

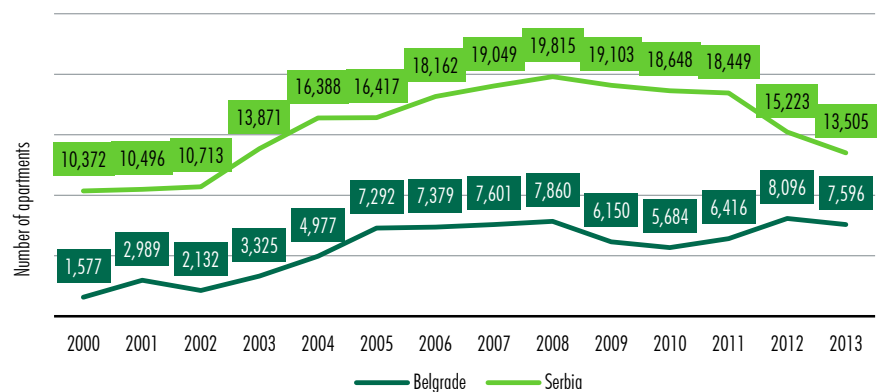
HOT TOPICS

- In 2013, the number of completed units in Belgrade amounted to 7,596
- Currently, New Belgrade municipality marks the strongest construction activity

RESIDENTIAL SUPPLY

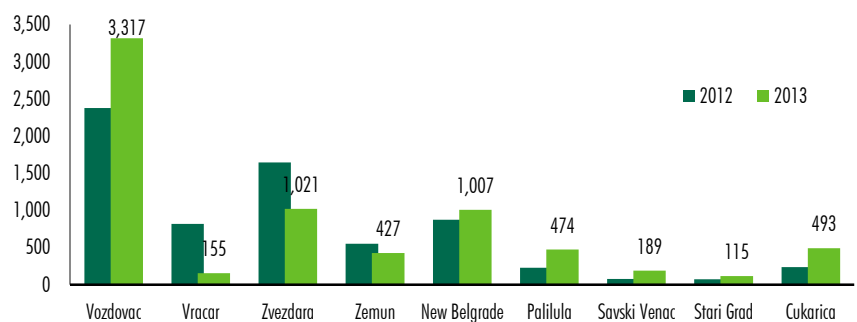
According to the official statistics, the number of finished apartments preserved a stable trend in Belgrade in the previous few years, after a certain standstill in construction activities that characterized the period 2009-2010. Thanks to the joint efforts of the government and the private investors, the year 2013 brought 7,596 residential units to the market. On the other hand, when analyzing Serbia as a whole, the construction sector witnessed the further drop of 12% in the number of finished apartments, as compared to the 2012-results.

NUMBER OF CONSTRUCTED APARTMENTS



Source: Statistical Office of the Republic of Serbia

The largest increase was noted in Vozdovac, New Belgrade, Palilula municipalities, while the biggest drop in development activity has been recorded in Vracar and Zvezdara municipalities.



Source: Statistical Office of the Republic of Serbia

In terms of the new supply, Pluto Capital's residential project, Harmony Apartments of 80 units, has been recently finished. The same neighbourhood welcomed another project Marmil land featuring 159 units. In addition, CPI Group has realized its residential complex Paunov breg of 107 units in Banjica settlement.



Serbia essentials

| | |
|--|-----------|
| Population (Census 2011) | 7,186,862 |
| Average salary (EUR) June 2014 | 388 |
| Average Household Expenditure (EUR) Q1 2014 | 477 |
| Unemployment rate (Labor Force Survey – Q2 2014) | 20.3% |
| GDP Q2 2014 (y-o-y) | -1.1% |
| CPI July 2014 (y-o-y) | 2.1% |

Belgrade essentials

| | |
|--|-----------|
| Population (Census 2011) | 1,659,440 |
| Average salary (EUR) June 2014 | 482 |
| Average Household Expenditure (EUR) Q1 2014 | 571 |
| Unemployment rate (Labor Force Survey – Q2 2014) | 18.3% |

Source: Statistical Office of the Republic of Serbia

RESEARCH REPORT

Belgrade Residential Market

CBRE | Serbia

PART OF THE CBRE AFFILIATE NETWORK

www.cbre.rs

Q2 2014

Currently, New Belgrade municipality marks very intensive construction activity. After completing the first phase of 150 units in residential complex West65, PSP Farman commenced the construction of the second phase with 100 units. The construction works on large mixed-use complex ABlok, in block 67a developed by the local company Deko inženjering are going strong. This development phase comprises the construction of three residential buildings totaling 296 apartments, 27 retail shops, 246 garage places and 96 open parking places. In the same block 67a, the local company NeimarV has commenced the construction works on their residential project Savada, including 303 units, along with 33 retail units, 250 garage places and 68 open parking spaces.

SALES PRICES & RENTAL LEVELS

The sales prices of residential units remained mostly stable, due to the more balanced demand-supply ratio. In central Belgrade municipalities, the asking prices of high-quality projects start off from EUR 2,200 (VAT included), with most mid-end projects varying between EUR 1,700-2,200 with VAT included.

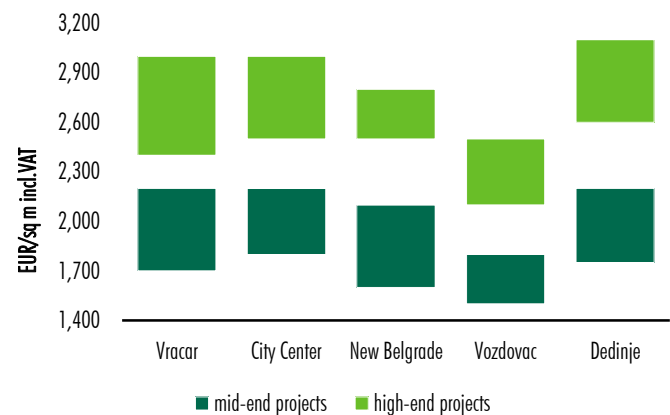
Steady demand in the leasing segment continued in the first months of 2014. In general, typical rental levels range between EUR 8-10/sq m for renovated properties and from EUR 10-13/sq m for newly built properties, while some of the units generate asking rents of even EUR 15/sq m, depending on the location and the quality of properties.

PROJECTS UNDER CONSTRUCTION

| Project | Location | Investor | No of units |
|-----------------|--------------|------------------|---------------------|
| Savada | New Belgrade | NeimarV | 303 |
| ABlok | New Belgrade | Deko inženjering | 296 |
| Dunavske terase | Palilula | Aramont | 270 |
| Golf8 | Banovo brdo | Peteg | 153 |
| Obelisk | New Belgrade | Gradina Zemun | 108 |
| West65 | New Belgrade | PSP Farman | 100 in second phase |
| Atrium 63 | New Belgrade | Basal | 91 |

Source: CBS International, part of the CBRE Affiliate Network

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



Source: CBS International, part of the CBRE Affiliate Network

Dragan Radulovic
Managing Director
CBS International doo Beograd
Part of the CBRE Affiliate Network
Airport City Belgrade
88b Omladinskih Brigada Street
11070 Belgrade, Serbia
t: +381 11 22 58 777
e: dragan.radulovic@cbre.rs

Mina Kalezic
Sales & Marketing Manager
CBS International doo Beograd
Part of the CBRE Affiliate Network
Airport City Belgrade
88b Omladinskih Brigada Street
11070 Belgrade, Serbia
t: +381 11 22 58 777
e: mina.kalezic@cbre.rs

Tamara Kostadinovic
Head of Market Research
CBS International doo Beograd
Part of the CBRE Affiliate Network
Airport City Belgrade
88b Omladinskih Brigada Street
11070 Belgrade, Serbia
t: +381 11 22 58 777
e: tamara.kostadinovic@cbre.rs

DISCLAIMER

CBS International (part of the CBRE Affiliate Network) confirms that information contained herein, including projections, has been obtained from sources believed to be reliable. While we do not doubt their accuracy, we have not verified them and make no guarantee, warranty or representation about them. It is your responsibility to confirm independently their accuracy and completeness. This information is presented exclusively for use by CBS International clients and professionals and all rights to the material are reserved and cannot be reproduced without prior written permission of CBS International.



PART OF THE CBRE AFFILIATE NETWORK

CBRE