

# POLAND

## Retail market Q2 2024



**PLN 8,000**

Average monthly salary

YoY change



12-month forecast



**€150**

Rent\* (sq m/month)



**6.45%**

Retail yield



Source: Statistics Poland (GUS); Cushman & Wakefield; Q2 2024;

\*prime shopping centre rents

### ECONOMIC INDICATORS AND OUTLOOK 2024

**1.9%**

YoY GDP growth (Q1 2024)

YoY change



12-month forecast



**5.0%**

Unemployment rate in Poland (May 2024)



**2.6%**

YoY inflation (June 2024)



**5.0%**

YoY retail sales growth (May 2024)



Source: Statistics Poland

### ECONOMY: Poland's GDP growth is being driven by private consumption, with inflation remaining within the NBP's inflation target range and retail sales growing

According to estimates from Statistics Poland (GUS), Poland's GDP (non-seasonally adjusted values) expanded by a real 1.9% year-on-year in the first quarter of 2024. This growth was largely driven by a recovery in private consumption. Investment volumes, however, declined during the first three months of the year. According to a flash estimate by Statistics Poland, the June 2024 inflation rate was up by 2.6% year-on-year and by 0.1% from the previous month. Retail sales have been in positive territory since the beginning of 2024, with a year-on-year increase of 5% in May 2024.

### SUPPLY: Retail development activity shows no sign of abating

Approximately 124,000 sq m of GLA came on stream in the second quarter of 2024. Supply statistics comprise schemes of over 5,000 sq m of GLA and include new projects, extensions and redevelopments. This figure comprises the floorspace delivered through eight new completions, three extensions and two redevelopments. New openings included retail parks in Jastrzębie-Zdrój, Olsztyn, Świebodzin, Tychy, Zawiercie and Zgorzelec. The second quarter of 2024 also saw the opening of Galeria Starówka in Leszno and a Castorama store in Biała Podlaska, as well as the completion of the extensions of Dekada in Grójec (5,000 sq m of GLA added) and Nowa Górna in Łódź (3,000 sq m added). In addition, three buildings vacated by Tesco were redeveloped and replaced by two retail parks and a Leroy Merlin store in Poznań. Meanwhile, the Arkady Wrocławskie shopping centre was closed down in the second quarter, which also saw the Marywilka Shopping Complex destroyed by fire, but the facility is expected to be rebuilt. Poland's total retail stock stands at 16.4 million sq m. Another 250,000 sq m is expected to be added by the end of 2024.

### The retail development pipeline comprises 43 projects with a combined leasable area of 400,000 sq m

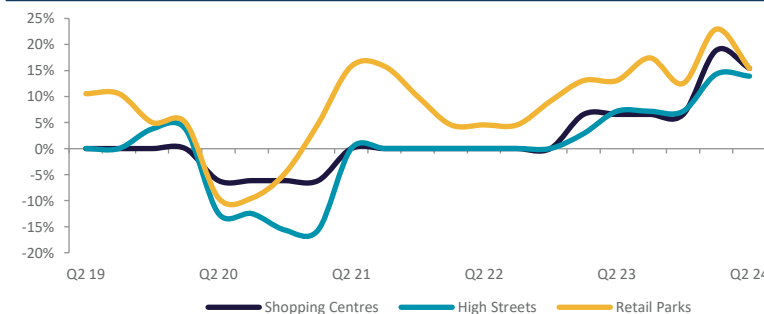
At the end of June 2024 there was approximately 400,000 sq m of GLA under construction and scheduled for completion in 2024-26. Of that total, 300,000 sq m will be delivered through 29 new retail projects, with the remaining 100,000 sq m expected to come on stream through extensions and redevelopments. There are nine extensions underway - these include Designer Outlet Krakow, Brama Pomorza and Galeria Hosso in Police.

The largest projects under construction are the Nowa Sukcesja Shopping Centre in Łódź (35,000 sq m) and retail parks: Silwana in Gorzów Wielkopolski (26,000 sq m) and BIG Ostróda (25,000 sq m).

### DEMAND: Three new retail brands debut in Poland

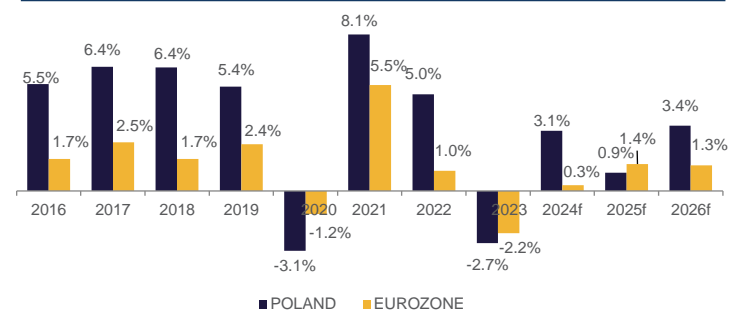
The second quarter of 2024 saw three newcomers enter the Polish retail market. All the debuts took place in Warsaw. The new market entrants included Romanian-owned bakery Luca, which chose Polna Corner as its first location, the Veselka craft bar from Ukraine in the Warsaw Brewery and Answear.com, which opened its first physical store in the Norblin Factory.

### RENTS, YoY CHANGE



Source: Cushman & Wakefield

### RETAIL SALES, YoY CHANGE



Source: Eurostat, Statistics Poland, Moody's; f - forecast

### RETAIL SALES: A positive first half of the year

Retail sales were in positive growth territory in the second quarter of 2024, with year-on-year volumes up by 4.1% in April and 5.0% in May, reveals the latest data from Statistics Poland. June figures are not available yet. By comparison, retail sales readings for the second quarter of last year were negative: -7.3% year-on-year for April and -6.8% year-on-year for May.

In terms of the best performing retail categories in constant prices in May 2024, motor vehicles, motorbikes and spare parts stood out, with sales up by 23.8% year-on-year, followed by category other (+23.5%). Pharmaceuticals, cosmetics and orthopaedic equipment saw retail sales grow 10.2% year-on-year. Newspapers and books which experienced huge falls in sales throughout 2023 have turned in a positive performance in 2024, with a year-on-year increase of 1.5% in May. Annual falls in sales were reported for three categories. The biggest slump in business was recorded for textiles, clothing and footwear (-13.5% year-on-year), followed by furniture, radio, tv and home appliances (-8.4% y-o-y) and food, beverages and tobacco (-1.0% y-o-y). With consumer sentiment steadily improving, key retail categories for shopping centres, i.e. textiles, clothing and footwear in particular, are likely to see retail sales bounce back in the coming months.

In May 2024, Poland's online penetration rate stood at 8.6% and remained above 8% throughout the first half of 2024. Of the nine retail categories according to Statistics Poland, the best online performers were newspapers and books (23.3%) and textiles, clothing and footwear (23.0%).

### FOOTFALL AND TURNOVER: Consumer footfall and spend in shopping centres stabilise

The average footfall for shopping centres and retail parks in Q2 2024 was approximately 430,000 customers per retail scheme, a comparable figure to that posted in previous years. The footfall index was up by 5% year-on-year but by as much as 16% from the same time in 2022. The best performers year-on-year were the smallest and largest shopping centres, with under 20,000 sq m and over 60,000 sq m of retail floorspace respectively.

Net turnover of shopping centre tenants averaged PLN 1,084 per square metre in April 2024 and exceeded PLN 1,050 in May. Average nominal turnover for the second quarter of 2024 was up by 2% year-on-year, but in real terms - when accounting for inflation - was on a par with last year's. And as in the case of footfall levels, the strongest real year-on-year growth of 5% and 2% was recorded for the smallest and largest shopping centres respectively.

### RENTS: Prime retail rents remain on an upward trajectory

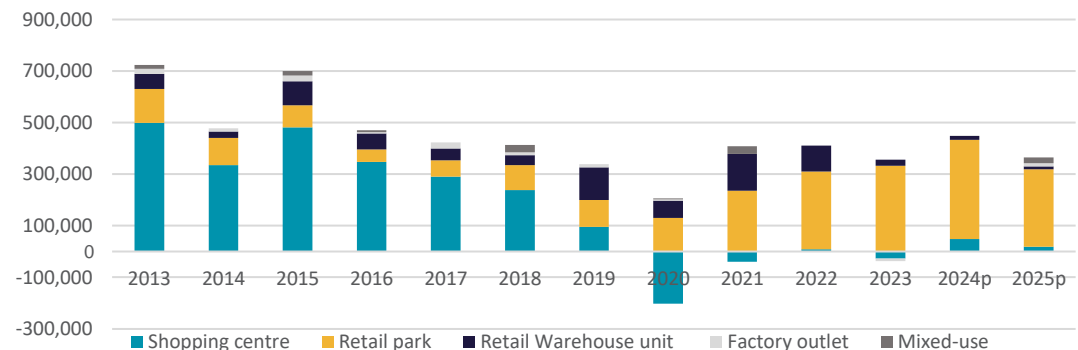
Rent indexation at the beginning of the year and unwavering occupier demand for flagship units pushed prime retail rents up. Rental growth averaged approximately 15% year-on-year in the second quarter for shopping centres, retail parks and high streets alike.

### MAJOR RETAIL OPENINGS IN Q2 2024

SCHEME / CITY	FORMAT	DEVELOPER	RETAIL FLOORSPACE (sq m)
Galeria Starówka / Leszno	Shopping centre	Prestige MGC Invest	15,200
S1 (Tesco redevelopment) / Bytom	Retail park	Saller	14,200
Galeria Kwiatowa / Tychy	Retail park	Komart Investments	12,000
Aviator Retail Park / Olsztyn	Retail park	RWS Investment	12,000
Karuzela / Jastrzębie-Zdrój	Retail park	Karuzela Holding / Mitiska	11,300
Karuzela / Świebodzin	Retail park	Karuzela Holding	11,000

Source: Cushman & Wakefield

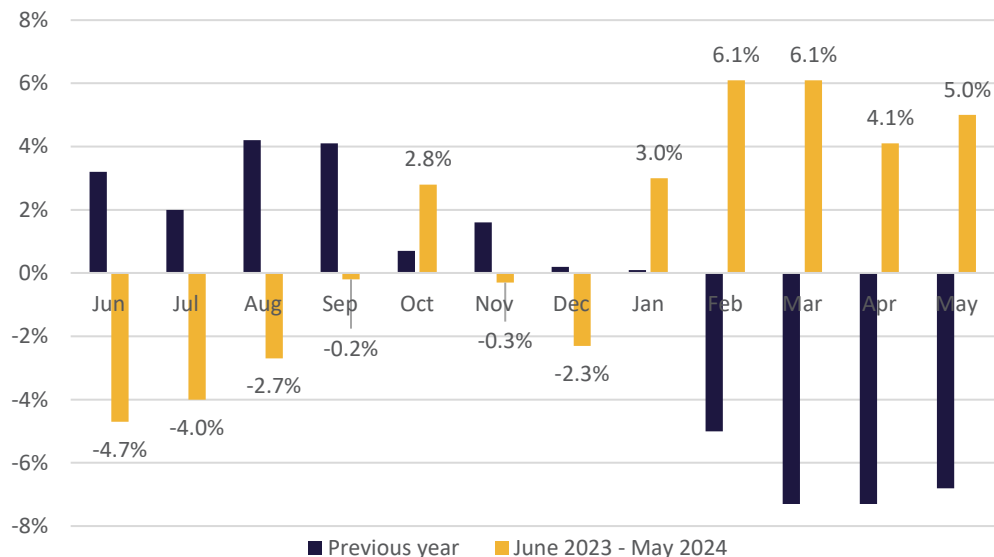
### RETAIL SPACE SUPPLY BY FORMAT



Source: Cushman & Wakefield, f - forecast

### RETAIL SALES

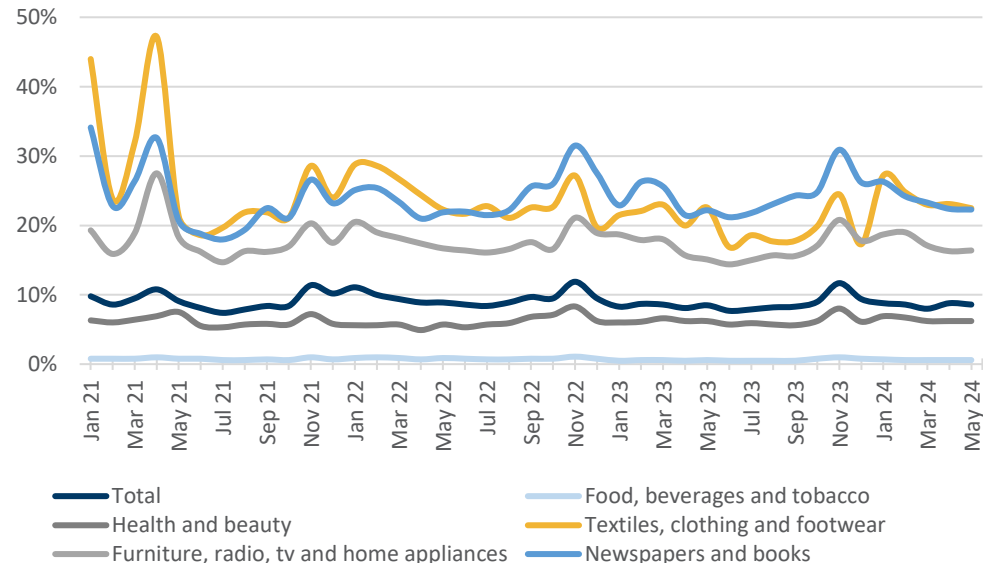
(% CHANGE YoY; CONSTANT PRICES)



Source: Cushman & Wakefield, based on data from Statistics Poland

### SHARE OF ONLINE SALES IN TOTAL RETAIL SALES

(%; CURRENT PRICES; 2021-2024)



Source: Cushman & Wakefield, based on data from Statistics Poland

### MAJOR RETAIL OPENINGS PLANNED FOR Q3 2024

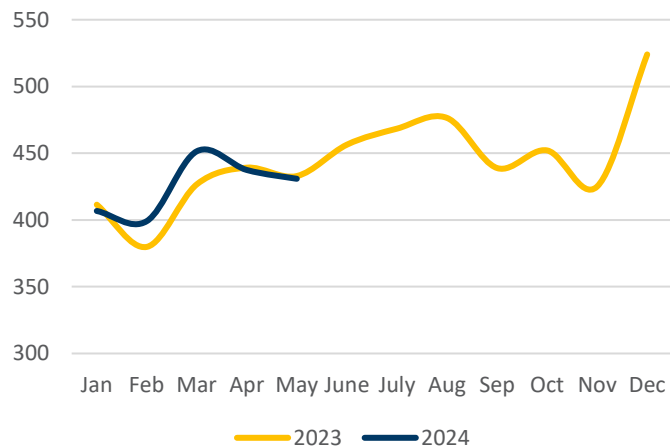
SCHEME	CITY	FORMAT	RETAIL FLOORSPACE (sq m)	DEVELOPER
Silwana	Gorzów Wielkopolski	Retail park	25,600	Shopp.City / Acteeum
BIG Ostróda	Ostróda	Retail park	25,000	Acteeum
San Park Mysiadło	Mysiadło	Retail park	18,500	ED SAN III Sancak / Agata
Vendo Park	Gniezno	Retail park	18,000	TREI
S1 Przemyśl (Tesco redevelopment)	Przemyśl	Retail park	8,000	Saller
Retail Park Alfred Wojkowice	Wojkowice	Retail park	7,500	Wojkowice Park
Retail park in Niemodlin	Niemodlin	Retail park	5,500	RWS Investment

Source: Cushman & Wakefield



### SHOPPING CENTRE FOOTFALL

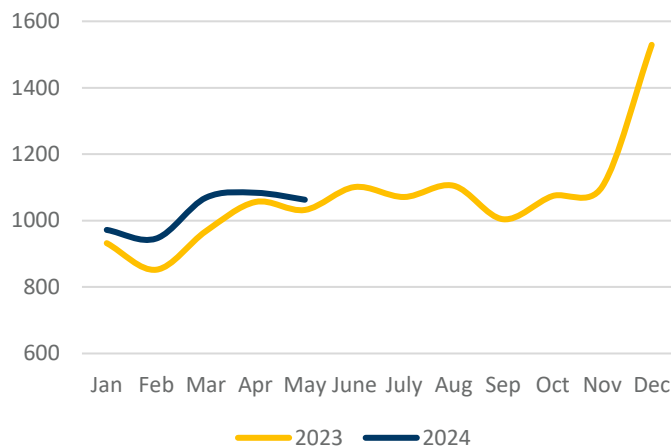
(AV. NUMBER OF VISITORS PER SHOPPING CENTRE, IN THOUSANDS)



Source: Cushman & Wakefield, based on PRCH data

### NOMINAL SHOPPING CENTRE TURNOVER

(PLN/sq m)



Source: Cushman & Wakefield, based on PRCH data

### RETAIL MARKET STATISTICS

CONURBATION	ALL RETAIL FORMATS (sq m)	SHOPPING CENTRES (sq m)	SHOPPING CENTRE DENSITY (sq m/1,000 INHABITANTS)	PRIME YIELD
Warsaw, city centre	2,372,700	1,415,800	506	6.45%
Warsaw, non-central locations				7.00%
Silesian Conurbation	1,556,000	1,017,600	507	7.00%
Tricity	981,500	630,800	565	7.00%
Poznań	877,600	639,600	728	7.15%
Wrocław	846,800	527,400	594	7.00%
Krakow	806,600	535,400	476	7.00%
Łódź	643,800	466,800	514	7.00%
Szczecin	446,600	257,100	484	7.55%
Poland totals	16,421,000	10,461,700	272	6.45%

Source: Cushman & Wakefield

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