

TOP TIPS

FOR

buying a property abroad



An increasing number of people are following their dreams and making a permanent move to foreign climates or buying a second home abroad. If you're planning on buying abroad, avoid getting burnt and read our top tips before you buy:

Contracts

Never sign a contract you do not understand. If two versions are provided, for example English & local language, ask your solicitor to confirm the English version is a true translation. Always read the contract! Ensure you are fully conversant with the terms and conditions you are about to agree to.

1

Arranging Finance

If you require mortgage finance, obtain an 'Agreement in Principle' before agreeing to purchase the property, signing contracts or paying a deposit. If you are arranging finance on the property, ensure that this is stated in any contract and seek an 'opt-out clause' if the loan is not agreed (which will ensure any deposit paid is refunded).

2

Specialist Advice

Always ensure that you seek specialist advice from independent solicitors, valuers, architects & surveyors before considering a purchase overseas. They should be proficient in the country's laws & processes. It is essential they confirm to you that all required permissions, licences and planning consents have been obtained.

3

Valuation

Before proceeding with the purchase (especially with a re-sale property, regardless of age), ensure an independent valuation of the property is carried out, which should point out any problems with the property.

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New Build

If buying from a developer, ascertain their track record and how long they have been trading. Check comparable properties in the area and any re-sales offered on the same development.

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Cooling off

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Before making any commitment, try to give yourself a 'cooling off' period if you see a 'must-have' property and are tempted to put down a deposit there and then.

Location, Location, Location

Conduct research about local facilities & transport. People gravitate to locations with a nearby airport, especially if it's served by a budget airline. Proximity to basic facilities like restaurants & shops is also important. Talk to people who live in the area to get a better feel of what it's like to live there. Consider the property off-season as many resorts are seasonal and practically shut down when the tourists return home.

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Local Money

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Open a bank account in your chosen country and ensure you obtain a 'Certificate of Importation' for the money you bring in from your home country. Set up standing orders in your local bank account to meet local bills and taxes. Failure to pay your taxes in some countries such as France, Portugal and Spain, could lead to action by the authorities.

Extras

Bear in mind that bills don't end at the asking price. Lawyer's fees, IVA, local & national taxes and insurance must be met in your host country and can often add a further 10% to your cost of acquisition. Ensure you are aware of the costs charged by the legal and government authorities for purchasing a property in your chosen country.

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Tax

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Check the inheritance and capital gains tax laws of the country where you are buying. For example, in France your children automatically inherit rights to your house; your estate may not automatically pass to your spouse and you may, therefore, need to compile a separate will.