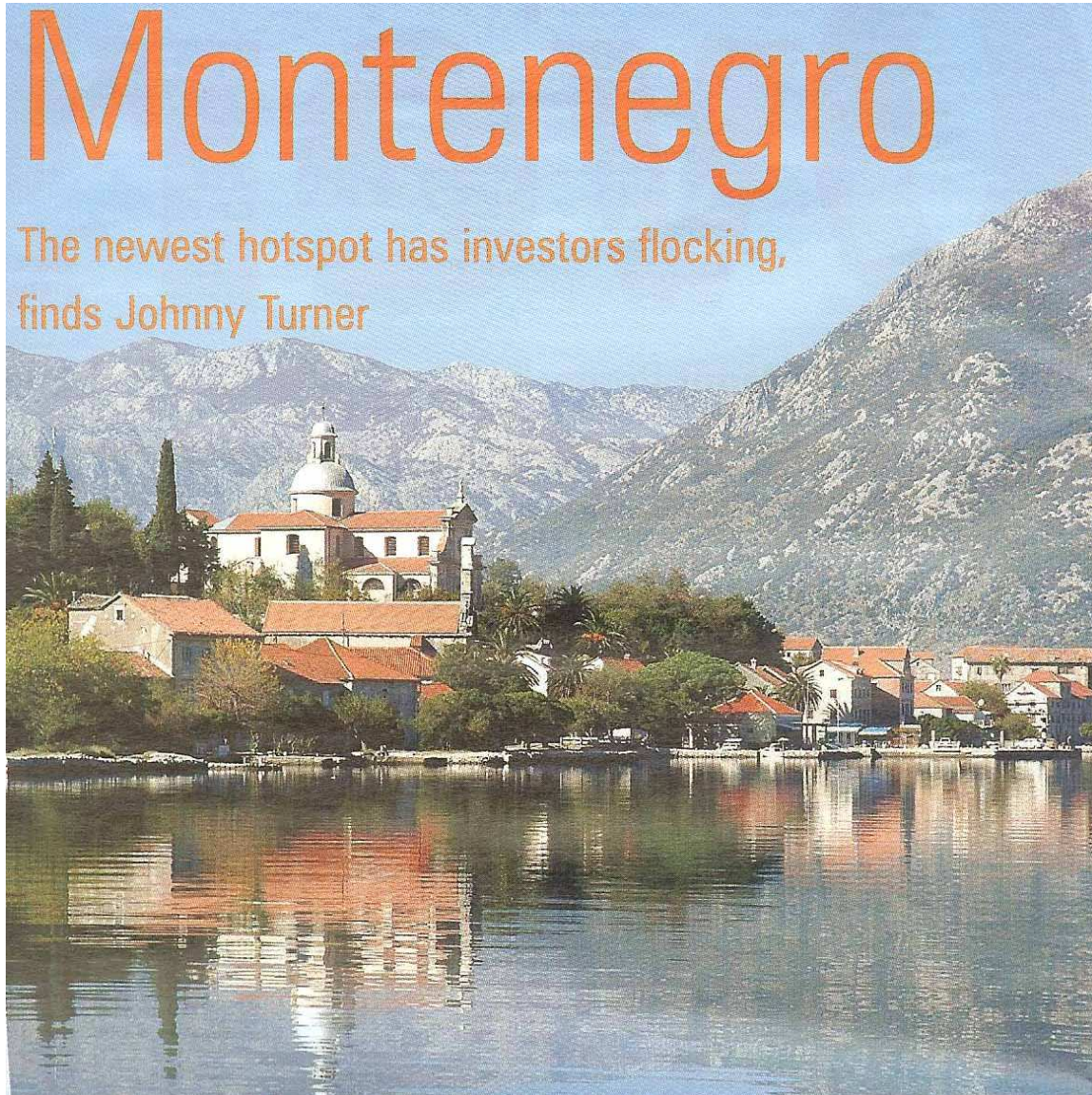


Sales, New Homes and Properties Abroad INSIDE

HotProperty



Publication: Hot Property
Subject: Buying Montenegro property
Circulation: 28,000
Date: October 6, 2006
Source: Coverage arranged by Wide PR

While exploring southern Croatia last year, I took an afternoon's detour over the southern border into Montenegro, at that time tied to Serbia and a nation clearly trying to find its feet after some dismal years.

It occurred to me that this country stood out in a number of ways: not only were the people amazingly tall and very friendly but the landscapes were supernaturally beautiful. Towering black mountains (hence the name) watching over huge, sparkling fjords, a vista unspoilt and awe-inspiring.

Now I have begun to read that Montenegro is the latest 'in' spot for investment buyers, a haven of natural beauty and low-priced property. Russian speculators have already bought up sizeable chunks of land, including an entire peninsula. However, the government, fresh from its independence from Serbia, is keen to make sure that the country does not become over-developed.

Justin Faiz, managing director of Pluto Developments, says, 'Property and land prices offer the most notable opportunities for outsiders with more than just a great vacation on their minds. The most useful comparison to make is with the Croatia's trajectory, which Montenegro is set to follow. Coastal Croatia, to Montenegro's north, is about four years ahead of coastal Montenegro and stagnating, which in concrete terms means €4,000 per square meter in Dubrovnik compared to 1,500 in Montenegro.'

The property market in Montenegro, as in other newly rising destinations, depends on tourism, says Faiz. 'The potential for what is known as "fly to let" is huge for UK property buyers.' Celebrities are

beginning to buy in the country; one name mentioned recently is Chrissie Hynde, who also bought property in Brazil a few years back. According to Faiz, Michael Douglas and Catherine Zeta-Jones have also bought; however, the Hollywood A-couple could have chosen their location better, he says.

Pluto Developments is well placed to advise would-be buyers on how to see success in this market. The company has both British and Montenegrin staff who have deep local knowledge and extensive experience in designing and building high-end residential developments to western standards, which are in shortest supply. 'Did you know,' says Faiz, 'that to build a property in some areas, you need 35 individual permits, including one from the now defunct Yugoslavian army?'

There are no restrictions on foreigners buying property although to buy land, foreigners must register a local company, which they can wholly own). Any good local lawyer can help with this.

But where to buy?

Faiz says most opportunities are in coastal villages. The main hotspots in Montenegro are around the bay of Kotor, from Herzeg Novi to Tivat. Further south, there are very interesting locations south of over-developed Budvar, running to Petrovac.

Baosici and Djenovici, for example, are three to six kilometres from Herzeg Novi and extend south from Herzeg Novi to the ferry across the fjord. They have attractive stone houses along the waterfront, and newer small apartment buildings set in large green

continued on page 66.

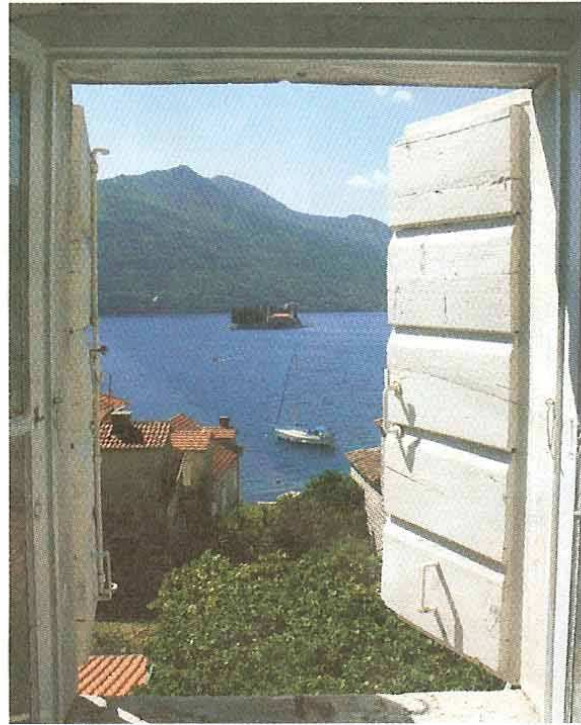
continued from page 64

gardens slightly further back.

Faiz says, 'These sleepy villages typify the Mediterranean as it was, with small sandy beaches, fishing boats in tiny marinas and small cafés and restaurants right on the sea. Luxury off-plan apartments to western specifications are being offered by UK developers such as Pluto Developments in Baosici if you are keen to get away from it all and also to avoid time-consuming negotiations for extant properties or land, as all negotiations are handled for the buyer.' Prices range from €138,000 for two-bed, two-bath properties to €155,000.

'Other areas,' says Faiz, 'include the villages of Muo and Prcanj, two and eight kilometres from Kotor respectively. Old stone houses line the water front behind small marinas with boats bobbing in them all year round. Prcanj is the site of the Hotel Splendido, one of the most pleasant hotels in the Bay of Kotor. Find old fisherman's houses on the waterfront on a newer building slightly up the hill with fantastic views over the bay. Some properties in Muo have stunning views straight over the Old Town of Kotor.'

Below: Baosici Village ; Right and above: Montenegro offers magnificent views



'Finally, look into villages around Budva. Budva itself is the most developed area of the coast and is more popular with Russian and Israeli buyers than with Western Europeans. However there are many small villages up and down the coast from Budva that offer attractive home buying potential.'

For more information on current developments visit the website plutodevelopments.com.



Top tips

Justin Faiz offers advice to those considering investing in Montenegro

Montenegro escaped the troubles of the 1990s unscathed and has not had large flows of population in and out of its borders (unlike in many other parts of the former Yugoslavia, such as Croatia). This reduces the risk of uncertainty of title deed. Along the whole of the coast of Montenegro, the land registry has complete records of ownership and any good lawyer will be able to check the ownership history of any property or land that you are considering.

Watch out for properties with multiple ownership – such as old farm houses jointly owned by large families. Even if you have a deal with Jovan, his brother Branko will probably want something different and negotiations will be back at square one. To avoid wasting time and money make sure that one owner has legal authorisation to represent all the others.

If you've ever had the feeling that you've missed the boat on other emerging markets, Montenegro could offer you an opportunity at exactly the right moment. Not so much undiscovered as sidelined in recent times, it's poised to steal much of the limelight from its more well known neighbour, Croatia. Very soon the red tape will be loosened, opaque planning laws will become more transparent and the next five years will witness one of the most dynamic growth rates for property in the world.