



## THE BUYING GUIDE

### KOTOR OFFICE:

Kotor old town 482  
85330 Kotor  
Montenegro

Tel: **+382 (0)32 322 489**

### BUDVA OFFICE:

Budva old town  
85310 Budva  
Montenegro

Tel: **+382 (0)33 453 990**

### UK OFFICE:

Tel: **+44 (0)1628 623087**



Purchasing a property in Montenegro is a simple process and we do everything we can to ensure your purchase runs as smoothly as possible. An outline of the process is set out below:

- Negotiate a price acceptable to you and the vendor.
- Appoint a lawyer (licensed in Montenegro) in Montenegro or UK to act on your behalf. We are happy to provide a list of recommended lawyers.
- We always recommend to place a deposit (between 1000 euros and 10% of purchase price) to take the property off the market, at this point a reservation agreement is signed by both parties. The deposit would usually be held by the vendor, his lawyer or the agent
- Open a local bank account – this can be useful for paying taxes and bills later on
- The contract terms are negotiated between the buyer and the seller – this is usually done by the lawyers

The contract is signed by you, or your lawyer (via Power of Attorney) in the notary's office in Montenegro and the remaining balance is transferred from your bank account (in Montenegro or your home country) to the vendor according to the dynamics stated in the Contract

- Once the full purchase price is paid to the seller, usually the lawyer or the notary applies to land registry for the change of the title
- 3% purchase tax is paid. (The value of the property is determined by the Inland Revenue office).
- The property is then registered in your name



The foreign buyers have the right to buy and register in their private name any property except the following:

- the agricultural land,
- the land which is not zoned or which is of special importance to the Government,
- the property which is less than 300 meters of the Army premises,
- the parcel of land which is larger than 5.000 m<sup>2</sup>



#### POA:

The purchase Contracts have to be notarized in front of the Montenegrin notary. You have to be present in person or you can do this via the Power of Attorney. If possible it is easier to organize this while you are still in Montenegro, if not your lawyer will send the text for the POA which you will need to notarize in your home country and send to Montenegro via DHL or FedEx. Please check with your lawyer or agent if you need the document to have the apostil. The cost of notarizing the POA in Montenegro is around 50 EUR plus the interpreter's fee. More information on how to notarize POA in UK you can find here

<http://www.montenegroprospects.com/faq/can-sign-contract-power-attorney-document-uk/> purchase Contract if you are re-selling the property.



#### LAWYERS:

We highly recommend hiring a lawyer to represent you in the purchase, the lawyers are completely independent from the agents and they protect exclusively your interest. Usually they charge 1.000 EUR but this amount may vary depending on the complexity of the purchase process. They follow the whole process until you are registered as a new owner. Their service includes independent check of the property deeds, legal advice, drafting the Contract, negotiating the terms, organizing the notarization of the Contract, registering you as a new owner, organizing the purchase tax to be paid. We have a list of recommended lawyers that we are happy to provide.



## THE COST OF BUYING PROPERTY IN MONTENEGRO

- Legal fees, usually the lawyers charge 1,000 EUR for the whole process but the amount can vary depending on the complexity of the purchase
- Notary fees, depend on the amount from the Contract, for example the fee for the Contract of 200.000 EUR would be around 500 EUR, please contact us for more information
- Interpreters fees, for translating the Contract the fee is 20 EUR per page, which is usually around 120 EUR, and for the oral translation the fee is 50 EUR per hour.
- 3% purchase tax

These are the main charges, there can be other small fees up to 100 EUR for applying to the land registry.

We do not charge the fee from the buyer.

### BANK CHARGES

Bank charges are high in Montenegro, when sending the purchase price to the sellers account the full amount should be on the account so please take this into consideration. You can find here what are bank charges in different banks

<http://www.montenegroprospects.com/faq/bank-charges-money-transfers-montenegro/>

## TAXES

The most important is purchase tax, which is 3% of the value of your property – valued by the tax office regardless of the purchase price on the contract. Purchase tax is payable as soon as the main contract is signed. It is recommended that you pay the tax within two weeks after the receipt of the invoice, as interest rates will be charged for every day of delay. In some cases purchase tax is not payable for off plan developments but make sure that you check with the lawyer if this law applies for the property you are buying.

Once you are the registered owner of the property you will need to pay an annual property tax. The amount depends on the size and location of the property. In addition to the annual property tax, property owners are also obliged to pay Tourist Tax as well. You will receive the bill in your mail usually in the Spring. It can be paid in the Tax Office (Poreska Uprava).

## NOTARISING THE CONTRACT

The purchase Contract has to be notarized in front of the notary, if you are present at the signing of the Contract by law the court licensed interpreter has to be present and to read the Contract to you in the language you understand. Their fee is usually 50 EUR per hour. If you are not present, your lawyer will send the translated Contract (again translated by court licensed interpreter) to you for approval before signing it on your behalf.

## REGISTERING THE NEW OWNER

The land registry is obliged to change the title of the owner within 60 days from the day the application is made. But sometimes this may take longer especially in the summer and during the holiday season. Usually the lawyers handle the process. At the end you will receive the LIST NEPOKRETNOSTI (land registry extract) of the property with your name.