

### Q3 MARKET INDICATORS

	YOY Chg.	12-Month Forecast
<b>€42.00</b> Prime SC Rent	▲	▲
<b>7.75%</b> Prime SC Yield	▬	▼

### MOST RECENT ECONOMIC INDICATORS

	YOY Chg.	12-Month Forecast
<b>€1,174</b> Average monthly wage (Q2)	▲	▲
<b>1.5%</b> Inflation (HICP) Sep. 2024	▼	▼
<b>13.3%</b> Deflated Retail Sales (food, bev. & tob.) Aug, 2024	▼	▼
<b>4.4%</b> Deflated Retail Sales (non-food, excl. fuel) Aug, 2024	▲	▲

Source: National Statistical Institute

### ECONOMY: ON AN UPWARD TRAJECTORY

In the first nine months of 2024, Bulgaria's economy maintained its upward trajectory. Accelerating growth reflects solid domestic demand and improving investments, offsetting soft external demand. The leading indicators suggest that in the short-term the economy would stay on course. Economic sentiment is firmly in positive territory and rising. Consumer optimism is at its highest this century and confidence is above average across all parts of the economy, including the very important retail sector.

### SUPPLY & DEMAND: LARGE CONSTRUCTION VOLUME

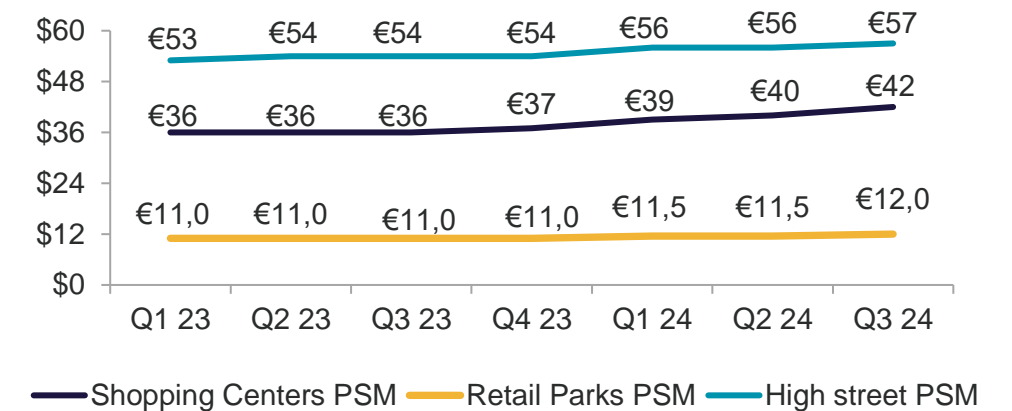
In the third quarter, supply of new retail space was low. About 3,000 sqm of GLA were delivered by two partially opened retail parks. Technical issues in a facility in Ruse pushed the completion of 5,000 sqm towards the next quarter. Yet, overall development activity was anything but low. At the end of September, the total modern retail space under construction stood at 214,000 sqm. This equals almost a dozen new and the expansion of an extra five retail parks. Not to mention, the planning of further 11 retail parks with 132,000 sqm of GLA.

The volume of newly opened store space reached 14,100 sqm across 54 outlets. Openings in shopping malls stood at 41 units with an area of 8,100 sqm. While the number of premises was flat year-on-year, the volume was up 15%. Mega Mall, Serdika Center, and Ring Mall saw most of the action and accounted for over half of the space opened in shopping malls. Absent freshly completed space, just a handful of stores opened in retail parks for a volume of 5,000 sqm.

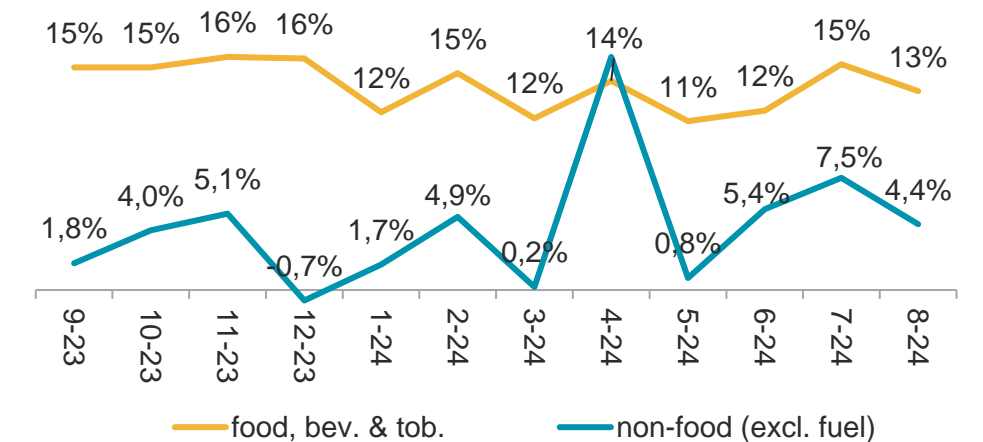
### PRICING: EDGING HIGHER

During the quarter, the vacancy rate across shopping malls and retail parks was in low single digits across the country. This pushed prime rent levels in Sofia up to 42 euros/sqm in shopping malls and 12 euros/sqm in retail parks. Prime yields remained unchanged at 7.75% in mall and park facilities, though looking forward some degree of compression appears likely.

### PRIME RENTS IN SOFIA



### RETAIL TRADE TURNOVER AT CONSTANT PRICES



Source: National Statistical Institute

**MARKET STATISTICS**

SUBMARKET	SHOPPING CENTRE STOCK (SQM)	RETAIL PARK STOCK (SQM)	SHOPPING CENTRE PIPELINE (SQM)	RETAIL PARK PIPELINE (SQM)	SHOPPING CENTRE PRIME RENT (€/SQM)	RETAIL PARK AVERAGE RENT (€/SQM)	SHOPPING CENTRE PRIME YIELD (%)	RETAIL PARK PRIME YIELD (%)
Sofia	402,273	124,000	0	87,000	42	12	7.75%	7.75%
Plovdiv	86,000	53,600	57,800	22,600	25	9	8.00 - 8.50%	8.00 - 10.00%
Varna	122,000	21,200	0	0	26	CONF.	8.00 - 8.50%	8.00 - 10.00%
Burgas	62,500	0	0	12,650	22	N/A	8.00 - 8.50%	8.00 - 10.00%

**KEY LEASE TRANSACTIONS Q3 2024\***

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Mega Mall	Sofia	Comсед	815	New lease
Serdika Center	Sofia	JD Sports	570	New lease
Serdika Center	Sofia	Zara Home	470	New lease
Ring Mall	Sofia	H&M Home	450	New lease
Mall Veliko Tarnovo	Veliko Tarnovo	Terranova	740	New lease
Paradise Center	Sofia	JD Sports	325	New lease
Pernik Plaza	Pernik	Next Level	1,000	New lease
Hippoland I Retail Park	Dobrich	Pepco	700	New lease
Plovdiv Plaza	Plovdiv	SkyOptic	130	New lease

\*Renewals not included in leasing statistics

**KEY CONSTRUCTION COMPLETIONS YTD 2024**

PROPERTY	SUBMARKET	MAJOR TENANT	GLA (SQM)	OWNER / DEVELOPER
Retail Park Velingrad	Velingrad	Technomarket	10,550	Stolarski i Sinove EOOD
Retail Park Vidin	Vidin	Technomarket	14,400	Dunonia AD
Retail Park Nessebar	Nessebar	Technomarket	6,052	Zet Estate EOOD
Retail Park Elin Pelin	Elin Pelin	Lidl	11,280	Elin Pelin Retail EOOD
Hippoland I Retail Park	Dobrich	Lidl	16,320	Targovski Park Dobrich OOD

**RADOSTINA MARKOVA**

Head of Research & Marketing

Tel: +359 883 260 333

[Radostina.markova@cwforton.com](mailto:Radostina.markova@cwforton.com)

**NICKOLAY GRIGOROV**

Senior Research Analyst

Tel: +359 887 501 513

[Nickolay.grigorov@cwforton.com](mailto:Nickolay.grigorov@cwforton.com)

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