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Starting from the year 2009 the citizens and the legal entities originating from the European Union can freely buy property in Croatia and register it in their name.

The procedure has become very simple. It is practically the same as the procedure applied to the citizens of Croatia.



After a preliminary study of real estate in Croatia over the Internet, the Buyer is coming to the country to view properties. The seaside of Croatia is easily reachable by car for most of European residents – it is located just 500 km from Vienna, 530 km from Munich, 460 km from Milano, and 580 km from Bratislava. For remote destinations, there are flights to Pula, Zadar, Split, Dubrovnik, and Zagreb airports. You can also come to the airports of Trieste in Italy or Ljubljana in Slovenia which are quite near to the northern part of Croatia.

The properties for sale in Croatia are demonstrated upon the signing of the Agency/Brokerage agreement

with the real estate agency. It is a requirement of Croatian law on intermediary activities in the real estate sphere in Croatia (**Zakon o posredovanju u prometu nekretnina - NN 107/07, 144/12, 14/14**) . Potential Buyer is also signing a viewings list (protocol) which is fixing real estate demonstrated by the Agent. Unlike the business practice in France or Spain, where the Buyer pays no commission to intermediary Agency, in Croatia the Buyer is obliged to pay agency commission, normally in the amount of 3% + VAT.

It usually takes 4-6 days to examine the properties and make necessary legal arrangements for the purchase. Our agent will pick you up at your hotel by the company car and demonstrate available properties for 3-5 or for more days as long as needed. If you do not choose anything in the end, we just ask you to compensate petrol, toll and ferry expenses.



When the right property to buy in Croatia is found, we recommend meeting the seller in person and discussing the price, terms and way of payment etc. When everything is discussed and agreed upon, you should obtain a Croatian tax number (OIB) and open an account with a local bank which may be needed for a deal or subsequent payment of taxes and utilities. You will need just your passport for that. To take the property off the market you will have to pay some deposit, normally 5% of property value. It is best to conclude a Preliminary agreement at the time of deposit payment.

If you are ready to pay the whole sum at once, then an advocate performs the check of the property, and you sign the Main Contract at the office of a notary in the presence of the court-certified interpreter. After receipt of payment in full the seller is obliged to issue a receipt (Tabuljarna Isprava) which goes together with the Main Contract to the local court which is changing the title of the property.

The system of property rights registration is quite transparent in Croatia. There is a centralized website where it is possible to check the current title of any property as well as the situation with encumbrances, mortgages and usage permits. Each land plot in Croatia has its number – Broj kat.cestice. By this number you can find your property and track change of ownership. You will see that many properties are owned by

several people in shares, so you need to get the consent of all co-owners to sell and their agreement on price.



If the property is owned by some person who inherited it – it is recommended to check with the help of an advocate whether the inheritance procedure was duly completed and there are no claims of any inheritance rights through any court procedures. Many owners of Croatian real estate are selling it as they are no longer living in Croatia. There were several waves of emigration of the Croats quite recently. The Seller may be located presently in the Netherlands, Australia or the USA. In this case, a detailed Power of Attorney is compiled and its validity is checked by the advocates and by the notary.

If you see in the papers of, for instance, a new development in Croatia that there is a remark “no uporabla dozvola” (no usage permit), then the participation of an advocate is also highly recommended. Public Notary performs several types of services in Croatia: they can simply verify identity and signatures under an agreement for a lower fee and check the agreement (solemnization) in addition or instead of an advocate being responsible for the legal side of it for a higher fee of about 1% of the cost of the deal. A notary public submits a signed Main Contract to the court and to tax authorities which should issue a special notification for paying a 3% Real Estate Transfer tax.

Additional costs will be like following:

- notary and registration fees of 0,01-0,05% of property value,
- official translator's costs (approx. 200-300 eur in total including Contract translation),
- agency fee – 3% + VAT
- advocate's fee – 0,5-1,25% + VAT

In the end, the Buyer is registered as a new owner in electronic register and can get an official abstract from it called Vlastnicki List (Certificate of Ownership).



If you are buying as an EU company, the procedure will be slightly different.

- OIB number should be received for the company as a part of the deal and for its director who is signing the contract.
- The Director should ideally come in person to be present at the notary public's office or a special Power of Attorney should be done for this particular deal mentioning the requisites of the property and other details of the deal.
- The notary public should get the latest abstract from your company register (up to 30 days old) with apostille and translation into Croatian to get confirmation of the status of company representatives.

If you do not belong to any of the EU states, then the possibility to register property in your name in Croatia depends on the availability of a Reciprocity agreement between Croatia and your country.

Croatia has reciprocity with the following countries:



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Jordan¹



- Algeria¹



- Argentina¹



- Australia¹



- Bahrain¹



- Belarus¹



- Bosnia and Herzegovina¹



- Brazil¹



- British Virgin Islands¹



- Brunei Darussalam¹



- Cameroon¹



- Canada¹



- Chile¹



- China¹



- Taiwan¹



- Congo¹



- Costa Rica¹



- Egypt¹



- Ecuador¹



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Ethiopia¹



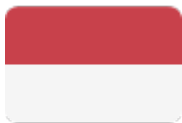
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Georgia¹



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Ghana¹



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Indonesia¹



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Israel¹



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Jordan¹



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Kazakhstan¹



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Kenya¹



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Korea¹



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Kosovo¹



- Kuwait¹



- Lebanese¹



- Malesia¹



- Mauritius¹



- Moldova¹



- Montenegro¹



- New Zealand¹



- Nigeria¹



- Macedonia¹



- Pakistan¹



- Panama¹



- Paraguay¹



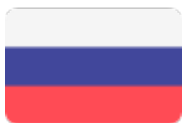
- Peru¹



- Philippines¹



- Qatar¹



- Russian Federation¹



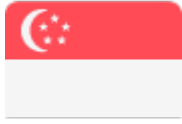
- Saint Christopher and Nevis¹



- Saudi Arabia¹



- Serbia¹



- Singapore¹



- South Africa¹



- Syrian Arab¹



- Turkey¹



- Ukraine¹



- USA¹



- Arab Emirates¹



- Great Britain¹



- Mexican States¹



- Venezuela¹

1 - Please see detailed information at

<https://mpu.gov.hr/glavni-izbornik-21165/citizens/acquisition-of-ownership-rights-in-real-estate-by-foreign-nationals/25361>

If your country has reciprocity, it means that you compile a special request to the Ministry of Justice asking for registration of the Sale and purchase agreement based on reciprocity agreement availability. Unfortunately, it takes the Ministry up to 2 years to consider it. To start using the property during this period and to be sure that the Seller won't sell it to someone else, a special Plomba is registered in the name of the Buyer which is limiting the Seller in disposal rights. It is automatically lifted upon registration of the Buyer as the owner of real estate upon the consent of the Ministry.

- If your country does NOT have reciprocity with the Republic of Croatia, you can solve it via registering an EU company or a Croatian company which is better.
- The start-up/share capital of standard Croatian Limited Liability Company is 2500 eur. The registration notary fee is about 800-1200 eur. The presence of court certified interpreter will be required. Before company registration future company founders and directors get local tax ID (OIB numbers).
- It normally takes 1-2 weeks to get the company registered in court, afterwards, it should receive the number from Statistics office, its Tax Number (OIB of the company), corporate stamp and open bank account.
- The banking system of Croatia is now represented mostly by foreign affiliates of Raiffeisen Bank, Hypo Bank, Erste Bank, Societe Generale, OTP Banka, etc. Practically all the local banks were purchased by international banking structures during 2010-2013.

It should be noted that the foreigners are limited in purchasing certain categories of properties like buildings of cultural and historical value, agricultural lands, natural parks, and lands for military and defence purposes.
