

# Belgrade Retail Market Pulse

Q4 2016

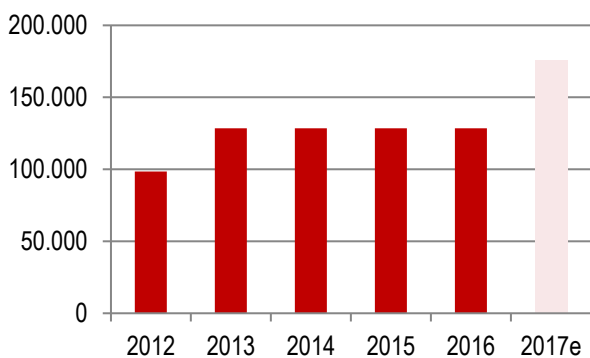


## Stock and Supply

Throughout 2016, new supply relied on the construction of retail parks. At the beginning of Q4 2016, MPC Properties opened another retail park, namely Shoppi in Borča totalling over 12,000 sq m. The tenant mix includes N Sport, Deichmann, Takko Fashion, Bomar, Feedback, Bonatti and Galaxy code. In addition, other retail parks finished during the year include Stop Shop in Niš and Valjevo, and Shoppi in Subotica.

Furthermore Carvel d.o.o has completed renovation works on the former department store in Banovo Brdo and opened the new shopping centre, Betex, in late 2016. The scheme totals over 5,000 sq m, hosting brands such as Carvel, Comtrade, Procredit bank, and Fratelli Babb. In addition, renovation works on the 5,000 sq m shopping centre Karaburma in Belgrade are complete and the opening of several new brands has been announced for 2017.

Prime shopping centre stock in Belgrade (sq m)



Source: JLL, January 2017, e = estimate

There are currently two shopping centres under construction, namely Rajičeva (15,300 sq m) and Belgrade Plaza (32,300 sq m). In both centres various retailers have already secured their units. Construction works on Belgrade Plaza are progressing and opening is scheduled for the first half of 2017. Furthermore, façade works for Rajičeva shopping centre are being finalized and internal works are progressing as well. Around 70% of the centre has been leased and the opening is scheduled for autumn 2017.

Prime Shopping centre density in Belgrade

**78 sq m**

per 1,000 inhabitants



From the beginning of the year, South African Real Estate Fund NEPI acquired a land plot in Novi Sad where they plan to build shopping centre Promenada Novi Sad. This will be an investment of around €100 million and completion is set for 2018.

Further development of retail parks will continue throughout the country in 2017. Immofinanz Group has announced plans to open three Stop Shop retail parks in Požarevac, Lazarevac and Vršac by the end of 2017.

The construction permit for Capitol park in Rakovica was obtained and the retail park is scheduled for opening in 2017. The investor, Poseidon, has also announced construction of another scheme in Sombor at the former Bane Sekulić metal processing plant, totalling 5,600 sq m in the first phase. Construction is due to commence in the first quarter of 2017 and completion is scheduled for autumn 2017.

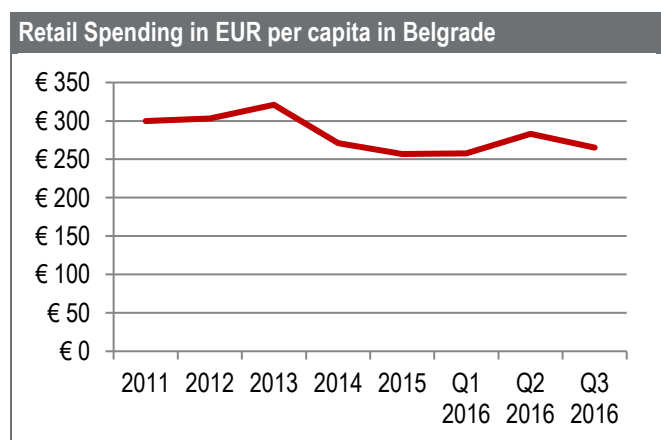
### Future retail schemes

Property	Type	Developer	Size (sq m)	Completion
Rajičeva	SC	Ashtrom group	15,300	2017
Belgrade Plaza	SC	Plaza Centres	32,300	2017
Ikea	BB	Ikea	36,000	2017
Ada Mall	SC	GTC	33,000	2018
Capitol Park Rakovica	RP	Poseidon group	21,000	2017
Capitol Park Sombor	RP	Poseidon group	5,600	2017

SC = Shopping centre, RP = Retail Park, BB = Big Box

Source: JLL, January 2017

RC Reinvest has acquired a land plot in Kraljevo where they plan to build a retail park totalling over 5,000 sq m. The company has also obtained a construction permit for the construction of a retail park in Vršac.



Source: JLL, January 2017

## Demand

In Q4 2016, Polish footwear retailer CCC opened its first store in the country within the Stop Shop retail park in Valjevo, totalling over 700 sq m. Cineplexx International has continued its expansion and has opened new cinemas in Niš and Priština, with an offer of 800 and 1,000 seats respectively. Cineplexx will also open within Belgrade Plaza and will offer eight screens and 1,500 seats.

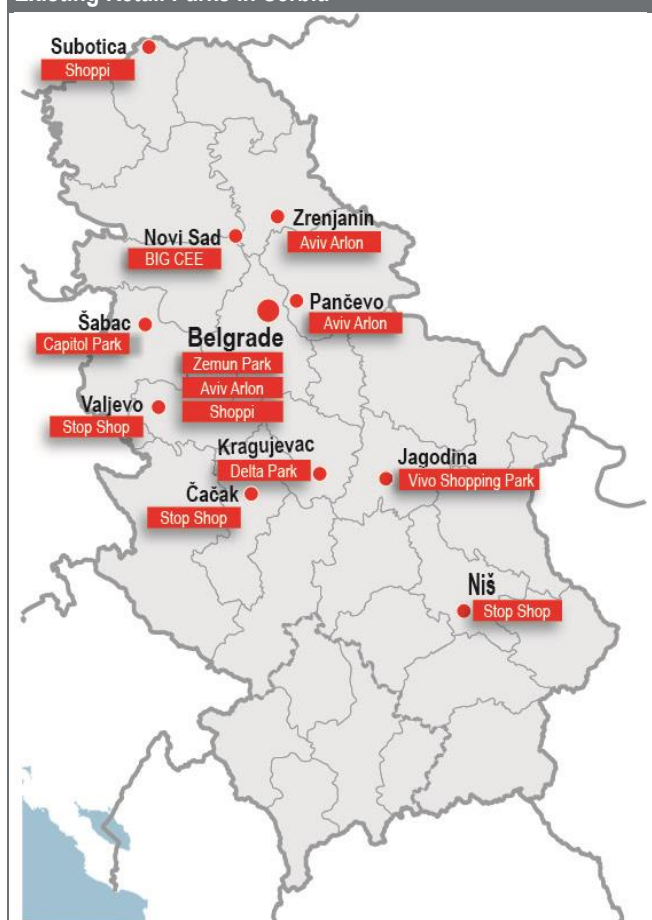
Furthermore, new lease agreements have recently been signed in Belgrade Plaza with Inditex, Fashion & Friends, Bata, Shoestar and Juhu play area. According to publically available information, Inditex has leased 5,000 sq m on the ground floor and will include Zara, Pull & Bear, Stradivarius and Bershka.

Retailers' activity		
Scheme	City	Brand
Stop Shop	Valjevo	CCC*
Ušće shopping centre	Belgrade	Huawei Experience*
Stop Shop	Niš	Cineplexx

\*market entry

One of the world's most renowned hospitality brands, Hard Rock, has announced the opening of its restaurant at the former location of Ruski Car restaurant in the high street area.

### Existing Retail Parks in Serbia



## Rental levels

During 2016, average rental levels in prime shopping centres in Belgrade remained stable, ranging from €25 to €27 sq m/month. Retail units within prime shopping centres, sized between 100 and 200 sq m, remained at €60 sq m/month, while rents for such units in high street areas are at €80 sq m/month.



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## Contacts

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