

Property transfer expenses borne by the buyer:

The purchase of a property in Greece includes, in addition to its real value, additional costs related to the fees of professionals involved in the process, taxes, fees and contributions. These costs that mainly concern the buyer are:

- ✓ Property Transfer Taxes
- ✓ Notary fee
- ✓ Lawyer's fee in case of representation
- ✓ Broker fee
- ✓ Engineer fee for technical inspection
- ✓ Transfer costs to the Mortgage Registry or corresponding Land Registry

Property transfer taxes:

Property purchases in Greece are subject to taxation. From 2013 and subsequent relevant legislation, real estate sales are subject to the following taxes:

- ✓ Real Estate Transfer Tax (RTT) (3%)
- ✓ Value Added Tax (VAT) (24%)
- ✓ Real Estate Capital Gains Tax, (FYA) concerns the seller but is suspended until 31.12.2022.

Real estate transfer tax (VAT):

The specific transfer tax is calculated at 3% on the contract price or the objective value, depending on which value is greater. An additional 3% is added to this amount, which is in favor of the corresponding OTA municipal unit.

The buyer is entitled to an exemption from VAT for the purchase of a first home, under certain conditions, which we can see below:

- ✓ For the purchase of a residence, a single person is entitled to an exemption up to the amount of 200,000 euros.
- ✓ For the purchase of a residence, a single person with a disability of at least 67% is entitled to an exemption up to the amount of 250,000 euros.
- ✓ For the purchase of a residence, a married person is entitled to an exemption up to the amount of 250,000 euros.

- ✓ For the purchase of a residence, a married person with a disability of at least 67% is entitled to an exemption up to the amount of 270,000 euros.
- ✓ The exemption is increased by 25,000 euros for each of the first two children and by 30,000 euros for each of the following.
- ✓ For the purchase of a plot of land, a single person is entitled to an exemption up to the amount of 50,000 euros.
- ✓ For the purchase of a plot of land, a married person is entitled to an exemption up to the amount of 100,000 euros.
- ✓ The exemption is increased by 10,000 euros for each of the first two children and by 15,000 euros for each of the following.
- ✓ In case of dissolution of OE, EE, IKE and EPE, distribution of real estate between the parties or transfer of the company's real estate to the corporate portion of its members, the property transfer tax is reduced to 0.75%.
- ✓ In case of merger of Cooperatives and SA, forced expropriation for public benefit, consolidation of plots or exchange of properties of equal value, the FMA is reduced to ½.

Value Added Tax (VAT):

The VAT value added tax, which is 24%, is imposed on newly built properties sold mainly by construction companies or by individuals who have repeated construction activity.

Notary fee:

The notary fee is usually on the buyer's side, is freely negotiable and depends on the overall agreement. In general, however, it ranges as follows:

- ✓ For property value up to €120,000, the notary's fee starts at 0.80%.
- ✓ For a property value between €120,000 and €380,000, the notary's fee is set at 0.7%.
- ✓ For a property value between €380,000 - €2,000,000, the notary's fee is set at 0.65%.
- ✓ For higher value contracts, the rate gradually decreases in the upper tiers, reaching up to 0.10%.
- ✓ For the amount of contracts that exceeds the value of 20,000,000 euros, it is allowed, with a written agreement between the notary and the buyer, to agree a fee of less than 0.10%.

In these amounts, an additional cost of 4-5 euros per additional sheet of the contract should be calculated. Finally, notary fees are subject to VAT at 24%.

Attorney's fee:

The representation of a lawyer from 1.1.2014 is optional for all contracting parties, it is free to negotiate and usually ranges as follows:

- ✓ For property value up to €44,000, the lawyer's fee starts at 1%.
- ✓ For property value from €44,000 – €1,407,000, the fee is set at 0.5%.

- ✓ For property value over €1,407,000, the fee is set at 0.4%.

The legal inspection of the property is charged additionally and is usually 100 - 150€, but it can reach more depending on how complicated the property is, the distance to the mortgage office or the land registry, etc.

Broker's fee:

The broker's fee concerns the suggestion of the property and not any negotiation, it is free and negotiable and is not subject to legal minimum limits. In practice, the general rule is that for the purchase and sale of real estate, the contracting parties pay the broker 2% each.

Engineer fee for technical inspection:

The technical inspection by an engineer is not mandatory, and his fee is negotiable and proportional to the property and the public services he must visit. Since from 2022 the seller of the property is obliged to present the so-called building identity to the notary, apparently this covers the buyer.

Even so, if the buyer wants to be sure of the intended use or to be informed about the quality of construction, etc., it is recommended in any case to carry out a proper technical inspection by a civil engineer, which as can be understood can prevent major damages.

Transfer costs to the mortgage registry / land register:

The costs of transferring the purchase contract are calculated on the price of the contract or the objective value, depending on which value is greater and are as follows:

- ✓ In the event that the contract is transferred to a mortgage registry of the region where the property belongs, the payment of 0.475% without limit, plus VAT of 24% is required.
- ✓ In the event that the contract is transferred to a Land Office that owns the property, it is not subject to VAT and requires the payment of 0.5% also without limit.

We believe that we have herewith given a detailed picture of the costs of transferring a property. However, because the legislation can often change, it is good for the prospective buyer to update the information with all those involved before taking any action, so as not to be surprised, and to visit relevant websites to cross-check the information.

Regards,

INVST Real Estate