

New General Urban Plan for the City of Belgrade – investment opportunity?

The Belgrade City Parliament, on March 7th, 2016, adopted the new General Urban Plan, which provides for the new industrial zones in which the city will make major investments and which should serve as an incentive for the new investments in Belgrade.

As the strategic document, the General Urban Plan of the City of Belgrade represents the starting basis for any investment in Belgrade and provides the interested investor with the basic information required for the investment planning. Selection of the location for the future investment will depend on the general urban solutions and the areas projected at certain location, infrastructure development plan and division in units for further scheduled elaboration. All these guidelines are contained in the General Urban Plan, as the top ranking plan document for the territory of the City of Belgrade.

The old General Urban Plan of the City of Belgrade was adopted in 2003 and amended on four occasions. The reasons for the 2003 General Urban Plan amendments have not been only the defects contained in the GUP itself, but also the fact that the provisions of the GUP, due to their generality, frequently could not satisfy the development requirements and the desired investments. After ten years of implementation, it has become clear that the guidelines contained in the GUP shall be flexible, in order not to preclude further development, without the complicate procedure of amendments of and supplements to the GUP itself.

Amendment of the GUP, in terms of the flexibility necessary for the further development has not been possible without interventions in the Act itself, without allowing for a legal possibility that the GUP may be elaborated by a plan document, which is not as detailed as the detailed regulation plan or an urban project, but, on the other hand, is not as general as the general urban plan.

Therefore, the Act on Planning and Construction from 2009 provided, *inter alia*, for the possibility of the GUP elaboration and, to a certain extent, amendment, by the general regulation plan, as the plan document covering a wider area than the general regulation plan and defining the rules of construction (the mandatory contents of the plan on the ground of which the construction license can be granted) for the complete area to which it refers. The previous legal solution had specified that the General Urban Plan should be elaborated by the detailed regulation plans and urban projects. These lower ranking plans had covered smaller areas and satisfied the requirements of a smaller number of persons. The new legal solution providing for further elaboration of the GUP by the general regulation plans covering wider areas, will satisfy the requirements of a larger number of persons. Such approach ensures that the principal development directions specified in the GUP be maintained, without amendments of and supplements to the GUP itself, and that the wider areas be further elaborated by the general regulation plans. In any case, the investors will be able to construct on the locations within the areas covered by the general regulation plans.

Nevertheless, implementation of the legal solutions from 2009 has not been possible immediately after adoption of the new Act. Namely, after the 2009 Act has come into effect, the detailed regulation plans were made for 19 areas in Belgrade, however, thereafter it has become clear that the 2003 GUP, at that time in effect, has to be abolished, and a new GUP adopted in order to ensure adoption and implementation of the 19 general regulation plans.

As an example we can mention the fact that the general regulation plan for the territory of Savski Venac municipality existed in the form of a draft which was even approved by the expert authorities in 2013. This general regulation plan was not adopted in 2013 on account of the fact that the then existing GUP was in contradiction with the general regulation draft.

In March 2016, the new GUP was adopted, and following the local elections in April 2016, we can expect further adoption of the general regulation plans. After these plans have been adopted, each investor will be in the position to establish with certainty what are the construction rules for each location in Belgrade, which will ensure a better predictability for the investment, reduce the time required for the investment and the costs of the investment.

Besides, the further strategy of development of the City of Belgrade will be clearer, so that it is already known that Makis Field and Ada Huya will be the centers of further commercial and residential development, while the nine new commercial zones are defined along the City perimeter. Subject to the announcements, the infrastructure projects should continue for the purpose of completion of the Northern tangent, internal magistral ring and the subway. The potential investors will be able to base their investment decisions on the concept of further infrastructure development provided in the GUP, but also to contribute, by their knowledge, experience and infrastructure elaboration through their projects, to the overall development of the City of Belgrade.

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