



# Budapest: Think big & renovate

*Post-boom central European hotspots such as Budapest are settling down but buyers have to focus as a result, argues KESTER EDDY*

When it comes to villas, one spot in the region stands out – the Adriatic coast, meaning primarily Croatia.

While on the coast of Istria apartments are typically priced at around €2000–€3000 per m<sup>2</sup> – a level still proving attractive to buyers from Germany, the UK and nearby Italy – with prices rising at about 25% per annum, all the smart money in this part of northern Croatia is going inland on big stone villas with pools, says **Andreas Dussmann, managing director of Dussmann Homes in Croatia.**

“This area is completely unspoilt, and rental demand is huge,” says Dussmann. “We have attracted many bankers, lawyers, and people working for multinationals. Among the top names are Ralf Schumacher, [food company] Dr Oetker and [baby food manufacturer] Hipp, all from Germany.”

Luxury stone villas with pools now sell for around €450,000, snapped up mostly by wealthy buyers from Germany, Switzerland, Austria and the UK, according to Dussmann. While the really rich use such properties only for themselves and friends, others buy for the returns from rents, which can hit €3,000 per week.

“This means annual income of up to €40,000,” says Dussmann. “These people only use their places for maybe two weeks, and in the off season.”

Buying property in Croatia has its own caveats, however, and while Dussman says the market is getting cleaner, he adds that there are “plenty of dodgy agents and developers still offering poor-quality or incorrect information. It’s best to deal with reputable foreign agents that appear in the property magazines and national newspapers.”

Buyers need to check for good title and be aware of details like building zones. In addition, infrastructure such as water and electricity can sometimes be very expensive when buying land, Dussmann warns.

But with the steady growth in the Croatian economy, expansion by budget airlines, and new developments like marinas and golf courses on the horizon in Istria and other parts of Croatia, Dussman sees the pressure on property prices going in only one direction – up.

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