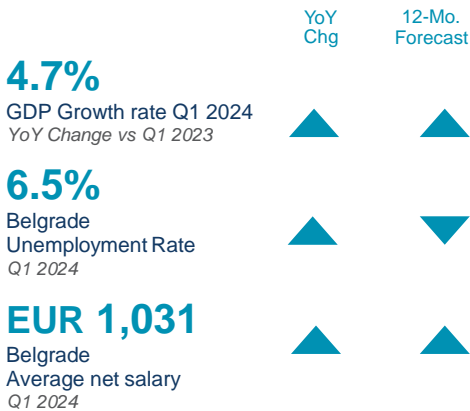




* Belgrade wider industrial area (incl. Pecinci and Stara Pazova)
(Overall, All Property Classes)

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

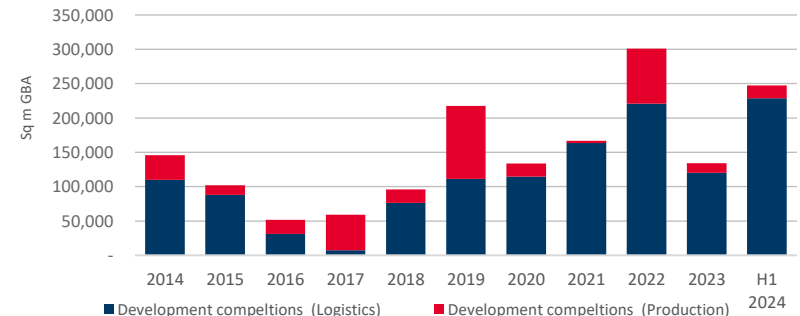
In H1 2024, Belgrade's industrial stock was enlarged by nearly 250,000 sq m of modern industrial space. New supply was dominated by logistics and distribution facilities, i.e., 90%, whereas the largest projects were developed by CTP and VGP. Namely, CTP completed the first two phases of its large project in Belgrade's wider area named CTPark Belgrade City, totalling 135,000 sq m. At the same time, VGP developed its first facility in Serbia, in the Dobanovci industrial zone. A record-high new supply of logistics space in one semester was driven by growth in online retail sales and the need for faster delivery times, coupled with the increased demand for high-quality spaces at specific micro-locations, especially along the highways. Currently, the total industrial supply in Belgrade region (incl. Stara Pazova and Pecinci) stands at the level of 3,044,000 sqm GBA, while Belgrade alone totals 1,481,000, which is an increase of 23%, compared to H1 2023. When it comes to new supply in other cities in Serbia, they contributed with additional 100,000 sq m, bringing the total amount of industrial space in Serbia to the level of 6,416,000 sq m GBA. The logistics pipeline for the second half of the year has been solid, with new 120,000 sq m currently under construction while the developers prefer to commence the construction works when a certain portion of pre-leases are secured.

Leasing activity narrowed in the first six months of the year, mostly as a result of a significant portion of pre-lease deals in the previous year, and high occupancy of the facilities delivered in 2024. The same trend continued in H1, whereas the pre-leases contributed with a share of 65% of the total take-up of industrial space in Belgrade and its vicinity. The occupier demand was mainly driven by logistics & transportation companies, distributors and retail chains.

PRICING

The rents of modern logistics space in Belgrade and its proximity remained stable and in the range of EUR 4.0-5.5/sq m/month in the first six months of 2024. Despite an increase in logistics stock, the vacancy rate remained below 5% at the end of H1 2024, mostly due to a strong share of pre-leases in recently delivered properties. Prime yields for modern logistics facilities in Belgrade industrial zone stand at 8.25-9.00%, while modern production complexes command yields of 8.50-9.50%.

NEW DELIVERIES / LOGISTICS VS PRODUCTION



Source: CBS International, part of Cushman & Wakefield Group

MARKETBEAT BELGRADE

Industrial H1 2024



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PIPELINE PROJECTS IN BELGRADE AND SERBIA

INVESTOR / PROJECT	TYPE OF FACILITY	CITY // INDUSTRIAL ZONE	SIZE SQ M	COMPLETION DATE
Wacker Neuson - 2nd phase	Production	Kragujevac	30,000	2024
Vorwerk Autotec - 2nd phase	Production	Cacak / Industrial zone Preljina	25,000	2024
CTP / CTPark Jagodina - JAG1	Warehouse / Logistics	Jagodina / Industrial zone Jagodina	33,000	2024
IPB / Industrial Park Belgrade - new phase	Warehouse / Logistics	Pecinci / Industrial zone Simanovci	27,000	2024
CTP / CTPark Nis - NIS1	Warehouse / Logistics	Novi Sad / Industrial zone Nis	30,000	2025
UDI / Logistics park Simanovci	Warehouse / Logistics	Pecinci / Industrial zone Simanovci	59,000	2025
Besico / Besico Park Belgrade North	Warehouse / Logistics	Stara Pazova / Nova Pazova	46,000	n/a

KEY CONSTRUCTION COMPLETIONS IN BELGRADE IN H1 2024

PROPERTY	SUBMARKET / CITY	TYPE OF FACILITY	SQ M	OWNER / DEVELOPER
CTPark Belgrade City - BGD1/BGD 2	Kvantas, Belgrade	Warehouse / Logistics	135,000	CTP
VGP	Dobanovci, Belgrade	Warehouse / Logistics	70,000	VGP
CTPark Novi Sad East - NSE2	Industrial zone Kac, Novi Sad	Warehouse / Production	35,000	CTP
Milsped	Krnjesevci, Stara Pazova	Warehouse / Logistics	30,000	Milsped
Kemoimpex - 2nd phase	Indjija	Warehouse	20,000	Kemoimpex
Nestle Adriatic S	Surcin, Belgrade	Production	18,400	Nestle
Yusei Machinery	Nis	Production	11,500	Penta Ge.Co.

KEY LEASE TRANSACTIONS IN H1 2024

PROPERTY	CITY / INDUSTRIAL ZONE	TENANT	SIZE OF DEAL	TYPE
VGP	Belgrade / Dobanovci	Wholesale company	15,000	Warehouse / Distribution
CTPark Nis - NIS1	Nis / Industrial zone Nis	Logistics & transportation company	15,000	Warehouse / Logistics
CTPark Belgrade North - NBC 5	Stara Pazova / Novi Banovci	Home appliances supplier	12,000	Warehouse / Logistics
CTPark Belgrade North - NBC 2	Stara Pazova / Novi Banovci	Logistics & transportation company	10,000	Warehouse / Logistics
CTPark Novi Sad East	Novi Sad / Industrial zone Kac	Motor Vehicle Manufacturer	5,750 - expansion	Production

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.



CTPark Belgrade City, 135,000 sq m GBA

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