

BUYING A PROPERTY IN SPAIN



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eSpecially Welcome

You will no doubt have already taken some time to decide where in Spain you would like your property to be. Spain is a country full of fabulous scenery, long white beaches, mountains and many different cultures and traditions.

Whilst this may mean that you will visit Spain a number of times before you actually decide on where you would like to be there will come a stage when you have made that decision and you are ready to start the process of finding your dream home.



INTRODUCTION

You may or may not know that purchase costs equate to around 10% in Spain and this should be taken into consideration when deciding your purchase budget. Knowing in advance the costs of purchasing a property in Spain will avoid any unnecessary disappointments.

It is also important to choose your Estate Agent carefully. Do not let yourself feel pressurised into buying a property you don't really want. Make sure you feel comfortable with your agent and that they understand what you are looking for. Make sure it is the right price in the right place as your purchase is probably one of the largest investments you will make and generally will last a lifetime and beyond.

eSpecially Property have a no pressure sales policy, you can spend as much or as little time browsing and asking questions as you wish. We want this experience to be an enjoyable one and as stress free as possible.

Once you have decided your location and property requirements you can leave it to us. We have a huge portfolio of properties and your dream home is only a step away.



CONSIDERATIONS

You need to let us know whether your home is to be a permanent home and if you have a family and therefore schools need to be included in your search. Is your purchase purely for investment purposes or for personal holidays? Do you need additional space for family or friends? Do you need to rely on public transport, do you want shops, bars and restaurants within easy walking distance? All of this information will assist us in locating the right property for you.

COSTS OF BUYING A HOME IN SPAIN

As previously mentioned you need to be aware of the purchase taxes in Spain to make sure you know exactly what you can afford when looking for your property in Spain.

These include:

- **IVA (VAT)...** Normally around 7% of the property purchase price for new build properties
- **Stamp duty (purchase tax)...** 7-8% of the property price for resale properties.
- **Notary Fees...** Approx 650€
- **Land Registry...** Approx 250€
- **Legal Fees...** Expect maximum 1% of the property value.

Generally if you allow 10% of the purchase price for costs you should have it covered.



TYPES OF PROPERTY

Apartments

These are usually in purpose built blocks and in most cases come with a communal swimming pool and gardens. There is normally a community charge for the upkeep of the pool and gardens and the maintenance of the apartment block.



Apartments

Townhouses/Bungalows

These are generally attached properties from modern new build to older Spanish town houses, they can be one, two or three storey properties often with their own garden space. Newer properties will generally enjoy the facilities of communal swimming pool, gardens and sometimes tennis courts. Again if there are communal facilities these will incur an annual community charge for their upkeep.



Townhouse

Villas

A villa can be detached or semi detached with private garden. Most detached villas will have a private swimming pool.



Villa

Fincas

Spanish for farmhouse, these properties are usually rural or semi rural and can come with a good sized piece of land.



Finca

Luxury Villas

We have a number of exceptional villas in our PRESTIGE collection. These villas are of superior quality in sought after locations and prices start from 1,000,000€.



Luxury Villa



SEARCHING FOR YOUR IDEAL PROPERTY

Perhaps the most used tool today to assist in your search for a property is the internet. This will allow you to make a wish list. 96% of properties purchased today are found by means of an internet search (*Source National Association of Estate Agents*).

You then need to start the communication process with your Estate Agent to carefully check that your list of properties meets your requirements.

Whilst it is important to have a tick list of your requirements you have to be realistic, it is very hard to find a property that will tick every box. We will find you a property that will match your requirements as closely as possible. We may even manage to tick some boxes you haven't even thought of yet!!

You can view as many properties as you wish, having a good list of properties will allow you to compare. When you are ready to view, contact us and we can make the arrangements. We can assist you with accommodation and collect you from the airport. You just need to relax.

If you are not sure about the areas, we can show you around, worried about schools for your children we can make an appointment for you to visit a local school during your stay. Absolutely everything can be arranged you don't need to worry, we can guarantee that your visit will be stress free.

You can visit the properties as many times as you like to ensure that you are completely happy with your choice and you are ready to begin the purchasing process.



LEGAL REQUIREMENTS

Prior to purchasing a property In Spain you will need to apply for your NIE number this is a tax identification number. Prior to purchasing, obtaining a mortgage, starting up a business or working in Spain, it is a requirement by law that every individual must possess and NIE number.

Do not let this concern you it is a simple process and we have partners 'on the ground' in Spain who can assist you to obtain an NIE number.

BANK ACCOUNTS

It is always helpful to have a bank account in Spain this will allow you to pay utility bills or mortgage payments for example by direct debit whilst you are away. It is a very simple procedure to open a bank account and can even be done during your inspection visit. All you will need is your passport and a small amount as an initial deposit to open the account.

Many of the banks have English speaking staff and offer an internet banking service so you can manage your account from home.

CURRENCY EXCHANGE SERVICES

If you are converting currency to Euros to purchase your property you need to make sure that you have the best rate possible. There are a number of prominent companies who deal with currency conversion and we can introduce you to these should you require it. Significant savings can be made over the exchange rates offered by the banks as transactions are dealt directly on the currency markets.



MORTGAGES

Mortgages are still available in Spain with many banks offering 60-70% of the purchase price. We can introduce you to a number of lenders if you require assistance.

TAKING OVER AN EXISTING MORTGAGE

It is also a normal procedure in Spain to take over an existing mortgage on a property. This is a simple procedure and can save not only on time but also on the overall costs of purchasing a property in Spain.

For example you may be considering spending 250,000€ on a property and using cash for the purchase. The property you are interested in may have an existing mortgage of 195,000€, you could arrange with the bank to take this over and actually only put 55,000€ cash (plus taxes) into the property leaving much of your capital intact.



SPANISH LAWYERS (ABOGADOS)

You should always ensure without exception that you have legal representation in Spain. You would always use a Solicitor to purchase a property in the UK and you should always use the services of a lawyer in Spain.

Make sure that your lawyer speaks your language and is fully conversant with Spanish Law.

We can assist you with finding the right lawyer/gestor for you, but if you prefer to find your own establish an agreed fee before instructing a lawyer/gestor to work for you.

DUTIES OF YOUR SPANISH LAWYER

There are many duties to be performed by your lawyer but here are some of the more regular ones:

- Checking the Escritura: Every property should have an Escritura. This document will establish the size of the property and plot and confirm the owners of the property.
- Obtaining a Nota Simple which will show if there are any debts on the property.
- Checking to see if all extensions etc., are legal.
- Advising you of all fees and taxes involved.
- Explain the process of paying for your property at the Notary.
- Explain the post completion process and what will happen to your documents.



MAKING AN OFFER ON A PROPERTY

Once you have decided on the property you wish to purchase you can advise your Estate Agent of the offer you would like to make. This is very much the same process that you would use in the UK to purchase a property.

Your Estate Agent will contact the owners and put your offer to them, which they will obviously accept or decline. If they decline you can make further offers until either the offer is accepted or you may decide that you don't believe the property is worth the value being placed upon it and continue your search for another property.

FORMAL ACCEPTANCE OF THE OFFER

Once negotiations are complete and your offer has been accepted this will be formalised by the signing of a reservation contract and the laying down of a deposit normally around 5,000€ initially.

This deposit will secure the property for you allowing you time to raise finance to buy the property if necessary or transfer funds. The property will be taken off the market for an agreed period of time thus avoiding the possibility of you being gazumped without a penalty applying to the vendor.

The buyer can pull out of the sale without losing their deposit only under certain circumstances such as undisclosed debts against the property or certain paperwork not being in order.

Your lawyer will advise you of any irregularities but don't worry too much about these matters many irregularities are extremely minor and can be corrected prior to completion



EXCHANGE OF CONTRACTS

Exchange of contracts takes place quite quickly in Spain normally within 2-3 weeks of signing the Formal Purchase Contract. You will then be required to pay a further deposit of 10% (less the 5,000€ paid as your reservation deposit) of the purchase price depending on whether or not there is a mortgage arrangement.

At exchange of contracts you will sign a private contract with the vendors. This contract is normally raised by your Estate Agent but it will be checked by your lawyer. This contract will include a completion date, the price of the property, the amount of any deposit paid etc.

Once contracts are exchanged, if you withdraw from the purchase, you will lose your 10% deposit. However, the vendor is also similarly committed and in the very rare event that the vendor pulls out of the sale, they will need to pay you double the deposit as compensation.

COMPLETION

This is the big day when you finally take possession of your property. On the day of completion the deeds are signed in front of a Notary by both the seller and the purchaser. The final payment will be made to the sellers at this point and the property is yours.

Payment is usually made by bankers draft drawn on a Spanish bank account or in some cases cash. It is important that cleared funds are in place prior to completion. Your lawyer can assist you with this process.



eSpecially

We've put this guide together in order to take the stress out of buying. Our knowledgeable, courteous and above all professional staff are on hand at all stages of your purchase to help the buying process go smoothly and enjoyably.

We're especially looking forward to being able to say 'welcome to your new home in Spain'.

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