

## FACT SHEET – COSTS ON SELLING A PROPERTY

As a general guide to the costs associated with selling property, the following expenses should be taken into account:

<b>Cost</b>	<b>Amount</b>	<b>Additional Information</b>
Mortgage Redemption	Bank charges and redemption costs	If you have a mortgage on your property
Land Appreciation Tax	25% of the indexed-linked capital gain less expenses	Israeli tax residents may be exempt from this tax if selling their only residence and various other conditions are fulfilled. For properties purchased prior to 1.1.14, the tax is payable on a linear basis according to the length of time owned, if certain conditions are met.
Betterment Levy	50% of increase in value	Charged by the local municipality if permitted improvements have been made to the property during the period of ownership without planning permission as part of the validation process on sale.  The levy is also imposed if changes in planning regulations during ownership of the property have increased its value.
Agent's fees	± 2% + vat (17%)	Usually payable on exchange of contracts
Legal Fees	1-1.5% + vat (17%)	Payable on exchange. Fees vary according to the nature of the property (registered/unregistered land, apartment/house, already existing/being built etc.) the structure of the transaction and the sale price, so this is a general guide only.
Disbursements	£300 (approx.)	Land Registry and Courier Fees. Obtaining authorisations needed for sale of the property.

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.