

"CAVEAT EMPTOR" APPLIES TO LAND DEALS AS WELL
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So you've decided to purchase property in Israel and now you want to be certain that your investment is properly secured.

In the vast majority of cases, upon the signing of a land transaction the purchaser forwards an initial payment of "earnest money", whereupon the parties begin procuring the various permits and authorizations needed to finalize the conveyance.

The process of obtaining such documentation can take up to several months, hence the question arises: what prevents the seller of the property from performing additional transactions in the interim?

The answer is found in the legal device known as the "caveat citation" (Hebrew: "*he'erat azhara*"), recorded in the land registry as a notation that the owner has contracted to make a disposition affecting his rights in the property. Such a citation thus serves to prohibit the filing of any contravening agreements, thereby protecting the purchaser who has commenced payment of consideration for the property, even though the purchase has yet to be completed.

Similarly, prior to entering into any real estate deal, it is absolutely essential to check the land registry for any caveats or other encumbrances already recorded with regard to the property.

Needless to say, the hazards and pitfalls mentioned above can only be avoided by retaining the services of a competent lawyer.

The above article is intended for general informative purposes only. For specific technical or legal advice on the information provided and related topics, please contact the author.

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