

Czech developer UDI GROUP builds about 500 apartments in Belgrade for an estimated CZK 1.6 billion

Prague, May 4, 2021 - Czech developer UDI Group builds in the Serbian capital Belgrade almost 500 apartments for more than CZK 1.6 billion. The modern high standard Block 58 project complements the neighborhood that emerged in the New Belgrade area around Yuri Gagarin's avenue overlooking the iconic suspension bridge over the Sava. On a site just about four kilometers from the city center, two 11-storey apartment buildings with 492 apartments, 39 shops and almost 650 parking spaces will be constructed. It is planned that construction will commence this year.



"We obtained the zoning approval for the construction within six months of submission of the application, and just under nine months after we acquired the land in New Belgrade. This includes the preparation of the whole project. We expect to get

a building permit by August and commence construction in fall. We are currently in the process of selecting a general contractor. In the Czech Republic, a similar process would take us more than five years," explained Marcela Fialková, Director of Communication at UDI Group, highlighting the advantages of doing business abroad compared to the Czech Republic. "With the acquired land in Serbia, our investments are not burdened with inactivity for years accompanied by the high financial costs associated with it. This consequently encourages us to reinvest the money we have earned more quickly," she added.

The decision of the UDI GROUP to operate in Serbia was justified by the fact that the emerging market there is promising and stable with a very transparent and predictable legislative environment. "Construction here is more expensive for the city due to very high fees than in the Czech Republic, but profitability is lower due to the mode of operation of the standard market and

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About us

The UDI Group is a Czech developer which implements residential, office and industrial projects in the Czech Republic and other countries in the European region. It focuses on complex projects that combine multiple features. It builds a real city that offers housing, facilities for work, and business including social amenities. It is currently preparing 15 projects in four European countries, with projected revenues of CZK 37 billion over the next five years.



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strong competition. Nevertheless, everything pays off in Serbia more than in the home market," said Bernhard Widder, UDI Group Regional Manager for Serbia.

Serbia is therefore currently the largest foreign market of the UDI Group portfolio. In addition to the Blok 58 project, the group is preparing its largest ever Duga project, which combines parterile retail housing with offices. In Serbia, the group is also investing in another apartment complex and a modern logistics centre near Belgrade and is considering further acquisitions there.

Specifics of the Serbian market

In construction in Belgrade, a much higher standard is common than we are used to in the Czech Republic. *"On the Blok 58 project, this means that in normal construction outside the city center, we are building apartments with air conditioning, window blinds, windows with aluminum frames, glass railings or wooden parquet floors. Buyers in Serbia also place great emphasis on design,"* Widder explained.

The demand for a high standard is due to the fact that there is a very consistent inflow of diaspora funds earned in Western Europe investing in real estate at home in Belgrade that demands a standard comparable to Germany or Austria.

The author of the Blok 58 project is the leading Serbian Studio ZAP, which designed two L-shaped apartment buildings on 9700 m² of land. The houses are facing each other and basically communicate with each other, yet between them there is space for relaxation in the greenery and for a path separated from the hustle and bustle of the main street. In addition to the greenery directly on the land, the UDI Group plans to green the land owned by the city in the future, which separates the plot with the buildings being built from Yuri Gagarin Street.

"The Architectural Studio ZAP won the competition mainly thanks to their modern and novel design of the proposed project, and in addition also presented references of buildings already implemented of high quality. In the case of this project, we chose from the designs of three leading exclusively local studios," said Fialková.

The group will start presale at the time of the building permit, i.e. at the end of the summer. It is anticipated that despite the current situation with the coronavirus, there will be a lot of interest in apartments. The effects of the pandemic are not the same in Serbia as in other European countries, thanks to massive vaccinations, and life is already in almost normal conditions here. Housing prices have been rising in Belgrade for several years now, and a similar trend is expected this year. The housing stock and its quality here do not correspond to demand, which leads to interest in new buildings.

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In addition to Serbia and the Czech Republic, Czech Developer UDI Group also operates in Hungary and Poland and is considering other expansion opportunities in the Central European region. It does not only build housing projects, it is a complex investor that builds housing, offices, shopping centers and industrial development. It is currently implementing or preparing 15 projects that will yield revenues in the order of more than CZK 37 billion over the next five years.

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