

Belgrade Retail, Q3 2016

Serbian retail market in the investors' focus, further improvement is yet to come

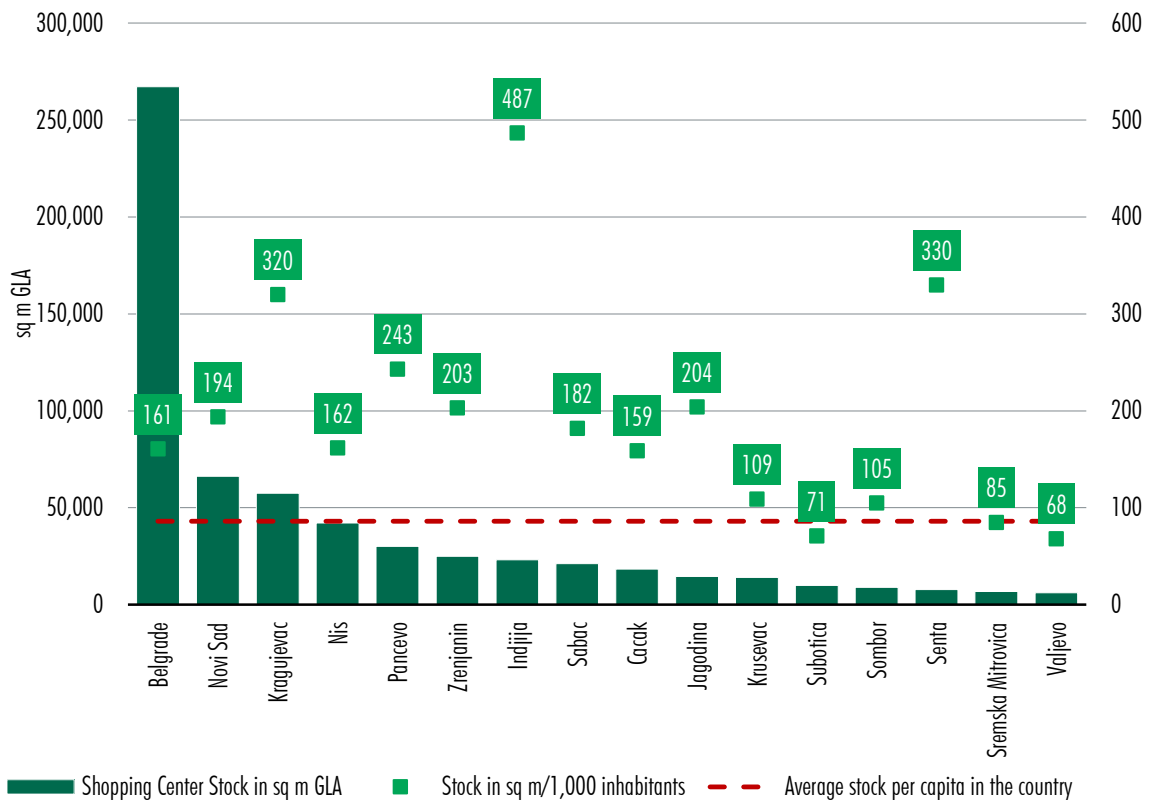
Total Belgrade Stock
267,000 sq m

Stock per 1,000 inhabitants
161 sq m

Total Serbia Stock
618,000 sq m

*Arrows indicate change from the corresponding quarter in the previous year.

Figure 1 – Retail Market in figures



Source: CBS International, part of the CBRE Affiliate Network
GLA – Gross Leasable Area, only modern shopping formats are included

SHOPPING CENTERS

MPC Properties has completed the construction of its Retail park Shoppi of 13,000 sq m in Borca settlement, which welcomed the first tenants on October 13, 2016. This led to the increase of the Belgrade shopping centers stock to the level of app. 267,000 sq m, or app. 161 sq m per 1,000 inhabitants. The new construction cycle continues, as schemes are under construction in Belgrade and one, GTC's ADA Mall is in planning stage. Upon completion of all schemes, the retail stock in Belgrade will exceed 330,000 sq m of GLA.

Slovenian retail chain Merkur has decided to completely withdraw from the Serbian market, and has closed its store in Belgrade. At the moment, this store in Bezanijska kosa settlement is vacant, while the owner is planning to re-design the project and offer its new concept to tenants.



The modern retail stock in whole Serbia stands at the level of nearly 620,000 sq m of GLA, whereas more than 40% is available in the capital.

Serbian market in general keeps attracting the investors and retailers, as there are numerous projects announced for development. South-African fund NEPI has bought two land lots in the cities of Novi Sad and Krusevac, where it intends to develop retail schemes. Sombor, Pozarevac and Kraljevo are also monitored and selected by the investors interested in the construction of retail park formats.

Table 1 – Rental levels

Location	Size of units		
	< 150 sq m	150 - 500 sq m	> 500 sq m
Knez Mihailova Street	Up to 100	60-80	40-60
Terazije Square/Kralja Milana Street/Kralja Aleksandra Blvd	45-60	30-45	20-30
Secondary high street (Pozeska, Gospodska)	35-45	25-35	Up to 25
Modern Shopping Centres	50-70	35-50	Up to 35

Source: CBS International, part of the CBRE Affiliate Network

Table 2 – Pipeline projects

Location	Project	Investor	Size	Status
Belgrade, Downtown	Rajiceva Shopping Center	Ashtrom Group and Avital	15,300	under construction
Belgrade, Palilula	Belgrade Plaza	Plaza Centers	32,300	under construction
Belgrade, Rakovica	Capitol Park Rakovica	Poseydon Group	21,000	under construction
Belgrade, Cukarica	Ada Mall	GTC	34,000	planning phase
Sombor	Capitol Park Sombor	Poseydon Group	9,200	planning phase
Novi Sad	Shopping center	NEPI	50,000	planning phase
Krusevac	Retail Park	NEPI	10,000	planning phase
Pozarevac	Stop.Shop	Immofinanz	10,000	planning phase
Kraljevo	Retail park	RC Reinvest	5,000	planning phase

Source: CBS International, part of the CBRE Affiliate Network

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