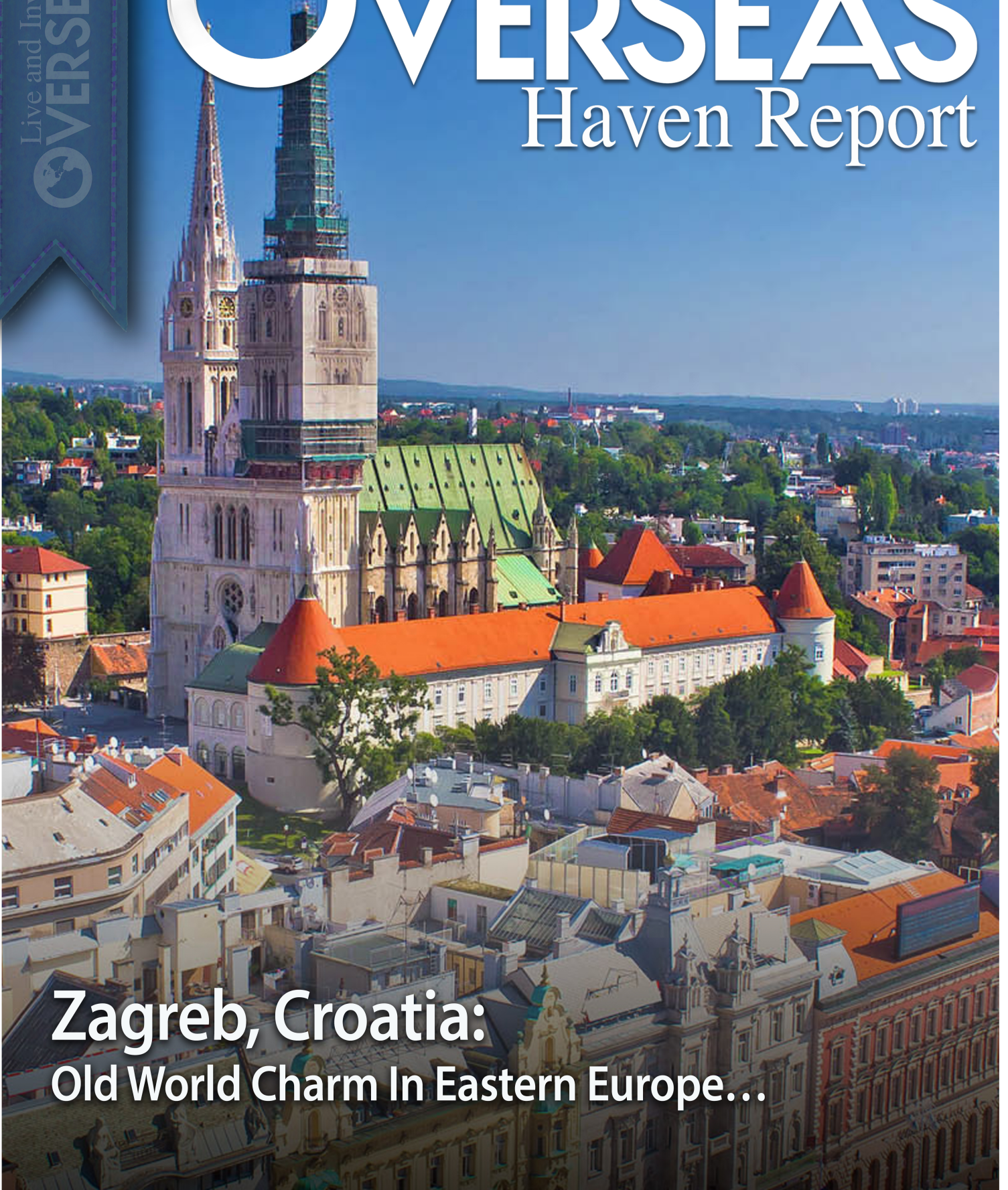




OVERSEAS

Haven Report



Zagreb, Croatia:
Old World Charm In Eastern Europe...



Zagreb, Croatia

Croatia's under-explored capital is full of charm

By Siri Lise Doub

When you think of Croatia, what comes to mind? Sparkling green waters or a tumultuous history? A war-torn population or a cultured, educated people with intense pride in their country? A land that boasts a 1,000-year-old history and language or a socialist state?

Croatia is, of course, all those things—and so much more.

Actually, when I think of Croatia, I think of neckties and wine. Sounds odd? In fact, this gorgeous, complicated country is the birthplace of both the necktie and the Zinfandel grape.

And these two facts reveal a lot about Croatia. First off, you'll know it has a great

climate. The Zinfandel grape requires a climate not too hot and not too cold. Croatia's mild winters and sunny summers make for perfect Zinfandel weather.

And Croats are the trendsetters credited for introducing today's tie to the fashion world. The Croat contingency of the French service wore their traditional knotted handkerchiefs during the Thirty Year's War (1618 to 1648). The Parisians took a fancy to them and called them "cravat"—a cross between the Croatian and French words for Croat (*Hrvati* and *Croates*).

So began a cravat fashion frenzy. In the 17th century, these kerchiefs became so intricate that they were tied in place by strings and arranged in a bow—and took

continued on page 7

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continued from page 2

forever to arrange. Sound familiar? (Today, head over to <http://www.croata.hr/> for a look at more modern variations of the necktie.)

So, Croatia has good taste and great weather.

But the necktie and Zinfandel are just two of Croatia's charms—and best-kept secrets.

Another of the country's greatest charms is its capital. Although I have a tendency to steer clear of capital cities when considering an overseas relocation, Zagreb caught my eye. And, every time I discussed a place to live with Croatian friends or expats overseas, it kept coming up. Why not Zagreb? Take a look at Zagreb!

Not your average capital

Indeed, as capital cities go, Zagreb is just about perfect.

There are a few obvious reasons why:

First, its great location. It's tucked in southeastern Europe, bordering the Adriatic Sea, between Bosnia and Herzegovina and Slovenia (a particular favorite of mine). If that doesn't seem like an obviously awesome location, then let me remind you that that means it's near the coast, Vienna, Venice, Budapest (all spectacular cities in their own right), even skiing in Austria and golf in Slovenia.



Map of Croatia

And just because we mention five different countries when we discuss a life in Zagreb, it doesn't mean much travel time. It's a mere 14 miles to Mokrice, Slovenia and the gorgeous Castle Golf Hotel (which starts at only 66 euro/US\$86 a night!). It's 72 miles to Ljubljana, Slovenia and 92 miles to Graz, Austria. You won't drive much farther to reach Bratislava (170 miles), Venice (178 miles), and Sarajevo (181 miles). It's four hours to Budapest, Venice (178 miles away), and Vienna (167 miles away).

Also close to home—all less than an hour—are Samobor, with its 13th-century castle, trout-filled streams, a well-known salami festival; the lovely old town of Varazdin, with bike routes aplenty, a plethora of festivals, and a castle; the Renaissance fortress town of Karlovac; or the vineyards of Medimurje, the Plesivica Wine Route, and the wine cellars of Zelina. Just north of Zagreb is Hrvatsko Zagorje with its Tuheljske and Krapinske spas.

Of course, staying in town isn't bad either. Zagreb, situated between the mountain of Medvednica and the River Sava, offers plenty of recreational activities. The old town is picturesque and dotted with cafés overrun with flowers. It boasts a daily outdoor market with fresh fish, flowers, bread, and cheese. The city has more than 50 museums and galleries and about 20 theater and concert venues.

Sports enthusiasts can enjoy skiing, hiking, climbing, bird-watching, golfing, fishing, sailing—all practically in their back yard. Jarun Lake, five kilometers from town, is awash with summer beaches on the bend of the River Sava. The lake has islands, cycle paths, canoeing, and plenty of places to eat. The Sljeme peak rises so close to the city that you can walk to the cable car station from the central square for an afternoon of skiing or a night slalom on the Snow Queen.

Nature enthusiasts have their share of activities as well. Zagreb's English-style Maksimir Park, first open to the public in 1794, was actually one of the first public promenades in this part of Europe. Its

walkways, meadows, five lakes, and seven streams cover more than 18 hectares. The zoo here is home to several hundred species of animals. If you take a hike outside town or up Mount Medvednica (kids might like the cable car ride), you could see bats and butterflies such as you've never seen before. You can even spy on the storks in the flood lands of Lonjsko Polje.

The botanical gardens are also worth a visit. Founded in 1889, the garden covers almost five hectares and includes an English-style arboretum and French-style flower garden as well as some 10,000 different plant species. Wetland cedars grow beside two lakes.

And, after a day studying flora and fauna, you can relax in an outdoor café and watch city life. Croatia's fine weather of gentle winters and warm dry summers has created a café culture in Zagreb—for more than half the year anyway. (Mount Medvednica rises to Zagreb's north and protects the city from the more extreme temperatures that other continental locations might experience. Again, great location!) Even work is often operated in cafés, with meetings scheduled into dinner time. "It's a very Mediterranean lifestyle in that sense," says expat Jonathan Cooper, who has lived in Zagreb for 10 years.

Second, its size. Zagreb's manageable size enables you to easily enjoy every corner of the city and surrounding areas on foot or bike—or on its easy transportation system—in a day or so. As several friends pointed out, Zagreb is one of those rare capital cities where you can enjoy a morning of skiing or hiking, visit several museums or swim on a nearby beach after lunch, and then enjoy a play or an opera that evening. Why not Zagreb, indeed!

Jelacic Square, the center of Zagreb life, sits on the city's northern side and is spider-webbed with trams and bursting with cafés, pedestrians, and live music. North of the square you'll find the sea of red parasols that make up Dolac, the daily market, and northeast is the twin-towered cathedral, located in the Kaptol



The Dolac market is best for local fare area. Northwest is old town Gradec, home to museums, parliament buildings, and the palace.

The pedestrian Tkalciceva and cobbled Radiceva separate Kaptol and Gradec. These two entities—one the seat of government, the other the seat of the Archbishop—were unified in the 19th century. West is Ilica, Zagreb's longest street and a shopping mecca for locals. You can take a short funicular ride (only 66 meters—said to be the shortest in Europe) from here up to Strossmayerovo Setaliste, a wonderful stretch with beautiful views and the Lotrščak Tower, the remains of 13th-century fortifications.

Zagreb's size also brings familiarity, especially among locals and local celebrities, who stroll the streets alongside the regular everyman. It's not unusual to see the president sitting in the square on a Sunday morning chatting with other politicals. The Saturday spica, a local tradition, is another popular time to hang out in the square and people watch. Every Saturday morning the squares and streets in old Zagreb come alive with dancers and singers in folk costume giving away apples, the symbol of health.

Zagreb's size also promotes safety, an element that you won't find in many other European cities. Zagreb is known as one of the safest cities in Europe.

Third, it's fun. Croatia's vibrant history creates magic...and more than its share of festivals, which are embraced by locals throughout the year. Folklore preserves local culture, and stories of Zagreb are told

in verse, songs, fairytales, dance, costumes, and jewelry. A two-week summer festival hosts terrific examples of local folk art, dancing and dress, as does Zagreb's City Day on Nov. 16. In addition, there are the summer Days of Croatian Theater, music festivals, a children's festival, various theater and opera events, even a well-known film festival. The Contemporary Dance week is in June and the World Theater Festival is in September. Not forgetting literally hundreds of impromptu folklore concerts or celebrations throughout the year in Croatia.

Finally, it's inexpensive. Don't get me wrong, it's not comparable to, say, India, but it certainly offers a cost of living that rivals most livable countries. "My daughter goes to the theater once a month for 20 to 30 kuna (US\$3.60 to US\$5.40)," says Karl Gillingham, who arrived here from London five years ago. School, too is less expensive in Zagreb. "A kindergartner in the UK might pay 800 pounds (US\$1,212) a month for a good education compared to 400 kuna (US\$72) at the international kindergartner in Zagreb—or as little as 50 kuna (US\$9) at the local school—which offers a very good education as well."

If you are an active family, the good climate and green spaces combined with low prices offer ample opportunities for healthy living. You can roller-blade, ice skate, sail, or ski all for much less than you would in neighboring countries. The chair lift ride, for example, is only 11 kuna (US\$2) one way, 17 kuna (US\$3) round trip.

A hard look at an easy life

It's been 18 years since the Socialist Federal Republic of Yugoslavia was dissolved. Its six republics—Croatia, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia, and Slovenia—are all very much their own countries today.

Croatia is wearing its new skin comfortably. As well it should. The country and culture is actually more than 1,000 years old. The Kingdom of Croatia was its own entity starting in 925AD. It joined

Hungary in 1102 but maintained a Croat culture with hopes for independence. Although it was titled a free royal town in 1242, it actually took about 800 years before Croatia was independent again—this time from Austria-Hungary in 1918. That, too, was short-lived, however. Croatia became a member of Yugoslavia after World War II and didn't stand on its own again until 1992.

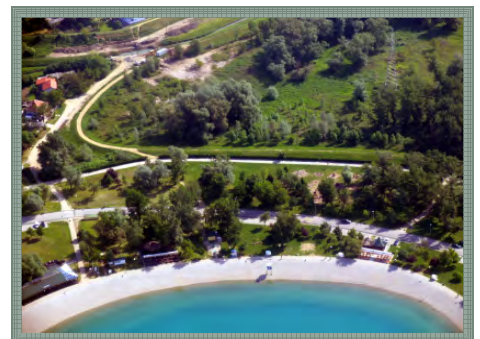
In spite of life under foreign authorities—or perhaps because of it—Croatia maintained a strong sense of its own culture. Today, it is fiercely proud of its strength and resilience. Honestly, I don't think the foreign invasion and control had any real chance of quashing Croatia's rich culture. Today's Croatians, unable to celebrate their own culture and "Beautiful Homeland" ("Lijepa naša") for so many years, are eager to make up for lost time.

Expats love it here, too. In the words of Rebecca West in 1937: (Zagreb is) "a delight that begins quietly and never definitely ends."

In fact, none of the people I spoke with had any inclination to return home.

"When I go for a visit in England," says Karl, "I can't wait to come back here. The lifestyle is just so much better here."

And he should know. He arrived five years ago and hasn't looked back. He's experienced expat life, local life (his wife is from Zagreb), raising children here (wonderfully satisfying), and starting a company here (daunting, often frustrating, but exciting and rewarding).



Lake Jarun is awash with beaches

Karl has contributed to his new city as well. When he arrived, he noticed immediately that it was difficult to find organized gatherings to support the substantial expat population living in Zagreb. The International Women's Club, which focused primarily on women and children, was the only game in town.

Karl started arranging meetings on Thursday nights for people to get together. "Thirsty Thursdays" at the Old Pharmacy Pub have been a tradition ever since. In addition, the group—now approximately 180 members—goes sailing twice a year and enjoys "food nights" when other international foods are presented. "There isn't much here in the way of international cuisine," explains Karl. They've hosted Indian curry nights—even a Thai dinner night complete with the Thai ambassador and Thai dancers. (Food nights take place in the Espanada Hotel bistro.)

Zigzagging through Zagreb

Zagreb, like most beautiful, small cities, is best appreciated by walking. The old town is an exploring pedestrian's dream, with nooks and crannies galore around cobblestoned streets, beautiful churches, outdoor markets, parks and cafés. I don't recommend driving—too many complicated one-way or pedestrian streets and parking is a nightmare. Consider renting a bike if you don't want to walk—Croatian champion Vladimir Fumic has a good rental shop in town for about 20 kuna (US\$3.60) an hour. Or rent a segway, one of those crazy looking vehicles with two wheels that you stand on which can be driven in pedestrian zones. (For information on a segway city tour, visit www.segwaycitytourzagreb.com)

Zagreb also has a terrific public transportation system, and you can purchase a Zagreb Card for up to 50% savings on transportation, museums, theaters, hotels, and restaurants. The three-day card is 90 kuna (US\$16); the 24-hour card is 60 kuna (US\$10.80). Trams run frequently within the city; buses travel

inside and outside the city. The funicular runs to Zagreb's higher points; a ticket is only 6.5 kuna (US\$1.20) at a kiosk/a day pass is 18 kuna (US\$3.25). Oh, and if you get lost, just stop one of the many "tourist informants" wandering the streets; they can assist anyone with tourist information. Or pick up the phone and dial 385-62-999-999 for a "Croatian angel" to assist you with information over the phone!

For a quick tour, follow the lamplighters on the first and third Friday of every month from Jelacic square. They hand-light almost 300 gas lanterns that still light the upper part of the old town. If you are feeling really adventurous, consider a hot-air balloon tour, available through ak-ecos.com.

Probably the most well-known of Zagreb's historic crannies are its four city towers in

Zagreb shopping basket

Since 1994 the currency here has been the kuna, abbreviated kn or HRK. It is divided into 100 lipa. Many also use the euro, although you'll have better luck getting exact change if you stick to kuna. Credit cards are often accepted, but always have cash on hand as well.

Asked about shopping, Jonathon explains: "There are only a couple of multiplexes, which is underwhelming when you consider other cosmopolitan cities. Still, you can find anything you need here. Also, it's not as cheap as people think...especially if you come here from the United States and the weak dollar. It's certainly not as cheap as it once was."

- a local beer: from 12 to 20 kuna (US\$2.16 to US\$3.60)
- sodas (fanta and coke): around 12 kuna (US\$2.16)
- tea or coffee in café: 5 to 15 kuna (US\$0.90 to US\$2.70)
- pizza or pasta dish: from 30 to 50 kuna (US\$5.40 to US\$9)
- a business lunch in a fancy restaurant: 145 to 180 kuna (including drink) – US\$26.10 to US\$32.40
- bottle of wine in store: 20 to 100 kuna (US\$3.60 to US\$18)
- double room at private inn: 290 kuna (US\$52.22)
- double room at hotel: 435 to 2,175 kuna (US\$78.30 to US\$391.60)
- average restaurant meal for two with wine: about 100 kuna (US\$18) each
- one-and-half hour bus or tram ticket: 8 kuna (US\$1.44)
- 72-hour Zagreb card for unlimited transportation: 90 kuna (US\$16.20)
- hour at internet café: 15 to 40 kuna (US\$2.70 to US\$7.20)
- one-hour bike rental: 20 kuna (US\$3.60)
- bread - from 6.50 to 18 kuna (US\$1.16 to US\$3.24) per loaf. (I must add that the bread here is fabulous—and rarely has preservatives or additives.)
- milk – 20.77 kuna/gallon (US\$3.73)
- beef – 21 to 37 kuna/lb (US\$3.77 to US\$6.65)
- oranges - 4.30 kuna/lb (US\$0.77)
- chicken – 27 kuna per whole chicken (US\$4.85)
- international kindergarten—400 kuna (US\$72)
- local school—50 kuna (US\$9)
- the American international school—145,000 kuna/year (US\$26,093/year)

the walls of Gradec. The 18th-century Stone Gate is one of the best preserved monuments of old Zagreb. It's known as the Chapel of the Mother of God of the Stone Gate. Locals like to tell how the painting Mother of God once stood above the gate and—miraculously—was found untouched by Zagreb's great fire of 1731. A church was built within the gate and around the painting to celebrate the miracle. (Incidentally, the pharmacy nearby has been around since 1355 and is the second-oldest in Europe.)

Towers and parks

The 13th-century Popov Tower, or Priest's Tower, was erected after an attack by the Tatars in Gradec. It's worth the climb to see the astronomical observatory in the cupola. Today it is part of the Museum of the City of Zagreb. The 13th-century tower of Lotrščak offers a top-notch view of Zagreb and the surrounding areas. It's called Lotrščak because of the "campana latrunculorum" or "bell of thieves" which was rung each evening to announce the closing of the city gates. Climb the tower before noon and you can see Stjepan Mozar shoot the tower's midday cannon (a tradition since 1877); he has done so every day for 30 years. He wears three watches to make sure he's got the time right.

And as you walk, you'll be struck by how clean and green everything is. City dwellers are proud of Zagreb and take care of it. The city has 30 parks, the most famous being Lenuci's Green Horseshoe. Named for designer Milan Lenuci, the horseshoe comprises a string of parks which surround the middle of the city like a horseshoe. The first park in the series is its oldest, Zrinjevac, with flowers, fountains, and the Music Pavilion. You can stroll through all seven—from King Tomislav, Strossmayer Square, and the Botanical Gardens to Marshall Tito Square and Roosevelt Square to Tuskanac, an urban forest.

In addition to its historical locations, Zagreb has plenty to offer casual visitors as well. "The local food is beautiful here," reminds Karl—naming local restaurant Vin

dol on Nicola iesla as a particular favorite. Tim Lerner of the Croatian-American Society reminded me, "Croats vehemently disdain GMO or processed foods." There are more than 10 local markets; Dolac, only meters from the central square, reigns over all. Local dishes include the more than 360 different species of fish (whose delicious taste is credited to the "wine they swim in" from the vineyards that cover the Croatian coastline.) The fish you buy at the Zagreb market are as fresh as you'll find anywhere along Croatia's coast. Also try the world-famous *paski sir* cheese from the Pag island, local cheese from the Lika region, and ham from Dalmatia (*prsut*).

Zagreb's own dishes include the burgher's cuisine from its Austro-Hungarian heritage. *Kotlovina*, made from a basic recipe of pig's feet fried with chopped onion and wine and vegetables in a special large pan, is also a popular dish. A typical souvenir from Zagreb is the pepper biscuit, or *paprenjaci*, made from an old recipe of flour, eggs, and pepper. You'll also see *misanca* in the markets of Zagreb. This mixture of 20 or more wild plants can be eaten fresh as a salad or boiled with potatoes or beans. And, of course, soup is a staple here and is often served at *gblec*, the mid-morning meal customary throughout Croatia.

Festivals are also perfect times to explore local cuisines: An entire pig is slaughtered during the fall festival, for example, and every single bit of it is prepared for the winter. Plates are piled high to sample sausage and various meat varieties. In the country, festival goers witness the entire butchering; in Zagreb the pig arrives already slaughtered to the party.

And it's not only dinner that attracts a crowd. Expat Jonathon Cooper tells us that the locals (and others) line up for the cakes at Vincek (www.vincek.com.hr/en/home/). And, Millenium is a favorite ice-cream spot. Zagreb even has its own chocolate factory, Kras, near Maksimir Park.

Jonathon, who has been living in Croatia for 10 years, compares Zagreb today to when he first arrived. "There are many

An expat's view of health care

By Jonathon Cooper

Maja and I went to a private clinic for the birth of our baby, and we were very satisfied. Maja had a C-section and spent six days in the hospital in a private room. The nurses spent a lot of time with her and were a huge help. The clinic had all the most recent equipment, and we felt very comfortable there. The final cost was about 4,000 euro (US\$5,092).

For public health care, again, the latest equipment is available at the hospitals, and the care is quite good overall. For example, last year I had lyme disease, and it was diagnosed and treated well. Also, Maja and I went for flu shots last winter, and both of us received regular flu and swine flu shots, free of charge.

At the same time, it is Europe (eastern Europe), so you have to be ready to endure no appointments, waiting in line, etc. The facilities are not fancy, and if you are outside of Zagreb, the care becomes less professional and less up-to-date. But overall, I would say it is okay and much, much less expensive than in the US.

more restaurants now than when I arrived 10 years ago. Pod Grickim Topom is a personal favorite." This local restaurant offers meat and seafood dishes and a great view of downtown from a hill in the center of town. Bulldog is another hotspot for expats and locals; it hosts live music three or four times per week.

Life, culture, and church

One of the things I love most about this part of the world is that family comes first. It's no different in Croatia. It's the basis of just about every social event. Dads are almost always home for dinner and grandparents often live with their children and grandchildren. Weekends are family time, and business always plays second fiddle. Often a Croatian family has a small

house on the coast where they spend the weekends or summer.

But this doesn't mean you'll feel left out. Quite the opposite. They don't call Zagreb the City of a Million Hearts for nothing. You'll find locals to be not only well-educated (there are more than 40 institutions of higher learning in town), but generous and hospitable. Even my friend Heike's landlady regularly invited her in for a glass of *rakija* served from an old recycled soda bottle. This homemade plum brandy (made not only from plums but also from pears, nuts, or grapes and fermented into brandy after they are squeezed for wine) is a type of schnapps enjoyed by Croats in just about every social setting. ("Sometimes it's really good!" says Heike.)

The church also plays a role in daily life here. The history of Catholicism dates to 1093, when the Hungarian King Ladislas ordered the city's cathedral built. Today almost 90% of the population here is Roman Catholic. The Zagreb Cathedral is no small statement: up to 5,000 people can attend mass under its roof. Its construction likely began sometime around the 1200s, but the structure was severely damaged by the Tartars shortly after. Renovations—including fortress towers and walls for protection against the Turks—were made into the 16th century, and its marble bell tower added in the 17th century. Inside, the organ is considered one of the 10 best in the world.

If you're not a religious sort, don't worry. There's no pressure here to join a church. Although most Croats were eager to return to the church after Tito and socialism, church attendance has actually fallen a little in recent years. Still, you'll see many sanctuaries throughout the country dedicated mostly to the Blessed Virgin or "Gospa;" there's one in the Stone Gate in Zagreb. In addition, each village and town has a patron saint that is celebrated with a procession and church ceremony on the annual feast day.

The oldest parish church in Zagreb is the 14th-century Church of St. Mark's, located

Basic etiquette

- **Be on time.** Heike reported that once she was invited to a friend's home for a birthday lunch at noon. She rolled out of bed at 11, got ready and arrived at about 12:05, where she found everyone seated and waiting for her to begin the birthday lunch.
- **Initial greetings are usually formal and reserved.** Offer a handshake, give direct eye contact, and, of course, an appropriate greeting. "Dobro jutro" (good morning), "dobro dan" (good day), and "dobro veèer" (good evening). Address people with their honorific titles plus surname. If you are unsure of titles then use "Gospodin" for Mr., "Gospodja" for Mrs., and "Gospodice" for Miss.
- **Only close friends and family members use first names, so wait until you are told before you do so.** In addition, only close friends greet each other with an embrace and a kiss on each cheek. WAIT until the Croatian initiates this form of greeting before you do so. Of course, once you are a friend, you'll often be included for family gatherings or invited to share a spontaneous glass of *rakija*.
- **At social gatherings hosts introduce guests, usually starting with the women and then moving on to the men from oldest to youngest.**
- **If invited to someone's house, take flowers for the hostess and wine or chocolates for the host.** Always give an odd number of flowers. Don't give chrysanthemums, a flower used mostly on gravestones.
- **Your host or hostess will show you where you are to sit at the table.** Wait for them to tell you before sitting down.
- **Do not begin eating until the host signals to begin.**
- **Refuse the first offer for seconds.** If the host offers again, then take more.
- **Leave a small amount of food on your plate.** This demonstrates that you've had enough to eat and are finished eating.
- **Don't talk about the war.** If you find yourself in the middle of such a conversation, simply say something neutral, like that peace seems to be serving the country well.

on Mark's Square between the president's palace and the parliament. Although its bell tower has bells that date to 1706, it is its roof that catches people's attention. The south side of the roof is ornamented with two ornate crests: the crest of the Kingdom of Croatia, Slavonia, and Dalmatia and the crest of the City of Zagreb.

Learning the lingo

Although you can definitely get by without speaking much Croatian (two thirds of the expats I knew shamefully didn't speak any at all), it's always a good idea to learn some of the local language. And it's fun, too.

I read somewhere that the Croatian language is "a South Slavic language based on the Ijekavian pronunciation of the Stokavian dialect (with some influence from Cakavian and Kajkavian)."

Now if that doesn't spark any polyglot's curiosity, I don't what language will. I do know that Croatian uses a Latin alphabet. When you go to pronounce a word, sound out every letter the same way every time and you'll probably be fairly accurate.

In order to spark more interest among Croats overseas, the Embassy in Washington, DC recently issued a public



A glimpse of modern Zagreb

invitation (which means it will pay tuition for two semesters) for anyone of Croatian origin living outside Croatia to attend a Croatian foreign language course. The summer semester at the Faculty of Humanities and Social Sciences of the Zagreb University begins on Feb. 28, 2011.

German and English are the most common second languages. Heike Milhench, who lived in Zagreb for five years, told me that she often spoke German to her landlady, who couldn't speak English. She explained, "The older generation often spoke German well. Many worked in Germany in the old days to take advantage of that country's better economy." French, Italian, Czech, and Hungarian are also spoken.

Shopping for property

On the surface, there are lots of great living opportunities in Zagreb. My pick would be to reside in the beautiful old town, which has lots of cafés, outdoor markets, gorgeous old architecture, and high-ceilinged apartments. If you are more of a country mouse, you'll find beautiful houses with substantial backyards at the base of Sljeme mountain.

So you won't have any trouble finding that perfect house. Even the buying process

isn't difficult. However, shopping for real estate in Croatia—as in many eastern European countries—is, frankly "a nightmare," stated several expats.

According to Karl: "Locals seem to have no sense of what their property is worth. You can have two similar apartments side by side: One looks great and the other a dog kennel and their owners feel that they are worth the same."

In addition, "It's hard just to get organized. I do not recommend it for the faint of heart. The bureaucracy is intolerable at times. Even if you pay with cash—which is certainly the easiest way to go—the expectation of the value of properties is vastly different from the reality."

To make matters even more challenging: "Services such as utilities, water, gas, and electric are far below the standards of the States or western Europe. And you can't always get a straight answer to any question you might have concerning your service. It's as if there is a lack of desire to get anything done."

The devil is in the details

If you decide to move to Zagreb, forget everything you know about real estate. In Croatia, I can almost guarantee you that any rule you know won't apply. One fairly serious dilemma is that there is no set price for a property for sale. You might hear a price difference of thousands of dollars for one house. This is partly because when someone decides to sell their property, they offer the listing to at least two or three agencies. Some sellers use as many as 20 agencies! Indeed, even the agencies sometimes pass it on to even more agencies. (All these agents end up sharing the commission.) The idea is to get the word out to as many people as possible in order to sell, sell, sell!

Another dilemma is that some agents post other agents' listings without permission (at even lower prices) just to attract potential buyers. Watch out for these rogue agents.

A third dilemma: Locals don't believe their property prices have been affected by the worldwide economic slump, so even unreliable prices are also unrealistic.

Bottom line, a seller often doesn't know who is advertising his property or for how much. And even the magic of the web cannot offer prospective buyers a sense of what's really for sale and for how much.

Indeed, the real estate market is so unreliable and changes so quickly that—for the first time ever—I am not going to list any specific properties for sale in this report. I suggest you contact Karl Gillingham when you are ready to start looking around. His contact info:

cell (385)99 5393 500;

tel. (385)1 5393 500;

fax (385)1 376 8854;

e-mail: karl@rentinzagreb.com or

karl@apscroatia.com;

website: www.rentinzagreb.com and www.apscroatia.com.

He deals regularly with expats and can offer personal expertise to shoppers in the city. (I strongly suggest you rent before you buy. See below for a list of current rentals.)

Red tape

I love Zagreb and I really think it's a wonderful place to live (and I know Heike, Coop, and Karl agree)—so don't be discouraged when you read about the frustrations of buying property there. Just be smart. The actual buying process is relatively straightforward.

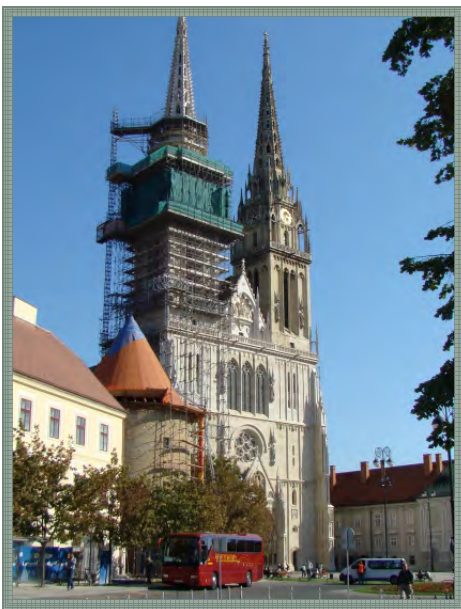
Here's the skinny: Basically, you can buy property if your home country allows Croats to buy there. "A foreign party who wishes to purchase real estate in Croatia can be granted such a right only subject to the condition that the same right is granted to Croatian citizens in the domicile of such foreign party." (Reciprocity is big here: You are even granted free health services if you have health insurance at home.)

As always, it is a good idea to have legal counsel when embarking on property purchase. (Adriatic property at

legal@adriaticpropertyservices.com. is one.) The lawyer can make an initial assessment of the papers and draw up a pre-contract which states that you will forfeit your deposit if you decide not to buy; that the title is clean; and that the seller will sell by a certain date or return your deposit.

You can buy property in Croatia one of two ways: privately or through a company. If you plan to be in Croatia long term and want to use your property as an investment, consider the private purchase arrangement. By doing so, you'll avoid current capital gains tax legislation. If your application is refused by the Ministry of Justice, simply take the company route.

“A foreign party may establish a company in Croatia which can, as a domestic legal entity, purchase real estate without any restrictions.” The company purchase arrangement is designed for buyers interested in adding on or renovating an existing property or for those planning to rent the property. The process takes from four to six weeks; the fee is about 5,000 kuna (US\$900). You are required to deposit a minimum of 20,000 kuna (US\$3,600) in a Croatian bank as investment capital. This money can be used to pay for company expenses.



Twin-towered Zagreb Cathedral

You'll pay your deposit—usually directly into the seller's bank account—and the sales contract is signed about a month later. According to the laws of property ownership, foreign citizens and enterprises also need to get consent from the Ministry of Justice in Croatia. You or your lawyer may apply by sending a written request.

The real estate agent then shows the copy of the contract to the land registry and to the local tax office. You'll be charged a 5% real estate transfer tax on re-sale properties. If you are buying a new property from a developer, you'll be charged 5% tax on the value of the land only, although the developer must pay 22% PDV (the Croatian equivalent of VAT) on a new building, a cost which is frequently passed on to the buyer. (Double-check that fee with your lawyer.) Legal fees on a purchase are typically 1.5% all-in. Estate agency fees range from 2% to 6% plus PDV.

Absolute musts

Make sure your intended property has a clear title. This means that all registered owners are alive and agreeable to the sale. In the old days, when a house was inherited, it was divided among every child in the family—generation after generation. Obviously, some children would leave or build their own house, but even if a family member left the country, he still maintained partial ownership of the property—and, in turn, passed ownership on to his children. Everyone understood that there might be as many as 50 owners for one property. Today, because people often did not want to register their ownership during socialism, it is next to impossible—and very expensive—to track down the owners of a house and “clean up” a title.

All *new* properties must have a usage permit before being sold. This is a new law issued by the local government for properties that have been built legally and taxes paid. Don't be persuaded to buy an illegally built house (such as one built in an area not designated for residential use—

like close to a shoreline.) They are no cheaper than a legal home, and you may never be able to obtain a legal right to it...which means you won't be able to sell it if you ever want to.

A bit more on mortgages

Jonathon pointed out yet another tricky part about buying property is obtaining a mortgage. “Even U.S. banks declined my request for a mortgage for my flat in Zagreb.” His Croatian wife bought the house in her name and they are in the process of getting him registered for it. If a foreigner has a Croatian company which already owns a property in Croatia, however, it can be used as collateral. Once Cooper started his own company, he was able to use his company as the guarantor for the mortgage.

You'll find that some people remortgage their home in their home country in order to get the money to pay for a house in Croatia. I was told that Hypo Alpe-Adria Bank offers a financing product similar to leasing through their London office. Keep an eye out for changes in mortgage policies. We hope that the Croatian National Bank will soon make it easier for banks to loan money to buyers.

If you can't buy, rent!

There are some real upsides to renting if you decide to postpone pursuing property purchase. Someone will be around to take care of your property should you decide to take advantage of Croatia's location and travel for a while, for example. It also gives you time to get to know Zagreb—and do some serious house hunting while there. Perhaps by the time you are ready to buy, the laws will have changed and your options might be better.

In the meantime, here are some rentals currently available:

- A spectacular 245-square-meter, high-ceilinged, newly-renovated apartment with three reception rooms, three bedrooms (including a master suite), two bathrooms, one bathroom, and a large family kitchen with separate dining room. Offers new kitchen fittings and

appliances, a complete bathroom renovation, new gas boiler installation, a fireplace, and is fully air-conditioned. It is on the second floor of a 19th-century Austro-Hungarian building on Palmoticeva street, between Amruseva and Djordjiceva, and a five-minute walking distance from the main square and public transport, local shopping amenities, Zrinjevac and Ribnjak parks. Families with pets welcome. Apartment can be rented furnished or unfurnished. Has one parking space, an electronically-controlled security gate, and a balcony. Apartment can be also rented for an office; 25,445 kuna/month (US\$4,581/month).

- A 120-square-meter, three-bedroom, furnished apartment in Centar; 8,724 kuna/month (US\$1,570)
- A 250-square-meter house and 177-square-meter garden. On the ground floor are three garage spaces and workshop. The first floor consists of two bedrooms, a kitchen, a balcony, storage, and bathroom. The second floor has a living room, balcony, a kitchen, three bedrooms, and a bathroom. It is situated close to the primary school Marija Juric Zagorka; 7,270 kuna/month (US\$1,309/month).
- A house with a hallway, bathroom, access to the garage, a storage room, a living room, a dining room, and a kitchen with access to the garden and terrace on the ground floor. The top floor has a bathroom and four large rooms that can be renovated to fit your needs; 7,270 kuna (US\$1,309) per month.
- A beautiful, 150-square-meter house with a lounge with a fireplace, a kitchen, a bathroom with shower, a separate toilet and a storage room on the ground floor. The first floor consists of two rooms with balcony and terrace. The enclosed garden has a beautiful view of the city and a covered terrace. The house has a driveway and a remote control gate and is located five minutes from center. Offers new terrestrial and satellite TV, alarm, and air-conditioning and options for house-

Zinfandel, the history

Years ago, Mike Grgich (a Croat who fled his homeland as a young man and settled in the Napa Valley), began advocating the Croatian zinfandel, determined to prove that the grapes originated in coastal Dalmatia. He insisted that the flavor profiles of zinfandel and plavac mali were so similar that they had to be the same grape. Although he had a wide audience of believers, it was Carole Meredith, faculty member of UC Davis' viticulture and enology department, who decided to research the grapes in depth. She made her first trip to Croatia's vineyards 11 years ago to collaborate with scientists from the University of Zagreb and look for the birthplace of the zinfandel vine.

Meredith knew that even though America claimed zinfandel as its own, it actually originated in the Austro-Hungarian empire and didn't come to the United States until 1952. It turns out grapes were planted on Croatia's island of Korcula as early as the 4th century B.C. The country once had more than 500,000 acres of grapevines before a plague of phylloxera insects almost destroyed the entire area. (Read "Zinfandel: A Croatian-American Wine Story" if you get a chance.)

Although Meredith's research showed that plavac mali, as Grgich believed, was indeed related to zinfandel, no exact matches were made until a DNA test on a leaf sample not far from Split confirmed that zinfandel was identical to an ancient Croatian vine, crljenak kastelanski, which had almost died out. Vintners now say this may be a leading red in a few short years. Geneticists with Zagreb University's Agriculture Department are helping revitalization efforts. In turn, Croatian growers and winemakers have already planted more than 185,000 vines—some zinfandel from New World cuttings, some Italian primitivo—and are waiting for cuttings from approved crljenak kastelanski vines.

keeping services and a gardener. 10,905 kuna (US\$1,963) per month

- A 182-square-meter, three-bedroom, two-bathroom apartment in Tuskanac with balcony and yard. It also has a parking space and garage. 17,411 kuna per month (US\$3,133 per month).
- A three-story, 200-square-meter property in Tuskanac, five minutes' walking distance to centre. The first floor is separated one-bed apartment with two entrances. The second floor has a kitchen, bathroom with shower, a lounge and a covered terrace with a gorgeous view. The top floor has one double and one single bedroom and a bathroom. There is a parking space and a garden. 10,905 kuna (US\$1,963)/month
- A 300-square-meter house in Sestine, a historical area north of the city. The ground floor has a double garage,

storage, and a bathroom. The first floor is a large living area with a large balcony and great view of the hills. The living area has a dining room, kitchen, a fireplace, and a bathroom. The second floor has three double bedrooms, a dressing room, a bathroom, and a large balcony. The top floor has an unfurnished kitchen and two rooms. The property has a garden with fruit trees. 13,086 kuna (US\$2,355) per month

An entree for entrepreneurs

It's been 18 years since Croatia was internationally recognized by the European Union and the United Nations (on Jan. 15, 1992). People are still coming here in search of opportunities in the "wild, wild east" like they were 10 and 15 years ago. These eager foreign investors hope and believe that the economy in Croatia will be stimulated in 2012 when the country joins the EU. (It became an official EU

candidate country in 2004). They want to position themselves strategically—especially if the country once again becomes an entrepreneurial hotbed.

In addition, Croatia has high hopes to become a European Capital of Culture, which could provide additional cultural funds throughout the year.

Croatia recognizes that foreign investment is a key part to economic success. Therefore, foreign investments that are determined as especially important for the development of the country are given special treatment by the government. The Trade and Investment Promotion Agency (Hebrangova 34, 10000 Zagreb; tel. +385 1 4866 000, +385 1 4866 001; fax +385 1 4866 008) is the government agency assigned to assist investors during their investment process with the hopes of increasing the GDP and employment and attracting foreign trade.

One Vienna-based real estate agency explained in a news article: “Croatia’s a relatively small country so I think a lot of investors who go are very impressed at how forward they are economically and in other respects.” Poland’s largest property developer Globe Trade Centre is one foreign investor that plans to invest big in Zagreb. The company has purchased a 12,000-square-meter plot of land to build 18,500 square meters of office, retail, and residential rental space. Luxembourg-based Orco Property Group also announced plans to invest 200 million euro (US\$261 million) into Zagreb’s redevelopment. The company has lined up one of the world’s top architects, Daniel Libeskind (who designed New York’s Ground Zero), to work on the project. International chains have their eyes on the retail sector; so far, mostly small private operations exist with few international chains.

Just remember, however, that this is a relatively new market, without the hard and fast rules and protections that exist in an already established market. Be sure you follow local regulations. And, as always, hire a lawyer. And be realistic.

“Croatia is in an economic slump, just like everywhere else,” says Coop. “Starting a

business is challenging at best. And there is less opportunity for expats in an entrepreneurial sense.

“When I first arrived, it was much easier to find work as an expat. Now there are more and more locals who fit the bill, with a solid education and business experience. If you are an expat, you’ll need a specialized skill set or to speak Croatian well if you want a high-caliber job. It’s not like 10 years ago. Locals today have good business skills and it’s more competitive.”

If you’re interested in doing business in Croatia, see “[Croatia wants you!](#)” for some current opportunities.

Let’s talk grapes

So what about that Zinfandel? Let’s get back to grapes. Yes, there’s opportunity in the vineyards here. They have historically been a popular real estate choice among entrepreneurs. Records from the 15th and 16th centuries tell of vast shipments of wine exported to places like Venice.

The recent discovery that Zinfandel originated here recharged interest in the Croatian wine industry. See “[Zinfandel, the history](#)” for the full story.

Now lots of people have dreams of owning a Croatian vineyard. In turn, Croatian companies are eager to expand their existing businesses. Elite Agro Tourism is one such company looking for investors. As I understand it, the company is offering investors the chance to buy a 20-hectare property and will assist in the planting of perennial orchards and vineyards. Or you could buy a 150-hectare plot for farming and cattle breeding. Once warehouses and silos are in place, you can add tourist incidentals, furniture, and vine cellars. On-site experts can help you work the vineyards and—ideally—after several years, your very own vineyards would produce their own wine, *rakija*, or even jam—with your own bottle and label.

The idea behind the project is to attract investors and tourists to the area: investors to invest and build vineyards, tourists who could potentially work on a “real” vineyard or simply vacation at the ample on-site

facilities, which include playgrounds, living and dining rooms, vine cellars, terraces, swimming pools, Jacuzzis, outdoor fitness courts, bikes, even archery. In addition, potential buyers of the food products (including representatives from restaurants, hotels, and markets) are also encouraged to stay on-site—mainly to drum up businesses for investors.

It’s not cheap—total investment for the first and second phase you’ll need 2.5 to 3 million euro, and it will probably cost 6 and 7 million euro by the time you are finished, but there are no projects like it in the Slavonia and Baranja region.

As they explain, “Most of the entrepreneurs ... invest in rural tourism and planting vineyards (and) ... guests are coming to those family farms (economies) and are staying up to one or two days only. ...With (this) project guests will come ... to stay 7 to 10 day and (enjoy) different programs and facilities. The elite guests will have the opportunity to go around the whole region ...and see all the riches.”

More info at your fingertips

You might remember we featured Croatia’s Istria region in February 2009. Much of the practical information given in that issue (health insurance, residency and visas, etc.) will be helpful to you now, should you be interested in spending time in Zagreb. You’ll find that back issue [here](#) . ■

About The Author

Siri Lise Doub has lived in Norway, France, Poland, Latvia, and China. She has published *A Taste of Latvia and Tastes* and *Tales of Norway* for Hippocrene Publishing and is a regular contributor to other monthly publications. Her first children's book, *Baltimore Counts!*, an art and counting book (Holland-Brown Books) will be out this summer. She currently lives with her husband and three children in Baltimore, Maryland.

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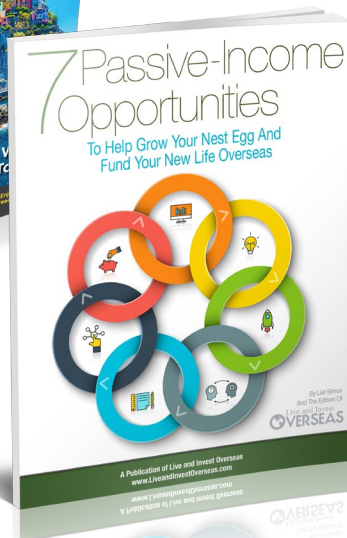
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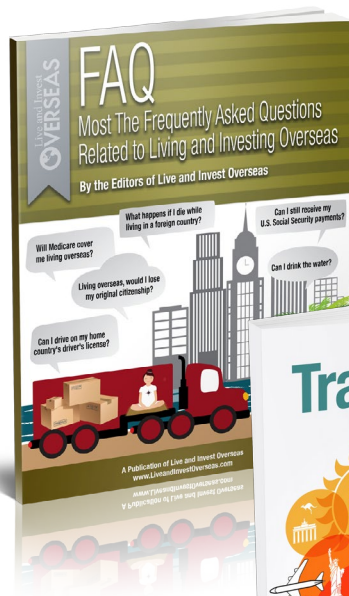


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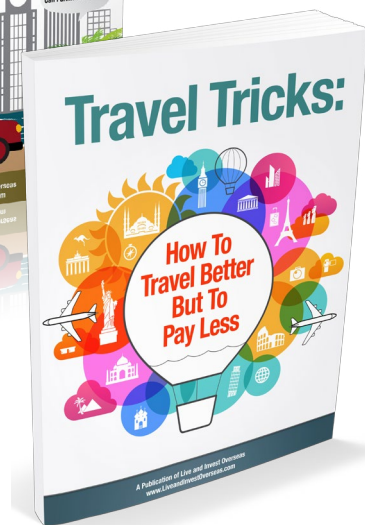


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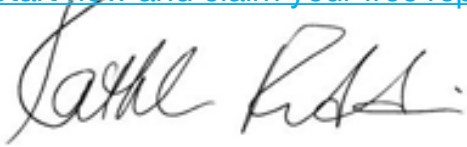
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