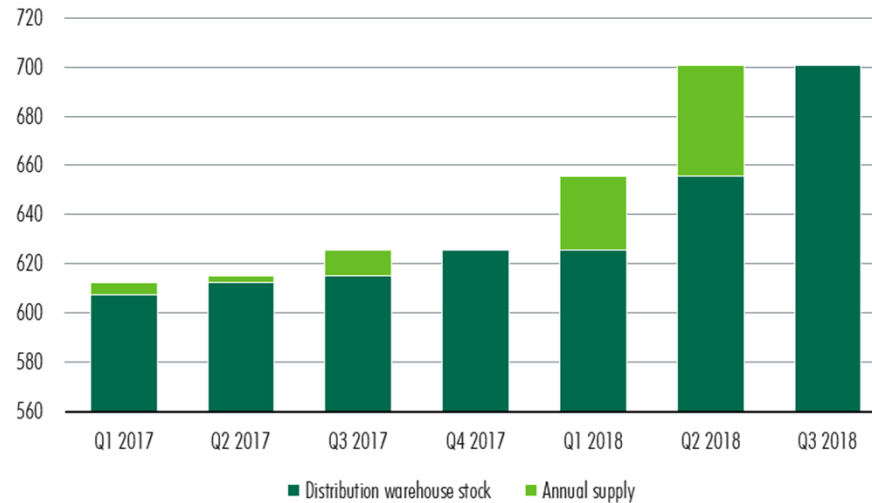


Production companies driving industrial growth

- Interest from foreign investors for opening new production facilities in Serbia has been accelerating. The appeal of the country as a growing industrial destination has been confirmed by numerous operators expanding and announcing further investment plans in various cities. Construction activity remained high with development mainly relying on the delivery of production facilities.
- Recent notable completions on the market include Zumtobel's lighting components and IMI's car components factory both located in Niš. Furthermore, Italian manufacturer of automotive mechanical parts GLM opened a factory in Zrenjanin and Baby Food Factory was opened in Dobanovci.
- Belgrade and its Greater area will witness more activity in the upcoming months, including the construction of a logistics centre in Šimanovci by CTP and Konstruktor Konsalting's speculative scheme in the same area, which is already in progress. The completion of phase 4 of Industrial Park Belgrade is expected in the near period, after which the company will commence the fifth phase of the project. In addition, the construction of Nelt's fifth logistics building is in progress. Additional projects in pipeline include expansions of existing capacities and the delivery of new projects. Some of the most notable future light industrial schemes include Shandong Linglong's tire factory in Zrenjanin, Minth Automotive's factory in Loznica, Leoni's production facility in Kraljevo and ZF Friedrichshafen's factory in Pančevo.
- Market activity was mostly driven by production companies, most notably companies from the automotive sector. With the intense development of the retail market throughout the country, we expect this sector to provide an additional boost to the development of industrial schemes.

BELGRADE AND GREATER BELGRADE DISTRIBUTION WAREHOUSE STOCK Q3 2018



Distribution warehouse stock
700,000 sqm
+13.9% yony



Prime rent
Monthly
€4.5 psqm



Industrial production index
September 2017 = 100
-1.2% yony



Prime yields
Distribution warehouse
9.25%

▼ Arrows indicate change from the previous quarter

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