

## Legal Update

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Muja Law brings you the latest issue of the *Legal Update*.

Recently, in the Official Journal No. 5, dated 07.01.2026, Law No. 85/2025, dated 12.12.2025, "*On the revaluation of immovable property*" (hereinafter referred to as the "*Law*") was published.

The Law provides detailed rules for the revaluation of property by individuals and legal entities.

*Some of the most important aspects of the above law are as follows:*

### ❖ The Law

#### *Revaluation of real estate for individuals*

In virtue of the Law, all individuals who own real estate have the right, *from the date of entry into force of this law until December 31, 2026*, to have their property revalued at market value.

*This revaluation may be carried out by a licensed expert for the evaluation of real estate from the relevant institutions or from the local directorates of the State Cadaster Agency.*

If the individual shall decide to carry out the revaluation at market value, then **they shall choose a licensed expert**. They shall also attach the expert valuation act to their application. In such case, the local directorates of the State Cadaster Agency shall calculate:

a) the taxable base, which is calculated as the difference between the value reflected in the expert valuation act, which cannot be less than the fiscal prices in force at the time of the revaluation and the registered value of the property or the revalued value, according to the

previous revaluation laws, for which the tax has been paid. The minimum fiscal price and the registered value of the property are calculated according to the provisions of the joint instruction no. 34, dated 29.12.2023, of the Minister of Finance and Economy and the Director General of the State Cadaster Agency "*On the tax on income from the alienation of immovable property*" (hereinafter referred to "*Joint Instruction*");

b) the tax that the individual must pay to register this revaluation.

If the individual shall decide that the revaluation should be carried out at the minimum fiscal prices in force, then they shall apply to the State Cadaster Agency and this fact shall be expressed in the form attached to their application. In this case, the local directorates of the State Cadaster Agency calculate:

a) the taxable base, which is calculated as the difference between the value resulting from the revaluation at the fiscal prices in force at the time of the revaluation and the registered value of the property or the revalued value for which the tax was paid. The minimum fiscal price and

the registered value of the property are calculated according to the provisions of the Joint Instruction;

b) the tax that the individual must pay to register this revaluation.

Regardless of the method of conducting the revaluation, in cases where the immovable property results in being registered without value, then the value considered as the registration value in the State Cadaster Agency is the value according to the provisions for the purchase value in the provisions of the Joint Instruction.

The tax payable for the registration of the revaluation is 5 percent of the taxable base.

In cases of transfer of ownership rights over immovable property, in application of the legislation in force on income tax, made after the revaluation, the tax is calculated according to the norms in force on the profit realized, as the difference between the value, at the moment of transfer of ownership rights and the revalued value for which the tax was paid.

Requests for revaluation submitted to the State Cadaster Agency for which tax payments have been made, but the administrative procedures have not been completed by the State Cadaster Agency by December 31, 2026, *are considered subject to revaluation under this law and the administrative procedures are completed by March 31, 2027.*



## Revaluation of real estate for legal entities

In virtue of the Law, legal entities that have real estate registered in their financial statements with a value lower than the market value have the right to revalue these assets at market value by December 31, 2026.

The difference between the value resulting from the revaluation and the book value of the asset is reflected in the financial statements for 2026.

Legal entities shall pay 5 percent of the difference between the revaluation value and the book value recorded for the real estate for this revaluation.

In virtue of the law, the legal entity shall maintain a real estate card, where it records the respective value of the real estate from the moment of initial recognition of the asset and the relevant tax paid according to the legislation in force. The difference between the revaluation value and the recorded book value is not subject to depreciation for tax purposes.

In cases where a legal entity transfers the right to revalued immovable property, for the purpose of calculating capital gains and tax liability, the revalued value of the property is deducted from the sale price.

### *Entry into force*

*The Law enters into force 15 (fifteen) days after its publication in the Official Journal.*



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The office is full-service and advises clients on all areas of civil, commercial and administrative law. With significant industry expertise, we strive to provide our clients with practical business driven advice that is clear and straight to the point, constantly up to date, not only with the frequent legislative changes in Albania, but also the developments of international legal practice and domestic case law. The office delivers services to clients in major industries, banks and financial institutions, as well as to companies engaged in insurance, construction, energy and utilities, entertainment and media, mining, oil and gas, professional services, real estate, technology, telecommunications, tourism, transport, infrastructure and consumer goods. In our law office, we also like to help our clients with mediation services, as an alternative dispute resolution method to their problems.

While we have grown over the past 20 years and become recognized as one of Albania's leading law offices, we are grounded in the essence of "who" we are and "where" we started. We understand the importance of family, hard-work, and dedication.

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