

The sale of newly built properties became safer: the condominium construction right can now be registered

With the amendments to the laws on condominiums and land registration adopted at the end of last year, a so-called condominium construction right became registrable in the land register as of 1 March 2026, even during the construction phase of newly built properties. This reform significantly increases the legal certainty in the sale and purchase of such properties, while also improving their bankability and access to financing.

What is the condominium construction right and how is it established?

The condominium construction right may be established in relation to a yet-to-be-built condominium apartment (or other independent unit) if the property is intended to be part of a condominium and the fact of the preliminary establishment of the condominium has already been registered in the land register.

The condominium construction right is registered in the land register as a form of purchaser's right on the title deed of the property still under construction. Through this, the purchaser acquires a new type of proprietary right over a condominium unit that does not yet legally exist, which will automatically transform into ownership once the building is completed.

The condominium construction right may be established by the seller and the purchaser in the sale and purchase agreement or in a separate agreement linked to it, provided that the purchaser pays part of the purchase price. If the buyer is married, the spouse of the buyer must also be registered in the land register as the holder of the purchaser's right (even if they are not otherwise a party to the sale and purchase contract).

Why is the condominium construction right advantageous?

First and foremost, it provides greater security for buyers, as they obtain a legally protected and registered position already during the construction phase in relation to the given unit. If any issues arise with the developer during construction (such as enforcement or liquidation proceedings), the holder of the condominium construction right may exercise their rights similar to those of a mortgagee, thereby placing themselves in a more secure and predictable position.

An additional advantage on the buyer's side is that even a property still under construction becomes financeable: both market-based and preferential financing options may become available for newly built properties, since the registered condominium construction right may be encumbered with a mortgage and with restrictions on transfer and encumbrance. In other words, it may effectively serve as standard collateral for banks.

On the developer's side, improved financeability also appears as a benefit, as it enables sales to buyers who previously would have been excluded during the construction phase due to financing constraints.

Finally, the measure also increases banks' willingness to provide financing, as they can grant loans secured by predictable and reliable collateral even during ongoing construction, including in staged disbursements.

How does it terminate?

Once the property under construction is completed and the condominium unit is registered, the previously registered condominium construction right is automatically replaced by ownership of the property. If the condominium construction right was encumbered with a mortgage, it will convert into a mortgage over the completed property.

If, however, the contract is terminated due to the death of the buyer or a breach of contract, the legislation provides certain options—depending on the parties’ agreement—for the termination or cancellation of the condominium construction right.

In light of the above, both developers and buyers are advised to seek specialist legal advice prior to establishing a condominium construction right, in order to ensure that they achieve the most favorable legal position both at the time of registration and in the event of any subsequent termination.