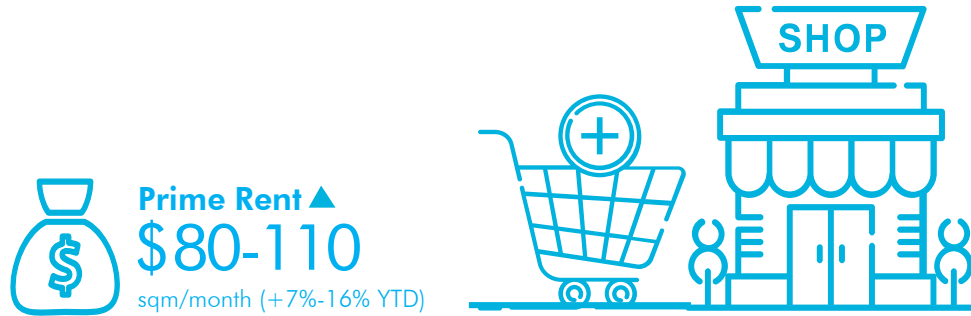


KYIV RETAIL MARKET SNAPSHOT Q1 2019



New Supply

Oasis Shopping Center
 GLA 13,200 sqm

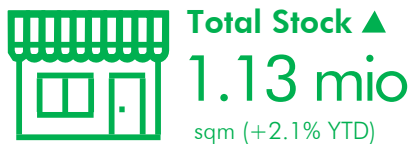
Smart Plaza Obolon Shopping Center
 GLA 10,000 sqm

New Fashion Brands Entered the Market in Q1 2019

BRAND	RETAIL SECTOR	ENTRY LOCATION
Decathlon	Specialist Clothing	Retail Park Petrivka
Claudie Pierlot	Luxury and Business	Gulliver
WEILL	Luxury and Business	Gulliver
MISSHA	Other	Lavina Mall

Expected New Entry in 2019

Carter's (American Childrenswear brand), *Home&You* (Polish Homeware Store brand), *IKEA* (Swedish Homeware and Department Store brand), and *The North Face* (American Specialist Clothing brand).



Market Performance

Kyiv retail turnover increased moderately by 6.9% y-o-y over January-February period, somewhat attributed to the slowdown in CPI from 8.8% y-o-y in February to 8.6% y-o-y in March. Limited number of new fashion brands entered the market in Q1 2019, namely *Decathlon* in Retail Park Petrivka, *Claudie Pierlot* and *WEILL* in Gulliver SC, and *MISSHA* in Lavina Mall SC. New supply on the market in Q1 2019 was scarce and represented by Oasis SC (13,200 sqm) and Smart Plaza Obolon SC (10,000 sqm), resulting in a slight increase in total competitive stock to 1.13 mio sqm (+2.1% YTD). Given limited new supply, average market vacancy decreased further by 0.2pp YTD to 2.8%. Fearing the upcoming vacancy upsurge in 2019, landlords forced an increase in rental rates for the leftover prime premises on the market. As of Q1 2019, rental rates for prime shopping centers grew by 7%-16% YTD and varied between \$80 to \$110/sqm/month. In secondary locations, rents remained stable ranging between \$42 and \$60/sqm/month.

Kyiv New and Forecast Supply in 2019-2021

