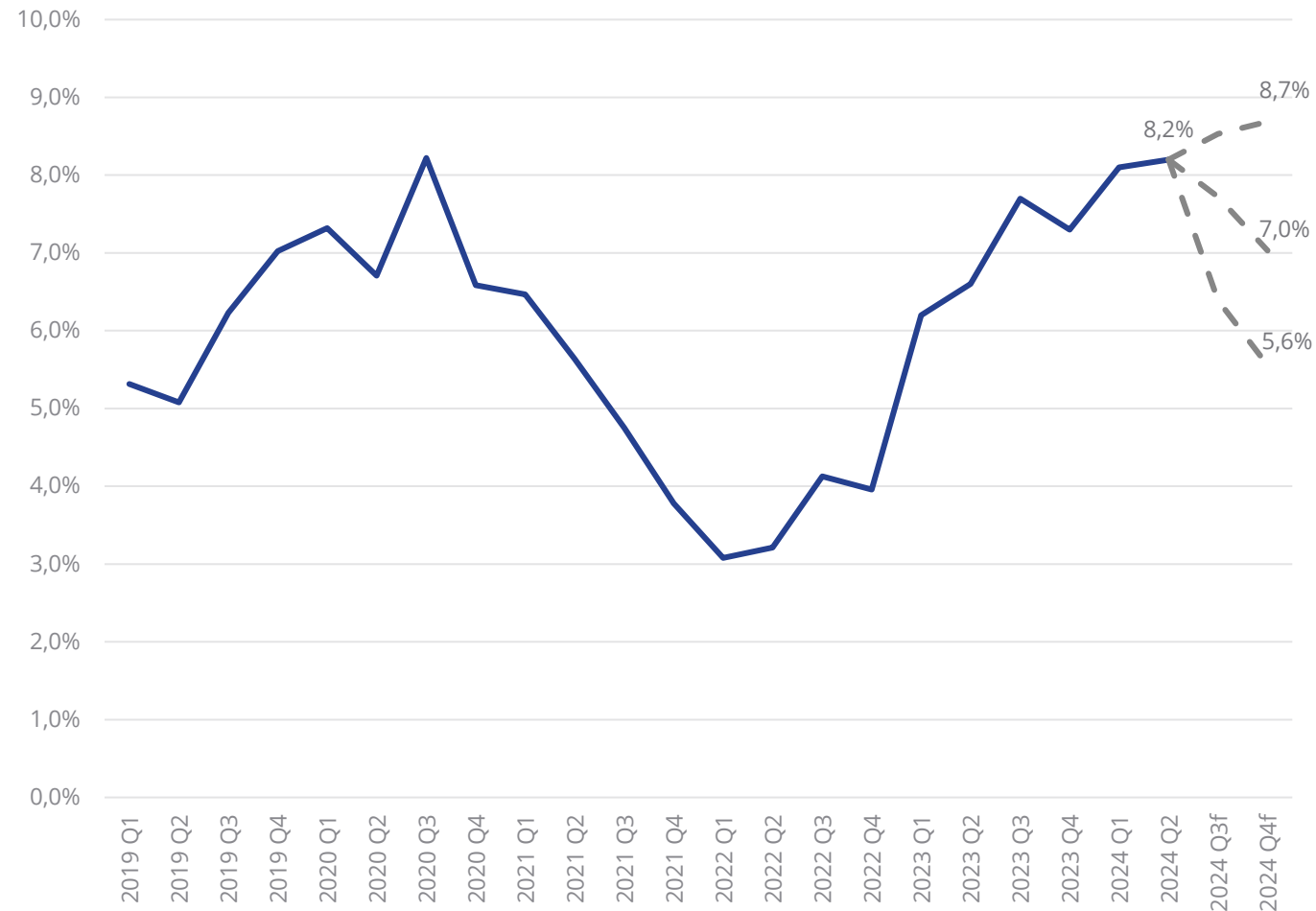
H1 2024



- In H1 2024, the stock of industrial and logistics space in Poland reached 33.2M m².
- Since the beginning of 2022, the vacancy rate has been on an upward trend. Over the period Q1 2022 – Q2 2024 it increased by 5.1 p.p. reaching 8.2%
- Currently, the largest amount of vacant space is located in Masovian (548,000 m²) and Łódzkie (498,000 m²). The highest vacancy rate was registered in the following voivodeships: Świętokrzyskie (16.1%) and Lubuskie (19.5%).
- The lowest vacancy rate was recorded in Podlaskie (0%) and Podkarpackie (1.6%).

Vacancy rates

Q1 2019 – Q4 2024

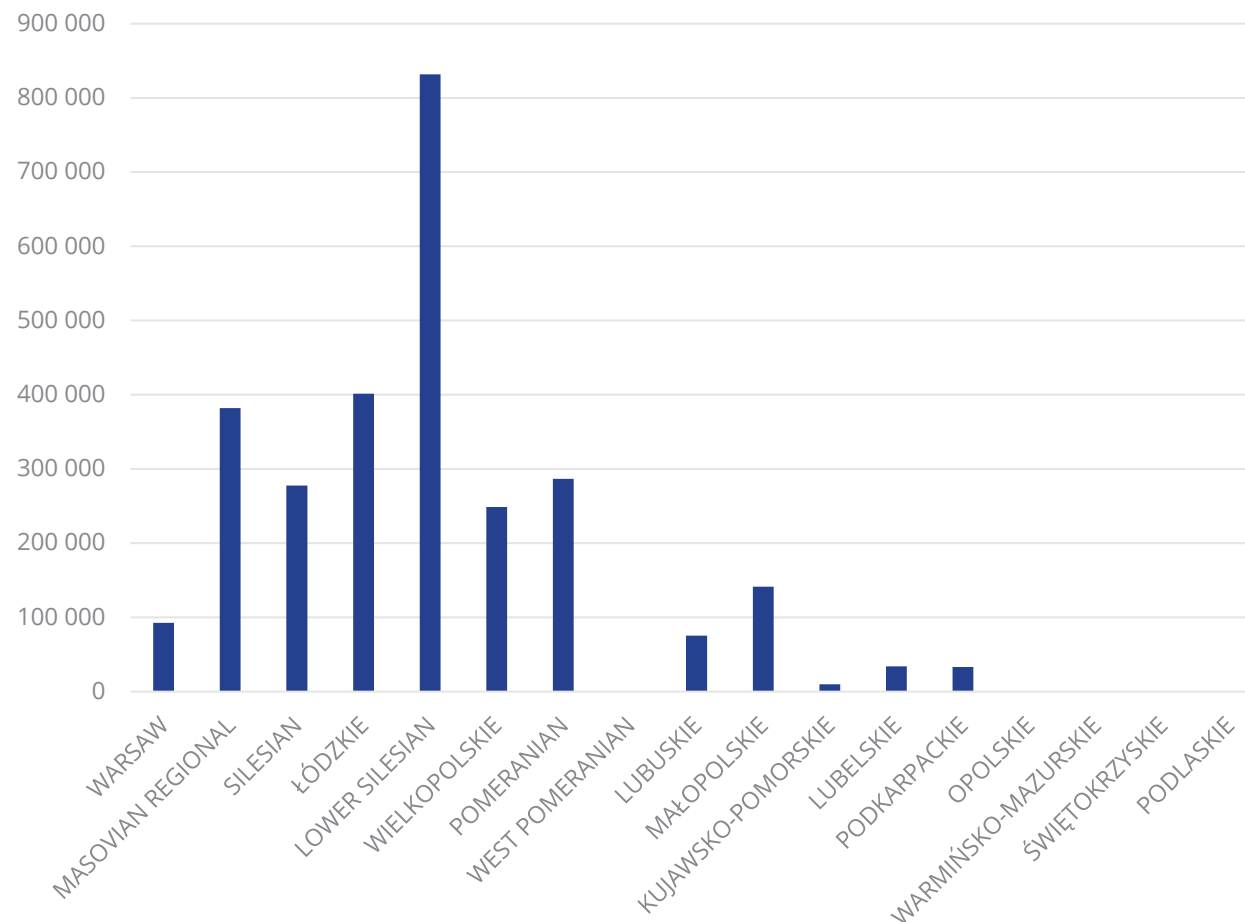


- After a record low vacancy rate at the beginning of 2022 oscillating around 3%, it has now risen to 8.2%.
- This is a value that, with a stable net demand level, makes it easier to find suitable space for tenants, which increases competitiveness in the market. However, further increases in the vacancy rate may result in a change in the nature of the market to one that is much more preferential for tenant than for developer, which may limit the construction of new facilities.
- A large impact on vacancy growth comes from newly completed schemes. In Q2 2024, the vacancy rate in projects delivered to the market was as high as 44% (-5 p.p. q/q and +7 p.p. y/y).
- By the end of 2024, assuming stable demand and stable new supply, the vacancy rate should oscillate around 7% - 8%.

Space under construction

H1 2024

- Total space under construction in Poland stood at around 2.0M m² at the end of Q2 2024, it was the lowest value since Q3 2020.
- The largest amount of space is being built in Lower Silesian voivodeship (569,000 m²).
- The pre-let level* in schemes under construction amounted to 55%.
- Around 41% of the volume of space under construction was purely speculative**.
- The volume of space under construction appears to have stabilised at around 2.0 – 2.5M m².



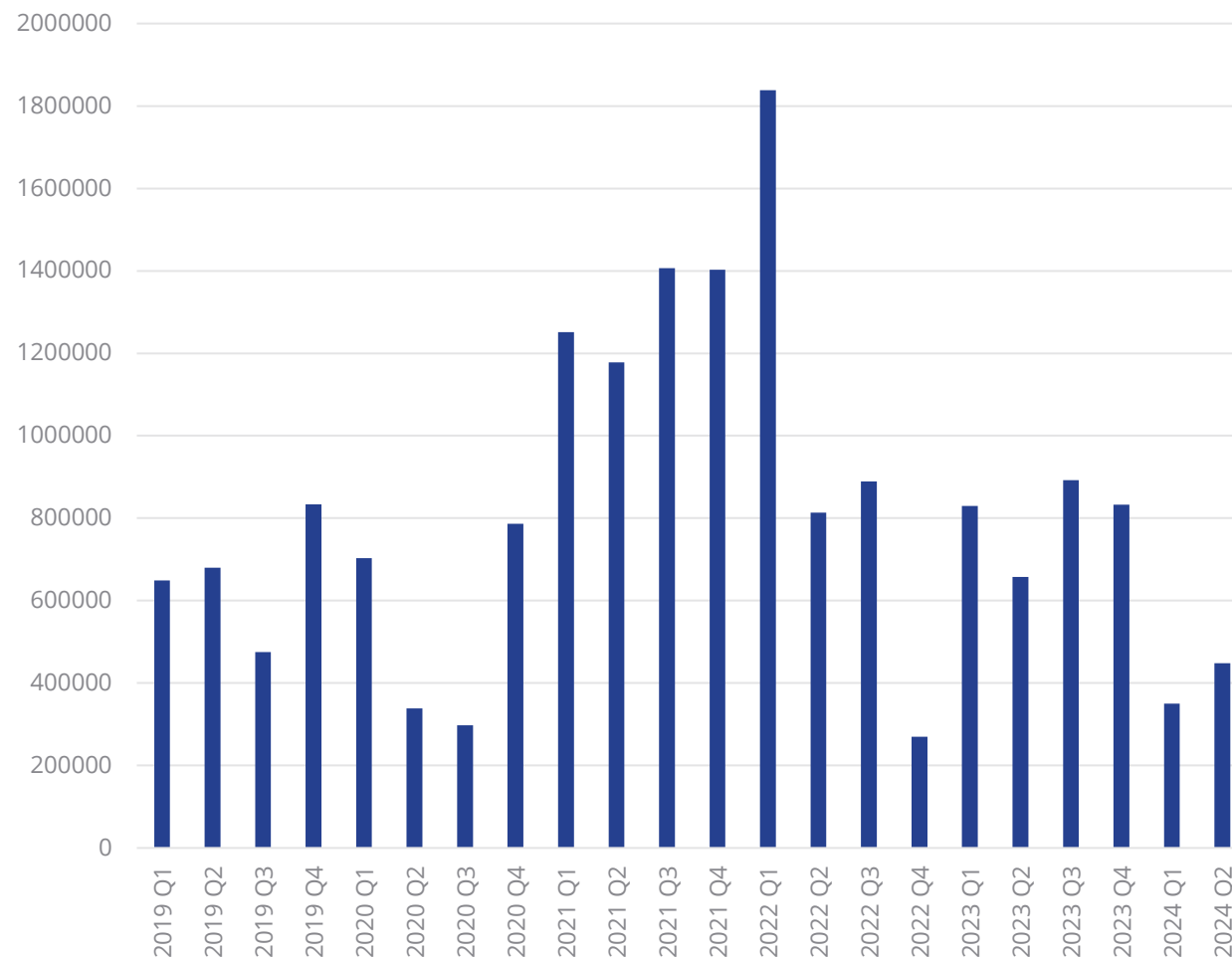
* Occupancy level of buildings under construction

** Buildings that did not have a signed lease at the start of construction

Newly started constructions

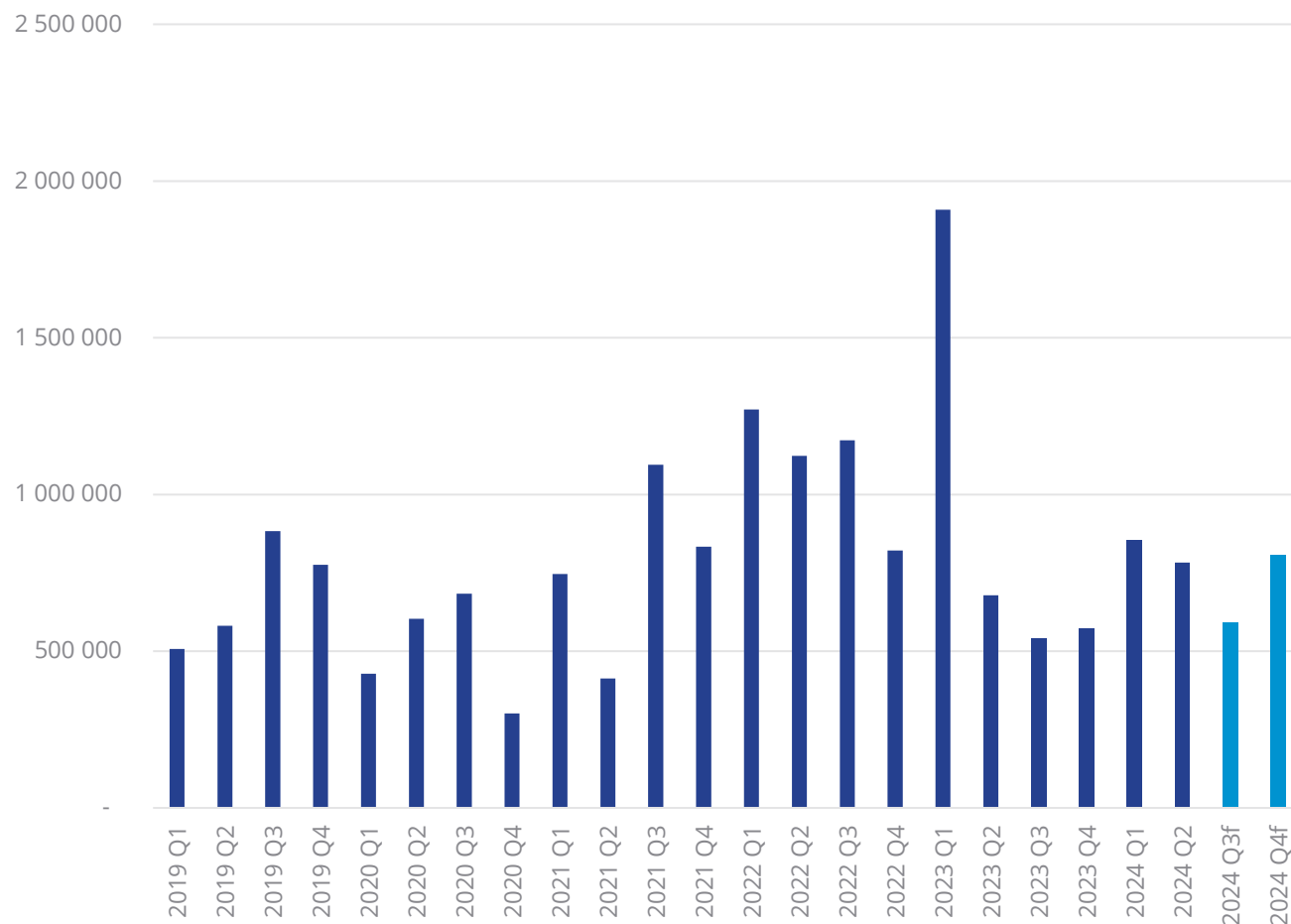
H1 2024

- Due to the relatively high availability of modern industrial and logistics space, developers initiated fewer new projects in H1 2024 (around 800,00 sqm) compared to the same period last year. This reduction, amounting to approximately 50%, occurred despite significant improvements in the construction market.
- It is noteworthy that the volume of space under construction remains relatively high, which supports ongoing market growth.
- The entry of a new major developer seeking to rapidly increase market share, or a decrease in the vacancy rate, could potentially drive an increase in new projects in the coming quarters.



New supply

Q1 2019 – Q4 2024

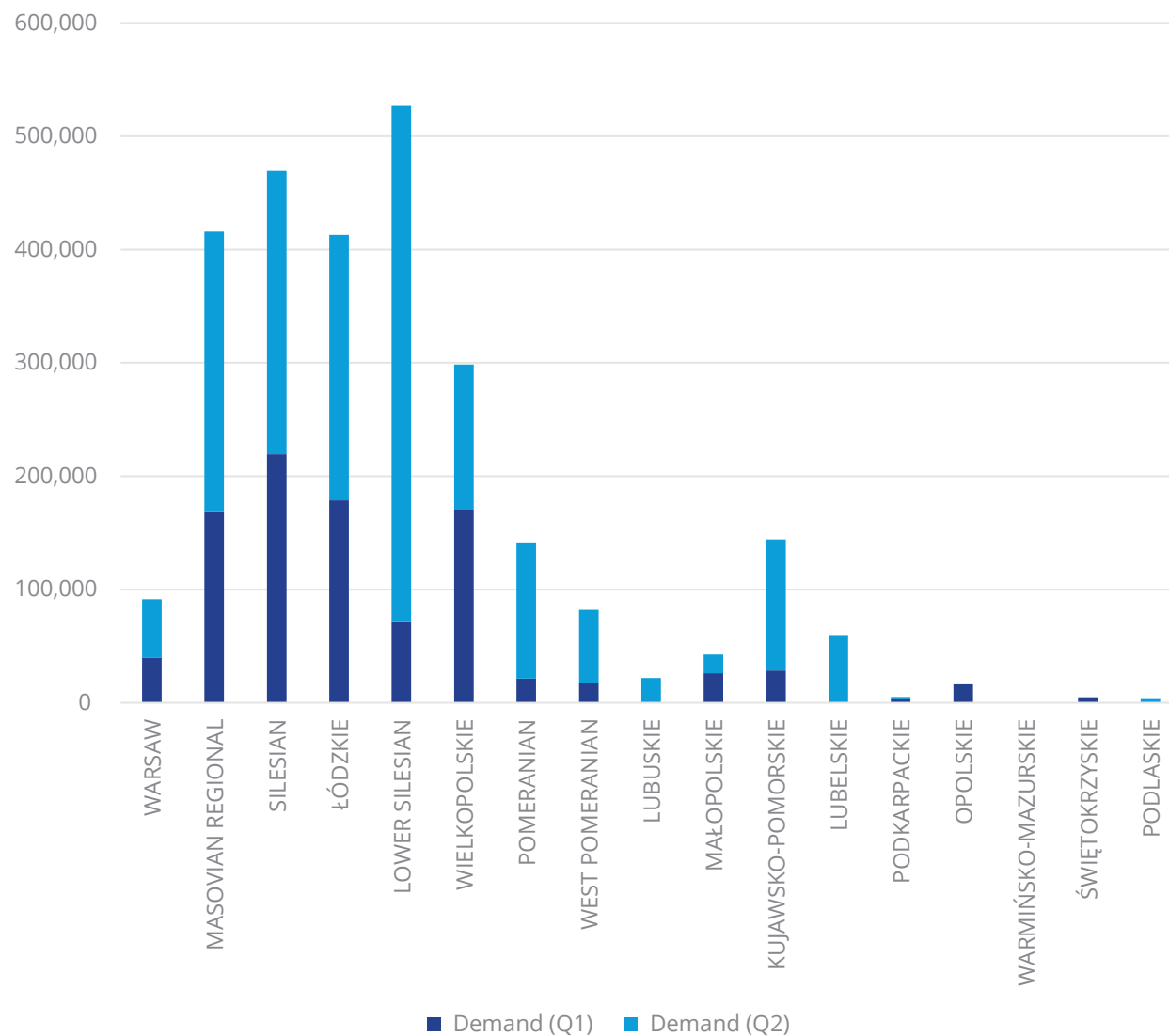


- In H1 2024, developers completed developments totalling approximately 1.6M m².
- The largest volume of new supply was registered in the Lower Silesian (425,000 m²).
- Forecasts indicate that in the following quarters the new supply should be at the level of 500,000 - 850,000 m² on average. A total of around 1.4 million m² should be delivered until the end of 2024.
- Taking into account the volume of new construction commencements, the entire year 2024 and H1 2025 should be characterised by a year-on-year decline.

Demand and its structure

H1 2024

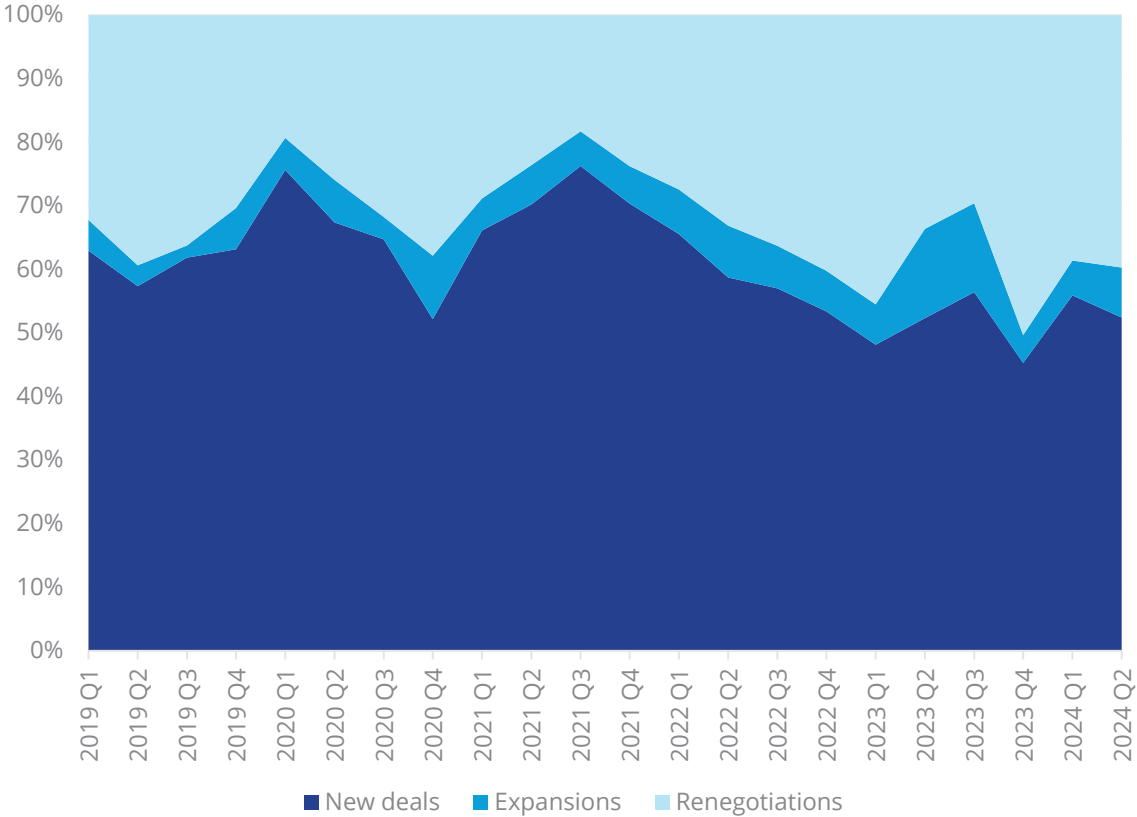
- Despite the low gross demand volume in Q1 2024, its value nearly doubled in Q2 (quarter-on-quarter), reaching 2.7 million m² in the first half of the year. This represents a year-on-year increase of over 20%.
- Net demand also saw a similar relative increase.
- Over the course of H1 2024 54% of demand was accounted for by new contracts 39% by renewals and 7% by expansions.
- 30% of space was leased by 3PL tenants.
- The highest volume of demand was registered in the Lower Silesian (527,000 m²), Masovian (507,000 m²) and Silesian (469,000 m²) voivodeships.



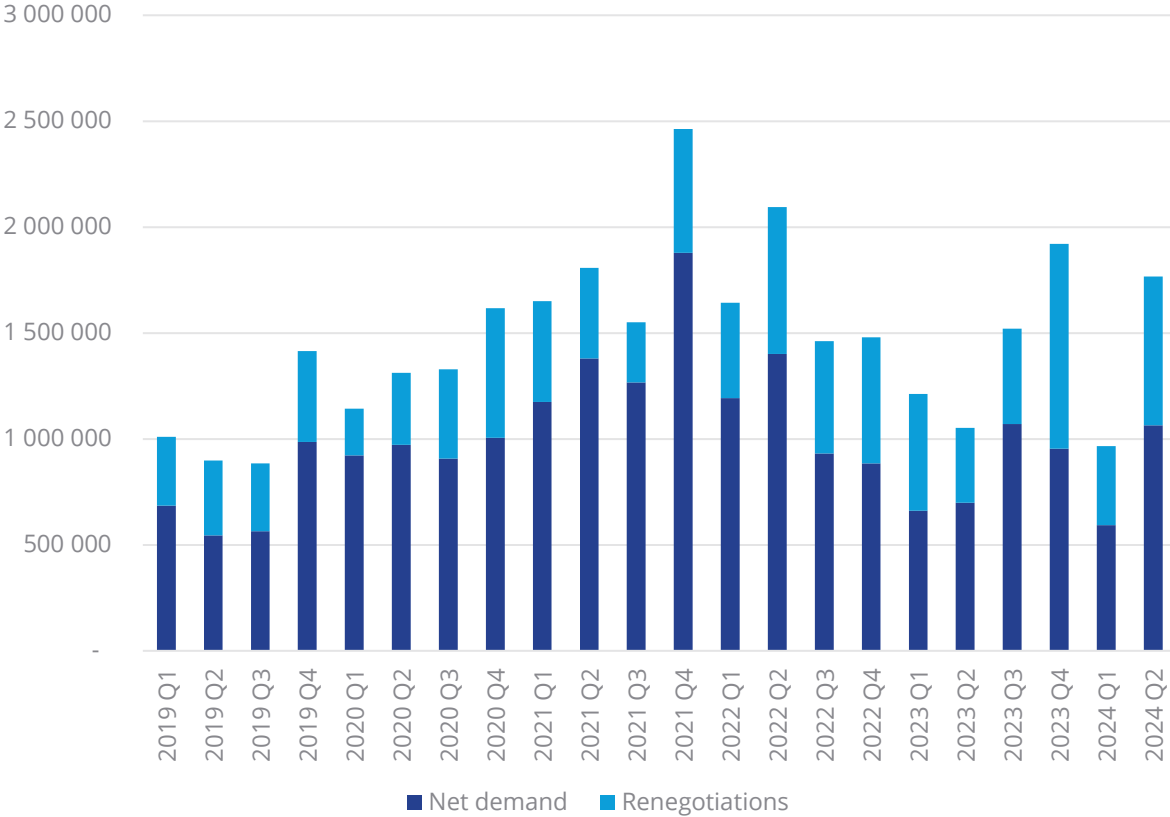
Historical structure of demand

Q1 2019 – Q2 2024

Structure of lease agreements



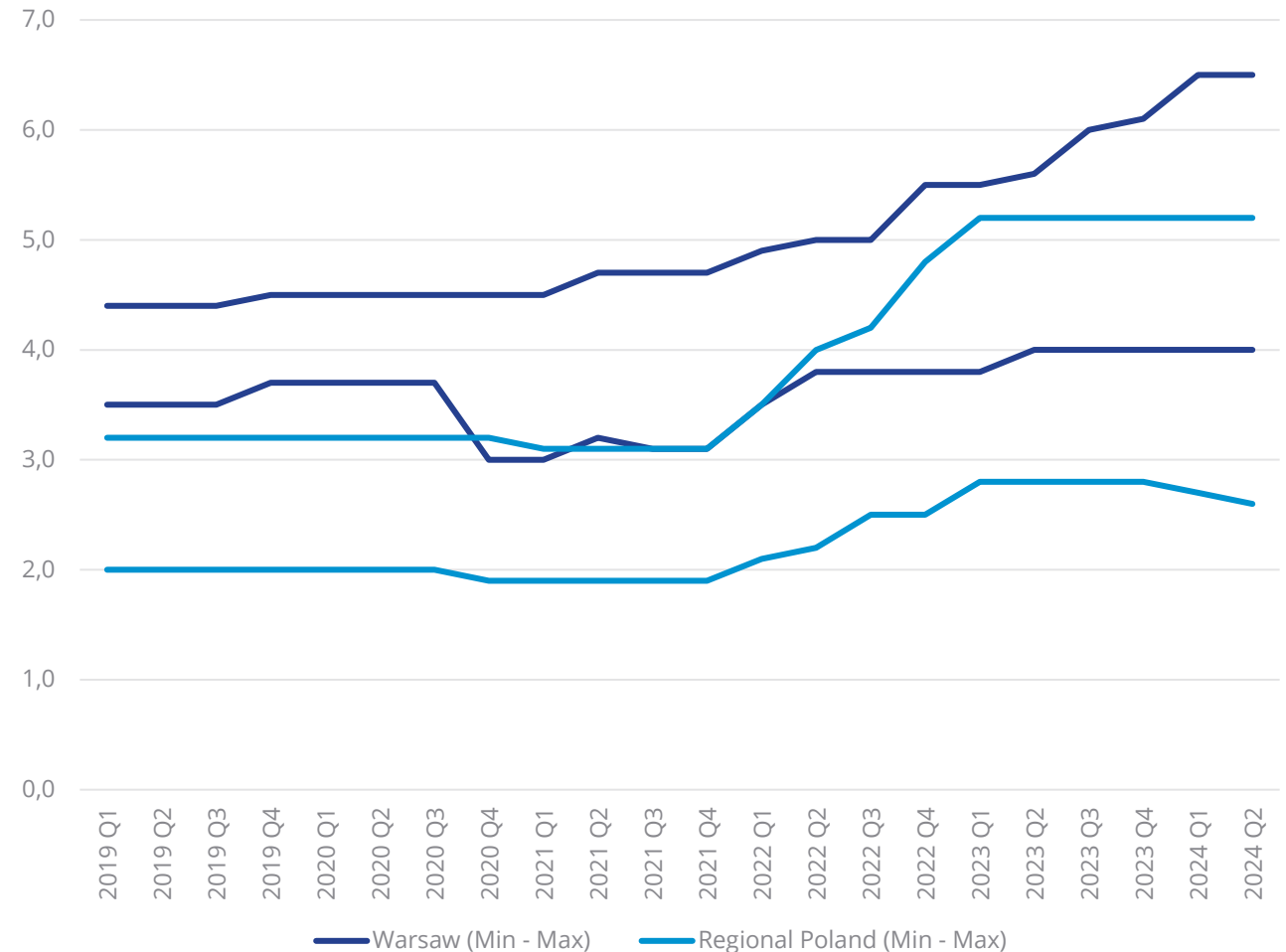
Net demand and renegotiations



Rental rates

Q1 2019 – Q2 2024

- Both base and effective rates have increased significantly since the beginning of 2022.
- This was a result of, among other things, rising fuel and construction material prices, higher project financing costs and deteriorating investment fund sentiment.
- Rental rates are currently stabilising, with some markets even experiencing declines.
- In Warsaw, effective and base rates were the highest in Poland (EUR 4.0 - 6.5 per m²/month and EUR 4.3 - 7.0 per m²/month respectively). In the other regional markets, they were EUR 2.6 - 5.2 per m²/month and EUR 3.1 - 5.9 per m²/month.





03

About Colliers

About Colliers



Countries we operate in

66



Annualized revenue

\$4,3 mld



Lease/sale transactions

46 000

In Poland Colliers has been operating since 1997. The company has been honored with many prestigious awards granted, among others in competitions: Eurobuild, CIJ Journal, CEE Quality Awards, International Property Awards.



Offices in Poland

7



Professionals

>500

More about us at [colliers.com](https://www.colliers.com)

Business lines:



Industrial and Logistics Agency



Office Agency - Tenant Representation



Office Agency - Landlord Representation



Retail Agency



PropTech



Define



Green Building Certification



ESG Advisory



Energy Advisory



Asset Services



Strategic Advisory



Valuation



Investment Services



Corporate Finance



Living Services



Land Agency



Flex Office



Building Consultancy



Legal Advisory



Research and Consultancy

Industrial and Logistics Agency

The most experienced team in Poland



27

Team members

27

Years of experience



> 8,000,000 m²

Leased industrial space

> 860,000 m²

Leased space in 2023

68%

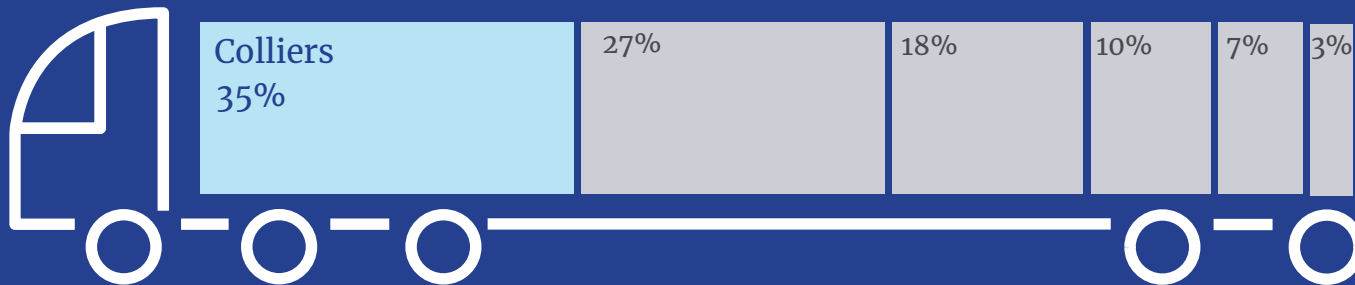
contracts are returning Clients



> 356 ha

Land transactions

Market share (2017-2023)



Currently we negotiate and renegotiate lease terms of

650,000 m²

Why Colliers?



Effectiveness

We have the highest market share in the Polish market. We guarantee successful negotiations.



Analyses

Preparation of all necessary analyses as well as other materials required by the Client.



Incentives

Assistance in the application process for investment incentives (cash grants, subsidies from labour office, etc.).



HR support

Assistance in drawing up the recruitment plan, consulting on the salaries and benefits.



Partners lining

Putting the Client in contact with local and central authorities, vocational schools, universities, job fairs, etc.



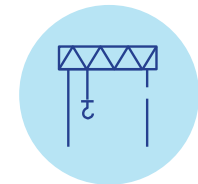
Legal assistance

Client creation and registration, corporate structure setup, tax and finance advisory, obtaining work permits, etc.



Timeline keepers

We create an optimal schedule for the project and ensure its on-time completion.



Construction supervision

Cost control, representing Client during construction councils, etc.



Contact



Paweł Nosal

Director

+48 603 764 412

pawel.nosal@colliers.com

Colliers | Industrial and Logistics Agency
Pl. Piłsudskiego 3 | 00-078 Warsaw | Tel. +48 22 331 78 00
warehouses.pl

Accelerating success.