

DATA
INVESTMENT



2021 SERBIA REAL ESTATE MARKET REPORT





+10% ▲

2020. vs 2021.



4%

Inflation



11.4%

Unemployment
rate



27,261

No. of constr. permits
(Jan - Nov. 2021)



64,645 RSD ▲

Average NET
salary



+ 140,000 ▲

No. of
residential
loans



3.4%

Total
NPLs



25,858 bil EUR

Gross
loans



87%:13%

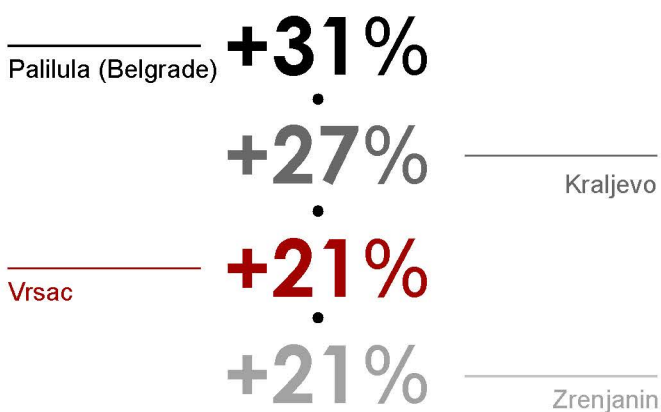
total RE purchase
Cash : Loan

-
- 2021 showed a recovery to pre-Covid GDP growth rate
 - Inflation rose to 4%, key causes being disrupted global supply chains and soaring energy prices
 - Construction sector continues to expand as we see a strong rise in number of permits issued
 - Cash purchases still ahead of credit buyers, total apartment credit purchases amount to 30%
 - Real estate remains a desirable investment opportunity

The number of apartment sales in the last quarter of 2021 increased by 14,55% compared to the last quarter of 2020 according to the Geodetic Authority of the Republic of Serbia. This increase reached its maximum in the last quarter of 2021 observing the fourth quarters of the last 4 years. The City of Belgrade participated in the total turnover of apartments with 41%.

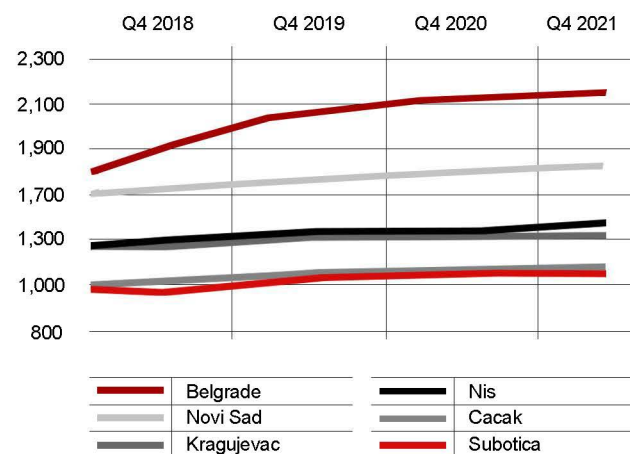
Quarterly, total number of family home sales recorded a growth in 2021 compared to previous years. However, in the period of the third quarter of 2021, the number of newly constructed apartments and construction permits decreased compared to the same period of the previous year.

Compared to the first half of 2020, the prices of newly constructed apartments have increased significantly in the first half of 2021. The cities and municipalities with the highest growth are as follows:



Source: Geodetic Authority of the Republic of Serbia

Average apartment price in new developments



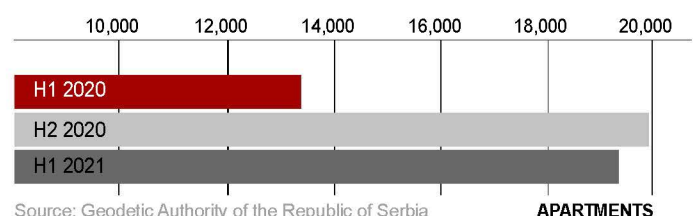
Source: DATA Research

Large scale residential projects in Belgrade

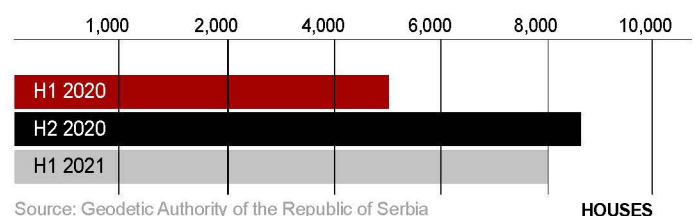
	Residential project	Area (sqm)
1	Belgrade Waterfront (several buildings)	
2	Wellport	50,000
3	K-District	115,000
4	ZepTerra	32,000
5	West 65 - Tower	40,346
6	The One	91,000
7	New Minel	60,000
8	Zelena avenija	20,000
9	East Side 2nd phase	9,826
10	Dorćol Centar	16,000
11	New Dorcol	100,000
12	GDS Petica	60,000
13	Belgrade Tower	65,000
14	Lux 51	65,000

Source: DATA Research

Residential sales overview in 2020 and 2021



Source: Geodetic Authority of the Republic of Serbia



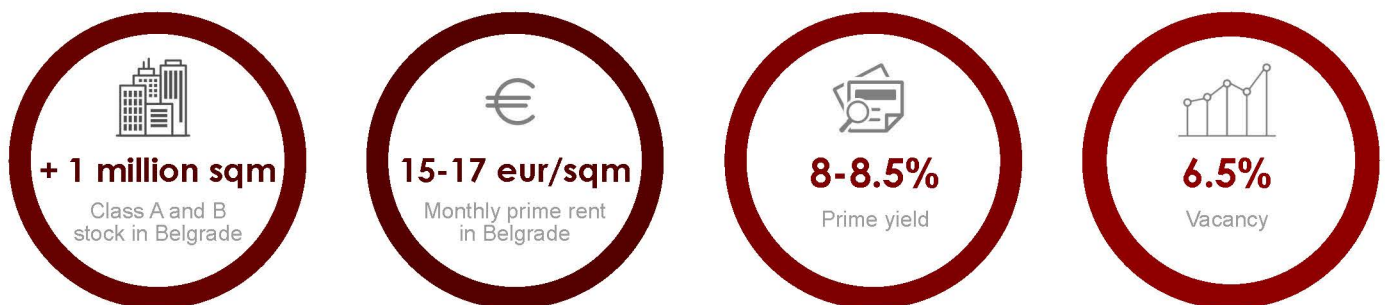
Source: Geodetic Authority of the Republic of Serbia

- The office stock supply in Belgrade continues to rise, now towering over the 1 million sqm mark
- Expectations are positive
- More than 160.000 sqm of office space is under construction
- About 70.000 sqm of office space is under refurbishment
- It is evident that investors remain optimistic as we return to pre Covid19 absorption levels
- Vacancy rents slowly decrease as we expect a further drop in 2022

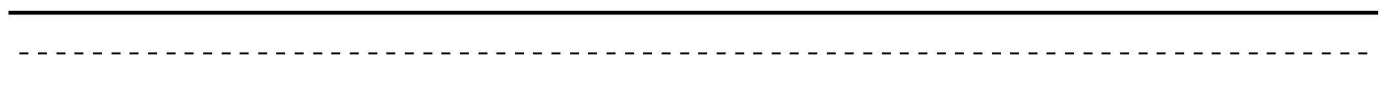
Office buildings projects in Belgrade

	Occupant	Area (sqm)	Location
1	NCR - completed	30,000	Milutina Milankovica St, New Belgrade
2	Shangdong Plaza - completed	32,300	Tresnjnog cveta St, New Belgrade
3	Airport City (building 11) - completed	18,000	Omladinskih brigada St, New Belgrade
4	GTC X - under construction	17,000	Milutina Milankovica St, New Belgrade
5	Merin Group - under construction	3,100	Milutina Milankovica St, New Belgrade
6	Beogradjanka - refurbishment	20,300	Kralja Milana St, Belgrade
7	Centroprom - refurbishment	2,900	Nusiceva St, Belgrade
8	Skyline AFI Tower - under construction	40,000	Kneza Milosa St, New Belgrade
9	Worker's University building - in pipeline	6,400	Vojvodjanskih brigada St, Novi Sad
10	IQ Business Center - in pipeline	7,000	Rumenacka St, Novi Sad
11	Novkabel Tower - refurbishment	17,000	Industrijska St, Novi Sad
12	Schneider Electric Office Buildings	14,000	Industrijska St, Novi Sad

Source: DATA Research




Source: DATA Research




Increase of total stock


Marginal increase in vacancy due to completion and delivery of new projects


Strong and dynamic construction activity

Source: DATA Research

- Retail market in Serbia pushes forward
- Even though the increase of total stock in 2021 was marginal when compared to 2020, the market is showing optimism and investors continue to develop projects in major and minor cities in Serbia
- The pandemic still has a grip on the country. Restrictions are rather mild, even with the Omicron outbreak which hit rather hard. Despite all this, consumers keep their usual habits and visit shopping centers in large numbers, bringing the footfall to an upward trend.

Shopping malls in Serbia

	Shopping mall	Area (sqm)	Year of const.
1	BW Galleria Shopping Mall	93,000	2020
2	Usce Shopping Center	47,000	2009
3	Ada Mall	34,000	2019
4	BIG Fashion	32,000	2017
5	BEO Shopping Center Belgrade	43,000	2020
6	Rajiceva Shopping Center	15,300	2017
7	Delta City	30,000	2007
8	Stadion Shopping Center	28,000	2013
9	Kragujevac Plaza	21,900	2012
10	Promenada Novi Sad	49,000	2018
10	West 65 Mall	15,300	2021
10	Delta Planet Nis	37,000	2021

Source: DATA Research

Retail parks in Serbia

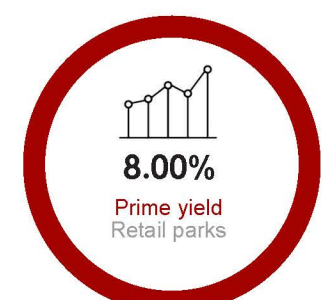
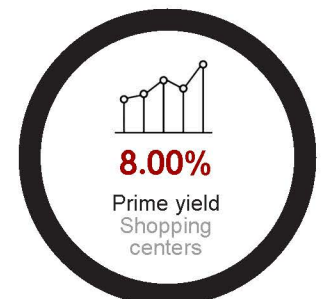
	Retail park	Area (sqm)	Year of const.
1	BIG Shopping Center, Novi Sad	40,000	2013
2	BIG Zrenjanin, Zrenjanin	25,000	2015
3	BIG Rakovica, Belgrade	23,000	2017
4	Zmaj Shopping Park, Belgrade	16,000	2015
5	BIG Fashion Park, Belgrade	15,000	2019
6	BIG Pancevo, Pancevo	27,000	2011
7	Stop Shop Nis, Nis	13,400	2016
8	Stop Shop Borca, Belgrade	13,000	2016
9	Aviv Park Zvezdara, Belgrade	11,500	2015
10	Capitol Park Zajecar, Zajecar	10,700	2019

Source: DATA Research

Pipeline projects in Serbia

	Retail park	Area (sqm)
1	Capitol Park Surcin, Surcin	3,000
2	NEST Obrenovac, Obrenovac	8,500
3	IKEA Retail Park, Belgrade	40,000
4	Stop Shop, Zajecar	11,000

Source: DATA Research





Source: DATA Research

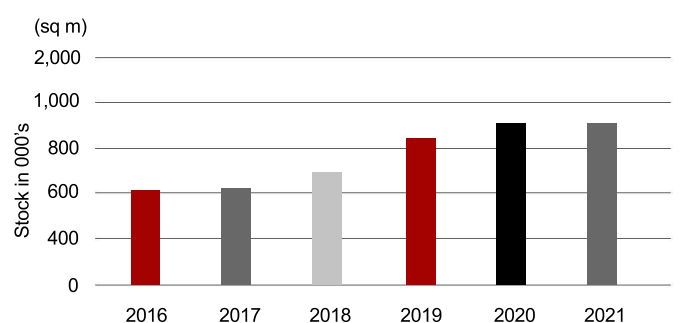
- The Covid 19 pandemic did not stress the industrial market - the interest in renting and development increased. The key reason is a significant increase in e-commerce and strong demand for logistic space. Thanks to a shift in global trend, there is an increase in demand for high quality logistic, industrial and warehouse buildings. With the influence of foreign investments, higher standards are being introduced that refer to better quality facilities, which increases the number of high-quality and modern facilities.
- Belgrade as a driver of the economy, with the surrounding municipalities, participates with a little more than half of the total available space. The previous period was marked by the arrival of new foreign investors. The largest production complex is a production park Shandong Linglong Tire in Zrenjanin. CTP, IPB and Konstruktor continue to expand their capacities and invest in the development of new facilities in the Belgrade area within the industrial zone, while the Continental factory in Novi Sad is in progress. LIDL started the construction of the second logistics center in Lapovo.

Projects under construction/in pipeline in Serbia

1	Ling Long, Zrenjanin (394,000 sqm)
2	Toyo Tire Serbia, Indjija (1st phase - 123,000 sqm)
3	CTP Park Belgrade North, Novi Banovci (40,500 sqm)
4	LIDL, Lapovo (57,000 sqm)
5	CTP Park Novi Sad (59,760 sqm)
6	Continental (30,000 sqm)

Source: DATA Research

Belgrade wider area industrial stock graph

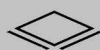


Source: DATA Research



57,000

sqm - the second LIDL logistic center in Serbia



394,000

sqm - the largest production complex



45:55%

used:available



6,7%

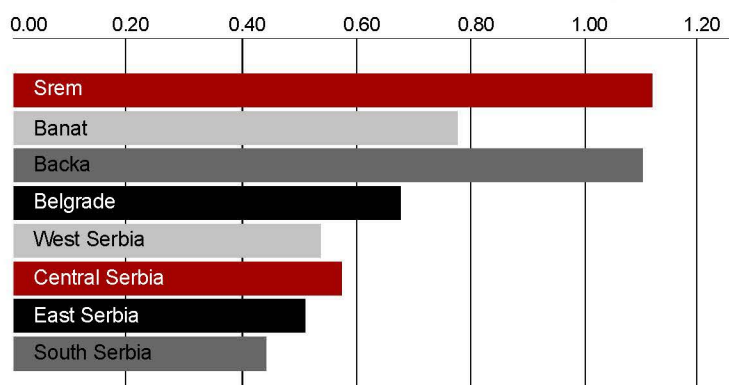
Industrial production growth - period Jan - Nov. 2021

"Serbia needs more industrial and logistic/warehouse spaces"

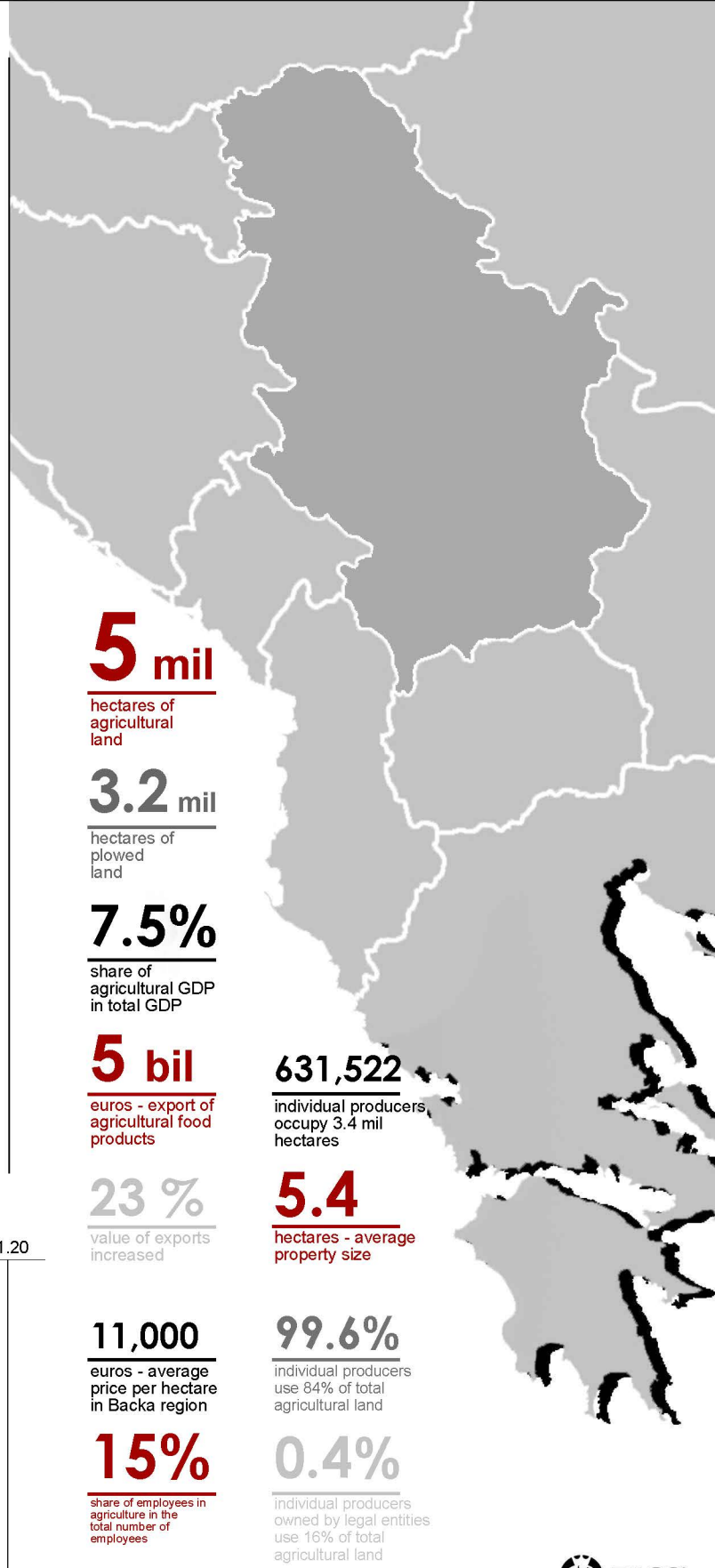
- The previous year was dynamic for the local agricultural participants. Export revenue from agricultural products is about five billion dollars, which has not been recorded in the last twenty years.
- Export volume of agricultural products decreased by 6%, while the value of exports increased by 23%. When it comes to fruit (which is the second most important category in the agricultural market), the situation is even more interesting: the volume of exports fell by about 3%, while the value of exports increased by more than 66%. Rising food prices in the global market are the main cause of this situation.
- Looking at the agricultural land market, the price of agricultural land is stable after a constant growth in the past four years.
- Observing the overall situation on the agricultural land market, the opinion is that there is no risk of a decline in market activity.
- Prices are stable, the largest volume of transactions is in Vojvodina, while the highest realized prices are in the Backa region as in previous years.

"Agricultural land in Vojvodina is a safe investment."

Average prices of agricultural land by regions of Serbia (eur/sqm)



Source: DATA Research



Source: DATA Research



Belgrade

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