BNP PARIBAS REAL ESTATE

Real Estate
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world

RESEARCH

At a glance Q2 2019

INDUSTRIAL & LOGISTICS MARKET* REVIEW, POLAND

Over the 2017-2018 period, the total stock of the modern warehouse and logistics spaces in Poland grew by over 40%. The fast development of the industrial market was maintained in H1 2019. A record volume of new supply, high demand and the enormous amount of space under construction suggest that the trend will continue. Nevertheless, at the beginning of the year, the vacancy rate rose slightly and growing construction costs still impact on the rental levels.

16.75m m²
Modern industrial & logistics stock

SUPPLY

In 2017 and 2018, the total leasable space delivered to the market amounted to 2.4m sqm and 2.2m sqm respectively. The rapid pace of growth was also noted over the first six months of 2019. Between January and June the total existing stock in Poland increased by almost 1.1m sqm and reached 16.75m sqm at the end of June. It is the highest ever volume of new supply recorded in H1 alone.

The shortage of available sites in the best locations motivates developers to seek alternatives. Good access to high speed roads remains a key factor. The best examples of such schemes are the recently finished Hillwood Zalando in Olsztynek (located next to the S7 route) and Panattoni S5 North Gate Wrocław, the construction of which was commenced in H1, close to the newly opened expressway to Poznań.

NEW

1,087,400 m²
Total stock delivered in H1 2019

UNDER CONSTRUCTION

The impressive volume of new supply delivered over the last two and half years did not deter developers from starting further projects. The stock under construction jumped to 2.2m sqm at the end of June. It represents almost the same level as of June 2018 when the highest ever result in terms of pipeline volume was recorded. The largest portion of the constructed stock will be delivered to Upper Silesia (562,000 sqm), Warsaw II (363,500 sqm), Central Poland (357,000 sqm) and Lower Silesia (325,300 sqm). All primary clusters comprise over 80% of the total space under construction.

2,245,100 m²
Under construction

VACANCY RATE

Compared to the situation at the end of 2018, the overall vacancy rate increased by 0.3 p.p. and has reached a level of 5.4%. However, in the context of a record growth of new supply in previous years, the share of available space still remains at a relatively low level. The shortage of free space also results from the popularity of BTS schemes and the high volume of pre-let agreements. The schemes under construction are currently 60% leased on average. However, warehouses are often almost fully let upon completion.

5.4%
Vacancy rate, Q2 2019

RENTS

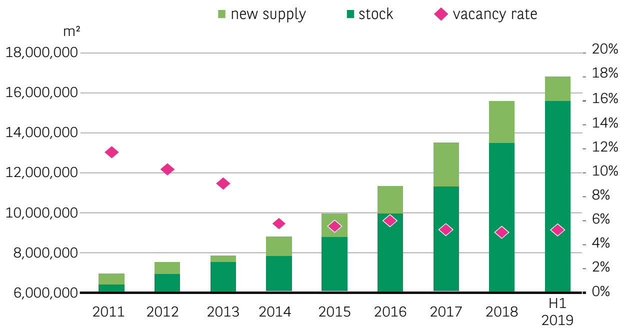
As a result of increasing labour and constructions costs coupled with high level of demand, the rental level in the industrial sector exhibited an upward trend. It especially applied to the headline rent. Generally, landlords aimed to keep the headline rates at a high level. In order to achieve this, they become even more willing to offer attractive incentives, reducing effective costs.

The high volume of new supply and the large pipeline volume prevent the rapid growth of rental costs to some extent. This will allow the market balance to be maintained in the short term.

2.50 – 5.35 EUR
Headline rent range (sqm/month)

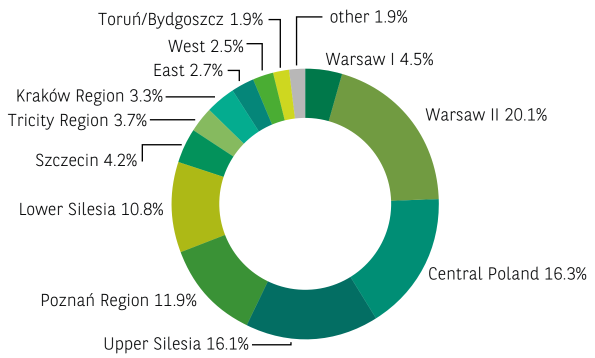
*Stock was revised at the beginning of 2019

Vacancy rate, modern industrial and logistics stock



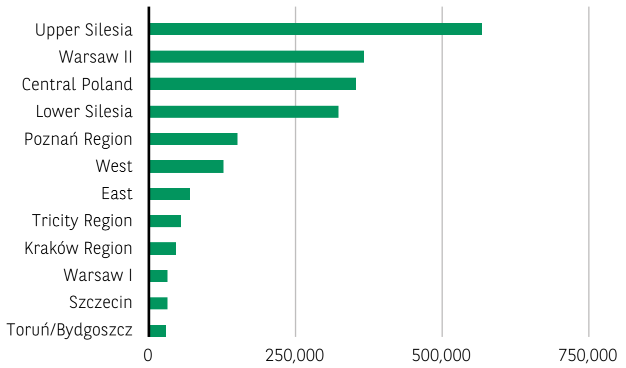
Source: BNP Paribas Real Estate

Market share by hub, Q2 2019



Source: BNP Paribas Real Estate

Under construction industrial and logistics space, Q2 2019 (sq m)

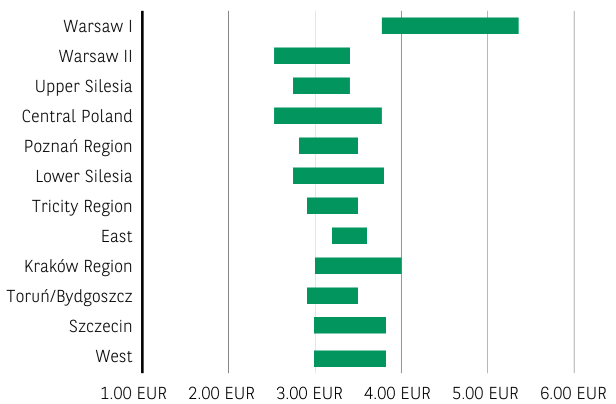


Source: BNP Paribas Real Estate

Vacancy rate by hub, Q2 2019

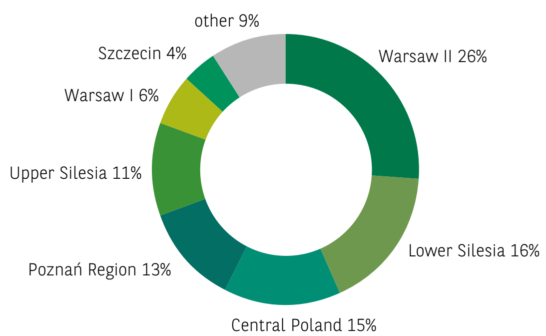
Source: BNP Paribas Real Estate

Rental ranges by hub, € per sqm/month, Q2 2019



Source: BNP Paribas Real Estate

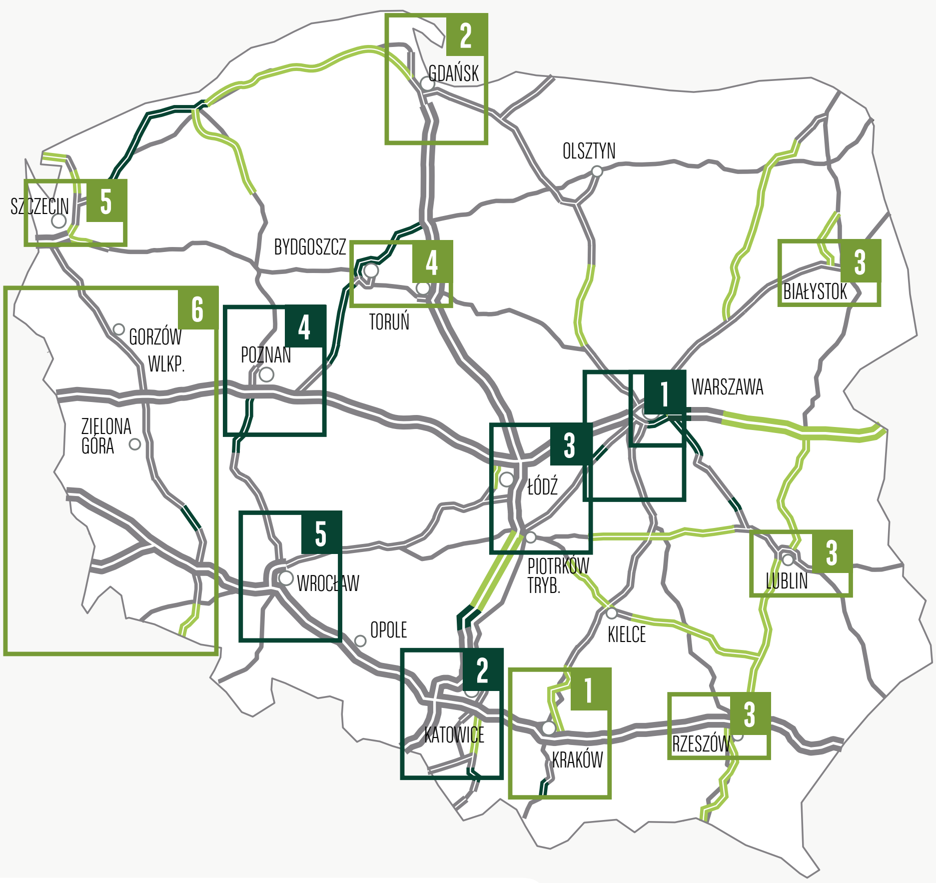
Gross take-up by hub, H1 2019



Source: BNP Paribas Real Estate

MAP OF INDUSTRIAL & LOGISTICS HUBS & TRANSPORTATION NETWORK

BNP Paribas Real Estate has divided the industrial & logistics market into five primary hubs (over 1 million sqm) and six secondary markets as shown on the map.



PRIMARY HUBS:

1. Warsaw I & Warsaw 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

MAJOR NATIONAL ROADS

HIGHWAYS:
- EXISTING
- UNDER CONSTRUCTION
- PLANNED

EXPRESSWAYS:
- EXISTING
- UNDER CONSTRUCTION
- PLANNED

Source: BNP Paribas Real Estate

WARSAW I

- Limited availability and the high price of land significantly reduce cluster development and increase rental costs for the top assets.
- Warsaw I records the highest rents for warehouse space in Poland.
- In Warsaw, companies are generally more interested in Small Business Units (SBU) than on the other markets.
- At the end of Q2 2019, the vacancy rate was 13.6%, which is the highest in Poland.

KEY INDICATORS & FUTURE TRENDS* (↗) — WARSAW I

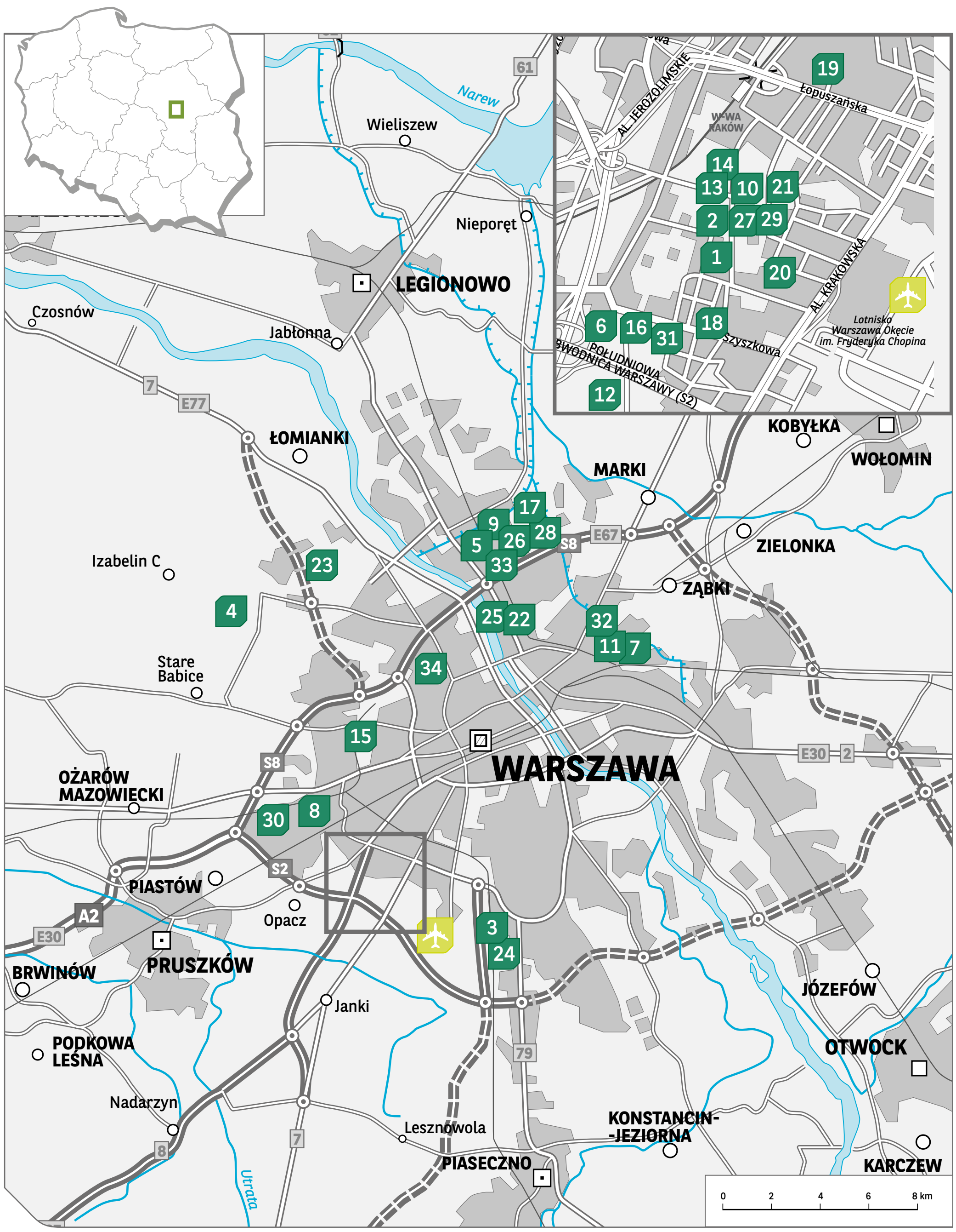
752,500 m²
Total existing stock

13.6% ↘
Vacancy rate

35,100 m²
Under construction

3.70–5.35 EUR →
Headline rent range (per sqm/mth)

*for the next 6 months



EXISTING & UNDER CONSTRUCTION

1. 7R City Flex Airport I
2. Airport House
3. Bokserska Distribution Center
4. City Logistics Warsaw I
5. City Logistics Warsaw II
6. City Logistics Warsaw Airport
7. City Point
8. Diamond Business Park Ursus
9. Distribution Park Żerań
10. Gate One
11. Hillwood Warsaw Targówek
12. Ideal City Park
13. Ideal Distribution Centre
14. Ideal Idea III
15. Kolmet
16. Krakowska Distribution Park
17. Logicor Annopol
18. Logicor Okęcie
19. Logicor Warszawa
20. Manhattan Business & Distribution Center
21. Modularna Distribution Centre
22. Metropol Park Jagiellońska
23. Norblin Industrial Park
24. Platan Park
25. Prologis Park Warsaw II
26. Prologis Park Warsaw – Żerań
27. Segro Business Park Okęcie
28. Segro Business Park Warsaw, Żerań
29. Space Distribution Center
30. Ursus Logistic Center
31. Warsaw Distribution Center
32. Warsaw East Distribution Center
33. Wenecka
34. Żoliborskie Centrum Biurowo-Magazynowe

1. Supply over 1m sqm.

WARSAW II

- Warsaw II is the largest warehouse market in Poland and embraces over a fifth of the country's total stock.
- In 2018 and H1 2019, the total stock grew by 359,100 sqm. Another 363,500 sqm remains under construction.
- The largest scheme delivered by developers in H1 2019 was Panattoni Park Warsaw South (38,000 sqm).
- The rapid increase of new supply and the dominance of large-scale projects keep rental rates stable at one of the lowest levels in the country.
- New transport infrastructure in the eastern (S8, A2) and southern (S8, S7, S17) parts of the hub will result in new warehouse developments in these directions emerging over the next few years.

KEY INDICATORS & FUTURE TRENDS* (↗) — WARSAW II

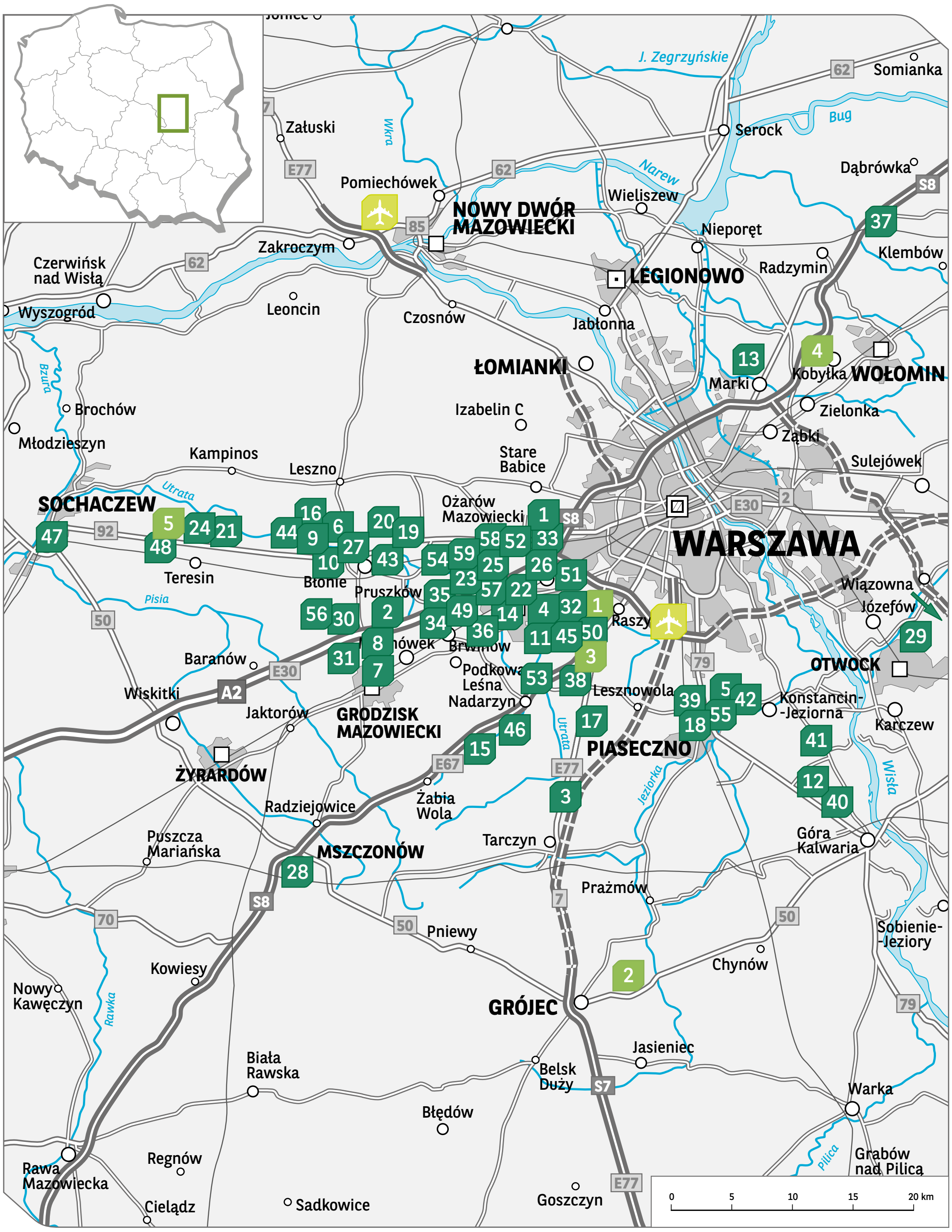
3,359,400 m²
Total existing stock

4.5% →
Vacancy rate

365,500 m²
Under construction

2.50–3.40 EUR ↗
Headline rent range (per sqm/mth)

*for the next 6 months



EXISTING & UNDER CONSTRUCTION

1. 7R Park West
2. A2 Warsaw Park
3. Altmaster Wola Mrokowska
4. Altmaster Pęcice
5. Altmaster Piaseczno
6. Błonie Business Park
7. Distribution Park Grodzisk Maz.
8. Goodman Grodzisk Logistics Centre
9. Hillwood Błonie
10. Hillwood Błonie II
11. Hillwood Janki
12. Hillwood Kalwaria
13. Hillwood Marki
14. Hillwood Pruszków
15. Lexar Distribution Park
16. Logicor Błonie
17. Logicor Łazy
18. Logicor Piaseczno
19. Logicor Święcice
20. Logicor Święcice II
21. Logicor Teresin
22. MLP Pruszków I
23. MLP Pruszków II
24. MLP Teresin
25. Ożarów I Logistics Centre
26. Ożarów II Logistics Centre
27. P3 Błonie
28. P3 Mszczonów
29. Panattoni Park Garwolin
30. Panattoni Park Grodzisk II
31. Panattoni Park Grodzisk III
32. Panattoni Park Janki I, II, III
33. Panattoni Park Konotopa I, II
34. Panattoni Park Pruszków II
35. Panattoni Park Pruszków III
36. Panattoni Park Pruszków IV
37. Panattoni Park Radzymin
38. Panattoni Park Warsaw South
39. Piaseczno Business Park
40. Point of View Góra Kalwaria
41. Point of View Kawęczyn
42. Point of View Piaseczno
43. Prologis Park Błonie
44. Prologis Park Błonie II (Exeter)
45. Prologis Park Janki
46. Prologis Park Nadarzyn (Exeter)
47. Prologis Park Sochaczew (Ares)
48. Prologis Park Teresin
49. Pruszkowskie Centrum Dystrybucyjne
50. Raszyn Business Park
51. Reguły Logistic Park
52. Segro Business Park Warsaw, Ożarów
53. Segro Logistics Park Warsaw, Nadarzyn
54. Segro Logistics Park Warsaw, Pruszków
55. Techniczna Industrial Park
56. Tristar Grodzisk
57. WAN Pruszków
58. West Park Ożarów
59. West Park Pruszków

PLANNED

1. Diamond Business Park Raszyn
2. DL Invest Słomczyn Grójec
3. Goodman Warsaw II LC (Janki)
4. Goodman Warsaw III LC (Kobyłka)
5. Waimea Logistic Park Teresin

UPPER SILESIA

- Upper Silesia as one of the most populated and industrialised regions in Poland remains a key industrial and logistics market.
- Warehouse space increased by 66,500 sqm in H1 2019 following the delivery of Panattoni Park Gliwice III, MLP Czeladź, Hillwood Sosnowiec Zagłębie and Segro Industrial Park Tychy II.
- The pipeline volume reached the highest level among all hubs - 562,000 sqm. The biggest schemes currently under construction are Panattoni BTS Amazon Gliwice, Panattoni Park Sosnowiec II and another stage of Panattoni Park Sosnowiec I.
- The vacancy rate rose to 7.7%. It means an increase by 1.9 p.p. compared to the end of 2018.
- The range of rental rates in Upper Silesia is similar to other major warehouse clusters.

KEY INDICATORS & FUTURE TRENDS* (↗)

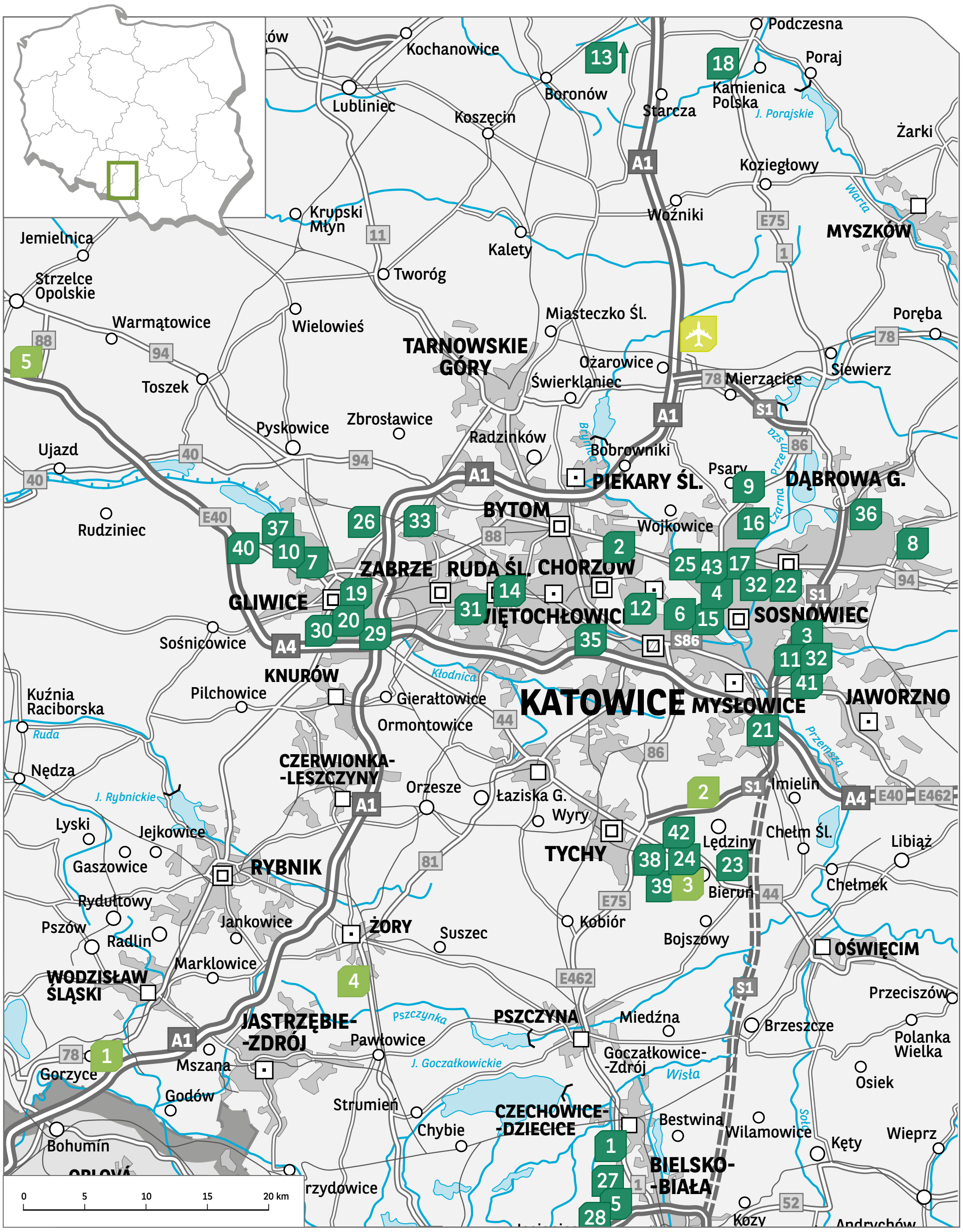
2,691,200 m^2
Total existing stock

7.7% →
Vacancy rate

562,000 m^2
Under construction

2.70–3.40 EUR →
Headline rent range (per sqm/mth)

*for the next 6 months



EXISTING & UNDER CONSTRUCTION

1. 7R Beskid Park (Czechowice-Dziedzice)
2. 7R Siemianowice Śląskie
3. 7R Sosnowiec
4. Alliance Silesia Logistics Center
5. Bielsko-Biała Logistics Centre
6. Centrum Logistyczne Milowice
7. Diamond Business Park Gliwice
8. DL Invest Park Dąbrowa Górnicza
9. DL Invest Park Psary/Czeladź
10. Goodman Gliwice Logistics Centre
11. Goodman Sosnowiec Logistics Centre
12. Górnośląski Park Przemysłowy
13. Hillwood Częstochowa
14. Hillwood Ruda Śląska
15. Hillwood Sosnowiec Zagłębie
16. Logicor Będzin
17. Logicor Czeladź
18. Logicor Częstochowa
19. Logicor Gliwice I
20. Logicor Gliwice II
21. Logicor Mysłowice
22. Logicor Sosnowiec
23. Logistic Park Bieruń
24. Logistic Park Tychy
25. MLP Czeladź
26. MLP Gliwice
27. Panattoni Park Bielsko-Biała II
28. Panattoni Park Bielsko-Biała III
29. Panattoni Park Gliwice II
30. Panattoni Park Gliwice III
31. Panattoni Park Ruda
32. Panattoni Park Sosnowiec I, II
33. Panattoni Park Zabrze
34. Prologis Park Będzin II (Exeter)
35. Prologis Park Chorzów
36. Prologis Park Dąbrowa
37. Segro Business Park Gliwice I, II, III
38. Segro Industrial Park Tychy
39. Segro Industrial Park Tychy II
40. Segro Logistics Park Gliwice
41. Śląskie Centrum Logistyczne
42. Terminal Logistyczny Promont Tychy
43. Tristar Czeladź

PLANNED

1. 7R Park Gorzyce
2. Goodman Lędziny Logistics Centre
3. Panattoni Park Tychy
4. Panattoni Park Żory
5. Prologis Park Ujazd

CENTRAL POLAND

- The blend of central location, well developed transport infrastructure and relatively good access to a labour force made the cluster the fastest growing hub in 2018 and 2019.
- In terms of total stock, Central Poland advanced in Q2 to second place in Poland after Warsaw II (overtaking Upper Silesia).
- In the course of 2018 and H1 2019, the market grew by 1,026,600 sqm. This has led to a 60% growth of total stock over the last 18 months. The largest warehouses delivered to the market were: another stage of Central European Logistics Hub, Zalando scheme developed by Hillwood in Głuchów, Panattoni Park Stryków III and the next phases of P3 Piotrków.
- Central Poland is notable for having one of the highest pre-let rates among all primary hubs. At the end of June, over 80% of space under construction was already leased.

KEY INDICATORS
& FUTURE TRENDS* (↗)

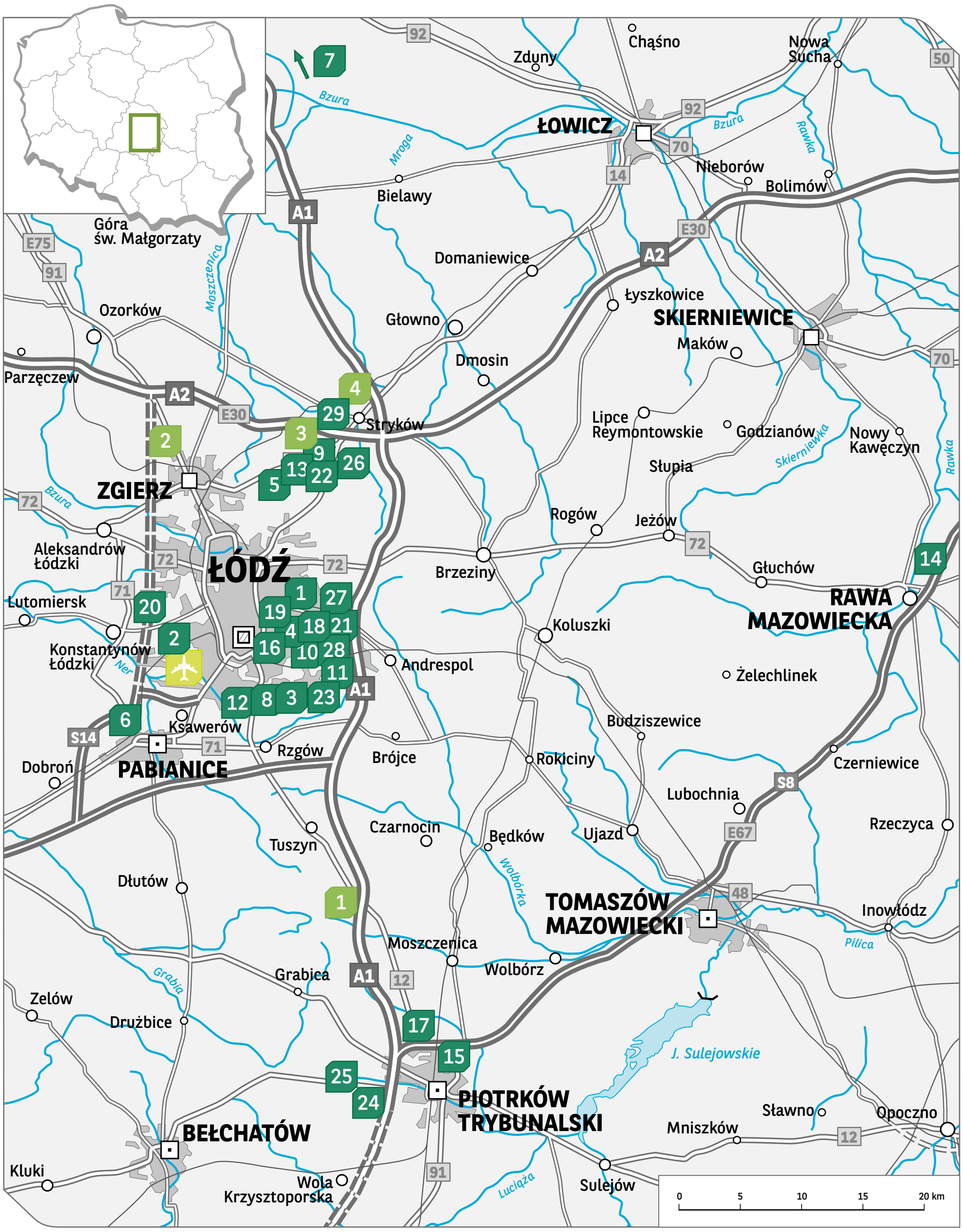
2,734,300 m²
Total existing stock

6.4% →
Vacancy rate

357,000 m²
Under construction

2.50–3.70 EUR →
Headline rent range (per sqm/mth)

*for the next 6 months



EXISTING & UNDER CONSTRUCTION

1. 7R City Flex Łódź
2. 7R Park Łódź West
3. Central European Logistics Hub
4. City Logistics Łódź I
5. Diamond Business Park Stryków
6. Goodman Łódź I Logistics Centre
7. Hillwood Kutno
8. Hillwood Łódź Górna
9. Hillwood Stryków
10. Logicor Łódź
11. Logicor Łódź II
12. Logicor Łódź III
13. Logicor Stryków
14. Logis
15. Logistic City – Piotrków Distribution Centre
16. Łódź Business Park
17. P3 Piotrków
18. Panattoni Park Business Center Łódź
19. Panattoni Park Business Center Łódź II, III, IV
20. Panattoni Park Konstantynów Łódzki
21. Panattoni Park Łódź East I, II
22. Panattoni Park Stryków II, III
23. Prologis Park Łódź
24. Prologis Park Piotrków I
25. Prologis Park Piotrków II (Exeter)
26. Prologis Park Stryków
27. Segro Business Park Łódź
28. Segro Logistics Park Łódź
29. Segro Logistics Park Stryków

PLANNED

1. Goodman Łódź II Logistics Centre
2. Hillwood Łódź (Lućmierz)
3. MLP Stryków
4. MountPark Stryków

BNP PARIBAS REAL ESTATE

POZNAŃ

- There were two schemes completed in Poznań region in Q2 2019 – Park Przemysłowy Luboń and Panattoni Park Konin.
- Over H1 2019, the vacancy rate decreased by 1.1 p.p. and was 7.6% at the end of June. However, the available space almost doubled compared to the corresponding period of the previous year.
- Growing construction costs and high level of demand can stimulate the rental level increase in the middle and long term.
- There is an increasing number of warehouses being built in the area between Poznań and the German border, along major transportation corridors. They have created a new warehouse hub – "West", gathering schemes along the western border.

KEY INDICATORS
& FUTURE TRENDS* (↗)

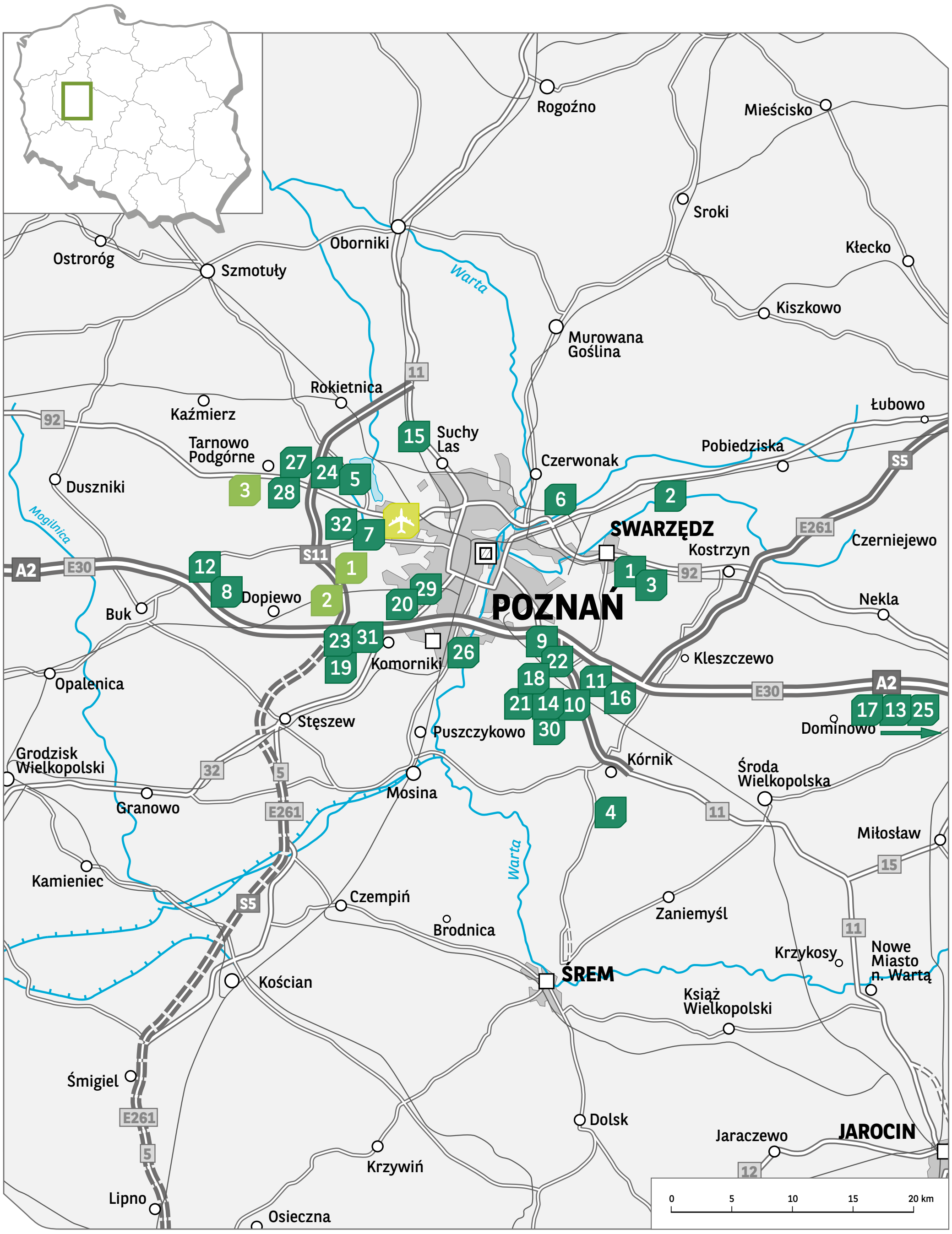
1,997,600 m²
Total existing stock

7.6% ↘
Vacancy rate

154,500 m²
Under construction

2.80–3.50 EUR →
Headline rent range (per sqm/mth)

*for the next 6 months



EXISTING & UNDER CONSTRUCTION

1. 7R Park Poznań East
2. Centrum Magazynowe Bugaj
3. Clip – Centrum Logistyczno Inwestycyjne Poznań
4. Doxler
5. Goodman Poznań II Logistics Centre
6. Goodman Poznań III Logistics Centre
7. Goodman Poznań Airport Logistics Centre
8. IL-D Niepruszewo
9. Logicor Poznań I
10. Logicor Poznań II
11. Logicor Poznań III
12. Logicor Poznań IV
13. Logit
14. MLP Poznań
15. Nickel Technology Park Poznań
16. P3 Poznań
17. Panattoni Park Konin
18. Panattoni Park Poznań III
19. Panattoni Park Poznań IV
20. Panattoni Park Poznań V
21. Panattoni Park Poznań VI
22. Panattoni Park Poznań VII
23. Panattoni Park Poznań VIII
24. Panattoni Park Poznań IX
25. Panattoni Park Września
26. Park Przemysłowy Luboń
27. Prologis Park Poznań I
28. Prologis Park Poznań II
29. Prologis Park Poznań III
30. Segro Logistics Park Poznań, Gądki
31. Segro Logistics Park Poznań, Komorniki
32. Tristar Poznań Airport

PLANNED

1. MLP Poznań West
2. Segro Logistics Park Poznań, Gołuski
3. Waimea Logistic Park Tarnowo Podgórne

LOWER SILESIA

- Lower Silesia owes its development to well-developed transport infrastructure and proximity to the southern and western borders of the country.
- In H1 2019, the total supply grew by 116,800 sqm. The largest delivered scheme was Panattoni Park Wrocław IX (45,800 sqm).
- In 2018 and H1 2019, tenants' interest in this cluster was seen to strengthen, which resulted in a declining vacancy rate. Compared to Q2 2018, the share of vacant space fell by 1.1 p.p. to 2.1%.
- Rental rates in the Wrocław area are among the highest for the main industrial and logistics hubs (apart from the area within the boundaries of Warsaw).
- In December 2017, the S5 expressway to the north of Wrocław was opened. The whole of the high speed road between Wrocław and Poznań should be completed by the end of 2019. A direct result of the route's development was the construction of a new logistics scheme being launched - Panattoni S5 North Gate Wrocław.

KEY INDICATORS & FUTURE TRENDS* (↗)

1,808,700 m²
Total existing stock

2.1% ↗
Vacancy rate

325,300 m²
Under construction

2.70–3.75 EUR ↗
Headline rent range (per sqm/mth)

*for the next 6 months

EXISTING & UNDER CONSTRUCTION

1. 7R Wrocław
2. BIK Park Wrocław I
3. City Logistics Wrocław I
4. Eurologis
5. Gazowa Industrial Park
6. Goodman Wrocław IV Logistics Centre
7. Goodman Wrocław V Logistics Centre
8. Hillwood Wrocław Bielany
9. Hillwood Wrocław Wschód I, II
10. Hillwood Wrocław III
11. Logicor Wrocław II
12. Logicor Wrocław IV
13. MLP Wrocław
14. Panattoni Park Wrocław II
15. Panattoni Park Wrocław III
16. Panattoni Park Wrocław V
17. Panattoni Park Wrocław VII
18. Panattoni Park Wrocław IX
19. Panattoni Park Wrocław XI
20. Panattoni Park Wrocław Airport
21. Prologis Park Wrocław
22. Prologis Park Wrocław III
23. Prologis Park Wrocław IV
24. Prologis Park Wrocław V
25. S5 Wrocław North Gate
26. Segro Industrial Park Wrocław
27. Tiner Logistic Park
28. Tristar Wrocław
29. Wrocław Business Park
30. Wrocław-Bielany Logistics Centre
31. VATT Invest Wrocław

PLANNED

1. MountPark Wrocław
2. SegroLogistics Park Wrocław

KRAKÓW

- In Q2 2019, the Kraków hub grew by 41,500 sqm, mainly due to delivery of another phase of 7R Park Kraków.
- After the jump in vacancy rate recorded at the end of 2017, the share of available area has been gradually declining. At the end of June it amounted to 5.4%.
- Apart from construction of further stages of 7R Park Kraków, there are two schemes under construction – other phases of Goodman Kraków Airport Logistics Centre and 7R BTS Balice.
- Due to a shortage of modern space within the boundaries of the city, Kraków remains the second most expensive location in the country.

KEY INDICATORS & FUTURE TRENDS* (↗)

551,700 m²
Total existing stock

5.4% →
Vacancy rate

49,500 m²
Under construction

3.00–4.00 EUR →
Headline rent range (per sqm/mth)

*for the next 6 months

EXISTING & UNDER CONSTRUCTION

1. 7R Hillwood Park Kraków Kokotów
2. Centrum Logistyczne Kraków I
3. Centrum Logistyczne Kraków II
4. Goodman Kraków Airport Logistics Centre
5. KJF Park Balice
6. Logicor Kraków
7. Łęgprzem Kraków
8. MARR Business Park
9. MG Logistic
10. Panattoni Park Kraków II, III, IV
11. RB Logistic Olkusz
12. Witek Airport Logistic Centre

PLANNED

1. 7R Park Brzesko
2. Centrum Logistyczne Kraków III

1. Supply below 1m sqm.

TRICITY

- The Tricity region is the largest industrial and logistics market in northern Poland. The proximity of international seaports, an international airport and expressways contribute to the development of intermodal transport.
- In Q2 2019, the total modern logistics stock increased by 93,600 sqm. The largest delivered scheme was Panattoni Park Gdańsk III.
- The limited volume of new supply in 2018 enabled a fast absorption of the free space. Compared to the end of 2017, the vacancy rate dwindled by 2.4 p.p. to the current 2.5%.
- The total stock currently under construction has reached a total of 56,500 sqm located in five schemes.

KEY INDICATORS
& FUTURE TRENDS* (↗)

614,600 m²
Total existing stock

2.5% ↗
Vacancy rate

56,500 m²
Under construction

2.90–3.50 EUR ↗
Headline rent range
(per sqm/mth)

*for the next 6 months

EXISTING & UNDER CONSTRUCTION

1. 7R Park City Flex Gdańsk
2. 7R Tczew
3. Chylonia Business Park
4. Gdańsk-Kowale Distribution Centre
5. Centrum Magazynowe Hutnicza
6. Goodman Pomeranian Logistics Centre
7. Logistic Center Pruszcz Gdański
8. Panattoni Park Gdańsk I
9. Panattoni Park Gdańsk III
10. Panattoni Park Rafineria
11. Port Gdynia Logistic Centre
12. Prologis Park Gdańsk-Airpot (Exeter)
13. Royal Business Park
14. Segro Logistics Park Gdańsk
15. Tristar Gdańsk

PLANNED

1. 7R City Flex Gdynia
2. Panattoni Park Tricity North

EAST

- Since the beginning of 2018, developers have finished the construction of only three large-scale projects in this cluster. One of them is the first modern warehouse scheme located in the Białystok region – Panattoni Park Białystok (40,600 sqm). The second project is another phase of Panattoni Park Lublin (34,600 sqm) and the latest one is MLP Lublin (17,800) delivered in Q2 2019.
- Completions of these warehouses on the relatively shallow market spurred growth of the vacancy rate in this region (8.1% at the end of 2018). However, over the first half of 2019, a significant amount of free space was absorbed. At the end of June, the share of available space amounted to a mere 1.9%.
- The planned completion of the S17 expressway between Warsaw and Lublin in 2019/2020 will significantly improve transportation to/from the capital and is expected to increase the potential for emergence of an industrial and logistics sector in this area.
- Route S19 between Lublin and Rzeszów, part of the "Via Carpatia" route, is currently being carried out as a "design and build" project.

KEY INDICATORS & FUTURE TRENDS* (↗)

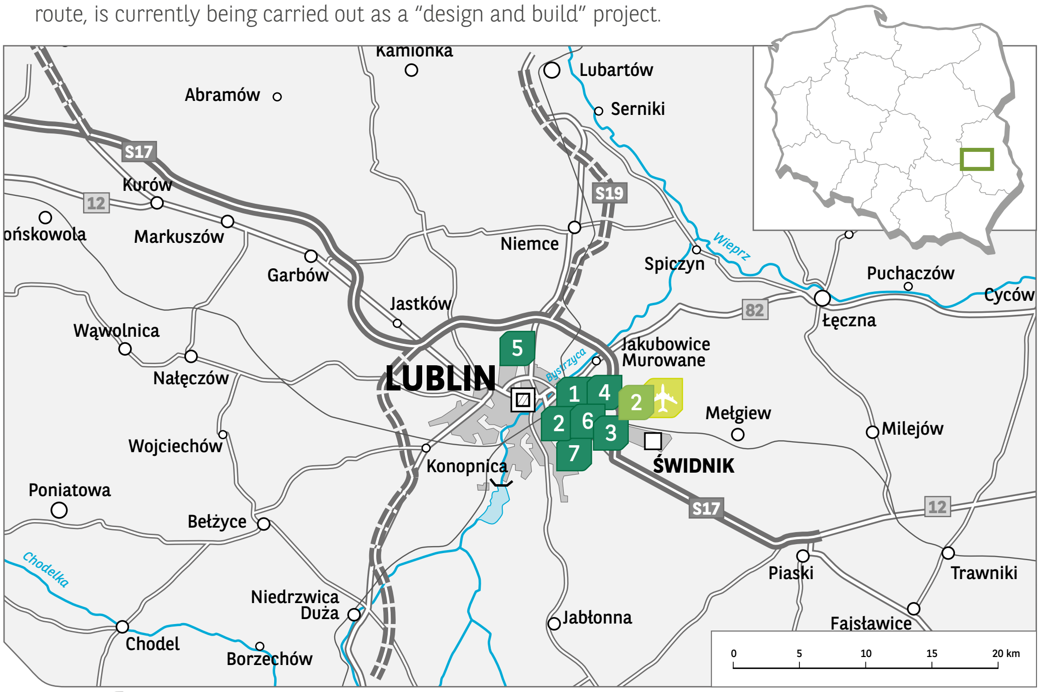
452,800 m²
Total existing stock

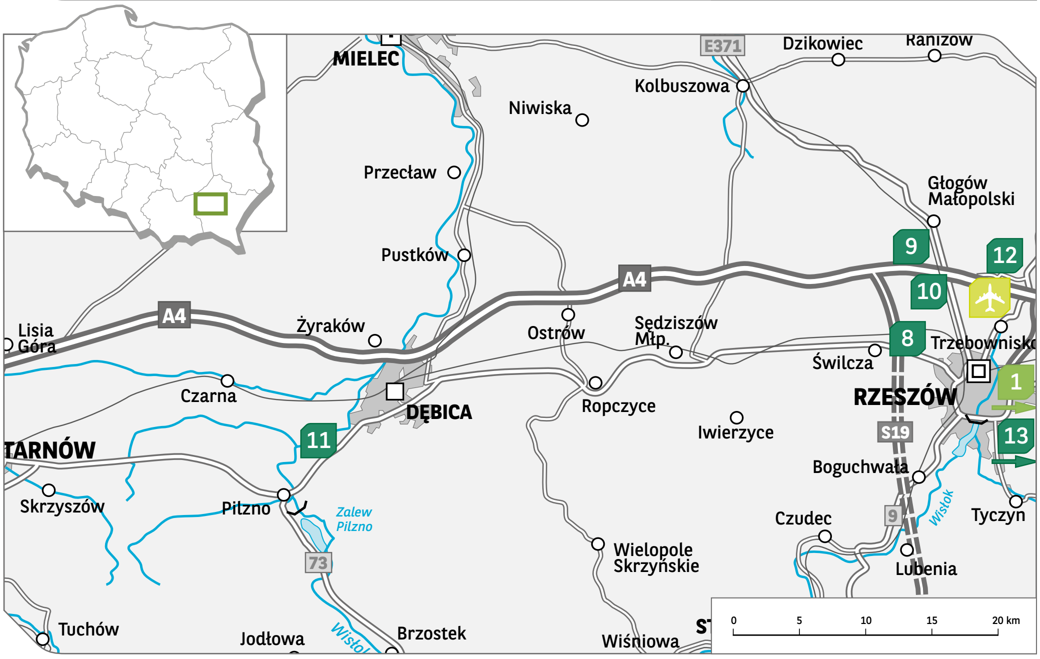
1.9% ↗
Vacancy rate

73,800 m²
Under construction

3.20–3.60 EUR →
Headline rent range (per sqm/mth)

*for the next 6 months





EXISTING & UNDER CONSTRUCTION

1. Centrum Logistyczne Mełgiewska
2. Centrum Logistyczne Tokarska
3. Centrum Logistyczne Vetterów
4. Goodman Lublin Logistics Centre
5. Go East - Lubelskie Centrum Logistyczne
6. MLP Lublin
7. Panattoni Park Lublin I, II
8. 7R Rzeszów
9. Centrum Logistyczne Rogoźnica
10. Panattoni Park Rzeszów
11. Skalski Logistic Park Podgrodzie
12. Waimea Cargo Terminal Rzeszów-Jesionka
13. Waimea Logistic Park Korczowa

PLANNED

1. Korczowa Logistic Park
2. MLP Lublin II

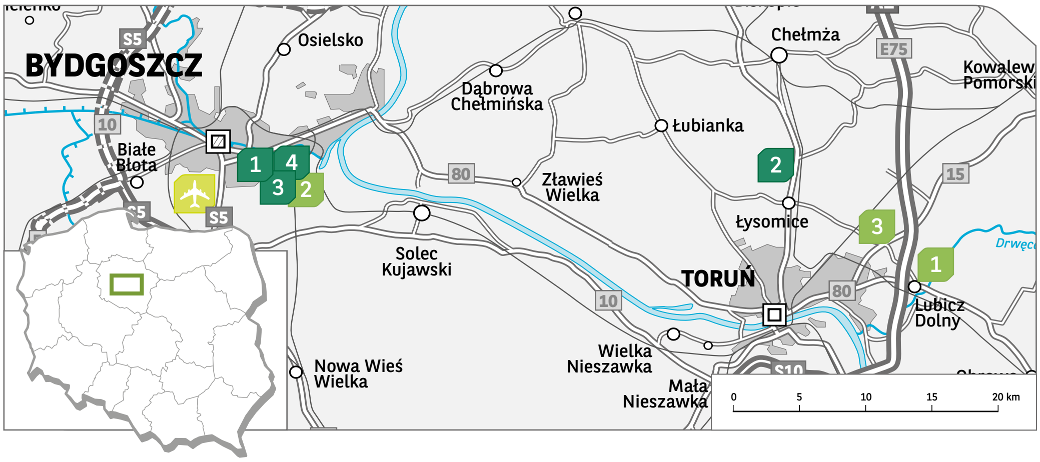
BYDGOSZCZ / TORUŃ

- In 2017 alone, the industrial and logistics market in the Bydgoszcz / Toruń hub increased by 86%. This was caused by the delivery of three large-scale warehouse schemes. The hub has only grown by 5,000 sqm since the beginning of 2018.
- The vacancy reate remains at a similar level compared to the previous quarter.
- By the end of this year, Bydgoszcz / Toruń hub was expected to gain a convenient connection with Poznań as a result of further phases of the S5 expressway being completed. Unfortunately, the agreements with some contractors were repudiated recently. Therefore, the completion of the entire road will be postponed.

KEY INDICATORS
& FUTURE TRENDS* (↗)

323,700 m² Total existing stock	4.3% → Vacancy rate
32,400 m² Under construction	2.90–3.50 EUR ↗ Headline rent range (per sqm/mth)

*for the next 6 months



EXISTING & UNDER CONSTRUCTION

1. Logistic and Business Park Bydgoszcz
2. Goodman Toruń Logistics Centre
3. Panattoni Park Bydgoszcz
4. Waimea Logistic Park Bydgoszcz

PLANNED

1. Diamond Business Park Toruń
2. Panattoni Park Bydgoszcz II
3. Panattoni Park Toruń

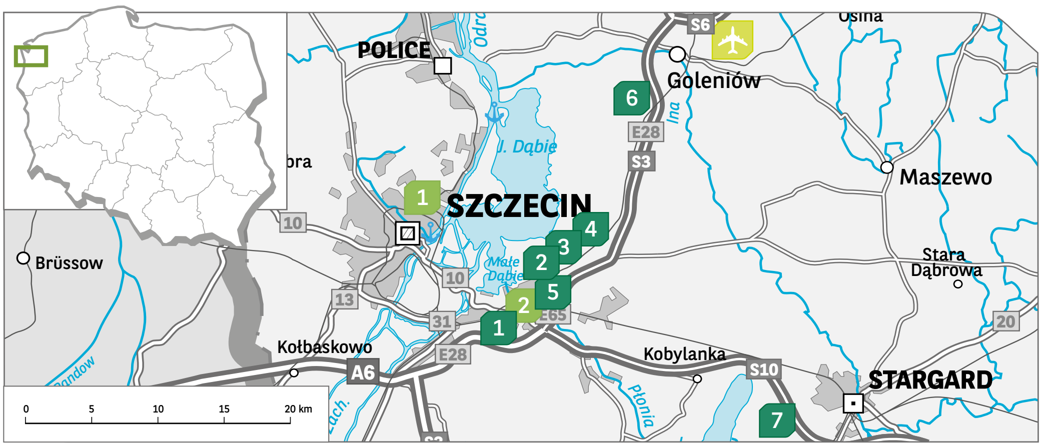
SZCZECIN

- 41% of the total stock in this region is located in two large-scale BTS schemes: the largest warehouse in Poland – Panattoni BTS Amazon Szczecin (161,500 sqm) and Goodman BTS Zalando Szczecin (130,000 sqm).
- Despite the delivery of another three new schemes in Q2 2019, at the end of June there was no available warehouse space for lease in existing buildings.
- The largest building completed over the second quarter was Panattoni Park Szczecin II (37,400 sqm).
- At the end of June, there were two schemes under construction: another phase of Panattoni Park Szczecin I (30,300 sqm) and Waimea Cargo Terminal Szczecin Airport (3,500 sqm).

KEY INDICATORS
& FUTURE TRENDS* (↗)

711,300 m² Total existing stock	0% ↗ Vacancy rate
33,900 m² Under construction	3.00–3.80 EUR → Headline rent range (per sqm/mth)

*for the next 6 months



EXISTING & UNDER CONSTRUCTION

1. 7R Szczecin
2. Exeter Park Szczecin
3. North-West Logistic Park II
4. Panattoni Park Szczecin I
5. Panattoni Park Szczecin II
6. Prologis Park Szczecin (Exeter)
7. Waimea Logistic Park Statgard

PLANNED

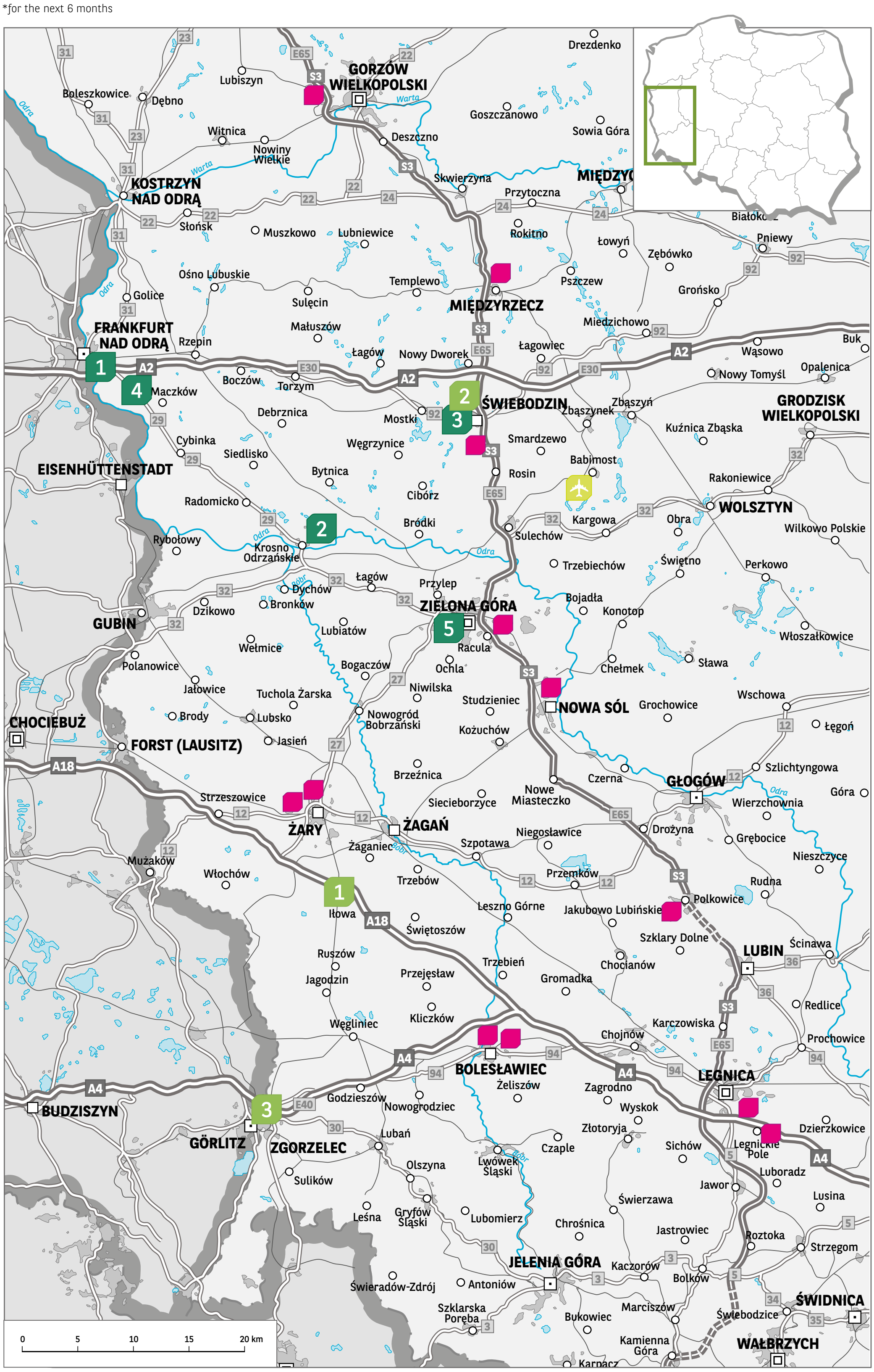
1. JWC Park Szczecin
2. Park Szczecin II

WEST

KEY INDICATORS & FUTURE TRENDS* (↗)

427,100 m²	127,800 m²	0% ↗	3.00-3.80 EUR →
Total existing stock	Under construction	Vacancy rate	Headline rent range (per sqm/mth)

*for the next 6 months



The West cluster comprises warehouse and logistics schemes situated along the western border of Poland and the S3 expressway.

This region is dominated by BTS schemes, which account for 52% of the total stock.

At the end of Q2 2019, the total volume under construction amounted to 127,800 sqm.

Dominance of BTS type projects coupled with the high level of tenant demand has led to a shortage of available warehouse space in modern existing schemes. Moreover, 96% of the stock which is currently at construction stage was already leased.

Key drivers that are triggering development of this region are high demand for space from companies operating in Western Europe, steadily improving road infrastructure (e. g. the S3 expressway) and the convenient accessibility of this location.

EXISTING & UNDER CONSTRUCTION

1. Exeter Park Świecko
2. Hillwood Krosno Odrzańskie
3. Hillwood Świebodzin
4. Hillwood Świecko
5. Panattoni Park Zielona Góra

PLANNED

1. CTPark Iłowa
2. Exeter Park Świebodzin
3. Hillwood Zgorzelec

BTS schemes

Selected schemes delivered, H1 2019

Scheme	Hub	Developer	Area (m²)
Hillwood Olsztynek	other	Hillwood	120,500
P3 Piotrków	Central Poland	P3	59,600
Panattoni Park Gdańsk III	Tricity	Panattoni	56,800
Panattoni BTS Castorama	Central Poland	Panattoni	51,700
Panattoni Park Wrocław IX	Lower Silesia	Panattoni	45,800

Source: BNP Paribas Real Estate

Selected lease transactions, H1 2019

Tenant	Scheme	Hub	Area leased (m²)	Type of lease
Jysk	Logistic City Piotrków Trybunalski	Central Poland	60,000	renewal
Pantos Logistics	Panattoni Park Wrocław XI	Lower Silesia	59,200	new
Pepsico	P3 Mszczonów	Warsaw II	58,500	new
PF Logo	P3 Poznań	Poznań	49,700	renewal
CONFIDENTIAL	S5 Wrocław North Gate	Lower Silesia	32,500	new

Source: BNP Paribas Real Estate

Selected schemes under construction, H1 2019

Scheme	Hub	Developer	Area (m²)
Panattoni BTS Amazon Gliwice	Upper Silesia	Panattoni	210,000
Central European Logistics Hub	Central Poland	Panattoni	112,000
A2 Warsaw Park (Grodzisk)	Warsaw II	Panattoni	103,700
Panattoni Park Wrocław XI	Lower Silesia	Panattoni	97,500
Panattoni Park Sosnowiec II	Upper Silesia	Panattoni	80,000

Source: BNP Paribas Real Estate

AUTHOR

Szymon Dołęga Consultant, Research & Consultancy Department, Central & Eastern Europe, szymon.dolega@realestate.bnpparibas

CONTACTS

Erik Drukker Chief Executive Officer, Central & Eastern Europe, erik.drukker@realestate.bnpparibas
Igor Roguski Head of Industrial & Logistics Department, Central & Eastern Europe, igor.roguski@realestate.bnpparibas
Robert Pawłowski Associate Director, Industrial & Logistics Agency, robert.pawlowski@realestate.bnpparibas
Martyna Kajka Senior Consultant, Industrial & Logistics Department, martyna.kajka@realestate.bnpparibas
Tomasz Gnich Senior Consultant, Industrial & Logistics Department, tomasz.gnich@realestate.bnpparibas
Hanna Milczarek Director, Capital Markets, hanna.milczarek@realestate.bnpparibas
Patrycja Dzikowska Head of Research & Consultancy, Central & Eastern Europe, patrycja.dzikowska@realestate.bnpparibas

DEFINITIONS

Industrial and logistics stock (sqm) – a term covering the following sub-types of existing space: Light Manufacturing and Warehousing (including Logistics), delivered to the market by professional developers.

Take-up (sqm) – transactions regarding industrial and logistics space including: pre-lets, built-to-suit, new transactons, renegotiations and sub-lease.

Vacancy rate (%) – ratio representing the percentage of physically vacant space in existing properties.

Rent range (in Euro per sqm) – Rental rates for 2,000 sqm unit ranging from the top to average modern industrial and logistics schemes in a given hub.

6 BUSINESS LINES in Europe

A 360° vision

Main locations*

EUROPE

FRANCE
Headquarters
167, Quai de la Bataille
de Stalingrad
92867 Issy-les-Moulineaux
Tel.: +33 1 55 65 20 04

BELGIUM
Avenue Louise 235
1050 Brussels
Tel.: +32 2 290 59 59

CZECH REPUBLIC
Ovocný trh 8
110 00 Prague 1
Tel.: +420 224 835 000

GERMANY
Goetheplatz 4
60311 Frankfurt
Tel.: +49 69 2 98 99 0

HUNGARY
117-119 Vaci ut.
A Building
1123 Budapest
Tel.: +36 1 487 5501

IRELAND
20 Merrion Road,
Ballsbridge, Dublin 4
Tel.: +353 1 66 11 233

ITALY
Piazza Lina Bo Bardi, 3
20124 Milano
Tel.: +39 02 58 33 141

LUXEMBOURG
Axento Building
Avenue J.F. Kennedy 44
1855 Luxembourg
Tel.: +352 34 94 84
Investment Management
Tel.: +352 26 26 06 06

NETHERLANDS
Antonio Vivaldistraat 54
1083 HP Amsterdam
Tel.: +31 20 305 97 20

POLAND
al. Jana Pawła II 25
Atrium Tower
00-854 Warsaw
Tel.: +48 22 653 44 00

ROMANIA
Banul Antonache
Street n°40-44
Bucharest 011665
Tel.: +40 21 312 7000

SPAIN
C/ Emilio Vargas, 4
28043 Madrid
Tel.: +34 91 454 96 00

UNITED KINGDOM
5 Aldermanbury Square
London EC2V 7BP
Tel.: +44 20 7338 4000

MIDDLE EAST / ASIA

DUBAI
Emaar Square
Building n° 1, 7th Floor
P.O. Box 7233, Dubai
Tel.: +971 44 248 277

HONG KONG
63rd/F, Two International
Finance Centre,
8 Finance Street, Central
Hong Kong
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