



Selling Property in Israel

Selling property in Israel can be a smooth and successful process when you understand the steps involved and are supported by experienced professionals. This guide outlines several key points.

Verifying Ownership and Identification

Before selling it is essential to confirm that you are officially registered as the legal owner. Your name and identification number (passport or Israeli ID) must appear correctly in the relevant registry. If you have renewed your passport since the property was registered, and the current number differs from the one on file, you will need to update this prior to the sale. If the property is unregistered, a longer verification process may apply.

The Sale Process

Unlike in some countries, most of the details of the sale are negotiable. The payment schedule, time between exchange and completion, undertaking and warranties and other terms are all subject to agreement.

Once you accept an offer, we will prepare the draft agreement and the documents to confirm the legal status of your property. After finalizing the terms, a binding contract is signed together with the documents necessary to register the change of ownership. These remain with our office until payment in full has been received.

On exchange of contracts, the buyer makes the first payment by bank draft which our office holds for a short period to allow registration of the buyer's interest at the Land Registry. The cheque is then released to you. The remaining payments are usually made in instalments and if there is an existing mortgage, this is redeemed or transferred as part of the process.

On completion, the final payment is made, and you must provide vacant possession unless otherwise agreed. You will also be required to deliver proof that all taxes and levies have been paid and the documentation for transfer of title.

Escrow Arrangements

If we do not have all the authorisations required to transfer ownership by completion, for example, if the tax authority has not yet issued clearance, part of the final payment is made to our office to hold in escrow. This protects both parties and ensures the buyer can take possession on time. Once all confirmations are provided, the balance will be released to you.

Practicalities on Completion

Either you or someone authorised by you must be present at the property on completion to:

- hand over keys and vacant possession,
- read utility meters,
- and assist with transferring utility accounts to the buyer.



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Handling Payments and Foreign Currency Transfers

If you do not have a bank account in Israel, we can receive payments on your behalf via a designated client account. After completion of the sale, funds can be converted to foreign currency and transferred abroad. The same account can be used to settle costs associated with the sale, such agent's fees or utility bills.

Acting on Your Behalf

If you will not be here for the sale process, you can sign a power of attorney enabling our office or your representative here in Israel to deal with the sale on your behalf. If you are resident abroad, we can arrange for you to sign this in your country of residence.

Tax Obligations

A self-assessment for the Capital Gains Tax (Mas Shevach) payable on the sale is filed within 30 days of exchange. Please contact us early for tax planning advice.

Betterment Levy (Municipal Levy)

The other potential outlay you should be aware of is the levy charged by the local municipality on any improvements made to a property during the period of your ownership (Betterment Levy). These will include any additions you have made and in regard to which you have not applied for planning permission (this will need to be rectified in the course of the sale, if the property is to be sold with the additions) and also any changes in the local planning regulations which have potentially increased the value of your property (for example, the right to build a swimming pool in the grounds or to add additional floors to a building).

This fact sheet is presented as a general information service to our clients and does not constitute legal advice. The process of selling property in Israel is a complex one and you should obtain specific legal advice before taking (or deciding not to take) any action. Please contact us for further information.