

AT A GLANCE

Q2 2024

POLAND'S MODERN RETAIL MARKET*

KEY HIGHLIGHTS

- Healthy new supply levels
- Retail development activity shows no sign of slowing down
- Galeria Malta disappears from Poznań's landscape
- Two shopping Sundays on the horizon
- Social commerce as a new retail trend

TOP 3 OPENINGS Q2

1. Galeria Starówka, Leszno (15,200 sqm, HJ Invest)
2. S1 Bytom (13,100 sqm, Saller)
3. Aviator Retail Park, Olsztyn (12,000 sqm, RG Leasing)

TOP 3 UNDER CONSTRUCTION

1. Nowa Sukcesja – reconstruction (46,300 sqm, Amush Investment Group, Q4 2024)
2. Silwana Gorzów Wlkp. (25,000 sqm, Acteeum & Equilis, Q3 2024)
3. Vendo Park Szczecin (22,000 sqm, Trei Real Estate, Q4 2024)



KEY FIGURES

-0.7% y/y

AVERAGE SHOPPING CENTRE FOOTFALL

(PRCH: April 2024/April 2023)

8.6%

SHARE OF ONLINE SALES IN TOTAL RETAIL SALES

(Statistics Poland: March 2024)

about 16.15 M sqm
EXISTING RETAIL SPACE

135,000 sqm
NEW SUPPLY Q2 2024






335,000 sqm
NEW SPACE UNDER CONSTRUCTION

(to be delivered to the market by the end of 2025)

110,000 sqm
CHANGES IN FORMAT & EXTENSION

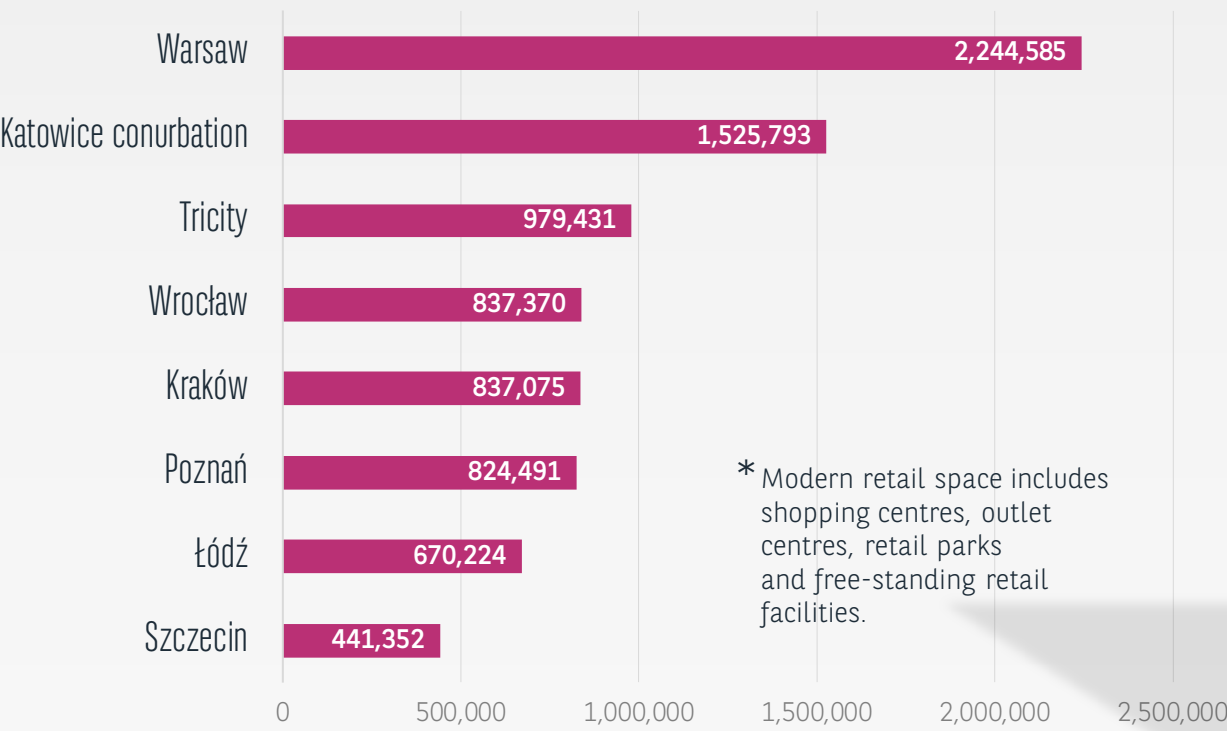
(to be delivered to the market by the end of 2025)

Forecast of major macro indicators

	2023	2024	2025
 GDP	0.2%	4.0%	4.0%
 Unemployment rate	5.2%	5.2%	5.2%
 Private consumption	-1.0%	5.0%	3.8%
 Wages in enterprise sector	12.5%	13.5%	8.5%
 Inflation (CPI)	11.6%	3.8%	4.2%

Source: Statistics Office, NBP, Eurostat, BNP Paribas, as of June 2024, average in the quarter (% y/y)

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

Q2 2024 on the Polish retail market

Approximately 135,000 sqm of modern retail space was added to Poland's total stock in the second quarter of 2024, with new supply comprising both new openings and extensions. The period from April to June 2024 saw nine new completions, three extensions and three redevelopments of stores vacated by Tesco. New supply was once again dominated by retail parks which were opened in Jastrzębie-Zdrój, Olsztyn, Świebodzin, Tychy, Zawiercie and Zgorzelec. The only new shopping centre to open in the three months to June was Galeria Starówka in Leszno, while extensions comprised Dekada in Grójec (5,000 sqm of GLA added) and Nowa Górna in Łódź (3,000 sqm added). Tesco's three former buildings were redeveloped, with two replaced by retail parks in Bytom and Piła. At the end of June 2024 there was approximately 335,000 sqm of new retail space under construction and 110,000 sqm underway in extension and reformatting projects. The second quarter of 2024 saw three brands enter the Polish retail market and all the debuts took place in Warsaw. The newcomers were Romanian-owned bakery Luca, which chose Polna Corner as its first location, the Veselka craft bar from Ukraine in the Browary Warszawskie complex and Answear.com, which opened its first physical store in the Norblin Factory. In May 2024, Poland's online penetration rate stood at 8.6% and remained above 8% throughout the first half of the year.

Expert comment

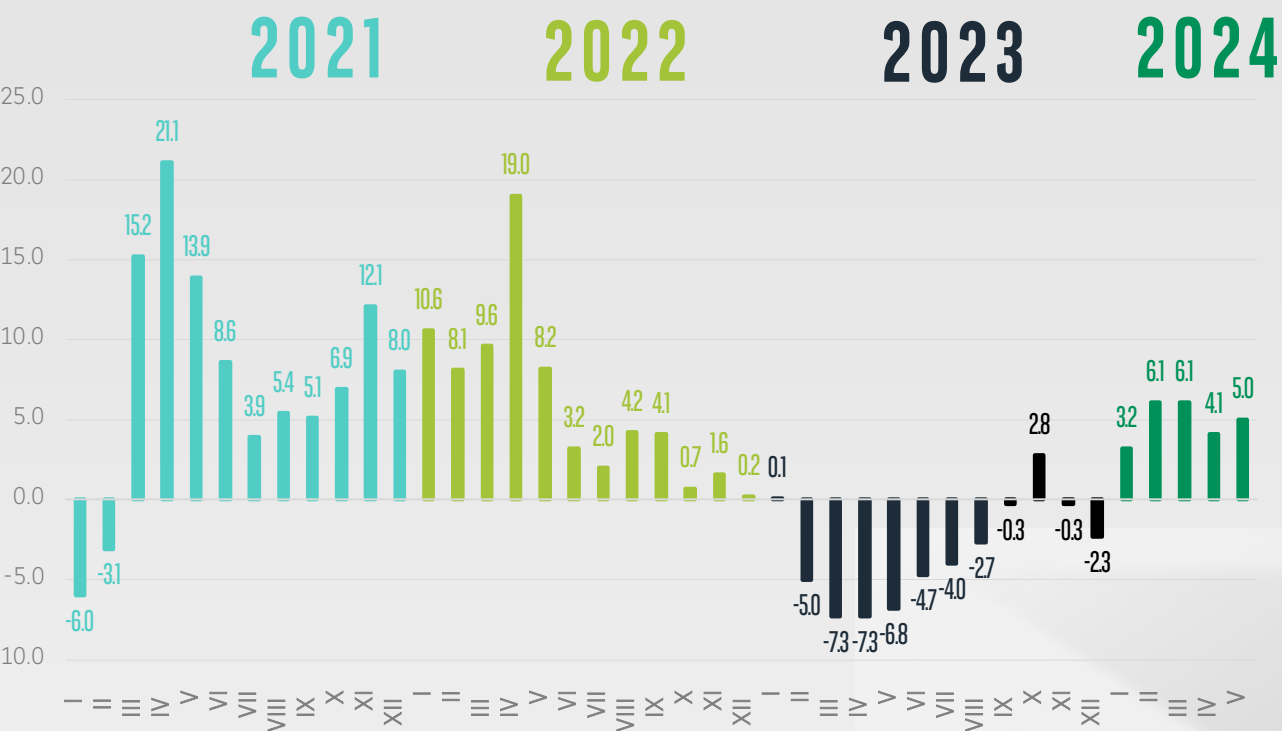


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Social commerce means selling through social platforms. Importantly, it enables users to shop online directly on social media platforms or via apps, allowing for a more seamless shopping experience. In contrast to popular marketing strategies, social commerce is based on soliciting rather waiting passively for customers. Key to this is a compelling display of products and enhancing customer reach to boost sales and build deeper connections with customers. Leveraging social commerce is likely to empower retailers to gain a competitive advantage in the world of e-commerce. Social commerce allows users to enjoy a quick and convenient shopping experience. And with the user’s payment or address data stored by a social platform, shopping is usually a few clicks away, with no need to enter the same data again and again.

Retail sales

change % y/y,
at constant prices



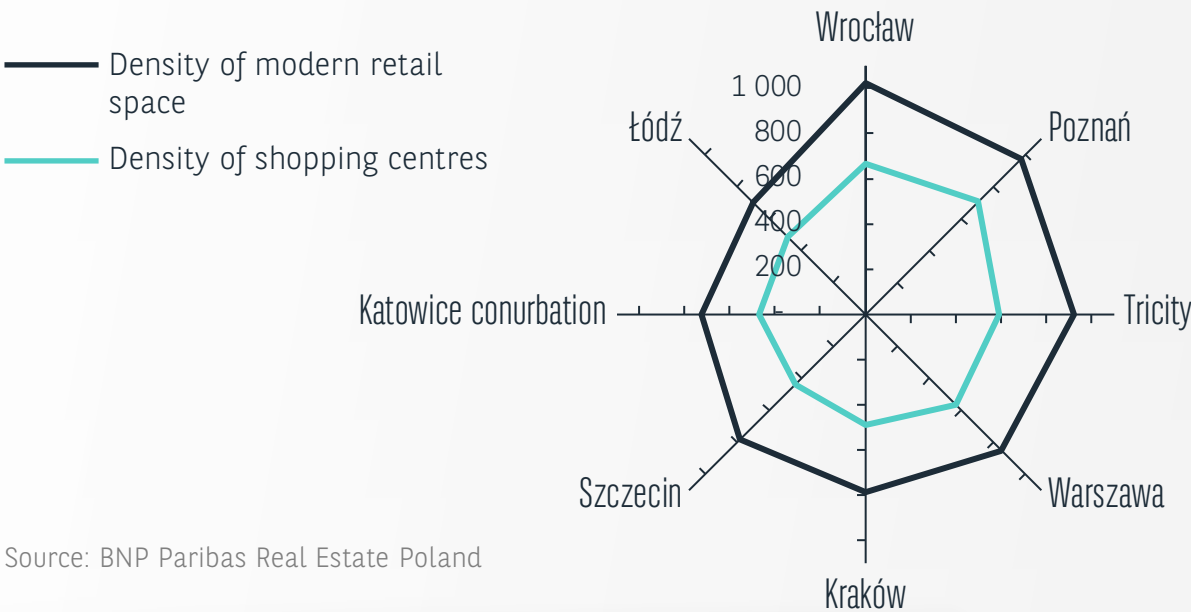
Source: Statistics Poland

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Density of modern retail stock in major agglomerations

(sqm of GLA/ 1,000 inhabitants)

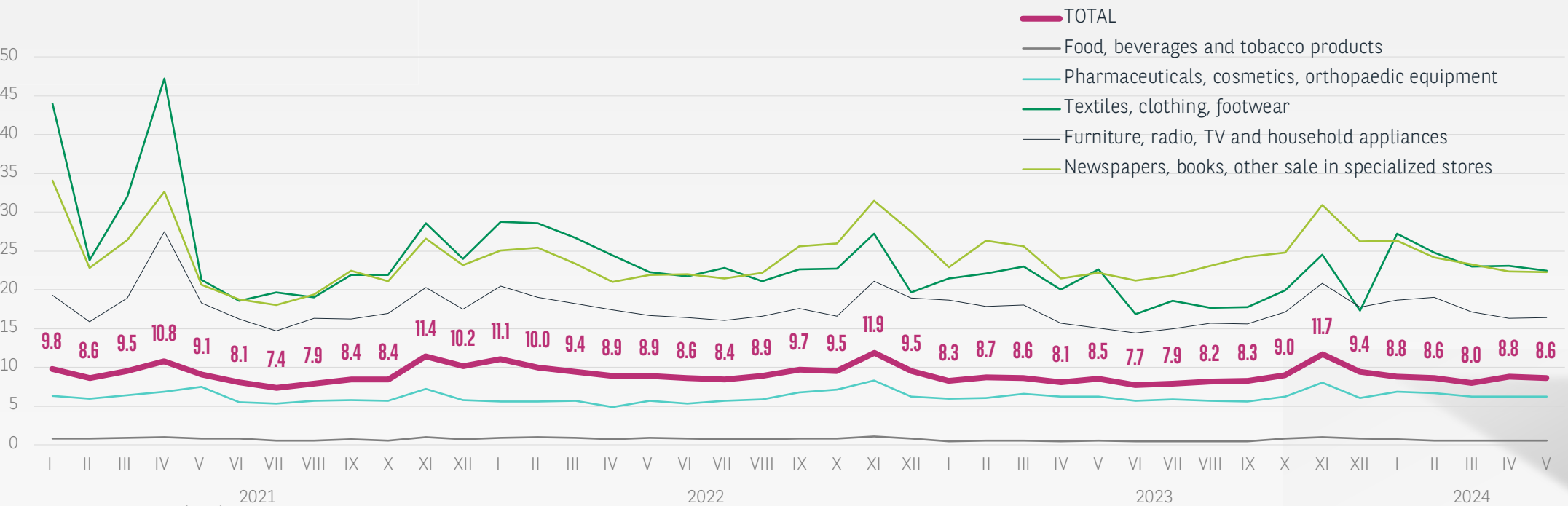


Source: BNP Paribas Real Estate Poland

” The highest retail space saturation rates have for long been seen in Wrocław and Poznań, where they stand at 1,024 sqm and 973 sqm per 1,000 inhabitants respectively, with the lowest in Katowice and Łódź - 723 sqm and 699 sqm per 1,000 inhabitants respectively.

Share of internet sales in retail sales

(in %; constant prices, 2021-2024)



Source: Statistics Poland

Is there Sunday shopping on the cards?

The draft legislation on the liberalization of Sunday shopping has passed its first reading in the Sejm, the lower house of the Polish Parliament. The bill was referred to committees for MPs to work on it and introduce any amendments to it. It provides for two shopping Sundays each month, with staff receiving double pay on those days and an extra day off work in return within six days before or after the working Sunday. Contrary to lawmakers’ intentions in 2018, the Sunday trading ban failed to support small, local stores in their competition with large retail chains. According to data from Statistics Poland (GUS), the number of stores fell from nearly 340,000 at the end of 2018 to just under 326,000 at the end of 2022, a loss of 14,000 stores in the space of four years. Following the era of supermarkets and hypermarkets, discount and smaller format stores have become first choice for Polish shoppers. Recent years have seen a huge expansion of discounters which have built up a loyal customer base thanks to aggressive marketing and pricing strategies and long opening hours. The existing Sunday trading ban legislation contains many arbitrary exemptions, which can be a pretext for abuse. The law which introduced the Sunday trading ban in phases entered into force on 1 March 2018. Since 2020, stores have been allowed to open on seven Sundays each year: the last Sundays of January, April, June and August, the Sunday before Easter and two consecutive Sundays in the run-up to Christmas.

Expert comment

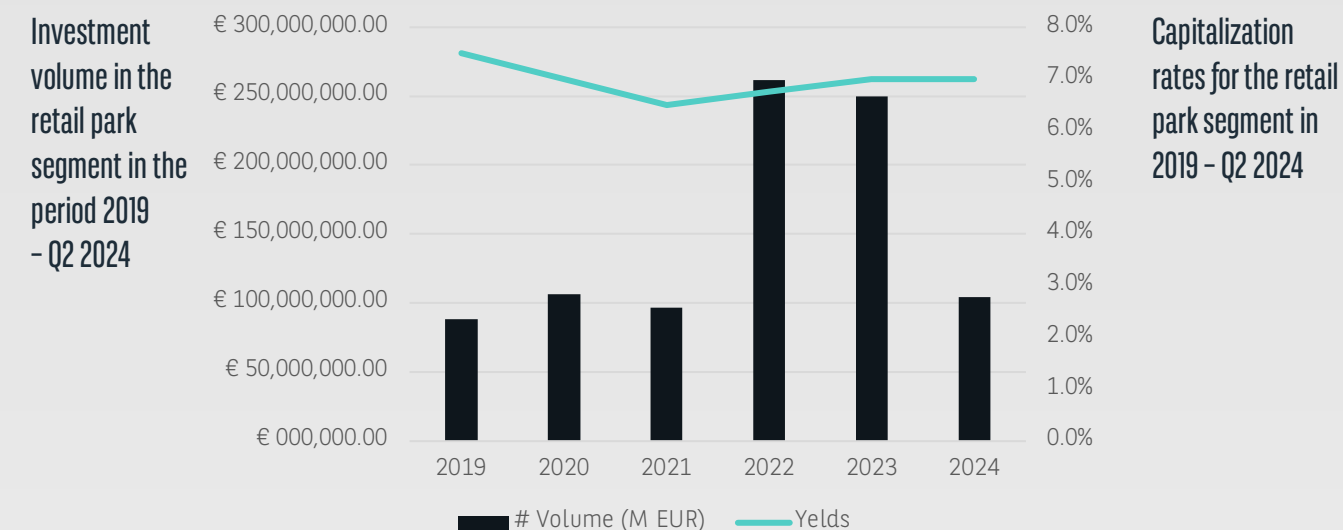


Fabrice Paumelle

Head of Retail

Shopping centres began to be built in Poland at the beginning of the 21st century. Some of the buildings have already been demolished, others are awaiting demolition or their fate is yet to be weighed. Some of them are already disappearing from cities to make room for other developments. The main reasons for the demolition of commercial facilities have been declines in turnover and customer numbers, or new investment plans by facility owners. Currently, Galeria Malta in Poznań is being demolished, with apartments likely to be built in its place. In Wrocław, on the other hand, the demolition of Arkady Wrocławskie is expected to begin later this year, with a modern office building with residential space to be built in its place. Brick-and-mortar shopping centers will not disappear, although we will see an intensification of various types of activity – from recommercialization, renovation and modernization, to expansions, remodeling and changes in function, to demolition to reclaim land and make new investments.

Investment market in the segment of retail parks



Source: BNP Paribas Real Estate Poland

Retail parks in Poland continue to see strong investor interest and remain a sought-after asset class. They are seen as relatively safe havens. Poland stands out against other CEE countries on account of its size, rapid economic growth and large number of cities. The second quarter of 2024 saw three transactions with four retail parks changing hands: two in the Warsaw region (Łubna and Grodzisk Mazowiecki) and the other two in Kłodzko and Kępno.

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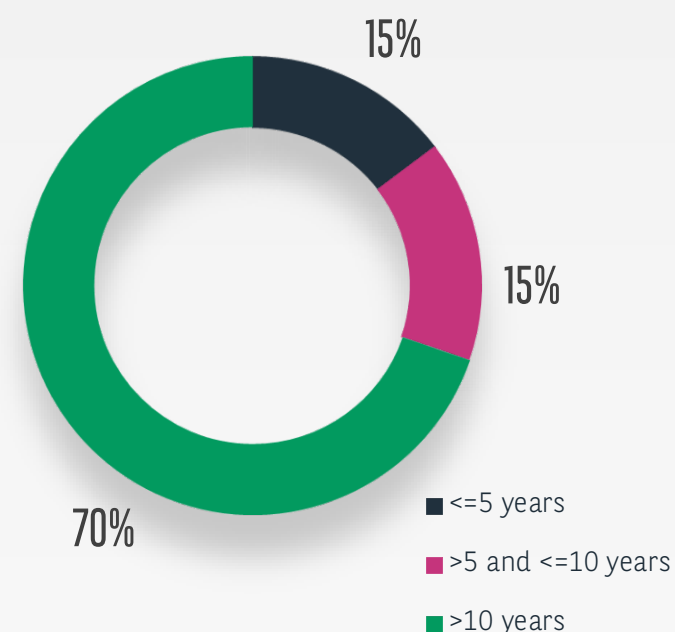
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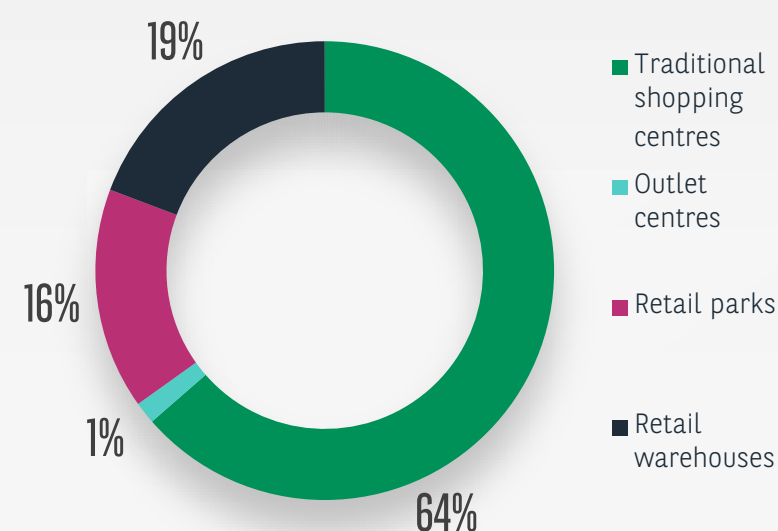
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Modern retail space by age



Source: BNP Paribas Real Estate Poland

Modern retail space by format



Source: BNP Paribas Real Estate Poland

“ Fashion and design e-retailer Answear.com opens its one and only concept store in Warsaw.

” The InPost Group launches autonomous parcel lockers which can operate regardless of the availability of the electricity grid as they rely on photovoltaic panels and energy storage.

” Mobile Żabka is an innovative concept of Polish retailer Żabka, which has been present at events held throughout Poland for several years. In 2023, it catered to nearly 36,000 customers on 44 travel days. And just like last year, it will roll out six mobile stores in the summer of 2024 too.

” French fashion group Celio, which acquired the rights in the Camaïeu brand in 2022, is planning to revive the label at the end of August, with the first stores scheduled for opening on 29 August 2024.