

Buying Guide

Why Buy Property in Morocco?

Despite being only a three-hour flight from the UK, Morocco is a world apart. From the ancient cities of Tangier, Marrakech, Fez and Casablanca to the sprawling arid desert, Morocco certainly provides something different for today's overseas property buyer.

Bustling towns and cities provide some of the liveliest markets on the planet, while the sandy white coastline offers rest and relaxation set to rival some of the world's most popular beach destinations. Morocco benefits from having coasts on both the Atlantic and the Mediterranean, giving visitors the choice of beach locations. It is even possible to ski on the snow-capped Atlas mountains, proving that Morocco really is one of the most diverse locations around.

The choice of property in Morocco is just as varied, with new-build apartments, townhouses and villas competing with traditional riads and dars. It is this mixture of old and new which makes property in Morocco unique – thanks to clever planning and design, old architecture is complimented by its modern counterparts. But the real icing on the cake is the country's property prices, as no matter what type of home you go for, it simply won't break the bank.

Popular property buying locations

If you are after a city home, the choice tends to be between Fez and Marrakech. Fez was Morocco's first Islamic city, and today these roots are still clearly visible. The city obtained UNESCO World Heritage site status in 1981, and the funding received enabled the old medina to be fully restored.

Meanwhile, Marrakech has the advantage of an established tourist and property market – it was here that the trend for riad restoration took off. However, as a result, property prices in the city can be higher than elsewhere in the country. Despite this, land has always been available in Marrakech, meaning that there is a wide range of modern villas with slightly more reasonable price tags situated on the outskirts of the city.

Property on Morocco's coastline is also proving increasingly popular, and the resort of Mediterranean Saida is a prime example. Home to huge inward investment, this coastal town will soon be home to five golf courses, an 850-berth marina, a wide range of bars and restaurants, no less than ten four- and five-star hotels and beach clubs. This part of the northern coastline is attracting considerable government investment under the 'Plan Azul' to attract tourists in huge amounts to Morocco in the next few years. A new airport is being built to provide improved access to the area, and high-end shopping has been attracted to take up retail opportunities.

The process of buying property in Morocco

Once you have decided that you want to buy a home or property in Morocco, it is important to choose a notaire. The notaire plays a big role in the Moroccan property buying process, and so life will simply be easier if you have one arranged from the outset. At this stage it is also advisable to engage an independent solicitor to check



Buying Guide

over all documents and deal with any issues for you.

When you have found a property that you like, you should put in a verbal offer. When this has been accepted you will need to sign a preliminary contract, which is legally binding, and pay a deposit which will range from ten per cent for a resale home, to 40 per cent for an off-plan property.

Your notaire will then obtain the title deeds of the property. While this is relatively straightforward for a new-build home, it has been known to take up to a year for resale homes, as every member of the vendor's family needs to agree to the sale.

Around four weeks before completion you will receive a draft of the final contract which must be signed and returned to the notaire. The signing of the final contract itself must happen in front of the notaire, although if you are unable to travel to Morocco, you are able to sign over power of attorney for someone to sign on your behalf. When the final contract is signed the remainder of the balance is due, including any fees and taxes.

Moroccan property: Legal Issues

Although you do not legally require a solicitor in order to buy a Moroccan property, it is highly recommended, as the notaire will not provide you with independent legal advice. You should also have all three contracts translated into English by a professional firm, therefore ensuring that both you and your lawyer are fully aware of what you are signing. It is also advisable to inspect your new home before you sign the final contract, to double check that it is still in the same state as when you agreed to the sale. Many new-builds are now being offered with building guarantees for the quality of the finish and construction.

Properties without the correct title deeds are commonplace in Morocco but, despite what you might hear, it is imperative that you do not purchase a property without the correct documentation. If you are not in possession of the title deeds, you do not officially own the property – regardless of how much you paid.

Property Financing

As there are no British banks in Morocco, it is not possible to get a loan secured on your Moroccan home from a UK financial institution. You are able, however, to raise finance through a Moroccan bank up to 70 per cent of the value of the property.

Current interest rates on Moroccan mortgages are around seven per cent and so, while these can be arranged on both a variable and fixed-term basis, it will still work out cheaper if you are able to raise finance in the UK – perhaps by remortgaging an existing property.

If you do decide to borrow from a Moroccan bank, be aware that they will only lend up to 40 per cent of your net salary, which they have in common with many southern European countries. It is also important to note that not all Moroccan banks will lend to overseas property buyers, and that those that do will only supply repayment loans – there is no such thing as interest only mortgages.

Fees and taxes



Buying Guide

There are two main types of tax status in Morocco – tax resident and non-tax resident. If you spend more than 183 days per annum in Morocco you will be considered a tax resident. A double taxation agreement with the UK does exist, however, meaning that you won't be taxed twice for any income earned. In order to avoid any confusion it is advisable to seek the guidance of an independent tax expert, as the taxation system can be pretty complicated.

When buying property in Morocco you will need to budget for 2.5 per cent estate agency fees, 2.5 per cent registration tax, as well as 0.5 per cent notary tax. You will also be liable for annual local taxes (similar to our council tax), but these are relatively low. When you come to sell your property you will be liable for capital gains tax of 20 per cent unless it has been your principle residence for ten years. There is no such thing as inheritance tax in Morocco.

Visas, residency and work permits

British citizens do not need a visa to enter Morocco for stays up to 90 days. If you wish to stay longer than three months, you will either need to leave and re-enter the country or apply for an extension at the foreign registration department of your local police station. It is also here that you apply for a residence permit should you wish to do so, but you must set the wheels in motion within two weeks of arriving, otherwise you will be required to leave the country after 90 days. Once issued, a residence permit is valid for ten years, but it is worth seriously weighing up the advantages of residency before applying.

If you are planning on working in Morocco you will need your employer to apply for a work permit on your behalf. They will be required to prove that you are doing a job that couldn't be filled by a Moroccan national, and be warned that the application process can be time consuming.

New-build versus resale properties

The choice between new-build and resale properties really depends on your personal circumstances, wants and needs. Off-plan homes sold by reputable developers perhaps offer the easiest route, simply due to the fact that they should have title deeds secured. They also promise on-site facilities and amenities which can be useful – despite the colour of the local markets it may prove tedious bartering over your daily loaf of bread. New-builds also tend to offer coastal locations and, if you are planning on renting your property out, established rental management schemes with guaranteed returns.

However, if you were attracted to Morocco by its vibrant culture you may simply prefer to plump for a charming riad or dar. Found in the heart of the old cities, no two riads are alike but, unless you are prepared to pay a huge premium, it is likely that you will be looking at a restoration project. These can be daunting, time-consuming and expensive – but for many people restoring a Moroccan riad is simply a labour of love.

Property in Morocco: Investment potential

Buying Guide

The building boom in Morocco has been compared to that of Spain 15 years ago. Thanks to a government aim to increase tourism to the country to ten million by 2010, resorts have fast been springing up along the country's coastline. Backed by King Mohammed VI, many of these developments boast hotels, golf courses, restaurants and, of course, villas and apartments.

And it is the support of the King which has turned Morocco's property market into such an attractive proposition. Many 'emerging' markets simply lack the basic infrastructure needed to support a burgeoning property market, but King Mohammed's £2.2 billion contribution will ensure that all necessary facilities and amenities are in place. Put simply, this means that if these ambitious tourism targets are met, Morocco could well be the next holiday hotspot – a move which could only mean good things for Morocco in terms of both capital growth and rental returns.

Health and education

It is essential that you take out private health insurance before travelling to Morocco, as not only does the health service leave something to be desired, it tends to be a case of payment guaranteeing treatment. It is also wise to ensure that you are covered by air-ambulance, as traditional ambulance services can be unreliable. There is an abundance of chemists however, and rules on prescription medicine tend to be relaxed, meaning that you can probably just order your medication over the counter. You will also need vaccinations before you enter the country – consult you GP for the definitive list.

There are currently seven international schools in Morocco, all of which operate the American syllabus. Despite this, both Arabic and French will take up a large proportion of the curriculum. International schools take children from the age of three, and offer a wide range of facilities. As a result they don't come cheap – you could be paying up to £9,000 per year for your child to attend.

Transportation to and within Morocco

There is a wide range of charter airlines that fly into Morocco, especially during the summer season. British Airways also operates daily flights into the country, as does national carrier Royal Air Maroc, while Ryanair flies to Fez and Marrakech and easyJet has recently launched flights to Marrakech from London Gatwick.

Once in Morocco there is a range of internal flights available, but be aware that these can be expensive. If you prefer to drive, there is a wide choice of car hire firms in all of the major destinations. It is also possible to drive your own car into Morocco, via the ferry from either France or Spain. It is important to take care when driving as not only are Moroccan roads extremely dangerous, there is a strict fixed penalty system in place for a wide range of common violations.

The train network in Morocco has a great reputation however, with high-speed, air-conditioned services frequently operating at very reasonable prices. Despite this, if you are planning on travelling south, be aware that the network ceases in Marrakech.

And finally...



Buying Guide

It is not essential for estate agents to be registered in Morocco, and therefore you should tread extremely carefully. Do not hand over your deposit, or any funds at all for that matter, to your agent – your notaire will have an escrow account specifically for this purpose.

It is also important that you do not under-declare the value of your new home or property. This can be common practice in Morocco, as under-declaring saves the buyer purchasing taxes and the seller capital gains tax. However, this can be rather short sighted, as it is more often than not cheaper to pay the extra purchasing taxes at the outset as opposed to capital gains tax on a profit that you haven't actually made in a few years time.

[View our full range of information about property in Morocco](#)

[Register and access a wider range of articles, guides and podcasts](#). Plus get impartial advice about buying property abroad (including property in Morocco) from our experts.