

MARKETBEAT BELGRADE

Industrial H2 2023



CUSHMAN &
WAKEFIELD

CBS
INTERNATIONAL

YoY
Chg

12-Mo.
Forecast

2,778,682 sq m
Total stock*



200,000 sq m
Take-up 2023



€4.0-5.5
Rental prices



8.25-9.00%
Yields for modern logistics



* Belgrade wider industrial area (incl. Pecinci and Stara Pazova)
(Overall, All Property Classes)

ECONOMIC INDICATORS

3.6%

GDP Growth rate Q3 2023
YoY Change vs Q3 2022



6.4%

Belgrade
Unemployment Rate
Q3 2023



EUR 920

Belgrade
Average net salary
Jan-Nov 2023



Source: Statistical Office of the Republic of Serbia

ECONOMY

Serbia has successfully maintained economic stability and garnered confidence from both consumers and investors. This is evident in the cumulative real GDP growth from 2020 to 2023, which reached approximately 12%. In Q3 2023, real GDP growth stood at 3.6% year-on-year, and expectations for the entire year of 2023 is 2.5%. The projected GDP growth for 2024 ranges from 3% to 4%, with a medium-term expectation of returning to pre-crisis growth rates of 4% annually. Inflation, having followed a declining trajectory since April, returned to a single-digit level in October and further decelerated to 7.6% year-on-year in December. Projections indicate a continued decrease in inflation throughout the forecast period, with an anticipated return to the target tolerance band by mid-2024 and an approach to the central point of the target by the end of that year.

SUPPLY AND DEMAND

While there has been a progress in Serbia's industrial sector, the market still lags in terms of the modern offer designed for speculative purposes. Most existing facilities are constructed either to suit the preferences of the property owner or are built to cater to specific tenant needs. By the close of the year 2023, the cumulative modern warehouse and production supply in Serbia has surpassed 6 million square meters. The primary industrial hub is centred around Belgrade, along with its neighbouring municipalities Stara Pazova and Pecinci, constituting approximately 50% of the total contemporary industrial supply in Serbia. In the wider Belgrade industrial zone, the total supply of modern industrial space stands at 2,778,682 sq m, showing an upward trend expected to continue in the forthcoming years. Highly attractive locations for the expansion of the industrial and logistical market in the vicinity of Belgrade include the highways to Zagreb, Novi Sad/Batajnicki Drum, Pancevo Road, Zrenjanin Road and the highway to Nis (Lestane). The modern logistics space within Belgrade only, excluding industrial zones in Pecinci and Stara Pazova, amounts to 1,265,000 square meters, out of which 870,000 sq m are modern logistics facilities and 395,000 sq m are production space.

At the moment, the largest projects are being developed by international logistics operators, i.e. Czech CTP which is currently expanding the projects in Belgrade, Novi Sad, Pecinci and Stara Pazova and has started working on a new project in Jagodina totalling 35,000 sq m, Slovak Besico which plans the complex of 46,000 sq m in Nova Pazova and Belgium VGP that started the construction of the first phase of 40,000 sq m of its large-scale logistics park in Dobanovci.

In terms of the demand, new leases (excluding owner-occupation deals) in 2023 in Belgrade industrial zones amount to 200,000 sq m, representing a decrease of 7% as compared to 2022 annual demand.

PRICING

After the slight increase in 2022, the rents of modern logistics space in Belgrade and industrial zones in its proximity remained stable in 2023 in the range of EUR 4.0-5.5/sq m/month. The vacancy rate for modern logistics in the wider Belgrade industrial area stands below 5%.

Prime yields for modern logistics facilities (prime assets with blue chip tenants) in the Belgrade industrial zone stand at 8.25-9.00%, while modern production complexes command yields of 8.50-9.50%.

Tamara Kostadinovic

Partner | Head of Market Research

Airport City Belgrade

11 Tadije Sondermajera St., 11070 Belgrade, Serbia

Tel: +381 11 22 58 777

tamara.kostadinovic@cw-cbs.rs

[cushmanwakefield.com / cw-cbs.rs](https://cushmanwakefield.com/cw-cbs.rs)

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