



PURCHASE PROCEDURE/FAQ FOR MOROCCO

Q . What are the investment opportunities like in Morocco?

A. Morocco is the new up-and-coming overseas property destination. Properties in Mediterranean Saidia make ideal second homes, or they can provide lucrative year-round rental potential. Development prices at Mediterranean-Saidia are expected to double over the next 3 to 4 years, and the developers offer an excellent payment structure.

Morocco aims to increase the number of foreign visitors from 2 million currently to 10 million by 2010 by creating 6 new coastal resorts (including Mediterranean-Saidia), building 80,000 new hotel rooms, and generating 600,000 new jobs. The Moroccan government has guaranteed that it will provide the necessary infrastructure to connect the coastal resorts with the rest of the country and Europe by constructing 1,000 kms of new roads, increasing internal and international flights, and developing new regional airports, so accessibility will be excellent and transport links will be modern and effective.

Q . Will I be able to rent out my property?

A. Properties in Mediterranean Saidia will provide lucrative year-round rental potential because of the climate and the excellent golf facilities. Estimated income from a 2-bed apartment should be in the region of €500 pw in high season, and €600 from a 3-bed apartment, with an expected return of 10% pa from the second year onwards. Rental income is exempt for the first 5 years of ownership.

Q . Will I need a solicitor?

A. It's essential to engage a reputable, experienced local solicitor. We have established connections with a London-based Moroccan solicitor who can advise on all aspects of property purchase.

Q . Can I get a mortgage in Morocco?

A. Yes, mortgages are available for 60% of the property value.

Q . Will I need a Moroccan bank account?

A. Yes, you will need to open a bank account in Morocco. We can do this for you. We will supply all the relevant forms and translations. We advise that all currency transactions are carried out through a broker such as Moneycorp.

Q . How do I secure a property?

A. An initial holding deposit of £2000 is all that is needed to secure a property for 21 days. This gives you time to visit the project or buy "site unseen". e.

Q . What is the payment structure?

A. 15% of the purchase price is payable on exchange of contracts, and a further 25% is split into 8 equal payments until completion. The final 60% is then paid either in cash or via a mortgage.

Q . What extras should I expect to pay on top of the purchase price?

A. You should budget for about 5% over the purchase price to cover:

Stamp duty:	2.5%
Legal fees:	1.1%
Notary fees:	0.5%
Land registry:	1.5 to 2%
Dispatch fees:	about 500 DRh or €30
Misc (certificates):	about 500 DRh or €30

Q . What ongoing costs should I expect?

A. Running costs are set to be around €90-110 per month, including utility, maintenance and management charges.

Q . What is the Capital Gains Tax situation?

A. Capital Gains Tax (TPI) is 20% of the profit, with a minimum of 3% of the sale price. There is a double tax treaty between the UK and Morocco to ensure that this is not paid in both countries. Properties sold after more than 10 years ownership are fully exempt from TPI. Properties sold after more than 5 years ownership but less than 10 years are subject to TPI of 10% of any capital gain over 1 million DRh (about €90,000).

Q . What if I want to re-sell before completion?

A. You can sell on to a 3rd party (once the initial 15% has been paid) via a transfer contract drawn up by your solicitor. Superior will, of course, be happy to act as your estate agent.

Useful addresses and information

Local currency is the dirham (DRh).

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