

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

Country fiche – Estonia

General Information

Country	Estonia
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Main Sources Used	<p>Law of Obligations Act of 2001</p> <p>General Part of Civil Code Act of 2002</p> <p>Property Law Act of 1993</p> <p>Land Register Act of 1993</p> <p>Notaries Act of 2000</p> <p>Consumer Protection Act of 2016</p> <p>Ave Hussar, Tenlaw Project, national report on Estonia http://www.tenlaw.uni-bremen.de/reports/EstoniaReport_18062014.pdf</p> <p>Secondary literature is scarce given the small size of the country and the limited number of academics working in the field.</p>

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 transactions ¹	Strictly regulated. Law provides strict rules on conditions, formal requirements and role of the notaries in transactions concerning purchase of the real estate. Contracts for use of residential real estate outside the real rights are less regulated.	Law of Obligations Act, 26.09.2001, in force 1.07.2002. General Part of Civil Code Act, 27.03.2002, 01.07.2002. Property Law Act, 09.06.1993, in force 01.12.1993. Apartment Ownership Act, 15.11.200, in force 01.07.2001. Land Register Act, 15.09.1993, in force 1.12.1993	There are no discussions about the regulation or deregulation of the legal acts concerning real estate transactions.
Notary system (or lawyer/conveyancer system) ²	Strictly regulated. The duties and responsibilities of notaries and the formal requirements for notarial acts are strictly regulated by law.	Notaries Act, 06.12.2000, in force 01.02.2002. Notarisation Act, 14.11.2001, in force 01.02.2002. Notaries Statute, regulation, Minister of Justice, 19.06.2009, in force 3.07.2009. Notary Fee Act, 20.03.1996, in force 19.04.1996.	There are no discussions about the deregulation or regulation of the role of notaries in transactions with real estate.

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

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

Table 1: Level of regulation

<p>Profession of estate agents</p>	<p>Profession is not regulated. Professional requirements are established by real estate agencies.</p> <p>Agency (brokerage) as contractual relation and standards of services are regulated in the Law of Obligations Act (LOA).</p>	<p>Professions Act³ § 5 provides that the regulation of qualification standards has to be established by the ministry. The procedure for drafting, editing and formalization of professional standards was adapted by the Minister of Education and Science, 28.11.2008. Under this regulation, the right to approve qualification standards pertains to the committee: 'Real Estate Agent professional qualification standard' approved by Qualification Authority's Construction, Real Estate, and Geomatics Committee, 17.02.2014 for 5 years (by Professions Act). The Estonian version of the European standard applies: EVS-EN 15733:2010 (translation of the European Standard EN 15733:2009) Services of real estate agents Requirements for the provision of services of real estate agents. Law does not regulate that estate agents have to be qualified.</p> <p>The legal position of the estate agent as a contracting party is regulated by the Law of Obligations Act (2002)- general and specific rules (mandate (§§ 619-634), brokerage (§§ 658-669) and agency (§§ 670-691) contracts).</p>	<p>There have been discussions on need for legal regulation of professional qualification requirements of real estate agents in media in 2015-2016. However, there were no discussions on the level of legislator.</p>
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³ Professions Act, passed 22.05.2008, in force 01.09.2008. Available in English at: <https://www.riigiteataja.ee/en/eli/501072015005/consolide>.

1.2 National legislation

Table 2: List of national legislation

List of national legislation	Classification of national legislation	Content of the national legislation
Law of Obligations Act, 26.09.2001, in force 1.07.2002. ⁴	General legal act that applies to all type of parties and contracts (to consumers, to businesses, to persons outside their professional activities, to real estate transactions and other transactions, i.e. to buyers and sellers, landlords and tenants).	<p>LOA (Law of Obligations Act) regulates the following aspects of the real estate market services:</p> <ol style="list-style-type: none"> 1. Conclusion of the obligational contract in general, main elements of the contract, terms of the contract, performance and remedies. 2. Parties: consumer and trader. For the purposes of this Act, a consumer is a natural person who concludes a transaction not related to independent economic or professional activities (§ 1(5)).⁵ For the purposes of this Act, a trader is a person, including a legal person in public law, who concludes a transaction which is related to independent economic or professional activities (§ 1(6)). <p>Preliminary contract § 33</p> <ol style="list-style-type: none"> (1) A preliminary contract is an agreement under which the parties undertake to enter into a contract in the future under the terms agreed upon in the preliminary contract. (2) If, pursuant to law, a contract is to be entered into in a specific format, the preliminary contract shall also be entered into in the same format. <p>3. Contract of sale § 208</p> <ol style="list-style-type: none"> (1) By a contract of sale of a thing, a seller undertakes to deliver an existing thing, a thing to be manufactured or produced or a thing to be acquired in the future by the seller to the purchaser and to allow the transfer of ownership to the purchaser, and the purchaser undertakes to pay the purchase price for the thing to the seller in cash and to take delivery of the thing. Consumer sale is the sale of a thing on the basis of a contract of sale where a consumer is sold a movable by a seller who enters into the contract in the course of his or her economic or professional activities (§ 208(4)) <p>4. Brokerage contract § 658</p> <p>By a brokerage contract, one person (the broker) undertakes to act as an intermediary for another person (the mandator) who enters into contracts with third persons or to indicate to the mandator opportunities for entering into contracts with third persons, and the mandator undertakes to pay a fee (a brokerage fee) for such activities to the broker.</p>

⁴ Law of Obligations Act (võlaõigusseadus), in force from 1.07.2002 (hereinafter referred as LOA). Available in English at: <https://www.riigiteataja.ee/en/eli/524012017002/consolide>.

⁵ Buyers of the real estate do not enjoy the protection available to consumers of goods (movables) except when it is provided for by the law. For example § 218 lg 21 of the LOA.

	<p>5. Liability of seller in event of lack of conformity of thing, § 218: (2¹) In the case of a contract of sale, the object of which is an immovable property or a part thereof, apartment ownership or restricted real right, the part of which is a building, or membership of a building association, and which has been entered into by a seller who is engaged in economic and professional activities and a buyer who is a consumer, it is presumed that any non-conformity with the terms and conditions of the contract which becomes evident within two years as of the day of delivery of the building to the consumer existed at the time of delivery of the building, if such an assumption is not inconsistent with the nature or defect of the building. Agreements that derogate from the provisions of this subsection to the detriment of the consumer are void.</p> <p>6. Agency contract § 670 By an agency contract, one person (the agent) undertakes, in the interests of and for the benefit of another person (the mandator), to negotiate or enter into contracts in the name and on account of the mandator independently and on a permanent basis. The mandator undertakes to pay a fee to the agent therefor.</p> <p>Information obligations: § 14 - general information obligations; § 141- general information obligations in consumer contracts § 4033 – pre-contractual information in case of consumer credit contracts relating to residential immovable property § 541 (1) - information obligations in consumer credit contracts relating to residential immovable property entered into at distance.</p> <p>Principle of responsible lending § 403⁴. Implementation of principle of responsible lending (as defined in the Mortgage Credit Directive). The principle of responsible lending is not defined in Estonian law but can be described in terms of the various obligations of the creditor in the pre-contractual phase. In addition to the LOA, the Creditors and Credit Intermediaries Act is applicable (private law rules). In accordance to the § 403³ (1) of the LOA the creditor or the credit intermediary provides the consumer with the personalised pre-contractual information so that the consumer can compare the consumer credit contracts relating to residential immovable property available on the market, assess the implications of the contracts and make an informed decision on entry into a credit contract. The creditor or credit intermediary provides the consumer with the pre-contractual information taking into consideration the information received from the consumer on his or her needs, financial situation and preferences in accordance with the provisions of clause 403⁴ (1) 1) and subsections (2), (3) and (4) of this Act.</p>
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		<p>The consumer is provided with the information without undue delay after receipt of the information specified in the previous sentence from the consumer and at the same time within a reasonable time before the consumer enters into a consumer credit contract relating to residential immovable property or makes a binding offer.</p> <p>To comply with the principle of responsible lending, the creditor is obliged, prior to entry into a consumer credit contract in accordance with the § 403⁴ (1) of the LOA</p> <p>1) To acquire information which allows to assess whether the consumer is able to pay back the credit under the conditions agreed upon in the credit contract (hereinafter creditworthiness), and</p> <p>2) To assess the creditworthiness of the consumer.</p> <p>In assessing the creditworthiness of the consumer, the creditor shall take into consideration all the circumstances known to the creditor which may have an impact on the consumer's ability to repay the credit under the terms and conditions agreed upon in the contract including the consumer's financial situation, regular income, other financial obligations, performance of earlier payment obligations and the impact of potential increase of the financial obligations arising from the consumer credit contract by means of determining the extent of the required assessment operations according to the terms and conditions of the consumer credit contract, available consumer data and the amount of the financial commitment undertaken. Upon performance of the obligation provided for in previous sentence, the creditor must also be based on the provisions of clauses 49 (1) 1) to 7), clauses (2) 1) to 3), clauses (3) 1) to 3) and subsection (7) of the Creditors and Credit Intermediaries Act (§ 403⁴ (2) of the LOA).</p> <p>In accordance to the § 403⁴ (3) and (4) of the LOA:</p> <p>(3) In order to obtain information necessary for an assessment of creditworthiness, the creditor shall request information from the consumer, if necessary, and use appropriate databases. The consumer must provide the creditor with correct and complete information, which is necessary for assessment of his or her creditworthiness.</p> <p>(4) In order to obtain the information that allows assessing the creditworthiness of a consumer, a creditor shall inform the consumer about what kind of information specified in subsection (2) of this section, which evidence to prove it and during which term the consumer must submit to the creditor. The creditor verifies the information provided by the consumer according to subsections 50 (3) and (4) of the Creditors and Credit Intermediaries Act⁶.</p>
General Part of Civil Code Act, 27.03.2002, 01.07.2002 ⁷	General legal act which applies to all type of parties (to consumers, businesses, private persons) and	General rules on persons, objects of the rights and obligations, things, transactions, expression of intention, formal requirements, conditions, nullity and voidability of contracts, representation, prescription, dates and performance of the obligations.

⁶ See additional information below and fn 32.

⁷ General Part of Civil Code Act (tsiviilseadustiku üldosa seadus), 27.03.2002, 01.07.2002. Available in English at: <https://www.riigiteataja.ee/en/eli/ee/524012017002/consolide/current>.

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	<p>contracts (all transactions with real estate and other connected transactions), i.e. to buyers and sellers, landlords and tenants.</p>	<p>Principle of separation: § 6(3)- Rights and obligations shall be transferred by a corresponding transfer transaction (disposition). Each right and obligation shall be transferred separately unless otherwise provided by law.</p> <p>Principle of abstraction: § 6(4)- The validity of a disposition is not contingent upon the validity of the transaction that requires transfer of the right or obligation.</p> <p>Objects and things: § 48. Definition of object Objects are things, rights, and other benefits that can be the object of a right.</p> <p>§ 50. Immovables and movables (1) An immovable is a delimited part of land (plot of land). (2) Things which are not immovables are movables.</p> <p>§ 54. Parts of immovables (1) The essential parts of an immovable are the things permanently attached to it, such as buildings, standing crop, other vegetation and unharvested fruit. (2) Buildings that are constructed on the land of another on the basis of a real right and are permanently attached to the land, and things attached to the land for a temporary purpose are not parts of an immovable. Utility networks or utility works located on an immovable which have been constructed on the immovable on the basis of a real right and in respect of which the obligation to tolerate arising from law applies, are not parts of the immovable. (3) A building remaining on a plot of land upon extinguishment of a real right becomes an essential part of the plot of land. (4) The real rights relating to an immovable are essential parts of the immovable unless otherwise provided by law.</p> <p>Transaction:</p> <p>§ 67. Definition of transaction (1) A transaction is an act or a set of interrelated acts that contains a declaration of intention directed at bringing about a certain legal consequence. (2)... A multilateral transaction is a transaction for the performance of which a declaration of intention of two or more persons is necessary. Multilateral transactions are contracts.</p> <p>§ 68. Types of declarations of intention (1) A declaration of intention may be expressed in any manner unless otherwise prescribed by law.</p> <p>§ 69. Making declaration of intention (1) A declaration of intention directed at a certain person (recipient of the declaration of intention) shall be expressed by the party making the declaration and enters into force upon</p>
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receipt. A declaration of intention that is not directed at a certain person enters into force upon expression of the intention.

§ 72. Withdrawal of declaration of intention

A declaration of intention is deemed not to have been made if a declaration of intention withdrawing the initial declaration reaches the recipient prior to or simultaneously with the initial declaration.

§ 77. Choice of form of contract

(1) A transaction may be entered into in any format unless a mandatory format of the transaction is provided by law.

(2) If the parties have entered into a transaction in a particular format or have agreed on the format of the transaction, the requirements provided by law for such format are presumed to apply.

(3) A transaction entered into in a format prescribed by law shall be amended only in the format in which the transaction was entered into unless otherwise provided by law. A transaction entered into in a format prescribed by an agreement between the parties may be amended in another format only if so agreed upon between the parties.

§ 79. Format which can be reproduced in writing

If the format that can be reproduced in writing is prescribed for a transaction by law, the transaction shall be entered into in a format enabling repeated written reproduction and shall contain the names of the persons entering into the transaction, but need not contain hand-written signatures.

§ 80. Electronic format

(1) A transaction in electronic format is deemed to be equal to a transaction in written format unless otherwise provided by law.

(2) In order to comply with the requirements for the electronic format, a transaction shall:

- 1) be entered into in a format enabling repeated reproduction and
- 2) contain the names of the persons entering into the transaction and
- 3) be electronically signed by the persons entering into the transaction.

(3) An electronic signature shall be given in a manner that allows the signature to be associated with the content of the transaction, the person entering into the transaction and the time of entry into the transaction. The procedure for attributing an electronic signature to a person and for giving electronic signatures shall be provided by law. A digital signature is also an electronic signature.

§ 82. Notarial authentication of transaction

In the cases prescribed by law or an agreement between the parties, a transaction shall be authenticated by a notary. Estonian notaries have the right to authenticate transactions. In the

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		<p>cases provided by law, the right of notarial authentication of transactions may be exercised by another person instead of a notary.</p> <p>§ 83. Failure to comply with required format of transaction</p> <p>(1) Upon failure to comply with the format provided for a transaction by law, the transaction is void unless otherwise provided by law or the objective of the formal requirements.</p> <p>(2) Upon failure to comply with a format agreed upon, the transaction is void unless otherwise provided by law or an agreement between the parties.</p> <p>§ 117.</p> <p>(1) Right of representation is a collection of rights within the limits of which a representative may act on behalf of the principal.</p> <p>(2) A right of representation may be granted by a transaction (authorisation) or it may arise from law (right of representation arising from law).</p> <p>§ 146. Limitation period for claim arising from transaction</p> <p>(1) The limitation period for a claim arising from a transaction shall be three years.</p> <p>(2) The limitation period for a claim arising from a contract for services due to deficiencies in a structure shall be five years. A claim arising from a sales contract due to deficiencies in a structure shall not expire before five years have passed from completion of the structure.</p> <p>(3) If deficiencies in a structure are due to deficiencies in the raw material or other materials purposefully used in the construction of the structure, the limitation period for claims arising from deficiencies in such materials shall be five years.</p> <p>(4) The limitation period for the claims specified in subsections (1)–(3) of this section shall be ten years if the obligated person intentionally violated the person's obligations.</p> <p>(5) The limitation period for claims for transfer of immovable property, for encumbering immovable property with a real right, for transfer or termination of a real right or for amendment of the content of a real right shall be ten years.</p> <p>§ 155. Expiry of restitution claims arising from right of ownership and claims arising from family law or law of succession</p> <p>(1) The limitation period for restitution claims arising from a right of ownership and for claims arising from family law or law of succession shall be thirty years as of the moment when the claim falls due unless otherwise provided by law.</p> <p>(2) A restitution claim arising from a right of ownership against an arbitrary possessor does not expire.</p>
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<p>Property Law Act, 09.06.1993, in force 01.12.1993</p>	<p>General legal act which applies to all type of parties (to consumers, businesses, private persons) and contracts (all transactions with real estate and other connected transactions), i.e. to buyers and sellers, landlords and tenants.</p>	<p>Consist of rules on property law issues (ownership, possession, usufruct, land register, acquisition in good faith, transaction for acquisition of ownership, conclusion of real right contract.</p> <p>§ 64¹. Transfer and encumbrance of immovable property ownership For the transfer of immovable property ownership or encumbrance of an immovable with a real right and for the transfer or encumbrance of a real right encumbering an immovable or the amendment of the content of such real right, a notarial authenticated agreement between the entitled person and the other party (a real right contract) is required and a corresponding entry shall be made in the land register, unless otherwise provided by law.</p> <p>§ 119. Transaction for acquisition of immovables (1) A transaction by which acquisition or disposal of an immovable is undertaken shall be authenticated by a notary. (2) A transaction constituting an obligation entered into without observing the formality provided in subsection (1) of this section becomes valid if a real right contract is entered into for the performance of the transaction and a corresponding entry has been made in the land register.</p> <p>§ 120. Real right contract for transfer of immovable property ownership (1) A real right contract required for the transfer of immovable property ownership shall be authenticated by a notary. A judicial compromise may also contain a real right contract. (2) Any real right contract required for the transfer of immovable property ownership that is entered into conditionally or by setting a term is void. (3) A notary shall authenticate a real right contract specified in subsection (1) of this section only if the document specified in subsection 119 (1) of this Act is submitted to the notary or if the document is authenticated by a notary at the same time as the real right contract</p> <p>§ 123. Acquisition of immovables by prescription of land register entry (1) If a person is entered in the land register as the owner of an immovable without legal basis, the person becomes the owner of the immovable if the person possesses the immovable as an owner for ten years without interruption. (2) The provisions concerning prescription of movables apply to the calculation of the term specified in subsection (1) of this section. The running of the term shall be suspended for the period during which an objection is entered in the land register concerning the correctness of the land register entry.</p>
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Apartment Ownership Act, 15.11.2000, in force 01.07.2001 ⁸	General legal act which applies to all type of parties (to consumers, businesses, private persons) and contracts (all transactions with real estate and other connected transactions), i.e. to buyers and sellers, landlords and tenants.	<p>General provisions concerning apartment ownership</p> <p>§ 1. Definition of apartment ownership (1) "Apartment ownership" means ownership of the physical share of a construction works together with a legal share of common ownership to which the physical share belongs. Provisions of the Law of Property Act concerning immovable property ownership apply to apartment ownership in issues not regulated by this Act. (2) For the purposes of this Act, the objects of common ownership are a plot of land and such parts and equipment of a construction works which pursuant to subsection 2 (2) of this Act are not part of the physical share of any apartment ownership and are not in the ownership of a third person. (3) The physical share of a construction works and the legal share of common ownership that are objects of apartment ownership cannot be separately transferred, encumbered or bequeathed. (4) An apartment ownership shall be restricted to one immovable.</p> <p>§ 2. Physical share of object of apartment ownership (1) The physical share of an object of apartment ownership is a delimited dwelling or non-residential premises and parts of the building belonging thereto, which enable separate use and which can be altered, removed or added without violating common ownership or the rights of other apartment owners and without altering the external form of the building. A part of a garage with a permanent marking may also be part of a physical share of an object of apartment ownership.</p>
Land Register Act, 15.09.1993, in force 1.12.1993 ⁹	General legal act which applies to all type of parties (to consumers, businesses, private persons) and contracts (all transactions with real estate and other connected transactions), i.e. to buyers and sellers, landlords and tenants.	<p>Main principles of the maintenance of the land register</p> <p>Main concepts:</p> <p>§ 1. Purpose of Land Register Act (1) The Land Register Act provides for the procedure for maintenance of land registers.</p> <p>§ 2. Chief processor and authorised processor of land register The chief processor of the land register is the Ministry of Justice and the authorised processors are the land registry department of Tartu County Court and the Centre of Registers and Information Systems.</p>

⁸ Apartment Ownership Act (korteriomandiseadus), 15.11.200, in force 01.07.2001. Available in English at: <https://www.riigiteataja.ee/en/eli/ee/521052014004/consolide/current>.

⁹ Land Register Act (kinnistusraamatuseadus), 15.09.1993, in force 1.12.1993. Available in English at: <https://www.riigiteataja.ee/en/eli/ee/519062017006/consolide/current>.

§ 8. Immovables to be entered in land register

(1) All immovables shall be entered in a land register unless otherwise provided by law. An independent register part is opened for each immovable entered in a land register and a separate number (registered immovable number) is assigned thereto.

(4) A register part is opened on the basis of an application of the owner.

Entries into the Land Register is in the competence of judges and assistant judge.

§ 32¹. Competence of assistant judge and judge upon registration

The competence of a judge and assistant judge upon registration is provided in the Code of Civil Procedure.

§ 32². Competence of land registry secretary

(1) A land registry secretary is competent to review registration applications and prepare draft rulings on entry.

§ 33. Registration

(1) Registration is the making of an entry in a land register, including amendment or deletion of an entry, on the basis of a ruling of a person with registration competence.

(2) An entry is made after payment of a fee unless otherwise provided by law.

§ 34. Submission of registration application

(2¹) A registration application shall be certified by a notary or digitally signed. The certified registration application shall be submitted together with the documents necessary for registration to the land registry department through the intermediary of the notary who certified the registration application over the electronic information system of notaries. For good reason the registration application and the documents required for registration may be submitted through another notary. The notary shall explain to a person what documents shall be appended to the registration application and what requirements apply to them.

(2²) An authorisation document for submission of the registration application shall be certified by a notary or digitally signed.

§ 35. Documents necessary for registration

(1) The following documents shall be appended to a registration application:

- 1) a standard format disposition;
- 2) required consents;
- 6) information which allows to verify payment of the state fee;
- 7) Other documents provided by law that are necessary for registration.

(1¹) The original of the document or a notarial or officially certified copy shall be submitted to the land registry department. The officially certified copy may be electronic. In such case, the digital signature of a person or digital stamp of an agency shall replace the name and signature of the person who has given the certification and the seal of the agency.

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		<p>(1²) If the document is located in the land registry file, the document need not be submitted again. The location of the document shall be indicated in the registration application.</p> <p>(4) The notation concerning the securing of an action and a judicial mortgage are entered in the land register on the basis of a registration application and a court ruling unless otherwise provided by law. The consent of a person concerned is not required for the making of an entry.</p> <p>§ 77¹. Definition</p> <p>(1) An electronic land register shall consist of:</p> <ol style="list-style-type: none"> 1) a land register; 2) a land registry file; 3) a land registry journal; <p>§ 77⁹. Entry into force of entry</p> <p>(1) A prerequisite for entry into force of an entry is its signature by a person with registration competence.</p> <p>(2) An entry enters into force upon storage on a data medium designated for land register entries.</p> <p>(3) All entries except the entries specified in subsection 13 (2) shall be provided with the date of entry into force.</p>
Notaries Act, 06.12.2000, in force 01.02.2002 ¹⁰	General legal act which applies to all type of parties (to consumers, businesses, private persons) and contracts (all transactions with real estate and other connected transactions), i.e. to buyers and sellers, landlords and tenants.	<p>The Act regulates the office of notary and the status of the Chamber of Notaries. The procedure for notarial authentication, the disciplinary liability of notaries and the rates of notaries' fees are regulated by other Acts.</p> <p>A notary is a holder of office in public law, an independent official to whom the state has delegated the duty of ensuring the security of legal relationships and prevention of legal disputes (§ 2(1)). A notary executes his or her office as a liberal profession in his or her own name and at his or her own responsibility. An undertaking or a state official shall not be a notary (§ 2(3)). A notary shall be guided by the oath of office and shall also act in a dignified manner outside of his or her professional activities (§ 2(5)).</p> <p>§ 29. Notarial acts</p> <p>(1) A notary performs notarial acts at the request of persons pursuant to the procedure prescribed by law.</p> <p>(2) A notary shall charge fees prescribed by law for the performance of notarial acts. Agreements for changing the rates of fees provided by law are prohibited and void. Notaries provide also notarial services on the bases of the contract like legal counselling (§ 32 (3)1); depositing of money, except cash, securities, documents and other items, if this is not an official duty or an official duty arising from it (§ 32(3)8)).</p>

¹⁰ Notaries Act (notariaadiseadus), 06.12.2000, in force 01.02.2002. Available in English: <https://www.riigiteataja.ee/en/eli/ee/519062017009/consolide/current>

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		<p>§ 35. Deposit (1) Notaries deposit money, securities and documents as notarial acts. Notaries shall not deposit cash. (2) Deposit is an official duty accompanying a notarial act if it is connected with a transaction authenticated by the same notary and the persons applying for deposit have legitimate interest arising from the transaction to ensure performance of the transaction by deposit</p> <p>§ 36. Location of performance of notarial acts and provision of notarial services (1) A person may request a notarial act or a notarial service from any notary unless otherwise provided by law.</p> <p>§ 37. Prerequisites of performance of notarial acts (1) A notary shall perform a notarial act after all the necessary documents and data have been collected and all the prescribed payments have been made. (2) In the case of a transaction which shall be authenticated on the basis of Chapter 2 of the Notarisation Act, a party to the transaction has the right to request that a notary make the draft notarial instrument prepared with respect to the transaction available to him or her at least two working days before the authentication of the transaction.</p> <p>§ 42. Performance of notarial acts for provision of notarial services to aliens Citizens of other states and stateless persons may, in person or through their representatives, request the performance of notarial acts or provision of notarial services pursuant to the same procedure as Estonian citizens.</p>
Notarisation Act, 14.11.2001, in force 01.02.2002 ¹¹	<p>Legal act that provides rules on the requirements, procedure for notarial authentication, the disciplinary liability of notaries and the rates of notaries' fees.</p> <p>The Notarisation Act establishes:</p> <ul style="list-style-type: none"> - The procedure for the performance of notarial acts which are within the competence of notaries; 	<p>Basic content is about the legal status of the notary and the procedure of notarial authentication, liability of notaries and rate of the fees. In particular, the Act stipulates that: A notary is a holder of office in public law, an independent official to whom the state has delegated the duty of ensuring the security of legal relationships and prevention of legal disputes. The professional activities of a notary are divided into the performance of notarial acts and the provision of notarial services. A notary performs notarial acts at the request of persons pursuant to the procedure prescribed by law.</p> <p>Main obligations of the notary are:</p> <ul style="list-style-type: none"> - Performance of notarial acts based on the Notarisation Act, - Declaration of a power of attorney invalid on the basis of the Notarisation Act, - Depositing of money, securities and documents, etc.

¹¹ Notarisation Act (tõestamisseadus), 14.11.2001, in force 01.02.2002. Available in English at: <https://www.riigiteataja.ee/en/eli/506062016001/consolide>.

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	<ul style="list-style-type: none"> - The authentication of transaction and declaration of intent; - The preparation of notarial instrument; - Explanations and verification; - Testamentary disposition; - Performance of other notarial acts; - Procedures with documents; - Power of other persons in performing notarial acts. 	
Notaries Statute, regulation, Minister of Justice, 19.06.2009, in force 3.07.2009 ¹²	Statute applies to notaries in their performance of notarial acts and notarial services.	This act regulates specific requirements concerning the performance of notarial acts and notarial services, obligations concerning the obligatory check in the registers concerning data useful for performance of notarial acts and services.
Notaries Fee Act, passed 20.03.1996, in force 19,04.1996 ¹³	Statute regulates notary fees for notarial acts and services provided for by notaries.	<p>Notary fee: the fee paid to a notary for the performance of a notarial act and related legal or technical services. For the purposes of this Act, a notarial act means a professional act performed or professional service rendered by a notary.</p> <p>Regulated fee: A notary has the right to charge a fee only to the extent and pursuant to the procedure provided for in this Act. A notary is prohibited from entering into agreements to alter the rates of fees or the procedure for the charging of fees provided for in this Act.</p> <p>The value of a thing or right: declared by the persons, or (if it was declared less than the usual value of the thing or right) transaction value determined based on the assessed value of the land, the size of the mortgage entered in the land register, the amount of insurance coverage for the thing or right, or other reliable information.</p> <p>Minimum value of an immovable or structure - 6391 €</p> <p>Minimum value a transaction - 3800 €</p> <p>Transaction value upon making a notation in the land register - the value of the claim secured by the notation. If the application for making a notation is in one and the same document</p>

¹² Notaries Statute (notariaadimäärustik), regulation, Minister of Justice, 19.06.2009, in force 3.07.2009. Available in Estonian at: <https://www.riigiteataja.ee/akt/105062017006>.

¹³ Notaries Fee Act (notari tasu seadus), passed 20.03.1996, in force 19,04.1996. Available in English at: <https://www.riigiteataja.ee/en/eli/519062017008/consolide>.

Table 2: List of national legislation

		with the transaction being the basis for the claim secured by the notation, then transaction value need not be determined. A person liable to pay a notary fee - a person at whose request or in whose interests the notary has been acting or whose declaration of intent the notary has authenticated.
Building Code, adapted 11.02.2015, in force 01.07.2015 ¹⁴	Code applies to construction works, their design, building, use and maintenance insofar as this is not governed by other Acts, ratified international treaties or EU legislation.	Construction work - a structure that is created as a result of human action and that is attached to or supported by the ground underneath and whose purpose of use, aim, manner of use or durability make it distinguishable from other structures. Activity which have to be proved by professional certificate: the issuing of energy performance certificates; the performance of expert assessment of building design documentation; Register of construction works - to store, provide and disseminate information regarding envisaged construction works, construction works that are being built, existing construction works, and the proceedings related to these (energy efficiency certificates). The information stored in the register of construction works has informational and statistical significance. A use and occupancy permit - issued if the building work performed on the completed construction work conforms to the building permit and it is possible to use and occupy the construction work in compliance with the requirements and in accordance with its purpose of use.

Creditors and Credit Intermediaries Act, § 49 and § 50: § 49. Procedure for assessment of consumer's creditworthiness

(1) A creditor or a credit intermediary shall, in order to comply with the requirement for responsible lending, establish in its internal rules methods for the assessment of a consumer's creditworthiness and for the verification of the data submitted, taking into account, when developing the respective methods, the following indicators related to the consumer as a minimum;

- 1) financial situation and size of regular income;
- 2) other proprietary obligations, including the size of regular financial obligations, and, if possible, the size of principal amounts and interest thereof, and other obligations;
- 3) earlier performance of payment obligations, including financial obligations;
- 4) other assessable regular household expenses as an aggregate or, in appropriate cases, as generally applicable rates;
- 5) the impact of the performance of earlier payment obligations and the possible increase in the financial obligations arising from the consumer credit agreement;
- 6) any other facts which are known to the creditor, which may be of significance in the assessment of the consumer's creditworthiness and which may affect the proper performance of the obligations of the consumer;
- 7) the terms and conditions of the consumer credit agreement to be entered into, including the size of the financial obligation to be assumed.

¹⁴ Building Code (ehitusseadustik), adapted 11.02.2015, in force 01.07.2015. Available in English at: <https://www.riigiteataja.ee/en/eli/520062017015/consolide>.

(2) The internal rules of a creditor shall provide the following about the granting of credit:

- 1) the ratio of the credit amount to the credit collateral and the ratio of the principal amount of the credit and the interest payment to the consumer's income;
- 2) the maximum credit term;
- 3) the methods on the basis of which the consumer's ability to perform the obligations arising from the credit agreement are to be analysed in the case of changes in interest.

(3) Upon assessment of the consumer's regular income specified in clause (1) 1) of this section, a creditor or a credit intermediary shall:

- 1) take into account the consumer's sources of income, including remuneration, pension, investment income, dividends, income from activities as a sole proprietor, income from business, rent, benefits, grants and maintenance support and the regularity of receipt of the consumer's income depending on the form of the consumer's employment contract or any other contract;
- 2) use, as a basis, a sufficient period of time, taking into account the consumer's sources of income, the regularity of receipt of the income and other aforementioned conditions;
- 3) make reasonable efforts to verify the accuracy of all appropriate documents and other certificates serving as the basis for and of significance in the calculation of the size of the consumer's regular income.

(4) A creditor may issue to a consumer credit if it is convinced, as a result of analysing as an aggregate the data serving as a basis for the creditworthiness assessment, that the obligations arising from a credit agreement will be performed under the terms and conditions agreed on in the agreement.

(5) If a credit intermediary has intermediated to a consumer a credit agreement offered by a creditor, the creditor may enter into the credit agreement on the basis of the creditworthiness assessment made by the credit intermediary if the credit intermediary submits to the creditor a proper assessment of the consumer's creditworthiness.

(6) A creditor or a credit intermediary is required to inform a consumer of possible risks upon taking credit.

(7) Upon the assessment of the consumer's creditworthiness, a mortgage creditor or a mortgage credit intermediary must not rely solely on the fact that the value of the immovable property standing as security exceeds the amount of the credit or on the assumption that the immovable property will increase in value, unless the purpose of the credit agreement is to construct or renovate immovable property.

(8) Minimum requirements for the ratio of the credit amount to the credit collateral and the ratio of the principal amount of the credit and the interest payment to the consumer's income may be established by a regulation of the minister responsible for the area. For the purposes of this Act, collateral means the property securing a credit agreement.

§ 50. Information submitted by consumer and verification thereof

(1) Taking into account the provisions of clause 403⁴ (1) 1) of the Law of Obligations Act and subsections (4) and (10) of the same section, a creditor or a credit intermediary obtains the information necessary for the assessment of the consumer's creditworthiness from the consumer, appropriate internal sources and databases. Internal sources mean sources at the disposal of a creditor or a credit intermediary for obtaining information.

[RT I, 11.03.2016, 1 - entry into force 21.03.2016]

(3) A creditor or a credit intermediary shall make reasonable efforts to verify the information submitted by a consumer, taking into account the requirements provided for the collection of information in this Act and the Law of Obligations Act and relying, if possible, on the information independently available to it.

(4) A creditor or a credit intermediary shall verify the information submitted by a consumer about their income and obligations, relying, if possible, on the statement of a credit institution submitted by the consumer if other collected information is not sufficient for the assessment of the consumer's creditworthiness.

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	Source of the national implementation legislation	Content of the national legislation in keywords	Which parts of the EU legislation have been transposed?	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 (2016) ¹⁵ Advertising Act (2008) ¹⁶ Law of Obligations Act (2002) 4) Trading Act (2004)	Not available	Meaning of commercial practice; unfair commercial practice, misleading commercial practices, invitation to purchase, aggressive commercial practices, use of harassment, coercion and undue influence, penalties, consumer complaints, procedural guarantees	Directive has been transposed entirely, however, some of its provisions are provided for in other legal acts. Unfair and prohibited advertising is regulated in the Advertising Act (2008); unsolicited goods are regulated in the LOA.	-
Directive 93/13/EEC on unfair terms in consumer contracts	Yes	Law of Obligations Act (2002)	Inspiration for this legal act has been drawn from foreign legislation: German Gesetz zur Regelung der Allgemeinen Geschäftsbedingungen, AGBG, 1977; BGB §§ 305-310; Swiss	Meaning of standard term, standard term as a part of the contract, interpretation, conflicting standard terms, validity of contract, invalidity of unfair standard terms, main subject matter, list of invalid	The Directive is transposed entirely; However, the scope of application is not restricted to consumers. In addition, Estonian blacklist	In the Estonian transposition of the Directive the principle of transparency prescribed in Art. 5, sent. 1 of the Directive 93/13 has not been

¹⁵ Consumer Protection Act (tarbijakaitseseadus), in force from 1.03.2016. Available in English at: <https://www.riigiteataja.ee/en/eli/510012017006/consolide>.

¹⁶ Advertising Act (reklaamiseadus), in force from 01.11.2008. Available in Estonian at: <https://www.riigiteataja.ee/akt/121062017004?leiaKehtiv>.

Table 3: Implementation of relevant EU legislation

			Code of Obligations, Austrian Civil Code, Dutch Civil Code, European DCFR (Draft Common Frame of Reference, 2009) ¹⁷	standard terms in consumer contracts ('blacklist'), application of the list to B2B contracts ('grey list'), requirement to stop the use of unfair standard terms, professional organisations	contains more clauses than the Annex of the Directive 93/13. The black list, which applies to B2C contracts, e.g. § 42(3) is, pursuant to § 44 to be considered as a grey list in respect of B2B contracts: §44. Contracts relating to economic or professional activities. If a standard term specified in subsection 42 (3) of this Act is used in a contract where the other party to the contract is a person who entered into the	explicitly transposed. In Estonia, pre-formulated ambiguous terms must be interpreted to the detriment of the party supplying the term (most favourable in the Directive); in defining unfairness, the reference is made only to "significant imbalance" without mentioning the additional criterion "good faith". The reason was, that under Estonian law, the criteria of good faith is not used in establishing
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¹⁷ More about the sources: Paul Varul. Performance and Remedies for Non-performance: Comparative Analysis of the PECL and DCFR, *Juridica International*, 2008, No. 1, pp. 104-110; Paul Varul. Legal Policy Decisions and Choices in the Creation of New Private Law in Estonia, *Juridica International*, 2000, No. 1, pp. 104-118; Irene Kull. Effect of Harmonisation of European Civil Law on Development of Estonian Law of Obligations, *Juridica International*, 1998, No. 1, pp. 98-102; Irene Kull. Legal Remedies Provided in the Estonian Draft Law of Obligations Act for Breach of Contractual Obligations, *Juridica International*, 1999, No. 1, pp. 147-159; Irene Kull. Reform of Contract Law in Estonia: Influences of Harmonisation of European Private Law, *Juridica International*, 2008, No. 1, pp. 122-129; Arsi Pavelts, Karin Sein. The Buyer's Right to Require Reimbursement for Repair Costs of Defective Goods under the CISG, the CESL, and Estonian Law, *Juridica International*, 2014, No. 1, pp. 147-158; Kalev Saare, Karin Sein. Transparenzgebot der AGB-Klauseln in den Verbraucherverträgen, *Juridica International*, 2012, No. 1, pp. 59-67.

Table 3: Implementation of relevant EU legislation

					<p>contract for the purposes of the economic or professional activities of the person, the term is presumed to be unfair.</p>	<p>validity of the term (§ 42 of the LOA: (1)A standard term is void if, taking into account the nature, contents and manner of entry into the contract, the interests of the parties and other material circumstances, the term causes unfair harm to the other party, particularly if it causes a significant imbalance in the parties' rights and obligations arising from the contract to the detriment of the other party.</p>
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Table 3: Implementation of relevant EU legislation

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	Law of Obligations Act (2002)	No information about sources of implementation	Immovable property, long-term holiday product, resale, exchange contract, information duties, information prospectus, changes resulting from the circumstances beyond vendor's control, advertising, additional information duties in the contract, withdrawal right and term, formal requirements, language, non-compliance of form and language requirements.	Directive was transposed entirely.	None
Directive 2010/31/EU of Energy Performance of Buildings Directive	Yes	<ol style="list-style-type: none"> 1) Building Act (2010)¹⁸ 2) Apartment Ownership Act (2013) 3) Regulation on minimum energy performance requirements¹⁹; 4) The requirements for the format of energy audit reports and the procedure 	No information about sources of implementation	Construction work, building, principles, principal requirements, obligations, building design, energy efficiency requirements, energy-performance label, energy performance	Directive was transposed entirely.	None

¹⁸ Building Act (ehitusseadustik), entered into force 01.07.2015

¹⁹ Energiatõhususe miinimumnõuded, adapted 30.08.2012, entered into force 09.01.2013, no. 68. Available in Estonian: <<https://www.riigiteataja.ee/akt/124012014007>> (last visited 07.09.2014).

Table 3: Implementation of relevant EU legislation

		<p>for issuing energy audit reports²⁰;</p> <p>5) Requirements for building design documentation²¹;</p> <p>6) The format of energy performance certificates and the procedure of the issuance²²;</p> <p>7) The precise definition of the heating and cooling equipment to be registered, the list of required specifications and the procedure for the transmission of those specifications²³;</p> <p>8) The requirements for utility systems in buildings²⁴;</p> <p>9) List of the types of buildings with indoor climate control which have a total use area in excess of 500m², which involve gatherings of large numbers of people, and which are required to hold an energy</p>		<p>certificate in case of transfer of ownership for fee or in case of assignment of the right to use or occupy the building for a fee, state supervision and liability</p>		
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²⁰ Elamu energiaauditi aruande vorminõuded ja väljastamise kord, adapted 04.03.2014, no. 16. Available in Estonian: <<https://www.riigiteataja.ee/akt/111032014004>> (last visited 07.09.2014).

²¹ Nõuded ehitusprojektile, adapted 17.09.2010, no. 67, entered into force 25.09.2010. Available in Estonian: <<https://www.riigiteataja.ee/akt/122012014006>> (last visited 07.09.2014).

²² Energiamärgise vorm ja väljaandmise kord, adapted 23.04.2013, entered into force 03.05.2013, no. 30. Available in Estonian: <<https://www.riigiteataja.ee/akt/122012014005>> (last visited 07.09.2014).

²³ Registreeritavate soojus- ja jahutusseadmete täpne määratlus ja andmete loetelu ning andmete edastamise kord, adapted 27.09.2012, entered into force 09.01.2013, no. 62. Available in Estonian: <<https://www.riigiteataja.ee/akt/104012013008>> (last visited 07.09.2014).

²⁴ Hoonete tehnosüsteemidele esitatavad nõuded, adapted 07.11.2012, no. 70. Available in Estonian: <<https://www.riigiteataja.ee/akt/109112012012>> (last visited 07.09.2014).

Table 3: Implementation of relevant EU legislation

		performance certificate ²⁵ ; 10) The method for calculating energy performance ²⁶ ;				
Directive 2005/36/EC on Recognition of Professional Qualifications, as last amended by Directive 2013/55/EU	Yes	Professions Act (2008) ²⁷	No information about sources of implementation	Competence, profession, professional examination, domain of professional activity, qualification, awarding professions, state supervision and liability	Directive is transposed partly.	The law does not regulate the professional activities covered by Directive 2005/36/EC on the recognition of professional qualifications.
Mortgage Credit Directive, 2014/17/EC	Yes	1) Law of Obligations Act (2002), 2) Creditors and Credit Intermediaries Act (2015) ²⁸ 3) Credit Institutions Act (1999) ²⁹ 4) Money Laundering and Terrorist Financing Prevention Act (2008) ³⁰ 5) Advertising Act (2008)	No information about sources of implementation	Consumer credit, mortgage credit, mortgage, information obligation, insurance, advertising, consumer protection, contract,	Directive has been fully implemented: Private law regulations (contractual relations) are transposed into LOA, public law regulations into	None

²⁵ Loetelu suurte rahvahulkade kogunemisega seotud üle 500-ruutmeetrise kasuliku pinnaga sisekliima tagamisega hoonete liikidest, mille puhul on nõutav energiamärgise olemasolu, adapted 12.07.2012, no 53. Available in Estonian: <<https://www.riigiteataja.ee/akt/117072012001>> (last visited 07.09.2014).

²⁶ Hoonete energiatõhususe arutamise meetodika, adapted 08.10.2012, no 63. Available in Estonian: <<https://www.riigiteataja.ee/akt/118102012001>> (last visited 07.09.2014).

²⁷ Professions Act (kutseseadus), adapted 22.05.2008, in force 01.09.2008. Available in Estonian: < <https://www.riigiteataja.ee/en/eli/501072015005/consolide>>

²⁸ Creditors and Credit Intermediaries Act (krediidiandjate ja –vahendajate seadus), adapted 18.02.2015, in force 29.03.2015, partially 21.03.2016. Available in English at: <https://www.riigiteataja.ee/en/eli/504072017005/consolide>.

²⁹ Credit Institutions Act (krediitiasutuste seadus), adapted 09.02.1999, entry into force 01.07.1999 with exceptions. Available in English at: <https://www.riigiteataja.ee/en/eli/504072017004/consolide#para142>.

³⁰ Money Laundering and Terrorist Financing Prevention Act (rahapesu ja terrorismi tõkestamise seadus), adapted 19.12.2007, in force 28.01.2008. Available in English at: <https://www.riigiteataja.ee/en/eli/504072017006/consolide>.

Table 3: Implementation of relevant EU legislation

		<p>6) Consumer Protection Act (2016) 7) Law of Obligations Act, General Part of the Civil Code Act and Private International Law Act Implementation Act (2002)³¹</p>			<p>Creditors and Credit Intermediaries Act. Directive is transposed entirely in accordance with the obligatory harmonisation level. There are number of articles that are optional. For example following articles were not transposed: art-s 3(2)d); 3(3)a); 3(3)b); 3(3)d); 3(3)e); 3(4); 4(8); 12(2)c); 13(2); 14(4), 14(5); 15(5); 23(5); 25(2); 28(3). Rules can be found in different legal acts with corresponding references.</p>	
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³¹ Law of Obligations Act, General Part of the Civil Code Act and Private International Law Act Implementation Act (võlaõigusseaduse, tsiviilseadustiku üldosa seaduse ja rahvusvahelise eraõiguse seaduse rakendamise seadus), adapted 05.02.2002, in force 01.07.2002. Available in English at: <https://www.riigiteataja.ee/en/eli/528032016003/consolide>.

Additional information about the transposition of the Mortgage Credit Directive, 2014/17/EC:

Mortgage Credit Directive, 2014/17/EC was transposed into following legal acts:

- 1) LOA;
- 2) Creditors and Credit Intermediaries Act;
- 3) Credit Institutions Act;
- 4) Advertising Act;
- 5) Consumer Protection Act;
- 6) Money Laundering and Terrorist Financing Prevention Act.

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	No				
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</p>	<p>2015 has continued the previous trend - both the number of transactions and the total value have been higher in the second half of the year compared to the first half-year. The number of transactions (9 891) has increased by 9.2% compared to the first half-year and by 3.7% compared to the second half of 2014. In the second half of year 2016, 11 119 transactions were carried out in Estonia with apartment owners. Compared to the second half of 2015, the total number of transactions increased by 3.4%. Compared to the first half of 2016, transaction activity has grown by 11.6% (half-year-2015 and 10.9% in the first half-year of 2015). The transaction activity was higher than in the second half of 2016 last year in the first half of 2017. However, looking at the growth of the same period last year, transaction activity is moderately rising. The above could be caused by several factors: changes in the structure of transactions, both in terms of location, the share of new and old apartments, the size of the apartments, and the change in the market situation, which has affected the average price. The apartment ownership market has moderately grown in terms of transaction activity, but prices have increased significantly. Transaction activity has also shown moderate growth also at higher transaction amounts due to changed preferences of private individuals, driven by a favourable labour market (wage growth, labour shortages) and also favourable interest rates. The share of transactions that included a mortgage on a purchased apartment property, that is, financed with a loan, corresponded to 45.4% in the second half of 2016. In recent periods, this figure is slowly increasing. In the first half of the year, 46.4% of the loans were financed by the loan.</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>Information provided for by the Estonian Land Board is based on all transactions (donations, exchange, purchase-sale)³²:</p> <table border="1" data-bbox="707 1018 1888 1351"> <thead> <tr> <th></th> <th>Name</th> <th>Number</th> <th>Total value (eur)</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>Transactions of immovables with residential buildings</td> <td>8,110</td> <td>456,118,341</td> </tr> <tr> <td></td> <td>Transactions with residential apartments</td> <td>24,971</td> <td>1,326,235,357</td> </tr> <tr> <td></td> <td>Transactions with building lease</td> <td>283</td> <td>20,667,530</td> </tr> <tr> <td>2016</td> <td>Transactions of immovables with residential buildings</td> <td>7,958</td> <td>480,052,508</td> </tr> <tr> <td></td> <td>Transactions with residential apartments</td> <td>25,443</td> <td>1,419,657,623</td> </tr> <tr> <td></td> <td>Transactions with building lease</td> <td>208</td> <td>71,966,235</td> </tr> </tbody> </table>		Name	Number	Total value (eur)	2015	Transactions of immovables with residential buildings	8,110	456,118,341		Transactions with residential apartments	24,971	1,326,235,357		Transactions with building lease	283	20,667,530	2016	Transactions of immovables with residential buildings	7,958	480,052,508		Transactions with residential apartments	25,443	1,419,657,623		Transactions with building lease	208	71,966,235
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³² Estonian Land Board, transactions database, 10.08.2017.

Table 5: Key market data

	<table border="1"> <tr> <td>2017</td> <td>Transactions of immovables with residential buildings</td> <td>5,081</td> <td>324,011,915</td> </tr> <tr> <td></td> <td>Transactions with residential apartments</td> <td>15,808</td> <td>923,685,003</td> </tr> <tr> <td></td> <td>Transactions with building lease</td> <td>106</td> <td>7,018,940</td> </tr> </table>	2017	Transactions of immovables with residential buildings	5,081	324,011,915		Transactions with residential apartments	15,808	923,685,003		Transactions with building lease	106	7,018,940		<p>Total number of transactions with residential immovable land (land with residential buildings) in 2015 – 4461, average price per sqm 1087.07 €; in 2016 - 1030.26 €; in 2017 - 2914, average price per sqm 1075.58 €.</p> <p>Statistical information per quarter is available on the home page of the Estonian Land Board: http://www.maaamet.ee/kinnisvara/htraru/.</p> <p>Housing indicator (OECD) was in 2015 - 144, in 2016 – 164.³³</p>
2017	Transactions of immovables with residential buildings	5,081	324,011,915												
	Transactions with residential apartments	15,808	923,685,003												
	Transactions with building lease	106	7,018,940												
Ratio house owners – tenants (i.e. the percentage of households that are owners resp. tenants of dwelling units)	<p>Household status in 2011:</p> <table border="1"> <tr> <td>Total</td> <td>1,294,455</td> </tr> <tr> <td>Persons living in a private household</td> <td>1,279,328</td> </tr> <tr> <td>Persons not living in a private household</td> <td>15,127</td> </tr> </table> <p>According to the data from Eurostat³⁴ in 2015 – 81.5 % of Estonian population are owners of dwellings. .</p>			Total	1,294,455	Persons living in a private household	1,279,328	Persons not living in a private household	15,127						
Total	1,294,455														
Persons living in a private household	1,279,328														
Persons not living in a private household	15,127														
Usage of land	<p>The total area of Estonia is 45 227 km², of which the mainland is 43 200 km²:</p> <ul style="list-style-type: none"> - Agricultural land: 22.2%; - Arable land 14.9%; permanent crops 0.1%; permanent pasture 7.2% ; - Forest: 52.1%; - Other: 25.7% (2011 est.)³⁵. <p>46% of the new built-up areas are situated on former arable land, 28% on former discontinuous urban land and 16% on natural grasslands.</p>														

³³ See http://www.oecd-ilibrary.org/economics/housing/indicator/english_63008438-en.

³⁴ Distribution of population by tenure status, type of household and income group - EU-SILC survey[ilc_lvho02]. Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_lvho02&lang=en.

³⁵ CIA (2017) 'The World Factbook'. Available at: <https://www.cia.gov/library/publications/the-world-factbook/geos/en.html>.

Table 5: Key market data

Average prices of residential property	<p><i>According to the type of property</i></p> <ul style="list-style-type: none"> • Average flat of ca. 70 sqm • Terrace house of ca. 100 sqm • Detached (one family house) of ca. 150 sqm 	<p>Statistics from 2016:</p> <ul style="list-style-type: none"> • Average flat of ca. 70 sqm – 1100, 49 per sqm, i.e. 76.954 eur; In Capital city – Tallinn, average (1811,49 eur per sqm) price is 126.804 eur³⁶ • In Urban area – Tartu, average (1 249,02 eur per sqm) price is 87.430 eur³⁷ • In Rural area – Jõgeva municipality, (average 237.54 eur per sqm), price is 16.627,8 eur³⁸ • Terrace house of ca. 100 sqm – no data • Detached (one family house) of ca. 150 sqm <p>Statistical data from the first quarter 2017 (1 sqm – 1071 eur, average price) - 112 455 eur³⁹</p>
	<p><i>According to the type of location</i></p> <ul style="list-style-type: none"> • Capital city • Urban areas • Rural areas 	<ul style="list-style-type: none"> - Capital city – 140.000 eur - Urban area – 110.000 eur - Rural area – 40.000 eur
Price development of residential property	<p><i>According to the type of property</i></p> <ul style="list-style-type: none"> • Average flat of ca. 70 sqm • Terrace house of ca. 100 sqm • Detached (one family house) of ca. 150 sqm 	<p>Average flat of ca. 70 sqm For example, the price of the flat of ca 70 sqm on 1.01.2016 was in Tallinn 131 257 eur and in Tartu 98 350 eur, 49 280 eur in Viljandi. 95 276.30 eur was average price in 2016.</p> <p>The median price of transactions has risen to 1 219 € per sqm in the first half of 2017, which is 5.8% higher than in the first half of 2016 and 1.1% higher than in the second half of 2016.</p>

³⁶ See Estonian Land Board: <http://www.maaamet.ee/kinnisvara/htraru/FilterUI.aspx>

³⁷ See Estonian Land Board: <http://www.maaamet.ee/kinnisvara/htraru/FilterUI.aspx>.

³⁸ See Estonian Land Board: <http://www.maaamet.ee/kinnisvara/htraru/FilterUI.aspx>.

³⁹ See data from the real estate portal KV:EE blog: <http://www.kinnisvaraweb.ee/blog/uudised/ruutmeetrihind/>. <http://www.kinnisvaraweb.ee/blog/uudised/ruutmeetrihind/>. There is no official data about the purchase price of family houses.

Table 5: Key market data

		<p>Compared to the 1st quarter of 2016, the prices of apartments have increased by 6.9% and the prices of houses by 9.9%. Compared to the 1st quarter of the previous year (2015), the prices of apartments increased by 7.9% in Tallinn, by 4.9% in areas bordering Tallinn with Tartu and Pärnu cities, and by 5.6% in the rest of Estonia.</p> <p>Terrace house of ca. 100 sqm – there are no statistical data about the price of terrace houses</p> <p>Detached (one family house) of ca. 150 sqm –160 650 eur in 02.2017.</p> <p>Prices of the houses are increasing: from 1023 eur/sqm in 02.2016 to 1071 eur/sqm in 02.2017. In the 1st quarter of 2017, the Owner-Occupied Housing Price Index changed by -2.2% compared to the 4th quarter of 2016 and by 7.4% compared to the 1st quarter of 2016.</p>
	<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>Real estate agencies provide following statistic 2015-2017:</p> <ul style="list-style-type: none"> - Capital city: Price development of an apartment in Tallinn – up by 7% (from 1860.50 € to 2066.90 €);⁴⁰ - Urban areas: Price development – up by 2 % (from 1363.3 € to 1530.60 €);⁴¹ - Rural areas: Price development - from 573 eur –to 785 eur.⁴² <p>Official statistics from 2016 is the following⁴³:</p>

⁴⁰ KV.EE kinnisvaraportaali: http://kinnisvaraportaali-kv-ee.postimees.ee/?act=statsAvgPrice.graphpdf&county1=1&parish1=421&city1=0&county2=12&parish2=450&city2=0&deal_type=1&start_date_year=2015&start_date_month=08&end_date_year=2017&end_date_month=08&get_stats=Geneeri

⁴¹ See KV.EE kinnisvaraportaali: http://kinnisvaraportaali-kv-ee.postimees.ee/?act=statsAvgPrice.graphpdf&county1=1&parish1=421&city1=0&county2=12&parish2=450&city2=0&deal_type=1&start_date_year=2015&start_date_month=08&end_date_year=2017&end_date_month=08&get_stats=Geneeri

⁴² See houses - http://kinnisvaraportaali-kv-ee.postimees.ee/?act=statsAvgPrice.main&deal_type=3&start_date_year=2015&start_date_month=7&end_date_year=2017&end_date_month=7&county1=1&parish1=421&city1=0&county2=13&parish2=177&city2=0; apartments: http://kinnisvaraportaali-kv-ee.postimees.ee/?act=statsAvgPrice.main&deal_type=1&start_date_year=2015&start_date_month=7&end_date_year=2017&end_date_month=7&county1=1&parish1=421&city1=0&county2=13&parish2=177&city2=0.

⁴³ Statistical Yearbook of Estonia 2016, p. 332. Available at: https://www.stat.ee/valjaanne-2016_eeesti-statistika-aastaraamat-2016.

Table 5: Key market data

		In 2015 the average price per sqm of an apartment (purchase-sale) was 1030 euros in Estonia; average price per sqm without Tallinn – 625 euros; in Tallinn the average price per sqm was 1550 eur (7% more expensive than 2014; in Tartu – average price per sqm 1215 eur (up by 5%); Pärnu – 885 eur per sqm, (up by 4%). Medium size apartments (41-55 sqm) – price rose was 12%.
Development of price index (Housing price index if existing, otherwise Consumer price index)		<p>The price index of apartment ownership in the second quarter of 2017 increased by 3.9% year-on-year, non-built land price index 0.6%, and the price index of built-up residential land fell by 7.9%. Housing Index in Estonia decreased to 108.08 Index Points in the first quarter of 2017 from 169.34 Index Points in the fourth quarter of 2016. Housing Index in Estonia averaged 129.80 Index Points from 2005 until 2017.</p> <p>The prices of apartments increased in 2016 compared to average of 2015 in all three areas under observation: by 3.4% in Tallinn, by 5.4% in areas bordering Tallinn with Tartu and Pärnu cities and by 8.6% in the rest of Estonia.</p> <p>Since 2011, the average price of Estonian apartment transactions has grown by an average of 10% per year, in 2016-2017 - 5,9 %,</p>

Additional information concerning statistical data:

Residential property price index for Estonia is derived from unit values, i.e., the average transaction price per square metres of floor space (in this particular case, the sum of the value of all real estate transactions divided by the sum of the square metres of floor space of all real estate sales, with outliers excluded). But unit value indices based on price per square meter of structure floor space, whilst adjusting for the size of the dwellings in each period, does not adjust for differences in the quality of construction or the age of the structure and perhaps more importantly, does not adjust for changes in the mix of plot sizes in the sample of properties sold in any particular period. Other changes to the features of the house can potentially occur which, together with general trends in the housing market, are reflected in compositional changes to the sample such as location, physical and environmental amenities, the general quality of housing, etc.⁴⁴

Statistical data is available at: <http://www.maaamet.ee/kinnisvara/htraru/FilterUI.aspx>

For example, Estonian Land Board provides following information
Transactions by type of transaction, Estonia; 8/10/2017

⁴⁴ See p 10.16. Available at: <http://ec.europa.eu/eurostat/documents/3859598/5925925/KS-RA-12-022-EN.PDF/df645fcf-7d99-4926-ad20-3263980954da>.

	Name	Number	Total area (ha)	Total value (eur)
2015	Gift	8,081	15,676.35	195,092,279
	Other transaction	2,565	9,403.67	227,733,633
	Purchase-Sale	46,497	105,824.77	2,763,579,018
	Exchange	659	3,671.47	46,410,631
	TOTAL	57,802	134,576.26	3,232,815,561
2017	Gift	4,748	7,870.10	128,454,231
	Other transaction	1,299	2,919.43	34,163,315
	Purchase-Sale	30,396	60,328.02	1,802,332,577
	Exchange	313	449.02	9,302,388
	TOTAL	36,756	71,566.57	1,974,252,511
	ALL TOTAL	94,558	206,142.83	5,207,068,072

Transactions with residential apartments, Estonia on time period 1/1/2016 and 12/31/2016

		Area(m2)		Price(eur)			Price per unit area(eur /m2)				
Area(m2)	Number	Total	Average	Total	Minimum	Maximum	Minimum	Maximum	Median	Average	Standard-deviation
10-29,99	1,906	43,111.27	22.62	46,051,180	1	106,000	0.04	6,666.67	1,163.83	1,118.95	746.42
30-40,99	3,946	140,734.58	35.67	135,228,918	1	625,000	0.03	17,265.19	1,008.31	969.78	771.49
41-54,99	6,335	301,286.16	47.56	308,165,757	1	625,000	0.02	13,048.02	1,085.59	1,020.87	732.91
55-69,99	4,622	289,555.90	62.65	307,655,198	1	275,000	0.02	4,515.05	1,116.71	1,064.58	680.36
70-249,99	3,907	359,370.17	91.98	486,925,956	20	1,300,000	0.26	8,813.56	1,406.65	1,323.94	742.48
TOTAL	20,716	1,134,058.08	54.74	1,284,027,009	1	1,300,000	0.02	17,265.19	1,159.77	1,087.07	742.15

Source: Estonian Land Board, transactions database

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	6356 (Estonian companies and branches of foreign firms) (2015) 11 919 non-profit associations (2015) ⁴⁵	Around 2800, professional real estate agents (with certificate) 187 (2015)	Average number of employed persons in 2014 – 9365 ⁴⁶ ; in 2015 - 10300 ⁴⁷	No statistical data available. In 2015 there were 1289 Estonian all resident enterprise groups dealing with the real estate activities; 215 Estonian multi-national groups; 343 foreign groups. ⁴⁸	No statistical data available	Total turnover from real estate activities in 2014 was 1 200 000 EUR
Lawyer/ Advocates/ Solicitor	230 law firms (2017)	Number of advocates (members of the BAR) - 1000 (2017) 644 attorneys-at-law; 90 senior assistants of attorney-at-law; 259 assistants of attorney-at-law; 7 associated members;	No statistical data available	No statistical data available. Biggest law firms have branches inside of Estonia and in Latvia, Lithuania and Belarus (Cobalt, Sorainen, TGS Baltic, Primus, etc.)	Market concentration is based on four big law firms – Cobalt, Ellex, Sorainen, TGS Baltics. There are no data about the % of their turnover on Estonian market. Statistical data from 2016 is following: COBALT - 7 264 775 SORAINEN - 6 827 040 Raidla Ellex - 4 884 222 Varul (TGS Baltics) - 3 499 919	Total turnover in 2016 was more than 64 000 000 EUR. Average turnover per firm is approximately 278 261 EUR

⁴⁵ Statistical Yearbook of Estonia 2016. Available at: https://www.stat.ee/valjaanne-2016_eesti-statistika-aastaraamat-2016.

⁴⁶ Quarterly Bulletin of Statistics Estonia 4/15, p. 76. Available at: https://www.stat.ee/valjaanne-2015_eesti-statistika-kvartalikiri-4-15.

⁴⁷ Statistical Yearbook of Estonia 2016, p. 163. Available at: https://www.stat.ee/valjaanne-2016_eesti-statistika-aastaraamat-2016.

⁴⁸ Statistical Yearbook of Estonia 2016, pp. 238-239. Available at: https://www.stat.ee/valjaanne-2016_eesti-statistika-aastaraamat-2016.

Table 6: Service providers

		217 inactive members.				
Notary	91	91 ⁴⁹	No data, the employees are not professionals	-	The number of transactions made by notaries is higher in bigger towns: Tallinn, Tartu and Pärnu. ⁵⁰	
Licenced conveyancers	- The profession does not exist in Estonia					
Architects	440 in 2011; recent data is not available.	894 in 2011, no recent data is available	No recent data available (709 in 2011)	No recent data available	No data available (35 bigger firms in 2011)	No recent data available (22,7 million eur in 2011)
Surveyor	9 (collective members of the Association of Estonian Surveyors) ⁵¹	207 surveyors (members of the Association of Estonian Surveyors) ⁵²	No official data available, around 250 surveyors (members and non-members of the Association of Estonian Surveyors.	No data available. According to the available data from the homepages, collective members of the Associations of Estonian Surveyors do not have branches outside of Estonia.	No data available	No official data available. Around 300 000 EUR
Engineers	No official data available	500 (members of the Estonian Association of Civil Engineers)	No official data available	No official data available	No official data available	No official data available, information available provides as approximate average turnover 100 000 EUR

⁴⁹ As of 01.07.2016, there were active 91 notaries and 5 candidates. Information is available at: https://www.notar.ee/?set_lang_id=2.

⁵⁰ Total number of transactions with real estate in 2016 was 47 204.

⁵¹ List of the members is available at: <http://www.egu.ee/yhing/kollektiivliikmed>

⁵² List of the members is available at: <http://www.egu.ee/yhing/yksikliikmed>

Table 6: Service providers

Other relevant service provider – Appraisers (property valuator)	There are 4 collective members of the Estonian Association of Appraisers. These are real estate agencies providing also appraising of the property for several purposes.	There are 111 licenced appraisers, who are members of the Estonian Association of Appraisers ⁵³	No official data, there are probably more persons who are acting as appraisers in addition to the members of the association.	No data	No data	No data
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⁵³ See homepage: <http://www.ekhy.ee/wp-content/uploads/2015/07/EKHY-a4-eng.pdf>. The Estonian Property Valuation Standards EVS 875, which are prepared by the Estonian Association of Appraisers, have been issued since 2005.

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

Table 7: Role of professionals in the real estate market

	Estate agent	Property valuator ⁵⁴	Lawyer/ Advocate/ Solicitor	Notary	Bank	Technical expert	Other relevant professionals
Main function: does the professional typically work independently or as part of a firm or another organisation?	Usually as part of a firm; number of agents work as private entrepreneurs	Independently, contract partner for estate agencies	As part of a law firm	Independently	N/A	As part of a firm or another organisation, also privately	Surveyor – can be part of a firm, civil servant or private entrepreneur
Extent of engagement (at which point(s) does each professional intervene in the process?)	Consultations, pre-contractual negotiations, preparation of the conclusion of the contract; performance of the contract.	Preparation of the mortgage loan contract, only if required and accepted by the bank. As a part of the services provided by the real estate agency for pricing the real estate if required by one of the parties.	Lawyers do not participate in the process of consumer's (natural person who concludes the contract outside of the professional or economic activities) real estate transactions. If they participate, then in the pre-contractual relations or in the process of conclusion of	Conclusion of the contract for buying or selling immovable property. Notaries do not participate in the conclusion of the rental contracts, except if the lessee demands that the notation regarding the lease contract has to be made in the land register or in cases in which the high value rental	In case of buying real estate secured by mortgage; from the start of the preparation of the conclusion of the contract.	Technical experts do not participate directly in the process of selling, buying or leasing real estate. They may be involved in the preparation of the conclusion of the contracts by issuing energy performance certificates and preparing professional opinions, checking property etc. Usually in the buyers interest.	Pre-contractual negotiations, preparation of the contract.

⁵⁴ 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

			the contract as advisors, no active participation.	transactions, which might be concluded in notarial authenticated form.			
Mandatory involvement	-	Provided for as mandatory in case of conclusion of mortgage loan contracts with banks, (on their request) not by law.	-	Obligatory in conclusion of the contracts for selling or buying real property.	N/A	-	-
How are their fees/charges structured	Legal services, drafting of contracts, organization of documentation – hourly fee; Lease mediation - the commission fee is a one month rent; Sales - the fee is certain % of the transaction price or lump sum.	Lump sum that depends from the kind of the property. ⁵⁵	When purchasing legal advice, the fee is agreed either on an hourly basis, on performance pay or as combined fee.	Fee is regulated in the Notary Fees Act (1996). A notary fee is calculated on the basis of transaction value pursuant to the table of transaction values and full fees. Table is available at: https://www.riigiteataja.ee/en/eli/519062017008/c/onsolide	Fees are established by the banks. Contractual fees are usually expressed as a % of the amount of the mortgage (usually not less than a sum provided for by the bank). Pricing services provided for by the banks are charged as lump sums.	Usually as lump sum for their services	Usually as lump sum for their services, travel expenses are compensated by additional fee

⁵⁵ See price list of the real estate group Arco Vara AS (in Estonian): <http://arcovara.ee/et/kinnisvara-teenused/hindamine/hinnakiri>.

4. Land registration

Table 8: Land registration

Responsible authority(ies) dealing with land registration	The chief processor of the land register is the Ministry of Justice and the authorised processors are the land registry department of Tartu County Court and the Centre of Registers and Information Systems.
Actors involved in the registration procedure and their main functions	<p>The competence of a judge and assistant judge upon registration is provided in the Code of Civil Procedure.</p> <p>A land registry secretary is competent to review registration applications and prepare draft rulings on entry.</p> <p>The head of the land registry department may permit a land registry secretary to perform all functions within the competence of an assistant judge except making rulings on entry.</p> <p>Registration is the making of an entry in a land register, including amendment or deletion of an entry, on the basis of a ruling of a person with registration competence.</p> <p>Any person whose rights are affected by an entry or for whose benefit the entry is made has the right to submit a registration application.</p> <p>A registration application shall be certified by a notary or digitally signed. The certified registration application shall be submitted together with the documents necessary for registration to the land registry department through the intermediation of the notary who certified the registration application over the electronic information system of notaries.</p> <p>The registration application shall set out a desire to make an entry, the number of the register part of the registered immovable in which the making of entry is applied for and content of the real right applied for. In the case of application for entry in the register part to be opened, the cadastral code of the registered immovable shall be indicated instead of the number of the register part in the registration application.</p> <p>In cases of transfer of ownership a notarial authenticated disposition shall be added to the registration application. The registration application shall be certified by a notary and submitted together with the documents necessary for registration to the land registry department via the notary who certified the registration application.</p> <p>A competent employee of a land registry department shall immediately make an inscription with his or her signature on a submitted application concerning the date and time of receipt of the application.</p> <p>The person who submitted the registration application shall be sent an automatic acceptance confirmation concerning the registration application submitted to the information system of the electronic land register.</p> <p>Until the making of a ruling on entry, a person who submitted the registration application may submit supporting documents to the land registry department.</p> <p>If the registration application was submitted via a notary, the supporting documents shall also be submitted via the notary.</p> <p>Upon review of a registration application, a person with registration competence shall ascertain if the required documents that conform to the required form are submitted and registration is not precluded due to the rights entered in the land register or secured by notations or arising from law.</p> <p>After review of a registration application, the person with registration competence shall make a ruling on entry within three months after the date of receipt of the application.</p>

Table 8: Land registration

	<p>An application for the transfer or encumbrance of a registered immovable or for making a notation shall be reviewed no later than one month as of the date of receipt of such application. A court may, in the existence of circumstances requiring special investigation, extend the term specified in the second sentence of this subsection.</p> <p>If there are omissions in a registration application that prevent the entry from being made or if a required document is omitted, the person competent to make the entry shall set a term for the elimination of omissions.</p> <p>If the omission is not eliminated within the set term, the person with registration competence shall make a ruling on the denial of the application. The person with registration competence shall review an application within one month after all omissions are eliminated and the required documents are submitted.</p> <p>An entry is made in a register on the basis of a ruling on entry. In case of electronic land register, instead of an affirmative ruling on entry, the person with registration competence shall make the register entry immediately. Only the person who makes the entry signs the entry. The ruling on entry shall be compiled in the information system of the electronic land register and signed electronically. The person who makes an entry shall check the correctness, completeness of the entry and that the entry is stored on a data medium.</p> <p>Information identifying the person who made an entry or a person who made the ruling on entry is appended to the register entry and ruling on entry. The register entry or ruling on entry and the identifying information on the person are signed with an electronic signature. A prerequisite for entry into force of an entry is its signature by a person with registration competence. An entry enters into force upon storage on a data medium designated for land register entries. In the case of an affirmative ruling on entry, instead of a copy of the ruling on entry, printouts of the register entry are sent to the persons concerned and to other persons and agencies provided by law.</p> <p>An entry is first signed by the person who made the entry and, after verifying the compliance of the entry with the ruling on entry, by the person who made the ruling on entry. An entry has the date of signature. An entry enters into force as of the date on which the person who made the ruling on entry signs it.</p> <p>If an entry is made by the person who made the ruling on entry, only that person shall sign the entry.</p> <p>After the making of an entry, the owner of the registered immovable, all persons as evident from the register for whose benefit the entry was made or whose rights entered in the register the entry damages, and other persons and administrative agencies provided by law shall be immediately informed.</p> <p>A ruling on entry whereby an application is denied or a term is set for elimination of omissions shall be delivered to the applicant and to the notary who represents the applicant in the registration matter pursuant to procedure provided for in the Code of Civil Procedure (2006).</p> <p>If a land register is electronically connected to the land cadastre, the land registry department shall retrieve the information in the land cadastre necessary for maintenance of the land register.</p>
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5. The process to buy or sell a property

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

Main steps	Main function	Applicable	National specificities/additional functions/main actors
Estate agent services	Matching the parties, preparing conclusions of the contract, checking property, helping in making researches (immovables portal ⁵⁶ , official announcements ⁵⁷ , company register ⁵⁸ , other portals where information is available). All official registers are available in http://www.rik.ee/en .	Usual	Real Estate agencies and independent agents provide as main service brokerage e.g. intermediating the parties.
Alternative matching devices	Personal advertising by using internet platforms, finding suitable property or persons interesting in conclusion of contract.	Unusual	Platforms, providing information about the real estate market without usual intermediaries (agents, brokers).
Preliminary contract	Securing the transaction before the final contract is concluded in cases of contracts for lease of real property. In cases of transfer of ownership of real property, the conclusion of the preliminary contract has a function to ensure the right to demand conclusion of the obligational contract. There must be an obstacle why the preliminary contract is concluded and not the obligational contract (for example, the immovable is not yet divided and entered into the land register). All contracts containing the obligations concerning the transfer of ownership on immovables have to be authorised by the notary. In most cases, the obligational contract for transfer of property will perform the functions of preliminary contract.	Unusual Usual, if parties are not reliable, main function is to keep parties together morally, written preliminary contracts concerning purchase of real estate is not valid (need to be authenticated by a notary).	Shall be authenticated by public notary, can be replaced with obligatory contract that can be in written form. However, it is valid only if a real right contract is entered into for the performance of the transaction and a corresponding entry has been made in the land register (§ 119(2) of the Property Law Act). This requirement is based on the § 119(1) of the Property Law Act providing that transactions by which acquisition or disposal of an immovable is undertaken shall be authenticated by a notary. As preliminary contract consists of promises to buy or sell the property, it has to be authenticated by a notary. Under the Estonian law, a preliminary contract is an agreement under which the parties undertake to enter into a contract in the future under the terms agreed upon in the preliminary contract (§ 33(1) of the LOA). If, pursuant to law, a

⁵⁶ See: <http://www.rik.ee/en/immovables-portal>.

⁵⁷ See: <http://www.rik.ee/en/official-announcements>.

⁵⁸ See: <http://www.rik.ee/en/other-services/company-registration-api>.

Table 9: Main steps of the process to buy or sell a property

			<p>contract is to be entered into in a specific format, the preliminary contract shall also be entered into in the same format (§ 33(2) of the LOA) which means that formal requirement (notarial authentication) is obligatory. Validity of the preliminary contract cannot be guaranteed otherwise. Therefore, preliminary contracts are rarely used.</p> <p>In court practice, the preliminary contracts can (and has been) be interpreted as obligatory contracts.</p>
Preliminary checks (land register, administrative permits)	Ensuring that the information given by the parties is correct.	Yes	<p>Notaries are obliged to check the entries into land register⁵⁹ and other registers (business register⁶⁰, marital property, population register⁶¹, population register⁶²). See § 31 of the Notaries Act.</p> <p>The obligation to check administrative permits lies on the seller if otherwise is not agreed.</p> <p>The estate agents also check the public registers themselves and the information that the parties have provided to him. Estate agencies have usually access to paid registers.</p>
Drafting the sales contract and/or deed of conveyance	Ensure compliance with the legal requirements, parties do not have experience to draft contracts, to avoid complaints and legal issues concerning the content of the contracts.	Yes	<p>As usual, sales contracts (obligatory and real right contract) are drafted by estate agents, also often by a notary. Notaries intervene if the contracts are valuable. If the object is a standard residential apartment or house, agents offer their services. Banks use their own standard contracts, also professional sellers and lessors, developers use standard contracts.</p>

⁵⁹ See <http://www.rik.ee/en/e-land-register>.

⁶⁰ See: <http://www.rik.ee/en/e-business-register>.

⁶¹ See: <http://www.rik.ee/en/other-services/marital-property-register>.

⁶² See: <https://www.siseministerium.ee/en/population-register>.

Table 9: Main steps of the process to buy or sell a property

Legal advice or counselling	Ensuring that the transaction is in compliance with legal requirements, valid and that the parties know about their rights and duties and consequences of the conclusion of the contract. Only if the transaction is very valuable.	Unusual	Real estate agents, notaries, lawyers.
Certification of signatures	Ensuring the authenticity of the signature (not of the transaction).	Unusual In contracts resulting from real estate transactions, the certification of signature is not legally required; the contract has to be authenticated.	Notaries, lawyers
Contract execution (transfer of payment)	Securing that both parties perform their obligations, usually provided as a part of the estate agency and notary services. In practice, small payments are made in cash or deposited in the agency. In cases of authenticated contracts, notary deposits are also often used (bank accounts).	Yes	Estate agents, notaries
Contract execution (transfer of property)	Ownership on immovable is transferred from the entry into the land register if valid real right contract was presented to the register. Therefore, there is no transfer of property outside digital register. However, the possession is handed over in the presence of the estate agent (keys, codes, documents etc.).	Yes	Notary has a right to enter into the land register the transfer of immovable property ownership. Ownership is transferred from the entry into the land register, if other requirements are also filled.

Table 9: Main steps of the process to buy or sell a property

Registration	For the transfer of immovable property ownership or encumbrance of an immovable with a real right and for the transfer or encumbrance of a real right encumbering an immovable or the amendment of the content of such real right, a notarial authenticated agreement between the entitled person and the other party (a real right contract) is required and a corresponding entry shall be made in the land register, unless otherwise provided by law.	Yes	Public notary, registration is made in the land register.
Taxation (esp. transfer tax)	Income tax is paid when the property is sold or exchanged with gains. However, this only applies to the selling of accommodations where the owner did not reside prior to the selling or exchange ⁶³ and the selling price has to be higher than the cost of acquiring it. The taxpayer has the right to deduct certified expenses directly related to the sale or exchange of property from the taxpayer's gain or to add such expenses to the taxpayer's loss ⁶⁴ . If the tax exemption is based on the use of the dwelling as the taxpayer's residence, the tax exemption is not applied to more than one transfer in two years. If an immovable, structure or apartment was used simultaneously with its use as place of residence also for other purposes, the tax exemption is applied according to the proportion of the area of the rooms used as residence and the area of the rooms used for other purposes (§ 15 (6) of the Income Tax Act).	No With exceptions.	There is no general transfer tax in Estonia
Post-transaction controls (if applicable)	-	No	-

⁶³ Income Tax Act, §15(1), § 15(5)(1).

⁶⁴ Income Tax Act, § 37(1).

Table 9: Main steps of the process to buy or sell a property

Other steps	Assessment of the property – for contracts on the condition of the mortgage.	Yes	If the property is purchased by bank loan, the real estate property has to be assessed. The assessment report must be written by a professional evaluator who obtained a valid 6th level real estate appraiser or Level 7 property appraiser certification under the Professions Act. List of the licensed evaluators is published on the homepage of the Estonian Real Estate Appraisers Association.
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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 details ⁶⁵		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	It is usual, but not mandatory	Matching services: For objects with a value of up to 100,000 €, the usual commission fee is 2,5-5%, plus VAT. In the case of objects with a value over € 100,000, the amount of the commission is agreed upon.	Payment is made usually after the conclusion of the contract as the result of the services provided for by the agent. Some services are provided only for the prepayment.	Risk is that agent works for the other party also and may represent the interests not in the best possible way and lose the right to the payment. Client may lose the possibility to get the best bargain on the market.

⁶⁵ 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

		<p>The final amount of the commission depends on the location of the item, the complexity of the transaction, and the agreement between the client and the broker. It is presumed that VAT is included in the price. There is no maximum value established. In some cases, there is an information about the minimum value of the fee – for example in cases of full package of services, the fee is 5,2 % from the transaction value, but not less than 4500 eur.</p>		
Preliminary contract (usual)	<p>Not usual. However, it can be concluded on the initiative of estate agents. Preliminary contract in case of immovables has to be notarially authenticated to be valid. If not, it fills moral functions.</p>	<p>Notaries: -The fee for drafting a contract, if the transaction will not be certified by the same notary, is half the value of the transaction. A notary fee shall be a single full fee in case of authentication of a preliminary contract.</p>	<p>Notaries: after the authentication if not otherwise agreed. Estate agents – after the services. Usually it is mentioned in the contract who pays to agents and who pays to notary.</p>	-
Preliminary checks (land register, administrative permits)	<p>Notaries - Checking land register and other registers is obligatory for notaries. A notary shall call the attention of parties to the permission or consent of a judicial institution or authority necessary for the contract.</p>	<p>Preliminary check is a part of the obligations of the notary and will be covered by the fee for authentication.</p>	<p>After service.</p>	<p>The notary is obliged to give explanations concerning the risks involved in authentication based on unverified circumstances. Notaries are also obliged to explain how to avoid the risks.</p>

Table 10: Contract of sale and transfer of ownership

	<p>A notary shall verify the existence of the right of disposal necessary for the transaction on the basis of data entered in the corresponding register and in the marital property register.</p> <p>If an object of a transaction may be the joint property of spouses or former spouses, a notary shall indicate in the notarial instrument the marital status of a party and how the notary has established it. Real estate agencies may be obliged under the contract concluded with the client. Agencies provide several services, among which preliminary checks (land register, administrative permits) are usually part of the services provided. In general, in addition to the land register, the construction and use licenses are needed to conclude the contract. If the parties are interested, they may agree on additional obligations concerning the checking of different databases. In practice, agents verify the information given by clients about the property (land register) and check the existence of construction and/or use licence.</p>	<p>Agreed as % of the value of the transaction, lump sum or hourly payment. In cases of joint property, the payment could be divided between the owners. In cases of joint property, the obligation is usually joint and several.</p>	<p>After the services.</p>	
<p>Drafting the sales contract and/or deed of conveyance</p>	<p>Professional service is usual. Draft forms of sales contract or other documents are usually</p>	<p>A notary fee for the preparation of a draft notarial instrument, if it is</p>	<p>The fee shall be paid by the person having applied for the</p>	<p>If the sales or other contract is drafted by notaries or other actors, there might be</p>

Table 10: Contract of sale and transfer of ownership

	<p>offered by the estate agents, also by notaries. However, there is no obligation to use professionals in drafting contracts.</p>	<p>not followed by the performance of the notarial act, shall be one half of the fee for the performance of the notarial act but not more than 1000 €. If a notary has charged a fee for the preparation of a draft notarial instrument and it is followed by the performance of an act by the same notary, the fee already paid for the draft notarial instrument shall be deducted from the notary fee upon authentication of the transaction.</p> <p>Fees for services provided for by real estate agencies are established on different grounds. In most cases, it is an hourly fee (60 EUR per hour).</p>	<p>performance of a notarial act or the person in whose interests the notary has been acting, provided that the notary has notified him or her of the obligation to pay the fee before the preparation of the draft.</p> <p>Fee is payed after the services if not otherwise agreed.</p>	<p>a risk, that the main contract will not be concluded, however the fee has to be paid. For example, the seller or buyer will refuse to sell or buy. The reasons might be for example a loss of interest, the rejection of the loan application, non-performance of obligations by the other party, change of circumstances. A notary fee for the preparation of a draft notarial instrument, if it is not followed by the performance of the notarial act, shall be one-half of the fee for the performance of the notarial act but not more than 1000 euros. The fee specified in subsection (1) of this section shall be paid by the person having applied for the performance of a notarial act or the person in whose interests the notary has been acting, provided that the notary has notified him or her of the obligation to pay the fee before the preparation of the draft. (§ 30 of the Notary Fees Act).</p>
Legal advice or counselling	Public notaries are obliged to provide legal counselling.	Notaries provide legal advice free of charge as part of the notarial act. If they	After the services if not otherwise agreed.	A notary shall ascertain the intentions of parties and the facts that are essential for

Table 10: Contract of sale and transfer of ownership

	<p>Lawyers have no obligations, on the bases of contract. Real estate agents have no obligation, on the bases of contracts.</p> <p>Lawyers provide legal advice and counselling on the bases of contracts with the clients. No legal obligations.</p> <p>Real estate agents provide legal advice on the bases of contracts with clients, no legal obligations.</p>	<p>provide notarial services outside of the notarial act, the fee is established usually on an hourly base. There is no public information available. On the bases of interviews with notaries, it is in general 100 euros per hour (the fee is agreed on case-by-case bases). This can be compared to the lower level of attorney's fees. In addition to the fee, the client has to cover also additional expenses (issuing documents, fees to be payed to the registers, travel costs, taxes etc.). For example, outside the notary's office or outside the notary's office time (for this purpose, the time period from 9 to 18 in working days), a notary shall be paid for a period of time spent on the performance of the work for 3.80 euros per hour; while the necessary transportation is ensured by the client (when using a notary's personal vehicle 3.80 per hour).</p>	<p>After the service is provided if not otherwise agreed.</p>	<p>the performance of a legally correct transaction. The notary shall also explain to parties the meaning and legal consequences of the transaction and the different possibilities for entry into the transaction. The notary shall enter the declarations of intent of the parties in a notarial instrument clearly and unambiguously. At the same time, the notary shall ensure that errors and doubts are precluded and the rights of inexperienced or incompetent parties are not damaged. If a notary has doubts concerning the compliance of a transaction with law or the actual intentions of parties, s/he shall discuss it with the parties.</p> <p>If the law of a foreign state must be applied or there are doubts concerning the law of a foreign state, a notary shall inform the parties thereof and indicate such fact in the notarial instrument.</p> <p>A notary is not required to explain the contents of the law of a foreign state or the tax consequences of a</p>
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Table 10: Contract of sale and transfer of ownership

		Fees for services provided for by real estate agencies are established on different grounds. In most cases, it is an hourly fee (60 EUR per hour). Fees are based on the hourly fees.		transaction unless otherwise deriving from legislation. The potential risk is that the notaries perform their obligations formally without mentioning additional information that might be relevant for consumers.
Certification of signatures	Certification of signatures is not obligatory in cases of selling, buying and leasing real estate.	No importance in cases of transfer of ownership of real property. Fee for certification of a signature by notary is 12.75€. It may be made also by the lawyer.	After or during the certification if used.	No risks.
Contract execution (transfer of payment and registration; transfer of property)	Notaries are obliged and entitled. Transfer of property is executed only after the entry into the land register has been made. Payment may be transferred by the notary after the conclusion of real rights contract if deposited with a notary before the conclusion of the contract. Usually the notary will transfer the payment to the seller after the entry into the land register.	Sale and purchase: The value of the thing or right being the object of the notarial act shall be the basis for determining transaction value (§ 3(1) of the Notary Fee Act). The value is declared by the seller or a buyer (usually buyer is a person who pays the notary fees). If a document contains several transactions, the value of such transactions shall be added up. If the amount of notary fees to be charged for the authentication of transactions is calculated on the basis of different full fee coefficients, the notary fees	Registration in the land register will be made only after the payment of state fee. Notary fee can be paid after the registration. Notary fee is paid by the party who is interested in the valid entry into the land register (buyer). State fee is divided between the parties to the contract.	The buyer is in danger of paying the buyer price to the seller before the buyer has entered the land register as owner in the land register and the seller has a risky contract of real right before the full payment of the purchase price.

Table 10: Contract of sale and transfer of ownership

		<p>shall be calculated for each transaction value separately (§ 5(1) of the Notary Fees Act).</p> <p>If a transaction for the transfer of an immovable is authenticated simultaneously with encumbrance of the same immovable with a mortgage, a personal right of use in residential building or a real encumbrance, the transaction value of the transfer shall be two thirds of the value of the immovable (§ 5(2) of the Notary Fee Act). This rule applies if the mortgage is encumbered with the mortgage in favour of the seller. If the mortgage is encumbered with the mortgage in favour of the bank, the general rule (full price) will be applied.</p> <p>Notary fee for authentication of transaction in case of bilateral transaction is double full fee (§ 23 2) of the Notary Fee Act).</p> <p>VAT will be added to the notary fee, not to the transaction value.</p> <p>VAT is not added to state fees.</p>		
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Table 10: Contract of sale and transfer of ownership

		<p>For example, if notary authenticates sales contract with the value of the property (sales price) 70 000 eur with the mortgage with the value of 70 000 eur, the notary fee is 2/3 from the price and 2/3 from the mortgage.</p> <p>$2/3$ from 70000 (46690) + $2/3$ from 70000 (46690) = 93 380 eur.</p> <p>Using table § 22 (see below), the notary fee from the value is 150,80.</p> <p>Total fee is $2 \times 150,80 = 301,60$ eur + VAT</p> <p>State fee for entry into the land register⁶⁶ is $72 + 25 = 97$ eur, altogether the fee for transaction is 398.60 euros.</p> <p>70000 price, 70000 mortgage. $(70000 + 70000) \times 2/3 = 93333,33 =$ transaction value.</p> <p>Notary fee total = 361,92 (incl. VAT 20%).</p>		
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⁶⁶ See State Fees Act, annex 2, State Fee Rates for Acts of Land Register. Available at: <https://www.riigiteataja.ee/tolkelisa/5130/7201/7016/annex2.pdf#>

Table 10: Contract of sale and transfer of ownership

		<p>301,60 w/o VAT - 150,80 x 2 from Notary Fees Act Art 22 (1)</p> <p>State fee for the new owner - 72,00. §-d 76, 347 (value 70000 EUR)</p> <p>State fee for the mortgage - 25,00. §-d 77 lg 2, 359 (value 70000 EUR * 2/3, because it's a mortgage)</p> <p>There can be additional costs for certified copies.</p> <p>If a document contains a transaction and a transaction securing the performance of the transaction, transaction value shall be determined on the basis of the transaction with the higher value (§ 9(3) of the Notary Fee Act).</p> <p>For example, if notary authenticates sales contract and mortgage contract (only if the mortgage is encumbered with the mortgage in favour of the seller) in one document and the price (value) of the property is 100000 eur and mortgage is 120000 eur. The sales has a higher value while value of sales</p>		
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Table 10: Contract of sale and transfer of ownership

		<p>agreement 100 000 EUR, value of mortgage agreement 120 000 * 2/3 = 80 000 EUR. So, the notary fees will be calculated using the value 100 000 EUR which is 320,80 + VAT, total 384,96. Plus certified copies. State fees will still be calculated separately – new owner 110.00 and mortgage 43.50.</p>		
Registration in land register or similar device	<p>A notary shall represent the parties in land register, prepare, and forward applications for the registration of notarially authenticated transactions and notarially certified applications for registration in a land registry department. There are two requirements to be filled to transfer the ownership: notarially authenticated real rights contract and notarially certified registration application. The notarially certified registration application shall be submitted together with the documents necessary for registration to the land registry department through the intermediary of the notary who certified the registration application over the electronic information system of notaries.</p>	<p>If a transaction under the law of obligations being the basis for a real right contract is already authenticated, the notary fee for the authentication of the real right contract shall be 19.10 eur. If the real right contract and registration application are in one and the same document with the respective transaction under the law of obligations, then no fee shall be charged for the authentication of the real right contract and registration application.</p>	<p>Payment (state fee) has to be made before the registration. Notary fee is payable after the registration.</p>	-

Table 10: Contract of sale and transfer of ownership

<p>Taxation (esp. transfer tax)</p>	<p>There is no transfer tax in Estonia. Income tax is paid when the property is sold or exchanged with gains. However, this only applies to selling of accommodations where the owner did not reside prior to the selling or exchange.⁶⁷ Furthermore, in order for there to be an obligation to pay income tax, the selling price has to be higher than the cost of acquiring it. Additionally, taxpayer has the right to deduct certified expenses directly related to the sale or exchange of property from the taxpayer's gain or to add such expenses to the taxpayer's loss.⁶⁸ If the tax exemption is based on the use of the dwelling as the taxpayer's residence, the tax exemption is not applied to more than one transfer in two years. If an immovable, structure or apartment was used simultaneously with its use as place of residence also for other purposes, the tax exemption is applied according to the proportion of the area of the rooms used as residence and the area of the rooms used for other purposes (§ 15 (6) of the Income Tax Act).</p>			
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⁶⁷ Income Tax Act, §15(1), § 15(5)(1).

⁶⁸ Income Tax Act, § 37(1).

Table 10: Contract of sale and transfer of ownership

Other steps	<p>Reservation of the real property may be executed by the contract that is concluded with participation of the real estate agent and is in written form. It can be concluded also as notarially authenticated contract. There is no legal definition of "reservation of real property". In practice, the term reservation (in Estonian "broneerimine") means that the seller is obliged not to sell the property to third persons. The main obligation is an obligation to refrain from actions, not acquisition or disposal of immovable property (see § 119 of the Property Law Act) which means that there is no formal requirement in the law established to be valid (notarial authentication). However, as Estonian Supreme Court came to the conclusion that if the agreements concerning obligation to refrain from selling the property to third persons reserve the property and obligation to acquire or dispose of the property in the future (obligatory contract or pre-contract) are parts of the contract concluded in the written form, the validity of the reservation contracts has to be assessed on the bases of interpretation of the will of the parties.</p>	<p>Real estate agencies provide as usual fee for reservation in the amount of 10-20% from the transaction costs.</p> <p>Fee for authentication by a notary of a bilateral or multilateral application in case of which transaction value is not determined is 84.30 €.</p>	<p>At the moment of the conclusion of the contract or after the procedure.</p>	<p>There is a possibility that property will not be transferred to the person who reserved the property. The only remedy is penalty payment or damages. The booking agreement should stipulate that if the seller's immovable is not sold to the buyer, then the booking fee must be refunded and the buyer has the right to claim compensation in turn.</p>
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▲ Information on the legal position of a tenant occupying the dwelling to be sold. In particular: Does the rule *emptio non tollit locatum* apply?

Emptio non tollit locatum is generally a recognized principle in Estonian tenancy law. The position of the tenant in Estonian law is more stable if the contract of lease has been marked in the public register, because a new acquirer may terminate the contract observing law in the opposite case⁶⁹. The Estonian tenant is not affected by the change of the landlord if the latter event happened after the lessee gained possession of dwellings; accordingly, the contract is binding for the new owner when in time of transfer of ownership the dwelling was in the possession and use of the tenant⁷⁰. It follows that if prior to transferring the use of the leased residential space to the lessee, but after the conclusion of the lease contract ownership on the leased residential space passes to a third person, the lease contract will be continued if the new acquirer agrees.

In order to balance the interests of the new owner when the lease contract is binding for him, Article 323 of the LOA provides special grounds for termination of the lease contract upon transfer of rights and obligations of lessor to a new lessor due to ownership transfer, namely, the new lessor may terminate the lease contract within three months by giving at least three months advance notice.⁷¹ The new owner has a special right to terminate the residential lease contract within three months if the transferee urgently needs the premises for himself.⁷² However, 'urgent need' for oneself is difficult to prove, because, due to the lessee's possession, the transferee needed to take into account the fact that s/he may not be able to use the premises himself. However, the new owner does not have the special right to terminate the lease contract, if there is an entry of the lease contract in the Land Register. The tenant's request for entry of the lease contract can be enforced by judgment if refusal to permit registration is not justified.⁷³

Notary's fees

The notary's fees are paid to the notary. The fee shall be paid together with statutory taxes and other payments related to the professional activity of the notary, on account provided for by notary. The notary's fee is based on the Notary Fees Act. By law, a notary's fee covers both the performance of a notarial act and the provision of related legal and technical services to a notary. The notary's fees are usually calculated on the basis of two general principles: i) it depends on or ii) it is independent of the transaction value of a notarial deed, i.e. certain fees are fixed for certain operations. The transaction value is determined on the basis of the value of the thing or right at the time of the act, which is the subject of the notarial act, while the price is the price of a thing, or a right declared by the persons applying for an act. Thus, the transaction value is equal to the price of the estate.

If the value of an immovable is difficult to determine, the minimum value of an immovable or building is 6391 euro, the minimum value of an immovable part of an immovable or building is 1278 €, the minimum value of a real property or real part of an immovable or building (for example, privatized apartment) is 3800 euro.

⁶⁹ Art. 324 of the LOA; Art. 6.585 of the CC.

⁷⁰ Art. 291 of the LOA.

⁷¹ Estonia: Tenlaw. National Report, p. 114. See http://www.tenlaw.uni-bremen.de/reports/EstoniaReport_18062014.pdf.

⁷² Art. 323 para 1 of the LOA.

⁷³ Art. 324 para 2 of the LOA.

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, if applicable	Service providers involved	Quality of involvement	Fees expressed: • In EUR as % of total purchase price <u>and</u> • As a fixed amount (if available)
Estate agent services or alternative matching devices	<p>There are no specific standards for information provided in the law. Estate agents have to perform their obligations under the mandate (brokerage or agency contract) and general obligations to provide information under the LOA § 14 1 and specific obligation under the § 4033 of the LOA in case of consumer credit contracts relating to residential immovable property (see below). In consumer credit contracts relating to residential immovable property § 14(2) and § 14 1 of the LOA do not apply.</p> <p>In addition persons involved in the negotiations or other preparations of conclusion of the contract may be obliged to inform the other party of all circumstances with regard to which the other party has, based on the purpose of the contract, an identifiable essential interest except in consumer credit contracts relating to residential immovable property e.g. there is no obligation to inform the other party of such circumstances of which the other party could not</p>	Estate agent, credit intermediary or third person participating in the preparation of the conclusion of the contract.	Optional, but usual.	It is usually % of total purchase price.

Table 11: Professional services performed in the real estate market related to buying and selling a property

	reasonably expect to be informed (§ 14(2) of the LOA) or information listed in the § 14 1 of the LOA.			
Provision of mandatory information before the start of the transaction, if applicable	<p>Sale or purchase of real estate: information obligations are provided for in the § 14 and § 14 1 of the LOA.</p> <p>Consumer credit contracts relating to residential immovable property: information obligations are provided for in the § 4033 of the LOA.</p>	<p>Real estate agents, other intermediaries. Participation is not obligatory.</p> <p>If notary is involved in pre-contractual negotiations, information obligations are provided for in the Notarization Act (§ 18 and § 19 of the NA).</p>	<p>In conclusion, of contracts of sale or purchase of real estate, notarial authentication is obligatory.</p>	<p>Real estate agents fees are usually expressed as % from the total purchase price.</p> <p>No special fees for explanation and information by notaries are provided as part of the performance of notarial act.</p> <p>If notarial services are used as non-mandatory services, fees are provided for by notaries, usually as % from the total purchase price or as hourly fee.</p>
Preliminary contract (usual)	<p>Not usual, as there are other legal tools to reserve the property. The most usual contract to reserve the property is the contract of reservation (broneerimisleping).</p> <p>In case of conclusion of the preliminary contract, the § 14 and § 14 1 of the LOA apply. In cases of consumer credit contracts relating to residential immovable property the information obligations are provided for in the § 4033 of the LOA.</p>	<p>Estate agents, developers, notaries, other intermediaries.</p>	<p>Not mandatory, only if agreed between the parties.</p>	<p>Estate agents fees are established on different bases - % from the total purchase price or as hourly payment.</p> <p>If the preliminary contract is authenticated by the notary, the fee is a single full fee (§ 29(1)7) of the NFA).</p>

Table 11: Professional services performed in the real estate market related to buying and selling a property

Preliminary checks (land register, administrative permits)	<p>Obligation of notaries in performing notarial acts: authentication of the obligational and real rights contracts and for the entry into the land register. If a transaction concerns a real right entered or subject to entry in the land register, a notary shall verify the existence of the right of disposal necessary for the transaction beforehand on the basis of data entered in the corresponding register and, if necessary, in the marital property register (§ 21 of the Notarization Act). Notaries obtain the useful information from the e-Notary. The system allows making queries to 16 different registries (for example the Marital Property Register, the Official Announcements, the Estonian Central Registry of Securities, the Register of Constructions, the Land Register, the Traffic Registry, the Land Cadastre, the Succession Register, the Population Register, the Registry of Recreational Craft, the Business Register).</p> <p>Available at: http://www.rik.ee/en/other-services/e-notary</p>	<p>Notaries – in case of sale or purchase of real property. Real estate agents – if agreed with the consumer. Other actors – under the agreement with the consumer.</p>	<p>In cases of transfer of ownership on immovables obligatory for notaries.</p>	<p>Part of the notary fees if the sales contract (obligational contract and/or real right contract) is authenticated by the notary. Provided in the law as % from the total purchase price. If separate service provided by the notary, the fee is fixed (enabling the inspection of the land registry file or registry file – 9.60 €; certification and issue of printout of data from a register maintained by the land registry department or registration department or the succession register – 3.20 €, regardless of the number of pages)</p> <p>Other actors – part of the payment for agent's services or independent service, usually hourly fee.</p>
Drafting the sales contract and/or deed of conveyance	<p>In case of drafting sales contract: general rules apply (see answers above).</p>	<p>Estate agents, notaries, intermediaries, lawyers.</p>	<p>Optional. Drafting by notary, estate agent or lawyer is usual.</p>	<p>The notary's fee for certifying the transaction includes consultations related to the transaction, preparation of a transaction draft, transaction confirmation and other</p>

Table 11: Professional services performed in the real estate market related to buying and selling a property

				<p>notarial acts related to the transaction. Notaries will always be charged VAT.</p> <p>The person that has to pay a notary fee shall compensate the notary for reasonable expenses incurred in connection with telephone, telefax, postal and other notarial acts. For notarial acts outside of the notary offices or outside the notary's office hours, the notary will be paid an additional EUR 3.80 per hour for the time spent on the act. If an operation is performed outside the notary's office, the applicant for the notarial act ensures the necessary transport or reimburses the transport costs.</p> <p>A notary fee for the preparation of a draft notarial instrument, if it is not followed by the performance of the notarial act, shall be one half of the fee for the performance of the notarial act but not more than 1000 €.</p> <p>If a notary has charged a fee for the preparation of a draft notarial instrument and it is followed by the performance of an act by the same notary, the fee already paid for the draft notarial instrument shall be deducted from the notary fee upon authentication of the transaction.</p> <p>Other actors – usually hourly fee</p>
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Table 11: Professional services performed in the real estate market related to buying and selling a property

Legal advice or counselling	In case of participating in the pre-contractual negotiations, general rules apply (see answers above). General rules provided for in the § 14 of the LOA apply.	Estate agents, notaries, lawyers.	Optional, not usual.	Part of the notary fees if contract will be authenticated by the notary. In other cases hourly payments.
Certification of signatures	No need under Estonian law for buying and selling property.	Notaries.	Optional, not usual.	Notaries – fixed fee (12.75 eur)
Contract execution (transfer of payment; transfer of property)	Notarial authentication is obligatory for obligational contract and real rights contract. In order to authenticate a transaction, a notarial instrument shall be read out to the parties in the presence of a notary, approved by the parties and signed by the parties and the notary in handwriting. Authentication without approval and signing is void. Reading includes the reading out of documents appended to a notarial instrument. Before approval, a notarial instrument shall be presented to the parties for review.	Notary A payer of a state fee is a person, agency, branch of a foreign company or an association of persons in whose interests or with respect to whom an act is performed and who, pursuant to law, is required to pay a state fee for it.	Obligatory. A transaction constituting an obligation entered into without observing the formality provided in subsection (1) of this section becomes valid if a real right contract is entered into for the performance of the transaction and a corresponding entry has been made in the land register. Information about the state fees has to be provided for by the notary. Other actors have no legal obligations, however this is a part of their contractual obligations. A state fee is a sum payable in the cases provided by law in an amount established by State Fees Act (2015) for the performance of an act for which a state fee is charged.	Notary fee for authentication of transaction shall be: - In the case of a unilateral transaction = a single full fee, and - In the case of a bilateral or multilateral transaction = the double full fee. Fee is expressed as a % of the total purchase price. If a transaction under the law of obligations being the basis for a real right contract is already authenticated, the notary fee for the authentication of the real right contract shall be 19.10 €. If the real right contract and registration application are in one and the same document with the respective transaction under the law of obligations, then no fee shall be charged for the authentication of the real right contract and registration application. See table below. In determining transaction value, the minimum value of an immovable or structure shall be 6391 €, the minimum value of a legal share of an immovable or

	<p>Notary has a duty to give explanations (§ 18 of the NA). A notary shall ascertain the intentions of parties and the facts that are essential for the performance of a legally correct transaction. The notary shall also explain to parties the meaning and legal consequences of the transaction and the different possibilities for entry into the transaction. The notary shall enter the declarations of intent of the parties in a notarial instrument clearly and unambiguously. At the same time, the notary shall ensure that errors and doubts are precluded and the rights of inexperienced or incompetent parties are not damaged.</p> <p>If a notary has doubts concerning the compliance of a transaction with law or the actual intentions of parties, s/he shall discuss it with the parties. If a notary doubts the validity of a transaction, and parties request authentication regardless of that, the notary shall indicate his or her explanations and the justification provided by the parties concerning the explanations in the notarial instrument.</p> <p>If the law of a foreign state must be applied or there are doubts concerning the law of a foreign state, a notary shall inform the parties thereof and indicate such fact in the notarial instrument.</p>			<p>structure shall be 1278 € and the minimum value of a physical share of an immovable or structure and the legal share belonging to the physical share of the immovable or structure shall be 3800 €.</p> <p>The value of the thing or right being the object of the notarial act shall be the basis for determining transaction value.</p> <p>If the transaction value of a notarial act exceeds 6 390 000 €, then 6 390 000 € shall be deemed to be the transaction value in determining a notary fee, unless a lower upper limit is provided by this Act.</p> <p>State fee: A state fee is established based on the costs related to the performance of the act (cost principle).</p> <p>A state fee is paid before requesting the performance of an act unless otherwise provided by law.</p> <p>The size of state fees payable for land register acts shall be determined on the basis of the transaction value or as a specific sum.</p> <p>State fee according to the full state fee rate shall be paid for making an entry concerning a new owner of a registered immovable</p> <p>A state fee in the amount of 50 per cent of the full state fee rate shall be made upon making of an entry concerning the new owner of a</p>
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Table 11: Professional services performed in the real estate market related to buying and selling a property

	A notary is not required to explain the contents of the law of a foreign state or the tax consequences of a transaction unless otherwise deriving from legislation.			<p>registered immovable if an ascendant, descendant or the spouse of the owner of the registered immovable has been entered in the land register as the transferee of the registered immovable.</p> <p>A state fee in the amount of 75 per cent of the full state fee rate shall be made upon making of an entry concerning the new owner of a registered immovable if a sister or brother of the owner of the registered immovable or their ascendant or descendant has been entered in the land register as the transferee of the registered immovable.</p> <p>For example, state fee in case of entry into land register a transaction with value of 102 260 eur, the state fee is 110 eur.</p>
Registration in land register or similar device	An entry has to be made in the land register to transfer the ownership. Registration shall be made by the notary in the process of authentication through the digital e-notary.	Notary	A real right contract required for the transfer of immovable property ownership shall be notarially authenticated and entered into the land register.	No special fee, covered with the authentication fee (see above).
Taxation (esp. transfer tax)	Income tax is paid when the property is sold or exchanged with gains. However, this only applies to selling of accommodations where the owner did not reside	-	-	-

Table 11: Professional services performed in the real estate market related to buying and selling a property

	<p>prior to the selling or exchange.⁷⁴ Furthermore, in order for there to be an obligation to pay income tax, the selling price has to be higher than the cost of acquiring it. Additionally, taxpayer has the right to deduct certified expenses directly related to the sale or exchange of property from the taxpayer's gain or to add such expenses to the taxpayer's loss.⁷⁵ If the tax exemption is based on the use of the dwelling as the taxpayer's residence, the tax exemption is not applied to more than one transfer in two years. If an immovable, structure or apartment was used simultaneously with its use as place of residence also for other purposes, the tax exemption is applied according to the proportion of the area of the rooms used as residence and the area of the rooms used for other purposes (§ 15 (6) of the Income Tax Act).</p>			
<p>Other services</p>	<p>1. Issuing of the energy performance certificate (§ 67 of the Building Code). In order to allow the person interested in buying the building or acquiring the right to use and occupy the building to make an</p>	<p>1. Competent person who is a member of the relevant profession. Service is provided also by real estate agencies.</p>	<p>1.Obligatory, information is available in the register of construction works.</p>	<p>1.Usually fixed fee: For example, single house - 100-130 €; apartment building - 130-150 € + transport costs.</p>

⁷⁴ Income Tax Act, §15(1), § 15(5)(1).

⁷⁵ Income Tax Act, § 37(1).

Table 11: Professional services performed in the real estate market related to buying and selling a property

	<p>informed choice, the advertisement regarding the transfer of ownership in the building or part of the building for a fee or regarding assignment of the right to use and occupy the building or a part of the building that can be used separately for a fee must include the particulars of the energy certificate, including the energy performance indicator or the weighted specific energy use and the corresponding class.</p> <p>2. Valuation of the property</p>	<p>2.Real estate agencies, banks</p>	<p>2.Not obligatory for non-credit and financial institutions</p> <p>Obligatory for credit and financial institutions</p>	<p>2. Fixed fees in towns, depending from the type of the dwelling; in rural areas hourly fee, starting from 50 eur in hour + transport costs.</p> <p>Banks Swedbank: Valuation of apartment in Tallinn and Harju County– 120 eur; valuation of registered immovable with buildings, house, summer house, terraced house in Tallinn and Harju County – 240 eur.</p>
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Applicable legal acts

Law of Obligations Act (2002)

§ 14 of the LOA

Pre-contractual negotiations

(1) Persons who engage in pre-contractual negotiations or other preparations for entering into a contract shall take reasonable account of one another's interests and rights. Information exchanged by the persons in the course of preparation for entering into the contract shall be accurate.

(2) Persons who engage in pre-contractual negotiations or other preparations for entering into a contract shall inform the other party of all circumstances with regard to which the other party has, based on the purpose of the contract, an identifiable essential interest. There is no obligation to inform the other party of such circumstances of which the other party could not reasonably expect to be informed.

§ 141 of the LOA

Obligation to provide pre-contractual information in case of contracts entered into with consumers

(1) Traders engaging in pre-contractual negotiations or other preparations for entry into contracts with consumers shall provide, prior to entry into the contract or making a binding offer for this purpose by the consumer, the following information to the consumer in a manner which is clear and comprehensible for the consumer, unless that information is not already apparent from the context:

- 1) the data which enable the identification of the trader, in particular the trader's business name, address of the seat and telephone number;
- 2) the main characteristics of the goods, service or other performance which are the object of the contract (hereinafter object of contract), to the extent appropriate to the object of the contract and the manner of provision of information;
- 3) the method of use of any data prepared and transmitted in digital form (hereinafter digital content), technical protective measures applied to it and compatibility thereof with any hardware and software of which the trader is aware or should be aware, if the object of the contract comprises digital content;
- 4) the total price of the object of contract inclusive of taxes, or where the nature of the object of the contract is such that the price cannot reasonably be calculated in advance, the manner in which the price is to be calculated, and all additional freight, postal or other delivery costs, if the consumer has to cover these costs or where those costs cannot reasonably be calculated in advance, as well as information on that such additional costs may be payable;
- 5) the arrangements for payment, delivery and execution of an order and the time by which the goods are delivered, the service is provided or other acts are performed;
- 6) in the case of long-term contracts the duration of the contract, or if the contract is of indeterminate duration or is to be extended automatically, the conditions for terminating the contract;
- 7) upon provision of maintenance service of the object of contract after the performance of the contract, the existence and the terms and conditions thereof;
- 8) a reminder that the consumer can rely, upon non-compliance of the object of contract with the terms and conditions of the contract, on the legal remedies provided by law;
- 9) upon grant of additional warranty in addition to the legal remedies provided by law, the existence and terms and conditions thereof;
- 10) the procedure for handling complaints implemented by the trader, if it exists.

(2) The provisions of subsection (1) of this section shall not exclude the possibility that the consumer may have a vital recognisable interest for the purposes of subsection 14 (2) of this Act in notification of even other circumstances besides those specified in subsection (1) of this section.

(3) Agreements that derogate from the provisions of this section to the detriment of the consumer are void.

§ 4033 of the LOA

Pre-contractual information in case of consumer credit contracts relating to residential immovable property

(1) The creditor or the credit intermediary provides the consumer with the personalised pre-contractual information so that the consumer can compare the consumer credit contracts relating to residential immovable property available on the market, assess the implications of the contracts and make an informed decision on entry into a credit contract. The creditor or credit intermediary provides the consumer with the pre-contractual information taking into consideration the information received from the consumer on his or her needs, financial situation and preferences in accordance with the provisions of clause 4034 (1) 1) and subsections (2), (3) and (4) of this Act. The consumer is provided with the information without undue delay after receipt of the information specified in the previous sentence from the consumer and at the same time within a reasonable time before the consumer enters into a consumer credit contract relating to residential immovable property or makes a binding offer.

(2) The creditor or the credit intermediary provides the information referred to in subsection (1) of this section to the consumer on a durable medium in the European Standardised Information Sheet.

[RT I, 11.03.2016, 1 - entry into force 01.07.2016]

(3) The format of the European Standardised Information Sheet shall be established by a regulation of the minister responsible for the area.

(4) The European Standardised Information Sheet may not be amended or supplemented, except in the European Standardised Information Sheet or in the cases specified in the instructions on how to complete it. Any information with which the creditor wishes to provide the consumer in addition to the information contained in the information sheet or must provide pursuant to law shall be given in a separate document that may be annexed to the European Standardised Information Sheet.

(5) If an offer is made to the consumer that is binding on the creditor, it is provided on a durable medium together with the European Standardised Information Sheet unless the consumer was already earlier provided with the European Standardised Information Sheet or the characteristics of the offer are different from the information contained in the European Standardised Information Sheet.

(6) If an offer is made to the consumer that is binding on the creditor, the creditor or the credit intermediary shall also provide the consumer, in addition to the European Standardised Information Sheet, a copy of a draft consumer credit contract.

(7) In the case of consumer credit contracts relating to residential immovable property entered into at distance, it shall be deemed that the creditor complies with the requirements on information provided for in subsection 541 (1) of this Act if the consumer has been provided, prior to entry into the contract, with the European Standardised Information Sheet according to this section.

(8) The provisions on the obligation to provide pre-contractual information specified in subsection 14 (2) and § 141 of this Act do not apply to the obligation to provide pre-contractual information specified in this section.

Notarization Act (2001)

§ 18 Notary's duty to give explanations

(1) A notary shall ascertain the intentions of parties and the facts that are essential for the performance of a legally correct transaction. The notary shall also explain to parties the meaning and legal consequences of the transaction and the different possibilities for entry into the transaction. The notary shall

enter the declarations of intent of the parties in a notarial instrument clearly and unambiguously. At the same time, the notary shall ensure that errors and doubts are precluded and the rights of inexperienced or incompetent parties are not damaged.

(2) If a notary has doubts concerning the compliance of a transaction with law or the actual intentions of parties, s/he shall discuss it with the parties. If a notary doubts the validity of a transaction, and parties request authentication regardless of that, the notary shall indicate his or her explanations and the justification provided by the parties concerning the explanations in the notarial instrument.

(3) A notary shall organise the notarial authentication of a transaction in such manner as to ensure performance of the obligations arising from subsections (1) and (2) of this section.

(4) If the law of a foreign state must be applied or there are doubts concerning the law of a foreign state, a notary shall inform the parties thereof and indicate such fact in the notarial instrument.

[RT I 2009, 27, 164 - entry into force 08.06.2009]

(5) A notary is not required to explain the contents of the law of a foreign state or the tax consequences of a transaction unless otherwise deriving from legislation.

§ 19. Permission and consent

A notary shall call the attention of parties to the permission or consent of a judicial institution or authority necessary for the performance of the transaction and indicate such fact in the notarial instrument.

Notaries Fees Act (1996)

§ 39. Clarification of notary fee

(1) The notary is required to clarify to the obligated person the rate of the notary fee and the procedure for the payment and collection of the fee.

(2) The notary who certified or authenticated a transaction or an application is required to communicate to the applicant the amount of the state fee payable for the making of an entry or a notation on the basis of the transaction or application in the land registry department of a court or in a registration department.

CALCULATION OF NOTARY FEE ON BASIS OF TRANSACTION VALUE

§ 22. Table of transaction values and full fees

(1) A notary fee is calculated on the basis of transaction value pursuant to the table of transaction values and full fees provided for in this section in €.

Transaction value up to	Full fee	Transaction value up to	Full fee	Transaction value up to	Full fee
32	1.60	35 151	59.75	242 865	371.30
64	3	38 347	64.55	249 255	380.90
96	4.50	41 543	69.35	255 650	390.50
128	6	44 738	74.10	262 040	400
256	10.80	47 934	78.90	268 430	409.50
383	14.50	51 129	83.70	274 820	419.25

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511	17.35	54 325	88.50	281 220	428.80
639	19.15	57 520	93.30	287 610	438.40
1 278	19.80	60 716	98.10	294 000	448
1 917	20.40	63 912	102.90	300 390	457.60
2 556	21	70 303	112.50	306 780	467.15
3 196	21.75	76 694	122.10	313 170	476.75
3 835	22.35	83 085	131.65	319 560	486.35
4 474	23	89 480	141.20	332 340	505.50
5 113	23.65	95 870	150.80	345 130	524.70
5 752	24.25	102 260	160.40	357 910	543.85
6 391	24.90	108 650	170	370 690	563.05
7 669	25	115 040	179.55	383 470	582.20
8 948	25.45	121 435	189.15	396 260	601.40
10 226	25.70	127 825	198.75	409 040	620.55
11 504	26	134 215	208.35	421 820	639.75
12 782	26.20	140 605	217.90	434 600	658.90
14 061	28.10	147 000	227.50	447 390	678.10
15 338	30	153 390	237.10	460 170	697.25
16 617	32	159 780	246.65	472 950	71640
17 895	33.85	166 170	256.25	485 730	735.60
19 173	35.75	172 565	265.85	498 510	754.75
20 452	37.70	178 955	275.45	511 300	773.95
21 730	39.60	185 345	285	524 100	793.10
23 008	41.50	191 735	294.60	536 860	812.30
24 287	43.50	198 130	304.20	549 640	831.45

25 565	45.40	204 520	313.80	562 430	850.65
26 843	47.30	210 910	323.35	575 210	869.80
28 121	49.15	217 300	332.95	587 990	889
29 399	51.10	223 690	342.55	600 770	908.15
30 678	53	230 085	352.10	613 560	927.35
31 956	55	236 475	361.70	626 340	946.50
				639 120	958.65

(2) Up to 1 278 235 € – 958.65 € + 0.14% per cent of the amount of the transaction value exceeding 639 120 €;
up to 1 917 350 € – 1853.40 € + 0.12% per cent of the amount of the transaction value exceeding 1 278 235 €;
up to 2 556 470 € – 2620.35 € + 0.1% per cent of the amount of the transaction value exceeding 1 917 350 €;
up to 3 195 585 € – 3259.45 € + 0.08% per cent of the amount of the transaction value exceeding 2 556 470 €;
up to 6 391 165 € – 3770.75 € + 0.05% per cent of the amount of the transaction value exceeding 3 195 585 €;
over 6 391 165 € – 5368.55 € + 0.02% per cent of the amount of the transaction value exceeding 6 391 165 €.
[RT I, 30.12.2010, 2 – entry into force 01.01.2011]

State Fees Act (2015)

§ 79. Making of notations concerning lease contracts or commercial lease contracts in land register

Upon making of a notation concerning a lease contract or commercial lease contract in the land register, a state fee of 6 € shall be paid for each year of the term of the lease contract or commercial lease contract but not more than 52 €.

(2) A state fee of 23 € shall be paid for the entry of a notation concerning a lease contract or commercial lease contract without a specified term in the land register.

(3) Upon extension of a lease contract or commercial lease contract entered in the land register, a state fee of 6 € for each additional year or the term of the lease contract or commercial lease contract shall be paid but not more than 52 € for the full term of the contract.

Annex 2 to the State Fees Act:

State Fees Act Annex 2 is available at: <https://www.riigiteataja.ee/tolkelisa/5130/7201/7016/annex2.pdf#>

5.4 Creating a Mortgage

Table 12: Mortgage requirements

Main steps to create a mortgage	Actors/institutions involved	Minimum standards for information	Additional requirements for consumer mortgages	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)	Notary, credit provider or credit intermediary. Notarial authentication of the contract and entry into the land register are obligatory. Insurer (in credits provided by financial institutions, insurance is obligatory).	Minimum standards for information are provided for in the § 4033 of the LOA (see additional information section 5.3.) Insured (owner of the real estate) shall inform the insurer about the conclusion of the mortgage contract (§ 449-504 of the LOA).	Conclusion of the credit and mortgage contracts with consumers are regulated in LOA, in addition special laws and regulations and guiding materials apply to the process of conclusion of the contract. The provider of the financial service shall communicate to the consumer on a durable medium, within a reasonable period of time prior to the entry into the contract or making an offer by the consumer, the conditions of the contract and other relevant information provided by law or use the Standard European Consumer Credit Information form (§551 of the LOA). In case of consumer credit secured by mortgage, the creditor or	Notary fees: If a transaction for the transfer of an immovable is authenticated simultaneously with encumbrance of the same immovable with a mortgage, the transaction value of the transfer shall be two thirds of the value of the immovable . If a document contains a transaction and a transaction securing the performance of the transaction, transaction value shall be determined on the basis of the transaction with the higher value (§ 5(2), 9(3) of the NFA). See table above. In addition to that the debtor has to pay -agreement fee set out in the price list -fee for appraising the collateral. For example Swedbank: agreement fee is up to 1% of the loan amount,	Risks are connected with the performance of the obligations of the responsible lending, if the consumer provides incorrect information and credit providers do not perform their obligations concerning the checking of provided information properly.

Table 12: Mortgage requirements

		<p>Credit providers and intermediary may provide advisory services when offering credit relating to residential immovable property. Advisory services are independent and personalised recommendations to a consumer in respect of one or more agreements to be entered into to obtain the credit relating to residential immovable property. Advisory services are provided for in the Creditors and Credit Intermediaries Act, § 7 (2015, CCIA).</p> <p>Respective obligations provided for in the LOA shall apply (see above).</p> <p>In addition to obligations provided for in the LOA, the CCIA § 51 consist of additional requirements. A mortgage creditor or a mortgage credit intermediary shall inform a consumer, in connection with the</p>	<p>the credit intermediary provides the information referred to in § 4033(1) of this section to the consumer on a durable medium in the European Standardised Information Sheet (§ 4033(2) of the LOA). Any information with which the creditor wishes to provide the consumer in addition to the information contained in the information sheet or must provide pursuant to law shall be given in a separate document that may be annexed to the European Standardised Information Sheet. Additional requirements are provided for in the LOA: § 4035 (general information about the contract), § 4041 (interest rate), § 496 (annual percentage rate), § 407 (overdraft agreement) of the LOA.</p>	<p>no less than 190 eur; or loans with a repayment term of up to 12 months - 1% of the loan amount, no less than 320 eur. SEB Bank: agreement fee is 1% of the loan amount, no less than 250 eur. LHV Bank: agreement fee is 0,5–0,9% of the loan amount.</p> <p>A credit intermediary shall not be remunerated for advisory services by any creditor, unless otherwise provided for in this section. A credit intermediary may receive remuneration for advisory services from a creditor if it considers the suitability of different credit agreements available on the market and submits to the consumer information on all of the credit agreements suitable to the consumer and offered by creditors operating on the market.</p>	
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Table 12: Mortgage requirements

		granting or intermediation of consumer credit relating to residential immovable property, whether advisory services will or can be provided to the consumer. The consumer shall be provided with personalised recommendations. Upon offering consumer credit relating to residential immovable property to a consumer, a creditor shall establish the requirements for immovable property suitable as security and the terms and conditions for the establishment of a mortgage (§ 53 of the CCIA). See § 53 below.			
Insertion of mortgage in the land register, usually at first rank	Notary.	Information and obligations are provided for in the law (§ 18 of the NA).	No special requirements concerning consumers.	State fee: The size of state fees payable for land register acts shall be determined on the basis of the transaction value or as a specific sum. See reference below, Annex 2, State Fees Act.	Risks concern the content of the mortgage, e.g. the correctness of the value of the property and description of the secured obligations.

Table 12: Mortgage requirements

Credit sum paid to mortgagor (buyer) or seller	Mortgagor and a creditor is usually a bank or other financial institution providing loans secured with mortgage. Owner of the immovable encumbered with the mortgage could be the debtor or third person. Credit sums provided by banks start from 3000 - 20 000 eur and maximum sum depends from the value of the mortgaged property (Swedbank 90%; SEB Bank 80%; Nordea Bank 80 %, with the surety from Kredex 90-100 %; LHV Bank 80 %)	A land register entry concerning establishment of a mortgage shall set out the mortgagee and the monetary amount of the mortgage (sum of mortgage).	General information obligations applicable to consumer credit agreement relating to residential immovable property (LOA, CCIA).	The buyer has to pay contract fees and all other fees connected with the credit described above, no additional fees in connection to the credit sum, except bank account monthly fee – 0.30 €.	-
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Law of Obligations Act**§ 403¹. Pre-contractual information**

(1) The consumer shall be given the opportunity to compare different offers in order to make an informed decision on entry into the consumer credit contract. For this purpose, the creditor or credit intermediary shall provide the consumer, in good time before the consumer enters into a contract or is bound by their offer, on a durable medium on the Standard European Consumer Credit Information form the following information based on the terms and conditions of the contract of the creditor and, if applicable, preferences expressed and the information submitted by the consumer:

- 1) the name and address of the creditor;
- 2) the type of credit;
- 3) the amount of credit drawn down or the upper credit limit;

4) the terms and conditions of governing the drawdown;

5) the duration of the consumer credit contract;

6) the amount of the principal sum, interest and any other charges (hereinafter repayment) number and frequency of repayments as at the time of submitting the information and, where appropriate, which payments arising from the consumer credit contract are covered by the repayment made by the consumer in the case of outstanding balances charged at different interest rates;

[RT I, 03.12.2012, 1 - entry into force 01.05.2013]

7) the total amount of all the payments made by the consumer for repayment of the credit and the payments made to cover the total cost of the credit;

8) the annual interest rate and the conditions governing the application of that rate. In the case of an unfixed interest rate, the creditor shall specify the periods, conditions and procedure for changing thereof. Where the loan interest depends on the reference interest rate, the reference rate applicable to the initial interest rate shall be specified. If different interest rates apply in different circumstances, the abovementioned information has to be provided in respect of all the applicable interest rates;

[RT I, 04.02.2011, 2 - entry into force 01.07.2011]

9) the annual percentage rate;

10) a warning regarding the consequences of missing payments;

11) the annual or daily rate of penalty applicable upon delay of payments and the arrangements for the adjustment thereof, and, where applicable, any costs payable upon a delay;

[RT I, 11.03.2015, 1 - entry into force 01.10.2015]

12) the existence or absence of a right of withdrawal;

13) the right of early repayment, and, where applicable, information concerning the creditor's right to compensation and the way in which the compensation is determined;

14) the consumer's right to be informed immediately and free of charge pursuant to subsection 4034 (10) of this Act of the information used for the purposes of assessing the consumer's creditworthiness;

[RT I, 11.03.2016, 1 - entry into force 21.03.2016]

15) the consumer's right to get a copy of the draft consumer credit contract from the creditor free of charge pursuant to the provisions of subsection (6) of this section.

[RT I 2010, 77, 590 - entry into force 01.07.2011]

(2) The creditor or the credit intermediary shall also provide the consumer in addition to the information specified in subsection (1) of this section the following information using the Standard European Consumer Credit Information form:

1) the name and address of the credit intermediary, if the entry into the consumer credit contract is provided by a credit intermediary;

2) charges deriving from the consumer credit contract and the conditions under which those charges may be changed, if the consumer is charged. Such charges include, for example, the charges for maintaining an account recording payment transactions and drawdowns, unless the opening of an account is optional, and charges for using a means of payment for both payment transactions and drawdowns;

3) securities, if securities are required from the consumer;

4) the obligation to enter into a contract where the entry into a collateral contract, in particular an insurance policy, is compulsory in order to obtain the credit or to obtain it on the terms and conditions offered;

5) the obligation to pay notary fees if the consumer is to cover these fees upon entry into the consumer credit contract;

6) a clear and concise statement that the consumer credit contract shall not guarantee the repayment of the credit drawn down under the consumer

credit contract if the payments made by the consumer do not give rise to an immediate reduction of the obligation of the consumer to the creditor but are used to constitute capital during periods and under conditions laid down in the credit contract or in a collateral contract. No such statement is submitted if the repayment of the credit drawn down under the consumer credit contract is guaranteed;

7) the period of time during which the creditor is bound by the pre-contractual information, if the creditor has determined such period of time pursuant to subsection (7) of this section;

8) in the case of a consumer credit contract the object of which is the acquisition of a thing, provision of a service or financing of another object of the contract and in the case of economically linked consumer credit contracts, the thing or service which is the object of the contract and its cash price (net price). In the case of a leasing contract, the price for which the lessor purchases the object of leasing is deemed to be the net price.

[RT I 2010, 77, 590 - entry into force 01.07.2011]

(3) The total cost of the credit to the consumer means all the costs, including interest, commissions, taxes and other fees which the consumer is required to pay in connection with the consumer credit contract and which are or should be known to the creditor. The notary fees shall not be taken into account upon calculation of the total cost of the credit. Where a collateral contract, in particular an insurance contract, has to be entered into in order to obtain a credit or to obtain it on the terms and conditions offered, the costs arising from the specified contract, in particular insurance premiums, shall also be taken into account upon calculation of the total cost of the credit.

[RT I 2010, 77, 590 - entry into force 01.07.2011]

(4) The total amount of all the payments made by the consumer for the repayment of the credit and covering the total cost of the credit and the annual percentage rate specified in clauses (1) 7) and 9) of this section shall be provided by means of a representative example. The creditor shall specify all information and assumptions used in order to calculate the annual percentage rate. Where the consumer has informed the creditor of the consumer's preferred terms and conditions of the contract, such as the duration of the consumer credit contract, amount of credit or upper credit limit, the creditor shall take the information obtained from the consumer into account upon providing a representative example.

[RT I 2010, 77, 590 - entry into force 01.07.2011]

(5) Where the consumer credit contract provides different ways of drawdown with different charges or interest rates relating to the consumer credit contract and the creditor uses the assumption provided for in subsection 4061 (2) of this Act, the creditor shall indicate that other drawdown mechanisms for this type of consumer credit contract may result in higher annual percentage rates.

[RT I 2010, 77, 590 - entry into force 01.07.2011]

(6) At the request of the consumer, the creditor shall also supply the consumer, free of charge, with a copy of the draft consumer credit contract in addition to the Standard European Consumer Credit Information form, unless the creditor is not willing to continue pre-contractual negotiations with the consumer.

[RT I 2010, 77, 590 - entry into force 01.07.2011]

(7) The creditor may designate a term during which the consumer is bound by the pre-contractual information provided to the creditor.

[RT I 2010, 77, 590 - entry into force 01.07.2011]

(8) The formats of the Standard European Consumer Credit Information form shall be established by a regulation of the minister responsible for the area. The Standard European Consumer Credit Information form shall not be altered or supplemented. Any information that the creditor wishes to supply to the consumer in addition to the provisions of this section shall be provided in a separate document that may be annexed to the Standard European Consumer Credit Information form.

[RT I 2010, 77, 590 - entry into force 01.07.2011]

(9) In the case of distance consumer credit contracts, the creditor is deemed to comply with the requirements for information specified in subsections 541(1) and (3) of this Act if the creditor has provided the Standard European Consumer Credit Information form to the consumer with the information

specified in this section and additional information concerning distance marketing of financial services.

[RT I, 31.12.2013, 1 - entry into force 13.06.2014]

(10) The obligation specified in subsection (1) of this section to supply the pre-contractual information on the Standard European Consumer Credit Information form shall not apply to such consumer credit contracts which are entered into with a restricted number of consumers under a statutory provision with a general interest purpose and on the terms and conditions which are more favourable to consumers than those prevailing on the market or at interest rates which are lower than those prevailing on the market.

[RT I 2010, 77, 590 - entry into force 01.07.2011]

(11) The provisions on the obligation to provide pre-contractual information specified in subsection 14 (2) and § 141 of this Act shall not apply to the obligation to provide pre-contractual information specified in this section.

[RT I, 31.12.2013, 1 - entry into force 13.06.2014]

§ 403³. Pre-contractual information in case of consumer credit contracts relating to residential immovable property

(1) The creditor or the credit intermediary provides the consumer with the personalised pre-contractual information so that the consumer can compare the consumer credit contracts relating to residential immovable property available on the market, assess the implications of the contracts and make an informed decision on entry into a credit contract. The creditor or credit intermediary provides the consumer with the pre-contractual information taking into consideration the information received from the consumer on his or her needs, financial situation and preferences in accordance with the provisions of clause 4034 (1) 1) and subsections (2), (3) and (4) of this Act. The consumer is provided with the information without undue delay after receipt of the information specified in the previous sentence from the consumer and at the same time within a reasonable time before the consumer enters into a consumer credit contract relating to residential immovable property or makes a binding offer.

(2) The creditor or the credit intermediary provides the information referred to in subsection (1) of this section to the consumer on a durable medium in the European Standardised Information Sheet.

[RT I, 11.03.2016, 1 - entry into force 01.07.2016]

(3) The format of the European Standardised Information Sheet shall be established by a regulation of the minister responsible for the area.

(4) The European Standardised Information Sheet may not be amended or supplemented, except in the European Standardised Information Sheet or in the cases specified in the instructions on how to complete it. Any information with which the creditor wishes to provide the consumer in addition to the information contained in the information sheet or must provide pursuant to law shall be given in a separate document that may be annexed to the European Standardised Information Sheet.

(5) If an offer is made to the consumer that is binding on the creditor, it is provided on a durable medium together with the European Standardised Information Sheet unless the consumer was already earlier provided with the European Standardised Information Sheet or the characteristics of the offer are different from the information contained in the European Standardised Information Sheet.

(6) If an offer is made to the consumer that is binding on the creditor, the creditor or the credit intermediary shall also provide the consumer, in addition to the European Standardised Information Sheet, a copy of a draft consumer credit contract.

(7) In the case of consumer credit contracts relating to residential immovable property entered into at distance, it shall be deemed that the creditor complies with the requirements on information provided for in subsection 541 (1) of this Act if the consumer has been provided, prior to entry into the contract, with the European Standardised Information Sheet according to this section.

(8) The provisions on the obligation to provide pre-contractual information specified in subsection 14 (2) and § 141 of this Act do not apply to the obligation to provide pre-contractual information specified in this section.

§ 403⁵. Provision of explanations to consumers

(1) Prior to entry into a consumer credit contract, the creditor is obliged to provide the consumer with adequate explanations in order to place the consumer in a position enabling the consumer to assess whether the proposed consumer credit contract corresponds to the needs and the financial situation of the consumer. In the case of consumer credit contracts relating to residential immovable property, the creditor or the credit intermediary is obliged to also provide the consumer, in addition to the explanations given according to the previous sentence, with explanations of the ancillary agreement proposed to the consumer so that the consumer could assess whether the ancillary agreement corresponds to the needs and financial situation of the consumer.

(2) If it may be presumed that the consumer needs or requests additional explanations concerning the pre-contractual information provided pursuant to § 4031 of this Act, the essential characteristics and effect that the contracts proposed to the consumer may have on the consumer, including consequences of payments delayed by the consumer, then the creditor or credit intermediary is obliged to provide additional explanations to the consumer and warn the consumer of potential risks upon obtaining a consumer credit.

(3) In the case of consumer credit contracts relating to residential immovable property, the explanations shall in particular include:

- 1) the pre-contractual information provided to the consumer according to § subsection 4033 of this Act, if the explanations are given by the creditor, and the pre-contractual information provided pursuant to §§ 4033 and 4171 of this Act if the explanations are given by the credit intermediary;
- 2) the essential characteristics of the products proposed;
- 3) the specific effects which the products proposed may have on the consumer, including the consequences of default in payment by the consumer; and
- 4) information about whether the contract can be terminated separately and the implications for the consumer for doing so, where ancillary agreements are bundled with a consumer credit contract.

§ 404. Application of consumer to enter into contract

(2³) Upon entry into consumer credit contracts relating to residential immovable property, a declaration of intent of the consumer must indicate, in addition to the information provided for in subsection (2) of this section, the following information in a clear and concise manner:

- 1) the name and address of the credit intermediary, if the entry into the consumer credit contract relating to residential immovable property is provided by a credit intermediary;
- 2) the currency of the credit;
- 3) the information stating that the consumer credit contract is in foreign currency, if it is such a contract;
- 4) the maximum credit amount in the national currency of the consumer, if it is a consumer credit contract in foreign currency and the parties agree upon such maximum amount;
- 5) the conditions for converting the consumer credit contract into the national currency of the consumer or another procedure applied to limit the exchange rate risk for the consumer on the basis of the credit contract, if it is a foreign currency consumer credit contract;
- 6) if applicable, the information on that during the term of the consumer credit contract, the consumer shall pay only interest (interest-only consumer credit contract);
- 7) the amount owed by the consumer after the expiry of the consumer credit contract, if it is an interest-only consumer credit contract;
- 8) the assumed value, at the time of entry into the contract, of the registered immovable over which the security is created, if the consumer is required to

create such a security;

9) information on the law applicable to the consumer credit contract, if the contract is entered into at a distance.

§ 404¹. Information concerning interest rate

(1) Changes of interest rates shall enter into force in the case of a consumer credit contract if the creditor has notified the consumer beforehand, on a durable medium, of the change in the interest rate. The information shall state the amount of payments due after the entry into force of the new interest rate and where the number or frequency of the payments changes, the respective particulars thereof.

(2) The parties may agree in the consumer credit contract that the information specified in subsection (1) shall be provided to the consumer periodically in the cases where the change in the interest rate is caused by a change in a reference rate, and the new reference rate is made publicly available by appropriate means and the information concerning the new reference rate is available in the premises of the creditor. In the case of consumer credit contracts relating to residential immovable property, the creditor provides the consumer with the information on the reference interest rate in addition to the information provided for in subsection (1) of this section.

[RT I, 11.03.2016, 1 - entry into force 21.03.2016]

(3) Where changes in the interest rates of consumer credit contracts relating to residential immovable property are determined by way of auction on the capital markets and it is therefore impossible for the creditor to inform the consumer of any change before the change takes effect, the creditor shall, within reasonable time before the auction, inform the consumer on a durable medium thereof and provide information on how the interest rate can be affected by the auction.

§ 406. Annual percentage rate

(5²) In the case of consumer credit contracts relating to residential immovable property for which a fixed interest rate is agreed initially for at least five years and at the end of which negotiations are held for determining a fixed interest rate for a new period of substantial length, the additional illustrative annual percentage rate in the European Standardised Information Sheet shall take into consideration only the period with the initially fixed interest rate and the calculation is based on the assumption that the outstanding principal amount shall be repaid at the end of the fixed interest rate period.

[RT I, 11.03.2016, 1 - entry into force 21.03.2016]

(5³) Where consumer credit contracts relating to residential immovable property allow for variations in the interest rate according to the consumer credit contracts, the consumer shall be informed of possible impacts of variations in the interest rate on the amounts payable and on the annual percentage rate at least in the European Standardised Information Sheet. For this purpose, the consumer shall be also provided another annual percentage rate, which illustrates the possible risks linked to a significant increase in the interest rate. Where the interest rate is not capped, this information shall be accompanied by a warning that highlights that the total cost of the credit for the consumer, shown in the annual percentage rate, may change. The provisions of this subsection do not apply in the case specified in subsection (5²) of this section.

[RT I, 11.03.2016, 1 - entry into force 21.03.2016]

(6) The specific procedure for calculation of the annual percentage rate based on the requirements of the European Union shall be established by the minister responsible for the area.

§ 407. Overdraft agreement

(2¹) The consumer shall be given the opportunity to compare different offers in order to make an informed decision on entry into the overdraft agreement pursuant to which the credit has to be repaid on demand of the creditor or within three months. For this purpose, the creditor or credit intermediary shall provide the consumer in good time before the consumer enters into a contract or is bound by his offer, on a durable medium, the following information based on the terms and conditions of the contract of the creditor and, if applicable, preferences expressed and the information submitted by the consumer:

- 1) the information specified in clauses 403¹ (1) 1), 2), 3), 5), 11), 14) and 15) of this Act;
- 2) the information specified in clause 403¹ (2) 1) of this Act in the case of credit intermediation;
- (3) the information concerning that the consumer may be requested to repay the amount of credit in full on demand at any time;
- 4) the annual interest rate and the conditions governing the application of that rate. Where the loan interest depends on the reference interest rate, the reference rate applicable to the initial interest rate shall be specified;
- 5) the annual percentage rate by means of a representative example indicating all the information and assumptions used in order to calculate the annual percentage rate;
- 6) the charges due from the time the contract is entered into and, where applicable, the conditions under which those charges may be changed;
- 7) the period of time during which the creditor is bound by the pre-contractual information, if the creditor has determined such period of time pursuant to subsection 4031 (7) of this Act.

[RT I 2010, 77, 590 - entry into force 01.07.2011]

(2²) The information specified in subsection (2¹) of this section shall be provided in a clear and comprehensible manner. For the purpose of providing the information specified in subsection (2¹) of this section, the creditor or the credit intermediary may use the European Consumer Credit Information form established by a regulation of the minister responsible for the area for overdrafts.

[RT I 2010, 77, 590 - entry into force 01.07.2011]

(2³) In the case of a distance contract specified in subsection (21) of this section, the creditor has fulfilled the information requirements specified in subsections 54 (11) and (2) of this Act if the creditor has provided the Standard European Consumer Credit Information form to the consumer for overdraft with the information specified in subsection (21) of this section and additional information concerning distance marketing of financial services.

[RT I 2010, 77, 590 - entry into force 01.07.2011]

Creditors and Credit Intermediaries Act (2015)

§ 53¹. General information about consumer credit agreement relating to residential immovable property

(1) A creditor and a credit agent shall make clear and comprehensible general information about a consumer credit agreement relating to residential immovable property available to the consumer at all times on a durable medium or in electronic form.

(2) Such general information shall include at least the following:

- 1) name and address of the creditor or the credit intermediary;
- 2) the purposes for which the credit may be used;
- 3) the forms of security, including, where applicable, the possibility for it to be provided in a different Member State;
- 4) the possible duration of the credit agreement;

- 5) types of available interest rates, indicating whether fixed or unfixed (or both), and a short description of the characteristics of a fixed and unfixed rate, including related implications for the consumer;
- 6) information about the currency or currencies of a foreign country, including an explanation of the possible implications of entry into a credit agreement in the currency of a foreign country for the consumer if the creditor offers entry into an agreement in the currency of a foreign country;
- 7) a representative example of the credit amount to be drawn down or the credit ceiling, the total cost of the credit to the consumer, the total amount of all payments to be made by the consumer to repay the credit and bear the total cost of the credit and the annual percentage rate of charge;
- 8) further costs not included in the total cost of the credit to the consumer to be paid in connection with a consumer credit agreement;
- 9) the range of options available for reimbursing the credit to the creditor, including the amount, number and frequency of regular repayment instalments;
- 10) where applicable, a clear and concise statement that compliance with the terms and conditions of the consumer credit agreement does not guarantee repayment of the credit drawn down under the consumer credit agreement;
- 11) a description of the conditions directly relating to early repayment;
- 12) information about whether an appraisal of the immovable is necessary and, where applicable, who is responsible for ensuring that the appraisal is carried out, and whether any related costs arise for the consumer;
- 13) information about the obligation to enter into an ancillary agreement if, in order to obtain the credit or obtain it on the terms and conditions offered, it is necessary to enter into an ancillary agreement and, where applicable, a clarification that the ancillary agreement may also be entered into with a person other than the creditor;
- 14) a general warning concerning the possible consequences of non-compliance with the commitments linked to the consumer credit agreement.

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 involved ⁷⁶
Finding and matching landlords and tenants	Usual obligation of the real estate agencies under the contract for services. There are two possibilities: exclusive contracts with real estate agent and free contracts that mean that tenant or landlord may freely refer also to other agents. Real estate agencies use internet platforms to advertise the property and find landlords or tenants. In addition, personal contacts are also often used.
Information search by landlords or tenants (e.g. about salary, outstanding debts)	There is no obligation to provide information about the landlords or tenants. In practice, bigger real estate agencies are investigating the tenants' background from the sources freely available. No recommendations required to become a tenant. On the request, also the background of the landlord could be investigated, however, it is not usual. Information about the outstanding debts can be found on https://www.creditinfo.ee/en/ .
Inspection of the property by tenants (in some cases with the help of professionals)	Inspection of the property is usual
Delivery of mandatory information to tenants prior to the conclusion of the contract (if relevant)	Real estate agencies provide as a part of their services delivery of all mandatory and non-mandatory information to tenants.
Delivery of energy performance certificate to tenant	Delivery of energy performance certificate is an obligation of the owner and tenants have a right to be informed about the energy performance standards and certificates. Real estate agencies provide delivery as a part of their representation services. In addition to that, agencies provide also themselves services of issuing energy performance certificates by the licenced professionals.
Provision of additional guarantees to landlord, if relevant	Usual additional guarantee for a landlord is one-month rent, which is paid upon conclusion of the contract.
Conclusion of the contract in the usual form (e.g. oral, written, preformulated)	Usual form for residential lease contracts is written form , also electronic form is used with electronic signature if contract is not concluded between persons present at the same time. If the contract is for a period longer than 1 year and is concluded in oral form, the contract is deemed to be concluded for indefinite period. Real estate agencies offer standardised pre-drafted contracts . For example, internet real estate portal KV.EE provides free sample of residential lease contract for registered users. The sample is drafted by the law firm.

⁷⁶ 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

	<p>Law firms provide sample lease contracts as part of their services. Ministry of Justice offers recommendations to tenants and landlords concerning conclusion of the residential lease contract.</p> <p>After finding a proper tenant or landlord, the agent prepares the draft contract, mediates the terms of the contract with the parties and participates in the signing of the contract. Agents provide consultations in legal matters, prepare the act of delivery of the property and helps in checking the property and content of the documents. The same functions may be performed by the lawyer, however, this is not common. There is a possibility that parties will conclude the contract for residential lease privately.</p>
Rent payment and deposit (e.g. bank account)	Rent is payable as usual at the end of the month. Deposit (maximum sum is three-month rental payment) will be paid at the moment of conclusion of the contract. Depositing by the lessor in the bank account is rarely used in practice.
Registration of the contract in the land register (e.g. excluded, optional or mandatory; if optional: usual and/or recommendable)	<p>There is no obligation to register the lease contract. It is not very usual because of the lessor's interest not to provide to the lessee security in case of change of the owner of the real estate.</p> <p>Tenant may request the notation regarding the lease contracts to be entered in the land register (§ 324 of the LOA).</p> <p>An entry in the Land Register ensures that the actual owner of an immovable or a person for whose benefit the immovable is encumbered with a limited real right shall permit the lessee to use the immovable pursuant to the lease contract and that a new owner does not have the right to terminate the lease contract under Art. 323 para 1 of the LOA (Art. 324 para 2 of the LOA). The application for the entry of a notation can be submitted by the owner or by the tenant. If the application for the entry is submitted by the tenant, the approval has to be given by the owner. Signature of the owner on the written approval has to be authenticated by the notary. If the landlord is not an owner, the tenant cannot demand the entry of the notation into the land register.</p> <p>Transaction value upon entry into a residential lease contract, commercial lease contract, deposit contract or contract on use of property without charge is the value of the obligation arising from the contract during the term of the contract, but not more than for fifteen years. The minimum annual value of a residential lease contract, commercial lease contract, deposit contract or contract on use of property without charge is 63.90 € (§ 16 NFA).</p> <p>In addition, the tenant has to pay the notary fee for authentication of the approval which is 35.75 € with VAT 42.90€.</p>
Other steps	After the conclusion of the contract, the landlord deliver's the key and tenant will move in.

6.2 Rent contract

Table 14: Rent contract				
Main steps	Actors involved per intermediate step	Payment details ⁷⁷		Typical risks associated to these steps, if relevant
		Payments expressed :	When is the payment made	
		<ul style="list-style-type: none"> • In EUR as % of total purchase price <u>and</u> • As a fixed amount if available (add if VAT applies) 		
Finding and matching the parties	Estate agent, lawyer. Intervention of professional service provider is not mandatory.	Estate agent: if provided as service by the agent, the price for finding and matching the parties will be agreed beforehand with the description of obligations (advertising, searching property, informing, organising appointments etc.). It is usually one-month rent. If the property is situated in the remote place – transportation costs will be added as fixed fee.	After service, however, sometimes the pre-payment is used.	There is no clear agreement on the content and intensity of the actions (advertising, information provided, frequency of advertising etc.); no clear agreement on exclusivity rights.
Information search by landlord on tenant (e.g. about salary, outstanding debts)	Estate agent, lawyer. Not mandatory.	Usually it is a part of the services (no information available about the price of this specific service) ⁷⁸ . Under the law (§ 658 of the LOA) it is a landlord's obligation if not otherwise agreed. In practice tenant pays afterwards all the costs of the agent.	After service, however, sometimes the pre-payment is used. In general this is a part of services and no special payments are provided.	Information is incomplete.

⁷⁷ 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.

⁷⁸ There are easy possibilities to find information in Internet in addition to google search or social media sources. Usually the agencies obtain access to all data bases paying fees. For example: <https://www.e-krediidiinfo.ee/>; <https://www.creditinfo.ee/en/credit-register/>; <https://ariregister.rik.ee/index?lang=eng>; <http://geoportaal.maaamet.ee/eng/Ordering-Data-p301.html>. Land cadaster: <http://xgis.maaamet.ee/ky/ky..>

Table 14: Rent contract

<p>Inspection of the property by tenant</p>	<p>Professional inspectors (technical experts). Not mandatory. Does not free from the liability for hidden defects.</p>	<p>In most cases this is a part of the fee for services (one month rent). Could be also a lump sum.</p>	<p>After service, however, sometimes the pre-payment is used.</p>	<p>There are fewer possibilities to rely on defects.</p>
<p>Delivery of mandatory information to tenant prior to the conclusion of the contract (if relevant)</p>	<p>Lessor, estate agent Obligation to provide information under the § 14(2) of the LOA</p>	<p>There is no special fees for delivery information. It is a part of the services provided by the agents.</p>	<p>-</p>	<p>Lessor is liable for non-conformity. The estate agent shall inform the mandator of all relevant facts relating to performance of the mandate, above all facts which may cause the mandator to modify the mandator's instructions, and, at the request of the mandator, shall provide the mandator with information on performance of the mandate. If they do not agree otherwise (the agreement has to be in written form, see § 624 of the LOA). There is a risk that the agent may avoid the liability for misinformation in contract.</p>
<p>Delivery of energy performance certificate to tenant</p>	<p>Lessor, estate agent Obligatory under the law (Building Code, § 67); the obligation is performed, if there is a possibility to check the certificate from the building register.</p>	<p>Usually covered with the estate agent fee if already issued (the agent have to check the certificate). Lump sum if provided as additional service. For example: Single house - 100-130 € Apartment building - 130-150 €</p>	<p>Fees are paid during the signing of the rent agreement or after. Pre-payment agreements are also allowed.</p>	<p>-</p>

Table 14: Rent contract

<p>Conclusion of the contract in the usual form (e.g. oral, written, preformulated)</p>	<p>Contract is concluded usually in the written form (personal signature) or in the digital form (digital signature). It is usual that pre-formulated forms are used.</p>	<p>Covered with fee if part of the estate agent services. Contracts are usually drafted by notaries.</p>	<p>After service</p>	<p>Usual risks, like unclear or unfair contract terms. Estate agent is not liable for non-performance of the contract if not otherwise agreed.</p>
<p>Rent payment and deposit (e.g. bank account)</p>	<p>Rent is payable directly to the lessor (via bank account or cash). Deposit in the bank account is not used, even if provided for in the law.</p>	<p>There is no special fee provided in the contract. The tenant bears the cost of the transfer. In practice, the rent is paid in cash (to avoid taxation).</p>	<p>The lessee usually has a right to pay the deposit within three months in equal instalments. The first instalment is required to be paid only after entry into the lease contract.</p>	<p>Art. 308 of the LOA creates the presumption that if a lessee transfers money to the landlord in order to guarantee possible future claims, it is a security deposit and not a prepayment of rent. In practice, parties often agree on prepayment, especially in case of contracts for specified term. The parties may agree on a security deposit in the amount of up to three months' rent (Art. 308 para 1 of LOA). In practice, a deposit in the amount of 1-2 month rent is usually demanded.</p> <p>In practice, private landlords often do not keep the deposit separately from their own assets and calculation of interest could be based on interest rates referred in Art. 94 para 1 of the LOA, i.e. the last interest rate applicable to the main refinancing operations of the European Central Bank on a semi-annual basis.</p>

Table 14: Rent contract

<p>Registration of the contract in the land register or other device (excluded, optional or mandatory)</p>	<p>Not obligatory, optional. If parties agree on registration, it has to be made by notary.</p>	<p>The lease contract is usually not authenticated by notary. For registration, only the signature on the application (to make a notice in the land register) has to be certified. The fee is 35.75 €, with VAT 42.90 €.</p> <p>In practice parties sometime ask for authentication of the whole lease contract (to ensure the application of the out-of-court eviction procedure) and in this case, following rules will apply:</p> <p>Transaction value upon entry into a residential lease contract, commercial lease contract, deposit contract or contract on use of property without charge is the value of the obligation arising from the contract during the term of the contract, but not more than for fifteen years.</p> <p>For example, in the lease contract for 15 years with the monthly payment 200 eur (2400 per year) the payment for fifteen years is 36 000 euros. As this is a two-sided contract, the notary fee from the value of 36000.- euros is 64,55 euros x 2= 129,10 +VAT</p> <p>State fee for register: 52 euros, final fee with VAT 206,92 euros.</p> <p>In open-ended contracts the value of the obligations is five times the annual value. Minimum annual value is 63.90 €. If the lease contract is for un-definite term and without rent the notary fee is calculated in following way: 5 (minimum number of years) X 63.90 =</p>	<p>Notary fee is payable after service; state fee for registration has to be paid before registration.</p>	<p>-</p>
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Table 14: Rent contract

		<p>319.50 €. Then the table from § 22 of Notary Act is used to find fee: 14.50×2 (two-sided contract) = 29 € + VAT.</p> <p>State fee for registration: 6 € for each year of the term of the lease contract but not more than 52 €; 23 €, if without a specified term.</p>		
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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, if applicable	Service providers involved	Quality of involvement (e.g. mandatory; exclusive rights)	Fees expressed: <ul style="list-style-type: none"> • In EUR as % of total purchase price <u>and</u> • As a fixed amount (if available)
Finding and matching landlords and tenants	No minimum standards established. There is a general rule concerning contracts for services. § 624(1) of the LOA: "The mandatary shall inform the mandator of all relevant facts relating to the performance of the mandate, above all of facts which may cause the mandator to modify the mandator's instructions, and, at the request of the mandator, shall provide the mandator with information on performance of the mandate."	Estate agents, sometimes also lawyers	Non-mandatory.	As % of total purchase and fixed amount. For example: estate agencies provide only one fee for mediating landlords and tenants – 1-month rent. If the property is very valuable, the amount of the fee will be agreed.
Information search by landlords or tenants	There are no minimum standards established.	Estate agents, lawyers.	Non-mandatory.	As % of total purchase and fixed amount. No information available.

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

Inspection of the property by tenants	There are no minimum standards.	Estate agents, lawyers, professionals.	Non-mandatory	As fixed amount. No information available, fee is agreed upon between the parties.
Delivery of mandatory information to tenants prior to the conclusion of the contract (if relevant)	General information obligations apply provided for in the § 14(2) of the LOA: Persons who engage in pre-contractual negotiations or other preparations for entering into a contract shall inform the other party of all circumstances with regard to which the other party has, based on the purpose of the contract, an identifiable essential interest. There is no obligation to inform the other party of such circumstances of which the other party could not reasonably expect to be informed.	Estate agents, lawyers.	Non-mandatory.	Usually part of the services, fee is one-month rent. There is no information about the fee for this specific service.
Conclusion of the contract in the usual form (e.g. oral, written, preformulated)	Written form, digital form, digitally signed contracts. No legally required form.	Estate agents, lawyers.	Non-mandatory.	Usually part of the services, fee is one-month rent.
Rent payment and deposit (e.g. bank account)	No requirements, except the right to demand deposit in the amount of maximum three month rent. Has to be deposited. In practice, the three-month rent is divided in following way: 1 month – agent's fee, 1 month as deposit, 1 month – as first payment.	Estate agents, lawyers, notaries if notarial deposit is used (usually not).	Non-mandatory.	-
Registration of the contract in the land register	No requirements. Optional.	Notaries.	Non - mandatory	Notaries fee – see answer to section 6.2. State fee (for the entry into land register) is fixed amount. See answers to section 6.2.

The content of the broker service and the official duties of a real estate broker are fixed in the professional standard of a Real Estate Broker III approved by the Estonian Qualification Authority.

While providing the broker service, the main official duties of a real estate broker are as follows:

- * finding clients, finding out about their wishes, fixing the order (commission), informing the client on the content, mediation terms and conditions of the service offered, concluding a brokerage agreement;
- * gathering market information, recording, systematising, entering purchase and sale offers into databases, comparison inside the databases, upgrading them;
- * gathering thorough information on the object, the temporal and financial planning of sale activities, selecting a target group and sale channels;
- * explaining the market situation, and the possibilities and terms and conditions thereof to clients;
- * consulting the client on the possible price level of the real estate object and the known properties of the object affecting the price;
- * drawing up sale materials, informing target groups by direct mailing, the printed media, the internet and other channels, presenting the object, introducing sale/rental/lease terms and conditions, and other marketing-related jobs;
- * organising negotiations and consulting the client on contractual provisions, representing and advising the client on negotiations, obtaining necessary documents;
- * preparing the conclusion of real estate transactions and arranging the conclusion of a notarial contract. Preparing and arranging of the conclusion of any other contracts necessary;
- * jobs to be done after a transaction related to the vacation of objects, the movement of monies, paying of the debts and obligations in connection with the object, and such;
- * reporting to the client on the course of fulfilling the duties undertaken with a contract by the broker.

7. Professional services regulation: notaries

7.1 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 your country:</i>	<p>A citizen of a Member State of the European Union with active legal capacity who has completed candidate service and passed the notary examination, is proficient in oral and written Estonian, is honest and of high moral character and whose education meets the educational requirements for the position of a judge may become a notary.</p> <p>Pursuant to clause 47 (1) 1) of the Courts Act the educational requirements are following: 1)has acquired in the field of law at least an officially certified Master's degree, a corresponding qualification for the purposes of subsection 28 (22) of the Republic of Estonia Education Act or a corresponding foreign qualification; § 28 (22) of the Republic of Estonia Education Act: The conformity of the qualifications of the Republic of Estonia and the qualifications of the former Union of Soviet Socialist Republics prior to 20 August 1991 shall be established by a regulation of the Government of the Republic.</p> <p>A notary executes his or her office as a liberal profession in his or her own name and at his or her own responsibility. An undertaking or a state official shall not be a notary (§ 2(3) of the NA).</p> <p>A notary shall be impartial and reliable in his or her professional activities.</p> <p>A notary shall be guided by the oath of office and shall also act in a dignified manner outside of his or her professional activities.</p> <p>The competition consists of two parts: a legal knowledge test and a conversation. At the same time, the legal opinion is compiled by testing up to one page.</p> <p>The following shall not be appointed notary:</p> <ol style="list-style-type: none"> 1) Persons who are convicted of a criminal offence; 2) Persons who have been removed from the office of judge, notary or bailiff; 3) Persons who have been expelled from the Estonian Bar Association; 4) Persons who have been released from the public service for a disciplinary offence; 5) Persons who are bankrupt; 6) Persons whose professional activities as an auditor have been terminated except termination on the basis of the application of an auditor; 7) Persons who have been deprived of the qualification of a patent agent, except deprivation of qualification on the basis of the application of a patent agent. 8) Persons who have been deprived of the profession of a sworn translator on the basis of clause 28 (3) 3) of the Sworn Translators Act.

Table 16: Market entry and structure regulation

- 9) a person who has lost the right to substitute a notary
- 10) a notary candidate released from the candidate service (disciplinary offence).

Notary candidates

Any citizen of a Member State of the European Union about whom no facts are known due to which s/he could be presumed to be unsuitable to practice as a notary may become notary candidate. The Chamber of Notaries shall organise competitions for applicants for notary candidate. The conditions of and procedure for the competitions shall be determined by the minister responsible for the area after hearing the proposals of the Chamber of Notaries.

Applicants for notary candidate shall be appointed to candidate service by the minister responsible for the area.

Candidate service is training held on the basis of a programme approved by the minister responsible for the area and performance of duties assigned by the Chamber of Notaries.

The training of a notary candidate shall last for two years and end with the notary examination. On the proposal of the Chamber of Notaries, the minister responsible for the area may change the duration of the training.

After passing the notary examination, the candidate service is suspended for up to ten years. This means that a notary candidate has the right to apply for an office of notary being filled by competition during 10 years. If the candidate is successful and s/he will be appointed as notary, the candidate service will end. If notary candidate was not successful during 10 years after notary examination, the candidate service is terminated (§ 28(2) 31) of the Notaries Act) and s/he has to apply again for a notary candidate training to obtain the notary candidate position.

A notary candidate whose candidate service is suspended is required to run as a candidate in a competition for the filling of an office of notary. If a notary candidate fails, without good reason, to apply for an office of notary being filled by competition, the provisions of clause 28 (2) 3) of this Act apply to the notary candidate, e.g. the candidate service is terminated.

A notary candidate who has successfully completed the training programme shall perform the notary examination.

Candidate service ends with appointment of a notary candidate as a notary.

A notary shall be appointed to office for life. At the request of a notary, the minister responsible for the area may permit the notary to remain in office after attaining pensionable age if this is necessary to satisfy the need for notarial acts to be performed, but for no longer than ten years (§ 8(4) of the Notaries Act).

Table 16: Market entry and structure regulation		
Objective requirements	<i>Do numerus clauses and other objective requirements exist?</i>	<p>An office of notary shall be filled on the basis of competition. The conditions and procedure for the competition shall be determined by the minister responsible for the area after hearing the opinion of the Chamber of Notaries.</p> <p>There is numerus clausus requirement. Estonian Ministry of Justice appoints the working areas, number of posts and job title of the notaries (Notaries Statute from 2009).</p>
Citizenship requirements	<i>Are foreign candidates admitted de iure and also de facto under the same conditions as nationals?</i>	A citizen of a Member State of the European Union de iure. There is no information about the de facto admission problems.
Inter-professional cooperation	<i>Are forms of collaboration between notaries and other professionals allowed and usual?</i>	<p>A notary is prohibited from practising in common office premises with representatives of other professions, except for sworn translators.</p> <p>A notary shall not hold other paid offices besides the office of notary or perform any other paid work except teaching or research or creative activities.</p> <p>Also, a notary shall not engage in enterprise, or:</p> <ol style="list-style-type: none"> 1) participate in a company or be a member of the management or supervisory board or a liquidator or procurator of a company; 2) be the director of a branch of a foreign company; 3) be a trustee in bankruptcy, member of a bankruptcy committee or compulsory administrator of immovable. <p>(3) A notary may acquire securities, which are publicly issued, including shares and convertible bonds.</p> <p>(4) A notary shall not be a member of the leadership of a political party or belong to foreign political organisations.</p> <p>(5) A notary and the employees of his or her office are prohibited from acting as intermediaries between parties entering into transactions unless otherwise provided by law.</p>
Business structure	<i>Are notary associations/corporations allowed?</i>	<p>A notary is a holder of office in public law, an independent official to whom the state has delegated the duty of ensuring the security of legal relationships and prevention of legal disputes.</p> <p>A notary executes his or her office as a liberal profession in his or her own name and at his or her own responsibility. An undertaking or a state official shall not be a notary.</p> <p>A notary's place of work is his or her office.</p> <p>A notary is permitted to open only one office. At the request of a notary, the minister responsible for the area may permit the notary to open several offices within the territorial jurisdiction of the notary.</p> <p>Two or more notaries appointed to the same territorial jurisdiction may operate a common office with the consent of the Board of the Chamber of Notaries. The rights and obligations of notaries in operating a common office shall be specified in a contract entered into between them. In operating a common office,</p>

Table 16: Market entry and structure regulation

		each notary shall perform notarial acts in his or her own name and shall be personally liable for his or her professional activities.
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>	Yes, they are appointed under the numerus clausus limitations on the county level. However, they are entitled to provide services outside the county where they are appointed. The number of notaries' offices and their corresponding territorial jurisdiction shall be determined by the minister responsible for the area on the basis of the estimated number of notarial acts to be performed (§ 8(1) of the Notaries Act). A notary shall be appointed to a specified territorial jurisdiction and a professional certificate shall be issued to the notary (§8(3) of the Notaries Act).
	<i>Are these limitation restricted to specific tasks?</i>	No.

7.2 Market conduct regulation

Table 17: Market conduct regulation

	Regulation	
Exclusive rights	<i>Transactions or parts of them for which only notaries may act against payment.</i>	Only notaries may act against payment for transactions, Obligatory contracts and real rights contract.
Duty to provide services	<i>Are notaries allowed to refuse a request to act?</i>	No, if the request is based on the law.
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 Notaries Act (2002) and Code of Ethics for Estonian Notaries, adapted by the Chamber of Notaries. Chamber of Notaries is a legal person in public law; all notaries are members of the Chamber of Notaries (§43(1) of the Notaries Act). The Chamber of Notaries operates pursuant to the Notaries Act and its statutes that shall be adopted by the meeting of the Chamber of Notaries and approved by the minister responsible for the area (Ministry of Justice). Administrative supervision over the legality of the activities of the Chamber of Notaries shall be exercised by the minister responsible for the area who has the right to require the submission of documents necessary for exercising administrative supervision from the Board of the Chamber of Notaries and file protests with administrative courts against legal acts of and measures taken by the bodies of the Chamber of Notaries.

Table 17: Market conduct regulation

	<p>The objective of the Chamber of Notaries is to:</p> <ul style="list-style-type: none"> - Inspect that notaries execute their activities conscientiously and correctly, observe professional ethics, act in a dignified manner and observe the resolutions and instructions of the Chamber of Notaries; - Monitor that notaries comply with the requirements of the Money Laundering and Terrorist Financing Prevention Act and legislation established on the basis thereof; - Harmonise professional activities of notaries; - Organise training of notaries and employees of notaries' offices; - Organise candidate service; - Organise the activities of the Conciliation and Arbitration Court of the Chamber of Notaries; - Provide assistance to the minister responsible for the area in exercising the administrative supervision in the areas provided for in the law (§ 5 of the Notaries Act). <p>For example, the Ministry of Justice may delegate the exercise of administrative supervision over compliance with the requirements of the Money Laundering and Terrorist Financing Prevention Act and legislation established on the basis thereof and exercise of administrative supervision over other individual matters to the Chamber of Notaries. In the delegated area of administrative supervision, the Ministry of Justice may give instructions for the exercise of administrative supervision and amend resolutions adopted by the Chamber of Notaries with respect to such areas.</p> <p>The objective of administrative supervision is to monitor the professional activities of notaries according to the requirements, including the organisation of work of notaries' offices, keeping of books concerning professional activities, preservation of documents, electronic processing of personal data in notaries' offices and the existence of prescribed connection to the registers through computer networks, performance of notarial acts, representation of parties and the existence of required professional liability insurance. Administrative supervision shall not extend to the content of notarial acts. A notary is required to present the books concerning his or her professional activities and other materials that are necessary for exercising administrative supervision.</p> <ul style="list-style-type: none"> - Administer and develop the electronic information system of notaries; - Execute court decisions concerning release from payment of notary fees. - <p>The Chamber of Notaries:</p> <ol style="list-style-type: none"> 1) represents notaries before administrative agencies and other domestic and foreign institutions; 2) prepares recommendations for the harmonising of the practice of notaries related to office; 3) prepares recommended model texts of conciliation and arbitration agreements and rules of procedure for regulating the conciliation and arbitration proceedings conducted without the mediation of the Conciliation and Arbitration Court of the Chamber of Notaries in so far as no procedural provisions are provided by law; 3) requires written explanations from notaries concerning complaints filed with regard to the notaries and
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Table 17: Market conduct regulation

		<p>submits proposals for the commencement of disciplinary proceedings to the minister responsible for the area if necessary;</p> <p>4) exercises supervision over whether the notaries comply with the requirements of the Money Laundering and Terrorist Financing Prevention Act and legislation established on the basis thereof;</p> <p>5) establishes compulsory contributions by notaries to the Chamber of Notaries;</p> <p>6) establishes salaried offices within the Chamber of Notaries;</p> <p>7) allocates funds from its budget to notaries whose income is insufficient to hold an office of a notary due to circumstances independent of the notary but whose holding the office is material for the service of the needs of the residents of the corresponding territorial jurisdiction;</p> <p>8) allocates subsidies to retired notaries and their family members if necessary;</p> <p>9) compensates from its budget to the notary, in the case of release from the payment of notary fees in part or in full, the part of the notary fees indicated in the court decision from the payment of which the applicant was released;</p> <p>10) may acquire and dispose of real and movable property necessary for the performance of the duties specified in this Act;</p> <p>11) uses other methods of activity which are in compliance with law and its statutes.</p> <p>The Chamber of Notaries has the right to issue specifying instructions that are binding on notaries. The Chamber of Notaries shall ensure the free of charge inspection of public and business files through one notary's office in Harju, Tartu, Pärnu and Ida-Viru County (see § 44 of the Notaries Act).</p>
Mandatory intervention	<i>Is the intervention of a notary required for the registration procedure?</i>	Yes
Compulsory indemnity insurance	<i>Is indemnity insurance compulsory? If yes, what is the indicative amount of the insurance? List of the different types of indemnity insurance (if applicable).</i>	<p>Professional liability insurance is compulsory. The insurer shall be a company that has permission to engage in insurance activities in Estonia.</p> <p>The minimum amount of insurance coverage for one insured event shall be not less than 63 910 € and the maximum amount of insurance indemnities payable during an insured year shall be not more than 191 700 €.</p> <p>Liability for intentional violation of duties need not be insured.</p>
Continuing education	<i>Do forms of continuing education exist? If yes, is continuing education mandatory?</i>	Organisation of continuing education is an obligation of the Chamber of Notaries. Educational courses are organised regularly.

Table 17: Market conduct regulation

Advertising restrictions	<i>Are there limitations on advertising?</i>	Under the Advertising Act (2008) § 15 notaries are prohibited from promoting themselves and their professional activities. The name of the notary, the office of work and reception time, address and telecommunication and bank account numbers publicly announced to the public are not advertising.
Fee regulation	<i>Notary fee system</i>	All fees for performing notarial acts are fixed by the law (NFA). Fees can be % from the transaction value or lump sum. Fees for notarial services (not provided by law) are agreed between the parties on the bases of different grounds – hourly fees, % from the transaction costs.

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	<p><i>Conditions (diplomas, exams, concours) required to become a lawyer in your country.</i></p>	<p>Requirements to become a sworn advocate are provided for in the Bar Association Act (2001).⁷⁹ Sworn advocates and clerks of sworn advocates are members of the Bar Association (hereinafter advocates).</p> <p>All persons who comply with the requirements provided for in this Act and have passed the advocate's examination may be members of the Bar Association.</p> <p>In Estonia, only members of the Estonian Bar Association may provide legal services as advocates, unless otherwise provided in the law.</p> <p>Membership in the Bar Association is certified by a Bar Association membership certificate and an advocate's certificate.</p> <p>In order to be admitted to the Bar Association, a person must pass an advocate's examination. Members are admitted to the Bar Association by a resolution of the Board.</p> <p>Persons who have passed the examination of a sworn advocate's clerk may be admitted to the Bar Association as sworn advocates' clerks. Sworn advocates' clerks shall practise under the supervision of their patrons.</p> <p>A member of the Bar Association may become a sworn advocate if s/he has passed the sworn advocate's examination and has practised as a clerk of a sworn advocate for at least three years.</p> <p>If a person, immediately prior to admission to the Bar Association, has worked for at least two consecutive years in an office or position which requires at least a nationally recognised Master's degree in law or a qualification equal thereto, the Board of the Bar Association may allow the person to take the sworn advocate's examination if s/he has practiced as a clerk of a sworn advocate for at least one consecutive year.</p> <p>Without being clerk for a sworn advocate and after passing sworn advocates examination, the following persons may become advocates:</p>

⁷⁹ Bar Association Act (advokatuuriseadus), passed 21.03.2001, entry into force specified in the act. Available in English at: <https://www.riigiteataja.ee/en/eli/ee/504072016004/consolide/current>.

Table 18: Market entry and structure regulation

		<ol style="list-style-type: none"> 1) Professors of law 2) Was a notary or assistant prosecutor for at least three years and becomes a member of the Bar Association within five years after termination of activity as a notary or prosecutor. 3) The advocate has not practised as an advocate for more than three consecutive years due to health reasons or other reasons. <p>A person may be admitted to the Bar Association as a sworn advocate if s/he has acted as a judge, judge of the European Court of Justice, European Court of Human Rights or General Court of the European Union or as a Chancellor of Justice or a prosecutor, except for an assistant prosecutor, for at least three years.</p>
Objective requirements	<i>Do numerus clausus and other objective requirements exist?</i>	<p>There is no numerus clausus requirement under Estonian law, however, the Bar Association has a possibility to influence the number of persons accepted as members of the Bar.</p> <p>A person may be admitted to the Bar Association, if s/he has active legal capacity, complies with the educational requirements presented for judges, has oral and written proficiency in Estonian, is honest and of high moral character and with the abilities and personal characteristics necessary for work as an advocate.</p>
Citizenship requirements	<i>Are foreign candidates admitted de iure and also de facto under the same conditions as nationals?</i>	A person may be admitted to the Bar Association, if s/he resides in Estonia or is a citizen of the Republic of Estonia, another member state of the European Union, European Economic Area or Switzerland.
Inter-professional cooperation	<i>Are forms of collaboration between lawyers and other professionals allowed and usual?</i>	<p>Persons who are not members of the Bar Association except for patent agents upon the conditions provided for in subsection (4) of this section shall not provide legal services through or by the medium of a law office. A patent agent may provide legal services through a law office within the area of professional activities specified in the Patent Agents Act. The management of law office shall ensure compliance of the activities of a patent agent with the requirements for advocates.</p> <p>A sworn advocate may act as an arbitrator or conciliator pursuant to the procedure provided for in the Conciliation Act, as a trustee in bankruptcy if s/he is a member of the Chamber. An advocate has a right in the framework of provision of legal services to verify for the client transcripts of and signatures on documents to be submitted to the court and other state offices. If an advocate verifies the principal's signature on a power of attorney given by the principal, the given verification has the same legal force as notarial authentication.</p>
Business structure	<i>Are lawyer associations/corporations allowed?</i>	<p>There is only one bar association - Estonian Bar Association, founded on 14 June 1919. It is a self-governing professional association that organises the provision of legal services in private and public interests and protects the professional rights of advocates. The Bar Association is a legal person in public law.</p> <p>An advocate shall provide legal services through a law office. Provision of legal services by an advocate shall be the business of the management of a law office.</p> <p>The management of a law office shall be a company of advocates or a sworn advocate operating as a sole proprietor.</p> <p>A company or a sole proprietor may operate one or several law offices.</p>

Table 18: Market entry and structure regulation

		<p>Sworn advocates operating as sole proprietors may enter into an association contract in order to operate a law office. The relationships between the management of a law office and an advocate shall be determined by a contract. Another undertaking or branch of a foreign company besides a company of advocates or branch of a foreign company of advocates shall not operate in a law office. Upon violation of the specified prohibition, a disciplinary penalty prescribed in clause 19 (2) 3) or 4) shall be imposed on the management of the law office which is a sole proprietor or a sworn advocate who is the director of the company of advocates and operates the law office.</p> <p>Sworn advocates may found a company of advocates for the provision of legal services. A company of advocates operate as a general partnership, limited partnership, private limited company or public limited company. A sworn advocate may be a shareholder of only one company of advocates. The provisions of law concerning a particular type of company apply to a company of advocates unless otherwise provided by law. The partnership agreement of a company of advocates operating as a general partnership or limited partnership shall be entered into in writing. The partnership agreement shall be appended to the application for entry of the company in the commercial register. A company of advocates may merge only with another company of advocates.</p> <p>A sworn advocate may operate as a sole proprietor in the provision of legal services. A sworn advocate operating as a sole proprietor shall be entered in the commercial register. A company of advocates shall engage in no other area of activity than the provision of legal services. Only sworn advocates may be shareholders of a company of advocates.</p>
Geographical limitations	<p><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)?</i></p>	No
	<p><i>Are these limitation restricted to specific tasks?</i></p>	No

Lawyers are not legally admitted or required for contracts concerning real estate under Estonian laws.

8.2 Market conduct regulation

Table 19: Market conduct regulation

Table 19: Market conduct regulation		
	Regulation	
Exclusive rights	<i>Transactions or parts of them for which only lawyers may act against payment</i>	There are no such transactions.
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>	According to the § 44(4) of the Bar Association Act (2001), an advocate shall not provide legal services if s/he provides or has provided legal services in the same matter to a person whose interests are contrary to those of the client or if provision of legal services is prohibited by law.
Duty to provide services	<i>Are lawyers allowed to refuse a request to act?</i>	Lawyers are allowed to refuse a request to act.
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>	Professional standards are established in the law: Bar Association Act (2001) and Code of Conduct (1999) adopted by the general assembly of Bar Association.
Compulsory indemnity insurance	<i>Is indemnity insurance compulsory? If yes, what is the indicative amount of the insurance? List of the different types of indemnity insurance (if applicable):</i>	According to the § 48 of the Bar Association Act in order to ensure compensation for damage caused by the management of a law office or an advocate, the management of a law office is required to enter into a professional liability insurance contract. The insurer shall be a company that has permission to engage in insurance activities in Estonia. There is an obligation to insure events that involves direct patrimonial damage caused in connection with the provision of legal services by the management of a law office or an advocate, regardless of the place of provision of legal services. Liability for intentional breach of official duties need not be insured; The minimum amount of insurance coverage for one insured event shall be not less than 63 910 €. Copy of the professional liability insurance contract shall be promptly submitted to the Board of the Bar Association. The insurer shall notify the Board promptly of the expiry of a professional liability insurance contract if the insurer has not entered into a new contract with the policyholder. Certificates concerning the professional liability insurance of advocates shall be preserved in the Bar Association.

Table 19: Market conduct regulation

Continuing education	<i>Do forms of continuing education exist? If yes, is continuing education mandatory?</i>	Under the § 44(2) of the Bar Association Act, the Advocates shall continuously enhance their professional knowledge and expertise. Bar Association is organising in-service training for advocates and has a right to establish obligations concerning the participating in the training programmes.
Advertising restrictions	<i>Are there limitations on advertising?</i>	According to the Advertising Act (2008), § 291 a lawyer, law firm are permitted to advertise their activities if advertising does not violate the requirements of professional ethics and advertising does not call for the conclusion of an agreement. An attorney and a law firm are considered to be within the meaning of the Bar Association Act.
Fee regulation	<i>Lawyer fee system</i>	<p>An advocate's fee shall be agreed upon in a contract with a client.</p> <p>A fee shall be determined:</p> <ol style="list-style-type: none"> 1) on the basis of time (hourly fee); 2) in a fixed amount (flat fee); 3) contingent on the recovery obtained for the client as a result of the provision of the legal services (contingency fee). <p>A fee shall be paid in money.</p> <p>A contract with a client may prescribe that the client pays the costs of legal services and the advocate's fee in advance. If a contract with a client is terminated before the performance of a duty, the management of the law office shall refund the advance payment to the client after deducting the fee for the work performed and the costs of legal services.</p> <p>A client shall compensate for the necessary costs incurred by the advocate or the management of the law office in the provision of the legal services. An advocate is required to notify a client of all costs.</p> <p>An advocate is required to issue an invoice to a client regarding the advocate's fee and the costs of legal services; the amounts of the fee and the costs of legal services shall be separately indicated in the invoice.</p> <p>§§ 60-64 of the Bar Association Act.</p>

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.</i>	<p>There are no obligatory requirements established for the estate agents by law. There are no requirements of licence or professional certificates to become an estate agent.</p> <p>The professional accreditation issued by ECREA is optional. The Estonian Chamber of Real Estate Agents (ECREA) has issued professional accreditation to estate agents since 2002. In 2013, the Qualifications Authority (SA Kutsekoda) organised a tender to determine the professional agency for real estate agents. The competition was won by ECREA and at the meeting of the Qualification Authority's Construction, Real Estate, and Geomatics Committee held on 03.06.2013, ECREA was confirmed as the issuing agency of the level 5 Real Estate Agent professional qualification until 02.06.2018.</p> <p>In order to qualify for the professional examination, candidates must have at least secondary education and 2 years of professional experience as a real estate agent.</p>
Objective requirements	<i>Do numerus clausus and other objective requirements exist?</i>	No
Licence requirements	<i>Are estate agents licenced or do they work as employees?</i>	No
Citizenship requirements	<i>Is unlimited access to the profession granted to foreign professionals de iure and de facto?</i>	No
Inter-professional cooperation	<i>Are estate agents allowed to exercise another profession or business activity? Is inter-professional cooperation regulated?</i>	<p>Yes, there are no restriction concerning cooperation.</p> <p>The inter-professional cooperation is not regulated.</p>

Table 20: Market entry and structure regulation		
Business structure	<ul style="list-style-type: none"> • <i>The share of estate agent acts acting as sole practitioners and as companies (if data are available)?</i> • <i>Can the agent be employed by another agent or establish a partnership with other agents?</i> • <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> 	<ul style="list-style-type: none"> • No data available • Yes • No
Geographical limitations	<ul style="list-style-type: none"> • <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)?</i> 	No
	<ul style="list-style-type: none"> • <i>Are these limitation restricted to specific tasks?</i> 	No

9.2 Market conduct regulation

Table 21: Market conduct regulation		
	Regulation	
Neutrality	<p><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>	<p>Neutrality of agents is regulated in two legal acts: LOA and General Part of Civil Code Act (GPCCA). LOA provides general rules of contracts for services that apply to agents and brokers. Upon the performance of a mandate, the mandatary shall act in a loyal manner with respect to the mandator and exercise the necessary level of diligence commensurate with the nature of the mandate (§ 620(1) of the LOA).</p> <p>Conflict of interest is regulated as follows: In the case where the object of a mandate is entry into a transaction, the agent (broker) may concurrently be the other party to the transaction to be entered into for performance of the mandate or the mandatary of the other party to the transaction only if the possibility of a conflict of interests is precluded (§ 623(1) of the LOA).</p>

Table 21: Market conduct regulation

		<p>The agent shall inform the mandator of his/her direct or indirect interest with regard to the transaction which is the object of the mandate (§ 623(2) of the LOA); If the agent will conclude the contracts with him/herself, the right to remuneration is not restricted if the conflict of interest is precluded and mandator was informed about the agent's interest. However, the conflict of interest is not influencing the right to represent the client (§ 623(4) of the LOA). There are also some special rules concerning the right to remuneration in cases of brokerage: If, contrary to a brokerage contract, the broker has also acted for the benefit of another party to a contract regarding which the broker has acted as an intermediary on behalf of the mandatory or to which the broker has referred the mandatory, the broker does not have the right to demand payment of a brokerage fee or the reimbursement of expenses by the mandatory (§ 668(1) of the LOA). If a broker has acted for the benefit of another party to a contract regarding which the broker has acted as an intermediary on behalf of the mandator or to which the broker has referred the mandator, it is presumed that the parties to the contract shall pay an equal share of the brokerage fee (§ 668(2) of the LOA).</p> <p>Rules concerning the influence of the conflict of interest to the contract which was concluded as a result of agency contract, are regulated in the GPCCA, § 131(1): A principal may cancel a transaction entered into by a representative if the representative entered into the transaction in violation of the obligations arising from the legal relationship on which the representation was based and entry into the transaction was contrary to the interests of the principal, and the other party knew or should have known of the violation of the obligations. If the representative also acted as the representative of the other party or engaged in self-dealing, the representative is presumed to have violated the obligations arising from the legal relationship on which the representation was based upon entry into the transaction. In addition to the above mentioned rules, Code of Good Practice⁸⁰ of the Estonian Chamber of Real Estate Agents consist of rules:</p> <ul style="list-style-type: none"> - Members of the Chamber may not intentionally cause or encourage the emergence of misunderstandings and misconceptions in their communications with clients or other members of the Chamber;
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⁸⁰ Available at: <http://www.maaklritekoda.ee/code-of-good-conduct>.

Table 21: Market conduct regulation

		<ul style="list-style-type: none"> - Members of the Chamber may not take advantage of a client’s limited knowledge of the execution of a transaction, the legislation, and the state of the market. <p>In addition, number of bigger agencies inform clients about their ethical principles on their websites.⁸¹</p>
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>	<p>Professional standards of estate agents are not regulated by the law. The development of professional standards and the organisation of professional examinations are coordinated by SA Kutsekoda, the Estonian Qualifications Authority. All professional certifications are registered in the registry of professional qualifications and can be checked on the Qualification Authority homepage.</p> <p>In addition, the Code of Good Conduct is adapted by the Chamber of Real Estate Agents and applied to members of the Chamber. There is no obligation to be a member of the Chamber to act as estate agent.</p> <p>Court of Honour of the Estonian Chamber of Real Estate Agents shall hear and settle disputes on the basis of applications concerning the violation of rights by agents.</p>
Compulsory indemnity insurance	<i>Is indemnity insurance compulsory for estate agents? If yes, what is the indicative amount of the insurance? List of the different types of indemnity insurance (if applicable).</i>	No
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>	Not obligatory, however, the continuing education is organised by the Chamber of Real Estate Agents in the form of courses. There are no legal consequences if estate agents do not participate in the courses or other educational programmes.

⁸¹ See for example introduction to the broker service from the website of the agency Domus Kinnisvara at: <http://www.domuskinnisvara.ee/broker-service>.

Table 21: Market conduct regulation

Advertising restrictions	<i>Are there limitations on advertising?</i>	<p>General limitation concerning advertising of the financial service apply. The advertising of financial services, including services connected with residential real estate, must include an invitation to review the terms of the financial service and, if necessary, consult an expert. Advertising shall contain the following information as a typical example:</p> <ol style="list-style-type: none"> 1) Interest rate; 2) The amount of credit or credit limit to be used; 3) The annual percentage rate as clearly distinguishable as any interest rate; 4) The duration of the consumer credit agreement; 5) The financing of the acquisition of a thing, the provision of a service or other contract, the immediate cost of the contract item (net price) and, where applicable, the amount of the advance; 6) The total amount paid by the consumer and the amount of repayments; 7) The number of repayments. <p>When submitting an interest rate, it must be indicated whether it is a fixed or unbounded interest rate or both, and fees that are included in the total cost of the credit to the consumer.</p> <p>Ads that are made aware of the willingness to provide consumer credit or to negotiate consumer credit agreements must be responsible and balanced. Advertising cannot leave the impression that taking consumer credit is risk free.</p>
Fee regulation	<i>Estate agents' fee system</i>	<p>There is no regulation concerning fees. Agents use fees that are based on different models: an hourly fees, certain sum, % from the transaction value and additional fees for estates in the remote places.</p> <p>In addition to the fees the compensation of additional expenses have to be agreed beforehand. Code of</p> <p>Fees are payed by the party who concluded the contract with the agent. Usually the buyer will bear the costs concerning the preparation of the contract (§ 215(1) of the LOA).</p>
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>	<p>Membership in professional bodies is not compulsory. However, agencies inform customers about the number of professional agents and usually they expect that agents will apply for a professional certificate.</p> <p>Professional body – Chamber of Real Estate Agents has a supervisory role and an important regulatory role while attributing professional qualification and educating agents.</p>

10. The real estate market

10.1 Transaction costs for sample transactions

Table 22: Transaction costs VAT excluded

	Estate agent ⁸²	Technical services (if usual)	Legal services	Land register fee	Transfer tax/stamp duty	Total usual transfer cost
€100,000 sales price (no mortgage)	Fee is 5% of the price = 5000 €	Not usual; For example, in standard apartment, property valuation fee is: 160 € Technical inspection of standard apartment: 200 €. Usually does not for a part of the fee.	Notary fee for sales contracts (obligational and real rights contracts), entry into the land register): 2x160.40€= 320.80€ +VAT 20 % = 384.96€ It is usual, that the fee is divided between the parties.	110 € Usually register fee is paid by the buyer	-	Buyer pays to the estate agent, notary and state fee in total: 5544.90 €
€100,000 sales price + 100.000€ mortgage	Fee is 5% of the price = 5000 €	Obligatory condition provided for by banks is property valuation: standard apartment - 200 €	Notary fee for sales contracts (obligational and real rights contracts), mortgage and entry into the land register): notary fee without VAT 416.70, with VAT 500.04 €	State fee 110.00 + 36.00 =146.00 €	-	Notary and state fee in total: 5847.79€ Usually the buyer pays. (the parties may agree that seller and buyer pay half of the notary fee for authentication of the contract and registration

⁸² An agent usually receives a percentage of the transaction value.

Table 22: Transaction costs VAT excluded

€250,000 sales price (no mortgage)	Fee is 5% of the price = 12500 €	Not usual. Property valuation: 160 € Technical inspection: 200 €	Notary fee: 2x390.50€=781€ +20% VAT =937.20€	State fee 295.00€	-	Buyer pays: 13476.60 €
€250,000 sales price + 250,000€ mortgage	Fee is 5% of the price = 12500 €	Usual: property valuation: 160 €, paid by the buyer	Notary fee – 1 049.40 without VAT With VAT 1259.28	State fee 295.00 + 97.50 = 392.50 €	-	Buyer pays: 14311.78 €
€500,000 sales price (no mortgage)	Agreed payment, could be also 5% = 25 000 €	Not usual; For example, property valuation: 160 €	Notary fee: 2x773.95€=1547.90 +20%VAT =1857.48€	755.00€	-	Buyer pays: 26566.24 €
€500,000 sales price + €500,000 mortgage	Agreed payment, could be also 5% = 25 000 €	Usual; For example, property valuation: 200 €	Notary fee 1 994,44 € without VAT With VAT 2393.33€	State fee 755.00 + 205.00 =960.00	-	Buyer pays: 28553.33 €
%VAT applicable	20 %	20 %	20 %		-	

Price list of the pre-contractual technical check:

	Full check	Partial check
Typical apartment in Tallinn (panel houses):	€ 200,00	€ 175,00
Other apartments in Tallinn:	€ 240,00	€ 200,00
Special or exclusive apartments from	€ 260,00	Starting from € 240,00

Apartments elsewhere in Estonia by agreement

Private house in Tallinn:	€ 550,00	€ 400,00
Private house in other countries by agreement; exclusive private houses and villas upon agreement by agreement		
Unfinished plot in Tallinn: 400,00 € by agreement; unfinished plot elsewhere in Estonia by agreement		
Industrial and business objects by agreement		
Oral inspection 50,00 € / h		

Price list of valuation services provided for by 1Partner Kinnisvara (accepted by all credit institutions)⁸³:

Apartments	
Typical apartment	150 euros
Other apartments	180 euros
New, special projects for exclusive apartments, apartments in Old Town	from 200 euros
Houses, parts of houses, terrace houses, summer houses, lands, lots	
In Tallinn	280 euros
Exclusive houses and lands	Price by agreement
Industrial and commercial objects	Price by agreement
Other objects and areas	Price by agreement

Prices include VAT

⁸³ See for example list Arco Vara at: <http://arcovara.ee/et/kinnisvara-teenused/hindamine/hinnakiri#tallinna-osakonna-hinnakiri>; 1Partner Kinnisvara: <http://www.1partner.ee/eng/hindamine>.

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:	Fees as expressed in the contract:	Possible hidden costs faced by buyers or tenants, if applicable
Estate agents	<p>Party who concludes the contract bears the costs that are equal to the fee asked for the services.</p> <p>If the landlord concludes the contract with the agent to find a tenant, the fee has to be paid by the landlord as a contractual party. If tenant concludes contract with the agent, tenant has to pay. In practice, the fee is paid often by the tenant under the terms of the lease contract. There are no restrictions in the law concerning the payment obligation.</p> <p>Cost for intermediation service is usually as follows: Lease contracts – one month's rent; can be also agreed payment. Sales, purchase – fixed % of the value of the purchase or from certain value in the amount of agreed %. Usual amount is around 2-5 % from the purchase price. If the property is very cheap or very valuable, the fee will be agreed in the contract.</p>	<p>There are no rules, in contracts with transaction value, fee is indicated as a % from the purchase price. In contracts with lower purchase price the fee is fixed. For example: Lease contract: fee is 100 € Sales contract: fee is 5 % of 100 000 = 5000 €.</p>	<p>Possible additional costs are usually fixed in contracts used by the estate agencies or there is a warning that if the additional costs may accrue, the client will be informed. These are usually the transport costs, printing costs, and payments to third persons for services.</p>
Technical services	<p>Payable by the party who ordered technical services. All costs could be covered by the agent's fee. Conveyancing – fixed amount (depends from the object and the location). In the case of residential buildings, prepayment up to 1/3 from the fee.</p>	<p>Fee: 160 €</p>	<p>No hidden costs (transport, copies, etc.)</p>
Legal services	<p>No special fees for intermediary services. Usually it is hourly paid service (100-260 € per hour). Fee covers all costs if not otherwise agreed. Fee for the legal services is paid by the party who concluded the contract and who is interested in having legal services in addition to the information provided for by the agent (who is not in most cases a person with legal education). If both parties conclude the contract, they will be obliged jointly and severally which mean that they are responsible for the payment in equal shares if not otherwise agreed.</p>	<p>Usually fees are agreed as hourly fee, lawyer provides specified report about the hours and client has to prove the report. Some costs will be added as real costs (transport, copies, phone calls etc.)</p>	<p>-</p>

Table 23: Transaction features

Land register fees	Under the law buyer has to pay for land register fees (§ 215(1) of the LOA). Costs consist of notary fees ⁸⁴ and state fees ⁸⁵ . Fees are fixed in the law as lump sum and depend from the transaction value.	Fees are fixed in the contract usually as lump sum. For example, if the fee has to be paid by the buyer: State fee in the sum of 100 € shall be paid by the buyer; Alternatively, if the fee is divided between the buyer and the seller: State fee for entry into the land register is paid by the seller in the amount of 50.00 € and by the buyer in the amount of 50.00 €.	-
Taxes on conveyancing	VAT on conveyancing: 20 % on notary fee (not on sales price)	A notary is required to submit an invoice which sets out the amount of the notary fee with and without value added tax and references to the provisions of the Notary Fee Act on the basis of which the fee is calculated and the amount of value added tax. For example: If the notary fee is 160 euros, the invoice has to set out 160.00 euros (without VAT), 192.00 euros (with VAT). VAT is 32.00 euros. The fee is calculated on the bases of the § 22 of the Notary Fee Act.	-

⁸⁴ Notary fees can be found in the § 22 of the Notary Fee Act. Available at: <https://www.riigiteataja.ee/en/eli/519062017008/consolide>.

⁸⁵ State fees for the registration in the land register can be found here: <https://www.riigiteataja.ee/tolkelisa/5130/7201/7016/annex2.pdf#>.

Table 23: Transaction features

Transfer taxes	<p>There are no special transfer taxes. Seller might be obliged to pay income tax under the Income Tax Act⁸⁶. However, there are number of exceptions. Income tax is levied on the transfer of an immovable or apartment ownership, except if (§ 15 of the Income Tax Act):</p> <ol style="list-style-type: none"> 1) an essential part of an immovable or an apartment ownership or right of superficies is the dwelling which was used by the taxpayer to his place of residence until its disposal; or 2) a substantial part of the immovable or the object of the apartment ownership or right of superficies is the dwelling, and the immovable is transferred to the taxpayer's property has been returned as unlawfully expropriated property; or 3) a substantial part of the immovable or the object of the apartment ownership or right of superficies is a dwelling, and the said dwelling and the land belonging to it have been transferred to the taxpayer by privatization by right of pre-emption and the size of the registered immovable does not exceed 2 hectares; or 4) The taxpayer used the apartment located in a residential building or a building association until the transfer to its place of residence. <p>If the exemption is based on the use of a dwelling as a taxpayer's residence, the exemption shall not be granted for more than one transfer within two years. If an immovable, a building or an apartment was used at the same time as its habitual residence for other purposes, the exemption shall be applied proportionally to the ratio of the area used to the place of residence and other uses. If the transaction caused losses to the seller, the income is not taxed.</p> <p>Income tax is levied also from the rent of residential apartment. From the rent received under a tenancy agreement 20% will be deducted to compensate the cost of the renting out (§391 of the Income Tax Act).</p>	<p>If payable, it will be fixed in the contract as an obligation of the seller.</p> <p>The income tax (if payable) is 20% from the transfer price. Income tax from the rent is 20 % from the annual rent (with the 20 % deduction).</p>	-
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⁸⁶ Income Tax Act, passed 15.12.1999, in force 01.01.2000. Available in Estonian at: <https://www.riigiteataja.ee/akt/107072017021?leiaKehtiv>.

Law provides following default rule (§ 215(1) of the LOA):

The seller shall incur the delivery costs of a thing, in particular the measurement and weighting costs, and the purchaser shall incur the costs of taking delivery of the thing and costs relating to payment of the purchase price, as well as possible costs of preparing or authenticating the contract of sale and costs relating to the making of an entry in a public register on the basis of the contract.

Parties are free to conclude contracts on their own terms. There are no restrictions in the law concerning payments. If the contract does not fix the amount of the payment or other important features, the following rules apply:

Law of Obligations Act:

§ 664. Duty to pay brokerage fee

(1) A broker has the right to a brokerage fee as of the entry into a contract as a result of the broker acting as an intermediary or referring a party to the contract.

(2) If, pursuant to a brokerage contract, the right to receive a brokerage fee arises for the broker after performance of an obligation in respect of the mandator arising from the contract regarding which the broker acts as an intermediary or to which the broker refers a party, the broker also has the right to a brokerage fee if the obligation is not performed due to circumstances depending on the mandator.

(3) The right of a broker to a brokerage fee is not affected if the contract regarding which the broker acts as an intermediary or to which the broker refers a party is entered into, or an obligation arising therefrom is performed after termination of the brokerage contract.

(4) If a contract regarding which the broker acts as an intermediary or to which the broker refers a party is entered into with a suspensive condition, the broker has the right to demand payment of the brokerage fee only upon fulfilment of the condition. If a contract is entered into with a resolutive condition, the right to the brokerage fee does not extinguish with the fulfilment of the condition.

(5) A broker shall retain the right to a brokerage fee also in the case where a contract entered into under the intermediation or referral of the broker is invalid, provided that the broker was not aware and did not have to be aware of the reason for such invalidity. If a contract is cancelled or a party withdraws from a contract due to a fundamental breach of the contract, the broker does not have the right to a fee if the broker was aware or ought to have been aware that the breach of contract was likely.

(6) If a brokerage contract is entered into for a broker to act as an intermediary in the contraction of marriage or to refer to an opportunity for the contraction of marriage, the obligation arising from such contract is imperfect. Any other obligation that a mandator assumes with regard to a broker is imperfect if the objective of the obligation is payment of a fee to a broker acting as an intermediary in the contraction of marriage or for referring to an opportunity for the contraction of marriage.

Explanation: § 102(3) of the General Part of the Civil Code Act: A transaction is entered into with a resolutive condition if extinguishment of the legal consequences specified by the transaction is contingent upon an uncertain event (resolutive condition).

§ 665. Size of brokerage fee

If the size of the brokerage fee has not been agreed, it shall be deemed to be the size of the standard local brokerage fee for acting as an intermediary for or referring to the opportunity to enter into such contracts or, in the absence thereof, a reasonable amount of remuneration.

§ 667. Reimbursement of expenses of broker

(1) A broker has the right to demand that expenses incurred upon the performance of a brokerage contract be reimbursed only if so agreed separately.

(2) If a contract regarding which a broker acts as an intermediary or to which a broker refers a party is not entered into, the broker still has the right to demand that expenses incurred upon the performance of the brokerage contract be reimbursed if so agreed separately.

Brokerage contracts are usually standard contracts which mean that clients are protected by the regulation of the LOA (§§ 35-47). If the contract term concerning the fees or other costs is unclear, specific interpretation rules apply:

§ 39. Interpretation of standard terms

(1) Standard terms shall be interpreted according to the meaning that reasonable persons of the same kind as the other party would give to them in the same circumstances. In case of doubt, standard terms shall be interpreted to the detriment of the party supplying the standard terms.

(2) A standard term that is void shall not be interpreted such as to give content for which the term is valid. If a term can be divided into several independent parts and one of them is void, the other parts remain valid.

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 tax ⁸⁷	No		
Mortgage tax	No		
Cadastral tax	No		
Stamp tax	No		
Transfer tax (tax on the acquisition of property)	Yes	Income tax (20%) is paid when the property is sold or exchanged with gains. A resident natural person is required to submit to the Tax and Customs Board a tax return for the taxable period of income by 31 March of the year following the taxable period at the latest. Through the e-service of the Tax and Customs Board, a tax return can be filed from the 15th of February	20 % from the transaction value

⁸⁷ 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.

Table 24: Taxes related to buying and selling a property

		<p>following the taxable period (§ 44(1) of the Income Tax Act, 1999). However, this only applies to selling of accommodations where the owner did not reside prior to the selling or exchange.⁸⁸ Furthermore, in order for there to be an obligation to pay income tax, the selling price has to be higher than the cost of acquiring it (e.g., it was sold with gains). Additionally, taxpayer has the right to deduct certified expenses directly related to the sale or exchange of property from the taxpayer's gain or to add such expenses to the taxpayer's loss.⁸⁹ If the tax exemption is based on the use of the dwelling as the taxpayer's residence, the tax exemption is not applied to more than one transfer in two years. If an immovable, structure or apartment was used simultaneously with its use as place of residence also for other purposes, the tax exemption is applied according to the proportion of the area of the rooms used as residence and the area of the rooms used for other purposes (§ 15 (6) of the Income Tax Act). See answer in section 10.2.</p>	
Archives tax	No		
Other taxes	No		

⁸⁸ Income Tax Act, §15(1), § 15(5)(1).

⁸⁹ Income Tax Act, § 37(1).

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, if applicable	Yes	Income tax - 20%. Rental payments made to the landlord are taxed, i.e. a landlord receiving payments from his/her tenants has an obligation to declare this income in his/her annual income tax return. Then the tax authority – Estonian Tax and Customs Board – calculates any additional amount of tax due and issues a written tax notice to this effect to the taxpayer. From the rent received under a tenancy agreement 20% will be deducted to compensate the cost of the renting out (§391 of the Income Tax Act).	Income tax is charged on rent. The income tax is 20 % from the annual rent. The tax period for income tax is a calendar year. The income tax is added to the rent or the rent is fixed without the tax. Usually the rent is a fixed amount of money with taxes, for example: Payable rent is 1000 € per month. It can be agreed also as: Payable rent is 1000 € without taxes per month. The landlord can ask rent with taxes only if the income from renting is declared. The income from rent shall not include the accessory expenses incurred instead of landlord or compensated to the landlord (payments for the water, electricity, etc.).

11. Consumer situation in the market

11.1 Consumer rights

Table 26: Consumer rights

<p>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?</p>	<p><i>With respect to buyers</i></p>	<p>Yes. Under the § 218 (2) of the LOA in the event of consumer sale, the seller is liable for any lack of conformity of a thing which becomes apparent within two years as of the date of delivery of the thing to the purchaser. Consumer sale is a sale where a consumer is sold a movable by a seller who enters into the contract in the course of his or her economic or professional activities (§ 208(4) of the LOA). In the purpose of providing special protection for buyers or real estate, special rule with the same content was added in 2015 into § 218(2¹) of the LOA: In the case of a contract of sale, the object of which is an immovable property or a part thereof, apartment ownership or restricted real right, the part of which is a building, or membership of a building association, and which has been entered into by a seller who is engaged in economic and professional activities and a buyer who is a consumer, it is presumed that any non-conformity with the terms and conditions of the contract which becomes evident within two years as of the day of delivery of the building to the consumer existed at the time of delivery of the building, if such an assumption is not inconsistent with the nature or defect of the building. Agreements that derogate from the provisions of this subsection to the detriment of the consumer are void. As a general rule, the consumer sale is only sales contracts concerning movables. Residential tenants are not directly named as consumers, however they are natural persons who conclude a transaction not related to independent economic or professional activities in the meaning of the § 1(5) of the LOA.</p>
	<p><i>With respect to sellers</i></p>	<p>§ 218(2¹) of the LOA applies to the sellers of residential property in a way that provides higher liability regime concerning selling residential property. Under the general rule, the seller is liable for any lack of conformity of a thing that exists at the time when the risk of accidental loss of or damage to the thing passes to the purchaser even if the lack of conformity becomes apparent after that time. The buyer has to prove that the non-conformity existed at the time when risk of accidental loss of or damage to the thing passes to the buyer. The risk passes under Estonian law upon delivery of the thing (§ 214(2) of the LOA). There is no presumption privilege. In cases of selling residential property, it is presumed that any non-conformity with the terms and conditions of the contract which becomes evident within two years as of the day of delivery of the building to the consumer existed at the time of delivery of the building, if such an assumption is not inconsistent with the nature or defect of the building. No special privileges to seller as consumer is provided under the Estonian law.</p>

Table 26: Consumer rights

	<i>With respect to tenants</i>	Yes (residential tenants are treated as consumers) In essence, Estonian law does not use the term 'consumer' regulating rights and obligations of tenants. However, there is a general rule which provides that an agreement which derogates from the provisions of law regarding the rights, obligations and liability of the parties to a residential lease contract to the detriment of the lessee is void (§ 275 of the LOA). Also in court practice, the tenants is treated as a consumer if there is a need for special protection not provided under the lease rules.
	<i>With respect to landlords</i>	No, there are no special rules concerning consumers as landlords.
If relevant, which existing marketing practices are non-compliant with national consumer legislation?	There have been some cases in the Consumer Disputes Committee about the unfair contract terms where unfairness and non-compliant marketing practices were established (from 2015). The brokerage contract did not specify the grounds on which to determine the fault of the consumer in cases where the conclusion of the contract failed. Therefore, the Committee came to the conclusion that contractual penalty provided for in the contract may put pressure on the consumer to enter into a contract which is at the same time unfair contract term and unfair market practice.	
If relevant, which existing marketing practices are non-compliant with EU consumer legislation?	No information	
Are there existing marketing practices detrimental to consumers, even if not necessarily illegal, in both domestic and cross-border transactions?	No information	

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)?	In sales contracts the main issue is hidden defects and misinformation. In the Supreme Court, there have been 11 cases concerning non-conformity of the residential dwellings between 2004-2017. Taking into account very high standard of liability for non-conformity of the object of the sales contract developed in the court practice, the buyers are very well protected. Seller is liable for defects (in most cases hidden) which were misrepresented during the negotiations and which were not known to the buyer at the time when the risk of accidental loss of or damage to the thing passed to the purchaser even if the lack of conformity became apparent after that time (§ 218 of the LOA). There are only some rare cases concerning other legal issues.
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)?	There are number of cases concerning the termination of the contract due to the tenant not paying the rent. In the Rental Commission of Tallinn there were in 2017 - 19 cases, in 2016 – 52 cases. There have been 27 court cases concerning residential lease between 2015-2017 (all three levels). Estonian court system does not have special tenants' courts. Estonia's court system consists of three instances: county and administrative courts are the first instance courts; circuit courts are the courts of the second instance, and the Supreme Court is the third instance. Most of the cases heard in the courts are based on the failure to pay for utilities and failure to release a dwelling upon the expiry of the lease of a dwelling. In most cases, the courts established that the landlord had a right to terminate the contract on the bases of failure to pay a rent or utilities, also in cases of failure to release a dwelling upon the expiry of the lease contract. There is a view in Estonia, that tenants are abusing their rights under the law and also non-efficient practice of eviction. There are some cases where the landlord raised the rent without legal ground. So, in conclusion, most of the court cases are based on the breach of the contract by tenants. Study of court decisions and practice concerning residential lease made in 2013 came to the conclusion that current legislation is inclined to the advantage of the tenant. ⁹⁰
Are consumer complaints against a professional service provider frequent, in particular as regards the fees and quality or service?	Complaints are not frequent. For example, there were only 4 complaints concerning brokerage contracts altogether in the Consumer Disputes Committee in 2016 - 2 complaints about the unfair contract terms and in 2015 – 2 complaints; 1 about the misleading information, 1 about unfair contract term.

⁹⁰ K. Sein, K. Urgas. Üürilepingu erakorraline ülesütlemine üürniku makseviivituse tõttu, Juridica, 2013,.8, pp. 578-587.

Table 27: Consumer complaints

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:

- 1) **Consumer Disputes Committee** that is an independent and impartial unit that operates at the Consumer Protection Board within the area of government of the Ministry of Economic Affairs and Communications and resolves disputes independently pursuant to the Consumer Protection Act and other legislation. Complain can be submitted digitally by filling the format in internet and signing digitally. Resolving disputes by the Consumer Disputes Committee is free of charge.
It takes in general 1 month to reach the solution. Domestic consumer disputes are consumer cases where the parties to the dispute are a consumer living in Estonia and an undertaking registered in Estonia. If the person disagrees with the Committee's decision, s/he may turn to a county court for hearing of the same case. The other party may do the same. Compared to a legal case, the last is a remarkably easier, convenient and less time- and money-consuming solution for the consumer and the trader.
- 2) Under the **Lease Disputes Resolution Act (2003)**⁹¹ the lease committees resolve disputes involving financial claims under 3200 €. Sittings of a committee are held within one month as of the day following the acceptance of a petition. There is only one lease committee established in Tallinn (Rental Commission of Tallinn).
- 3) **Courts.** In county courts⁹² the average time needed to get solution takes 165 days. There is no need to use a lawyer's help when filing a claim into first and second instance. An appeal in cassation may be filed only through a lawyer. The form of statement of claim is available in electronic form and can be submitted by e-mail.
- 4) In the case of cross-border consumer disputes, the **European Consumer Centre of Estonia** (<http://www.ecc.ee/request-for-information-submit-a-complaint/>) will act as the secretariat of the Consumer Disputes Committee in the preliminary proceeding.

⁹¹ Lease Disputes Resolution Act, passed 22.01.2003, in force 01.07.2003. Available in English at: <https://www.riigiteataja.ee/en/eli/506112013001/consolide>.

⁹² County courts: <http://www.kohus.ee/en/estonian-court-system/county-courts>.