

Shopping mall construction slowing, but not over

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Just 29,000 sqm of new shopping center space will be added to the market this year, according to Cushman & Wakefield. It lists the Centrum Stromovka project in Prague 7 along with the 14,000 sqm expansion of one of the oldest malls in the Czech Republic – Avion Shopping Park Brno. The addition will bring the total retail space on offer there to 94,000 sqm. But this year's reduced level of new supply doesn't spell the end of mall construction in the country.

"Demand for new shopping mall space in CEE is largely influenced by macroeconomic trends," says Jan Kotrbáček, a partner and leader of the retail leasing team at Cushman & Wakefield. "For example in Poland, growth is being driven by a strong economy and there's a great deal being built there. But the role played by changing consumer habits is also having an effect as is the growth of online shopping, especially on the western markets.

A new study by Cushman & Wakefield warns that with most shopping center markets now reaching maturity across Europe, the gulf between successful and secondary shopping malls will widen, with the weaker properties likely to be forced to diversify in order to survive.