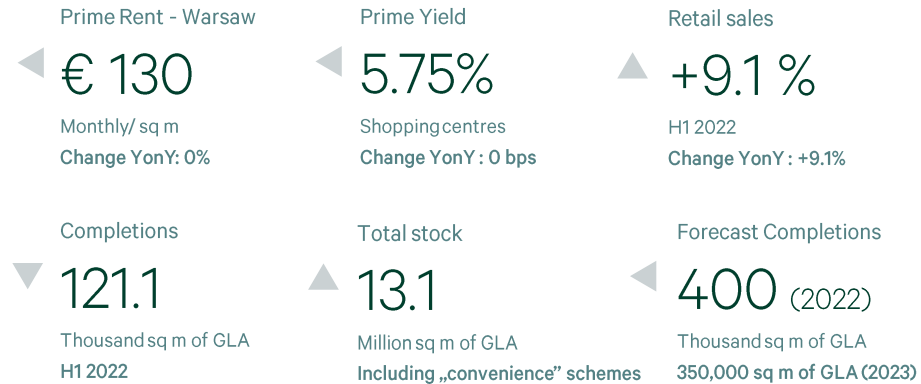
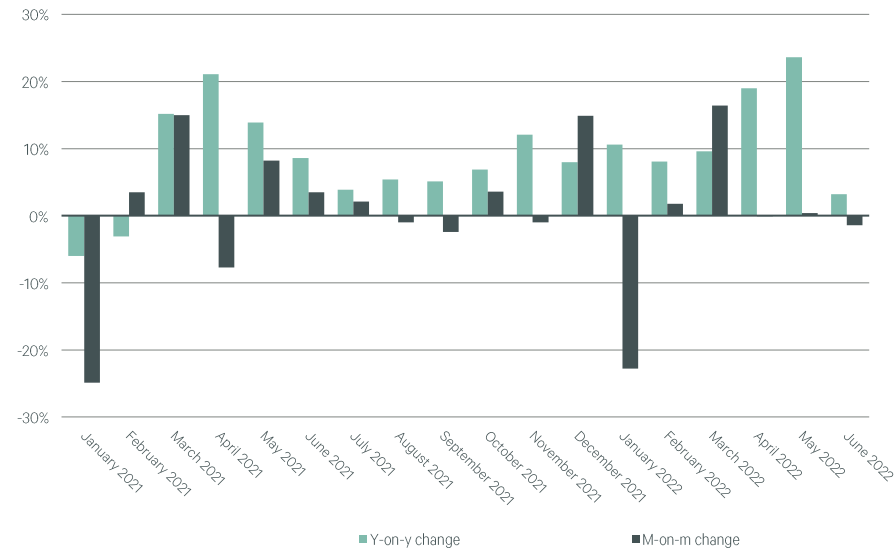


Retail Market Snapshot

KEY PERFORMANCE INDICATORS (Q2 2022)



CHANGES IN RETAIL SALES (CONSTANT PRICES)



Source: Central Statistical Office

CONSUMER DEMAND

According to data from the Central Statistical Office, retail sales in constant prices increased by 9.1% in H1 2022 when compared to the corresponding period in 2021. The highest results were recorded in May (+23.6% y-o-y) and April (+19.0% y-o-y). Nevertheless, when taking into account monthly changes, retail sales have slowed. After a rapid growth of sales in March 2022 by 16.4% when compared to February 2022, sales have remained stable in the last three months.

SUPPLY

The total supply of modern retail space currently amounts to approx. 13.1 million sq m GLA, including "convenience" formats (below 5,000 sq m GLA), which are very popular among developers and investors. In H1 2022, the market expanded by 121,100 sq m GLA of new retail space. The new space completed in the last 6 months consisted mostly of retail parks of different types (91%).

At the end of Q2 2022 there was over 360,000 sq m GLA of new retail space under construction, out of which the majority (54%) will benefit small cities (below 100,000 inhabitants).

TENANTS

In line with an intensive development of "convenience" retail formats, a dynamic expansion of some retailers' categories typical for such types of schemes, i.e. multi-discipline discount stores (the so-called "value retailers, e.g. Action, Pepco, Tedi), grocery chains, drugstores and stores focused on electronics and sportswear, is being observed.

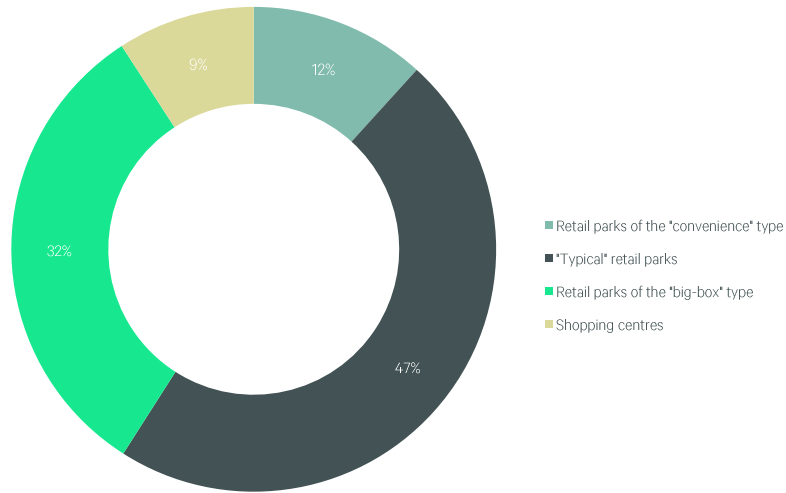
Leading shopping centres are also continuously changing. They are striving to adapt the retail offer to make it as attractive as possible for their clients, by both inviting new brands and relocating existing ones, while tenants are taking care of the quality of the customer experience by refurbishing and modernising store interiors (among other measures). Both retail chains and retail schemes are focused on the issue of sustainable development and are implementing initiatives focused on environment.

Food and beverage concepts of the "food hall" type are also developing: they are appearing in shopping centres, but are mostly in mixed-use projects. The last opening of such a format in Warsaw took place in PZO at Grochowska St. Other examples of older, well known food and beverage destinations in the capital are Browary Warszawskie, Elektrownia Powiśle, Fabryka Norblina and Hala Koszyki czy Hala Gwardii.

RENTS AND LEASE CONDITIONS

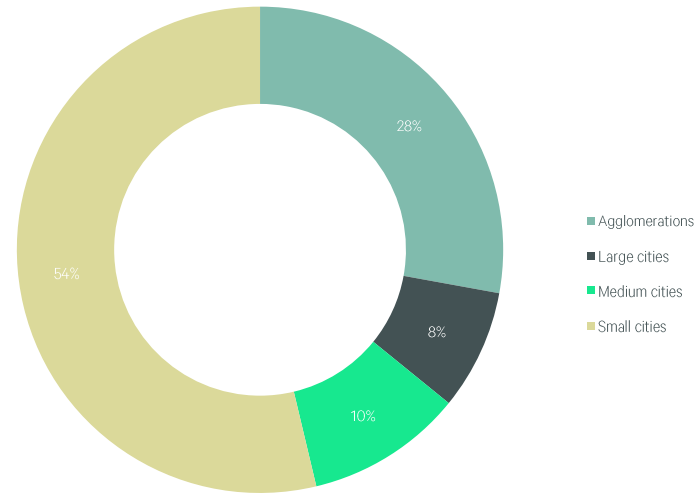
Headline rents in prime shopping centres remain at a stable level of EUR 100-130/ sq m/ month in Warsaw and EUR 40-60/ sq m/ month in other large Polish cities. Base rents for retail parks amount to EUR 7-10/ sq m/ month, on average.

STRUCTURE OF SPACE COMPLETED IN H1 2022 (SQ M GLA) BY FORMAT



Source CBRE

STRUCTURE OF SPACE UNDER CONSTRUCTION (SQ M GLA) BY CITY SIZE



Source: CBRE

CONTACT

Magdalena Frątczak
**Head of Retail Sector
 Advisory & Transactions**
 +48 508 083 498
 magda.fratzczak@cbre.com

Agata Czarnecka
Director
Research & Consultancy
 +48 500 000 053
 agata.czarnecka@cbre.com

Emilia Trofimiuk
Senior Consultant
Research & Consultancy
 +48 728 437 614
 emilia.trofimiuk@cbre.com

Joanna Mroczek
Senior Director
CEE Research & Strategic Consultancy
 +48 500 000 583
 joanna.mroczek@cbre.com

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Q2 2022

REPORT FIGURES

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