

# Katowice Retail Update

## Foreign Investors Enter Katowice

### Economy

The economic recovery was in full swing in 2004, with GDP growth of 5.4% beating expectations. Economists forecast that GDP should grow by 4.5% in 2005. The National Bank of Poland lending rate started 2005 at 6.5%. The large influx of Foreign Direct Investment drove the Polish zloty up 15% against the euro in 2004. Poland joined the EU in 2004 and is widely expected to join the Euro currency in 5-7 years.

### Supply

Total retail space in Katowice amounts to approximately 138,000 sqm. But development has been slow of late, with no major schemes announced this year.

Hungarian TriGranit Development Corporation commenced construction of a largest multifunctional commercial centre in the Silesia region - Silesia City Centre which will comprise of 65,000 sqm retail space with over 240 retail units. Cost of the investment is estimated for about 200 million EUR. Completion is scheduled for the end of 2005.

BELG shopping centre has been recently renovated and opened in September this year. Two storey centre of 10,000 sqm is 90% leased for 10-20 EUR/sqm, and anchored by 2,000 sqm Champion supermarket.

3 Maja and Stawowa streets are prime high street locations and are very demanded by retailers. Demand for these locations is stronger than supply. Higher supply is on other high streets such as: Staromiejska, Korfantego, Plac Miarki, Koszciuszki. They are becoming more popular.

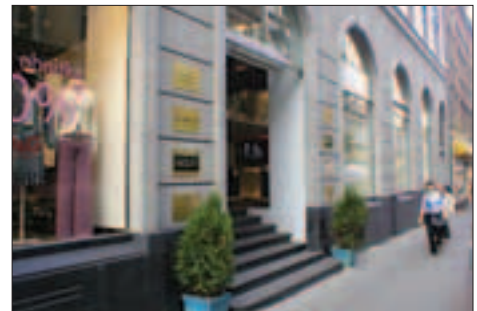
### Demand

The strongest demand is for shops located on high streets, in the city centre. Demand is mostly generated by insurance companies, banks, coffee shops and international retailers.

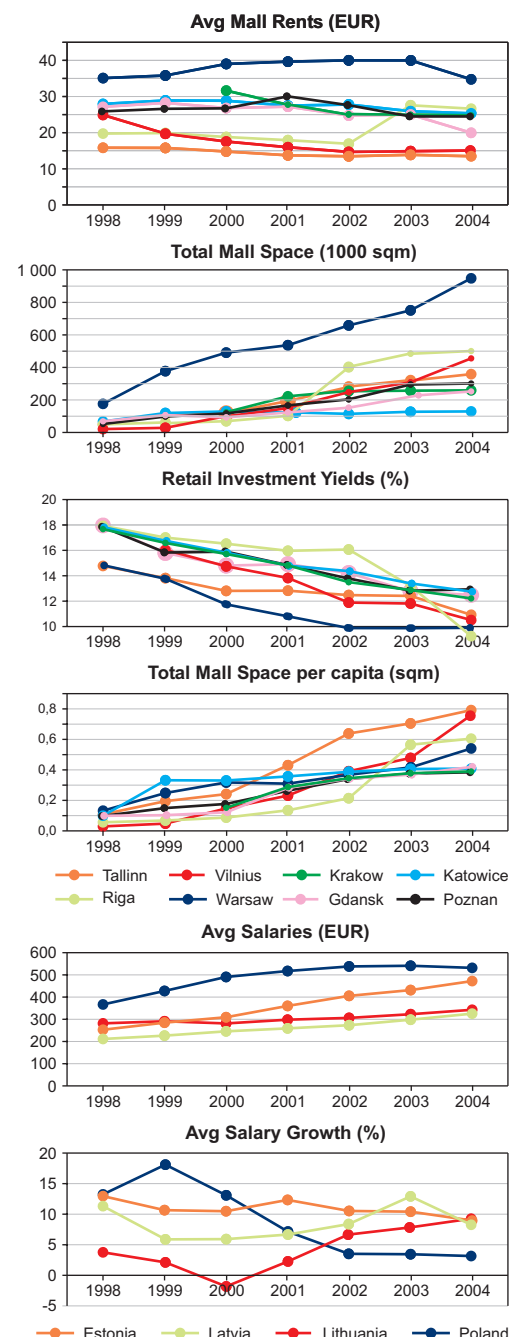
Major DIY and furniture brands are: Ikea, Castorama, Meble Agata, TTW Opex. They are located in Rozdzińskiego Ave, which is popular for these kind retailers.

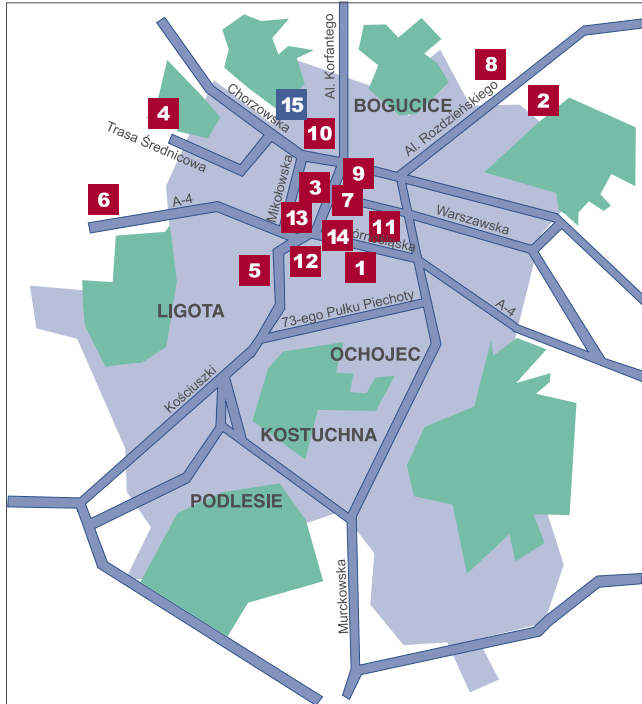
### Rents

Prime high street rents are higher than those in shopping centers and are quoted in Polish Zloty. They vary from 100 to 200 PLN/sqm (23 to 70 EUR/sqm). Lower rents are on less popular streets and are as low as 25 to 30 PLN/sqm.



New modern retail passage in refurbished historical building on **Dyrekcyjna street**.





Rents in shopping centres remain stable at 10 EUR per sqm for 500 to 700 sqm spaces, to 40 EUR for small, well located spaces.

## Retail sqm existing in Katowice

Property name	sqm
1 Trzy Stawy	45 000
2 Carrefour	17 000
3 SDH Skarbek	11 900
4 Auchan	10 000
5 Castorama	7 500
6 Macro Cash & Carry	7 000
7 SDH Zenit	6 700
8 IKEA	6 000
9 Uni Centrum	4 600
10 DH Junior	3 200
11 Praktiker	3 000
12 Elea	1 500
13 Supersam	5 000
14 Belg	10 000
<b>TOTAL</b>	<b>138 400</b>

## Retail sqm planned in Katowice

Property name	sqm
15 Silesia City Centre	65 000
<b>TOTAL</b>	<b>65 000</b>

### FOR COMMERCIAL LEASING OPPORTUNITIES THROUGHOUT THE REGION, PLEASE CONTACT:

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