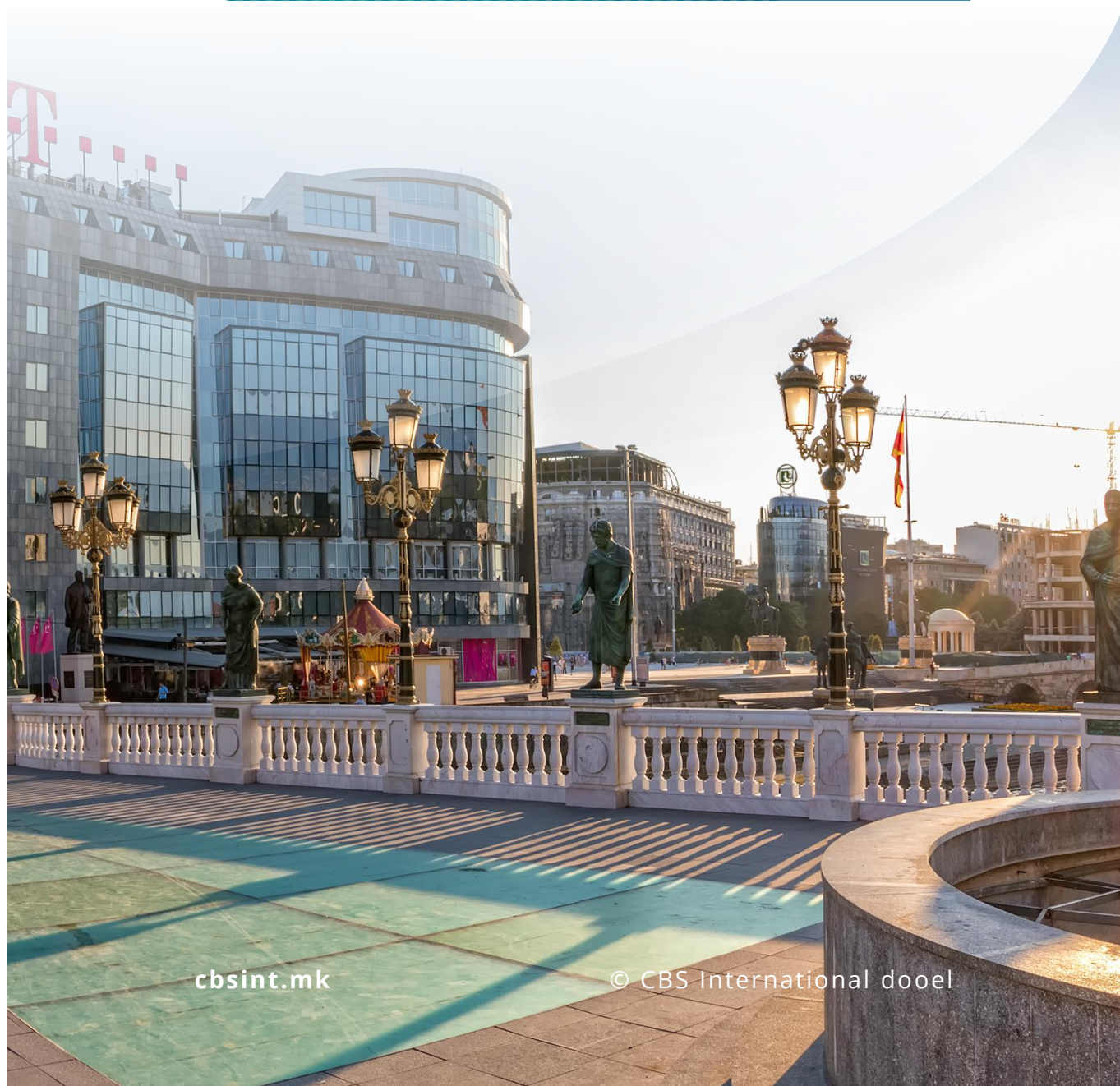


MarketInSight

Skopje Retail, H1 2020



CORONAVIRUS OUTLOOK

A severe global situation caused by COVID-19 that started at the beginning of the year is having an impact on global economy, but is yet too early to estimate precisely forthcoming effects of it.

The shopping centres in Skopje were closed for two months due to COVID-19 situation and retailers were forced to shift to other channels especially online sales. With the reopening of shopping centres, recovery of retail market began at good pace. Although retail is market segment that was affected the most by COVID-19 situation, it is expected to be the first segment to lead the recovery of the market.

SHOPPING CENTERS

Skopje's modern retail stock currently stands at the level of 104,000 sq m of GLA, which includes the following types of retail schemes: western-style shopping centres, neighbourhood malls and retail park schemes.

Even though the new completions have increased the total retail stock for additional 19,000 sq m, Skopje still could be considered as less developed retail destination as compared to the regional capitals with 204 sq m per 1,000 inhabitants.

Rental demand for shopping centres comes mostly from international retailers with established regional presence; however domestic brands and retailers also show significant interest. International retailers are present in the form of franchisers.

Due to the limited offer, Skopje rarely sees any vacant space in the prime shopping centres. In general, the vacancy rate is usually around 2-4%. However, upon completion of the new formats currently under construction, the slight declining trend could be expected, more specific in less attractive retail formats.

In terms of new developments, the retail market should be enriched with several projects after a period of reduced activity. The share of modern shopping centers in Skopje is expected to further grow significantly with four new projects in the pipeline: Limak Mall, Sky City Mall, Skopje East Gate and KAM Business Complex. With completion of all projects under construction, Skopje modern retail stock will surpass the level of nearly 240,000 sq m.

The opening of the biggest shopping mall in Skopje is announced for Q4 2021. The East Gate Shopping Mall will span over 55,000 sqm of GLA, and will bring over 20 newcomer fashion brands to Skopje.



Source: CBS International



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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 and significantly vary on the size, position and footfall.

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	Sky City Mall	Cevahir Holding	25,000	Under construction
Skopje, Downtown	Diamond of Skopje	Limak Holding	45,000	Under construction
Skopje, Avtokomanda	Skopje East Gate	Balfin Group	53,000	Under construction
Skopje, Gjorche Petrov	Emporio Mall	Municipality of G. Petrov/Transmet	9,000	On hold
Skopje, Downtown	KAM Business Complex	Kamfud doo	9,000	Under construction

Source: CBS International

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