

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
6.76% Overall Vacancy Rate	▼	▬
48,667 Total Leasing Activity, sqm	▼	▲
€18.00 Prime Asking Rent	▲	▬

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
2.0% GDP Growth rate Q1 2025	▼	▲
7.0% Belgrade Unemployment Rate Q1 2025	▲	▼
€1,142 Belgrade Average net salary Q1 2025	▲	▲

(Overall, All Property Classes)
Source: Statistical Office of the Republic of Serbia

ECONOMY

According to the Statistical Office of the Republic of Serbia, Serbia's GDP grew by 2.0% in Q1 2025 as compared to the same period last year. The strongest growth was observed in the information and communication sector, which increased by 8.0%, followed by industry and utility services (including water supply, waste management, and remediation) with a 2.1% rise. On the other hand, the construction sector experienced a decline of 5.6%, while trade, transport, hospitality, and vehicle repair sectors collectively saw a 1.1% drop. GDP is projected to grow by 3.5% in 2025, with the growth accelerating up to 4% and 5% in 2026 and 2027. The unemployment rate stood at 9.1% in Q1 2025, marking a 0.3% decrease year-on-year, with 7.0% rate in Belgrade. Average wages rose by 6.4%, although at a slower pace than before.

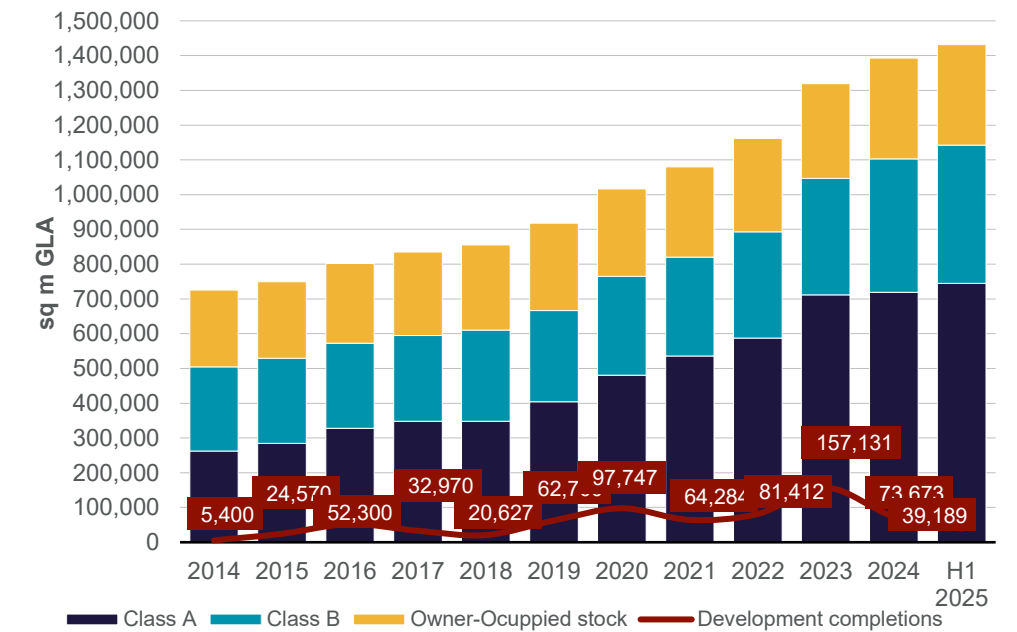
According to the National Bank of Serbia (NBS), inflation remained near the upper limit of the target band in early 2025 but eased to 4.0% in April and further to 3.8% in May, influenced by falling fuel prices and a slowdown in service-related costs.

SUPPLY

The Q2 2025 marked a new milestone in the office market with the completion of the first tower within the newly launched phase Business Avenue in Airport City Belgrade complex. This new delivery spans 25,600 sq m, bringing the total size of the Airport City Belgrade business complex to over 155,000 sq m. The current phase foresees the development of two additional buildings, located along Omladinskih Brigada Street.

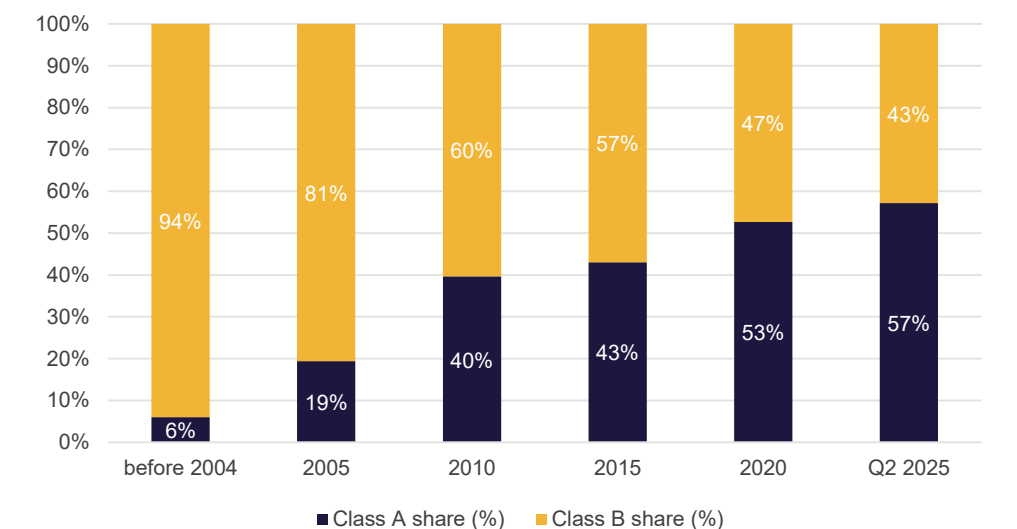
As of the end of Q2 2025, the total modern office supply in Belgrade reached 1,431,646 sq m of GLA. The structure remains consistent, with Class A offices accounting for 57% and Class B offices comprising 43% of the total supply. New Belgrade continues to dominate the office market, nearing the threshold of 1 million sq m. By the end of Q2, this submarket holds 984,326 sq m of GLA, representing 69% of Belgrade's total office stock. The total deliveries during H1 2025 stand at app. 39,200 sq m, while the pipeline remains strong, with app. 70,000 sq m of new office space currently under construction across the city.

TOTAL STOCK / NEW DELIVERIES



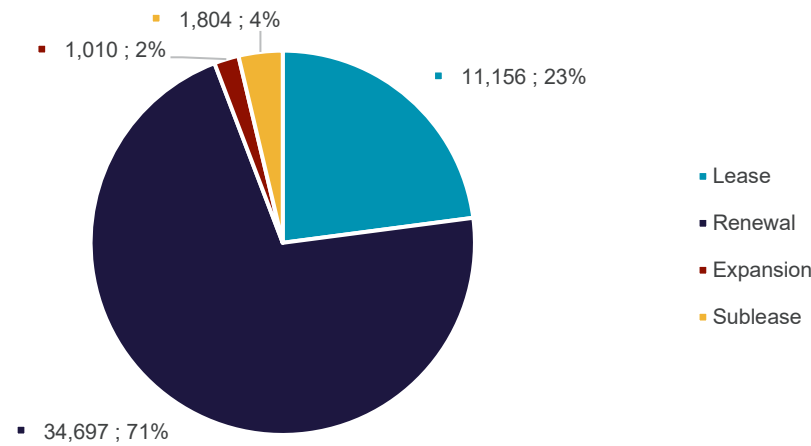
Source: CBS International, part of Cushman & Wakefield Group

EVOLUTION OF STOCK PER CLASS

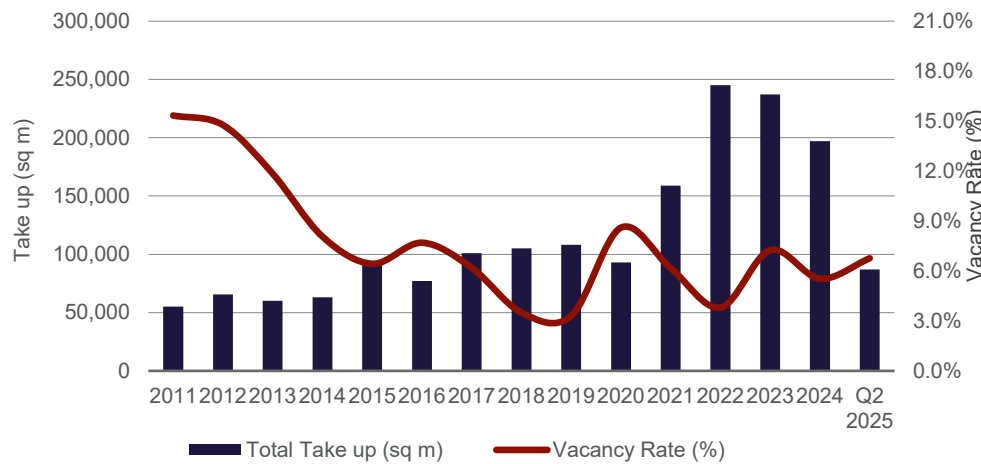


Source: CBS International, part of Cushman & Wakefield Group

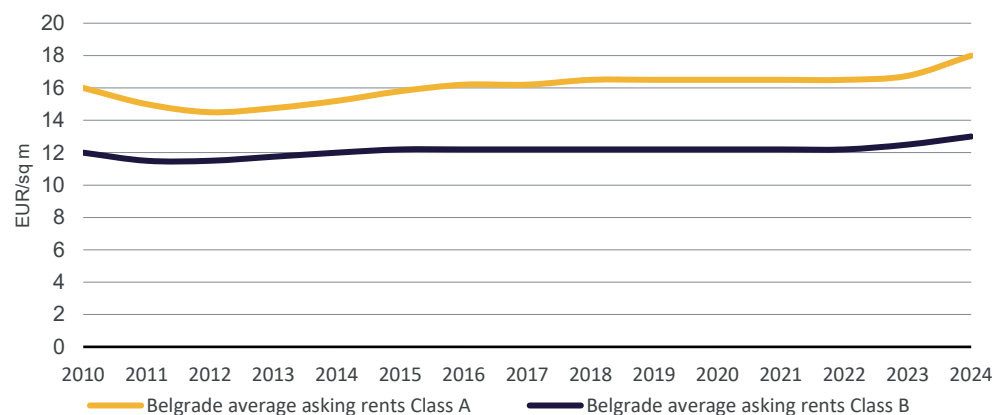
TAKE-UP STRUCTURE Q2 2025



TAKE UP & VACANCY RATE



ASKING RENTS FOR CLASS A AND CLASS B



Source: CBS International, part of Cushman & Wakefield Group

DEMAND

In Q2 2025, the office market recorded a slight recovery, with occupier demand surpassing 48,660 sq m. This marks a significant improvement following the subdued activity observed in Q1 2025. A key trend in Q2 was the sharp rise in the share of renewal transactions, which accounted for 71% of the total activity. A total of 53 transactions were concluded during the second quarter, with the average deal size increasing to 901 sq m – reflecting growing confidence among the occupiers.

When observing the overall performance in H1 2025, total take-up exceeded 87,000 sq m. Renewal activity remained dominant, representing 58% of the total take-up, continuing the trend of lease extensions over new leases.

The rise in average deal size is primarily driven by renewal transactions, as large occupiers are increasingly opting to remain in their existing premises.

PRICING

Rental pricing remained steady in Q2 2025, though it was higher than the year earlier—most notably in prime Class A assets, where headline rents have reached around EUR 16-18 per sq m per month, with top-tier buildings able to command above EUR 19/sq m./month. Asking levels in Class B segment are generally in the range of EUR 11.5-14 per sq m per month.

The positive momentum in the office investment market continued in Q2 2025, highlighted by the sale of the 17,000 sq m Sava Business Center office building to a local company OMR Group. This transaction further signals strengthened investor confidence in high-quality office assets.

This follows the landmark deal in Q1 2025, when GTC completed the sale of its last remaining office property in Belgrade, GTC X, for EUR 52 million. As a result of improving market sentiment, prime office yields have compressed to a range of 7.50% to 8.00%, confirming growing interest from institutional investors.

VACANCY

In Q2 2025, the vacancy rate rose to 6.76%, reflecting a moderate increase in available space. Despite this rise, the market remains within the healthy vacancy range of 5-10%, suggesting a continued balance between supply and demand. Looking ahead, a controlled pace of new supply is expected to gradually reduce the amount of vacant space in the coming quarters.

TRENDS

- As per CBS International Annual Survey held among office occupiers in Belgrade, the 2025 results illustrate the new workplace reality in Serbia. With 54% of businesses now operating fully in-office, it is evident that traditional workspaces have reasserted their importance after years of disruption. Meanwhile, 43% have embraced the hybrid model, reflecting lasting appreciation for flexibility and work-life balance, and the majority now spend 3-4 days per week in the office. Only 3% remain fully remote, stressing that while remote work played a critical role during the pandemic, it has not become the dominant long-term solution for most companies.
- From 2024 to 2025, the most notable development is the continued decline in fully remote work model, stabilising at a mere 3-4%. Meanwhile, full-time office presence increased steadily - reaching 54% in 2025. Surprisingly, the hybrid model, despite its peak popularity in 2023, began to decline, dropping to 55% in 2024 and further to 43% in 2025. This trend is still not prevailing in IT industry, showing 65% of respondents being in favour of the hybrid work model.

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)*
City Centre	385,263	6.31%	4,403	24,500	13,600	16-19
New Belgrade	984,326	6.55%	44,264	45,500	25,589	16.5-19
Wider Central Area	62,057	12.87%	/	/	/	/
BELGRADE TOTAL	1,431,646	6.76%	48,667	70,000	39,189	/

*Asking rental levels presuming standard fit-out contribution

SELECTED LEASE TRANSACTIONS Q2 2025

PROPERTY	INVESTOR	TENANT INDUSTRY	SQM	TYPE
Belgrade Business Centre	Grandum	Financial Services	7,600	Lease renewal
Usce Tower	MPC Properties	IT Company	4,800	Lease renewal
Navigator 2	MPC Properties	Consumer Services & Leisure Sector	3,150	Lease renewal
Airport City Belgrade (Business Avenue Tower 1)	AFI Europe	IT Company	2,100	New lease
GTC X	GTC	Professional Services	2,000	Expansion
Artklasa	Aselus	Business Services	626	New lease
Palata Beograd	Marera Proeprties	It Company	1,700	Lease renewal

KEY CONSTRUCTION COMPLETIONS Q2 2025

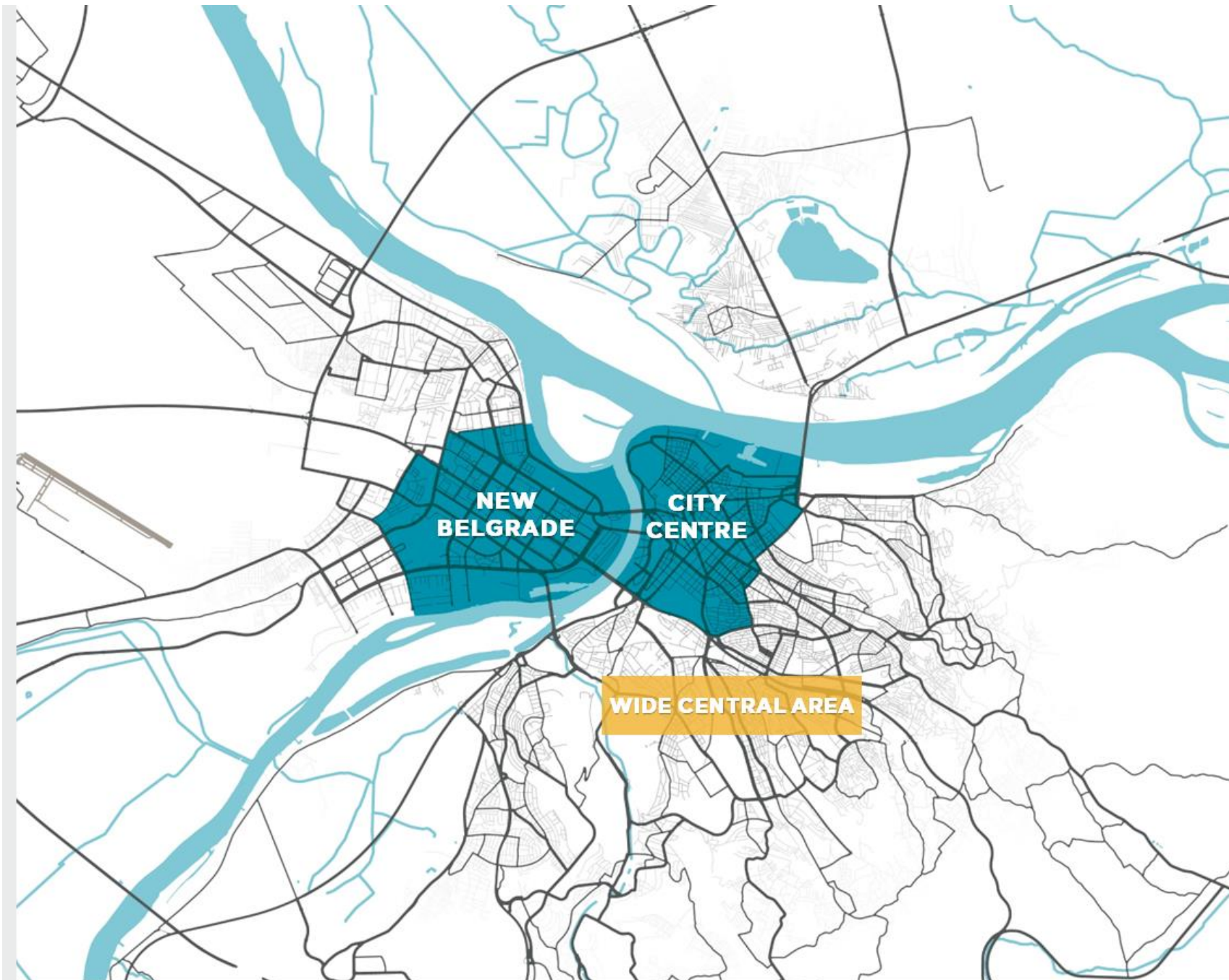
PROPERTY	LOCATION	MAJOR TENANT	BUILDING SIZE (SQM GLA)	DEVELOPER / OWNER
Airport City Belgrade (Business Avenue Tower 1)	New Belgrade	n/a	25,600	AFI Europe

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	22,000	AFI Europe	Q4 2026
Panorama 26	New Belgrade	11,000	GP Napred	Q4 2025
B40	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: app. 984,326 sq m
- 69% of the stock

CITY CENTRE

- Stock: app. 385,263 sq m
- 27% of the stock

WIDE CENTRAL AREA

- Stock: app. 62,057 sq m
- 4% of the stock

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