MARKET OVERVIEW

In the first quarter of 2017 industrial development and leasing activity in Poland continued to expand at a strong pace, with supply and demand hitting record levels.

• In the first three months of 2017 developers completed 533,000 sq m of Class A warehouse space, bringing the country’s total to 11,613,000 sq m. There is around 1,426,000 sq m under construction, of which 75% has already been pre-let.

• Total warehouse take-up stood at 925,000 sq m, outperforming Q1 2016 result by 45%. Net take-up including new leases and expansions accounted for 75% of the total leasing volume, with renegotiations making up the remaining 25%.

• Warehouse vacancy rate in Poland remain at low, stable level, standing at 6.3% at the end of March 2017, which represents a fall of 0.4 pp. compared with the end of Q4 2016 and a rise of 0.4 pp over the last 12 months.

• Headline rents on most major warehouse markets remained unchanged in Q1 2017, ranging between EUR 2.40 and EUR 3.60 sq m/month. Warsaw Inner City and Cracow command the highest rents (EUR 4.20-5.25 sq m/ month and EUR 3.50-4.20 sq m/month, respectively).

• Effective rents including tenant incentives remained stable in the first quarter ranging between EUR 1.90-4.20 sq m/month depending on location. Higher rents are reported only in Warsaw Inner City (EUR 3.50-4.60 sq m/ month and Cracow (EUR 2.80-3.60 sq m/month).

• Forecasts for the sector continue to be positive, with sustained economic growth, further infrastructure investments as well as the expansion of e-commerce and production sectors remaining the key factors underpinning the market’s growth.

11.6 million sq m
Total modern industrial and logistic stock in Poland

Development of modern warehouse market in Poland (2008 – 2017 Q1)

Source: Cushman & Wakefield
SUPPLY

Strong development activity recorded in the second half of 2016 has translated into record supply levels in the first quarter of 2017. Developers completed 533,000 sq m, with a further 1,426,000 sq m of warehouse space under construction.

In the first quarter of 2017 total warehouse stock reached around 11,613,000 sq m, with the new supply standing at 533,000 sq m (24 projects), which is an increase of 90,000 sq m, compared with Q1 2016. The highest amount of space was completed in the region of Bydgoszcz-Torun (104,000 sq m, 3 projects), in Central Poland (91,000 sq m, 3 projects), in the region of Poznan (84,000 sq m, 3 projects), in Upper Silesia (62,000 sq m, 3 projects) and in the region of Wroclaw (41,000 sq m, 2 projects). In Warsaw Suburbs only one project was delivered (15,000 sq m), which represents an insignificant share in the region’s total development volume. Among the remaining regional markets Tricity and Lublin recorded a notable increase in supply, of 36,000 sq m and 34,000 sq m, respectively.

The largest completed projects are BTS facilities dedicated to retailers: Kaufland (45,000 sq m by Panattoni) and Carrefour (38,000 sq m by Panattoni) in Bydgoszcz and Agata Meble in Piotrkow Trybunalski (42,000 sq m by Prologis). Other significant projects include a further phase of the extension of CLIP Logistics Centre in Swarzedz near Poznan (38,000 sq m), CLM’s scheme in Lublin (34,000 sq m) and the extension of a logistics centre in Kowale near Gdansk (32,000 sq m by Hillwood / 7R), as well as phase II completed within Panattoni Park Wroclaw VII (30,000 sq m).

The fifth project for Amazon in Poland totalling 135,000 sq m will be delivered by Panattoni in Sosnowiec, Upper Silesia region.

Between January-March 2017 around 490,000 sq m broke ground across 17 new investment projects. A total of 1,426,000 sq m is now underway (75% of which has been pre-let). The highest development activity was recorded in following submarkets: Warsaw Suburbs (365,000 sq m, 11 projects), Szczecin (291,000 sq m – Amazon, Zalando), Upper Silesia (235,000 sq m, 6 projects) and the region of Poznan (178,000 sq m, 6 projects). Wroclaw accounts for 59,000 sq m in 4 projects and Central Poland for 44,000 sq m in 3 projects. Cracow and Rzeszow are witnessing an increase in development activity (87,000 sq m in 4 projects and 60,000 sq m in 3 projects, respectively).

*Starting from the first quarter of 2017, a new region - Western Poland - was separated in the geographical distribution of the warehouse market in Poland, covering the areas of Lubuskie voivodeship and western part of Lower Silesia.*
DEMAND

Take-up for modern warehouse space in Poland in the period January - March 2017 hit 925,000 sq m, which represents the highest quarterly volume on record.

Occupiers activity remains buoyant. In Q1 2017, total take-up reached 925,000 sq m in 120 transactions, which represents a rise of 45% compared with the same period last year. Net take-up including new leases and lease extensions stood at 691,000 sq m, 70% of which was pre-let.

The majority of activity in the regions was focused in Upper Silesia, where 22 leases were completed totalling 292,000 sq m (including 135,000 sq m for Amazon), and in Warsaw Suburbs (192,000 sq m, 34 leases). The third top performing market in terms of lease volume was Central Poland (116,000 sqm, 4 leases). This was mainly due to Panattoni’s BTS project for BSH in Lodz (79,000 sq m)

Demand for warehouse space in Poznan (77,000 sq m, 11 leases) and Wroclaw (60,000 sq m, 9 leases) continues to be at a stable level, however, reduced access to labour force in those regions makes investors shift their investments away to other locations in the western Poland. This is reflected in a notable increase in new projects in the Lubuskie voivodeship and western part of Lower Silesia voivodeship.

Demand continues to be driven by logistics operators with 26% share in lease volume in Q1 2017. Among other sectors the most active were e-commerce (16%), retail (12%), household appliances (11%), packaging (7%), automotive (6%) and light manufacturing (6%).

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Warehouse</th>
<th>Zone</th>
<th>Space leased (sq m)</th>
<th>Type of transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon</td>
<td>Panattoni BTS (Sosnowiec)</td>
<td>Upper Silesia</td>
<td>135,000</td>
<td>New transaction (BTS)</td>
</tr>
<tr>
<td>BSH</td>
<td>Panattoni BTS (Lodz)</td>
<td>Central Poland</td>
<td>79,000</td>
<td>New transaction (BTS)</td>
</tr>
<tr>
<td>H&amp;M</td>
<td>Panattoni BTS (Boleslawiec)</td>
<td>Western Poland</td>
<td>60,000</td>
<td>New transaction (BTS)</td>
</tr>
<tr>
<td>DHL</td>
<td>Prologis Park Dabrowa</td>
<td>Upper Silesia</td>
<td>45,000</td>
<td>Renegotiation</td>
</tr>
<tr>
<td>Dirks</td>
<td>Hillwood Wroclaw II</td>
<td>Wroclaw</td>
<td>29,000</td>
<td>Renegotiation</td>
</tr>
<tr>
<td>Electrolux</td>
<td>MLP Pruszkow I</td>
<td>Warsaw Suburbs</td>
<td>27,000</td>
<td>Renegotiation &amp; Extension</td>
</tr>
<tr>
<td>Multidekor</td>
<td>Panattoni Park Konotopa II</td>
<td>Warsaw Suburbs</td>
<td>22,000</td>
<td>New transaction (pre let)</td>
</tr>
<tr>
<td>Sonoco</td>
<td>Panattoni Park Strykow II</td>
<td>Central Poland</td>
<td>18,000</td>
<td>New transaction (pre let)</td>
</tr>
</tbody>
</table>

Source: Cushman & Wakefield
Vacancy and Rents

Vacancy

At the end of March 2017 the vacancy rate stood at 6.3%, which represents a fall of 0.4 pp. compared with the end of 2016 (6.7%) and 0.4 pp. increase on the same month last year (5.9%).

At the end of March 2017 overall volume of available warehouse space in Poland stood at 730,000 sq m, which equates to 6.3% of total supply. Among the main warehouse markets the highest vacancy was noted in Cracow (12%), which has witnessed a rise in speculative development since the beginning of 2016. A similar trend can be seen in Poznan (7.8%), although the vacancy rate in the region is notably lower.

Despite a substantial new supply, the region of Warsaw is seeing a gradual reduction of availability (7.7% - Warsaw Suburbs and 7.3% - Warsaw Inner City), which indicates robust demand. In the region of Tricity the vacancy rate remained at a similar level to that recorded at the end of Q1 2016 (7.2%), whereas in Wroclaw it rose slightly by 1.1 pp. (6.8%). The lowest vacancy rates were noted in Upper Silesia (4.9%) and historically in the region of Central Poland (2.3%).

On smaller regional markets the vacancy rate fluctuates with Lublin and Szczecin posting the highest availability (13.9% and 8.8%, respectively) on the back of new supply in Q1 2017.

Rents

Warsaw’s inner city commands the highest rental rate (EUR 4.00–5.25 sq m/month), with the lowest recorded in Central Poland (EUR 2.40–3.60 sq m/month) and Warsaw Suburbs (EUR 2.50–3.60 sq m/month).

Headline rents on most warehouse markets in Poland remained stable. Owing to growing competition among developers tenants in some locations will be getting the upper hand in lease negotiations, i.e. in Poznan or Cracow. On the other hand, on markets with limited space availability (i.e. Lodz, Bielsko-Biała) rental rates recorded only a slight increase.
### SUMMARY Q1 2017

<table>
<thead>
<tr>
<th>Region</th>
<th>Stock (sq m)</th>
<th>Vacancy Rate (sq m)</th>
<th>Supply (sq m)</th>
<th>Under Construction (sq m)</th>
<th>Take-up (sq m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warsaw Suburbs</td>
<td>2,460,000</td>
<td>7.7%</td>
<td>15,000</td>
<td>365,000</td>
<td>192,000</td>
</tr>
<tr>
<td>Upper Silesia</td>
<td>2,084,000</td>
<td>4.9%</td>
<td>62,000</td>
<td>235,000</td>
<td>292,000</td>
</tr>
<tr>
<td>Poznan</td>
<td>1,691,000</td>
<td>7.8%</td>
<td>84,000</td>
<td>178,000</td>
<td>77,000</td>
</tr>
<tr>
<td>Central Poland</td>
<td>1,536,000</td>
<td>2.3%</td>
<td>91,000</td>
<td>44,000</td>
<td>116,000</td>
</tr>
<tr>
<td>Wroclaw</td>
<td>1,508,000</td>
<td>6.8%</td>
<td>41,000</td>
<td>59,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Warsaw Inner City</td>
<td>693,000</td>
<td>7.3%</td>
<td>-</td>
<td>20,000</td>
<td>21,000</td>
</tr>
<tr>
<td>Tricity</td>
<td>400,000</td>
<td>7.2%</td>
<td>36,000</td>
<td>21,000</td>
<td>32,000</td>
</tr>
<tr>
<td>Bydgoszcz &amp; Torun</td>
<td>279,000</td>
<td>5.5%</td>
<td>104,000</td>
<td>25,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Cracow</td>
<td>272,000</td>
<td>12.0%</td>
<td>14,000</td>
<td>87,000</td>
<td>31,000</td>
</tr>
<tr>
<td>Rzeszow</td>
<td>257,000</td>
<td>2.5%</td>
<td>-</td>
<td>60,000</td>
<td>29,000</td>
</tr>
<tr>
<td>Szczecin</td>
<td>217,000</td>
<td>8.8%</td>
<td>26,000</td>
<td>291,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Lublin</td>
<td>129,000</td>
<td>13.9%</td>
<td>34,000</td>
<td>11,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Western Poland</td>
<td>87,000</td>
<td>0.0%</td>
<td>26,000</td>
<td>30,000</td>
<td>60,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>11,613,000</strong></td>
<td><strong>6.3%</strong></td>
<td><strong>533,000</strong></td>
<td><strong>1,426,000</strong></td>
<td><strong>925,000</strong></td>
</tr>
</tbody>
</table>
Warsaw

With a total stock of 3.15 million sq m, Warsaw remains the largest warehouse market in Poland. In the first quarter of 2017, the supply increased by 15,000 sq m delivered in a single BTS project by Panattoni for Harper Hygienics near Minsk Mazowiecki.

Demand for modern warehouse space continues to strengthen in the region. The first three months of 2017 saw 213,000 sq m of warehouse space transacted, which reflects a 30% increase in demand compared to the result recorded in the first quarter of 2017. The Warsaw Suburbs posted the largest leasing activity, with 192,000 sq m of warehouse space transacted, with Warsaw Inner City accounting for 21,000 sq m. Net take-up including new leases and lease expansions accounted for 56% of the total leasing volume transacted in the region, with renegotiations making up the remaining 44%. Strong demand and falling vacancy rates prompt developers to launch new projects. By the end of March 2017, about 385,000 sq m of warehouse space remained under construction (13 projects), of which 20,000 sq m was developed within two projects located in Warsaw Inner City. Over the past 12 months the vacancy rate fell by 1.6 p.p. to 7.3% in Warsaw Inner City and by 1.9 p.p. to 7.7% in Warsaw Suburbs, which translates into 50,000 sq m and 189,000 sq m, respectively.

Upper Silesia

Upper Silesia is the second largest warehouse market in Poland, with approximately 2,084,000 sq m of modern stock recorded as at the end of March 2017.

New supply reached 62,000 sq m in three 3 projects. The region is still characterized by a high level of take-up accounting for 292,000 sq m of warehouse space in Q1 2017. It is worth noting that almost half of this volume (135,000 sq m.) was through a single deal for new Amazon’s investment, this time in Sosnowiec (by Panattoni). Net take-up including new leases and expansions accounted for 74% of the total leasing volume transacted in the region, with renegotiations making up the remaining 26%. At the end of March 2017 about 235,000 sq m of warehouse space was under construction. The vacancy rate reached 4.9% (102,000 sq m), posting a slight increase of 0.6 p.p. year-on-year.

As in the previous year Warsaw Suburbs and Upper Silesia were the top performing markets in Poland.
INDUSTRIAL MARKETS IN POLAND
Q1 2017

Poznan

With a total stock of 1,691,000 sq m, the Poznan region is the largest warehouse market in the western part of Poland.

In the first three months of 2017 developers completed 84,000 sq m of warehouse space, which accounts for nearly 50% of last year’s supply (177,000 sq m). Total take-up reached 77,000 sq m, a 15% increase on the result noted in Q1 2016. Net take-up including new leases and expansions accounted for 91% of the total leasing volume transacted in the region, with one renegotiation agreement making up the remaining 9%. Development activity remains robust. At the end of March 2017 about 178,000 sq m of warehouse space was under construction. High levels of supply in the Poznan region pushed the vacancy rate up to 7.8% (132,000 sq m) at the end of Q1 2017, which post an increase of 4.2 p.p. compared to the same period of 2016 (3.6%).

Despite stable level of demand, the vacancy rate in Poznan region increased significantly to 7.8%.

Wroclaw

Wroclaw is the second after Poznan largest warehouse market in western Poland, with the total stock standing at 1,508,000 sq m.

The market development in the first quarter shows a slight downward trend. In the period under review, supply reached 41,000 sq m (in two projects). Take-up stood at 60,000 sq m, less by 10,000 sq m compared with the same period of 2016. Net take-up including new leases and expansions accounted for 24% of the total leasing volume, with renegotiations making up the remaining 76%. At the end of March 2017, there was 59,000 sq m under construction. The vacancy rate increased by 1.1 p.p. year-on-year and amounted to 6.8%, which translates into 102,000 sq m of readily available warehouse space.

The planned completion of the S3 expressway may lead to further logistic and industrial investments in the Lower Silesia region.
INDUSTRIAL MARKETS IN POLAND
Q1 2017

Central Poland

At the end of the first quarter of 2017, the total stock of modern warehouse space in Central Poland reached the level of 1,536,000 sq m.

Since the beginning of the year, developers have delivered 91,000 sq m (3 projects). Take-up stood at 116,000 sq m, a 36% increase compared with Q1 2016 (85,000 sq.m). At the end of March 2017, some 44,000 sq m of warehouse space was under construction. Strong demand and low supply of speculative development pushed the vacancy rate down by 2.4 pp. year on year to 2.3% or 35,000 sq m of available warehouse space.

Central Poland region is a logistic heart of the country with low vacancy rate (2.3%).

Cracow

Both tenants and developers remain active in the Cracow region. Total warehouse stock amounted for 270,000 sq m at the end of Q1 2017.

In the first quarter of 2017, 7R completed the second phase of the Kokotow Logistics Center (14,000 sq m). Five lease agreements in the region were signed, totalling 31,000 sq m. At the end of March 2017, approximately 87,000 sq m of warehouse space remain under construction in four new investment projects. Availability of warehouse space is growing at a rapid pace and amounts to approximately 33,000 sq m. This represents a significant increase in the vacancy rate to about 12% compared to 2% noted in the same period last year.

Development activity in Cracow region remain on a high level with 87,000 sq m of warehouse space under construction.
INDUSTRIAL MARKETS IN POLAND
Q1 2017

Rzeszow

By the end of March 2017, the stock of warehouse space in the Rzeszow region amounted to almost 257,000 sq m, with no new supply added during the past three months.

Total leasing volume reached 29,000 sq m, which represents a significant increase of demand compared with the result achieved in the first quarter of 2016 (almost 5,000 sq m). As at the end of March 2017 there was about 60,000 sq m of warehouse space under construction mainly in two projects located near Debica. The vacancy rate stood at 2.5% (6,500 sq m), down by 3 pp. on an annual basis.

Lublin

In the first quarter of 2016, the stock of modern warehouse space in the Lublin region increased by 34,000 sq m totalling 129,000 sq m.

The new project in the region was the second phase of Melgiewska Logistics Center. Similar to 2016 take-up was modest and amounted to 6,000 sq m of leased warehouse space in four leases in Panattoni Park Lublin. At the end of March 2017, there was 11,000 sq m under construction in the parks of Panattoni Park Lublin and MLP Lublin. The vacancy rate is 13.9% (or 18,000 sq m), recording a significant increase of approximately 9.7 pp. on an annual basis.

Demand for warehouse space increased in case of Rzeszow region while in Lublin remained modest.
INDUSTRIAL MARKETS IN POLAND
Q1 2017

Tricity

At the end of March 2017 Tricity’s warehouse stock stood at approximately 400,000 sq m, with some 36,000 sq m delivered in the first quarter of 2017.

Net take-up reached 32,000 sq m, an increase of 33% compared to the same period of 2016 (no renegotiations recorded). Development activity stood at a stable level, with some 21,000 sq m of warehouse space under construction. The vacancy rate fell by 1.6 p.p. on an annual basis, standing at around 7.2% at the end of Q1 2017, which translates into approx. 29,000 sq m of vacant warehouse space.

Logistic operators remains most active tenants in the Tricity region with 85% share of total transaction volume in Q1 2017.

Szczecin

In the first three months of 2017, about 26,000 sq m of warehouse space (three projects) came onto the Szczecin market, bringing its total warehouse stock to 217,000 sq m.

Only one lease agreement was signed (3,500 sq m) by Advansor in Panattoni Park Szczecin, which indicates a decrease in take-up of approximately 6,500 sq m compared with the transaction volume in Q1 2016. At the end of March 2017, there was 291,000 sq m of warehouse space under construction in Szczecin in two ongoing projects dedicated for Amazon in Kolbaskowo (160,000 sq m, Panattoni) and for Zalando in Gryfino (130,000 sq m, Goodman). The vacancy rate stood at 8.8% (or 19,000 sq m), which means a significant increase compared with the end of Q1 2016, where there was no readily available warehouse space at that time.

Scandinavian companies continue to expand their leasing area in the Szczecin region.
Western Poland

The Western Poland region is a new market on the country’s warehouse map. It covers the area from the Lubuskie voivodeship and the western part of the Lower Silesia along the S3 expressway.

Total stock of modern warehouse space in Western Poland accounted for 87,000 sq m including Panattoni’s industrial projects delivered in the past five years primarily for automotive industry represented by such companies as Faurecia, Ideal Automotive, Syncreon, Recaro, STS Acoustics and Sanden Manufacturing as well as for construction industry with an example of new Panattoni project dedicated for Reuss Seifert comprising 30,000 sq m currently underway in Nowa Sol. In the first quarter, the same developer signed significant contract with the H&M clothing retailer to build 60,000 sq m distribution center in Boleslawiec.

Due to ongoing development of the S3 expressway, which is a part of the Central European Transport Corridor (CETC), we observe an increase in tenants’ activity and growing pool of investment land secured by leading developers in locations such as: Zielona Gora, Swiebodzin and Zgorzelec.

Bydgoszcz & Torun

By the end of March 2017, warehouse stock in the Bydgoszcz and Torun region amounted to almost 279,000 sq m.

Supply stood at 104,000 sq m delivered in three Panattoni projects, including two large BTS developments dedicated for retailers – Kaufland (46,000 sq m) and Carrefour (38,000 sq m). Due to the lack of similar scale transactions in the first quarter of this year, the demand was significantly lower than in Q1 2016 (54,000 sqm) with only one lease transaction signed in Logistic & Business Park Bydgoszcz (5,000 sq m). As at the end of March 2017 there was approx. 25,000 sq m of warehouse space under construction in Waimea Logistic Park Bydgoszcz. The vacancy rate reached 5.5%, an increase of 4.5 pp. which equates to 15,000 sq m of vacant warehouse space.

Strategic location with access to the A1 motorway leads to a dynamic development of the warehouse market in the Bydgoszcz-Torun zone.
The industrial market is sustaining its upward momentum.

The industrial market in Poland in the first quarter of 2017 continued its upward trend. Leasing volume hit 925,000 sq m, the highest quarterly volume on record. Developers completed around 533,000 sq m of warehouse space. A further 1,426,000 sq m is underway, with pre-lets accounting for 75%. As in the previous year Warsaw Suburbs and Upper Silesia were the top performing markets with 55% share in the country’s total take-up, witnessing also the largest development activity.

Among the remaining regional markets occupier activity remains stable, except for south-eastern Poland, where Cracow and Rzeszow recorded substantial increases in occupier interest. Continued economic growth, infrastructure investments and low and stable rents remain the main drivers of the industrial market in Poland, which bodes well for its future growth.

CUSHMAN & WAKEFIELD’S SELECTED TRANSACTIONS IN Q1 2017

In Q1 2017 Cushman & Wakefield’s Industrial & Logistics Agency leasing mandates portfolio stands at around 110,000 sq m, with all of the projects being Class A.

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Warehouse</th>
<th>Zone</th>
<th>Space leased (sq m)</th>
<th>Type of transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sonoco</td>
<td>Panattoni Park Strykow II</td>
<td>Central Poland</td>
<td>18,000</td>
<td>New transaction</td>
</tr>
<tr>
<td>DEDRA-EXIM</td>
<td>MLP Pruszkow I</td>
<td>Warsaw Suburbs</td>
<td>12,000</td>
<td>Renegotiation &amp; Extension</td>
</tr>
<tr>
<td>DSV Road</td>
<td>Panattoni Park Sosnowiec</td>
<td>Upper Silesia</td>
<td>7,000</td>
<td>New transaction</td>
</tr>
<tr>
<td>AD Polska</td>
<td>Wroclaw Logistic Centre</td>
<td>Wroclaw</td>
<td>6,000</td>
<td>Renegotiation</td>
</tr>
<tr>
<td>Nagel-Group</td>
<td>Panattoni Park Poznan VIII</td>
<td>Wroclaw</td>
<td>6,000</td>
<td>New transaction</td>
</tr>
<tr>
<td>Farutex</td>
<td>Panattoni Park Lublin</td>
<td>Lublin</td>
<td>5,000</td>
<td>New transaction</td>
</tr>
</tbody>
</table>
# DEFINITIONS

## Standard lease terms

<table>
<thead>
<tr>
<th>Rent</th>
<th>Monthly rent, paid in advance, usually quoted in EUR and paid in PLN.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent indexation</td>
<td>Annual indexation based on the consumer price inflation in the euro area measured by the HICP.</td>
</tr>
<tr>
<td>Service charge</td>
<td>Paid by tenants, connected with costs and expenses directly related to the maintenance of warehouse space such as property management, local taxes, security, cleaning services, snow removal, landscape maintenance and lighting of vehicle manoeuvring areas. Quoted and paid in PLN.</td>
</tr>
</tbody>
</table>
| Typical lease length | 3–5 years  
For BTS schemes: 7–15 years |
| Incentives | Full or partial fit-out of leased space and rent-free periods: usually 4–8 rent-free months at the start of the lease, depending on the lease size and length. |
| Rent guarantee | Bank guarantee or deposit amounting to 3–6 months of rent and service charges plus VAT. |

## Definitions

<table>
<thead>
<tr>
<th>Modern industrial stock</th>
<th>Total warehouse space delivered after the year 2000.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply</td>
<td>Volume of modern warehouse space delivered onto the market in a specified period of time.</td>
</tr>
<tr>
<td>Vacancy Rate</td>
<td>Proportion of available industrial space to the total stock at the end of a specified period of time.</td>
</tr>
<tr>
<td>Take-up (gross)</td>
<td>Total volume of industrial space leasing transactions in a specified period of time.</td>
</tr>
<tr>
<td>Take-up (net)</td>
<td>Total volume of industrial space leasing transactions in a specified period of time, excluding lease renewals/renegotiations.</td>
</tr>
<tr>
<td>Headline rent</td>
<td>Rental figure being the output rate per square metre of leasable warehouse space offered by the owner.</td>
</tr>
<tr>
<td>Effective rent</td>
<td>Headline rent minus all financial incentives being the subject of negotiations between the landlord and tenant.</td>
</tr>
<tr>
<td>Build-to-Suit (BTS) development</td>
<td>Scheme constructed to meet specific requirements of a tenant such as location, area and technical/use specifications agreed prior to construction.</td>
</tr>
<tr>
<td>Pre-let</td>
<td>Pre-let agreement signed prior to construction or during the development phase.</td>
</tr>
</tbody>
</table>
CONTACT DETAILS

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