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Real Estate - Preliminaries

Pre-purchase

It's important to engage your lawyer from the very start. Doing so will avoid many pitfalls that can cause considerable stress, anguish, and expense.

Israel has a reputation for improvisation and "quick fixes". Who can you trust? Are the people selling the property its rightful owners? Will they vacate the property on the agreed date? Where will you find a mortgage? What benefits are you entitled to? What taxes apply? What fees will professionals expect? What do the Hebrew terms mean?

It is my job, as your lawyer, to guide and protect you. I will navigate and explain all of the above, and assist in dealing with the other professionals involved in the transaction (realtor, assessor, bank, etc.).

Land Law

Most of Israel (except some disputed territories) is governed by the same land law, so if you're looking for an apartment in Ra'anana רעננה, Herzliyah הרצליה, Kfar Saba כפר סבא, Tel Aviv תל אביב, Jerusalem ירושלים, Haifa חיפה, or indeed anywhere in the country, any licensed lawyer can conduct the transaction for you.

The Preliminary Agreement (זכרון דברים (zichron dvarim

The seller/buyer may ask you to sign a zichron dvarim זכרון דברים - a "Preliminary Agreement" that describes in general terms the understanding between you. It might include the price, date of entry and a few other minor issues. **Be aware** - by signing such a document, you may be binding yourself to obligations that are not in

your interests. **You should not sign such a document without consulting a lawyer.** If the other side insists on a zichron dvarim, it should be worded in such a way that it will be cancelled should unexpected issues arise, and that it cannot be used to register a Notice of Imminent Sale (הערת אזהרה) in Tabu.

Hidden Issues

You must at all times remember that non-obvious issues must be investigated before you close a deal. This might be underlying structural problems in the property that aren't visible to the naked eye. There may be issues in the neighbourhood, "Tama 38" plans by your neighbors to build an extra floor on the building, or other municipal plans for construction. It's important that all hidden issues are considered and investigated before you sign any form of contract.

Mortgage

It's best to begin searching for your mortgage **before** you sign any purchase contract. You will need to acquire from a bank an "Agreement in Principle to Provide a Mortgage" (ishir ikroni b'dvar kabalat halva'at mashkanta אישור עקרוני בדבר לקבלת הלוואת משכנתא.)

Warning: most contracts for the sale of property include a provision stating that failure/delay in acquiring a mortgage is not grounds for cancellation of the contract, so you must provide the bank with accurate information when applying for the Agreement in Principle.

After obtaining an Agreement in Principle, you can still shop around the mortgage banks trying to get a better deal.

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