



## STATE SUPPORT FOR THE PURCHASE OF HOUSING



For today there are following available types of state support for the purchase of housing:

### **VAT refund upon first home purchase**

When buying an apartment in a new building directly from the investor, there is no tax on the transfer of ownership (porez ba prenos apsolutnih prava), but VAT, that is paid at a rate of 10%. The right to refund this tax have buyers of their first apartment. The area that is exempt from the tax is 40m<sup>2</sup> for the buyer himself and for 15m<sup>2</sup> for each member of his family (in case if they did not own the housing from 01.07.2006).

The list of documents needed for the refund procedure is indicated in the following [document Tax Office](#) (article 10a).

### **Exemption from payment of transfer tax**

Tax on the transfer of ownership (porez na prenos apsolutnih prava) is paid if the seller is an individual. There is a right of exemption from payment of this tax that can be used by adult citizens of Serbia with a permanent place of residence in Serbia, who buy their first apartment, up to 40 square meters. In case if the buyer will live in an apartment with his family (whose members are not owners of the residential real estate since July 1, 2006), the area of housing exempted from paying taxes increases by 15 sqm. for each member of the family. When buying an apartment larger area tax is paid on the difference.

### **Subvention for the purchase of an apartment or the construction of a house at the birth of a child**

The right to a subvention in the amount of €20,000 can be received by a mother for the birth of a child after 01.01.2022. The funds can be used exclusively for the purchase of the first apartment or the construction of the first house. The purchase of real estate can be carried out from own or credit funds. The house or apartment must be the property of the seller and registered in the real estate cadastre without encumbrances. To receive a subvention for the construction of a house, you must have a building permit, an agreement and an estimate for construction of a future house.

One of the conditions for approval of the subvention is confirmation that the income of the applicant and his spouse in total does not exceed two average monthly wages in the Republic of Serbia, according to the latest report of the Republican Department of Statistics.

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A mother with foreign citizenship, but who has a permanent residence permit in Serbia, can also apply for the subvention (stalno nastanjenje).

All details, a list of required documents for applying for a subvention and a sample application can be [downloaded here](#).

#### **Subvention credit for the soldiers**

Financing is provided for the professional military. The loan amount is limited to 100.000 €. The program involves several banks, among the proposals which can choose the most suitable. The state provides a loan for a certain amount (often about 20% of the cost of an apartment), which can be set off as a participation that a commercial bank requires when issuing a loan. You can pay the "state" part after paying commercial. The state part of the loan can be provided without interest or at a reduced rate. The approval of the loan is through the [system of NCSK, information from the Ministry of Defense](#).

#### **Special loans and shares from state-owned construction companies**

Special credit programs and promotions from state-owned companies. For example, [Građevinska direkcija Srbije](#), at its objects offers a loan for buyers that are entitled to a VAT refund, which must be returned after VAT refund by the state. In addition, special prices are offered for the purchase of commercial premises and parking spaces.