

# Retail Property

Analytical market review – 2015

Shopping centers in the regions of Belarus

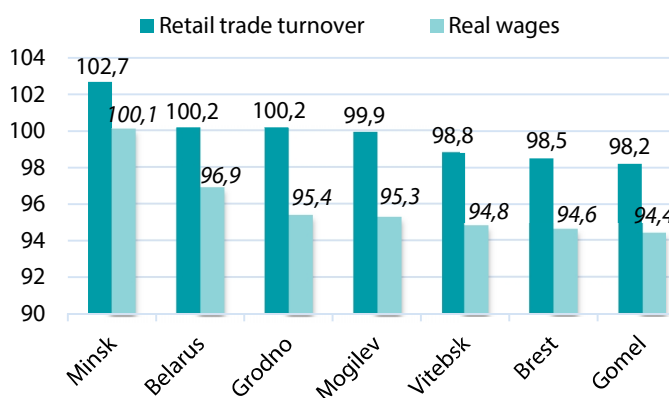


## Indicators of socio-economic development of the regions of Belarus in 2015

Indicators	Brest	Vitebsk	Gomel	Grodno	Minsk	Mogilev
Population, thousand people	340,2	376,2	531,4	365,6	1959,9	378,1
Total employment, thousand people	176,7	167,0	240,4	179,8	1082,8	174,7
Retail trade turnover through all channels of sales, billion rubles	15755,7	14519,3	18394,4	16289,7	105510,3	13163,2
Public catering turnover, billion rubles	547,9	636,6	842,5	704,6	6495,2	541,9
Average monthly wages, thousand rubles	6584,4	6251,8	6522,6	6921,6	9158,7	6425,0
Including December, thousand rubles	7561,2	6887,7	7082,9	7677,1	10462,7	7012,3

Source: Menka Analytical Center, according to the National Statistical Committee of the Republic of Belarus

## Retail trade turnover through all channels of sales and real wages in 2015, % to 2014



Source: Menka Analytical Center, according to the National Statistical Committee of the Republic of Belarus

In 2015, real wages increased in Minsk but decreased in all regional centers of Belarus. Retail trade turnover grew only in Minsk and Grodno.

The growth rate of retail trade turnover was higher than the growth rate of real wages in all biggest cities of Belarus, indicating the adaptation of population to lowering standard of living and the expenditure of population's money savings.

The biggest fall of retail trade turnover and real wages in 2015 in comparison to 2014 was in Gomel (by 1.8% and 5.6 % respectively).

## Key indicators of the shopping centers\* in the regional centers of Belarus

Total stock (GBA), thousand sq m	367,3
Total stock (GLA), thousand sq m	240,8
Average daily footfall on weekdays, thousand people per day	7,7-10,2
Average daily footfall on weekends, thousand people per day	8,6-12,1
Shopping centers provision in the regional centers, sq m per 1000 inhabitants	120,9
Completed in 2015 r. (GBA), thousand sq m	103,7
Completed in 2015 r. (GLA), thousand sq m	76,1

\*Hereinafter only shopping centers that are planned, built and managed as single entities with a minimum GLA of 5000 sq m are taken into account (according to the classification of shopping centers developed by the Analytical Center of Menka Company, based on the classification of ICSC - International Council of Shopping Centers and adapted to the situation on the Belarusian retail property market).

Source: Menka Analytical Center

At the end of 2015, there were 17 shopping centers with a minimum GLA of 5000 sq m (including completed in 2015 projects) in the regional centers of Belarus. They include: 3 medium shopping centers (GLA 20000-39000 sq m), 3 small comparison-based (GLA 5000-19000 sq m) shopping centers, 11 small convenience-based shopping centers (GLA 5000-19000 sq m). All of the shopping centers refer to traditional format. There are no specialized shopping centers in the regions of Belarus.

One of the biggest shopping centers opened in 2015 is Mandarin Plaza (GBA 36123 sq m, GLA 21290 sq m) in Gomel. Total stock of the shopping centers, the completion of which was postponed from 2015 to 2016 - GBA 47930 sq m, GLA 37010 sq m.

# Retail Property

Analytical market review – 2015

Shopping centers in the regions of Belarus

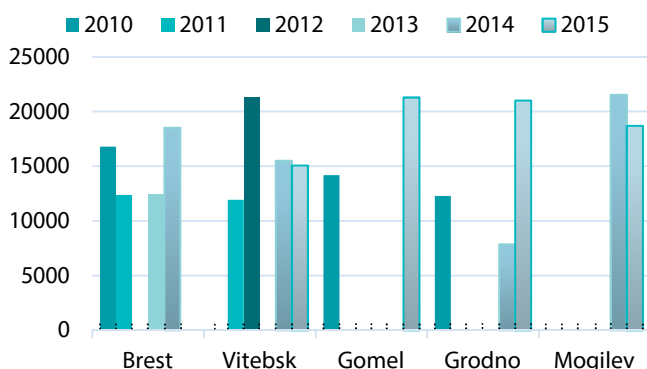


## Shopping centers in the regional centers of Belarus

City	Property	Address	Format	Type
Brest	Almi	Moskovskaya str., 273v	Traditional	Small Convenience-Based
Brest	Didas Persia	Sovetskaya str., 34	Traditional	Small Comparison-Based
Brest	Asstor-West	Masherova prospect, 16	Traditional	Small Convenience-Based
Brest	Evroopt	Varshavskoe shosse, 11	Traditional	Small Convenience-Based
Brest	Korona	Moskovskaya str., 210	Traditional	Small Convenience-Based
Vitebsk	Marko-City	Lenina str., 26a	Traditional	Medium
Vitebsk	Korona	Beshenkovichskoe shosse, 3	Traditional	Small Convenience-Based
Vitebsk	Mega	Pobedy prospect, 15	Traditional	Small Comparison-Based
Vitebsk	Green-Center	Chkalova str., 35	Traditional	Small Convenience-Based
Grodno	Korona	Yanki Kupaly prospect, 16a	Traditional	Small Convenience-Based
Grodno	Almi	Kosmonavtov prospect, 81	Traditional	Small Convenience-Based
Grodno	Old City	Dubko str., 17	Traditional	Medium
Gomel	Secret	Gagarina str., 65	Traditional	Small Comparison-Based
Gomel	Mandarin Plaza	Rechitsky prospect, 5v	Traditional	Medium
Mogilev	Armada Atlas	Terehina str., 9	Traditional	Small Convenience-Based
Mogilev	E-City	Gagarina str., 79	Traditional	Small Convenience-Based
Mogilev	Park-City	Minskoe shosse, 31	Traditional	Small Convenience-Based

Source: Menka Analytical Center

## Dynamics of leasable spaces commissioning in the shopping centers of the regional centers, sq m



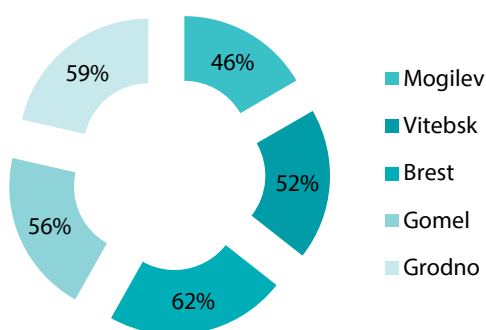
Source: Menka Analytical Center

## Ranking of the regional centers by total leasable area in the shopping centers

Rank	City	GLA, sq m
1	Vitebsk	63817,2
2	Brest	60121,4
3	Grodno	41169,3
4	Mogilev	40235,4
5	Gomel	35490,0

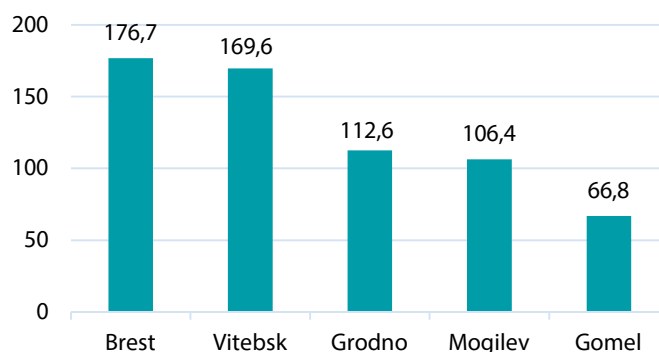
Source: Menka Analytical Center

## Share of the shopping centers with a minimum GLA of 5000 sq m in a total area of all shopping centers of the regional centers



Source: Menka Analytical Center

## Shopping centers provision in the regional centers, sq m per 1000 inhabitants



Source: Menka Analytical Center

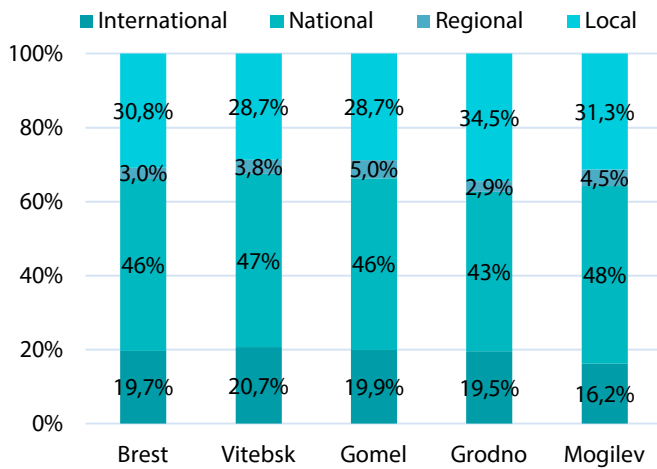
# Retail Property

Analytical market review – 2015

Shopping centers in the regions of Belarus



## Types of retail chains\* in the regional centers



\* According to the classification of retail chains, introduced by the Analytical Center of Menka Company

\*\* Street retail corridor – an area (a pedestrian area or the main street of the city) where stores, dining facilities and services are located within walking distance in order to meet the diverse needs of customers.

Source: Menka Analytical Center

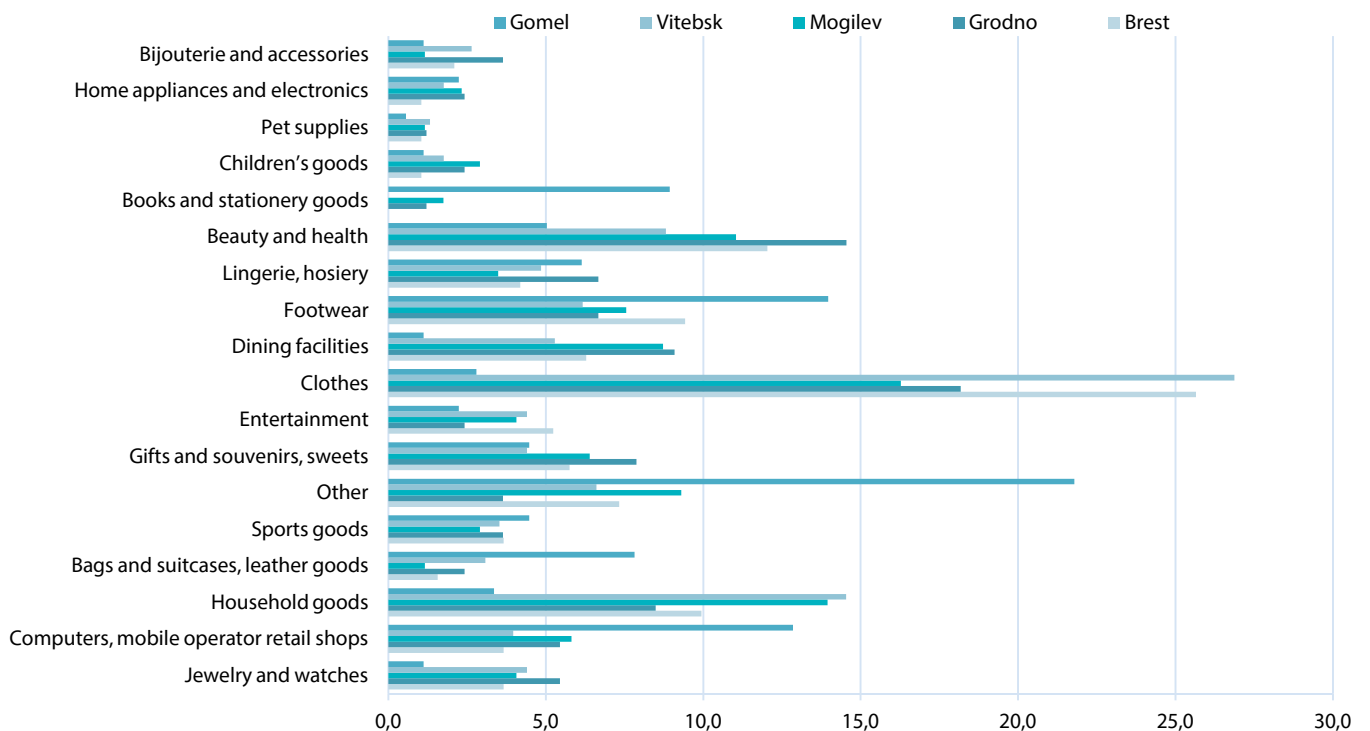
In 2015 retail chains were particularly active in Grodno and Mogilev. Thus, the number of retail chains represented in the shopping centers (min. GLA 5000 sq m) and in the main street retail corridors\*\* of Grodno and Mogilev increased in 2015 by 25% and 20% respectively in comparison to 2014. It happened mainly due to the opening of new stores by international and national retail chains.

The number of retail chains in Vitebsk and Gomel increased in 2015 by 9% and 6% respectively. In Brest, in contrast to other Belarusian regional centers, the number of retail chains decreased by 4.3%. Such retail chains as Axis, Westerly, Vunderkind, Respect, Young Reporter, Tom Farr, Expedition, Samsonite closed their stores in Brest. Retail chains Electrosila and Fialka optimized their business in Brest, leaving only one store working.

In 2015, the most attractive regional center for international retailers was Vitebsk. 11 new international brands entered the Vitebsk market and opened their stores in the shopping centers and in the main street retail corridors of the city.

83% of the brands, that opened their first stores in the regional centers of Belarus in 2015, entered the market with the help of a franchisee, while 17% of the brands have entered the market directly.

## Retail chains in the regional centers by retail sector, %



Source: Menka Analytical Center

Such national retailers as Vero Gusto, ChocoArt, Makey, Vegas, Life and international retailers Kari, DeFacto, LC Waikiki, Kari Kids opened new stores in 2015 at least in 3 regional cities in the shopping centers (min. GLA 5000 sq m) and in the main street retail corridors.

# Retail Property

Analytical market review – 2015

Shopping centers in the regions of Belarus



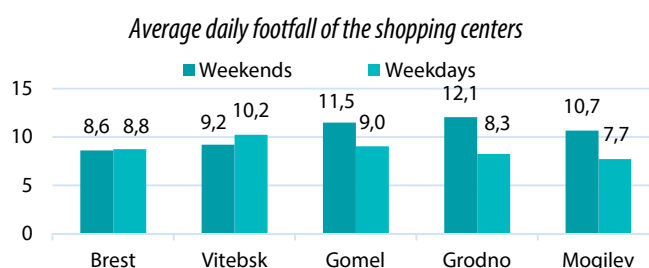
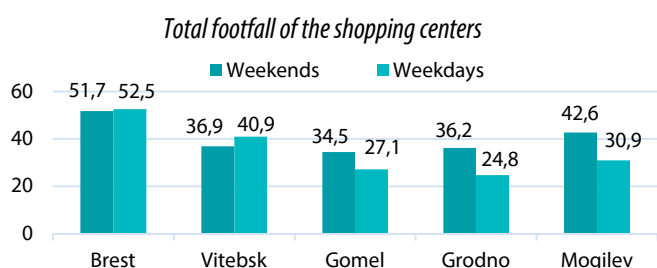
In 2015 the Analytical Center of Menka Company conducted a study of consumer flows in the shopping centers of the regional centers of Belarus. The information was collected using the method of standardized observation. The most common results of customer flows research are presented in the following diagrams and tables.

## Shopping centers under research in 2015

City	Shopping Centers
Brest	Almi, Evroopt, Korona, Asstor-West, Didas Persia, Gallery Grand
Vitebsk	Marko-City, Korona, Evroopt, Mega
Gomel	Gippo, Evroopt, Secret
Grodno	Almi, Korona (Tabak-invest LLC), Korona (Part B, Korona FLLC)
Mogilev	Gippo, E-City, Armada Evroopt, Armada Atlas

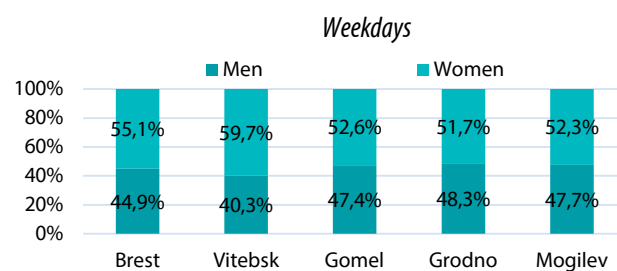
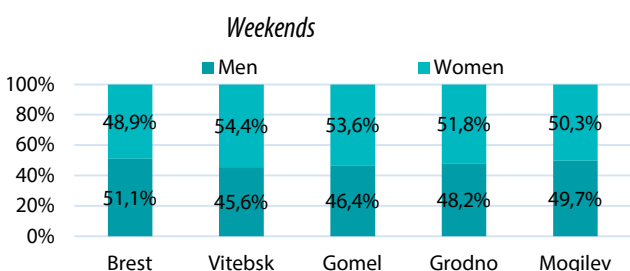
Source: Menka Analytical Center

## General indicators of footfall in the shopping centers of regional centers, thousand people per day



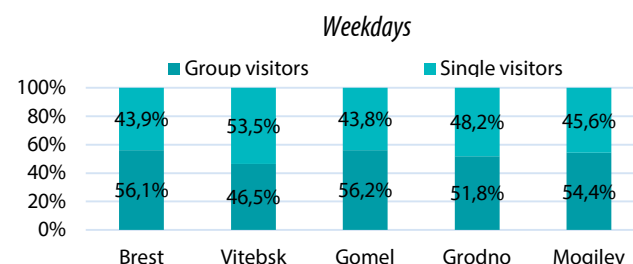
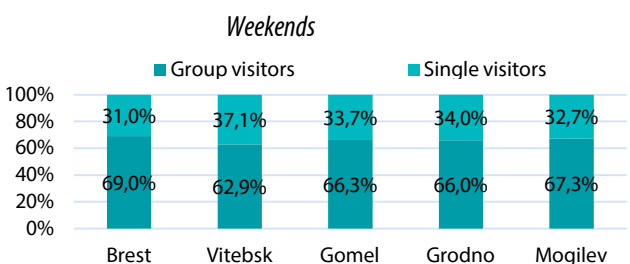
Source: Menka Analytical Center

## Gender structure of total customer flow in the shopping centers



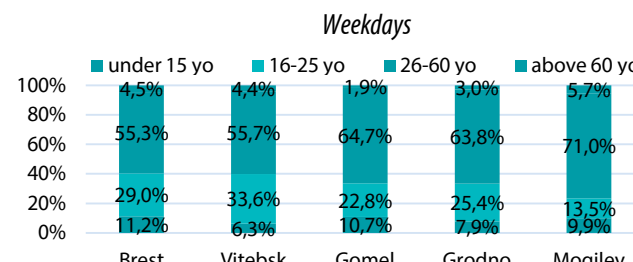
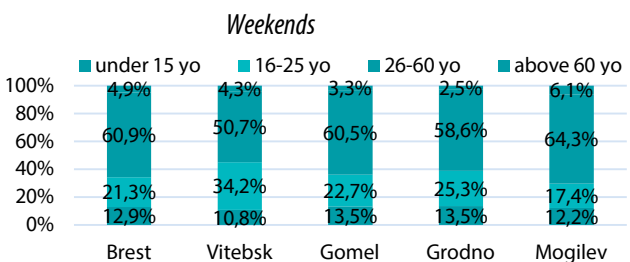
Source: Menka Analytical Center

## The structure of total customer flow in the shopping centers by visit format



Source: Menka Analytical Center

## Age structure of customer flows in the regional shopping centers



Source: Menka Analytical Center