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# Buying a Property in Spain?

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Whatever your property requirements are, we can help? WE ARE A COMPANY ADVERTISING PROPERTIES DIRECT FROM THE VENDOR TO THE PURCHASER IN SPAIN.

If you're buying, we have a wide selection of properties direct from sellers

The following is a general guide to purchasing a new or resale property in Spain and does not attempt to cover all the financial and legal aspects. We strongly recommend that you employ the services of a lawyer who will guide you through the process.

It is usual when purchasing a property in Spain to sign over 'power of attorney' to a lawyer who can then act under the purchasers instructions in their absence.

## Purchasing Contract

On finding a suitable property, a private contract between the vendor and purchaser will be drawn up by a lawyer. This contract will contain all the details relevant to the property, including :- description, purchase price and deposit for payment, penalty clauses, inventory (if applicable) and an 'on or before' completion date.

When both parties are agreed the contract is signed and the deposit will become payable. The deposit is usually 10% of the purchase price.

At this stage you must be sure that the property is the one for you, as there will be clauses in the contract stating that if the purchaser rescinds, the 10% deposit will be forfeited. If the vendor rescinds, they must pay double the deposit to the purchaser.

## Searches

Prior to signing the title deeds (escritura), the lawyer will conduct searches and obtain a 'Nota Simple' to ensure that the vendor is the registered owner, that all taxes have been paid, if any debts exist on the property and that clear title can be obtained.

The deeds are signed in the Public Notaries office in person by both the vendor and purchaser. If either party cannot attend, signing will be carried out by a notarised Power of Attorney.

Usually the title deeds are signed within the completion date previously agreed. Prior to signing, all bills relating to the property must be proven to be paid up to date. The lawyer will make these available for inspection by the Notary. This is important as under Spanish Law, all debts relating to a property remain with that property after it is sold.

## Making Payments

The full balance of the payment is required before title can be transferred to the purchaser, therefore it is essential that arrangements are made for the funds to be available prior to completion. Payments are usually made by bank transfer or by bankers cheque or draft. If a mortgage is required, this can take several weeks and this should be allowed for when

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deciding completion dates. A Spanish bank account will be required for paying of bills, etc.

#### NIE Number

A fiscal or NIE number is required when purchasing property in Spain. This is a relatively simple process and would require one visit by the purchaser(s) to a national Police Station. Your lawyer or estate agent will normally help you with this.

#### Buying Costs

There are a number of costs involved when purchasing property in Spain which, for a rough guide, do not normally exceed 10% of the purchase price. These costs will be 2-3% higher if the purchaser requires a mortgage.

The costs are made up of the following:-

Stamp Duty of Transfer Tax is charged at 7% of the declared price for resale properties. This tax does not apply for new build properties, but instead 7% I.V.A. (V.A.T.) will be charged.

Notary and registration fees are approximately 2% of the declared value.

Lawyers fees are normally a maximum 1% of the purchase price.

Plus Valia Tax is levied at 3% and is normally the responsibility of the vendor. However, in many instances the purchaser will be required to pay this charge.

#### Taking Possession

This takes place once the title deeds have been signed and full payment is made.

#### Transfer of Services

Electricity, water, rates and telephone (if applicable) are all paid by direct debit through your Spanish bank account. The lawyer will normally arrange for connection of transfer of these services. Insurance for the property is the responsibility of the new owner.

#### Wills

It is strongly recommended that a Spanish Will is made to cover your Spanish estate. Whilst a foreign Will is recognised, this may lead to delays in settling the estate and will inevitably lead to extra expense. Your lawyer can draw up a Will for you and this will have to be notarised.