



## Purchasing Property in Israel

### **Introduction**

Unlike many other countries, the terms of property transactions in Israel are largely negotiable. Key terms such as payment schedules and the time between exchange and completion are subject to agreement.

### **1. Contract and Preliminary Checks**

Once you have agreed a price with the seller, a draft contract is prepared by their lawyer. Our office will obtain the documents needed to verify the property's legal status such as whether it is registered or unregistered, freehold or leasehold, and where it is registered.

Other important inspections and surveys confirm that there are no building or planning irregularities which may prevent registration in your name.

### **2. Signing the Agreement**

After completing the necessary checks and agreeing on the conditions of purchase, a binding contract is signed. An initial payment is made at this stage by way of a bank draft which the seller will receive only after your rights have been protected – either through registration of a caution at the Land Registry or, in the case of unregistered property (e.g., off-plan purchases) with a statutory bank guarantee from the seller.

### **3. Payment Structure**

The purchase price is usually paid in instalments over time, each triggered by specific contractual milestones or progress with the construction.

If the seller has an existing mortgage, this should be paid off or removed as part of the payment structure especially if you are also taking a mortgage.

It typically takes around six weeks from exchange of contract to take out a mortgage. It is important to begin this process early. We can provide further guidance and introduce you to lenders if required.

### **4. Handling Payments**

Our office can facilitate international payments by opening a designated client account for you. This account can receive deposits in major currencies and will be used to make contractual payments once the seller's compliance is verified. It may also be used to cover other expenses connected with the purchase.

### **5. Final Payment and Possession**

The final instalment should only be made when you take possession of the property and after confirming the seller has paid all taxes and municipal charges. You should also receive all the documents required to transfer the registration into your name.

On the day of completion, a final inspection should be carried out (by you or on your behalf), meters read, and utilities transferred into your name.



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## 6. Taxes and Additional Costs

A graded Acquisition Tax applies to all property purchases and is calculated in shekels based on the purchase price at the time of signing. A self-assessment must be filed within 30 days and the tax paid within 60 days.

The tax payable depends on whether you are an Israeli tax resident and, if so, whether you own any other residential property in Israel. New immigrants, those planning to make Aliyah and individuals with disabilities may be eligible for exemptions or reductions.

Other expenses include estate agent fees, our fees, surveys and inspections, registration costs, ongoing utility bills, rates, and management fees (if applicable).

## 7. Registration

The final stage is registering the property in your name. This can take from a few days to several months, depending on the nature of the registration.

If the property is registered at the Land Registry, transfer into your name will be finalized once all the required documents are received.

If the property is unregistered (e.g., newly built), your interest is recorded by the entity managing the registration. Final registration at the Land Registry may occur months or years later.

This fact sheet is provided as a general information service only and does not constitute legal or financial advice. You should obtain specific legal guidance before taking (or refraining from) any action. Please contact us for further assistance.