



Image courtesy of Pluto Developments / plutodevelopments.com

**EMERGING  
MARKETS**

# Montenegro

One year on and still going strong...

Montenegro saw the first anniversary of its independence on June 3rd but Croatia's southern neighbour is showing the kind of maturity not usually associated with one-year olds. A Balkan territory of quaint walled towns, dramatic mountains and abundant waterfront, Montenegro is finally making good on its tourist potential. The government forecasts 1.1 million visitors over the next 12 months, a rise of 17% on the previous year, and large-scale projects planned include a £300 million (€443 million) 'super marina' in Tivat.

As in most embryonic markets, Montenegro's tourism and real estate sectors are growing

hand in hand. "The fervour for investment properties and holiday homes shows no sign of abating," says Mijat Jovanovic of Montenegro Premier Properties. "Prices have increased by up to 20% in the last 12 months and rental yields and capital returns are up too. The future is looking bright for the country and all who invest here." A look at the property ownership figures shows heightened interest from overseas. According to a 2006 report, foreign nationals own more than 1.5 million m<sup>2</sup> of property in the country and one in six housing or business spaces in prime spots like Herceg Novi and Kotor town are held by non-Montenegrins. The UK represents a prime ▷

## AT A GLANCE

### HOTSPOTS

Towns on Kotor Bay (Kotor, Perast, Tivat), Budva, Skadar Lake

### EXPECT TO PAY

Ruins for renovation from €50,000 (£34,000)

Restored country house with pool from €220,000 (£150,000)

Luxury new-build apartments from €225,000 (£152,500)

Grand country home in prime location, €600,000 (£405,000) and upwards

(Source: Montenegro Premier Properties [www.mppweb.com](http://www.mppweb.com))

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market, with buyers attracted by traditional stone homes and a new wave of developments. Inland Kotor Bay and the Adriatic coast remain the most coveted locations.

It's these new projects that represent some of Montenegro's most exciting prospects, as foreign developers attempt to bring resort accommodation and housing up to western standards. In 2004, Pluto Developments became one of the first UK developers to enter the country. "We spotted that Montenegro had a unique combination of 'fundamentals' rare in one destination," says director Justin Faiz. "There's a long summer season, a massive shortfall of quality accommodation and it's great value." Pluto's current developments are all based around Kotor Bay and were some of the last to gain planning permission. "Building standards in Montenegro are variable," admits Mr Faiz. "There aren't many rules and regulations so we've tried to import best practices from 'the west' which will hopefully raise the bar in the longer term." Units on Pluto's first two projects have already been snapped up – the latest, Kotor Vista which overlooks Kotor old town, is a third sold. "Buyers tend to be professionals from their mid-30s upwards, looking for high-quality apartments with potential for capital appreciation and rental income," says Mr Faiz. "Some have bought more than one, intending to keep one for holidays and sell the others."

Luxury standards are also to the fore at Dobrota Heights, a high-spec project also near Kotor that's on sale from Montenegro Premier Properties. Just 200m from the shoreline and comprising six lavishly



#### **Kotor Vista**

New development of 36 fully furnished two-bed apartments with balconies overlooking Kotor old town. Communal fetatures include two pools, café, concierge service and extensive grounds.

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outfitted two-bed apartments, it's due for completion in late 2007. Units are priced from €225,950 (£153,400) and annual growth of up to 20% is predicted by Oxford Economic. "Dobrota Heights epitomizes luxury," says

Mr Jovanovic. "It's important to remember that not all off-plan developments are the same. Architectural flair, quality workmanship and top-end materials set this above many others on the market."