ADEL INVEST

INVESTOR'S HANDBOOK

# Investing in Romanian Residential Real Estate

A practical, end-to-end guide for foreign investors — from why Romania, through the acquisition and due-diligence process, to how a professionally managed asset actually performs.

**2025–2026 Edition**

| 7 | 6–7.7% | EU |
|---|---|---|
| STEPS FROM SEARCH TO KEYS | TYPICAL GROSS RENTAL YIELDS | EURO-LINKED, EU-COMPLIANT STRUCTURE |

## Why Romania

For a euro-based investor seeking income and diversification, Romania offers a rare combination within the EU: rental yields roughly double the DACH average, prices still affordable relative to income, and a structurally undersupplied housing market in its major cities. The trade-off is that these returns are earned, not automatic — they depend on local knowledge and disciplined operation.

**6–7.7%**
Typical gross rental yields — about twice the EU average

**EU + €**
Full EU membership; euro-linked ecosystem and banking

**Low supply**
Multi-year low in new deliveries supports occupancy and value

This handbook explains the framework a foreign investor operates within, walks through the acquisition process step by step, and sets out the due-diligence and management standards that separate a good outcome from an expensive lesson.

## The legal framework for foreign buyers

Foreign individuals and companies can freely own **buildings and apartments** in Romania. EU citizens may also acquire land directly; non-EU nationals typically acquire land through a Romanian company or under reciprocity and treaty arrangements — for the residential apartments most investors buy, this rarely bites, because you own the built unit and an undivided share of the common parts. Ownership is registered in the national Land Book (Cartea Funciară), the authoritative public record of title.

## Individual vs. company ownership

The first structuring decision is whether to hold directly as an individual or through a Romanian SRL (limited company).

| Dimension | Individual ownership | SRL (company) |
|---|---|---|
| Simplicity | High — minimal admin | Lower — accounting & filings required |
| Rental tax | 10% on net after 20% flat deduction (~8% effective) | 1% micro-turnover regime (below ceiling) or corporate rules |
| Getting profit out | Already personal income | Dividend tax (16% from 2026) |
| Best for | 1–3 units, simple hold | Scale, liability separation, reinvestment, succession |

**Our approach.** We model both structures against your unit count, exit horizon and home-country tax position before you commit. See the companion Tax & Regulations Guide for the detailed rules.

## The acquisition process — seven steps

**1**

### Define the mandate

Agree budget, target city/sector, strategy (buy-to-let vs. renovate-and-let), currency and net-yield target. Everything downstream is judged against this.

**2**

### Source and shortlist

Screen the market against the mandate. We underwrite each candidate bottom-up on realistic transaction prices and conservative net yields — not asking prices.

**3**

### Reserve and pre-contract

Sign a pre-contract (antecontract) and pay a reservation deposit. VAT treatment is fixed in writing at this stage — critical given the 2025–2026 changes.

**4**

### Due diligence

Verify title in the Land Book, check for encumbrances, confirm the seismic risk classification, and review the building's technical and legal condition (see next section).

**5**

### Financing (if used)

Arrange mortgage or confirm cash. Local mortgage rates ran around 5.5% in 2025; many foreign investors buy cash and refinance later.

**6**

### Notarised sale

Sign the final deed before a public notary, who verifies identity and title, registers the transfer, and withholds any seller-side tax. You receive registered title.

**7**

### Setup and let

Furnish/renovate as needed, register for tax, insure, and place a screened tenant. The asset moves into ongoing management.

## Due diligence that matters

Most avoidable losses in Romanian residential come from skipping one of these checks:

- **Title (Cartea Funciară):** confirm clean ownership, boundaries and the absence of mortgages, liens or litigation notes.
- **Seismic risk register:** Bucharest maintains an official register of seismically risky buildings. A "risk class I" (red-dot) building is cheap for a reason — we screen these out unless the strategy explicitly accounts for it.
- **Building health:** roof, structure, plumbing/electrical age, and the finances and management of the owners' association.
- **Legal/urbanism:** permits and compliance for any works, and that the use matches the intended letting.
- **Rental reality:** achievable rent and void periods for that exact micro-location — not the district average.

## How a managed asset performs — the KPIs

Ownership at a distance only works if performance is measurable. These are the operator metrics we manage and report against:

| KPI | What it measures | Target |
|---|---|---|
| Occupancy | Share of time the unit is tenanted and paying | ≥95% |
| Net yield | Income after management, maintenance, void and tax | 4–6% |
| Tenant placement | Days from vacancy to signed, screened tenant | Tracked |
| Response SLA | Time to respond to a tenant or owner request | Defined |
| Reporting | Cadence of statements to the owner | Regular + annual |

> A broker's job ends at the transaction. An asset manager's job **begins** there — placing the tenant, running the property, protecting the value, and reporting it honestly.

## Exit

A disciplined plan defines the exit before entry. Romania's transaction tax on sale is favourable to longer holds — **1%** of the price for property held over three years versus 3% below that — and the notary handles withholding. Liquidity is strongest in well-located, well-maintained stock in the major cities, which is exactly where a supply-constrained market keeps demand concentrated. We advise on timing and prepare the asset for sale as part of the mandate.

## The ADEL model

ADEL Invest is a Romania-based residential real estate asset manager for foreign investors — not a broker. We handle the full lifecycle in-house: acquisition, renovation and furnishing, tenanting, long-term management, and eventual resale. You hold direct title to the asset; we run the operation and report to European standards.

**22 yrs**
Operating in the Romanian market

**950+**
Residential units under management

**≥95%**
Occupancy target, measured and reported

**Next step.** If you would like this framework applied to a specific budget and city, we can prepare a tailored acquisition shortlist with underwritten net yields. Reach us at office@adelinvest.com.

## Disclaimer

This handbook is general information for prospective investors and does not constitute investment, tax or legal advice, nor an offer or solicitation to buy or sell any property or security. Yield ranges and KPIs are targets, not guarantees; actual results vary by asset and market conditions. Tax figures reflect the framework understood in early 2026 and are subject to change. Obtain independent professional advice before making any decision. 

# You own the asset.
# We run the operation.

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