

SA investors reap rewards from good festive season trade at Polish malls

Poland's retail property sector paints a more positive picture for investors than many other sectors in South Africa and abroad, which had a rough year in 2018.



Hadley Dean, CEO, EPP

“It comes down to where people shop,” explains Hadley Dean, CEO of EPP, Poland’s largest owner of shopping centres, which is listed on the stock exchanges in Johannesburg (JSE) and Luxembourg (Euro MTF).

“This is very different between Poland and the United Kingdom. A common mistake business people make when evaluating the markets here in Poland is to compare them and at the same time lump the statistics together with the United Kingdom or the United States,” points out Dean.

No high street tradition

Research shows that in the United Kingdom, 80% of total retail is on high streets. This is in stark contrast to Poland, where there is no high street tradition. In fact, over 70% of retail spending in Poland takes place in malls. The total lack of high streets throughout Poland is a strong indicator that this will not change any time soon.

“Poles enjoy going to shopping centres during their leisure time and due to a combination of things, including harsh

weather and small living spaces, this is likely to continue into the future,” notes Dean.

What is more, a survey carried out by IBRiS on behalf of Bank Millennium estimated that total Polish household spending for Christmas 2018 would reach \$6.3bn, an increase of 8.6% compared to 2017. This is because of growing consumer spending across Poland on the back of growing income, record low unemployment, a positive financial outlook and consumer optimism.

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