

Consumer market study on the functioning of the real estate services for consumers in the European Union

Country fiche – CROATIA

General information

Country	Croatia
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Main Sources Used	See list at point 1.2

1. Regulatory background

1.1 Level of regulation in the country

Table 1: Level of regulation			
	Level of regulation	Source of relevant legislation	Ongoing discussion on regulation/deregulation: current state of affairs and main arguments in the debate
Real estate transactions¹	<ul style="list-style-type: none"> Highly regulated; (Key features: Written form of contract - Principle of causal tradition - Registration in land register - <i>modus</i> for acquisition by <i>contract inter vivos</i>). 	<ul style="list-style-type: none"> Obligations Act, Zakon o obveznim odnosima (Official Gazette of RC, Narodne Novine 35/05, 41/08, 125/11, 78/15); Act on Ownership and Other Rights, Zakon o vlasnistvu i drugim stvarnim pravima (Official Gazette of RC, Narodne Novine 91/96, 68/98, 137/99, 22/00, 73/00, 114/01, 79/06, 141/06, 146/08, 38/09, 153/09, 143/12, 152/14); Lease of Flats Act, Zakon o najmu stanova (Official Gazette of RC, Narodne Novine 91/96, 48/98, 66/98, 22/06); Lease and Sale of Business Premises Act, Zakon o zakupu i kupoprodaji poslovnog prostora (Official Gazette of RC, Narodne Novine 125/11, 64/15); Real Estate Transfer Tax Act, Zakon o porezu na promet nekretnina (Official Gazette of RC, Narodne Novine 115/16); Land Registration Act, Zakon o zemljišnim knjigama (Official Gazette of RC, Narodne Novine 91/96, 68/98, 137/99, 114/01, 100/04, 107/07, 152/08, 126/10, 55/13, 60/13) 	Discussion on integration of land register and cadastre in united land registration information system.

¹ E.g. limitations or prohibitions of certain transactions; specific formality requirements etc.

Table 1: Level of regulation			
Notary system (or lawyer/conveyancer system)²	Highly regulated	Law on Notaries Public, Zakon o javnom bilježništvu, (Official Gazette of RC, Narodne Novine 78/93, 29/94, 162/98, 16/07, 75/09, 120/16)	<i>n.e.</i>
Profession of estate agents	Not detailed regulated	Real Estate Brokerage Act, Zakon o posredovanju u prometu nekretnina (Official Gazette of RC, Narodne Novine 107/07, 144/12, 14/14)	<i>n.e.</i>

1.2. National legislation

Table 2: List of national legislation		
List of national legislation	Classification of national legislation	Content of the national legislation
Real Estate Brokerage Act, Zakon o posredovanju u prometu nekretnina (Official Gazette of RC, Narodne Novine 107/07, 144/12, 14/14) (https://www.zakon.hr/z/139/Zakon-o-posredovanju-u-prometu-nekretnina) - in Croatian	Regulation directed to estate agents/consumers	Contracts related to the mediation in real estate transactions, general business conditions, rights and obligations of real estate agents, brokerage fee, professional examination for real estate agents, control and administrative measures over the performance of real estate agents. Real estate agents as regulated profession
Building Act, Zakon o gradnji (Official Gazette of RC, Narodne Novine 153/13, 20/17) (https://www.zakon.hr/z/690/Zakon-o-gradnji) - in Croatian	Real estate transactions/consumers	Energy performance certificate is required before any real estate transactions; <ul style="list-style-type: none"> • Building licence; • Registration of building in cadastre; • Energy class of a building, or its part, has to be included in the advertisement when offering it for sale, rent or leasing.

² Only in countries where notaries do not exist or do not have a monopoly on conveyancing.

Table 2: List of national legislation

Obligations Act, Zakon o obveznim odnosima (Official Gazette of RC, Narodne Novine 35/05, 41/08, 125/11, 78/15) (https://www.zakon.hr/z/75/Zakon-o-obveznim-odnosima) - in Croatian	Real estate transactions	Regulates contracts related to real estate transactions.
Act on Ownership and Other Rights, Zakon o vlasnistvu i drugim stvarnim pravima (Official Gazette of RC, Narodne Novine 91/96, 68/98, 137/99, 22/00, 73/00, 114/01, 79/06, 141/06, 146/08, 38/09, 153/09, 143/12, 152/14) (https://www.zakon.hr/z/241/Zakon-o-vlasni%C5%A1tvu-i-drugim-stvarnim-pravima) – in Croatian	Real estate transactions	<ul style="list-style-type: none"> • Possession, ownership right, servitudes, lien; • Acquisition, protection, termination of ownership right; • Acquisition, protection, termination of servitudes, right to build, lien.³
Lease of Flats Act, Zakon o najmu stanova (Official Gazette of RC, Narodne Novine 91/96, 48/98, 66/98,22/06) (https://www.zakon.hr/z/168/Zakon-o-najmu-stanova) – in Croatian	Transactions, landlords and tenants	Regulates rights and obligations related to lease and use of the flat or a part of the flat.

³ Servitudes in general: According to Act on Ownership and Other Rights, Article 174: “(1) Servitudes are limited real rights over the property of another authorising the holder of such right(s) to use the property in a specific manner (servient tenement), regardless of who the owner might be, and its everyday owner is bound to sufferance or omission as the result. (2) The way in which the holder of a servitude is authorised to use the servient tenement is determined at the moment of establishing such servitude; if the servitude is to be established based on a legal transaction, the person to whom the servient tenement belongs determines the way in which the holder of the servitude is authorised to use the servient tenement according to his own free will or based on an agreement with the acquirer; if it is established based on a court decision or a decision by another authority, it is determined in such decision; otherwise, it is determined by law.” Real servitudes: “(1) A real servitude is a real right of the everyday owner of a piece of real property (dominant tenement) to use the real property of another in a specified manner (servient tenement) for the purposes of his own real property, and the everyday owner of which has to endure the sufferance or omit to take certain actions regarding his real property that he would otherwise be entitled to do. (2) A real servitude established in favor of a piece of real property as dominant may not be separated from the ownership of the real property, and it is its appurtenance, transferable only with such real property.”

(<http://pak.hr/cke/propisi,%20zakoni/en/OwnershipandOtherRealRights/EN.pdf> - English version, with the last update in 2001, and the latest amendments from 2014. The provisions related to servitudes have not changed, so the text in the English version is up to date in that part.)

Table 2: List of national legislation

Lease and Sale of Business Premises Act, Zakon o zakupu i kupoprodaji poslovnog prostora (Official Gazette of RC, Narodne Novine 125/11, 64/15) (https://www.zakon.hr/z/513/Zakon-o-zakupu-i-kupoprodaji-poslovnog-prostora) – in Croatian	Real estate transactions	Lease and sale of business premises owned by the Republic of Croatia and local and regional self-governments.
Law on Notaries Public, Zakon o javnom bilježništvu, (Official Gazette of RC, Narodne Novine 78/93, 29/94, 162/98, 16/07, 75/09, 120/16) (https://www.zakon.hr/z/188/Zakon-o-javnom-bilje%C5%BEEni%C5%A1tvu) – in Croatian	Real estate transactions	Certification of signatures
Real Estate Transfer Tax Act, Zakon o porezu na promet nekretnina (Official Gazette of RC, Narodne Novine 115/16) (https://www.zakon.hr/z/69/Zakon-o-porezu-na-promet-nekretnina) – in Croatian	Real estate transactions	Regulates conditions for taxation, and cases of exemption, regarding real estate transfers.
Land Registration Act, Zakon o zemljišnim knjigama (Official Gazette of RC, Narodne Novine 91/96, 68/98, 137/99, 114/01, 100/04, 107/07, 152/08, 126/10, 55/13, 60/13) (https://www.zakon.hr/z/103/Zakon-o-zemlji%C5%A1nim-knjigama) – in Croatian	Real estate transactions/consumers	<ul style="list-style-type: none"> • Regulates the process of registration in the Land registry; • Registration in the Land Registry as a precondition for acquisition of the ownership right; • The Land Registry contains data on the legal status of the property and important details of the owner.

1.3 Implementation of relevant EU legislation

Table 3: Implementation of relevant EU legislation					
EU legislation	Implementation achieved?	Implementation of EU legislation at the national level (e.g. the name of the law)	Source of the national implementation legislation	Content of the national legislation in keywords	Which parts of the EU legislation have <u>not</u> been transposed?
Directive 2005/29/EC on unfair commercial practices (UCPD)	Yes	Consumer Protection Act, Zakon o zaštiti potrošača 2014 (http://narodne-novine.nn.hr/clanci/sluzbeni/2014_03_41_723.html) – in Croatian	Official Gazette of RC, Narodne Novine 41/14, 110/15	Unfair commercial practices	None
Directive 93/13/EEC on unfair terms in consumer contracts	Yes	Consumer Protection Act, Zakon o zaštiti potrošača 2014 (http://narodne-novine.nn.hr/clanci/sluzbeni/2014_03_41_723.html) – in Croatian	Official Gazette of RC, Narodne Novine 41/14, 110/15	Unfair contract terms in consumer contracts	None
Directive 2008/122/EC on the protection of consumers, in respect of certain aspects of timeshare, long-term holiday product, resale and exchange contracts	Yes	Consumer Protection Act, Zakon o zaštiti potrošača 2014 (http://narodne-novine.nn.hr/clanci/sluzbeni/2014_03_41_723.html) – in Croatian	Official Gazette of RC, Narodne Novine 41/14, 110/15	Timeshare	None
Directive 2010/31/EU of Energy Performance of Buildings Directive	Yes	Building Act, Zakon o gradnji 2013 (https://www.zakon.hr/z/690/Zakon-o-gradnji) - in Croatian	Official Gazette of RC, Narodne Novine 153/13, 20/17	As directive	None

Table 3: Implementation of relevant EU legislation					
Directive 2005/36/EC on Recognition of Professional Qualifications, as last amended by Directive 2013/55/EU	Yes	Act on regulated professions and recognition of foreign professional qualifications, Zakon o reguliranim profesijama i priznavanju inozemnih stručnih kvalifikacija 2015 (http://narodne-novine.nn.hr/clanci/sluzbeni/2015_07_82_1569.html) – in Croatian	Official Gazette of RC, Narodne Novine 82/15	As directive	None
Mortgage Credit Directive, 2014/17/EC	Yes	Housing Consumer Credit Act (draft version, not yet in force), Zakon o stambenom potrošačkom kreditiranju (https://vlada.gov.hr/UserDocsImages//Sjednice/2017/04%20travanj/29%20sjednica%20Vlade%20Republike%20Hrvatske//29%20-%201.pdf) – in Croatian	N/A	As directive	None

1.4 Communications and strategy papers

Table 4: Communications and strategy papers					
Communication or strategy paper	Have the following communications and strategy papers been referred to in national documents?	Name of document	Source	Content	Differences with respect to communications and strategy papers listed in the first column
COM(2015) 550 final Communication of the Commission Upgrading the Single Market: more opportunities for people and business	No	-	-	-	-
COM(2013)676 Communication from the Commission on evaluating national regulations on access to professions	Yes	Action plan in the field of regulated professions in Croatia for the period from 2016 to 2018, Akcijski plan u području reguliranih profesija u Republici Hrvatskoj za razdoblje od 2016. do 2018. godine	Ministry of Labour and Pension System http://www.mrms.hr/wp-content/uploads/2016/11/Prilog-9-Akcijski-plan-u-podru%C4%8Dju-reguliranih-profesija-u-RH-za-2016.-do-20181.pdf	Series of measures and activities to be implemented from 2016 to 2018 in order to fulfil the set goal - to provide the holders of professional qualifications with facilitated access and performance of certain regulated professions in the Republic of Croatia. The Action Plan contains a report section. Selected professions are divided into sectors proposed by the European Commission.	No essential differences

Table 4: Communications and strategy papers

COM(2016)820 Communication from the Commission on reform recommendations for regulation in professional services	No	-	-	-	-
European Consumer Agenda	No	-	-	-	-
Consumer Programme 2014-2020	No	-	-	-	-

2. General market information

2.1 Key market data

Table 5: Key market data	
<p>General market situation (e.g. trends in the market, recent developments in the market, price fluctuations, etc.)</p>	<p>The market of residential property has increased in the last few years. Government procedures include the Act on subventions for residential credits (Official Gazette of RC, Narodne Novine 64/17). (https://www.zakon.hr/z/925/Zakon-o-subvencioniranju-stambenih-kredita)</p> <p>According to Act on subventions for residential credits, citizens may apply for granting of credits subsidized by the Republic of Croatia upon the public call announced by the Agency for Legal Transactions and Real Estate Intermediation (the call is open until 31st of July 2018). The loans that are subsidized are the one that citizens take from a credit institution for the purchase of an apartment or a house, or for the construction of a house, in order to settle their housing issues. Citizen has to have a residence in the territory of the Republic of Croatia, has to meet the conditions for obtaining a housing loan that is determined by the credit institution, cannot be older than 45 years and has to be a person who, or whose spouse or life partner does not own an apartment or house, or owns only one apartment or house which is going to be sold for the purchase of a larger apartment or house, or for the construction of a house in order to settle their housing issues. Loan subsidy is granted only for the purchase of an apartment or house, or the construction of a house, which has a building act, which price with value added tax per m² net usable area is not more than 1,500,00 EUR (if it is higher the price difference is not subsidized). Loan subsidy is granted for a loan which amount does not exceed 100,000.00 EUR and which repayment period is not shorter than 15 years (loan may be higher but in that case its difference shall not be subsidized).</p>
<p>Total value of residential transactions for buying and renting for the year 2015 (2014 or 2013 depending on the latest available data) expressed in EUR</p>	<p>N/A</p>
<p>Ratio house owners – tenants (i.e. the percentage of households that are owners resp. tenants of dwelling units)</p>	<ul style="list-style-type: none"> • In 2016, the ratio house owners – tenants corresponded to 90% according to Eurostat data⁴ • Total number of housing units: 2.246.910 (2011); • Total number of private households: 1.519.038 (2015); • Dwellings for permanent habitation: 1 912 901⁵.

⁴ Eurostat (2018). 'Distribution of population by tenure status, type of household and income group - EU-SILC survey [ilc_lvho02]'.

Table 5: Key market data		
Usage of land (Quotas for built land, agricultural land, "wild land" (forests, lakes etc.))	<p>Data According to World Bank:</p> <ul style="list-style-type: none"> Agricultural land 26.96 % (2014, World Bank) Forest area 34,3% (2015, World Bank) <p>Data from 2006 according to Report on the state of the space (land) in the Republic of Croatia 2008-2012 (see –in Croatian: http://www.hzpr.hr/UserDocsImages/pdf/Izvjesce_SPRH_08_12.pdf)</p> <ul style="list-style-type: none"> Forest and forest land 47%; Agricultural land in private ownership 31,8%; Agricultural land in state ownership 15,8%; Water surface (without the sea) 1,6%; Man affected area 3,6%. 	
Average prices of residential property	<p><i>According to the type of property</i></p> <ul style="list-style-type: none"> <i>Average flat of ca. 70 sqm</i> <i>Terrace house of ca. 100 sqm</i> <i>Detached (one family house) of ca. 150 sqm</i> 	<p>Prices of new dwellings:</p> <ul style="list-style-type: none"> Average price per 1 m2 of all sold dwellings (irrespective of the seller) in 2016 was 10,034 HRK/1,357 EUR. (see: http://www.dzs.hr/Hrv_Eng/publication/2016/03-01-05_02_2016.htm); Average price per 1 m2 of all sold dwellings (irrespective of the seller) in 2015 was 10,688 HRK/1,443 EUR. (see: https://www.dzs.hr/Hrv_Eng/publication/2015/03-01-05_02_2015.htm) (in Croatian and English)

⁵ According to Statistical report – Census of Population, Households and Dwellings 2011, there were 2.246.910 dwellings in total in 2011. There were 1.496.491 private households in 2011. From that number property or co-ownership was 1.349.283, free-based tenancy was 45.472, kinship with owner or tenant 69 949, contract-based tenancy 27.312, sub-tenancy 15.177. "The largest share of 88.9% were households of private owners or co-owners dwellings, followed by 4.6% of households in dwellings that were used on the basis of kinship with the owner or tenant of the dwelling, while 3% of households were using a dwelling on the basis of free-based tenancy. There were 1.8% of households in dwellings on the basis of contract-based tenancy, 1% of households in dwellings on the basis of sub-tenancy agreement, while 0.7% of households used dwellings on other bases." (https://www.dzs.hr/default_e.htm)

Table 5: Key market data		
	<p><i>According to the type of location</i></p> <ul style="list-style-type: none"> • <i>Capital city</i> • <i>Urban areas</i> • <i>Rural areas</i> 	<p>Prices of new dwellings:</p> <ul style="list-style-type: none"> • Zagreb, capital city: <p>Average price per 1 m² of all sold dwellings (irrespective of the seller) in 2016 was 10,445 HRK/1,408 EUR.</p> <ul style="list-style-type: none"> • Other settlements: <p>Average price per 1 m² of all sold dwellings (irrespective of the seller) in 2016 was 9,582 HRK/ 1,296 EUR.</p>
Price development of residential property	<p><i>According to the type of property</i></p> <ul style="list-style-type: none"> • <i>Average flat of ca. 70 sqm</i> • <i>Terrace house of ca. 100 sqm</i> • <i>Detached (one family house) of ca. 150 sqm</i> 	<p>Prices of new dwellings:</p> <ul style="list-style-type: none"> • In the first half of 2016 the total average price per 1 m² of all sold dwellings (irrespective of the seller) was 10,179 HRK/1,377 EUR. • In the second half-year of 2016 total average price per 1 m² of all sold dwellings (irrespective of the seller) was 9,899 HRK/ 1,339 EUR. (see: http://www.dzs.hr/Hrv_Eng/publication/2016/03-01-05_02_2016.htm) • In the first half of 2015 the total average price per 1 m² of all sold dwellings (irrespective of the seller) was 11,439 HRK/1,544 EUR. • In the second half-year of 2015 total average price per 1 m² of all sold dwellings (irrespective of the seller) was 10,244 HRK/ 1,387 EUR. (see: https://www.dzs.hr/Hrv_Eng/publication/2015/03-01-05_02_2015.htm)
	<p><i>According to the type of location</i></p> <ul style="list-style-type: none"> • <i>Capital city</i> • <i>Urban areas</i> • <i>Rural areas</i> 	<p>Prices of new dwellings:</p> <p><u>2016</u></p> <ul style="list-style-type: none"> • Zagreb, capital city: <p>In the first half-year of 2016 total average price per 1 m² of all sold dwellings (irrespective of the seller) was 11,184 HRK/1,513 EUR. In the second half-year of 2016 total average price per 1 m² of all sold dwellings (irrespective of the seller) was 9,926 HRK/ 1,338 EUR;</p>

Table 5: Key market data

		<ul style="list-style-type: none"> • Other settlements: <p>In the first half-year of 2016 total average price per 1 m2 of all sold dwellings (irrespective of the seller) was 9,361 HRK/ 1,266 EUR. In the second half-year of 2016 total average price per 1 m2 of all sold dwellings (irrespective of the seller) was 9,860 HRK/ 1,329 EUR;</p> <p>(see: http://www.dzs.hr/Hrv_Eng/publication/2016/03-01-05_02_2016.htm) (in Croatian and English)</p> <p><u>2015</u></p> <ul style="list-style-type: none"> • Zagreb, capital city: <p>In the first half-year of 2015 total average price per 1 m2 of all sold dwellings (irrespective of the seller) was 12,448 HRK/1,681 EUR. In the second half-year of 2015 total average price per 1 m2 of all sold dwellings (irrespective of the seller) was 11,369 HRK/ 1,535 EUR;</p> <ul style="list-style-type: none"> • Other settlements: <p>In the first half-year of 2015 total average price per 1 m2 of all sold dwellings (irrespective of the seller) was 10,326HRK/ 1,394 EUR. In the second half-year of 2015 total average price per 1 m2 of all sold dwellings (irrespective of the seller) was 9,241HRK/ 1,248 EUR;</p> <p>(see: https://www.dzs.hr/Hrv_Eng/publication/2015/03-01-05_02_2015.htm) (in Croatian and English)</p>
<p>Development of price index (Housing price index if existing, otherwise Consumer price index)</p>	<p><u>2017</u></p>	<ul style="list-style-type: none"> • “In the first quarter of 2017, as compared to the fourth quarter of 2016, the prices of dwellings, measured by house price index, increased by 0.1% on average. As compared to the first quarter of 2016, that is, at the annual level, they decreased by 0.4%; • Compared to the fourth quarter of 2016, prices of new dwellings decreased by 2.1%, while, compared to the first quarter of 2016, they decreased by 6.3% on average. Prices of existing dwellings increased by 0.5% compared to the fourth quarter of 2016 and by 0.8% on average compared to the first quarter of

Table 5: Key market data

	<p>2016;</p> <ul style="list-style-type: none"> • In the first quarter of 2017, as compared to the fourth quarter of 2016, prices of dwellings for the City of Zagreb increased by 0.2%, for Adriatic coast by 0.8%, while for Other they decreased by 2.8% on average. Compared to the first quarter of 2016, at annual level, an increase of 0.3% was recorded in the prices of dwellings for the City of Zagreb and of 0.5% for the Adriatic coast, while for Other they decreased by 4.7%, on average." <p>https://www.dzs.hr/Hrv_Eng/publication/2017/13-01-02_01_2017.htm</p> <p><u>2016</u></p> <ul style="list-style-type: none"> • "In the fourth quarter of 2016, as compared to the third quarter of 2016, the prices of dwellings, measured by the house price index, decreased by 0.56% on average. As compared to the fourth quarter of 2015, that is, at the annual level, they increased by 0.79%; • Compared to the third quarter of 2016, prices of new dwellings decreased by 1.9% and by 4.66% compared to the fourth quarter of 2015. Prices of existing dwellings decreased on average by 0.32% compared to the third quarter of 2016, while compared to the fourth quarter of 2015, they increased and by 1.78%; • In the fourth quarter of 2016, as compared to the third quarter of 2016, prices of dwellings decreased by 1.38% for the City of Zagreb and by 0.40% for the Adriatic coast, while for other settlements they increased by 0.53% on average. Compared to the fourth quarter of 2015, at the annual level, an increase of 1.96% was recorded in the prices of dwellings for the City of Zagreb and of 0.87% for the Adriatic coast, while for other settlements they decreased by 1.90%, on average." <p>http://www.dzs.hr/Hrv_Eng/publication/2016/13-01-02_04_2016.htm</p> <p><u>2015</u></p> <ul style="list-style-type: none"> • "In the fourth quarter of 2015, as compared to the third quarter of 2015, the prices of dwellings, measured by house price index, increased by 0.11% on average. As compared to the fourth quarter of 2014, that is, at the annual level, they decreased by 2.13%; • Compared to the third quarter of 2015, prices of new dwellings decreased by 1.49%, while, compared to the third quarter of 2014 they decreased by 6.91% on average. Prices of existing dwellings increased by 0.82% compared to the third quarter of 2015 and by 0.11% on average compared to the fourth quarter of 2014; • In the fourth quarter of 2015, as compared to the third quarter of 2015, prices of dwellings for City of
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Table 5: Key market data

	<p>Zagreb decreased by 1.30% while prices of dwellings for Adriatic coast increased by 0.50% and for Other by 1.03% on average. Compared to the fourth quarter of 2014, at annual level, a decrease was recorded in the prices of dwellings for City of Zagreb by 3.47%, for Adriatic coast by 2.23% while for Other prices of dwellings increased by 0.74% on average."</p> <p>(House price indices, fourth quarter of 2015, First release, Number: 13.1.2/2., 11 April 2016, Croatian bureau of statistics)</p>
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2.2 Service providers

Table 6: Service providers

	Total number of firms	Total number of professionals	Total number of employees	Branch offices per firm	Market concentration in % of turnover	Average turnover per firm (expressed in EUR)
Estate agents	Registered: 7409 ⁶ Active: 6599	Number of registered real estate agents: 936	7310	Data not available	Data not available	Data not available
Lawyer/ Advocates/ Solicitor	Joint law offices: 232 Law firms: 269	4694	Data not available	Data not available	Data not available	Data not available

⁶ According to Statistical report Number and structure of business entities, December 2015, (<https://www.dzs.hr/>) there were 7409 register legal entities for real estate activities among which 6599 were active. According to the report from 2017 (including September 2017) there were 8226 register legal entities for real estate activities among which 4641 were active. At the time of writing of this report, there were 936 registered real estate agents. According to current data, there are 1013 real estate brokers (<http://posredovanje.hgk.hr/posredovanje/>) and 2604 real estate agents registered in the directory (<http://posredovanje.hgk.hr/posredovanje/>). Data on number of real estate brokers and registered agents is available at the Real Estate Agents Directory and Register of real estate brokers in the Croatian Chamber of Economy (HGK) (<http://posredovanje.hgk.hr/posredovanje/>)

Table 6: Service providers						
Notary	(No firms existing)	327	Data not available	Data not available	Data not available	Data not available
Licenced conveyancers	–	–	–	–	–	–
Architects	Data not available	Registered authorised architects: 2458	Data not available	Data not available	Data not available	Data not available
Surveyor	Data not available	Registered surveyors: 914	Data not available	Data not available	Data not available	Data not available
Engineers	Data not available	Data not available	Data not available	Data not available	Data not available	Data not available

3. Roles of professionals and services in the real estate market

Table 7: Role of professionals in the real estate market							
	Estate agent	Property valuator⁷	Lawyer/ Advocate/ Solicitor	Notary	Bank	Licensed conveyancer	Technical expert (architect, engineer, surveyor)
Main function: does the professional typically work independently or as part of a firm or another organisation?	Both are common	Not common	Both are common	Independently	N/A	-	Not common
Extent of engagement (at which point(s) does each professional intervene in the process?)	Matching the parties	-	Checking important information regarding property (e.g. ownership right), drafting the contract.	Certification of signatures	-	-	-
Mandatory involvement	No	-	No	Yes, for certification of signature and for registration	N/A	-	-
How are their fees/charges structured	Contracting parties are free to determine the amount of the fee for estate agent		According to the Tariff of Lawyers' fees, Lawyers are entitled to charge 250 HRK/	Notary Certification of signatures fee 47,50 HRK/7 EUR	-	-	-

⁷ In some EU countries, the real estate property valuers are regulated as a profession that is separate from estate agents (e.g. Hungary, Lithuania, Latvia); their services might be obligatory, especially when taking mortgage loans.

Table 7: Role of professionals in the real estate market

	<p>services. It is usually a certain percent of total purchase price.</p>		<p>34 EUR for issuing of ownership certificate from Land register and also 34 EUR for every hour spent when checking the data in land registers or other public registers and books. Fee for legal counselling is 500 HRK/68 EUR for every hour.</p>				
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4. Land registration

Table 8: Land registration	
Responsible authority(ies) dealing with land registration	<ul style="list-style-type: none"> • Land register - Land registry courts (at municipal level); • Real property cadastre - State Geodetic Administration, cadastral offices
Actors involved in the registration procedure and their main functions	<ul style="list-style-type: none"> • Lawyer and notary public - application for registration via internet; • It is possible to submit application both via internet and personally at the land register (Land registry courts); • Since 15th of March 2017, e-submission of applications at the land register is possible in the whole country; • Since 15th of March 2017 all notary publics are authorized to make electronic submissions. (See: https://pravosudje.gov.hr/podnosenje-e-prijedloga-za-upis-u-zemljisnu-knjigu/14341) –in Croatian.
Intermediate steps of the registration procedure	–

5. The process to buy or sell a property

5.1 Main steps in the transaction process to buy or sell a property

Table 9: Main steps of the process to buy or sell a property			
Main steps	Main function	Applicable	National specificities/additional functions/main actors
Estate agent services	Matching the parties	Yes	Real estate agents
Alternative matching devices	Matching the parties	Yes	Advertisement
Preliminary contract	Securing the transaction before the final contract is concluded	Yes	Lawyer or estate agent
Preliminary checks (land register, administrative permits)	Ensuring that the buyer knows all legal obligations and relevant features related to the property	Yes	Real estate agent, lawyer, buyer
Drafting the sales contract and/or deed of conveyance	Summarising the agreement of the parties	Yes	Lawyer
Legal advice or counselling	Ensuring that the transaction is valid and that the parties know about their rights and duties	Yes	Lawyer, real estate agent, Notary public
Certification of signatures	Ensuring the validity of the agreement	Yes	Notary public
Contract execution (transfer of payment)	Executing the contract (and securing that both parties perform their obligations)	Yes	Notary public (not mandatory), see below at Table 10
Contract execution (transfer of property)	Executing the contract (and securing that both parties perform their obligations)	Yes	Notary public (not mandatory)

Table 9: Main steps of the process to buy or sell a property			
Registration	Making the transaction visible to third parties and the public	Yes	Person acquiring rights after transaction (e.g. buyer) submits an application for registration
Taxation (esp. transfer tax)	Creating revenue for the state	Yes	The notary public is obliged to submit a contract to competent tax administration. The Land registry court has the same obligation. The buyer also has to submit an application within 30 days after conclusion of a contract. (Every natural or legal person who acquires immovable property has to submit an application for real estate transfer tax).
Post-transaction controls	Securing that the contract is duly executed	No	-

5.2 Sale contract and transfer of ownership

Table 10: Contract of sale and transfer of ownership				
Main steps	Actors involved per intermediate step	Payment details⁸		Typical risks associated to these steps
		Payments expressed : In EUR as % of total purchase price <u>and</u> As a fixed amount if available (add if VAT applies)	When is the payment made	
Estate agent services or alternative matching devices	Real estate agents	Contracting parties are free to determine the amount of the fee for estate agent services. (Prior to the amendments of 2012, it was prescribed that the fee must not exceed 6% of total purchase price). There is no official statistics for the payment of estate agents' services. According to informal information fee is usually between 1% and 5% of the property value.	The real estate agent is entitled to receive the payment only after the conclusion of the sale contract, unless the buyer and real estate agent have previously concluded that the fee is to be paid after the conclusion of the preliminary contract.	None
Preliminary contract (usual)	Real estate agent, Lawyer	No separate payment usual	No separate payment usual	None

⁸ Payment shall be considered as the 'discharge of an obligation by its settlement equal to the monetary value of the debtor's obligation' while fees can be defined as 'a charge for services rendered' (Retrieved from: <http://www.investorwords.com/3634/payment.html>, <http://www.investorwords.com/1922/fee.html>). Payment, therefore, includes both the cost of the service and the fees for the service in question.

Table 10: Contract of sale and transfer of ownership				
Preliminary checks (land register, administrative permits)	Real estate agent, lawyer, buyer	<ul style="list-style-type: none"> • Issuing of ownership certificate from Land register is subject to fee of 20 HRK/ 3 EUR; • According to Tariff for Lawyers' fee, Lawyers are entitled to charge 250 HRK/ 34 EUR for issuing of ownership certificate from Land register and also 34 EUR for every hour spent when checking the data in land registers or other public registers and books. 	Fee is to be paid before submitting a request for issuing of ownership certificate from Land register	Sometimes there can be a problem with inaccurate data, which are not promptly updated in the land register. Problems may also arise when checking whether the building is legally constructed, if there is a building and use permit (permit which is mandatory for the use of a completed building).
Drafting the sales contract and/or deed of conveyance	Lawyer, parties	Depending on total purchase price (See at point 8.2 explanation of Tariff for Lawyers' fee)	According to the Tariff for Lawyers' fee, lawyer is entitled to up-front payment during the performance of the services. The whole amount can also be paid when the drafting of the sales contract is concluded.	None
Legal advice or counselling	Lawyer	According to Tariff for Lawyers' fee, fee for legal counselling is 500 HRK/68 EUR for every hour.	-	None

Table 10: Contract of sale and transfer of ownership

Contract execution (transfer of payment and registration; transfer of property)	Notary public (not mandatory)	<ul style="list-style-type: none"> • According to Regulation on the Notaries Public Fees, (article 33) Notary public is authorised to keep and transfer money upon the request of the party involved in the process (contracting parties). The fee is calculated according to value of the object (amount of money) of an official action (see explanation below Table 17). If the deposit or transfer of money is to be carried out outside the notary office, the notary public shall be entitled to an additional reward of 50 to 500 points (see explanation below Table 17) depending on the amount of money and the time necessary for taking action. That fee includes all actions that a notary public has to take for keeping and transferring the money; • From March 15th 2017, after the signing of a sales contract and validation at a notary public, the contract may be transmitted through the internet from a notary public or attorney for the registration in the Land Registry (upon the request of the contracting party). • According to the price list of the Croatian Notary Chamber, the citizens who decide to make a registration in this way will have to pay extra 200,00 HRK/ 27 EUR. (https://pravosudje.gov.hr/podnosenje-e-prijedloga-za-upis-u-zemljisnu-knjigu/14341); • For registration fee, see Table 12. 	After finalising the performance of services.	None
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Table 10: Contract of sale and transfer of ownership				
Certification of signatures	Notary public	Fee 47,50 HRK/7 EUR	Immediately after the certification of signatures	None
Registration in land register or similar device	Buyer, lawyer, notary public	Registration fee is 250 HRK/ 34 EUR	When submitting the application for registration	None
Taxation (esp. transfer tax)	The notary public is obliged to submit a contract to competent tax administration. The Land registry court has the same obligation. The buyer also has to submit an application within 30 days after conclusion of a contract. (Every natural or legal person who acquires immovable property has to submit an application for real estate transfer tax).	4% of market value of the property	Within 15 days after receipt of the decision determining the amount of real estate transfer tax	None

Tenancy agreements can have the effects of real property rights when the contract is registered in the Land register. According to article 58 of Land Registration Act, both contracting parties have to agree on entering a lease contract into the Land register. Clausula intabulandi is also precondition for registration. After being entered into the Land register, lease contracts have erga omnes effects. However, according to article 24 of Lease of Flats Act there is no need for entering a lease contract into the Land register as the contract already has an erga omnes effect: "In case of change of the lessor [...] rights and duties from the lease agreement are transferred to his legal successor". The lease has an erga omnes effect also according to article 570 of Obligations Act: "In case of alienation by the lessor of the rented thing after its delivery to the lessee, the acquirer shall enter into the rights and

obligations of the lessor under the rental contract. The acquirer may not demand from the lessee a surrender of the thing before expiry of the lease term, or where the lease term has not been determined by the contract or law, before expiry of the notice period. As a solidary guarantor, the person alienating the thing shall be liable for the acquirer's obligations towards the lessee under the rental contract, unless otherwise agreed." Article 572: Where the thing which is the subject of a rental contract is alienated and delivered to the acquirer instead of the lessee, the acquirer shall assume the rights and the obligations of the lessor if at the moment of entering into a contract of alienation s/he was aware of the existence of such a rental contract or ought to have been aware of it, given the circumstances. The acquirer who at the moment of entering into a contract of alienation is not aware and needs not to be aware of the existence of a rental contract shall not be obligated to deliver the thing to the lessee and the lessee in such a case may only demand compensation for damages from the lessor. As a solidary guarantor, the person alienating the thing shall be liable for the acquirer's obligations towards the lessee under the rental contract, unless otherwise agreed." Even though the registration of the lease contract into Land register is optional it could be important from the aspect of application of Execution Act as the lease terminates with the sale of the apartment if the lease agreement has not been previously entered into the Land registry.

5.3 Professional services performed in the real estate market related to buying and selling a property

Table 11: Professional services performed in the real estate market related to buying and selling a property				
Services in the real estate market	Minimum standards for information provided by law	Service providers involved	Quality of involvement (mandatory, optional)	Fees expressed: In EUR as % of total purchase price <u>and</u> As a fixed amount
Estate agent services or alternative matching devices	Not applicable	Estate agents	Optional	Contracting parties are free to determine the amount of the fee for estate agent services. (Prior the amendments from 2012 it was prescribed that the fee must not exceed 6% of total purchase price)
Provision of mandatory information before the start of the transaction	Real estate agent is obliged to inform the principal ⁹ of all circumstances relevant for the intended transaction, of which the agent is, or should be aware of.	Estate agents	Mandatory for estate agents if they are included in the process.	No separate fee usual

⁹ Principal can be either buyer (hiring an agency - real estate agent - to help her/him find a property according to certain characteristics) or seller (hiring an agency to help her/him find a buyer). The principal can also be the landlord or the tenant in case of tenancy.

Table 11: Professional services performed in the real estate market related to buying and selling a property				
Preliminary contract (usual)	Usual	Lawyer	Optional	<ul style="list-style-type: none"> • Drafting of preliminary contract and other legal services can be included in total amount which has to be paid to estate agents if they are responsible for completion of the whole process and necessary steps regarding sale of property (which is usual); • If the property is sold without engagement of estate agents there is usually a separate fee for drafting a preliminary contract. The fee is calculated according to Tariff for Lawyers' fees as for any other contract. (See at point 8.2 explanation of Tariff for Lawyers' fee).
Preliminary checks (land register, administrative permits)	Usual	Real estate agents, buyers on their own, lawyers. Preliminary checks are conducted by real estate agents, but this does not prevent buyers to check necessary information/data on their own. In some cases the lawyer can also be included in the process.	Optional but usual	<ul style="list-style-type: none"> • According to the principle of publicity, land registers are public, their contents are available to everybody. Issuing of ownership certificates is subject to fee of 20 HRK/ 3 EUR; • According to Tariff for Lawyers' fees, Lawyers are entitled to charge 250 HRK/ 34 EUR for issuing of ownership certificate from Land register and also 34 EUR for every hour spent when checking the data in land registers or other public registers and books.

Table 11: Professional services performed in the real estate market related to buying and selling a property				
Drafting the sales contract and/or deed of conveyance	n.e.	Lawyers	Optional	Depending on total purchase price (See at point 8.2 explanation of Tariff for Lawyers' fee).
Legal advice or counselling	n.e.	Lawyers	Optional	According to Tariff for Lawyers' fee, fee for legal counselling is 500 HRK/68 EUR for every hour.
Certification of signatures	n.e.	Notary public	Mandatory for registration (not for validation of contract)	Fee 47,50 HRK/7 EUR
Contract execution (transfer of payment; transfer of property)	n.e.	-	-	-
Registration in land register or similar device	n.e.	<ul style="list-style-type: none"> Buyers; Lawyers – optional; Notary public – optional. A buyer can submit application on his/her own, but s/he can also authorize lawyer or notary public to do so. 	Mandatory registration	<ul style="list-style-type: none"> Registration fee is 250 HRK/34 EUR (not for notarial act); Notary public – 160-1600 HRK + 25 % VAT (25-250 EUR + 25 % VAT) –optional.
Taxation (esp. transfer tax)	n.e.	<ul style="list-style-type: none"> Notary public is obliged to submit a contract to competent tax administration; The same obligation has a buyer. 	Mandatory	4% of market value of the property

5.4 Creating a Mortgage

Table 12: Mortgage requirements				
Main steps to create a mortgage	Actors/institutions involved	Minimum standards for information	Fees expressed: In EUR as % of total purchase price <u>and</u> As a fixed amount (if available)	Typical risks associated to these steps
Conclusion of credit and mortgage agreement with lender (bank)	<ul style="list-style-type: none"> Notary public (certification of signature of mortgage contract); Notary public (voluntary notary mortgage: solemnisation of private mortgage contract or notary act); Court (voluntary judicial mortgage – judicial protocol); Mortgage can be established on a voluntary and involuntary bases. When voluntary three options are possible: <ul style="list-style-type: none"> Parties can conclude a mortgage contract; It can be voluntary notary mortgage; It can be voluntary judicial mortgage. <p>By applying the last two options the way to enforcement of mortgage in the last stage is much shorter.</p> <ul style="list-style-type: none"> Land registration court 	<p>Act on consumer credit (ESIS)</p> <p>Standard contract terms (banks)</p>	<p>Fee 47,50 HRK/7 EUR (certification)</p> <p>Notary act: 250-40.000 HRK (max) + 25% VAT + 3000 HRK(max) (notarial tax) (33 - 5.333 EUR + 25% VAT + 400 EUR)</p> <p>Solemnisation: 50% of fees for notary act + 1000 HRK/133 EUR (max) (notarial tax).</p> <p>Fees for notary act and solemnization are to be paid if they are carried out (in case of voluntary notary mortgage). In cases when the mortgage is established on the basis of mortgage contract (not voluntary notary mortgage) fee for certification of signature of mortgage contract is applied (fee 47,50 HRK/7 EUR (certification)).</p>	Insufficient information
Insertion of mortgage in the land register	Parties, lawyer, notary public (optional)	None	<ul style="list-style-type: none"> Registration fee is 250 HRK/ 34 EUR (not for notarial act); Notary public – 160 HRK + 25 % VAT (25 EUR + 25 % VAT) – optional. 	None

Table 12: Mortgage requirements

Credit sum paid to mortgagor (buyer) or seller	Bank	None	No separate fee	<p>In practice, it is agreed that the bank pays the price directly to the seller on behalf of the purchaser. The bank does not pay the loan before the pledge is registered. Generally, the pledge is registered while the seller is still registered as an owner. The seller agrees in the preliminary contract that the mortgage can be established on the property, in which way the buyer can be provided with a loan for the purchase of a property. In order to exclude any risks for the seller it is agreed that the bank, after registration as a creditor (pledgee), directly pays the purchase to the seller. It is actually an assignation. The risk for the seller arises from the fact that the mortgage is established on the seller's property before the seller receives the payment.</p>
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6. The process to rent or let a property

6.1 Main steps in the transaction process to rent and let a property

Table 13: Main steps of the process to rent and let a property	
Main steps	Process involved¹⁰
Finding and matching landlords and tenants	Advertisements in the newspapers, on internet sites, real estate agencies.
Information search by landlords or tenants (e.g. about salary, outstanding debts)	<ul style="list-style-type: none"> There is no possibility according to the law for a landlord to obtain information about the salary of a tenant as that would be contrary to the Act on personal data protection (Zakon o zaštiti osobnih podataka, Official Gazette of RC, Narodne Novine 103/03, 118/06, 41/08, 130/11, 106/12). However, the landlord can check if there is data about the potential tenant in the register of the consumer bankruptcy proceedings. The Croatian Consumer Bankruptcy Act (Zakon o stečaju potrošača, Official Gazette of RC, Narodne Novine 100/15) was entered into force on 1st of January 2016: according to the Act the register of the consumer bankruptcy proceedings is established and is publicly available. The landlord usually interviews the potential tenant and gets the information informally. (In the case of social rented housing, the financial situation and monthly income of the household is checked in the process of application for those dwellings through public housing tenders.); The tenant can check in the Land register if the landlord is an owner of the property that is going to be rented. That information is publicly available.
Inspection of the property by tenants (in some cases with the help of professionals)	The landlord and the tenant make a record determining the condition of the apartment at the time of handing over.
Delivery of mandatory information to tenants prior to the conclusion of the contract	Real estate agent, if involved in the process, is obliged to inform the principal on all circumstances relevant for the intended transaction, of which the agent is, or should be aware of.
Delivery of energy performance certificate to tenant	Landlord, real estate agent

¹⁰ Explain more precisely to what extent each step is relevant and how the step is performed

Table 13: Main steps of the process to rent and let a property	
Provision of additional guarantees to landlord	Security (zadužnica) notary act – clausula exequendi. Purpose of zadužnica is to secure the potential future financial claims of the lessor (landlord) to the lessee (tenant). It has the status as a final decision on enforcement which allows the lessor to forcefully charge the due claim directly from the debtor's bank account. Solemnisation of zadužnica by notary public is necessary. Clausula exequendi can be included in the tenancy contract: the lessee explicitly declares that s/he agrees that the lessor may, directly on the basis of that contract, immediately after the maturity date of the secured monetary claim, request an enforcement against him/her for the purpose of handing over the property in possession of the lessor and for payment of rent arrears.
Conclusion of the contract in the usual form (e.g. oral, written, pre-formulated)	Written contract
Rent payment and deposit (e.g. bank account)	Usually deposit of 1 or 2 month's rent
Registration of the contract in the land register (e.g. excluded, optional or mandatory)	Optional – recommendable
Other steps	<ul style="list-style-type: none"> • The landlord is obliged to submit the lease agreement and any changes in terms of the amount of rent to the administrative department of the local government and to local tax administration office; • Registration of residence.

6.2 Rent contract

Table 14: Rent contract				
Main steps	Actors involved per intermediate step	Payment details ¹¹		Typical risks associated to these steps
		Payments expressed : In EUR as % of total purchase price <u>and</u> As a fixed amount if available (add if VAT applies)	When is the payment made	
Finding and matching the parties	Real estate agents, optional (advertising in the newspapers)	<ul style="list-style-type: none"> Contracting parties are free to determine the amount of the fee for estate agent services; Fee can correspond to the amount of one-month rent but it is gradually increasing depending on the duration of a rent contract. In some agencies, if the contract is concluded for a period between 12 to 29 months they charge 100% of one monthly rent, if the contract is for a period longer than 60 months fee is 150% of a monthly rent. Some agencies charge minimally 75% of a monthly rent, when the contract is between 12 and 36 months fee is 100%, and over 36 months fee is 150% of a monthly rent. Some agencies charge 130% for contracts that last between 19 and 59 months and 160% for contracts of a period exceeding 60 months. Some agencies charge 2 months' rent for contracts concluded for period over 24 months. As it is evident, the commission varies from agency to agency. There is no official statistics/data regarding this question. 	After the conclusion of a rent contract	There is a possibility that the person acting as landlord is not the owner of the property. This aspect cannot always be checked as a large number of apartments are not yet registered in the land register.

¹¹ Payment shall be considered as the 'discharge of an obligation by its settlement equal to the monetary value of the debtor's obligation' while fees can be defined as 'a charge for services rendered' (Retrieved from: <http://www.investorwords.com/3634/payment.html>, <http://www.investorwords.com/1922/fee.html>). Payment, therefore, includes both the cost of the service and the fees for the service in question.

Table 14: Rent contract				
Information search by landlord on tenant (e.g. about salary, outstanding debts)	See table 13.	No separate fee	-	-
Inspection of the property by tenant (in some cases with the help of professionals)	Tenant in the presence of the landlord and/or real estate agent (if the whole process of renting is concluded through a support of real estate agent)	No separate fee	-	-
Delivery of mandatory information to tenant prior to the conclusion of the contract	Landlord or real estate agent if engaged in the process	No separate fee	-	-
Delivery of energy performance certificate to tenant	Landlord, real estate agent	All duties are within the main contract and its price is not expressed separately.	-	-
Conclusion of the contract in the usual form (e.g. oral, written)	Conclusion of the contract in written form; preformulated contracts are not usual.	If lawyer is drafting a contract Tariff for Lawyers' fee applies. If estate agency prepares the contract fee is included in the main contract between real estate agency and another contracting party (e.g. landlord).	After the conclusion of a rent contract	-
Rent payment and deposit (e.g. bank account)	Landlord, tenant	Deposit is transferred to the landlord and it usually corresponds to 1 or 2 month's rent.	n.e.	-
Registration of the contract in the land register or other device (excluded, optional or mandatory)	Optional	Registration fee is 250 HRK/ 34 EUR.	When submitting the application for registration	-

Table 14: Rent contract

<p>Other steps</p>	<ul style="list-style-type: none"> • The landlord is obliged to submit the lease agreement and any changes in terms of the amount of rent to the administrative department of the local government and to local tax administration office (within eight days from the day of commencement of renting, or the beginning of the receipt of the rent). The contracts are registered for tax purposes; • The administrative department of the local government keeps a record of apartments, landlords, tenants and rent prices. ¹² 	-	-	Landlords are sometimes avoiding this step, which can cause various problems. (e.g. taxation)
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¹² One of the ways in which those data are used is the following: According to Article 10 of Lease of Flats Act: "(1) Freely determined rent in the apartment lease contract which is signed for indefinite time cannot be changed before the expiration of one year. After that period, any contracting party can suggest the change of the rent amount. (2) In case of a change in the rent, after the expiration of the period from par. 1. of this article, rent can be contracted for a further period up to a maximum of 20% higher than the average freely determined rent in the same settlement for an apartment that can be compared with the rented apartment in terms of surface, equipment/ furnishing and location." Data on the amount of the average rent is provided by the administrative department of the local government according to the previously mentioned register. In addition to the above mentioned, the contract must also be submitted to the police when the tenant registers the residence at the address of the rented flat, for which the landlord must give consent.

6.3 Professional services performed in the real estate market related to renting and letting a property

Table 15: Professional services performed in the real estate market related to renting and letting a property				
Services in the real estate market	Minimum standards for information provided by law	Service providers involved	Quality of involvement (e.g. mandatory; exclusive rights)	Fees expressed: In EUR as % of total purchase price <u>and</u> As a fixed amount (if available)
Finding and matching landlords and tenants	General rules on consumer contracts	Real estate agent	Optional	Contracting parties are free to determine the amount of the fee for estate agent services.
Information search by landlords or tenants (e.g. about salary, outstanding debts)	See table 13	Landlord, tenant (real estate agency can also check in the Land register if the landlord is an owner of the property that is going to be rented)	Optional	Issuing of ownership certificate from Land register is subject to a fee of 20 HRK/ 3 EUR (if that is necessary - insight into the data in Land register is free of charge, which is usually enough). Real estate agencies charge a fee for issuing an ownership certificate, which varies from agency to agency, but it is usually from 100HRK/13,5EUR to 240HRK/32EUR plus the regular fee for the certificate.
Inspection of the property by tenants (in some cases with the help of professionals)	Landlord and tenant are obliged to make a record on the state of the flat at the moment of handing over.	Tenant in the presence of the landlord and/or real estate agent (if the whole process of renting is concluded through a support of real estate agent)	Mandatory	No separate fee

Table 15: Professional services performed in the real estate market related to renting and letting a property

Delivery of mandatory information to tenants prior to the conclusion of the contract	<ul style="list-style-type: none"> • Delivery of energy performance certificate to tenant is mandatory. Other information is optional; • In general, when real estate agent is engaged in the process, according to the Real Estate Brokerage Act, s/he is obliged to inform the principal of any circumstances important for the intended job (e.g. property renting) which s/he knows or should know. (Real Estate Brokerage Act, Art. 21). 	Landlord or real estate agent, if engaged in the process.	Delivery of energy performance certificate to tenant is mandatory.	No separate fee
Conclusion of the contract in the usual form (e.g. oral, written, preformulated)	Conclusion of the contract in written form.	Contracting parties (lawyer can be involved), real estate agency, if engaged in the process.	Conclusion of the contract is mandatory	If the lawyer is involved Tariff of Lawyers' fees is applied (see below).
Rent payment and deposit (e.g. bank account)	-	Depending on the contract, rent is to be paid to the bank account of the lessor or in cash. The same is for the deposit.	N/A	N/A
Registration of the contract in the land register (e.g. excluded, optional or mandatory)	Optional	Contracting party	Optional	Registration fee is 250 HRK/ 34 EUR.

7. Professional services regulation: notaries

7.1 Market entry and structure regulation

Table 16: Market entry and structure regulation

Table 16: Market entry and structure regulation		
	Regulation	
Subjective requirements	<i>Qualifications (diplomas, exams, concours) required to become a notary in the Country:</i>	Candidate for becoming a notary must be a holder of a Graduate diploma in law obtained at the Faculty of law in Croatia, or to have a notification of a law degree obtained in other country. Must have passed the bar examination and notary exam and must have at least five years' experience in the legal profession after passing the bar exam.
Objective requirements	<i>Do numerus clauses and other objective requirements exist?</i>	<ul style="list-style-type: none"> • Yes; • Number of notary public is limited and it is determined by the Ministry on the basis of the opinion obtained from the Croatian Notaries Chamber, courts and the competent county authority; • ((According to the Law on Notaries Public (Article 2) „notarial service consists of composing and issuing of official documents on legal activities, statements and facts on which the rights are based, official verification of private documents, receiving the documents, money and valuable objects into deposit in order to deliver them to other persons or authorized bodies, and carrying out procedures determined by law according to the order of the courts or other public bodies. The notarial service also consists of performing other activities regulated by law. A notarial service is performed by notaries public as independent holders of that service, who have a capacity of persons of public confidence. Notaries public perform their service as a sole; • Profession during the period for which they are appointed.
Citizenship requirements	<i>Are foreign candidates admitted de iure and also de facto under the same conditions as nationals?</i>	Yes, candidates from other EU Member States.
Inter-professional cooperation	<i>Are forms of collaboration between notaries and other professionals allowed and usual?</i>	Collaboration with lawyers is usual.
Business structure	<i>Are notary associations/corporations allowed?</i>	Yes, Croatian Notaries Chamber Membership is mandatory.

Table 16: Market entry and structure regulation

Geographical limitations	<i>Are there limitations with respect to the area in which the notary can exercise his/her activities (e.g. at the regional or municipal level)?</i>	Location of notary public is determined by the Ministry on the basis of the opinion obtained from the Croatian Notaries Chamber, courts and the competent county authority. Limitations are set according to the court area. If the court area has more than fifteen thousand inhabitants according to the last official census, then in the area of that court there should be, as a rule, at least one notary for every fifteen thousand inhabitants. If the municipal court has also the Commercial Court in his headquarters one more notary has to be appointed in addition to the previous rule; for every 200 registered legal entities in the area of the municipal court one more notary should be appointed.
	<i>Are these limitation restricted to specific tasks?</i>	No

7.2 Market conduct regulation

Table 17: Market conduct regulation

	Regulation	
Exclusive rights	<i>Specify for which transactions or parts of them only notaries may act against payment.</i>	Certification of signatures/notary act/solemnisation of private contracts.
Duty to provide services	<i>Are notaries allowed to refuse a request to act?</i>	Yes. A notary public is authorized to withhold the performance of certain acts in accordance with the regulations governing performance of these actions. A notary public is authorized to withhold to perform some action due to other engagements. Notary public has to refuse to undertake any official activity with a person of minor age or with a person that for any other legal reason is incapable to undertake/conclude a certain legal business. (Law on Notaries Public, Art. 34).

Table 17: Market conduct regulation		
Professional standards	<i>How are professional standards regulated? What are the tasks of the professional representation (e.g. Chamber of Notaries) in this context?</i>	Professional standards are regulated by the Law on Notaries Public, Statute, and the Code of Ethics of Notaries Public. The Chamber of Notaries (Hrvatska javnobilježnička komora) is entitled to preserve the reputation and honour of notaries, protect their rights and interests, and to make decisions upon their rights, obligations and responsibilities according to the Law on Notaries Public.
Mandatory intervention	<i>Is the intervention of a notary required for the registration procedure?</i>	Intervention of a notary is mandatory for the certification of signatures. Notaries' intervention is optional regarding registration in land register.
Compulsory indemnity insurance	<i>Is indemnity insurance compulsory? If yes, what is the indicative amount of the insurance?</i>	<ul style="list-style-type: none"> • Yes, it is compulsory; • According to Law on Notaries Public, notary public is obliged to obtain indemnity insurance for damage that could be caused to third persons from performance of official duty (art.17). The exact amount of the indemnity insurance is not prescribed by the law. The law also does not specifically define cases for which there should be a compulsory liability; • The insurance terms are jointly established by the insurers in the Republic of Croatia, in agreement with the Ministry responsible for judicial affairs and the Chamber of Notaries (art.17).
Continuing education	<i>Do forms of continuing education exist? If yes, is continuing education mandatory?</i>	Notary public Academy (not mandatory).
Advertising restrictions	<i>Are there limitations on advertising?</i>	<p>According to the Code of Ethics of Notaries Public (Kodeks javnobilježničke etike, Official Gazette of RC, Narodne Novine 55/11) limitations on advertising are as follows:</p> <p>Notaries should not use any of the following ways of advertising as that would be considered as disloyalty in business which is against the honour and reputation of public notices:</p> <ul style="list-style-type: none"> • Obtaining parties through offers, intermediaries or advertisements, and by application of a direct or indirect

Table 17: Market conduct regulation

		<p>pressures; giving third parties the advertising material; making bids for conducting official actions in the country or abroad by means of a public announcement or through a web site other than the Chamber website, or via circular letters or leaflets; marking the location of the office by placing the signs of the advertising form and/or content; public appearances, press releases, etc. with emphasis on its capacity as a notary public, or in a manner that could be understood as advertising; sponsoring events, activities or individuals with the aim, effect or possible effect of a direct or indirect promotion of a public notary; the direct and indirect publicity of the public notary; the use of an electronic address that incorrectly suggests that this notary is the only one in that place (for example: notar-zagreb@zg.t-com);</p> <ul style="list-style-type: none"> • It is permissible to publish once in the newspaper a notice of opening or relocating offices, whereby every impression as advertising should be avoided; • A notary may only have one label plate. The signboard must be placed on the building where the notary's office is located. The contents and form of the board are set out in the Notarial Rules of Procedure; • Principles of notary ethics of the International Union of Latin Notaries are also applied, according to which "Only forms of group advertising and highlighting are allowed, with exclusively informative character, which can be stimulated by professional bodies, or be regulated by these bodies, all subordinate to the principle of equality among notaries."
Fee regulation	<i>Notarial fees system</i>	It is regulated by the Regulation on the Notaries Public Fees.

Fee regulation:

According to Regulation on the Notaries Public Fees (Official Gazette of RC, Narodne Novine 38/94, 82/94, 52/95, 115/12) notaries fee is determined: 1. according to the value of the subject of a certified legal transaction or other official activity; 2. according to the time required for the preparation and performance of a particular official activity; 3. in a lump sum, regardless of the value or time required to undertake a certain official duty.

For the drafting of a notary public document, the public notary shall be entitled to a fee according to the following table:

1. If the value of the object of an official action is:

from HRK/EUR	to HRK/EUR	points
0	5.000,00/ 675,00	25
5.001,00/ 675,00	10.000,00/ 1.350,00	50
10.001,00/ 1.350,00	50.000,00/ 6.745,00	75
50.001,00/ 6.745,00	75.000,00/ 10.118,00	100
75.001,00/ 10.118,00	100.000,00/ 13.490,00	125
100.001,00/ 13.490,00	150.000,00/ 20.254,00	150
150.001,00/ 20.254,00	200.000,00/ 27.005,00	175
200.001,00/ 27.005,00	250.000,00/ 33.750,00	200
250.001,00/	300.000,00/	225

33.750,00	40.486,00	
300.001,00/ 40.486,00	350.000,00/ 47.234,00	250
350.001,00/ 47.234,00	400.000,00/ 53.982,00	300

If the amount exceeds 400.000,00 HRK/53.982,00 EUR, the notary public shall be entitled, in addition to the award of 300 points, to an additional award of 5 points for each commenced 50.000,00 HRK/6.745,00 EUR in the part in which the value exceeds 400.000,00 HRK.

The maximum prize shall not exceed 4,000 points.

The amount includes reward for the certification of a notary public act and for the issue of copies and transcripts if they are issued immediately after the drafting of the notary public acts.

If the certification (solemnization) of the private document can be carried out without the need for drawing a special notary public act, the notary is entitled to 50% of the reward from table.

For the verification of a signature, the notary public shall be entitled to a prize of 3 points for the first four copies of the same document. If a party requests the verification of further copies of the same document, the notary public shall be entitled to a prize of 1 point for each subsequent copy.

* 1 point= 10 HRK/1,35 EUR

8. Professional services regulation: lawyers or other licensed conveyancers (only relevant if legally admitted to perform real estate transactions and/or to assist the conclusion of tenancy agreements)

8.1 Market entry and structure regulation

Table 18: Market entry and structure regulation		
	Regulation	
Subjective requirements	<i>Conditions (diplomas, exams, concours) required to become a lawyer in your country.</i>	<ul style="list-style-type: none"> • Graduate diploma from Faculty of law; • Passing the bar exam; • 3 years' experience in law office or 4 years' experience in other legal professions.
Objective requirements	<i>Do numerus clauses and other objective requirements exist?</i>	<ul style="list-style-type: none"> • Number of lawyers is not limited; • ((According to the Law on the Legal Profession (Official Gazette of RC, Narodne Novine 09/94, 117/08, 50/09, 18/11) attorneys shall offer all kinds of legal assistance and they shall in particular: give legal advice, draft documents (contracts, wills, statements, etc.), draw up claims, complaints, motions, requests, extraordinary legal remedies and other pleadings, represent their clients. An attorney shall have the obligation to carry out his/her legal practice regularly and effectively. An attorney is not allowed to carry out activities that are contrary to the reputation and independence of the legal profession.))
Citizenship requirements	<i>Are foreign candidates admitted de iure and also de facto under the same conditions as nationals?</i>	According to the Law on the Legal Profession (Official Gazette of RC, Narodne Novine 09/94, 117/08, 50/09, 18/11) lawyer from another EU member state can be registered in the list of foreign attorneys and can exercise the profession of lawyer if s/he fulfils preconditions prescribed by the law. A lawyer has to have citizenship of the EU member state or the state which is party to the EEA Agreement; s/he has to have full working capacity; there has to be no investigation or criminal procedure against him/her for the felony for which the procedure is initiated ex officio; s/he may not perform any work that is incompatible with the attorney's office; s/he has to provide indemnity insurance contract; s/he has to submit a

Table 18: Market entry and structure regulation

		statement that s/he has the equipment and space required and suitable for performing a lawyer's service. This is also required from lawyer with Croatian citizenship. Foreigners have to pass the exam on the knowledge of the legal order of the Republic of Croatia. S/he has to submit a proof that s/he has the right to exercise the profession of lawyer in his/her country. If certain conditions are fulfilled, foreign lawyers may be exempted from some of the above-mentioned steps. These provisions have been applied since Croatia joined the European Union.
Inter-professional cooperation	<i>Are forms of collaboration between lawyers and other professionals allowed and usual?</i>	Yes, collaboration is permitted and it is applied. When it comes to real estate, there is collaboration with real estate brokers, real estate property evaluators, notaries public.
Business structure	<i>Are lawyer associations/corporations allowed?</i>	Yes
Geographical limitations	<i>Are there limitations with respect to the area in which the lawyer can exercise his/her activities (e.g. at the regional or municipal level)? Are these limitation restricted to specific tasks?</i>	No

8.2 Market conduct regulation

Table 19: Market conduct regulation		
	Regulation	
Exclusive rights	<i>Transactions or parts of them only lawyers may act against payment</i>	N/A
Neutrality	<i>Is the lawyer allowed to act on behalf of both parties involved in the transaction? In this case, what type of fees apply and which party has to bear them?</i>	<p>According to the Law on the Legal Profession, "An attorney shall offer legal assistance to any client who seeks it, and is allowed to deny it only for the reasons specified by the Law, the by-laws of the Association and the Attorneys' Code of Ethics.</p> <p>An attorney shall deny legal assistance if:</p> <ul style="list-style-type: none"> • S/he or any other attorney working or having worked in the same law office and on the same case or the cases connected with it has represented the opposite party or both parties, has given them legal advice or received instruction from them; • S/he has worked in the same matter or a matter legally connected with it as a law trainee for the attorney who has represented the opposite party; • S/he has worked in the same matter or a matter connected with it as a judge, a public attorney or an official in an administrative or other action; • S/he has worked in other situations prescribed by the Law, the by-laws of the Association and the Attorneys' Code of Ethics." (art.9). <p>An attorney shall cancel power of attorney for the same reasons for which s/he is allowed to deny legal assistance according to previously mentioned article. (http://www.vsrh.hr/CustomPages/Static/HRV/Files/Legislation__Law-Legal-Profession.pdf - in English, unfortunately in version from 1994 (latest amendments are from 2011)).</p>
Duty to provide services	<i>Are lawyers allowed to refuse a request to act?</i>	Yes
Professional standards	<i>How are professional standards regulated? What are the tasks of the professional representation (e.g. Chamber of Lawyers/Advocates) in this context?</i>	<ul style="list-style-type: none"> • Professional standards are regulated by Law on Legal Profession and the Attorneys Code of Ethics; • Croatian Bar Association is entitled to protect the reputation and independence of the legal profession, supervise lawyers and law offices, take care of continuing professional development of attorneys and law trainees.

Table 19: Market conduct regulation		
Compulsory indemnity insurance	<i>Is indemnity insurance compulsory? If yes, what is the indicative amount of the insurance?</i>	<ul style="list-style-type: none"> • Indemnity insurance is compulsory; • The lowest sum insured for each lawyer must be 800,000 HRK/ 108,000 EUR per insured case regardless of the total number of cases. In the case of Law Firm established as a limited liability company the sum is 9 000 000 HRK / 1 219 000 EUR per insured case, regardless of the total number of cases in that firm.
Continuing education	<i>Do forms of continuing education exist? If yes, is continuing education mandatory?</i>	Lawyers academy (not mandatory)
Advertising restrictions	<i>Are there limitations on advertising?</i>	<p>Yes, according to the Attorneys' Code of Ethics (Kodeks odvjetničke etike, Official Gazette of RC, Narodne Novine 72/08) limitations on advertising are as follows:</p> <p>Attorneys should not use any of the following ways of advertising as that would be considered as disloyalty in business which is against their honour and reputation:</p> <ul style="list-style-type: none"> • Obtaining parties through offers, intermediaries or advertisements; • Giving third parties the advertising material; • Promising commission or reward to others for finding parties; • Giving offers through foreign newspapers for representing clients or sending letters to foreign countries; • Giving offers for cheaper representation of parties; • Placing the attorneys signs with the attacking form and/or content; • Placing that sign on other places except the building in which the office is located; • Highlighting possible specialization in attacking manner; • Public appearances, press releases, etc. with emphasis on his/her capacity as an attorney, or in a manner that could be understood as advertising. <p>It is permissible to publish once in the newspaper a notice of opening or relocating offices, whereby every impression as advertising should be avoided.</p>
Fee regulation	<i>Lawyer fee system briefly</i>	It is prescribed by the Tariff for Lawyers' fee (see below).

Tariff for Lawyers' fee (extract related to real estate transactions):

The lawyer is entitled to charge a fee for drafting a contract depending on the value of the subject of the contract. The fee is calculated according to the data in the following table increased by 25% VAT.

Form HRK/EUR	To HRK/EUR	Points
0	2.500,00/ 337,00	25
2.500,01/ 337,00	5.000,00/ 675,00	50
5.000,01/ 675,00	10.000,00/ 1.350,00	75
10.000,01/ 1.350,00	100.000,0 0/ 13.490,00	100
100.000,0 1/ 13.490,00	250.000,0 0/ 33.750,00	250
250.000,0 1/ 33.750,00	500.000,0 0/ 67.448,00	500

If the amount exceeds 500.000,00 HRK/67.448,00 EUR, and it is up to 5.000.000,00 HRK/676.715,00 EUR the lawyer shall be entitled, in addition to the award of 500 points, to calculate a prize of 1 point for each commenced 1.000,00 HRK/135,00 EUR. If the amount exceeds 5.000.000,00 HRK/676.715,00 EUR and it is up to 10.000.000,00HRK/1.353.525,00 EUR the lawyer shall be entitled to calculate a prize of 1 point for each commenced 2.000,00 HRK/270,00 EUR. If the amount exceeds 10.000.000,00HRK/1.353.525,00 EUR the lawyer shall be entitled to calculate a prize of 1 point for each commenced 5.000,00 HRK/ 677,00EUR. The maximum prize shall not exceed 10,000 points.

Lawyers are entitled to charge 250 HRK/34 EUR (25 points) for issuing the ownership certificate from Land register and also 34 EUR for every hour spent when checking the data in the land register or other public registers and books. Fee for legal counselling is 500 HRK/68 EUR (50 points) for every hour.

* 1 point= 10 HRK/1,35 EUR

9. Professional services regulation: estate agents

9.1 Market entry and structure regulation

Table 20: Market entry and structure regulation		
	Regulation	
Subjective requirements	<i>Qualifications (level and duration of education and training, diplomas, exams, traineeships or professional experience requirements, concours) required to become an estate agent in your country. Other access requirements for a professional (such as compulsory membership in professional bodies/compulsory registration, minimum age requirements, clean criminal record, etc.)</i>	<p>There are preconditions for carrying out activities (exam, registration, etc.).</p> <ul style="list-style-type: none"> • At least a high school diploma; • Passing a professional exam for real estate agents; • Registration at the Register of real estate agents.
Objective requirements	<i>Do numerus clauses and other objective requirements exist?</i>	There is no rule on numerus clauses.
Licence requirements	<i>Are estate agents licenced or do they work as employees?</i>	Both forms are possible

Table 20: Market entry and structure regulation

<p>Citizenship requirements</p>	<p><i>Is unlimited access to the profession granted to foreign professionals de iure and de facto?</i></p>	<p>De iure – Act on Services /Act on recognition of professional qualifications</p> <ul style="list-style-type: none"> • Act on Services applies to services provided by service providers entitled to business on the territory of the Republic of Croatia or the state, which is party to the EEA Agreement. According to the principle of prohibition of restriction of free provision of services, a service provider based in another EEA state shall be provided with the possibility of free provision of service activities on the territory of the Republic of Croatia. • According to Real Estate Brokerage Act, the real estate agent is defined as a trading company, an individual trader or a craftsman, registered for performing real estate brokerage activity based in the territory of the Republic of Croatia; A trading company, an individual trader or a craftsman, registered for performing real estate brokerage activity based in the territory of the state which is party to the EEA Agreement (art.2). • Real estate agents have to fulfil requirements according to Real Estate Brokerage Act if they have their headquarters in the Republic of Croatia. Real estate agents from EEA countries have to meet the requirements in accordance with the regulations of their country. Real estate agent has to submit written statement of the intention to perform activities of real estate brokerage to Croatian Chamber of Economy, which keeps the record of real estate agents (art.4).
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Table 20: Market entry and structure regulation		
Inter-professional cooperation	<i>Are estate agents allowed to exercise another profession or business activity? Is inter-professional cooperation regulated?</i>	<ul style="list-style-type: none"> • Estate agents are allowed to exercise another profession or business activity. There is, however, one restriction: the agent must not (without a consent of an intermediary for whom s/he performs intermediate activities on the basis of a labour contract) simultaneously perform the same tasks for another intermediary or other work, that is identical or similar to the intermediation performed by an intermediary (his/her employer), or services related to the business that is the subject of intermediation (Art. 14, Real Estate Brokerage Act); • The Real Estate Association within the Croatian Chamber of Economy acts as a form of professional organization and connection of all companies dealing with real estate business; • The Croatian Chamber of Economy conducts a Register of Real Estate Brokers.
Business structure	<p><i>Indicate the share of estate agent acts acting as sole practitioners and as companies (if data are available)?</i></p> <p><i>Can the agent be employed by another agent or establish a partnership with other agents?</i></p> <p><i>Are there any restrictions on the corporate structure of a real estate enterprise (such as voting rights reserved to qualified members of a profession, shareholding requirements etc.)?</i></p>	Sole practitioners, companies, crafts agent can be employed by another agent.
Geographical limitations	<i>Are there limitations with respect to the area in which the estate agent can exercise his/her activities (e.g. at the regional or municipal level)? Are these limitation restricted to specific tasks?</i>	There are no territorial limitations in the performance of the activity. The estate agent's powers are set out in Article 2 (5). and those can be considered as his/her limitations.

9.2 Market conduct regulation

Table 21: Market conduct regulation		
	Regulation	
Neutrality	<i>Is neutrality regulated? Is the agent allowed to act on behalf of both parties involved in the transaction? In this case, what type of fees applies and which party bears these?</i>	<p>Article 847 Obligations Act (subsidiary application):</p> <ul style="list-style-type: none"> • (1) Unless otherwise agreed, the broker with a mandate to act from both parties may demand from each party only half of the commission and a half of expenses, where reimbursement of expenses has been agreed upon; • (2) The broker shall take care of the interests of both parties with diligence of an orderly and conscientious businessperson.
Professional standards	<i>How are professional standards regulated? Are entities or associations ensuring the professional representation and respect of rules of good practice (e.g. association of real estate professionals)?</i>	<ul style="list-style-type: none"> • Association of real estate professionals by Croatian Chamber of Economy; • Ethical Codex.
Compulsory indemnity insurance	<i>Is indemnity insurance compulsory for estate agents? If yes, what is the indicative amount of the insurance?</i>	<p>Compulsory insurance:</p> <ul style="list-style-type: none"> • min. 200.000 HRK per case/ 600.000 HRK all cases per year; • min. 26.227 EUR per case/ 80.000 EUR all cases per year; • The law does not specify if estate agents are supposed to have an insurance per case or for the whole year. It just sets the limits: the lowest amount of insurance is 200.000 HRK per case/ 26.227 EUR and the lowest amount for all cases within the year is 600.000 HRK/80.000 EUR. Real Estate Brokerage Act, article 5.
Continuing education	<i>Do forms of continuing education exist? If yes, is continuing education mandatory? What are the requirements related to the content and duration of continuing education? What are the consequences of non-compliance?</i>	N/A

Table 21: Market conduct regulation		
Advertising restrictions	<i>Are there limitations on advertising?</i>	<p>According to the Code of ethics for real estate agents (2011), "Mediation services should be offered to the market in a socially responsible manner. (art. 3)</p> <ul style="list-style-type: none"> • In the case of advertising properties that are the subject of business, in the media or in any other usual way, the mediator shall disclose the name of the company or business, and if necessary the other information viewed as significant for the business (art.9); • Intermediaries are required to respect fundamental ethical principles, which exclude actions that could harm other agents, in particular: presenting untruthful information to obtain the business and affairs of the parties; disregard of other agents in any way, to obtain jobs and parties; unrealistic estimates regarding real estate in order to obtain intermediary jobs and to exclude other agents from the market; appearances in the media for the purpose of personal promotion, to the detriment of other mediators.(art.23)"
Fee regulation	<i>Agents fee system</i>	<ul style="list-style-type: none"> • Free agreement between real estate agent and principal; • The principal pays fees.
Compulsory membership in professional bodies/compulsory registration	<i>Is membership in professional bodies compulsory? If so, what are the membership conditions and the membership fees? Does the professional body have a supervisory or another important regulatory role?</i>	There is no compulsory membership

10. The real estate market

10.1 Transaction costs for sample transactions

Table 22: Transaction costs VAT excluded						
	Estate agent ¹³	Technical services	Legal services	Land register fee	Transfer tax/stamp duty	Total usual transfer costs
€100,000 sales price (no mortgage)	4000	Technical services are not usual. They might be specially negotiated and charged.	2.812,50	34	4000	11.846,50
€100,000 sales price + 100.000€ mortgage	4000		3.137,00	34	4000	12.171,00
€250,000 sales price (no mortgage)	10.000		3.906,25	34	10.000	23.940,25
€250,000 sales price + 250,000€ mortgage	10.000		4.383,75	34	10.000	24.417,75
€500,000 sales price (no mortgage)	20.000		7.291,67	34	20.000	52.325,67
€500,000 sales price + €500,000 mortgage	20.000		7.950,00	34	20.000	52.984,00
%VAT applicable	25 %					

Provision for real estate 4% of the transaction value, Mortgage contract – solemnised mortgage contract prepared by bank, notary public - application for registration per Internet – sales contract prepared by lawyer.

13

An agent usually receives a percentage of the transaction value.

10.2 Transaction features

Table 23: Transaction features			
Transaction / service	Party bearing the costs of intermediation service (buyers or sellers, landlords or tenants) Costs expressed: In EUR as % of total purchase price <u>and</u> As a fixed amount (if available)	Indicate fees as expressed in the contract: In EUR as % of total purchase price <u>and</u> As a fixed amount (if available)	Possible hidden costs faced by buyers or tenants
Estate agents	Estate agent is usually paid by the party who hired him/her.	Contracting parties are free to determine the amount of the fee for estate agent services. It is usually certain percent of total purchase price.	N/A
Technical services	N/A	N/A	N/A
Legal services	Party who hired the lawyer.	See at point 8.2 explanation of Tariff for Lawyers' fee	N/A
Land register fees	Buyer	Registration fee is 250 HRK/ 34 EUR.	N/A
Taxes on conveyancing	N/A	N/A	N/A
Transfer taxes	Buyer	4% of market value of the property	-

10.3 Taxes during the process of buying and selling a property

Table 24: Taxes related to buying and selling a property			
	Relevance of the tax	When to pay the tax as part of the process of buying or selling	Tax amount (expressed in EUR as % of total purchase price <u>and</u> as a fixed amount if available)
Registration tax¹⁴	No	-	-
Mortgage tax	No	-	-
Cadastral tax	Yes	After conclusion of the contract, precondition for acquiring the ownership right through registration	Registration fee is 250 HRK/ 34 EUR.
Stamp tax	No		
Transfer tax (tax on the acquisition of property)	Yes	After conclusion of the contract	4% of market value of the property
Archives tax	No	-	-
Other taxes	No	-	-

¹⁴ Registration taxes are public levies associated with the registration act. They are not to be confused with registration fees, i.e. the payment required by the registration office to carry out the registration. Registration fees are contained in Table 10.

10.4 Taxes during the process of renting and letting a property

Table 25: Taxes related to renting or letting a property			
	Relevance of the tax	When to pay the tax in the process of renting or letting	Tax amount (expressed in EUR as % of total purchase price <u>and</u> as a fixed amount if available)
Registration tax	No	–	–
Stamp tax	No	–	–
Other taxes concerning the use of the property	No	–	–

There is no special fee unless the contract is entered into the land register - then the fee is the same as for the selling/buying process.

Income tax from property rent: the tax base – rent amount from tenancy agreement (or from the Tax Administration estimated rent) with fixed deductions of 30% of the gross rent; tax rate is 12%.

(Calculation of income tax from property rent is based on the amount of rent from tenancy contract (or the rent estimate from the Tax administration). 30% of that amount is recognized as a reduction for the costs, which is not subject to taxation. The remaining 70% is subject to taxation and a tax rate for that part is 12%. Example: if the monthly rent is 1000,00HRK, 30% of deductions will be 300,00HRK. The remaining 700,00HRK is subject to taxation and the tax rate is 12%, which means that the tax for that rent will be 84,00HRK. On that amount (84,00HRK) there can be also tax (prirež) to be paid. Namely, the tax (prirež) on income tax (porez na dohodak) is paid on the amount of personal income tax in case the lessor has a permanent residence or a habitual residence in the area of a municipality or city, which, by its decision, prescribed the tax on income tax. That tax is not the same for the whole country. For example in Zagreb (the capital city) it is 18% (for a city which has less than 30.000 inhabitants it is up to 12%, and for more than 30.000 it is up to 15%). According to the example provided above, it will be 18% for that amount of 84,00HRK, which is 15,12HRK, making total amount of 99,12HRK. There is also possibility for paying a profit tax if the lessor has earned more than a certain amount, which is prescribed by the law in the previous tax period))

Grad ispod 30.000 stanovnika do 12%

3. Grad iznad 30.000 stanovnika do 15%.

11. Consumer situation in the market

11.1 Consumer rights

Table 26: Consumer rights		
Are there specific consumer rights in the context of real estate transactions and residential tenancies in your country? In particular: are residential tenants treated as consumers?	<i>With respect to buyers</i>	Consumer sales contract v. seller (seller in the sense of a business as defined in the consumer directives - provisions on consumer protection in consumer contracts apply); consumer credit contract v. creditor; general rules on consumer contract v. real estate agent.
	<i>With respect to sellers</i>	General rules on consumer contract v. real estate agent
	<i>With respect to tenants</i>	<ul style="list-style-type: none"> • General rules on consumer contract v. agent; special rules from tenancy contract v. landlord; • Residential tenants are treated as consumers in accordance with general rules on consumer protection in consumer contracts.
	<i>With respect to landlords</i>	General rules on consumer contract v. real estate agent.
Which existing marketing practices are non-compliant with national consumer legislation?	Conclusion of rent contract only in oral form - the lack of a written form makes it difficult to settle disputes between the tenant and the lessor (landlord).	
Which existing marketing practices are non-compliant with EU consumer legislation?	-	
Are there existing marketing practices detrimental to consumers, even if not necessarily illegal, in both domestic and cross-border transactions?	High costs of transactions, problems with creditworthiness of consumers	

11.2 Consumer complaints

Table 27: Consumer complaints	
How often do buyers and sellers complain due to arising legal issues (e.g. invalid contract, missing information, hidden defects, missing building permit, delay in payment)?	The complaints arise mostly from missing information, missing building permits, problems and delay with registration because of inaccurate entries in land register and absence of registration of seller, absence of registration of the building in the cadastre.
How often do tenants and landlords complain due to arising legal issues (e.g. invalid contract, missing information, increase of rent, termination of the contract without proper notice)?	Complaints arise mostly from non-payment of the rent and invalid contract because of the lack of written form. It is difficult to specify the frequency with which this happens.
Are consumer complaints against a professional service provider frequent, in particular as regards the fees and quality or service?	No data available
To whom can consumers complain (e.g. local or national administration, consumer protection agencies)? And through which means (e.g. formal letter, online form)? Is the procedure effective (in particular: average time needed for reply, solutions available for redress)?	Consumers may complain to courts, consumer protection organisations, ombudsman, local and national administration, on line form, formal letter.