

MarketInSight

Skopje Retail, H1 2019

SHOPPING CENTERS

After a 6-year period, Skopje has witnessed the completion of the new retail format, the first retail park in Skopje, which has been developed in Chair-Butel Municipality, named Point Centar. The investor of this 9,500 sq m –large format is Ali Tobacco.

In general, 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 region, which is expected to occur in Macedonia as well. 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 completion of this format has increased the total modern retail stock to the level of 95,000 sq m of GLA. Analysing the stock per capita, it amounts to 187 sq m per 1,000 inhabitants.

Also, two smaller-scale retail schemes were completed in H1 2019, holding app. 4,000 sq m each. The share of modern shopping centers in Skopje is expected to further grow with three new projects in the pipeline, Sky City Mall, Skopje East Gate and Limak Mall.

One of the largest mixed-use projects planned in Skopje, is Balfin Group's project, named Skopje East Gate, which will comprise 152,000 sq m of GBA, including the shopping mall of 50,000 sq m of GLA, 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 is working on 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 additional 40,000 sq m.

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

Elsewhere in Macedonia, other cities such as Prilep, Strumica, Bitola and Ohrid also generate 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.



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RENTAL LEVELS

The asking rents for high street units remained stable, ranging between EUR 15-30 per square meters 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 meters 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 Mixed-Use	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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