

Belgrade Retail, Q3 2017

Retail market continues to boom, more than 90,000 sq m built in Serbia in 2017

▲ Total Belgrade Stock
346,000 sq m

▲ Stock per 1,000 inhabitants
208 sq m

▲ Total Serbia Stock
712,000 sq m

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

Chart 1 – Retail Market in figures



Source: CBS International, part of the CBRE Affiliate Network
GLA – Gross Leasable Area

Q3 2017 SUMMARY

- During Q3 2017, Belgrade retail market has witnessed the completion of over 46,000 sq m of GLA
- As of beginning of the year, more than 90,000 square meters of the retail space was constructed in Serbia, out of which 80,000 sq m was constructed in Belgrade only
- The share of retail parks in the total retail stock in Serbia further grew to the level of 36%
- With new openings, some new brands entered Serbian retail market
- Swedish IKEA opened the doors of its first store in Serbia, while new stores on four locations across Serbia are announced

SHOPPING CENTERS

Israeli Ashtrom Group has completed the construction of Rajiceva Shopping Center, comprising 15,300 sq m of GLA, located along the main Belgrade pedestrian zone, in Knez Mihailova Street. Furthermore, the completion of the Capitol Park Rakovica, developed by Poseydon Group and Mitiska Reim, brought additional 21,000 sq m of GLA to Belgrade retail supply. In addition, wider Belgrade area has witnessed the development of the retail park Stop.Shop in Lazarevac municipality, totaling 10,000 sq m of GLA.

This led to the increase in Belgrade retail stock to the level of app. 346,000 sq m of GLA. Analyzing per type of scheme, the western-style formats total app. 136,000 sq m, split in 4 malls. Analyzing the stock per capita, it amounts to 208 sq m per 1,000 inhabitants, still significantly below the regional average.

As per the secondary locations, Serbia saw the opening of Poseydon Group’s Capitol Park in Sombor, and MPC’s retail park Shopi in Smederevo.

Table 1 – New deliveries during 2017

Project	Type of scheme	Location	Size GLA
BIG Fashion Visnjicka	Western-Style Shopping Center	Belgrade	32,300
Rajiceva shopping mall	Neighborhood Mall	Belgrade	15,300
Stop.Shop Lazarevac	Retail Park	Belgrade	10,000
Capitol Park Rakovica	Retail Park	Belgrade	21,000
Capitol Park Sombor	Retail Park	Sombor	5,200
Shoppi MPC	Retail Park	Smederevo	9,500

Source: CBS International, part of the CBRE Affiliate Network

In terms of the newcomers, the first Lego is opened within the Rajiceva Shopping Center, as well as Dune London shoes store. Poland LPP group has introduced a new fashion brand Sinsay to Serbian retail market, within the Stop.Shop Lazarevac. USA fashion retailer Under Armour entered Serbian market within Usce shopping center, while the accessories brand Meli Melo Paris opened its first store in Mercator Shopping Center. The Turkish chain Simit Sarayi opened seven stores in Belgrade.



When it comes to the future supply, several planned retail projects indicate a further increase in the stock in the forthcoming period. The most active project in Belgrade is GTC’s Ada Mall, which will offer app. 34,000 sq m of GLA of new retail space, upon completion in 2018.

Belgrade retail market should also witness the development of the shopping center in New Belgrade area, within PSP Farman’s West 65 residential complex, where the retail scheme of 17,000 is envisaged. Size-wise, the most anticipated project is 93,000 sq m GLA-large retail scheme, BW Galerija, planned within Belgrade Waterfront mixed-use complex.

The trend of intensive development of retail parks continues throughout Serbia. New completions have brought the total retail stock in Serbia to the level of 712,000 sq m of GLA, whereas the share of the retail park formats equals 36%, amounting to nearly 260,000 sq m. Currently, the most active investors of this format are British Poseidon Group, Austrian Immofinanz and Czech RC Reinvest.

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 Centers	50-70	35-50	Up to 35

Source: CBS International, part of the CBRE Affiliate Network

Table 2 – Pipeline projects

<i>Location</i>	<i>Project</i>	<i>Investor</i>	<i>Size GLA sqm</i>	<i>Status</i>
Belgrade, Cukarica	Ada Mall	GTC	34,000	under construction
Belgrade, City Center	Belgrade Waterfront	Eagle Hills	93,000	preparation
Belgrade, New Belgrade	West 65	PSP Farman	17,000	planned
Belgrade, Vidikovac	BIG Fashion Vidikovac	BIG CEE	70,000	planned
Belgrade, Obrenovac	TC Ciglana	Banbus	4,800	under construction
Belgrade, Obrenovac	Retail park	RC Reinvest	10,000	planned
Novi Sad	Promenada	NEPI-Rockcastle	47,000	under construction
Kraljevo	Retail Park	RC Reinvest	5,000	under construction
Pozarevac	Stop.Shop	Immofinanz	7,000	under construction
Leskovac	Capitol Park Leskovac	Poseidon Group	8,300	planned
Krusevac	Retail Park	NEPI-Rockcastle	10,000	planned
Sabac	Retail park	NEPI-Rockcastle	8,000	planned
Vrsac	Stop.Shop	Immofinanz	8,200	planned
Vrsac	Retail park	RC Reinvest	9,000	planned

Source: CBS International, part of the CBRE Affiliate Network

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