

By **MOVE CROATIA**

How to buy property in Croatia?

A complete guide for buying a property in Croatia
for the first time.

Quick resume about Croatia



POPULATION

4,109,277



SIZE

56.594 m2



CURRENCY

Croatian Kuna (HRK)



TEL. CODE

+385



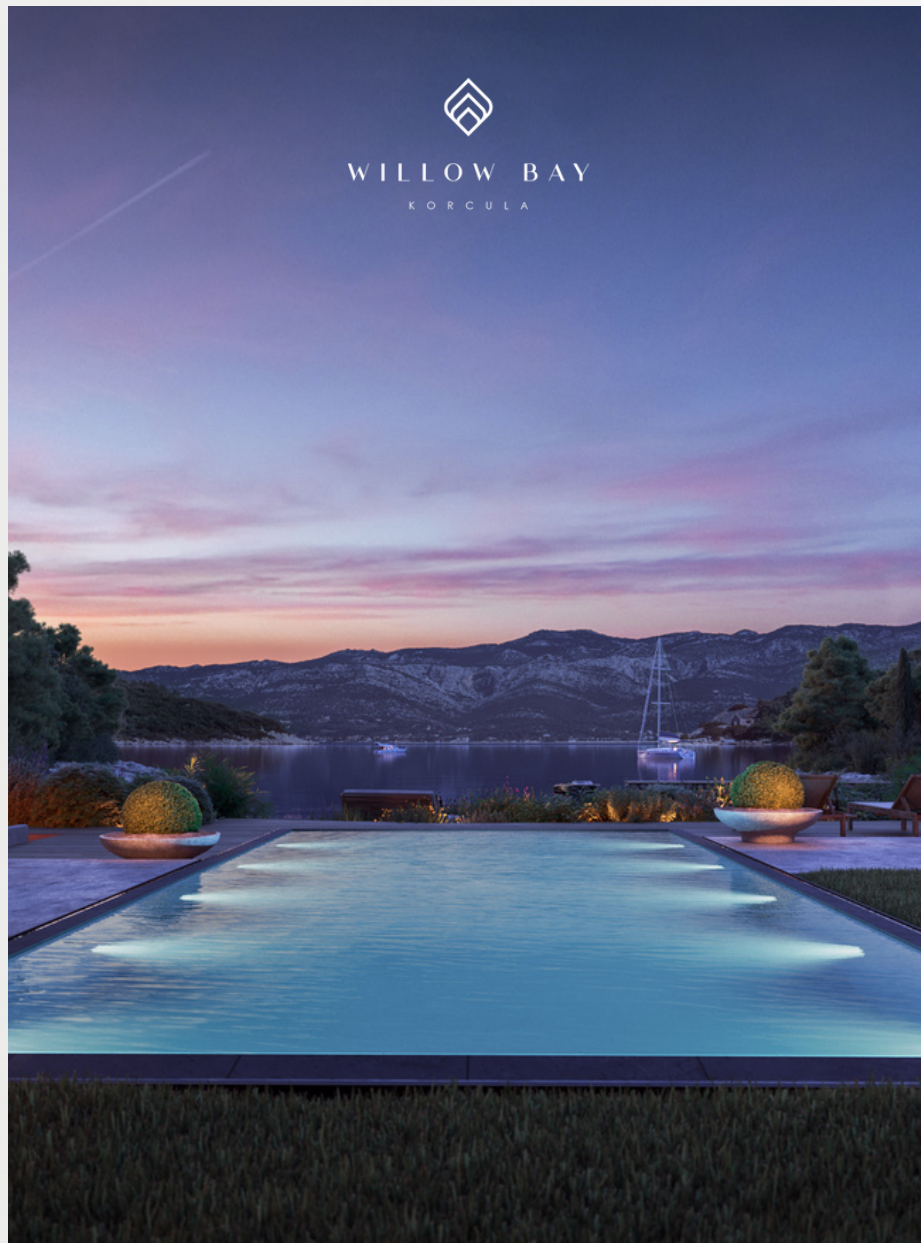
TIME ZONE

UTC+1



DOMAIN

.hr



Where exactly is Croatia?

Croatia is positioned between the Central, Southern Europe, and the Mediterranean sea. It is a very accessible country. Coming to Croatia from anywhere in the world is very easy.

The easiest way to locate it on a map is to look directly across the eastern side of the Italian “boot” peninsula. In the northern part, Croatia borders with Slovenia and Hungary. On the eastern, it borders with Serbia and Bosnia and Herzegovina. On the south side, it borders with Montenegro. Since 2013 Croatia is a part of the EU but it’s not in a Schengen zone yet.

WHY IS CROATIA SPECIAL?

Although Croatia is a small country it offers a unique combination of breathtaking natural beauty, outstanding architecture, impressive history, delicious cuisine, and most importantly, friendly people.

The magnificent coastline stretches on more than 6000 km and provides a unique view of the Adriatic sea and more than 1000 islands and islets. Ecologically, Croatia is one of the best-preserved parts of Europe with eight National Parks, eleven Nature Parks, Adriatic sea, a lot of small rivers, and lakes. The last reports say that it is one of the top 5 countries with the cleanest water supplies in the world.



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foreign citizens**

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Can foreign citizens
buy a property in
Croatia?





Foreign citizens can buy real estate in Croatia.

BUT THERE ARE SOME RESTRICTIONS.

RESTRICTIONS

Foreign citizens are not allowed to purchase or register:

1. **Agricultural land**
2. **Properties in protected areas (such as woods)**

Are you EU citizen?

All foreign citizens can buy real estate in Croatia, but there could be a small difference in purchase process if you are not coming from a country that is in European Union.

What is the difference?





If you are EU citizen

you can purchase the property the same way as Croatian citizens. Switzerland citizens can buy properties the same way as Croatian citizens only if they plan to settle in Croatia permanently.



If you live outside EU

you can buy a property under the **Principle of reciprocity**. What does that mean? The Republic of Croatia has the Reciprocity Agreement with other countries that regulates property purchases for its citizens. If the country you are registered in (as a citizen) has an agreement with Croatia you can buy the property. You can check if your country has the reciprocity agreement with Croatia [here](#).



Opening a company in Croatia can help you purchase the property faster.

Non EU citizens usually have to wait for the consent to buy real estate from the Ministry of Justice in the Republic of Croatia.

Instead of waiting for the consent Non EU citizens have alternative option. They can establish a company in Croatia and buy the property as the company ownership. Croatian companies have equal rights as Croatian legal entities no matter the citizenship of the founder and owner. The company in Croatia can be founded by citizens from all around the world.

Will rules for property purchase change for UK citizens after Brexit?

All UK citizens are entitled to purchase the property under the existing regulations. This means that the rights of UK citizens are still the same as those of EU citizens.

The Withdrawal Agreement sets out the terms of the UK's withdrawal from the EU and provides for a deal on citizens' rights. It sets out a transition period which lasts until 31 December 2020. During this time you can continue to live, work and study in the EU broadly as you did before 31 January 2020.



Useful links

[RECIPROCITY AGREEMENTS WITH CROATIA](#)

Check if your country has a reciprocity agreement with Croatia.

[MINISTRY OF FOREIGN AFFAIRS IN CROATIA](#)

Discover all information about visas, travel information, or residency.

[MINISTRY OF JUSTICE](#)

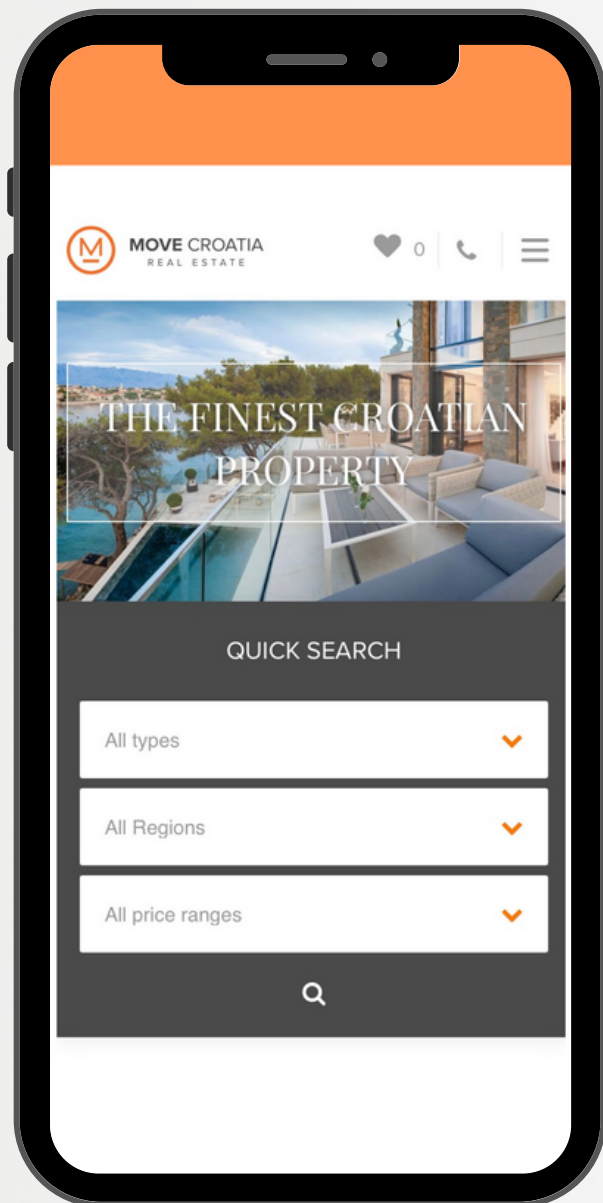
Discover more information about property purchase consent.

[CROATIAN CADASTRE](#)

Find every information about the property you are interested in.



The buying process



Find your ideal property

Start your property search by making a **checklist** of all the features your home must have, including the number of bedrooms, bathrooms and parking spots, as well as the features that are nice to have, such as a north-facing aspect, an en suite, or a big kitchen, garage or yard.

Look online and put your “**must-haves**”, your chosen suburbs, and your budget into the search parameters to browse suitable properties. Set alerts to be notified when new properties that match your preferences come on the market. You can then make a shortlist of properties that tick the boxes on your “nice to have” list so you can inspect the property or inquire with the agent. You can also get a price estimate for properties you like.

Find a trustworthy real estate agency

Once you identified the region in Croatia and the perfect property, you should find a good agent. The reason for that is that some local agencies can guide you better through the whole property-purchase process in Croatia.

Agents also speak native languages and they are familiar with the real estate market and its trends. With their help, you could speed up the whole process.

Before hiring an agent, don't forget to do research about the agencies. Start with their website and social media activity, and always check the reviews. If you know someone from your country that bought a property in Croatia, it would be good to ask that person to share the experience.



Interview agents from different real estate agencies and check if they are licensed. You can be sure that the agency is trustworthy if it's a part of the **Croatian Chamber of economy**. You can enter the name of agents or agencies on the [website](#) of the Croatian Chamber of Economy and check if the agencies or agents are in the registry. This way you will avoid potential scammers or illegal agencies.



Hire a lawyer

Hiring a lawyer is one of the most overlooked things while buying a house or land in general. Having legal advice should be an essential part of your entire plan.

Some of the real estate agencies in Croatia work closely with lawyers or they have a legal department specialized for property buying in Croatia by foreign citizens. This applies only if you don't have a lawyer already.

One of the most important reasons why you might want to hire a lawyer is that in Croatia there are still some properties and land which have legal problems. This may be because they were illegally built or because there are legal problems with the ownership.

Plan your trip to Croatia

Before you decide to visit Croatia to view properties in person, make sure you prepared your identity documents. The reason for this is – you might want to open a bank account or get a Croatian ID (OIB), and to do that, you will need your personal documents.

THE ITINERARY

Once you have detected the region where your ideal properties are located, you should coordinate the arrival with your real estate agent (in case you don't have friends or family located in Croatia).

If you plan to visit Croatia by plane, you should know that there are direct flights from most major European cities. USA has a direct flight to Croatia only during summer.

Check all the flight details on the official page of **Croatian Airlines**



Research your chosen area

If you're exploring towns or neighbourhoods you haven't lived in before, it can be worth spending a night or two in a local B&B to check out the commute, shops, restaurants, and general atmosphere. It's important to do some digging on the area you want to buy in before signing on the dotted line. Things you must include:



SCHOOLS



TRANSPORT LINKS



**LOCAL
INFRASTRUCTURE
PLANS**



**FUTURE
DEVELOPMENT
PLANS**



**FAMILY-FRIENDLY
AREAS**



The aquisition process

Before you start...

If you made a **definite decision** to purchase a property in Croatia, one of the first things you must do is getting your own Identity card and OIB.

WHAT IS OIB?

OIB (Osobni identifikacijski broj | pronounced *oh-eeb*) is a personal identification number. Croatian citizens and foreigners who have any financial dealings in Croatia must have that number. If you have a bank account, you pay taxes and utility bills, you need OIB. It is necessary to have OIB if you want to buy the property in Croatia. Once you submit the application for identification number you can get it within minutes, depending on how busy the office where you apply is busy. Having an OIB is important if you plan to sign a contract in Croatia (OIB is a required element of every contract in Croatia).



Property acquisition process

The property acquisition process in Croatia can be divided in 4 basic steps:

1.



PRE-CONTRACT AGREEMENT

2.



APPLY FOR CONSENT

3.



REGISTRY OF CONTRACT

4.



TAX PAYMENT

1. Pre-contract agreement

While signing the pre-contract is not mandatory it is very recommended, since this document includes conditions that protect both – seller and the buyer.

One of the conditions you will define here is also the deposit which usually goes up to 10% of the property purchase price.

As a buyer, if you don't fulfill the pre-contract obligations, you will lose the deposit and the property.

If the seller doesn't follow the contract obligations he/she has to return double the amount of the initial deposit.

NOTE: After signing the Pre-contract must be verified at the local public notary office (known in Croatia as Ured Javnog Bilježnika). You have to ask for 3 copies because one copy goes to seller, second goes to you as a buyer, while third serves as the proof for the government.





2. Apply for consent

If you are living outside of European Union, you need the approval of Ministry of Justice in Croatia. This is a standard procedure when foreign citizens want to buy real estate in Croatia.

Here is the list of documents you need to attach when asking for consent:

- The basis for property purchase (Purchase agreement, Gift agreement, etc.)
- A proof of ownership (land registry, certificate – not older than 6 months)
- The certificate (not older than 6 months) from the county office of the place where the property is located
- The power of attorney, if it is such
- A proof of payment of tax of 35 HRK (Croatian Kunas) for applying request and 70 HRK for a decision on the acquisition of real estate. For each request update, there are an additional 20 HRK fees

The address where you should send the request with additional files is Ulica grada Vukovara 49, 10000 Zagreb, Ministry of Justice of the Republic of Croatia

3. Registry of contract with land registry

Assuming your request for buying a property was approved by Ministry, your next step would be registering the purchase contract with the Land Registry.

WHAT IS LAND REGISTRY?

It is a public register where the data on the legal real property status of merit for legal transactions are recorded. Basically, if you are a property buyer, you can claim property ownership **only after you enter the land registry**.

The fee for registering the contract with Land registry is 250 kn. Remember to register the contract within 60 days, because if you register the contract after that period - the fee will increase to 1050 HRK.



Documents you must provide when registering the contract:

- the contract verified by Public Notary
- the approval of Ministry of Justice
- buyer's proof of citizenship



- Administrative department of Construction and Physical planning
- the power of attorney



4. Tax payment

25%

VAT rate in Croatia

3%

Property transfer tax

Property transfer tax in Croatia is currently set to 3%. This is the tax which buyers must pay.

The VAT in Croatia (PDV) is set to 25%. If you are buying a newly built property (house or apartment) directly from a company - **you won't pay any property transfer tax.**

This is because the company that sold the property has to pay the 25% VAT.

NOTE: 25% VAT is charged on the services provided by real estate agencies, lawyers, or any other services.



HOW TO PAY REAL ESTATE TAX IN CROATIA?

The real estate transfer tax must be paid within **15 days** of receiving the real estate transfer tax certificate. The amount must be paid in Croatian Kuna. If the tax wasn't paid in the time frame of 15 days, interest will be charged at a rate of 17.5% for every additional day until the payment is made.



WHAT IS NEW IN TAX PAYMENT PROCEDURES?

With new regulations, Public Notary (Javni bilježnik) is the person who has to **register the purchase agreements** at the Tax Authorities. Before this practice, buyers representatives (lawyers) would receive the demand for the tax payment and had to register the agreement with Tax Authorities.



Additional information



What is new in property purchase process?

The Ministry of Justice has completed a web service project to connect the land registry information systems ZIS OSS (Regulated Countries) and eNotar, in cooperation with the Croatian Chamber of Notaries. This novelty will now allow citizens and legal entities to complete the land registrations in one step.

Until recently, registration in the land register was a kind of “adventure” that citizens went through by visiting several institutions in order to achieve the desired registration.

Now it is possible to perform all actions by going to a notary public once instead of the current practice of going to a notary public, to the Tax Administration, and to the land registry department of the Municipal Court.

Paying in Croatian currency

When browsing online, in most cases you will see that property prices are set in Euros.

Croatia is still not in the Euro payment zone, and the main currency is Croatian Kuna (HRK). This is why all transactions must be made in Kunas according to law.

This applies whether you are a **private individual** or you are **buying through your company**.

The only way to purchase the real estate in foreign currency is if you and the seller come from different countries and the transaction takes place outside Croatia. It is expected that Croatia will replace Kuna with Euro by the end of 2021. Until then it would be best to make a transaction in Croatian Kunas.





How to open a bank account in Croatia?

Whether you are buying a property as an individual or through a company, you will probably need a bank account in Croatia.

WHAT DO YOU NEED TO OPEN A BANK ACCOUNT?

You will need an address, and your passport or ID, and your OIB number.

In Croatia, you have to open a bank account in person. Most banks don't send passwords and PIN codes outside of Croatia. Also, you would probably have to sign some things regarding your privacy and GDPR consent. If you are buying a property it would be better for you to open the account in kuna and other currency of your choice.

Can foreign citizens get a mortgage in Croatia?

You should know right away that getting a mortgage or a loan for buying a house or land in Croatia if you are a foreign citizen is not easy. Before approving a mortgage, Croatian banks want assurance that you will pay them back. If you have temporary residency, it is highly unlikely that you will be approved for a mortgage.

If you are approved, it will be for a fraction of the purchase price. Most likely, you'll be flat out refused, since you have not yet proven your long-term connection to the country and they see you as a risk. The exception would be for the EU citizens, who are technically supposed to be treated like Croatian citizens across the board. The best way to find out if you are eligible for the mortgage in Croatia is to contact directly banks in Croatia. Here is the list of some of the major banks in Croatia:

- [Unicredit Zagrebačka banka](#)
- [PBZ Bank](#)
- [Erste Bank](#)
- [Raiffeisen bank](#)
- [Addiko bank](#)



DISCLAIMER

Computer-generated illustrations, stock images, are intended for illustrative purposes and should be treated as general guidance only.

The purpose of this E-book is to help readers understand the process of buying a property in Croatia and to introduce readers to the authorities that can help with the property-purchase process.

Information about laws, regulations, and practices in real estate purchase in Croatia mentioned in this E-book may change over time due to the implementation of new laws and regulations.

That is why you can contact us at Move Croatia Real Estate agency any time. If you have any questions regarding buying real estate, but you are not sure whether the information is correct or some regulations are still in motion, we will be glad to do a research for you.