



Real Estate in Croatia

Published on *Real Estate in Croatia* (<https://www.adrionika.com>)

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If you decided to [buy house in Croatia](#) or [buy apartment in Croatia](#) you should be aware of the additional costs. Most of property purchasing expenses are borne by the Buyer.

- Notary and registration fees - 0,01-0,05% of property contract value
- Official translator's costs approx. - 200-300 eur in total including the main Contract translation
- Agency fee - 3% of contract value + VAT
- Property transfer tax - 3% of tax office property estimate (in case of apartments purchase from developer within VAT-zone - there is no property transfer tax for the buyer of real estate in Croatia)
- Advocate's fee - in average 1,0 % of contract value + VAT (you will undoubtedly need a lawyer when purchasing a plot of land for a 100% correct assessment of the development potential; when purchasing shares of a company; when purchasing an object from a large number of joint owners; when purchasing a building with ambiguous documentation that requires legal clearance; in transactions at the construction stage; long-term transactions for a period of more than 3-4 months; transactions with installment payments; when receiving a concession for the coastline and sea belt, etc.)

Total additional costs thus amount to 7% of the property value.

If you for instance [buy villa in Croatia](#) or any other property from a legal entity, please, pay attention whether VAT is already included in the price. Croatian VAT was set at the level of 25% in 2013. However, there some occasions when the seller is bearing some expenses. It is the case when the property has some legal problems and needs to be relieved from them. No one is willing to purchase a property with incomplete or unclear documentation. So the seller normally takes the expenses of correcting documentation to meet the buyer's demand and requirements of legislation. Otherwise he has to go down in price as the buyer might have to solve these issues at his expense afterwards.

When purchasing real estate from a developer-legal entity that is included in the VAT payer zone, the buyer is exempt from the 3% tax on the transfer of ownership. However, if the new property was rented out for two years before the purchase, then the developer is exempt from VAT, and the buyer is again required to pay a 3% tax. In the case when a real estate object is on the company's balance sheet, there is the possibility of purchasing not the object as such (asset deal), but 100% of the company's shares (share deal). Hypothetically, this exempts the buyer from paying a 3% tax, however, the tax authorities may consider that the purchase and sale of shares was carried out solely for the purchase of real estate, then the tax may be charged in full. Purchase schemes can be very different; they depend on the current form of ownership, on the buyer's plans for the further use of the property, on the cost of the audit when acquiring a company, and on its other identified obligations to third parties. We recommend entrusting the development of the purchase plan to a lawyer or tax consultant.

The indicated costs do not include such types of examinations, which can also be ordered by purchasers of real estate in Croatia, such as technical examination of the structure, drawing up business plans, market analysis, obtaining building permits. We also recommend to read our comments and suggestions in [Buying tips](#) section of the present website.

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