EXCEEDING BORDERS

The fashion sector in the CEE-14 countries

NOVEMBER 2018

CONTENTS

* *forecast*

INTRODUCTION

Welcome to our second annual pan-CEE retail sector publication. This year, we examine the fashion sector across 14 CEE markets. As disposable incomes climb continuously towards EU average levels, purchases of fashion apparel and accessories become ever more important as a driver of consumer spending. Fast recent-cycle GDP growth, low unemployment and wage hikes all add up to booming conditions for fashion in CEE presently.

Sales via e-commerce channels are very much alive in the region but not yet large enough to extinguish demand via traditional and omnichannel retail routes, at least in the short to medium term. As well as the growth potential, we examine the modern Shopping Centers marketplace across the CEE-14 countries. And we take a look at the main retail players in the sector and the fashion debuts that have made a splash in recent years.

AUTHORS

Mark Robinson
CEE | Research Specialist

Mob +420 777 532 072
mark.robinson@colliers.com

Dominika Jędrak
Poland | Director
Research and Consultancy Services

Mob +48 666 819 242
dominika.jedrak@colliers.com

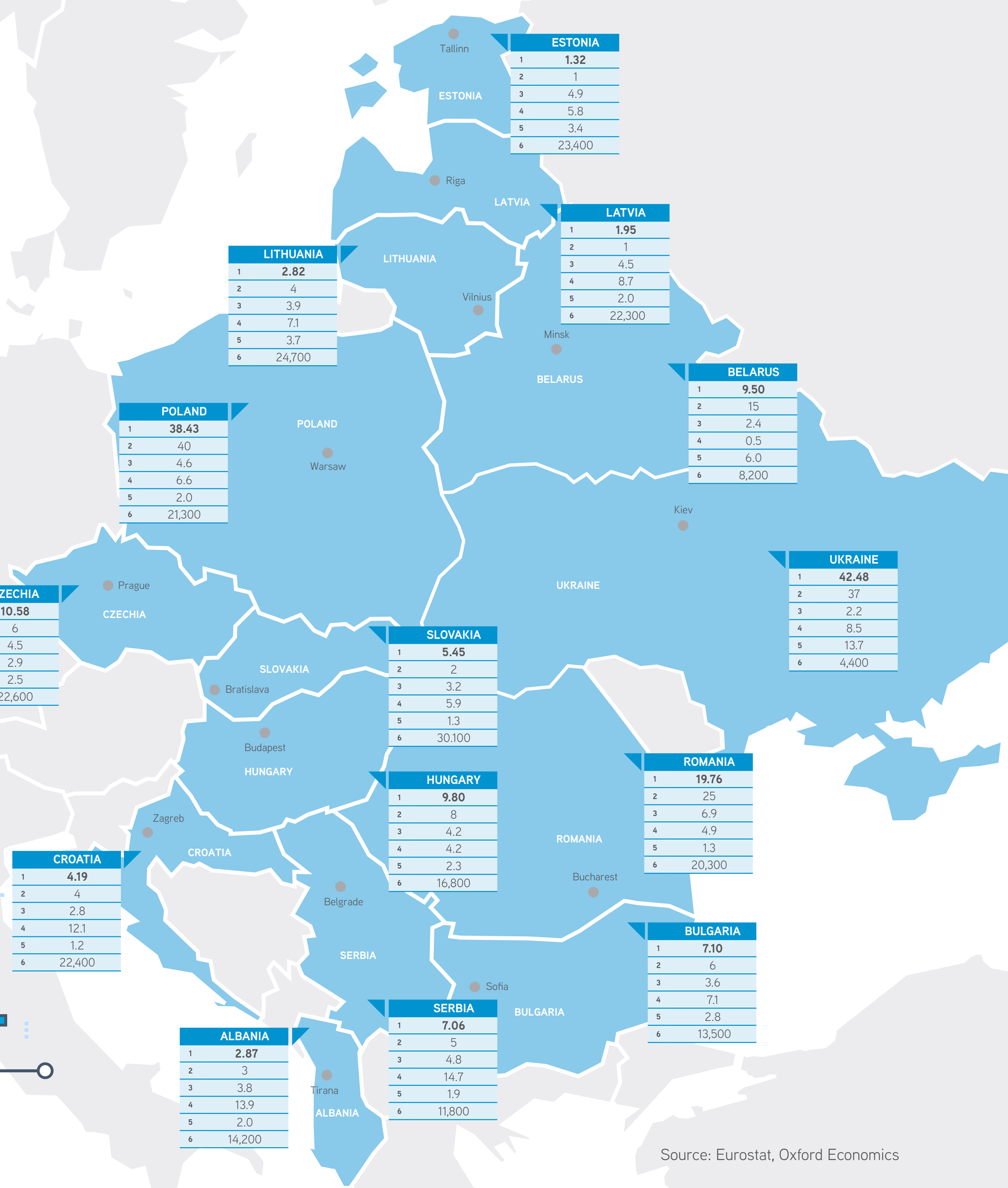
Katarzyna Michnikowska
Poland | Associate Director
Research and Consultancy Services

Mob +48 607 559 587
katarzyna.michnikowska@colliers.com

GENERAL DATA

COUNTRY	
1	**Population (M)**
2	No. of cities over 100,000 inhabitants
3	GDP growth 2017 (%)
4	Unemployment 2017 (%)
5	CPI 2017 (%)
6	Average household personal disposable income US$ (2017)

14 COUNTRIES
163M PEOPLE
157 CITIES OVER 100,000 INHABITANTS



ESTONIA	
1	**1.32**
2	1
3	4.9
4	5.8
5	3.4
6	23,400

LATVIA	
1	**1.95**
2	1
3	4.5
4	8.7
5	2.0
6	22,300

LITHUANIA	
1	**2.82**
2	4
3	3.9
4	7.1
5	3.7
6	24,700

BELARUS	
1	**9.50**
2	15
3	2.4
4	0.5
5	6.0
6	8,200

POLAND	
1	**38.43**
2	40
3	4.6
4	6.6
5	2.0
6	21,300

UKRAINE	
1	**42.48**
2	37
3	2.2
4	8.5
5	13.7
6	4,400

CZECHIA	
1	**10.58**
2	6
3	4.5
4	2.9
5	2.5
6	22,600

SLOVAKIA	
1	**5.45**
2	2
3	3.2
4	5.9
5	1.3
6	30.100

ROMANIA	
1	**19.76**
2	25
3	6.9
4	4.9
5	1.3
6	20,300

HUNGARY	
1	**9.80**
2	8
3	4.2
4	4.2
5	2.3
6	16,800

CROATIA	
1	**4.19**
2	4
3	2.8
4	12.1
5	1.2
6	22,400

BULGARIA	
1	**7.10**
2	6
3	3.6
4	7.1
5	2.8
6	13,500

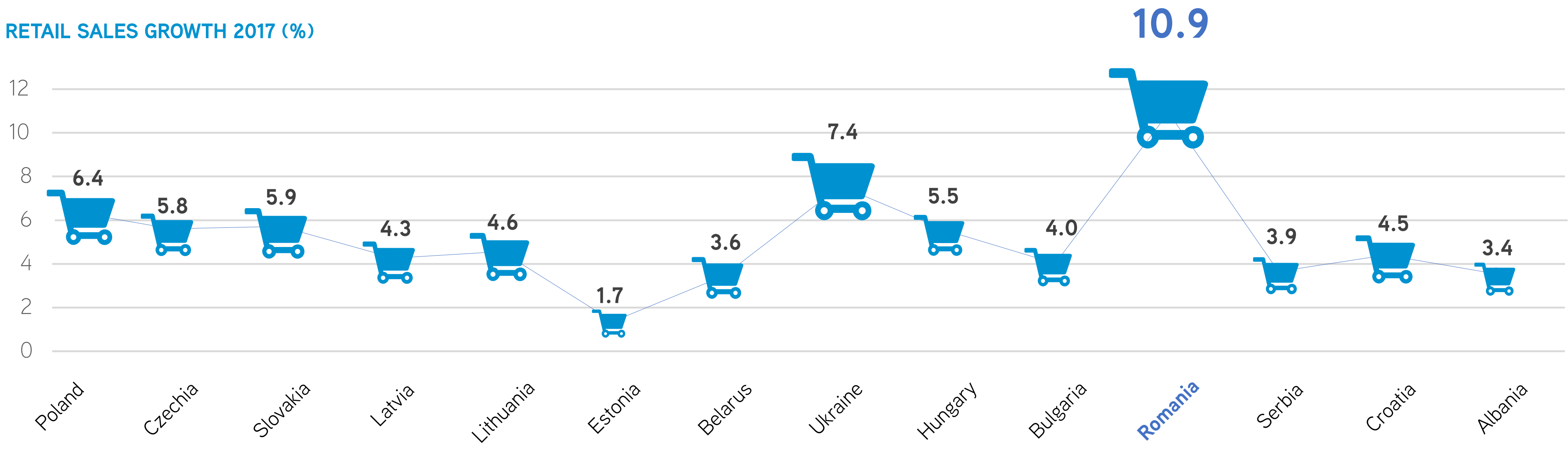
SERBIA	
1	**7.06**
2	5
3	4.8
4	14.7
5	1.9
6	11,800

ALBANIA	
1	**2.87**
2	3
3	3.8
4	13.9
5	2.0
6	14,200

Source: Eurostat, Oxford Economics

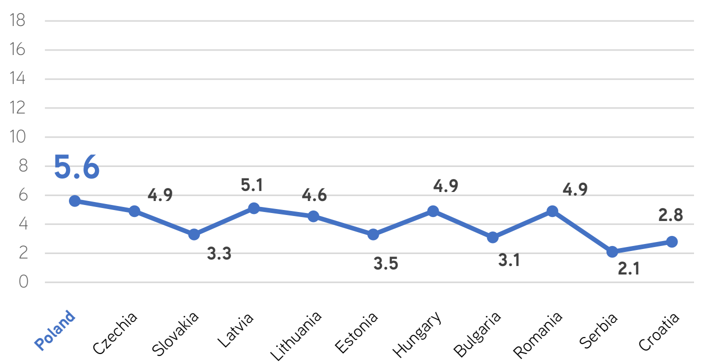
RETAIL SALES

RETAIL SALES GROWTH 2017 (%)



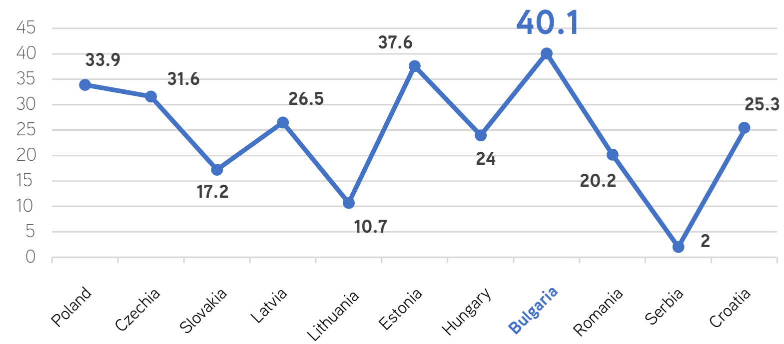
Source: Oxford Economics

% OF E-COMMERCE SALES IN TOTAL RETAIL SALES 2017



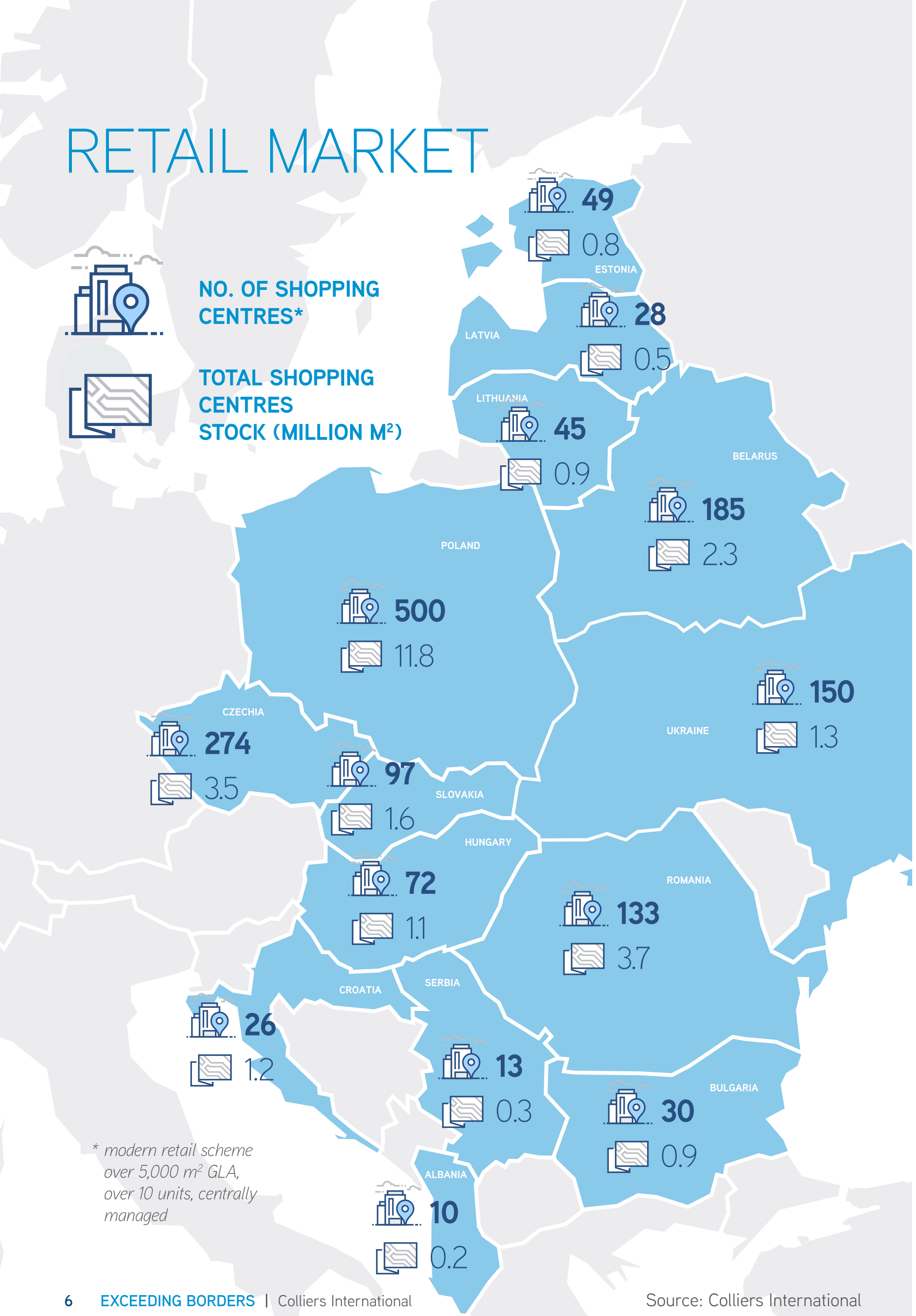
Source: Statista, data for Belarus, Ukraine and Albania not available

FASHION SECTOR AS % OF E-COMMERCE SALES 2017



Source: Statista, data for Belarus, Ukraine and Albania not available

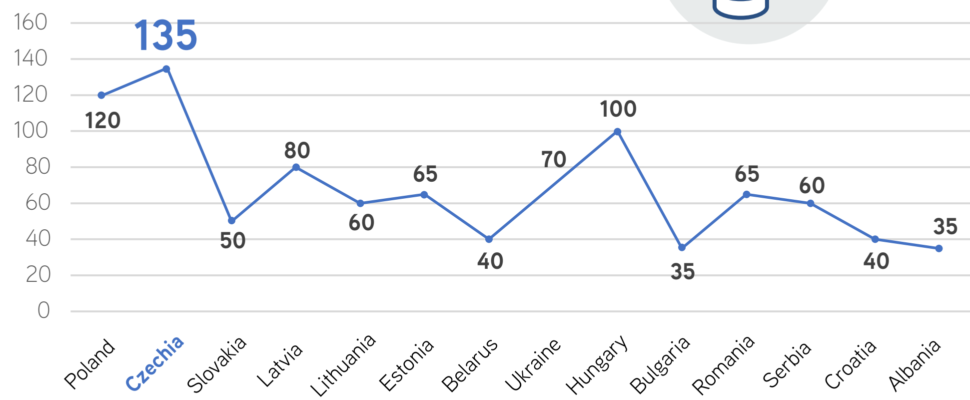
RETAIL MARKET



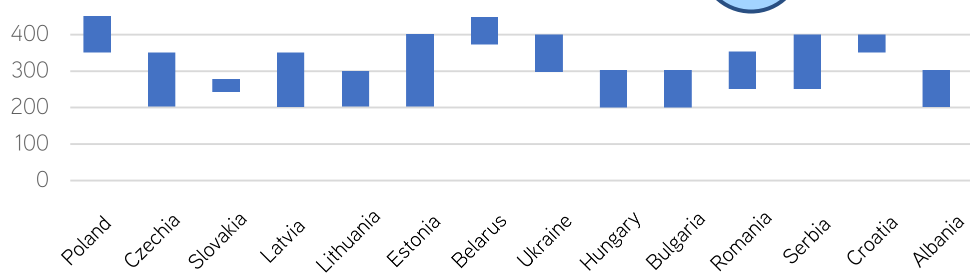
* *modern retail scheme over 5,000 m² GLA, over 10 units, centrally managed*

Source: Colliers International

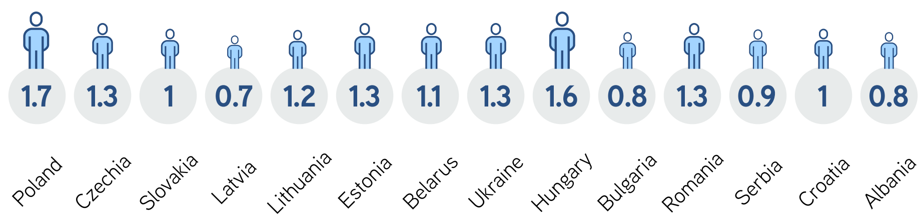
ESTIMATED PRIME RENT FOR 100-150 M² UNIT EUR/M²/MONTH (FASHION SECTOR)



ESTIMATED AVERAGE MONTHLY TURNOVER EUR/M² IN PRIME SHOPPING CENTRE (ANCHORS, OVER 1,000 M², FASHION SECTOR)



ESTIMATED AVERAGE MONTHLY VISITS IN PRIME SHOPPING CENTRE (MLN)



Source: Colliers International

MAIN FASHION STREETS

ESTONIA
Viru, Rotermanni, *Tallinn*

LATVIA
Terbatas, Elizabetes, Kalku, *Riga*

POLAND
Mokotowska, *Warsaw*

SLOVAKIA
Obchodná, *Bratislava*

LITHUANIA
Didzioji, Gedimino, *Vilnius*

CZECHIA
Na příkopě, Pařižská, *Prague*

UKRAINE
Khreshchatyk, *Kiev*

BELARUS
Komsomolskaya, *Minsk*

SERBIA
Knez Mihailova, *Belgrade*

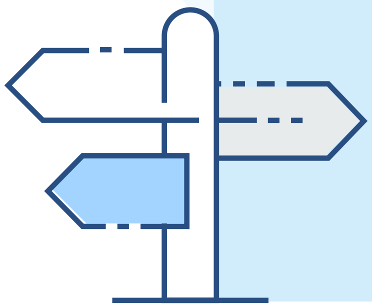
HUNGARY
Váci utca, Andrássy út, Fashion street, *Budapest*

CROATIA
Ilica, *Zagreb*

BULGARIA
Vitosha Boulevard, *Sofia*

ROMANIA
Calea Victoriei, *Bucharest*

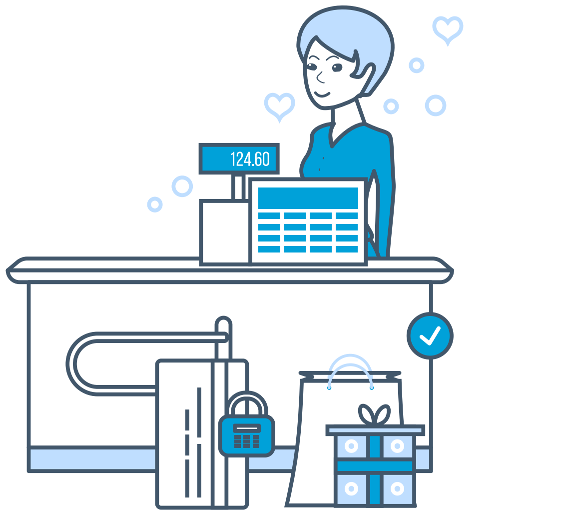
ALBANIA
Myslym Shyri, Sami Frasheri, Abdyl Frasheri, Vaso Pasha, *Tirana*



We are present with the Sizeer concept in 8 foreign markets, i.e.: Lithuania, Latvia, Estonia, Germany, the Czech Republic, Slovakia, Hungary and Romania. We are observing big differences in business standards as well as in consumer behaviors. Each of this market is different with respect to purchasing power, but also customers' needs and their approach to products, which sport-fashion category offers.

We have also noticed a large differentiation of competitors and consumers' specific approach for e-commerce shopping. The CEE market is unitary, and the retail industry is dominated by shopping centers. The only market in Central and Eastern Europe, where the high street segment plays the main role, is the capital of the Czech Republic. All this requires a flexible approach from us, both in the area of shaping and building the offer, as well as in the approach of choosing the location and service offered to the customer.

Rafał Pierzchniak, Sizeer



FASHION ANCHORS

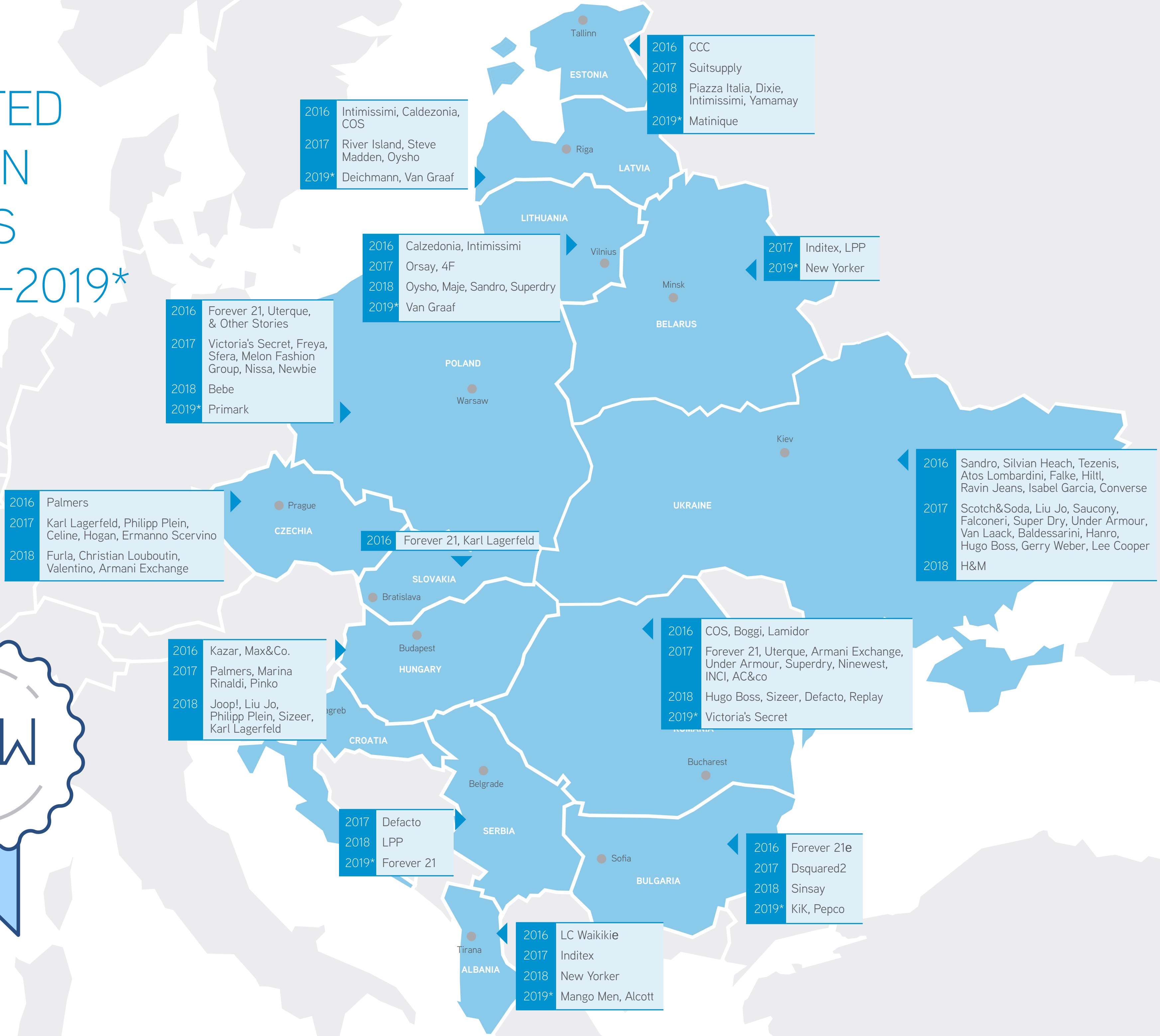
	POLAND	CZECHIA	SLOVAKIA	LATVIA	LITHUANIA	ESTONIA	BELARUS	UKRAINE	HUNGARY	BULGARIA	ROMANIA	SERBIA	CROATIA	ALBANIA
H&M	97	50	24	7	9	11	0	2	20	20	55	13	16	0
LPP	990	80	58	23	23	32	6	96	12	17	35	1	19	0
Inditex	272	24	16	*	*	*	11	64	38	30	128	14	39	8
New Yorker	94	53	42	3	8	9	0	8	17	11	37	27	24	1
C&A	63	42	16	0	0	0	0	0	20	0	40	15	20	0
LC Waikiki	4	0	0	0	0	0	14	28	0	16	31	23	0	9
Apranga	0	0	0	45*	110*	29*	0	0	0	0	0	0	0	0
P&C	10	2	3	1	2	0	0	0	1	2	6	0	3	0
Van Graaf	10	1	0	1	0	0	0	0	2	0	0	0	0	0
TK Maxx	43	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**1583**	**252**	**159**	**35**	**42**	**52**	**31**	**198**	**110**	**96**	**332**	**93**	**121**	**18**

** Inditex is represented by Apranga Group in Lithuania, Latvia and Estonia*

Source: Colliers International

SELECTED FASHION DEBUTS IN 2016-2019*

* *forecast*



CONTACTS

ALBANIA

Stela Dhami
Managing Partner
Phone +355 69 20 22 575
stela.dhami@colliers.com

Manjola Çondi
Senior Associate
Valuation | Advisory Services
Phone: +355 69 22 11 578
manjola.condi@colliers.com

BELARUS

Denis Chetverikov
Partner | Managing Director
Phone +375 172 569 569
denis.chetverikov@colliers.com

Darya Lapitskaya
Associate Director of Research
and Advisory Department
Phone +375 172 569 569
darya.lapitskaya@colliers.com

BULGARIA

Boryana Peneva
Manager | Retail Services
Phone +359 2 976 9 976
boryana.peneva@colliers.com

Adriana Tomcheva
Senior Consultant |
Research and Marketing
Phone +359 2 976 9 976
adriana.tomcheva@colliers.com

CROATIA

Vedrana Likan
Managing Partner
Phone +385 99 3117 364
vedrana.likan@colliers.com

Nuccia Kos
Consultant I Commercial
Real Estate Advisory and Agency
Services
Phone +385 95 593 0136
nuccia.kos@colliers.com

CZECHIA

Tewfik Sabongui
Managing Partner | Czech
Phone +420 226 537 618
tewfik.sabongui@colliers.com

Ondrej Vlk
Senior Associate | Head of Research
Phone +420 602 940 066
ondrej.vlk@colliers.com

ESTONIA

Avo Rõõmussaar
Partner I Managing Director
Phone +372 52 79 638
avo.roomussaar@colliers.com

Maksim Golovko
Head of Research I Analytical
Department
Phone +372 6160 787
maksim.golovko@colliers.com

HUNGARY

Tim Hulzebos
Managing Director
Phone +36 30 986 6093
tim.hulzebos@colliers.com

Tamás Steinfeld MBA
Associate Director
Phone +36 70 286 2505
tamas.steinfeld@colliers.com

LATVIA

Deniss Kairans
Partner I Managing Director
Phone: +371 6778 33 33
colliers.latvia@colliers.com

Toms Andersons
Director I Research and Advisory
Phone: +371 677 833 33
Toms.Andersons@colliers.com

LITHUANIA

Ramune Askiniene
Partner | Managing Director
Phone +370 5 249 1212
ramune.askiniene@colliers.com

Diana Lebedenko
Senior Market Analyst | Consultancy Department
Phone +370 5 249 1212
diana.lebedenko@colliers.com

POLAND

Monika Rajska-Wolińska MBA, MRICS
Managing Partner | EMEA Board Member
Phone +48 668 139 759
monika.rajska@colliers.com

Marta Machus-Burek
Partner | Director | Retail Advisory Services | Retail Agency
Phone +48 691 711 235
marta.machus-burek@colliers.com

ROMANIA

Laurentiu Lazar MRICS
Managing Partner
Phone +40 213 197 777
laurentiu.lazar@colliers.com

Silviu Pop
Head of Research | Administrative
Phone +40 721 176 701
silviu.pop@colliers.com

SERBIA

Ana Vukovic
Managing Director I Greece & Serbia
Phone +30 2106832440
ana.vukovic@colliers.com

Ilija Samardzija
Valuer I Valuation and Advisory Services
Phone +381 63 10 77 849
ilija.samardzija@colliers.com

SLOVAKIA

Ermanno Boeris
Managing Partner
Phone +421 911 667 542
ermanno.boeris@colliers.com

Tamila Nussupbekova
Associate | Research
Phone +421 911 556 899
tamila.nussupbekova@colliers.com

UKRAINE

Alexander Nosachenko
Managing Director
Phone +38 067 2301777
alexander.nosachenko@colliers.com

CONTACT

RESEARCH AND CONSULTANCY SERVICES

Dominika Jędrak
Director
+48 666 819 242
Dominika.Jedrak@colliers.com

Colliers International
Pl. Piłsudskiego 3
00-078 Warszawa

Colliers INTERNATIONAL

Research & Consultancy