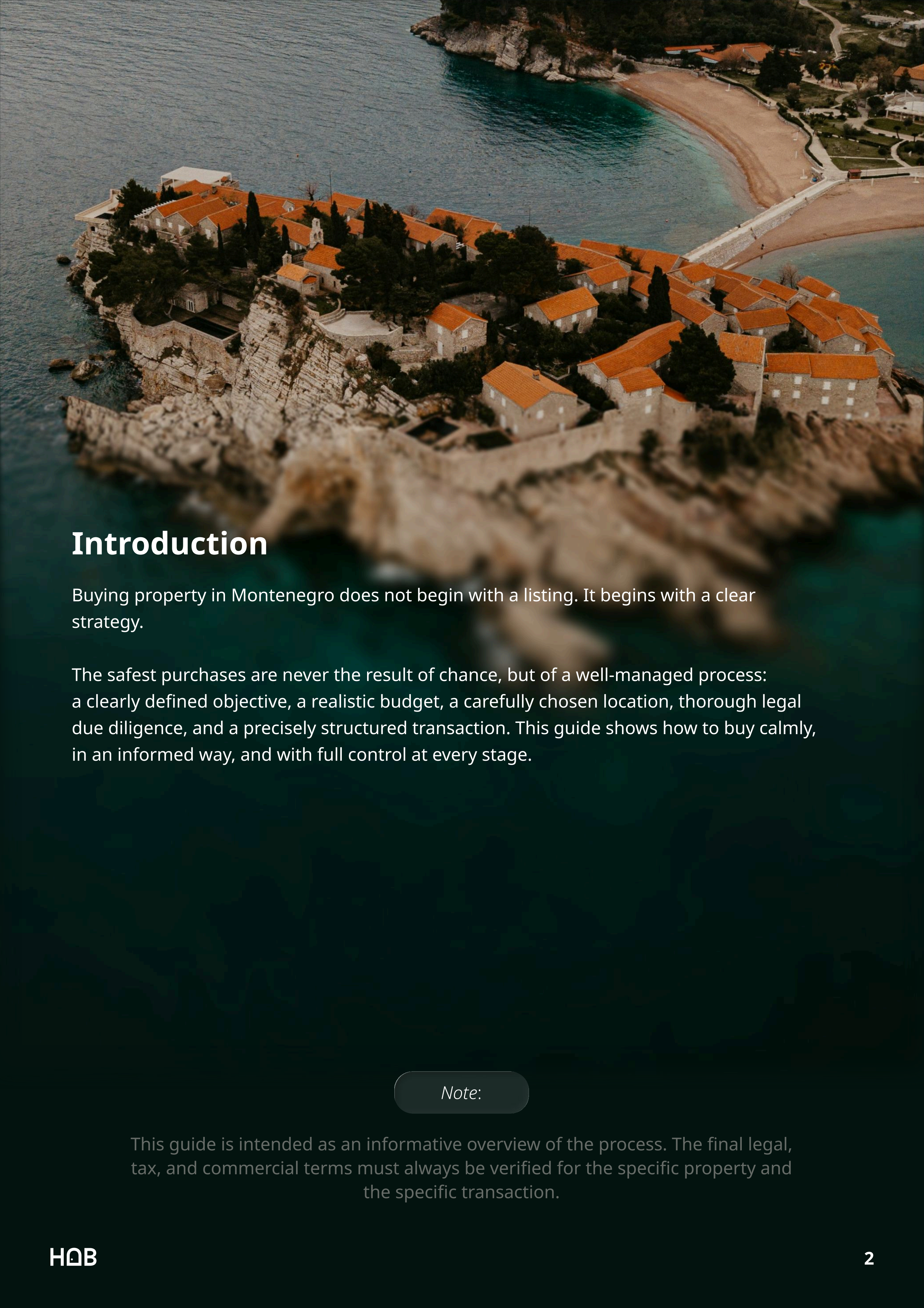


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M O N T E N E G R O

GUIDE TO BUYING PROPERTY IN MONTENEGRO





Introduction

Buying property in Montenegro does not begin with a listing. It begins with a clear strategy.

The safest purchases are never the result of chance, but of a well-managed process: a clearly defined objective, a realistic budget, a carefully chosen location, thorough legal due diligence, and a precisely structured transaction. This guide shows how to buy calmly, in an informed way, and with full control at every stage.

Note:

This guide is intended as an informative overview of the process. The final legal, tax, and commercial terms must always be verified for the specific property and the specific transaction.

1. Define the purpose of your purchase

Every successful purchase begins with a clear intention. Before choosing a location, building, or apartment, it is important to understand why you are buying property in Montenegro. You may be looking for a second home, a holiday property, a rental investment, a family relocation, or a home to live in.

Once the purpose is clearly defined, it becomes far easier to make the right decision about the city, the type of property, and the level of investment.

2. Plan the full budget, not just the purchase price

A smart purchase requires a full view of the financial picture. In addition to the property price itself, you should account in advance for taxes, notary fees, translations, bank charges, potential legal support, as well as future maintenance costs and annual property tax.

A good budget brings peace of mind, negotiating leverage, and security throughout the process.



3. Choose the location according to the lifestyle you want

In Montenegro, you are not simply buying property. You are also choosing the way of life that comes with it. For some buyers, the coast is the right choice because of its leisure appeal and short-term rental potential. For others, Podgorica offers practicality and stable long-term rental demand. For others, the north stands out for its natural beauty, skiing, lower entry prices, and long-term development potential.

4. Know who is representing your interests

In any serious purchase, it is essential to distinguish clearly between those acting for the seller and those acting for the buyer. When you have professional support focused on your interests, the entire process becomes safer, clearer, and more efficient.

A strong advisor can assist with property selection, negotiations, due diligence, and coordination of the next steps, while independent legal review provides an additional layer of protection.





5. Narrow the shortlist before viewings

Once your objective, budget, and location are clearly defined, the next step is to create a shortlist of properties genuinely worth viewing. This helps avoid wasting time on options that may look appealing in photographs but do not match your actual needs.

During viewings, it is important to look beyond the interior and the view. You should also consider access, parking, the condition of the building, noise levels, the quality of the immediate area, and the day-to-day functionality of the surrounding area.

6. Due diligence comes before any commitment

The safest purchases are based on verification, not assumption. Before making any deposit or reservation, it is essential to confirm ownership, cadastral status, any encumbrances or restrictions, and whether the documentation corresponds to the actual condition of the property.

For houses, land, and development plots, the review must be even more detailed. In the case of new developments, particular attention should be paid to the developer, permits, the stage of the project, and the contractual protections available to the buyer.

7. Foreign buyers should understand the regulatory framework

For foreign buyers, the purchase of apartments, houses, villas, and commercial premises in Montenegro is, in many cases, relatively straightforward. However, certain categories of land and specific zones may be subject to additional rules and restrictions.

For that reason, when buying plots, larger parcels, or properties with significant land, a detailed legal analysis is essential before entering into a transaction.

8. Negotiations involve far more than price

A good purchase is not defined only by a lower price, but by clearly structured terms. During negotiations, it is important to define payment deadlines, the items that remain in the property, the status of parking, garage space, storage rooms, furniture, and equipment, as well as the handover date.

In the case of new developments, it is especially important to clearly define completion deadlines and ensure adequate buyer protection in the event of delay.



9. A reservation should be clearly structured

A reservation should not be a source of pressure, but a protective instrument once the commercial and legal elements have already been sufficiently clarified. In practice, the deposit is often between 5% and 10% of the property value, but this percentage is not universal and must be expressly agreed.

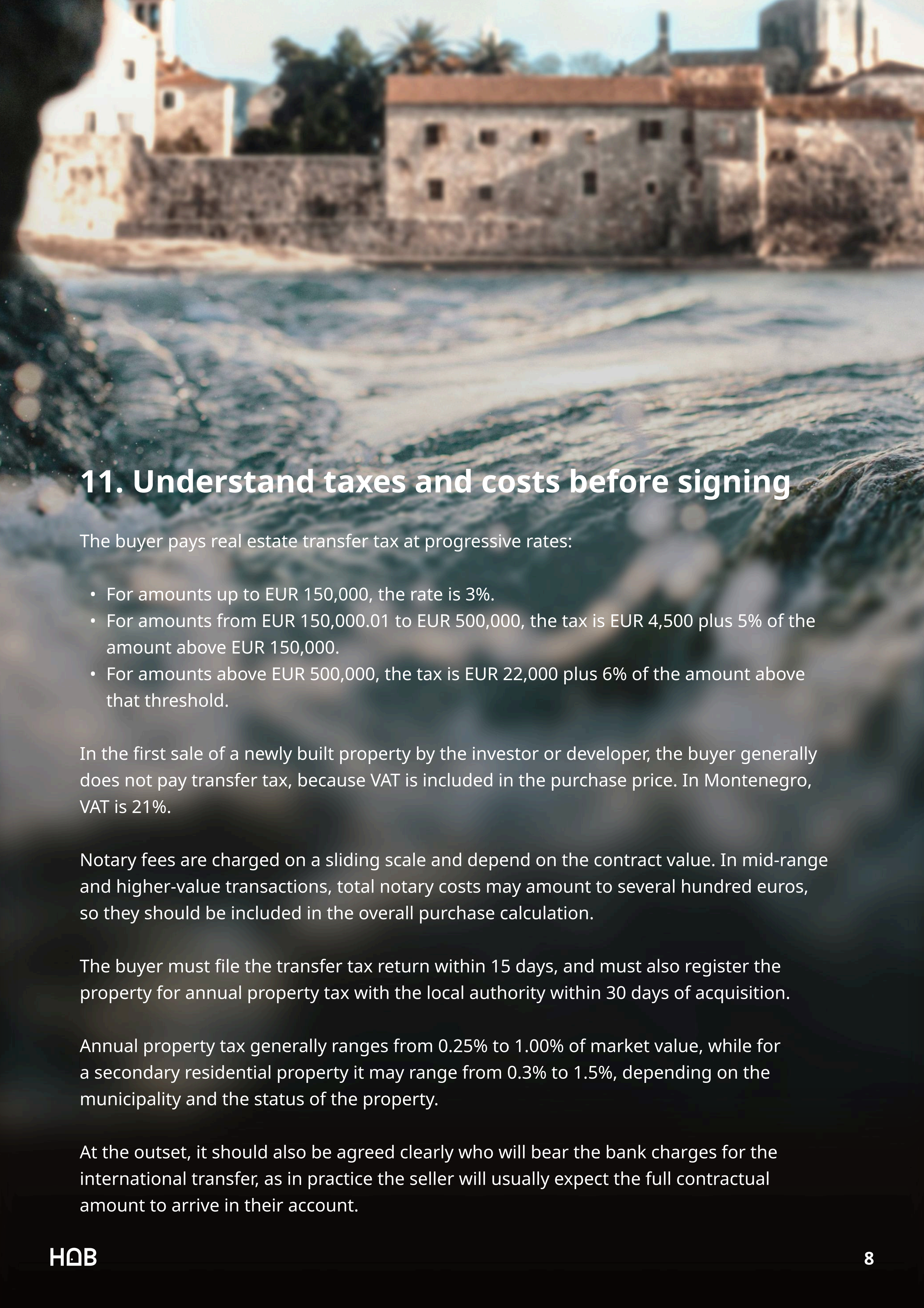
The reservation document should clearly define the amount of the deposit, who holds it, under what conditions it is refundable, when it is credited toward the purchase price, and what happens if either the buyer or the seller withdraws. A properly drafted reservation agreement should also set a deadline for completing the due diligence process and define the consequences if serious legal or technical issues are discovered.

10. The main contract is executed before a notary

In Montenegro, the sale and purchase agreement is formalized before a notary. If the buyer does not speak the language of the contract, a certified court interpreter is required. If the buyer cannot attend in person, the transaction may be arranged through a power of attorney, with proper certification and, where necessary, apostille and translation.

This stage is not merely a formality. Its purpose is to define the buyer's rights, obligations, and protection mechanisms with complete clarity before the full purchase price is paid.





11. Understand taxes and costs before signing

The buyer pays real estate transfer tax at progressive rates:

- For amounts up to EUR 150,000, the rate is 3%.
- For amounts from EUR 150,000.01 to EUR 500,000, the tax is EUR 4,500 plus 5% of the amount above EUR 150,000.
- For amounts above EUR 500,000, the tax is EUR 22,000 plus 6% of the amount above that threshold.

In the first sale of a newly built property by the investor or developer, the buyer generally does not pay transfer tax, because VAT is included in the purchase price. In Montenegro, VAT is 21%.

Notary fees are charged on a sliding scale and depend on the contract value. In mid-range and higher-value transactions, total notary costs may amount to several hundred euros, so they should be included in the overall purchase calculation.

The buyer must file the transfer tax return within 15 days, and must also register the property for annual property tax with the local authority within 30 days of acquisition.

Annual property tax generally ranges from 0.25% to 1.00% of market value, while for a secondary residential property it may range from 0.3% to 1.5%, depending on the municipality and the status of the property.

At the outset, it should also be agreed clearly who will bear the bank charges for the international transfer, as in practice the seller will usually expect the full contractual amount to arrive in their account.

12. Payment should follow the logic of buyer protection

The method and sequence of payment are just as important as the contract itself. In practice, the purchase price is most often paid by bank transfer, while in some cases an escrow arrangement or another controlled mechanism may also be used.

What matters is that the release of funds is tied to proper completion of key steps: signing the contract, filing the registration documentation, confirming receipt of funds, and obtaining the documents that enable the buyer's title registration. Particularly important is the *clausula intabulandi*, meaning the seller's express consent for the buyer to be registered as owner without any additional approval at a later stage.



13. The purchase does not end with signing the contract

The purchase process is truly complete only once registration has been finalised and you have obtained an updated proof of ownership. Registration in the cadastre may take some time, so it is important to monitor the status of the case until the new owner has been fully registered.

After completion, utility accounts such as electricity, water, internet, and other communal services should be transferred. If you are buying within a resort, residential complex, or building with shared amenities, ask before purchase for a precise breakdown of maintenance costs, what they cover, and whether they may increase in the future.

After the contract is signed, Montenegro Real Estate Hub can coordinate all administrative and practical steps on your behalf, handling all necessary documentation and the transfer of utility service contracts, so you do not have to worry about a thing.





14. Property ownership does not automatically grant residency

Montenegro's law on foreign nationals provides that property ownership may serve as grounds for temporary residence in Montenegro. Eligible property types include family houses, holiday homes, villas, apartments, hospitality establishments, mixed residential and commercial properties, and commercial premises. The applicant must own at least 50% of the property.

Proof of ownership usually takes the form of a land registry extract, together with the general requirements such as sufficient means of support, accommodation, health insurance, and a valid travel document.

It is also important to understand that temporary residence on this basis implies a genuine connection to Montenegro. Extended absences may affect the validity of the permit, so before any prolonged stay outside the country it is important to verify the applicable rules and obligations.

For certain nationals of third countries, proof of the property's value is also required, with a threshold of EUR 150,000. This additional requirement does not apply to EU citizens and their family members, nor to citizens of Iceland, Liechtenstein, Norway, and Switzerland.

The permit is issued for up to one year and may be renewed. The renewal application must be submitted no earlier than 60 days and no later than 30 days before the expiry of the current permit.

Residence on the basis of property ownership does not in itself confer the right to work.

15. If you are buying to rent out, think like an investor from day one

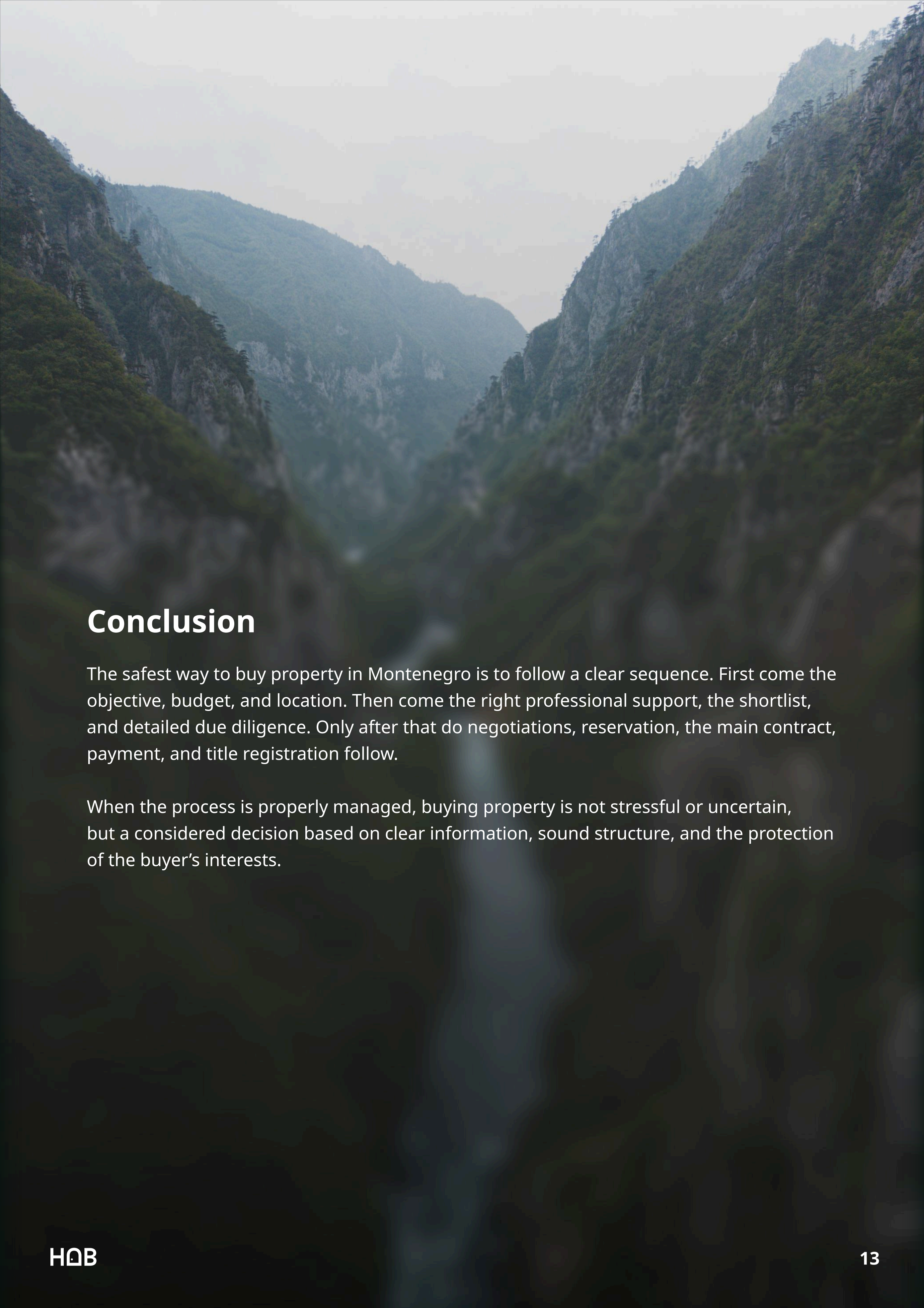
If you intend to rent out the property, that should already be taken into account when selecting both the location and the property itself. Income will depend on factors such as location, building type, view, parking, management, maintenance costs, and seasonality.

For long-term rentals, tax is paid at a rate of 15% on taxable income. Where expenses are not documented separately, standard deductible expenses of 30% are recognised, so in practice the taxable base is usually around 70% of total income. This means that on an annual income of EUR 10,000, the taxable income would be around EUR 7,000, and the tax around EUR 1,050.

For short-term rentals, there are additional obligations, including tourist tax, guest registration, and record-keeping. For that reason, an investment purchase should be based on a realistic net yield, not merely on an optimistic gross income estimate.

It should also not be assumed that capital gains cease to apply after five years, as there is no general rule under which they automatically become exempt at that point.

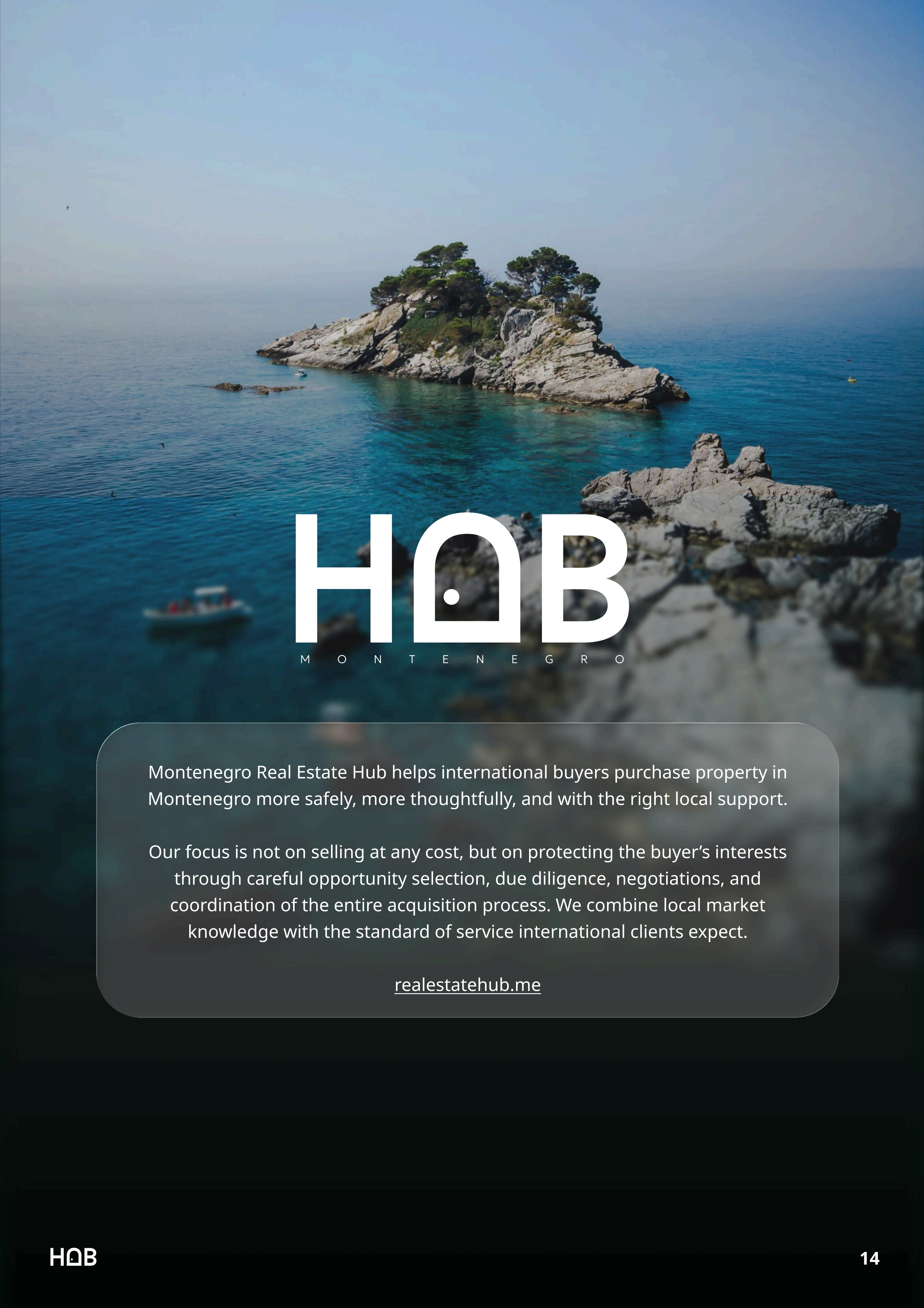




Conclusion

The safest way to buy property in Montenegro is to follow a clear sequence. First come the objective, budget, and location. Then come the right professional support, the shortlist, and detailed due diligence. Only after that do negotiations, reservation, the main contract, payment, and title registration follow.

When the process is properly managed, buying property is not stressful or uncertain, but a considered decision based on clear information, sound structure, and the protection of the buyer's interests.



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Montenegro Real Estate Hub helps international buyers purchase property in Montenegro more safely, more thoughtfully, and with the right local support.

Our focus is not on selling at any cost, but on protecting the buyer's interests through careful opportunity selection, due diligence, negotiations, and coordination of the entire acquisition process. We combine local market knowledge with the standard of service international clients expect.

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