

**Serbia's** 2015 Law on Legalisation of Buildings was hailed at the time by the ruling Progressive party as a silver bullet for the decades-old scourge of illegal construction in **Belgrade**, a problem that dated to communist **Yugoslavia** and only multiplied with the **political, social** and **economic** turmoil of the 1990s and 2000s.

The concept was clear: the state would turn a blind eye to all illegal construction completed before July 2015 and demolish anything built without a permit since. Satellite images produced by the **Republic Geodetic Institute** would determine what would survive and what would be torn down. Simple, right?

Months of painstaking research by **BIRN**, however, shows that more than 450,000 square metres of residential property in the capital, partially or completely built without permits since 2015, have escaped demolition and, somehow, been **legalised**.

Based on the **satellite** images used by the state, **BIRN** has built a database of more than 300 buildings – mostly residential and exceeding 1,000 sqm – that were fully or partially illegally built after 2015 and only subsequently legalised, in apparent violation of the law. The true number is likely significantly higher. Their value runs to hundreds of millions of euros.

“Investors benefit because they pay less in terms of fees for **legalisation** than they would for the development of construction land, and in addition they build a **building** with a larger area than they had the right to according to the valid **urban** planning conditions,” said lawyer Djordje Vukotic.

“**Investors** are profitting from this kind of **financial structure**, but the question of both their criminal and material responsibility could be raised because they have damaged the state budget.”

## **Playing with pictures**

There is no public data available on the grounds by which the **Belgrade** Secretariat for Legalisation Affairs has legalised buildings since 2015 and the Secretariat did not respond to BIRN's requests for information.

BIRN's investigation, however, shows that this is not a matter of isolated, individual cases, nor an issue that concerns only certain municipalities of the **capital**. It is a systematic practice that has been going on for years.

Based on official data from the Republic Geodetic Institute, BIRN estimates the value of the identified properties at more than 1 billion euros. Among the investors are individuals and companies that own dozens, sometimes hundreds of properties.

“There is no legal way to legalise an object that is not visible on a satellite image of the

territory of the Republic of **Serbia** from 2015,” said lawyer Vladimir Tupanjac. “And even when it is visible, it must be completed in the sense of construction. The current regulations are clear and unambiguous.”

### **So how is it done?**

According to documents obtained by **BIRN** in several cases of many during 2016, 2017 and 2018, municipal building inspectors claimed falsely that, after on-site inspection, it was determined that the buildings in question had been completed just before the new law entered into force in November 2015. The buildings can be seen on the pre-2015 satellite images, they wrote.

In fact, the buildings in question did not exist in any form in November 2015, **BIRN** has found. Instead, the images show meadows or small family dwellings at the sites where multi-story buildings would eventually – and illegally – spring up.

The municipalities sent the inspectors’ decisions to the Secretariat for Legalisation Affairs, which legalised the **buildings**.

Jovana Capakovic, a lawyer at Vukovic & Partners, said the competent authority must determine whether the **building** in question is visible on the **satellite** imaging before November 2015.

“For buildings that are determined not to exist – that is, they are not visible on the satellite image from 2015 – the law clearly stipulates that they are not subject to the **legalization** and that the competent building inspector should issue a demolition decision for those buildings,” Capakovic told BIRN.

### **Keeping it in the party**

One court case has provided a rare glimpse into the inner workings of the ‘**illegal legalisation**’ business.

In May last year, Aleksandar Jovicic, the former head of Palilula municipality, the largest municipality in Belgrade, was indicted on abuse of office charges.

Prosecutors accused him of taking bribes from investors in return for leaning on municipal building inspectors to facilitate their illegal construction in Palilula.

Jovicic, a senior member of the ruling **Progressive Party**, denied any wrongdoing. His trial is expected to begin in February. Seven building inspectors and two investors have already made a plea bargain with prosecutors.

For the entire period in question, from 2015 to July 2022, the **Secretariat for Legalisation Affairs** was led by Progressive Party member Nemanja Stajic. **BIRN** reported last year that Stajic was responsible for the **illegal legalisation** of a property to the benefit of a company

owned by his brother, Novak.

In November 2018, the Serbian parliament amended the Law on Legalisation and the Law on Planning and Construction to make satellite image checks mandatory in the case of all objects subject to **legalisation**.

Bigger fines were introduced, buildings inspectors were placed under city as opposed to municipality authority, and municipalities were given the authority to legalise buildings only up to 400 sqm and suburban municipalities up to 3,000 sqm.

But the problem persists.

In the latest case reported by BIRN, Progressive Party member Aleksandar Sagic managed to legalise one of his own buildings after becoming mayor of Belgrade in June 2022, despite not fulfilling all legal conditions to do so. Sagic denied any wrongdoing.

Finance Minister Sinisa Mali, a former **Belgrade** mayor, lives in a residential building that includes a top floor built illegally after 2015, and subsequently 'legalised'. Mali also denied breaking any law when asked to comment in 2018, Balkan Insight writes.