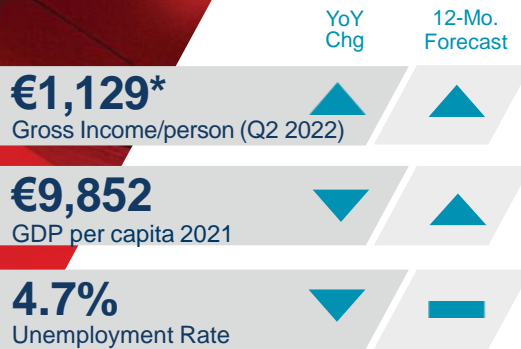


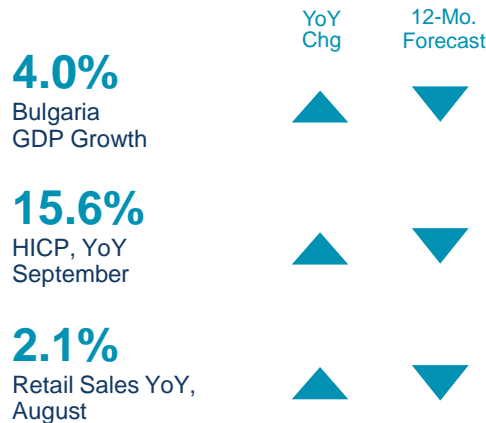
# BULGARIA

Retail Q3 2022



Source: National Statistical Institute  
\* Gross household income per person

## BULGARIAN ECONOMIC INDICATORS Q2 2022



Source: National Statistical Institute

### ECONOMY: Increasing inflation

The Bulgarian economy is facing a challenging time, as a result of the deteriorating external environment. The real GDP growth is expected to slow to 2.8% in 2022, followed by anemic increase of 0.1% in 2023 in the light of the forecasted global recession. The economy is affected mostly by the deceleration of the private consumption, reflecting the negative effect of the growing inflation on the disposable household income. The latest projections of the Bulgarian Central Bank are for 14.9% annual inflation at the end of 2022 and slow down to 4.1% at the end of 2023. A bright spot are public investments, which are expected to increase, primarily due to European funds.

### SUPPLY AND DEMAND: Discount retailers in expansion

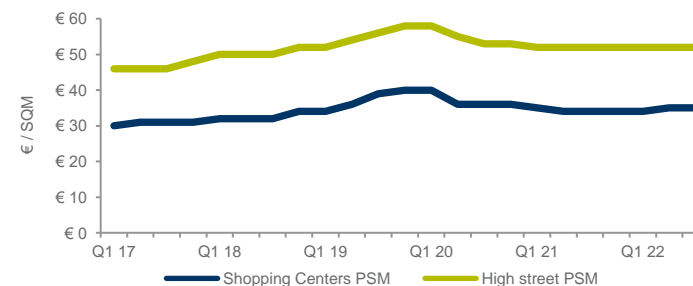
Growth in consumption led to sustained increase in occupiers' revenue and demand of retail space. The nine-months of 2022 were marked by strong expansion of discount retailers, drugstores and FMCG sector which are among the rapidly growing categories. The focus is on retail parks, as well as small retail centers in regional cities. As many fashion brands change their strategy and sales channels, high dynamic is observed in the shopping malls segment, as well. In order to improve their performance, some international retailers optimise their physical stores network, retaining only the best performing sites, and allocate resources towards online sales. In the last quarter, vacancy rate in Sofia posted slight increase to 6.6%, with the high-performing shopping centers remaining fully let.

On the supply side, retail parks continue to draw developers' attention, due to the short construction deadlines and high tenants' interest in such projects. As at the third quarter of 2022, the existing schemes with leasable area over 5,000 sqm countrywide reached 240,000 sqm, with the completions of 22,600 sqm new premises. Land acquisitions for new projects are also on the developer's agenda.

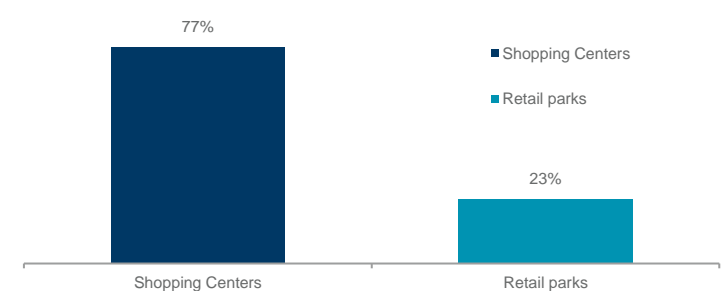
### PRICING: Stable rents

The asking rents in shopping centers in Sofia remained stable in the last quarter at 35 euro/sqm. Rents in retail parks also demonstrate stability, despite increasing occupier's interest. Prices stay at 10 euro/sqm in Sofia and 7-9 euro/sqm in the regional cities.

### PRIME RENTS SOFIA



### AVAILABILITY BY PRODUCT TYPE



## MARKET STATISTICS

SUBMARKET	SHOPPING CENTRE STOCK	SHOPING CENTRE PIPELINE	PRIME RENT (€/SQM)	PRIME YIELD
Sofia	402,270	-	€ 35	7.50%
Plovdiv	75,700	57,800	€ 24	8.00%
Varna	122,000	-	€ 25	8.00%
Burgas	62,500	-	€ 21	8.00%

## KEY OPENINGS Q3 2022

PROPERTY	SUBMARKET	TENANT	RSM	TYPE
Galleria Burgas	Burgas	Pulse Fitness	1311	New lease
Grand Mall Varna	Varna	Sinsay	684	New lease
Retail Park Stara Zagora	Stara Zagora	Decathlon	600	New lease
Retail Park Kardzhali	Kardzhali	JYSK	1290	New lease
Paradise Center	Sofia	Zara	200	Expansion
Paradise Center	Sofia	Massimo Dutti	200	Expansion
Pernik Plaza Retail Park	Pernik	Billa	1300	New lease
Pernik Plaza Retail Park	Pernik	CCC	414	New lease
Serdika Center	Sofia	Miele	120	Re-opening

\*Renewals not included in leasing statistics

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