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Source: PR | Tuesday, 08.11.2022. | 10:35



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## Apartment Rental in Serbia with a Rent Growth at a Historic High



Marko Radulovic (Photo: CBS International)

The residential real estate market in Serbia is at the peak of a positive trend, with the rapid growth of the number of Russian companies as one of the reasons, which affects the availability and price of residential real estate.

While initially the solution was to rent luxury residential units, due to the insufficient number of such properties, and due to the higher number of inquiries, Russians are increasingly showing more interest in purchasing apartments, for which they are often willing to pay above the asking price. The fact that the market is not prepared for this sudden demand is supported by the lack of available rental units, despite the significant increase in rents. The increase in rent prices is partly influenced by the tenants themselves, which directly leads to an increase in real estate prices.

Belgrade is Serbia's capital city and has the highest supply of residential units. Due to recent economic sanctions imposed on Russia, a great number of companies from Moscow established companies in Serbia, whose management and employees require residences. As a result of high demand, rental levels reached an average of 20€ / sq m for 1-bedroom apartments, while for larger apartments, the rental levels go even higher. However, this has not stopped them from renting apartments on the spot, without further researching the market and taking other options into consideration.

In the previous years, the demand for luxurious real estate in Belgrade has been heavily oriented towards Dedinje and Senjak.

– Inquiries were mostly coming from diplomatic representatives, embassies, or the top positioned management within the international corporations. Nowadays the demand has shifted towards municipalities with high intensity of construction and development such as New Belgrade, and Savski Venac, home to Skyline Belgrade and Belgrade Waterfront. Cities in demand besides Belgrade are Nis, Novi Sad and Kragujevac – states Marko Radulovic, Director of Residential Agency at the leading Real Estate company in Serbia - [CBS International](#), member of Cushman & Wakefield Alliance.

At the moment, due to the high demand, the market is oversaturated and the prices are twice as high. People who invested in newly built residential real estate in top residential areas just two years ago, could expect the return on investment within the 10 year period, which is an unprecedentedly fast time frame for residential market in Serbia. Thus, the latest trend confirmed that the safest form of investing is investing in real estate.