

YoY Chg      12-Mo. Forecast

**2,200,000 sq m** ▲

Belgrade total stock \*

**51,000 sq m** ▲

Belgrade take-up in H2 2020

**3-5 EUR/sq m** ▲

Rental prices

\* Belgrade (incl. Pecinci and Stara Pazova)  
(Overall, All Property Classes)

## ECONOMIC INDICATORS Q3 2020

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**-1.4%** ▼

GDP Growth rate Q3 2020

**9%** ▼

Serbia Unemployment Rate

**EUR 505** ▲

Serbia Average net salary

Source: Statistical Office of the Republic of Serbia, YoY Change vs Q3 2019

## ECONOMY

The economic stability in Serbia continued for a few years, including 2019, when GDP increased by 4.2% in real terms. The beginning of 2020 promised to retain a positive trend, however the lockdown measures due to coronavirus pandemic resulted in the contraction of GDP in Q2 by 6.4%. In Q3, GDP growth stood at -1.4%, which was better than initially expected. Due to faster recovery of industrial production, smaller decline in investments, better performance of services and better agricultural season, the GDP forecast for 2020 was revised, from -1.5% to -1.0% by the National Bank of Serbia. The overall forecast for 2021 is favorable, NBS measures should enable full recovery next year, with a growth rate of around 6%, and a return to a stable and sustainable growth path of around 4% thereafter.

## SUPPLY AND DEMAND

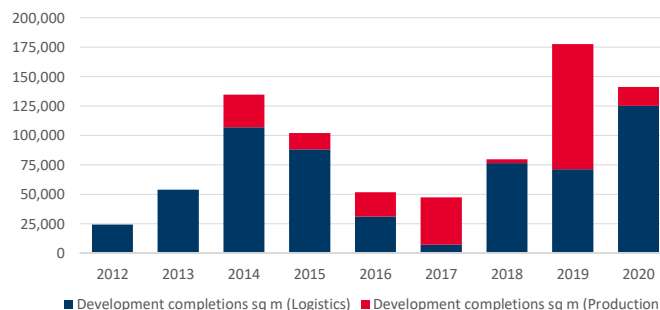
Despite the current circumstances, Serbia and Belgrade witnessed strong activity in H2 2020, when the large portion of projects initiated in the previous period were completed in the second part of the year. When it comes to Belgrade and industrial zones in its close proximity (Pecinci and Stara Pazova), the overall annual deliveries exceed 140,000 sq m, while additionally, a certain number of old schemes has been acquired and refurbished into modern industrial facilities. Therefore, the total supply of modern industrial space in Belgrade and its vicinity exceeds 2 million sq m at the end of 2020.

When it comes to the demand for industrial space in H2 2020, it was mostly driven by the wholesale, logistics and distribution centers' tenants, which is in accordance with the rise of e-commerce and retail online sales. Total leasing activity in Belgrade (incl. Pecinci and Stara Pazova) in H2 2020 stands at the similar level as in the first six months of the year, i.e., 50,000 sq m.

A significant interest in the industrial and logistics complexes continued in H2 2020, when Czech developer CTP enlarged its Serbian portfolio by acquisition of 30,000 sq m large warehouse facility LogMaxx Beta from Austrian-based real estate developer Eyemaxx, which makes the industrial market one of the fastest-growing real estate market segments in Serbia.

## RENTS AND VACANCY

The rental prices of modern logistics space usually range between EUR 3-5/sq m/month, depending on the quality, size and features of the property. More sophisticated premises in the settlements closer to Belgrade usually exceed this level thanks to highly advanced amenities and limited offer on the market. When it comes to the prime industrial yields, they remained stable and range between 10-11% for industrial facilities and between 9.00-10.00% for prime warehouse and logistics.



LogMaxx Beta, Stara Pazova

### PIPELINE PROJECTS IN BELGRADE AND SERBIA

INVESTOR / PROJECT	TYPE OF FACILITY	LOCATION	SUBMARKET	SIZE SQ M	COMPLETION DATE
Toyo Tires	Manufacturing	Indjija	Indjija	120,000	H1 2022
Brose	Manufacturing	Pancevo	Pancevo	60,000	1st phase - H1 2021
CTPark Belgrade North - 1st and 2nd phase	Warehouse	Belgrade	Novi Banovci	48,000	H1 2021
CTP Kragujevac - 2nd phase	Manufacturing	Kragujevac	Kragujevac	28,000	2nd phase - H1 2021
Barry Callebaut	Manufacturing	Novi Sad	Novi Sad	15,000	H1 2021

### KEY CONSTRUCTION COMPLETIONS IN BELGRADE AND SERBIA H2 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	OWNER/DEVELOPER
Minth Automotive Europe	Loznica	Owner-occupied	67,000	Minth Automotive Europe
Leoni	Kraljevo	Owner-occupied	45,000	Leoni Wiring Systems Southeast
Boysen	Subotica	Owner-occupied	38,000	Boysen
KLP	Belgrade, Simanovci	Keprom	27,000	Konstruktor
Roaming	Belgrade, Surcin	Würth	12,000	Roaming

### KEY LEASE TRANSACTIONS IN BELGRADE AND SERBIA H2 2020

PROPERTY	SUBMARKET	TENANT	SIZE OF DEAL	TYPE
CTPark Belgrade North	Belgrade, Novi Banovci	Tehnomanija	20,000	lease
KLP	Belgrade, Simanovci	Keprom	10,500	lease
Roaming	Belgrade, Surcin	Würth	7,800	pre-lease
MK Beorent	Belgrade, Makis	Centrosinergija	7,600	lease
CTPark Novi Sad	Novi Sad, Radna Zona Sever 4	Continental	7,000	lease
A&R IMMOBAU AG	Pancevo	DimniCAR	3,500	lease

### KEY SALES TRANSACTIONS IN BELGRADE AND SERBIA H2 2020

PROPERTY	SUBMARKET	SELLER	BUYER	SQ M
LogMaxx Beta	Belgrade, Stara Pazova	Eyemaxx	CTP	30,000

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