

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
5.9% Overall Vacancy Rate	▼	▼
38,500 Total Leasing Activity, sqm	▼	—
€18.00 Prime Asking Rent	▲	—

(Overall, All Property Classes)

ECONOMIC INDICATORS

3.3% GDP Growth Rate Q4 2024	▼	▲
6.2% Belgrade Unemployment Rate Q4 2024	▼	▼
€1,059 Belgrade Average Net Salary 2024	▲	▲

Source: Statistical Office of the Republic of Serbia

ECONOMY

The real GDP expanded by 3.3% year-on-year in Q4 2024, lifting the annual growth rate to 3.9%, as per the official figures published by the Statistical Office of the Republic of Serbia. It was boosted by the service sectors, especially trade and industry, while the effects of drought pulled agricultural output down. Reflecting the impact of geopolitical and socioeconomic uncertainties, National Bank of Serbia’s estimated the growth rate of 3.5% in Q1 2025 to be accelerated to 4.5% in 2025, then stabilized within a 4-5% range in 2026 and 2027, having in mind the organization of the specialized international exhibition EXPO 2027.

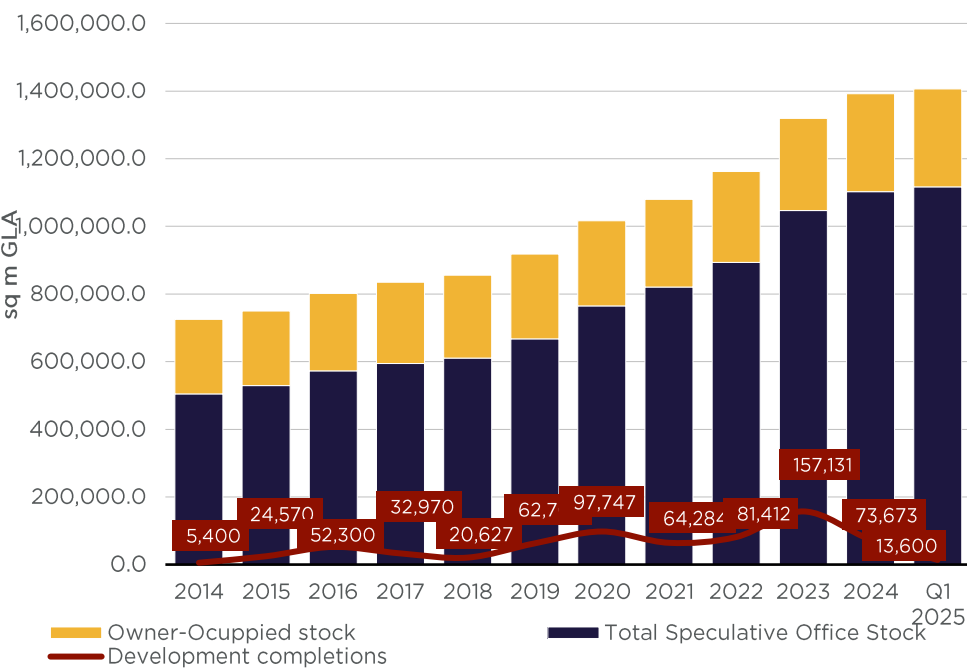
The year 2024 also marked another record for foreign direct investments, as total FDI inflows reached EUR 5.2 billion—up 14.2% compared to 2023. On the labour market front, the unemployment rate in Q4 2024 declined to 8.6% in Serbia and 6.2% in Belgrade. Inflation has been on a declining path throughout 2024. In the first months of 2025, inflation moved around the upper bound of the target range and in March amounted to 4.4% y/y.

SUPPLY

After the 2024 annual completion of 74,000 sq m of GLA, the start of 2025 brought one addition to Belgrade office market with the completion of Tehnohemija office building totalling 13,600 sq m, located in the lower Dorcol area. This refurbishment contributes to the ongoing transformation of the central city zone and reflects the growing interest in urban renewal projects and revitalisation of well-connected locations.

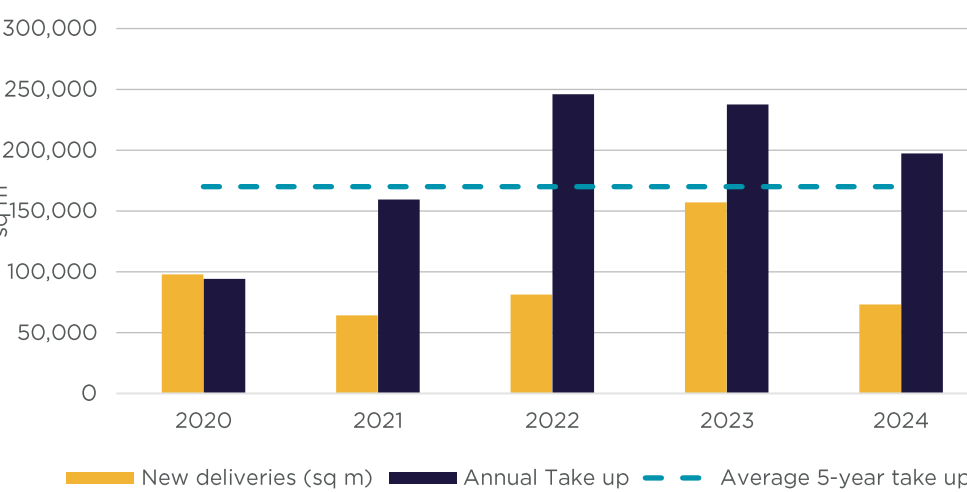
The total modern office stock across Class A and B buildings stands at 1,406,000 sq m of GLA at the end of Q1 2025. Of this, a significant majority — 1,116,000 sq m — represents speculative stock, developed for the market needs. The remaining 290,000 sq m of GLA consists of owner-occupied office properties. Looking ahead, Belgrade office development pipeline remains stable, with approximately 86,000 sq m of office space currently under construction.

TOTAL STOCK / NEW DELIVERIES



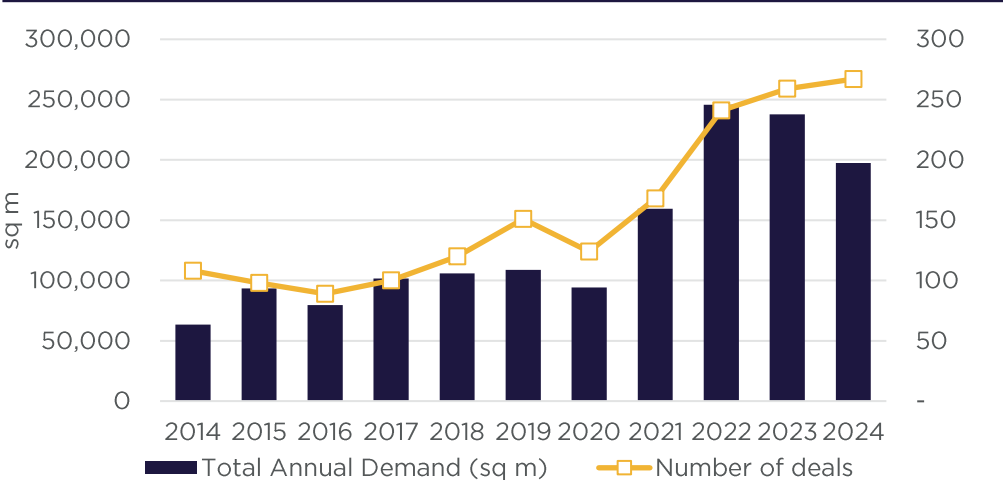
Source: CBS International, part of Cushman & Wakefield Group

NEW DELIVERIES / SPACE DEMAND

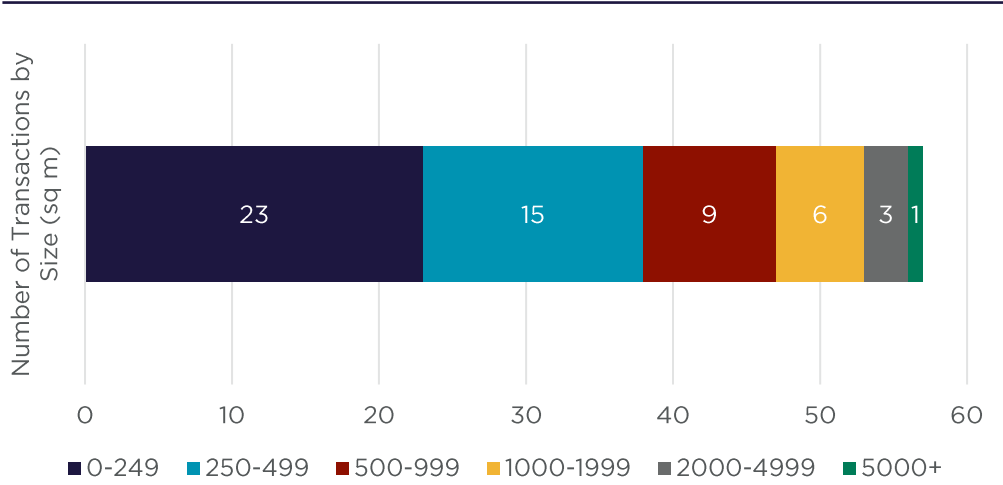


Source: CBS International, part of Cushman & Wakefield Group

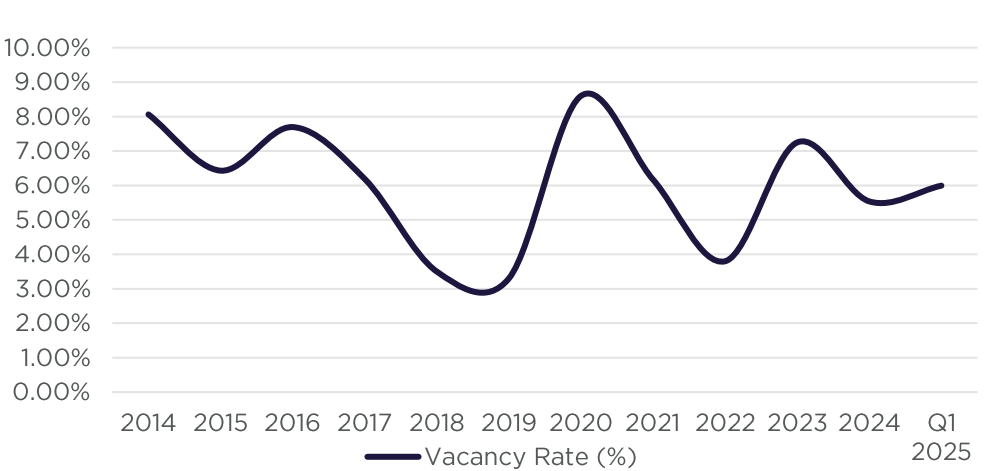
ANNUAL DEMAND & NUMBER OF DEALS



TAKE-UP STRUCTURE PER SIZE Q1 2025 (SQ M)



VACANCY RATE (%)



Source: CBS International, part of Cushman & Wakefield Group

DEMAND

The first quarter of 2025 recorded 38,500 sq m of leased office space across 57 transactions, which indicates a slight slowdown in overall take-up compared to the starting quarters in the previous years. While the number of transactions in Q1 2025 remains within the typical range and even above some previous numbers, the total leased space is the lowest since 2022, suggesting that tenant activity remained stable, but the average lease size has been on a downward path.

The average deal in Q1 2025 amounted to 673 sq m, down from 750 sq m in 2024. Out of 57 transactions recorded in Q1 2025, 38 involved lease agreements for spaces smaller than 500 sq m. In contrast, only 10 transactions included the office spaces of 1,000 sq m or more, confirming the notion that demand in early 2025 was driven primarily by smaller occupiers rather than large-scale relocations or expansions.

The coworking concept has developed considerably over time, shifting from open-plan shared spaces to fully serviced office solutions. Belgrade coworking market experienced strong growth throughout 2023 and 2024, which continued in Q1 2025, with the opening of another coworking space in downtown Belgrade, in the Progres office building. At the close of Q1 2025, coworking spaces total 78,800 sq m, or 5.6% of Belgrade’s modern office stock.

PRICING

In Q1 2025, rental levels remained stable compared to the previous quarter. Rents for the Class A office segment vary between EUR 16-18/sqm/month, while the asking rent for Class B stands at the level of EUR 11.5-14/sq m/month. In certain cases, when it comes to the prime office spaces at the most attractive locations, the asking prices may exceed this range.

On the investment side, Q1 marked the significant transaction when GTC sold its only remaining office building in Belgrade, GTC X, for EUR 52 million. Reflecting improved investor sentiment for high-quality office assets, prime yields for offices have compressed to 7.50% to 8.00%.

VACANCY

The year began with stable demand and a minor stock increase, slightly pushing the vacancy rate to 5.9%, which remains in the range of 5-10%, indicating a healthy balance between supply and demand. A reasonable new supply should influence the reduction of available space in the next quarters.

OUTLOOK

- Looking at the pipeline, 86,000 sq m of modern office space is under construction, with 70,000 sq m scheduled for completion by the end of 2025. The largest scheme is the new office building of 27,000 sq m, being developed along Omladinskih Brigada Street within Airport City Belgrade complex. Another significant project is Hyde Park, where the second and final phase of 24,000 sq m is set for completion in 2025.
- RTO (Return to Office) trend is in focus. As per the CBS International Survey 2025, working patterns have shifted intensely in Belgrade. In 2020, the majority of employees (69%) worked from home full-time, largely driven by the pandemic. However, by 2025, only 3% continue to work fully remotely. Meanwhile, full-time office work has steadily increased from just 5% in 2020 to 43% in 2025, indicating a strong return to traditional office-based work. The hybrid model, which combines both working options, after initially rising in 2021 (52%) and peaking at 58% in 2023, remains stable at 54% in 2025.

MARKET STATISTICS

SUBMARKET	TOTAL STOCK (SQM)	OVERALL VACANCY RATE (%)	CURRENT QTR TOTAL LEASING ACTIVITY (SQM)	UNDER CONSTRUCTION (SQM)	YTD CONSTRUCTION COMPLETIONS (SQM)	ASKING RENT CLASS A (EUR/SQM)*
Center	385,263	6.96%	4,579	24,500	13,600	16-19
New Belgrade	958,737	5.05%	33,780	61,500	/	16.5-19
Wider Central Area	62,057	12.87%	/	/	/	/
BELGRADE TOTAL	1,406,057	5.92%	38,359	86,000	13,600	/

*Asking rental levels presuming standard fit-out contribution

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	INDUSTRY	SQM	TYPE
Airport City Belgrade	New Belgrade	ICT company	8,000	renewal
Belgrade Business Centre	New Belgrade	ICT company	1,600	lease
Belgrade Office Park	New Belgrade	ICT company	1,400	lease
Progres	Center	Coworking	770	lease
Navigator	New Belgrade	ICT company	700	renewal
Sava Center	New Belgrade	Logistics	300	lease
Green Escape	New Belgrade	Manufacturing	240	lease

KEY CONSTRUCTION COMPLETIONS Q1 2025

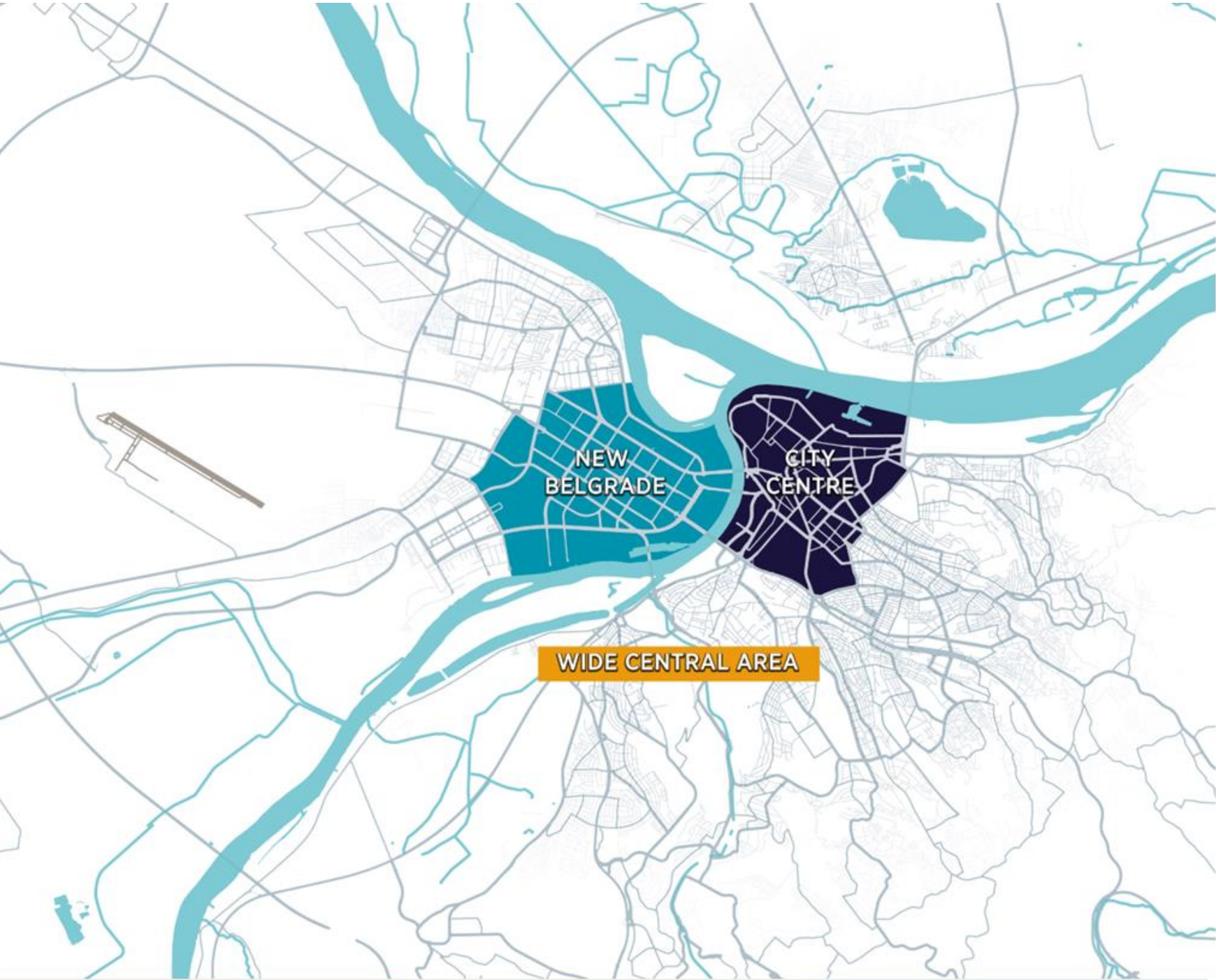
PROPERTY	SUBMARKET	MAJOR TENANT	BUILDING SIZE (SQM GLA)	OWNER/DEVELOPER
Tehnohemija	Palilula / City Area	/	13,600	Tehnohemija

SELECTED PIPELINE PROJECTS

PROPERTY	LOCATION	SQM (GLA)	DEVELOPER	ESTIMATED COMPLETION DATE
Hyde Park City phase 2	Savski Venac / Prokop	24,500	PSP Farman	2025
Airport City Belgrade	New Belgrade	27,000	AFI Europe	2025
Panorama 26	New Belgrade	11,000	GP Napred	2025
Bel Mondo	New Belgrade	7,500	PSP Farman	2025
Delta District	New Belgrade	16,000	Delta Real Estate	2027

Source: CBS International, part of Cushman & Wakefield Group

OFFICE SUBMARKETS



NEW BELGRADE

- Stock: 959,000 sq m
- 68% of the stock

CITY CENTRE

- Stock: 385,000 sq m
- 27% of the stock

WIDE CENTRAL AREA

- Stock: 62,000 sq m
- 4% of the stock

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