

### HOT TOPICS

- The modern shopping center stock in Belgrade stands at the level of 255,000 sq m of GLA
- During 2015, Belgrade retail market was enriched by additional 28,000 sq m of GLA

#### Serbia essentials

Population (Census 2011)	7,186,862
Average salary (EUR) December 2015	423
Average Household Expenditure (EUR) Q3 2015	488
Unemployment rate (Labor Force Survey – Q3 2015)	16.7%
GDP Q3 2015 (y-o-y)	2.2%
CPI December 2015 (y-o-y)	1.5%

#### Belgrade essentials

Population (Census 2011)	1,659,440
Average salary (EUR) December 2015	546
Average Household Expenditure (EUR) Q3 2015	524
Unemployment rate (Labor Force Survey – Q3 2015)	18.7%

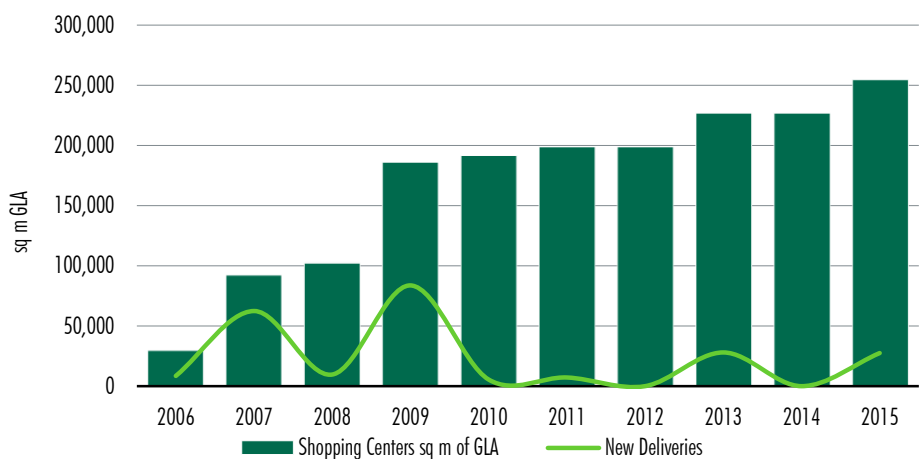
Source: Statistical Office of the Republic of Serbia

### SHOPPING CENTERS

During 2015, Serbian retail market has entered the phase of stronger development, witnessing the construction of various retail schemes across the country.

In Q4 2015, Belgrade saw the opening of Aviv Arlon's retail park called Aviv Park Zvezdara, which boosted the retail stock by 11,500 sq m of GLA. Looking at a full year, Belgrade retail stock grew for 28,000 sq m, reaching the level of 255,000 sq m of GLA at the end of 2015, i.e. 153 sq m per 1,000 inhabitants.

#### BELGRADE SHOPPING CENTERS STOCK (SQ M OF GLA)



Source: CBS International, part of the CBRE Affiliate Network

In terms of the planned projects, two shopping centres are currently under construction in Belgrade, both being set for completion in 2017. Location-wise, Belgrade downtown is the least developed area with no modern western-type shopping malls. Therefore, the market is eagerly expecting the development of the first modern shopping center at the heart of the city, located along Knez Mihajlova street, Rajiceva Shopping center. Upon completion, this project will offer 15,300 square meters of GLA of the new retail space.

The most recent active project in Belgrade is Belgrade Plaza, being planned for development in the wider-central area, in Visnjica settlement. The preparation works on this project, which will cover the area of 32,000 sq m of GLA, recently commenced.

As far as announced projects are concerned, after Capitol Park Sabac, Poseidon Group and Mitiska REIM aim to develop the retail scheme Capitol Park in Belgrade municipality Rakovica. As per the current plans, the construction works should commence in Q1 2016, whereas the retail scheme will encompass app. 21,000 sq m i.e. 30 shops.

By far the largest project in Belgrade will be the shopping mall, being envisaged within Belgrade Waterfront project. Once completed, this project will comprise 140,000 square meters of GBA. Another planned large-scale project, Delta Planet should be situated at Autokomanda intersection in Belgrade, occupying the area of 70,000 sq m of GLA.

# RESEARCH REPORT

## Belgrade Retail Market

CBRE | Serbia

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Q4 2015

Elsewhere in Serbia, after the opening of the retail park in Cacak, Austrian company Immofinanz Group works intensively on their Stop.Shop projects in Nis and Valjevo. Stop.Shop Nis will cover the area of 13,500 sq m, while the scheme in Valjevo will comprise app. 6,000 sq m.

Furthermore, in the city of Subotica, the local company MPC Properties continues the construction of the retail scheme Shoppi, which is expected to be delivered to the market in Q2 2016. Poseidon Group scheduled the beginning of the construction of its project Capitol Park Sombor for Q1 2016. This retail scheme will comprise app. 6,000 sq m, divided into app. 10 retail units.

### RETAIL WAREHOUSE

Unsurprisingly, food retailers were the most active in the previous period. Lidl, German food chain started the construction of their first test retail unit in Serbia, located in the city of Smederevo, which should be delivered to the market in March 2016. At the same time, Lidl continues the expansion by purchasing land lots for future retail facilities across Serbia.

The local food chain Aman recently took over French retailer Interex by adding nine stores to its network of nearly 200 stores across the country. The new owner changed the name of these stores to Inter Aman.

One of the largest food retailers in Serbia DIS, recently opened the store in Sabac of app. 4,000 sq m and one small-scale unit of 1,000 sq m in New Belgrade municipality.

### THE LARGEST RETAIL PROJECTS IN SERBIA

Location	Project name	Status
Belgrade	Rajiceva Shopping Center	under construction
Belgrade	Belgrade Plaza	under construction
Subotica	Retail Park Shoppi	under construction
Nis	Stop.Shop	under construction
Valjevo	Stop.Shop	under construction
Belgrade	Delta Planet	planned
Belgrade	Capitol Park Rakovica	planned
Belgrade	Belgrade Waterfront	planned
Belgrade	Retail Park Borca	planned
Sombor	Capitol Park	planned
Sabac	BIG CEE	planned

Source: CBS International, part of the CBRE Affiliate Network

### PRIME RENTS (EUR/SQ M)

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

Dragan Radulovic  
Managing Director  
CBS International doo Beograd  
Part of the CBRE Affiliate Network  
Airport City Belgrade  
88b Omladinskih Brigada Street  
11070 Belgrade, Serbia  
t: +381 11 22 58 777  
e: dragan.radulovic@cbre.rs

Jelena Radulovic  
Director Retail Agency  
CBS International doo Beograd  
Part of the CBRE Affiliate Network  
Airport City Belgrade  
88b Omladinskih Brigada Street  
11070 Belgrade, Serbia  
t: +381 11 22 58 777  
e: jelena.radulovic@cbre.rs

Tamara Kostadinovic  
Head of Market Research  
CBS International doo Beograd  
Part of the CBRE Affiliate Network  
Airport City Belgrade  
88b Omladinskih Brigada Street  
11070 Belgrade, Serbia  
t: +381 11 22 58 777  
e: tamara.kostadinovic@cbre.rs

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