

Albania Buyer's Guide 2024



About Albania

The territories of present day Albania have been inhabited as early back as 100.000 years ago. It was at the turn of the third millennium BC that an Indo-European population settled there. As the result of the mixture, a population incorporating the unique cultural and linguistic characteristics of the whole Balkan Peninsula (pelages) was created. Based on this ancient population, the Illyrian people developed through the VII-VIII centuries B.C. After its fall in the year 168 B.C. Illyrian Kingdom came under the control of Roman Empire. With the division of the Roman Empire (395A.D), Illyria became a part of the Byzantine Empire.

The country has suffered continuous invasions over the last 1000 years and by the end of the 14th century Albania was occupied by the Ottoman Empire. Albanians fought successfully Ottomans during 1443-1468 under the legendary leader Gjergj Kastrioti Scanderbeg. Ottoman Empire was stopped by Albanians who saved Europe from the invasion.

The subsequent efforts and insurrections for independence eventually brought about the proclamation of the independence of Albania in 1912. After 1912 till the end of the First World War, the country was attacked by neighboring countries.

Albania was occupied by Mussolini forces in 1939, putting the end of monarchy. In 1943 the armies of Hitler occupies the country. Albanians are well remembered for providing shelter to Jews during the war. Albania was a safe haven for Jews from neighboring Yugoslavia and Greece.

The Communist party took power in November 1944, when the foreign armies were expelled. Shortly there after, a totalitarian regime was established under the communist leader Enver Hoxha. For about 50years, the regime applied the policy of poverty until Albania finally emerged from isolation in 1991.



Albania is a member of the United Nations, NATO, the Organization for Security and Cooperation in Europe, the Council of Europe, the World Trade Organization, the Organization of Islamic Conference and one of the founding members of the Union for the Mediterranean.

Albania is an EU candidate since 2015.

Economic Indicators

- Population - 2.6M
- Capital Tirana - 0.88M
- Exchange Rate 1€ = 100 ALL
- Min. Salary - 400€/month
- Avg. Salary - 820€/month
- GDP GROWTH 2023 3.6%
- Expected GDP Growth 2024 - 4.0%
- GDP 2023 - \$ 23.3 BLN
- GDP per capita 2023 - \$ 8.800
- Increase of FDI 2023 - \$ 1.65 BLN
- Inflation 2023 - 3.4%
- Expected inflation 2024 - 3.0%
- Public Debt 2023 - 59%
- Expected Public Debt 2024 - 57%

Taxes in Albania

General information

- PROFIT tax for the big business 15%
-turn over higher than € 80.000
- PROFIT tax for the small business 0%
-turn over up to € 80.000
- Personal tax - 23%
- Social Security - 24.5%
- Capital gains tax - 15%
- VAT - 20% for turn over higher than € 100.000
- VAT on property transactions: not applicable

Taxes on Property Transactions

- Transfer Taxes:
Capital gains tax 15% is paid for resale properties.
- VAT:
Real estate transactions are excluded from VAT.
- Title Deed Tax:
Registration tax for new properties - 6 Euro/sqm
- Tax on Immovable Property:
- Tirana, Durres - 2.1Euro/sqm
- Vlora, Riviera, Saranda - 0.9 Euro/sqm
- Withholding tax - 15%

Income Tax

Albanian law does not differentiate between residents and non-residents. Rental income is taxed at 15% of gross rental income.

Annual Property Tax

- 0.05% of cadastral value for residential properties
- 0.2% of cadastral value for commercial properties



Property Purchase Cost

Taxes

- Income Tax - Payable at 15% of the gained income, ie the 15% of the difference between the sale value and purchase price.
- VAT (Value Added Tax): Not applicable
- Immovable Property Registration Office Tax
 - Purchase registration fee is approximately 30 Euro
 - Obtaining a certificate (title deed tax) cost 9 Euro.
- Municipality Registration Tax 3-8 Euro/sqm

Legal Fees

- Notary Fee
These are fixed by the law and operate on a sliding scale. Then add 20 % VAT on this amount and Stamp Fees approx 8 Euro.
 - 714 Euro - 43.000 Euro: 0.35 %
 - 43.000 Euro - 107.000 Euro: 0.30 %
 - 107.000 Euro -357.000 Euro: 0.28 %
 - 357.000 Euro - 714.000 Euro: 0.25 %
 - over 714.000 Euro: 0.23 %
- Additional Legal Representation
Depending on the complexity of the contract, lawyer's fee will come around 300 Euro to 700 Euro.

Legal Information

Who can buy in Albania

There are no special restrictions for foreigners owning property in Albania.

The agriculture land is prohibited to be bought by foreigners unless they establish a company in Albania.

In some areas, there are limitations aimed at protecting the environment, cultural heritage or setting land aside for military use. Additionally, there are various restrictions under family law and matrimonial property regime.

Forms of ownership

You can own property as a sole owner or as a co-owner. It is possible to set up a limited company (Sh.p.k) or a public one (Sh.a) in Albania and this company can buy or own real estate as company property investments.

Types of Tenure

All property in Albania is bought on a freehold basis. Albania also has the concept of Condominium which is defined as property in a building where privately owned and communally owned elements exist side by side.

The rules determining the ownership rights of the communal elements are normally drawn up by Albanian Civil Code.

Important Considerations

Even though Albania is a safe place to buy property with well-established property laws, we advice to treat property deals with a Lawyer and an experienced real - estate agent.



Organizing legal representation

There are two legal professionals you should deal with:

- Public Notary
- A reputable English-Speaking Albanian Solicitor (Avokat)

Important things to check include:

- The plan of the land at the Immovable Property Registration Office and the plan of the building which should be included with the property details.

Negotiating an Undertaking Contract or a Pre-sale Contract

Before negotiating an Undertaking or Pre-Sale Contract you should review with a Lawyer the property documents, as well as the content of any proposed Agreement.

Undertaking or Pre-Sale Contracts are commonly used in Albania especially for new buildings and properties under constructions.

They are formal agreements where the Developer commits to construct within a reasonable time a building with technical specifications and price set between parties, and the Buyer commits to pay the building/apartment price.

That amount of money will be transferred to the seller only after the new certificate is issued on the name of buyer. In the case of under contract the total price is paid by bank transfer to the seller bank account.

The signing of these contracts doesn't transfer the property ownership title from Developer to Buyer. Officially the title will be transferred at the moment when he signs the Purchase Contract

Still the developer is prohibited to deliver and convey the ownership title to any other person other than the Buyer. There are strict penalties if one of the parties doesn't fulfill the terms set in contract.

Legal Investigations

You should instruct your lawyer to carry out essential legal checks on the property and start the purchase process. He will need to confirm that the vendor actually owns the property and has legal authority to sell it by checking the Immovable Property Card/ File issued by the Seller.

In this document is detailed the property title, ownership property transactions made during years, any charges or mortgages that exist on the property. The Lawyer will also ensure that there are no outstanding taxes or utility bills to be paid.

Preparation of the Final Purchase Contract

Once all the necessary legal checks have been completed by a Lawyer, you are ready to draft the Final Purchase -Sale Contract or Undertaking Contract.

This contract can be drafted by a Notary Public or a lawyer considering your best interest. Before drafting the act, you should ask the Notary Public to verify property ownership and legal status in an online property register, and attach the results of verification within the contract.

Even if you review or draft the contract with a Lawyer, you should sign and seal it before a Public Notary.

Payment of the contract price

In case of a Final Purchase-Sale Contract, the total price of the property is paid by bank transfer to escrow account of Public Notary.



Tirana

Capital City

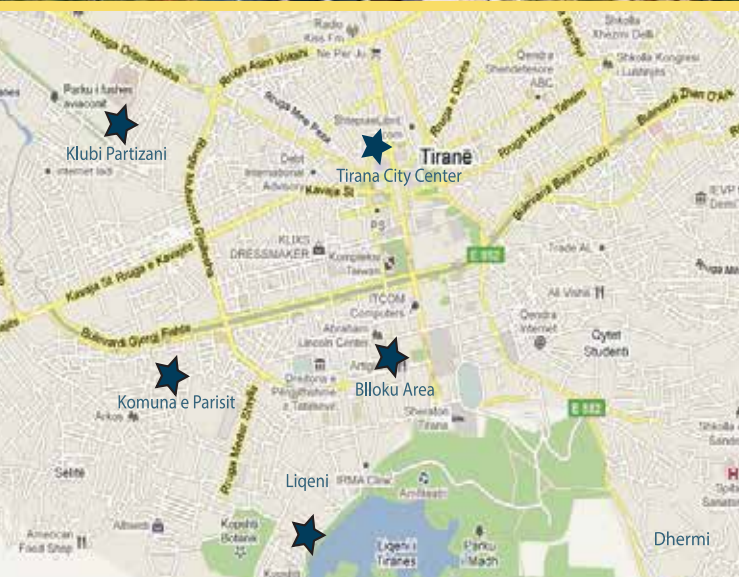
Tirana is the capital and the largest city of Albania. The city is home to many universities and is the center of the political, economical, and cultural life of the country. Tirana is mostly surrounded by hills, with Dajti Mountain on the East and a slight valley opening on the North-West overlooking the Adriatic Sea in the distance.

It is 15 km far from Tirana Airport and 40 km from the Port of Durres.

The area occupied by Tirana has been populated since Paleolithic times dating back 10,000 to 30,000 years ago as suggested by evidence from tools found near Mount Dajt's quarry and in Pellumba Cave. The oldest discovery was a mosaic, dating back to the 3-rd century A.D., with several other remains found near a medieval temple at Shengjin Fountain.



Best Locations



Type of Properties:

- Apartments
- Villas

New constructions and secondary market

Price range

- Tirana Center 3.000 - 6.000 Euro
- Blloku Area 4.000 - 7.000 Euro
- Komuna e Parisit 2.000 - 2.700 Euro
- Lake Area 1.800 - 2.500 Euro
- Klubi Partizani 2.000 - 2.500 Euro

Durres

Albania's oldest city

Durres is an ancient city, founded in 627 B.C. and known by the names Epidamnus and later on Dyrrachium. Durres is the second largest city of Albania with a population of 150,000 inhabitants which gets almost doubled during the summer!

The most important archaeological site is the Amphitheatre, the largest in the Balkan Peninsula, built in the 2nd century B.C. with a capacity of 15 - 20 thousand spectators and containing an early Christian Crypt with rare wall mosaics. Worth visiting is also the fortress of Durres of the early Middle Age, V -VI Centuries.

Durres is the largest beach and sea destination in Albania. With a coast of 16 km long and 50 -100 meters wide, only 30 km from Tirana. International Airport and 39 km far from the capital Tirana. Along the seaside there are tourist establishments which provide adequate services.

It is the biggest seaport and the main railway connection center. Located in the vicinity of international Airport of Rinas and the capital, Durres maintains regular connections with Italian ports



Best Locations



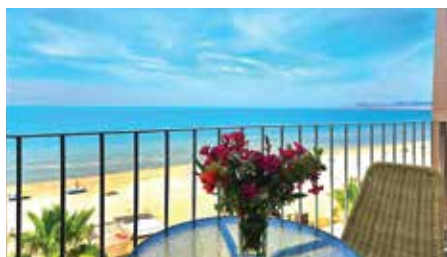
Type of Properties:

- Apartments
- Villas
- Houses

New constructions and secondary market

Price range

- | | |
|--------------------|--------------------|
| ■ City Center | 1.800 - 3.000 Euro |
| ■ Lalzi Bay | 2.000 - 4.500 Euro |
| ■ Shkemb i Kavajes | 1.300 - 2.600 Euro |
| ■ Mali i Robit | 1.200 - 2.000 Euro |



Vlora

Miles of white beaches

Vlora coast is situated in the southwestern part of Albania, exactly where the Adriatic and Ionian seas meet. Vlora, through the Otranto Channel, is the nearest point of Albania to Italy (72km).

It is 145 km far from Tirana and 130 km from Greece. Along the Vlora coastline you will find outstanding white beaches and stunning surroundings.

There are plenty of beautiful beaches in places like Cold Water, Jonufra, Radhima, Orikum.

Vlora averages 274 days of sunshine in a year.

One of the most panoramic routes of the Albanian Riviera starts to the south of town stretching up to Sarande in extreme southern Albania.

Because of the development of tourism in recent years, nightclubs, restaurants and bars have sprung up, especially in the area of 'Cold Water' (Uji i Ftohte), around 3 km distant from the center of the city.



Best Locations



Type of Properties:

- Apartments
- Villas
- Houses

New constructions and secondary market

Price range

- | | |
|---------------|--------------------|
| ■ City Center | 1.300 - 2.000 Euro |
| ■ Lungo mare | 2.000 - 3.500 Euro |
| ■ Cold Water | 2.200 - 3.300 Euro |
| ■ Radhima | 2.000 - 3.500 Euro |
| ■ Orikum | 1.100 - 1.500 Euro |
| ■ Dhermi | 3.000 - 5.000 Euro |



Saranda

The Pearl of the South

Saranda, the gateway to the southern Albania, is a small town located between high mountain and the Ionian Sea.

The name Saranda derives from an early Christian monastery dedicated to Santi Quaranta (Forty Saints).

Located on the shores of Ionian sea, in front of Greek island of Corfu, Saranda is characterized by a Mediterranean climate and warm sea waters.

Due to its location and warm weather Saranda is one of the most attractive tourist town in Albanian Riviera, where honeymooners traditionally spend their holidays.

Located in front of the sea and along the main promenade there are some hotels and restaurants which offer you catering facilities and accommodation.

Daily ferryboat links Saranda with the nearby Greek island of Corfu.



Best Locations



Type of Properties:

- Apartments

New constructions and secondary market

Price range

- City Center 1.800 - 2.200 Euro
- Butrinti 2.000 - 2.500 Euro
- Kodra 1.600 - 2.400 Euro
- Mango 1.800 - 3.500 Euro



Our Services

Buying Services and Property Tour

- General advice on points what to pay attention to, including travel advice.
- Market overview on the settlement, the real estate environment, answering to any queries from the clients, creating the list of the properties.
- Screening the properties in accordance with the customer requirements.
- Direct involvement with negotiations with sellers.
- Provide legal advice through Albanian legal office (free of charge).
- Organize communication and meetings with lawyer office, and public notaries.
- Provide translation into English, Italian, French, Russian, and Ukrainian.

We highly recommend that you go for our "Albania Property Tours" in order to get a feel of the country, the coastline, and the various areas for potential investment. The property tour is a "show and tell" through the areas of interest in capital city Tirana, Durres, Vlora, Riviera and Saranda. During the tour you will be in the company of a representative of our team.

Furniture package

- Tailor made package in line with your requirements and price range.
- Products are "Made in Albania" with high quality and low price.
- Direct communication with our in-house designer
- Discuss your furnishing requirements with clients by email or telephone
- Make inspection of your the property in order to make the best suggest the best solutions
- Take care of everything A to Z:
 - Order, delivery, installation of home appliances. Disposal of packaging, cleaning of the apartment
 - Provide a list of household goods on request, and price of sample packages

Property rental services

- Shoot photos of your property
- Upload the property in our websites, and international portals
- Clean the apartment, paying monthly bills
- Deliver the property and taking it back from the tenants
- Coordinate any repairs in case that damage is noticed during monthly checks
- Update on monthly bases, status of property and reservations received

Property Management

- One complete cleaning of apartment/month.
- Collecting & Paying utility bills and yearly taxes.
- Check all contents based on an inventory; in the case that apartment is rented.
- Test the appliances and electrical equipment.
- Examination of all furniture and furnishings for wear and tear.
- Check of all sanitary equipment and plumbing.
- Prepare and send a monthly report



For further details on how we can supply you with more information on outstanding investment opportunities, please contact us:

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