

VNO business & retail park

Address:

Purpose: Lease

Type: Retail property

Region: Vilnius

Seller Head of Retail Real Estate Solutions

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VNO business & retail park is an extraordinary lease or master lease opportunity for any destination retailer due to following reasons

- Large scale project
- Mixed use
- Perfect accessibility
- over 15 M residents catchment area
- Critical mass of retail next door (IKEA & Nordika)
- Airport neighborhood
- Ample above parking solutions
- Number of levels on demand
- New innovative concept and looks
- Stand alone units for destination retailers
- Positive remark of shopping tourism
- Build to suit solutions
- Stable local economy growth
- "Vilnius – best city to live" according Bloomberg

VNO BUSINESS & RETAIL PARK VILNIUS, LITHUANIA

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FOR LEASE OR MASTERLEASE

OPPORTUNITY FOR
SPECIAL DESTINATION
RETAILERS

- › Beside the only IKEA in the Baltics
- › Airport site
- › Perfect accessibility
- › Retail neighborhood
- › International catchment area
- › Customized layout
- › Uniqueness
- › Build to suit
- › Flexibility

VPH





UNIQUE

- › Ample above ground parking solutions
- › Number of levels on demand
- › Strong retail neighborhood
- › Concentration of retailers
- › Stand alone units
- › Expansion opportunities
- › Build to suit solutions
- › New / innovative concepts and looks
- › Large scale project
- › Already a "shopping tourism" destination
- › New 8,5 ha phase in total more than 25 ha business & retail park

LOCATION

- › Easy access to the southern bypass
- › Convenient accessibility solution from the bypass arriving from any direction
- › Great location for shopping tourists – 2 M inhabitants in nearby Minsk and 10 M inhabitants in Belarus all together
- › Airport less than 1 kilometer away
- › City center in 5.5 kilometers
- › Accessibility by public transport
- › Vikings street has become the main route from the city center to the Airport
- › After the western bypass is bypass finished in 2016 all Vilnius inhabitants will be able to reach this location within 20 minutes by car



VILNIUS DATA

- › Zero vacancy level in well performing shopping centers
- › Catchment area of 15.5 M inhabitants within 300 kilometers distance
- › Steady 5-6% annual retail market growth
- › Vilnius – best city to live in among all European capitals according to Bloomberg

SYNERGY

- › IKEA anchor neighborhood – the only one in the in Baltics and Belarus. Over 25.000 sq.m. GBA and expanding. 300 kilometers international catchment area
- › Nordika shopping center with anchor grocery RIMI, DIY SENUKAI, electronics ELEKTROMARKT, children goods TOY CITY and many others. Over 38.000 sq.m. GBA
- › Up to 50.000 sq.m. GBA retail park possibilities

VILNIUS IN BRIEF

- › Population of < 600K inhabitants
- › 46% of inhabitants are 20-49 years old
- › The fastest growing city in Baltics
- › 64% of inhabitants are of working age

RETAIL PROJECTS IN VILNIUS

No.	Project Name	Address, street
1	Allegro	Oldo St. 25
2	Clara	Oldo St. 10
3	Parsons	Sakalinski St. 9
4	Europa	Konstitucijos Ave. 26
5	SCIP	Konstitucijos Ave. 16
6	Loch	Condemno Ave. 9
7	Falco Outlet	Vilnia St. 29
8	Maris	Vilnia St. 40
9	Bliz	Ukrainijos St. 100
10	Merkantus	Abotiu St. 01
11	Papa	Praglas St. 1
12	Lok Milius	Mokiu St. 13, Chabapras
13	Domus Pro	Stalino St. 1
14	Europa	Pilajunu St. 14
15	Manila Star XXX	Savainio Ave. 207
16	Manila XXX	Mindugo St. 11
17	Bliz	Sakalinski Ave. 16
18	Bliz	Zemuno St. 64
19	Bliz	Vilnia St. 4
20	Prosa	Vilnia St. 10
21	Merla XXX	L. Ananovskiu St. 26
22	Merla XXX	Ukrainijos St. 208
23	Merla XXX	Antono St. 10
24	Bliz	Zemuno St. 2
25	Bliz	Pilajunu St. 24
26	Merla Hyper	Savainio Ave. 176
27	Merla Hyper	Vilnia St. 1
28	Manila XX	Lopkainu St. 112
29	Manila XX	Ukrainijos St. 202
30	Manila XX	Pilajunu Ave. 11
31	Bliz	Kavenu St. 104
32	Bliz Miroslavskaites	Rygas St. 8
33	Venska	Ukrainijos St. 204
34	Milki Vud	Antono St. 5
35	Milki Vud	Vilnia St. 12
36	Tomika	Merla St. 7
37	BLA	Vilnia St. 1
38	Domus Culture	Pilajunu St. 12
39	Merlino	Savainio Ave. 100
40	Bliz	Ukrainijos St. 204
41	Arklas	Drupis St. 2
42	Straz	Zemuno St. 26
43	Nordika Shopping Center	Zemuno St. 50
44	Bliz Hypermarket	Ukrainijos St. 22
45	Allegro Shopping Center	Pilajunu St.



NØRDIKA
PROFITABLE BLEND

- 38.000 sq.m. GBA
- 9.1ha area developed
- 50 MEUR investment
- Zero vacancy
- 53 retailers

Vilnius Airport

- 89 destinations
- 3.2 M passengers
- 13,4 % passenger growth
- 17 airlines
- planned privatization in 2017

IKEA®

- 25.000 sq.m. GBA
- 700.000 visitors per year
- Turnover growth of 18,1 % in 2015
- Visitors growth of 8 % in 2015
- 48 % higher than average customer flow over international IKEA average

VNO BUSINESS & RETAIL PARK

- Critical mass of retailers
- New and innovative concept
- Layout and fit out on demand
- Experienced developer
- Unlimited expansion opportunities
- Well developed infrastructure



VNO BUSINESS & RETAIL PARK | VILNIUS, LITHUANIA

COUNTRY & MARKET OVERVIEW



THRIVING BALTIC CAPITAL – VILNIUS

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Vilnius is the capital of Lithuania and the largest city in the country, with more than 540,000 inhabitants.

Vilnius is located on the southeastern side of Lithuania within 300 km reach from Riga (Latvia), Minsk (Belarus) and Klaipeda (the main Lithuanian seaport), which ensures it as the top location for businesses entering the Baltic economies from abroad.

With only 15% of Lithuania's population, almost 40% of the country's GDP is generated in Vilnius, making it the top contributor to the country's economy.

Vilnius is the economical, cultural and political centre of Lithuania, with a high concentration of local and

international companies registered here, a rich cultural life and all the public institutions necessary for business needs close at hand.

Vilnius is considered to be the largest financial centre in the Baltic states.

An active academic society, with Vilnius University leading the way both in terms of the number of students and the prestige of its programs, contributes to the creation of highly skilled employees.

The city's infrastructure is well developed, with convenient public bus and trolley-bus systems and new bypasses being completed.

Vilnius is easily accessible by road, railway and air transport, through Vilnius International airport, by far the largest in the country.

Vilnius International Airport handles most Lithuanian international flights serving many major European destinations. Currently, the airport has 89 destinations in 28 different countries and is expanding with double.

The Vilnius railway station is an important hub with direct passenger connections to Minsk, Kaliningrad, Moscow and Saint Petersburg as well as being a transit point in the Pan-European corridor.

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LITHUANIA

Lithuania is in the northeastern part of Europe, next to the Baltic sea. It borders Latvia, Russia, Belarus and Poland, and is the southernmost of the Baltic countries, thus offering a pivotal position in the region. Also, Lithuania is an important transit corridor between Western and Eastern Europe.

Among the three Baltic countries, Lithuania is the first both by the number of inhabitants as well as by the size of its territory. Lithuania is among the top 5 EU member countries with the highest ratio of young people.

Lithuania has a well-developed communications infrastructure with the leading upload broadband speed in the EU and it ranks in the top 5 globally for the fastest public Wi-Fi in the world.

Lithuania is a full member of NATO and the EU, a member of OSCE and WTO. It is part of the Schengen zone.

Lithuania managed to control the global financial crisis in 2008-2009, keeping the national currency rate with the Euro stable. This is mainly due to a flexible economy and labour market. Since 2015 Lithuania has adopted the Euro and now experiences stable economic growth.

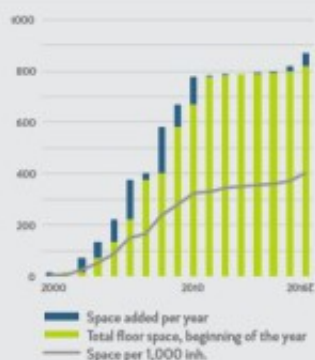
Ranked third worldwide as a "high growth location" for investment in manufacturing, Lithuania is headquarters to major international manufacturing and engineering companies such as Kinze, Schmitz Cargobull, Mars, Peikko, Cowi and Philip Morris.

The main exports of the country include refined oil products, furniture, food products, fertilizers, textiles and clothing.

KEY FACTS (2016)	
Area, sq.Km	65,300
Population	2,961,692
Urban population	67%
Capital city	Vilnius
Population in capital	540,022 (23%)
GDP (PPP), billion EUR	73,76
GDP growth, yoy	3.4%
GDP/capita, EUR	10,549
Avg. monthly salary, EUR	756
Avg. salary growth	3.7 %
Inflation (HICP)	1.2%
Currency	Euro
EMU	Since 2015
EU member	Since 2004
Nato member	Since 2004
Foreign currency ratings: S&P/ Fitch / Moody's	A- / a- / ba1

RETAIL MARKET OVERVIEW

SUPPLY OF SHOPPING CENTERS IN LITHUANIA



RENTAL RATES, EUR/SQ. M. /MONTH

Size of the tenant	2011	2012	2013	2014	2015	2016
Up to 100 sq. m	22-42	25-45	25-47	27-50	30-52	30-52
100-500 sq. m	14-22	14-25	14-27	15-28	17-30	18-32
>500 sq. m	10-15	10-15	12-18	14-20	16-23	16-23
Electronics, household	7-9	7-9	8-11	8-12	9-14	10-16
Anchor	6-9	6-9	7-12	9-14	9-16	10-17

Private consumption is one of the most significant factors in the continuing acceleration of the economic development and the retail trade in Lithuania for the fourth year in a row. Consumers are willing to increase their spending on non-food items thereby forming a strong base for international brands such as IKEA, H&M and LIDL to enter and expand in the market.

The country's total trade turnover grew at around ~6% in 2015. Consumers were more willing to spend in the non-food segment as spending here increased by ~10%. Retail sale of detergents and household chemical goods increased the most, by 31.4%. Sale of electronic goods increased by ~16 %.

The total leasable shopping centre area in Lithuania amounts to approx. 780,000 sq. m. or ~ 0.25 sq. m. per capita. It is projected to increase in 2016 to approx. 810,000 sq. m or approx. 0,27 sq. m. per capita. Nearly half the total supply is concentrated in the most developed city and capital of the country, Vainius. New construction is mainly limited to local supermarkets, as retail chains are actively expanding in the market. New medium to large scale projects in the market are expected only after a 2-3 year period.

Improved turnover/rent ratios in successfully operating shopping centres in all major cities have enabled an increase in rents. In 2015 the tendency of growing rent rates was noticeable as well in both shopping centres and retail streets as the demand of quality retail premises is high. Average rents amount to 20-25 EUR/sq.m./month in the largest shopping centres in prime locations. Rents in shopping centres are set according to the size of the tenant and vary from 15-50 EUR/sq. m./month, while anchor tenants pay approx. 9-14 EUR/sq. m./month. . It is expected that the modest growth in rent rates will remain in the upcoming years.



CONTACT INFORMATION AND PROCESS

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PROJECT

The VNO Business & Retail Park is located at Vėlingu and Oreiviu streets, close to the southern bypass of Vilnius between the Vilnius international airport (VNO) and IKEA and the Nordika Shopping Valley retail park.

DEVELOPER

Well financed by its Canadian investor group, recently VPH has become the most active retail developer in Lithuania by combining its local and international experience. One of the latest VPH projects is the Nordika Shopping Valley.

ADVISOR

Newsec is a professional real estate consultancy and advisory firm dedicated to represent VNO Business & Retail Park and to approach and negotiate with local and international tenants.

TIMELINE

A construction permit for your project can be obtained / construction works started within 6 months after the lease agreement is signed. Your project can be delivered within 12 months after the start of construction.

PROCESS

VPH has designed a clear and transparent process for any interested tenant. All proposals and request for information (RFI) are to be sent to the Advisor, Žilvinas Bliznikas z.bliznikas@newsec.lt. The Advisor will provide all required information, arrange meetings, site visits and negotiate on the developers behalf.

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