

Buying Property in Morocco

Buying property in Morocco is fairly straightforward, but it is important to understand the local customs and legal system.

The system of contracts is based generally upon the French legal system (Morocco used to be a French colony).

FINDING A PROPERTY

The initial stage is, of course, to find a property that you would like to buy.

Hopefully Property-Maroc.com can point you in the right direction here, and our local agents can advise on which areas are good or to be avoided, and the advantages/disadvantages of any particular area or property.

NEGOTIATING A PRICE

Once you have made your choice, the initial step is to make a verbal offer. This can be done through our local agent. Depending upon the property, the market, and the owner, you may be able to reduce the price. However if the demand is high, it is possible that the owner may wish to try to increase the price.

OPENING A BANK ACCOUNT IN MOROCCO

You will need a Bank Account in Morocco – this is essential. There are special bank accounts available for foreigners, called Convertible Accounts (*Compte en DH Convertible* – where DH is the local currency, Dirhams). Major banks can be found in the large centres, and our local agent will advise you on where to go.

A convertible account allows you to deposit and withdraw foreign currency, so you can pay for the property, withdraw rental income, and retrieve any moneys from an eventual sale of the property.

When you visit Morocco, it is recommended that you take proof of residence in your home country, such as (original) council tax or utilities bills, which you may need to show in order to open the account. You will also need to show your passport(s). You will be expected to lodge an initial amount of cash into the account, and the bank will suggest a sum of perhaps €1000. However if you only take the equivalent of €50 (£35) cash, they will normally accept this. Once the formalities have been completed you will be given a document certifying that you hold an account (*Attestation*).

THE PURCHASE PROCESS - CONVEYANCING

The contractual process is based on the same system that exists in France, and is carried out through a *Notaire*.

The notaire will draw up the initial contract, a *Compromis de Vente*. This is a contract that binds the purchaser to buy and the vendor to sell. You cannot be 'gazumped'.

You will be required to lodge a 10% deposit, which will be held by the notaire in his client account until the contract is completed.

The Notaire is responsible for making enquiries with the land registry, checking the title, land boundaries and other legal issues, and also ensuring that there are not any outstanding mortgages or charges against the property.

The Purchase Price

It is common in Morocco for the vendor (and Notaire) to under-declare the price at which the property is being sold on the *Compromis de Vente*. This has the effect of reducing the amount of tax that the vendor has to pay. In such a situation the Notaire will also draw up a separate document which binds the purchaser to pay the difference. However on the title deeds it is the "real" sales figure that will be recorded. This practice has the effect of saving taxes on behalf of both the purchaser and the vendor.

The Final Contract

A final execution or completion date will then be agreed between the parties, and you will then need to arrange finance. Mortgages are not easy to obtain by foreigners in Morocco, and if you need to obtain a mortgage it is better to look towards the UK or France to find a mortgage provider. The final contract or *Acte de Vente* ("Acte") is then signed by the parties (if you wish you can do this by Power of Attorney).