



MONTENEGRO BUYING GUIDE

GENERAL INFORMATION

Purchasing a property in Montenegro is a simple process and our associates will do everything they can to ensure your purchase runs as smoothly as possible. There are different processes for resale and off plan properties.

OFF-PLAN PROPERTIES

- Negotiate a price acceptable to you and the developer
- Place a deposit on the property to reserve it (usually around 5000 euros), and a reservation agreement would be signed by both parties. The deposit is usually held in a Client Account.
- Appoint a lawyer (licensed in Montenegro) in Montenegro or abroad to act on your behalf
- Pre-contracts and specifications are drawn up by the developer and your appointed lawyer. Once approved the pre-contract must be signed by both parties, or their representatives in the Montenegrin court. Upon signing, this is the point at which the first of staged payments is due.
- A typical example of staged payments on an off plan property is as follows:
 - 30% Pre-contract (minus deposit)
 - 30% Foundations complete
 - 30% Roof complete
 - 10% Key handover and snag list
- Upon completion of the property your lawyer registers it in your name.

RESALE PROPERTIES

- Negotiate a price acceptable to you and the vendor.
- Place a deposit (between 2000-5000k) to take the property off the market, and a reservation agreement would be signed by both parties. The deposit would usually be held by the vendor. If you intend purchasing a resale property during your trip, it is advisable to take the deposit with you to Montenegro, so that your chosen property can be secured quickly.
- Open a local bank account.
- Appoint a lawyer (licensed in Montenegro) in Montenegro or abroad to act on your behalf
- Your lawyer will check that title to the property is clear and that there are no burdens outstanding.
- The balance of your deposit (normally 10%) is paid within 10 days.
- The contract is signed by you or your lawyer via Power of Attorney in the Montenegrin court and final payment is immediately transferred from your Montenegrin bank account to the vendor.
- 3% purchase tax is paid. (The value of the property is determined by the Inland Revenue office).
- Papers are submitted to the local land registry and the property is then registered in your name.

LAND

At present foreign citizens may not register ownership of land in Montenegro. It is possible to purchase land by setting up a Montenegrin limited company. The costs of maintaining a Montenegrin company are in the region of 300 to 500 euro per month. The law regarding foreign ownership is currently being reviewed and a new law is expected to be passed in the near future. As such the situation is subject to change. Please contact us directly for further information.

COST OF PURCHASE

Real Estate Transfer Tax (RETT)

Purchase Tax is set at a rate of 3% of the value of the property which is determined by the Inland Revenue office. In certain cases off-plan purchases may be exempt from this tax.

Legal Fees

From €750 upwards, depending on the lawyer chosen.

Agency Fees

Agency fee of 4% plus VAT . The fee is payable upon contract signing.

Bank charges

Some Montenegrin banks charge up to 1% per transaction. Opportunity Bank is currently the least expensive bank account to operate, charging 15 euros per transaction.

Court charges

The Montenegrin courts apply a charge to each contract they stamp. This is charged on a sliding scale according to the value of the contract. The maximum charge is 300 euros.