

# Poznan Retail Update

## New Retail Boom

### 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

Retail market is stable, vacancy rates are low at 10%. Situation on Poznan retail market will change significantly by 2006. 121,000 sqm of modern retail space will be added to the existing 306,000 sqm. New supply is expected to result in a decrease in retail rents.

Newly renovated Stary Browar is one of the biggest and modern mixed-use complex, located in the centre of Poznan. The property, opened in November 2003, is owned by Fortis. It consists of 22,400 sqm of close to 100 retail units, ranging from 30 to 3,000 sqm, 6,000 sqm of office space, and 12,000 sqm of parking. Fortis is planning the extension of Stary Browar. The second phase will provide further retail and office space, residential property and a car park for 600 vehicles.

Further developments include two new projects scheduled for completion by the end of 2005 and one for 2006:

**King Cross Marcelin** – the biggest shopping centre in Poznan, developed by French company Casino and local developer Zonkil. The project is located on the west of Poznan (Bukowska street) and is scheduled for completion in spring 2005. It will consist of 54,000 sqm of retail units and 19,000 Geant.

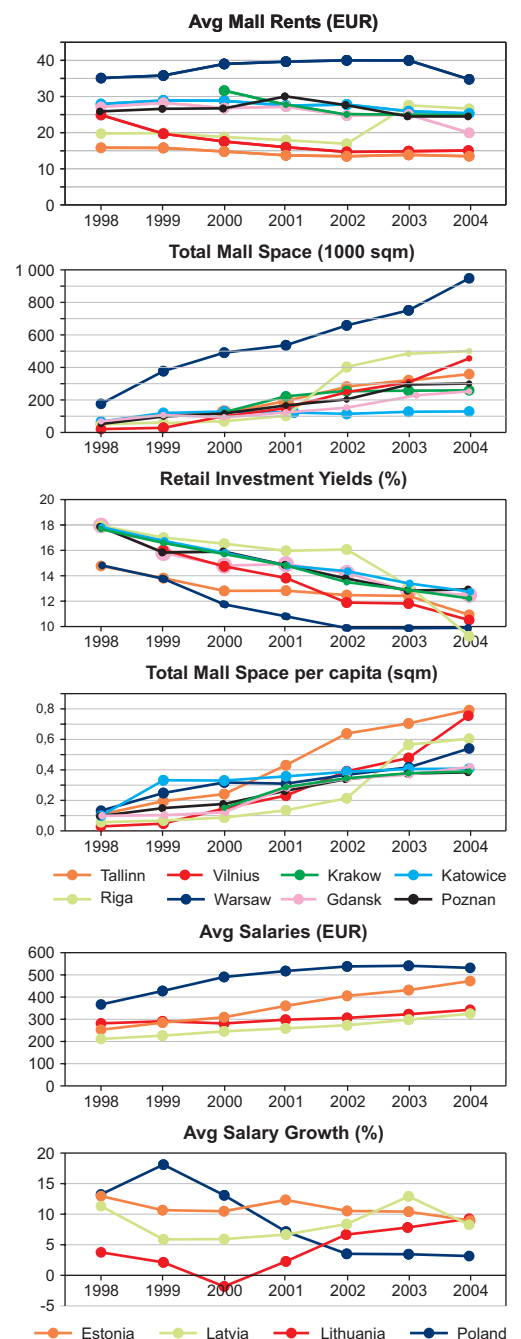
**Centrum Poznan Plaza** – The Polish subsidiary of the Israeli Dutch retail centre developer Plaza Centers BV and Plaza Centers Poland, began construction of a new 40,000 sqm shopping and entertainment complex called Centrum Poznan Plaza, Warbud is the main constructor. Cost of the investment is 55 million EUR.

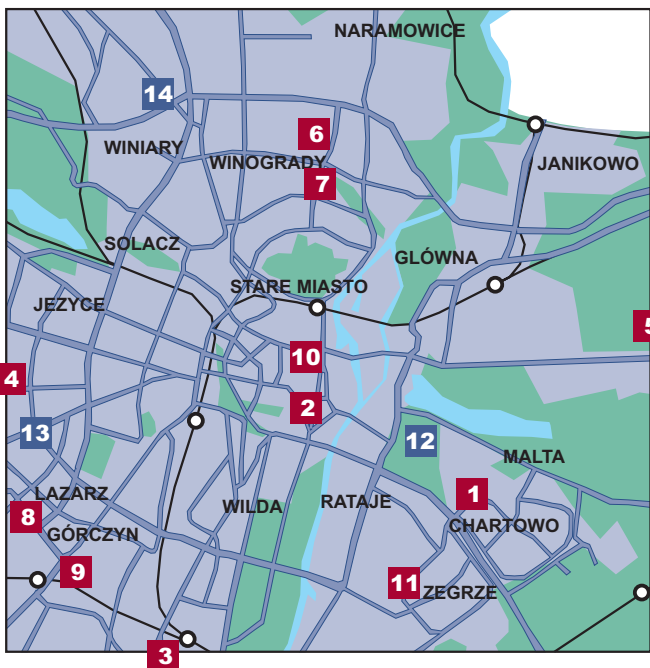
**Lacina Carrefour** – The French company Apsys is planning to develop 27,000 sqm of retail in the Lacina district. Apsys will invest 100 million EUR in a mixed use complex, which will house 500 apartments, 150 retail units, a supermarket, and a cinema. Opening date is 2006.

There are four big box schemes in Poznan of 136,000 sqm total space: Stary Browar, Kupiec Poznanski, Panorama, M1 Shopping Centre. Major supermarket chains are: M1, Auchan, Tesco, Macro Cash&Carry, Selgros Cash&Carry, Piotr i Pawel,



Planned mixed-use (office-retail-residential) project in Garbary district, near the Old Town.





Hypernova, Kaufland, Albert, Lidl, Biedronka, Geant.

## Demand

Demand for high-street locations as well as for shops in modern shopping centres continues to be very strong. It results in low vacancy rate, which is as low as 10%. Most of the demand comes from clients looking for small to medium spaces averaging 40 to 150 sqm.

## Rents

Rents are stable as the demand is strong, but we expect shopping centres rents to soften slightly during next two years after completions of new developments.

Polwiejska street is a high street location and after revitalization offers prestigious retail units for up to 45 EUR/sqm. Rents in shopping centres vary between 18 and 40 EUR/sqm.

## Retail sqm existing in Poznan

Property name	sqm
1 Centrum Handlowe M1	57 000
2 Stary Browar	22 400
3 Auchan - Swadzim *	30 000
4 Auchan - Komorniki *	30 000
5 ETC *	30 000
6 Tesco - Opienskiego	25 000
7 Tesco - Serbska	25 000
8 Tesco - Mragowska	25 000
9 CH Panorama	22 000
10 Kupiec Poznanski	22 000
11 Pasaz Rondo	18 000
<b>TOTAL</b>	<b>306 400</b>
* Outside of map area	

## Retail sqm planned in Poznan

Property name	sqm
12 Lacina	27 000
13 King Cross Marcelin	54 000
14 CHR Plaza	40 000
<b>TOTAL</b>	<b>121 000</b>
* Outside of map area	

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

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