



Shopping mall analysis of city of Warsaw

Coursera Capstone Project

Polish retail real-estate market continues to boom

The first quarter of 2019 indicates continued strong interest in investing in Poland. What is more, our practice and market data show the group of active investors has grown since last year.

Modern retail stock

14.3m m²

**Average purchasing power per
inhabitant Poland/Warsaw**

€7200/ €12,500

**Average density per
1000 inhabitants**

311 m²

**Average vacancy rate
in 6 major cities**

3.9%

New supply (2018)

430,000 m²

Prime rent in Warsaw

**€110-130
m²/month**

Our understanding of your problem

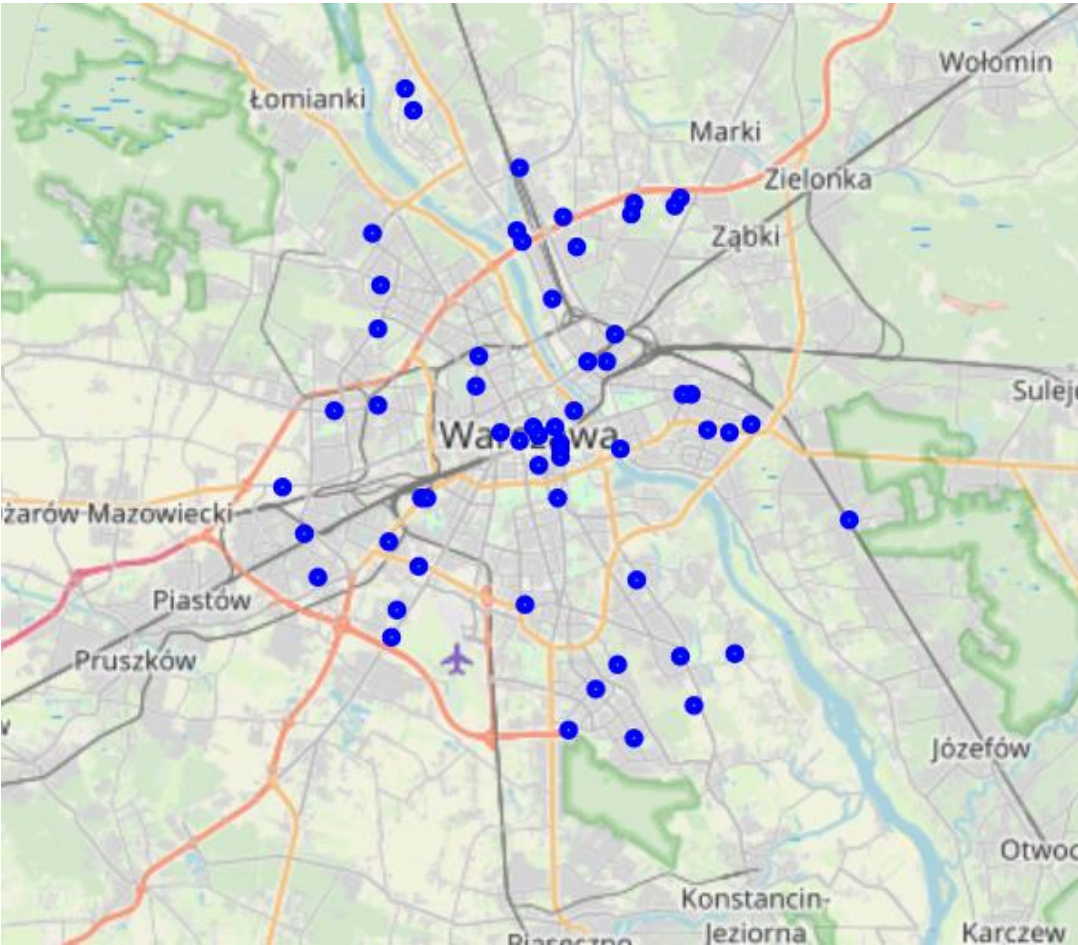
With the ambition to take advantage of growing boom in retail real-estate market, you are looking to **open/acquire a shopping mall in Warsaw**

In order to understand the commercial real-estate market better, the following key questions need to be answered:

- 1 What is the **current landscape** of the shopping centers/retail parks/high streets in the city of Warsaw?
 - What is the **typical size**?
 - Are they relatively **modern construction or older**?
 - What is their distribution in terms of **their location** (city-center, office district, residential district, suburbs etc.)
- 2 How are malls that are situated in **city center/commercial district** different from those situated in **residential districts** in terms of size and store formats?
- 3 Given, the client is looking to open/acquire a large shopping mall (60000 sq.m) near city center, what should be the **typical stores** in the mall based on current environment

Shopping centers in Warsaw vary across size and format

We see that currently there are 60 shopping centers in city of Warsaw with varied formats, ranging from traditional malls to high street. We have also included the malls which are currently planned or under construction to see short/medium term overview of the market

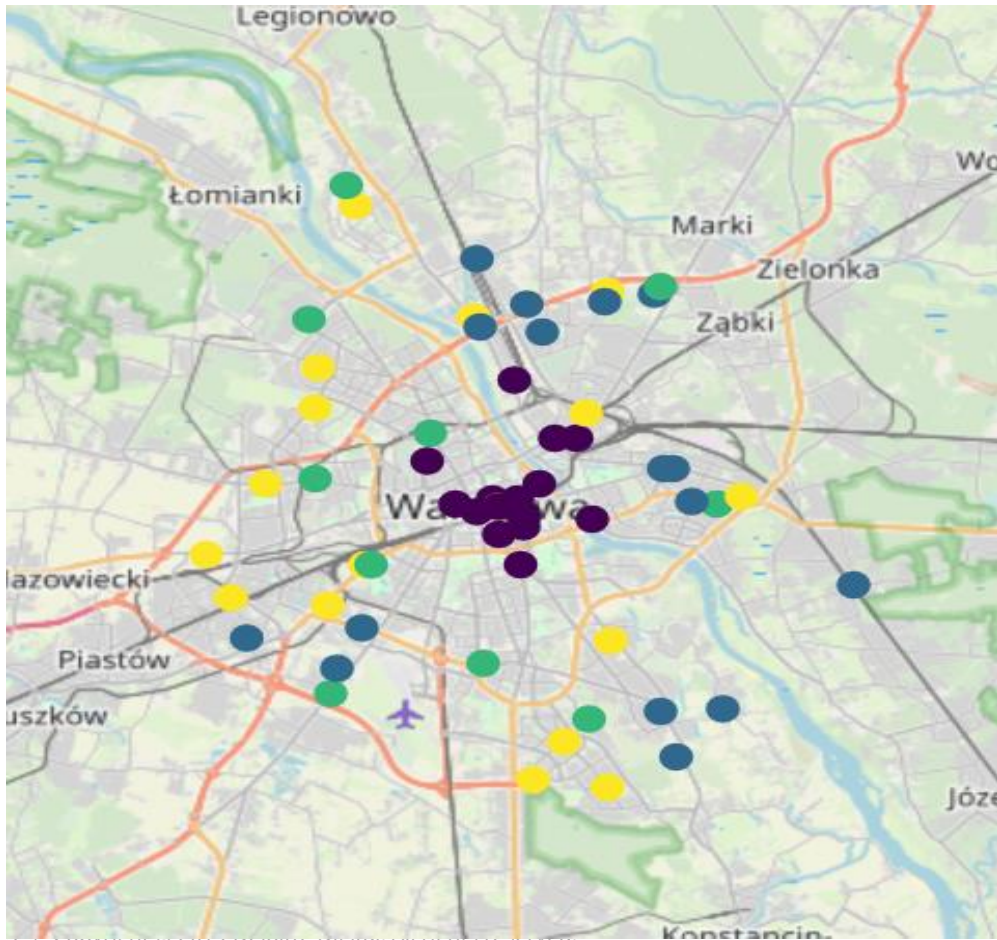


Type of mall	Number (#)
Traditional	38
Mixed-use	7
Retail park	5
Specialty mall	4
High street	4
Outlet	2
Total	60

Status	Number (#)
Open	50
In construction	7
Planned	2
Closed	1
Total	60

Current landscape of shopping centers in Warsaw

Analysing the shopping centers based on size, years since operation and distance from center, we have identified four segments of shopping centers



FOUR SEGMENTS OF SHOPPING CENTERS

- Cluster 0:** Older, medium sized malls, located in residential districts
- Cluster 1:** Smaller sized units, located near city-center
- Cluster 2:** New/upcoming centers, mainly medium sized, located in residential districts
- Cluster 3:** Middle aged, large sized malls, located in business districts of Warsaw

Difference in store formats of residential and commercial located shopping centres

Res_Comm_label	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue	4th Most Common Venue	5th Most Common Venue	6th Most Common Venue	7th Most Common Venue	8th Most Common Venue	9th Most Common Venue	10th Most Common Venue
commerical	Coffee Shop	Café	Cocktail Bar	Clothing Store	Fast Food Restaurant	Restaurant	Dessert Shop	Hotel	Shopping Mall	Plaza
residential	Coffee Shop	Dessert Shop	Supermarket	Clothing Store	Shopping Mall	Fast Food Restaurant	Electronics Store	Sporting Goods Shop	Café	Pizza Place

What we see from the above table is that the category of stores in shopping malls located in **city center/commercial districts** of Warsaw are more '**entertainment based**' with focus on cafes, cocktail bars, restaurants. This could be influenced by the factor that these districts also attract a large volume of tourists.

On the other hand, the shopping malls located in **residential districts** dominate in '**utility based**' stores such as Supermarket, Electronics store and sporting goods shop. These stores are family oriented and exist to cater to household needs of the city.

Store formats for large mall near city center

Cluster	1st Most Common Venue	2nd Most Common Venue	3rd Most Common Venue	4th Most Common Venue	5th Most Common Venue	6th Most Common Venue	7th Most Common Venue	8th Most Common Venue	9th Most Common Venue	10th Most Common Venue
0	Coffee Shop	Electronics Store	Clothing Store	Pizza Place	Dessert Shop	Supermarket	Shopping Mall	Sandwich Place	Fast Food Restaurant	Restaurant
1	Coffee Shop	Café	Cocktail Bar	Restaurant	Hotel	Plaza	Dessert Shop	Bar	Polish Restaurant	Hostel
2	Bus Station	Shopping Mall	Dessert Shop	Supermarket	Fast Food Restaurant	Coffee Shop	Sporting Goods Shop	Café	Furniture / Home Store	Clothing Store
3	Clothing Store	Fast Food Restaurant	Coffee Shop	Shopping Mall	Pizza Place	Electronics Store	Bookstore	Cosmetics Shop	Supermarket	Café

As we see from the table, the cluster 3 shopping malls have a **wide variety of store category** including fast food restaurants, clothing store, Electronic stores and supermarket. These malls, owing to their size and location, are designed to cater to **most of the needs of the visitors**, that is both, entertainment based and utility based.