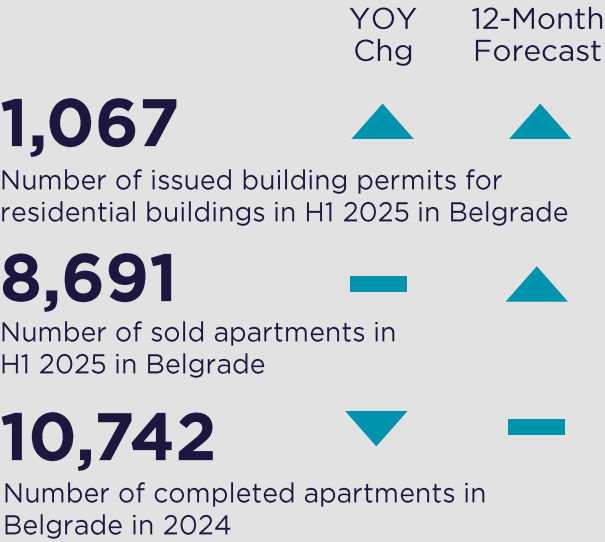
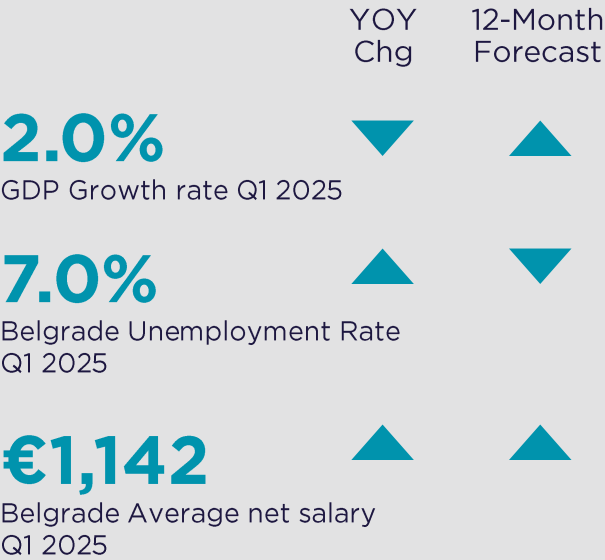


MARKET FUNDAMENTALS



ECONOMIC INDICATORS



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

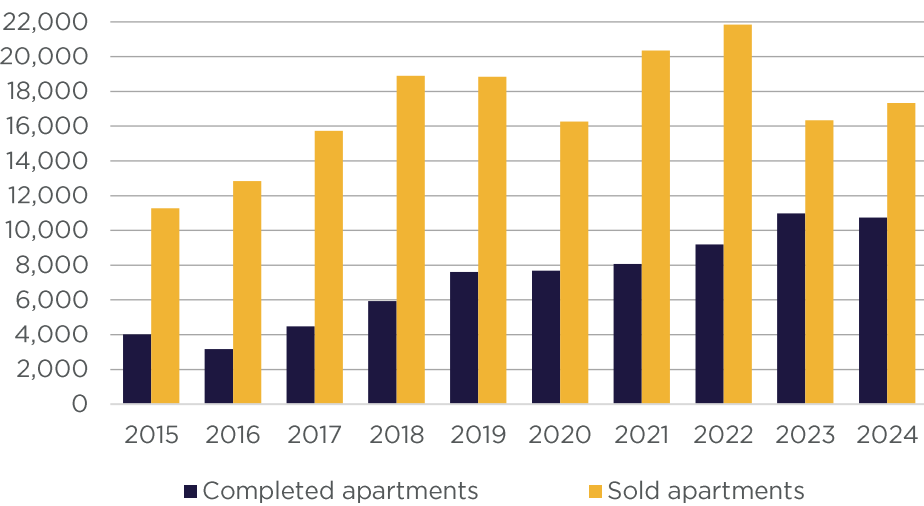
ECONOMY

According to the Statistical Office of the Republic of Serbia, Serbia's GDP grew by 2.0% in Q1 2025 as compared to the same period last year. The strongest growth was observed in the information and communication sector, which increased by 8.0%, followed by industry and utility services (including water supply, waste management, and remediation) with a 2.1% rise. On the other hand, the construction sector experienced a decline of 5.6%, while trade, transport, hospitality, and vehicle repair sectors collectively saw a 1.1% drop. GDP is projected to grow by 3.5% in 2025, with growth accelerating to 4% and 5% in 2026 and 2027, respectively. The unemployment rate stood at 9.1% in Q1 2025, marking a 0.3% decrease year-on-year, with a 7.0% rate in Belgrade. Average wages rose by 6.4%, although at a slower pace than before. According to the National Bank of Serbia (NBS), inflation remained near the upper limit of the target band in early 2025 but eased to 4.0% in April and further to 3.8% in May, influenced by falling fuel prices and a slowdown in service-related costs.

SUPPLY

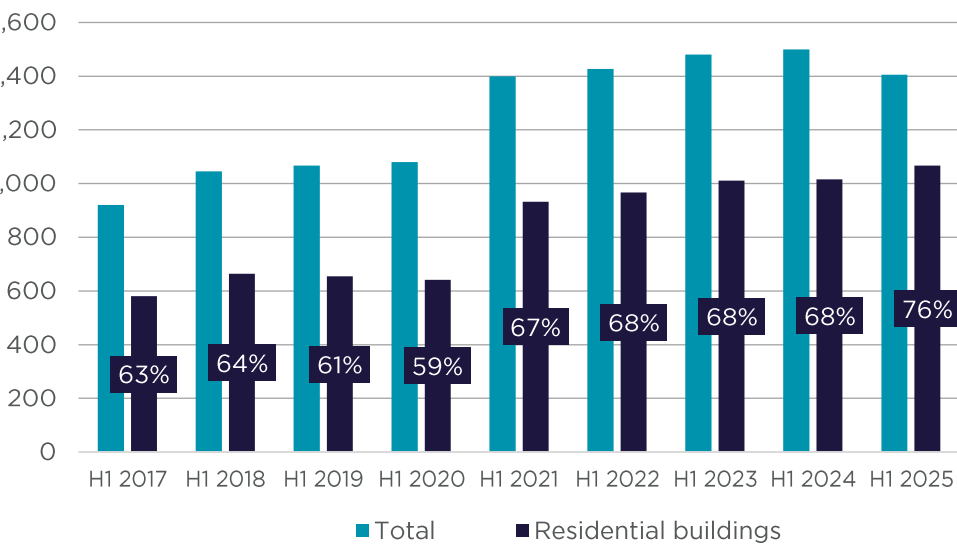
According to the latest data published by the Statistical Office of the Republic of Serbia, construction activity in the residential market in Belgrade remained broadly stable in 2024. A total of 10,742 apartments were completed in Belgrade, marking a modest 2% decrease from 2023, when 10,978 units were delivered to the market. The largest share of completed residential units was recorded in the municipalities of Zvezdara and Palilula (14% each), as well as Voždovac and New Belgrade (12% each). As per the growth dynamics, the most significant increases in the number of completed units were observed in Rakovica (138%), Stari Grad (64%), and Voždovac (41%). On the other hand, the sharpest declines were registered in Savski Venac (-61%) and Čukarica (-40%).

SUPPLY VS. DEMAND IN BELGRADE 20214-2024



Source: Statistical Office of the Republic of Serbia; Republic Geodetic Authority

NUMBER OF ISSUED BUILDING PERMITS IN BELGRADE



Source: Statistical Office of the Republic of Serbia

Nevertheless, the residential pipeline appears strong, supported by a 5% growth in the number of issued building permits for residential buildings in the first six months of 2025, while numerous projects have been announced for development in the following period. The most intensive activity is expected in the municipalities of Palilula and Stari grad, due to the availability of construction land. Namely, the settlements of Visnjicka Banja and Viline Vode should be enriched by the construction of more than 4,000 residential units within three projects. Moreover, settlements in the vicinity of Belgrade port within the Stari grad municipality will deliver nearly 1,300 apartments in the forthcoming period. In addition, the Zemun area is set to host a significant new development of over 1,600 residential units, with construction works anticipated to start later this year. Belgrade’s residential market is slightly shifting toward secondary urban zones and peripheral areas as a natural consequence of the limited availability of vacant land in the central city zones. The scarcity of land for the development of large-scale complexes, combined with high prices in central city zones, is pushing both investors and buyers to search for opportunities in the city’s outlying neighbourhoods.

DEMAND & PRICES

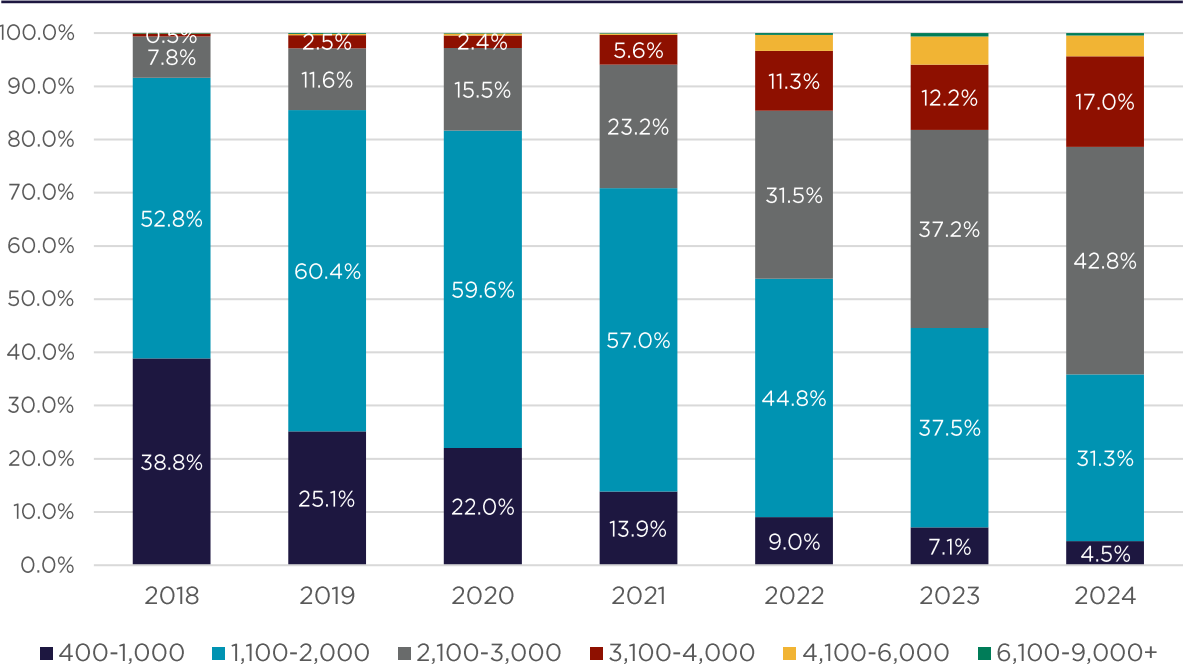
In the first half of 2025, residential demand in Belgrade remained largely stable compared to the same period in 2024, with a total of 8,619 units being sold. The largest number of transactions was noted in the municipalities of Zvezdara (16%), New Belgrade (12%) and Vozdovac (11%). The residential real estate market is currently demonstrating stability, with positive trends evident on both the demand and supply sides. Demand aims to remain strong, constantly outpacing available supply.

Analysing the number of sold apartments per achieved sales price, according to the Republic Geodetic Authority’s data on registered S&P agreements, a noticeable increase was recorded in the number of transactions within the price range of EUR 3,100-4,000/sq m. In 2024, 36% more units were sold within that price range than in 2023. Specifically, 2,245 units were sold in 2024, compared to 1,718 units being sold in 2023. On the other hand, the number of transactions for apartments priced below EUR 2,000/ sq m is declining. Analysing the luxury segment only, 91 units were sold in 2023 at the highest price range, i.e., between EUR 6,100-9,000/sq m, which is over 30% more than in 2024, when 69 transactions in the same price range were recorded. However, the market was previously limited, with a relatively low supply, and the development of this segment is still anticipated.

MARKET OUTLOOK

- Persistent supply-side limitations have contributed to the continued imbalance between offer and demand; therefore, further price growth could be expected, but at a more moderate rate.
- Transaction volumes are likely to reflect those recorded in the first half of the year, supported by steady interest from both end-buyers and investors. Buyers will continue to target newly built units at sought-after locations.

SHARE OF TRANSACTED RESIDENTIAL UNITS ANALYSED PER PRICE RANGES



Source: Statistical Office of the Republic of Serbia; Republic Geodetic Authority, compiled by CBS International

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