



# LEO ESTATE

Real Estate Group Montenegro

WHAT TO KNOW WHEN BUYING A PROPERTY IN MONTENEGRO

## BUYING GUIDE

### Property Investment Process

A practical overview for international buyers considering property acquisition in Montenegro

## DECISION TO INVEST IN PROPERTY

Montenegro is rapidly developing country on the coast of Adriatic Sea with strategic location, stunning nature, favorable climate, coastline with mediterranean sea access and proud mountains. It is the country with high level of safety and security for citizens, and that is why many families around the world have chosen Montenegro as their new home for healthy and safe life. Montenegro is on the path of joining the EU, and official currency is EURO. Montenegrin economy is stable and Real Estate market is in constant growth for the last 20 years. Investing in property in Montenegro gives the opportunity in earning rental income.

You know about all the advantages of Montenegro and you decided to buy a property as second home, investment or with plan to relocate and start living in Montenegro. Inform us about your exact needs and wants and we will recommend a list of properties for every purpose and every property type – apartment, house, land, villa, commercial space, or hotel apartment.

## SELECTION OF PROPERTIES

At the pleasant atmosphere of our office in central Budva, we will present the list of properties that suit your requirements that includes properties listed on our website and off market properties. The presentation includes photos, videos, floor plans and detailed information about the property and its location. If you are buying property online, we will make video conference call with presentations of properties.

We are working with reputable investors and property owners, and we will present only offers with clean papers that have all licenses and permits.

After shortlisting the most interesting offers, we are appointing viewings of selected properties, or if you are buying online we are having video calls for viewings.

## BUYING PROCESS

Perfect property is found! In the following steps, we are presenting how buying process looks like. Leo Estate agents will be supporting you through every step and will be fully available for all questions and information.

### 1. Reservation of property

We start the reservation procedure that implies the following: signing a reservation agreement and place a deposit (usually between 1000 euros and 10% of purchase price) to take the property off the market.

### 2. Legal consultancy and due diligence

Due diligence and legal checkups are done by Notary Offices. It is their duty to inform the buyer about all legal issues regarding the buying agreement and the property itself.

Before the Notary meeting, our agency is making detailed checkups and due diligence of the property that is the subject of the purchase.

There is also an option of hiring a lawyer or legal consultant to do additional checkups for you. We can recommend and help you find the legal consultant in Montenegro.

## BUYING AGREEMENT

### 3. Buying Agreement

As your agents, we are appointing a meeting at the Notary office. All the details regarding the purchase from the side of the seller and the buyer are sent to the Notary via email. The only document a buyer needs for the purchase is the passport. Also, buyers have the option to buy property remotely via Power of Attorney. Our agency can represent you at the Notary contract signing via Power of Attorney, or you can also appoint legal consultant to represent you.

The Notary prepares the contract and checks all legal requirements. Official translator for the language of the buyer is present at the Notary meeting. In the contract it is stated how money will be transferred from the buyer to the seller. There is an option for payment to be made through the Notary account.

## REGISTRATION OF THE NEW PROPERTY OWNER

Once the full purchase price of the property is paid, the seller provides the client with a document (locally called *clausula intabulandi*), which gives the right to The Notary to apply to the State Property Registry (Cadaster) for the change of the title and to register the buyer as the new owner of the property. Buyer pays real estate transfer tax fee for the change of ownership. If the client is buying new property from the developer, and he is the first owner, this tax is not paid.

### **\*Notary Fees**

**0,00 – 5.000,00 = 70 €**

**5.000,00 – 20.000,00 = 120 €**

**20.000,00 – 40.000,00 = 170 €**

**40.000,00 – 60.000,00 = 250 €**

**60.000,00 – 80.000,00 = 300 €**

**80.000,00 – 120.000,00 = 350 €**

For the property valued above €120,000 for each increase of property price of €15,000 the fee is increased by €10.

Addition to Notary fee is VAT (21%).

The maximum Notary fee chargeable is €5,000.

## TRANSLATOR FEES AND TAXES IN MONTENEGRO

### Official Translator Fee

These include written translation fees of the contract from €20 per page, interpreter's fee from €40–50 per hour. For rare languages interpreter's fee is additional €100 for the first hour since they usually need to arrive from another city.

### Taxes in Montenegro

Real Estate Transfer Tax:

- For the properties up to €150.000 Real Estate Transfer Tax is 3% of the value of the property;
- For the properties over €150.000 the tax is €4.500 + 5% of the amount that exceeds €150.000;
- For the properties over €500.000 the tax is €22.000 + 6% of the amount that exceeds €500.000.

Real Estate Tax is different in every Municipality. In three municipalities on the coast — Budva, Bar and Tivat — where we have most real estate transactions by foreign investors, Real Estate Tax is 0,5–0,6% per year for the apartments and houses, and 1% for the urbanized land.

Discover properties in Montenegro for sale: [www.leoestate.com/buy](http://www.leoestate.com/buy)