

## PROCEDURE

### Of transaction of property

This is only a guide

First step before purchasing property in Greece is for the buyer to obtain a Greek Tax Number (this is issued by the tax office in Corfu Town – the buyer must have his passport/valid ID and a special form filled in) and also a Greek Bank Account (to open a bank account one will need a passport/valid ID and a small amount of money). Alternatively if the buyer does not wish to acquire the above in person he/she may give power of attorney to a lawyer or a person of his/her trust to act on his/her behalf. Power of attorney is only valid if signed in presence of a Notary Public or a Greek consulate around the world.



### HERE ARE A FEW THINGS A BUYER MUST KNOW WHEN LOOKING FOR PROPERTY:

- All EU citizens can freely purchase property in Greece but there are restrictions for non EU citizens (for further information please contact a lawyer/Notary or your Embassy)
- To build or to renovate a property in Greece, licenses are a necessity (for further information please contact a civil engineer)
- Loans are available in Greece through Banks and mortgagers
- Properties that are over 50years old are subject to a 70% reduction in purchase tax (an age classification is necessary – this is issued by the local council)
- Licenses for renovation are issued quicker and are cheaper
- There are restrictions when renovating the exterior of an old property but there are no restrictions when renovating the interior
- When buying land potential buyers must acknowledge the fact that there is a minimum land size that is required to obtain a building license (For further information please contact a civil engineer)
- The objective tax values of properties that are close to the sea are higher than of those that are away from the sea. (Those that are close to resorts are higher than those inland)
- Each area is subject to a different tax value

**If you do not know any lawyers or civil engineers we can recommend professionals  
That will be able to assist your needs.**

The first step for potential buyers is to discuss with their agent about everything concerned including, needs, likings-specifications and financial considerations. This will help the agent assist them in the best way. For all those first – time buyers they must try to understand the entire buying procedure and make sure that they do not hesitate to ask questions when needed. (According to Greek Law agents fees are 2% plus VAT of the purchase price and are paid at the signing of the final contract). Once the buyer has found a property to his/her likings and specifications and agreed on the purchase price then a 10% deposit is required to hold the property. Attention!!! It is not advisable to pay a holding deposit to the owner of the property; the deposit can either be placed in the hands of the lawyer or of the real estate agent. At the time of the payment of the deposit a pre-contract is signed. If the completion of the transaction does not take place because the lawyer of the buyer does not find the property titles clean then the deposit must be returned to the purchaser. In the event that the buyer does not wish to complete the transaction for other reasons then the deposit is forfeit. If the vendor decides to back out of the deal then he must return the deposit (\*2) to the buyer. According to Greek Law the buyer must appoint a lawyer to represent him/her during the procedure of the transaction of the property and at the signing of the final contracts. The buyer's lawyer must carry out searches with the land registry to ensure that the property titles are clean. The buyer's lawyer must also appoint a Notary Public who will draw up the contract and in presence of whom the contract will be signed. It is also advisable for the buyer to appoint a civil engineer to ensure that there are no problems with the structure of the property.

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Once all the necessary searches have been carried out and the lawyer has ensured the buyer that the property titles are clean and that there are no problems (the buyer at this point must make sure that everything said to him/her are completely understandable) the lawyer must pass the paper work on to the Notary Public who will arrange the declarations (the vendor will sign these papers first) that the buyer must take to the tax office and calculate the purchase tax that has to be paid (purchase tax is usually 9-11%) . When the Notary contacts the lawyer about the above then the buyer must draw the amount of money for the purchase tax in a Bank check (not a personal check) if it is over B€1.000 and in cash if it is under B€1.000 (the money must be the exact amount of money that is said to you). Next step will be for the buyer to visit the Notary's office with his/her lawyer to get the necessary declarations for the tax office. The lawyer will then accompany the buyer to the tax office were the declarations will be checked and the purchase tax will be paid. The lawyer then must carry out one last search before signing the final contracts.

## SIGNING OF THE FINAL CONTRACTS:

According to the Greek Law, contracts must be signed in the presence of a notary public, a lawyer appointed by the buyer and a lawyer appointed by the vendor. It is advisable if the buyer does not speak Greek to appoint a translator. All fees must be paid at the time of the final signing of the contracts.

### HERE ARE THE FEES:

- Purchase Tax is usually 9-11%
- Notary's Fees are usually 1,5-2% of the objective value
- Lawyers Fees are usually 1-1,5% of the objective value
- Real Estate Agents fees are 2% plus VAT of the purchase price

(Due to the fact that a translator and a civil engineer are not always appointed one would have to seek further information about their fees from the professionals themselves)

### DON'T FORGET:

When you draw the money from the Bank do not forget to ask for the pink slips and keep all the receipts – this is for you to be able to show where you have acquired the money from or else you might be faced with high tax bills.

Once the contract is signed by both parties, it must be registered with the local public registry (HYPOTHIKOFILAKIO) (The Notary will do this). The buyer will receive the contracts after approximately 2 weeks. After the acquisition of the property, the buyer must declare it to the tax authority at the E9 tax form. This is done only once, when the owner obtains the property and again once when he sells the property. The buyer of the property must also fill out the yearly tax form (the year after the acquisition of the property) in which he must show where he acquired the money for the purchase of the property. (There is no annual tax in Greece). For further information on this matter you should contact an accountant. Also the buyer must change the electricity and water bills into his/her name. (To change the name on the electricity bill he/she will have to go into Corfu Town to the electricity company and for the water bill to the local council where the house is situated). Water bills come every 3 months (they include a small charge for street lighting and rubbish collection) – electricity bills come every 2 months (they include a small charge for TV fees – ERT-) – telephone bills come every 2 months.

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For further information please

Contact your lawyer!!!

Please feel free to contact us:

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By K&K PROPERTY SERVICES