

Logistics: Central European region - Europe´s driving force

Author: SF / pb | Published: 16.03.2010

Central Europe is playing an increasingly important role in the map of logistics property. Despite the effects of the global economic crisis a number of significant transactions are being concluded here. Around 1,5 million square metres of modern industrial space was leased in Central Europe last year; this is more or less equal to France which is considered to be the largest logistics market in Europe. “Construction of logistics complexes in Western Europe is currently minimal compared to previous years, the same goes for the demand from new tenants. Although there has been a fall in construction and leases, the result for 2009 in Central Europe are the third best in the last ten years. Central European region continues to have the advantage of cheaper skilled labour, an advantageous position in close proximity to Western Europe and a relatively good purchasing power of its inhabitants,” said Ferdinand Hlobil from Cushman & Wakefield.

“Central Europe has a large potential for consumption growth as opposed to Western Europe and this further supports the industrial property sector. Logistics, storage and industrial complexes for companies satisfying everyday consumption of the population are necessary,” adds Hlobil.

Despite the relatively favourable situation, the volume of new construction in the region has decreased by 35 % year-on-year. In the four Central European countries 1,6 mill. m² of modern industrial spaces were built, it was nearly 2,5 mill. m² in 2008. The construction has nearly stopped in Slovakia last year, it fell to a half in Hungary, whereas it fell by about a third in Poland and the Czech Republic year-on-year. There are around 12 million m² of modern industrial spaces in Central Europe at the moment. On average 16 % of logistics spaces remain untenanted in the Central European region. The lowest rate of unrented premises is in Slovakia (7 %), the highest in Hungary (19 %). “The good news for the market is that the unoccupancy rate has started to decline in the last quarter of last year. This trend indicates that we could reach an acceptable level of around 12 percent,” said Hlobil.

Around 1,5 million square metres of modern industrial areas were leased in Central Europe last year; this is more or less equal to France which is considered to be the largest logistics market in Europe.

16.03.2010 09:11, SF / pb