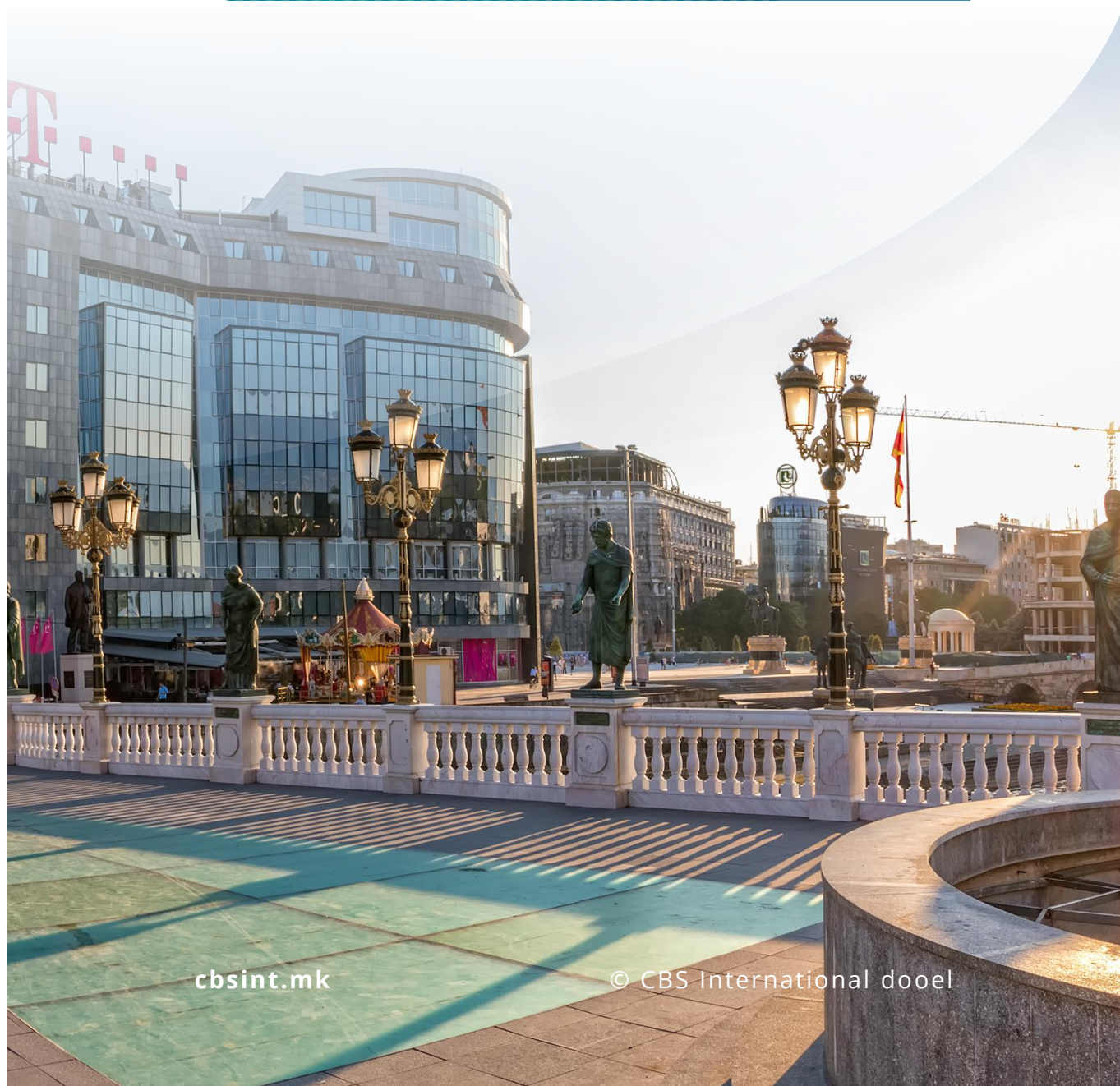


MarketInSight

Skopje Retail, H1 2021



As of 2013, there were no modern shopping centre formats developed in Skopje, apart from Point Center retail park being developed in 2019. Therefore, the total retail stock remains 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 exceeds 500 sq m per 1,000 inhabitants.

Despite rather lower development activity in the retail segment, this trend will revert in the period to come having in mind the number of retail formats currently under construction or planned for development. At the moment, there are three shopping malls in various construction phases, which, upon completion should boost the total retail stock for app. 130,000 sq m of GLA.

The opening of Balfin Group' Skopje East Gate of 57,000 sq m of GLA is scheduled for autumn 2021, while Limak Holding is actively working on the construction of its 47,000 sq m - large shopping mall.

In the city of Shtip, Shtip City Mall of app. 4,000 sq m is being constructed. Ohrid will get its first Ohrid Mall sized app. 19,000 sq m. In other cities in the country the interest for new retail formats increases steadily.

DEMAND

With the opening of Skopje East Gate shopping centre, the entrance of new retailers is expected. Namely, Polish fashion company LPP, which owns brands such as Reserved, Cropp, House, Mohito and Sinsay, announced the opening of its first stores within this format. In addition, some tenants relocated their stores from pedestrian zones to the shopping centers, which indicates strong interest for new schemes among the tenants.

The market notes positive trend with rather stable rents, as landlords were trying to apply tailor-made solutions to overcome coronavirus challenges as per the industry the retailer comes from. As the consequence of adopted measures against coronavirus, visitors' footfall decreased across all formats during the previous period, the most affected being shopping centers as well as high-street zones as significantly dependent on tourism.

Due to their open-type architecture, retail parks were considered as the best places in regard to social distancing, therefore remaining the most resilient to this decline.



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, the pressure on the rents could be expected in the less attractive retail formats.

Despite coronavirus and lower number of visitors, the asking rents for high street units remained mostly stable, ranging between EUR 15-30 per sq m 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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