



Buying property in Belgium

Purchasing a house in Belgium is a long process.

You need to take the time to look at properties, to get a feeling for the market and compare. When you calculate your budget, you need to take account of a charge of 15 percent on top of the price asked. And then you have not budgeted for a new kitchen yet.

And then comes the day you make an offer, and hopefully it is accepted. Buying is a two-stage process. First you sign the 'compromis de vente'. Don't be misguided; this is a fully valid purchase agreement. Unless you are sure that you can finance it, you should make sure to sign the compromis subject to obtaining a loan. That means that if you don't get a bank loan, you can walk away from the sale.

The contract is usually proposed by the real estate agent. It is usual that the contract states that the purchaser pays an advance of 10 percent of the purchase price. If you do not go ahead with the sale, you forfeit the advance. And if the vendor has second thoughts, he has to pay back the advance and a penalty of 10 percent. A tip: pay the 10 percent advance into your own notary's bank account. If things go wrong, it's easier to get it back.

The second stage is to sign the official deed before a Belgian notary. A sales agreement for real property is not valid if it is not recorded in a notarial deed. And to make that deed enforceable against third parties, it must be registered with the mortgage registry (even if you do not need a mortgage).

You can choose your own notary to advise you on all legal issues. And if the vendor wants to have his notary as well, that is not more expensive: they split their fees. In practice, the notary needs at least two months to prepare the deed. During that time, he has to check that the vendor is indeed the owner and that there are no mortgages on the property anymore that need to be lifted. The notary also has an obligation to inform the vendor's tax collector.

You have four months to pass before the notary, because that is when he must collect the stamp duty (and his own fee) from the purchaser. The stamp duty is in fact a registration tax due when the purchase agreement is registered with the Ministry of Finance. And all notarial deeds and agreements for the purchase of real property must be registered within four months after the compromis, even if the notarial deed has not been signed yet. This is why the notary will insist you pass within four months. The stamp duty is 12.5 percent (10 percent in Flanders). If you buy an apartment off plan, you pay the stamp duty on the land only. On the apartment, you pay VAT at 21 percent.

Not every sale goes smoothly. But even if the vendor refuses to sell or the buyer to buy, they are rarely taken to court. That may prove to be an expensive option because the plaintiff must pay the stamp duty upfront. There is no escaping that. When you issue a writ of summons, the bailiff must register the writ with the tax office, just like the notary. The stamp duty is only € 25, but the taxman goes through these writs with a fine comb. And if he finds proof that there has been a sale of property, he will send the plaintiff an invitation to pay the stamp duty as soon as the four months are up.

Walking away from the contract often is a cheaper solution.



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