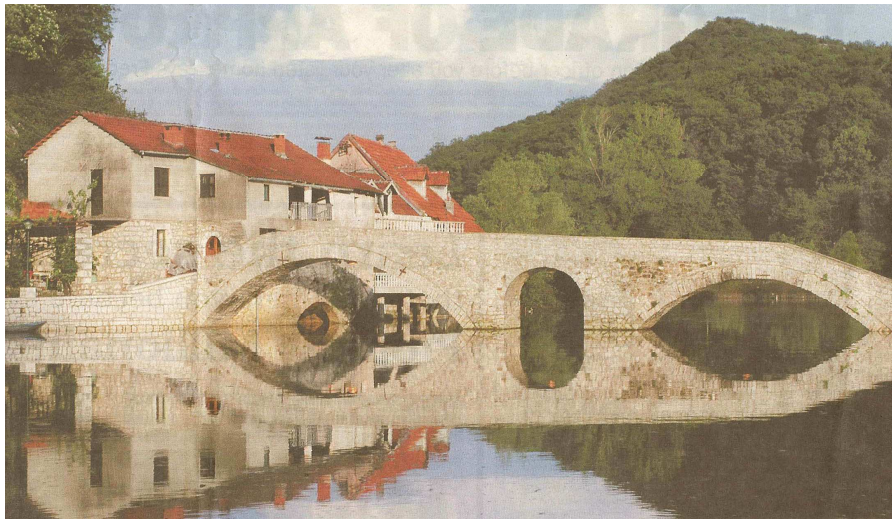


# BRICKS AND MORTAR

Facts, figures and fantasies from the world of property 20 JULY 2007  
THE TIMES FRIDAYS

## THE NEXT ADRIATIC HOTSPOT

Montenegro has a beautiful coastline and property is still relatively cheap but hurry, prices are on the rise, says Kieran Falconer



Untroubled waters: the bridge, left, at Rijeka Crojevic is reflected in the Skadar lake, near Podgorica. Below: an image of Pluto's Kotor Vista project, due to be completed next year, with two-bed flats priced at up to €254,000

UNTIL recently Montenegro was known only as a small part of that mess of ethnic hatred called "the former Yugoslavia". Well, it's about to become better known as the coming hotspot on the Adriatic. Last year Montenegro seceded from Serbia, partly in hope of speedy EU entry (it already has the euro), and is keen on foreign business. For investment or holiday purposes, the coast is the most developed: inland you see Breughel-like scenes of people scything wheat and endure atrocious roads (they are improving).

Pelle Langli, chief executive of Emerging Real Estate, which has several developments on the coast, points out that the number of tourists has been increasing by 17 per cent a year. And the country has also been helped by celebrity interest: last year Catherine Zeta-Jones and Michael Douglas were house-hunting there, and Daniel Craig went to play poker there as James Bond in *Casino Royale*. The racing driver Ralf Schumacher is reported to have bought land near Kotor, and the Rolling Stones gave a concert this month on the beach at Budva.

Prices are also rising. Kieran Kelleher, the managing director of Dream Property Montenegro, which sells new, renovated and unrenovated properties, says: "For many years we've seen

prices creeping up in Montenegro. It isn't a cheap option." By some estimates the past year has seen a rise of between 20 and 40 per cent.

One of the most popular areas is Kotorška Bay, with mountains towering over three little bays. Space for development is limited and height regulations mean that buildings are rarely more than three storeys. Towns and villages dot this ribbon of coast. Tivat is a beach resort favoured by Russians and boasts a nice marina and plenty of cafés. But the old town is not a patch on its coastal cousin, Kotor, where cats snooze on honey-coloured flagstones and the cafés seem always full of locals. It is captivating and lively, fully deserving its Unesco heritage status. A three-bedroom apartment here would cost €270,000 (£185,000).

Kotor attracted Max Nicholls, 48, a charity fundraiser from Birmingham, right away. "I'd had a look along all the coast, but discovered Kotor and the Pluto development just outside it. I bought the last apartment, a one-bedroom with a brilliant view, last year for €93,000. It would cost ten times that on the Italian Riviera. The only problem, and it's a small one, is that there is no rental market." There are few letting agencies, but Pluto is thinking of starting one.



Cats snooze on the honey-coloured flagstones of Kotor

Kotor Muo is well worth looking into if you are considering a new Pluto property. As is the upmarket Kotor Vista, with 36 two-bedroom apartments within walking distance of the old town and stunning views over the fjord. This complex should be finished by 2008 and prices range from €228,000 to €254,000.

Justin Faiz, the managing director of Pluto, says: "When I came out here in 2005 I found a beautiful country but couldn't buy anything, so I decided to build. It's as beautiful as Croatia, but at half the cost. There's a lack of good hotels — but they are coming. With the recent arrival of Tui, Thomson and Thomas Cook we'll see some movement on the rental front as well."

The country has come a long way very quickly. But the problem with the coast is getting the right site. As Faiz says: "We looked at 120 plots before choosing the one for Kotor Vista." It seems everybody wants a room with a view.

Pluto Developments:  
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