

POLANDWeekly

Partner:  CUSHMAN & WAKEFIELD

Warehouses

- a speeding black horse



2021 was absolutely record-breaking in terms of the delivered space, and its resources already amount to 24 million sq m. According to Cushman& Wakefield, as much as 7.5 million sq m was leased during the entire last year and this result is over 50% higher than in

the corresponding period of last year. 4.5 million sq m is still under construction, which is almost 130% more than in the same period last year. The vacancy rate is the lowest in history and amounts to only 3.8%.



Prologis Park Wrocław



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WAREHOUSE MARKET GROWTH SHOWS NO SIGN OF SLOWING

The boom in demand in Poland's warehouse market continues, recording new records. In Q3 2021, new supply exceeded 1 million sq. m., bringing the total warehouse market stock to over 24 million sq. m. The continuing boom in the sector is also attracting new players to Poland.

Warehouses have become an indispensable element of the urban landscape not only in large agglomerations but also in smaller towns. Thanks to the development of the warehouse sector, many new locations have also been given a boost and thousands of new jobs created. The warehouse market is also considered to be the big winner in the battle against the pandemic. The sector has proved to be exceptionally resistant to cyclical changes, for example due to the dynamic development of the e-commerce sector. Developers in the Polish warehouse market are therefore trying to keep up with the growing demand for space. According to Cushman & Wakefield, in 2021 it increased by as much as 40% y/y, reaching a record 7.2 million sq. m. In addition, 3.7 million sq. m. is currently under construction, nearly 150% more than in the same period of the previous year. Despite such a large number of new investments, there is still no shortage of people willing to rent warehouses, which is why last year the vacancy rate did not exceed 5%. Currently, the demand for space in this sector is generated primarily by retail chains, logistics operators and manufacturers, mainly from the food and FMCG sectors.

3.7 million sq. m.
is currently under
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the same period last year.

New locations in focus

Only five years ago the warehouse sector's stock amounted to slightly more than 11 million sq. m., and such facilities were built mainly in the vicinity of major

According to developers, towns such as Legnica, Głogów, Częstochowa or Kielce have great potential in the warehouse sector.

agglomerations. Today, however, developers are launching a record number of new investments also in smaller towns. Their targets include new locations with good road connections and access to human resources. According to developers, towns such as Legnica, Głogów, Częstochowa or Kielce have great potential in the warehouse sector.

According to Damian Kołata, Partner, Head of Industrial & Logistics Agency Poland, Head of E-Commerce CEE at Cushman & Wakefield, the growing activity of developers means that by the end of this year, the stock of warehouse space is expected to have increased by more than 5 million sq. m. This means that the total supply in the warehouse sector at the end of this year will amount to nearly 30 million sq. m. If the market continues to develop at the current pace, Cushman & Wakefield estimates that in the first quarter of 2023 it may already be nearly three times larger than in March 2016.

Warehouse has more than one name

At the same time, the functions of warehouses are changing more and more. Large distribution centers, as well as city warehouses and courier hubs are appearing in the landscape of Polish cities. Increasingly, warehouse space is also located in the vicinity of shopping malls and even next to stores.

A novelty is also the so-called dark stores - small warehouse spaces which appear for example in the place of former small stores in housing estates. Another trend are mixed-use projects which combine office, retail, residential



7r City Flex Warsaw Targówek

and warehouse functions. Warehouse facilities themselves also combine several functions. They often house offices, research laboratories, as well as showrooms and pop up stores. The growing importance of the e-commerce segment also affects the development of courier and express services. Consequently, the interest in small urban warehouses, so-called quick commerce, is also growing rapidly. These types of facilities are built for the needs of the e-commerce sector and mainly enable quick deliveries in cities.

For the same reason, last mile logistics warehouses are also growing in importance. Warehouse facilities that serve the e-commerce sector are also one of the fastest growing segments of the market today. Such warehouses are fully automated and enable delivery of goods even within a few hours of placing an order.

Warehouses are growing upwards

It is not only office buildings that are sprouting up in Polish cities, but warehouses are also on the rise. This trend is gaining in im-

portance, for among other reasons, due to the lack of available land in suitable locations. According to experts, in 2022 there will be more warehouses built in the new standard, which is about 12 sq. m. These are the so-called high bay facilities, which are increasingly popular among investors and tenants. As a result, they gain more storage space, but calculated in cubic meters, because they do not increase the area calculated in square meters. An example of a facility built in this standard, which additionally uses green technologies and automated systems, is the warehouse center developed by 7R for Żabka in Radzymin near Warsaw. Its construction began in January 2021 and will last until the end of 2022.

The new warehouse will not only be automated, but also energy efficient. The investor wanted to reduce the impact on the environment to a minimum. The building in the high bay part will be four times higher than a standard warehouse.

Robots and drones in a new role

The warehouse and logistics market is also characterized by in-



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creasing automation. Warehouse space tenants are increasingly opting for automation to streamline delivery and order picking. Modern warehouses are also being equipped with technologies controlling for example water consumption, or energy-efficient air conditioning and ventilation as well as lighting and heating/cooling systems. Progressive robotization also means that some processes in warehouses are increasingly taking place without human intervention. This is made possible both by the development of the Internet of Things and Artificial Intelligence. As a result, automated warehouse racks and forklifts, material handling systems and virtual assistants, among others, are used in warehouses today. There are also automatic sorters that scan products using QR codes, or cobots, so-called cooperating robots, that pick packages. They are replacing humans and at the same time minimizing the need to employ, for example, people to work night shifts. Warehouse managers are also increasingly using advanced BMS systems (building management systems) to constantly monitor power and water consumption. Tools to help protect the facility, such as an advanced industrial monitoring system or RFID tags for reading car license plates, are also increasingly used. Warehouse owners and tenants are also increasingly using drones, which can both patrol the area and monitor the technical condition of roofs, including, for example, the weight of snow cover on the roof.

Proximity and ecology count

According to experts, the warehouse market is today also the main beneficiary of so-called nearshoring. That is moving production from distant regions (mainly from China and South-East Asia) to Europe. The pandemic caused some of the supply chains to be disrupted, resulting in problems with the availability of many goods. The result of this trend today is a revolution in global supply chains. As a result, proximity to markets is what matters most today. Many entrepreneurs try to min-



Panattoni Europe is an industrial space developer. As of the beginning of its activity in Poland in 2005, we have completed projects totalling more than 9 million square meters.

imize the risk of such a situation recurring, hence the growing popularity of nearshoring. More and more emphasis is also placed on ecological solutions in warehouses. However, today photovoltaic panels on the roof, beehives on the roof of warehouse halls or green certificates are definitely not enough. Developers and investors of warehouse facilities must go a step further. As a result, today the green approach is much more standardized. It has a new name ESG (Environmental, Social and Governance). However, it is not only environmental factors, but also legal and, above all, financial changes. Experts have no doubts that for companies it is also a chance to increase their competitiveness and most of all, to save money. They point out that the entire warehouse investment should be viewed holistically. As a result, what matters today in warehouse facilities are factors such as better insulation of walls and roof, installation of LED lighting and intelligent

lighting control systems. Warehouse investments are often complemented with the installation of an energy consumption system, as a result of which energy consumption in the building can fall by up to 50%. Photovoltaic panels and electric car chargers as well as planting plants are becoming a standard in warehouse facilities. Not only green roofs, but also flower meadows, are appearing, which also has an impact on reducing carbon dioxide emissions. According to experts, today ESG is not just an add-on to the business strategy of developers, investors, or tenants, but simply a necessity. It is not only about new reporting requirements, but thanks to this companies can also gain a competitive advantage. Damian Kołata, Partner, Head of Industrial & Logistics Agency and Head of E-Commerce in Poland, points out that today it is necessary, because the goal of the EC is to reduce emissions by at least 55% by 2030. In the following decades the greenhouse gas emissions are to be gradually

reduced, so that in 2050 the EU can achieve climate neutrality.

Poland as Europe's hub?

According to experts, the boom in the warehouse market will continue this year. The development of the e-commerce sector has also presented Poland with a new opportunity. They say that Poland may become one of the main beneficiaries of nearshoring. This is confirmed by Joanna Sinkiewicz, Head of Industrial and Logistics Department at Cushman & Wakefield, who believes that Poland may gain in importance as a manufacturing and logistics hub for Western Europe. According to the expert, companies already present on the Polish market, as well as those planning investments in the region of Central and Eastern Europe, will secure additional space to prepare for the risk of potential disruptions to the supply chain in the future. What are our most important assets? We have well-developed road infrastructure, while another advantage is the proximity to

Germany, the largest economy in the EU. This induces many brands to locate their distribution centers here today. Moreover, many of the planned distribution centers will serve not only Poland, but a large part of Europe. The prosperity of the warehouse market in Poland also attracts new investors and developers. The Scandinavian fund NREP has begun its expansion in Poland's warehouse sector by finalizing the purchase of a 130,000 sq. m. logistics portfolio. The investor plans further activities in the warehouse segment. LCube, in turn, after starting an investment in Jasionka near Rzeszów, has recently launched its second warehouse project near Wrocław. The new investor has ambitious plans to acquire four more locations this year. One of them, a 60-hectare plot, has been reserved by the company in the western environs of Poznań. The developer is betting on diversification and diversified facilities, both medium-sized warehouses and traditional big boxes in the park. However, this is not the end of new entries into this market. According to experts, this year we can also expect an increased interest in warehouses among entities that have to date been involved in other sectors of the commercial real estate market. Experts also agree that demand for warehouses in Poland and throughout Europe will continue to grow. This will be facilitated, among other things, by the forecast of further growth of online sales and the development of the e-commerce market, as well as the expansion of tenants from the manufacturing sector.

SELECTED SALE TRANSACTIONS Q4 2021

PROPERTY	REGION	SELLER	BUYER	SIZE (sq m)
EQT Exeter European Value Venture III	Multiple locations	EQT Exeter	GIC	320,000
Nexus	Bydgoszcz Sosnowiec Krakow Łódź Poznań Warsaw	ELI (European Logistics Investment)	CBRE IM	211,700
7R Beskid Park II (phase I)	Upper Silesia	7R & VRE	Savills IM	54,800

KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	REGION	TENANT	SIZE (sq m)	TYPE
Panattoni BTS Będzin	Silesia	Carrefour	50,000	New lease (pre-let)
GLP Wrocław V Logistics Centre	Lower Silesia	CEVA	44,288	New lease (pre-let)
7R Park Łódź East	Łódzkie	Castorama	36,070	New lease
Hillwood Rokito	Lubuskie	4PX	35,288	New lease

source: Cushman & Wakefield.

RENTS IN POLAND HAVE TO RISE

In 2021, construction costs in Poland rose 20% year-on-year and land prices by 30-50%. The market is also facing rising inflation.



Pawel Sapek
Senior Vice President and
Regional Head of Prologis
Central Europe

In response to these challenges, rental rates are growing and we see revenues balancing out replacement costs. According to the Prologis Logistics Rent Index, warehouse rents are rising across the whole of Europe. In 2021 there was record net effective rent growth of 7.2%. Everywhere ... except Poland. For over six years Prologis has been collecting, analysing and sharing data on rental rates. Reports prepared by the Prologis Research Department depict the reality of the international,

European and Polish industrial real estate markets. These reports make it possible for us and our customers to identify trends and detect anomalies. They provide a valuable tool for consulting firms, logistics companies and investors.

This year the Index shows that the industrial real estate market in Europe is buoyant: demand, construction costs, land values, property values and rents are all increasing. In 2021, effective rents (net of concessions) rose 7.2% year-on-year, which is an all-time record. The only country to witness a reverse trend is Poland, where rental rates fell by 0.5% year-on-year. The difference between Poland and other countries becomes clearer when we analyse real rent growth (nominal rents minus inflation). Polish real rents are more than 30% lower than in 2007 and this gap will soon grow wider as a result of anticipated high inflation. The highest net ef-

fective rents observed in the main Polish markets averaged €32 per sq. m., much lower than the average for the rest of Europe at €57 per sq. m.

Last year we noted an enormous increase in costs in Poland. For 2022 we forecast a spike in rental rates that will counter-balance continuously growing replacement costs and the effect of inflation; this will, in turn, allow the market to maintain its growth-rate, catching up with the Western European markets and even

our southern neighbours.

Rents are growing in all European countries, and in some at a double-digit pace. This stems from



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an increase in costs, on the one hand, and from limited supply combined with strong demand for warehouses, on the other. In Poland we are dealing with a lack of transparency in rent structure. Side-letters are a common practice. In reality, this means that clients rent a warehouse at the specified price but receive additional financial incentives which are not disclosed in the primary lease agreement.

Non-transparent rental contract structures can bring unwelcome surprises when renewal discussions begin. Concessions undisclosed in the lease agreement lead to the risk of artificially inflated nominal rents and inaccurate project valuations. Understanding the true value of Poland's logistics real estate market and the inevitable rental growth is essential for its further development on a sound economic basis. It is also beneficial to clients and investors who need accurate information in order to make good business decisions.

Poland has immense potential to attract investors and deliver high yields. But if the Polish logistics real estate market is to maintain its dynamic growth, common standards of business ethics and fair competition must be adopted sooner rather than later.

WAREHOUSE SECTOR AS ASSET CLASS KEEPS GROWING

The growth of the warehouse sector in Poland is accelerating, breaking new records in both supply and demand.



Robert Dobrzycki
CEO and co-owner of Panattoni

It is benefiting from the e-commerce boom and the desire to locate distribution centers as close to the consumer as possible, as well as the trend for nearshoring and the increasing production activity throughout Europe. This made 2021 a breakthrough year for Panattoni and the sector. In 2021 we signed approximately 300 lease agreements for more than 3.2 million sq. m. of space – 1 million sq. m. more than the previous year. Panattoni's facilities were chosen by such companies as Zalando, LPP, Media Expert, Carrefour, DHL, DB Schenker, InPost, Solaris and Action. In total, the developer completed 1.85 million

sq. m. of BREEAM certified space last year, while another 2.8 million sq. m. is under construction. What pleases me the most is that the importance of this asset class is obviously growing. It is a matter of time when it is going to be one of the largest asset classes. It is also becoming more diverse in terms of different types of users, different sizes, different countries, different locations and new locations.

This is right for the whole of Europe, but Poland has several advantages over other countries on the continent. Its location, the fact that it is still a cheaper and more cost-effective market, and that it is still easier to find land here, to implement development projects.

Poland itself is a large market in need of warehouses, with a still low share of e-commerce. E-commerce needs three times as much space as traditional commerce, so the potential is considerable.

Tenants are interested both in warehouses located in five major Polish regions and in emerging markets.

It should also be remembered that the warehouses built at our place, especially on the western wall, serve foreign markets - both production companies and e-commerce.

I would expect that in the coming years the supply of warehouses in Poland will continue to increase at a rate of 20%. We continue to

see a huge shift in capital towards this asset class. Even in the context of inflation, the potential risk of interest rates going up, capital inflow and tenant demand are such they will keep yields at very low levels with the potential to compress further.



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Even though we expect the rise in rents, rents in Poland are still attractive, lower than in neighboring countries. Unfortunately, this year the burden on tenants will be much higher than in the previous year, also due to the increase in utility costs and property maintenance costs.

As the leading developer in Europe we are on a wave of green transformation. 2021 was an extremely effective period for us in terms of the challenges of sustainable development and the green transformation of the commercial real estate sector. We announced our goal of achieving carbon neutrality by 2025. All our investments last year were notable for their minimal negative environmental impact, reduced CO2 emissions, reduced operating costs and the care taken for the wellbeing of the people working in them. Since the beginning of last year all of its new projects have been subjected to BREEAM certification to at least a 'Very Good' level. This confirms the quality of a building in terms of environmental protection, its comfort of use and its performance. Of course, our ESG strategy 'Go Earthwise with Panattoni' sets a new standard not only for buildings with solutions friendly to the environment, but we don't forget about "S" and "G" – employees and the local community.

E-COMMERCE, ESG AND AUTOMATION

Agnieszka Bulus-Trando talks to Damian Kołata, Partner, Head of Industrial & Logistics Agency Poland, Head of E-Commerce CEE, Cushman & Wakefield

Let's start with logistics, which is currently very dynamic and changing under the influence of online sales. How does e-commerce affect logistics and warehouses?

The growing role of our country as a European logistics hub, as well as the further development of e-commerce, as well as turbulence in global supply chains mean that warehouse space enjoys and will continue to enjoy great interest. The most optimistic data show that in the US in the first three months of the pandemic, the e-commerce logistics market made a leap that could be achieved in 10 years of standard development. The warehouse is no longer a place where old men move around on forklifts, moving pallets from the frame to the pallet rack. A modern warehouse, primarily to support the electronic sales channel, is a place of many and varied processes, the existence of which is necessary to achieve and maintain a decent market position, on the one hand, and on the other hand, the implementation of which requires several times larger warehouse space. Experts say that modern omni-channel processes require threefold more warehouse space than standard pallet manipulations. We must be aware that the warehouse space is a picking place in the fragmentation of one item, and not as it used to be, just one pallet or at most a cardboard box. In addition, returns management and other value-added services have specific requirements that developers meet, and we advise on this in advance. The warehouse becomes a place of innovative processes, the coexistence of manual work and automation, as well as a comfortable social space where employees prepare for work, rest, eat a meal in a neat canteen, or wait for a transfer home, which is often covered by the employer. The new reality makes us look at the warehouse differently than before. This is what we do, and external conditions motivate us even more, bringing new challenges.

Staying with e-commerce. According to your report, parcel lockers drive this market. What is behind the growing popularity of parcel machines among Poles?

Delivery of a parcel to a parcel machine is the most frequently chosen form of delivery in Po-



According to the report "E-Commerce in Poland 2021," prepared by Gemius, as many as 77% of online buyers use this form of delivery, which means an increase compared to the corresponding survey from 2020 by as much as 16%.

land. The domestic market is an absolute exception in this field in Europe. According to the report "E-Commerce in Poland 2021," prepared by Gemius, as many as 77% of online buyers use this form of delivery, which means an increase compared to the corresponding survey from 2020 by as much as 16%. In second place (50%) was courier delivery directly to home or work. As many as 81% of Poles who buy online, the form of delivery to a parcel machine is an element that motivates them to place an order. For obvious reasons, we don't always have time to wait for the courier at home. In the

workplace, the possibility of collecting a package is also not a matter of course. Telephone contact with the courier in order to arrange a re-delivery is also often difficult. Certainly, not only for me, the adventure with courier delivery often ended with a visit to the far suburbs of the city in order to pick up a package from the courier's warehouse. For this reason, parcel machines have become the number 1 collection point in Poland.

It cannot be denied that the increasing popularity of parcel machines on our market is associated with ecology and care for the environment. According to the information provided by the largest operator of such devices in Poland, InPost, as many as 37% of respondents reach Parcel Lockers on foot. In addition, 61% of people using InPost services admit that they use Paczkomaty only when dealing with other matters. Moreover, 93% of respondents do not make a long way or drive a maximum of 5 km to reach the pickup point.

Research carried out by scientists from the AGH University of Science and Technology in Krakow has shown that by delivering many parcels to one place,

carbon dioxide is reduced by up to 95% and annual fuel consumption by over 20 million liters. A special calculator developed by InPost indicates that if traditional home deliveries were replaced with delivery to a parcel locker, CO₂ emissions could be reduced by up to 75%.

The Polish parcel apparatus market is the largest in Europe. There are almost 20,000 points in our country. Undoubtedly, the biggest player is InPost, whose network already has 16,000 parcel machines. Many parcel machines are also located in smaller towns, which makes the company's offer available to many consumers.

The growing importance of e-commerce is one of the key trends in the warehouse and logistics industry. Automation is the second. However, as with everything, you also have to be somewhat wary here, because an automatic solution will not always turn out to be the best. So what solutions would you now indicate as the best, and which would you still consider?

When discussing the automation of logistics processes, we should be aware that it is an indispensable element of today's logistics. Logistics which cannot be a cost center for companies and should not be seen as a place where the profit and loss account can be easily optimized in case of problems, but logistics as a place where a competitive advantage is achieved. Regardless of how clichéd this slogan is and how easy it is to fit it into many activities within the organization, logistics has certainly become a field that has proved, like no other in recent times, that its earlier depreciation can be disastrous.

A forklift, pallet, high storage rack, and even a warehouse management computer system is not enough to provide modern logistics services. Of course, we don't have to move to modern and fully automated centers straight from movies showing the outskirts of Chinese internet giants. We should also remember that the implementation of automation will not be a magic wand that will quickly solve all sorts of ills. Also, not always will only automatic solutions be the best. However, it is worth bearing in mind that by fighting for better and better efficiency, eliminating bottlenecks in the sequence of processes, wanting to maintain greater precision and taking into account problems

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with access to human resources and increasing labor costs, automation will be an increasingly common solution.

If we add to this the saving of space (for example, the AutoStore system allows you to quadruple storage space without having to move to a new building, and at the same time improve the throughput of order fulfilment up to tenfold without hiring additional staff) and low energy consumption (completing robots do not use more energy than a domestic vacuum cleaner), as well as the invaluable help of automatic solutions in the case of occupational health and safety and the handling of hazardous materials, it seems that soon every warehouse will be equipped with at least partially automated processes. It is worth remembering that a warehouse worker spends up to 50% of his or her working time moving from one location to another, and the costs of picking constitute up to 50% of all warehouse costs. So each optimization in this area will be a significant saving.

Other trends that I would like to talk about are e-grocery, q-commerce, dark stores and dark warehouses. Please tell me about these trends and what is their development in the West and in Poland?

Another noticeable trend that connects last and this year is the boom in e-grocery and quick grocery shopping, which we became interested in in 2020, starting with the outbreak of the pandemic. Back then, the name q-commerce was an unclear cipher, now quick commerce is an increasingly frequent element of e-commerce, which consists of fast, even 10-15-minute delivery of groceries ordered online, to the door of our apartment. Certainly, you have the opportunity to notice many times in the streets characteristically dressed cyclists and motorcyclists who carry their shopping in square bags. Readers

who are passionate about logistics will probably ask where these purchases come from. While in the initial phase they were simply made in stores, recently, in the largest Polish cities, they are being created like mushrooms after rain. Dark stores can be of various sizes – local stationary stores, but also large fulfilment warehouses with an area of several dozen thousand sq. m. (especially in the US, where dark stores are created in the place of liquidated shopping malls, as described above, and are called 'dark warehouses'). They are usually located in cities or right next to communication routes. In Poland, the concept of smaller dark stores is currently developing, which often take up places in commercial premises of housing associations and do not exceed 200-250 sq. m., with about 1,500 SKUs in their offer. Companies such as Lisek and Jokr have already launched over a dozen such surfaces that resemble a grocery store from the outside (see the photo below) and from which they fulfill orders within a radius of about 2 km from a given location. Bolt, Glovo, Wolt, Gorillas and such big names as Żabka and Biedronka (in cooperation with Glovo, as BIEK, i.e. Biedronka Ekspres) are also preparing to open similar concepts in the near future.

Importantly, q-commerce is also becoming more and more popular not only among customers, but also investors and venture capital funds. This year alone, these funds invested more than \$1.5 billion in express grocery companies, while over the previous year it was almost three-times lower (\$687 million). Soon dark stores will appear not only in the supply of groceries, but also clothing. In addition, together with a warehouse in shopping centers and the FFS (fulfilment from store) system, they will create a new last mile supply network, which is much more efficient and effective. It is worth considering that, according to many industry experts, last mile costs range from 40% to even 55% of the total cost of supply chains. Hence, there are so many initiatives to optimize logistics and expenses for it in the field of city and last mile logistics, and to reorganize deliveries.

Let's talk about specific figures. How did the previous year close in terms of supply and demand, transactions and warehouse lease? Last year was an absolutely record-breaking year in terms of delivered space and its resources already amount to 24 million sq. m. It is also worth mentioning that as much as 7.5 million sq. m.

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were leased during the whole of last year, which is over 50% better than in the same period of the previous year. In addition, 4.5 million sq. m. are still under construction, almost 130% more than in the same period of last year. All these record levels have not contributed to an increase in the vacancy rate. On the contrary – their level is the lowest in history and amounts to only 3.8%, which is 3 percentage points less than a year ago.

When talking about trends, we cannot forget about ESG, and in particular, care for the environment. In the past, people talked about photovoltaics in this respect. Now there are many more of these solutions. Please tell me what ecological solutions are used in warehouses and what are the benefits for the environment and savings for companies?

Last year, we noticed a real and ever-increasing emphasis on sustainable solutions. The European Commission climate target is to reduce emissions by at least 55% by 2030. In the decades to come, greenhouse gas emissions are expected to decline gradually so that the EU can become climate neutral by 2050.

It is important that ecology means huge savings. According to the calculations of various developers operating on the Polish market, with the use of photovoltaic panels, increased wall and roof insulation, LED lighting and an energy management system, energy consumption in the building drops by up to 50%. LED lighting consumes 90% less energy than a standard bulb. In turn, the intelligent lighting control system DALI (Digital Addressable Lighting Interface) adjusts the light intensity to changing environmental conditions. It uses motion sensors and activity diagrams, ensuring optimal working conditions and effective energy management. Electric car chargers, planting of vegetation, flower meadows or green roofs, in turn, allow for the reduction of carbon dioxide emissions by about 38t tons per year for a medium-sized warehouse. From the tenants' point of view, it is also important that green solutions affect

the well-being of their employees. The greenery around the building, relaxation zones, street furniture and bicycle infrastructure increase the efficiency of people satisfied with their workplace.

The last question is about the future of the industry. Do you see here rather a development towards last mile warehouses or rather large cross-border hubs focused mainly on export and import abroad?

E-Commerce and the pandemic have changed the supply chain tremendously. Many new types of warehouses have been created, both the last mile hubs mentioned by you, or areas targeted at cross-border e-commerce, but also sorting plants, return centers or locations that support only re-commerce. The narrow structure of the traditional supply chain with only a central warehouse and possibly a few regional warehouses is a thing of the past. Nowadays, logistics chains have to cross at every order, pick-up, delivery and return point, which significantly extends the types of warehouses and their locations. So I am convinced that the coming months will bring the development of not only large hubs, but also smaller locations related to the CEP industry and the widely understood omni-channel phenomenon.

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space
has no boundaries

 PANATTONI