

Belgrade Retail, Q4 2016

# Growing interest among the investors for the retail parks across Serbia continues

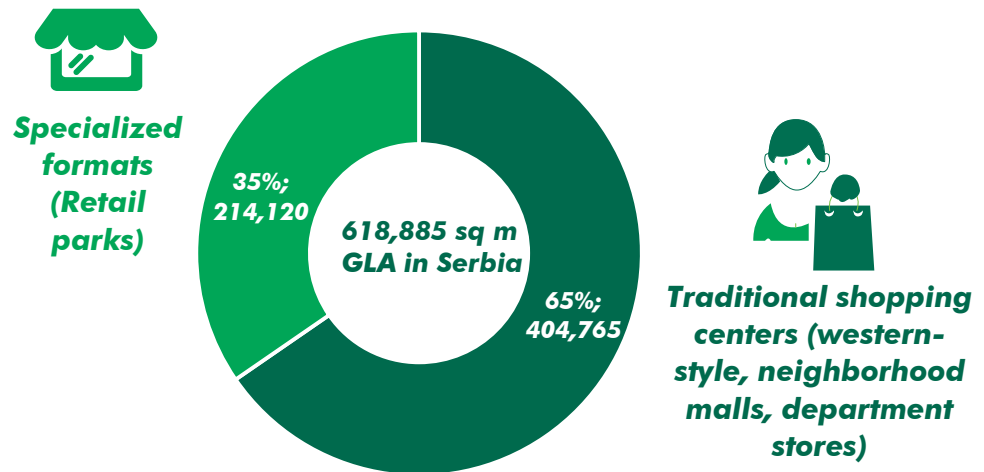
▲ Total Belgrade Stock  
**267,000 sq m**

▲ Stock per 1,000 inhabitants  
**161 sq m**

▲ Total Serbia Stock  
**618,885 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

**Q4 2016 SUMMARY**

- The modern shopping center stock in Belgrade stands at the level of 267,000 sq m of GLA. Two new modern formats will become available in Belgrade by 2017-yearend.
- Share of the retail park formats on the rise. Many secondary locations across Serbia should also witness the development of the retail park formats
- Swedish IKEA works intensely on the construction of its first store in Serbia of 30,000 sq m, which will be located in Belgrade, along highway E-75, in Bubanj potok area
- German LIDL works on the construction of its stores in several cities across Serbia, along with the acquisition of new locations across the country

**SHOPPING CENTERS**

With no new completions in late 2016, the total retail stock remains at the level of 267,000 sq m of GLA. Summarizing the whole year, Belgrade total stock grew by app. 13,000 sq m, due to completion of MPC Retail park Shoppi in Borca settlement in Q3 2016.

The lack of proper supply in Belgrade has triggered the new trend, when new formats have been introduced to the market, allowing retailers and customers to have more supply at disposal. Local investor Carvel has refurbished and re-opened the non-operational small-scale department store Betex in Banovo brdo settlement, currently comprising app. 4,000 sq m.

Belgrade Plaza shopping center in Karaburma settlement enters the final construction phase, recording the solid interest among the tenants. This 32,300 sq m GLA large retail shopping center is scheduled to be opened in April 2017, being at the moment 90% pre-let. As per the most recent information, Israeli developer Plaza Centers has signed a binding share purchase agreement with BIG Shopping Centers for the sale of the Belgrade Plaza. As stated, the final agreed value of Belgrade Plaza will be calculated based on a general cap rate of 8.25%.



Belgrade Plaza  
32,300 sq m GLA

The year 2017 should also witness the completion of Rajiceva shopping center, holding 15,300 sq m. When it comes to the new supply, GTC works actively on preparation of its first shopping center in Belgrade, Ada Mall, which should comprise 32,000 sq m of GLA.

Lower initial investment, shorter construction period and possibility to be developed in phases are the key drivers of growing investors' interest into retail parks throughout Serbia. On the other hand, one stop shopping, easy access, ample parking and wide range of retailers offering value for money brands are the key factors attracting customers to this retail format. The modern retail stock in whole Serbia exceeds 618,000 sq m of GLA, whereas the share of retail parks formats grew, currently amounting to nearly 35% of the total stock. After larger Serbian cities, other locations such as Pozarevac, Sombor, Smederevo, Kraljevo should also witness the development of retail park formats.

When it comes to the traditional formats, the city of Novi Sad will witness the development of the first modern western-style shopping center of nearly 50,000 sq m GLA named Promenada, being announced by South-African NEPI.



NEPI Promenada  
App. 50,000 sq m GLA

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/BIG	32,300	under construction
Belgrade, Rakovica	Capitol Park Rakovica	Poseydon Group	21,000	under construction
Belgrade, Cukarica	Ada Mall	GTC	35,000	planning phase
Novi Sad	Promenada	NEPI	App. 50,000	planning phase
Sombor	Capitol Park Sombor	Poseydon Group	9,200	planning phase
Kraljevo	Retail Park	RC Reinvest	5,000	planning phase
Smederevo	Shoppi	MPC	9,500	planning phase
Krusevac	Retail Park	NEPI	10,000	planning phase
Pozarevac	Stop.Shop	Immofinanz	10,000	planning phase

Source: CBS International, part of the CBRE Affiliate Network

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