



**HOW TO BUY AN
APARTMENT IN SERBIA
IN 8 EASY STEPS?**

How to buy an apartment in Serbia in 8 easy steps

Guide for foreign citizens

In the field of residential real estate, CBS International is the exclusive sales representative for numerous projects in Belgrade, providing the overall assistance to the clients during the selection of apartment and purchasing process (gathering and checking the necessary documentations, finishing administrative tasks, signing the Sales and Purchase Agreement) as well as assisting in the process of transferring the ownership over the purchased apartment. In addition, CBS International may help you rent the property afterwards and undertake all necessary property management activities so as to market your property and ensure continuous return on investment.

If you decide to buy an apartment in Serbia, your choice should be new building from a trusted investor. The procedure of checking all the legal documentation and legal status of the property is simplified, especially if the project is financed by the bank through project financing. In this case, there is no possibility of legal uncertainty, since the legal team of the bank has checked thoroughly all the documents related to the project and investor.

If you are interested in purchasing an apartment in Serbia you can find out more about the residential complexes and condominiums we are exclusively representing on our website www.cw-cbs.rs.

Should you decide to buy an apartment in Serbia, the steps are as follows:

1 Choose the project and the property

If you decide to buy an apartment from our exclusive offer and you are coming to Serbia our professional sales team will help you through the whole process of buying the apartment, from helping you choose the best unit to registering your ownership into the Cadaster. In this case you can finish the whole process by yourself.

If you choose one of exclusive projects, but you are not coming to Serbia, our team will help make a perfect choice of the apartment and assist you through the whole process. In this case you will need to choose an attorney (preferably Serbian) or a third party to whom you will give the PoA for the sales process (the PoA should contain precisely stated activities that can be undertaken by the lawyer/third party).

② Power of Attorney

If you are coming to Serbia you do not need PoA since you will sign S&P Agreement.

If you are not coming to Serbia your attorney will draft PoA (preferably bilingual Serbian and English) and send it to you. There are few options for notarizing your PoA depending on the country and conditions required by that country's laws. The most common procedure is certifying PoA in a Serbian embassy or consulate.

In some countries, PoA first has to be translated to your mother tongue and certified with Apostille provided by the court. Certified PoA is then being sent to Serbia, where the Apostille has to be translated by certified court translator so the PoA can be used.

③ Signing of Pre-Agreement at notary office

In case you are a credit buyer, you should sign Pre-Agreement first and apply for a loan in a bank that you previously chose. When your loan is approved by a bank, you will sign Loan Agreement with the bank first followed by the signing of Sales & Purchase Agreement and Mortgage Agreement.

④ Signing of Sales and Purchase Agreement at notary office

If you are coming to Serbia you will sign S&P Agreement at the notary office by yourself in presence of certified court translator for English or your mother tongue if you do not speak English.

If you are not coming to Serbia your lawyer or third party will sign S&P Agreement on your behalf based on the PoA he has. In case your lawyer or third party is foreign citizen certified court translator for English or his/her mother tongue if he/she does not speak English will be present.

⑤ Payment of the purchase price

You can pay the purchase price from any country directly to seller's bank account by following the instructions provided from financial service of the Seller (finance department of the seller will send the invoice with precise payment instructions).

6 Handover of the apartment

If you are buying the apartment in the project under construction, the handover will be after technical acceptance and full payment of the purchase price. If you are buying the apartment in finished building the handover will be after payment of the purchase price.

If you are coming to Serbia the handover will be done by yourself.

If you are not coming to Serbia, the handover will be done by the lawyer or third party based on the PoA.

7 Registering into the Cadaster

After handover of the apartment you need to register your ownership into the Cadaster.

If you are coming to Serbia, you can do this by yourself. In case you choose property from our exclusive offer our team will help you and provide assistance along the process.

8 Taxes

After handover of the apartment you are obliged to pay the property tax on annual level in four quarter installments. In case you are buying property as an investment and you want to lease it you are paying the capital gains tax as well.

Purchase of the apartment that has been the subject of the sales before

If you decide to buy an apartment in older building that has been subject of the sales before, you should be more careful with legal due diligence. In this case you should hire Serbian lawyer to check the status of the property thoroughly.

The most important things you should check are:

- Identity of the seller
- Check the legal status of the property – you should ask for the most recent title deeds from Cadaster. The check determines whether the seller is registered in the Cadaster as the owner of the property being sold and whether the property has encumbrances, registrations or record on dispute. The encumbrances can be different: mortgage, the right of lifelong use or housing, the right of passage through the property, etc. It is

particularly important to check in the encumbrance list whether there are entries or recordings of disputes on a particular property.

- If the property is not registered in the Real Estate Cadaster it is necessary to do the inspection over the previous basis of acquisition by checking the previous S&P Agreements or other documents, in order to determine the legal continuity from the person registered in the Real Estate Cadaster to the seller.
- Before signing of S&P Agreement it is necessary to check the actual status of the property as well as whether the factual situation corresponds to the state of the documents (square footage, legalization).
- You should ask for previous property tax receipts from the seller along with other bills. This way you can ensure there are no pending bills.

You have the right to apply for a residential property loan as a non-resident

If you want to buy a property in Serbia under a bank loan, now is the time to make a decision, because conditions for residential property loans for non-residents in Serbia have improved significantly. There are a few banks that are offering this type of loans such as Banca Intesa a.d, Raiffeisen Bank a.d, etc.

Detailed guide to the purchase process

Possibilities of acquiring the right of ownership on the real estate properties in the Republic of Serbia for foreign citizens

Foreign individuals and legal entities in the Republic of Serbia are able to, under the conditions of reciprocity, acquire ownership over the apartments and residential buildings, under the same conditions as the citizens of the Republic of Serbia.

The list of countries with established reciprocity is published on the website of the Ministry of Justice, on the following link: <http://www.mpravde.gov.rs/tekst/812/uzajamnost-.php>.

Necessary documentation for the conclusion of the Sales and Purchase agreement

The S&P Agreement is concluded in the form of public notary document in front of an authorized public notary who is in charge for the municipality where the property is located. The public notary document is compiled in Serbian language.

In addition to the documentation submitted by the investor or owner of the real estate property, the buyer – a foreign citizen or attorney whom you have provided with PoA, is required to submit a passport as a document to establish his identity.

S&P Agreement is drafted either by yours or the seller's lawyer.

Inscription of the ownership rights – registration in the Cadaster

The buyer – foreign citizen or attorney with PoA, acquires the ownership right on the immovable property by registering his right in the real estate Cadaster. Department of the Cadaster in charge for the registration of ownership rights is determined according to the location of the subject property.

The procedure is as follows:

- Required documentation – S&P Agreement in the form of notarized document (original or certified copy), a photocopy of passport, an explicit and unconditional consent of the seller that the buyer can inscribe his ownership right (clausula intabulandi);
- Application for inscription of ownership rights – Application for inscription should contain the name of the Department of the Cadaster in charge, to whom the request is sent, information about the subject (the content) of the Application, information about the Applicant (name and surname, ID number/ passport number) and the signature of the Applicant;
- Payment of the fees – it is necessary to pay the republic administrative fee for the Application and the appropriate fee for the service of the Republic Geodetic Authority. The fees are EUR 2.5 and EUR 70 in RSD equivalent;

Taxes related to the lease of the real estate property

CBS International has the professional team that can carry out all necessary services related to the Lease of your property (Residential – Lease sector) and range of services pertaining to the property (Property Management sector).

When foreign citizen leases the real estate property it is necessary:

- To open a foreign exchange account in Serbia;
- To name a tax attorney who will guarantee that the property owner, who is a foreign citizen, will fulfill the tax obligations to the country of Serbia.

In the case where the tenant is a natural entity, the capital gains tax will be paid by the lessor, ie. foreign citizen owner of the property, by his tax representative.

In the case where the tenant is a legal entity, the capital gains tax will be paid by the lessee (a legal entity) on behalf of the lessor, i.e. foreign citizen owner of the property.

Enjoy Your Serbian Home!

CBS International is the leading real estate consultancy in Serbia in terms of revenue for seven years, providing variety of services including: Office Agency, Retail Agency, Residential Sales and Leasing, Industrial Agency, Land Agency, Valuation and Development Advisory, Capital Markets, Market Research, Project Management, Facility Management, Property Management and Marketing. CBS International is a member of Cushman & Wakefield Alliance. Cushman & Wakefield is a leading global real estate services firm with 45,000 employees in more than 70 countries helping occupiers and investors optimize the value of their real estate.

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