

SOFIA

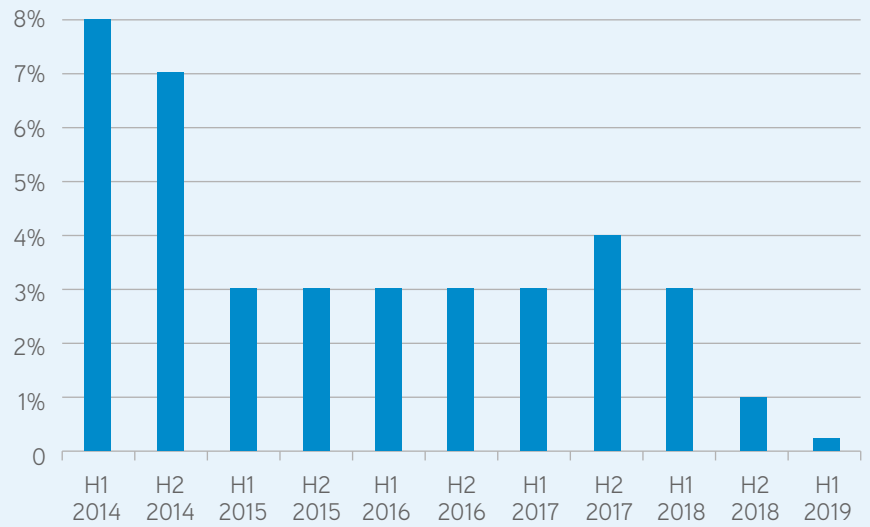
# RETAIL

# MARKET OVERVIEW

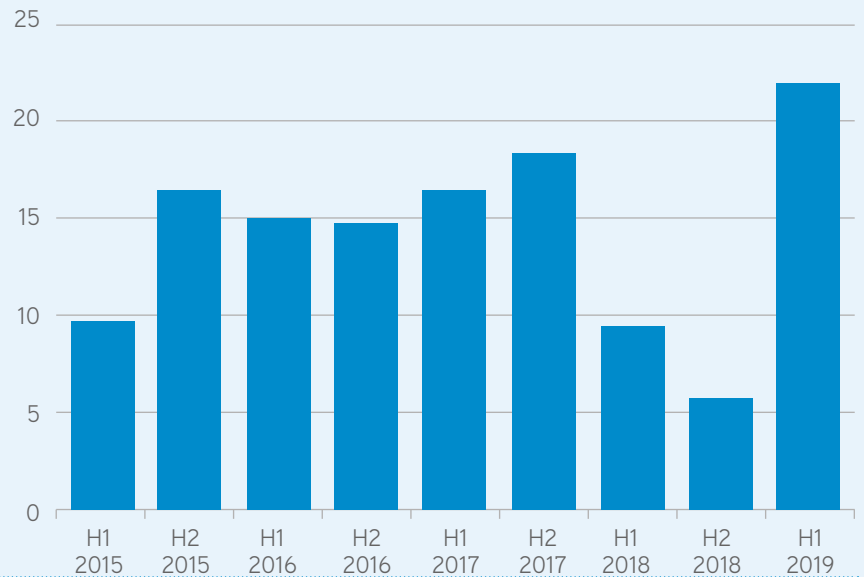
H1 | 2019



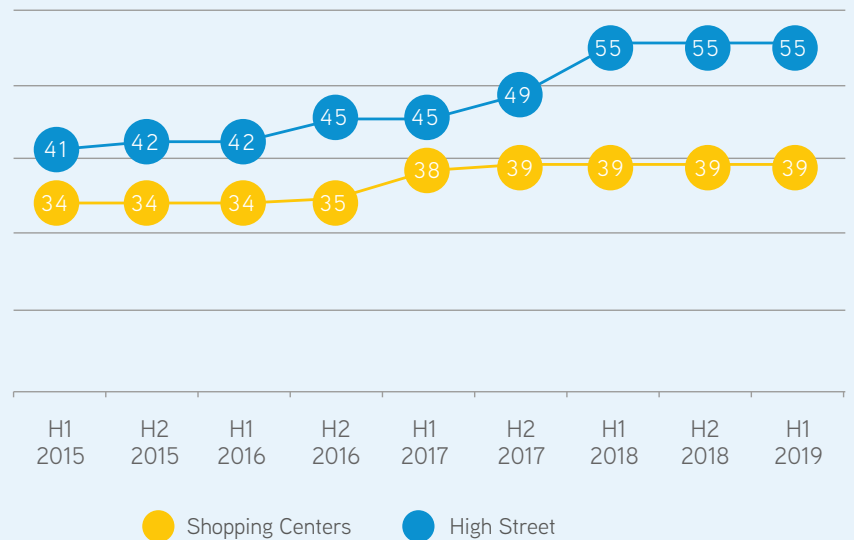
**FIG. 1: VACANCY LEVELS OF VITOSHA BLVD.**



**FIG. 2: RETAIL SPACE ABSORPTION IN SOFIA ('000 SQM)**



**FIG. 3: PRIME RENTAL RATES\*\* IN SOFIA (EURO/ SQM/ MONTH)**



Source: Colliers International

## SUPPLY

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- During the first half of 2019 the supply of modern shopping centers\* in Sofia was 390,660 sqm. The slight decline of the overall volume is a result from the transformation of the retail into office space in Galaxy Trade Center.
- The absorption of available hypermarket areas in The Mall, Bulgaria Mall and Paradise Center led to lower vacancy and tenants mix enrichment.
- Vitosha Blvd. marked its highest occupancy level (over 99%) for the past 5 years. (Fig. 1)

## DEMAND

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- In the first half of 2019, demand for modern retail space in the capital reached record values on a half-year basis since 2015 - absorption for the period was 21,900 sqm. (Fig. 2)
- Brands that entered the Bulgarian market during the period were: PEPCO, Zara Home, Fjällräven, J.Wargas, Steve Madden and Ximivogue.
- A decrease from 6% to 3% was observed in the tenant movement on high streets in the capital. For Vitosha Blvd. this indicator dropped to 1%.
- The big box chains that opened the highest number of new stores were: Lidl (6), Billa (5), Kaufland (1); drugstores dm (6) and furniture and home accessories JYSK (4). During the last six months the Polish brand Pepco opened 9 sites in the country.

## RENTAL LEVELS

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- Prime rental levels\*\* in shopping centres and on Vitosha Blvd. remained stable. (Fig. 3)

# FORECAST

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- The sustainable evolution of the modern retail market will continue to attract investors' interest in the second half of 2019.
- Absorption of available hypermarket areas in shopping malls is expected to be completed by year-end, leading to a better market positioning of the respective projects and broadening retailers' expansion options.
- New store openings are expected to take place in retail parks\*\*\* - the preferred format for retail development in smaller cities and an alternative positioning option to big box operators.
- Current prime rental levels\*\* in shopping malls and on high streets will be sustained.

**Definitions:**

\* The overview covers shopping centres above 10,000 sqm.

\*\* Prime rent - the average top open-market rent estimated to be achievable for a new lease of a 100 sqm (net internal area) unit of the highest quality and specification in the best location, excluding service charges and taxes and not reflecting tenant incentives.

\*\*\* A Retail Park is defined as a purpose-built development with at least three units covering 2,000 sqm or more of lettable floorspace, with centralized management and a car park environment with ample free parking.



## JOIN THE FASTEST GROWING RETAIL PARK IN SOFIA!

Available store locations  
from **500 – 3,000 sqm**

Existing tenants are the best-in-class retailers in the medium-price segments:



pago botticelli



LC WAIKIKI



PRAKTIS



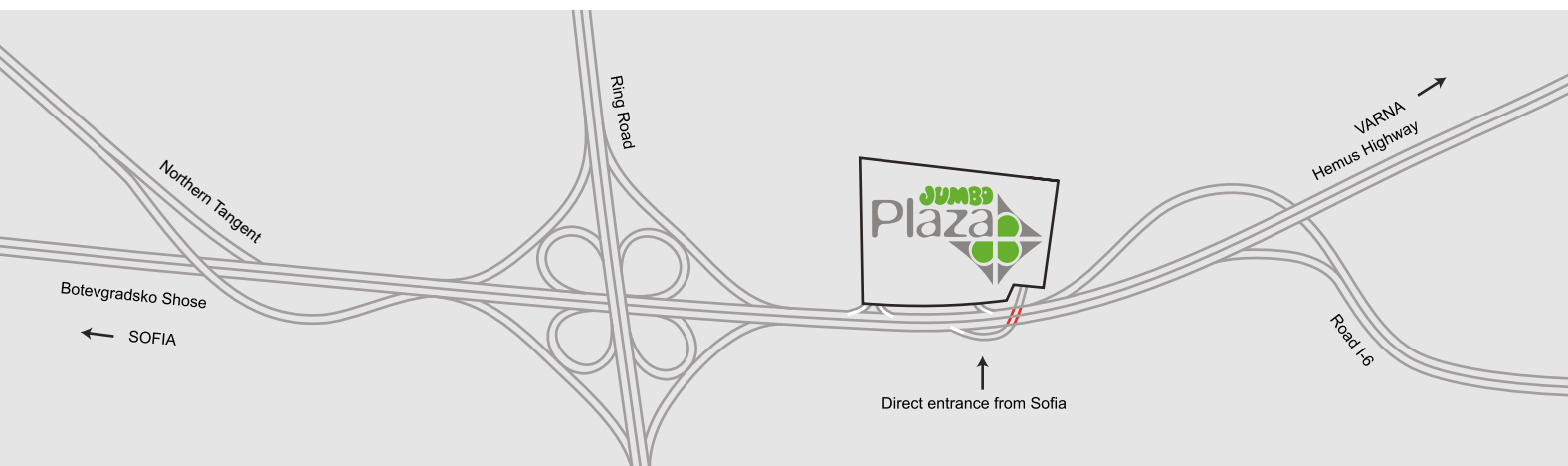
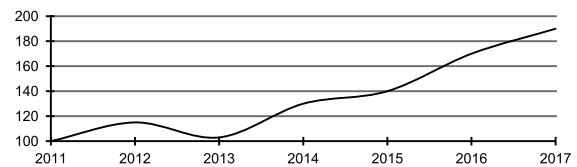
# KEY STRATEGIC ADVANTAGES

- Over 20,000 shoppers/month
- GLA 30,000 sqm
- Located in the intersection of five highways with over 20 mln of annual vehicle traffic
- 15 min by car to downtown Sofia
- 1,058 parking stalls
- Public transportation bus stop at the center of Jumbo Plaza
- Catchment area 640,000+ people

Traffic Count – Hemus Highway: Direction Sofia Only

Per Hour	Weekdays	Saturday	Sunday	Avrg/Year
Sofia Cars:	2,000	2,226	2,252	12,800,000
Provincial Cars:	740	656	596	3,400,000
Foreign Cars:	196	460	144	1,600,000
Bulgarian Trucks:	604	352	80	2,100,000
Foreign Trucks:	68	36	64	300,000
<b>Total:</b>	<b>3,608</b>	<b>3,740</b>	<b>3,136</b>	<b>20,200,000</b>

Index of Foot Traffic (100 = 2011)



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