

Serbia Office Snapshot

H2 2020 & Forecast



Belgrade

Demand

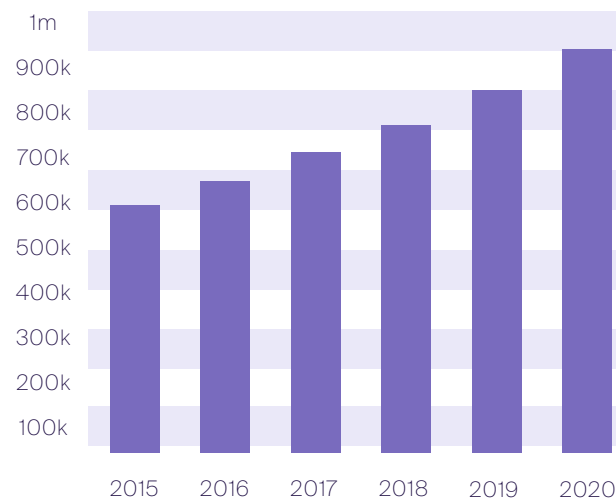
The total demand amounted to 30,000 sq m during the second half of 2020. The most active sector was IT, followed by consumer goods and professional services. New companies looking to enter the market have put on waiting their decision due to current situation, but are expected to re-gear in the first half of 2021.

Stock sq m
940,000

During 2020, construction activity on the office market remained solid and, against current context, marked the most active year in the last decade in terms of deliveries. Approximately 60,000 sq m of class A office buildings have been delivered in H2 2020, both larger scales office buildings and smaller office components in mix-used projects. Thus, modern office stock reached 940,000 sq m, a 10% increase compared to previous year.

The majority of stock remains in the New Belgrade sub-market, which is considered the most attractive part of town for occupiers, followed by City Center and Central Area.

OFFICE STOCK ANNUAL EVOLUTION



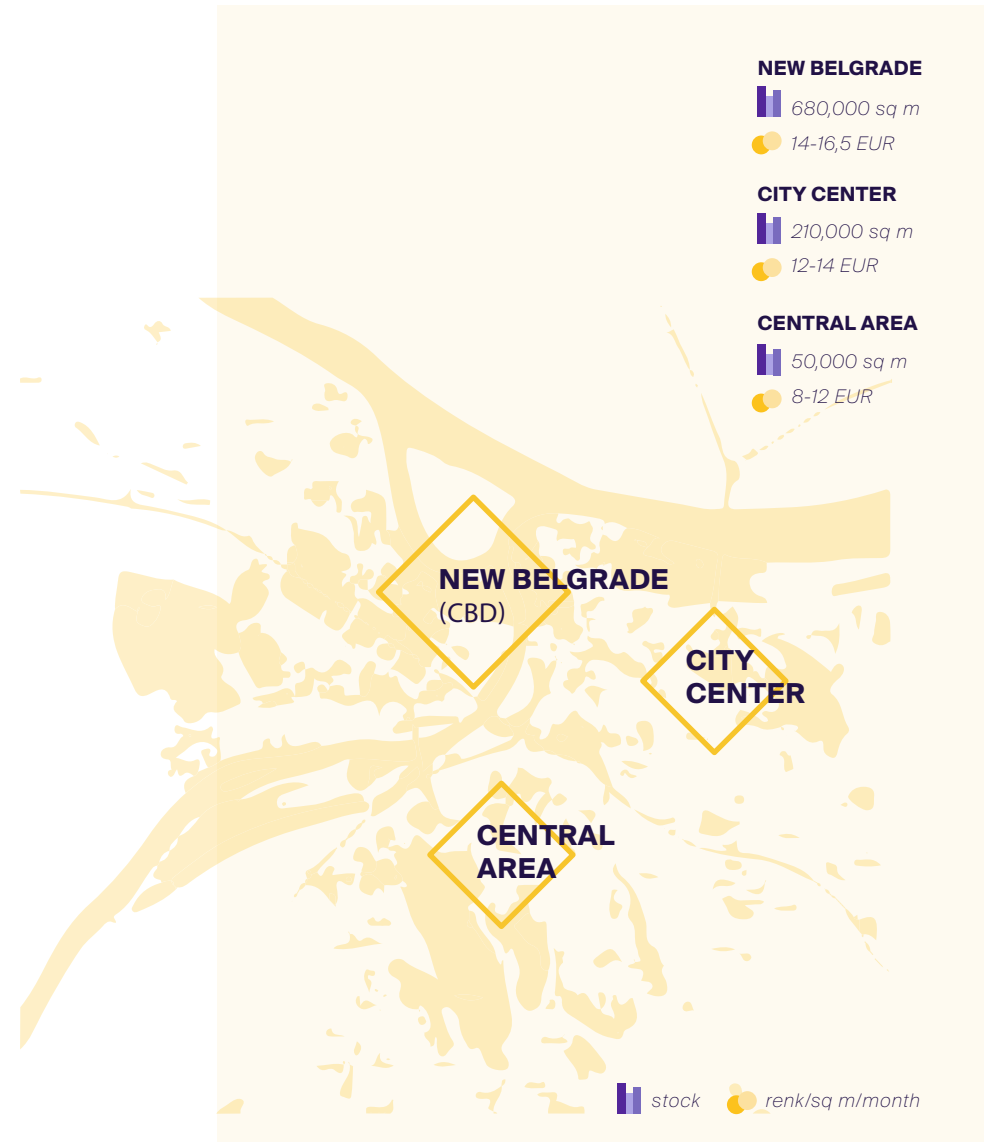
Supply sq m
130,000

The great momentum achieved throughout the entire 2020 in terms of office development, appears to continue all throughout 2021, as additional 130,000 sq m are currently under construction. The office pipeline is concentrated mostly in the New Belgrade area (CBD) while approximately 25,000 sq m will be delivered in the City Center, mostly from refurbishments or completions of class B office buildings.

SNAPSHOT

Office projects under construction

PROJECT	LEASABLE AREA
B23 Office Park	57,000 sq m (delivery in phases)
Airport City Building 11	10,000 sq m
Delta House	11,000 sq m
NCR Campus	30,000 sq m
Green Escape	15,000 sq m
Skyline	40,000 sq m



Rents eur/sq m
14.5-16

Prime rent, class A

Overall, rents remained stable in the second half of 2020. Prime asking rents for grade A office buildings in New Belgrade vary from EUR 14.5 to EUR 16 /sq m monthly, while grade B rental levels range between EUR 8 to EUR 12 /sq m monthly. Service charge vary from EUR 3 /sq m to EUR 4.5 /sq m monthly and the add on factor is between 5%-12%.

Vacancy
7%

Due to the large volume of new office buildings entering the stock, vacancy has overall increased to 7% at the end of the year.

Forecast

Hope of returning back to the offices is sustained by the ongoing vaccine roll-out. As well known international developers are delivering top quality office projects on the market, Belgrade is positioning itself as growing towards a mature market with premium products to be offered to new companies looking to enter the market.

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