Transferring a dwelling with a storage room and parking space

The Estonian Tax and Customs Board treats these situations of transferring housings equally in taxation where:

- ✓ a dwelling with a storage room and a parking space which belong to the dwelling, are entered in the land register as **one apartment ownership**; and

- ✓ a dwelling with a storage room (non-residential premise) and a parking space (non-residential premise) are entered in the land register as **independent apartment ownerships.**

If a dwelling with a storage room and parking space registered as independent apartment ownerships are transferred by one sales transaction, the transaction will be subject to the tax exemption of the transfer of dwelling. With reference to the two-year-rule, it is considered as one sales transaction as well.

If a storage room or a parking space is transferred separately from the dwelling by another sales transaction (e.g. before or after the sale of the dwelling), or if the storage room or parking space were not used as parts of the dwelling but for commercial purposes (e.g. rented out or used for business), the sale will be subject to income tax.

EXAMPLE

A person owned an apartment with a parking space and a storage room. He decided to give up the parking space and sold it in January 2024. The purchase price of the parking space was 10,000 euros and the sales price was 12,500 euros.

There were no costs related to the transfer.

In March 2024, the person decided to move to a larger apartment and sold the apartment used as a residence. Together with the apartment, the storage room was also sold.

Since the parking space was transferred two months earlier than the residence, the gain from the sale of the parking space must be declared and income tax must be paid. However, the sale of the residence and the storage room is exempt from tax.

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