

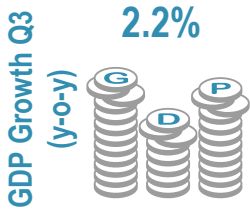
Belgrade City Report



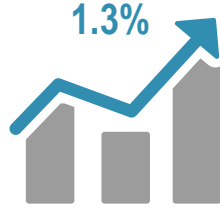
Q4 2015



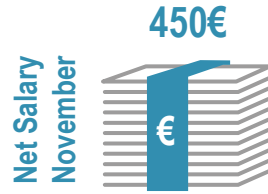
Economics



Inflation - November (y-o-y)



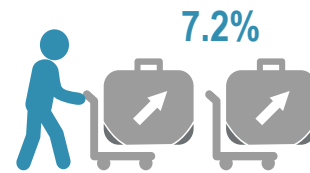
Retail Sales Index November (y-o-y)



Unemployment Rate Q3



Tourist Arrivals Belgrade Jan to Nov (y-o-y)



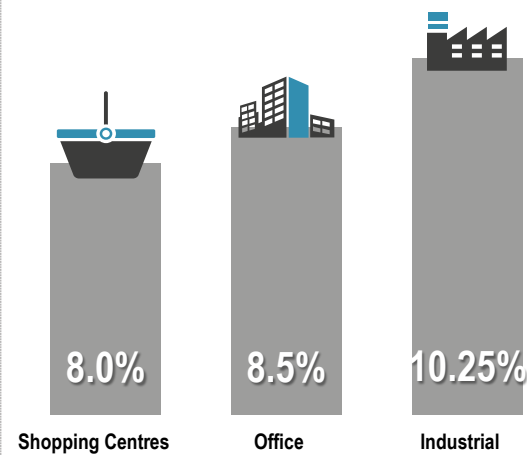
Source: Statistical Office of the Republic of Serbia; Oxford Economics

Key Transaction

During the second half of the year, Atterbury Europe acquired a one third stake in a retail portfolio worth €259 million from MPC Properties. This included one of Serbia's prime assets - Ušće shopping center.

Property	Segment	Partial Interest	Seller	Buyer
MPC Portfolio	Retail	33%	MPC Properties	Atterbury Europe

Prime yields



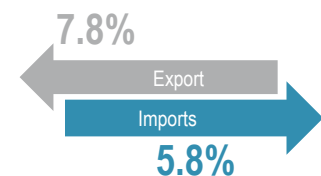
Serbia is regarded as one of the most attractive countries for investments within the region, which will continue to increase along with the country's reforms. According to the World bank, Serbia was ranked 59th in the ease of doing business ranking. The main reason behind the rise, in respect to the previously published ranking (91st), are the improvements in the business regulatory environment.

During the third quarter, GDP grew by 2.2%. A further pick-up in growth in 2017 will be driven mainly by export recovery, privatisation, inward investment, lower fiscal deficit and EU support. The strength of total exports, despite a drop during the first half of the year, highlights increasing success of rebuilding the EU and the Balkan markets.

Industrial production - November (y-o-y)



Exports/Imports 2015



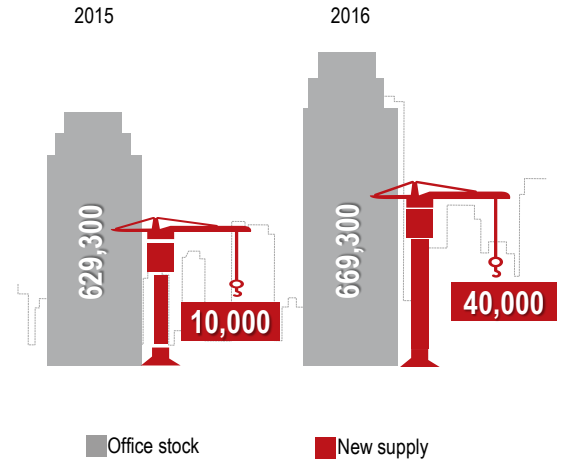
Supply

Following the delivery of the first phase of GTC's Fortyone there were no new office schemes delivered to the Belgrade market. The office market however is witnessing a growth in construction activity, with several ongoing and announced projects located mainly in New Belgrade – CBD.

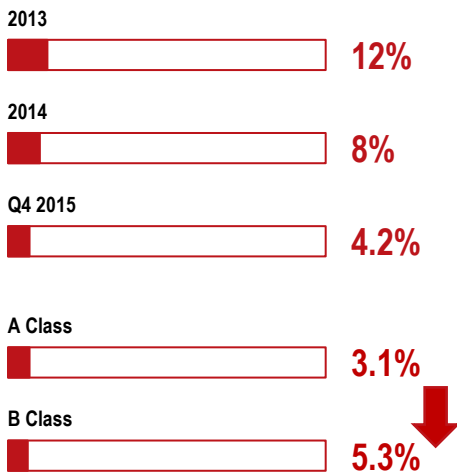
High demand for new schemes has been recorded as new office schemes are being absorbed quickly. As a result, the vacancy rate continues to drop.

Property	Submarket	Size (sq m)
GTC Fortyone – 1st phase	New Belgrade	10,000

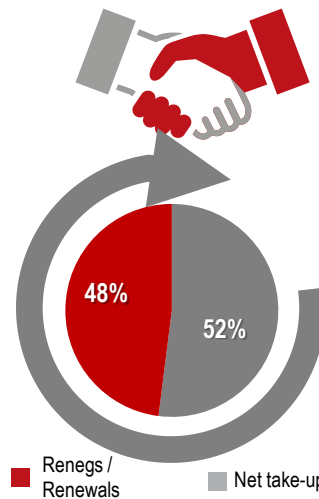
Office stock (sq m) / New supply



Vacancy rate



Demand



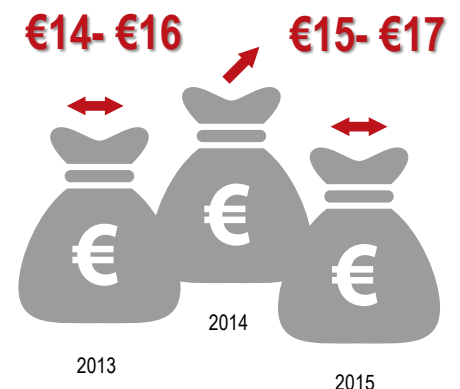
Market activity was split by net take-up (52%), including relocations, new leases and expansion, while 48% was attributed to renewals.

The most active sector was IT, followed by the banking and the insurance sectors.

Future office projects

Property	Submarket	Size (sq m)	Status
Airport City – 4th phase (bldg 1)	New Belgrade	12,100	Final stage
Denezza office building	New Belgrade	2,700	Under construction
Green Square	City center	2,700	Under construction
Navigator Business Center	New Belgrade	14,900	Under construction
GTC Fortyone – 2nd phase	New Belgrade	8,000	Under construction
Sirius Offices – 1st phase	New Belgrade	18,500	Under construction
Delta Holding HQ	New Belgrade	20,000	Planned

Prime rents





Supply

- Aviv park Zvezdara opened in November 2015
- Continued expansion of retail parks
- IKEA at Bubanj Potok to open in 2016
- Belgrade Plaza to open in 2017
- Rajiceva shopping center to open in 2017
- Construction of the first LIDL store has commenced

Belgrade Prime Shopping center density

78 sq m

per 1,000 inhabitants



Prime shopping center supply ('000 sq m)



Demand

- The first Cinestar opened in the country
- Jeordie's opened its first store in Kragujevac Plaza
- Decathlon to enter the market in 2016

Market entry – Scheme	Name
Aviv Park Pancevo	Cinestar
Kragujevac Plaza	Jeordie's

Rental levels



* prime rents for retail units sized from 100 – 200 sq m

Future retail projects in Belgrade

Name	Type	Developer	Size (sq m)
Rajićeva	Shopping center	Ashtröm group	15,300
Belgrade Plaza	Shopping center	Plaza Centers	32,300
Ikea	Big box	Ikea	38,900
Capitol Park Rakovica	Retail Park	Poseidon Group	26,700
Delta Planet	Shopping center	Delta Real Estate	80,000
Brdo Shopping center	Shopping center	Private investor	8,400

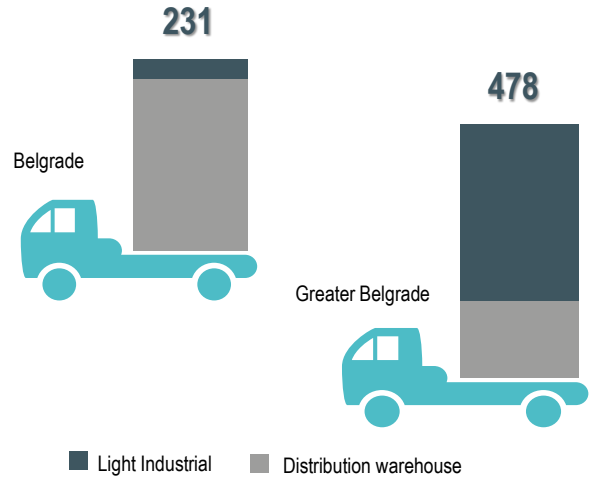


Market development remains to be reliant on owner occupier schemes as developers continue to deliver built to suit facilities.

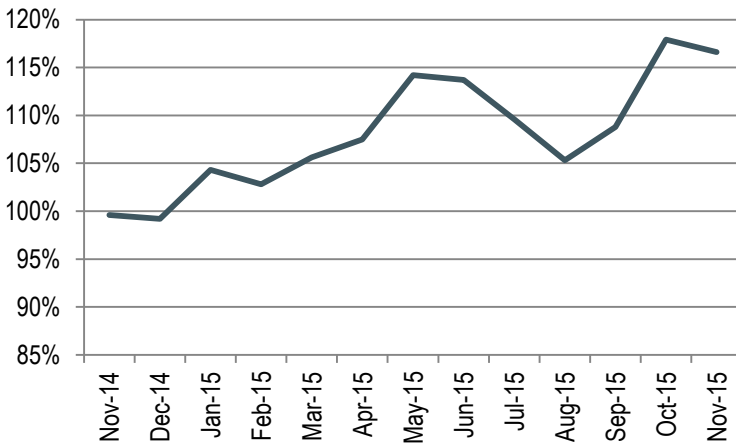
The most developed areas and areas with the greatest growth potential include the Greater Belgrade area and Vojvodina province. As a result, these areas are recording the highest construction activity.

Property	Region	Type	Size (sq m)
Gebruder Weiss	Dobanovci	Distribution center	9,000

Supply / Stock ('000 sq m)



Industrial production index



Source: Statistical office of Republic of Serbia

Demand

- Strong demand from production and distribution companies
- Expanding retail market will underpin the development of the industrial market

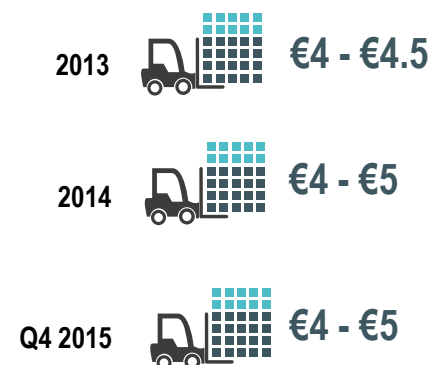


Future projects

Eyemaxx Real Estate has announced the commencement of construction on its second phase of 30,000 sq m, due in the first half of 2016.

Investor	Location
Lidl	Nova Pazova
Eyemaxx 2nd phase	Stara Pazova

Prime Rents





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