



*Working
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1-st office: Obolonsky prosp. 23-A, Kyiv, 04205, tel. (+ 380 44) 467-99-99, 467-8-467,
2-d office: office 901-904, Esplanadna street 4-6, Kyiv, tel. (+ 380 44) 287-41-55, 287-39-51,
www.consulting-invest.com, e-mail: office@consulting-invest.com, esplanadna@consulting-invest.com,

How a foreigner can acquire habitation in Ukraine *

The market of habitation in Ukraine is one of most dynamic and profitable, however the risk the losses in this sphere is also traditionally high.

For today there are two basic ways of acquisition of habitation: by the conclusion of treaty of purchase-sale of habitation at the second market or by investing in the apartment, that is yet to be built.

The first variant is simpler and more reliable, but at the second market the habitation is more expensive. The second variant foresees more difficult procedure and a buyer to the last moment does not know exactly, what he will get in result, because are possible some changes in building process, however investors are attracted by more low prime price and possibility of designing apartment on own discretion.

The given question is regulated by the Civil, Housing codes of Ukraine, by Law "About financial-credit mechanisms and property management at building of habitation and operations with the real estate" and other laws and by-laws on the questions of investing and building.

Thus an active law gives to the foreigners the same rights at the purchase of habitation, as for the citizens of Ukraine. We will consider them more in detail.

1. Purchase of habitation at the "second market" (already built habitation)

At achievement by the sides of consent about all substantial conditions of the agreement (object, price, moment of transition of right of ownership, rights and duties of sides and other additional terms, which sides defined as substantial) they enter into ordinary contract of purchase-sale, but it has such special features:

1) subject to the agreement (apartment or house) is to be exactly identified in the agreement, in addition to the agreement are to be necessarily added

- Document, that confirms that an apartment is ownership of salesman (certificate about the right of ownership, agreements of barter, feoffment, purchase-sale, decision of court about confession of right of ownership and similar, registered in Bureau of the technical taking of inventory)
- Extract from the State register of bargains (if a salesman got an apartment after one of mentioned above agreements later then year 2004)
- Reference-description of apartment from Bureau of the technical taking of inventory
- House-register (if it is a private house)
- Original of reference about computations of electricity
- Original of reference about absence of debt for communal payments
- Technical passport on the object of the real estate
- Passport of salesman
- Reference from State tax administration about appropriation of identification number to the salesman

In addition, if an apartment is common property of the married couple, is necessary written consent of the second from the married couple; if all apartment or its part belongs to the child (a person to 18 is years), the birth certificate (with 16 years the passport) of this child is given, as well as the decision of board of trustees (where is to be it is marked, what apartment will be purchased/given as present to the child instead of this one and documents on this new apartment). A salesman is to give reference, that the third persons have no authority on an apartment (for example, that it is not in a mortgage).

* Information is given according to the Ukrainian legislation valid on the 01. 11. 2006 .

2) the cost of apartment is set on the consent of sides. But as an agreement is subject to notarial certification at which is to be paid a state duty in size of 1 % of the apartment price and obligatory payment in Pension Fund is also 1 % (from this last one are exempt citizens, that acquire habitation and are found in a turn on the receipt of habitation or buy habitation for the first time), often sides indicate a sum less than actual one. Thus they diminish the sum of duty. But in the case of confession of agreement invalid or other unfavorable consequences they will be able to return only the noted diminished sum.

An agreement is subject to not only notarial certification (it is not needed only when a treaty is concluded on a commodity exchange) but also to state registration which is conducted in the executive committee of local council in the place of finding of apartment or house.

Before going to the notary, it is needed to take off from registration all persons, that live in this apartment, to get preliminary the decision of board of trustees. All buyers (if it is common property and there are a few of them) and salesman (salespeople) senior than 14 years are to come to the notary.

2. Investing in an apartment, that is still being built

Beginning with January, 14 in 2006 in obedience to the changes to Law of Ukraine "About investment activity" such investing is carried out not straight, but through Funds of financing of building, Funds of operations with the real estate, institutes of the common investing, nongovernmental pension funds, issue of bonds. That means that in the scheme of investing of habitation between a buyer and salesman is included the third person - manager of fund of the attracted facilities, which provides their safety.

At the conclusion of treaty in relation to investments in habitation, that is being built, it is needed to choose the known building organization with irreproachable reputation, in an agreement exactly and simply define the terms of building, price, area of apartment, moment of transition of right of ownership, term of producing of claims on the low-quality internal finishing, if it is foreseen by an agreement, that impermissibility of one-sided changes of conditions of the agreement.

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<p>For further information concerning such materials, please, contact Oleg Rachuk, Kateryna Krakhmalova, Law firm "Consulting-Invest", Kiev, tel.: (380-44) 287-39-51; 287-41-55; e-mail: esplanadna@consulting-invest.com Such information letters are issued periodically for clients of law firm "Consulting-Invest" and other interested persons in order to inform them about development of current legislation, which may affect them or awake their interest. Given above commentaries are not legal advices or position and should not be viewed as the ones, which substitute for individual advice in specific case.</p>
