MARKETBEAT
BULGARIA
RETAIL Q2 2025

MARKET FUNDAMENTALS

	YOY Chg.	12-Month Forecast
€46.00 Prime SC Rent	▲	▲
7.50% Prime SC Yield	▼	▼

MOST RECENT ECONOMIC INDICATORS

	YOY Chg.	12-Month Forecast
€1,249 Average monthly wage (Q1 2025)	▲	▲
3.1% Inflation (HICP) Jun. 2025	▲	▼
-0.1% Deflated Retail Sales (food, bev. & tob.) May, 2025	▼	▲
12.3% Deflated Retail Sales (non-food, excl. fuel) May, 2025	▲	▬

Source: National Statistical Institute

ECONOMY: NOT BAD, ALL THINGS CONSIDERED

All is well that ends well, and the most recent economic data from Bulgaria proves as much. The second quarter got off to a bad start as on Apr. 2nd the US "reciprocal" tariffs shocked the business community across the world. Despite its limited exposure to the US market, Bulgaria's EU trading partners were heavily affected. That same month economic sentiment dropped, as did production indices in manufacturing and services, while domestic and external trade volumes narrowed.

Fortunately, the situation reversed after the US rolled back tariff rates for 90 days. In May and June, sentiment recovered, production in services edged up, domestic trade expanded, and uncertainty in manufacturing and retail diminished. The quarter ended on a high note with final approval of Bulgaria's accession to the Eurozone at the start of 2026. GDP growth in Q2 is expected between 1.5% and 2.5% y/y, lower than the 3.1% y/y posted in Q1.

SUPPLY: MORE RETAIL PARKS

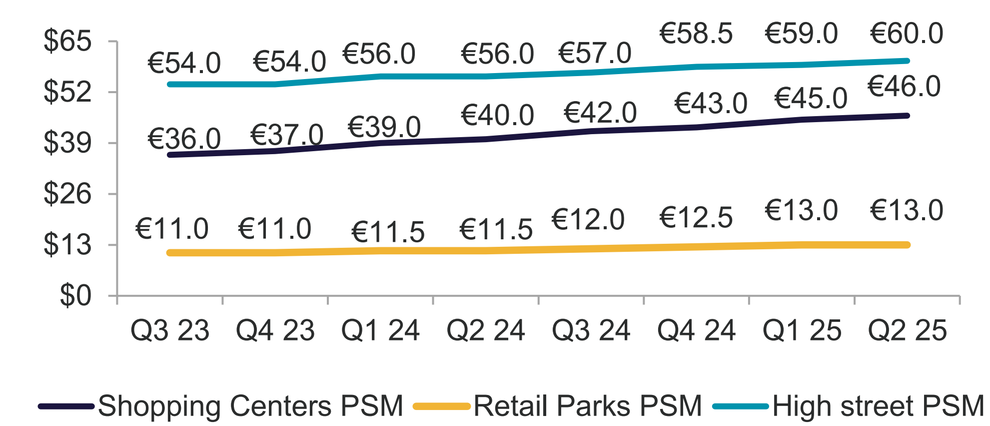
Supply picked-up 30% q/q in the three months to June 30, with the completion of some 25,152 sq m of new retail space, entirely in the retail park segment. This volume reflects the partial opening of two new facilities – Parkmaxx Plovdiv and RP Rakovski – as well as the continued expansion of XOPark Sofia and other projects.

The retail park stock reached 621,000 sq m spread across 61 locations. The volume of space in construction narrowed slightly to 159,000 sq m among 14 park facilities, while further 175,000 sq m were in planning phase in another 14 projects. Retail park stock is expected to exceed 700,000 sq m by the end of 2025 and race past 800,000 sq m by the end of 2026 – at which point there will be more space in park complexes than malls.

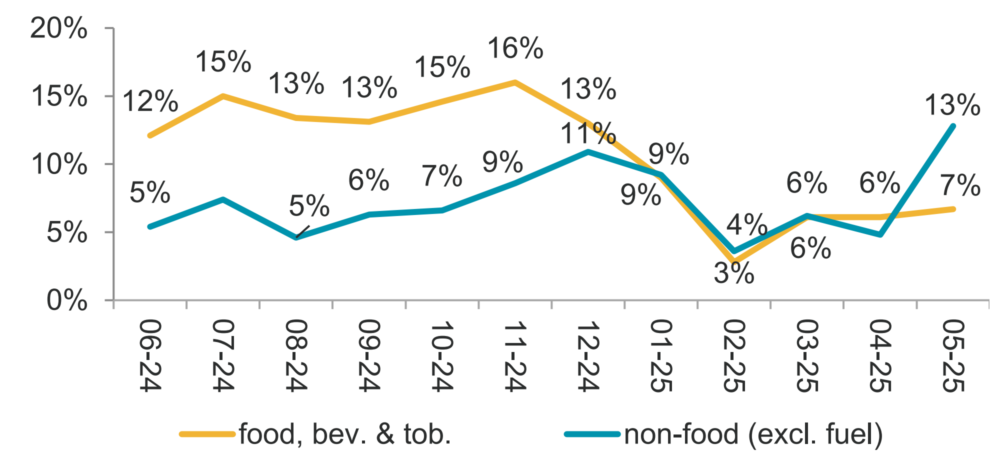
DEMAND: FASHION LEADS THE WAY

Demand picked-up 12% q/q with 75 newly opened stores for near 34,000 sq m. Openings in malls accounted for 59% of the store count and 43% of the store space. Fashion retailers were most active, taking up almost 8,000 sq m, followed by electronics retailers, and mixed retailers (like KiK, Pepco, Tedi) with 6,000 sq m and over 4,000 sq m, respectively.

PRIME RENTS IN SOFIA



MONTHLY RETAIL NET TURNOVER % y/y (cur. prices)



Source: National Statistical Institute

MARKET STATISTICS

SUBMARKET	SHOPPING CENTRE STOCK (SQ M)	RETAIL PARK STOCK (SQ M)	SHOPPING CENTRE PIPELINE (SQ M)	RETAIL PARK PIPELINE (SQ M)	SHOPPING CENTRE PRIME RENT (€/SQ M)	RETAIL PARK AVERAGE RENT (€/SQ M)	SHOPPING CENTRE PRIME YIELD (%)	RETAIL PARK PRIME YIELD (%)
Sofia	402,273	136,470	0	83,620	46.00	13.00	7.50%	7.25%
Plovdiv	86,000	68,577	0	8,660	26.50	9.75	8.00 - 8.25%	8.00 - 9.75%
Varna	122,000	21,200	0	0	27.00	8.50	8.00 - 8.25%	8.00 - 9.75%
Burgas	62,500	0	0	12,650	23.00	N/A	8.00 - 8.25%	N/A

Store activity in shopping malls was particularly strong in Paradise Center and Serdika Center with 15 new outlets between them. In the retail park segment, Parkmaxx Plovdiv and XOPark Sofia stood out with 20 new outlets together. Four brands entered the market during the quarter - Salsa Jeans, Office Shoes, Tous, and Anna Cori – all taking-up space in shopping malls.

PRICING: MALLS EDGE HIGHER

The vacancy rate in malls and parks remained low across the country. Prime rents in shopping malls in Sofia climbed to €46 /sq m, while rents in the city's retail parks stood unchanged at € 13.0 /sq m. Prime yields in malls remained flat at 7.5% and slipped to 7.25% in park facilities.

KEY LEASE TRANSACTIONS Q2 2025*

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
XOPark Sofia	Sofia	Technomarket	3,200	New lease
West Mall	Sofia	Half Price	2,200	New lease
Burgas Plaza	Burgas	Bulmag	1,500	New lease
Parkmaxx Retail Park	Plovdiv	Jysk	1,200	New lease
Retail Park Rakovski	Rakovski	Zora	1,000	New lease
Delta Planet Varna	Varna	Tedi	940	New lease
Paradise Center	Sofia	Calliope	720	New lease
Mall Veliko Tarnovo	Veliko Tarnovo	SoPharmacy	160	New lease
Plovdiv Plaza	Plovdiv	OFFICE Shoes	120	New lease

**Renewals not included in leasing statistics*

KEY CONSTRUCTION COMPLETIONS YTD 2025

PROPERTY	SUBMARKET	MAJOR TENANT	GLA (SQ M)	OWNER / DEVELOPER
Parkmaxx Retail Park	Plovdiv	Jysk	7,270	IVK Property OOD
Retail Park Rakovski	Rakovski	Zora	4,450	Retail Park Rakovski OOD
XOPark Sofia	Sofia	Technomarket	5,840 (exp. ph. 1a)	Trinity Capital AD
XOPark Sofia	Sofia	Kaufland	11,550 (exp. ph. 1)	Trinity Capital AD

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