

Chania Property Buyers Guide

We can help you buy a property in Chania.

Buying a first home in Chania? Family home? Villa? Plot to build your next project? Upsizing or downsizing? What should you look for, and what should you avoid? We have tips and how-to guides on every aspect of buying a property you can call home.



The Four Types of Real Estate

Real estate is defined as the property and buildings on a specific piece of land. It also includes the air and underground rights above and below the land, respectively. The term "real estate" means real, or physical, asset-property.

As a physical entity, real estate includes four main categories of property.

1. Residential, which includes new construction and resale homes. You probably know residential real estate as family homes. This category also includes apartments, townhouses, detached houses, villas and vacation homes.
2. Commercial, which mostly includes places of business. This category includes shopping centers, shopping malls, offices and hotels. Apartment buildings are often considered commercial, even though they are technically residential, because they produce income for their owners (AIRBNB, BOOKING).
3. Industrial, which includes manufacturing buildings and warehouses used for research, development, storage, and product distribution.
4. Land, which includes farms and ranches. It also refers to vacant land, such as undeveloped land and land on which homes or buildings are being assembled.

It's important to understand the different types of real estate assets because the sale and purchase of property differ depending on its type and size. Other processes and services such as zoning, construction, and property appraisal are handled independently by professionals, too.

The Real Estate Buying Process

Depending on the type of property and parties involved (owner, seller, real estate agent, lawyer, engineer, and surveyor), the specific steps within each real estate transaction might fluctuate somehow. However, for the most part, the majority of the property buying transactions look the same.

For the sake of continuity and simplicity, we're going to use a residential transaction to outline the property buying process in Chania, Crete. Commercial and industrial transactions follow a similar process, but the residential process is likely the most common among consumers — given that almost 70 % of Chania families own their residence.

1. Hiring a Real Estate Agent

When someone decides to buy a home, he or she might do one of two things: secure a real estate agent who can help them discover a property, or start shopping for property themselves, choosing to hire an agent after they've found a property they like. SYMENOX – Real Estate Association of Chania is always the ideal point to start your research for a certified real estate agent.

There's no right or wrong way to go about hiring a buyer's agent, although a real estate agent might introduce you to potential properties you might've not otherwise found on your own. For example, ARENCORES has a service called Passive Listings .

The company allows real estate sellers to list their properties in a private database to assess property value, market price fluctuations, selling potential, risks and many other parameters. Passive Real Estate Investment can come in the form of Passive Real Estate Listing Trusts (PRELTs).

PRELTs are attractive and efficient real estate opportunities because they have the supplementary benefit of being lower risk in terms of the seller making decision and property exposure. Interviewing and securing a professional real estate agent at the beginning of the real estate process can be much more rewarding than simply letting the listing agent take care of both sides. Buyers can benefit from representation and consultation, too.

Not all agents in Chania, Crete work full time, many have second jobs or other things they prefer doing. As a Chania property buyer or seller, you'll have to decide what level of service and professionalism you want. In a fast-moving real estate market it's important to stay on top of things, to know what's going on and how to negotiate.

Availability can make a vital difference. This is the time to find out about preferred communication methods and for the agent to tell you what you can expect. Everyone understands that no one is available 24/7, find out how they plan to handle things if they can't be there themselves.

Selecting the right property that meets all your requirements is important. Hiring a real estate advisory firm to guide and support you, in identifying your property is therefore highly recommended.

2. Property Viewing

As a property buyer, this step would involve researching, comparing and viewing property. Some people use global real estate sites like [Zillow](#), [Trulia](#), [Spitogatos](#), [Spiti24](#), to find potential properties within their price range while others rely on their agent to discover property and schedule property viewings.

Commonly, property buyers should proceed to a property viewing request to get a feel for a property and its location, condition, and amenities (parking, swimming pool, interior spaces, balconies, solar panels, alarms, elevator etc). Then, they'll schedule dedicated showings with their real estate agent at which they'll walk through the property and ask more specific questions to illuminate what to do next.

3. Due Diligence

a) Legal Due Diligence

You need to hire an attorney for a property transaction and all real estate property deeds need to be notarised. The appointment of a lawyer is done through a notarial document – power of attorney. A general power of attorney gives broad powers to a lawyer (known as an attorney-in-fact) to act in the behalf of the property buyer.

These powers include handling financial and business transactions, settling claims, operating business interests and employing professional help to facilitate your property purchasing process. Having an attorney oversee the transaction ensures that both parties are aware of the applicable legal requirements and all parties are satisfying their duties under the purchase agreement.

The lawyer can appear on your behalf in front of the notary and will also verify the accuracy, validity and continuity of the ownership deeds and ensure that all transfer formalities related with the Land Registry Office and/or Cadastre Office are complied with. [Do I need a lawyer?](#)

b) Technical Due Diligence

An [engineer](#) needs to check that the property complies with all urban planning and building terms. A technical due diligence is imperative where the property or land in question is located outside the [town planning zone](#) or for older properties. Historic and cultural building protection laws envisage a series of strict rules and restrictions. Violation of these rules may result on a complete ban of the structure development.

ARENCORES provides professional advice related to the Spatial Planning permits and Land Use permits to ensure proposed use and improvement of property meets zoning and other requirements found in the spatial planning and environmental codes.

Essentially, land use and spatial planning permits are not just permits for construction; they are approvals for land development, design and uses for future building construction.

4. Preliminary Contract

When a property seller and a buyer reach an agreement they can sign a preliminary contract. The preliminary contract is a commitment to sell, a bilateral document signed by both parties in which the seller promises to sell at the agreed price and the buyer promises to buy as soon as the pre-conditions are fulfilled.

At this stage, a mutually agreed percentage of the purchase price is paid by the buyer to the seller as a down payment. Normally, you will pay a deposit of around 10% of the agreed property purchase price.

Should the seller decide not to go ahead with the sale after this has been signed, the buyer's deposit will be returned – but if the buyer changes their mind they will lose the deposit.

You need to understand all your obligations and responsibilities, as well as your rights. This is critically important because if the buyer fails to complete the transaction for reasons other than the legal and technical due diligence, this amount is usually forfeited. A recent softness in the market has seen exceptions from preliminary contracts but they are still the norm in most cases.

More information

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5. Deposit of Transfer Tax (or VAT)

Before signing the final contract agreement, the buyer has to comply with certain tax formalities. These include the deposit of the Title Deed Transfer tax.

As of 01/01/2006 (in respect to buildings for which the building permit was issued after the agreed date), a VAT of 24 % is imposed on the purchase value on the first sale of newly built buildings by a manufacturer, or by a person who deals professionally with the construction and the sale of buildings-properties.

For all other properties that do not belong into the above category, the transfer is charged with a real estate transfer tax at 3.09 %.

In cases where VAT is applicable, the property buyer is not required to pay any transfer tax.

Important Note: due to frequent legislative amendments in taxation of property, it is strongly recommended that all property related taxes are re-visited and re-calculated before any purchase.

Property Buyers Expenses

TYPE	COST
Notary Fees (all notary expenses included)	1 - 1,5% (plus VAT) of property value
Transfer Tax	3% of property value
Municipal Tax	3% of the Transfer Tax
Land Registry Fee	4,5‰ (plus VAT) of property value
Cadastre Fee	6,5‰ (plus VAT) of property value
Legal & Technical Due Diligence	Expenses vary according to the complexity of the research and the value of the property
Technical Due Diligence	Varies in respect to the property aspects

[Read more about the costs of buying a property in Chania](#)

6. Property Searches

Your lawyer will be responsible for undertaking searches and checks on the property. The checks will include: that the property does not contain any type of restriction; that all building regulations have been successfully compiled with the law; that there are no outstanding debts (unpaid and overdue) .

It will usually take around four to six weeks from the preliminary contract to the final property sales contract.

7. Final Contract and Property Transfer Registration

This final step actually involves the ownership transfer between the seller and buyer. This step takes place before the notary, who ensures the property transfer process is legal.

Your lawyer should be also present as they will need to sign the document when the final contract is signed. The notary's main role is to certify Greek documents and agreements to ensure that they meet all legal criteria and collect the taxes.

They work on behalf of the Greek government, and cannot advise or protect the interests of either the buyer or the seller.

You may be able to organise Power of Attorney if you are unable to be present that date. Your Power of Attorney can sign on your behalf and will be arranged by your lawyer. Whether you use

Power of Attorney or are able to be present yourself, you will need to present a valid passport and your Tax Registry Number (AFM).

At this signing, the notary will read out all contents of the property sale contract. The property seller will need to pay Property Transfer Tax (see section 5). Once these documents have been completed you will transfer the balance of the purchase price and the notary registers the transfer of the property with the Greek Land Registry.

Congratulations, you now own a property in Chania, Crete, Greece!

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