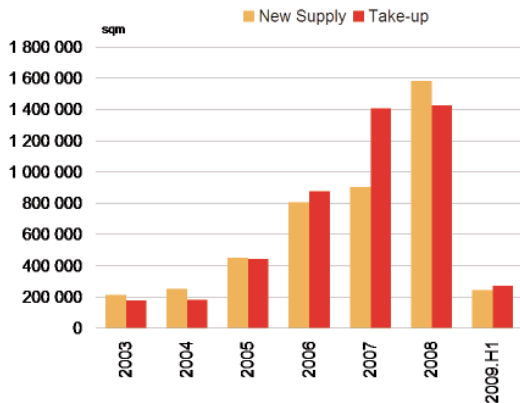


# Poland Warehousing Market Report

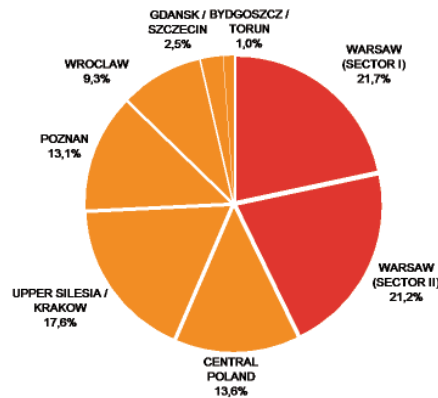
## Summer 2009

### Total new supply and take-up of warehouses



Source: Savills

### Regional distribution of warehousing stock



Source: Savills

**“Activity in 2009 appears significantly weaker compared to 2008, which was a strong year for the warehousing sector. The immediate outlook points to higher vacancy and downward pressure on rents, especially for the logistics sector. The longer-term outlook depends on the growth in industrial economy and the renewed resilience in the retail sector.”**



Brian Burgess FRICS, Managing Director

- Once again 2008 was a very successful year for the warehouse & logistics market in Poland, after two years of significant expansion. At the end of Q2 2009 the total stock of modern warehousing floorspace was about 6.045 million sqm, of which 1,580,000 sqm was added to the market in 2008.
- The warehousing market in Poland is divided into the two main Warsaw sectors plus the regional markets situated 100 km or more away from Warsaw.
- The rapid turnover growth of the regional markets was continued in 2008 - by 50% y-o-y, albeit less dramatically in Warsaw, where take-up in Sector 1 (0-20km around Warsaw) increased by 38% and in Sector 2 (20-100 km) by 36%.
- Total demand in 2008 was in line with 2007 level and amounted for over 1.42 million sqm. Intensive growth of the modern warehousing market in Poland was mainly encouraged by growing demand for the services of logistics and distribution companies. Significant part of demand comes from owner-occupiers seeking build-to-suit facilities.
- Take-up in H1 2009 has decreased significantly to the level of 268,900 sqm (62% lower than the quarterly average in 2008).
- H1 2009 saw a significant increase in the vacancy rates across all sectors, especially in the logistics sector.
- Rents are stable at €4.50-5.80 /sqm/month in Sector I, €2.80-3.50 /sqm/month in Sector II and €2.80-3.65 /sqm/month in the Regional Markets.

Savills  
Research

[savills.com/research](http://savills.com/research)



# Leasing market

## Economy

Under the effect of the global economic slowdown, GDP growth in Poland is projected to remain positive (at 0.4%) in 2009 and to rise by 1.4% in 2010. Compared with other CEE countries this is a relatively mild correction. The unemployment rate amounted at 11.0% in April 2009 and we anticipate that it will increase by 2.0 - 2.5% by the end of 2009.

## Leasing activity

### Demand and take-up

2008 was another year of strong activity in the warehouse & logistics market in Poland, mainly underpinned by domestic demand. New logistics operators and distribution centres have been established in order to service the growing consumer needs.

Total take-up of warehouses in 2008 amounted to over 1.42 million sqm, which was in line with 2007 level. Significant part of demand came from owner-occupiers seeking build-to-suit facilities. Regional submarkets continued to strengthen, supported by the improvement of infrastructure across the country.

Take-up in H1 2009 decreased significantly to the level of 268,900 sqm. Over 60% of the take-up has been recorded in Sector III, mainly in the area of Wroclaw and Upper Silesia.

### Supply and vacancy rate

The warehousing market is divided between Warsaw and the Regional markets situated further than 100 km from Warsaw. In 2007 - 2008 significant expansion of new supply was noted. At the end of H1 2009 the total stock of modern warehouses was about 6.045 million sqm. 813,000 sqm was added to the market in H1 2009.

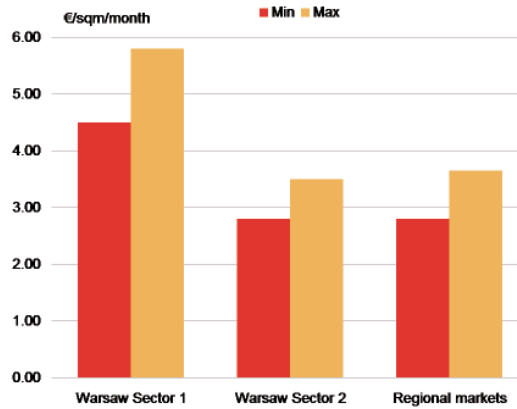
The average vacancy rate across the markets increased from 7.9% to 16.2% over the last 12 months.

In view of the rising vacancy rates, most developers prefer to offer 'build-to-suit' accommodation, than to start new developments on speculative basis. Most developers are now also focused on projects divided into smaller units.

### Rental levels

Headline rents have been stable since early 2008 and amount for €4.50 - 5.80 /sqm/month in Sector I, €2.80-3.50 /sqm/month in Sector II and €2.80-3.65 /sqm/month in Regional Markets. Effective rents are usually 5 - 7% lower where owners offer rent free periods. Service charges are similar in all sectors and amount for €0.80 - 0.90 /sqm/month.

## Rental levels



Source: Savills

## Warsaw Sector 1 (0-20km from Warsaw centre)

Sector 1	H1 2009	Annual change	Trend
Total stock (sqm)	1,295,000	38%	up
New supply (sqm)	30,100		up
Take-up (sqm)	37,900	-75%	down
Vacancy rate	8.1%		up

## Warsaw Sector 2 (21-100km from Warsaw centre)

Sector 2	H1 2009	Annual change	Trend
Total stock (sqm)	1,290,000	36%	up
New supply (sqm)	67,100		up
Take-up (sqm)	60,400	-22%	down
Vacancy rate	22.1%		up

Source: Savills

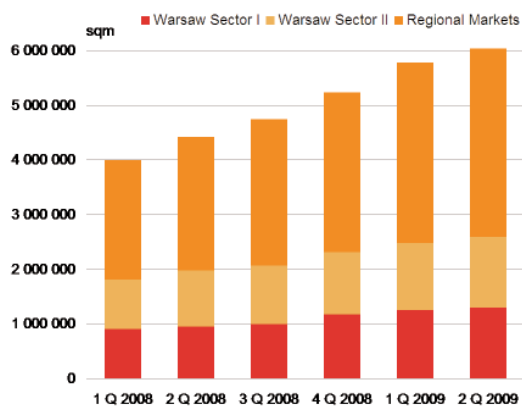
## Take-up in 2008 - 2009 by sector



Source: Savills

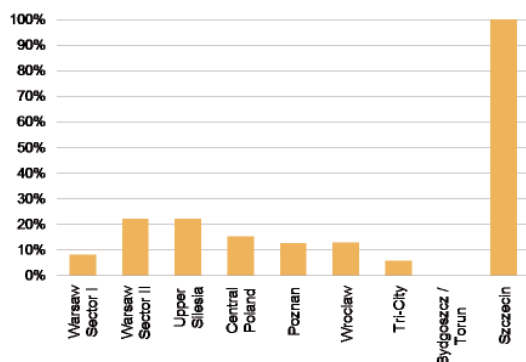
# Main logistics and warehousing submarkets

## Evolution of stock in 2008-2009



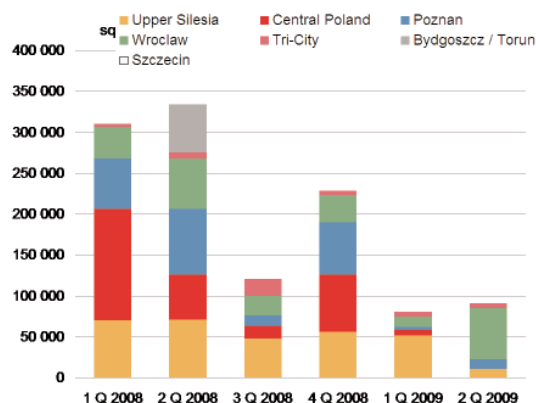
Source: Savills

## Vacancy rate



Source: Savills

## Take-up in Regional Markets in 2008 - 2009



Source: Savills

## Regional warehousing markets H1 2009

### Upper Silesia

Total stock	1,140,000 sqm
Completions in H1 2009	280,000 sqm
Under construction	78,200 sqm
Take-up in H1 2009	61,600 sqm
Vacancy rate	22.1%

### Central Poland (Lodz / Piotrkow)

Total stock	807,700 sqm
Completions in H1 2009	101,900 sqm
Under construction	13,100 sqm
Take-up in H1 2009	7,200 sqm
Vacancy rate	15.2%

### Poznan

Total stock	755,000 sqm
Completions in H1 2009	109,600 sqm
Under construction	17,100 sqm
Take-up in H1 2009	15,300 sqm
Vacancy rate	12.6%

### Wroclaw

Total stock	556,000 sqm
Completions in H1 2009	98,300 sqm
Under construction	81,300 sqm
Take-up in H1 2009	74,800 sqm
Vacancy rate	12.8%

### Tri-City

Total stock	102,000 sqm
Completions in H1 2009	-
Under construction	-
Take-up in H1 2009	11,600 sqm
Vacancy rate	5.7%

### Bydgoszcz / Torun

Total stock	59,000 sqm
Completions in H1 2009	20,000 sqm
Under construction	-
Take-up in H1 2009	-
Vacancy rate	0.0%

### Szczecin

Total stock	42,000 sqm
Completions in H1 2009	-
Under construction	-
Take-up in 2008	-
Vacancy rate	100.0%

# Outlook

## Outlook

Over the past few years, we have seen a rising number of European companies relocating their business to Central Europe, which has led to a significant expansion of the logistics and warehousing activity in the region. Poland has benefited from this trend, especially since the accession to the EU and the Schengen Zone. The country is becoming a regional hub for distribution operations due to its geographical position as well as due to its large population.

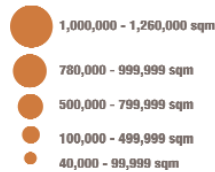
As a result of the recent global recession demand for modern warehouses decreased significantly over the last 6 - 9 months, however, we anticipate the demand to recover in the first half of 2010 driven mainly by the development of the new motorways across the country. We anticipate a more intensive expansion of the warehousing market in Warsaw area as well as in the Regional markets, mainly Upper Silesia and Central Poland (Lodz, Strykow and Piotrkow). We also expect that some new markets will emerge, such as Szczecin, Torun and Bydgoszcz, benefiting from the development of the new motorways across the country coupled with the availability of local workforce.

We anticipate that the rents will stabilise across the leading markets with a slight re-adjustment possible in secondary locations.

## Survey area



2009 Industrial warehouse stock in sqm



## For further information please contact



**Brian Burgess FRICS**  
Managing Director  
+48 22 330 06 34  
bburgess@savills.pl



**Patrycja Malicka**  
Industrial Agency  
+48 22 330 06 64  
pmalicka@savills.pl



**Damian Niedzielski**  
Industrial Agency  
+48 22 330 06 66  
dniedzielski@savills.pl



**Michal Stepień**  
Research Poland  
+48 22 330 06 41  
mstepien@savills.pl



**Eri Mitsostergiou**  
Research Europe  
+30 210 6996311  
emitso@savills.com

## Savills

Savills is a leading global real estate service provider listed on the London Stock Exchange. The company established in 1855, has a rich heritage with unrivalled growth. It is a company that leads rather than follows, and now has over 180 offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East. A unique combination of sector knowledge and entrepreneurial flair give clients access to real estate expertise of the highest calibre. We are regarded as an innovative-thinking company backed up with excellent negotiating skills. Savills chooses to focus on a defined set of clients, therefore offering a premium service to organisations with whom we share a common goal. Savills takes a long-term view to real estate and works hard to invest in long term and strategic relationships and is synonymous with a high quality service offering and a premium brand.

*This bulletin is for general informative purposes only. Whilst every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The bulletin is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills Research. (c) Savills Ltd August 2009*

Savills  
Research

[savills.com/research](http://savills.com/research)

savills