

Purchasing procedure

The real estate business in Uruguay bears little resemblance to what you'll find in the U.S., Canada, or much of Europe. There is no such thing as multiple listing, for example.

Here's the step-by-step process for property purchase:

Making an offer: Once you've decided how much to offer, your real estate agent will normally call the owner (or the owner's agent) to get a tentative acceptance of the offer before going any further. This phone call (and associated negotiation) takes the place of the normal back-and-forth signing of sales agreements that we typically do in the U.S.

Find an (Notary Public) *escribano*: Once your offer is accepted, the first thing you need to do is find an (Notary public)*escribano*, which is like a real estate attorney and notary combined. This is the person who represents your interests in the property transaction, and records the transaction itself.

If you don't speak Spanish, retain an *escribano* who speaks English so that you understand everything that's going on. If you are using a realtor, they will often recommend an *escribano* or give you a choice of several.

Complete the(Reservation Agreement)*Boleto de Reserva*: Your *escribano* will first contact the seller (not his agent) to confirm that the seller understands the terms of the sale. He then completes the *Boleto de Reserva*, which is a preliminary sales contract. This important document records the buyer and seller, sales price, desired closing date, commissions, and any specific terms of the sale, including penalties for default on the contract. It is not a publicly recorded document.

The *Boleto de Reserva* normally accompanied by a 10% deposit.

Penalties : If any party terminates the reservation agreement without any reason, the party terminating the agreement will have to pay to the other a fine equivalent of the amount deposited (10%) If the title verification shows that there are interdictions which can not be solve (f.ex. claims in process, debts which can not be paid), the Reservation Agreement will be declared void.

Title verification and the *Escritura de Compraventa* (Purchase Agreement): Over the next 30 to 45 days, the *escribano* will verify that the title is clear, and that there are no outstanding liens, claims or other issues, going back 30 years.

He or she will then draw up the final transfer document, known as the *Escritura de Compraventa*, which is signed by both parties at closing.

Final closing: This is where you and the seller both sign the *Escritura de Compraventa*, and all money changes hands. The *escribano* will withhold (or collect) all taxes owed on the property, and take care of paying them. As in the U.S., buyers and sellers may also need to pro-rate tax payments, condo fees, and other payments.

Recording the transaction in the registry: Your *escribano* will record your purchase in the National property registry.

Record retention: After closing, you'll typically get a large collection of folders containing the property's entire history—all the way back to the original blueprints. Many *escribanos* will retain these records for you if you desire, for safekeeping.

Buying restrictions

For matters of real estate, foreigners and Uruguayans are on equal footing. You do not need to be a resident to purchase or own property in Uruguay. Furthermore, there are no restrictions on where you can buy a property. Foreigners can buy beachfront land, land adjacent to international borders, and agricultural land in any quantity.

Total transaction costs are moderate in Uruguay

TRANSACTION COSTS		
		Who Pays?
Notary's Fee	3.00%from Purchase Price	buyer
Registration Tax	1. From Purchase price	buyer
Real Estate Transfer Tax	2.00%	buyer
	From the tax value 2.00%	seller
Estate Agent's Fees	3.00%	buyer
	from the purchase price 3.00%	seller