

Buyer protection in real estate transactions – the “Nordis Law”

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In April 2025 we reported on the initiative for new buyer protection in real estate transactions. In December 2025, the Romanian Parliament passed Law 207/2025, known as the “Nordis Law,” which introduces binding regulations for transactions involving future residential units.

The stated goal remains to strengthen legal protection for buyers by reducing the risk of multiple sales and abusive practices in early-stage sales.

The law differs in several key aspects from the 2025 draft and introduces important measures.

What are the most important measures?

➤ **Preliminary subdivision: Land register entries for future residential units already in the project phase**

The Nordis Law introduces the mechanism of “*preliminary subdivision*” (*preapartamentare*), which allows for the opening of a land register for a future building and individual land registers for each future apartment already during the project phase. The units are expressly registered as future assets.

The operation is carried out based on notarized documents regarding the preliminary subdivision and special cadastral documents from the land registry office. After the final acceptance of the building, the subdivision in the land registers is updated based on the data recorded in the preliminary phase.

In practice, this significantly reduces the risk of multiple sales of the same unit and increases the effectiveness of land register publication for off-plan transactions.

➤ **Preliminary purchase agreements: Form and timing**

Under the new rules, a future residential unit may only be the object of a preliminary purchase agreement if:

1. the building permit is registered in the land register,
2. the preliminary subdivision has been completed, and
3. the preliminary purchase agreement has been notarized and entered in the provisional land register for the future unit.

The notary must apply for the preliminary contract to be entered in the land register on the date of signing or on the next working day at the latest. Until the full implementation of the required integrated cadastral and land registry system, the law provides transitional solutions for issuing extracts and recording building permits for future units.

➤ **Reservation agreements: strict restrictions and refunds**

The Nordis Law introduces a special provision for reservation agreements (*conventii de rezervare*) for future units. Their maximum duration is 60 days.

Any reservation amount must be deducted from the purchase price and may not exceed 5% of the price. If the preliminary contract or the final sale agreement is not concluded within the 60-day

period due to the exclusive fault of the developer, the latter must fully refund the amounts within 30 days.

➤ **Advance payments: separation, use, milestone-based limits**

Unlike the draft discussed in April 2025, the law does not set an explicit upper limit on advance payments. Instead, it regulates their custody and use. Advance payments must be paid into a separate bank account of the developer dedicated to the project and may be used exclusively for the development of that project. Payments from this account require a “payment authorization” (*bun de plata*) of the responsible person/site manager.

The law introduces functional expenditure caps related to the purchase price for advance payments:

- 25% of the purchase price for the building structure;
- 20% of the purchase price for installations (only after completion of the structure).

➤ **Sanctions and practical open questions**

If advance payments are used for purposes other than the development of the project, a fine of 1% of the developer's turnover in the previous financial year may be imposed, provided that no criminal offense has been committed.

Certain concepts will likely require further regulatory clarification and interpretation, particularly regarding:

- the definition of “completion of the building structure” and the “installations” phase, and
- the scope of the site manager's “payment authorization” (in practice, their responsibilities usually relate to confirming the status of works).

Conclusion

The Nordis Law introduces a formalized framework for off-plan residential sales in Romania, focusing on the early individualization of land registers for future properties and the mandatory notarization and land register entry of preliminary sale agreements.

While these measures are generally welcome in terms of buyer protection, they increase compliance and financing requirements for developers and may lead to higher real estate prices. Until further clarification on implementation is provided, transactions should be planned early and payment schedules and internal controls should be reviewed and adjusted to ensure compliance with the new rules.

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