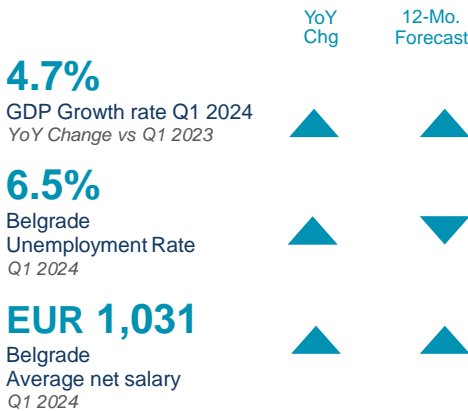


(Overall, All Property Classes)

ECONOMIC INDICATORS



Source: Statistical Office of the Republic of Serbia

ECONOMY

Having in mind the package of economic measures implemented by the Serbian Government and the National Bank of Serbia (NBS), Serbia recorded a cumulative real GDP growth of 12% during the period 2020-2023. According to the official statistical data, real GDP growth in the first quarter of 2024 was 4.7%, with all sectors on the production side positively contributing to the growth, with the largest contribution from the service and construction sectors. As announced by the NBS, real GDP growth in Serbia is expected to accelerate to 3.5%, driven by domestic demand in 2024. For 2025 and 2026, the growth is projected in the range of 4-5%, considering the implementation of investments planned within the EXPO 2027 Project. After the record year 2022, when foreign direct investments (FDI) reached the level of EUR 4.4 billion, a new highest FDI inflow of EUR 4.5 billion was recorded in 2023, which brings the total to more than EUR 23 billion in the previous 5 years, with over €12 billion directed towards tradable sectors. Inflation has been on a declining path since April 2023, while in June 2024, it slowed down to 3.8% y/y.

SUPPLY AND DEMAND

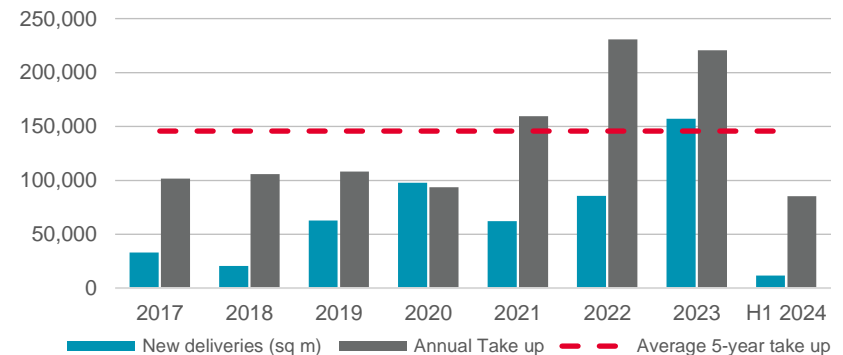
The office market in Belgrade noted a slowdown in the first half of 2024 as per both, the supply and demand, compared to the same period last year. At the end of Q2, total office stock in Belgrade amounts to 1,332,000 sq m, with 11,811 sq m added within one office project completed in the second quarter of 2024. A new office building Artklasa is situated in the Dorcol area and the vicinity of the Danube River and Silosi, a new cultural landmark of Belgrade. At the end of Q2, the class A properties reached a share of nearly 60% of the total supply. Four office projects of a cumulative 52,000 sq m of GLA are planned for delivery by the year-end, whereas the BIGZ and Hyde Park City office complexes are among the noteworthy projects.

Belgrade's office market recorded a good second quarter with a take-up of the app. 51,000 sq m, exceeding the results registered in the previous quarter (32,774 sq m) and the same quarter last year (45,129 sq m). Most of the take-up includes office premises of less than 500 sq m (67%), however, the average deal size amounted to nearly 850 sq m, surpassing a Q1 average deal size of 490 sq m and being at the same level as the 2023 average. New Belgrade was the submarket with the highest take-up figures in the second quarter with 78%, which is in line with the amount of available space. New leases contributed 60% of the total take-up, while renewals constituted 19%. At the same time, expansions recorded the lowest contribution in the previous two years. Generally, demand dynamics demonstrated a slowdown in H1 2024 with total leasing activity of 85,423 sq m, shrinking by 20% y/y.

RENTS AND VACANCY

In Q2, as a result of limited offer of modern office buildings, a rising trend in the prime rent in Belgrade market was recorded and now amounts to EUR 18/sqm/month, while the asking rent for class B is broadly unchanged since the previous quarter and stands at the level of EUR 11.5-14/sq m/month. Due to the slowdown on the supply side and stable demand for office space, the vacancy rate further decreased to 6.03%. Considering the limited pipeline stock, the vacancy rate is expected to remain on a downward path. The yields for prime office space have remained at the Q1 levels, i.e. 8.25-8.75%.

NEW DELIVERIES / SPACE DEMAND



Source: CBS International, part of Cushman & Wakefield Group

MARKET STATISTICS Q2 204

| SUBMARKET6 | STOCK (sq m GLA) | VACANCY (%) | UNDER CONSTRUCTION | YTD TAKE-UP |
|-----------------------|------------------|--------------|--------------------|---------------|
| New Belgrade | 958,737 | 7.02% | 38,000 | 64,586 |
| City Centre | 336,301 | 3.74% | 80,700 | 20,837 |
| Wider Central Area | 37,557 | 1.33% | / | / |
| BELGRADE TOTAL | 1,332,595 | 6.03% | 118,700 | 85,423 |

Source: CBS International, part of Cushman & Wakefield Group

SELECTED PIPELINE PROJECTS

| PROPERTY | SUBMARKET | SQ M GLA | DEVELOPER | ESTIMATED COMPLETION DATE |
|-----------------------|--------------|----------|------------------------------------|---------------------------|
| Airport City Belgrade | New Belgrade | 27,000 | AFI Europe | Q1 2025 |
| BIGZ | City Centre | 26,000 | Marera Properties, Aleksadar Group | Q3 2024 |
| Hyde Park City | City Centre | 43,000 | PSP Farman | 2024/2025 |
| Brankov BC | City Centre | 8,500 | Astoria Group | Q3 2024 |

Source: CBS International, part of Cushman & Wakefield Group

SELECTED LEASE TRANSACTIONS IN H1 2024

| PROPERTY | TENANT | SQ M | TYPE |
|-----------------------|----------------------------------|-------|-----------|
| Green Heart | IT Company | 9,349 | lease |
| Usce Tower II | Serviced Offices | 9,300 | sublease |
| Sava Business Centre | Supplier of electronic equipment | 4,109 | renewal |
| Forum 26 | Serviced Offices | 2,000 | lease |
| Airport City Belgrade | IT Company | 1,558 | lease |
| AFI City Zmaj West | Retail company | 1,234 | lease |
| Sava Centar | Telecommunication company | 1,000 | expansion |

Source: CBS International, part of Cushman & Wakefield Group

About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.



Artklasa, 11,811 sq m GLA

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