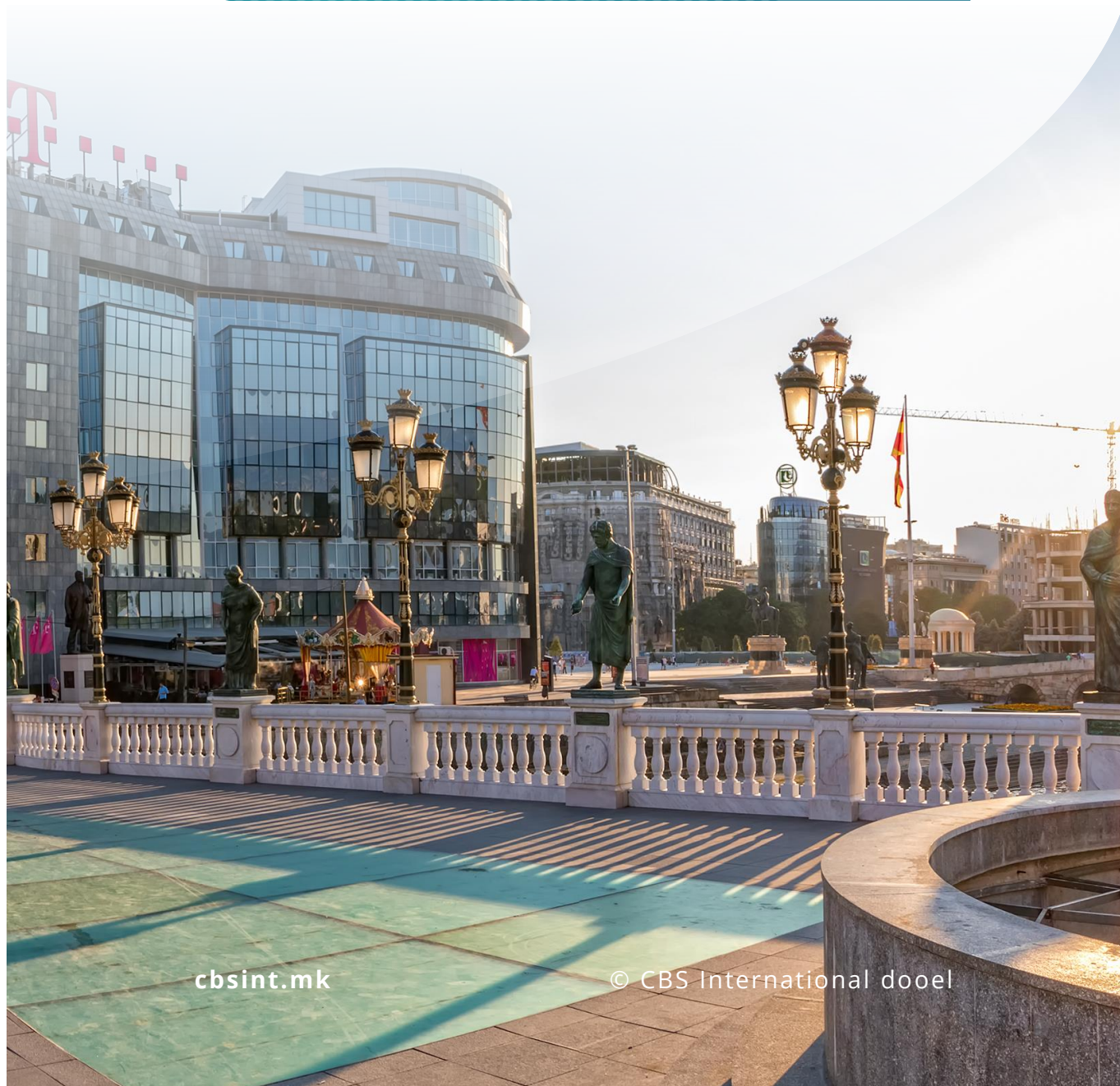


# MarketInSight

*Skopje Retail, H2 2020*



### CORONAVIRUS OUTLOOK

Skopje retail market entered 2020 on solid basis, having in mind strong development activity and high demand from various retailers. However, the shopping centers in Skopje were closed for two months due to COVID-19 situation and retailers were forced to shift to online sales. High-street was also affected, since several retailers have suffered losses due to lockdown period and vacated their standalone stores. Even though most construction sites remained active, some scheduled completions will witness a slight delay.

### SUPPLY

With no new completions in 2020, Skopje total modern retail stock remained unchanged, standing at the level of 95,000 sq m of GLA. Analysing the stock per capita, it amounts to 187 sq m per 1,000 inhabitants. Skopje is less developed than other SEE countries, since the average of the capital cities in the region amounts to 500 sq m per 1,000 inhabitants.

As far as the new space is concerned, a few active retail projects indicate a significant increase in retail stock in the forthcoming period. By the end of 2021, three new shopping malls should be delivered to Skopje retail market, totalling 130,000 sq m of GLA.



Skopje East Gate 57,000 sq m

### DEMAND

Ongoing challenges with demand will accelerate some new trends on retail market. It is expected that consumers change their shopping habits and to embrace e-commerce and socially distanced deliveries to their doors, while the current situation caused by COVID-19 will force retail property owners and operators to adopt new customers habits and implement new concepts and business models.

A good sign of recovered demand are new brands that will enter the market within the new retail formats. Namely, Polish fashion company LPP, which owns brands Reserved, Cropp, House, Mohito and Sinsay, announced opening of its first stores within Skopje East Gate shopping centre. In addition, some tenants relocated their stores from pedestrian zones to the shopping centers, which indicates strong interest for new schemes among the tenants.

### RENTAL LEVELS

The rents for retail units in the shopping centers vary between EUR 12-40 per square meter per month depending on the size, position and footfall. However, upon completion of the new formats currently under construction, slightly declining trend could be expected, more specific in the less attractive retail formats during 2021.

Since Skopje has limited modern shopping centre stock, high street retail remains very important retail environment. 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.

Table 1 - 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	47,000	Under construction
Skopje, Avtokomanda	Skopje East Gate	Balfin Group	57,000	Under construction

Source: CBS International

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