

Buying a property guide

Buying a property in Spain is a relatively simple process providing you employ the services of a good Lawyer or Asesoria/Gestor. He/she will assist in obtaining an NIE number for you (foreigners identification number), prepare the Purchase Contract (Contracto de Compraventa), transfer of utility services, and accompany you to the Notary's office for the final signing of the Title Deed. Their office can also assist with Residency applications, wills, yearly tax returns etc. Your chosen legal representative will be happy to advise you in advance as to what his/her fees will be. The standard fee is normally 1% of the purchase price plus I.V.A (Vat)

Spanish Bank Account

It is most important that you open a Spanish Bank account when you have found a property you wish to purchase. This can be done by simply taking your passport to the Bank. The money required to complete your purchase should be deposited in this account and withdrawn on the day of completion by means of a Bank Certified Cheque.

Purchase Contract (Contracto de Compraventa)

This document will be prepared by your Legal Advisor and he will advise of any clauses that should be included to protect you. This document must be agreed by both parties (buyer and seller) and once signed a deposit of 10% is payable by the purchaser. This Contract is binding and penalty clauses will apply if either party decides not to proceed. The deposit is non-refundable unless there is a specific clause in the Contract which has not been fulfilled.

Nota Simple

This is an important document as it confirms that the seller is the registered owner of the property. Your Legal Advisor will also check that there are no outstanding utility bills or charges against the property.

If your chosen property does not have a Title Deed (Escritura) do not be alarmed. Quite often properties have been in the same family for generations and your Legal Advisor will do the necessary paperwork to obtain a new Title Deed. Should he be unable to obtain a new Title Deed, your deposit will be refunded.

Visit to the Notary

The Notary represents the state and is there to ensure all the legalities are completed correctly. Both parties must be present for the signing of the Title Deed. The final payment is made in front of the Notary and you will then sign the Title Deed. Please ensure you have your passport with you when visiting the Notary. When this process is completed, you will be the proud owner of your new home in Spain.

A member of our team will accompany you to the Notary's office.

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Purchase Taxes and Expenses

Normally these costs amount to 10% of the purchase price of the property and below is a general guide to what expenses are involved.

I.V.A. (Vat) – this applies to new properties (with garage) and you must pay to the builder 7% tax on the amount shown on the Title Deed.. If you have purchased a business or garage without a home then the builder is paid 16% I.V.A.

Notary fees – the amount payable will depend on the amount declared on the Title Deed.

Legal fees – usually 1% of the purchase price plus I.V.A.

Stamp Duty – this applies to resale properties and plots of land. You will be required to pay 7% tax on the price declared on the Title Deed.

Land Registry Fees – the amount of this fee is dependent upon the purchase price declared on the Title Deed.

Land Value Tax (Plusvalia) – this tax is paid to the Town Hall (Ayuntamiento) after the sale of the property and is calculated on increase in value of the property since it was last sold. This is usually a relatively small amount and, in this part of Spain, it is paid by the purchaser.

Obtaining a Mortgage

To obtain a Mortgage, the property must have had a Title Deed (Escritura) for at least two years. The process is similar to the UK in that you must produce proof of earnings and outgoings. There are a number of different types of Mortgages available and we will put you in contact with a professional in this field who will be able to guide you through the process.

The above information is for guidance only and should you want clarification on any of the above points please give us a call or e-mail (info@b-smart.es).

b-smart will guide you through the process of buying/selling in the Axarquia region and will accompany you every step of the way. Once you have settled into your property please feel free to contact us for assistance with anything that you are unsure of – we are always here to help.