

CGL IM Financial Management Limited

Integrity, Collaboration and Commitment



Enduring Logistics Market Amid Economic Flux

Poland

Q2 2024

Market Outlook

In Q4 2023, Poland's GDP grew by 1.0% y-o-y, contributing to an overall 0.2% annual increase, driven by strong investment and foreign trade despite inventory reductions. Inflation in Poland dropped from 18.2% in February 2023 to 2.8% in February 2024 and is expected to continue declining slowly. Despite a marginal 0.1% y-o-y drop in household consumption in Q4, strong wage increases and a resilient labor market suggest a rebound in consumer spending. For 2024, Poland's GDP growth is expected to rise to between 2.7% and 3.5%, driven by easing inflation and increased private consumption. Growth is anticipated to climb further to between 3.2% and 4.2% in 2025, fueled by investments stimulated by an influx of EU funds.

Poland's logistics market has shown remarkable resilience amidst an economic slowdown. Total stock rose to 31.0 million sqm, an 11% y-o-y increase, with 3.7 million sqm added in 2023. Q4 saw a notable surge in take-up to 1.8 million sqm, up by 16% q-o-q, signaling a market revival. For the year 2023, total take-up reached 5.7 million sqm, surpassing pre-pandemic levels. The vacancy rate remains healthy at 7.4%. Despite overall moderation in CRE investment, logistics stands as the top choice for investors, attracting €965 million, or 46% of Poland's total volume, reflecting investors' confidence in its stability and growth potential. Rents stabilized with a modest annual growth rate below 5% in 2023, indicating market balance despite new supply influx. The outlook remains positive, driven by robust demand from e-commerce expansion and supply chain reorganization, disinflation, improving financial conditions, and broader economic recovery...

Subscribe to get the full report by emailing us

your name, company and job title at:

cglimresearch@cglim.com