

## **The Property Buying Process through Cape Verde Property.**

Firstly there are no restrictions for foreigners to buy in Cape Verde.

The Cape Verde Escudo is linked to the euro at 110.265 so we price all properties in euros. If there is a UK buyer and seller then we can fix the price in sterling so there are no currency fluctuations or costs.

There is a notary system for purchasing property and we would always suggest using a local lawyer so buying in CV is extremely safe. In 15 years business we have had no major issues regarding ownership and the new CIP digital form of property documentation has helped the systems there speed up now also.

If you find a property that you want to buy, and we get a deal agreed between the buyer and seller, then you would pay a reservation fee...3000 euros or 5% depending on the property and sign a simple reservation form. This will take the property off the market at the agreed price.

This reservation fee would be non-refundable if you pulled out (unless of course there were some issues with the ownership or property paperwork). So be serious about the property you want to buy. The reservation fee comes off the final deposit paid for the property.

Then you would instruct a local lawyer who would make sure everything is correct regarding property ownership, debts etc. The lawyer would normally cost between 600 and 1000 euros. We know the best lawyers if you need a suggestion.

You would need to do a Power of Attorney so that the lawyer can act for you at the notary in CV. This can be completed in your home country following the rules of the Hague Convention or CV. It costs around 60 to 100 euros to do the POA in the Cape Verde notary including a translator and is very simple.

If you do the POA out of CV then the local lawyer would complete a form for you and you would need to take it to a CV Embassy or Notary Public Lawyer to be signed and then this is sent to the Foreign Office to be Apostilled, then sent to CV.

So you do not need to be in or go to CV to buy or sell a property.

When you buy in CV additional to the purchase price there is a 1.5% purchase tax paid on the registered value of the property. This registered price might vary from the price you pay.

Then you will need to pay about 700 euros in land registry fee Notary fees and some extras. There may be some translation and bank charge costs also.

Plus of course you need to pay the local lawyer.

The lawyer will come up with a closing cost statement with the charges and tax etc. and these closing costs need to be sent to CV and then the lawyers log the details with the notary and then they can book a time at the notary and can sign the deeds for you. Sometimes we can offset the costs and debts on a property by the buyers paying less on the final deposit and the buyers paying the debts.

The final deposit for the property does not need to go into CV and out again so is normally paid directly to the seller, often but not always after a promissory contract has been signed. Of course if clients wish the money to go through the lawyers in CV then that can be done, however there would be additional transfer costs and slight delays.

Mortgages in CV are generally very difficult to come by for foreigners (better for local business people) and can be slow and expensive also, so generally you would need to raise funds for the purchase elsewhere. The banks do seem to be improving slightly with their loans however we usually say that it's best to raise the funds for a purchase out of CV. The rates are around 9%.

### **Ongoing Costs.**

When you own a property in Cape Verde then you would have ongoing management / condominium fees for the block of apartments or resort. These vary depending on if there are pools, security, size of apt etc. A 2 bed in a resort such as Melia Tortuga would be around 2000 euros a year or a 2 bed in a small block in Santa Maria could be 600 to 1000 euros a year, or less.

There is also a local IUP council tax. If a property is registered at approximately €100k then this would be around the 300 euros a year mark as a generalisation. The IUP tax is paid in 2 halves yearly.

Utilities are always on a meter so the more you use the more it costs and visa versa.

WE ARE HERE TO HELP.

Cape Verde Property

[www.capeverdeproperty.co.uk](http://www.capeverdeproperty.co.uk)

