

GUIDE to buy an apartment in the building, updated with all the regulations until April 2016.

Every purchase of an apartment for most people is both one of the happiest, but also one of the most stressful life events. At a price that is often equal to or even exceed the amounts life savings of the entire family, with frequent borrowing, citizens try to solve one of the biggest issues - housing.

As most things in life, there are no easy and fast solutions for significant and major decisions. Therefore, the first and last well-intentioned advice to each customer dwelling, or any real estate, did caution, and again caution! Do not let anyone deceive unrealistic promises, but the apartment below market price may turn out to be unrealistic promises. Do not save time and attention, inform yourself well, all you can, and you lot, make, seek all relevant information, consult with experts from the fields of law and real estate transactions, because no one can not be sufficiently protected, if we do not take measures for their protection.

Regarding buying an apartment or other real estate under construction is useful to be aware of the following facts:

- Every investor, as a rule the company, its activity registered with the competent state institutions. And the business of the company can to some extent be tested by official data, available to all. Take advantage of these opportunities, especially as finding this information easily and quickly. One of the first steps could be checking whether the investor is generally recorded in the register of companies, for which the business is registered, and who had identification number. That data can be found on the website of the Business Registers Agency of the Republic of Serbia: www.apr.gov.rs. In the same place you can see the annual financial statements of the investor and to find out any other information to be entered in registarprivrednih subjects.
- The current status of the account of investors, in terms of whether it is included in payment or is blocked, you can check on the website of the National Bank of Serbia, www.nbs.rs, on the "Search unified register of accounts." For this you need a personal identification number of investors who have obtained on the website of the Agency for Business Registers.
- Checking the cadastral plot on which to build the facility can be made by examining the land cadastre of real estate. Recently, this can be done online at <http://katastar.rgz.gov.rs/KnWebPublic/PublicAccess.aspx>.
- After that, it is necessary to check whether there is a valid building permit, which is the license issued in 2015 can be checked online, in the register of issued building permits. For the City of Belgrade can be checked at the following web address: <http://www.beograd.rs/cms/view.php?id=1656056>. Since the beginning of 2016, this is only possible to check the Central Register of unified procedures (CEOP), which led the Business Registers Agency and is located at:

<https://ceop.apr.gov.rs/eregistrationportal/Public/Manage/Publications> . Imperfection these checks is bad resolved searches that can be performed only by an interval of time when the permit was issued, so if you do not have the exact date, but given eg in March 2016, it may happen that you need to review hundreds of documents to find the one that your interest. We hope that the authorities in the future to realize the flaw and it will improve the possibilities for this search.

-In Permits issued under the law of December 2014, there is information that the investor has paid compensation or contribution to the signed agreement with the Directorate of Land and method of settlement (whether it is paid in full, or repayment is made in installments). Certainly it is better that this obligation has been fulfilled 100%, because this is an indicator of the financial situation and whether the investor is a solid builder.

- Up to additional information about the investor, about facilities previously built on the quality of work, meeting deadlines, and so on, you can get a tour of these buildings, and talking with earlier buyers of apartments in the building, the internet searches for these addresses, media representation of investors

After examining the building permit of the facility can be checked information about whose construction permits; data on the existing facility which is being demolished for the construction of the facility for which the building permit is issued; documentation based on which the building permit was issued; documentation to be prepared prior to the start of construction of the facility; period of validity of the building permit; as well as other data relevant to the construction of the building.

It is important to know that the building permit shall cease to be valid if it fails to commence construction of the facility within two years from the date of finality.

If in the course of construction the investor wishes to withdraw from the documents based on which the building permit was issued, in terms of deviation from the position, size, shape of the object and purpose, it is necessary to timely initiate procedures to obtain valid documents based on which the facility will get the use permit. (Possible models are: Change the construction permit during construction, redevelopment of some parts and legalization). In practice, it often happens that investors step back from building permits. This is not a problem, provided that the investor for such a modified structure provide all required documentation based on which the facility will obtain an occupancy permit, and then posted.

It is necessary to verify whether the investor is concluded contracts and fulfill their obligations to the utility companies, electrical utility, power stations, etc..

After the decision on the building permit must be reported to the beginning of work performance which occurred the competent institution. The investor may start work only after obtaining a certificate of registration papers.

It is necessary that the investor during the construction of the facility, provide expert supervision, which includes checking whether the construction is carried out in accordance with the building permit, then

check the quality of work and the application of regulations, standards and technical norms, as well as a number of other issues of importance for the construction of the building.

After completion or during construction, technical inspection shall be carried out in order to determine eligibility for use of the facility. A technical inspection controls the compliance of the works performed with the approval of the building permit and technical documentation, as well as technical regulations and standards.

Technical inspection of the facility for which a construction permit issued by the city, or municipal government, performs commission designated by the Investor or legal person to whom the investor entrusted to carry out these tasks, which is registered in the appropriate register.

Technical review provided the investor, and bears all its expenses.

When it is determined that the facility is fit for service shall be issued occupancy permit. The building can be posted only after obtaining the occupancy permit, issued by the authority responsible for issuing building permits, ie authority of the city or municipal administrations, depending on the surface of the object. An integral part of the use permit is the warranty period for the facility or individual papers. Without the use permit registration of the apartment (except in the process of legalization) will not be possible.

City of Belgrade, and the municipal administration, carry out inspection supervision of the construction of facilities for issuing building permits. The inspection for the construction of facilities for which the building permit issued by the City of Belgrade shall recently newly established inspection department whose presentation and contacts can be found at the following link: <http://www.beograd.rs/cms/view.php?id=1227754>, which is located at 27 March 43-45. For Novi Sad to the City Administration for Inspection Affairs, in ul. Dimitrija Tucovića br. 3, whose contacts can be found at the following web address: <http://www.novisad.rs/gradska-uprava-za-inspektisi-ske-poslove-0>.

We need to turn your attention to in order to protect money intended for resolving your housing problem, and can not ever enter into substantive legal relationships with investors who do not have a building permit, (or a decision on legalization).

Next it is important to know is that the apartment in the building can be bought under a contract of sale of an apartment in the building, as well as on the basis of the contract on joint investment, where it is recommended prvonavedenog conclusion of the contract. It is also recommended that the payment of the purchase price to be provided in installments, which will be related to the construction phase, ie. the degree of completion of the apartment.

The Law on Planning and Construction of December 2014 stipulated that local governments use permit (which is an integral part of the specification and special parts) are sent within seven days to the competent Cadastral study specific parts of the building, which were received when applying for a use permit . In practice it does not work quite as fast, but it is certainly an improvement over the previous legislation.

Law on legalization of objects from November 2015 provides that the solutions can be obtained about the legalization of the illegal buildings if the completed construction of the facility. Decision on legalization is obtained after submitting the report, whose integral part is a study surveying work for the building and the special parts of the building, and after payment of the fees for legalization. Permitted deviation for zone 4 to the city's decision to the City of Belgrade has two floors more than the valid planning document. After receiving the decision about the legalization of competent Secretariat automatically sent to the competent Cadastral elaboration of specific parts on which determines the posting. Only after this posting (if the building is not completed) can be accessed completion of works under the law on planning and construction in the ordinary procedure. It would be good and that the turnover of specific parts of buildings (apartments) is performed only after the completion of the registration process after obtaining the decision on legalization. For now, the work remains a mystery how the banks treat these apartments if some of the potential buyers will be willing to buy the property through bank loans, for whose security the bank will have to put a mortgage on the subject property.

Also from the beginning of 2016, according to the law of the planned construction, obtaining the necessary documents for construction is only possible via the integrated electronic procedure. All documents, all projects, all the conditions communal houses, all decisions and conclusions on the rejection of the relevant local government electronic documents digitally signed. Also central register of unified procedures (CEOP) agency established in the Business Register is responsible for keeping the register. In it were made public all the decisions made in the territory of Serbia. Comment on this public registry is poorly done test that is only possible in a given time interval. It is expected that after the lapse of a certain period of adaptation and by officials of local governments, and by the developers and investors, unified electronic procedures bring improvement and acceleration of the action of obtaining documentation in the field of construction.

Provided that the whole legal procedure under the law on planning and construction pre-filled (previously described procedure of registration if the same like the Law on legalization), and that there are no obstacles for the registration of ownership rights in the cadastre and land register as the holder of title to the the apartment will be the first registered person named in the building permit, then the investor. After that, the registration of real estate buyer can enter the apartment (by submitting a request to the competent cadastre), on the basis of a contract of sale of the apartment, which contains the so-called. *clausula intabulandi*, ie. a provision according to which the seller agrees to the buyer registered as owner of the apartment, without the need for the seller to issue a special permit. In most cases, given a suspended *clausula intabulandi*, a condition that has paid the full purchase price. The proof of the fulfillment of this condition is a statement of the investor, certified by a notary.

Buyers of apartments, who wish to achieve a better price often buy apartments that in the original project, for which construction permits were issued, did not constitute a flat, but as common rooms (pantry, attic, laundry room, basement, etc.) Or as a garage. These apartments on the market generally have a lower price. Registration of such facilities, the apartment will be possible if the investor previously enforced conversion of this room. To such premises turned into an apartment requires the consent of

the other owners of flats (Investors usually provide when signing sales contracts with other owners of flats). Therefore, it is necessary to bear in mind that you can buy in the main room that project was not intended as an apartment. Who makes such purchases, must take into account that the provision of documentation for the conversion of entail additional costs (which should be agreed in advance on which the burden falls). Approval of the re-appropriation can not get when it comes to the garage, because under current legislation, the facility in urban areas must have a certain number of garages or parking spaces. Currently, during the writing, the apartments that were obtained it is possible to register the change of purpose and according to the current law on legalization of buildings which entered into force at the end of November 2015, in which the second member, says that the legalization of representing the public interest in the Republic of Serbia.

In practice, as a way of buying an apartment in the building, rarely encounters a contract on joint construction, and co-investments, where the person interested in buying an apartment forced to participate in the construction of the entire building, with a certain amount of money, the other contracting party - the investor commits will co-investor after the construction cede the ownership of a certain status in the agreed area, with a number of rooms, the well-established floor residential building.

It is essential that the contract on joint construction, joint investment or contains a provision according to which the investor is obliged to obtain after the construction of the facility at its own expense as the holder of an occupancy permit decision on the building permit, which he will ensure that the finished building is entered in the list of real estate on their behalf, which the requirement that the co-investor (buyer of the apartment) as the owner bought apartment, a special part of the study, who works authorized geodetic organization, and which will be submitted to the competent local self-government with the request for issuance of the use permit.

The risks of buying an apartment in a building on the basis of the Agreement on the joint construction, and co-investments are:

Agreement on the joint construction, and co-investments means that the buyer of the apartment that appears as a co-investor, some funds invest in the construction of the entire building, so it bears the risk of his apartment under the contract shall be transferred to the ownership of, or corresponding to the third parties who have concluded an ordinary contract of sale of an apartment in the building.

It often happens that investors go into the construction, they do not have enough funds to continue construction, and resort to these agreements to provide financial resources, thereby avoiding the sole responsibility on their side.

Typically, investors in contracts on joint investment and joint construction of entries clause waiving the right to the use of common areas in order to subsequently perform a so-called. re-appropriation and turned them into apartments. These "apartments" have a lower price in the market, their registration is possible, but requires a slightly different procedure. In addition, the investor has to make a conversion of, requires the consent of the other owners of flats to common rooms converted into an apartment (which provide investors when concluding sales contracts with other owners). Thus, the registration of such housing is possible, with a more complicated procedure, as in the case of irresponsible investors

certainly a higher risk for the customer. It is also important to note that the current law on legalization of objects from November 2015 to a lot simpler procedure for the registration of such housing.

What also reduces the risk of the buyer - co-investor, but buyers of the flats in the building of the sales contract, it would be a contractual provision according to which the builder - investor, or the seller is not entitled to the full amount of the agreed price of the apartment to obtain a use permit, or a provision after which the buyer retains at least 10% of the agreed price and completion of construction, that is, the amount withheld is paid only after the investor - the seller obtains occupancy permit.

We should not lose sight of the undoubted fact that every buyer of the apartment in the building, whether it has a role of co-investor, or not, in fact financier, lender or builder - dealer. Therefore, the only truly reliable means of security money that the customer provides the bank guarantee in advance, which would be an investor - the seller, according to the concluded contract of sale, or co-investments, giving the buyer or co-investor, in the amount of at least two first-rate payments, which to be in the opposition predicted that this bank guarantee can charge - activate if the builder - the seller does not fulfill any of its contractual obligation, especially if late in the works. The bank guarantee for performance bond, payable on first demand, unconditionally and without complaint, the only means of securing the customer that provides security, at least up to the amount specified in the warranty since, in case of its activation and billing, money back the bank, which is a guarantee issued, regardless of account balances investor - builder or seller. This means financial security has its drawbacks - it is likely that banks would not be interested in guarantees for investors who do not have a solid rating, and that the price paid by the investor for the bank issuing the guarantee then passed it on to the customer, the price of the square, or otherwise manner. It is clear, therefore, that unreliable, or at least unproven builders would not have been able to provide banks issuing guarantees, and to builders, who would receive from the bank guarantee in favor of buyers, price guarantees transfer to customers. If, therefore, the investor from whom you are considering to buy a house can not provide a guarantee, this fact suggests that there is a place of suspicion, and that, if elected investor can provide a bank guarantee, increased security of investment has its price.

Once again, we suggest you to pay by contract to purchase an apartment in the building, or the co-investments, you set in the contract so that the second installment payments shall be made only after completing the previous, you would easily identify insight on the construction site, as well as from documents with the investors, where the supervisory authority of its signature and stamp confirmed that the work of the previous phases and implemented. In this way, the single supervisory authority would be liable if the non-performance of work is actually certified, which would also in this segment of the construction impact on the professionalism and accountability of all participants. There is no contractual provision that would regulate such payments would not fully ensure your investment, but you could reduce the risk of possible loss of the substantial part of the paid sum.

Apartments under construction undoubtedly can be purchased at significantly lower prices than those of the same size, which are already built and registered building - security and reliability in traffic have a price. Over 90% of the units sold in the period of construction. The advantage of buying an apartment in the building is one of the first and possibility dial position in the same building, and the possibility of

minor modifications to the arrangement of rooms during the actual construction. The advantage of buying an apartment on completion of construction and registration is that "edge" you are as is, with regulated property status. (These apartments has less than 10%, so they are mostly flat with a bad position and orientation of other customers did not want).

Unfortunately, not all Belgraders able to house loads when it is already registered in the public records of real estate (which carries the lowest risk of possible fraud), and when all the legal issues related to traffic easier as real estate, buying herself a much less uncertain. Not all builders unsound and unreliable, it just means that you should not give up on resolving their housing issues, but to purchase access responsibly towards themselves and their families - hiring professional help can turn out to be much lower than previously possible loss of savings due to uncertainty in regulations, the time that you will devote all types of checks, some of which we have tried to suggest to you one essential fact is an investment in protecting your vital interests.

For the purpose of writing this Guide This material was used "Recommendations to buy an apartment in the building" towards the official website of the City of Belgrade. This guide is updated with the regulations adopted by April 2016.

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