

MONTENEGRO ROYALE



PRIZE JEWEL: Mountainous Kotor oozes historic charm in abundance

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By Roman Heindorff

DESCENDING in an aircraft over Montenegro is a bit like flying onto a life-size version of the Thunderbirds set: immaculate green mountains, motionless aquamarine sea and angular, low-rise architecture – except there are no puppets, and it is even more surreal.

Montenegro has long enjoyed a reputation as having one of the most graceful shorelines in Europe. For centuries, this dark, pine-covered ‘black mountain’ coast – where the rural Serbian hinterland converges spectacularly with the Adriatic sea – has wooed royals, attracted merchants and delighted artists. Even James Bond could not resist a visit – or even a gamble – here.

This small, picturesque country appears untouched, for which the Montenegrin authorities who have refused to jeopardise their wonderful natural assets, must take full credit.

Here, where the beautiful coast is responsible for much of the tourist industry that hosted more than one million visitors last year, it is plain to see that conscientious development is preserving the country’s coveted status as the new Monte Carlo.

“Having made a handsome profit on his first purchase after selling in 2007, he has seen property values decline sharply in the last 12 months, making it more affordable again.”

In the three years since Montenegro attained independence, the southerly coastal settlements of Kotor, Budva and Herceg-novi have quietly led the way in captivating a metropolitan assembly of discerning,

patient investors, enchanted by one of the Adriatic's genuine treasure troves.

Its prize jewel is the mountainous old town of Kotor, part of a Unesco heritage site since 1979 and one of Europe's most amazing spectacles.

More than 300 years since its pomp and glory days as the region's main sea-port for trade with other Mediterranean civilisations, Kotor's cinematic credentials still ooze an authenticity that will have you daydreaming your way back to the 16th century.

Marked by charming Venetian alleys and home to a converted maritime museum and nightclub built into one of its thick outer walls, Kotor has moved with the times without losing too much of its original charm.

Gazing up at the sprawling ramparts of the old town, it's impossible not to enjoy the sense of history that has made it popular with foreigners and inspired plenty of UK owners to secure their own piece of local magic.

But sadly, when it comes to buying property, many small developers and individual buyers have found bureaucracy too much to bear, and moved on. Not so Nigel Gray and his wife, Chris, from Herefordshire, who bought a two-bed traditional house 10 minutes' drive from Kotor, paying just over the euro equivalent of £200,000.

Now they look forward to enjoying the property after lengthy delays in completing the formalities.

Mr Gray said: "The place has great potential, but after two-and-a-half years of tying up all the loose ends, it's fair to say you need a fair bit of patience to make it happen."

Montenegro is certainly not a place to find a quick-fix holiday home. Given its history, it's comforting to see how conscientious the authorities have been in protecting the integrity of property ownership. As Justin Faiz of Pluto Developments explained, buying in Montenegro is a different ball game to buying in, say, Spain or Cyprus, where prices are similar.

He said: "If you contrast what has happened in those countries compared to Montenegro, it essentially comes down to the different banking systems.

"Here the banking industry is less developed, with less financing available, which makes it a pre-sale-driven market.

Until you've sold the requisite number of apartments in a given development, you can't start building."

Unlike the oversupply elsewhere in the Mediterranean, everything is owned – and more importantly,

used – by somebody, which ensures the high season (May to September) is bustling and protects the low season from ghost town syndrome.

Sensible stuff – but is this sticky market throwing up any enticing bargains since prices peaked in late 2006/early 2007? According to Mr Faiz, British and particularly Russian buyers are still investing in what must be some of the area's most value-for-money prime real estate.

He said: "Our Acacia Hills development in a village near Kotor has just two units left for sale, and prices are around 40 per cent lower than last year – just €1,600 (£1,400) per square metre. Both one-bedroom apartments are selling for €82,000."

In 2005, Roger Wilson from Brighton moved with his family to Kotor, and set up a property management service in the town.

Having made a handsome profit on his first purchase after selling in 2007, he has seen property values decline sharply in the last 12 months, making it more affordable again.

"There are definitely super deals to be had," he said. "Prices around Kotor have come down considerably from where they were, and places like Tivat, close to an international airport, and Herceg-novi are even more inexpensive."

Mr Wilson recently sold an old-build, front-line apartment in Boka Bay for €57,000, but does not think prices will drop much further.

With Montenegrins reluctant to sell their homes since the crash in prices, foreign sellers looking to cut their losses on upcoming developments offer the best opportunities to get a piece of this stunning coastline while current prices last.

Taking the winding road inland from Kotor brings you to the top of the mountain range that overlooks Boka Bay. Here the misty, green plateau is home to some 300 villagers and the origin of the region's entire supply of smoked prosciutto.

For those holiday home owners or tourists keen to immerse themselves in Montenegrin cuisine, the local diet of homemade cheese, ham and mead is a delightful alternative to any equivalent home comforts.

EU membership may only be as far away as 2011, making Montenegro's exotic array of gorges, national parks and lakes, as well as a reinvigorated ski resort and collection of fascinating museums, even more attractive to those looking to spend considerable amounts of time here.

Tivat, home to one of Montenegro's two international airports, expects its widely publicised new

supermarina to be
ready by 2012.

Clearly, investors have a lot to look forward to, but it's the endearing Montenegrin vistas and social quirks that still underline the majesty of the country's enchanting personality.

Information:

- www.montenegro.travel
- www.plutopropertymontenegro.com
- www.montenegroaccommodation.me