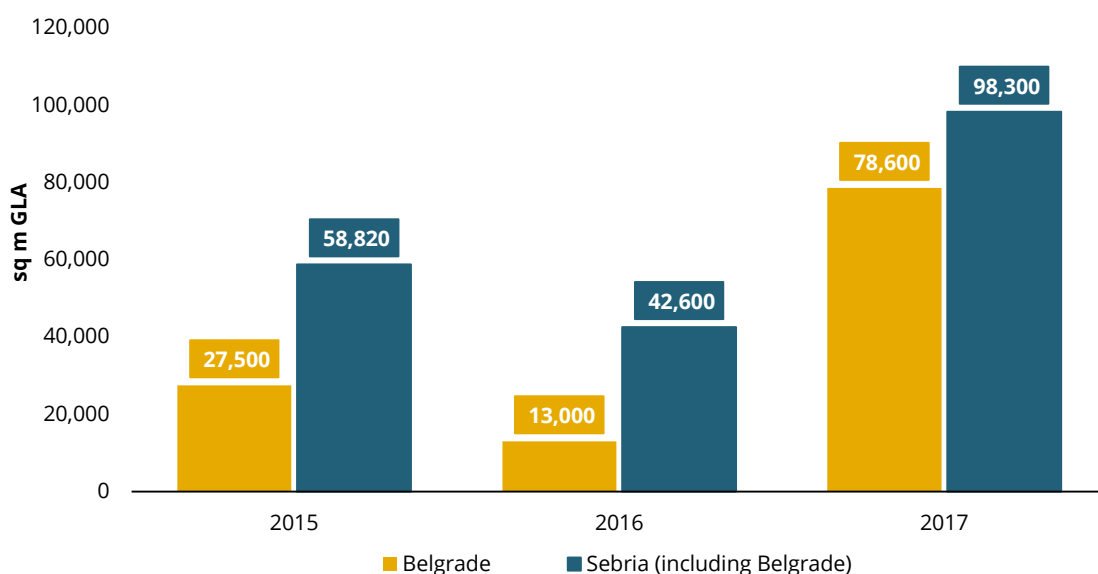


MarketInSight

Belgrade Retail Market, Q4 2017

Seven new retail formats opened their doors to customers in Serbia in 2017

Chart 1 – Retail Market completions in the period 2015-2017



Source: CBS International
GLA – Gross Leasable Area

Q4 2017 SUMMARY

- In terms of new deliveries in 2017, Belgrade modern retail supply was enriched with 4 new retail schemes, i.e. 78,600 sq m of GLA
- Belgrade is witnessing the construction of two western-type shopping centers, more than 127,000 sq m is under construction
- The Czech investor RC Reinvest opened its first retail park NEST in Serbia, in the city of Kraljevo. Other cities also expect retail park formats, such as Vrsac, Pozarevac and Krusevac
- In addition to IKEA, several new international brands entered Serbian market in 2017

MarketInSight

Belgrade Retail Market, Q4 2017

Summarizing the whole year, Serbian retail market has witnessed a strong development activity. Belgrade total stock grew by 78,600 sq m, due to the completion of four modern retail schemes, reaching the level of 346,000 sq m of GLA.

In terms of the planned projects, two shopping centers are currently under construction in Belgrade, GTC's Ada Mall of 34,000 sq m of GLA, as well as BW Galerija shopping center, which commenced the construction in Q4 2017. Once completed, these two western-type shopping centers will enlarge Belgrade modern stock for additional 127,000 sq m of GLA.

The first western-type center will also be developed in the city of Novi Sad, as South-African NEPI-Rockcastle is developing 47,000 sq m -large scheme Promenada.

Czech investor RC Reinvest recently opened Nest retail park in Kraljevo, totaling 5,000 sq m of GLA.

Well-known Austrian investor Immofinanz is currently developing two retail parks in Pozarevac and Vrsac, as well as the NEPI, which has selected Krusevac and Obrenovac for further expansion of their network. At the end of 2017, the share of the retail park formats equals 37% of the total Serbia stock of 717,185 sq m GLA. The retail parks pipeline indicates further grow.

Several international brands have entered Serbian market in 2017 within newly opened retail schemes and prime high street locations, such as Reserved, Sinsay, Tezenis, WYCON Cosmetics, NYX Cosmetics, Lego, Under Armour, Armani Exchange, Meli Melo, Dune London, Mango Man, SuperDry etc.



MarketInSight

Belgrade Retail Market, Q4 2017

Table 1 – New deliveries during 2017

Project	Type of scheme	Location	Size GLA
BIG Fashion Visnjicka	Western-Style Shopping Center	Belgrade	32,300
Rajiceva shopping mall	Neighborhood Mall	Belgrade	15,300
Stop.Shop Lazarevac	Retail Park	Belgrade	10,000
Capitol Park Rakovica	Retail Park	Belgrade	21,000
Capitol Park Sombor	Retail Park	Sombor	5,200
Shoppi MPC	Retail Park	Smederevo	9,500
NEST Kraljevo	Retail Park	Kraljevo	5,000

Source: CBS International

Table 2 – Rental levels (EUR/sq m)

Location	Size of units		
	<150 sq m	150 - 500 sq m	> 500 sq m
Knez Mihailova Street	Up to 100	60-80	40-60
Terazije Square/Kralja Milana Street/Kralja Aleksandra Blvd	45-60	30-45	20-30
Secondary high street (Pozeska, Gospodska)	35-45	25-35	Up to 25
Modern Shopping Centers	50-70	35-50	Up to 35

Source: CBS International

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