

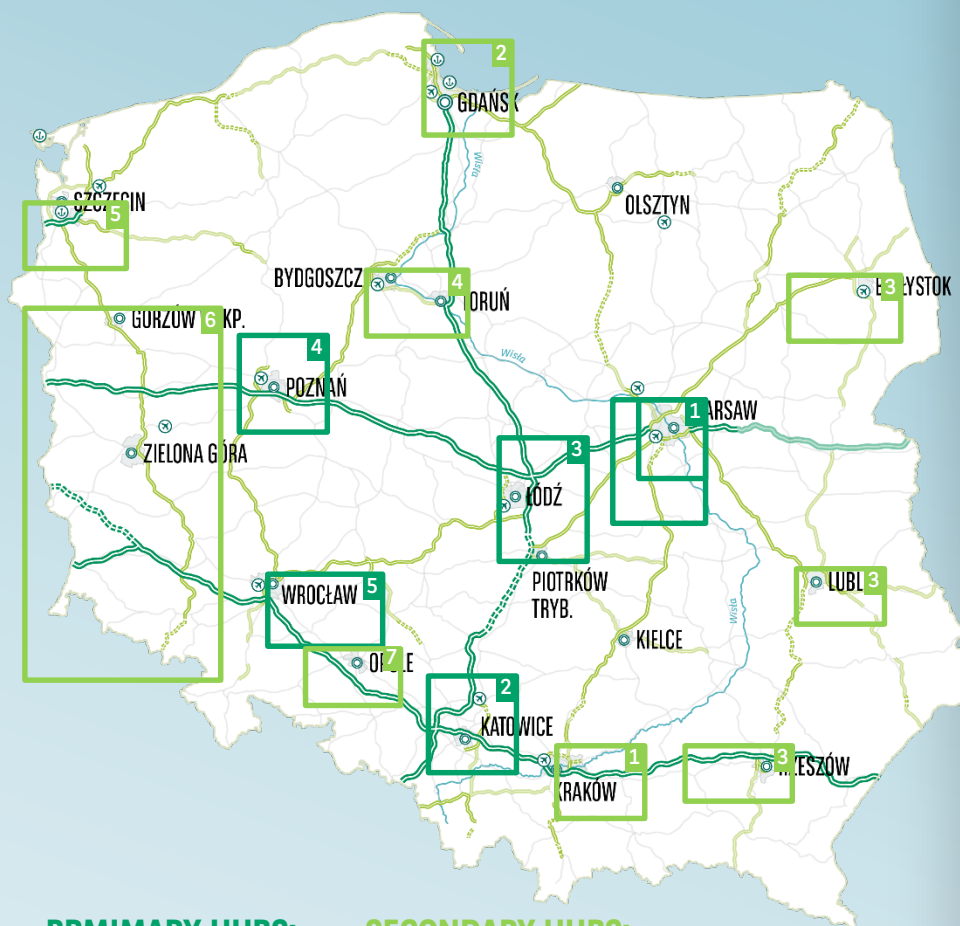
AT A GLANCE

Q3 2021

INDUSTRIAL AND LOGISTICS MARKET IN POLAND



MAP OF INDUSTRIAL AND LOGISTIC HUBS AND THE ROAD NETWORK



PRIMARY HUBS:

1. Warsaw I & II
2. Upper Silesia
3. Central Poland
4. Poznań
5. Lower Silesia

SECONDARY HUBS:

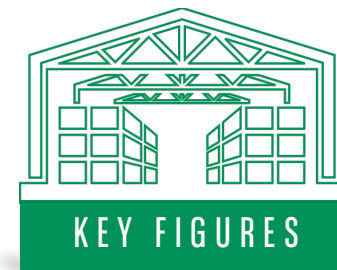
1. Kraków
2. Tricity
3. East
4. Bydgoszcz / Toruń
5. Szczecin
6. West
7. Opole

- existing highways
- under construction highways
- planned highways
- existing expressways
- under construction expressways
- planned expressways
- national road
- airports
- seaports

Source: BNP Paribas Real Estate Poland

Key information

- Quarterly record of new supply in Q3 2021 – almost 1.1 million sqm
- Record gross demand registered in whole 2021 – almost 4.9 million sqm
- Record space under construction in Q3 2021 – over 3.7 million sqm
- Decreasing vacancy rate – 5.0% (down by 3.5 p.p. compared to Q3 2020)



KEY FIGURES

23.0 M sqm
EXISTING INDUSTRIAL AND LOGISTICS SPACE

1.1 M sqm
NEW SUPPLY

5.0%
AVERAGE VACANCY RATE

1.15 M sqm
VACANCY SPACE

3.7 M sqm
SPACE UNDER CONSTRUCTION

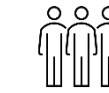
1.47 M sqm
GROSS DEMAND

3.3 M sqm
ABSORPTION

3.40 – 5.25
PRIME HEADLINE RENT (EUR/sqm/month)

Source: BNP Paribas Real Estate Poland

Economic indicators



GDP* (forecast for Q4 2021)

6.6%



Unemployment rate (September 2021)

5.6%



Average gross salary (Business sector, September 2021)

5,841 PLN



Labour cost (2020)

11 EUR/h

*quarterly average (% y/y)

Source: BNP Paribas, Statistics Poland, Eurostat

Expert comment



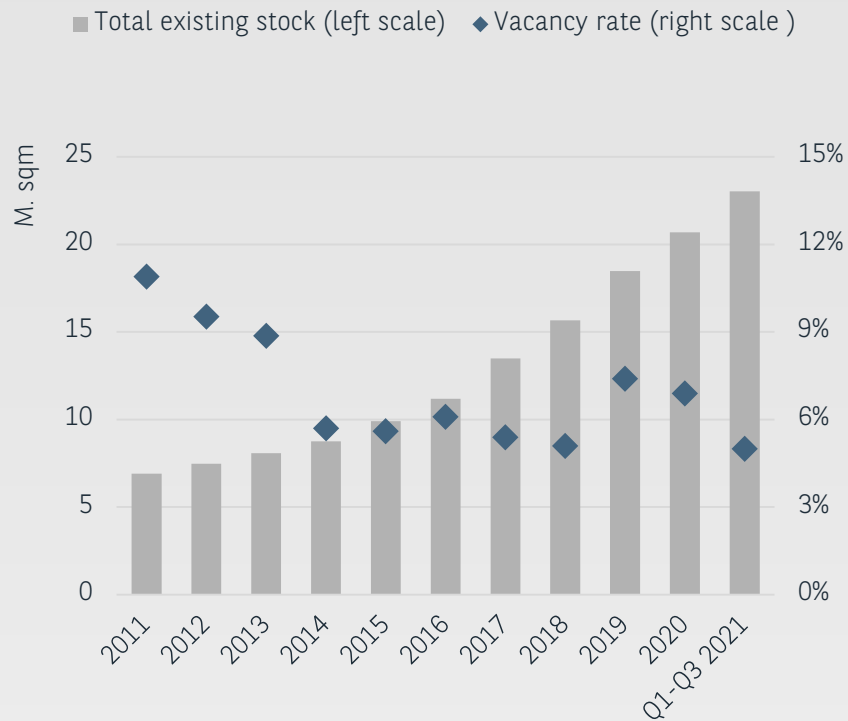
Igor Roguski

Head of Industrial and Logistics
BNP Paribas Real Estate Poland

ESG – the main factor influencing changes in the industrial and logistics real estate market

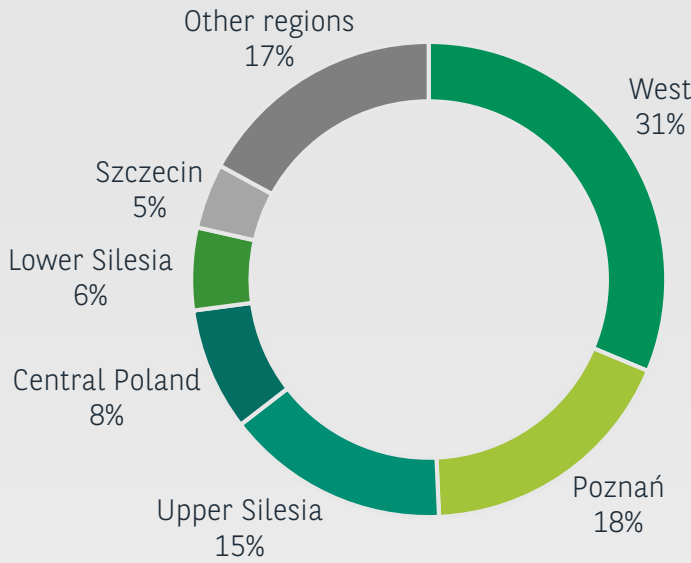
Real estate is one of the key industries for the implementation of the **European Green Deal**. In addition to EU regulations, it is important for investors and tenants to be aware in terms of necessity for striving for climate neutrality. The industrial and logistics space market is building a strong position in the sustainable construction segment as a consequence of the carbon footprint reduction strategies implemented by its users. Solar panels, charging stations for electric vehicles, LED lighting, biologically active spaces are just some of the solutions that fit into the new standard of implemented and planned facilities.

Stock and vacancy rate



Source: BNP Paribas Real Estate Poland

New supply



Source: BNP Paribas Real Estate Poland

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Top 3 lease agreements

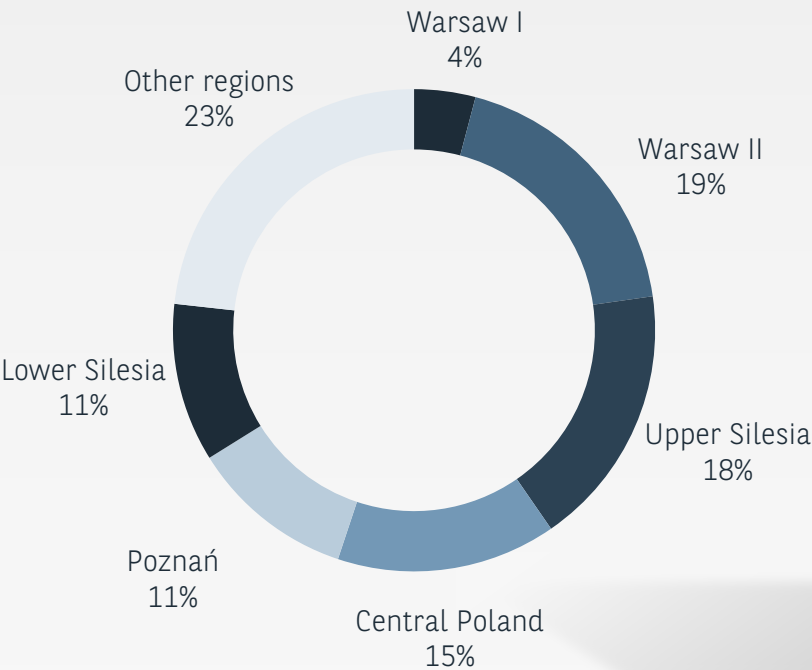
TENANT	BUILDING	HUB	AREA LEASED (sqm)	TYPE OF LEASE
1 Conf. client	Hillwood Bydgoszcz	Bydgoszcz/Toruń	104,400	new
2 Jysk	Logistic City – Piotrków Distribution Center	Central Poland	70,000	renewal
3 Fiege	7R Park Goleniów II	Szczecin	53,600	new

Source: BNP Paribas Real Estate Poland

”

Along with the increase in the volume of new supply, the vacancy rate decreases. At the end of Q3 2021 it reached a level of 5.0%, which means a decrease by 3.5 p.p. compared to the same period last year and by 0.8 p.p. compared to the previous quarter of 2021. Extremely dynamic development of the industrial and logistics sector is being observed in almost all Polish regional markets. Almost 70% of all investments currently under construction are being built in the main regions: Warsaw I and II, Upper Silesia, Central Poland, Poznań and Lower Silesia. Developers have also started new projects in smaller regions: Bydgoszcz/Toruń and Szczecin.

Share of industrial and logistics market by hub



Source: BNP Paribas Real Estate Poland

Expert comment



Wojciech Nowicki

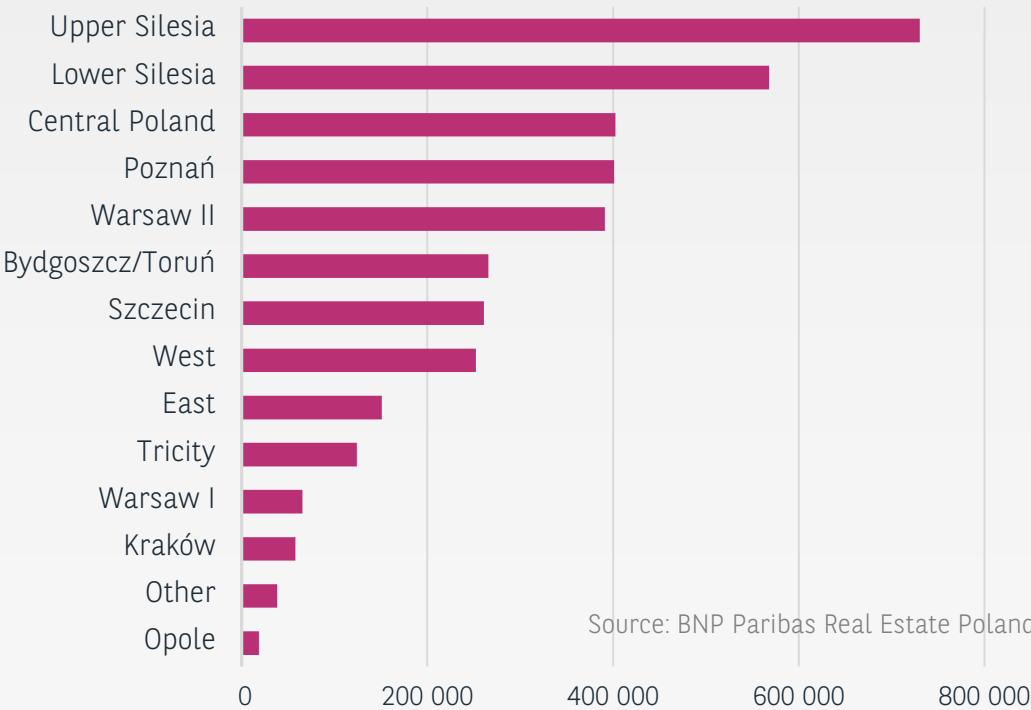
Associate Director, Industrial and Logistics
BNP Paribas Real Estate Poland

Development of courier services

Continuously, the development of the e-commerce sector in Poland is one of the main factors stimulating the demand for logistics space.

Companies operating in the field of courier services are the beneficiaries of this trend. The consumer market has got used to deliveries for the next working day. In search of competitive advantages, with increasing boldness, operators begin to offer the same day delivery, even within 10-15 minutes from the moment of placing the order. As a consequence, there are new reloading points established as part of the existing distribution network.

Industrial and logistics space under construction



Source: BNP Paribas Real Estate Poland

The volume of space under construction is currently the highest since records began, and amounts to over 3.7 million sqm, of which almost 60% is already secured by lease agreements.

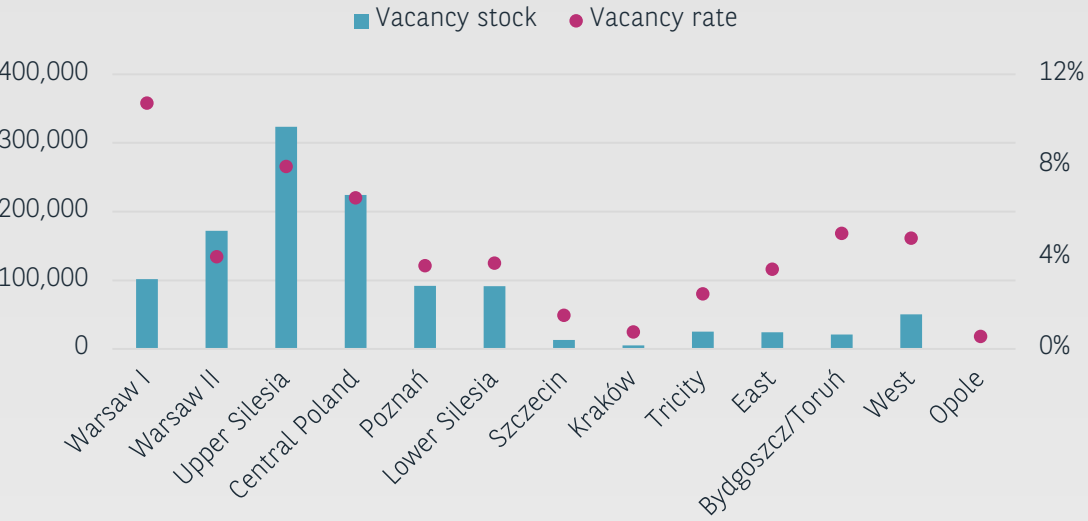
Major schemes under construction

BUILDING	HUB	AREA (sqm)
1 GLP Łędziny Logistics Centre	Upper Silesia	111,500
2 Hillwood Bydgoszcz	Bydgoszcz /Toruń	104,400
3 P3 Poznań II	Poznań	97,200

Source: BNP Paribas Real Estate Poland

In Q3 of 2021, approximately 730,000 sqm of industrial and logistics space is under construction in the Upper Silesia zone, which is a record volume solely within one zone. The largest projects under construction in this zone are: GLP Łędziny Logistics Center (111,500 sqm), Panattoni Park Sosnowiec III (82,000 sqm) and Panattoni Park Ruda Śląska III (65,000 sqm).

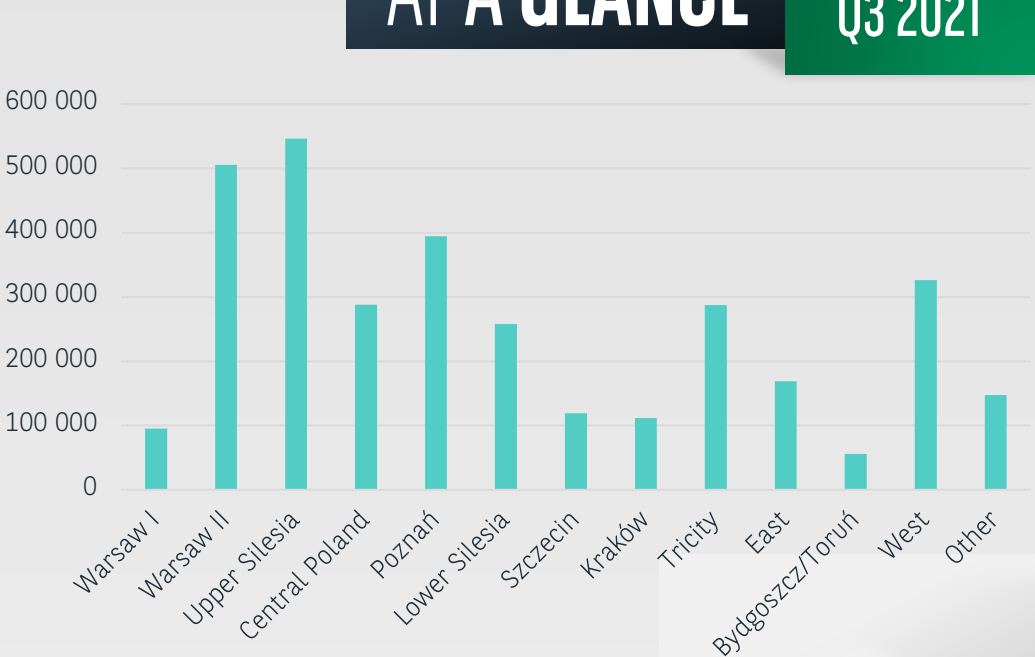
Vacancy rate



Source: BNP Paribas Real Estate Poland

A high interest in industrial and logistics spaces ensures a low vacancy rate. At the end of Q3 2021, it was at the level of 5.0%, which means a decrease by 3.5 p.p. (y/y) and 0.8 p.p (q/q).

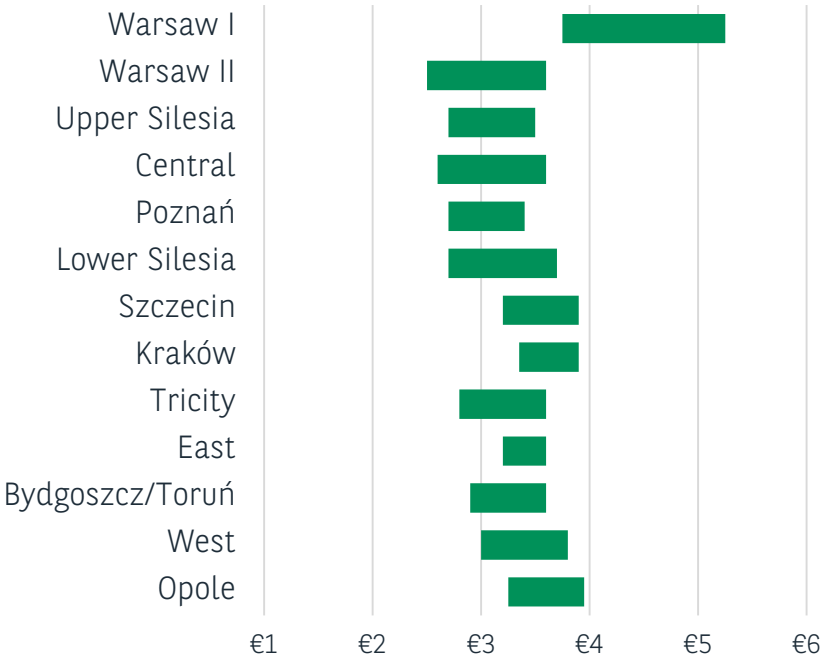
Absorption*



*Absorption=relationship between vacant space and available space between quarters
Source: BNP Paribas Real Estate Poland

AT A GLANCE Q3 2021

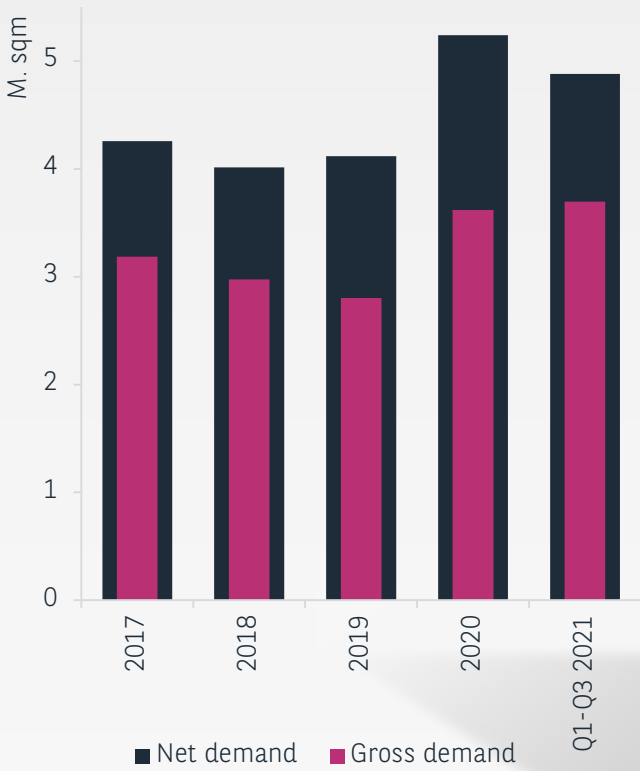
Hedaline rents by hub (EUR/sqm/mth)



Source: BNP Paribas Real Estate Poland

Base headline rents in Q3 2021 have not changed and remain stable at EUR 3.75-5.25/sqm/month in the Warsaw I zone and EUR 2.50-3.95/sqm/month in other regions of the country. In the coming months, we can expect developers to be less willing to negotiate rents due to high demand and a low vacancy rate.

Demand structure



Source: BNP Paribas Real Estate Poland

Expert comment



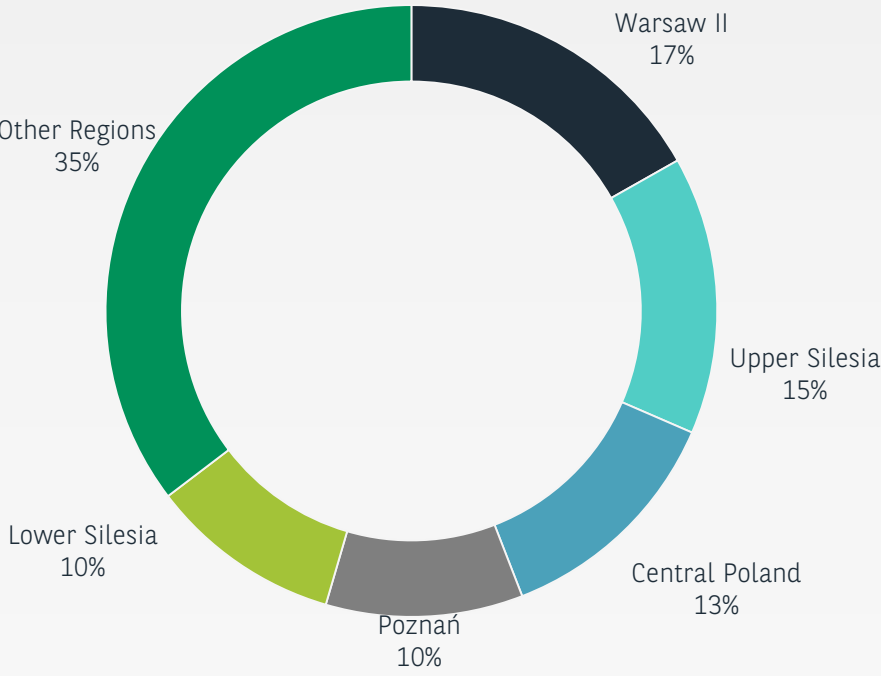
Robert Pawłowski

Associate Director, Industrial and Logistics,
BNP Paribas Real Estate Poland

Exceptional forecasts for the development of the industrial and logistics market

With the current YoY increases, it is expected that by 2030 the supply of industrial and logistics sector in Poland will increase from the current 23 million sqm to approx. 30 million sqm. The ideal location of Poland, which serves as an international hub for many companies, with warehousing facilities launched in the proximity of new sections of motorways and expressways, as well as increasing investments in production facilities, and further digitization and automation of logistics processes, allow us to be optimistic about the future. We are observing an extremely dynamic development of the logistics sector in almost all regional markets within Poland.

Gross demand by hub



Source: BNP Paribas Real Estate Poland

Top 3 tenant sectors

(by share in the gross demand)



In Q3 2021, the most active tenants, as in previous quarters, were logistics operators 3PL (Third Party Logistics), companies from the e-commerce sector and tenants from the retail sector, which combined demand accounted for over 43% of gross demand in the analyzed period. AliExpress, a platform belonging to the Alibaba Group, has opened its first logistics centre in Poland at Panattoni Park Łódź West. It is the largest investment completed by AliExpress in the Central and Eastern Europe region.



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