

RESEARCH REPORT

Belgrade Residential Market

CBRE | Serbia

PART OF THE CBRE AFFILIATE NETWORK

www.cbre.rs

Q2 2015

HOT TOPICS

- The number of completed apartments in Serbia in 2014 exceeded the level of 11,000 residential units
- Central Garden, large-scale residential complex located in Dalmatinska Street, will significantly contribute to the residential supply

Serbia essentials

Population (Census 2011)	7,186,862
Average salary (EUR) May 2015	428
Average Household Expenditure (EUR) Q1 2015	496
Unemployment rate (Labor Force Survey – Q1 2015)	19.2%
GDP Q1 2015 (y-o-y)	-1.8%
CPI June 2015 (y-o-y)	1.9%

Source: Statistical Office of the Republic of Serbia

Belgrade essentials

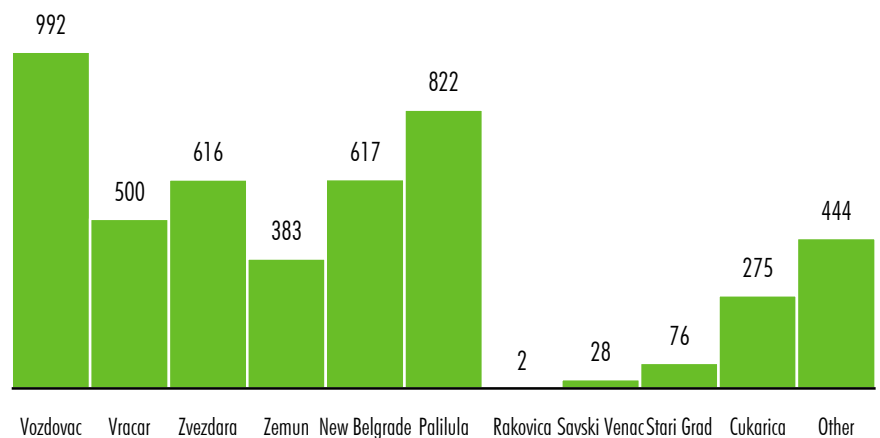
Population (Census 2011)	1,659,440
Average salary (EUR) May 2015	541
Average Household Expenditure (EUR) Q1 2015	549
Unemployment rate (Labor Force Survey – Q1 2015)	20.7%

Source: Statistical Office of the Republic of Serbia

RESIDENTIAL SUPPLY

In accordance with the data published by the Statistical Office of the Republic of Serbia, the number of completed apartments in Serbia in 2014 amounted to 11,097 units. As the most active region, Belgrade accomplished the share of 43% in the total number of delivered residential units. As per official data, the average size of the newly built units in Belgrade completed in 2014 was at the level of 58 sq m.

NUMBER OF COMPLETED APARTMENTS IN BELGRADE MUNICIPALITIES



Source: Statistical Office of the Republic of Serbia

New Belgrade municipality is the largest construction site in the country, with several large-scale projects currently under construction. Among active projects is Savada, a mixed-use residential project with 303 residential units and 33 retail units, located in Block 67. The completion date of this phase is expected in Q2 2016.

After the completion of 296 units within the first phase, in May 2015, the first tenants has moved to ABlock, a large-scale residential project of local company Deka Inzenjering. Concurrently, the construction works on the second phase which includes 230 residential units have begun recently.

Another large-scale complex West 65, situated in the near vicinity of these projects, has already enriched a residential supply. Namely, during 2014, 150 apartments were delivered to the market within the first phase, while the second phase envisages the construction of additional 100 residential units.

Due to the lack of ample land lots, Belgrade city centre usually witnesses only small-scale developments. Therefore, size-wise, one of the most noteworthy projects in Belgrade is the first condominium, Central Garden, being developed in-between Dalmatinska, Kneza Danila, Starine Novaka and Stanoja Glavasa Streets. The whole project will cover the area of 100,000 sq m, with 500 residential units, while the first 89 apartments will boost the residential stock by close of this year.

Established developer CPI Group is planning to start construction works on the second phase of its project Paunov Breg, in early September, located in Banjica settlement. In the first phase, 107 residential units were completed, while the second phase foresees 94 residential units.

PART OF THE CBRE AFFILIATE NETWORK

CBRE

RESEARCH REPORT

Belgrade Residential Market

CBRE | Serbia

PART OF THE CBRE AFFILIATE NETWORK

www.cbre.rs

Q2 2015

DEMAND

According to the official statistics, 9,700 apartments were sold in Belgrade during 2014. The largest number of sold apartments was recorded in Zvezdara Municipality, followed by New Belgrade, Palilula, Zemun and Vozovac Municipalities. Analyzed per location, in some municipalities the number of sold apartments exceeds the number of constructed apartments, which points out to the limited offer of new supply, which in certain cases further directs the buyers towards the secondary residential market, or the new supply in other municipalities.

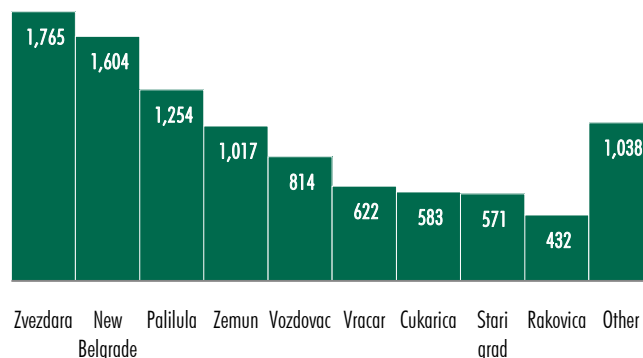
In order to support the construction sector, apart from new Law on Planning and Construction, the Serbian Government recently passed the Law on Conversion of Right of Use into Ownership over Construction Land. The Law regulates the right and the conditions for conversion with a fee, the possibility of establishing lease rights over construction land, as well as some other matters.

SALES PRICES AND RENTAL LEVELS

During the second quarter of 2015, the sales prices remained unchanged, ranging between EUR 1,700-2,200 (VAT included) in the case of mid-end projects, while the asking prices of high-end projects, in central Belgrade municipalities, start off from EUR 2,200 (VAT included).

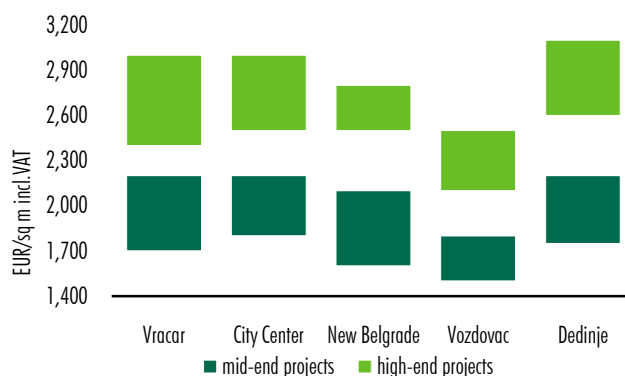
The rental levels for newly built properties range between EUR 10-13/sq m, while the rents for renovated properties vary between EUR 8-10/sq m.

SOLD APARTMENTS IN BELGRADE IN 2014



Source: 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

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 is the part of the CBRE Affiliate Network, the world's largest commercial real estate services firm (in terms of 2014 revenue). CBS International is the leading real estate company in Serbia for four consecutive years, providing variety of services including: office agency, retail agency, industrial & logistics, land agency, residential sales and leasing, valuation and development advisory, research, project management, property management, facility management and marketing.

CBS International 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