

RESEARCH REPORT

Belgrade Residential Market

CBRE | Serbia

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Q4 2015

HOT TOPICS

- The strong development of Belgrade residential market continued in the second half of 2015, whereas New Belgrade has experienced the most intensive development
- Strong demand continued in 2015, with app. 7,000 apartments being sold by November 2015

Serbia essentials

Population (Census 2011)	7,186,862
Average salary (EUR) December 2015	423
Average Household Expenditure (EUR) Q3 2015	488
Unemployment rate (Labor Force Survey – Q3 2015)	16.7%
GDP Q3 2015 (y-o-y)	2.2%
CPI December 2015 (y-o-y)	1.5%

Belgrade essentials

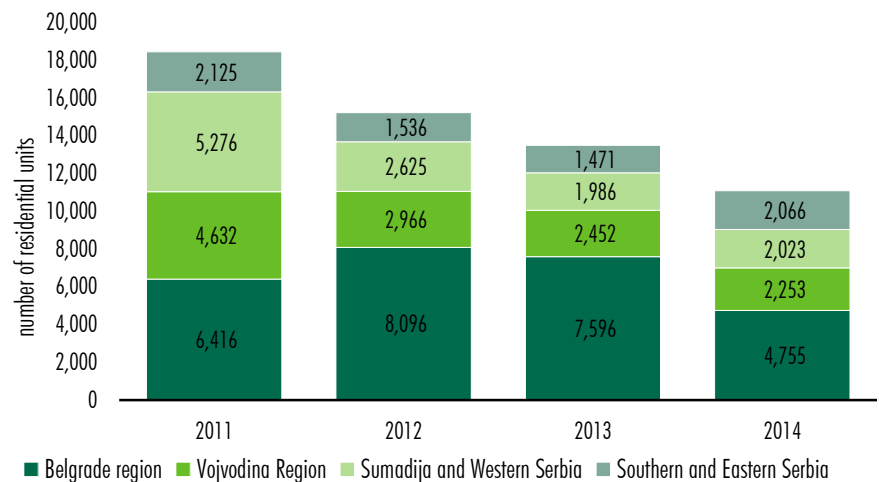
Population (Census 2011)	1,659,440
Average salary (EUR) December 2015	546
Average Household Expenditure (EUR) Q3 2015	524
Unemployment rate (Labor Force Survey – Q3 2015)	18.7%

Source: Statistical Office of the Republic of Serbia

RESIDENTIAL SUPPLY

As per the official statistics, Serbian residential stock grew by 11,097 residential units which were constructed during 2014. Being the most developed region in the country, Belgrade has recorded the highest share in the number of constructed units, i.e. 43%.

THE NUMBER OF CONSTRUCTED APARTMENTS IN SERBIA FROM 2011-2014



Source: Statistical Office of the Republic of Serbia

The strong development of Belgrade residential market continued in the second half of 2015, whereas New Belgrade has experienced the most intensive development, having in mind that numerous active residential projects are situated in New Belgrade area. Sun City is the newest project of the local company Energogroup, planned to be executed in New Belgrade block 63. The construction works on this project, which will comprise 174 residential units, recently commenced.

The construction of one of the largest residential projects in Belgrade, Deka Inzenjering's ABlok, continues as per schedule. After completion of 230 units within the second phase, the investor started working on the preparation of the third phase, envisaging 270 apartments. In the immediate vicinity, 303 residential units are completed in Neimar's residential complex Savada. The second phase of the project will include app. 200 apartments, whereby completion date is set for Q1 2017. In late 2015, PSP Farman has completed the construction of the second phase of residential complex West65, which enlarged the residential supply by additional 100 units. As per the investor plans, the complex will hold 514 residential units.

Following the successful completion of 89 units in the first phase of Central Garden complex, reputable developers AFI Europe and Shikun & Binui Group have commenced the construction of the second phase, which foresees also 89 apartments. Upon completion, Central Garden will be the largest condominium in Belgrade downtown, covering 100,000 sq m and including 500 units.



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After the groundbreaking ceremony held in September 2015, the construction works on BW Residencies, comprising two 20-story residential towers and 296 apartments, have been initiated. The project BW Residencies represents the part of the first phase of massive Belgrade Waterfront complex, being planned by Serbian Government and UAE Eagle Hills.

DEMAND

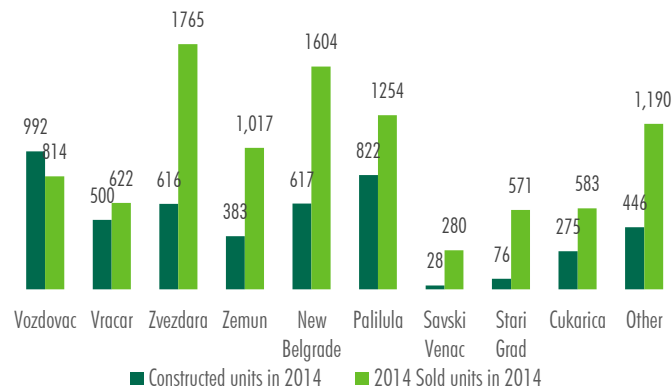
The demand for residential units in Belgrade remained strong in 2015, with nearly 7,000 sold apartments by November 2015, as per the statistics provided by Republic Geodetic Authority. Furthermore, 9,700 apartments were sold in Belgrade during 2014, out of which nearly 9,000 in urban Belgrade municipalities, which confirms that the number of sold apartments strongly exceeds the number of constructed apartments, amounting to 4,755 in 2014.

SALES PRICES AND RENTAL LEVELS

The asking prices for the medium quality of finishes vary between EUR 1,700-2,200 (VAT included), while the asking prices for the projects characterized by high quality of finishes, start off from EUR 2,200 (VAT included).

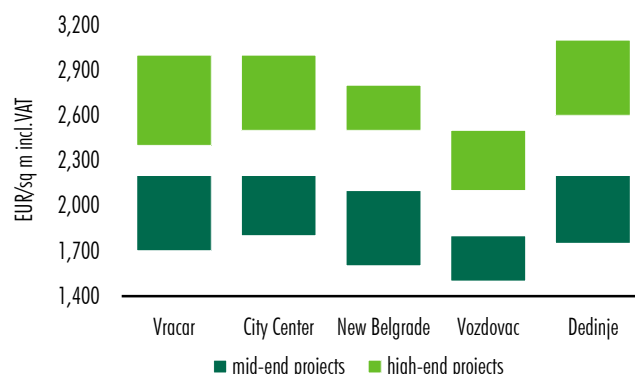
The rental levels for newly built properties command the prices between EUR 10-13/sq m, while the rents for the renovated properties range between EUR 8-10/sq m.

2014 SOLD AND CONSTRUCTED UNITS



Source: Statistical Office of the Republic of Serbia, Republic Geodetic Authority, Sales Price Register

AVERAGE ASKING PRICES OF MID-END AND HIGH-END PROJECTS IN BELGRADE



Source: Statistical Office of the Republic of Serbia

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