

29th April marks not only the anniversary of the day on which in the year 711 the Moorish troops led by Tariq ibn-Ziyad landed at Gibraltar to begin their invasion of the Iberian Peninsula (Al-Andalus). On the same day, but in the bit more recent year 2012, the Act on protection of the rights of the purchaser of apartments and family houses entered into force. It aims to regulate the conclusion and implementation of the so called "developpers agreements" vel preliminary agreements, being the agreements entered into between the investor and the customer at the stage of construction of the dwelling buildings, by which the developer ("investor") is obliged to transfer the ownership to the customer after construction is completed.

Beforehand (i.e. before the entry into force of that Act, not before the Moorish invasion), the content of this agreement had been freely shaped, mostly by the investors and there have been no special limitations. Moreover, the customers, paying major part of their price during the construction, may have found themselves in a very unpleasant situation in case of investor's insolvency. The new Act is to reinforce the position of the customers. Firstly, the investors are obliged to open and maintain in a bank an escrow account, to which the customers payments will go in. In case of insolvency of the investor or when the investor fails to perform under the agreement, the amount deposited in that escrow agreement, may be returned to the customer, even without the consent of the investor.

In addition, the investor is obliged to prepare an informative memorandum, disclosing basic details of the investment, the range of those being specified by the Act. As a result of this , the investors will be forced not to limit their representations only to the information attracting the customers, but also e.g. on planned airport, waste disposal facilities or a motorway within 1 km of the residence. Finally, the Act regulates to certain extend the situation of the customers in case of insolvency of the investor, but still we do not wish you find yourself in such a situation.