FINANCE FOR EXPATS

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THE EXPAT HOME BUYER'S CHECKLIST

What to Check Before Buying a House in Germany

The 47-point due diligence checklist that helps you avoid the mistakes expat buyers make most often, from hidden purchase costs to the documents German sellers hope you never ask for.

2,500+
EXPAT CLIENTS ADVISED

10+ Years
GERMAN MORTGAGE EXPERTISE

47 Checks
ACROSS 5 KEY AREAS

By the team behind Finance for Expats, Germany's mortgage advisory for English-speaking internationals • Authors of How to Invest in Real Estate in Germany

BEFORE YOU BEGIN

Why This Checklist Exists

Buying a house in Germany as an expat is achievable, but the process rewards those who prepare and is hard on those who rush.

Germany's property market operates differently from what most internationals expect. There is no buyer's solicitor reviewing the deal for you. The notary is neutral, not on your side. Purchase costs can add 10–15% on top of the price. And once you sign at the notary, there is no cooling-off period. The contract is final.

Over more than a decade advising 2,500+ expat buyers, we have seen the same avoidable mistakes repeat: buyers who discovered a Baulast (building encumbrance) after purchase, apartment owners hit with five-figure special assessments they could have spotted in the owners' meeting minutes, and families who lost the home they wanted because their financing was not prepared before they made an offer.

This checklist compresses that experience into 47 checks across five areas. Work through it for every property you seriously consider, and treat any unchecked box as a reason to pause, not a formality to skip.

How to Use This Guide

- ☐ **Read it once end-to-end** before you start viewing properties, so you know what is coming.
- ☐ **Print the master checklist** (final pages) and complete it per property.
- ☐ **Request documents early.** German sellers and agents expect serious buyers to ask. Hesitation costs you credibility, not goodwill.
- ☐ **Get financing certainty first.** In competitive markets, the buyer with a financing confirmation wins, not the one who offers first.

EXPAT TIP

German property terminology matters. Throughout this guide, we give you the exact German terms. Using them when speaking to agents, sellers, and notaries signals that you are an informed buyer who cannot be rushed.

1

SECTION ONE

Your Financial Foundation

Most failed purchases fail here, before a single property is viewed.

Know Your True Budget

- [ ] **Calculate total purchase costs (Kaufnebenkosten).** Paid from your own funds on top of the price. Most banks will not finance them.

COST ITEM	TYPICAL RANGE	NOTES
Property transfer tax (Grunderwerbsteuer)	3.5% – 6.5%	Varies by state: Bavaria 3.5%, NRW 6.5%
Notary & land registry (Notar & Grundbuch)	~1.5% – 2.0%	Fixed fee schedule; not negotiable
Agent commission (Maklerprovision)	0% – 3.57%	By law, seller pays at least half (residential)
Total additional costs	**~5% – 12%**	Budget as cash, on top of your down payment

- [ ] **Confirm your equity requirement.** Plan for purchase costs plus, ideally, 10–20% of the price in equity. Some banks finance 100% for strong profiles, but conditions improve with more equity.
- [ ] **Stress-test the monthly payment.** Total housing cost (rate + **Hausgeld** + utilities) should stay within roughly 35–40% of net household income.
- [ ] **Keep a reserve after purchase.** Three to six months of expenses should remain untouched after closing day.

Your Status as an Expat Buyer

- [ ] **Check how your residence permit affects financing.** Anyone can legally buy in Germany, but banks assess residence status: permanent residence (**Niederlassungserlaubnis**) or an EU Blue Card opens nearly all doors; temporary permits narrow the lender field and may reduce the maximum loan-to-value.
- [ ] **Verify your probation period has ended.** Most banks want the **Probezeit** completed and an unlimited contract (**unbefristeter Arbeitsvertrag**).
- [ ] **Check your SCHUFA record.** Request your free annual **Datenkopie** and correct errors before any bank sees it.
- [ ] **Obtain a financing confirmation (Finanzierungsbestätigung) before making offers.** Sellers routinely reject buyers who cannot prove financing. This document is often the difference between winning and losing a property.

EXPAT TIP

Do not rely on your house bank alone. Conditions between lenders can differ by over half a percentage point for the identical profile. That can be worth tens of thousands of euros over a 10-year fix. An independent mortgage broker compares the whole market for you at no extra cost.

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SECTION TWO

Location & Surroundings

You can renovate a house. You cannot renovate its location.

The Immediate Area

- [ ] **Visit at different times.** A quiet street on Sunday morning can be a commuter rat-run on Tuesday at 8 am. View the property on a weekday, a weekend, and after dark.
- [ ] **Check noise sources.** Flight paths, railway lines, motorways, industrial areas, sports facilities, and popular restaurants all affect livability and resale value.
- [ ] **Test the commute at rush hour,** not on the map but in reality. Include public transport frequency and reliability, not just distance.
- [ ] **Assess daily infrastructure.** Supermarkets, doctors, pharmacies, schools, and childcare (Kita) within reach, and for families, check actual Kita waiting lists, which in many cities run over a year.

The Regulatory Environment

- [ ] **Review the development plan (Bebauungsplan) at the local building authority.** This reveals what may be built next door: the empty green field behind the house may be zoned for a four-storey apartment block or a supermarket.
- [ ] **Check the standard land value (Bodenrichtwert).** Available via the state's BORIS portal, it tells you what the land itself is worth and gives you a useful check on the asking price.
- [ ] **Ask about planned infrastructure projects.** New roads, tram lines, or commercial zones can raise or destroy value. The city planning office (**Stadtplanungsamt**) will tell you what is coming.
- [ ] **Check flood and environmental risk.** Consult the state flood hazard maps (Hochwassergefahrenkarten). Properties in risk zones face expensive or unavailable insurance.

If You Are Buying as an Investment

- [ ] **Study the local rent index (Mietspiegel)** to verify realistic rental income. Never trust the listing's projection.
- [ ] **Check for rent control zones.** In designated tight housing markets, the **Mietpreisbremse** caps new rents at 10% above the local reference rent.
- [ ] **Assess tenant demand drivers.** Universities, major employers, and population trends matter more than today's yield figure.

> **WORTH KNOWING**
>
> Buyers often skip the Bebauungsplan check because it feels bureaucratic, but it is a free enquiry, and it is one of the details our advisors routinely help clients look into before they commit.

Legal & Document Checks

In Germany, the documents tell the truth. Read them before you sign, because afterwards is too late.

For Every Property

- [ ] **Obtain a current land register extract (Grundbuchauszug).** Section II reveals rights of way, usufructs, and pre-emption rights; Section III shows existing mortgages. Registered rights survive the sale unless deleted.
- [ ] **Check the building encumbrance register (Baulastenverzeichnis).** Baulasten do not appear in the land register in most federal states, so they must be requested separately from the building authority. A Baulast can, for example, oblige your land to serve as a neighbour's access route or parking area.
- [ ] **Confirm whether the land is freehold or leasehold (Erbbaurecht).** With leasehold, you buy the building but rent the land for decades. Check the remaining term, the ground rent (Erbbauzins), and adjustment clauses. Short remaining terms are hard to finance.
- [ ] **Demand the energy certificate (Energieausweis).** Sellers are legally required to present it at viewing. Classes G and H signal expensive retrofit obligations ahead.
- [ ] **Verify building permits for extensions.** Was that converted attic or garden annexe approved? Unpermitted structures become your legal problem on day one of ownership.

Additionally, for Apartments (Eigentumswohnungen)

- [ ] **Read the declaration of division (Teilungserklärung).** It defines what you own, what is communal, and what you may do, including subletting, pets, and commercial use.
- [ ] **Read the last three years of owners' meeting minutes (Protokolle der Eigentümerversammlung).** This is where planned roof renovations, façade projects, litigation between owners, and upcoming special assessments (Sonderumlagen) can appear.
- [ ] **Check the maintenance reserve (Instandhaltungsrücklage).** An old building with a thin reserve is a special assessment waiting to happen.
- [ ] **Analyse the monthly fee (Hausgeld) breakdown,** and confirm which parts are recoverable from tenants if you plan to rent the unit out.
- [ ] **Review the current business plan (Wirtschaftsplan) and annual statement (Jahresabrechnung)** for arrears by other owners. Their unpaid bills become the community's problem, including yours.

> **EXPAT TIP**
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> The notary drafts a neutral contract but will not advise you on whether the deal is good. If you are buying from a business seller (a developer or Bauträger), you are legally entitled to the draft 14 days before signing (§17 BeurkG). Use every day, and have it reviewed by someone representing your interests. This mandatory period does not apply to private-to-private sales, so ask for review time early and in writing.

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Building Condition & Renovation Costs

In Germany, used property is sold as seen (“gekauft wie gesehen”). Defects you could have discovered are yours to keep.

Structure & Fabric

- [ ] **Inspect the roof and attic.** Age of the covering, condition of beams, signs of moisture. A full roof renewal on a family home routinely costs €30,000–60,000+.
- [ ] **Check the basement for damp.** Musty smell, efflorescence (white mineral deposits), or freshly painted basement walls before a sale are classic warning signs.
- [ ] **Look for cracks and subsidence.** Hairline cracks are cosmetic; diagonal cracks above windows and doors deserve a structural engineer's opinion.
- [ ] **Assess windows and insulation.** Single or old double glazing means both higher bills and a poorer energy class.

Systems & Energy

- [ ] **Determine the heating system's age and type.** Germany's heating rules (Gebäudeenergiegesetz) are being reformed in 2026, easing the previous 65%-renewable requirement for new heating systems. Existing oil and gas heating may keep running; there is no blanket replacement mandate. Renewable requirements for newly installed systems phase in as local heat planning rolls out (large cities from mid-2026, smaller municipalities from 2028). Because the rules are actively changing, confirm the current requirement for the property's municipality before budgeting a heating replacement.
- [ ] **Check the electrics.** Two-core wiring with no earth conductor points to a full rewire; three-core (earthed) circuits are often fine with just a fuse box upgrade to modern circuit breakers.
- [ ] **Check pipes and water pressure.** Original 1960s–70s plumbing is at the end of its life; run taps on the top floor and listen.
- [ ] **Ask about mandatory retrofit duties.** Buyers of older houses may be legally required within two years to insulate the top-floor ceiling and replace non-compliant boilers. Price this in before you offer.

Professional Support

- [ ] **Commission an independent surveyor (Bausachverständiger / Gutachter)** for any property older than 20 years. Expect roughly €500–1,500. It is some of the cheapest insurance you can buy against a six-figure mistake.
- [ ] **Build a renovation budget with a 20% buffer** and get real quotes for major items before signing, not after.

WORTH KNOWING

Sellers must disclose known hidden defects, but proving what they “knew” after the fact can be slow and uncertain. A good rule of thumb: whatever you did not inspect, you accepted. That is exactly why a survey pays for itself.

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SECTION FIVE

The Purchase Process Itself

The final stretch has its own traps, and its own etiquette.

Offer & Reservation

- [ ] **Understand that verbal offers are not binding** on either side. Only the notarised contract counts. A seller can accept a higher offer right up to that appointment.
- [ ] **Be cautious with reservation agreements and fees.** Substantial reservation fees are legally questionable; never pay significant sums before notarisation.
- [ ] **Confirm the agent commission split in writing.** For residential purchases, the seller must by law bear at least half of the commission.

The Notary Stage

- [ ] **Ask for your review period on the draft contract.** Buying from a business seller (developer/Bauträger) gives you a legal right to 14 days (§17 BeurkG); with a private seller, request the same courtesy in writing early.
- [ ] **Verify every detail in the draft:** the exact land register description, included fixtures (kitchen!), handover date, and existing encumbrances.
- [ ] **Never agree to side payments outside the contract.** Paying part "under the table" to save transfer tax makes the contract void, and leaves you without protection.
- [ ] **Arrange a certified interpreter if needed.** The reading is in German; if you are not fluent, an interpreter can be required for the deed to be valid. Arrange this in advance.
- [ ] **Confirm the priority notice (Auflassungsvormerkung)** is registered before you pay. This entry protects you from a double sale or new debts being registered against the property.

Payment & Handover

- [ ] **Pay only when the notary confirms all conditions are met** (Fälligkeitsmitteilung), never earlier, regardless of pressure.
- [ ] **Align your mortgage payout with the payment deadline.** Your bank needs the notarised land charge (Grundschuld) documentation in time. Coordinate this early.
- [ ] **Document the handover in a protocol:** meter readings, keys, condition, and any agreed remaining works, signed by both parties.
- [ ] **Budget for the transfer tax bill,** which arrives from the tax office weeks after signing. Ownership only transfers in the land register once it is paid.

> **EXPAT TIP**
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> Typical timeline from accepted offer to keys: 2–3 months. Financing approval is the step you control. Buyers who prepared their documents in advance regularly close weeks faster and win competitive bids because of it.

PRINT ME

The Master Checklist

Complete one copy per property. Any unchecked box is a question to resolve before the notary, not after.

1 — FINANCIAL FOUNDATION

- [ ] Total purchase costs calculated for my federal state
- [ ] Equity confirmed: costs + down payment + reserve remain intact
- [ ] Monthly payment stress-tested against net income
- [ ] Residence status & employment reviewed for bank eligibility
- [ ] SCHUFA copy requested and checked
- [ ] Financing confirmation (Finanzierungsbestätigung) in hand

2 — LOCATION

- [ ] Property visited at three different times / days
- [ ] Noise sources checked (traffic, rail, flight paths, industry)
- [ ] Commute tested at rush hour
- [ ] Schools / Kita availability verified
- [ ] Bebauungsplan reviewed at building authority
- [ ] Bodenrichtwert checked against asking price
- [ ] Flood risk maps consulted
- [ ] (Investment) Mietspiegel & rent control zone checked

3 — LEGAL & DOCUMENTS

- [ ] Current Grundbuchauszug obtained and reviewed (Sections II & III)
- [ ] Baulastenverzeichnis requested from building authority
- [ ] Freehold vs. Erbbaurecht confirmed (term & ground rent if leasehold)
- [ ] Energieausweis received; energy class acceptable
- [ ] Permits verified for all extensions / conversions
- [ ] (Apartment) Teilungserklärung read in full
- [ ] (Apartment) 3 years of owners' meeting minutes reviewed
- [ ] (Apartment) Maintenance reserve & Hausgeld analysed
- [ ] (Apartment) Wirtschaftsplan & Jahresabrechnung checked for arrears

4 — BUILDING CONDITION

- [ ] Roof & attic inspected
- [ ] Basement checked for damp
- [ ] Cracks / subsidence assessed
- [ ] Windows & insulation evaluated
- [ ] Heating system age & GEG compliance checked
- [ ] Electrics & plumbing assessed
- [ ] Mandatory retrofit duties priced in
- [ ] Independent surveyor commissioned (20+ year old property)
- [ ] Renovation budget built with 20% buffer

5 — PURCHASE PROCESS

- [ ] No significant payments made before notarisation
- [ ] Commission split confirmed in writing
- [ ] Contract review time secured (14 days by law if buying from a business; requested in writing if private)
- [ ] Draft contract details verified (fixtures, dates, encumbrances)
- [ ] Interpreter arranged if required
- [ ] Auflassungsvormerkung registered before payment
- [ ] Mortgage payout aligned with payment deadline
- [ ] Handover protocol prepared
- [ ] Transfer tax bill budgeted

YOUR NEXT STEP

The Checklist Protects You. The Right Financing Empowers You.

Every check in this guide matters, but one determines whether you buy at all: your financing. As an expat, the difference between an average mortgage and the right one is measured in tens of thousands of euros over the life of your loan.

That is exactly what we do. Finance for Expats has guided more than 2,500 international buyers through the German mortgage market, in English, comparing hundreds of lenders, at no cost to you.

STEP 1

Book your free consultation

A 30-minute call in English to assess your budget, residence situation, and buying timeline.

STEP 2

Receive your financing confirmation

We prepare the Finanzierungsbestätigung that makes sellers take your offer seriously.

STEP 3

Buy with certainty

We compare the market, negotiate your conditions, and stay with you until the keys are in your hand.

Book Your Free Consultation → financeforexpats.de