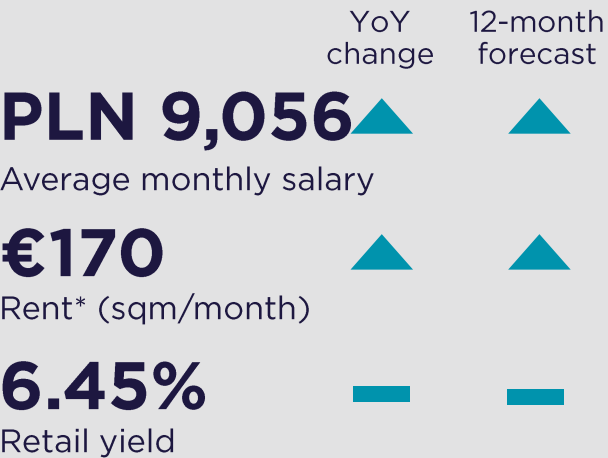


MARKET FUNDAMENTALS



Source: Statistics Poland (GUS); Cushman & Wakefield; Q1 2025;  
\*prime shopping centre rents

ECONOMIC INDICATORS



Source: Statistics Poland (GUS)

ECONOMY: POLAND RANKS AMONG EU LEADERS IN GDP GROWTH, INFLATION FALLS BELOW 5%

In Q4 2024, Poland’s GDP (non-seasonally adjusted) grew by a real 3.2%, marking the country’s fastest economic expansion in over two years – specifically since Q3 2022. Within the European Union, only Denmark and Lithuania recorded stronger growth. In March 2025, the inflation rate stood at 4.9% year-on-year, matching the levels seen in January and February. Looking ahead, inflation is expected to move closer to the NBP’s target in the coming months, potentially paving the way for monetary policy easing.

SUPPLY: NEW RETAIL SUPPLY HITS 47,000 SQM IN Q1 2025

The first quarter typically sees lower new retail supply compared with the rest of the year. This is largely due to heightened retail activity toward the end of the year, when footfall and turnover peak, encouraging developers and owners to open new retail facilities. Notably, new retail supply in the final quarter of last year reached its highest level in nearly a decade.

In the first quarter of 2025, 47,000 sqm of GLA was added to Poland’s retail market, with no retail closures reported. The supply statistics cover schemes of over 5,000 sqm of GLA, including new developments, extensions and redevelopments.

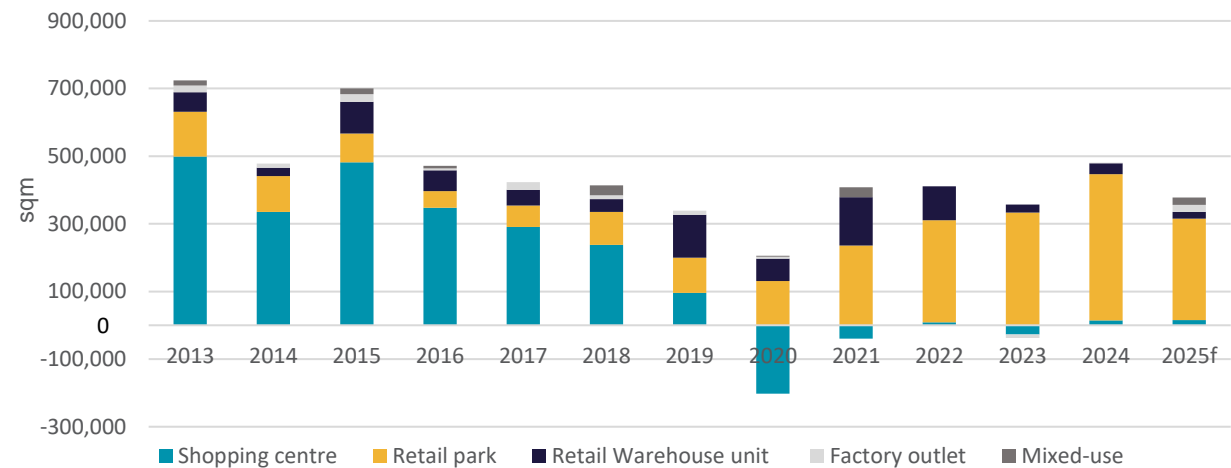
The openings included five new developments and three extensions, the latter together delivering 5,800 sqm of GLA. The largest completions were M Park Mrągowo (15,300 sqm) and Leroy Merlin in Tarnobrzeg (7,500 sqm). The remaining three retail parks – M Park Brzeziny, S1 Nowa Sól Północna and OTO Park Żagań – delivered less than 7,000 sqm each. All of these retail schemes are located in towns with populations under 50,000, where developers are still able to secure land for retail park development.

Poland’s total retail stock now stands at approximately 16.86 million sqm of GLA.

515,000 SQM UNDER CONSTRUCTION, WITH RETAIL PARKS ACCOUNTING FOR 76% OF THIS TOTAL

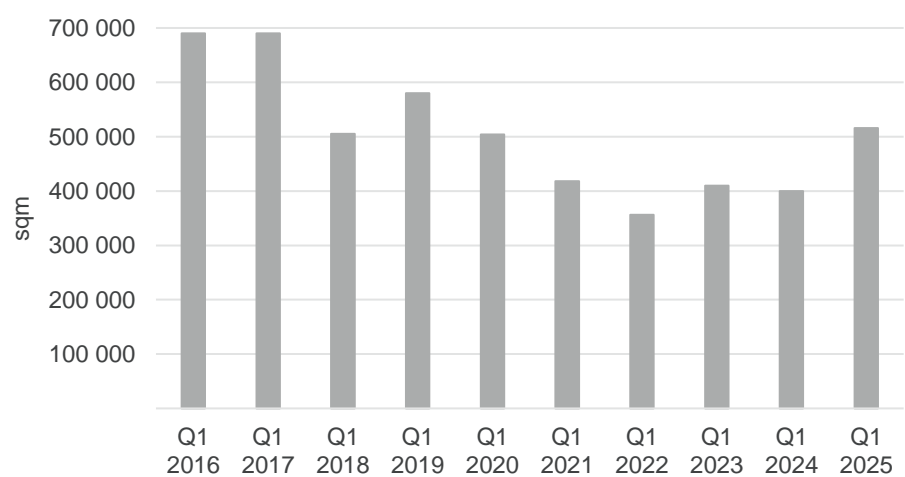
According to statistics for the first quarter of 2025, Poland’s retail development pipeline hit its highest level since 2019, signifying that new supply will remain relatively high throughout 2025. However, with increasing retail market density, development activity is expected to slow in the coming years. The largest volume of retail space under construction, by format, is in retail parks (76%), followed by shopping centres (14%), retail warehouses such as Castorama or OBI (6%) and factory outlet centres (4%).

RETAIL SPACE SUPPLY BY FORMAT



Source: Cushman & Wakefield, f – forecast \* The chart includes openings and closures

RETAIL STOCK UNDER CONSTRUCTION



Source: Cushman & Wakefield

DEMAND: THE FIRST QUARTER SEES FIVE NEW RETAIL BRANDS

Five brands debuted in the first quarter of 2025 by opening their first stores in Poland. These included two travel agencies that chose Warsaw locations: Join up! (Galeria Północna) and Sun&Fun (Promenada). Warsaw also saw the launch of a new cosmetics grand, HDREY Laboratories, which opened at Widok Tower. Additionally, Wroclavia welcomed Guess Jeans, while Nowa Sukcesja in Łódź became the location of a new Armağan Toys store.

RETAIL SALES: STRONG IN JANUARY, DOWN IN FEBRUARY, CONSUMER CONFIDENCE REMAINS NEGATIVE

Retail sales in January 2025 grew by a staggering 4.8% year-on-year in constant prices, representing the strongest result since May 2024. Notably, sales of furniture, radio, tv and home appliances rose by a substantial 13.6% year-on-year, following several quarters of significant declines – this marks the first clear positive signal in this segment. The January recovery extended to clothing and footwear, with sales up 8.8% year-on-year. Meanwhile, pharmaceuticals and cosmetics continued their strong performance, posting a 12.8% year-on-year increase.

The rebound in January was followed by a correction in February, with retail sales falling by 0.5% year-on-year. The steepest decline in business was seen in the motor vehicles and motorbikes category. Although this segment still posted a 5.1% year-on-year increase, this growth was well below previous figures. Other strong performers included pharmaceuticals and cosmetics (up 7.4% year-on-year), fashion (6.0%) and furniture (5.8%). One factor weighing on February’s retail sales was an unfavourable calendar effect: the extra day in the leap year 2024 raised the comparison base.

In the first quarter of 2025, the current consumer confidence index hovered around -15, indicating that pessimistic consumers outnumbered optimistic ones. This marked a slight decline compared with the first quarter of 2024.

FOOTFALL AND TURNOVER IN Q1 2025: SHOPPING CENTRE FOOTFALL DECLINES AMID RISING NOMINAL TURNOVER

In January and February 2025, the average shopping centre footfall was approximately 380,000 and 350,000 customers per retail scheme respectively, up by 0.3% year-on-year in January but down by as much as 6% year-on-year in February.

While shopping centres experienced slightly lower average customer traffic, they saw a rise in consumer spending. In the first quarter of 2025, net turnover surpassed PLN 900 per sqm. Nominal turnover rose by 3% in January and 2% in February.

Cushman & Wakefield conducted a survey of 1,610 Polish respondents about their shopping experiences in shopping centres and retail parks. The survey revealed that retail parks tend to be favoured for large grocery purchases and buying pharmaceuticals and cosmetics, while shopping centres are preferred for services and purchasing clothing and underwear.

RENTS: ANNUAL INFLATION-LINKED INDEXATION

The first quarter marks the period when leases with shopping centre tenants are indexed to inflation. EUR-denominated leases are typically indexed using Eurostat’s HICP, which in 2024 averaged 2.4% for Eurozone and 2.6% for European Union. By contrast, leases denominated in Polish zloty are indexed by the inflation rate published by Statistics Poland (GUS) – it averaged 3.6% in 2024. Some leases, however, include provisions for minimum or maximum indexation values (e.g. a minimum threshold of 2% and a cap of 5%).

MAJOR RETAIL OPENINGS IN Q1 2025

SCHEME / CITY	FORMAT	DEVELOPER	GLA (sqm)
M Park / Mrągowo	Retail park	LCP Properties	15,300
Leroy Merlin / Tarnobrzeg	Retail warehouse	Napollo	7,500
OTO Park / Żagań	Retail park	Genesis Property/ Falcon Investment Management	6,500
S1 Północna 3 / Nowa Sól	Retail park	Saller	5,900
M Park / Brzeziny	Retail park	Genesis Property	5,900

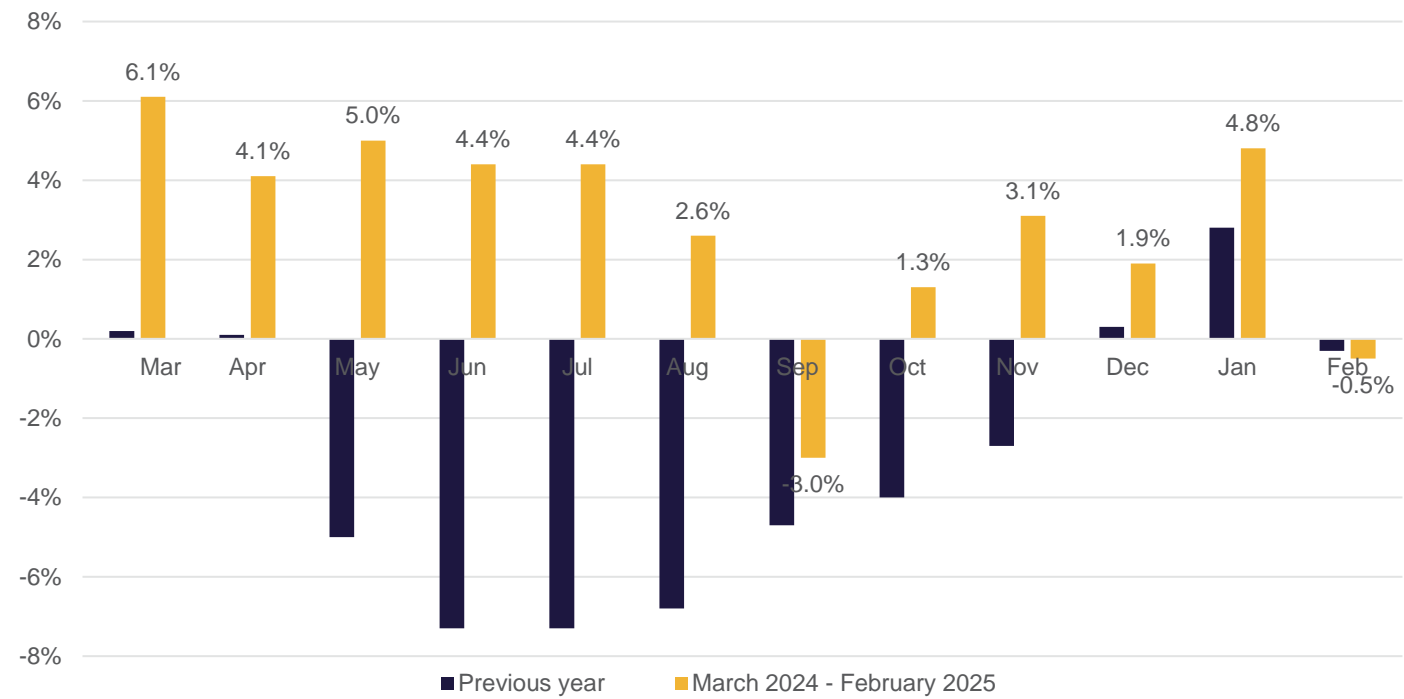
Source: Cushman & Wakefield

TOP SHOPPING DESTINATIONS BY PURCHASE TYPE

	LARGE GROCERY PURCHASES (OVER PLN 100)	PURCHASING PHARMACEUTICALS, PHARMACY	COSMETICS AND DRUGSTORE SHOPPING	SHOPPING FOR CLOTHES AND UNDERWEAR	SERVICES
RETAIL PARK	21%	19%	33%	35%	23%
SMALL SHOPPING CENTRE (up to 20-30 stores)	16%	18%	31%	35%	19%
LARGE SHOPPING CENTRE (more than 30 stores)	18%	15%	29%	44%	26%

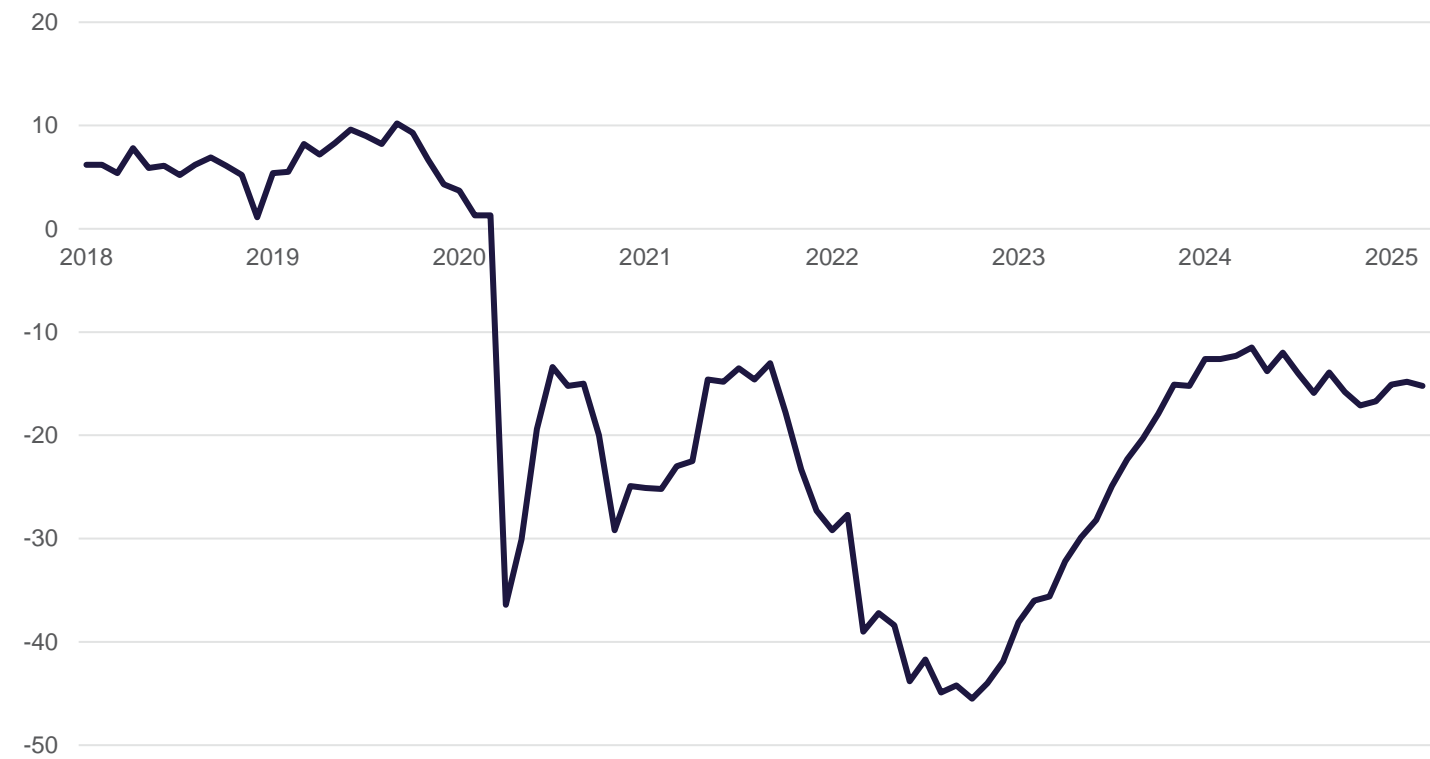
Source: Cushman & Wakefield \* Respondents were allowed to select more than one answer. The sample included 1,610 respondents

RETAIL SALES  
(% CHANGE YOY; CONSTANT PRICES)



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

CURRENT CONSUMER CONFIDENCE INDEX  
2018-2025



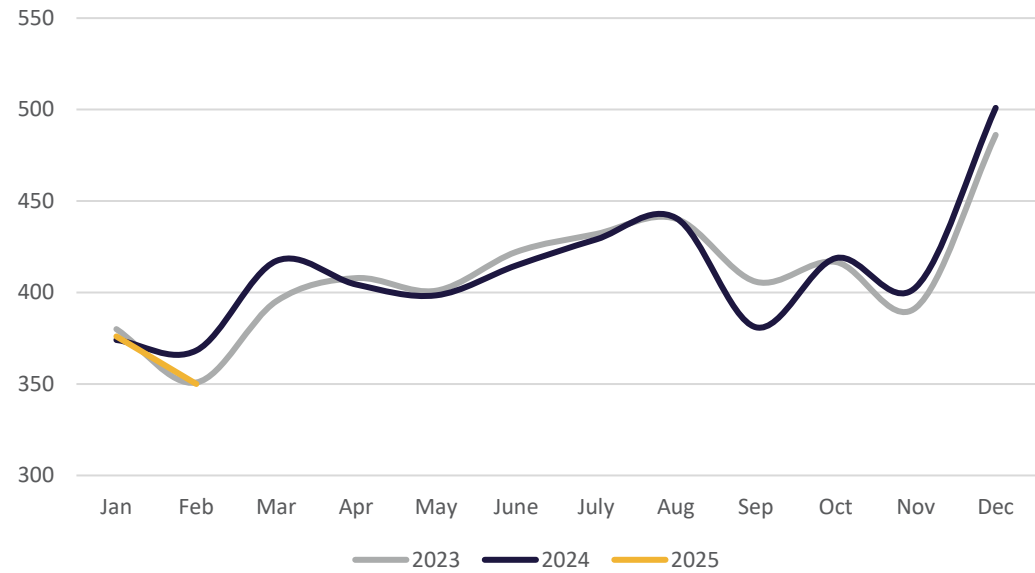
Source: Cushman & Wakefield, based on data from Statistics Poland

MAJOR RETAIL OPENINGS PLANNED FOR Q2 2025

SCHEME	CITY	FORMAT	GLA (sqm)	DEVELOPER
Designer Outlet Kraków	Kraków	Factory outlet centre	21,000	KG Group/ Peakside
Pasaż Łączyńskiego with Leroy Merlin	Szczawno-Zdrój	Shopping centre	13,000	Leroy Merlin
Wrocławski Park Nowa Sól	Nowa Sól	Retail park	10,000	Anchoram
Vendo Park	Mogilno	Retail park	8,300	TREI
Leroy Merlin	Chojnice	Retail warehouse	8,000	P.A. Nova
M Park	Szubin	Retail park	7,900	RWS Investment
EDS Retail Park	Rembelszczyzna	Retail park	7,000	EDS Retail Park

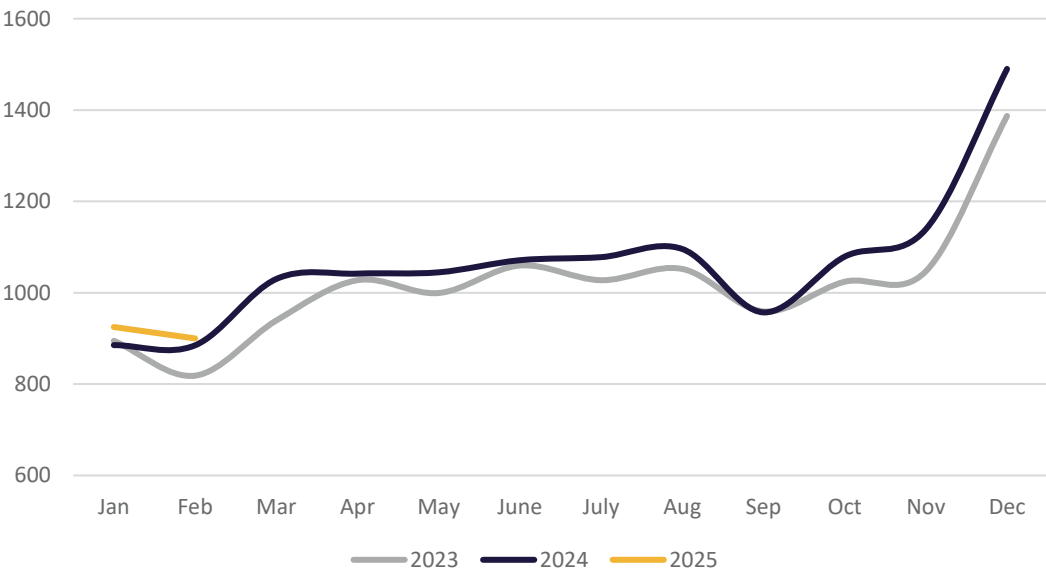
Source: Cushman & Wakefield

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



Source: Cushman & Wakefield, based on PRCH data

NOMINAL SHOPPING CENTRE TURNOVER  
(PLN/SQM)



Source: Cushman & Wakefield, based on PRCH data

RETAIL MARKET STATISTICS

AGGLOMERATION	ALL RETAIL FORMATS (sqm)	SHOPPING CENTRES (sqm)	SHOPPING CENTRE DENSITY (sqm/1,000 inhabitants)	PRIME YIELD
Warsaw, city centre	2,415,600	1,415,800	504	6.45%
Warsaw, non-central locations				7.00%
Silesian Agglomeration	1,568,900	1,017,600	513	7.00%
Tricity	1,007,500	630,800	563	6.90%
Poznań	877,100	643,100	731	7.00%
Wrocław	872,300	527,400	589	6.70%
Kraków	806,600	535,400	473	6.90%
Łódź	692,300	508,800	566	6.90%
Szczecin	471,100	257,100	488	7.45%
Poland totals	16,858,000	10,489,000	273	6.45%

Source: Cushman & Wakefield



CAPITAL MARKETS

Following a robust 2024 — during which over EUR 1.6 billion in retail assets were traded, marking the highest volume since 2019 and outperforming the logistics sector while matching office investment — Poland’s retail investment market has carried this momentum into 2025. In Q1 2025, retail investment reached EUR 190 million, representing the strongest first-quarter performance since 2022. While 2024 was characterized by large shopping centre transactions, the opening months of 2025 have been driven primarily by retail park acquisitions, with LCP, Terg, and Redkom Development leading the activity. The ownership of 6 local shopping centres has also changed, including 3 Plaza Centres in Upper Silesia purchased by the Ukrainian Focus Estate Fund, Pasaż Świetokrzyski in Kielce, as well as Galeria Świdnicka and Galeria Młyńska in Raciborz. Poland continues to reflect the broader European trend of market recovery, with a notable uptick in transaction volume and investor interest. Based on current sentiment and pipeline visibility, 2025 investment volumes are forecasted to surpass the strong performance of 2024. Prime yields remain stable across retail segments:

Shopping centres: 6.45%

Retail parks: 7.00%

Retail warehouse units: 6.75%

DEBT MARKETS

The retail market is undergoing a gradual transformation, with retail assets – particularly retail park portfolios – attracting growing investor interest over the past two years.

Banks’ willingness to provide financing mirrors investor appetite, as financial institutions place strong emphasis on the ability to exit from financing, which is assessed based on current and projected demand for specific property types. After several years of stagnation in retail property financing among nearly all banks – driven by factors such as COVID-19, high communal area maintenance costs reducing net operating income and weak investor activity – there are now signs of slight improvement. Some banks have begun to selectively offer financing for the acquisition of retail parks and dominant shopping centres. The average LTV is 50% of the market value, including depreciation and the margin strictly dependent on the quality of a building, occupancy levels and the WAULT. The financing period is typically slightly shorter than the WAULT. The average margin ranges between 2.25% and 2.75% per annum. The front-end fee is approximately 1% of the initial financing amount. The base rate is either 1M or 3M EURIBOR, with around 70% of the loan hedged through IRS or options. Other important factors considered by banks when assessing individual projects include the level of primary energy, the ESG strategy and the planned decarbonisation pathway for older properties. It is worth mentioning here that, according to statistics from Cushman & Wakefield, 71% of the space is located in retail buildings over 10 years old.

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