

**More and more Russian companies are moving their business to Serbia, and in the past month and a half, since the crisis in Ukraine began, more than 300 companies founded in Russia have opened in Serbia.**

Due to that, the demand for office space has increased, mostly in Belgrade.

A much smaller number of companies are being founded, the founders of which are from Ukraine, and since the beginning of the war, five companies and three entrepreneurs from that country have been registered in Serbia.

**What do Russian companies that come to Serbia do?**

These are mainly companies engaged in programming, consulting activities related to business and other management, then for consulting activities in the field of IT, design activities, wholesale of mostly fruits and vegetables, construction of residential and non-residential buildings.

According to the data of the Business Registers Agency (APR) submitted to the BIZLife portal, from February 24 to April 11, 119 companies and 281 entrepreneurs were registered, whose founders are from the Russian Federation, as well as five companies and three entrepreneurs whose founders are from Ukraine. .

A total of 1,124 companies and 602 entrepreneurs whose founders are foreign natural and legal persons from the Russian Federation, as well as 195 companies and 97 entrepreneurs whose founders are foreign natural and legal persons from the Russian Federation are currently registered in the electronic database of the Register of Business Entities of Ukraine.

**Why Serbia?**

When asked what is the reason for choosing Serbia for further business, APR states that they do not have data on that, but assume that as soon as these companies decided to register in Serbia, it is because they assess the conditions for starting a business as favorable.

Nebojsa Nesovanovic, director for consulting and assessment in the region of Southeast Europe at CBRE , told BIZLife that the experience so far shows that Belgrade and Serbia were a logical choice for a quick and temporary relocation of business from Russia.

“In order to preserve business continuity, companies operating in Russia, and cooperating with the rest of the world, had to find a quick solution to continue doing business. These are not only companies owned by Russian citizens, but also international companies that have moved parts of their operations to other markets to Belgrade. Belgrade was a logical solution because it has direct flights with Russia, and the population is friendly towards Russians. The capital of Serbia is for most of the companies that came up with a temporary solution, so their demands have been the same so far “, explains Nešovanović.

**What kind of business space are they looking for?**

He points out that they mostly took coworking offices - fully equipped business premises

that are currently available and have flexible lease deadlines.

Current availability and flexibility of lease terms are the dominant criteria, while everything else, including price, location and quality of space, is less important.

After maintaining business continuity, the companies began to pursue long-term plans. Making decisions regarding long-term plans of companies is much more complex, and it considers everything from business and tax environment, availability of labor costs, availability and prices of housing, business space to quality of life and additional content provided by the city.

“Belgrade is competing with many other destinations here, our non-imposition of sanctions or the availability of flights are of secondary importance. “It may be that a short-term solution will give us a slight advantage, but it will certainly not be crucial in making decisions,” he said.

### **Do we have enough office space?**

When it comes to what kind of office space can be offered to them, Nesovanovic admits that the offer of office space is better than it was before, but that it is still the worst in the region.

“Belgrade has the same offices as Zagreb, which is twice smaller, and three or five times smaller than Sofia and Budapest, which are cities of similar size as Belgrade. The current vacancy rate is around 5.8 percent, which is quite low. We expect that the growth, above all, of the IT industry will further increase demand, reduce the percentage of vacancies and raise rents. Eventual decisions of companies to relocate their business from Russia to Belgrade in the long run would further push rents. The chronically low availability of business space does not help us in evaluating Belgrade as a potential destination for the arrival of foreign companies “, points out Nešovanović.

### **The base in Belgrade was mostly found by IT people**

Since the crisis in Ukraine began, it is noticeable that more and more Russians are looking for, that is, buying and renting apartments and business premises in Serbia, especially in Belgrade and Novi Sad.

This was also confirmed for BIZLife by the City Expert agency.

“Russians are currently mostly looking for an apartment for rent because they still do not have a defined period of stay in Serbia. A large number of companies allocate their business in Serbia, here Belgrade and Novi Sad dominate. These are mostly solvent people from the IT industry “, said Miloš Mitić from City Expert earlier, BizLife writes.