

Property Transactions Costs and Fees

Realtors' and lawyers' fees in Uruguay and other property purchase costs

Transaction Costs

Fee	/	%	/	Who Pays?
Notary's Fee	/	3.00%	/	buyer
Registration Tax	/	1.00%	/	buyer
Real Estate Transfer Tax	/	2.00%	/	buyer / 2.00% / seller
Estate Agent's Fees	/	3.00%	/	buyer / 3.00% / seller

Costs paid by buyer: 9.00%

Costs paid by seller: 5.00%

Roundtrip transaction Costs: 14.00%

Property purchase process in Uruguay:

Except for areas considered part of the national security domain, there are no restrictions on the ownership of private property or the establishment of any business. Corruption is not a problem in Uruguay.

Before the sale, four different non-encumbrance certificates must be presented as guarantee to the buyer. The first one from the "Banco de Provision Social" ascertains that the owner is free of any social security debt. The others are acquired at the Real Estate Office, the "Registro de Actos Personales", and the Municipality. There must be no transaction without these certificates. This process ensures that there is no pending mortgage, lien, or any other encumbrance on the property.

Transfer of title is executed before a public notary. In order for the transfer of property to occur, it must be registered in the appropriate area where the property is located. A notary is very important in the transaction, as the deed will be rendered invalid without it.

Value Added Tax (VAT) does not apply to the transfer of real property.

Loans are generally 30 years, and the government establishes maximum interest rates. The Mortgage Bank of Uruguay (Banco Hipotecario del Uruguay) is the only mortgage bank in Uruguay and the principal intermediary of medium and long-term funds for housing in the country.

The whole process of registering a property can be completed in around 66 days.

Inheritance

There are no inheritance or gifts taxes in Uruguay.

Tax on Transfer of Property (Impuesto a las transmisiones patrimoniales - ITP)

However, transfers of immovable properties are subject to tax on transfer of property (Impuesto a las transmisiones patrimoniales). The tax base for this tax is the cadastral value of the property as adjusted for inflation in accordance with the changes in the consumer price index.

The tax rates vary depending on the kind of transfer involved. For transfer of properties to heirs (ascendants and descendants), the rate is 3%. For gratuitous transfers, the rate is 4%.