

HOT TOPICS

- In Q2 2015, Belgrade modern retail stock exceeded the level of 245,000 sq m of GLA, i.e. 148 sq m per 1,000 inhabitants
- In May 2015, the first retail park Zemun Park of 16,000 sq m, was officially opened in Belgrade
- June 2015 recorded the opening of Emmezeta department store of 10,000 sq m

Serbia essentials

Population (Census 2011)	7,186,862
Average salary (EUR) May 2015	428
Average Household Expenditure (EUR) Q1 2015	496
Unemployment rate (Labor Force Survey – Q1 2015)	19.2%
GDP Q1 2015 (y-o-y)	-1.8%
CPI June 2015 (y-o-y)	1.9%

Source: Statistical Office of the Republic of Serbia

Belgrade essentials

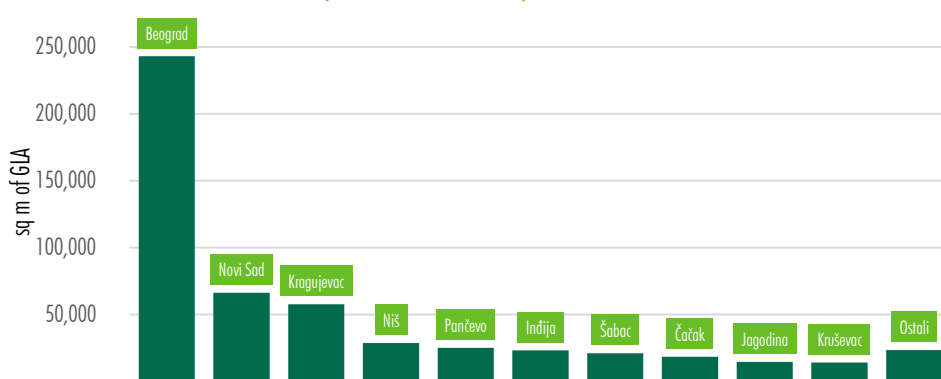
Population (Census 2011)	1,659,440
Average salary (EUR) May 2015	541
Average Household Expenditure (EUR) Q1 2015	549
Unemployment rate (Labor Force Survey – Q1 2015)	20.7%

Source: Statistical Office of the Republic of Serbia

SHOPPING CENTERS

Over the years, Serbian retail market has come into focus of the international brands, becoming an interesting retail destination in the Balkans. The increasing attractiveness of the market was also acknowledged in the latest research on the presence of leading international brand retailers and the number of new entrants, conducted by CBRE Group ("How Global is the Business of Retail 2015"). Namely, according to this annual research, Serbian population saw 8 new openings of the leading international brands, which has placed Serbia at the 36th place on the global list as per the number of new openings, out of 48 countries.

TOTAL RETAIL STOCK (SQ M OF GLA)



Source: CBS International, part of the CBRE Affiliate Network

May 2015 brought the opening of the first retail park in Belgrade, Zemun Park, of 16,000 sq m of GLA. Univerexport hypermarket, DIY, Home Center, Oviessie, Office Shoes and other known domestic and international brands opened doors of their stores within the first phase of this retail park.

At the end of Q2 2015, the total modern retail supply in Serbia exceeded the level of 530,000 sq m, whereas Belgrade modern retail stock holds 45% of share of the total country stock, amounting to app. 245,000 sq m of GLA, i.e. 148 sq m per 1,000 inhabitants.

Another retail scheme that should be completed in 2015 in Belgrade is Aviv Park Zvezdara, being developed by Israeli investor Aviv Arlon. The construction process of this 11,500 sq m large retail scheme continues as per schedule, while many well-known retailers have already secured their positions and negotiated lease acquisitions. Furthermore, the only ongoing shopping center in Belgrade is Rajiceva Shopping Center, comprising app. 15,000 sq m of GLA, facing pedestrian zone, Knez Mihailova Street. As per the current plans, the completion date is set for 2017.

Throughout Serbia, several cities have already witnessed the openings of retail park formats, and further market development is also expected within this specific market segment. Austrian Immofinanz Group has recently opened the first retail scheme Stop.Shop of 6,300 sq m of GLA in the city of Čačak, targeting Subotica and Niš for further expansion of its network. Zrenjanin should also be added to the Serbian retail map, as Aviv Arlon entered into the final construction phase for its new retail park Aviv Zrenjanin, envisaging 25,000 sq m of GLA. At the same time, MPC Properties has decided to invest in the new retail scheme Shoppi, of app. 10,000 sq m, which will be located in the city of Subotica, of which ground-breaking ceremony was held on July 16, 2015.

RESEARCH REPORT

Belgrade Retail Market

CBRE | Serbia

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Q2 2015

In the prospective period, the market highlight would be the development of Delta Planet Shopping mall, planned by Delta Holding. This large-scale property, of 182,000 sq m of GBA will be located near Autokomanda loop, in Vozdovac Municipality. As per the current plans, the construction process should commence in late 2015.

In addition, as per the latest information, Plaza Centers has recently received the building permit for the construction of Visnjicka Plaza shopping center, located in Palilula Municipality. The planned size of the project is app. 32,000 sq m of GLA.

With regard to the new market entrants, Polish cosmetics brand Inglot opened its first store in Delta City Shopping Center. In terms of the new offer in the high street segment, the local brands ShoeStar and Martini Vesto continued to enlarge their networks by opening the stores in Knez Mihailova Street.

Despite the opening of Zemun Park and stable demand, the prime shopping centers and top high street locations still note no vacancy.

RETAIL WAREHOUSE

June 2015 recorded the opening of Emmezeta department store of 10,000 sq m, at the location of KIKA store, since both brands operate within Steinhoff International Group. The largest local food retailer Univerexport expanded its network by selecting Zemun Park for its new location, where the store of app. 2,000 sq m was opened.

THE LARGEST RETAIL PROJECTS IN SERBIA

Location	Project name	Status
Belgrade	Aviv Park Zvezdara	under construction
Belgrade	Rajiceva Shopping Center	under construction
Zrenjanin	Aviv Park Zrenjanin	under construction
Subotica	Retail Park Shoppi	under construction
Belgrade	Delta Planet	planned
Belgrade	Visnjicka Plaza	planned
Belgrade	Capitol Park Rakovica	planned
Sabac	BIG CEE	planned
Nis	Stop.Shop	planned
Subotica	Stop.Shop	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

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