

Skopje Retail, 2016

Retail market stays in the investors' focus

Total Stock
90,000 sq m

Stock per 1,000 inhabitants
178 sq m

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

Figure 1 – Skopje Modern Retail Stock per types of formats*



* As per ICSC classification, only centrally managed formats larger than 5,000 sq m

** Population as per official Census

Source: CBS International, part of the CBRE Affiliate Network

YEAR 2016 SUMMARY

- Total shopping center stock in Skopje stands at the level of 90,000 sq m of GLA
- The share of modern shopping centers in the total retail stock in Skopje is expected to further grow upon finishing of the Emporio Mall and Cevahir Sky City Mall over the next two years
- Turkish Limak Holding announced the development of its first investment in Macedonia of 330,000 sq m (GBA) mixed-use project
- Interest in other Macedonian cities, such as Tetovo, Prilep and Ohrid increases

SHOPPING CENTERS

With no new completions in 2016, Skopje total modern retail stock remained unchanged, standing at the level of 90,000 sq m of GLA. Analyzing the stock per capita, it amounts to 178 sq m per 1,000 inhabitants.

In terms of new developments, a few active retail projects indicate a stable increase of retail stock in the forthcoming period. By 2017/2018, Skopje should be enriched with two new shopping malls, Emporio Shopping Center and Cevahir Sky City Mall, both being developed along the main boulevards of the Municipalities of G. Petrov and Aerodrom, respectively.



CEVAHIR Sky
City Mall
26,000 sq m GLA

In addition, Turkish company Limak Holding recently commenced the preparation works on its immense mixed-use project which will hold app. 330,000 sq m of GBA. Upon the opening of this format in Q1 2019, Skopje western-style shopping center supply will mark a significant increase since the opening of Skopje City Mall in 2012.

Table 1 – Pipeline projects

Location	Project	Investor	GBA (sq m)	Status
Skopje, Gjorche Petrov	Emporio Mall	Municipality of G. Petrov/Transmet	30,000	under construction
Skopje, Aerodrom	Cevahir Sky City Mall	Cevahir Holding Macedonia	170,000	under construction
Skopje, Downtown	Limak Mixed-Use	Limak Holding Macedonia	330,000	preparation phase

Source: CBS International, part of the CBRE Affiliate Network

Skopje as a cultural, economic and political center dominates the real estate scene, however in the retail segment other key Macedonian towns, such as, Tetovo, Prilep and Ohrid mark an upward trend and generate more interest from the developers.

Recently, the city of Tetovo has witnessed the opening of ReMall and Palma Mall, both being constructed by local companies. These two malls together with Ramstore Mall form a total of 104,000 square meters of GBA, available in the city of Tetovo.

RENTAL LEVELS

The asking rents for high street units remained stable, ranging between EUR 15 – 30 per square meters per month, depending on the location and the type of unit, while the rents for the retail units in the shopping centers vary between EUR 12 – 40 per square meters per month.

Table 2 – Rental levels

Location	Size	Asking price (EUR/sq m)
Centar, Downtown		Up to 40
Aerodrom	< 150 sq m	9-15
Karposh		10-23

Source: CBS International, part of the CBRE Affiliate Network

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Definitions

Total Stock – the sum of speculative modern Class A and Class B office stock and owner-occupied stock.

Speculative/leasable office stock is the stock developed and dedicated to be offered to the market.

Class A: Best space available – i.e. new or high-quality secondhand space at good location, with prime technical specification and prominent market image.

Class B: Good-quality second-hand space - i.e. no longer prime because of factors such as age or location.

Pipeline developments – office space currently being developed/under construction

Vacancy Rate – the ratio of vacant office space to total stock

Prime Rent – typical ‘achievable’ open market headline rent (can be hypothetical) for a unit of standard size of the highest quality and specification and in the best location in the market, at the survey date. It does not need to be identical to any of the transactions, particularly if the deal flow is limited or made up of unusual one-off deals

Total Leasing Activity – office space known to have been let or pre-let, sold or pre-sold to tenants or owner-occupiers during the survey period, including renewals.

