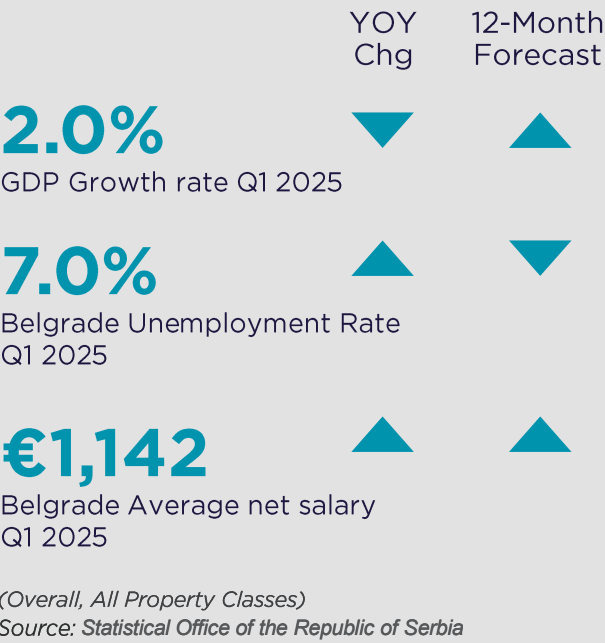




MARKET FUNDAMENTALS



ECONOMIC INDICATORS



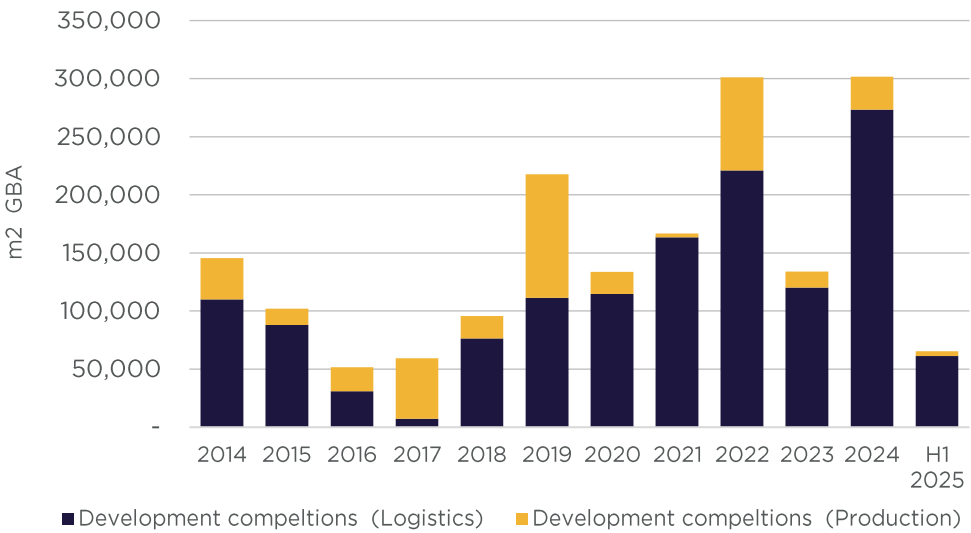
ECONOMY

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 a 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

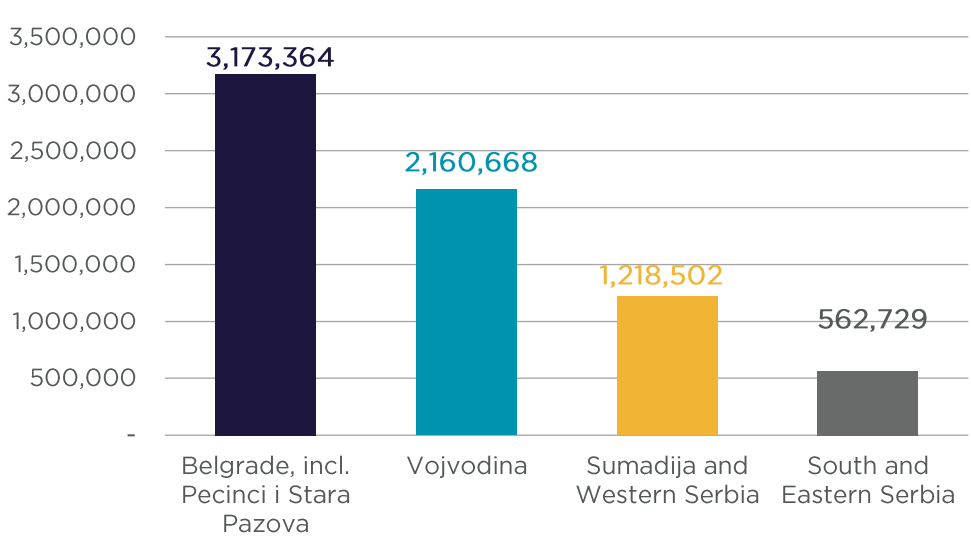
During the first half of 2025, Serbia’s industrial stock expanded by approximately 100,000 sq m of newly delivered logistics and production spaces. However, development activity recorded a significant slowdown compared to the same period last year, marking a 70% year-on-year decline in completions. Strong demand for speculative supply was confirmed in 2025, with 76% of newly built facilities developed for lease. By the end of H1 2025, Serbia’s total industrial stock reached 7.1 million sq m of GBA. Belgrade and the settlements in its vicinity hold the major share in the total Serbian stock, i.e., 45%, followed by the Vojvodina region (30%). In the second half of the year, new supply is projected to expand by an additional 322,000 sq m of industrial space, out of which 42% will be speculative stock, with warehouses and logistics facilities representing 63% of that share, while the remaining 37% will consist of production facilities, predominantly related to the automotive industry.

BELGRADE NEW DELIVERIES



Source: CBS International
* data is given for Belgrade (incl. Pecinci and Stara Pazova)

SERBIA STOCK BY REGIONS



Source: CBS International

While Belgrade and Novi Sad have already established a modern speculative stock, industrial facilities developed for tenant occupancy are now expanding into secondary cities such as Nis, Kragujevac, Sombor, and Jagodina. Initiated by the Czech developer CTP, these cities are set to see the development of over 300,000 sq m of speculative industrial space in the coming years.

DEMAND

In the first half of 2025, the total take-up in Serbia reached 127,000 sq m, reflecting an 18% year-on-year increase. However, Belgrade and its surrounding industrial zones experienced a slowdown in demand, with a 39% decline compared to the same period of the previous year. Belgrade, together with Stara Pazova and Pećinci, accounted for 34% of the total take-up in Serbia during the H1 2025. Pre-leases dominated the take-up structure, accounting for 43% of the total demand, followed by expansions at 31% and new leases at 25%. Occupier demand for warehouse facilities was primarily driven by logistics and transportation operators, wholesalers, and pharmaceutical companies, while production facilities were predominantly taken up by tenants from the automotive industry.

PRICING

In 2025, rents in Belgrade remained stable, ranging between EUR 4.0 and 6.0 per sq m per month, depending on the industrial zone. However, rental levels for newly built, fully fitted assets in prime locations may exceed this range. The prime yield for modern logistics facilities in Belgrade and surrounding industrial zones currently amounts to 8.00%, while the prime yield for the production facilities stood at 8.50%.

The vacancy rate stood around 5%, since developers prefer to commence the construction works when a certain portion of pre-leases are secured, resulting in nearly full occupancy upon project completion. The same figures are expected by the end of the year, taking into account a large share of pre-leases in the first half of 2025.

OUTLOOK

- Given that the automotive sector is a key driver of the demand for industrial facilities in Serbia, particularly production space, the ongoing global challenges in the automotive industry are expected to affect production and the entire supply chain.
- Demand for logistics centres supporting consumer goods, pharmaceuticals, and e-commerce distribution is expected to remain stable, with potential for moderate expansion. These sectors continue to provide a solid activity in the market.

KEY LEASE TRANSACTIONS H1 2025

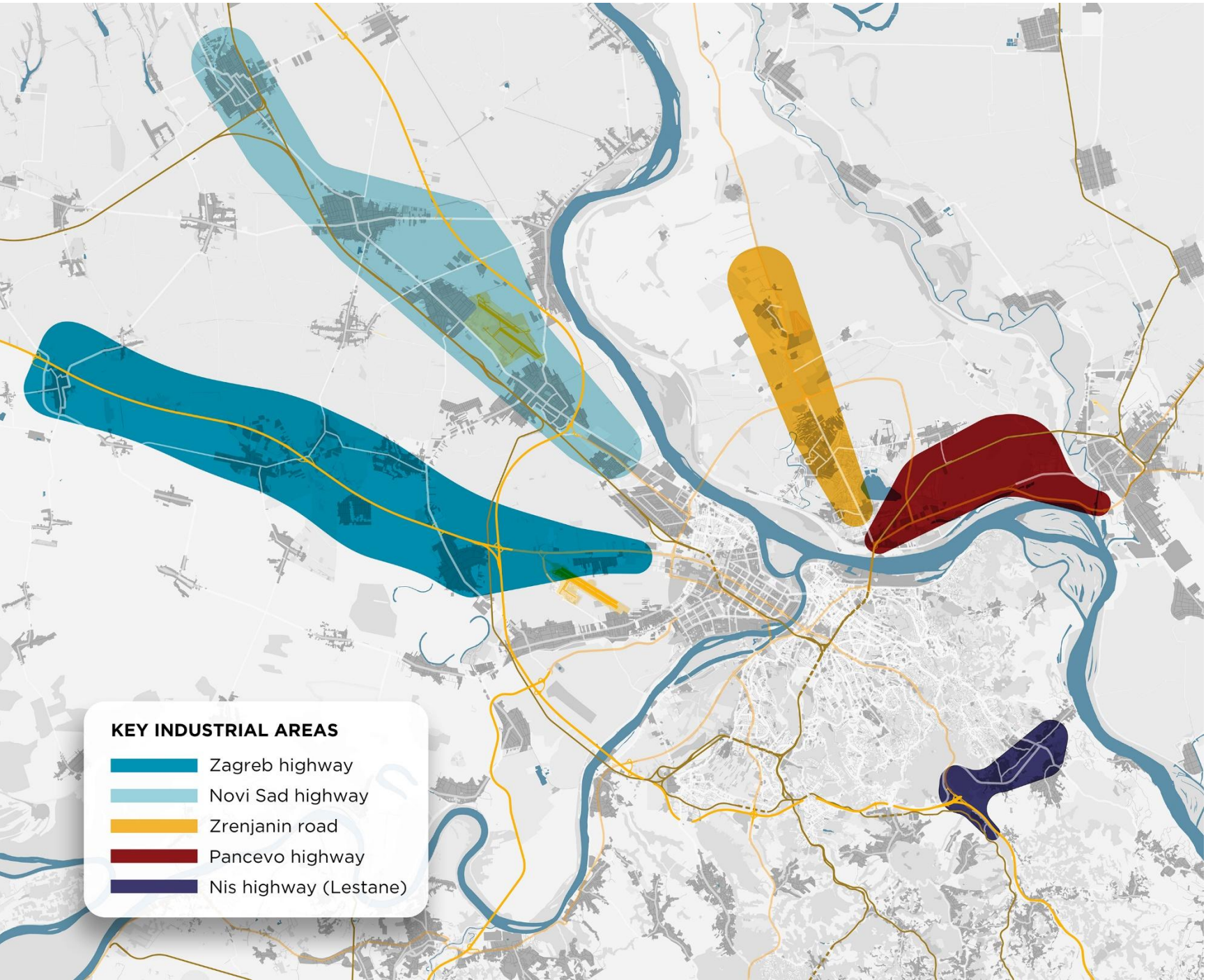
PROPERTY	CITY	SECTOR	SQ M	TYPE
CTPark Belgrade West	Pecinci / Simanovci	Logistics	20,000	Warehouse / Logistics
CTPark Nis	Nis	Automotive	15,000	Manufacturing
CTPark Jagodina	Jagodina	Pharmaceutical	15,000	Manufacturing
VGP Park	Belgrade / Dobanovci	Shipping	3,500	Warehouse / Logistics

PIPELINE PROJECTS IN BELGRADE AND SERBIA H1 2025

PROPERTY	CITY	TYPE	SQ M	OWNER/DEVELOPER	COMPLETION DATE
CTPark Belgrade West - SIM7	Pecinci / Simanovci	Warehouse / Logistics	45,000	CTP	2025
CTPark Nis1	Nis	Warehouse / Logistics	41,000	CTP	2025
CTPark Novi Sad East - NSE4	Novi Sad	Production	18,000	CTP	2025
VGP Park Belgrade - new phases	Belgrade / Dobanovci	Warehouse / Logistics	396,000	VGP	Planned
UDI / Logistics park Simanovci	Pecinci / Simanovci	Warehouse / Logistics	59,000	UDI Group	Planned
IPB - Industrial Park Belgrade - new phases	Pecinci / Simanovci	Warehouse / Logistics	36,000	IPB	Planned

Source: CBS International

INDUSTRIAL ZONES – BELGRADE WIDER INDUSTRIAL AREA



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