

Q1 2023

SEE Market Figures

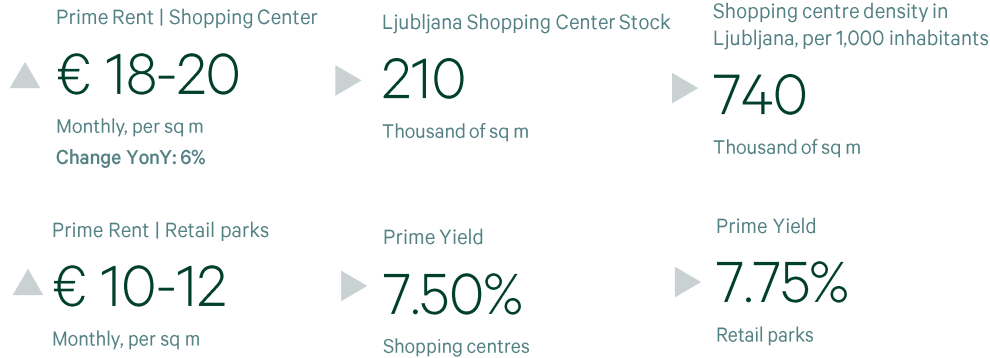
Retail

REPORT FIGURES

Slovenia
Ljubljana

Slovenia

KEY PERFORMANCE INDICATORS (Q1 2023)

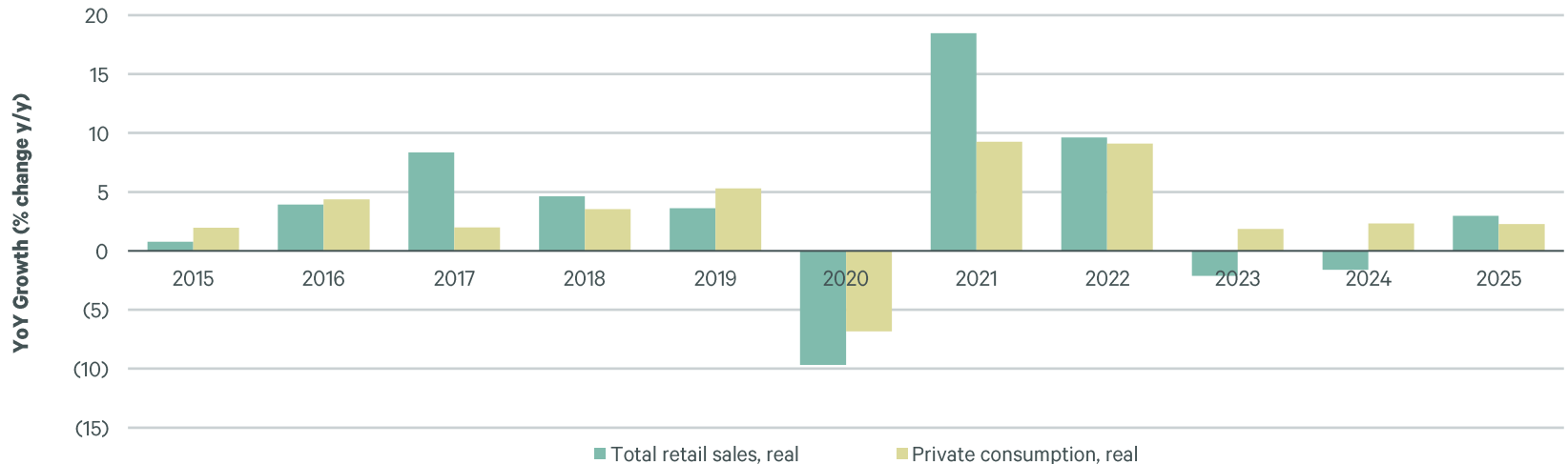


Due to the development stage of the Slovenian retail market, the activity has remained relatively modest in the recent period, with one notable delivery and a limited number of announced projects.

In 2022, Slovenian economy demonstrated resilience in spite of wider political and economic precariousness. These positive trends continued in the first quarter of 2023 as well, until the inflation rose again in March, amounting to 10.5% y/y. In light of the turbulent geopolitical situation, uncertainty regarding future trends of economic indicators remains. Hence, slower GDP growth is expected in 2023 owing to high indexation, as well as lower consumption.

The impact of e-commerce on the demand remains relevant and this trend is not likely to conclude in the upcoming period. Therefore, revenue in the e-commerce market is projected to grow further, continuing to affect retailers' business models.

PRIVATE CONSUMPTION VS RETAIL SALES | SLOVENIA



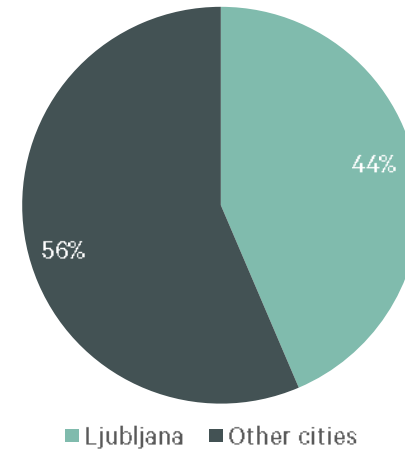
No new retail completions have been recorded in the first quarter of 2023. Namely, owing to the high development stage that the Slovenian retail market is in and its saturation, retail activity has been rather low in the recent years. However, one completion was recorded in the fourth quarter of 2022, namely Šumi Centre, a mixed-use scheme in Ljubljana. The project includes retail units on the ground floor which spread over 2,000 sq. m. of GLA. Apart from this, the last notable completion remains the extension of the shopping centre Supernova Rudnik in Ljubljana, which was delivered in the second quarter of 2022. The extension added 20,000 sq. m. to the previously existing 30,000 sq. m. of retail space. Therefore, shopping centre density in Ljubljana remains at the highest level in the region, amounting to cca 740 sq. m. per 1,000 inhabitants.

Although the pipeline remains limited, there are two notable projects which were announced previously, namely Emonika City Centre, as well as a shopping village in the vicinity of the Austrian border. Firstly, Emonika City Centre is a large-scale project whose construction start is expected this year, while the completion has been announced for 2025. The project will entail residential units, a hotel, office premises, as well as a shopping centre. The latter will include over 80 retail units spreading across 24,500 sq. m. of retail space, making it one of the most notable retail schemes in the recent period. Also, Emonika will be the first BREEAM “very good” certified mixed-use scheme in Ljubljana. As regards the second project, it has been announced that the first Slovenian outlet shopping village will spread over 20,000 sq. m. on which 70 retail units will be positioned, while the second phase is expected in 2026. The project is being developed by HG Invest in cooperation with FOC Retail Service GmbH and Outlet Evolution Services.

Finally, plans to construct a shopping centre and more than 700 apartments along Barjanska cesta in Ljubljana have been revealed, although the details regarding the realization of the project are not yet certain.

In the first quarter of 2023, an upward pressure on rental levels which has been present for a few months has taken its toll, leading to an increase in rental levels, which now range from EUR 18 to 20 per sq. m. monthly. As regards rental levels in retail parks, they have increased slightly as well, standing at EUR 10 to 12 per sq. m. monthly.

SLOVENIA SHOPPING CENTRE STOCK BY LOCATION

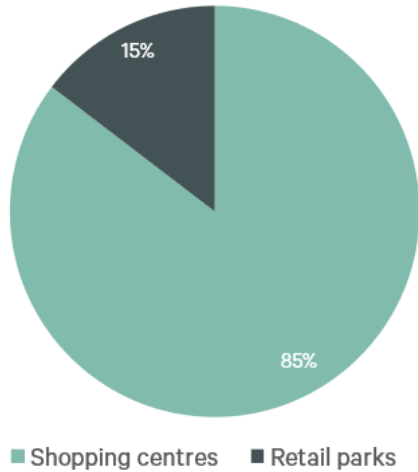


EMONIKA



Emonika.si

SLOVENIA RETAIL STOCK BY FORMAT



NOTABLE PIPELINE PROJECTS (BY TYPE)

Project name	Developer	Status	Type
Palais and Villa Schellenburg	Reitenburg	Under construction	Street retail
Emonika	OTP Real Estate Fund	Planned	Shopping centre
The Fashion Outlet	HG Invest, FOC Retail Service and Outlet Evolution Service	Planned	Outlet

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