



MARKETBEAT
CENTRAL & EASTERN EUROPE
RETAIL Q2 2025

Better never settles

MARKET FUNDAMENTALS

	YOY Chg	Outlook
202K YTD Shopping Centre New Supply	▼	▬
266K YTD Retail Park New Supply	▼	▲
834K Retail Space Under Construction	▲	▼

(Quarterly data, sqm, end of period)

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.1% CEE-6 Real GDP	▼	▼
3.5% CEE-6 Real Retail Sales Index	▼	▼
3.8% CEE-6 Inflation Rate	▲	▲

*(Quarterly data, average YoY changes, seasonally adjusted)
Source: Moody's Economics*

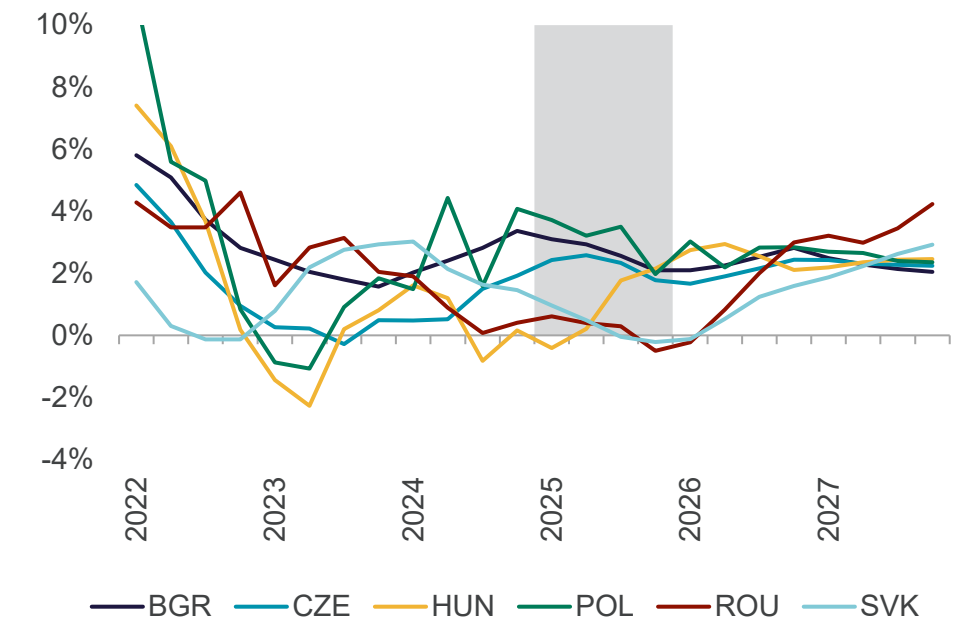
RETAIL SALES GROWTH SUPPORTED BY STABLE EMPLOYMENT DESPITE CONSUMER CAUTION

The CEE-6 retail sector exhibited moderate resilience in Q2 2025, with real retail sales growing 3.5% year-on-year, though full-year projections stand at 2.1%. This occurred against a low unemployment rate of 4.3%, providing income stability, yet consumer confidence remained sensitive to persistent inflation averaging 3.8% in Q2, projected to reach 4.3% by year-end. Regional performance varied significantly, with Czechia leading at 4.6% growth while Slovakia contracted 2.1%. Cost-of-living pressures continued weighing on discretionary spending, with consumers increasingly price-sensitive and prioritizing essentials over non-essentials. Nevertheless, tourism provided substantial support, with arrivals expected to reach record-breaking highs in 2025, surpassing 2019 levels for the first time. Intra-European travel facilitated by low airline fares drove particularly strong growth, benefiting retail destinations across the region.

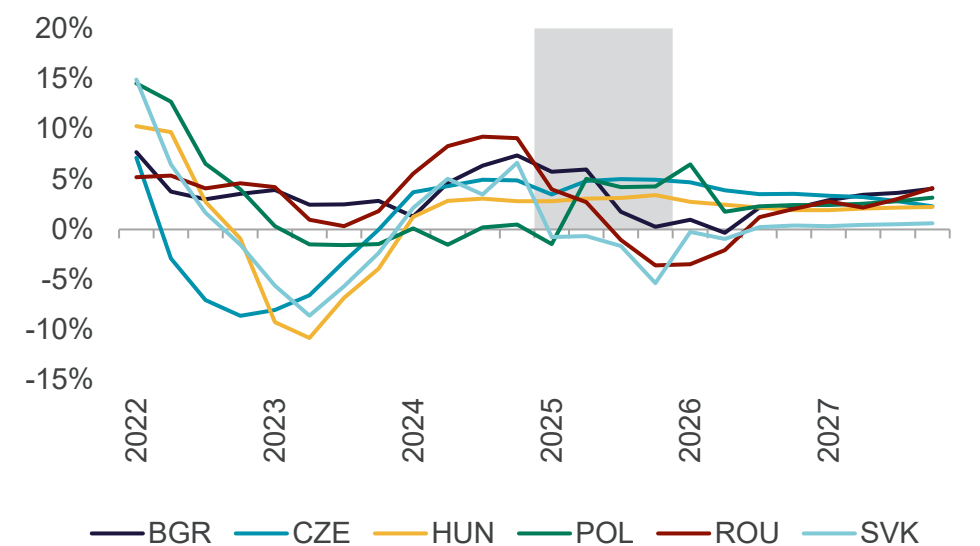
EXPERIENCE AND OMNICHANNEL INTEGRATION RESHAPE RETAIL STRATEGIES

Retailers across CEE markets in H1 2025 evolved toward experiential retail and omnichannel integration, moving beyond traditional transactional models. The emphasis shifted toward transforming flagship stores into destination experiences that drive brand engagement, with investment in store design and in-store events becoming central to strategies. Food & Beverage emerged as an increasingly critical component, supporting footfall and dwell time while enhancing mixed-use developments. Pop-up stores evolved into strategic tools for testing markets, generating excitement, and maintaining agility. Retailers prioritized securing optimal locations in prime areas for direct consumer engagement, recognizing that physical stores play a crucial role in building brand presence despite e-commerce growth. This quality-focused approach reflects adaptation to consumer preferences for memorable shopping experiences.

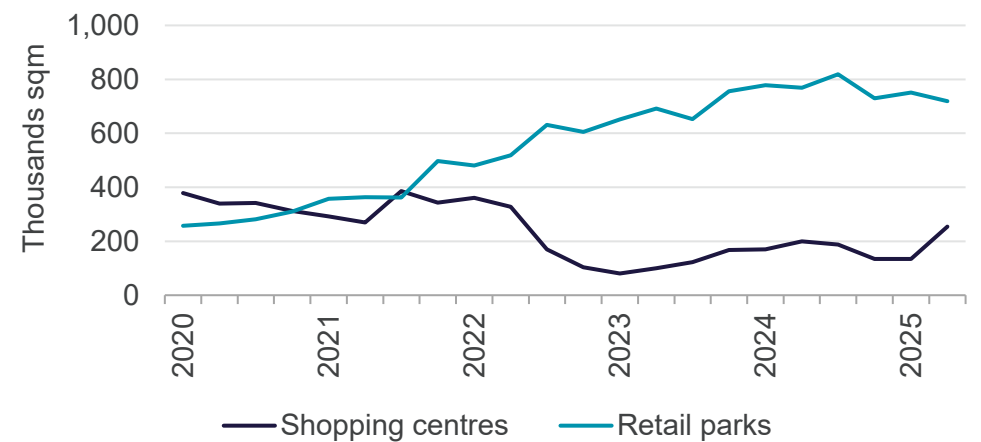
REAL GDP GROWTH (PPP)



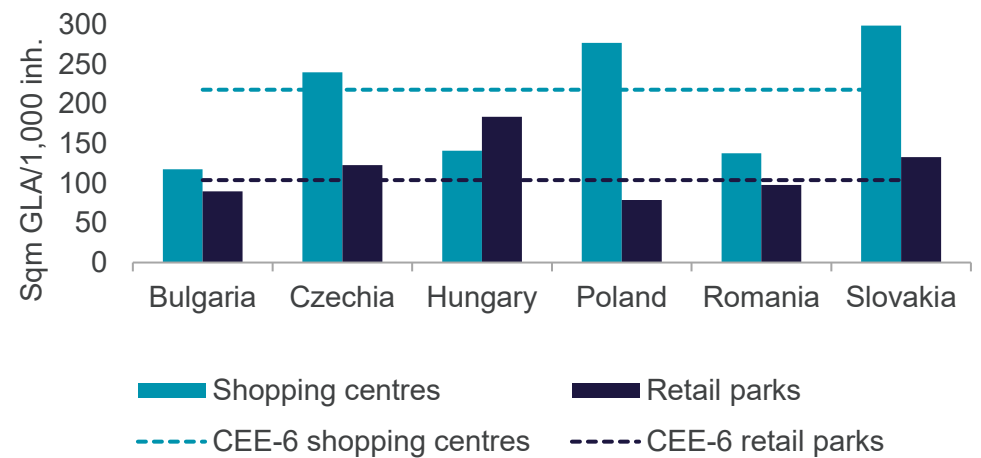
REAL RETAIL SALES



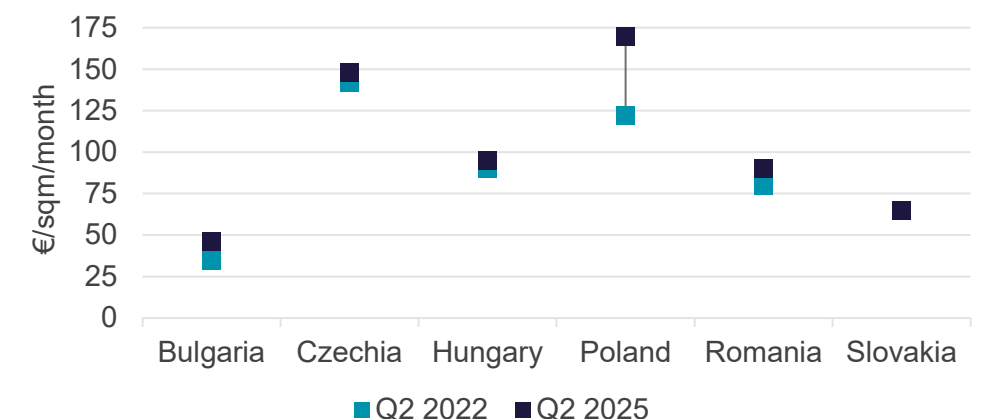
NEW SUPPLY, 12M ROLLING



RETAIL SATURATION



PRIME SC RENT



DEMAND: SELECTIVE EXPANSION WITH FASHION LEADING ACTIVITY

The CEE-6 retail markets demonstrated resilient tenant activity in H1 2025, with fashion and mixed goods operators leading expansion. Poland recorded six new brand entries and retail sales surging 7.6% year-on-year in April—the strongest growth since May 2022. Romania’s major completions, including the 125,700 sq m Mall Moldova in Iași, drove substantial leasing momentum. Bulgaria registered 75 new store openings totalling 34,000 sq m, predominantly in retail parks, while Slovakia maintained robust activity with notable international debuts including Müller and Victoria’s Secret. However, consumer spending remained selective, favoring essential categories and experiential offerings over discretionary purchases.

SUPPLY: RETAIL PARKS DOMINATE AS SHOPPING CENTER PIPELINE CONTRACTS

H1 2025 delivered 468,200 sq m of new retail space across the CEE-6 region, with retail parks accounting for 57% of completions. The region’s total retail park stock reached 9.4 million sq m, representing an 8% year-on-year growth, although development momentum continues to moderate from the 2024 peaks. Shopping center construction pipeline contracted to just 192,100 sq m—the lowest level in recent years—with no projects underway in Slovakia or Bulgaria. Conversely, retail park development remains vigorous with 929,700 sq m under construction, representing 83% of the total pipeline. Poland dominates with 474,400 sq m (51%) of all retail park projects.

RENTS: CONTINUED GROWTH WITH REGIONAL DIVERGENCE

Prime rental growth maintained positive momentum across CEE-6 markets in H1 2025, with retail parks achieving record highs. Poland led with 12-13% year-on-year increases in shopping centers and high streets, while retail park rents grew both annually and quarterly. Shopping center prime rents approached or exceeded 2018 levels in most markets, reaching €148/sq m/month in Prague, €95/sq m/month in Budapest and €65/sq m/month in Bratislava. High streets posted the strongest performance at 4.0% year-on-year, supported by limited availability in prime locations and robust tourist footfall. However, softening occupier demand prompted landlords to enhance incentive packages—including extended rent-free periods, rent discounts, and fit-out contributions—compressing effective rental rates despite stable headline figures.

OUTLOOK

- Retailers are prioritizing transformation of key stores into **experiential destinations** while leveraging pop-up concepts for market testing. F&B components—especially casual dining, premium health-oriented brands, and coffee concepts—have become essential for driving footfall and extended dwell time.
- Record-breaking arrivals expected in 2025, particularly from intra-European short-haul travel, will sustain high street rental growth and turnover, especially in historic city centers of Prague, Kraków, and Budapest.
- New market entries and brand expansion will concentrate on capital cities and established shopping destinations, with mixed goods operators (Normal, Miniso, Pepco) and mass-market fashion leading activity as retailers optimize portfolios for efficiency.
- Landlords increasingly favor refurbishments and extensions of existing assets (Alba Plaza, Duna Mall, Nivy Mall) over greenfield projects, with growing emphasis on ESG credentials to attract premium tenants and maintain competitiveness.

MARKET STATISTICS

MARKET	SHOPPING CENTRE STOCK (SQM)	RETAIL PARK STOCK (SQM)	SHOPPING CENTRE YTD COMPLETIONS (SQM)	RETAIL PARK YTD COMPLETIONS (SQM)	RETAIL SPACE UNDER CONSTRUCTION (SQM)	SHOPPING CENTRE PRIME RENT (SQM/MONTH)	RETAIL PARK PRIME RENT (SQM/MONTH)	HIGH STREET PRIME RENT (SQM/MONTH)
Bulgaria	811,000	620,700	0	43,800	159,100	€46.00	€13.00	€60.00
Czechia	2,613,000	1,344,100	24,000	29,600	149,700	€148.00	€15.00	€235.00
Hungary	1,355,600	1,767,100	0	7,200	56,900	€95.00	€13.50	€140.00
Poland	10,650,000	3,048,000	17,900	134,700	522,100	€170.00	€17.75	€92.00
Romania	2,615,700	1,848,300	142,200	20,000	153,900	€90.00	€14.00	€70.00
Slovakia	1,617,100	719,400	0	31,000	80,000	€65.00	€12.00	€45.00
CEE-6 TOTALS	19,662,400	9,347,600	201,900	266,300	1,121,800			

KEY COMPLETIONS, Q2 2025

MARKET	PROPERTY	TYPE	SUBMARKET	MAJOR TENANT	SIZE (SQM)	OWNER/DEVELOPER
Romania	Mall Moldova	SC	Iasi	Peek & Cloppenburg, Carrefour, Reserved, Decathlon, Mobexpert, HalfPrice, Foot Locker	125,700	Prime Kapital – MAS Real Estate
Czechia	Forum Pardubice	SC	Pardubice		24,000	Saller Group
Poland	Designer Outlet	FOC	Kraków		19,100	KG Group
Romania	Iulius Mall Suceava extension	SC	Suceava	Lefties, Reserved, HalfPrice	16,500	Iulius Group – Atterbury Europe
Poland	Łabędzka Retail Park	RP	Gliwice		15,000	Freisa
Poland	Leroy Merlin at Pasaż Łączyńskiego	SC	Szczawno-Zdrój		10,000	Leroy Merlin
Poland	M Park Szubin	RP	Szubin		8,000	RWS Investment
Bulgaria	Parkmaxx Retail Park	RP	Plovdiv	Jysk	7,300	IVK Property OOD
Bulgaria	XOPark Sofia	RP	Sofia	Technomarket	5,800	Trinity Capital AD
Poland	Smart Park Kętrzyn	RP	Kętrzyn		5,500	Smart Park
Bulgaria	Retail Park Rakovski	RP	Rakovski	Zora	4,500	Retail Park Rakovski OOD
Slovakia	OPC Liptovský Mikuláš	RP	Liptovský Mikuláš		4,500	OP Centrum
Slovakia	RP Liptovský Mikuláš	RP	Liptovský Mikuláš		4,000	Soravia
Slovakia	OC Klokan Senica	RP	Senice		2,200	KLM Real Estate

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