

Buying a Property in Spain



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I. ABOUT US

ADVISERS BROKERS CONVEYANCING ([ABC Solicitors](#)) is a qualified and independent Solicitors Office which specializes in giving legal advice to foreign clients. We are fluent in English and our main goal is looking after our clients' interests from the moment they arrive to Spain.

Our company has been operating in Costa Blanca since 2003.

We ensure that any transactions taking place in Spain by or on behalf of our clients are carried out according to Spanish Laws. Our lawyers are qualified professionals in several areas: property conveyance, mortgages, starting up a business, wills, inheritance laws, tax, litigation, fiscal advice... we really can help you with most legal and fiscal issues that you might encounter.

Our priority is the satisfaction of our clients, and we achieve it by offering a personal, reliable, efficient and diligent service.

II. PROPERTY CONVEYANCING SERVICES

From the moment you make an offer on a property to the day when you collect the keys, we take care of the whole process so that all you need to do is book your flights.

Purchase-sale transactions have been our main activity during the past years. [Buying a property in Spain](#) involves a lot of paperwork that needs to be carefully prepared and checked, and that is why is highly recommended that you use an English speaking property solicitor's office such as [ABC Solicitors](#).

Some of the many conveyancing related services that we offer are:

- NIE number (*Foreigners Identification Number*) application
- Power of Attorney
- Assistance with mortgage application
- Property's legal searches and checks
- Bank account opening
- Personal assistance and translation services at the Notary's office
- Registration of the purchase deeds at the Land Registry
- Fiscal representation
- Residency & Fiscal residency applications
- Spanish wills & Inheritance proceedings
- Vehicle registration
- Civil law advice, divorce proceedings, extinction of joint ownership.



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III. BUYING A PROPERTY IN SPAIN



1. PROPERTY RESERVATION & PURCHASE

CONTRACT: Once you have found the property of your dreams and your offer has been accepted, you will need to pay a small deposit (it varies, but you should expect to pay at least 3,000 €) so that the property is taken off the market.

It is advisable that you contact us before doing anything, so that we can explain the process to you and resolve all your queries, as well as give you an accurate picture of the costs that you will incur with the purchase. It is also advisable that your solicitor holds the deposit in escrow until a purchase contract has been drawn and signed by both parties: the sellers and you as the buyer.

Our solicitors will go through the purchase contract and they will make sure that all terms and conditions abide Spanish laws.

2. NIE NUMBER: All foreigners buying a property in Spain must have an **NIE number (Foreigner Identification number)**, which will be required when signing the purchase deeds. NIE is an identification number issued by the Spanish authorities. This document will be required to do any transactions in Spain, such as: buying or selling a property, starting a business, applying for a mortgage, opening a bank account, buying a car, applying for a Spanish driving license, applying for National Health cover, paying taxes, etc.

We can help you obtain this document, and you can be present to make the application (a member of our staff would accompany you) or we can do it on your behalf if you give us Power of Attorney.



3. LEGAL SEARCHES & CHECKS:

3.1. RESALE PROPERTY: If you are buying a resale property, during the purchase process we will make the following legal checks:

- **Title deeds & Nota Simple** (Land Registry Report): We will make sure that all transactions showing on the title deeds are properly and accurately recorded at the Land Registry. We will also check if the property description on

the Land Registry Report matches the current estate of the property, including the registered surfaces. Should there be any discrepancies, we will make sure that they all get resolved during the purchase at the expense of the vendors.

- **IBI Tax** (Council Tax). We will check that all local taxes are paid and that there are no outstanding debts with the local Council. Should there be any, we will ensure that everything gets paid on completion of the purchase. Also, after completion we will inform the Council of the new ownership and we will set up a direct debit from your Spanish account so that you do not need to worry about paying them.

- **Utilities** (Water, electricity, gas...etc.). We will check that all outstanding bills are paid before completion. We will change all utility contracts after completion so

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that there are on your name, and we will set up direct debits so that they get paid through your Spanish bank account.

- **Community fees.** In the vast majority of cases, the property that you buy will be part of a community and it will have communal areas (swimming pool, gardens, alleys, lifts...) that will need to be maintained between all member property owners. We will ensure that the property that you are buying has all community fees and payments up to date, or that enough funds are retained from the proceeds due to the vendors to settle them immediately after completing the purchase.

We will also advise the community administrators of the change in ownership and we will set up a direct debit from your Spanish account so that the community fees are paid when due.

- **Property Survey.** It is advisable to carry out a survey of the property that you are buying to make sure that it hasn't changed since it was last registered. Many owners in the area have refurbished or have made additions to the property without complying with the local planning regulations, and we need to make sure that there will be no nasty surprises after we have completed the purchase. The survey will be carried out by a certified architect and will look into the current estate of the property, both physical and legal, so if there are any planning issues that should be dealt with we can make provisions for it. Most planning irregularities can be easily solved.

- **Habitation Certificate.** The property you are buying must have a current valid Habitation Certificate. This certificate is one of the documents that the utility companies require in order to set up your new contracts after completion, a service which is also included in our conveyancing fee. We will make sure that the property has one or, if the one it has is not current, we will ensure that the seller obtains one and produces it to us on completion of the purchase.

- **Energy Efficiency Certificate.** This certificate shows how efficient the property is when dealing with issues like heating in the winter or cooling in the summer. It is compulsory that the property has a valid current Energy Certificate issued by a qualified professional. We will ensure that the seller obtains it and that it is registered with the Ministry of Industry.



3.2. NEW BUILD PROPERTY: Apart from the above checks, below are the main legal checks that we carry out when you are buying a new build property:

a. **Planning & Land Registry information.** We will carry out the following checks:

a.1 We will ensure that the plot where the new building is situated belongs to the promoter.

a.2. We will ensure that the promoter has applied for, and being granted, a building license for the project

a.3 We will ensure that the plot where your new property is has been legally segregated (Horizontal Division) and that all subplots have been registered individually at the Land Registry

b. **Seguro Decenal (10 Year Building Insurance).** We will make sure that your property has been included on the compulsory 10 Year Building Insurance Policy

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c. **First Habitation Certificate (Licencia de 1ª Ocupación)**. We will make sure the builder has applied to the Planning Authorities for, and has been granted, a Habitation Certificate for your property.

Once all documents in Section 3 above been checked and verified, we can proceed with the completion of the purchase. The **“Escritura de Compraventa” (Purchase Deeds)** will be signed in front of a Notary Public.

All appointments and paperwork will be arranged by us on your behalf (builder, vendor, notary, banks, etc.). If you are going to be present for completion, we will accompany you on the day of the signing and will act as your interpreters, reading the deed in English to you and explaining whatever queries you might have, to make sure that when you sign on the dotted line you are absolutely aware and happy with your decision..

After the Purchase Deed is signed, the next step is to register it.. Yes, you guessed right. Of course we take care of it as well!



4. SPANISH MORTGAGE: If you decide to apply for a **Spanish Mortgage** we can assist you by contacting several banks on your behalf and liaising with them. We are not mortgage brokers, so you do not need to pay anything for this service if we are also dealing with the purchase of your property.

If you are planning to apply for a Spanish mortgage, please note that banks in Spain require the following documents:

If you are Employed

1. Passport
2. NIE number
3. P60 for the previous tax year
4. Last 6 months payslips
5. Last 6 months bank statements
6. Credit History Report

If you are Self Employed

1. Passport
2. Income Tax Return for the two previous tax years
3. Profit & Loss accounts the two previous tax years (prepared by a Chartered Accountant)
4. Credit History Report

Before the bank gives you a final mortgage offer, the property needs to be valued by the bank's surveyor. The cost involved is approximately 300€-400€ and it needs to be paid directly to the bank.

Normally, banks give to non-residents in Spain a maximum of 70% of the value of the property after being surveyed.

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5. POWER OF ATTORNEY: If you are not able to be present on the day of the signing, the best option is to grant us a Power of Attorney so that we can act on your behalf.

Power of Attorney can be obtained either in Spain or in your own country. If you decide to do it in Spain we will accompany you to the Notary's office to sign it. If you are not able to come to Spain, you can also do it in your own country. We will send you a draft and precise instructions, and you only have to find a Notary Public near you and make an appointment.

The Power of Attorney document will need to be legalized with the Hague Apostille so that it can be used in Spain. Your local Notary Public will be able to assist you with this.



6. SPANISH WILL: If you own a property in Spain we strongly advise that you make a [Spanish will](#). Although you may have a will in your country, is highly recommended to have one in Spain to simplify the inheritance procedure.

Bear in mind that the Spanish will only cover the properties and assets that you own in Spain. It is written according to the Spanish formalities, but follows European Inheritance Laws. The purpose of having a Spanish will is to make life easier and cheaper for your inheritors. The Spanish will is only valid in Spain and under no circumstances it cancels the will signed by you in your country. However, if you make a will in your country after having signed the Spanish one, you must mention on it that you already have a Spanish will, otherwise this latter will automatically cancel the Spanish one.

7. FISCAL REPRESENTATION: Fiscal representation is one of the services most requested by our clients. All non-resident house owners in Spain must pay Non-Resident-Income Tax every year to the Spanish Tax Authority (Hacienda).

If you appoint us as your [Fiscal Representatives](#) in Spain, we will register you with the Spanish Tax Authorities and every year we will complete the necessary tax returns and we will submit them on your behalf to the Spanish Tax Office. We will arrange the payment to be done by direct debit from your Spanish bank account.

If you become resident in Spain you are also liable to pay Income Tax as every other Spanish citizen. The forms and the deadline are different than when you were non resident, however we can also represent you.

If you decide to live permanently in Spain and become a Fiscal resident, we can also help you with the registration process at the Police, Tax Office and Social Security Office and Health Service.

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8. COST OF BUYING A PROPERTY IN SPAIN:

NEW PROPERTY

If you are buying a new build property without a mortgage the costs will be as shown in Column I. If you apply for a Spanish Mortgage the costs are as show in Columns I & II.



I. Purchase Costs

Notary
Land Registry
Admin (Gestoría)
VAT @ 10%
Stamp Duty @ 1.5%
Admin (Gestoría)
Conveyancing
Plusvalía Tax (in some cases)

II. Mortgage Costs

Valuation
Notary
Land Registry
Set up fee (approx. 1%)
House & Building Insurance
Life Insurance (in some cases)
Stamp Duty @ 1.5%

RESALE PROPERTY

If you are buying a property without a mortgage the costs will be as shown in Column I. If you apply for a Spanish Mortgage the costs are as show in Columns I & II.

I. Purchase Costs

Notary
Land Registry
Admin (Gestoría)
VAT @ 10%
Stamp Duty @ 1.5%
Admin (Gestoría)
Stamp Duty @ 1.5%
Conveyancing

II. Mortgage Costs

Valuation
Notary
Land Registry
Set up fee (approx. 1%)
House & Building Insurance
Life Insurance (in some cases)
Stamp Duty @ 1.5%

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9. CURRENCY TRANSFERS:

Transferring currency overseas?
Here's a way that will make the process faster, easier and cheaper!



Foreign exchange companies are able to give you better exchange rates than the banks because they take a smaller margin, putting more money in your pocket. They always keep the process straight forward so you know exactly what you're paying.

We are proud to work with Currencies Direct.

After working with and applying extensive research into numerous currency exchange companies we selected Currencies Direct as our preferred currency solution for our clients.

With years of experience providing financial solutions, Currencies Direct has developed an innovative range of products and currency transfer services that can help to minimise your foreign exchange risks and take the hassle out of international payments.

Great exchange rates – up to 5% cheaper than the high street banks

Whatever your foreign currency requirements, whether you are transferring savings for investing in property abroad, or repatriating funds back home or making regular currency transfers overseas, we understand that you will want to get as much for your money as you can.

Available Products and Services for Individuals

Buying a home abroad: No matter what the reason you're buying a property overseas for, don't forget the importance of the foreign exchange rate on your purchase.

Selling a property in Spain: Currencies Direct have developed a unique solution with Caixa Bank, to ensure no charges to deposit a Spanish bankers draft and no fees to move your funds out of Spain, when you use Currencies Direct.

Emigration: If you're in the process of emigrating, getting the best exchange rate and therefore the most for your money is crucial to your new life.

Overseas Education: Sending your children overseas to study can be daunting. We'll make sure that paying those fees in a foreign currency won't add to your worries.

Buying something special: Importing a new car, a boat, antiques or even wine? We'll make sure the foreign exchange doesn't spoil the pleasure of your purchase.

Regular Transfer Plans: Thousands of customers have joined the Overseas Regular Money Transfer Plan and enjoy the many financial benefits.

Online payments/transfers: Easy, fast, secure online payments. Manage your foreign payments from anywhere you have an internet connection.