REPORT INDUSTRIAL MARKET | Q1 2015

GROSS DEMAND	NET DEMAND	NEW SUPPLY	UNDER CONSTRUCTION	VACANCY	RENTS
↑	↑	↑	↓	↓	→
625,000 sq m	390,000 sq m	278,000 sq m	600,000 sq m	5.7%	

THE BOOM IN THE POLISH INDUSTRIAL MARKET CONTINUES

Increases in production, exports and domestic consumption are reflected positively in figures for the warehouse and production market in Poland. Development activity is showing no signs of weakening, with 600,000 sq m currently under construction. In the first months of the year the vacancy rate fell below 6%, and total demand exceeded 625,000 sq m.

DEMAND

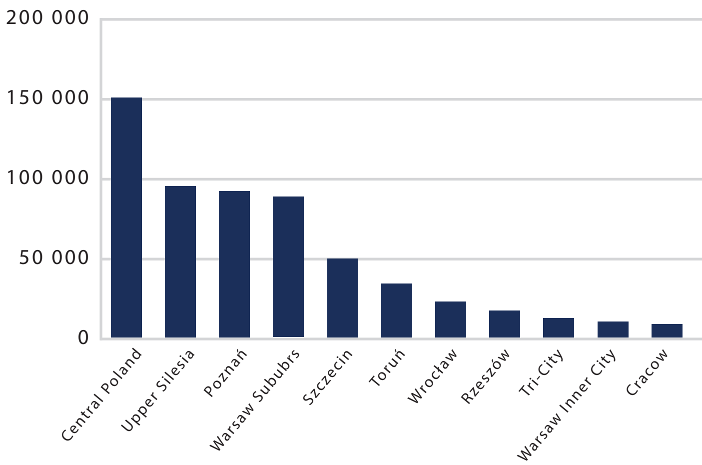
■ Gross demand amounted to 625,000 sq m, of which more than 390,000 sq m constituted new leases. This figure is 25% higher compared with QI 2014 and is the best opening of the year in terms of demand in the history of the market for modern werehouse space in Poland.

■ In QI 2015, logistics operators predominated in the structure of tenants, though increased clients activity related to the DIY and automotive sectors were visible.

■ Central Poland enjoyed the greatest interest among tenants, where 152,000 sq m were leased. This was followed by Warsaw (120,000 sq m) and Upper Silesia (95,000 sq m). A high level of activity among tenants was also observed outside main markets in Szczecin, Rzeszów and Toruń, where new contracts and extensions amounted to more than 100,000 sq m. The highest level of new demand was recorded in Poznan, where 74,000 sq m was leased.

■ Worth mentioning among the major new contracts and expansions is the 40,000 sq m in Piotrków Trybunalski for Jysk, the 26,500 sq m for home24.pl in Poznan and the 25,400 sq m for Fiege in the Warsaw area. The highest percentage of renewals of 35% occurred in developed markets in the Warsaw sububrs, Upper Silesia and Lodz.

DEMAND BY REGIONS IN SQ M



Source: AXI IMMO, QI 2015

SELECTED LEASING TRANSACTIONS IN MAIN REGIONS

TENANT	REGION	BUILDING	SPACE IN SQ M	TYPE OF CONTRACT
Jysk	Piotrków Tryb.	Logistic City	40,000	Expansion
Fiege	Warsaw	P3 Mszczonów	25,400	Expansion
Home24.pl	Poznań	Prologis Park Poznań II	26,500	New lease
Colian	Wrocław	Panattoni Park Wrocław III	9,500	New lease
IKEA	Szczecin	Prologis Park Szczecin	10,370	New lease

Source: AXI IMMO, QI 2015

SUPPLY

■ Since the beginning of the year, a total of 278,000 sq m of modern warehouse space has been completed, which increased the volume of total supply to 9.1 million sq m.

■ After the first quarter, the largest amount of space under construction, including speculative space, remains in the Wroclaw region (101,000 sq m).

■ Apart from the main markets, increased activity among developers in smaller markets can be observed. 100,000 sq m is currently under construction in Szczecin, Lublin and Rzeszów.

VACANCY RATE

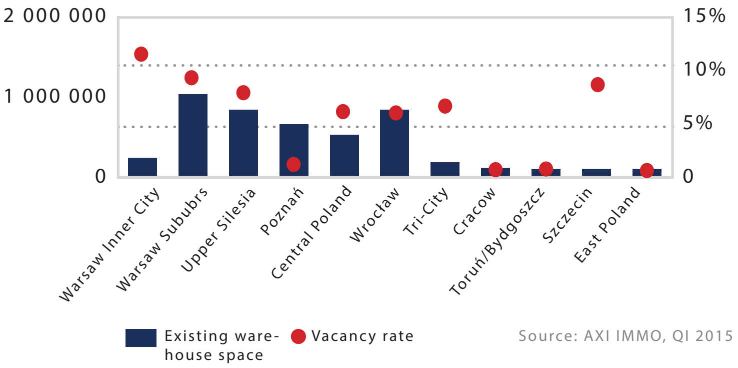
■ In most regions, the vacancy rate fell and at the end of March 2015 it amounted to 5.7%.

■ The highest vacancy rate was 11.3% in the Warsaw area.

■ The largest decreases occurred in Central Poland, especially in Piotrków Trybunalski, where the rate has fallen from 14.2% at the end of 2014 to below 5%.

■ In the coming months, we can expect a slight increase in the vacancy rate in Wroclaw, where over 40% of under construction space are speculative projects.

EXISTING WAREHOUSE SPACE AND VACANCY RATE



Source: AXI IMMO, QI 2015

RENTS

■ Rents in most regions in the first months of the year remained stable; decreases were recorded in Upper Silesia and Poznan.

■ In the coming months, a slight downward trend will be observed in the Wroclaw region and in Warsaw.

EFFECTIVE RENTAL RATES (EUR/SQ M)		
REGION	MIN.	MAX.
Warsaw Inner City	3.40	4.90
Warsaw Sububrs	2.00	2.90
Upper Silesia	1.90	2.90
Central Poland	1.90	3.00
Poznań	2.10	3.00
Wrocław	2.40	3.20
Tri-City	2.50	3.50
Cracow	2.70	3.30
Szczecin	2.80	3.50
Toruń/Bydgoszcz	2.20	2.80
Rzeszów	2.70	2.90

Source: AXI IMMO, QI 2015

■ The figures for the first quarter allow an optimistic forecast to be made for the coming months of the year. Currently, new projects are being carried out in all major warehouse locations in the country. In total, over 600,000 sq m is under construction. Most projects that are under way have at least one secure tenant, but a significant portion is being built speculatively.

CONTACT

Renata Osiecka
Managing Partner
+48 22 50 58 440
renata.osiecka@axiimmo.com

Monika Rykowska
PR & Marketing Director
+ 48 22 50 58 445
monika.rykowska@axiimmo.com

Barbara Szymańska-Wieczorek
Industrial & Research Coordinator
+48 32 357 43 15
b.szymanska-wieczorek@axiimmo.com

Axi Immo Group Sp. z o.o. | 7/9 Czackiego St. | 00-043 Warsaw
t: + 48 111 00 01 | e-mail: office@axiimmo.com
www.axiimmo.com

AXI IMMO