SPOTLIGHT
Savills Research

2024

Warehouse and industrial market in Poland

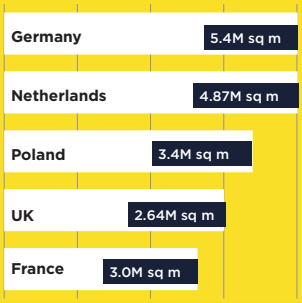
savills

2025 OUTLOOK

GLOBAL PERSPECTIVE

While trade tariffs seem to become increasingly likely as a result of the seemingly inevitable trade tensions between the U.S., the EU and China, the trend of nearshoring will gain momentum, with Poland among the most attractive alternative locations for manufacturing companies. In the past couple of years, Poland has ranked among the leaders in Europe in terms of demand volume, and seemingly our industrial and logistics market may fortify its position in TOP3.

2024 take-up in Europe Top5 country markets



LEASE RENEWALS

Tenants' propensity to keep current locations will remain strong, as fundamental occupier obstacles persist, and economic uncertainty imposed by the decisions of the new US administration has been compounded.

2024 – key data

34.54 million sq m
Stock of modern warehouse & industrial space in Poland

1.76 million sq m
Under construction
(down by 37% y-o-y)

5.83 million sq m
Gross take-up
(up by 4% y-o-y)

2.6 million sq m
New supply
(down by 30% y-o-y)

7.2%
Vacancy rate
(down by 90 bps compared to H1'24)

3.4 million sq m
Net take-up
(up by 1% y-o-y)

While challenges remain, the industrial market in Poland seems to have turned the corner.

Economic brief

After stagnating in 2023, Poland's economy has rebounded since the beginning of 2024, hence GDP showed a solid increase of 2.9% for the whole of 2024, according to estimates by Statistics Poland. Oxford Economics, in their prognosis from December 2024, expects Poland's GDP to grow by 3.3% and 4.0%, respectively in 2025 and 2026.

While in 2023 retail sales (measured in fixed prices) noted a negative dynamics of -2.7%, in 2024 consumer sentiment was more optimistic, and retail sales reached a healthy growth of 2.7% y-o-y. The value of online sales enlarged by approx. 6.5% compared y-o-y, while the share of spending on e-commerce in total retail sales averaged 8.9% in 2024.

After two years of double-digit growth, inflation softened considerably to an annual average of 3.6% in 2024. According to the forecast by Oxford Economics from December 2024, inflation in Poland is expected to accelerate slightly to 4.4% in 2025 (due to unfreezing of energy prices for households), followed by a drop to 3.6% in 2026.

In 2024, annual industrial production in Poland recorded an uptick of 0.5% y-o-y, after dwindling by 1.1% in 2023.

Stock and new supply

At the end of 2024, modern warehouse and industrial stock across Poland reached 34.54 million sq m. Over the year, approx. 2.6 million sq m of new space was added to the market which is a sharp fall of 30% y-o-y. The majority of new supply (63%) was provided in H1 2024, while the volume of new deliveries contracted notably towards the end of the year. In 2024, the occupancy rate in new deliveries averaged 61% upon completion and improved from 51% in the first quarter of the year to 76% in the last one.

The largest volumes of new space were delivered in Wrocław (24% of 2024 Poland's new supply which corresponds to 625,100 sq m), Warsaw zones I&II (17% meaning 454,300 sq m of which 80% in Warsaw II), and Central Poland (13% meaning 342,900 sq m).

Among the largest industrial parks completed in 2024 are P3 Wrocław (172,800 sq m in two buildings), CTPark Warsaw West (110,400 sq m in two buildings) and CTPark Gdańsk Port (118,200 sq m in two buildings). Notably, P3 Wrocław, after extension by an additional phase of 92,300 sq m in Q1 2025, will be the biggest BTS project fully occupied by one tenant – Shein – a global e-commerce operator.

One-fifth of the operating space is concentrated in Warsaw and its greater area and a further 53% is located in the following four major markets – Upper Silesia, Central Poland, Wrocław, and Poznań. Among secondary markets, Western Poland stood at 2.33 million sq and has grown by as much as 63% in the past 2 years. Four other secondary warehouse hubs have crossed the one million sq m threshold: Tricity, Szczecin, Kraków, and Eastern Poland.

What is interesting, more than 80% of the existing modern industrial and logistics stock in Poland was delivered to the market in the past five years

2025 OUTLOOK

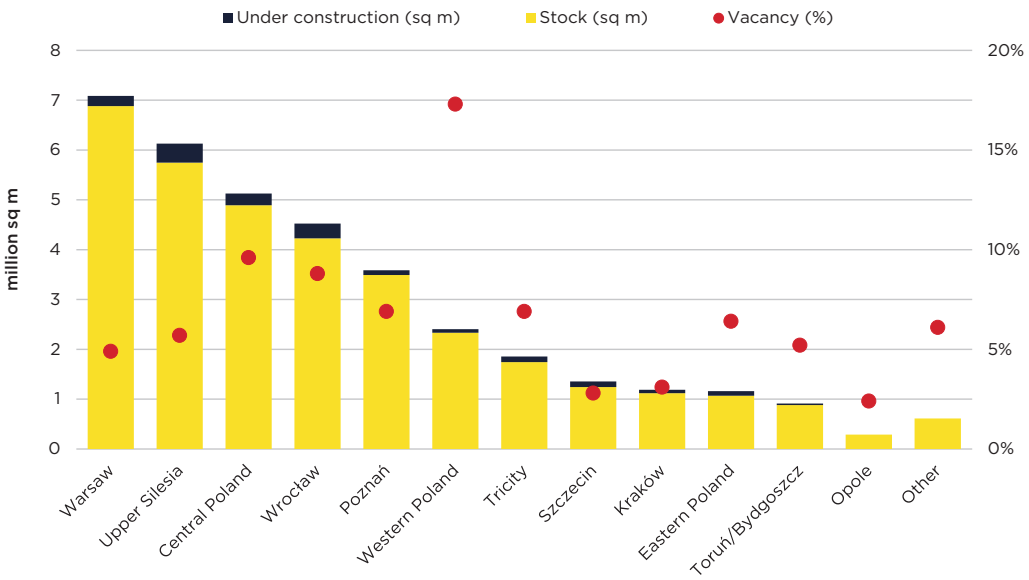
VACANCY RATES

Given the reduced volume of new projects along with stable demand for space, a downward trend in the vacancy rates is expected to continue, although some fluctuations may occur in shallow regional markets.

NEW SUPPLY

Developer activity is expected to remain stable in the coming months, due to a lower volume of speculative developments and prolonged time of securing tenants for new locations. In light of the accelerating nearshoring trend, Built-to-Suit industrial projects will gain importance and trigger the development of emerging industrial clusters across Poland. The most recent announcement of a 73,000 sq m BTS for BSH by Panattoni in Rzeszów (Eastern Poland) seems to support our beliefs.

Stock, under construction and vacancy, Q4 2024



Source Savills Research

(2020-2024) which translates into high quality and modern technical standards of space in Poland.

Developer activity

At the end of December 2024, around 1.76 million sq m of new industrial and logistics space was under construction which reflects a 37% slump y-o-y, and a 10% drop q-o-q. In 2024, developers commenced construction of 1.5 million sq m of new space, 54% less than in 2023. Over the course of 2024, the pool of speculatively built developments has reduced noticeably, with developers starting construction of new projects having secured a high pre-let ratio.

Hubs with the highest volumes of space under construction are Upper Silesia (383,000 sq m), Wrocław (295,100 sq m), Poland Central (232,300 sq m), and Warsaw I&II zones (206,500 sq m with 88% being developed in the greater area of the city).

Among the largest projects under way are Booster Zabrze by LemonTree (105,000 sq m), the next phase of P3 Wrocław BTS for Shein (92,300 sq m), GLP Wrocław V Logistics Centre (67,500 sq m), and Panattoni Park Sosnowiec Expo (62,100 sq m).

At the end of Q3 2024, the pre-let ratio in projects under construction averaged 53% and improved by 2 pp y-o-y.

Demand

In 2024, the gross take-up totalled 5.83 million sq m and noted an uptick of 4% compared y-o-y. After a tapered demand for space in Q3 2024, the final quarter of the year brought a marked revival in occupiers' activity. In the course of the year, net take-up (new leases and expansions of space) cumulated to 3.34 million sq m and was slightly higher (by 1%) than in 2023.

Major lease contracts include a new commitment of 126,000 sq m by a global e-commerce platform in Panattoni Park Wrocław Logistics South Hub, a 106,000 sq m renewal and expansion lease contract by Oponeo in Hillwood Stryków II, a new contract of 104,000 sq m in Bydgoszcz Białe Błota Logistics Centre by a leading Polish fashion retailer (LPP), and a 98,000 sq m renewal and expansion deal by LX Pantos in Prime Logistics Wrocław.

The key five markets attracted 78% of gross take-up, with Warsaw I&II (23%), Poland Central (17%) and Upper Silesia (17%) leading among the most sought-after locations. In terms of new leases and expansions, the industrial market in the capital city's area captured 24% of transacted space, followed by Poland Central (15%) and Upper Silesia (13%).

In 2024, the industrial and logistics sector noted an elevated portion of lease renewals (42%) in the total volume of leased space – the highest in the past ten years. Tenants are more inclined than before to keep locations they currently occupy due to a blend of decisive factors with lifted building costs hence higher occupational costs in new projects and tight regional labour markets, particularly in the leading industrial clusters, among the most crucial aspects.

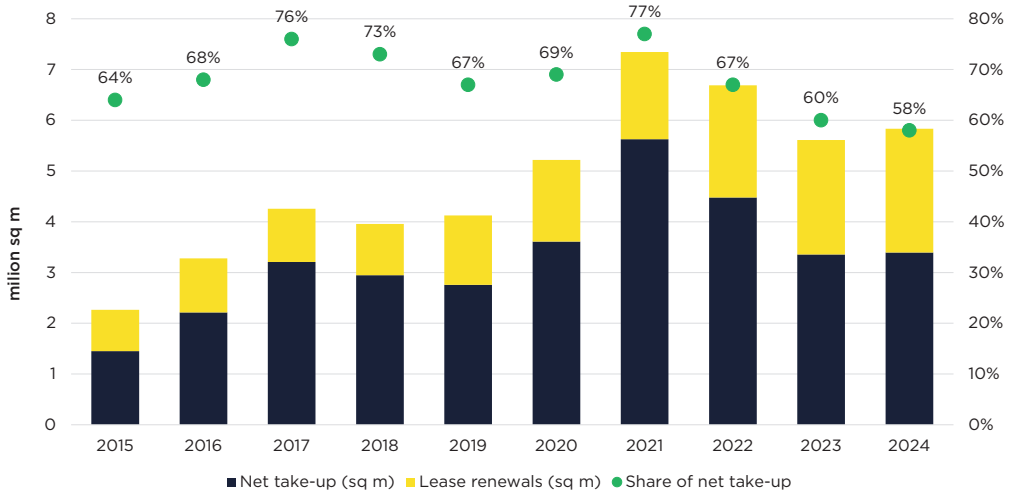
In 2024, net absorption amounted to approx. 2.4 million sq m, down by 5% y-o-y which was a great improvement after a slump of 39% noted during 2023.

Availability of space

At the end of 2024, around 2.49 million sq m of industrial space was available for immediate occupation, which is an equivalent of approx. 7.2% vacancy, the same level as noted a year ago. After a series of significant leaps in the vacancy rate noted over the previous couple of quarters, H2 2024 demonstrated an appreciable reduction in vacancy (by 90 bps in the period of July – December 2024).

The largest volumes of unoccupied space were reported in Poland Central (467,700 sqm), Western Poland (403,000 sq m) and Wrocław (371,000 sq m). The highest vacancy rates were noted in Western Poland (17.3%, down by nearly 4 pp q-o-q), Lublin (12.3%, - 35 bps q-o-q), and Central Poland (9.6%, down by 1.5 pp q-o-q). The markets

Take-up by type in Poland



Source Savills Research

with the largest volumes of speculative development (newly developed or progressing) are seeing the highest rates of vacant space.

The lowest availability of space was noted in the two emerging sub-markets of Eastern Poland: Białystok (lack of available space) and Rzeszów (2.4%), and in Opole (2.4%).

In the past 12 months, the sharpest decline in vacancies was reported in Szczecin – from 7.2% to 4.5% at the end of 2024. On the other hand, the availability of space has steeply climbed in Tricity (by 5.35 pp to 6.9%), Lublin (by 3.7 pp to 12.3%) and Wrocław (+3.4 pp to 8.8%)at the end of 2024.

Rents

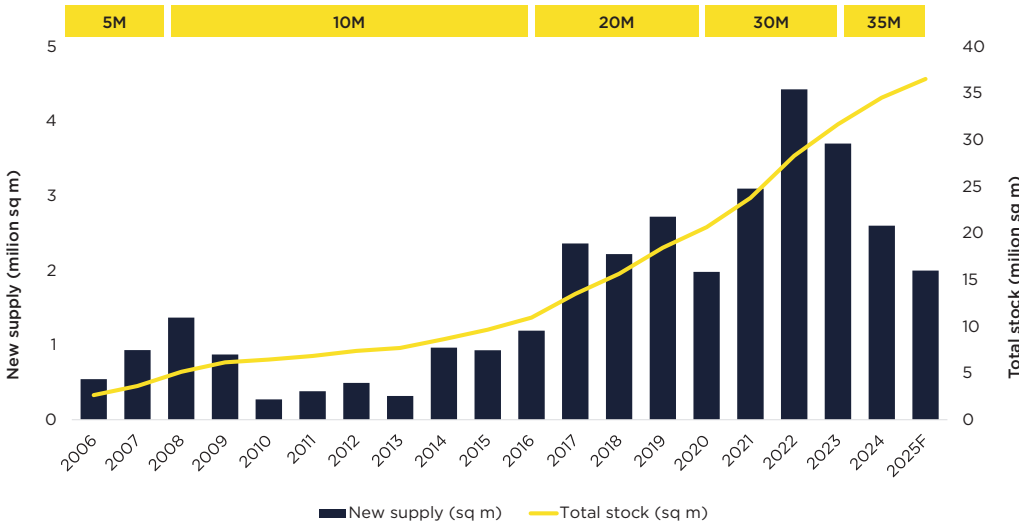
After steep surges in rental levels recorded over 2022 and H1 2023, since autumn 2023 the pace of growth has slowed down, and rental levels stabilised on most of the markets.

In the course of 2024, rents remained relatively unchanged, with minor upwards evident only for prime projects in the most sought-after locations. Headline rents for standard big box units ranged between €3.50 and €6.75/sq m/month at the end of 2024. The highest rental levels are being asked by landlords in Warsaw city (up to €6.75/sq m/month for a standard space in city logistics locations), while Kraków (up to €5.90/sq m/month in the last mile logistics projects) and the Tricity (up to €5.50/sq m/month in the locations next to a Baltic Hub sea-port) have followed trends seen in the capital. Small business units of less than 1,000 sq m are traded at higher rents.

More evident corrections have been noticed in effective rental levels as a result of the still elevated availability of space in selected locations, which implies stronger pressure on tenant incentives pool. At the end of 2024, effective rents spanned €2.75 - €5.80/per sq m/month for multi-tenant and big box type units.

Rents for high technical specification assets (e.g. production facilities) or BTS schemes achieve higher levels and are dependent on the level of improvements applied.

Evolution of warehouse stock in Poland



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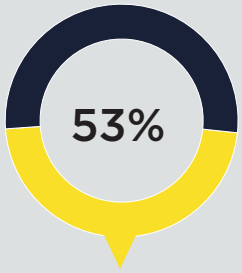
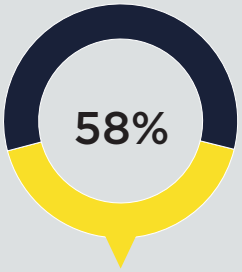
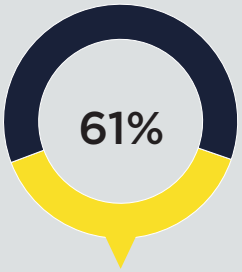


Pre-let ratio in under construction projects (Q4 2024)

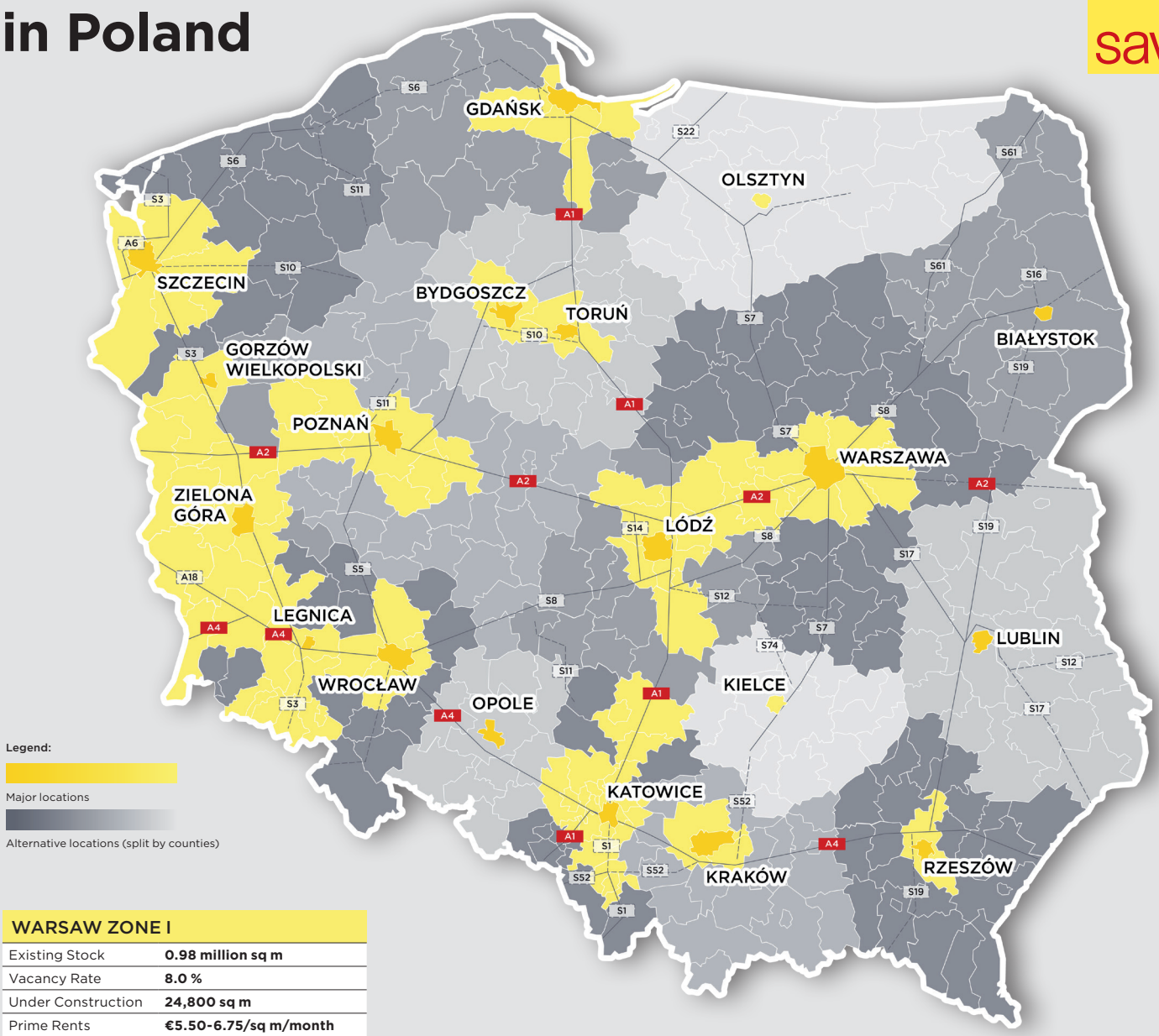


Share of net take-up (2024)



Average occupancy ratio in delivered projects (2024)

Industrial hubs in Poland



WARSAW ZONE I	
Existing Stock	**0.98 million sq m**
Vacancy Rate	**8.0 %**
Under Construction	**24,800 sq m**
Prime Rents	**€5.50-6.75/sq m/month**

WARSAW ZONE II	
Existing Stock	**5.9 million sq m**
Vacancy Rate	**4.4 %**
Under Construction	**181,800 sq m**
Prime Rents	**€4.00-5.00/sq m/month**

UPPER SILESIA	
Existing Stock	**5.755 million sq m**
Vacancy Rate	**5.7%**
Under Construction	**383,000 sq m**
Prime Rents	**€4.20-5.30/sq m/month**

CENTRAL POLAND	
Existing Stock	**4.9 million sq m**
Vacancy Rate	**9.6 %**
Under Construction	**232,300 sq m**
Prime Rents	**€3.60-4.50/sq m/month**

WROCŁAW	
Existing Stock	**4.23 million sq m**
Vacancy Rate	**8.8%**
Under Construction	**295,100 sq m**
Prime Rents	**€4.00-4.80/sq m/month**

POZNAŃ	
Existing Stock	**3.49 million sq m**
Vacancy Rate	**6.9%**
Under Construction	**156,600 sq m**
Prime Rents	**€3.80-4.70/sq m/month**

WESTERN POLAND	
Existing Stock	**2.33 million sq m**
Vacancy Rate	**17.3 %**
Under Construction	**71,800 sq m**
Prime Rents	**€3.80-4.30/sq m/month**

TRICITY	
Existing Stock	**1.74 million sq m**
Vacancy Rate	**6.9%**
Under Construction	**110,300 sq m**
Prime Rents	**€4.20-5.50/sq m/month**

SZCZECIN	
Existing Stock	**1.24 million sq m**
Vacancy Rate	**2.8%**
Under Construction	**114,000 sq m**
Prime Rents	**€4.10-4.70/sq m/month**

EASTERN POLAND	
Existing Stock	**1.07 million sq m**
Vacancy Rate	**6.4%**
Under Construction	**90,800 sq m**
Prime Rents	**€4.00-5.05/sq m/month**

KRAKÓW	
Existing Stock	**1.12 million sq m**
Vacancy Rate	**3.1 %**
Under Construction	**66,800 sq m**
Prime Rents	**€5.00-5.90/sq m/month**

OPOLE	
Existing Stock	**0.29 million sq m**
Vacancy Rate	**2.4%**
Under Construction	**0 sq m**
Prime Rents	**€4.00-4.30/sq m/month**

OTHER	
Existing Stock	**0.61 million sq m**
Vacancy Rate	**6.1%**
Under Construction	**0 sq m**
Prime Rents	**€3.80-4.20/sq m/month**

Source Savills

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