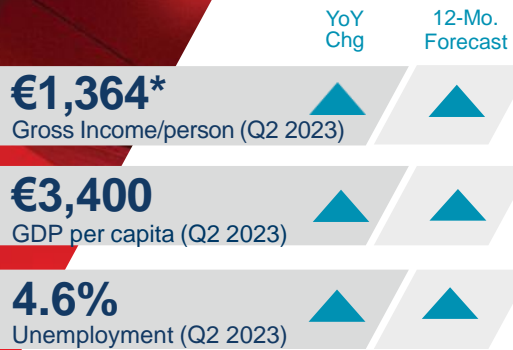


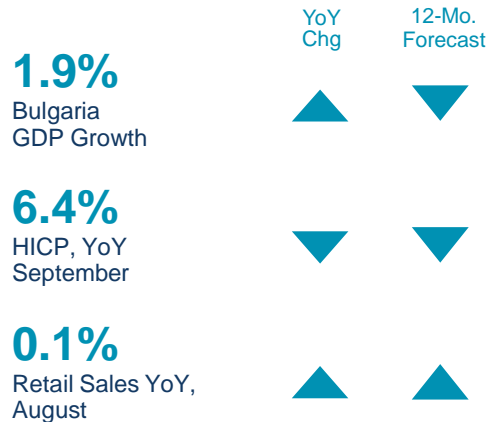
BULGARIA

Retail Q3 2023



Source: National Statistical Institute
* Gross household income per person

BULGARIAN ECONOMIC INDICATORS Q2 2023



Source: National Statistical Institute

ECONOMY: In Good Shape

Nine months into the year, Bulgaria's economy was in generally good shape. After a hiccup in July, inflation returned to its downward trajectory, decelerating to 6.4% y/y by the end of September, one of the lowest in the CEE region. Consumer confidence continued to improve, reaching its highest in two years and the business climate index was near a 3-year peak. The latest GDP data showed growth of 1.9% in Q2, driven mainly by household consumption, and the situation on the labor market remained essentially unchanged. Yet, indicators related to the retail segment provided mixed signals. While the index of retail sales of food, beverage and tobacco products was firmly positive through July and August, that of sales of non-food products swung into negative territory.

SUPPLY AND DEMAND: Pedal to the Metal in Retail Parks

Between July and September, at least four retail parks were opened across the country, bringing near 70,000 sqm of new GLA to the market. This was a landmark achievement, as the total stock of retail parks reached 460,000 sqm and exceeded 50% that of shopping centers.

This far into 2023, retail park development concentrated almost entirely on regional cities. Discount retailers and fast fashion brands were most active in seeking to benefit from the trend.

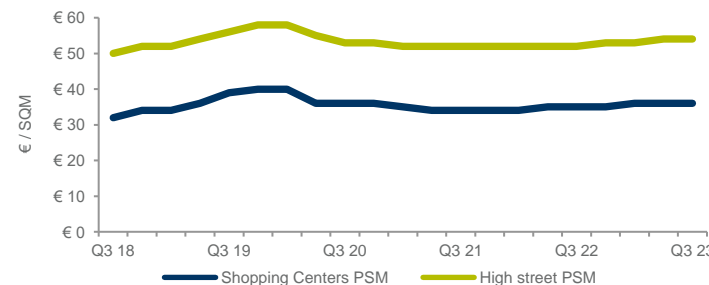
Leasing activity in the quarter was very strong. The total volume of new leases approached 74,000 sqm, well above the level from the previous quarter. Over 80% of the volume was delivered by retail parks, with the rest coming mainly from shopping centers. Vacancy in retail parks was negligible and appeared unchanged in shopping centers.

Looking towards the next quarter, leasing activity is likely to remain strong. Retail parks would continue to lead, with at least four new facilities readying to open for business before the year is over. This would pile on top of the typical end-of-the-year activity in shopping centers, with retailers positioning for the all-important holiday season.

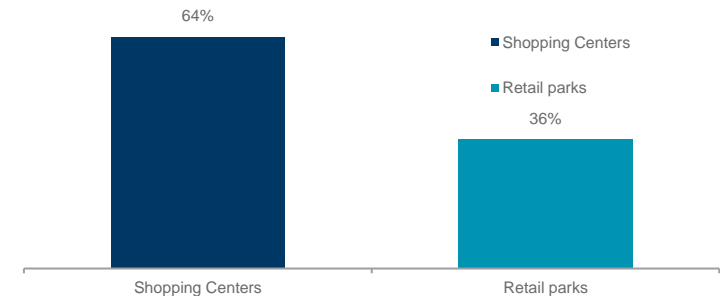
PRICING: Stable with Upward Potential

Asking rents for retail space in Sofia's shopping centers remained stable at 36 euros/sqm with some upward potential looking at the start of next year. Prime yields for shopping centers in Sofia edged up to 7.75%. Rents in Sofia retail parks were in low teens, whereas those at regional centers were in high single digits. Both seem set to increase slightly within the next six months.

PRIME RENTS SOFIA



AVAILABILITY BY PRODUCT TYPE



MARKET STATISTICS

SUBMARKET	SHOPPING CENTRE STOCK	SHOPING CENTRE PIPELINE	PRIME RENT (€/SQM)	PRIME YIELD
Sofia	402,270	-	€ 36	7.75%
Plovdiv	77,500	57,800	€ 24	8.25%
Varna	122,000	-	€ 25	8.25%
Burgas	62,500	-	€ 21	8.25%

KEY OPENINGS Q3 2023

PROPERTY	SUBMARKET	TENANT	RSM	TYPE
Holiday Park Stara Zagora	Stara Zagora	Jumbo	10,200	New lease
Holiday Park Haskovo	Haskovo	Sinsay	1,300	New lease
Retail Park Silistra	Silistra	LC Waikiki	1,140	New lease
Park Mall Chirpan	Chirpan	Billa	1,100	New lease
5 STAR Retail Park Dupnitsa	Dupnitsa	T-Market	700	New lease
The Mall	Sofia	Tedi	880	New lease
Paradise Center	Sofia	Mango	350	New lease
Mall Plovdiv	Plovdiv	Sinsay	1,200	New lease
Mall Ruse	Ruse	Play City	200	New lease
Galleria Burgas	Burgas	Lazarini	126	New lease

*Renewals not included in leasing statistics

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