

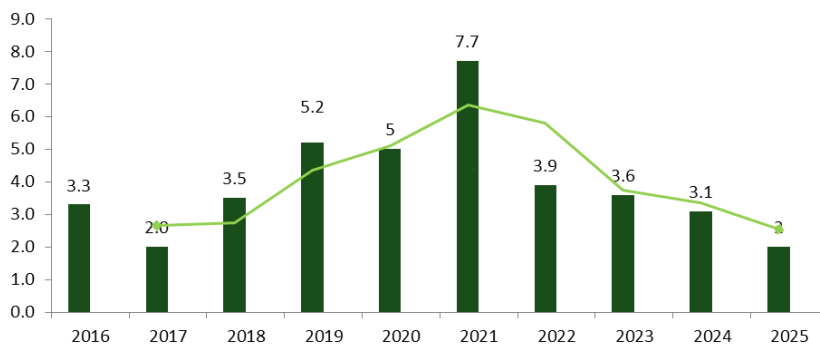


## SERBIAN MARKET REPORT S1 2025

### MACRO FIGURES

Serbia's macroeconomic performance remains resilient.

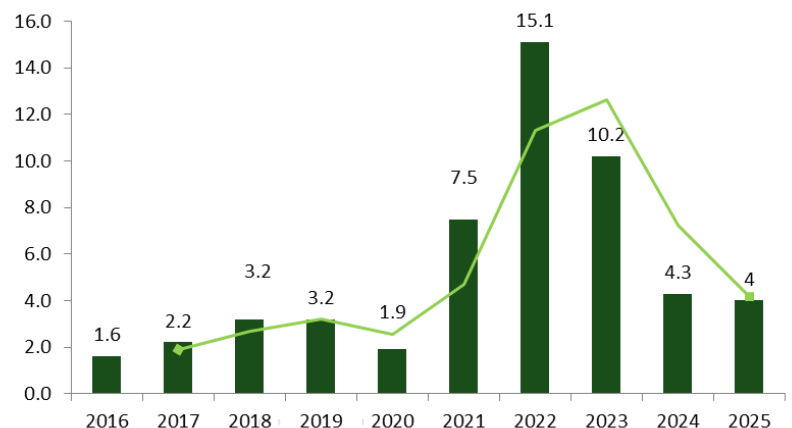
In 2025, Serbia's projected real GDP growth is around 3.5%, with a nominal GDP of approximately \$92.55 billion. The population is estimated at 6.53 million, and the unemployment rate is forecast to be 8.5%. Inflation is expected to be around 4.0%, while the general government debt is projected to be 44.4% of GDP.



GDP

The official annual inflation rate in Serbia for June 2025 was 4.6%, according to the Statistical Office of the Republic of Serbia. This was a monthly increase of 0.9% in consumer prices. For the entire year 2025, the International Monetary Fund (IMF) projected a consumer price increase of 4.0%, while Statista forecasted an average inflation rate of 4.02% for 2025.

Serbia's projected nominal GDP for 2025 is around \$92 billion, with an estimated GDP per capita of approximately \$14,175, according to sources. The economy is expected to grow by about 3.5% in 2025, though this forecast has been adjusted by various institutions due to factors like weaker global demand and internal political instability.



CPI

Source: Ministry of Finance of Republic of Serbia, NBS, Statistical Office of Republic of Serbia, Danos RESEARCH

## SERBIAN ECONOMY S1 2025 OVERVIEW



UNEMPLOYMENT

Serbia's unemployment rate was 9.1% in the first quarter of 2025, a slight increase from 8.6% in the previous quarter. This increase brought the total number of unemployed persons to 289,400. However, the number of employed persons rose to 2,887,100, and the overall employment rate increased to 51.4%.

The average net salary in Serbia for June 2025 was 107,075 RSD, with a gross average of 147,947 RSD.

The median net salary, representing the earnings of half the employees, was 83,525 RSD. These figures represent an increase compared to the previous year, with a 6.4% real-term increase for net salaries and wages in the first half of 2025.

Serbia experienced a sharp decrease in FDI inflows during the first half of 2025, with net inflows falling by 67.5% to € 631 million by the end of May, and 59% to € 942 million by the end of June, compared to the same periods in 2024.

This decline was due to both a sharp reduction in gross inflows and a doubling of investment outflows, exacerbated by a global decline in investment confidence and the deferral of some investments due to protests and blockades in the country.



FDI

In 2025, Serbia has maintained strong ratings, including an investment-grade rating from S&P Global Ratings at 'BBB-' with a stable outlook, a positive outlook for a similar upgrade from Fitch, and a positive outlook from Moody's at 'Ba2'.

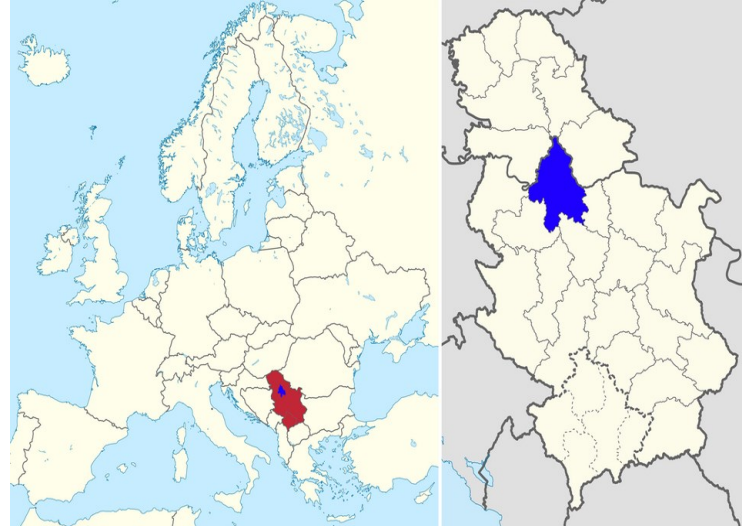
The country is also ranked 35th out of 79 jurisdictions for business complexity, placing it among less complex nations. The economic outlook remains positive, driven by investments for Expo 2027 and responsible economic policies, despite some inflation and geopolitical uncertainties.

## **SERBIAN ECONOMY S1 2025 OVERVIEW**

### **Belgrade's strategic European location continues to drive foreign investment**

– The city has emerged as a key destination for international investors, thanks in large part to its geographic position at the crossroads of major European transport routes. This advantage is being amplified by Serbia's substantial investment in infrastructure, including the planned construction and modernization of 500 kilometres of highways, 2,000 kilometres of railway, and the introduction of two metro lines in Belgrade by 2025. These upgrades will significantly boost accessibility and connectivity, reinforcing the city's investment appeal.

Moreover, Serbia's ongoing EU accession process adds another layer of attractiveness. As the country aligns more closely with EU standards and policies, it strengthens investor confidence, particularly for those seeking a gateway into the broader European market. Competitive tax regimes and government-backed incentives further solidify Serbia's position as a favourable destination for foreign capital.



**Growing Serbia–China cooperation set to boost Chinese investment in Belgrade** – The deepening economic partnership between Serbia and China is expected to lead to a further influx of Chinese investors into the Belgrade property market. This relationship has already produced major infrastructure projects—such as the Belgrade–Budapest high-speed railway—driven by Chinese companies, reinforcing both nations' commitment to long-term collaboration.

**Rising demand for short-term stays driving up rental yields in central Belgrade** – Tourism in Belgrade has been on an upward trajectory, with 2023 witnessing a notable increase in international visitors. This influx has significantly boosted the demand for short-term accommodation, especially in centrally located neighbourhoods. By 2024, the number of active Airbnb listings in the city climbed to 5,099, and the median occupancy rate reached 64%—well above the typical performance of long-term rentals.



Two new hotels are planned to be constructed in Novi Beograd area.

AC Hotel by Marriott Belgrade will be located inside one of three new unique buildings at the very beginning of the Airport City Belgrade business park.

In Novi Beograd block 19, in addition to the existing hotel and apartments, a hotel complex is being built. The construction of additional garages is also planned. The completion of the hotel will be part of a larger project in New Belgrade that will also include the construction of a railway station and a new international port. These projects are in various stages, so complete infrastructure improvements are expected to be completed after 2025.



Despite regional economic challenges, the Serbian real estate market continues to show resilience and overall stability. Although activity levels have moderated after several years of strong momentum, market fundamentals remain sound. Demand is still healthy, investors remain engaged, and opportunities are present across various sectors — particularly for those prioritizing long-term value creation and strategic asset positioning.

The residential market, long the backbone of Serbia's property sector, is holding firm. While transaction volumes have eased from their peaks, serious buyers are still active, especially in high-demand urban areas. Slower price growth has helped create a more balanced environment, enabling both end users and investors to reset expectations. Meanwhile, Belgrade's rental market remains undersupplied, with rising demand for long-term rental options. This supply-demand gap presents a compelling case for build-to-rent initiatives and yield-driven investment strategies.

Other segments of the market are also showing strength. The office sector, while more selective, continues to favour quality — with demand concentrating on efficient, well-located buildings backed by stable tenants. Retail is seeing positive momentum in local shopping zones and tourist areas, where seasonal traffic and steady consumer spending are supporting the performance of neighbourhood centres and established retail parks. The industrial and logistics sector stands out as the most dynamic area, driven by sustained interest in warehousing and distribution assets, particularly those near Belgrade or along major transport corridors.

Overall, the mood within Serbia's property market is one of cautious optimism. The rapid expansion seen during 2021–2022 has given way to a more measured phase of growth, signalling market maturity rather than contraction. Stakeholders across the board — investors, developers, occupiers — are adopting a more data-informed, analytical approach. Valuation has become central not only to asset pricing, but also to broader strategic planning. As inflation stabilizes, interest rates are expected to follow, and major infrastructure projects continue to advance, reinforcing confidence in long-term market sustainability.

While the summer months may bring a natural slowdown in transactional activity, they offer a prime opportunity for planning and recalibration. For institutional investors, this is an ideal moment to reassess income-producing assets, evaluate exposure to shifting yield environments, and account for regulatory or ESG-related impacts on asset value. Developers may take this time to commission land or project valuations in preparation for upcoming permitting windows, or to test assumptions within feasibility studies. Across all asset classes — residential, office, retail, logistics — clients are increasingly looking for valuation advice that merges technical rigor with real-world insight.

As we move through summer, Serbia's real estate market remains steady, guided by solid fundamentals and a stable macroeconomic backdrop. In this setting, valuation becomes more than a matter of numbers — it becomes a lens through which to uncover potential. For market participants, summer 2025 is a timely opportunity to reflect, recalibrate, and prepare strategically for what lies ahead. In a maturing market like Serbia's, that level of clarity is not just helpful — it's essential.

Source: Danos RESEARCH

Real Estate for a changing world

Source: Ministry of Finance of Republic of Serbia, NBS, Statistical Office of Republic of Serbia, Danos RESEARCH

## OFFICE MARKET REPORT S1 2025

At the start of 2025, Serbia's real estate market recorded a total transaction volume of €1.7 billion — a 9.3% increase compared to the previous year — despite a slight decline in the overall number of contracts signed. Demand remains strong, particularly for smaller residential units in cities like Belgrade and Novi Sad, where subsidized housing loans continue to support buyer activity.

However, the supply side is under pressure. A slowdown in new construction, rising material costs, and persistent labour shortages are reducing the availability of new units. This supply squeeze is pushing prices upward and making it increasingly difficult for younger buyers to access well-located, reasonably priced homes. Looking beyond residential, both commercial and industrial segments are showing promising growth potential.

Belgrade's office sector, in particular, is navigating global market shifts with quiet resilience. In the first quarter of 2025, the vacancy rate in the central business district (CBD) dropped to just 3.1%, reflecting ongoing demand for high-quality office space. Notably, 71% of the city's office stock is now classified as A-Class — a clear indicator of rising standards. Prime rents in the city centre reached €19 per square meter per month, and although some zones saw slight increases in vacancy due to new project deliveries, the overall market remains well-balanced.

Technology and telecommunications companies continue to lead the way in leasing activity, heavily influencing the direction of future growth. With approximately 45,000 square meters of new space expected to be delivered by the end of the year, the development pipeline remains active. Supported by strong tenant demand and steady leasing performance, Belgrade's office market is not only stable — it's evolving into a more mature and structured segment of the real estate landscape.

In Serbia (Belgrade) in S1 2025, Class A office buildings in the Central Business District (CBD) command rents of approximately €18-19/sqm/month, showing an upward trend with increasing demand and decreasing vacancy rates. Prime rents have risen from around €18/sqm/month to €19/sqm/month in the first quarter of 2025.

Class A office buildings in Belgrade's CBDs include the Ušće Towers, Skyline AFI Tower, TLD Belgrade, and Sava Business Centre in New Belgrade, as well as Navigator Business Centre, B2 Office Building, and Forum 26 in or near the city centre. Other notable Class A locations include Airport City Belgrade and the Green Heart office complex, which features modern design, sustainable features, and integrated business facilities.

### MARKET TRENDS

Demand	➔
Vacancy	➔
Rents/Sale	➔
Short term outlook	➔

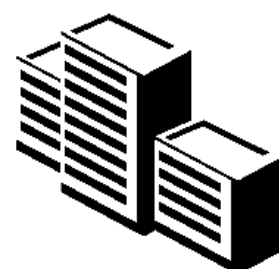
**Class A office buildings in CBD €/sqm**

**18**

**Class B office buildings €/sqm**

**11 - 17**

**prime yields 7.5 %**



**TOTAL  
A AND B  
OFFICE STOCK BELGRADE**

**Over 1.450.00  
million sqm**

The office market continued on stable level.

OFFICE PROJECT - PIPELINE			
Project/Investor	Location	Area (sq m)	Status
BIG CEE office project	Beograd	12.000	Announced
Airport City 9th phase	Block 65/Novi Beograd	26.800	Under construction
AFI City Zmaj II phase	Zemun	60.000	Announced
GTC	Novi Beograd	72.000	Under construction
Delta District	Block 20 - Novi Beograd	26.000	Under construction

Belgrade's office market is showing quiet confidence amid a changing global real estate environment. In s1 2025, vacancy in the CBD dropped to a low 3.1%, highlighting strong demand for top-tier space. With 71% of the total stock now classified as A-Class, Belgrade is clearly stepping up its game.

The Belgrade office market in 2025 is experiencing steady recovery and resilience, marked by low vacancy rates, strong demand from the IT and financial sectors, and a rising supply of modern A-Class spaces. New projects are delivering space, especially in New Belgrade, while prime rents are stable or increasing in core areas. Flexible office solutions and smaller office units are also showing growth in demand.

#### **Commercial and office developments currently under construction in Belgrade:**

**Ušće Tower Two (New Belgrade)** — A+ class office tower under development by MPC Properties. Featuring ground + 22 floors, about 23,200 sqm of office space, luxury retail on the ground floor, and a large underground garage for 738 vehicles.

**Navigator 2 (New Belgrade)** — Alongside Ušće Tower Two, MPC Properties is also building this modern business facility, contributing to over 50,000 sqm of new office space across both projects.

#### **Pipeline and Office Supply**

Across Belgrade, 86,000 sqm of modern office space is currently under construction, according to Colliers' s1 2025 report. This highlights strong ongoing momentum in the office segment.

Additional developments are underway in multiple nodes: BIGZ, Delta District, Airport City (next phase), and Panorama Office. Collectively, Belgrade is forecasted to deliver more than 95,000 sqm of office space by the end of 2025.

#### **Mixed-Use Projects with Commercial Components**

**Belgrade Waterfront** — A large-scale urban renewal initiative transforming the Sava riverfront with a mix of residential, commercial, cultural, and retail components. The project spans a vast 1.8 million sqm, including thousands of residential units, luxury hotels, and Southeast Europe's largest mall, *Galerija*.

**Trump Tower Belgrade (Savski Venac, proposed)** — A future mixed-use tower featuring a luxury hotel, about 1,500 residences, and commercial spaces. While not yet under construction, this proposal is significant for the city's commercial landscape.

**RETAIL MARKET REPORT S1 2025**

In Serbia, the retail market saw an expansion of about 29,000 sqm in the first half of 2025, primarily from retail parks in Niš and Kraljevo. For 2025, the total retail stock in Serbia is projected to exceed 1.2 million sqm, with an additional 40,000 sqm in development, including three new retail parks in Čačak, Šabac, and Bor by BIG CEE slated for a late 2025 opening.

Serbia has a substantial modern retail stock of over 1.2 million sqm, though its retail density (170 sqm per 1,000 inhabitants) is lower than many European countries.

**Rental levels in Belgrade – shopping centers**

**23 eur/sqm – 28 eur/sqm**

prime yields 8 %



**Rental levels – retail parks**

**9 eur/sqm – 12 eur/sqm**

prime yields 8 %

The market is experiencing polarization, with prime regional and local shopping centres performing well, while mid-market assets without a clear identity risk declining. Prime shopping centre values are expected to stabilize and increase in 2025, making them an attractive investment option.

**BIG CEE** - developer is financing and constructing three new retail parks in Čačak, Šabac, and Bor, with a target opening date for late 2025.

**Niš and Kraljevo** - These cities saw the completion of new retail parks in the first half of 2025, adding to the overall supply.

There is a growing trend of increasing dwell time and visitor frequency through quick-service food & beverage and complementary services like medical facilities within shopping centres. Grocery stores are a key anchor, particularly in suburban locations, attracting value-conscious consumers.

There is a growing emphasis on ESG (Environmental, Social, and Governance) principles in shopping centre operations, with a significant portion of the stock holding LEED or BREEAM certificates.

**MARKET TRENDS**

Demand	➔
Vacancy	➔
Rents/Sale	➔
Short term outlook	➔

**Opened in 2025**

**Riva Shopping Center, Velika Plana**  
A modern retail development spanning approximately **6,000 m<sup>2</sup>**, Riva includes multiple stores and social spaces. It officially opened in early 2025 and is attracting attention as a new retail and community hub in western Serbia.

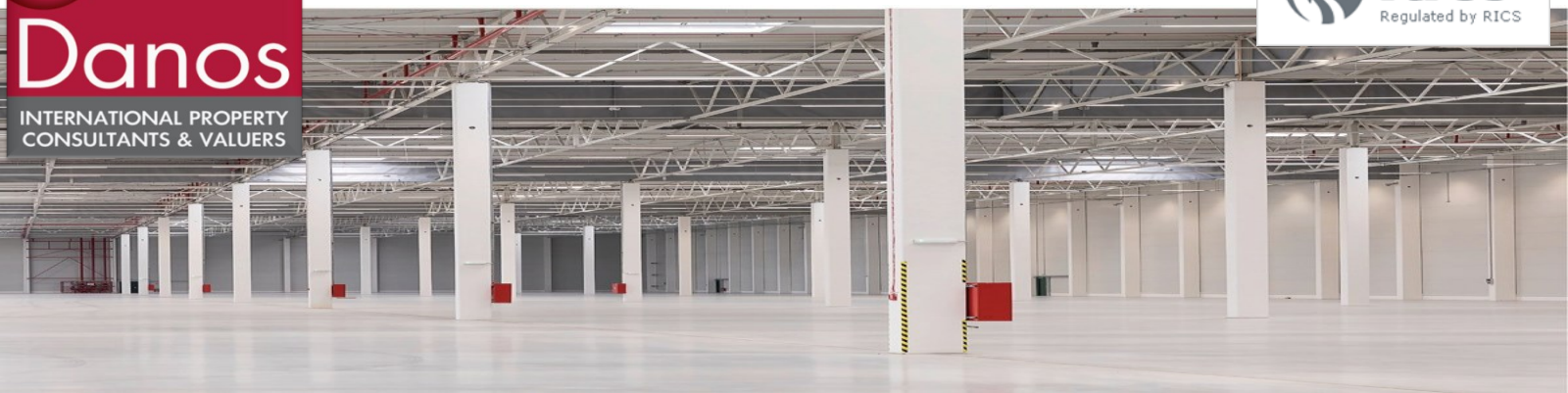
**Under Construction and Planned for 2025**

**Arandjelovac Retail Park** (Šumadija region)  
Developed by Peštan, this new retail park will occupy around **10,000 m<sup>2</sup>** and will include over 15 stores featuring supermarkets, family entertainment, cafés, and fashion outlets. Construction is slated to begin soon, with the opening expected in early 2025.

**Bečej Retail Park**

Cluster Properties is starting construction on a retail park in Bečej, covering just over **6,000 m<sup>2</sup>**. Anticipated store tenants include brands like dm, Sinsay, Pepco, and JYSK. The park is planned to open in **April 2026**, with construction starting in August 2025.

**Three BIG CEE Retail Parks** — Čačak, Šabac, and Bor  
With backing from a €100 million EBRD financing package, BIG CEE plans to open three new retail parks in these cities **by the end of 2025**, adding approximately **40,000 m<sup>2</sup>** to their Serbian network.



## LOGISTIC MARKET REPORT

### OVERVIEW

For several years now, Serbia has been one of the most attractive investment destinations, which is supported by the fact that it has seen record inflows of foreign direct investments in recent (pandemic) years.

Logistics Stock - Expected +10% growth in Belgrade region during 2025

Take-Up & Vacancy - 65,080 sqm absorbed; vacancy down 50 bps; rents stable at €5.00/sqm/month



1.330.000 SQM  
STOCK



€4.75 – 5.5/SQM  
PRIMARY LOCATION  
RENTS



5% AVRG  
VACANCY RATE



8 % PRIME YIELD

**Logistics and Warehouse Growth** - Belgrade and nearby regions are projected to experience a 10% rise in logistics space availability by the end of 2025.

This expansion has been driven by a wave of new warehouse completions, breathing new life into the logistics real estate sector.

Serbia's industrial property market remained active in 2025, recording 65,080 sqm of gross take-up. Logistics operators were the most active, accounting for 54% of total transactions.

The market saw a 50 basis point decrease in vacancy rates year-on-year, signalling strong demand absorption, while prime rental rates stayed stable at €5.00 per sqm/month.

Third-Party Logistics (3PL) Industry - sector in Serbia generated \$0.82 billion in 2024, and is expected to grow to \$0.95 billion by 2028, with a compound annual growth rate (CAGR) of 3.75%. This growth reflects increasing demand for outsourced logistics solutions across industries.

E-Commerce & Transportation Infrastructure - Serbia's booming e-commerce sector is being supported by major infrastructure upgrades, such as the Belgrade–Budapest railway and modernization along Corridor X. Freight activity in Serbia is substantial.



## SERBIA RESIDENTIAL MARKET REPORT

### OVERVIEW

Serbia's residential market in 2025 is characterized by moderate price increases, strong demand for smaller units, and evolving trends in flexible housing formats. Supply constraints, coupled with steady e-commerce growth and infrastructure investment, keep the market robust yet balanced.

Demand remains resilient in urban cores, while outer districts continue to gain investor interest, especially with major events like EXPO 2027 on the horizon.

Affordability challenges persist, with middle-class buyers often relying on loans or family support to manage high prices.

In S1 2025, average listing prices in Belgrade reached approximately €2,990/sqm—a notable 9.4% increase compared to S1 2024.

The RGZ housing price index rose to 176.28 in S1 2025, marking a 5.31% increase year-on-year.

In S1 2025, the total real estate transaction value hit €1.7 billion, a 9.3% increase, despite a 2.4% drop in contract volumes.

Market momentum continues as demand remains strong, especially for smaller apartments under 50 sqm, which are increasingly favoured.

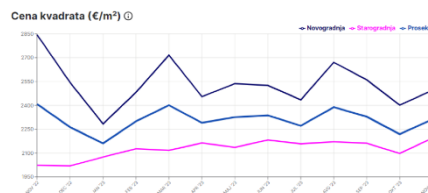
However, construction activity is slowing. Building permits fell by 10% year-on-year, reflecting supply pressures that are pushing prices upward.

**Rental yields** across Serbia are expected to stabilize around 5%, signalling a mature and balanced rental market.

**Virtual reality property tours are on the rise, reshaping how buyers explore real estate remotely** – Virtual reality (VR) has become an increasingly influential tool in the real estate industry, offering buyers the ability to explore properties without needing to be physically present.

## SERBIAN ECONOMY S1 2025 OVERVIEW

**Older properties in less developed areas face shrinking returns amid rising costs** – Properties in aging buildings located outside prime zones are becoming less attractive to investors, as rising maintenance and operational costs eat into rental income. Renovations such as replacing outdated plumbing can cost upwards of €1,500 per unit, while long-term upkeep of a building—including painting and facade work—can exceed €1.5 million over 15 years. In addition, increasing property taxes and new energy-efficiency requirements are adding further pressure on landlords. At the same time, tenant preferences are evolving. Many renters now favour newer buildings with modern features and lower utility costs, leading to higher vacancy rates for older properties. With newer developments offering better amenities and regulatory compliance, older units are struggling to stay competitive. These conditions are squeezing returns and making older properties in less developed parts of the city a riskier investment proposition.



Source: Welcome to Serbia

**Palilula is emerging as an investment hotspot, driven by large-scale urban redevelopment** – In recent years, Palilula has gained strong traction among real estate investors, thanks to a wave of urban renewal initiatives. Property values in the area have climbed significantly—reaching up to €2,553 per square meter—representing a 28% increase compared to previous periods. This steady appreciation reflects growing investor confidence in the district’s long-term potential.

Belgrade’s broader construction boom is also playing a key role, with a notable rise in issued building permits pointing to sustained demand for new developments. Government investment in public infrastructure, especially in transportation and local amenities, continues to enhance Palilula’s attractiveness for both residential and commercial projects.

A major driver of this momentum is the Belgrade Metro Project, with a 15.4-kilometer line running directly through Palilula. This future metro link is expected to dramatically improve connectivity and raise the area’s profile as a liveable, well-connected urban zone. Meanwhile, projects like the Delta Planet shopping centre signal further commercial growth, reinforcing Palilula’s status as a rising star on Belgrade’s real estate map.



**New Belgrade is solidifying its role as a magnet for tech professionals, thanks to its rapidly evolving business landscape and modern infrastructure**

The district has witnessed a surge in tech sector activity, with international firms establishing major operations there. This influx reflects New Belgrade’s growing appeal as a regional tech hub.

The Serbian government is fuelling this growth through substantial investments—over \$70 million—into AI development and tech innovation, laying the foundation for a robust digital economy. Complementing this is the rise of modern office developments and co-working spaces, designed specifically for flexible, high-performance work environments.

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