

HOT TOPICS

- Deka Inzenjering commenced the construction of the first phase on their large mixed-use project in New Belgrade block 67a, counting 296 apartments and 27 retail units.

- The Building Directorate of Serbia completed the construction of the largest residential complex in Belgrade in Stepa Stepanovic settlement totaling 4,616 apartments and 146 retail units. Its another housing project in New Belgrade in Dr Ivana Ribara settlement, comprising the 707 residential units, has also been recently finished. Price per sq m ranges between EUR 1,250 and EUR 1,290 (VAT incl.).

Serbia essentials

Population (Census 2011)	7,186,862
Average salary (EUR) March 2014	375
Average Household Expenditure (EUR) Q4 2013	489
Unemployment rate (Labor Force Survey – October 2013)	20.1%
GDP 2013 (y-o-y)	2.5%
CPI March 2014 (y-o-y)	2.3%

Belgrade essentials

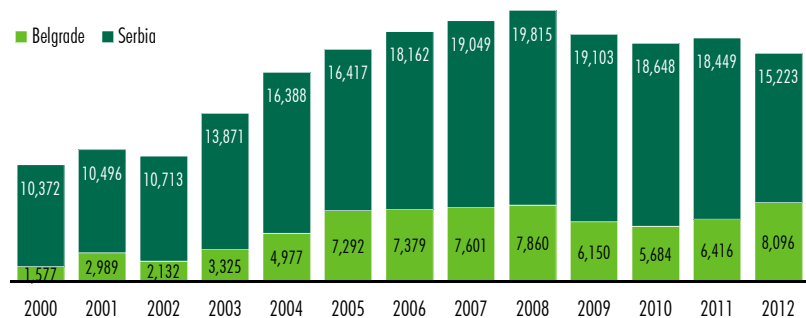
Population (Census 2011)	1,659,440
Average salary (EUR) March 2014	474
Average Household Expenditure (EUR) Q4 2013	593
Unemployment rate (Labor Force Survey – October 2013)	16.7%

Source: Statistical Office of the Republic of Serbia

RESIDENTIAL SUPPLY

The construction sector in Serbia, according to the official data, witnessed the decrease of development activity in previous years, noting the further drop of 17% in the number of finished apartments. However, thanks to the joint efforts of the government and the private investors, the year 2012 recorded the maximum number of constructed units for the past 15 years in Belgrade, exceeding 8,000.

NUMBER OF CONSTRUCTED APARTMENTS



Source: Statistical Office of the Republic of Serbia

As a consequence of the global economic recovery, Belgrade residential stock has been boosted by a few residential projects recently completed, while several projects entered the final construction phase.

The Belgrade high-end offer has been recently enlarged by the exclusive project Maxima Center of 100 apartments, developed by Imperial gradnja. On the other side, Pluto Capital's residential project, Harmony Apartments, has been recently finished, comprising 80 apartments, while the municipality of Zvezdara welcomed the completion of the large complex Alpha city, totaling 299 units. After completing the first phase with 150 units of their residential complex West 65, PSP Farman plans to commence the construction works on the second phase of their project with 100 units.

PROJECTS UNDER CONSTRUCTION

Project	Location	Investor	No of units
Dunavske terase	Palilula	Aramont	270
Obelisk	New Belgrade	Gradina Zemun	108
Paunov breg	Banjica	CPI Group	107
Marmil Land	Vracar	Marmil	159
Golf8	Banovo brdo	Peteg	153
Atrium 63	New Belgrade	Basal	91
Blok 67a	New Belgrade	Deka inzenjering	840 / 296 in 1st phase
Blok 67a	New Belgrade	Neimar	n/a

Source: CBS International, part of the CBRE Affiliate Network

The beginning of the year, marked the commencement of construction of a large complex in New Belgrade block 67a of 137,000 sq m of GBA, developed by the local company Deka inzenjering. The first phase will comprise 8 lamellas, counting 296 apartments, of various structures from studios to 4-room apartments, whereas the ground floor will host 27 retail units. In addition, a local company Neimar V has recently commenced the preparation works on their residential complex in the same neighborhood. The land lot of the project covers 18,600 sq m.

RESEARCH REPORT

Belgrade Residential Market

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Q1 2014

DEMAND

The whole of 2013 has kept the trend of renewed interest of the buyers which commenced in the second part of 2012. In general, well-developed projects in line with the location requirements and target group needs, and the right balance between the quality and the price always sell. As per the data published by National Mortgage Insurance Corporation (NMIC), based on the insured loan buyers data, the number of sold apartments in 2013 slightly grew by app. 5% as compared to 2012. On the other hand, the abolishment of the subsidized housing loans by the government will certainly influence the demand in 2014.

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 quality of properties.

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



Source: CBS International, part of the CBRE Affiliate Network

ASKING RENTAL LEVELS IN BELGRADE (EUR/SQ M/MONTH)

Location	Renovated Properties	Newly Built Properties
Dedinje	8-10	10-14
Vracar	8-10	10-13
New Belgrade	6-8	9-12
Downtown	7-10	8-15

Source: CBS International, part of the CBRE Affiliate Network

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