

MarketInSight

Skopje Retail, H2 2018

RETAIL MARKET STAYS IN THE INVESTORS' FOCUS

Figure 1 – Skopje Modern Retail Stock per types of formats



* As per ICSC classification, only centrally managed formats larger than 5,000 sq m

** Population as per official Census

Source: CBS International

YEAR 2018 SUMMARY

- Total shopping center stock in Skopje remained at the level of 90,000 sq m of GLA
- The share of modern shopping centers is expected to further grow with three new projects in the pipeline, Sky City Mall, Skopje East Gate and Limak Mall
- Turkish Limak started the construction of its first investment in Macedonia, Diamond Skopje
- Balfin Group should commence the construction of its mixed-use mega project on the land of Skopje Fair in March 2019, a mall with 152,000 sq m of GBA
- According to the estimated data from the National Statistics Office, the growth of the Gross Domestic Product (GDP) in Q3 2018 was 3.0%, an encouraging sign for all investors and potential tenants

SHOPPING CENTERS

With no new completions in 2018, Skopje total modern retail stock remained stable, standing at the level of 90,000 sq m of GLA. Analysing the stock per capita, it amounts to 178 sq m per 1,000 inhabitants.

In terms of the new developments, few active retail projects indicate an increase in the retail stock in the forthcoming period. One of those projects under way is Skopje East Gate, which will comprise a shopping mall, as well as residential and office space. The project is located on the land of the former Skopje Fair and is set to be completed in the next 3 years.



Limak Holding has recently commenced the construction of its immense mixed-use project in the heart of the city which will hold app. 325,000 sq m of GBA. Upon the opening of this format, Skopje western-style shopping center supply will be boosted by approximately 40,000 sq m



Cevahir Holding, after successful completion of its four 40-storey sky scrapers, is currently working on the Cevahir Sky City Mall, which should comprise 26,000 sq m (GLA).



Skopje as the cultural, economic and political center, dominates the real estate scene, however in the retail segment other key Macedonian towns, such as, Prilep, Strumica, Bitola and Ohrid mark an upward trend and generate more interest from the developers.

Ohrid is about to get its first modern shopping mall Ohrid Mall with the total GBA of 19,000 sq m, located next to the new bus station and just 2 km from the city centre. The opening of Ohrid Mall is set for April 2019.

In terms of the economic parametres, according to the National Statistics Office, in the third quarter of 2018, households final consumption, including non-profit institutions serving households, increased by 5.0% in nominal terms, and its share in the GDP structure was 62.5%.

In the same period, the export of goods and services increased by 16.4% in nominal terms, while the import of goods and services increased by 12.6%.

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RENTAL LEVELS

The asking rents for high street units remained stable, ranging between EUR 15-30 per square meter per month, depending on the location and the type of unit, while the rents for the retail units in the shopping centers vary between EUR 12-40 per square meter per month.

Table 1 – Rental levels

Location	Size	Asking price (EUR/sq m)
Centar, Downtown	<150 sq m	Up to 40
Aerodrom		9-15
Karposh		10-18

Source: CBS International

Table 2 – Retail Pipeline projects

Location	Project	Investor	GLA (sq m)	Status
Skopje, Aerodrom	Cevahir Sky City Mall	Cevahir Holding Macedonia	26,000	Under construction
Skopje, Downtown	Limak Diamond	Limak Holding Macedonia	40,000	Under construction
Skopje, Avtokomanda	Skopje East Gate	Balfin Group	50,000	Preparation phase
Skopje, Gjorche Petrov	Emporio Mall	Municipality of G. Petrov/Transmet	30,000	On hold

Source: CBS International

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