

Belgrade Residential, Q2 2017

Stable demand encourages investors to initiate new residential developments

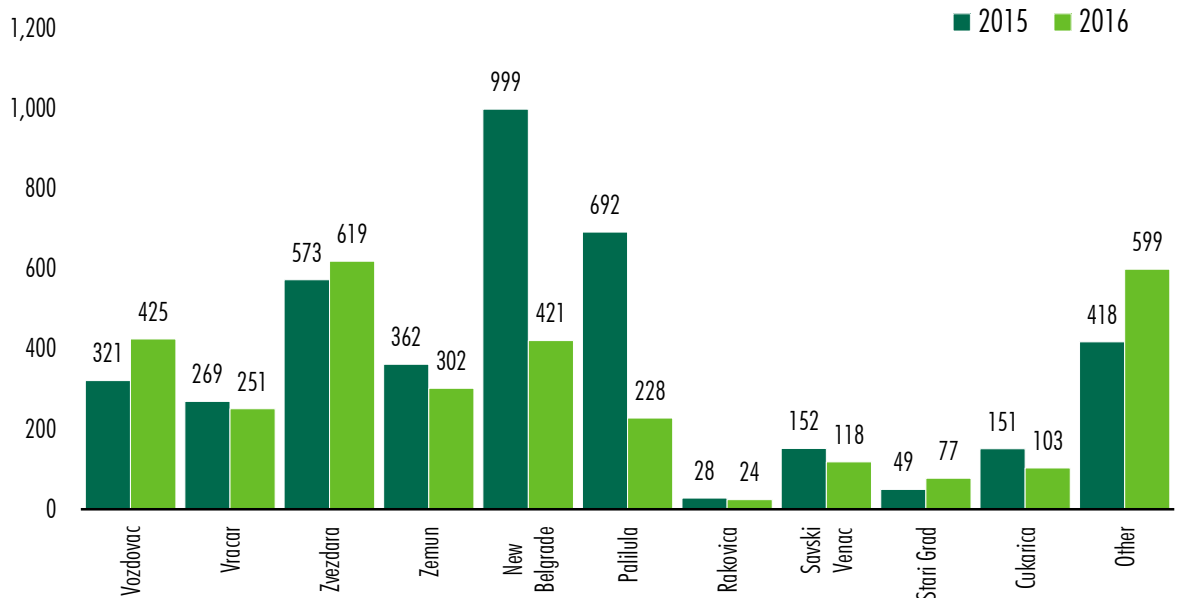
 New supply 2015
4,014 units

 New supply 2016
3,167 units

 Sold units H1 2017
5,147 units

*Arrows indicate change from the previous year.

Chart 1 – Number of completed units per municipalities



Source: Statistical Office of the Republic of Serbia

Q2 2017 SUMMARY

- The intensive development of Belgrade residential market continued in the second quarter of 2017, with numerous residential complexes being in the various construction phases
- As per official statistics, 3,167 new apartments were delivered to Belgrade residential market in 2016
- The number of sold units in the first half of 2017 exceeds 5,100 units, pointing out to the stable demand
- The sales prices ranging between EUR 1,700-2,200/sq m (VAT incl.) for mid-end projects, and for high-end projects from EUR 2,200-2,800/sq m (VAT incl.)

RESIDENTIAL SUPPLY

According to the official statistics, 3,167 new apartments were delivered to Belgrade residential market in 2016, with the largest number of constructed units in Zvezdara municipality (619 units), followed by Vozdovac and New Belgrade municipalities (425 and 421 units, respectively).

Thanks to the strong demand in the previous period with the number of sold units strongly exceeding the number of completed units, the investors become more eager to initiate the new projects, more specific phase-developed large-scale complexes, comprising 200+ units.

In Belgrade city center, Israeli investors AFI Europe and Shikun & Binui Group continue working on the fourth phase of the first downtown’s condominium Central Garden. Upon completion of this phase, Belgrade residential supply will be enlarged by additional 67 units. UAE Eagle Hills is currently developing two residential buildings within the Belgrade Waterfront project. Also, two buildings are in the preparation phase, i.e. BW Vista and ParkView, meaning that 768 apartments altogether should be delivered to the market. New Belgrade hosts several large-scale developments, i.e. West 65, ABlok and Savada, which are all nearly completed, with new phases being planned.

As per development of Vozdovac municipality, Israeli Shikun & Binui Group works intensively on the large residential project Vozdove kapije of app. 700 units. The construction will be done in phases, while 129 units will be delivered in the first phase. Another project in the vicinity is Panorama Vozdovac of the local company Alpros Invest, which will comprise 187 apartments.

In Zemun municipality, Montex continues the construction of residential complex Zelena Avenija, whereas new 50 apartments will be delivered in the second phase. The Building Directorate of Serbia has commenced the construction of its project Zemunske kapije in the same municipality. 1,700 units are planned in the entire complex, whereas 323 units will be built in the first phase.

Belgrade city center will witness the development of AFI Europe’s unique residential-commercial complex Belgrade Skyline, in Kneza Milosa Street. The construction works should commence in late 2017.

When it comes to the future supply along Juzni Boulevard, EX-ING B&P is developing a residential project named New South, totaling 129 units, while Aleksandar Gradnja has also started developing a residential complex in this area, named Kapija Vracara, holding 252 units.

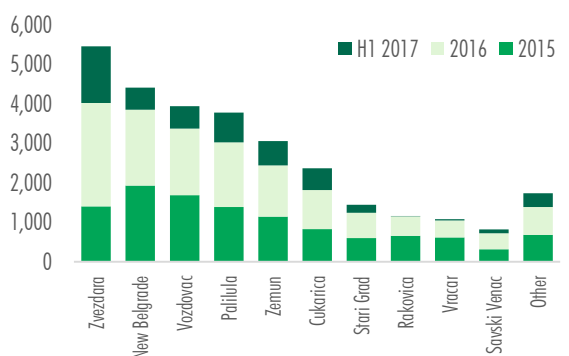
DEMAND

As per the most recent statistics, more than 5,100 units were sold in Belgrade in the first six months of 2017, which indicates the stable demand, as compared to the same period in 2016, when approximately 5,300 units were sold. Among Belgrade municipalities, the largest number of sold apartments was recorded in Zvezdara, Palilula, Zemun, Vozdovac and New Belgrade municipalities.

SALES PRICES

In central Belgrade municipalities, the prices of high-quality projects vary from EUR 2,200-2,800/sq m (VAT incl.), while mid-end projects, characterized by medium quality of finishes, usually range between EUR 1,700-2,200/sq m (VAT included).

Chart 2 – Number of sold units per municipalities



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

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 rd phase /129 units, 4 th phase/67 units
Vozdovac	Vozdove kapije	Shikun & Binui Group	700 units, 1 st phase/129 units
New Belgrade	ABlok	Deka Inzenjering	800 units, 3 rd phase /270 units
New Belgrade	Savada	Neimar V	500 units, 2 nd phase /200 units
New Belgrade	SunCity	Energogroup	174 units
New Belgrade	West65	PSP Farman	512 units, 3 rd phase/100 units
Belgrade Downtown	Belgrade Waterfront	Eagle Hills	BW Residences/296 units, BW Vista/228 units, BW Parkview/244 units
Palilula	Sunnyville	Constantine the Great	252 units, 1 st phase/126 units
Palilula	Sunnyville Energoprojekt	Energoprojekt	215 units
Vozdovac	Panorama Vozdovac	Alpros Invest	187 units
Vozdovac	Paunov Breg	CPI Group	200 units, 2 nd phase /94 units
Juzni Boulevard	New South	EX-ING B&P	129 units
Zvezdara	Lira	Napred	96 units
Zemun	Zemunске kapije	The Building Directorate of Serbia	1,700 units, 1 st phase/323 units
Zemun	Zelena Avenija	Montex	236 units, 2 nd phase /50 units

Source: CBS International, part of the CBRE Affiliate Network

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