

YoY Chg 12-Mo. Forecast

**2,200,000 sq m**

Belgrade total stock \*



**81,800 sq m**

Belgrade take-up in H1 2021



**3-5 EUR/sq m**

Rental prices



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

### ECONOMIC INDICATORS

YoY Chg 12-Mo. Forecast

**1.7%**

GDP Growth rate Q1 2021

YoY Change vs Q1 2020



**12.8%**

Serbia

Unemployment Rate\*

Q1 2021



**9.6%**

Belgrade

Unemployment Rate\*

Q1 2021



Source: Statistical Office of the Republic of Serbia  
\*due to the changes in the methodology, the 2021-figures could not be compared to the data published prior to 2021

### ECONOMY

A global slowdown caused by COVID-19 pandemic had a less severe impact on Serbia as compared to most European countries. After decline of 1.0% in 2020, according to the Statistical Office of the Republic of Serbia, GDP increased by 1.7% in Q1 y/y, reaching the pre-crisis level one quarter earlier than estimated. The growth was driven by construction and industry, while the service sector also made a positive contribution, despite the prolonged negative effect of the pandemic. As per the latest National Bank of Serbia's projections, it is expected that GDP growth in 2021 will amount to 6%. In March 2021, Moody's has upgraded Serbia's credit rating, while Fitch and S&P have confirmed a credit rating in March and June 2021 respectively, acknowledging the maintained macroeconomic stability and favourable outlook.

### SUPPLY AND DEMAND

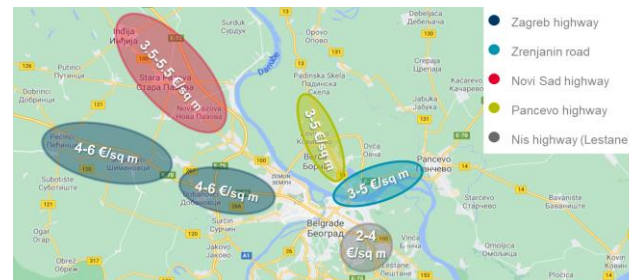
In line with the forecasts of economic development in 2021 and the recovery period from COVID-19, the industrial and logistics sector in Serbia is flourishing with an increase in the number of domestic and foreign investors developing logistics and industrial facilities for speculative purposes, but also for their own needs. As of beginning of 2021, nearly 220,000 sq m of new space was completed in Serbia, including the completion of Xingyu Automotive Systems Co LTD factory in Nis, totalling 48,000 sq m and Minth Automotive Europe 2 factory in the city of Loznica of 45,000 sq m. When it comes to Belgrade and industrial zones in its close proximity (Pecinci and Stara Pazova), deliveries in the first six months reached almost 40,000 sq m including completion of the first phase totalling 20,000 sq m of CTP's large-scale logistics complex named CTPark Belgrade North, upon completion of its second phase by the end of the year, CTP's portfolio in Serbia will have over 190,000 square meters. Therefore, the total supply of modern industrial space in Belgrade and its vicinity exceeds 2,2 million sq m at the end of H1 2021.

When it comes to the future supply, currently over 960,000 sq m is being developed in Serbia, predominantly for speculative purposes, out of which approx. 220,000 sqm of warehouse space while approx. 760,000 sq m is dedicated to manufacturing. The largest complex currently under construction in Serbia is Shandong Linglong Tyre production park which upon completion should cover nearly 394,000 sq m. The demand for industrial space in H1 2021 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) reached 81,000 sq m in H1 2021, which represents significant increase of 39% compared to the H2 2020.

### RENTS AND VACANCY

The sales prices for the logistics space increased in the previous period due to the increase of the development land prices and construction cost, however effective rents of modern logistics space in Belgrade and industrial zones in its close proximity (Pecinci and Stara Pazova) remained at the same level of EUR 3-5 /sq m/month. Asking prices for more sophisticated premises in the settlements closer to Belgrade rose thanks to highly advanced amenities and limited offer on the market. The prime industrial yields currently range between 10-10.50% for industrial facilities and between 8.75-9.75% for prime warehouse and logistics.

### RENTAL LEVELS IN KEY INDUSTRIAL ZONES (EUR/sqm)



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