



Real estate research for Germany



The Country Files: Germany

TAKEAWAYS:

In Germany's real estate market, agent commissions typically range from 2% to 7.14% + 19% VAT with the cost shared equally between buyers and sellers since the new regulation that entered into force at the end of 2020. In Germany, real estate agents need to be registered in the chamber of commerce ("*Industrie- und Handelskammer, I.H.K.*")¹ and their profession is governed by values like honesty when it comes to providing relevant property information to potential buyers².

Notaries play a vital role in verifying the legality of transactions and handling funds. Public property information is easily accessible through registries and online portals, provided that you have the permission of the property owner to access it. The contractual process involves basically a Notarized Purchase Contract for which preparation the parties inform the Notary about the terms of the agreement like the price.

FAST FACTS:

- Currency - **Euro (EUR)**
- Capital - **Berlin**
- Time Zone - **GMT+1**
- Language - **German**
- Population - **83.2 million**

WHAT DO THEY BUY

- Only 50% of residents own their own property (EU average is 70%)³

¹ <https://www.ihk.de/meo/recht-und-steuern/wirtschaftsrecht/immobilienmakler-2096258>

² <https://immoeinfach.de/immobilienmakler/pflichten-immobilienmakler-kaeuffer/>

³ <https://www.expatica.com/de/housing/buying/buying-a-german-property-100945/>

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DIFFERENCES

Costa Del Sol and Germany exhibit notable differences in their real estate practices. In Costa Del Sol, agent commissions range from 4% to 6% + 21% VAT, primarily covered by sellers, whereas in Germany, commissions vary from 2% to 7.14% + 19% VAT, with equal sharing between buyers and sellers. While estate agent licenses are not mandatory in Costa Del Sol, in Germany real estate agents need to be registered in the chamber of commerce.

Property information disclosure in Costa Del Sol is partial, whereas in Germany, it is comprehensively regulated by the Civil Code. Handling of funds involves escrow, typically managed by lawyers in Costa Del Sol, while in Germany, the notary office ensures transaction legality.

Another significant difference is that in Spain, at completion, the title deed is signed by both parties and the remaining price is paid to the seller at the Notary office, from which moment the buyer becomes the new owner of the real estate property, taking physical possession of it. In Germany, the parties sign the purchase contract at the Notary, but the buyer doesn't pay immediately the remainder of the price (especially if bank financing is required), which also delays the moment when the keys are handed over to the new owner, only after the land registry performed the change of ownership⁴.

These variations reflect distinct market practices and legal frameworks in the two regions.

⁴ <https://www.engelvoelkers.com/de/ablauf-hauskauf/#:~:text=Das%20Wichtigste%20zum%20Ablauf%20beim,des%20Kaufpreises%20und%20amtlicher%20Geb%C3%BChren.>

	Costa Del Sol	Germany
AGENTS COMMISSIONS	4-6%	2% - 7,14% fee is shared equally between buyer and seller ⁵
ESTATE AGENT LICENCE	None	Yes⁶
PROPERTY INFO DISCLOSURE OBLIGATION	Some Ley de vivienda?	Yes⁷ regulated by German Civil Code
FUNDS	Escrow, usually lawyer, rarely agency	Notary office⁸ verifies the legality of the transaction
PUBLIC PROPERTY INFORMATION AVAILABLE	No	Yes⁹
SIGNING THE TITLE DEED	Notary	Notary¹⁰
AGENTS	Yes seller always pays - 2 agents involved -	Yes¹¹ both buyer and seller pay the fee
TECHNICAL INSPECTION ON VILLAS	To be negotiated between the buyer and seller muehr.fhd	To be negotiated buyer and seller need to agree
TYPE OF PROPERTIES	Freehold fine-a-real-estate-agent-in-Germany%3F-state%20agent%20in%20Germany ep-guide-how-to-sell-your-property-in-germany-add-lienverkauf/rechtliche-risiken/	Freehold¹² only under specific circumstances it can be leasehold. services-germany/regional-ly
OFFERS	Information Offers are not open to the public. german-real-estate-law	Not public¹³ Through estate agents
VIEWINGS	Usually on request german-real-estate-law-guide/brokerage-20in%20Germany&text=That%20implies%20that%20only%20sellers,e-agent german-real-estate-law-review/germany	On request through agent,¹⁴ Appointments, Open House Events, Private Viewings
HOME STAGING	Not always german-real-estate-market german-real-estate-market	Very common¹⁵ Especially in the last years
PRICE SETTINGS	Rely on agent german-real-estate-market german-real-estate-market	Usually,¹⁶ rely on agent

¹⁰ <https://www.globalpropertyguide.com/europe/germany/price-history>

VALUATIONS	Licence valuation companies	Agents or certified surveyors ¹⁷
CONTRACT	Yes to reservation contract	Yes, ¹⁸ Only Notarized Purchase Contract

- **SELLERS**

In Germany, property sellers are legally required to provide thorough and transparent information to potential buyers. This obligation is governed by German **Civil Code**, ensuring that buyers receive detailed information about the property they are considering purchasing. This includes disclosures about the property's condition, any known defects or issues, as well as any relevant legal and financial information.

- **SIZE OF THE PROPERTY**

Germany slightly less importance in square metres than in Spain.¹⁹

¹⁷ <https://howtogermany.com/housing/real-estate/property-valuation/>

¹⁸ <https://guthmann.estate/en/blog/property-purchase-contract-in-germany-complex-and-safe/>

¹⁹

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/housepriceshowmuchdoesonesquaremetrecostinyourarea/2017-10-11>