

RETAIL RESEARCH FORUM



Polska Rada Centrów Handlowych
Polish Council of Shopping Centres

REPORT H1 2012



Galeria Korona, Kielce



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** including traditional shopping centres, retail parks and outlet centres*

Report H1.2012 PRCH Retail Research Forum

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1. Modern shopping centre space stock in Poland

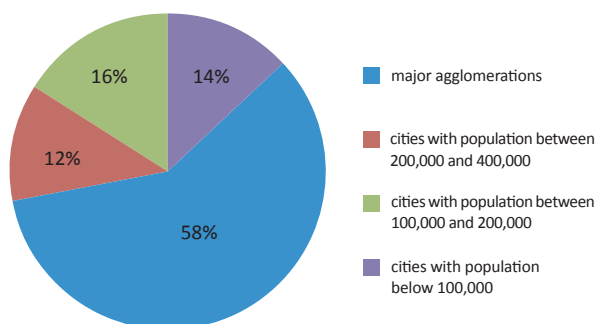
At the end of H1 2012, the total stock of shopping centre space in Poland including traditional shopping centres, retail parks and outlet centres stood at nearly 8,973,400 sq. m of gross leasable area (GLA). The provision of shopping centre space reached 1.29 million sq. m of GLA in cities with up to 100,000 inhabitants, 1.46 million sq. m of GLA in cities with 100,000 - 200,000 inhabitants, 1.05 million sq. m of GLA in cities with 200,000-400,000 inhabitants and 5.17 million sq. m of GLA in the largest Polish agglomerations.

The largest retail markets of the eight major urban areas in Poland include the Warsaw Agglomeration with 1,336,170 sq. m of GLA and the Katowice Conurbation with 941,672 sq. m of GLA. The key cities with population between 200,000 - 400,000 and the largest space provision include Bydgoszcz (187,800 sq. m of GLA), Lublin (166,430 sq. m of GLA) and Białystok (164,900 sq. m of GLA). Cities inhabited by 100,000 - 200,000 people and offering the largest space volume

include Rzeszów (195,500 sq. m of GLA), Opole (174,900 sq. m of GLA) and Bielsko-Biala (157,800 sq. m of GLA). The most developed retail markets in the smallest towns include Slupsk (93,200 sq. m of GLA), Nowy Sacz (64,800 sq. m of GLA) and Lubin (64,500 sq. m of GLA). Compared with the same period of 2011, the largest increase in modern shopping centre space provision was in cities with less than 100,000 inhabitants and cities with 100,000 - 200,000 people.

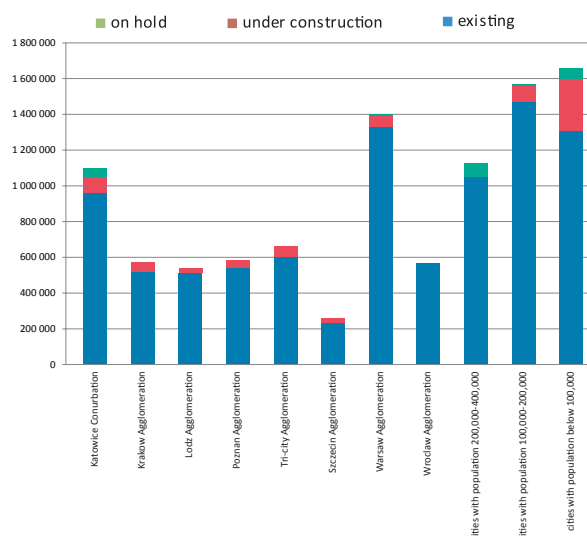
The new provision of shopping centre space in H1 2012 totalled nearly 254,000 sq. m, which was comparable to the supply volume in the same period of 2011. The largest shopping centres completed in H1 2012 included Galeria Korona in Kielce, Nova Park in Gorzów Wielkopolski, Sky Tower in Wrocław and Alfa Centrum in Grudziądz. In H1 2012 the share of small and medium-sized cities in total stock continued to rise and reached 42% (41.5% in 2011). Extensions of shopping

Distribution of shopping centres in Poland in the first half of 2012



Source: PRCH Retail Research Forum, August 2012

Shopping centres in Poland in the first half of 2012



Source: PRCH Retail Research Forum, August 2012

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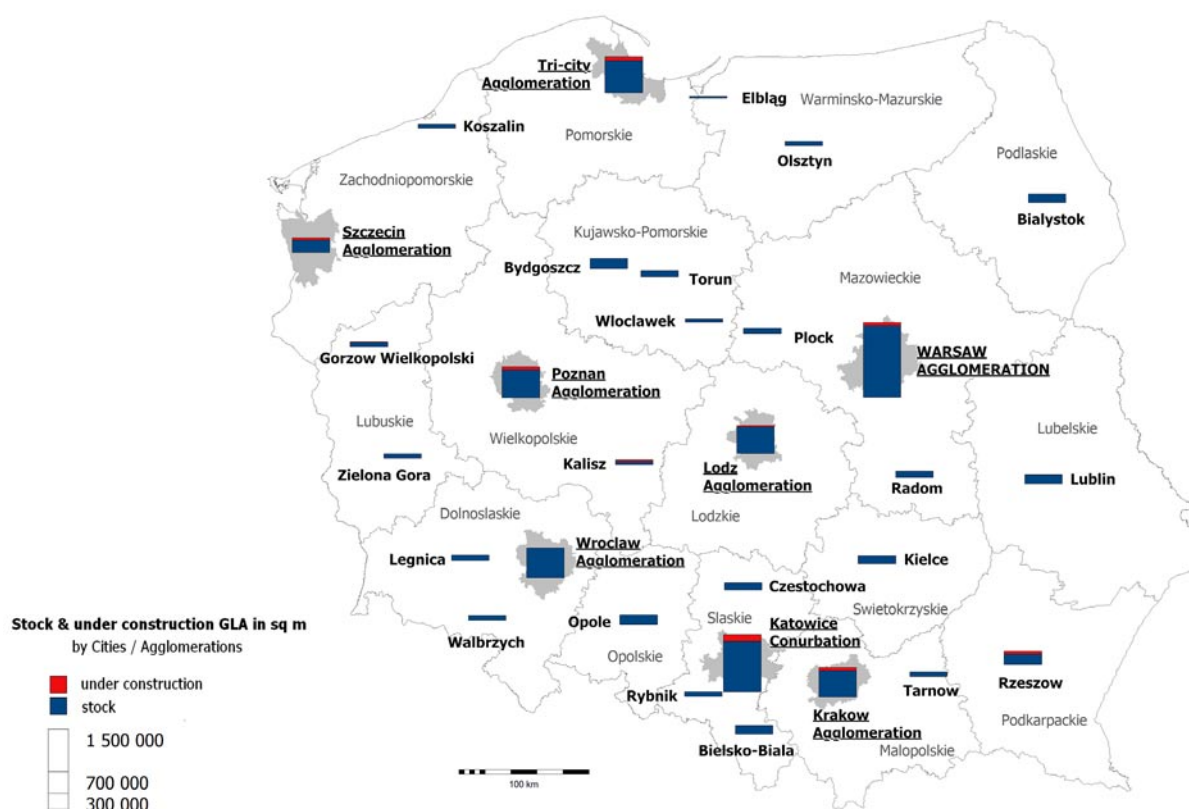
centres, including the Jantar shopping centre in Slupsk (15,500 sq. m of GLA added) and the third phase of the Magnolia Park extension in Wroclaw (10,200 sq. m of GLA added), accounted for 15% of the new supply total, i.e. 37,700 sq. m.

At the end of H1 2012 there was more than 870,000 sq. m of GLA under construction in shopping centres, of which 51% in the largest agglomerations and 37% in small towns with population below 100,000 inhabitants. Cities with 100,000 - 400,000 inhabitants accounted

for only 12% of new space under construction.

The trend of the new annual supply of 500,000 - 600,000 sq. m of GLA recorded in 2010 and 2011 continues unabated in 2012 and is likely to be maintained in 2013. Given the current pipeline volume, more than 200,000 sq. m of 870,000 sq. m of retail space for lease under construction across Poland may come onto the market by the end of 2012. The major shopping centres under construction include the following: Europa Centralna in Gliwice, Auchan Bronowice, City

Distribution of shopping centre space in cities with population above 100,000 inhabitants



Source: PRCH Retail Research Forum, August 2012

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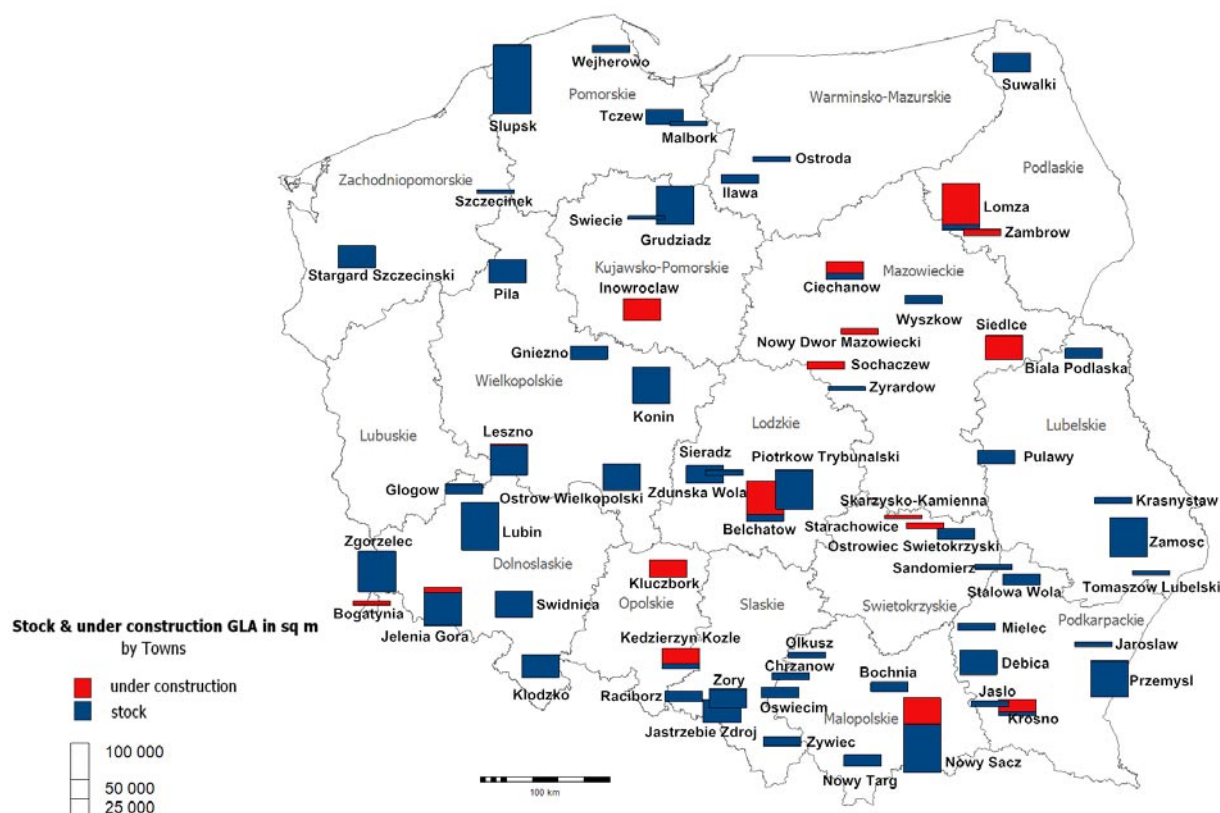
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Center Poznan, Galeria Katowicka, City Centre Rzeszow and phase two of the Wzgorze shopping centre in Gdynia.

Given the projects on hold and at an advanced

stage of development, the annual provision of new shopping centre space in Poland is expected to rise considerably after 2014, subject to the global economic conditions.

Distribution of shopping centre space in cities with population below 100,000 inhabitants



Source: PRCH Retail Research Forum, August 2012

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2. Modern retail space density index per 1,000 inhabitants

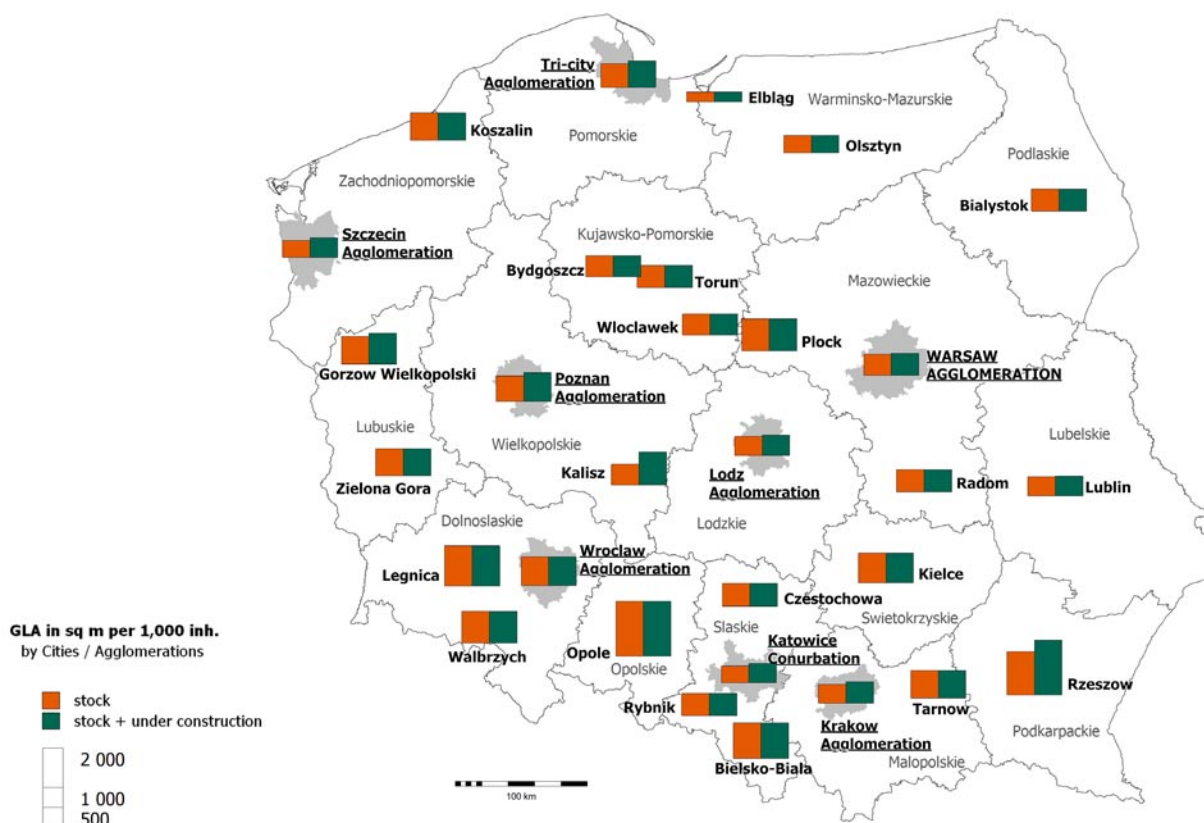
At the end of H1 2012, the **average modern retail space density for Poland** rose by 4 sq. m to **233 sq. m per 1,000 inhabitants** compared with the end of 2011.

The average retail space density index for the

eight largest agglomerations rose from 520 sq. m to 527 sq. m per 1,000 inhabitants. The highest density continues to be recorded in Wrocław (an increase to 729 sq. m on the back of the opening of the Sky Tower) and Poznań (649 sq. m), with the lowest figures among the largest agglomerations in Szczecin and Katowice.

In H1 2012, the largest rise in retail space density per 1,000 inhabitants was recorded in Wrocław. Development activity is currently the

Modern retail space density index per 1,000 inhabitants in cities with population above 100,000 inhabitants



Source: PRCH Retail Research Forum, August 2012

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strongest in Poznan, Tri-City and Szczecin. The completion of schemes under construction in these agglomerations will boost their retail space density index by around 70 sq. m. The same index in Krakow and Katowice is expected to rise by around 60 sq. m with the delivery of new schemes, while in Warsaw and Lodz it may rise by around 25 sq. m.

The average density index for **the largest regional cities with population between 200,000 and 400,000** rose to 563 sq. m per 1,000 inhabitants,

Gorzow Wielkopolski following the opening of Galeria Nova Park. One more scheme (Zielona Przystan) is also under construction in Gorzow Wielkopolski, which after its completion will further boost this city's floorspace density. Strong development activity is also recorded in Rzeszow (City Center under construction) and Kalisz (Galeria Amber).

Cities with population below 100,000 also boasted strong development activity with the opening of many major retail schemes in H1

Retail space density in 8 major agglomerations (in sq. m per 1,000 inhabitants)

Agglomeration	Existing stock	Existing + stock under construction
Wroclaw	729	729
Poznan	649	724
Tri-City	601	672
Warsaw	536	560
Agglomeration average	527	572
Lodz	495	522
Krakow	484	543
Szczecin	427	497
Katowice	427	484

Source: PRCH Retail Research Forum, August 2012

with the largest increase in the provision of shopping centre space in Kielce (the opening of Galeria Korona) and Lublin (the opening of the Tatory Retail Park near the E.Leclerc shopping centre in Turystyczna Street).

Other cities did not see any changes to their shopping centre space provision or any major development activity in the last six months.

The average modern retail space density in the fifteen **cities inhabited by 100,000 - 200,000 people** rose slightly to 745 sq. m per 1,000 inhabitants, with the largest increase in

2012. The retail space density indices rose strongly in locations such as Grudziadz (up to 521 sq. m following the delivery of Galeria Alfa), Tczew (324 sq. m with the opening of Galeria Kociowska), Slupsk (964 sq. m following the extension of the Jantar shopping centre), and Swidnica (608 sq. m after the opening of Galeria Swidnicka).

In H1 2012, major developments were also recorded in the markets of the smallest towns such as Swiecie, Jaroslaw, Debica, Zdunska Wola, Stargard Szczecinski, where the openings of

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Retail space density in cities with population 200,000 – 400,000 inhabitants (in sq. m per 1,000 inhabitants)

City	Existing stock	Existing + stock under construction
Kielce	757	757
Czestochowa	578	578
Torun	564	564
Radom	561	561
Bialystok	559	559
Average for cities with 200,000-400,000 inhabitants	563	565
Bydgoszcz	527	527
Lublin	478	492

Source: PRCH Retail Research Forum, August 2012

smaller retail schemes of up to 10,000 sq. m of leasable space boosted the provision figures.

Towns with the strongest shopping centre development activity in Poland:

- Lomza - Galeria Narew and Galeria Veneda are under construction

- Belchatow - the floorspace density index will rise to 880 sq. m with the opening of Galeria Olimpia and Galeria Bawełnianka
- Kluczbork - Galeria Miodowa is under construction
- Nowy Sacz - one more shopping centre Trzy

Retail space density in cities with population 100,000 – 200,000 inhabitants (in sq. m per 1,000 inhabitants)

City	Existing stock	Existing + stock under construction
Opole	1 391	1 391
Rzeszow	1 097	1 386
Legnica	1 017	1 017
Bielsko-Biała	902	902
Plock	806	806
Walbrzych	805	805
Average for cities with 100,000-200,000 inhabitants	745	794
Tarnow	699	699
Gorzow Wielkopolski	695	779
Koszalin	687	687
Zielona Gora	685	685
Rybnik	566	566
Wloclawek	529	529
Kalisz	526	840
Olsztyn	439	439
Elblag	251	251

Source: PRCH Retail Research Forum, August 2012

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Korony will be delivered despite the high density index

- Siedlce - Galeria S is under construction
- Inowrocław - the opening of Galeria Solna will increase the floorspace density index to 396 sq. m

- Zambrow - Galeria Bem is under construction
- Ciechanow - the floorspace density index will rise to 534 sq. m with the opening of the Arabella shopping centre

These selected schemes illustrate developers' strong interest in small town markets.

Retail space density in cities with population below 100,000 inhabitants (in sq. m per 1,000 inhabitants)

City	Existing stock	Existing + stock under construction
Zgorzelec	1 724	1 724
Kłodzko	1 119	1 119
Ślupsk	964	964
Lubin	870	870
Zamość	789	789
Nowy Sącz	767	1 192
Przemysł	736	736
Debica	697	697
Piotrków Trybunalski	682	682
Leszno	630	652
Konin	625	625
Swidnica	608	608
Sieradz	559	559
Jelenia Góra	531	609
Grudziądz	520	520
Ostrow Wielkopolski	497	497
Nowy Targ	478	479
Krasnystaw	437	437
Stargard Szczeciński	432	432
Tczew	324	324
Bełchatów	153	880
Ciechanów	189	534
Krosno	131	470
Lomża	117	995
Kedzierzyn-Kozle	109	435

Source: PRCH Retail Research Forum, August 2012

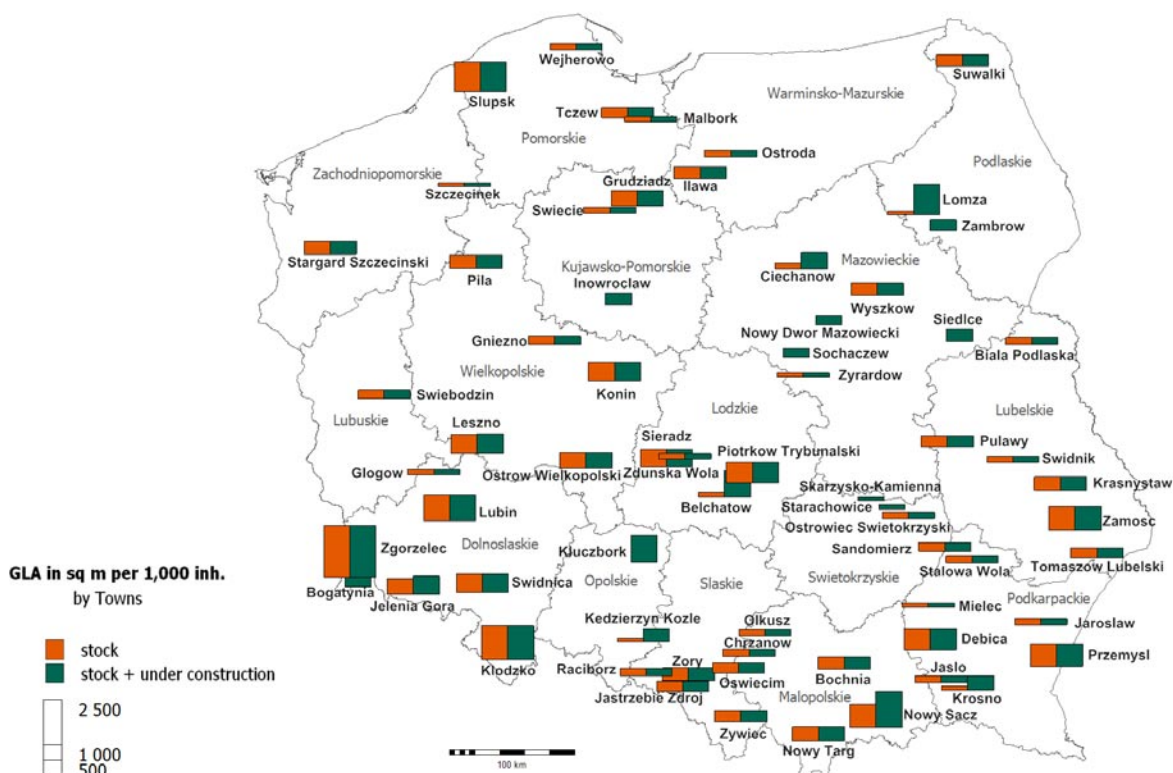
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Retail space density in cities with population below 100,000 inhabitants
(in sq. m per 1,000 inhabitants) - continuation of the table from page 8

City	Existing stock	Existing + stock under construction
Kluczbork	0	477
Siedlce	0	413
Inowrocław	0	396
Zambrow	0	359
Bogatynia	0	307
Nowy Dwor Mazowiecki	0	288
Sochaczew	0	287

Modern retail space density index per 1,000 inhabitants in cities with population below 100,000 inhabitants



Source: PRCH Retail Research Forum, August 2012

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3. Modern retail space formats in Poland

At the end of June 2012, there were 380 modern shopping centres operating in Poland, representing largely the traditional format. Traditional schemes accounted for 92% (around 8.26 million sq. m) of the total shopping centre stock.

With around 596,000 sq. m retail parks accounted for 6.6% of the total retail space stock. The share of retail parks in the total provision rose by 0.6% compared with December 2011 following the delivery onto the market of the schemes in Lublin (Tatary Retail Park) and in Swiecie (Multibox) in H1 2012.

No changes were recorded on the Polish market of outlet centres in H1 2012. Poland's outlet centres total more than 121,300 sq. m and in 2012 new outlet centre developers will include Echo Investment (Outlet Park scheme in Szczecin) and Centrum Targowe Ptak (Ptak Outlet scheme in Rzgów near Łódź).

The growing importance of specialised retail formats is illustrated by their share in the total volume of space in schemes currently

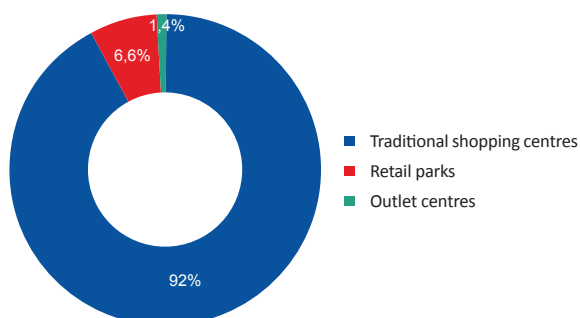
under construction and to be opened in 2012 - 2013. Traditional shopping centres are still predominant, but retail parks account for as much as 16% of more than 870,000 sq. m under construction. Most pipeline schemes are located in smaller cities such as Bogatynia, Kluczbork, Krosno, Lublin, Siedlce and Sochaczew.

The majority of traditional shopping centre stock (55% of floorspace) is located in Poland's eight major agglomerations which are home to 150 out of 352 traditional shopping centres. Such schemes also tend to offer larger lease units compared to shopping centres in smaller cities.

Around 12% of modern shopping centre space stock is in cities with population between 200,000 and 400,000 and around 15% of this stock is in cities inhabited by less than 100,000 people. The provision of modern shopping centre space in cities with population between 100,000 and 200,000 is more than 1.4 million sq. m and accounts for 17,2% of the total stock.

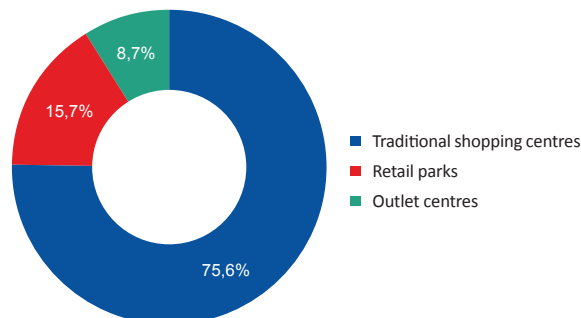
The eight major Polish agglomerations are the most mature and diversified retail markets which are home to most outlet centres and largest retail parks in Poland. The share of traditional shopping

Shopping centre formats in Poland



Source: PRCH Retail Research Forum, August 2012

Modern retail space under construction

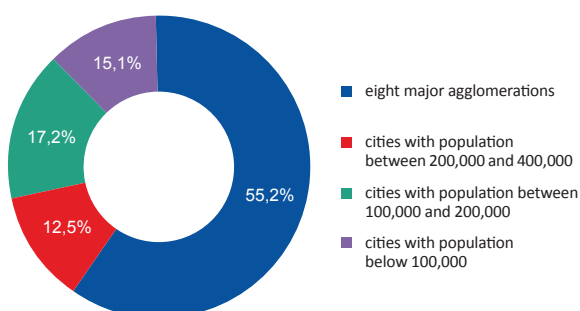


Source: PRCH Retail Research Forum, August 2012

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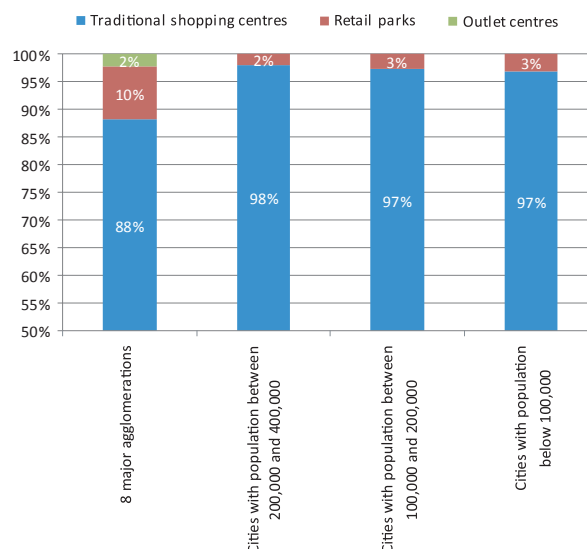
Traditional shopping centre space distribution by city size



Source: PRCH Retail Research Forum, August 2012

centres in the total stock has been declining year by year in proportion to the increasing volume of other format space. Format diversification is also recorded in smaller town markets which so far have been dominated by traditional shopping centres.

Differentiation of shopping centre formats



Source: PRCH Retail Research Forum, August 2012

4. Shopping centres opened in the first half of 2012

In the first half of 2012 ca. 253,920 sq. m of GLA of the modern shopping centre space was delivered to the Polish market. Q2 2012 outperformed Q1 2012 with new supply of 152,400 sq. m of GLA versus 101,520 sq. m of GLA delivered in the first three months of 2012.

The new supply delivered to the Polish market in the first half of the year consisted of 13 new projects accommodating in total 216,220 sq. m of GLA, while another 4 existing schemes were extended by 37,700 sq. m in total: Shopping Centre Raj in Debica, Galeria Venus in Swidnik,

Shopping Centre Jantar in Slupsk as well as Magnolia Park in Wroclaw.

Majority of the schemes opened over the first half of 2012 are small to medium sized projects of leasable area between 5,000 sq. m and 34,000 sq m. 7 out of 13 newly opened schemes comprises of leasable area of 5,000 up to 15,000 sq. m.

26% of newly delivered shopping centre provision is located in the largest agglomerations in Poland, including Warsaw, Wroclaw and Tri-City and covers an area of 66,700 sq. m. Further 106,900 sq. m of GLA (42% of the total new supply) was developed in the smallest towns with population below 100,000 inhabitants. Another 19% of the new shopping centre

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space (47,900 sq m) was opened in cities with population of 200,000 – 400,000 inhabitants. Remaining 13% of the new supply (32,420 sq m) was delivered in cities with population of 100,000 – 200,000 inhabitants.

The major projects completed over the first half

of 2012 include: Galeria Korona (34,100 sq. m GLA) in Kielce, Nova Park (32,420 sq. m GLA) in Gorzow Wielkopolski, Sky Tower (25,000 sq. m GLA) in Wroclaw, Alfa Centrum in Grudziadz (22,000 sq. m GLA) and Galeria Szperk (21,500 sq. m GLA) in Gdynia.

Shopping centres opened in H1 2012

Project name	City	GLA (in sq. m)
New projects		
Galeria Korona	Kielce	34 100
Nova Park	Gorzow Wielkopolski	32 420
Sky Tower	Wroclaw	25 000
Alfa Centre	Grudziadz	22 000
Galeria Szperk	Gdynia	21 500
Galeria Swidnicka	Swidnica	15 500
Galeria Kociewska	Tczew	14 000
Tatary Retail Park	Lublin	13 800
Galeria Brwinow	Brwinow	10 000
Galeria Starowka	Stargard Szczecinski	8 000
Galeria Zdunska	Zdunska Wola	7 500
Pruchnicka Shopping Centre	Jaroslaw	7 400
Multibox	Swiecie	5 000
Subtotal		216 220
Extensions		
Jantar Slupsk phase 3	Slupsk	15 500
Magnolia Park phase 2	Wroclaw	10 200
Galeria Venus phase 2	Swidnik	4 500
Raj Shopping Centre phase 2	Debica	7 500
Subtotal		37 700

Source: PRCH Retail Research Forum, August 2012

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5. Shopping centre occupancy and vacancy rates

At the end of Q2 2012 vacancy rates were recorded for 213 shopping centres offering in total 6.225 million sq. m of modern shopping centre leasable space located in fifteen largest Polish cities and agglomerations, providing for around 70% of the total shopping centre stock in Poland. Apart from the eight largest markets of Warsaw, Katowice, Tri-City, Wrocław, Poznań, Kraków, Łódź and Szczecin, the markets of Bydgoszcz, Białystok, Kielce, Lublin, Częstochowa, Radom and Toruń, the leading medium-sized towns, were also included.

The vacancy rate in shopping centres is one of the most precise indicators describing the current market situation as it indicates the retail space supply and demand dynamics. It also makes possible to discriminate between tenant's market, characterised by considerable volumes of vacant space in multiple units and schemes, or a landlord's market characterised by a shortage of readily available retail premises. Currently Szczecin, Warsaw as well as Częstochowa and Lublin remain landlord's markets while Toruń and Kielce record vacancy levels above 5% and can be treated as tenant's markets.

In the first half of 2012 Szczecin remained the city with the lowest vacancy rate among the Polish agglomerations. With the overall vacancy level currently at only 1.1%, Szczecin's retail offer is in the major process of repositioning with the inner-city schemes such as Kaskada and Galaxy are increasingly popular among tenants, and some city – fringe or outskirt schemes recording the growth of empty retail units.

Warsaw, with vacancy level at 1.6% remains at the top of tenants' most desired retail locations. There is virtually no readily available space in 11 out of 39 Warsaw's shopping centres and further 11 centres offer only single available units with vacancies below 1%. On the other hand nearly 39% of the total available space in Warsaw is located in three less successful schemes that clearly underperform.

Other cities with limited vacancies are Częstochowa and Lublin, where overall vacancies remain at 1.6%. In Częstochowa, the only scheme with available space is Galeria Jurajska, the leading and largest regional shopping centre, that is still in the process of filling up with tenants after its 2009 opening. In Lublin, few available spaces are located in the older part of Olimp, the largest retail scheme in the town being also Lublin's prime retail destination, that after very successful opening of its new part is currently re-commercialising its earlier phases.

Toruń, Kielce and Radom are among medium sized cities and Kraków and Tri-City are among the leading agglomerations that are currently tenant markets. For all investigated towns from the first group the key reason behind relatively high vacancies is recent new retail provision that is being only gradually absorbed. In Radom, the vacancy has fallen to the current 4.7% as Galeria Słoneczna, the largest shopping centre in the town that opened over a year ago, gradually acquires new tenants. Similarly in Toruń, Plaza's scheme is successively being leased, after its opening in 2011 with over a quarter of its GLA empty, leading to the overall Toruń's vacancy level decrease to the current 6.1%. Also Kielce, that has recently seen the surge of new retail

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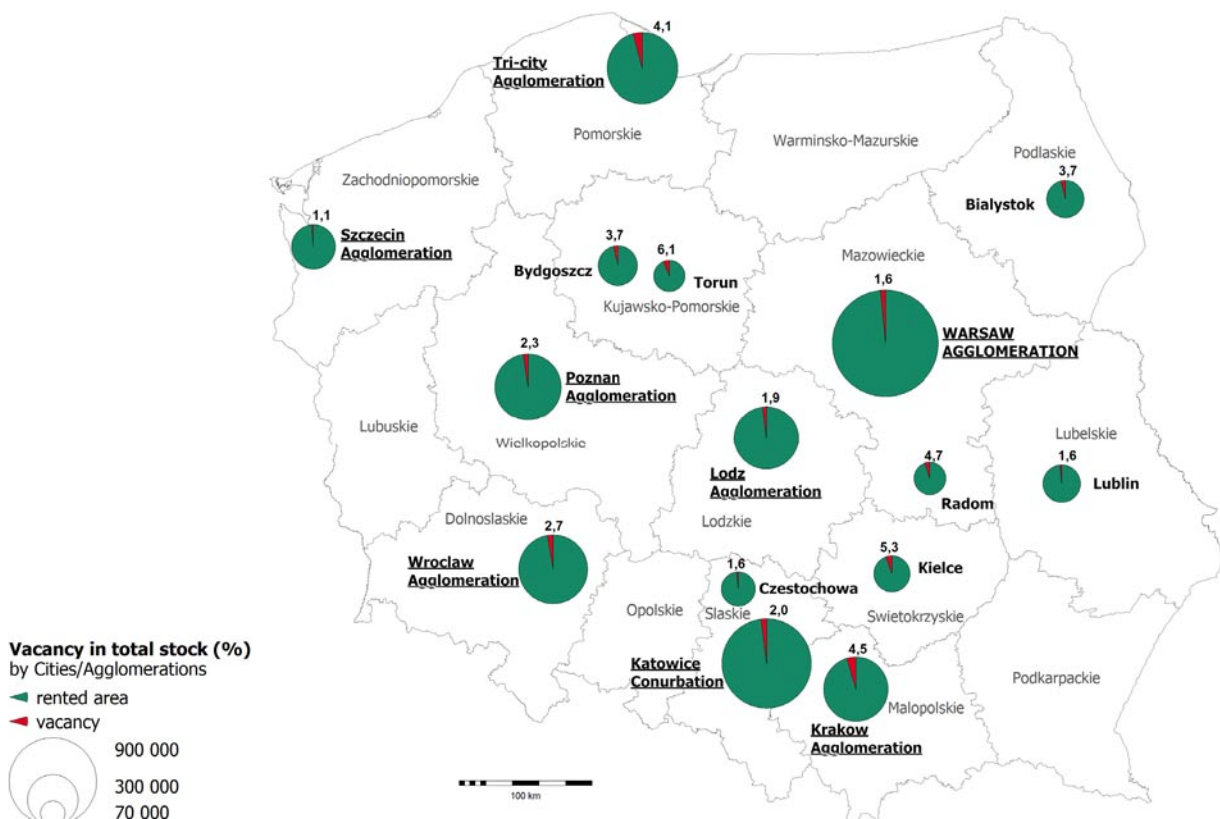
space in two market leading schemes of Korona and Echo, is currently recording overall vacancies at 5.3%.

New openings continue to drag up vacancy ratios also in large agglomerations such as Krakow, where Neinver's project Futura, a hybrid of a retail park and outlet centre, provides for 50% of total available shopping centre space and vacancy in Krakow reached 4.5%. Also in Tri-City, where overall recorded vacancy level has reached 4.1% at the end of Q2 2012, most of readily available

retail spaces are located in Szperk – the newest addition to Tri-City retail stock.

Compared to the end of 2011 figures vacancy levels have grown, both due to the retail provision increases as well as ever more moderate tenants' demand observed in a number of locations. The overall vacancy ratio in 15 examined locations has grown from 1.9% in the end of 2011 to the current 2.6% as the retail market shows the symptoms of a slowdown. Deceleration processes are being observed across the table, with

Vacancy rates in cities with population over 200,000



Source: PRCH Retail Research Forum, August 2012

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tenants increasingly opting for stronger, better established schemes that are leading in their respective markets, and shying away from the underperformers. It hits new centres in particular, as most of them struggle to secure adequate market position. As a consequence, the majority

of current vacancies are recorded in the centres opened since 2009. As the market competition is ever fiercer and times for retail are increasingly challenging, either established and new shopping centres will need to take ever better care to attract both customers and tenants.

6. Tenant mix in Polish shopping centres

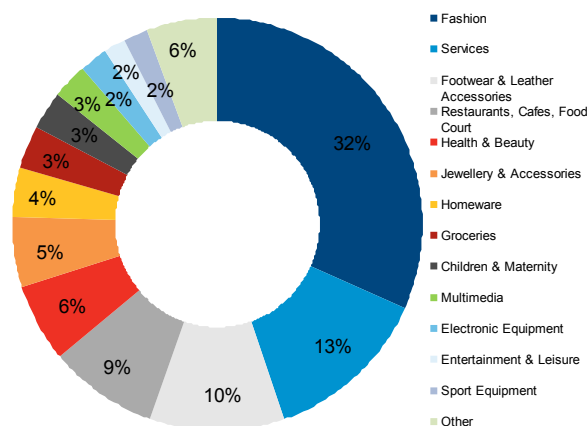
The tenant mix in Polish shopping centres in the eight largest agglomerations and seven regional cities includes mainly fashion retailers (29-36% of all tenants), services (9-16%), footwear and leather accessories (9-13%) and restaurant operators (7-11%). Representatives of other sector categories account for less than 10% of all tenants. A typical shopping centre also has a large hyper- or supermarket and several anchor tenants, largely with household appliances and electronics or sports equipment. Prime shopping centres also provide a wide range of leisure and entertainment facilities and in around 30% of all the shopping centres reviewed there is also a DIY store located usually in a standalone building.

The analysis of the tenant mix in shopping centres in the eight largest agglomerations in Poland and in regional cities shows some major differences between them. Fashion retailers enjoy a larger share in the tenant mix by around 3% in regional cities, while shopping centres in the largest Polish agglomerations

have a wider selection of restaurants. The other main categories of tenants are represented in comparable figures. The charts below illustrate the share of the main sector categories in shopping centres in the largest agglomerations and regional cities.

The Warsaw Agglomeration boasts the largest number of tenants in Poland and has around 2,900 stores operating in its 39 shopping centres, which continues to add to Warsaw's strong competitive edge over other cities.

Tenant mix in the analyzed shopping centres (by the number of stores)



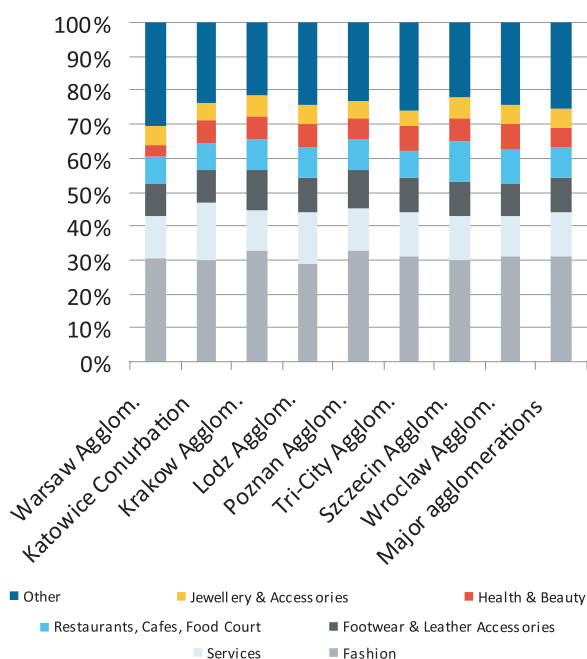
Source: PRCH Retail Research Forum, August 2012

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Main sector categories existing in the analyzed shopping centres

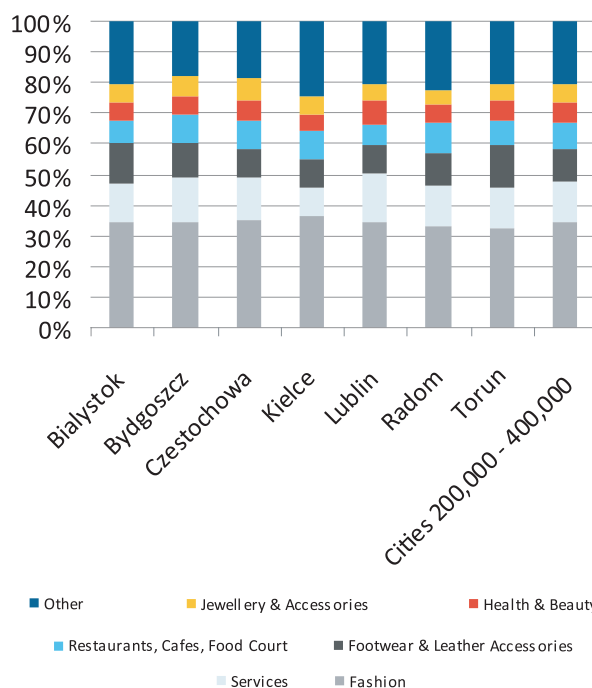
8 major agglomerations



Source: PRCH Retail Research Forum, August 2012

However, the gap between Warsaw and the next-in-line Katowice Conurbation has narrowed over the last year, mainly as a result of the extension of the Silesia City Center. The Katowice Conurbation now has around 2,000 tenants in 37 shopping centres. Next is Tri-City with around 1,470 tenants, followed by Wroclaw (1,324 tenants), Poznan (1,280) and Krakow (1,250), where the number of tenants rose by around 13% compared with 2011's figures, largely following the opening of the Futura Park / Factory Outlet. Lodz has fewer tenants (1,030), while Szczecin has the smallest number of retail operators with 620 stores in

Cities with population between 200,000 and 400,000 inhabitants



Source: PRCH Retail Research Forum, August 2012

its shopping centres, accounting for only 22% of the Warsaw Agglomeration's total. As in 2011, the Manufaktura shopping centre has the largest number of stores (316). The runner-up is the Silesia City Center in Katowice, which following its extension in Autumn 2011, now offers around 280 stores. These are followed by Galeria Krakowska and Galeria Echo in Kielce (around 265 stores) and two shopping centres in Warsaw: Galeria Mokotow (nearly 240 stores) and Arkadia (around 230 stores). As in 2011, the leading brand in Polish shopping centres is the press retailer Inmedio, which has stores in over 80% of the shopping centres

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reviewed. The second largest group includes mobile phone operators which are present in 65-80% of all the shopping centres, followed by brands such as CCC, Triumph and Apart.

The most popular brands present in the analyzed shopping centres categorized by branches (with the exception of mobile phone operators)

Branch	Tenant name	Presence in analyzed shopping centres (in %)
Fashion	Triumph	61
	Orsay	49
	Reserved	48
	Camaieu	42
Footwear	CCC	73
	Deichmann	52
	Wojas	34
	Rytko	31
Jewellery & Accessories	Apart	59
	Yes	30
	Swis	28
	W. Kruk	24
Children & Maternity	5.10.15	44
	Smyk	28
	Bartek	25
	Cocodrillo	23
Health & Beauty	Vision Express	52
	Rossmann	47
	Sephora	39
	Douglas	31
Multimedia	Inmedio	81
	Empik	42
	Księgarnia Matras	22
Electronic equipment	Euro RTV AGD	47
	Fotojoker	26
	Vobis	20
Homeware	Home&You	20
	JYSK	16
	AlmiDécor	14
	Duka	14
Restaurants, cafes, food court	Grycan	32
	KFC	30
	McDonald's	27
	Coffeeheaven	23
	Sphinx	23
Services	5aSec	50
	Poczta Polska	39
	Mister Minit	24

Source: PRCH Retail Research Forum, August 2012

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The most popular brands present in the analyzed shopping centres (with the exception of mobile phone operators)

Tenant name	Presence in the analyzed shopping centres (in %)
Inmedio	81
CCC	73
Triumph	61
Apart	59
Deichmann	52
Vision Express	52
5aSec	50
Orsay	49
Reserved	48
RTV Euro AGD	47

Source: PRCH Retail Research Forum, August 2012

7. Europeans' purchasing power

The average purchasing power per capita in 42 European countries reviewed by GfK stands at EUR 12,774, an amount that an average resident of those countries can spend annually. This amount, following tax deductions, is first spent on housing expenses and food, and then on retail and other purposes such as savings.

Affluence disproportions between Europeans are enormous, which is best illustrated by the fact that the annual purchasing power of an average resident of the wealthiest Polish city Warsaw stands at EUR 10,266 and is 20% lower than the European average for nearly all the European countries. This calls for an analysis of which countries accumulate wealth and which countries

drag the average European purchasing power down.

The analysis of the most affluent European societies invariably points to the top ranking positions of Norway and Switzerland, whose citizens enjoy the affluence level more than twice the European average. Switzerland, Norway and Luxembourg, which account for only 2% of the population of the 42 countries reviewed, accumulate nearly 5% of the total European affluence figures. However, the outright leader of the ranking is Lichtenstein with the affluence level of its average citizen exceeding the European average fourfold.

The positions of the former EU-12 Members States in the affluence ranking come as no surprise, but the 30% difference in affluence between the top country Denmark and those lagging behind, i.e. Italy and the Netherlands, is striking. All in all,

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Purchasing power per inhabitant in relation to European average	Number of countries	Inhabitants	Purchasing power in % of total of 42 countries	Examples of countries
220%-260%	3	2,0%	4,8%	Switzerland, Luxembourg Norway
125%-175%	12	49,0%	70,8%	Austria Denmark Italy
100%-124%	3	8,8%	9,2%	Cyprus Greece Spain
50%-99%	5	4,3%	3,0%	Czech Republic Portugal Slovenia
25%-49%	9	23,2%	10,1%	Croatia Poland Turkey
<25%	9	12,6%	2,1%	Belarus Bulgaria Ukraine

around 71% of the European spending power is in the hands of half the population of these EU-12 Member States.

Poland is frequently compared to Spain, Greece and Cyprus, which have already achieved the average European affluence level. It is interesting to note that this group of countries does not include Portugal, often treated as equal with Spain, which has been classified as a slightly less wealthy country because the affluence level of its average citizen is 17% lower than the European average. Apart from Portugal, this group also includes Slovenia (84% of the European average), the Czech Republic (58.8%) and Slovakia (57.9%). The absence of Poland and the inclusion of Slovakia and the Czech Republic in this group of the European

purchasing power ranking may come as a surprise, but this results from the affluence level of Czechs and Slovaks which exceeds 50% of the European average. Poland with the affluence level of 47.4% of the European average is in the group of nine countries with just over 23% of the European population and holding only 10% of the total affluence in Europe. It is not the poorest group, because in nine other countries the affluence level is still below 25% of the European average.

In conclusion, the affluence level and position of Polish people in the ranking of the European purchasing power should be borne in mind when comparing the provision of modern shopping centre space.

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8. About Retail Research Forum

The Retail Research Forum (RRF) is represented by a group of professional analysts and consultants who have operated on the commercial property market for many years: Cushman & Wakefield, DTZ, Jones Lang LaSalle, CBRE, Colliers International, GfK Polonia **in cooperation with and under the patronage of the Polish Council of Shopping Centres (PRCH).**

The goals of the RRF are to:

- share knowledge of and views on the retail property market in Poland on a regular basis;
- publish statements and reports on the Polish retail market in accordance with the standards and definitions of the International Council of Shopping Centers (ICSC).

Definitions

The following definitions were used in this publication in compliance with ICSC standards:

Shopping Centre - a retail property that is planned, developed and managed as a single entity, comprising units and common areas, with a minimum gross leasable area (GLA) of 5,000 sq.m, and a minimum of ten retail units.

Retail Park - a consistently designed, planned and managed scheme that comprises mainly medium- and large-scale specialist retailers ("big boxes" or "power stores").

Outlet Centre - a consistently designed, planned and managed scheme with separate store units, where manufacturers and retailers sell merchandise at discounted prices that may be surplus stock, prior-season or slow selling.

Methodology

The Retail Research Forum applied the above definitions to classify all retail properties in Poland and to provide consistent information on the provision of shopping centres.

For the purpose of this publication, the agglomerations/urban areas included the following:

Warsaw Agglomeration: Warsaw, Grodzisk Mazowiecki, Podkowa Leśna, Milanówek, Jabłonna, Legionowo, Nieporęt, Halinów, Sulejówkę, Wiązowna, Józefów, Otwock, Konstancin-Jeziorna, Piaseczno, Lesznowola, Michałowice, Nadarzyn, Pruszków, Raszyn, Brwinów, Piastów, Ożarów Mazowiecki, Stare Babice, Łomianki, Izabelin, Błonie, Radzymin, Marki, Ząbki, Kobylka, Wołomin and Zielonka.

Katowice Conurbation: Będzin, Bytom, Chorzów, Czeladź, Dąbrowa Górnicza, Gierałtowice, Gliwice, Jaworzno, Katowice, Knurów, Mikołów, Mysłowice, Piekary Śląskie, Radzionków, Ruda Śląska, Siemianowice Śląskie, Sosnowiec, Świętochłowice, Tarnowskie Góry, Tychy, Wojkowice and Zabrze.

Kraków Agglomeration: Biskupice, Igołomia-Wawrzeńczyce, Kocmyrzów - Luborzyca, Koniusza, Kraków, Liszki, Michałowice, Mogilany, Niepołomice, Skawina, Świątniki Górne, Wieliczka, Wielka Wieś, Zabierzów and Zielonki.

Łódź Agglomeration: Aleksandrów Łódzki, Andrespol, Brojce, Konstantynów Łódzki, Ksawerów, Łódź, Nowosolna, Ozorków, Pabianice, Rzgów, Stryków and Zgierz.

Poznań Agglomeration: Czerwonak, Dopiewo, Kleszczewo, Komorniki, Kórnik, Luboń, Mosina,

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Poznań, Puszczykowo, Rokietnica, Suchy Las, Swarzędz and Tarnowo Podgórne.

Szczecin Agglomeration: Dobra, Goleniów, Gryfino, Kobylanka, Kołbaskowo, Police, Stare Czarnowo and Szczecin.

Tricity Agglomeration: Gdańsk, Gdynia, Sopot, Rumia, Reda, Wejherowo, Pruszcz Gdański, Cedry Wielkie, Kolbudy, Kosakowo, Szemud and Żukowo.

Wrocław Agglomeration: Czernica, Długołęka, Kąty Wrocławskie, Kobierzyce, Miękinia, Oborniki Śląskie, Święta Katarzyna, Wisznia Mała, Wrocław and Żórawina.

The common database developed by the companies representing the RRF is used to publish consistent information on the provision of modern retail space in Poland and shopping centres under construction which include retail schemes whose construction has broken ground and is continued.

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