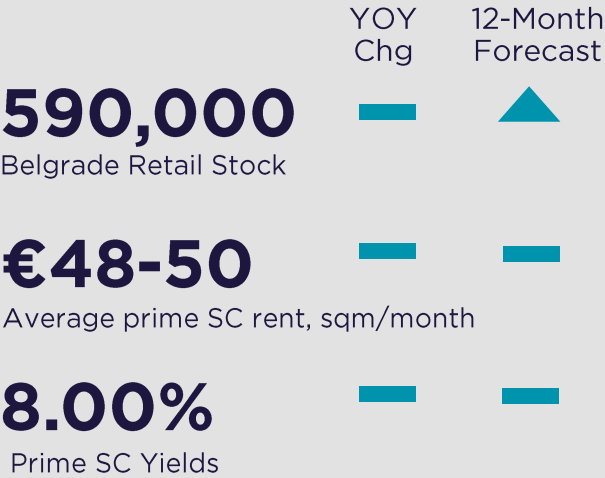
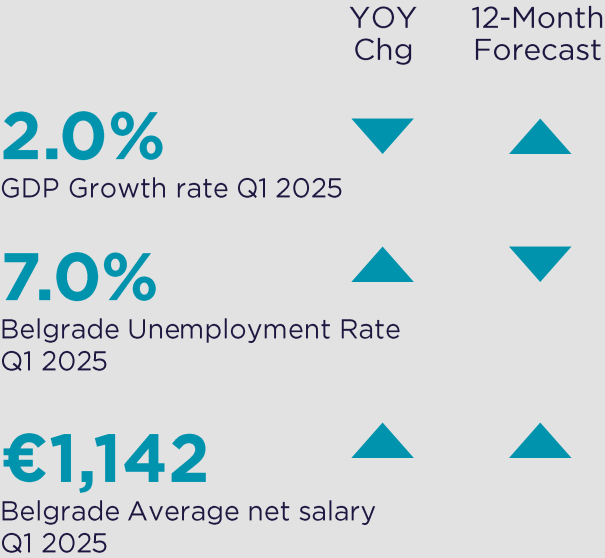


MARKET FUNDAMENTALS



ECONOMIC INDICATORS



(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.

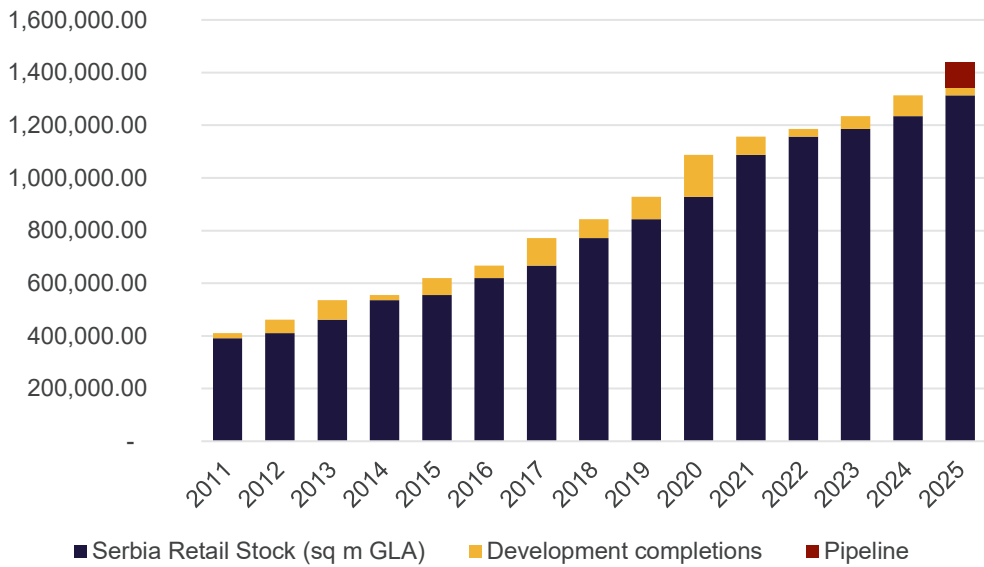
According to the National Bank of Serbia (NBS), inflation remained near the upper limit of the target band in early 2025 but eased to 4.0% in April and further to 3.8% in May, influenced by falling fuel prices and a slowdown in service-related costs.

SUPPLY

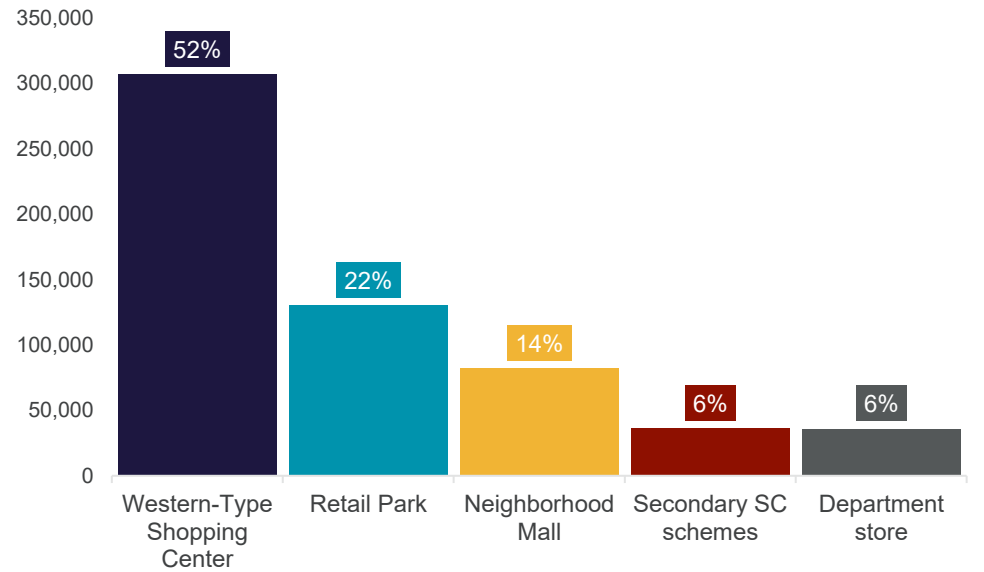
Following a notable increase in stock during the previous year—amounting to 80,000 sq m—the first half of 2025 recorded an additional expansion of 29,000 sq m. This growth was primarily driven by the completion of two retail parks located in Niš and Kraljevo, offering 15,500 sq m and 11,500 sq m of GLA, respectively. The investor, BDS Properties, has acquired several retail schemes across the country intending to refurbish and repurpose them into retail park formats. As a result, the total modern retail stock in Serbia now stands at 1,342,454 sq m, which amounts to 202 sq m per 1,000 inhabitants. Retail parks now account for 560,723 sq m or 42% of the total stock, followed by Western-style shopping centres with a 30% share.

In the capital, the modern retail stock has remained unchanged at 590,000 sq m, translating to 351 sq m per 1,000 inhabitants—still considerably below the regional average of approximately 600 sq m per 1,000 inhabitants. Western-style shopping centres hold the share of 52%, followed by retail parks of 22%.

TOTAL RETAIL STOCK IN SERBIA (sq m)

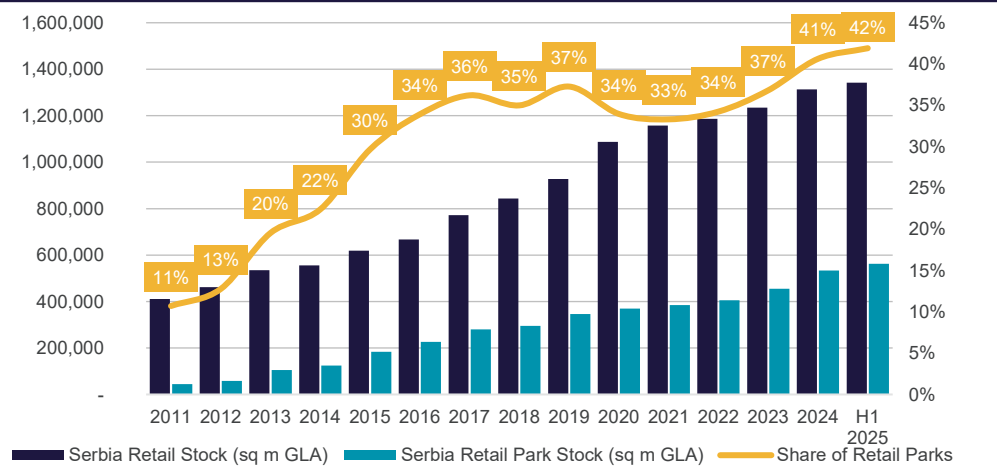


SUPPLY PER TYPE OF SCHEME IN BELGRADE (sq m)

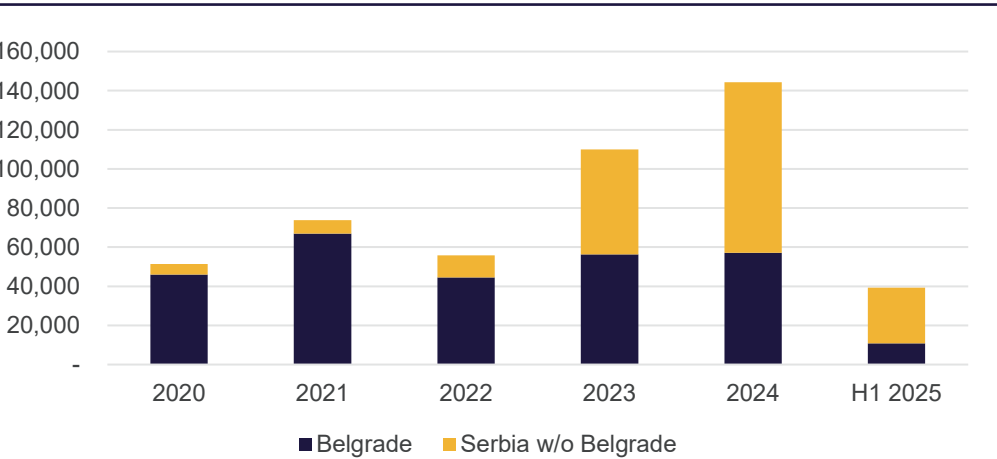


Source: CBS International

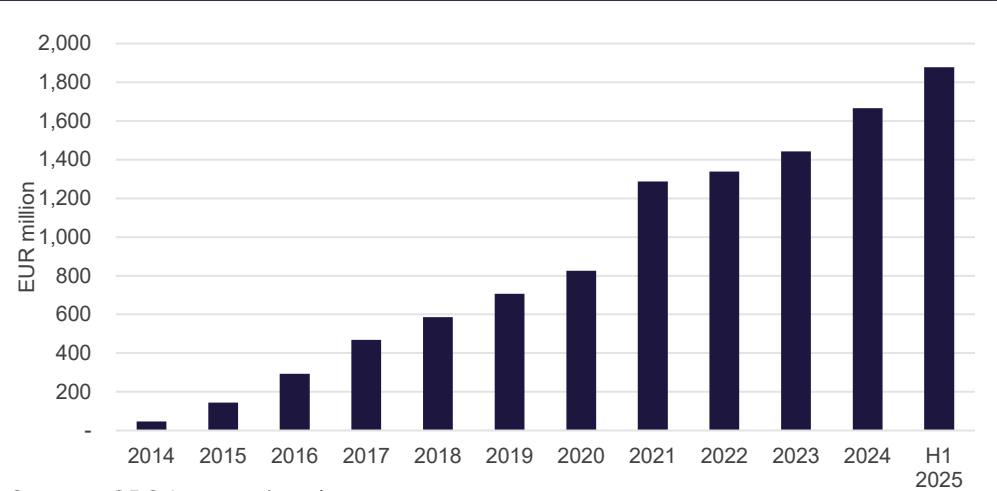
RETAIL PARK SHARE (%)



ANNUAL TAKE UP (sq m)



CUMULATIVE RETAIL INVESTMENT VOLUME (EUR)



Source: CBS International

On the new supply side, the development pipeline remains robust, with an anticipated increase of app. 97,000 sq m of GLA in 2025, driven by the scheduled completion of 9 retail parks. Notably, BIG CEE plans to deliver three projects in the cities of Cacak, Sabac and Bor, contributing a combined 40,630 sq m to the total stock. Furthermore, additional retail park developments are expected in Leskovac, Pozega, Smederevo, Sid, Arandjelovac, and Velika Plana during the second half of 2025. Looking ahead to 2026, two new retail parks are envisaged: one in the Belgrade municipality of Surcin (32,000 sq m), and another in the town of Becej in Vojvodina (6,000 sq m).

DEMAND

In terms of the demand, the second quarter of the year was stable with nearly 27,600 sq m, leading to the total take-up in H1 2025 in Serbia to app. 39,500 sq m. The largest number of deals were signed in the street retail units, followed by retail park formats. Location-wise, the demand in Belgrade amounted to 10,800 sq m, while 28,500 sq m were signed elsewhere in Serbia.

During the first 6 months of 2025, Serbia’s retail market continued to attract international brands, underscoring its growing appeal and potential as an important destination in Southeast Europe. Among the new entrants are Danish Jack & Jones fashion brand, Italian luxury manwear Boggi Milano, and famous lingerie brand Victoria’s Secret, each opening their first mono-brand stores in the shopping centres across Belgrade.

TRENDS

According to Cushman & Wakefield’s Retail Radar report, the fashion sector continues to dominate retail leasing activity across European markets, accounting for nearly 40% of the total leased area and almost one-third of all transactions in 2024. The food and beverage sector remains the second most active, while personal goods and mixed goods have experienced a slowdown, with fewer deals and reduced floor space taken. In contrast, leisure operators have gained momentum, with a 15% increase in deals and a 20% rise in leased space as compared to 2023-data.

Sneaker brands have shown consistent growth over the past five years, focusing on the in-store experience through creative fit-out in key flagship stores. Meanwhile, department stores are transforming, with many brands scaling back their footprints, creating opportunities for leisure operators to occupy the vacated space.

OUTLOOK

- Inspired by the concept found in major global capitals, Belgrade is officially getting its own large-scale **Food Market, Hangar 1929**. The last remaining building of the old airport within a business complex, Airport City Belgrade, is transforming into a vibrant gastronomic hub, which will bring together the culinary offerings of more than 30 well-known restaurants. The opening is scheduled for September 2025.
- Retail remains a dominant driver in the investment market, with shopping centres, retail parks and big-box schemes attracting strong investor interest, offering stability and growth potential.

PRICING

In key shopping centres, rental rates have remained stable, positioned between EUR 22-28 per sq m/month, while prime retail units achieve rates of EUR 45-50 per sq m/month. Average rental levels in retail parks formats currently range between EUR 9-13 per sq m/month. Yields for premium shopping centres in Belgrade range from 8.00-8.50%, while retail parks yield between 8.25-9.00%.

MARKET STATISTICS

CITY	RETAIL STOCK (SQ M GLA)	DENSITY (RETAIL STOCK PER 1,000 INH.)*	RETAIL PIPELINE (SQ M GLA)	AVERAGE PRIME RENT IN SHOPPING CENTRES (€/ sqm/ month)
Belgrade	590,845	351	32,000	45-50**
Novi Sad	124,399	337	-	20-35
Nis	76,617	307	-	18-30
Kragujevac	65,216	381	-	15-30
SERBIA TOTAL	1,342,454	202	134,930	

* Census 2022
**For units up to 150 sq m on the ground floor

CONSTRUCTION COMPLETIONS IN BELGRADE AND SERBIA H1 2025

PROPERTY	SUBMARKET	TYPE OF SCHEME	SIZE (sqm GLA)	DEVELOPER
Tempo Plus Nis	Nis	Retail Park	15,500	BDS Properties
Tempo Plus Kraljevo	Kraljevo	Retail Park	11,500	BDS Properties
TC Toplica / phase 1	Kursumlija	Retail Park	2,000	

KEY ONGOING PROJECTS IN SERBIA

PROPERTY	SUBMARKET	TYPE OF SCHEME	DEVELOPER	SIZE (SQM GLA)	DELIVERY YEAR
BIG Cacak - 1st phase	Cacak	Retail Park	BIG CEE	16,000	2025
NOVA Retail Park Sid	Sid	Retail Park	Go Shop Retail Park Ruma	12,000	2025
Smederevo Retail Park	Smederevo	Retail Park	Coka	15,000	2025
BIG Sabac	Sabac	Retail Park	BIG CEE	14,630	2025
Arandjelovac Retail Park	Arandjelovac	Retail Park	Peštan	10,000	2025
BIG Bor	Bor	Retail Park	BIG CEE	10,000	2025
Pozega Retail Park	Pozega	Retail Park	MCS-sistem	4,800	2025
DIMA VP	Velika Plana	Retail Park	VP Dima	3,000	2025
Lesko Park	Leskovac	Retail Park	Leskodrvo	11,500	2025
Retail Park Surcin	Belgrade	Retail Park	Aman Real Estate	30,000	2026

SELECTED NEWCOMERS H1 2025

PROPERTY	SUBMARKET	TENANT	TYPE OF SCHEME	SIZE (SQM GLA)
BEO Shopping Center	Belgrade, City Centre	Jack&Jones	Shopping centre	200
Ušće Shopping Center	New Belgrade	Victoria Secret	Shopping centre	400
BW Galerija	Belgrade, City Centre	Boggi Milano	Shopping centre	150

KEY SALES TRANSACTIONS 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE	SELLER / BUYER
Aviv Zvezdara	Belgrade	Univerexport	11,500	Aviv Arlon/Mat Real Estate

Source: CBS International, part of Cushman & Wakefield Group

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