

Warsaw Retail, Q3 2015

# Increasing importance of high streets and mixed-use projects

High Street Prime Rent  
 EUR 85/ sq m/ month

Shopping Centre Prime Rent  
 EUR 90/ sq m/ month

Vacancy rate  
 1.5%

S.C. Prime Yield  
 5.5%

Figure 1: Shopping centres completed and under construction

\*Arrows indicate change from previous quarter.

Completed

SECOND PHASE OF FACTORY  
 URSUS 6,000 SQ M GLA (20,000  
 SQ M GLA IN TOTAL)

EXTENDED AND REFURBISHED  
 WOLA PARK 60,000 SQ M GLA

Selected mixed-use projects under construction:

- Koneser (21,000 sq m GLA),
- Cedet (7,000 sq m GLA),
- Plac Vogla (5,000 sq m GLA)



Shopping centres under construction  
 139,350 sq m in total

- Galeria Polnocna, 60,000 sq m GLA
- Galeria Wolomin, 25,000 sq m GLA
- Modo, 16,000 sq m GLA

Source: CBRE Research, Q3 2015

- The market maturity is visible in Warsaw with differentiating the offer and formats, therefore traditional shopping centres should now be looking at ways to increase their attractiveness.
- The importance of mixed use schemes with retail on lower floors is rising. This is shaping a new way of shopping in Warsaw, which may lead to high street revival.
- Tenants activity is noticeable, few brands entered the market, including Dunkin Donuts, Le Coq Sportif and Patisserie Paul.

Figure 2: Selected developments with building permit

Art Norblin exp. in 2017,  
 21,200 sq m

Manhattan Pruszkow exp. in 2017,  
 13,000 sq m



Source: CBRE Research, Q3 2015

OUTLOOK

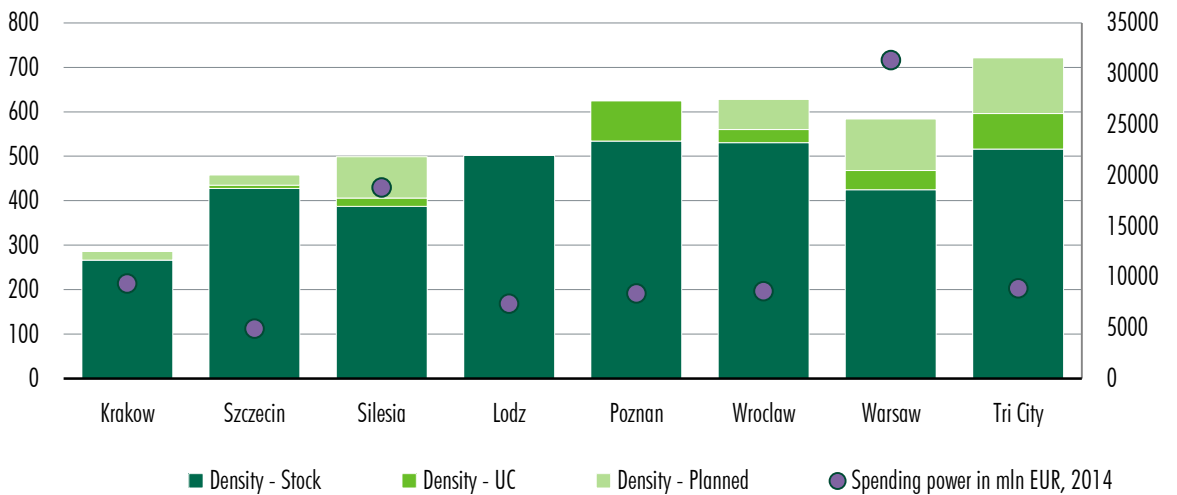
Retail market in the Warsaw agglomeration remains stable, with no new schemes constructed. However, there is around 139,400 sq m GLA of retail space currently under construction due to open in the next two years. Six new schemes remain under construction and one is being extended.

The growing demand for premises is observed on Warsaw high streets, generated increasingly by foreign brands entering Polish retail market, that consider to locate their flagship stores on high streets. The most common reasons for not choosing high street locations are the lack of available large units, conservatory protection and ownership claims.

Figure 3: Retail market key figures, Q3 2015

	Warsaw	All Poland (excluding Warsaw)
Prime shopping centre rent	90-120 EUR/ sq m/ month	45 EUR/ sq m/ month
Prime high street rent	85 EUR/ sq m/ month	55-65 EUR/ sq m/ month
Prime retail park rent	12 EUR/ sq m/ month	8 EUR/ sq m/ month
Total stock	1,390,800 sq m	9,150,200 sq m
Under construction	139,350 sq m	685,300 sq m
Planned with building permit	46,800 sq m	254,600 sq m
Vacancy	1.5%	3.5%
Density	425 sq m / 1,000 inhabitants	274 sq m / 1,000 inhabitants

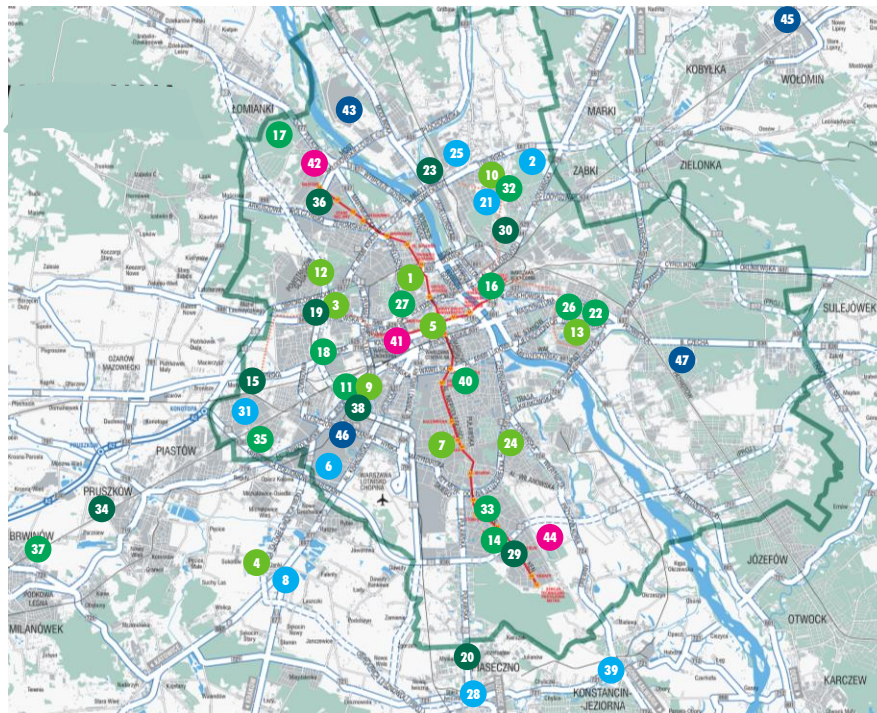
Figure 4: Density and spending power in Polish agglomerations



Source: CBRE Research, Q3 2015; GFK, 2014

**WARSAW AGGLOMERATION REMAINS THE MOST ATTRACTIVE IN TERMS OF SPENDING POWER WITH VERY HIGH INVESTMENT POTENTIAL.**

Figure 5: Warsaw shopping centres (existing, under construction and most significant planned projects)



I generation
  II generation
  III generation
  Specialized
  Under const.
  Planned

Source: CBRE Research, Q3 2015

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39.	STARA PAPIERNIA
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41.	WARSZAWA GLOWNA
42.	GALERIA MLOCINY
43.	GALERIA POLNOCNA
44.	GALERIA WILANOW
45.	GALERIA WOLOMIN
46.	MODO
47.	FERIO WAWER

**Joanna Mroczek**  
 Director  
 Research and Marketing  
 +48 22 544 8061  
[joanna.mroczek@cbre.com](mailto:joanna.mroczek@cbre.com)

**Beata Kokeli**  
 Senior Director  
 Retail Agency  
 +48 22 544 8084  
[beata.kokeli@cbre.com](mailto:beata.kokeli@cbre.com)

**Walter Wölfler**  
 Senior Director  
 Head of Retail CEE  
 +43 1 533 40 80-97  
[walter.woelfler@cbre.com](mailto:walter.woelfler@cbre.com)

**Agata Czarnecka**  
 Associate Director  
 Research and Consultancy  
 +48 22 544 010  
[agata.czarnecka@cbre.com](mailto:agata.czarnecka@cbre.com)

**Magdalena Fratzczak**  
 Director  
 Retail Agency  
 +48 22 544 8017  
[magda.fratczak@cbre.com](mailto:magda.fratczak@cbre.com)

**CBRE OFFICE**  
 CBRE sp. z o.o.  
 Rondo ONZ 1, 24th floor  
 Warsaw, 00-124

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