CBRE
Serbia
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MARKETVIEW

Belgrade Residential, Q1 2016

The market keeps marking a steady demand

New supply 2014
4,755 units

Sold units 2015
9,500 units

*Arrows indicate change from the previous year.

Figure 1 – Belgrade Residential market

4,755 residential units delivered in Belgrade residential market in 2014

App. 10,000 residential units sold in Belgrade in 2014
App. 9,500 residential units sold in Belgrade in 2015

Source: Statistical Office of the Republic of Serbia, no data for 2015 available

Q1 2016 SUMMARY

- The strong development of Belgrade residential market continued in 2016, whereas New Belgrade is experiencing the most intensive development
- Belgrade downtown witnesses the development of the large-scale project Central Garden, after being characterized by complete lack of any new larger residential projects
- App. 9,500 apartments were sold in Belgrade during 2015, New Belgrade holds the largest share in the number of sold units
- The sales prices range between EUR 1,700-2,200 for mid-end projects, while high-end projects command the gross prices starting off from EUR 2,200

RESIDENTIAL SUPPLY

Thanks to the favorable location, ample land lots and developed infrastructure, New Belgrade municipality experiences the strongest development in the country, with several large-scale projects currently under construction, such as ABlok and Savada in Block 67a, West65 along Omladinskih brigada Street and the newest SunCity project in Block 63. All projects have been developed in phases, while upon completion of all developments, New Belgrade stock will be enlarged by nearly 2,000 residential units.

Belgrade city center witnesses the intensive development of AFI Europe and Shikun & Binui Group's residential complex Central Garden, the first capital's condominium positioned in-betrween streets Dalmatinska, Starine Novaka, Knez Danilova and Stanoja Glavasa. The second phase, totaling 89 units, enters the final construction phase, while the third phase envisages 129 units.

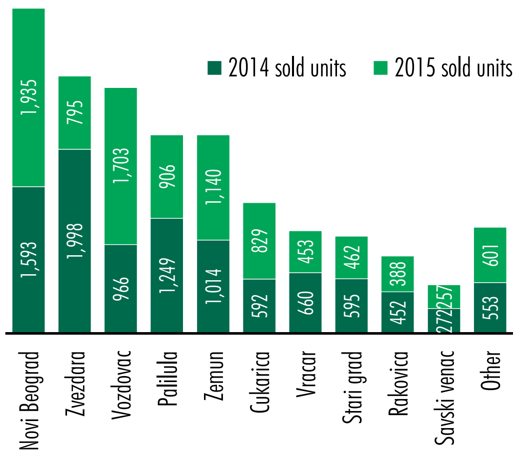
The most recent announced residential project is Energopjerojekt's Sunnyville, being planned in Visnjicka banja settlement. As per plans, the project will comprise 215 units, split in three buildings.

DEMAND

According to the official statistics, 9,500 apartments were sold in Belgrade during 2015.

Although being lower by 5% as compared to the results marked in 2014, this figure remains high, particularly having in mind the number of completed units in Belgrade in 2014, being 4,755 units.

Chart 1 – Residential demand per municipalities



Source: Republic Geodethic Agency, Total number of registered S&P agreements

Table 1 – Large-scale residential projects under construction

Location	Project	Investor	Total Size and Status
Belgrade Downtown	Central Garden	AFI Europe and Shikun & Binui Group	500 units, 2nd phase /89 units
New Belgrade	ABlok	Deka Inzenjering	840 units, 3rd phase /270 units
New Belgrade	Savada	Neimar V	500 units, 2nd phase /200 units
New Belgrade	SunCity	Energogroup	174 units
New Belgrade	West65	PSP Farman	512 units, 3rd phase/
Vozdovac	Paunov Breg	CPI Group	201 units, 2nd phase/94 units
Belgrade Downtown	Two Towers	Eagle Hills	1st phase/296 units

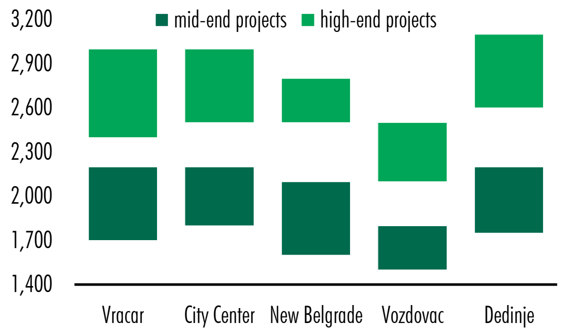
Source: CBS International, part of the CBRE Affiliate Network

SALES PRICES

The sales prices remained unchanged, ranging between EUR 1,700-2,200 (VAT incl.) for mid-end projects, while the asking prices of high-end projects, in central Belgrade municipalities, start off from EUR 2,200 (VAT included).

Having in mind the rental requests, the market notes a stable demand, a trend that persisted during the entire 2015. The rental levels for newly built properties range between EUR 10-13/sq m, while the rents for renovated properties vary between EUR 8-10/sq m.

Chart 2 – Asking sales prices (EUR/sq m incl. VAT)



Source: CBS International, part of the CBRE Affiliate Network

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