AT A GLANCE Q3 2021

POLAND'S MODERN RETAIL MARKET*

HIGHLIGHTS

- Retail sales – optimistic economic forecasts for Poland
- August in shopping centres recording the highest footfall in 2021
- A slight increase in the vacancy rate in shopping centres (compared to 2019)
- Further development of mixed-use projects

TOP 3 OPENINGS

1. Fabryka Norblina Warszawa (26,000 sqm, Capital Park)
2. Agata Meble Bydgoszcz (14,400 sqm, Agata Meble)
3. Leroy Merlin Bydgoszcz – former Tesco (11,000 sqm, Leroy Merlin)

TOP 3 UNDER CONSTRUCTION

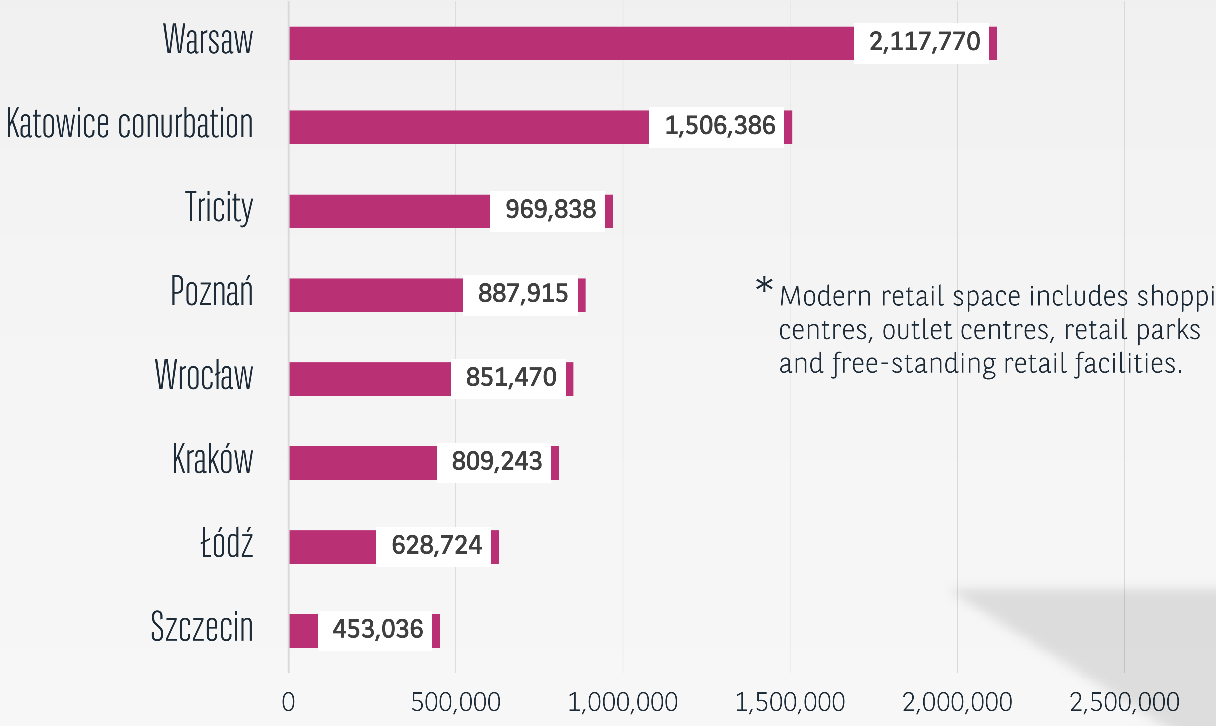
1. Karuzela Kołobrzeg (30,000 sqm, Karuzela Holding, Q4 2022)
2. Galeria Andrychów (24,000 sqm, Acteeum & Equilis, Q4 2021)
3. Galeria Bawełnianka (23,000 sqm, Gbb Invest, Q4 2021)

Economic forecasts for Q4 2021

		Trend	Change y/y
GDP	6.9%	↑	↑
Unemployment rate	5.8%	↓	↑
Private consumption	8.3%	→	↑
Wages in enterprise sector	6.6%	↓	↑
Inflation (CPI)	6.0%	↑	↑

Source: BNP Paribas, as of the end of September 2021 r., change y/y=2020/2021

Modern retail stock* in major agglomerations



* Modern retail space includes shopping centres, outlet centres, retail parks and free-standing retail facilities.

Source: BNP Paribas Real Estate Poland

KEY FIGURES

94%
AVERAGE SHOPPING CENTRE FOOTFALL
(PRCH: August 2021 r, as regards figures for 2019)

nearly 15.3 M sqm
EXISTING RETAIL SPACE

82,000 sqm
NEW SUPPLY Q3

7.9%
SHARE OF ONLINE SALES IN TOTAL RETAIL SALES
(Statistics Poland: August 2021)

230,000 sqm
SPACE UNDER CONSTRUCTION
(to be delivered to the market by the end of 2021)

Shopping centres in August recorded the highest footfall in 2021

In August 2021, the number of people visiting shopping centers was 17% higher than a year ago and reached the level of 94% of visitors in 2019.

Recent results show that the number of customers returning to brick-and-mortar shopping in shopping centres is steadily growing month on month. In August, the centres were visited by 4% more customers than in July 2021. The high results in August are the result of the end of the summer break and linked to the need to shop for the new school year. Moreover, the last Sunday of the summer holidays was a trading day. Oxford Economics forecasts that retail sales in Poland will increase by 4.9% annually until 2023, which places Poland at the forefront of European countries. The rising footfall and rosy economic forecasts grant a positive outlook to the retail sector for the coming months.

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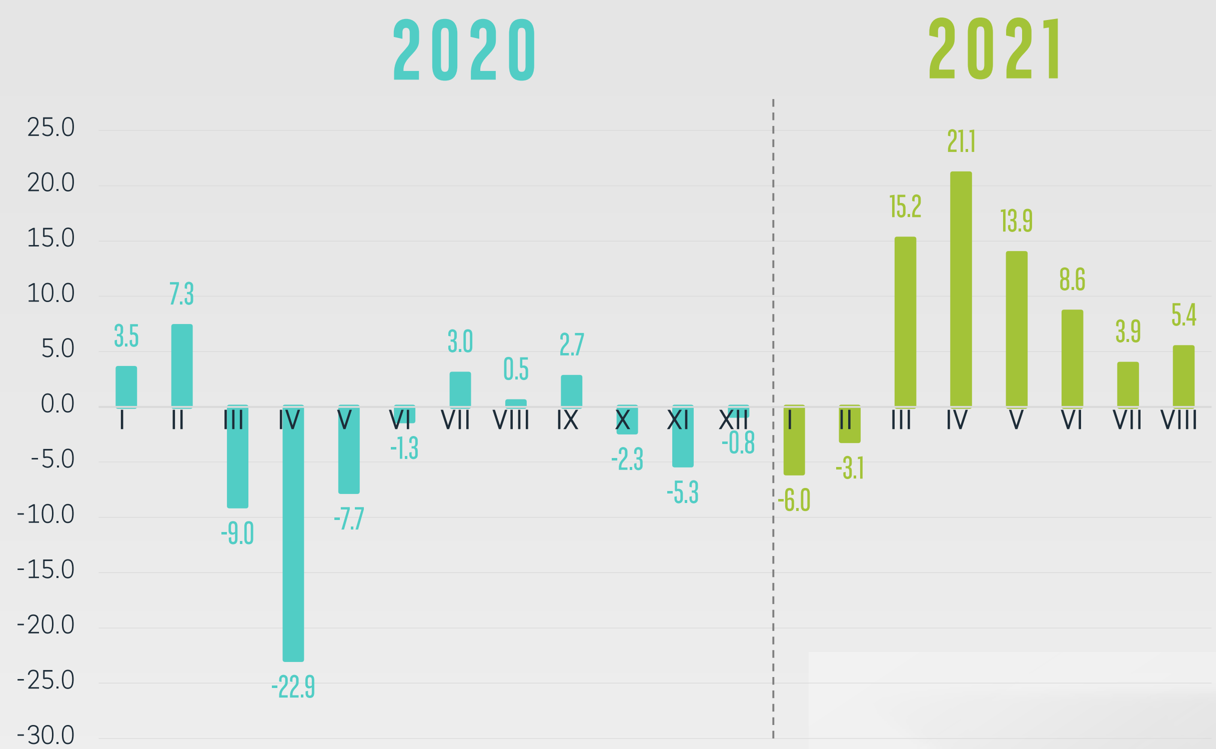
Expert comment

Klaudia Okoń
Consultant,
Business Intelligence Hub & Consultancy

A record year for retail parks and convenience facilities. Retail parks have benefited from shifts in the usual shopping habits and patterns caused by the pandemic. Consumers have curtailed visits to large-format shopping centres, focusing more on cozier, local and safer shopping centers. Direct access to shops, a limited customer flow and the time savings, linked with quick shopping time that are close to home have proven to be the main advantages of retail parks and convenience facilities that have successfully met the basic needs of local residents.

Retail sales

change % y/y 2020/2019
and 2021/2020, at constant prices



Source: Statistics Poland

Density of modern retail stock in major agglomerations

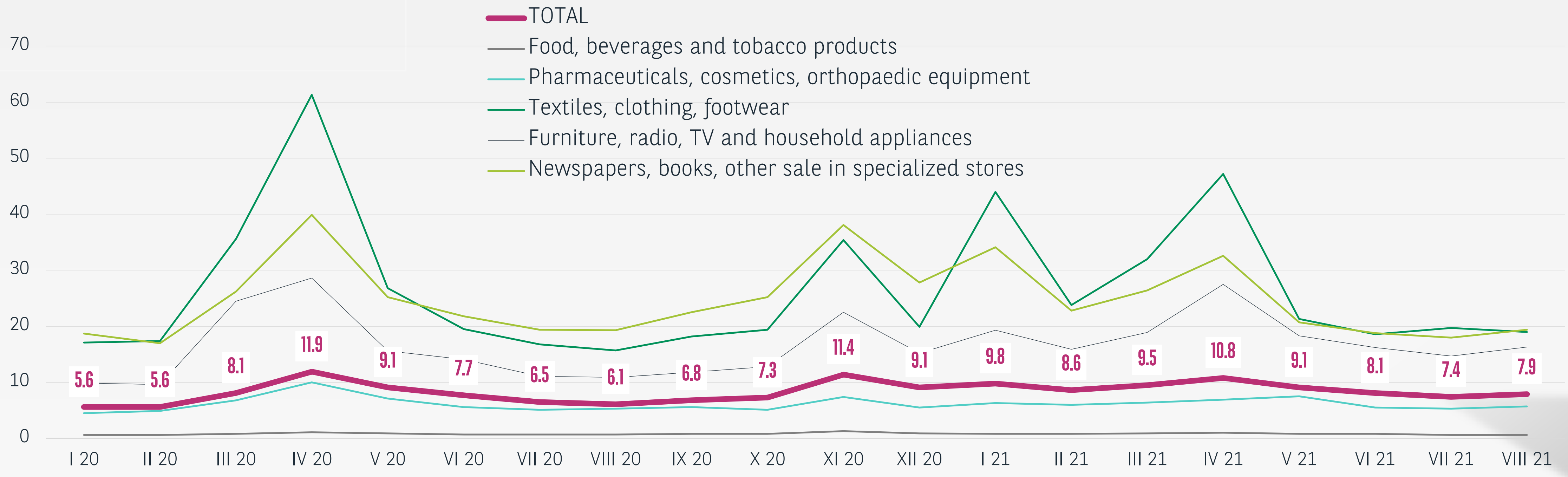
(sqm of GLA/ 1,000 inhabitants)

Source: BNP Paribas Real Estate Poland

The highest modern retail space saturation rates were recorded in Poznań and Wrocław agglomeration, standing at 1,047 sqm and 1,041 sqm/1,000 inhabitants respectively. The lowest rates on the contrary were recorded in the Katowice conurbation and Łódź agglomeration (714 sqm and 656 sqm per each 1,000 inhabitants respectively).

Share of internet sales in retail sales

(in %; constant prices, 2020-2021)



Source: Statistics Poland

Further development of mixed-use projects

The continued development of multi-functional projects is one of the key elements shaping the Polish commercial real estate sector today. The fast pace of life, increasing purchasing needs and changing consumer behaviour patterns, influence the investment decisions of developers in Poland. In September, after 46 months of revitalization, Norblin Factory was opened in Warsaw's Wola district – multifunctional complex offering retail, entertainment, cultural, gastronomic, service and commercial space with the addition of A class office space. Recently, Immofinanz has announced a project called Top on STOP, which involves the enlargement of single-storey STOP SHOP retail parks with additional floors for the construction of mixed use areas. In August, Atrium European Real Estate also announced its plans to comprehensively redevelop three shopping centres in Warsaw and broaden their functionality to include residential buildings.

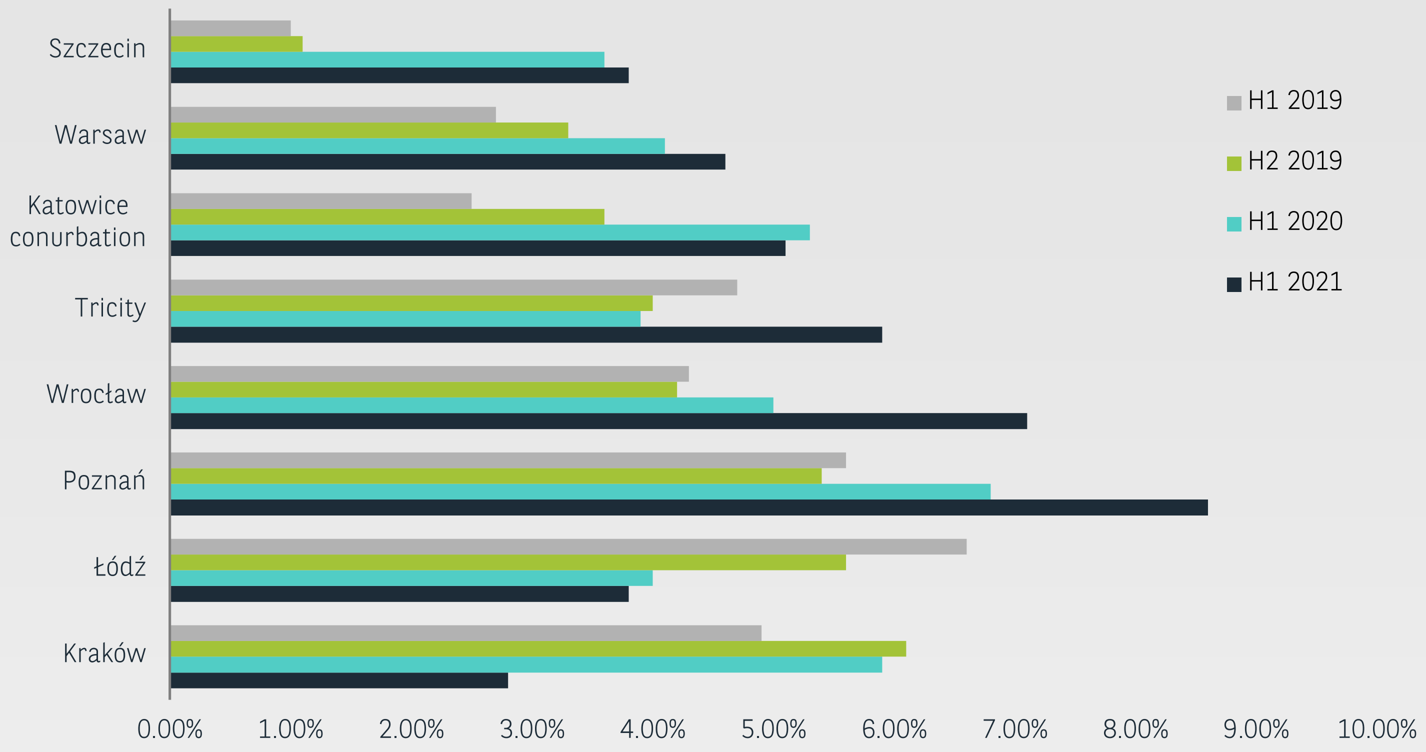
Expert comment

Małgorzata Fibakiewicz

Head of Business Intelligence Hub & Consultancy

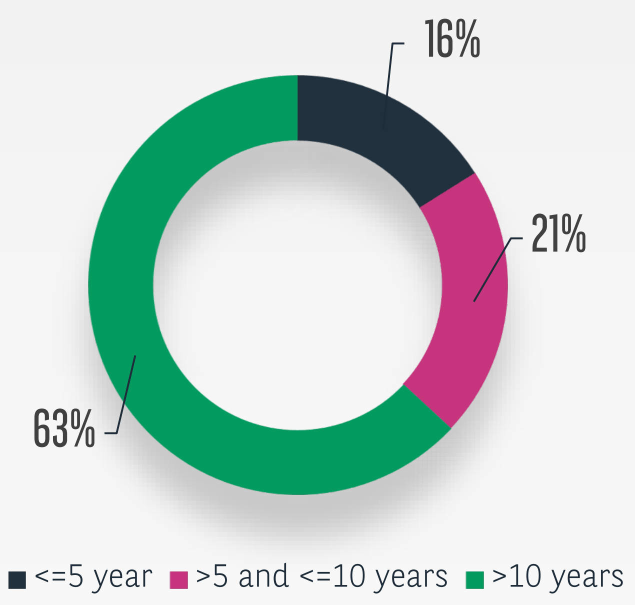
The number of empty units at shopping centres grew marginally during the year. The average vacancy rate in commercial facilities in the eight largest agglomerations increased from 4.8% in August 2020 to 5.3% in August 2021. The vacancy rate increased the most year on a year to year basis in Wrocław, from 5% to 7.1%. This is mainly due to the vacant space left by Tesco in CH Bielany. The Tri-city comes second, with an increase in vacancy rates from 3.9% to 5.9%, which is also related to the vacant space after the departure of Tesco on Kcyńska Street. The podium is finished-off by Poznań, with an increase in free space from 6.8% to 8.6%.

Vacancy rate in shopping centres H1 2021



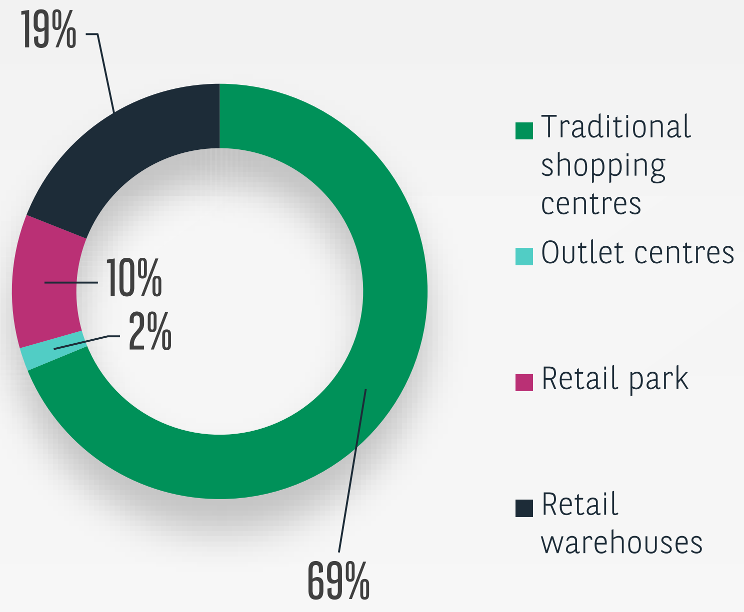
Source: BNP Paribas Real Estate Poland

Modern retail space by age



Source: BNP Paribas Real Estate Poland

Modern retail space by format



Source: BNP Paribas Real Estate Poland

The Asian e-commerce platform Shopee makes its debut in Poland. Poland has become the first country in Europe where the Singaporean e-commerce platform is available.

Tesco definitely brings to a close its operating activities in Poland. From November it will only be known as Netto.

Media Expert takes over Norauto's locations. 10 stores will be opened by the end of the year.

The German NKD chain resumes operations in Poland, opening 10 stores at the beginning. The NKD network made its debut in Poland once, in 2011. However, after three years of operation, all its stores were closed.

AT A GLANCE Q3 2021

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