

Belgrade Residential, Q4 2016

# Numerous residential projects under construction, strong demand absorbs new supply

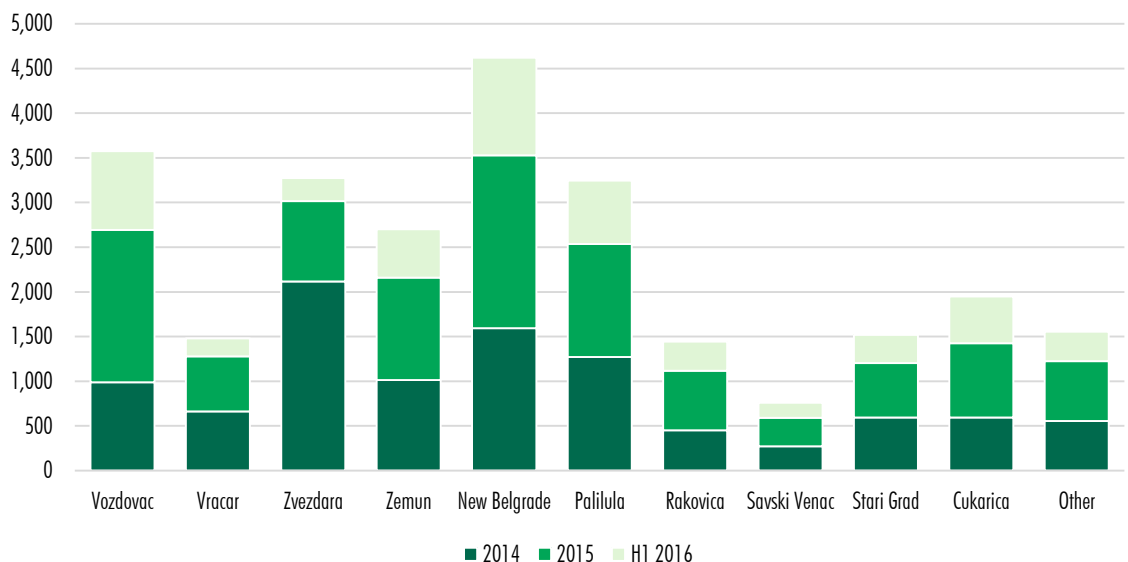
 New supply 2015  
**4,014 units**

 Sold units 2015  
**10,000 units**

 Sold units H1 2016  
**5,300 units**

\*Arrows indicate change from the previous year.

Figure 1 – Number of sold units per municipality



Source: Republic Geodethic Agency, Total number of registered S&P agreements

**Q4 2016 SUMMARY**

- As per official statistics, the number of sold units in the first six month of 2016 exceeds 5,300 units, indicating the solid results throughout the year
- The largest Belgrade municipalities remain the most preferred locations among the buyers
- The projects reflecting reasonable balance between location, quality and price are one of the key demand’s drivers
- Intensive activity on the investors' side in the previous period, with numerous residential projects being initiated

**RESIDENTIAL SUPPLY**

Following the trend commenced in the previous period, 2016 also characterized the intensive activity on the investors' side, with numerous residential projects being initiated.

In addition to the already active large-scale projects, such as Central Garden in Belgrade downtown, New Belgrade's projects Ablok, Savada, SunCity and West65 and the first phase of Belgrade Waterfront Residences, Belgrade residential offer will be enriched with the most recent large-scale project named Vozdove kapije. This project, planned by Israeli investor, Shikun&Binui Group, will be located along Vojvode Stepe Street, in Vozdovac Municipality, envisaging 129 units in the first phase of construction.

Also, The Building Directorate of Serbia aims to construct the settlement of 1,500 residential units in Zemun municipality at the location of military barracks Aleksa Dundic, alike previously developed Stepa Stepanovic settlement. When it comes to the future supply, new phase with 228 units, Belgrade Vista is planned within Belgrade Waterfront project.

By far the most attractive improvement will happen at the location in Kneza Milosa Street, where the former building of the Ministry of Interior Affairs stood, which will be transformed into a 68,000 sq m mixed-use complex named Skyline Belgrade, planned by AFI Europe. The projected number of square meters for residential use amounts to 34,000, for retail space 4,000 sq m has been allotted and commercial spaces will occupy 30,000 sq m.



**DEMAND**

The first statistics with more than 5,300 units sold in Belgrade in the first half of 2016 point out the stable results expected in 2016, standing at the level of minimum 10,000 units, which equals the average number of sold units in 2014 and 2015 in Belgrade.

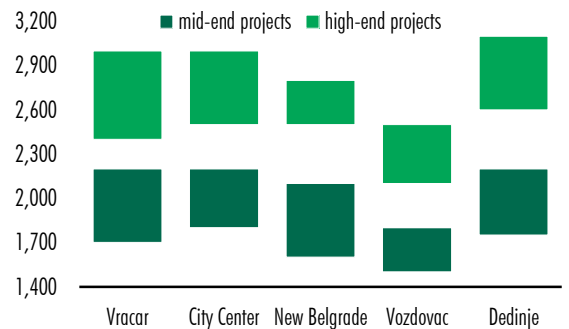


**SALES PRICES**

The asking sales prices usually range between EUR 1,700-2,200 (VAT incl.) for 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.

Chart 2 – Asking sales prices (EUR/sq m incl. VAT)



Source: CBS International, part of the CBRE Affiliate Network

Table 1 – Large-scale residential projects under construction

Location	Project	Investor	Total Size
Belgrade Downtown	Central Garden	AFI Europe and Shikun & Binui Group	500 units, 3 <sup>rd</sup> phase/129 units
Vozdovac	Vozdove kapije	Shikun & Binui Group	700 units, 1 <sup>st</sup> phase/129 units
New Belgrade	ABlok	Deka Inzenjering	840 units, 3 <sup>rd</sup> phase/270 units
New Belgrade	Savada	Neimar V	500 units, 2 <sup>nd</sup> phase/200 units
New Belgrade	SunCity	Energogroup	174 units
New Belgrade	West65	PSP Farman	512 units, 3 <sup>rd</sup> phase/100 units
Belgrade Downtown	Two Towers	Eagle Hills	1 <sup>st</sup> phase/296 units, 2 <sup>nd</sup> phase/228 units
Zemun	Zelena Avenija	Montex Real Estate	236 units
Palilula	Sunnyville	Energoprojekt	215 units

Source: CBS International, part of the CBRE Affiliate Network

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