

SERBIA

# Residential Market Snapshot

First Quarter | 2018



## Overview

Based on assessments from the official authorities, Serbian GDP grew by 1.9% year-on-year in 2017 as compared to the projected 2.3%. Looking at sectors of the economy, both services and industry performed well in 2017, growing by 2.2 and 3.9%, respectively. The construction sector also started to recover (growing by 1.8% y-o-y) on the back of recent improvements in issuing construction permits and lower financing costs as interest rates fell in 2017.

## Occupier focus

The demand for residential units in Belgrade remained strong, having in mind that the number of sold apartments significantly exceeds the number of completed units for several years in a row which has triggered the increase in sales prices. In 2017, more than 14,000 residential units were sold with largest share recorded in Zvezdara municipality (20%). According to the Republic Geodetic Agency statistics, more than 4,500 residential units were sold in Belgrade in the first 4 months of 2018, with the largest number of units being sold in Zvezdara municipality, followed by Zemun, Vozdovac and Palilula municipalities.

## Investor focus

The strong development of Belgrade residential market continued in 2018, whereas most Belgrade's key municipalities are experiencing intensive development. Belgrade city center has witnessed the commencement of the construction of the newest AFI Europe's investment in Belgrade, 24-storey residential tower which is the first phase of development of an up-scale mixed-use complex Belgrade Skyline.

Also, the new offer is planned within already active residential projects PSP Farman's West 65 and Deko Inzenjering's ABlok, whereas the investors are targeting to enlarge the number of residential units in the new phases.

The Belgrade Waterfront project continues to develop. While the first residents expect to move in during Summer 2018, the investors have commenced the preparation works on the fifth building of 110 residential units, named BW Magnolia.

## Outlook

Israeli developer Shikun & Binui Group has announced the commencement of the construction of a new condominium WellPort in New Belgrade area, in Block 65, while the construction of its condominium Vozdove Kapije in Vozdovac Municipality goes as per schedule, with 106 units being constructed in the second phase. Move in of phase 1, totaling 129 units, starts by end of May.

## MARKET INDICATORS

Asking sales prices in Belgrade's central municipalities (EUR/sq m incl. VAT)

Municipality	Mid-end projects	High-end projects
Vracar	1,700-2,200	2,400-3,000
City Center	1,900-2,200	2,500-3,000
New Belgrade	1,600-2,000	2,200-2,500
Vozdovac	1,500-1,700	1,700-2,200
Dedinje	1,800-2,200	2,700-3,200

## Large-scale residential projects under construction

Location	Project	Investor	Total size
Downtown	Central Garden	AFI Europe and Shikun & Binui Group	500 units, 4 <sup>th</sup> phase/67 units
Vozdovac	Vozdove Kapije	Shikun & Binui Group	700 units, 1 <sup>st</sup> phase/129 units, 2 <sup>nd</sup> phase/106 units
New Belgrade	West 65	PSP Farman	450 units, 4 <sup>th</sup> phase/100 units
New Belgrade	WellPort	Shikun & Binui Group	500 units, 1 <sup>st</sup> phase/96 units – preparation phase
New Belgrade	ABlok	Deko Inzenjering	900 units, 4 <sup>th</sup> phase 108 units
Downtown	Belgrade Waterfront	Eagle Hills	BW Residences/ 296 units, BW Vista/228 units, BW Parkview/ 244 units
Vozdovac	Paunov Breg	CPI Group	200 units, 2 <sup>nd</sup> phase /94 units
Juzni Boulevard	New South	Exing	129 units
Juzni Boulevard	Kapija Vracara	Aleksandar gradnja	250 units
Zemun	Zemunke Kapije	The Building Directorate of Serbia	1,700 units, 1 <sup>st</sup> phase/323 units, 2 <sup>nd</sup> phase/366 units
Zemun	Zelena Avenija	Montex	239 units, 3 <sup>rd</sup> phase /90 units
Zemun	Gornji Grad Zemun	World Trade Capital	184 units



Source: Republic Geodetic Agency, Total number of registered S&P agreements  
Statistical Office of the Republic of Serbia, Number of constructed units;  
data for 2017 will be published in July 2018

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