

Belgrade Industrial, 2016

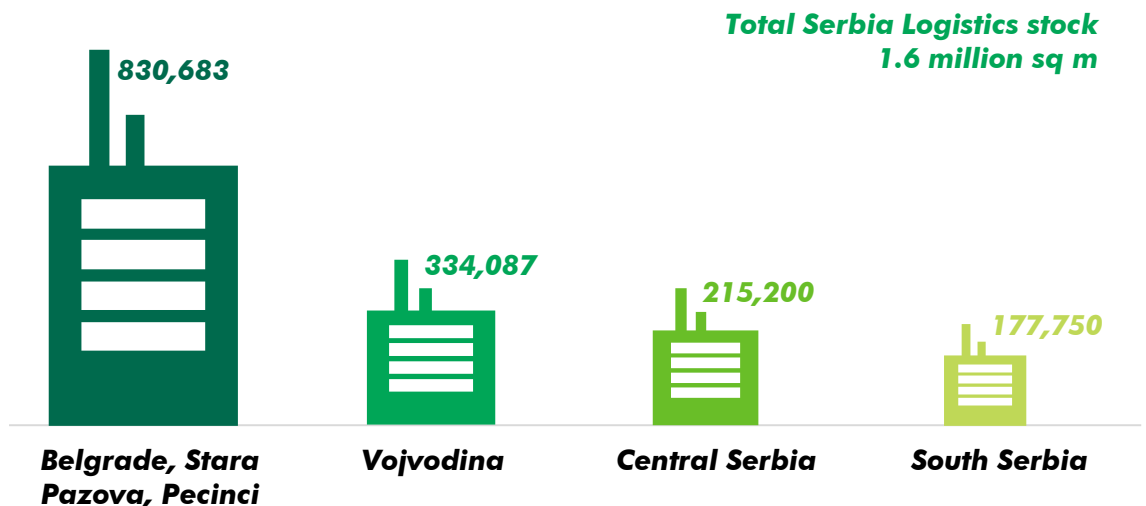
Industrial market attracts investors more, potential is yet to be exploited

▲ Total Stock Serbia
1,600,000 sq m

▲ Total stock Belgrade
830,000 sq m

*Arrows indicate change from the corresponding quarter in the previous year.

Chart 1 – Industrial Stock pre location (Sq m)



Source: CBS International, part of the CBRE Affiliate Network

2016 SUMMARY

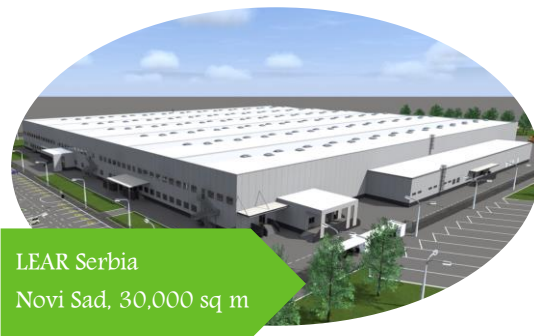
- In addition to Belgrade and Vojvodina region, southern parts of Serbia also became interesting for the foreign investors
- After Delta and Delhaize, German LIDL is also constructing its distribution center of 70,000 sq m in their neighborhood, in Stara Pazova municipality
- American Lear has completed and opened its factory in the city of Novi Sad, totaling 30,000 sq m
- The rental prices of modern logistics space usually range between EUR 3-5/sq m/month, the older facilities that lack modern features command the prices of EUR 2-3/sq m/month

TOTAL SUPPLY

The total modern logistics stock in Belgrade and in its close settlements exceeds 800,000 sq m, out of which third party logistics (3PL) operators stock amounts to app. 250,000 sq m. Belgrade and the settlements in its vicinity hold the major share in the total Serbia stock, followed by Vojvodina region. However, in the previous years, southern parts of Serbia also became interesting for the foreign investors which are attracted by highly-skilled, easily-trained and available workforce and generous incentives Serbia offers.

In terms of distribution sector facilities, Industrial Park Belgrade has completed the second phase of its logistics center, totaling 11,500 sq m. After Delta and Delhaize, German LIDL is also constructing its distribution center of 70,000 sq m in their neighborhood, in Stara Pazova municipality. Eyemaxx is aiming to expand its existing logistics center by developing the facility of 30,000 sq m, in addition to the operating premises of 17,000 sq m.

Similarly, the investments in the manufacturing sector are also strengthened in the previous period. In addition to already established companies, such as Geox in Vranje, Leoni in Nis, Swarovski in Subotica or the most recent American Lear’s factory opened in the city of Novi Sad, just to name a few, several other international names aim to set up the operations in Serbia.

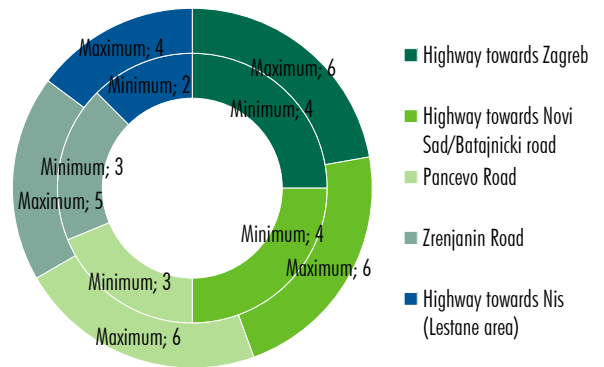


LEAR Serbia
Novi Sad, 30,000 sq m

Namely, American Delphi should also complete its factory in Novi Sad, Kromberg&Schubert intends to open the plant in Krusevac, Mei Ta commenced the construction of their facilities in Obrenovac, while Japanese Yazaki selected Sabac for their operations.

RENTAL LEVELS

The rental prices of modern logistics space usually range between EUR 3–5/sq m/month, depending on the quality, size and features of the property. More sophisticated premises may exceed this level thanks to highly advanced amenities and limited offer on the market. The rental levels in older facilities that lack modern features vary between EUR 2–3/sq m/month.



Source: CBS International, part of the CBRE Affiliate Network

LAND

Land prices for industrial land in Belgrade surrounding area and in key towns in Serbia vary between EUR 10–30/sq m, while the land suitable for commercial/retail development in Belgrade vicinity range between EUR 50–100+/sq m, depending on the location, access, infrastructural amenities and development efficiency. The prices for land suitable for commercial developments in attractive parts of Belgrade usually stand around EUR 200 per square meters of GBA, while the premium locations in Belgrade can command even higher prices. The prices of the land for residential development in Belgrade may vary significantly, as they are determined by location and the positioning of the plot and development potential. Key city locations mark the following price ranges: prime Dedinje area EUR 800–1,000/sq m of the land lot, lower Dedinje area 400–600/sq m of the land lot, Vracar and city center area EUR 200–400/sq m of GBA.

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