INDUSTRIAL AND LOGISTICS REAL ESTATE MARKET POLAND

Market overview

H1 2015

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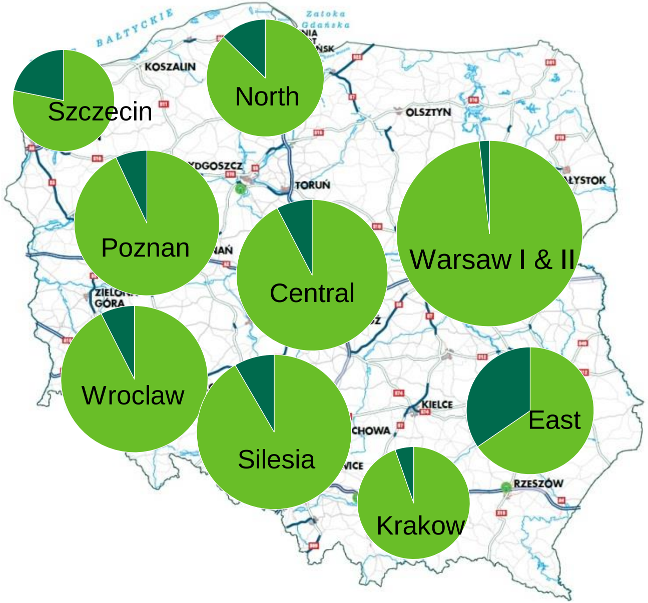
INDUSTRIAL & LOGISTICS POLISH REGIONS

9.3 million sq m of modern industrial and logistics space



Existing stock | Under construction

Warsaw City

Industrial and logistics schemes within the borders of Warsaw – **up to 15 km** from the City Centre

Warsaw Region

Industrial and logistics parks within the Warsaw Region – between **15 and 80 km** from the City Centre

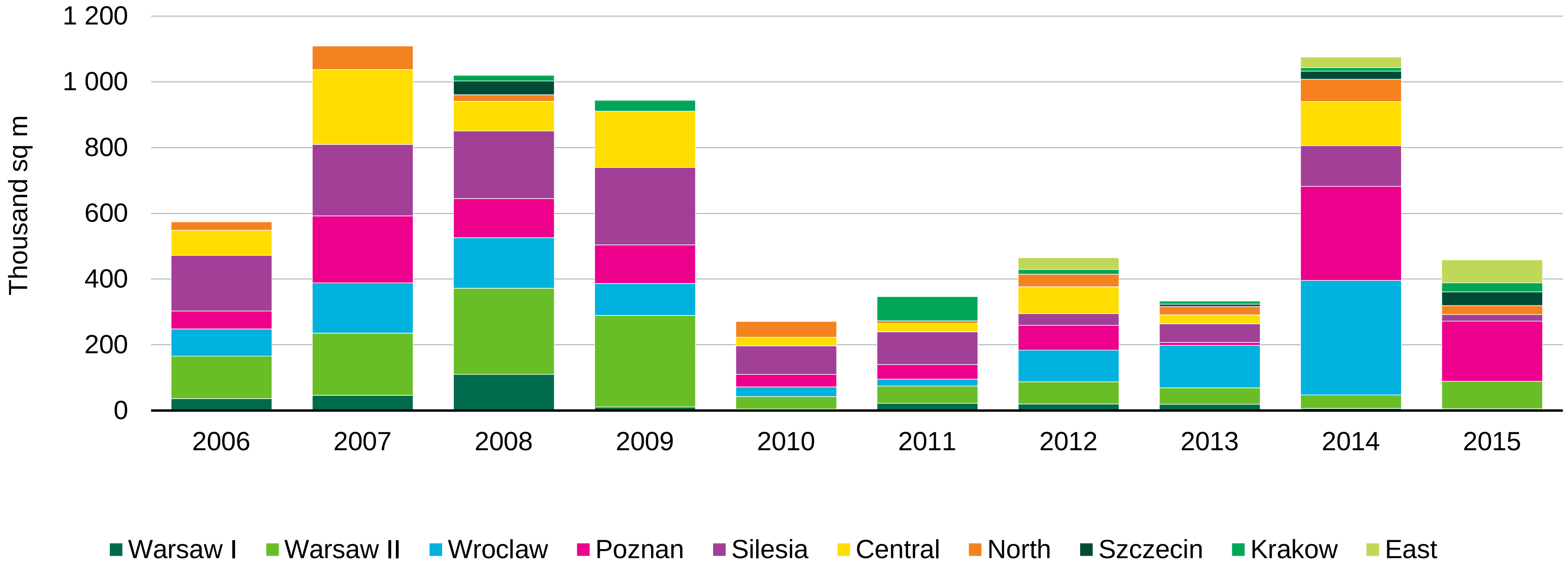
Poland Regions

Industrial and logistics parks in the major regions:

- Silesia
- Poznan
- Wroclaw
- Central Poland
- Krakow
- North (Tri-City, Bydgoszcz & Torun)
- Szczecin
- East

MODERN COMPLETIONS

Ca. 180,000 sq m delivered in the Poznan region in H1 2015



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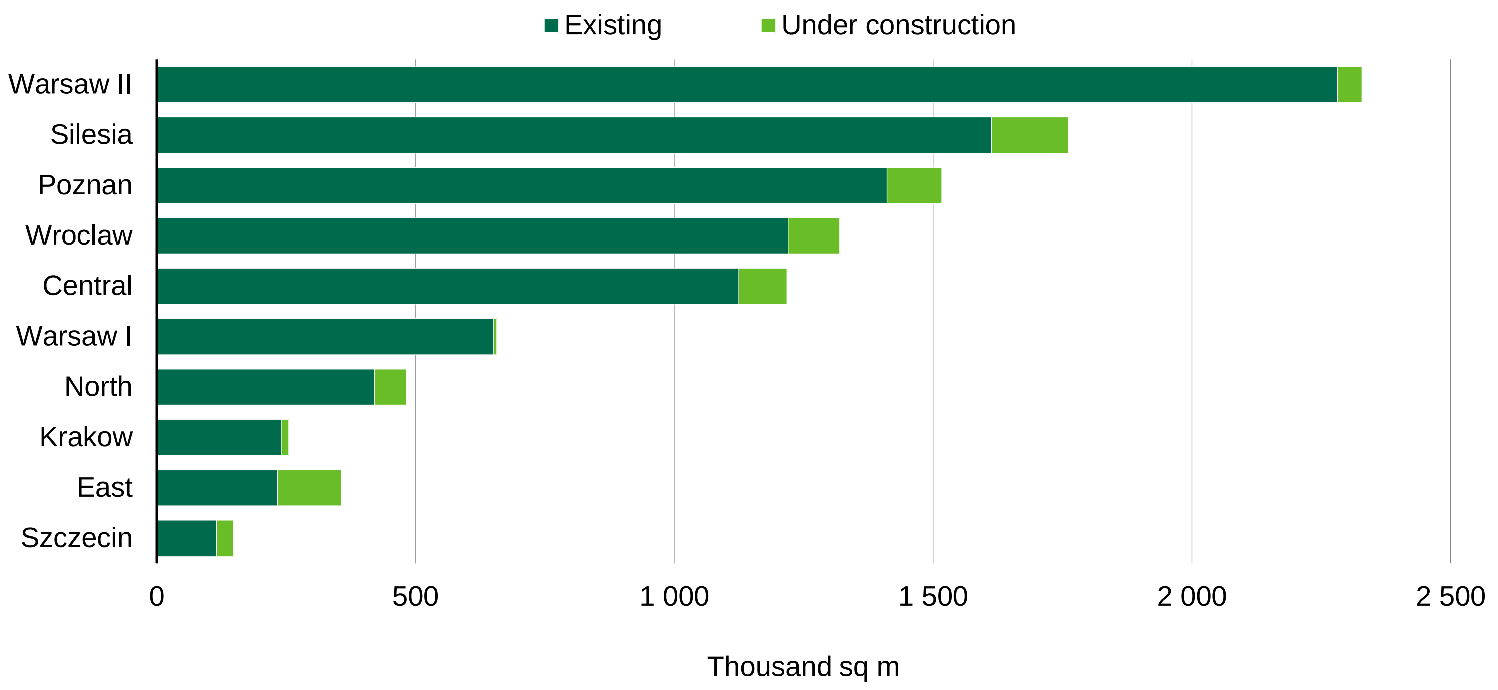
LOGISTIC STOCK BY REGION

Silesia and East leading in new constructions



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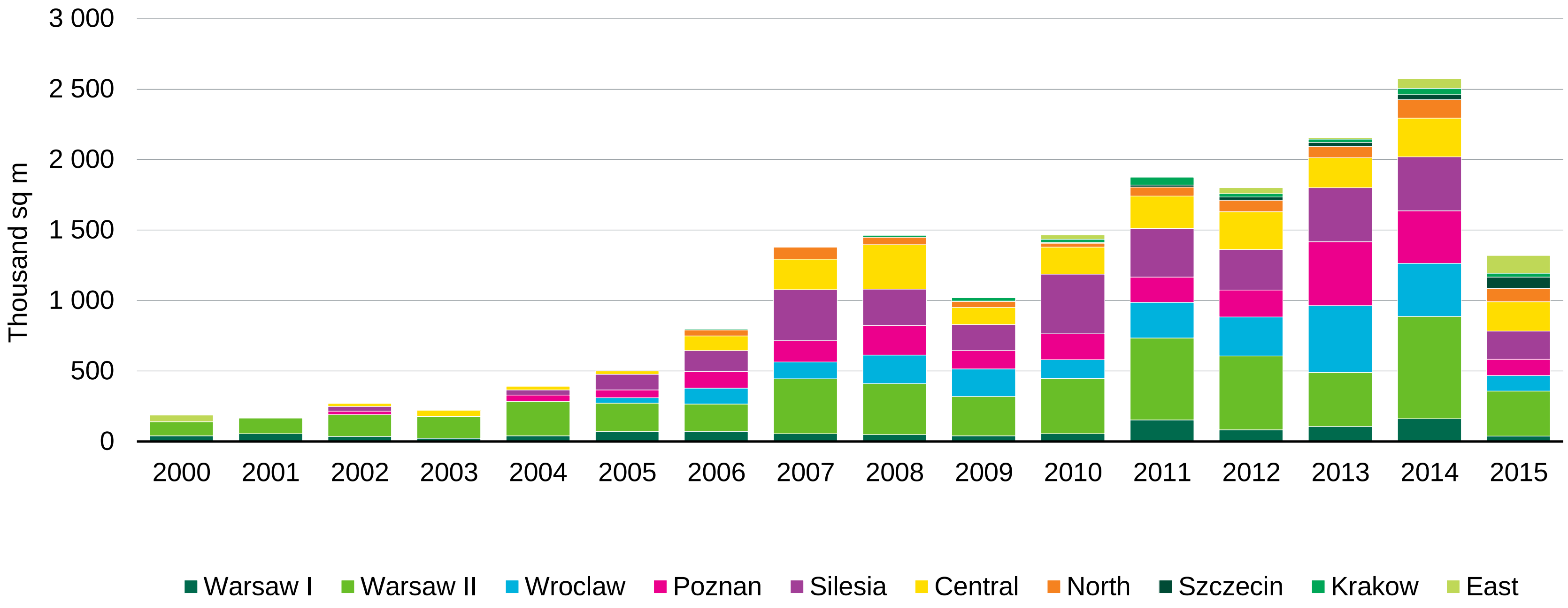
TOTAL LEASING ACTIVITY 2000-2015

Strong leasing activity in H1 2015 promising the next good year



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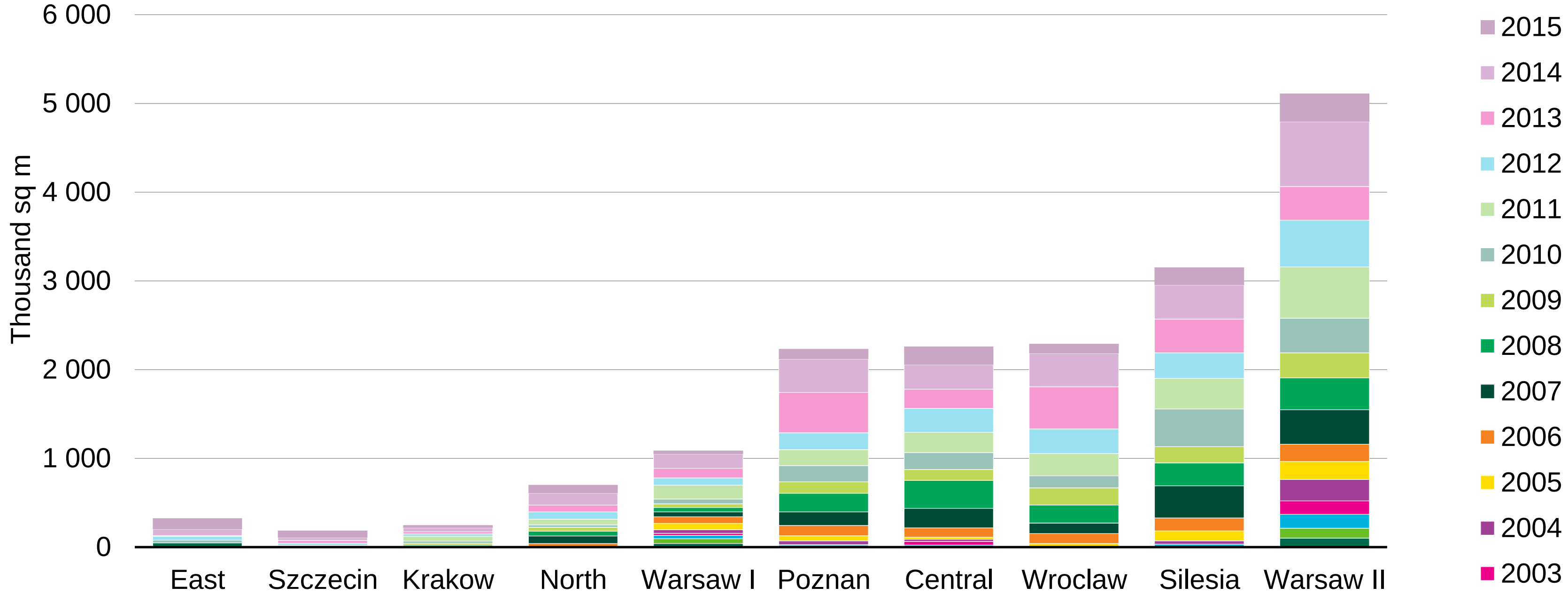
TOTAL LEASING ACTIVITY 2000-2015 BY REGION

Warsaw II continues to be the most popular region among warehouse tenants



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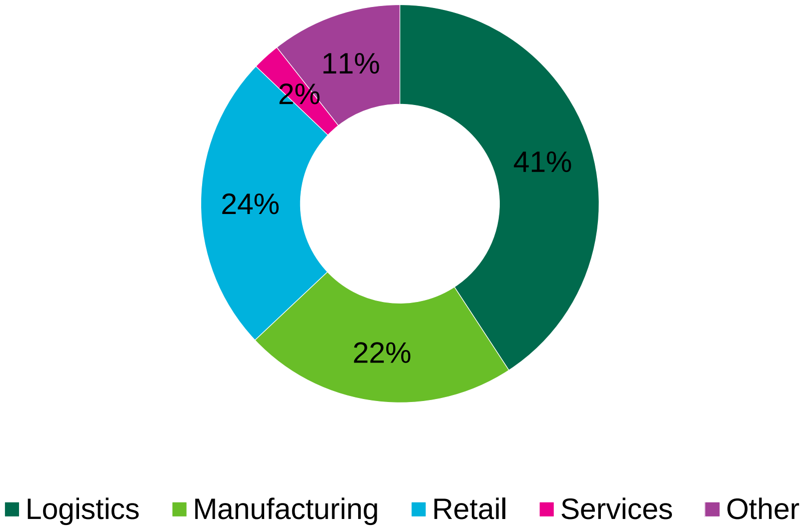
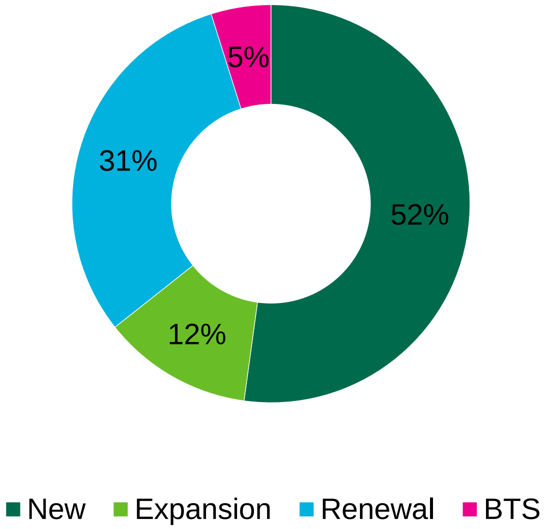
POLAND LEASING ACTIVITY BY TENANT TYPE AND DEAL TYPE IN 2015





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LARGEST LEASE TRANSACTIONS IN 2015

Q	Region	Project	Tenant	Sector	Size (sq m)
2	East	Tarnow Logistic Park	GoodYear	Manufacturing	56,000
2	Central	Panattoni Park Strykow II	Leroy Merlin	Retail	53,000
2	Central	P3 Piotrkow	FM Logistic	Logistics	37,000
2	Central	Logicor Lodz II	Flextronics	Manufacturing	27,100
1	North	Goodman Torun Logistics Centre	Nissin	Logistics	25,700
1	Warsaw II	P3 Mszczonow	Fiege	Logistics	25,400
2	East	Panattoni Park Rzeszow	Confidential	Other	24,700
1	Central	Panattoni Park Lodz East	Confidential	Other	23,400
1	East	Panattoni BTS Pilkington	Pilkington	Manufacturing	21,000
2	Silesia	Goodman Sosnowiec Logistics Centre	ILS (InterCars)	Retail	17,500
2	Warsaw II	P3 Mszczonow	Fiege	Logistics	17,200
2	Silesia	Silesia Logistic Park	Nowakowski Piekarnie sp. z o.o.	Manufacturing	16,600
1	North	Goodman Torun Logistics Centre	Mueller Fabryka Świec	Manufacturing	15,900

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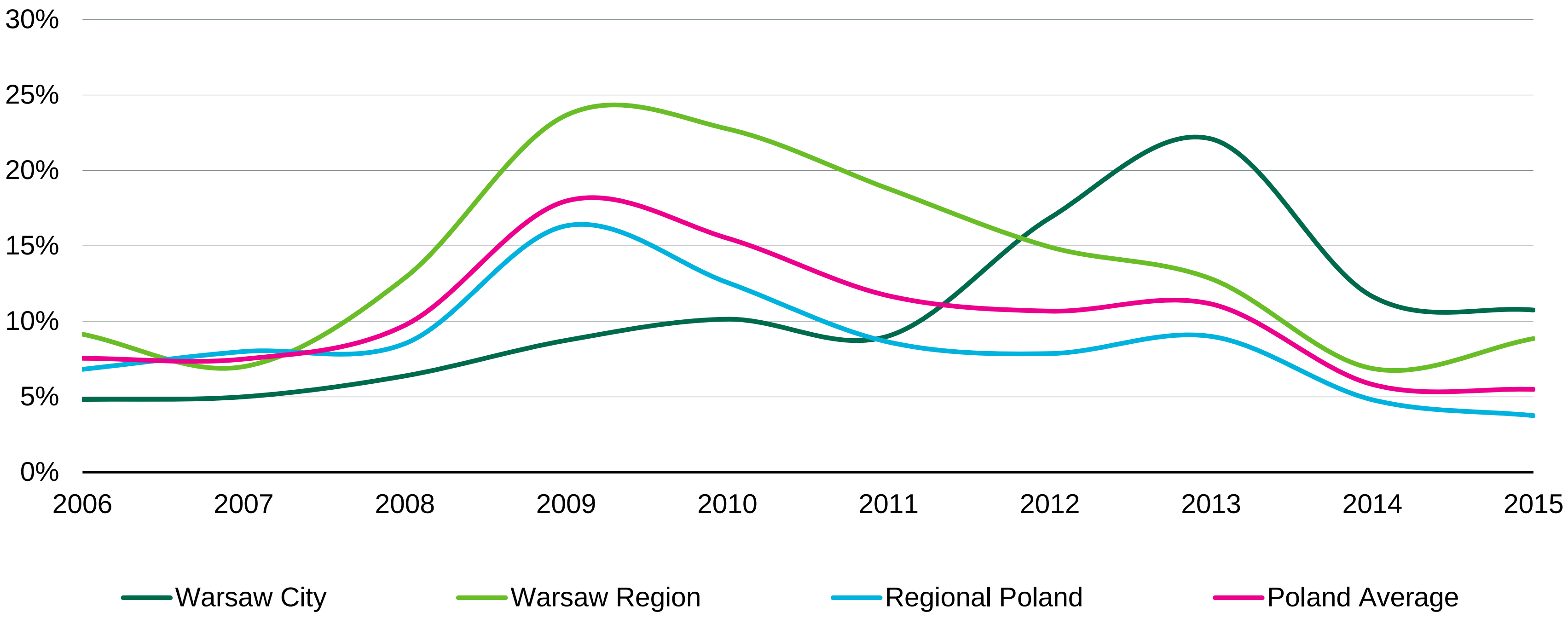
VACANCY RATE

Record-low average vacancy rate for Poland



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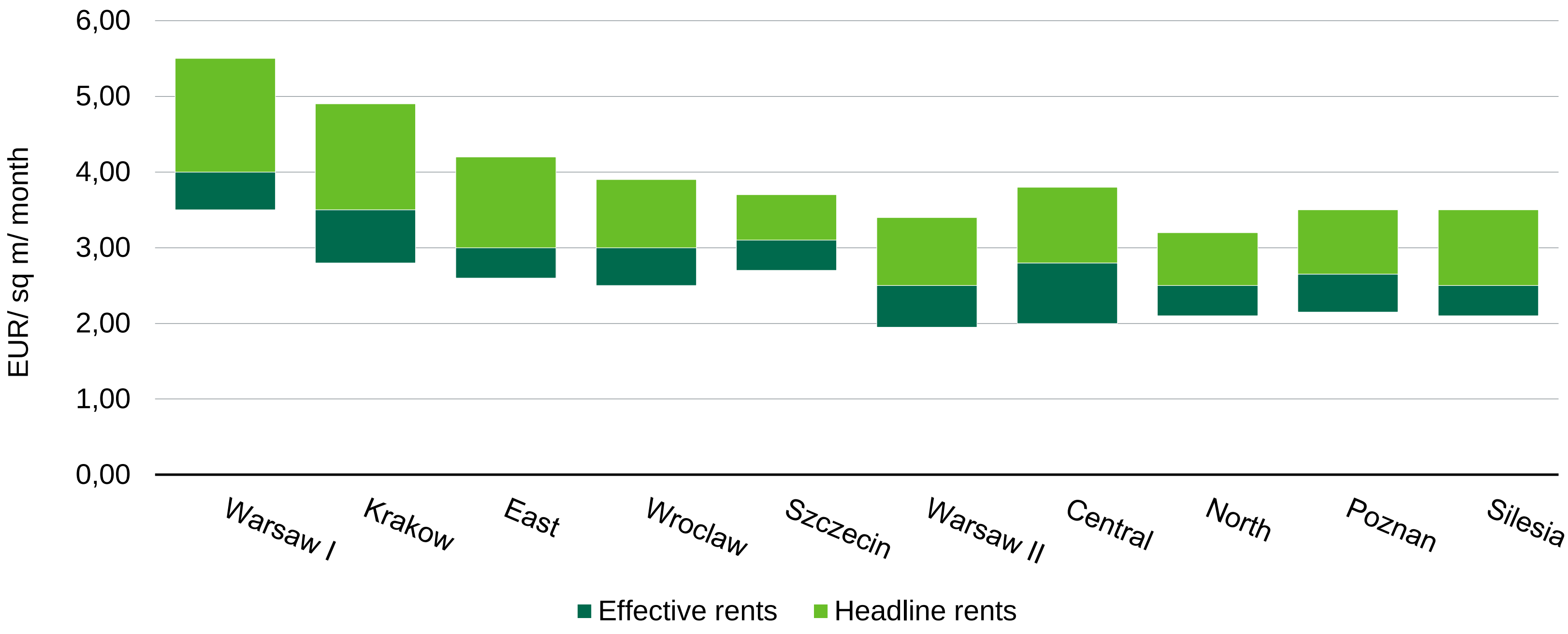
INDUSTRIAL & LOGISTICS RENTAL LEVELS

Warsaw City and Krakow remain the most expensive regions, Q2 2015



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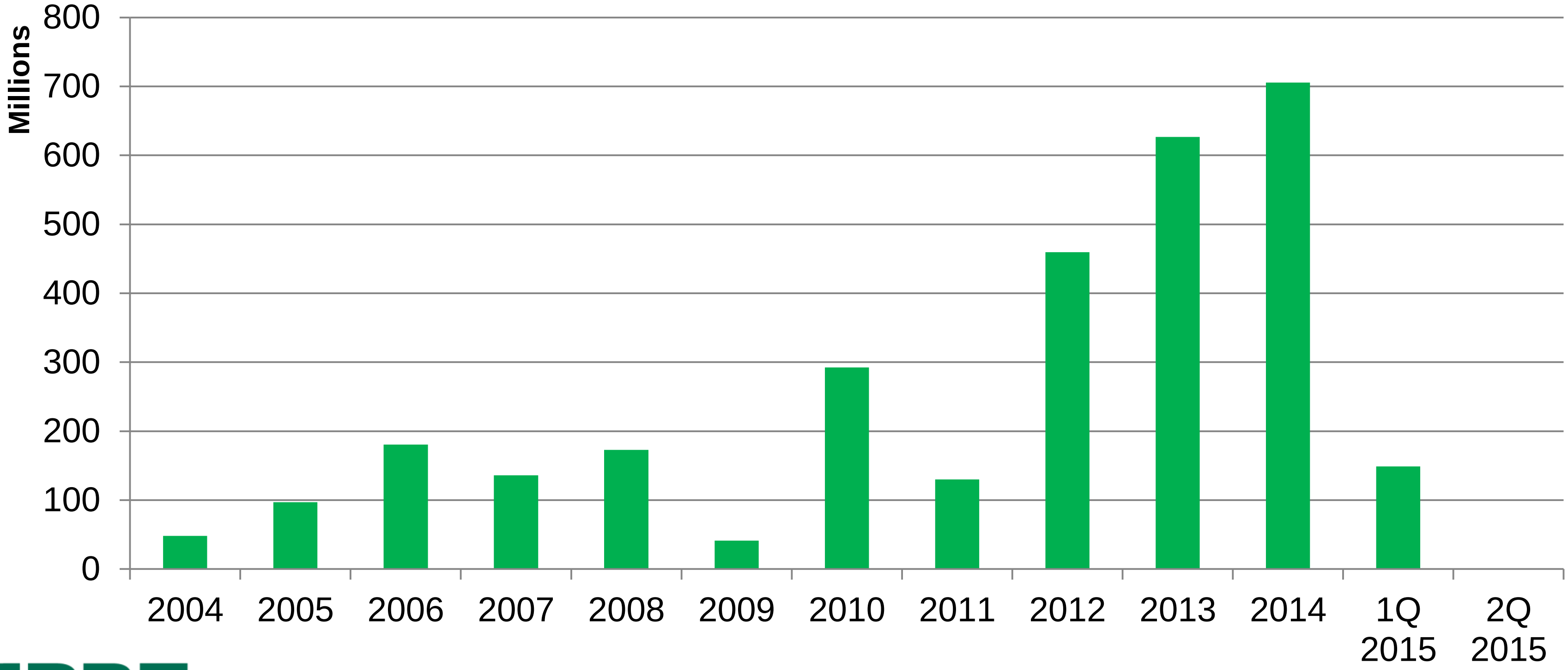
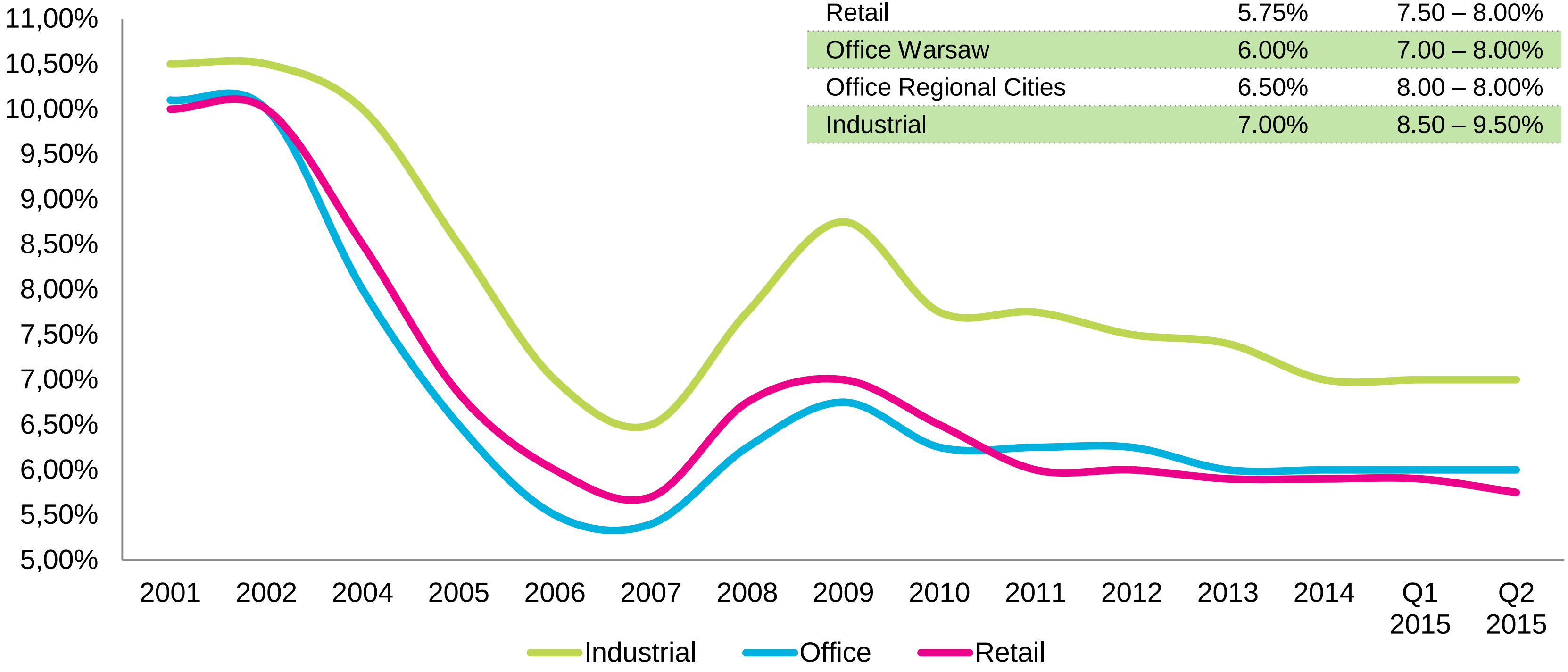
INDUSTRIAL INVESTMENT IN POLAND



PRIME YIELDS AND TRENDS

SECTOR	PRIME YIELDS	SECONDARY
Retail	5.75%	7.50 – 8.00%
Office Warsaw	6.00%	7.00 – 8.00%
Office Regional Cities	6.50%	8.00 – 8.00%
Industrial	7.00%	8.50 – 9.50%



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MAJOR INVESTMENT TRANSACTIONS

BUILDING	SECTOR	CITY	ESTIMATED YIELD	VOLUME (EUR)	BUYER
Sarni Stok	Retail	Bielsko Biala	n/a	n/a	Union Investment
CA Immo Portfolio	Industrial	Various	Est. 9.00%	80 000 000	P3
Green Horizon	Office	Lodz	Est. 8.00%	65 000 000	Griffin
Enterprise Park	Office	Krakow	Est. 7.75%	65 000 000	Tristan
Europlex	Office	Warsaw	Est. 9.50%	61 000 000	Lone Star / GTC
Neinever Portfolio	Retail	Various	n/a		
FM Logistics	Industrial	Various	n/a	n/a	WP Carey
Solaris	Retail	Opole	Est. 7.70%	52 000 000	Rock Castle
BPT Optima portfolio	Office	Various	Est. 9.00%	31 000 000	Octava FIZAN

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MARKET TRENDS

Strong leasing activity throughout the whole H1 2015 indicating a 20% increase y-o-y.

Strong interest in industrial investment. Prime yields at 7%.

Total stock of modern industrial and logistics space exceeding 9.3 million sq m.

Limited availibility of vacant space. Average vacancy rate for Poland at 5.5%.

Strong development activity. Ca. 730,000 sq m under construction now.

Increase in developer interest in the East and Szczecin regions..

Stable headline rents. Sharp incentives from developers for new locations.

MODERN WAREHOUSE BUILDING STANDARD

- Clear internal height of 10 m;
- Loading docks with hydraulic dock levellers, generally 1 loading dock per 700 – 1,000 sq m of warehouse space, with a possibility to increase the number of docks according to tenant's need;
- Drive-in doors, generally 1 door per 5,000 sq m of warehouse space;
- Floor loading capacity of min. 5t/sq m;
- Dust resistant floor;
- Column grid: 12 x 24 m or 12 x 22.5 m;
- Smoke vents and sky lights providing 2% natural light;
- Lighting in warehouse space min. 200 Lux;
- Gas/oil heating or municipal network;
- Building depth 60 – 80 m;
- Building insulation ensuring min. 8°C temperature with outside temperature of -20°C;
- Sprinkler system with ESFR heads;
- Fire loading up to 4,000 MJ/sq m.

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