E-commerce is the key factor impacting the development of the industrial and retail sectors in Poland.

E-commerce, one of the fastest growing market sectors, is to an ever greater extent affecting the pace and trends in development of the domestic industrial and retail market. Your statistical Kowalski makes approximately two online purchases per annum, which is almost 10 times less than your statistical Smith, however, as estimated in the report E-commerce. Impact on the warehouse market in Poland by BNP Paribas Real Estate Poland, the growing trend is set to continue in the coming years and will have a significant impact within both the retail and industrial property sectors.

Poland has a great growth potential of the e-commerce market, occupying one of the leading positions in Europe in terms of the pace of growth in the value of the online shopping market, which between the years 2009 and 2014 grew by 15-30% annually. The existing potential is made further apparent by the gap to be closed between Poland and other countries. Depending on the source of information, the e-commerce market turnover in Poland is estimated at 2.5-4% of total sales. This remains far behind countries such as the UK – 13.2%, Germany - 10% and Norway – 9.2%. The Ministry of Economy estimates that by 2018 this share for Poland will increase to 9.0%.

The data provided by Ecommerce Europe shows that the average online shopping basket in Poland amounts to €539, which constitutes only 43% of the EU average of €1,243. This difference is also representative of the opportunity for growth in the sector, as access to broadband Internet and the number of its users is increasing and the economic situation of the population is improving.

The dynamic development of the e-commerce sector represents both an opportunity and a challenge for the industrial and logistics property sector. Due to the growth of the e-commerce sector, the existing distribution models are evolving, the time of delivery is becoming shorter and the range of additional services is now expanding. As per the estimates, the e-commerce sector is generating a combined 10-15% of the total annual demand for modern industrial space. BNP Paribas Real Estate Poland estimates that over a medium-term perspective the share of this sector will increase to 20%.

“E-commerce, in addition to technologically advanced services, requires a suitable location that makes it possible to quickly reach one’s clients, as well as a particular technical specification of the warehouse to be used. The optimum solution as far as the provision of services to online stores is considered are the so-called “cross-dock” warehouses, which are used more for the handling of goods as opposed to straightforward storage facilities. A warehouse of this type means that large deliveries are handled using docks suitable for heavy goods vehicles, while the dispatch of goods is carried out via smaller docks suitable for small
delivery vans.” – comments Anna Staniszewska, Head of Research & Consultancy, BNP Paribas Real Estate Poland.

 Unlike traditional stores, whose demand for warehouse space is relatively predictable, the e-commerce sector requires much more flexibility. The range of goods, the number of customers, as well as the place of delivery in case of an online shop vary considerably, therefore it is extremely important that warehouse properties be adapted to the changing demand and landlords enable their tenants to increase the space actually occupied in peak times, such as e.g. during the pre-Christmas rush.

 “Taking the above conditions into consideration while applying the “adapt or perish” principle, in order to attract customers, landlords and logistics and courier companies have to adapt and expand the range of services offered by them to suit the particular requirements of online shops.” – comments Anna Staniszewska.

 Lease costs along with the quality of services are also an important factor as far as the e-commerce sector growth trends are considered. Therefore, many online shops take the decision to collaborate with specialised logistics and courier companies. The vast majority of the key players have a dedicated line of services focused on e-commerce, starting with preparing orders, storage, handling of returns and exchanges, through to management of incoming and outgoing payments, customer services and software management. Outsourcing this type of services means that the costs may be lower than in the case of managing the entire supply chain internally, as it allows the online shops to concentrate on their core business, which is the selling of goods and services.

 E-commerce has entered our lives for good now, changing both the supply chain market and the warehouse property market. In order to gain maximum benefits and explore the sector’s full potential, companies involved in this type of business should understand it well and adapt to the changes that are taking place within it, including the logistics and warehousing aspect thereof.

 “E-commerce, while being one of the main driving forces for growth of the industrial property market in Poland, is still difficult to be categorized and analysed. It is only through the knowledge of the specific characteristics of the local markets and global trends that it is possible to fully understand the imminent changes and take a wider view. Taking into consideration the conditions prevailing on the Polish market, which on the one hand attracts the largest international investors, while on the other hand allows the local players to become stronger, the e-commerce sector constitutes one of the most interesting areas of the logistics market.” – concludes Katarzyna Pyś-Fabiańczyk, Head of the Industrial and Logistics Department at BNP Paribas Real Estate Poland.
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