

Purchasing a property in Germany

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Purchasing a property in Germany is no different from any other countries as far as the search for a property to purchase and the assessment of the property are concerned. But there are legal differences which must be taken into account when buying a property in Germany. In particular, there are formal obstacles which must be overcome. The notary plays a decisive role here.

The solicitor Axel Sawal has worked in property law for over 20 years and as a notary for more than 12 years. Because of this specialisation, which especially takes foreign investors into account, he can offer you advice in all phases of the purchase of your property.

When you have found a suitable property and carried out a structural, commercial and legal due diligence, that is when the notary comes into play.

According to German law, land purchase contracts must always be concluded before a notary. The notary acts simultaneously on behalf of both the purchaser and the vendor. He draws up the purchase contract and ensures that neither side is placed at a disadvantage. He also ensures that the property is only transferred to the purchaser after the purchase price has been paid, and that the vendor actually receives the purchase price. The individual steps are as follows:

- 1) Inspection of the land register
- 2) Draft of the land purchase contract
- 3) Notarisation of the contract in a hearing attended by both the purchaser and the vendor. At this hearing, any changes are discussed and negotiated. An interpreter is always arranged if one of the parties does not have a sufficient command of German.

4) Sending out the contract to the parties. At the same time, all the responsible public authorities are informed so that a provisional notice of ownership can be registered in the land register.

The notary handles all phases of the execution of the purchase contract. In the process, he can provide payment security for both parties by handling the payments via a separate account.

The notary only submits the application for conveyance of title to the land registry when the purchase price has been paid, the 4.5% land transfer tax (in Berlin) has been paid to the German tax office and all other requirements have been fulfilled. The purchaser only becomes the owner of the land when he/she is registered in the land register. The notary's fees are fixed by law and calculated on the basis of the purchase price.

In addition to our consulting services and the implementation of property purchases, we are also able to support you in the founding of German companies. By way of precaution, we would point out that we can either provide a notary service or act for you as solicitors.

We look forward to our interesting and exciting cooperation with you!



Axel Sawal
Solicitor & Notary