

Colliers

REPORT

# Luxury Retail Brands in CEE



Emerging Elegance:  
The Rise of Luxury Retail in CEE

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# 01

CHAPTER



# Introduction





# Expensive tastes: Rosy outlook for luxury retail in CEE-6

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Silviu Pop



**The CEE region has arguably been one of the most dynamically developing in the world, which has given birth to a growing middle class, as well as some ultra-wealthy. Although the focus of this report is the latter, upper-middle income citizens often like to splurge on more expensive gifts.**

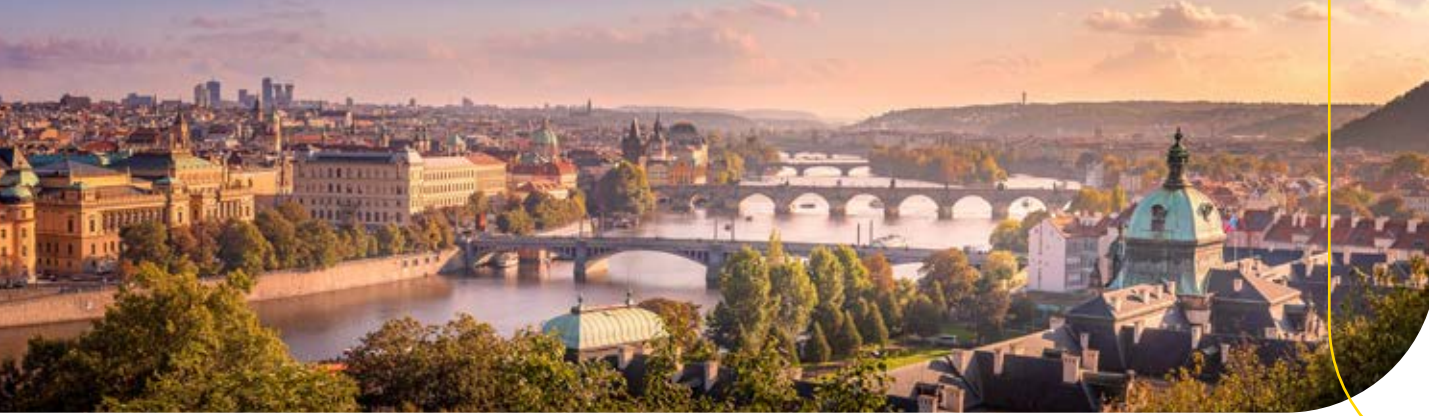
That said, the CEE-6 countries are still quite far from Western European levels of wealth despite having come a long way over the past two decades. This disparity is understandable, given that closing the gap in capital accumulation cannot be achieved substantially within only a couple of decades. The good news is that progress is occurring at a commendable pace. The growth dynamic of the Central and Eastern Europe market is impressive. This rapid development is accompanied by a strong increase in aspirations for a Western standard of living, a trend that is particularly evident among consumers during business and tourist travels.

According to Eurostat's distribution of disposable income in 2022 in the CEE-6 by certain income groups, particularly in the top of the range, to break into the top 1% (i.e. to earn more than 99% of the population or be in 99th percentile), one needs a disposable income varying between over 18,000 EUR per year in Romania and nearly 38,000 EUR in Czechia. In contrast, to be classified among the affluent in Germany, France, and the Netherlands, one needed an annual income of around 90,000 EUR.

Even in less affluent Eurozone countries like Spain the benchmark was substantially higher at 60,000 EUR per year. Looking at the broader data, we find that the entry point into the wealthiest 10% or 20% of individuals in certain countries in Western Europe is fairly close to what we see in some CEE countries for the wealthiest 1%.

At the first glance, this data may not seem promising, but it is crucial to stress the importance of historical context. Western Europe has benefited from many more decades of capital accumulation than the CEE countries, which faced setbacks under communism until 1989. What we can see, though, is the CEE-6 catching up quite fast. Between 2005 and 2022, the cut-off point of income for entry for top 1% has more than doubled in all CEE-6 countries. Bulgaria stands out with an increase of nearly 6 times over this period. In comparison, countries like Spain, France, Germany or Netherlands experienced increases of 55% to 67%, which is less than half of the growth rate seen in most of the CEE-6 countries.

Another significant point is the increasing prevalence of high net worth individuals in Eastern Europe. The Financial Times' list of fastest growing companies in Europe highlights this trend. Back in 2017, in the first edition, Poland had 6 companies features on the list, Romania had 5, the Czech Republic had 4, Hungary and Bulgaria had 1, and Slovakia had none; totaling to 17 companies out of 1,000



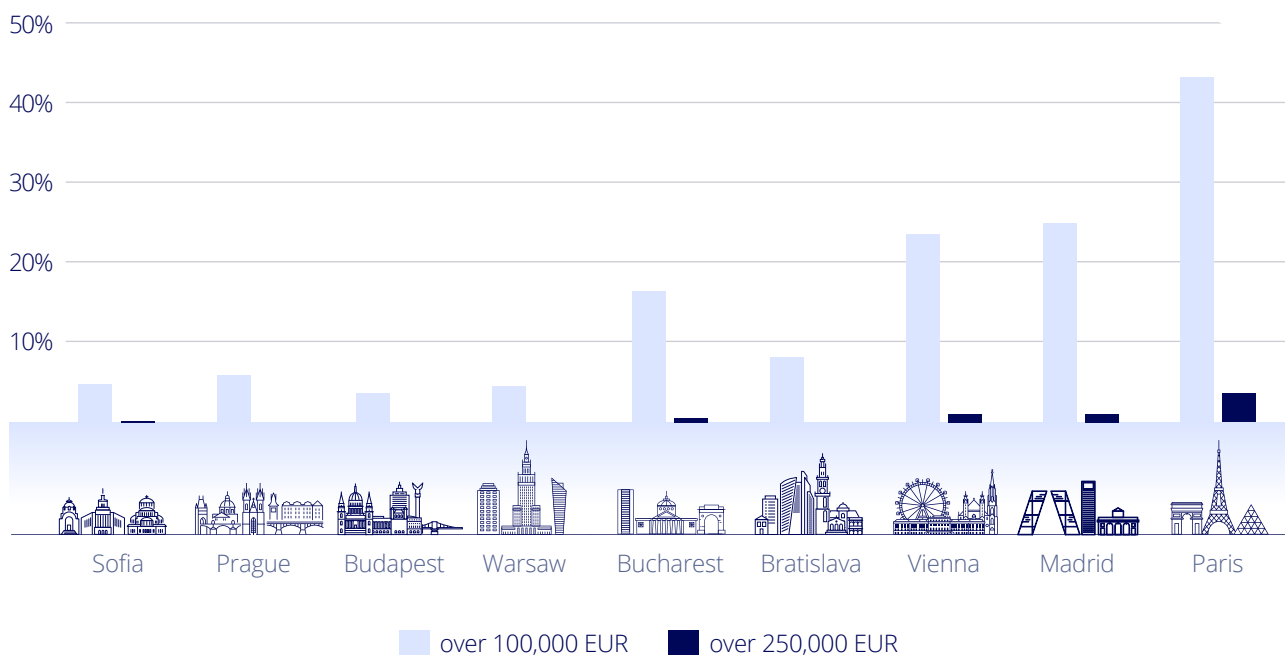
in total between all CEE-6 countries. By 2024, the FT's list now features a whopping 83 companies from these countries, with Poland alone contributing 48 of them. All in all, this suggests a rapidly growing number of wealthy inhabitants in Eastern Europe driven by the emergence of these successful businesses.

Lastly, this report includes figures from Oxford Economics that estimate the distribution of household disposable income in various European cities. The analysis focused on the share

of households earning over 100,000 EUR per year. In Budapest, Prague, Sofia and Warsaw around 2% of households have a disposable income of at least 100,000 EUR/year. Bratislava have a 4% share, while Bucharest stands out with 8%.

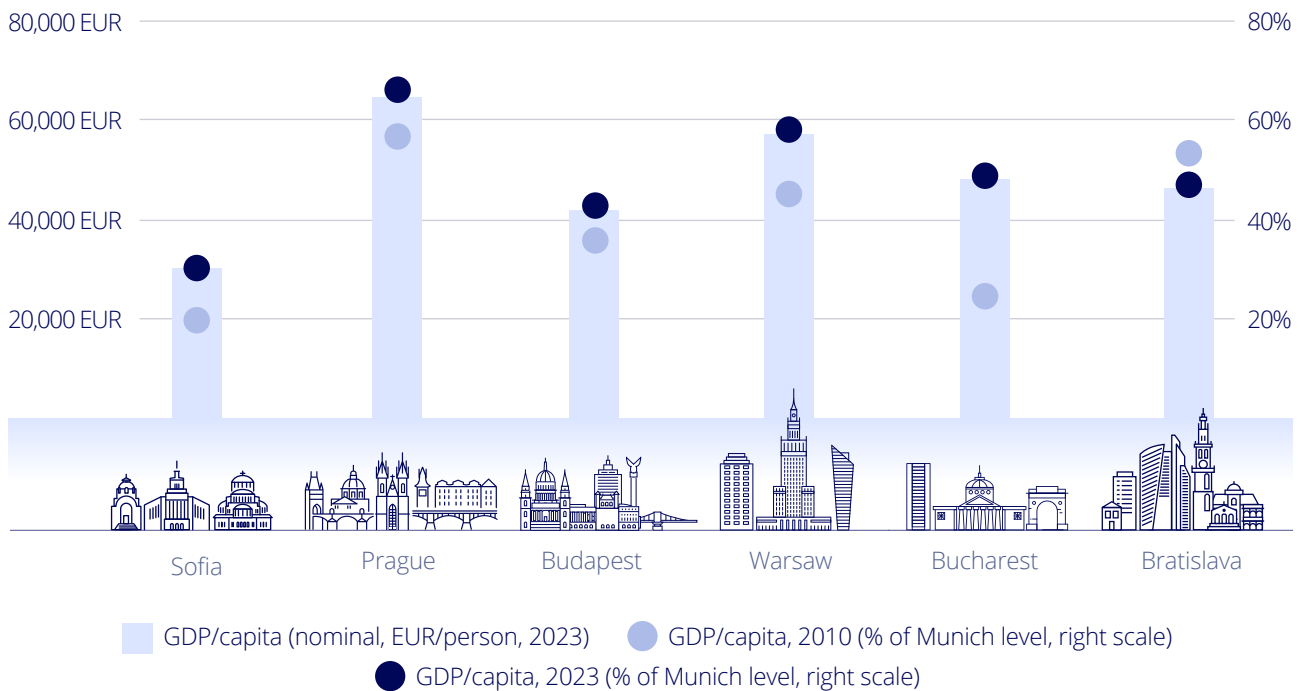
The prevalence of wealthy households, in nominal terms, is significantly lower than in Western European cities. For example, Vienna and Madrid have around 11-12% of households earning over 100,000 EUR annually, while Paris has over 21%.

## PERCENTAGE OF HOUSEHOLDS BY DISPOSABLE INCOME BAND





## CEE CAPITAL CITIES MOSTLY CLOSING THE GAP RELATIVE TO DEVELOPED WESTERN CITIES



However, these figures are all in nominal terms. When adjusted for the lower cost of living – primarily real estate, but also goods and services, the gap between Eastern and Western Europe shrinks considerably. For instance, as per Eurostat data, France has overall price levels around 110% of the EU average, while CEE-6 countries range from 59% to 86% of the EU average, with Bulgaria at the lower and Slovakia at the higher end. Therefore in real terms, adjusted for price levels, the economic gap between the CEE and Western economies is not that insurmountable.

Overall, there are a lot of reasons to be optimistic about the income growth in the CEE, including at the higher end of the income range, which indicates better times for luxury retailers, the

focus of this report. While the attention has been on local purchasing power, another relevant is international travel. In this area, the CEE countries cannot yet compete on equal terms with globally established hotspots for luxury commerce, though things are improving on this front as well. On the upside, the markets in the CEE region are much less crowded, offering higher margins for the retailers that do business here – fact which is supported by data.

In summary, the CEE-6 present an increasingly promising environment for retailers of all type, including luxury with the added benefit of being a much less crowded space. If the last 10-15 years have been favourable for luxury retail, the next should be even better if current economic trends hold.

# 02

CHAPTER



# Luxury brands



Ethos building, Warsaw

# What makes the brand „luxury“





**Luxury is a term that transcends mere material possessions; it embodies a lifestyle, an aspiration, and a sense of exclusivity. At its core, a luxury brand is characterised by several key elements that collectively elevate it above the ordinary and imbue it with an aura of prestige.**

First and foremost, quality is paramount. Luxury brands are synonymous with exceptional craftsmanship, meticulous attention to detail, and the use of the finest materials. Whether it's a handcrafted leather handbag or a Swiss-made watch, the tangible quality of luxury goods is immediately apparent and serves as a testament to the brand's commitment to excellence.

Exclusivity is another defining characteristic of luxury brands. By deliberately limiting production quantities or offering bespoke customization options, luxury brands create an air of rarity and exclusivity that sets them apart from mass-market offerings. This exclusivity not only enhances the perceived value of the product but also fosters a sense of belonging among consumers who aspire to be part of an elite community.

Heritage and tradition play a significant role in the allure of luxury brands. Many prestigious houses boast centuries-old legacies, with a rich history of innovation, refinement, and patronage by royalty and celebrities. This heritage not only lends credibility and authenticity to the brand, but also adds layers of meaning and

storytelling that resonate with consumers on a deeper level.

Brand image and perception are crucial aspects of luxury branding. Through carefully curated marketing campaigns, brand partnerships, and ambassadorships, luxury brands cultivate an aspirational lifestyle that appeals to the desires and ambitions of their target audience. From glamorous fashion shows to opulent flagship stores, every touchpoint reinforces the brand's identity and reinforces its status as a purveyor of luxury.

Finally, pricing is a key factor in defining luxury. While luxury goods often command premium prices, the value proposition extends beyond mere cost. Consumers are willing to pay a premium for the intangible benefits associated with luxury, including prestige, status, and the assurance of unparalleled quality and service. It's worth to mention the mass perception of the brand. Especially in the developing markets, where luxury shopping destinations are not fully developed, sometimes bridge brands, who are located next to luxury brands, will be perceived as luxury brand themselves.

In conclusion, what makes a brand "luxury" is a combination of superior quality, exclusivity, heritage, brand image, and pricing. By embodying these attributes, luxury brands transcend the realm of commerce to become symbols of aspiration, refinement, and unvarying elegance.



Sense of belonging

Prestige

Exclusivity

Pricing

Logo and branding

Status

Luxury brand

Craftsmanship

Heritage

Finest materials

Excellence

Credibility and authenticity

Finest materials

Brand perception

Status and prestige

Well-known designer

Location

# What makes the brand „luxury“

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## Process of entering a new market

To successfully enter into a new market, brands must gather crucial data points to make informed decisions. These include the number of tourists or visitors (by country) and the potential of the city to attract tourists, as well as the concentration of local wealth, particularly individuals with higher incomes.

This information is essential in determining the success of the brand in that market, especially for powerful luxury brands like Louis Vuitton and Hermes that pioneer direct operations in new markets. However, if a brand is already present in the market through a multi-brand store or has a partner operating a mono-brand store, the decision becomes much easier. In such cases, the brand can simply take over the store from its partner.

Another way for a brand to gain approval for a new market is if it is part of a larger

group, such as LVMH, Kering, Capri Holding, Tapestry, Richemont, etc.

If the group already has a presence in the market with another brand from their portfolio, it becomes easier to predict the success of the new brand by collecting data from the existing store.



# What makes the brand „luxury“

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## Difference between “bridge” and “luxury” brands.

Bridge brands occupy a middle ground between mass-market, premium and luxury brands, offering quality products at a more accessible price point than luxury brands. While bridge brands may share some characteristics with luxury brands, such as superior craftsmanship and design, they typically target a broader consumer base with more affordable pricing strategies.

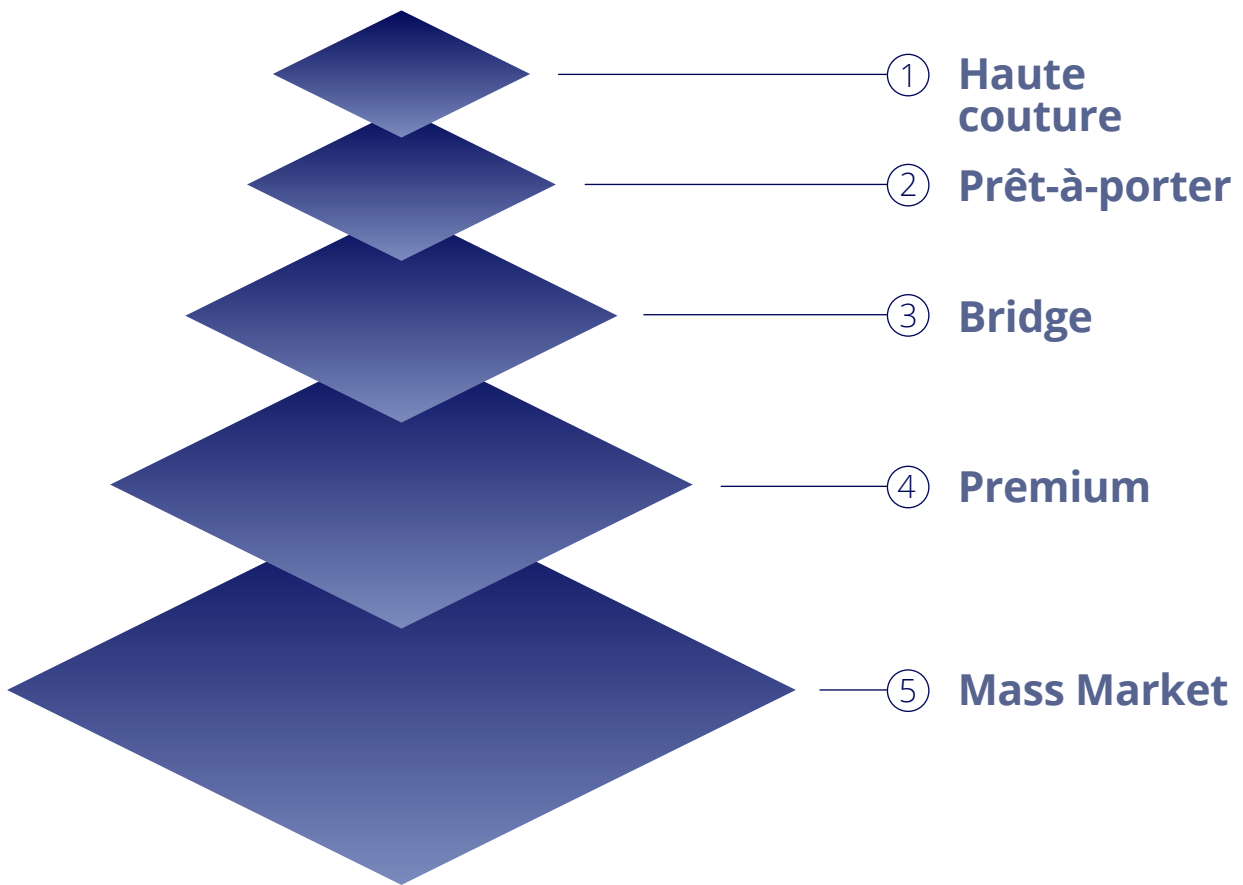
Luxury brands, on the other hand, are characterised by exceptional quality, exclusivity, heritage, brand image, and higher pricing. They offer products crafted with meticulous attention to detail and the finest materials, creating a sense of prestige and desirability.

Luxury brands often prioritise exclusivity, limited production, and bespoke options, appealing to consumers who seek status, sophistication, and superior quality.

In summary, the primary difference between bridge and luxury brands lies in their pricing strategy, target audience, and level of exclusivity. While bridge brands offer quality products at a more affordable price point to a broader consumer base, luxury brands cater to discerning consumers who value prestige, exclusivity, and the highest standards of craftsmanship and design.



## THE FASHION PYRAMID



# Luxury fashion brands in the CEE-6

The analysis involved **179 brands**, which were categorised **into three groups**:

- Supreme luxury and aspirational luxury
- Accessible luxury
- Premium brands

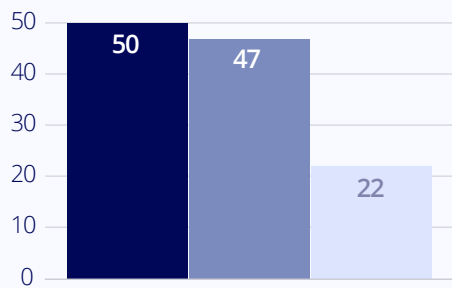


Each brand was evaluated and assigned to a category based on several factors. The categorisation resulted in 64 supreme and aspirational luxury, 71 “bridge” brands and 44 brands in the premium category.

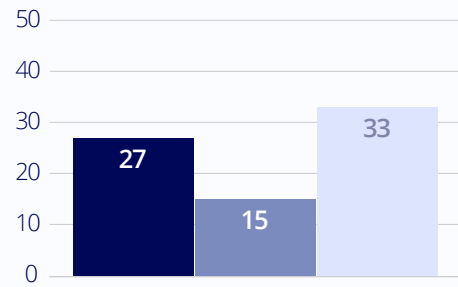
The analysis shows that luxury and premium brands have most often chosen the Czech market, ahead of the Polish one. It is especially visible in the number of the supreme luxury brands, where almost 80% of them were active in Poland, Czech Republic as well as Romania. However, further examination of the operational form is also important, as in Poland and Romania brands appear mostly in multi-brands, while Czech market sees a higher presence in own stores.

## NUMBER OF ANALYSED BRANDS BY COUNTRY AND GROUP TYPE

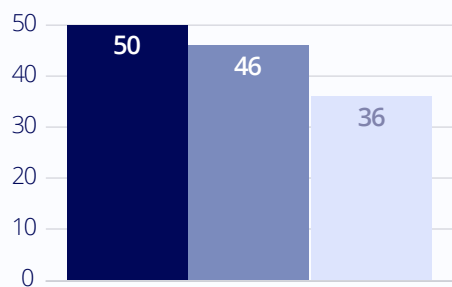
### Poland



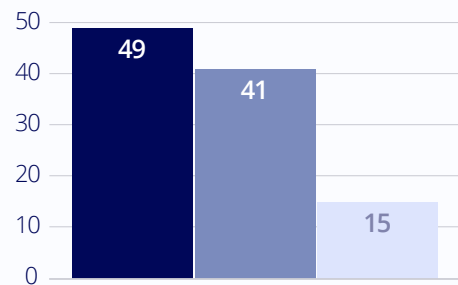
### Hungary



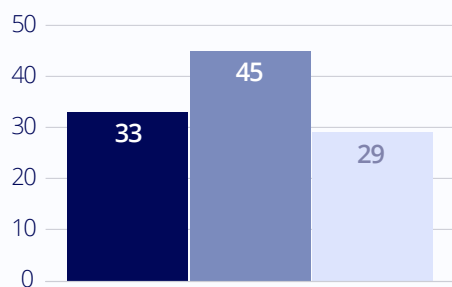
### Czech Republic



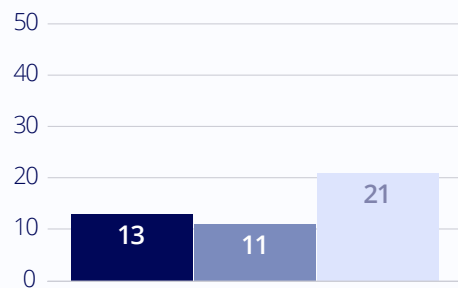
### Romania



### Slovakia



### Bulgaria



# Form of operation by country - Supreme luxury brands

- In multi-brand
- Own stores
- Partner / Franchise

## Poland



## Czech Republic



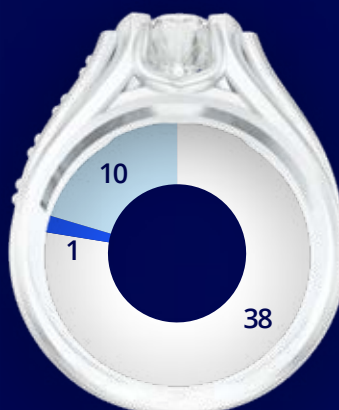
## Slovakia



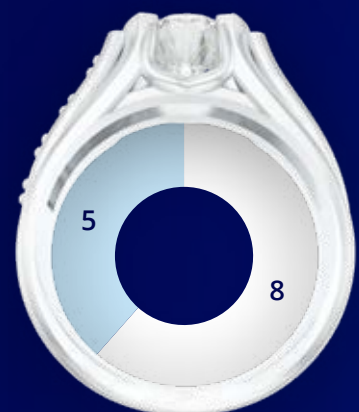
## Hungary



## Romania



## Bulgaria





That is why brands were analysed in terms of its form of operation in each of CEE-6 countries. This involved evaluating the specific business model each brand employs in different markets. By examining these operational forms, the study aimed to understand how each brand establishes and develops its presence across various countries.

The Czech Republic stands out as the most mature market for luxury brands in the CEE region. With a well-developed retail infrastructure, Prague has become a hub for high-end fashion and luxury goods.

Poland and Hungary can be considered developing markets with excellent growth prospects for luxury brands. Initially, luxury brands entered these markets through multi-brand stores and partnerships. Following successful performance in these formats, many brands are now looking to open their own stores to capitalise on the increasing demand.

Romania's luxury market is characterised predominantly by multi-brand stores and partner shops. Slovakia and Bulgaria are in the early stages of developing the market.



Ethos building, Warsaw



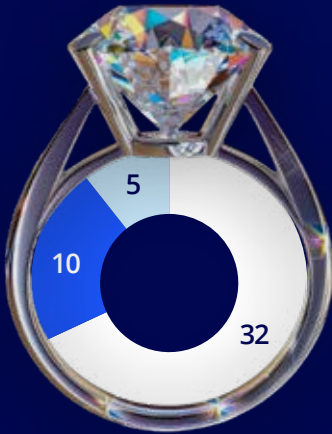




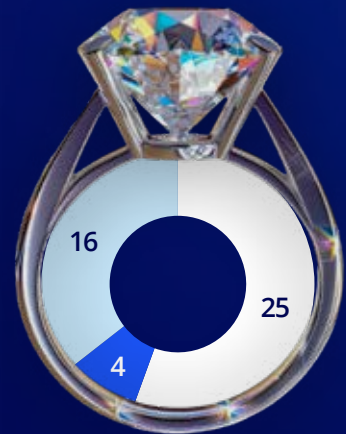
# Form of operation by country - "Bridge" brands

- In multi-brand
- Own stores
- Partner / Franchise

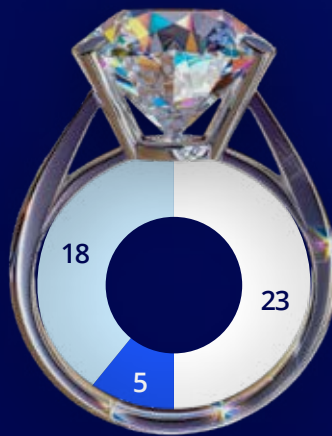
## Poland



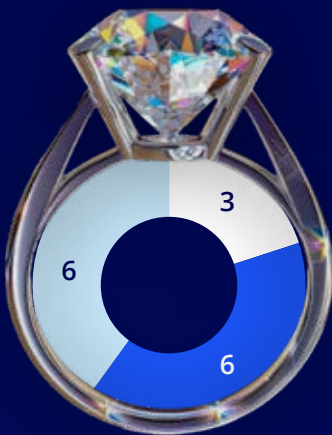
## Slovakia



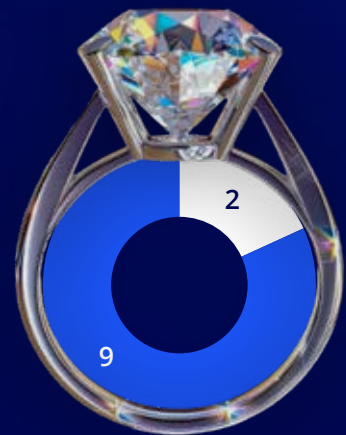
## Czech Republic



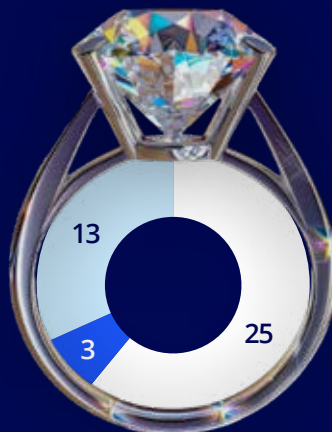
## Hungary



## Bulgaria



## Romania





# Form of operation by country - Premium brands

- In multi-brand
- Own stores
- Partner / Franchise

## Czech Republic

### Poland



### Slovakia



## Romania

### Hungary



### Bulgaria



# 03

CHAPTER



## Market Overview Warsaw



# Warsaw

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DISTANCE  
TO MAIN EUROPEAN FASHION CAPITALS



Berlin .....	600	km
Vienna .....	670	km
Milan .....	1,530	km
Paris .....	1,610	km



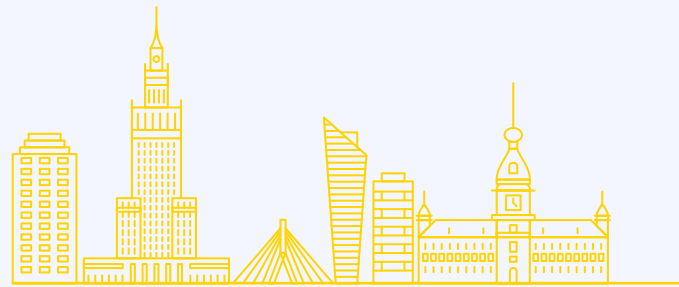


# Warsaw: city insights

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Warsaw is a vibrant metropolis known for its rich history, dynamic culture, and rapid economic development. With a agglomeration population of over 3 million people, it serves as the political, economic, and cultural centre of the country, a well-recognised business destination in the CEE region and an attractive place to live according to the results of various comparative rankings of cities.





### Number of inhabitants

# 3.27 million

in agglomeration for 2023



### Demographic trend

# +8.1%

Population growth in capital agglomeration 2023 vs. 2018



### Number of inhabitants

# 36.7 million

in country for 2023



### Capital city residents (% of the country)

# 9%



Data source: Eurostat

Warsaw has emerged as a thriving hub for business and entrepreneurship in Central and Eastern Europe. Its strategic location, well-developed infrastructure, and favourable business environment have attracted international corporations, leading to a robust economy and a wealth of job opportunities.

The city's skyline is constantly evolving, with skyscrapers symbolising its status as a major player in the global economy. In addition, the low unemployment rate attracts job seekers from within and outside of the agglomeration.



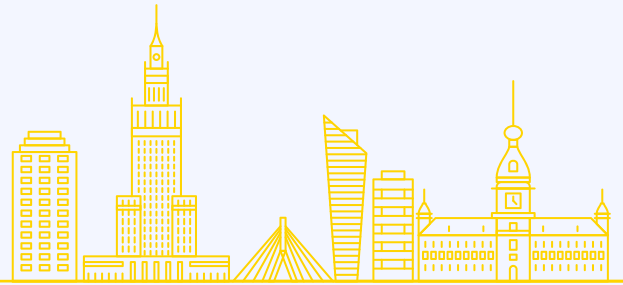
Warsaw boasts a vibrant cultural scene, with world-class museums, galleries, theaters, and music venues attracting art enthusiasts from around the globe. From classical concerts at the Warsaw Philharmonic, through art exhibitions at the Museum of Modern Art, National Museum or Zachęta Gallery to music clubs and summer festivals, there is no shortage of cultural experiences to explore.

Despite being heavily damaged during World War II, the city has undergone extensive reconstruction, with meticulously restored landmarks such as the Old Town, a UNESCO World Heritage Site, showcasing its resilience and determination to preserve its heritage.

The city is a home to multiple prime residential investments. Luxurious penthouse apartments are located both in renovated tenement houses as well as in modern skyscrapers from which the cityscape unfolds.

Looking ahead, Warsaw's attractiveness and the status of the main business hub will persist. New residential and office investment will complement the development of the city center, creating attractive living spaces. In addition, initiatives aimed at revitalising and modernising public spaces will influence central parts of the city and enhance the city's appeal as a shopping and lifestyle destination. From pedestrian-friendly streets to green initiatives, Warsaw is embracing the future of retail while preserving its unique identity and charm.





Warsaw's combination of historical significance, cultural richness, economic vitality and retail diversity makes it an attractive destination for residents, tourists, and businesses alike.

With ongoing investments in infrastructure, technology, and sustainability, the city is poised to further enhance its attractiveness and solidify its position as a leading global city.

### Purchasing power – Warsaw agglomeration

**14,376 €**

(per capita  
yearly)



### Purchasing power – country

**9,447 €**

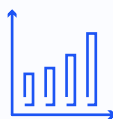
(Per capita  
yearly)



### Purchasing power index

**1.52**

Warsaw agglomeration  
/country relation



### GDP per capita

**56,781 €**

Capital city

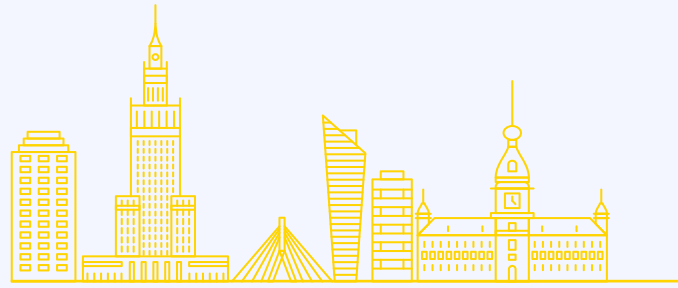


Data source: MB Research/esri, Eurostat



Ethos building, Warsaw





## Unemployment rate in Poland



## Total office stock

6.2 million

2023,  
in m<sup>2</sup>



## Office stock dynamics

+14.0%

Change 2023  
vs. 2018



## Average residential sales price

3,579

2023, (EUR/m<sup>2</sup>)

Source: Report "The Living Sector in CEE-6", Colliers, 2023

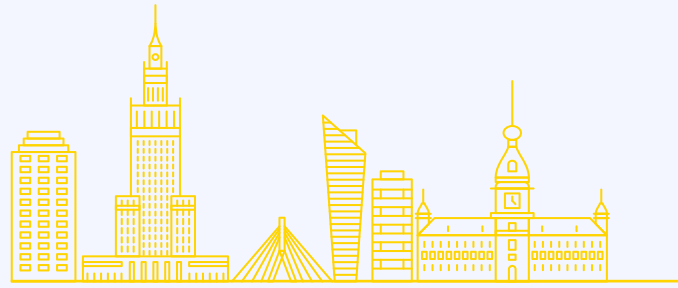


Data source: Eurostat, Colliers









## Number of 5-star hotels

# 15

within Warsaw agglomeration



## Airport traffic

# 21.9 million

Total number of passengers, 2023\*



## Number of destinations

# 123

direct flights from the airport



## Airport traffic dynamics

# +4.8%

Change 2023 vs. 2018



Data source: Eurostat, Colliers

\*Warsaw Chopin and Modlin airports, sum



# Luxury Retail in Warsaw

In terms of retail, Warsaw's strengths lie in its diverse shopping offer. The city is home to multiple schemes – from convenience centres to large shopping malls and high streets, covering every taste and budget.

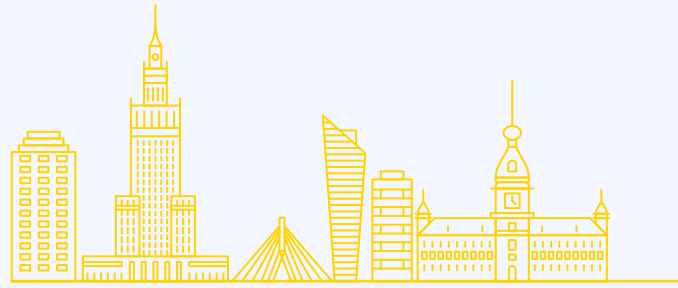
Warsaw's most prestigious luxury and premium retail areas are located next to the Royal Route, in two main hubs. Most high-end brands are concentrated in multi-brand stores. One is around Plac Trzech Krzyży, including Vitkac (Bracka Street) and Ethos Warsaw, hosting brands such as DIOR, BVLGARI, Omega, ZEGNA, Saint Laurent, Chloe and Louis Vuitton. The area consists of multiple well preserved historical buildings and is located in close proximity to key administration buildings, embassies as well as well-known restaurants. Adjacent Mokotowska Street, featuring richly decorated, restored tenement houses, has the potential to be an extension of this area and it can turn into a center of luxury and prestige.

The other main premium and luxury retail hub is located close to the Old

Town, near Plac Piłsudskiego and the Grand Theatre. This retail hub includes the Moliere Street and well-known luxury retail locations such as Raffles Europejski or Metropolitan office scheme. The proximity to Old Town, most prestigious hotels and historical landmarks like the Presidential Palace highlight the importance and status of the area.

Additionally, mono-brand and multi-brand premium stores are located in two shopping centers targeting high-end customers. The largest clusters of premium brands in shopping centers are located in Westfield Mokotów and Warsaw's Klif.





**Number of HNWI  
over 100,000 EUR\***

**16,980**

\* Number of households  
by disposable income  
band - over 100,000 EUR



**Share of HNWI  
(over 100,000 EUR\*)**

**1.8%**

\* Share of households  
with disposable income  
band over 100,000 EUR



**Number of HNWI  
over 250,000 EUR\***

**70**

\* Number of households  
by disposable income  
band



**Share of HNWI  
(over 250,000 EUR\*)**

**0.01%**

\* Share of households  
with disposable income  
band over 250,000 EUR



Data source: Oxford Economics, 2024



# Selected brands locations in Warsaw

	<b>Exemplary Brands</b>	<b>Location</b>
1	Hermes, Brunello Cucinelli / Celine, Valentino, TOM FORD / Balmain	Krakowskie Przedmieście / Plac Piłsudskiego / Moliera (Northern Hub)
2	Louis Vutton, Saint Laurent, Chloe, Versace, GUCCI, Omega, ZEGNA, DIOR, BVLGARI	Bracka / Plac Trzech Krzyży / Mokotowska (Southern Hub)
3	Elisabetta Franchi, LIU JO, Michael Kors, Pinko, Teilor, Twinset	Westfield Mokotów
4	Boggi Milano, LIU JO, Michael Kors, Wolford	Dom Mody Klif







PRAGA PÓLNOC

MURANÓW

POWĄZKI

NOWOLIPKI

OLD TOWN

SASKA KĘPA

CZYSTE

Aleje Jerozolimskie

STARA OCHOTA

UJAZDÓW

SIEKIERKI

WYGLĘDÓW

MOKOTÓW

WIERZBNO

SADYBA

OKĘCIE

SŁUŻEWIEC

Aleja Wilanowska

STEGNY

SŁUŻEW



Chopin Airport



Aleja Jana Pawła II

Aleja Solidarności

Marszałkowska

Waryńskiego

Wotowska



Małgorzata Kobziakowska

Associate Director | Retail Agency  
Poland

## BRANDS' ATTENTION ON WARSAW

Luxury brands are focusing their attention on Warsaw, where two main areas of interest are located: the vicinity of Plac Trzech Krzyży and Piłsudski Square. It is where key tenants, both with mono-brand stores and well-performing multi-brand partner stores concentrate. Plac Trzech Krzyży area is famous for Louis Vuitton, Gucci, Zegna, Rolex or Omega stores. In addition, a Michelin star restaurant Nuta by Andrea Camastra is located there.

The Northern hub, in the area of Plac Piłsudskiego attracts with Hermes, Brunello Cucinelli or Redford & Grandt and Moliera 2 partnership stores.

After opening of renovated Raffles Europejski hotel and it's prestigious offer, market expected further openings of the top-class stores. The entering of Hermes in 2019 was expected to be a sign of the new era of Polish luxury market.

Although during pandemic and post-pandemic time, we faced slowdown in further entry decisions.

Thanks to positive market verification through collaborating stores, we are expecting grand openings of major players in the coming weeks. Vitkac department store will welcome the long-awaited direct

Dior store in the upcoming weeks, and this year's summer see the opening of the first luxury mono-brand jewelry salon – Bvlgari, in the Ethos Warsaw building.

We observe increased interest from brands in the highest luxury segments willing to open mono-brand direct stores, indicating that the Polish market is entering a new, more mature stage. We look forward to see it growing!

*Thanks to positive market verification through collaborating stores, we are expecting grand openings of major players in the coming weeks.*

# 04

CHAPTER



## Market Overview Prague





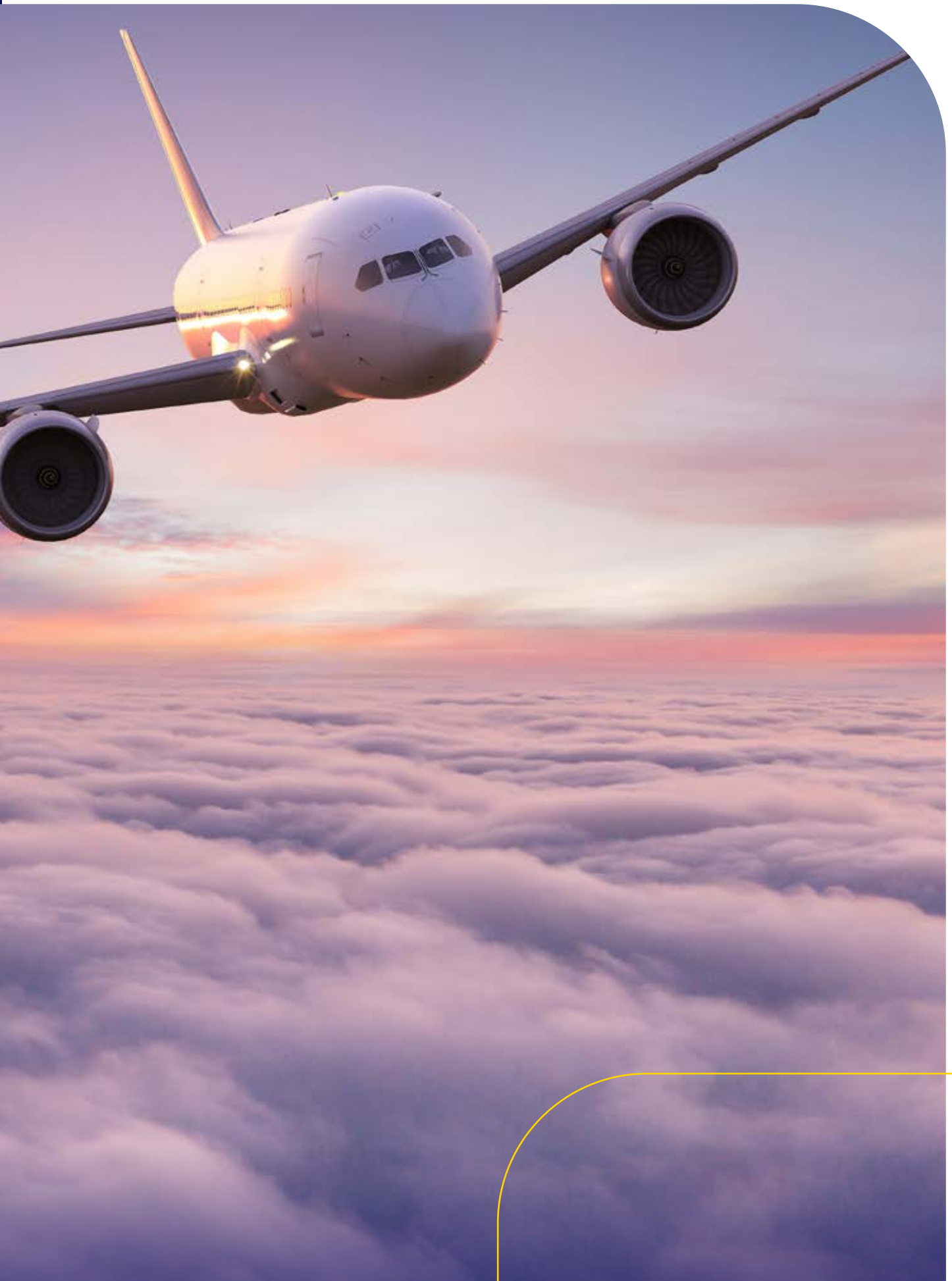
# Prague

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DISTANCE  
TO MAIN EUROPEAN FASHION CAPITALS



Vienna .....	300	km
Berlin .....	350	km
Milan .....	870	km
Paris .....	1,030	km

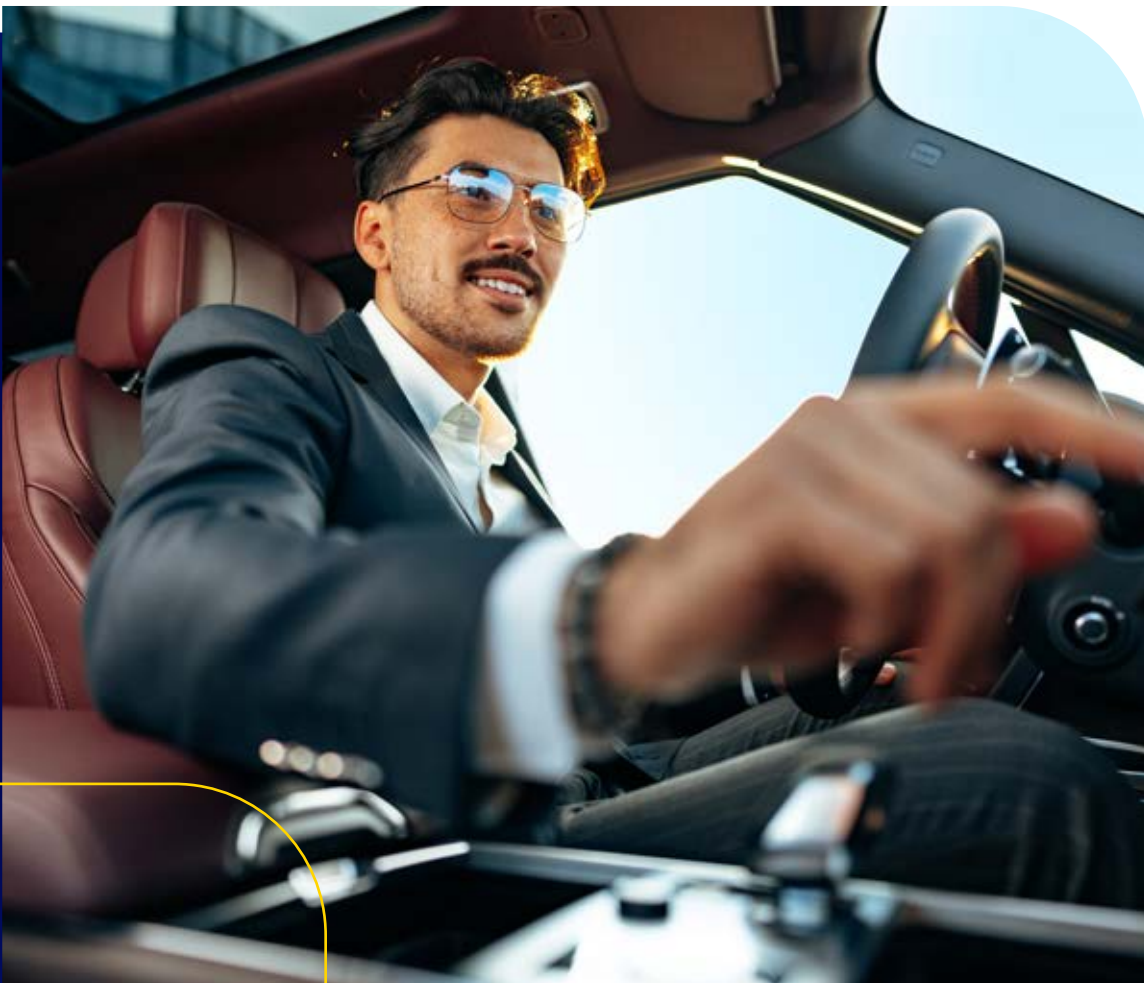




# Prague: city insights

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Sitting on the banks of the Vltava River, Prague is one of the most beautiful cities. Its well-preserved castles, Baroque and Gothic cathedrals, and medieval squares create an awe-inspiring atmosphere. The city is full of galleries and museums, which ranks it among the top cultured spots in Europe and a natural destination for every art and history enthusiast.







### Number of inhabitants

**2.79 million**

in agglomeration for 2023



### Demographic trend

**+5.6%**

Population growth in capital agglomeration 2023 vs. 2018



### Number of inhabitants

**10.8 million**

in country for 2023



### Capital city residents (% of the country)

**26%**



Data source: Eurostat

The city itself is considered very safe and sustainable. With one of the best public transport networks in the world, Prague is also compact and walkable, meaning that every major sighting is within reach and the city itself is easy to discover.

Although the landscape is not flat, some shared bikes and scooters can be found within the city centre.

All this is complemented by an interesting variety of restaurants, bistros and bars offering either world-class quality, great taste or in the case of beer, part of national heritage.



In the future, the city could profit from new architecture, highlighting the contrast between historical architectural intricacies and super-

modern architecture. The city proposed many ambitious projects, with the new Philharmonic Hall being the most ambitious.



The city also works tirelessly to create more public transport connections and public space improvements such as new rail, metro, tram, bus stations and bridges, along with new parks, sports and meeting places. Apart from the public

sector, private investors' focus has lately been on the many properties in the city centre and high street. This could lure more retailers and interesting concepts into Prague in upcoming years.

### Purchasing power – Prague agglomeration

**14,533 €**

(per capita  
yearly)



### Purchasing power – country

**12,192 €**

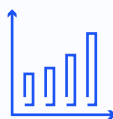
(per capita  
yearly)



### Purchasing power index

**1.19**

Prague agglomeration  
/country relation



### GDP per capita

**64,292 €**

– Capital city



Data source: MB Research/esri, Eurostat







## Unemployment rate in Czech Republic



## Total office stock

**3.9 million**

2023,  
in m<sup>2</sup>

GLA

## Office stock dynamics

**+12.1%**

Change 2023  
vs. 2018



## Average residential sales price

**6,352**

2023, (EUR/m<sup>2</sup>)

Source: Report "The Living  
Sector in CEE-6", Colliers, 2023



Data source: Eurostat, Colliers







## Number of 5-star hotels

# 51

within Prague agglomeration



## Airport traffic

# 13.8 million

Total number of passengers, 2023



## Number of destinations

# 167

direct flights from the airport



## Airport traffic dynamics

# -17.9%

Change 2023 vs. 2018



Data source: Eurostat, Colliers





# Luxury Retail in Prague

---

Prague has three defined high-street shopping destinations. Wenceslas Square – a boulevard that starts at one end with the grand building of the National Museum and ends at the crossroad of Na Prikope Street and 28 Rijna Street. Wenceslas Square has the biggest retail space in Prague and therefore the offer defined it as a mass market destination with brands like C&A, Primark, Reserved, and department stores like Van Graf and M&S.

Also, it has a vast offer of restaurants and is the only place in Prague where all the fast-food operators are located, from KFC, and McDonald's to the latest market entries, Popeyes and Five Guys. Na Prikope Street is the shopping destination for Fashion Mass & Premium brands. The street has the highest footfall in Prague with over 80.000 visitors daily. The street is home to mixture of premium and mass market fast fashion brands like Gant, Tommy Hilfiger, Michael Kors and Mango, Zara, and H&M.

Parizska Street is the luxury shopping destination and the only luxury hub in the

CEE region. The street is considered a mature prime street, but the truth is that it took only a few years for the street to be recognised as a luxury destination.

Everything started in 1997 when Hermes opened a small shop on the street, followed by Louis Vuitton in 1998. Now all the units on the street occupied by the majority of directly operated luxury fashion brands like LV, Hermes, Dior, Cartier, Saint Lauren, Ralph Laurent, Versace, Celine, Bulgari, Balenciaga, Tiffany&Co, Fendi, Prada, Gucci, Burberry, Jimmy Choo, Moncler, RIMOWA, Chanel, Zegna also COS and Furla. Some of the mono brands are still operated by partners like Ferragamo, Bottega Veneta, Rolex, Valentino, Salvatore, Dsquared, Dolce & Gabbana, Brunello Cucinelli, Hogan, Montblanc, Patek Philippe, Piaget, Breitling and Roberto Coin, Gismondi, Longchamp, Pinko, Elisabetta Franchi, and Philip Plain. There is still one multi-brand store left on Parizska 17 caring brands like Tom Ford, McQueen, Loewe, Givenchy, Balmain, Chloe, Jacquemus, and Off-White, brands





**Number of HNWI  
over 100,000 EUR\***

**18,650**

\* Number of households  
by disposable income  
band



**Share of HNWI  
(over 100,000 EUR\*)**

**2.71%**

\* Share of households  
with disposable income  
band over 100,000 EUR



**Number of HNWI  
over 250,000 EUR\***

**110**

\* Number of households  
by disposable income  
band



**Share of HNWI  
(over 250,000 EUR\*)**

**0.02%**

\* Share of households  
with disposable income  
band over 250,000 EUR



Data source: Oxford Economics, 2024



that we consider to be next in line to get a mono-brand store in Prague.

Given the historic nature of Prague, options for new developments are rare, yet all of the abovementioned locations are also getting treatment from developers recently as they also want their footprint on the Prague luxury map. In Pařížská, the local investor Group Kaprain recently finished the mixed-use building number 25, just on the north end of the street. The investor group behind the refurbishment of Fairmont Hotel (ex-Intercontinental) also plan to add a retail element to the neighbouring Miloš Forman Square. Na Příkopě Street is currently alive with the activity, as properties like 100Yards, Palace

Schiller, and Palace Trinity have recently undergone or awaiting refurbishment. There are also three important projects in adjacent Republika Square on the east end of the street – Kotva department store, Hybernia Palace and NR7. This will not only elevate the square visually but will create an entry point to the shopping area. Last to mention is the ambitious mixed-use project by Crestyl called Savarin. The project will connect Wenceslas Square, Jindřišská and Na Příkopě Streets and will create a completely new destination for shoppers and visitors. The first part, the refurbishment of the old palace is almost complete, the following stages are awaiting permissions.







# Selected brands locations in Prague

Exemplary Brands	Location
1 Chanel, Hermes, Dior, Cartier, Saint Lauren, Ralph Laurent, Versace, Celine, Bulgari, Balenciaga, Tiffany&Co, Fendi, Prada, Gucci, Burberry, Jimmy Choo, Moncler, RIMOWA, Chanel, Zegna also COS and Furla	Pařížská
2 Gant, Tommy Hilfiger, Michael Kors, Mango	Na Příkopě
3 American Vintage, Bikkembergs, Baldinini	Slovanský Dům
4 Karl Lagerfeld, Hugo, Guess, Gant	Palladium







HOLEŠOVICE

KARLÍN

1

4

2

3

Hybernská

Rytiřská

Ječná

Legerova

Legerova

VRŠOVICE

FIDLOVAČKA

NUSLE

PODOLI

TYRŠŮV VRCH

Letenský tunel

Legerova



Josef Stanko

Head of Research – Colliers  
Czech Republic

## DEVELOPMENT OF A PARIZSKA STREET

After the fall of communism, Prague quickly became a top tourist hotspot, enchanting Western visitors. Its stunning landscapes, captivating architecture, historic castles, and famous bridges, each with a history living in every detail.

It didn't take long for Hermès, as a pioneering high-end brand, to recognize the city's potential. The brand opened its first tiny corner store on Parizska Street in 1997. Subsequently, Louis Vuitton have chosen the street in the following year, later joined by such brands as Dior, Praga, Gucci among other.

Over the next years, multiple luxury boutiques filled the street. Parizska, one of Prague's most beautiful streets in the city centre, has become the city's most prestigious address for premium and luxury shopping. Within a three decades the street established not only as a main luxury shopping destination in the country and the most developed luxury high street location in the region.

Over the past 15 years, many brands have taken over operations from their partners, while some transitioned from multi-brand stores to launching their own boutiques. In addition, many boutiques have undergone expansion, now encompassing the first and second floors of the buildings, transforming into grand flagship stores.

Currently, the street is predominantly filled with luxury brands, supported by several bridge brands. Of all the units, over one-half are Fashion & Accessories brands, followed by Jewelry boutiques and Luxury Watch stores, leather goods specialists, and high-end Shoe stores.

We predict further development of luxury retail on the Parizska. After the refurbishment of the Fairmont Golden Prague Hotel and its surroundings, new stores of luxury brands will join the landscape of the street. This expansion will further cement Parizska's reputation as a premier luxury shopping destination in the entire CEE region.

*After the fall of communism, Prague quickly became a top tourist hotspot, enchanting Western visitors.*

05

CHAPTER



# Market Overview Bratislava





# Bratislava

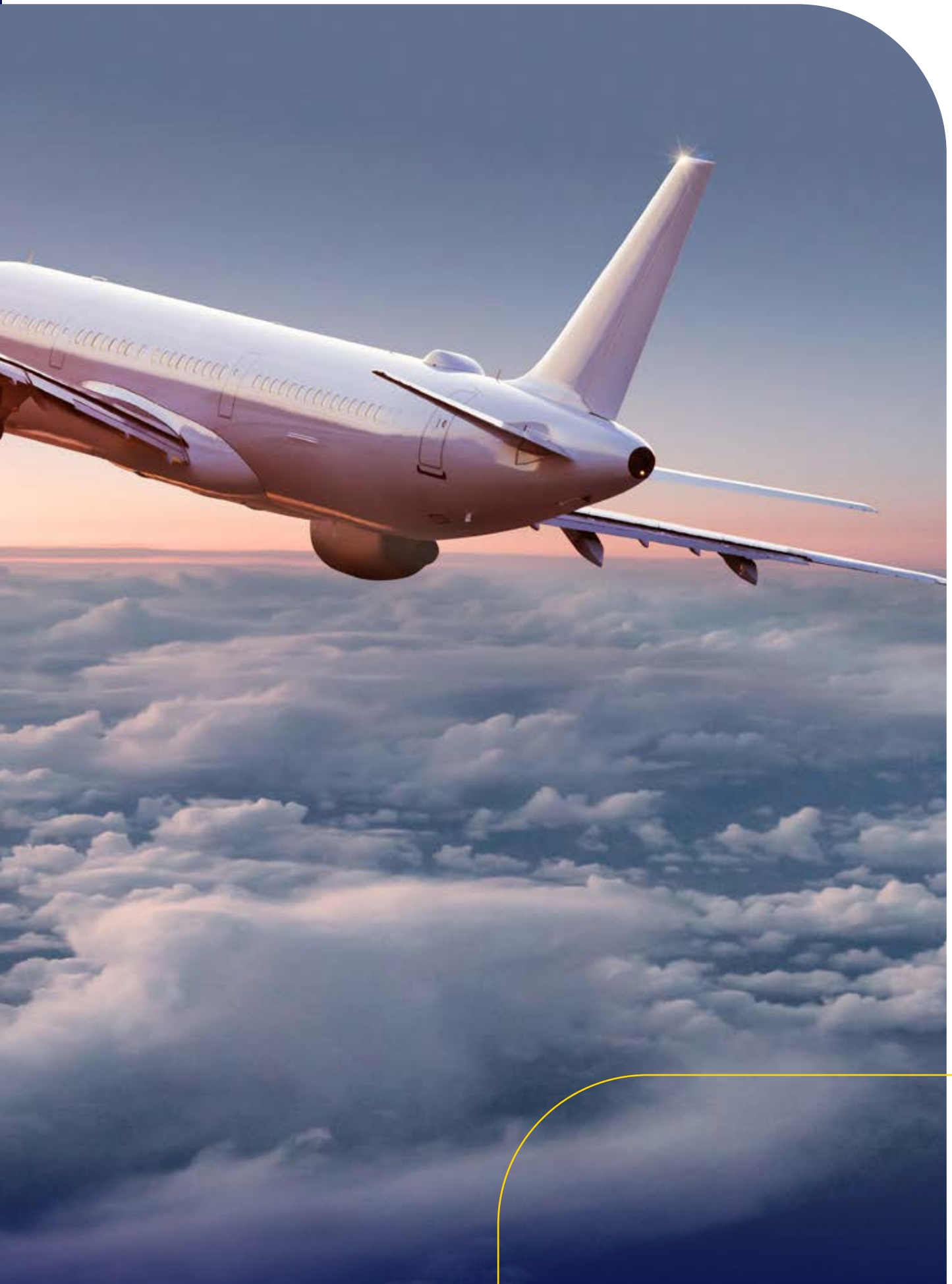
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DISTANCE  
TO MAIN EUROPEAN FASHION CAPITALS



Vienna .....	70	km
Berlin .....	675	km
Milan .....	930	km
Paris .....	1,320	km





# Bratislava: city insights

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Bratislava, the capital city of Slovakia, stands as a vibrant tapestry of history, culture, and modernity. Situated along the picturesque banks of the Danube River, Bratislava boasts a rich heritage dating back centuries, evident in its stunning architecture, cobblestone streets, and medieval landmarks.







### Number of inhabitants

# 728,370

in agglomeration for 2023



### Demographic trend

# +11.9%

Population growth in capital agglomeration 2023 vs. 2018



### Number of inhabitants

# 5.4 million

in country for 2023



### Capital city residents (% of the country)



Data source: Eurostat

As the political, cultural, and economic epicenter of Slovakia, Bratislava serves as a dynamic hub for innovation and entrepreneurship, attracting a diverse array of industries ranging from automotive manufacturing to information technology.

Beyond its historical charm, Bratislava offers a contemporary urban experience, characterized by bustling cafes, thriving arts scene, and lively nightlife. The city's strategic location within the heart of Europe enhances its connectivity and accessibility, positioning it as a gateway to both Eastern and Western markets.





Moreover, Bratislava's quality of life and educational institutions contribute to its appeal as a desirable destination for residents and businesses alike.

With its blend of old-world charm and modern amenities, Bratislava continues to captivate visitors and investors with its ample opportunities and vibrant energy, embodying the spirit of Slovakia's journey towards prosperity and progress.

### Purchasing power – Bratislava agglomeration

**13,306 €**

(per capita yearly)



### Purchasing power – country

**10,582 €**

(per capita yearly)



### Purchasing power index

**1.26**

Bratislava agglomeration /country relation



### GDP per capita

**45,462 €**

– capital city



Data source: MB Research/esri, Eurostat









## Unemployment rate in Slovakia



## Total office stock

**2.1 million**

2023,  
in m<sup>2</sup>



## Office stock dynamics

**+16.3%**

Change 2023  
vs. 2018



## Average residential sales price

**4,027**

2023, (EUR/m<sup>2</sup>)

Source: Report "The Living  
Sector in CEE-6", Colliers, 2023



Data source: Eurostat, Colliers







## Number of 5-star hotels

**3**

within Bratislava agglomeration



## Airport traffic

**1.81 million**

Total number of passengers, 2023



## Number of destinations

**34**

direct flights from the airport



## Airport traffic dynamics

**-20.3%**

Change 2023 vs. 2018



Data source: Eurostat, Colliers





# Luxury Retail in Bratislava

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Slovakia's retail landscape is predominantly characterized by traditional shopping centers, comprising approximately 66% of the total retail supply. The presence of high street retail models is limited, while retail parks thrive in smaller regional cities. Geographically, the Bratislava capital region stands out as the primary hub for retail development, housing over a third of the nation's total retail stock. Recent expansions have propelled the city's retail saturation to over 800 sqm of shopping center space per 1,000 residents, positioning it among the highest in Europe.

The country's largest shopping centers are concentrated in the capital, featuring prominent establishments like Eurovea, Nivy, Aupark, Avion, and Bory Mall. Among these, Eurovea stands out as the largest, boasting a total area of 85,000 sqm following a 26,000 sqm extension commissioned in May 2023. Hosting 320 retail outlets, Eurovea includes a number high-end brands specialising in accessible luxury and premium categories including such

mono-brand stores as Armani Exchange, Gant, COS, Karl Lagerfeld, Pinko, Furla, and Twinset, alongside multi-brand establishments like Alizé Fashion House and Peek & Cloppenburg.

Overall, Slovakia's luxury retail segment is limited, constrained primarily by the nation's relatively small population and lower average income levels compared to other European countries. High-end brands are predominantly clustered in Bratislava, featured within shopping center frameworks through either mono-brand or multi-brand outlets. Additionally, Bratislava hosts several high-street multi-brand shops, focusing mainly on supreme and aspirational luxury segments.



**Number of HNWI  
over 100,000 EUR\***

**9,780**

\* Number of households  
by disposable income  
band



**Share of HNWI  
(over 100,000 EUR\*)**

**3.49%**

\* Share of households  
with disposable income  
band over 100,000 EUR



**Number of HNWI  
over 250,000 EUR\***

**10**

\* Number of households  
by disposable income  
band



**Share of HNWI  
(over 250,000 EUR\*)**

**0.003%**

\* Share of households  
with disposable income  
band over 250,000 EUR

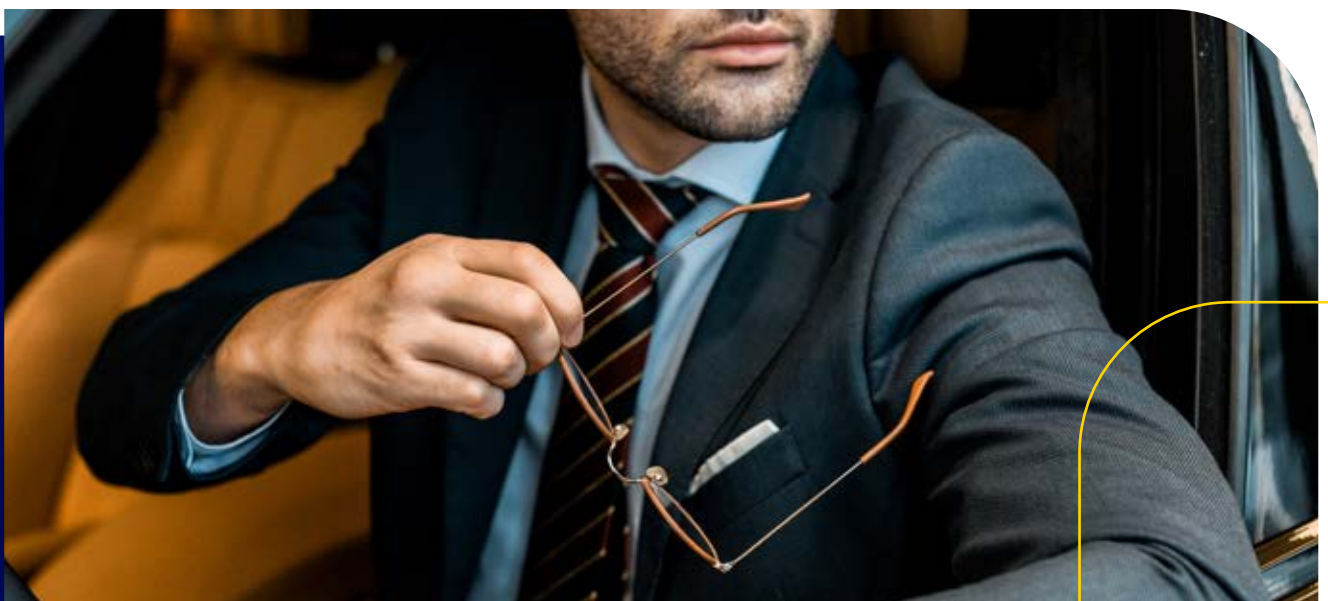


Data source: Oxford Economics, 2024



# Selected brands locations in Bratislava

Exemplary Brands	Location
1 Max Mara & multibrands: La Femme (Twinset, Casadei, Chiara Bonni, Elisabetta Franchi), Luxury (Balmain, Celine, Chloe, Jimmy Choo, Zimmermann), Sheron (Rolex, Chopard, Breitling, Omega)	Laurinska street
2 Armani Exchange, Gant, COS, Karl Lagerfeld, Pinko, Furla, Twinset	Eurovea
3 Liu Jo, Marciano, Peak Performance, Nespresso, Thomas Sabo	Aupark







SLAVIN

Štefánikova

Mickiewiczova

Karadžičova

NIVY

Mlynské nivy

Prievozska

1

2

Košická

Prístavná

PALENISKO

PODHRADIE

Vajanského

PRISTAV

Panónska cesta

3

Einsteinova

Einsteinova

OVISTE

DRAZDIAK

06

CHAPTER



# Market Overview Budapest





# Budapest

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DISTANCE  
TO MAIN EUROPEAN FASHION CAPITALS



Vienna .....	240	km
Berlin .....	875	km
Milan .....	960	km
Paris .....	1,480	km



# Budapest: city insights

---

Hungary's 150 year old capital city is a beautiful and vibrant destination with a rich history, stunning architecture, great food venues from unique street food concepts to Michelin rated fine dining, natural thermal baths and a unique culture.







### Number of inhabitants

**2.99 million**

in agglomeration for 2023



### Demographic trend

**-0.4%**

Population growth in capital agglomeration 2023 vs. 2018



### Number of inhabitants

**9.59 million**

in country for 2023



### Capital city residents (% of the country)

**31%**



Data source: Eurostat

Often referred to as the 'Paris of the East' for its grand boulevards, picturesque position straddling the banks of the Danube river and elegant Art Nouveau buildings, the city has seen a resurgence in visitors that is expected to exceed pre-Pandemic levels in 2024.

Nearly 4 million guests visited Budapest hotels in 2023, more staying in other

forms of accommodations, a 17,3% growth from 2022. Numerous new cultural venues such as the award-winning Hungarian House of Music and the eclectic Folkart Museum in the Liget Park, the renovated, limited traffic Chain Bridge, the new National Athletics Center and numerous international festivals and sporting events have allowed Budapest to make it onto Condé Nast's list of



the '25 Best Places to go in the world 2024'. The city is home to the most luxury hotels in the CEE, after Prague, with recent openings of a W Hotel and the Dorothea Hotel in Downtown landmark buildings and four more under construction that will open in 2025. Continued renovation of important historical districts and buildings in the city will further the attractiveness

of the city to tourists and locals alike. With a population of 1.8 million people in the city and another 1 million in the agglomeration, it is home to 30% of the country's population and serves as its political, economic, and cultural centre. Over half of the country's GDP is still generated in the greater Budapest area, where average household income is 36% higher than the national average.



The major industry drivers in addition to tourism are chemicals, pharmaceuticals, motor vehicles, service providers and information technology. Experiencing the highest inflation rate in Europe in 2023, the local economy contracted by

0,8% in 2023; but prices have stabilized or even decreased and real wages and local consumption already show signs of increase in the first months of 2024 with predictions of a 3% GDP growth.

### Purchasing power – Budapest agglomeration

**9.013 €**

(per capita  
yearly)



### Purchasing power – country

**7,777 €**

(per capita  
yearly)



### Purchasing power index

**1.16**

Budapest agglomeration  
/country relation



### GDP per capita

**41,556 €**

Capital city



Data source: MB Research/esri, Eurostat







## Unemployment rate in Hungary



## Total office stock

**4.3 million**

2023,  
in m<sup>2</sup>

GLA

## Office stock dynamics

**+19.6%**

Change 2023  
vs. 2018



## Average residential sales price

**3,591**

2023, (EUR/m<sup>2</sup>)

Source: Report "The Living  
Sector in CEE-6", Colliers, 2023



Data source: Eurostat, Colliers











## Number of 5-star hotels

# 21

within Budapest agglomeration



## Airport traffic

# 14.6 million

Total number of passengers, 2023



## Number of destinations

# 130

direct flights from the airport



## Airport traffic dynamics

# -1.3%

Change 2023 vs. 2018



Data source: Eurostat, Colliers



# Luxury Retail in Budapest

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Budapest has a strong high street retail, fuelled by strong tourist traffic. The primary commercial pedestrianised shopping area is Váci street stretching from the Pest side of the Erzsébet Bridge to Vörösmarty Square. This area includes many local and fast food restaurants, souvenir shops and popular mid-range retail brand, like C&A, Footlocker, Mango, H&M, ZARA. Rents are the highest here, reaching EUR150/m<sup>2</sup>/month for prime pitches, with tenant turnovers reported to be higher than in the best shopping centres. Due to the limited size of the street and increasing footfall averaging 50,000-65,000 per day, new lesser-known brands and restaurants are opening on the side streets running perpendicular to Váci utca, where rents are lower. With the advent of major shopping centres close to the Downtown since 2000, these streets had experience high vacancy levels in the years pursuant to the opening of these centres and this current resurgence is promising.

In the late 2000's Fashion Street was created by pedestrianising a former busy cross street connecting Váci utca with

the city's busiest transportation hub, Deák Square. The renovation of a full block of historic buildings across from the Kempinsky and St. Regis Hotels with all the retail units under one ownership and management created modern retail space for Bridge and Premium brands including Hugo Boss, Calvin Klein, Tommy Hilfiger, Helly Hansen, Benetton, Massimo Dutti, Zara Home, Falconeri and Philip Plein.

A one kilometre stretch of the grand Andrassy Avenue, stretching from Deák Square to the Octagon Square is home to Neo Classic and Secessionist World Heritage buildings centred by the renovated National Opera House and recently opened W Hotel in the Dreschler Palace building. The street was designated a UNESCO World Heritage site in the early 2000's.

The ground floors of these landmark buildings provide ideal, high ceilinged retail premises suitable for luxury retail. First to open on Andrassy were mono-brand franchise stores for Ermenegildo ZEGNA and MaxMara, in 2005, followed shortly by a direct Louis Vuitton store



### Number of HNWI over 100,000 EUR\*

# 14,770

\* Number of households  
by disposable income  
band



### Share of HNWI (over 100,000 EUR\*)

# 1.84%

\* Share of households  
with disposable income  
band over 100,000 EUR



### Number of HNWI over 250,000 EUR\*

# 60

\* Number of households  
by disposable income  
band



### Share of HNWI (over 250,000 EUR\*)

# 0.01%

\* Share of households  
with disposable income  
band over 250,000 EUR



Data source: Oxford Economics, 2024

in 2006. This led to direct openings by GUCCI, Moncler and Burberry (the latter unfortunately closed its store in 2022). From 2010 bridge brands such as Michael Kors, GUESS, North Face, Pinko Furla, Max&Co and Högl opened. Followed by quality watch brands

including Hublot, Breitling, Rolex, Omega and multi-brand Watches de Luxe with IWC, Mont Blanc, Cartier.

A very high-quality, luxury multi-brand department store, Il Bacio de Stil introducing brands such as Chloe, Tom



Ford, Todd's, Lavin, Giorgio Armani, St. Laurent operated between 2013 and 2015 and has not re-opened as a retail venue, leaving a major void on the street. Due to a local economic slowdown between 2010-2014 and then later the COVID pandemic, the promise of Andrásy becoming the major luxury high street destination in the CEE did not materialise. Since 2020 only three new luxury brands opened on the street: TUMI, Jimmy Choo and more recently AERON, an internationally renowned Hungarian luxury brand. Due to lack of demand following the Pandemic, ill-suited retail concepts such as drogeries, lower quality restaurants and souvenir shops have opened on the street, as the mostly private owners could not be as selective when looking to rent their shops. This trend has proved to be a deterrent to new luxury brands looking to enter the street. Rents however, have dropped with many new leases signed only for short terms and many buildings have been renovated over the past 5 years, providing affordable opportunities for more adventurous high-end brands to enter the market.

With the opening of numerous new 4 and 5 star hotels, construction of luxury penthouse apartments and increased high-end tourism in the area, the stage is set for Andrásy to continue to develop as a strong luxury and aspirational retail destination.

Addressing the need for more direct flights to Budapest by major, non-discount airlines and the underutilised capacity of the Liszt Ferenc Airport, the Hungarian Government recently purchased back the concession rights to the airport and will bring in new management. Plans are being finalised to build a third terminal which will allow international flights to increase to above 25 million passengers per year by 2032. Many of these will be more affluent travellers who should make the city more attractive for Luxury Brands to enter.

Worth mentioning is the more recently developed, completely and partially pedestrianised retail area between the St. Steven's Basilica and the Parliament which is home to many quality and popular restaurants and bars. We are seeing increased demand from specialty fashion, quality gift, jewellery and accessories brands for locations in the area, seeking to benefit from increased footfall numbers.

MOM Park Mall located on the foot hills of the affluent Buda residential districts attracts discerning shoppers with Bridge and Premium brands including Michael Kors, GANT, Furla, LiuJo, Högl, Falconeri. Karl Lagerfeld along with high quality restaurants and food offer.



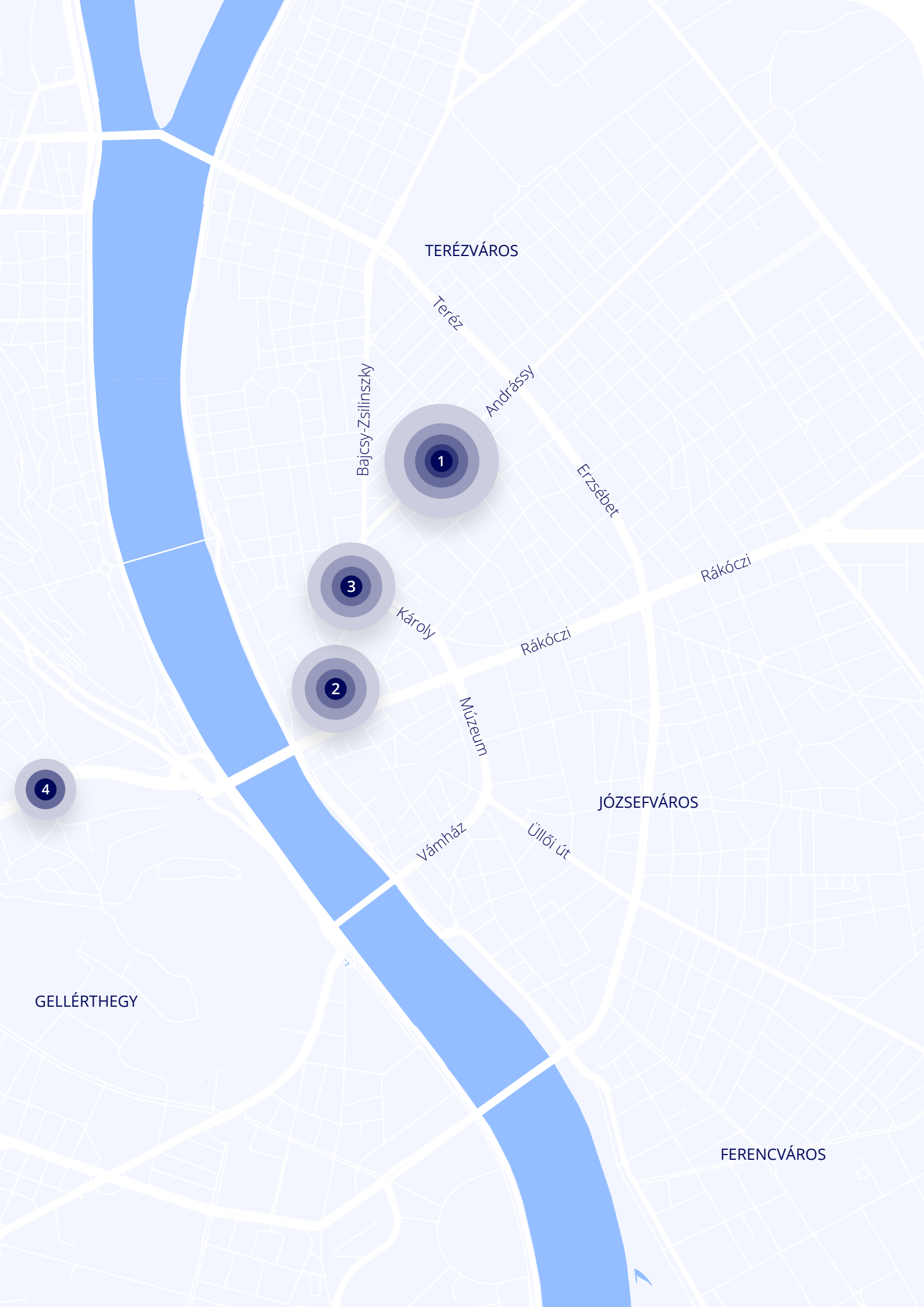
# Selected brands locations in Budapest

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	<b>Exemplary Brands</b>	<b>Location</b>
1	Zegna, Louis Vuitton, Max Mara., GUCCI, Hublot, Breitling, Rolex, Omega, Jimmy Choo, Michael Kors, Montcler, COS	Andrássy Avenue
2	Swarovski, L'Occitane, Pandora	Váci street
3	Hugo Boss, Calvin Klein, Tommy Hilfiger, Helly Hansen, Massimo Dutti	Fashion Street
4	Furla, LiuJo, Michael Kors, GANT, Gerry Weber, Karl Lagerfeld, Högl	MOM Park, Alkotás Street







TERÉZVÁROS

Teréz

Andrásy

Erzsébet

Rákóczi

Rákóczi

JÓZSEFVÁROS

Üllői út

FERENCVÁROS

GELLÉRTHEGY

Bajcsy-Zsilinszky

Károly

Múzeum

Vámház

1

3

2

4

# 07

CHAPTER



## Market Overview Bucharest






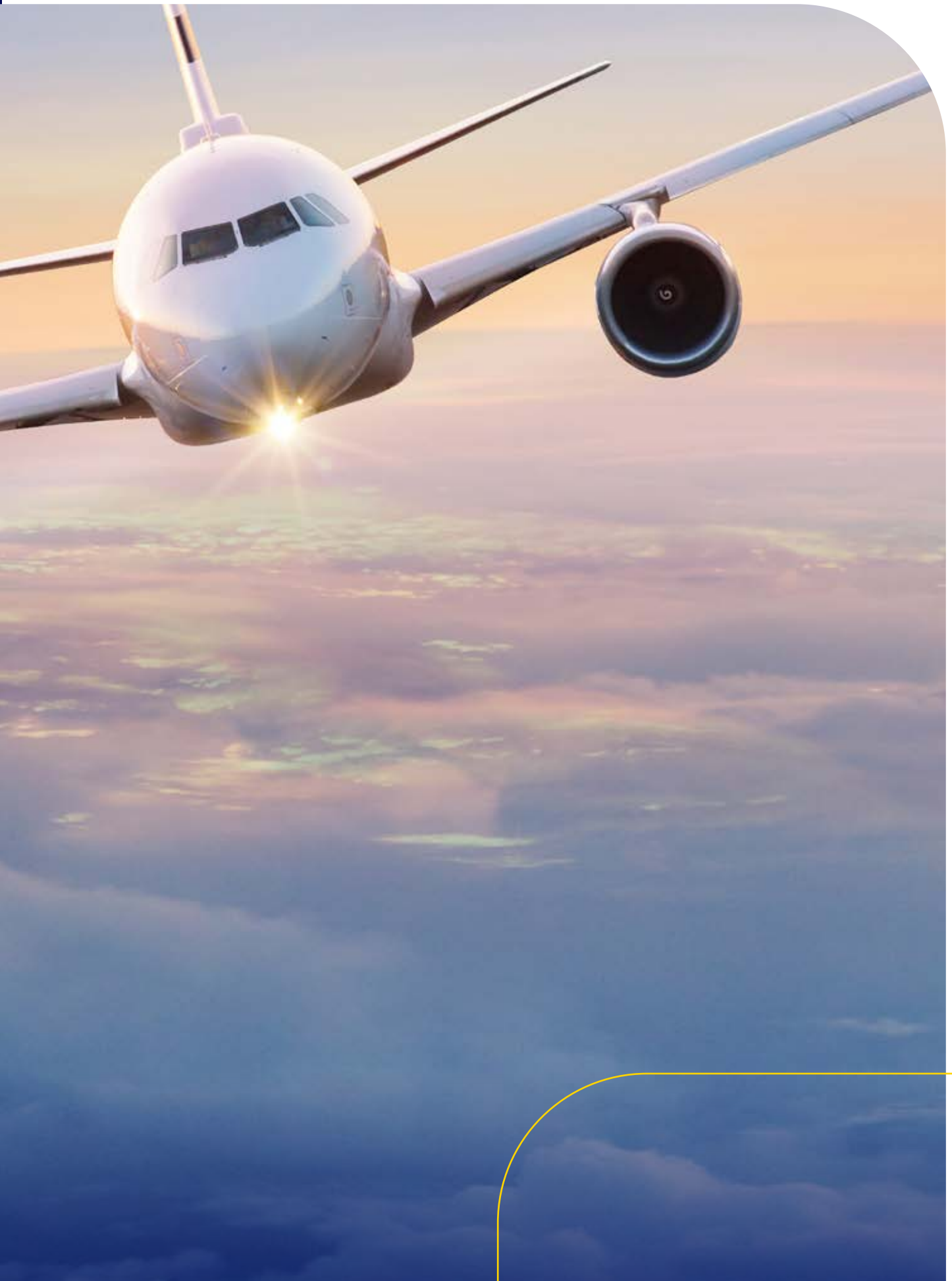
# Bucharest

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DISTANCE  
TO MAIN EUROPEAN FASHION CAPITALS



Vienna .....	1,070	km
Milan .....	1,620	km
Berlin .....	1,700	km
Paris .....	2,300	km



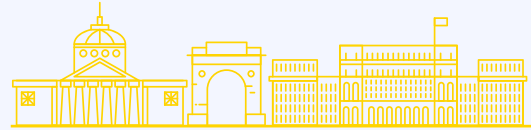
# Bucharest: city insights

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Bucharest, also called the “little Paris”, is a city defined by its many and surprising facets that can vary wildly from one part to another. It has earned its previous mentioned nickname at the start of the previous century, but decades of communism followed by decades of loose urbanistic policy after the fall of communism in 1989 have made the city an eclectic mix of architectural styles.







### Number of inhabitants

# 2.29 million

in agglomeration for 2023



### Demographic trend

# -0.5%

Population growth in capital agglomeration 2023 vs. 2018



### Number of inhabitants

# 19.0 million

in country for 2023



### Capital city residents (% of the country)

# 12%



Data source: Eurostat

In the present day, hefty investments (mostly private) are starting to transform certain buildings or areas, while the city's strong economic profile has given rise to a significant middle income class; on the latter, it is worthwhile mentioning that the city has one of the highest densities of highly value-added employees in the EU, similar to cities like Helsinki or the City of London, which has helped create

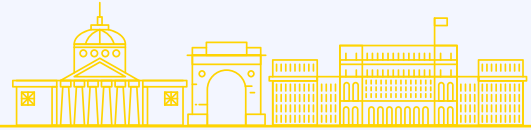
buoyant scene of posh restaurants and bars.

Bucharest is defined by the fact that it is one of the fastest growing cities in the European Union in the past two decades. It has already reached a GDP per capita adjusted to purchasing power standards of over 170% of EU average as of 2021, which is the 10th



highest level among EU metropolitan regions and also the highest level in the CEE region. So well above the vast majority of Western capitals and cities as well. Extrapolating, the fact that Romania itself is one of the most dynamic economies in the world, as per IMF figures, this does place Bucharest's performance in an even more favourable light.

While the previously mentioned indicator measures purely productivity – and since it is adjusted to varying consumer prices, it is often used as a proxy for comparing living standards and purchasing power – quality of life suffers in Bucharest due to the poor local administrative capacity seen over the past couple of decades. At the forefront of Bucharest's economic prowess is the fact that it is home to in



excess of 100,000 IT professionals and it's growing, as well as a fairly bustling start-up scene which has given rise to a growing class of high net-worth individuals and a few companies quite successful on a global scale.

These growth drivers are not going away any time soon and we would expect them to further drive growth, particularly if the medium term does see an improvement in administrative capacity which would help bring more people in the metropolitan area.

### Purchasing power – Bucharest agglomeration

**10,633 €**

(per capita  
yearly)



### Purchasing power – country

**6,940 €**

(per capita  
yearly)



### Purchasing power index

**1.53**

Bucharest agglomeration  
/country relation



### GDP per capita

**47,467 €**

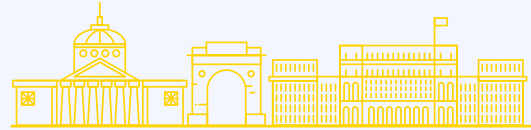
Capital city



Data source: MB Research/esri, Eurostat







## Unemployment rate in Romania



## Total office stock

**3.4 million**

2023,  
in m<sup>2</sup>

GLA

## Office stock dynamics

**+40.5%**

Change 2023  
vs. 2018



## Average residential sales price

**1,850**

2023, (EUR/m<sup>2</sup>)

Source: Report "The Living  
Sector in CEE-6", Colliers, 2023



Data source: Eurostat, Colliers











## Number of 5-star hotels

# 13

within Bucharest agglomeration



## Airport traffic

# 14.6 million

Total number of passengers, 2023



## Number of destinations

# 118

direct flights from the airport



## Airport traffic dynamics

# +5.8%

Change 2023 vs. 2018



Data source: Eurostat, Colliers



# Luxury Retail in Bucharest

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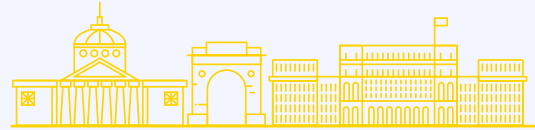
Modern retail in Bucharest is led by a handful of dominant large schemes, placed in different cardinal points of the city; these schemes tend to attract significant attention and due to both their size and wide variety of brands, they remain a destination themselves. For the topic of this report, a special note should be made of Baneasa Shopping City, situated just north of Bucharest. This scheme tends to be particularly interesting as it has attracted over the years many luxury brands, some choosing to enter Romania via a store here and not anywhere else on the high street. Presently, it enjoys what is arguably the best density in a fairly packed space of premium and luxury brands.

A handful of pockets of high street locations have also emerged as destinations for luxury brands, though the fluctuations in companies on the high street suggests that companies encountered varying degrees of success. Calea Victoriei and, to a lesser extent, Calea Dorobantilor, both central streets in Bucharest are the top high street

luxury locations. Another area of interest for luxury brands has turned out to be the shopping gallery set up in the 5-star JW Marriott Bucharest Grand Hotel.

In general, taken together, these locations offer a selection of luxury brands, with some of the household names already present in Romania, though by comparison to neighbouring peers, let alone Western countries, there are still a lot of missing brands. So in financial market terms, it would be classified as emerging. Otherwise, the vast majority of brands, like Dior, Armani, Dolce & Gabbana, Burberry, are present here via a franchise, with Louis Vuitton being one of the few big names present here directly.





**Number of HNWI  
over 100,000 EUR\***

**42,870**

\* Number of households  
by disposable income  
band



**Share of HNWI  
(over 100,000 EUR\*)**

**6.54%**

\* Share of households  
with disposable income  
band over 100,000 EUR



**Number of HNWI  
over 250,000 EUR\***

**820**

\* Number of households  
by disposable income  
band



**Share of HNWI  
(over 250,000 EUR\*)**

**0.13%**

\* Share of households  
with disposable income  
band over 250,000 EUR



Data source: Oxford Economics, 2024





# Selected brands locations in Bucharest

	<b>Exemplary Brands</b>	<b>Location</b>
1	Montblanc, Michael Kors, Bally, Boss Hugo Boss, Furla, Longchamp, Marina Rinaldi	Baneasa Shopping City
2	Max Mara, Montblanc, Hugo Boss	Calea Victoriei
3	Brunello Cucinelli, Canali	Calea Dorobantilor
4	Dolce & Gabbana, DSQUARED2, Louis Vuitton, Philipp Plein, Valentino	JW Marriott shopping gallery - The Grand Avenue





1

CARTIERUL  
HENRI COANDĂ

Bucharest-Băneasa  
Airport

CHITILA

DOROBANTI

3

TEI

COLENTINA

PIATA ROMANA

2

COTROCENI

LIPSCANI

TITAN

4

TIMPURI NOI

VITAN

GHENCEA

RAHOVA

BERCENI

FERENTARI

# 08

CHAPTER



## Market Overview Sofia






# Sofia

---

DISTANCE  
TO MAIN EUROPEAN FASHION CAPITALS



Vienna .....	1,000	km
Milan .....	1,410	km
Berlin .....	1,630	km
Paris .....	2,170	km





# Sofia: city insights

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Sofia is the biggest city in Bulgaria, generating over 45% of Bulgaria's GDP. Its official population is around 1.3 million people, but some unofficial estimates place the urban areas population at around 2 million. Despite challenges such as negative natural population growth, the city is expanding due to internal migration. Additionally, Sofia possesses the scale necessary to support a diverse range of businesses.





## Number of inhabitants

# 1.61 million

in agglomeration  
for 2023



## Demographic trend

# -3.6%

Population  
growth in capital  
agglomeration  
2023 vs. 2018



## Number of inhabitants

# 6.4 million

in country  
for 2023



## Capital city residents (% of the country)

# 25%



Data source: Eurostat

The city contributes significantly to the country's GDP and is home to approximately a quarter of the population, reinforcing its economic and demographic importance.

Sofia is the city with the highest living standards in the country with GDP per capita two times higher than the country's average. Sofia has the lowest

unemployment rate in the country with 1.6% as of December 2023 (the average for Bulgaria stands at 5.6%).

Sofia has a well-developed recruitment base of highly skilled employees, especially in the IT & BPO sector and the creative industries. There are over 40,000 people employed in over 100 IT companies. The city has a



strong occupied market in the office, retail and industrial segments as well as a residential market with solid fundamentals. The office market is driven mainly by IT & BPO companies.

There are a total of 23 universities, over 105,000 students, 63 research centres and 15 independent software schools. Sofia is home to the largest student

population in Bulgaria, with 43% of the total. Large number of these students usually remain to work in the capital after finishing their studies. Most young people in Sofia speak English.

Wage increases continue to fuel private consumption growth and the recovery in the use of EU investment funding provided a boost to investment growth.





Domestic demand was the main engine of growth in recent years and is expected to remain so in the near future. In the context of continuously improving economic activity and increased labour income the sustained savings rate in the economy contributed to the high growth

rates of deposits. Lending accelerated further mainly driven by increasing domestic demand and historically low interest rates.

### Purchasing power – Sofia agglomeration

**7,024 €**

(per capita  
yearly)



### Purchasing power – country

**5,301 €**

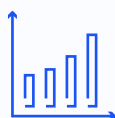
(per capita  
yearly)



### Purchasing power index

**1.33**

Sofia agglomeration  
/country relation



### GDP per capita

**29,457 €**

Capital city  
(EUR)



Data source: MB Research/esri, Eurostat





## Unemployment rate in Bulgaria



## Total office stock

**2.4 million**

2023,  
in m<sup>2</sup>



## Office stock dynamics

**+29.1%**

Change 2023  
vs. 2018



## Average residential sales price

**1,500**

2023, (EUR/m<sup>2</sup>)

Source: Report "The Living  
Sector in CEE-6", Colliers, 2023



Data source: Eurostat, Colliers









## Number of 5-star hotels

# 16

within Sofia agglomeration



## Airport traffic

# 7.16 million

Total number of passengers, 2023



## Number of destinations

# 106

direct flights from the airport



## Airport traffic dynamics

# +3.3%

Change 2023 vs. 2018



Data source: Eurostat, Colliers



# Luxury Retail in Sofia

In Bulgaria, the main retail destinations are shopping malls, city center streets, and retail parks. The top retail locations are considered to be the leading shopping malls and Sofia's city center, particularly the area concentrated around Vitosha Boulevard and its surroundings.

The luxury brands market in Bulgaria is still underdeveloped, with very few mono-brand boutiques operating only through partners in Sofia city center. The street with the highest concentration of luxury brands in Sofia is Saborna, stretching between Saint Nedelya church and Lege Str. Fashion occupies almost half of the total stock with the flagships of Emporio Armani, Philipp Plein, DSQUARED2, Max Mara among others. Prime rental rates stand at about EUR 60/m<sup>2</sup>/month.

Other luxury brands present in Bulgaria are Ermenegildo Zegna, Brunello Cucinelli, Canali, and Rolex. Additionally, brands like Balenciaga, CELINE, Chloe, Christian Dior, Dolce & Gabbana,

Givenchy, Gucci, and Valentino are sold in multi-brand boutiques.

However, large number of accessible luxury and premium brands are present in top shopping malls in Sofia and regional cities. Among such accessible luxury brands include Boss, Max Mara, and Furla. Premium brands in the market are Polo Ralph Lauren, Marella, Max&Co, Twinset, Pinko, Cesare Paciotti, Elisabetta Franchi, Patrizia Pepe, Armani Exchange, Marc O'Polo, Napapijri, Paul&Shark, and Diesel.







**Number of HNWI  
over 100,000 EUR\***

**11,910**

\* Number of households  
by disposable income  
band



**Share of HNWI  
(over 100,000 EUR\*)**

**2.13%**

\* Share of households  
with disposable income  
band over 100,000 EUR



**Number of HNWI  
over 250,000 EUR\***

**250**

\* Number of households  
by disposable income  
band



**Share of HNWI  
(over 250,000 EUR\*)**

**0.04%**

\* Share of households  
with disposable income  
band over 250,000 EUR



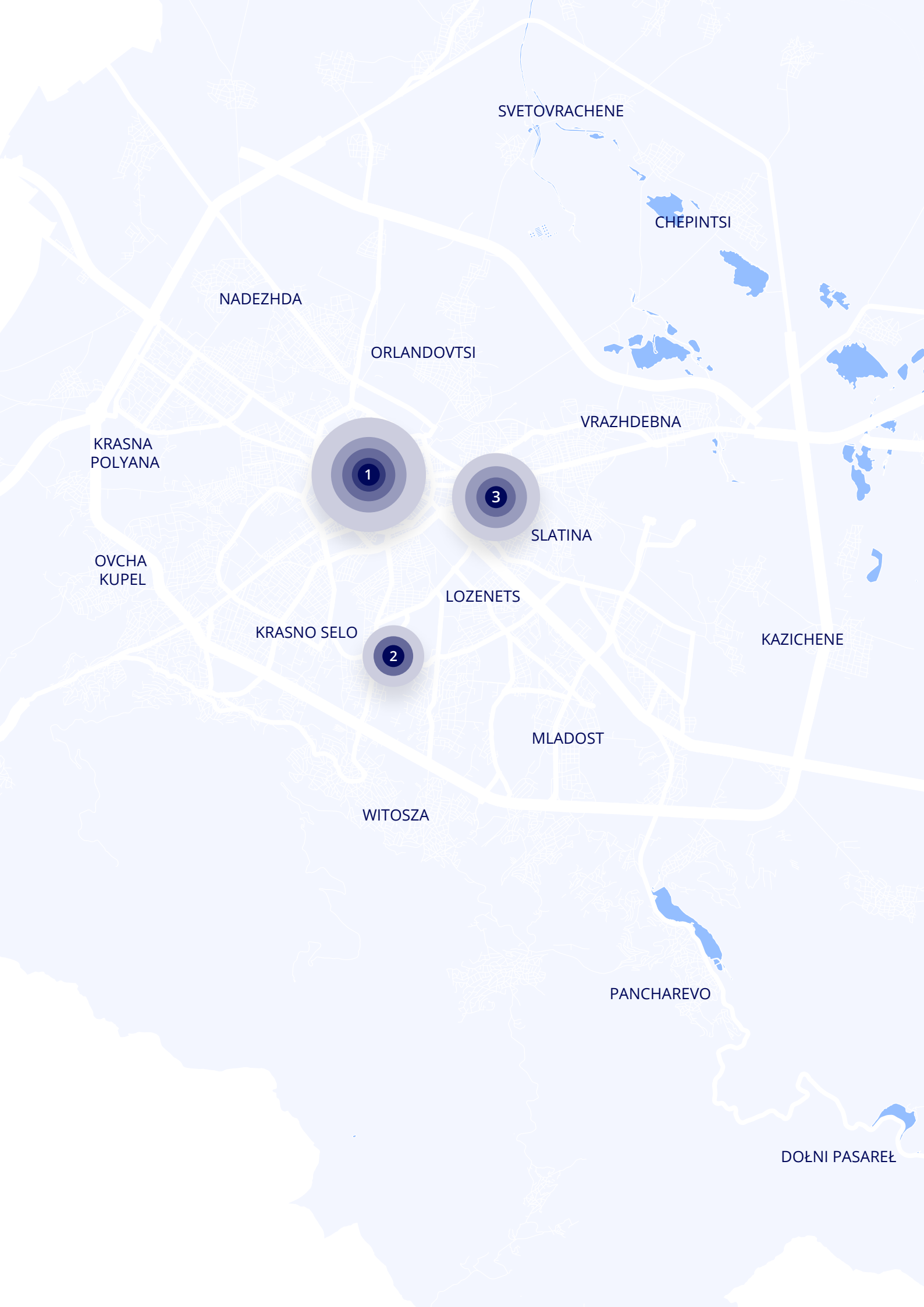
Data source: Oxford Economics, 2024



# Selected brands locations in Sofia

	<b>Exemplary Brands</b>	<b>Location</b>
1	Cartier, Emporio Armani, Philipp Plein, Dsquared2, Max Mara	Saborna
2	BOSS, HUGO, Armani Exchange, Napapijri, Frey Wille	Paradise Center
3	Marella, Elisabetta Franchi, Marc O'Polo, Pinko, Patrizia Pepe, Twin Set, Furla	Serdika Center





SVETOVRACHENE

CHEPINTSI

NADEZHDA

ORLANDOVTSI

VRAZHDEBNA

KRASNA  
POLYANA

1

3

SLATINA

OVCHA  
KUPEL

LOZENETS

KAZICHENE

KRASNO SELO

2

MLADOST

WITOSZA

PANCHAREVO

DOŁNI PASAREŁ



# CEE-6 capitals: comparison

## PRAGUE

Number of inhabitants (aggl.)	<b>2.79 mln</b>
HNWI over 100,000 EUR	<b>18,650</b>
HNWI over 250,000 EUR	<b>110</b>
Purchasing power	<b>14,533 EUR</b>
Number of passengers in airports	<b>13.8 mln</b>
5-star Hotels	<b>51</b>
Number of destinations (airport)	<b>167</b>

## BRATISLAVA

Number of inhabitants (aggl.)	<b>728,370</b>
HNWI over 100,000 EUR	<b>9,780</b>
HNWI over 250,000 EUR	<b>10</b>
Purchasing power	<b>13,306 EUR</b>
Number of passengers in airports	<b>1.81 mln</b>
5-star Hotels	<b>3</b>
Number of destinations (airport)	<b>34</b>

## BUDAPEST

Number of inhabitants (aggl.)	
HNWI over 100,000 EUR	
HNWI over 250,000 EUR	
Purchasing power	
Number of passengers in airports	
5-star Hotels	
Number of destinations (airport)	

## WARSAW

Number of inhabitants (aggl.)	<b>3.26 mln</b>
HNWI over 100,000 EUR	<b>16,980</b>
HNWI over 250,000 EUR	<b>70</b>
Purchasing power	<b>14,376 EUR</b>
Number of passengers in airports	<b>21.85 mln</b>
5-star Hotels	<b>15</b>
Number of destinations (airport)	<b>123</b>

## BUCHAREST

Number of inhabitants (aggl.)	<b>2.29 mln</b>
HNWI over 100,000 EUR	<b>42,870</b>
HNWI over 250,000 EUR	<b>820</b>
Purchasing power	<b>10,633 EUR</b>
Number of passengers in airports	<b>14.62 mln</b>
5-star Hotels	<b>13</b>
Number of destinations (airport)	<b>118</b>

## SOFIA

Number of inhabitants (aggl.)	<b>1.61 mln</b>
HNWI over 100,000 EUR	<b>11,910</b>
HNWI over 250,000 EUR	<b>250</b>
Purchasing power	<b>7,024 EUR</b>
Number of passengers in airports	<b>7.16 mln</b>
5-star Hotels	<b>16</b>
Number of destinations (airport)	<b>106</b>

**2.99 mln**  
**14,770**  
**60**  
**9,013 EUR**  
**14.60 mln**  
**21**  
**130**

# Executive summary

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**The CEE-6 region has been one of the most dynamic in the world.** Despite the later start in development and the necessity to bridge the economic and social gap with Western countries it came a long way over the past two decades.

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The rapid development is accompanied by a **strong increase in aspirations for a Western standard of living.** Upper-middle income citizens often like to splurge on more expensive gifts.

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The report analyses **179 international brands,** present **in the CEE-6 market.** They were categorised into three groups: Supreme luxury and aspirational luxury, Accessible luxury and Premium brands

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The analysis shows that luxury and premium brands most willingly choose the Czech market, ahead of Poland and Romania. **Almost 80% of Supreme luxury brands present in the CEE-6 region were active in these countries,** in some form: direct, franchise or multi-brand.

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**Czech market is the most developed one and sees a higher presence of brands in parent company stores.** Poland and Hungary can be considered developing markets with excellent growth prospects for luxury brands.

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**Romania's luxury market is characterised predominantly by multi-brand stores and partner shops.** Slovakia and Bulgaria are in the early stages of developing the market.

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**The CEE-6 present an increasingly promising environment for retailers of all type, including luxury.** The successful process of entering a new market, includes analysis of internal factors as local wealth and external ones as the potential of the city to attract the large number of tourists or visitors.

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