

Introduction to property purchasing in Myoko and Madarao

Thank you for your interest regarding purchasing real estate in the area. Given the many enquiries we are receiving we have decided to provide a brief outline to help you in your decision to move forward. The following is not designed to scare you but to help make you aware of the associated responsibilities with owning a property here.

It is imperative that you read and understand the following before contacting us. Please note we do not respond to enquiries, or will do so only in a summary manner, to those who have clearly not done so.

Important:

We are **not property agents** and do not list, sell or show properties. We can only provide verbal translation services and general advice to assist towards the purchase of a property. Neither can we cannot provide property management, building services, formal contract translation and/or legal and licensing advice.

The following is some general advice to consider.

Foreword:

As a foreword and caveat, potential buyers of local real estate need to be aware that settlements here are generations old with a strong community organisation and particular rules that must be followed by all residents including foreigners. There are still many who are notoriously averse to 'outsiders' – not only foreigners but also Japanese from outside the area. As with many other smaller Japan towns there is not a real estate 'market' per se, and much is done through word of mouth and relationships. Hence property sales outside the community and opportunities do become available but patience and cultural understanding is a must. If we feel your purchase may not be a good fit for the area we may choose not to take your request further.

One needs to be accepting of this before proceeding.

About the area:

The area can be reached easily from Tokyo via the Nagano shinkansen and also the recently opened extension – the Hokuriku shinkansen. There are numerous ski resorts in the area that are becoming increasingly popular with foreign visitors. More general info can be found by looking online at our websites – <https://myoko.jp> or <https://joetsu-myoko.com/>

Renovations & licences:

You will need to locate local tradesmen who can help with renovations and upgrades. Unless you are prepared to pay a premium price, it would be very rare to buy a property here that does not need a good deal of work. More importantly, the maintenance and renovation of a property can be much more difficult than Australia or other western countries as there are usually very different perceptions between local tradesmen and foreigners. If you are intending to run a business you must ensure that you procure all appropriate licences. Some of these are straightforward, others less so. Trying to run a business without correct licences is not only illegal but it is also frowned upon by the local community.

Community obligations:

All local communities have self-governing neighbourhood associations called "Jichikai" or "Chonikai." They are in charge of various community events, including cleaning and you will be asked to pay a small membership fee. Activities such as community clean up are done regularly by neighbourhood members and non-participation in such activities can be frowned upon. Clearing your property and the surroundings of snow is very important task (see next page). Please also note that property owner may pay community fees for things such as winter road maintenance, local festivals, *onsen* usage and other general services in addition to basic



utilities. All household garbage is collected free of charge but needs to be stringently sorted, handed in on designated days and using official city rubbish bags that can be bought at local supermarkets.

Snowfall:

The western coast of Japan is one of the few areas in the world that receives very heavy snowfall. The cold dry air from Siberia picks up moisture from the Sea of Japan and as this air hits the Japanese Alps, it dumps snow and moisture onto the



land underneath. This government-designated “snow country” area includes the Shinshu/Shinetsu area (Northern Nagano and Myoko), where the average annual snow falls can be between 12-18 metres annually with snow walls during the height of winter up to 3 or 4 metres high.

There is so much snow here that unless you shovel it from the roof regularly, the house is in danger of collapsing (this is increasingly becoming a problem here as the population ages and young people are forced to move to larger cities for work). This is known as *yuki-oroshi* (shovelling snow from the roofs). Clearing snow from around the property is also very important but certain protocols must be followed in line with community expectations. If you are not around to clear the snow you must organise a local company to do it for you on a regular basis. This can be an expensive proposition.

Financial & legal constraints:

Foreign buyers are able to buy property here in a fairly straightforward manner without a visa or residency. However, unless you have an official visa you cannot have a bank account. This makes payment of bills and renovation costs difficult. Hence you will need to employ a property manager or caretaker to assist. Non-residents can also not own cars or local mobile phones.

On the plus side the local city government offers a 10-year exemption of fixed asset taxes to those who invest 5 million yen or more to purchase land or buildings for their business activities and hire at least one local person.

The above is a basic outline but of course there are many other aspects to be considered – financial, cultural, community, language barriers and social. Please consider these carefully before committing to purchase.

Our services & costs:

As mentioned above, we are not property agents and *do not list, show or sell property*. We may be able to connect you with a local real estate agent. However you will need to provide your own translator or you can use our services (as below).

If you are wanting us to provide local advice for you outside of your dealings with any agent or owner we are happy to do so, but there is an advisory fee due for our services. We can offer interpretation, general advice and background or sort through Japanese property sites for the kind of property you are seeking. For this consultancy service we will charge 5,000 an hour for doing so (working internally from our office), with a minimum of three hours payable in advance. External/onsite costs (if you wanted us to go out and take some pictures or some similar task) would be 7,000 an hour.

If you are just wanting to make an initial enquiry and/or to see what properties may be available we can provide 4 month subscription access to a local property portfolio. This contains a variety of local houses, pension, apartments, etc., ranging from 1 million yen up to 60 million yen. It also includes sold properties. Subscription cost for this is 25,000 yen payable via credit card/Paypal and includes three hours of discussion/advice about what is available.

Also, if we were to successfully help introduce you to a property you chose to purchase then there would be an introduction fee of 1.5% of the purchase price (minimum 300,000 yen). This charge is payable regardless of whether you choose to go directly to an owner or another agent beside the one introduced.

Do not proceed further with questions or requests if you are not willing to pay fees for any of our services. Fees can be paid via credit card or Paypal.

Why should you use our services?

You are trying to purchase property in an area you don't know, in a country you don't live in, in a market where you don't know real values and in a language you probably don't understand. You are committing hundreds of thousands of dollars to a new enterprise. Does it not make good sense to spend a tiny bit of seed money on some unbiased and independent local advice plus access to a property portfolio? Consider this before jumping in! Don't skimp on a few hundred dollars only to possibly lose tens (or hundreds!) of thousands on overpayment or the wrong property.

How would the process work?

You would make an initial enquiry with us in which you need to outline what you are looking for, as per the enquiry form on our website. If you wish to have more than an initial summary discussion you would need to make a pre-payment (cost as stated previously). We would ask you please to not try to engage us in long emails and/or phone calls to circumvent this. We already have busy lives with our own businesses and get so many general enquiries that a *gratis* service to help people out is simply unfeasible.

From this point a possible flow might be as follows:

Client(s) will make a pre-payment to access the property portfolio and/or for general advice on buying in the area.

Client(s) wanting to know more about particular properties may ask questions about these within the allotted pre-paid for time. General questions may be answered simply or there may be a need to contact the agent(s) on your behalf. We can also organise additional services such as inspection and/or photos. We cannot coordinate formal building inspections on your behalf.

If there is nothing of interest client(s) can keep accessing the portfolio and checking for updates.

If client(s) wish to come to Japan and inspect properties this can be arranged for you as part of our paid services. We can also be present to help with translation. Do be aware that this cannot occur at short notice, most especially during the busy winter season.

From this point client(s) who wish to purchase a property can be assisted with verbal translation only in negotiations and/or general questions. We cannot offer formal translation of contracts and/or legal documentation.

Welcome to the Japan property buying adventure! If you decide not to proceed with our services, best wishes in your endeavours. Otherwise we look forward to being of assistance.

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**Explore the
Heart of Japan**

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