

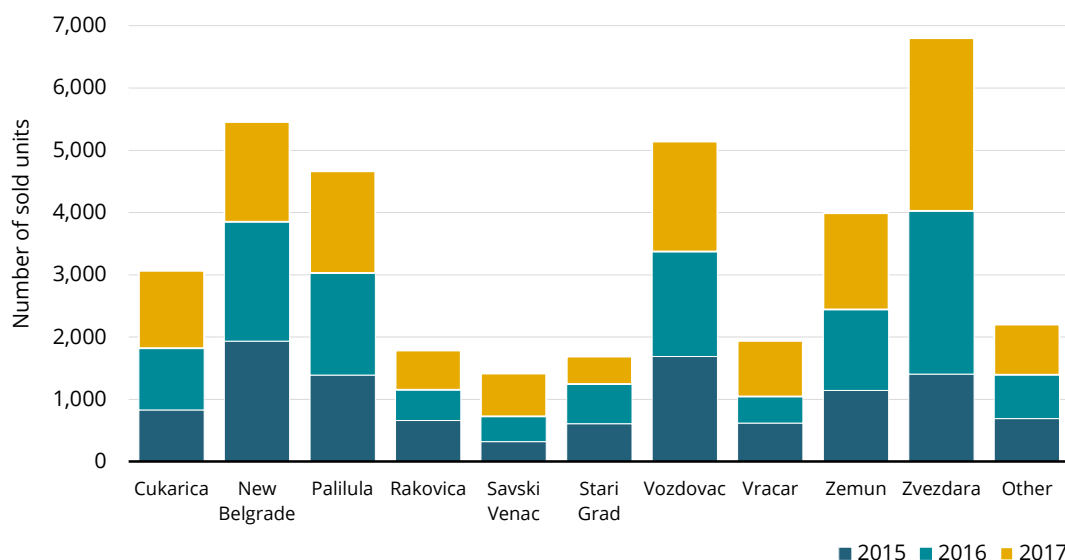
MarketInSight

Belgrade Residential Market, Q4 2017



The strong demand for residential units in Belgrade kept growing in 2017

Chart 1 – Number of sold units per municipality



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

Q4 2017 SUMMARY

- Strong demand continued in 2017, with app. 14,000 apartments being sold, Zvezdara municipality holds the largest share in the number of sold units
- Israeli Shikun & Binui commenced the construction works on the second phase of a large-scale residential complex Vozdove kapije, while the first phase continues as per the schedule
- The total number of constructed units in 2016 amounts to 3,167, whereas Zvezdara municipality is experiencing the most intensive development
- The sales prices remained stable, 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.)

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RESIDENTIAL SUPPLY

During 2015 and 2016, the residential supply was enlarged by 4,014 and 3,167 new apartments respectively. The largest number of units in 2016 was constructed in Zvezdara Municipality, followed by Vozdovac and New Belgrade municipalities. The number of constructed units in Serbia amounted to 11,332 in 2016, being increased by 10%, as compared to 2015-figures.

The strong development of Belgrade residential market continued in Q4 2017, as the interest for large-scale projects among the investors constantly rises. Along with the development of the fourth construction phase of AFI Europe and Shikun & Binui Group's residential complex Central Garden, AFI Europe will commence the construction of its new upscale residential project in the city center, Skyline Belgrade, in early 2018. Besides, Israeli investor Shikun & Binui Group already commenced the construction works on 106 units in the second phase of Vozdove kapije residential complex, in late 2017.

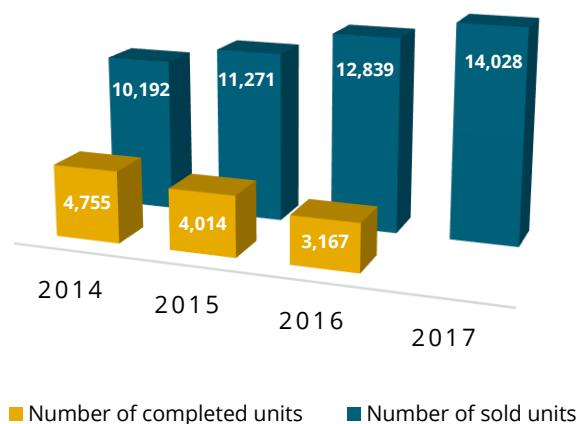
Belgrade city center residential supply expects further enlargement upon completion of BW Residences within the Belgrade Waterfront project, by mid-2018. Along with construction of BW Residences, UAE Eagle Hills is currently developing two more residential buildings, BW Vista and ParkView.

After two successful residential projects, Shikun & Binui Group is aiming to develop the first condominium project in New Belgrade, in Block 65, totaling app. 500 units. The project named WellPort will be developed in phases, and the first phase will comprise 96 residential units.

DEMAND

The demand for residential units in Belgrade remained strong in 2017, with 14,000 sold apartments. The largest share is recorded in Zvezdara municipality (20%), followed by Vozdovac municipality (13%), Palilula municipality (12%) and New Belgrade municipality with the share of 11%.

Chart 2 – Residential supply vs. demand



Source: Republic Geodetic Agency, Total number of registered S&P agreements
Statistical Office of the Republic of Serbia, Number of constructed units; data for 2017 will be published in July 2018



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, 4 th phase/67 units |
| Vozdovac | Vozdove kapije | Shikun & Binui Group | 700 units, 1 st phase/129 units, 2 nd phase/106 units |
| New Belgrade | West65 | PSP Farman | 512 units, 4 th 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 |
| Juzni Bulevar | Kapije Vracara | Aleksandar gradnja | 250 units |
| Zemun | Zemunске kapije | The Building Directorate of Serbia | 1,700 units, 1 st phase/323 units, 2 nd phase/366 units |
| Zemun | Zelena Avenija | Montex | 239 units, 3 rd phase /90 units |
| Zemun | Gornji grad Zemun | World Trade Capital | 184 units |

Source: CBS International

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