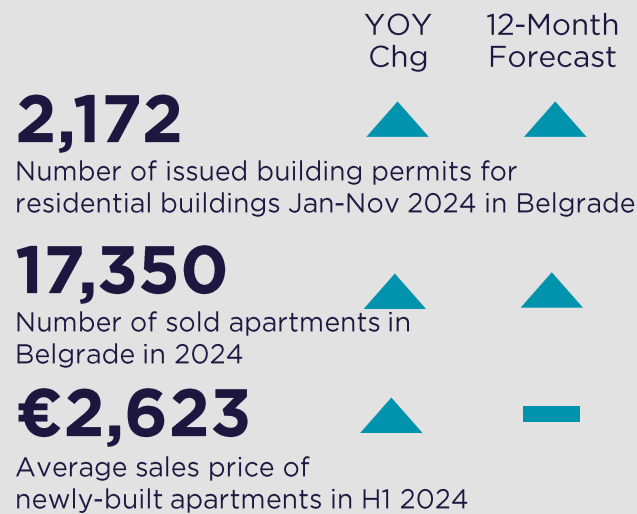
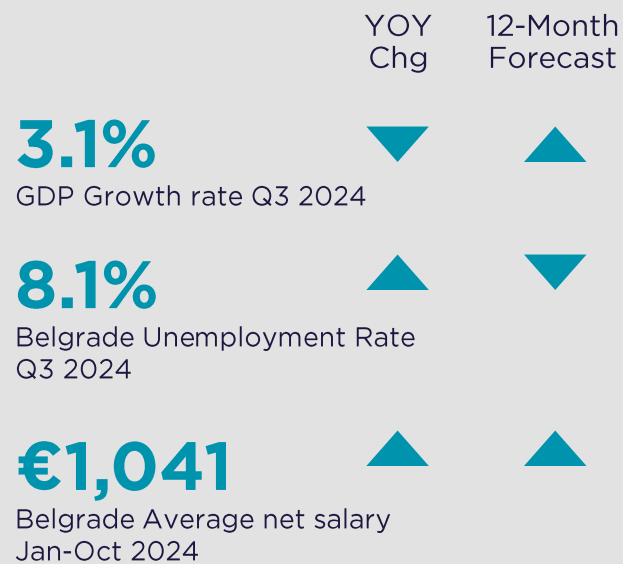


### MARKET FUNDAMENTALS



### ECONOMIC INDICATORS



(Overall, All Property Classes)  
Source: Statistical Office of the Republic of Serbia

### ECONOMY

Real GDP growth in Q3 2024 reached 3.1% year-over-year. According to preliminary data from the Statistical Office of the Republic of Serbia, the GDP growth for 2024 is estimated at 3.9%, primarily driven by an increased activity in the service sectors, manufacturing, construction and mining, while agriculture and energy contributed negatively. Looking ahead, the National Bank of Serbia anticipates GDP growth to accelerate further in 2025 and 2026, reaching a range of 4.0-5.0%, supported by new investments related to the specialized EXPO 2027 exhibition.

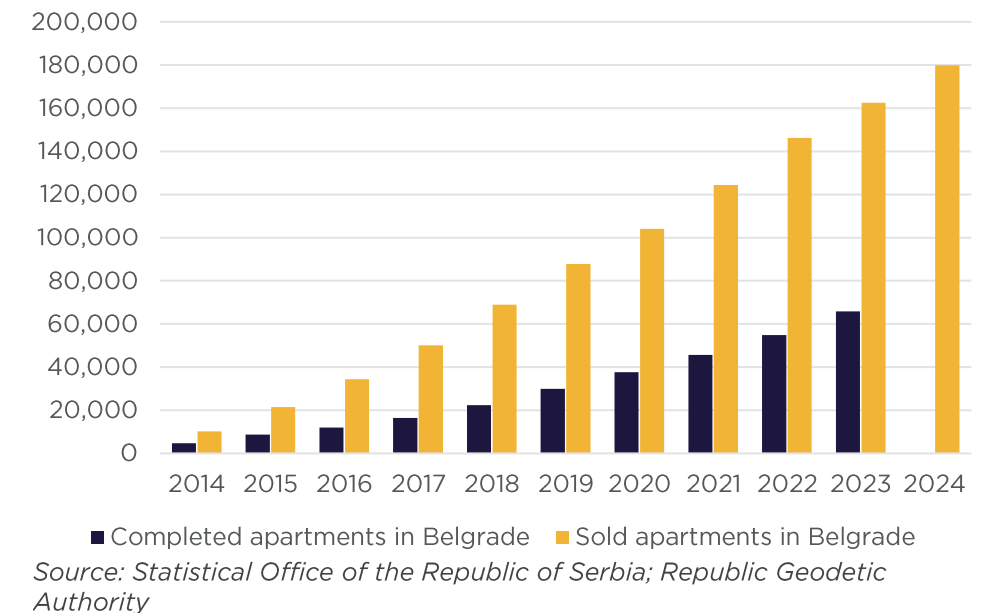
Foreign direct investment (FDI) inflows for the first eleven months of 2024 totalled EUR 4.6 billion, marking a 7.9% increase as compared to the same period in 2023. Inflation has been on a downward trajectory since April 2023, with a notable deceleration in H2 2023 and H1 2024. The average inflation rate for 2024 is 4.6%. In October 2024, Standard & Poor's upgraded Serbia's credit rating to investment grade (BBB-).

### SUPPLY

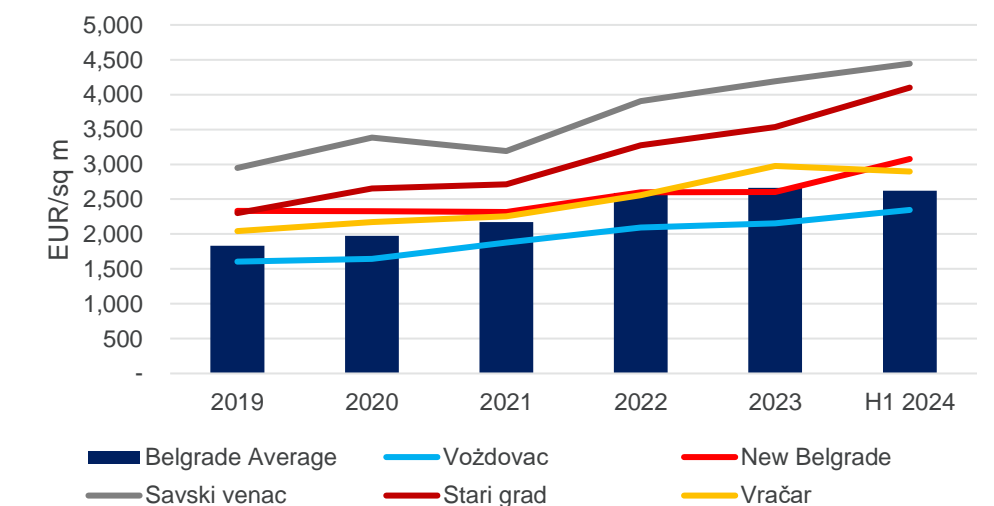
After a record 2023-year when 10,978 apartments were completed, 2024 saw a further push in supply-side activity, driven by the launch of several large projects and new phases of existing residential developments. In Q4 2024, two major New Belgrade projects were initiated, i.e. Delta Holding is preparing its large-scale project Delta District in Block 19 which will comprise the residential tower of more than 200 apartments, an office building of 16,000 sq m and a 5-star InterContinental hotel, featuring 220 rooms. In addition, the demolition of the former Hotel Jugoslavija is completed, where the Danube Riverside Project with 525 apartments and Ritz-Carlton hotel is envisaged.

Israeli developer Shikun & Binui Europe is currently developing two projects in Block 65—the fourth phase of the established Wellport condominium and the newly introduced Newport—each set to deliver approximately 500 apartments.

### CUMULATIVE SUPPLY VS DEMAND, AS OF 2014



### AVERAGE SALES PRICES PER MUNICIPALITY



Other New Belgrade developments include Napred's Panorama 26, the second phase of the Soul 64 project, a 20-story tower in The One project, the second phase New Minel project, Terminal 10 Residences, Kwart 64, Airport Garden, Bel Mondo, Lastavice. Other major projects are the second phase of Vozdov Kwart in Vozdovac municipality, BIG Residence in Visnjicka Street, Victory Gardens, Vila Banjica, Banovo Brdo Residencies, all comprising at least 600 units each. Large-scale planned projects include Zvezdano brdo in Zvezdara, Delta Land in Palilula, Jakub Kuburovic in Zemun, Nemanjin grad in Vozdovac municipality, as well as new buildings within Belgrade Waterfront project, indicating further increase of Belgrade's residential stock.

**DEMAND**

Based on the most recent data published by the Republic Geodetic Authority for 2024, app. 17,350 apartments were sold in Belgrade, which is app. 6% higher than the previous year. The municipalities that recorded a positive trend in demand are Rakovica, Zemun, Cukarica Obrenovac and Barajevo. Similar to last year, the largest decline in the demand was noted in the municipalities of Savski Venac, Stari Grad and Vracar which command the highest prices on the market. Analyzing the data on completed and sold apartments in Belgrade in the last decade, a clear trend emerges: demand for residential units has been consistently outpacing supply, highlighting the limited availability of newly built properties. In some cases, this shortage directs buyers toward the secondary residential market or new developments in other municipalities. Although the number of completed apartments has gradually increased over the years, peaking at 10,978 in 2023, it remains significantly lower than the number of sold units. The trend indicates a favourable investment climate, with opportunities for developers to expand construction to meet the stable demand.

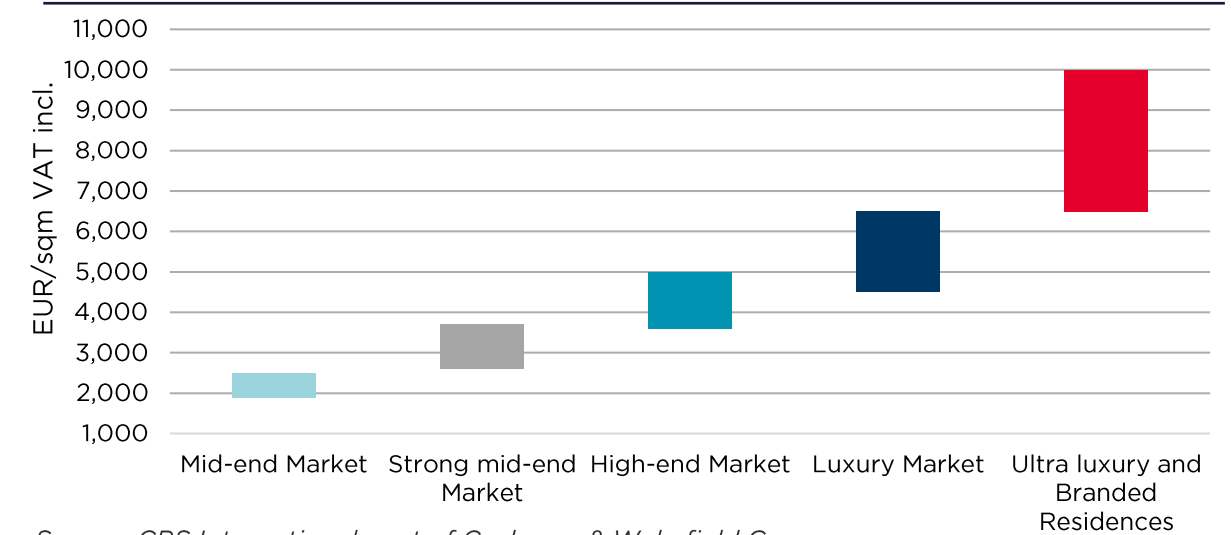
**PRICES**

According to the official statistics, the average sale price in Belgrade was at a similar level as in 2023 and amounted to EUR 2,623/sqm in H1 2024 in the segment of newly-built apartments. The largest increase in prices has been noted in Cukarica (+44%), New Belgrade and Rakovica (+18% each) and Stari Grad (+16%). Depending on the quality of each project, prices vary significantly, from EUR 1,900-2,500/sq m in mid-end projects in less attractive areas of Belgrade, while strong mid-end developments command EUR 2,600-3,700 per sq m on average. High-end projects start at EUR 3,500 per sq m up to EUR 5,000/sq m, luxury properties usually range from EUR 4,500 to 6,500 per sq m, whereas ultra-luxury or branded residences exceed EUR 7,500 per sq m (VAT incl.).

**MARKET OUTLOOK**

- Easing monetary policy has already led to a rise in credit buyers in all parts of Serbia. In Belgrade, the share of credit buyers increased from 20.7% in Q2 2023 to 31.4% in Q3 2024.
- Serbia as an emerging market for alternative investments is still rather underdeveloped, therefore real estate as a whole and more specifically apartments will continue to attract strong demand perceived as a safe investment

**AVERAGE SALES PRICES (EUR/sq m)**



Source: CBS International, part of Cushman & Wakefield Group

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