

Costs and Taxes | Contract



Particular	Cost	Cost Type
Binding Deposit	10% of the property price	Property Cost
Stamp Duty	For Sale and Purchase contract (ex: ¥10,000 for a property less than ¥50,000,000)	Tax
Solicitor/ Attorney Fee	Varies, typically ¥200,000	Fee
Translation Charge	Varies, typically ¥150,000	Fee
Registration Tax	The Solicitor/Attorney will pay the tax on your behalf	Tax

Costs and Taxes | Closing



Particular	Cost	Cost Type
Remaining Balance of the property cost	Must be paid on/before the closing date	Property Cost
Reimbursement of Fixed Asset Tax and City Planning Tax	Per-diem reimbursement of the annual Fixed Asset Tax and City Planning Tax to the seller	Tax

Costs and Taxes | After Purchase



Particular	Cost	Cost Type
Real Estate Acquisition Tax	Taxable value is usually around 10% of market value	Tax
Land	1.5% of taxable value	Tax
Building	3% of taxable value	Tax
Note	* Bill will be issued in 3-6 months after title transfer	Tax

Costs and Taxes | Annual Costs & Taxes



Particular	Cost	Cost Type
Fixed Asset Tax and City Planning Tax	Fixed Asset Tax: 1.4% of taxable value	Tax
City Planning Tax	0.3% of taxable value	Tax
Fire Insurance Premium	Varies depending on insurance conditions	Insurance
Note	Taxable value is usually around 10% of market value	Tax

Costs and Taxes | Considerations



Particular	Cost	Cost Type
Fixed Asset Tax and City Planning Tax	<ul style="list-style-type: none">• Property owners must pay Fixed Asset Tax and City Planning Tax, levied on fixed assets such as land and buildings.• The taxpayer will be determined on January 1st and in the taxation period from April 1st of the same year to March 31st in the following year.• Upon closing the contract, buyers are obligated to reimburse the seller with a pro-rata portion of the annual tax.• In cases where the handover date falls between January 1st and March 31st, the buyer must make an advance payment to the seller equivalent to the current annual tax for the following year.• Subsequently, upon receiving the tax statement, the seller will cover the tax on behalf of the buyer.• It's important to note that regardless of whether the imposed tax rate is higher or lower than the advance payment made, neither party is required to compensate for the difference.	Tax

Costs and Taxes | Considerations



Particular	Cost	Cost Type
Tax Administrator	<ul style="list-style-type: none">• For non-residents who own real estate in Japan, it is mandatory to designate a tax administrator who is a resident in the country, as per the regulations of the Tax Authority.• You have the option to appoint your friends or acquaintances who are living in Japan as tax administrators.• We can help you find a tax administrator through our introduction service.	Tax