



Buying Your Dream Spanish Home

THINGS YOU NEED TO

KNOW



GREYSTONE GROUP
REAL ESTATE

1. Check who you are dealing with!

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Buying a new development property

Staged payments

3. Purchase Costs

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4. Annual Property Costs

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5. Residence Permit through investment



Check who you are dealing with!

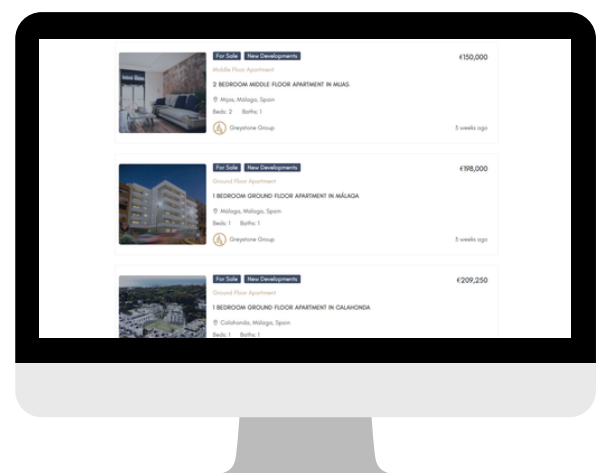
Buying a home in Spain requires the use of many different services including Real Estate Agency, Financial, Legal and Property Management services.

GET THE BEST ADVICE - USING AN EXCLUSIVE BUYERS AGENT

We are a team of local Marbella real estate agents with a passion for helping clients find the perfect property in the beautiful region of Marbella. With years of experience in the Marbella real estate market, we have the knowledge and resources to assist you in buying, selling, or renting a property.

Whether you are looking for a holiday home, investment property, or permanent residence, our estate agents in Marbella can help you find the right fit.

"Whatever you want to achieve by investing in property, we have a solution for you"



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Steps for Purchasing a Property

To avoid risk it is always recommendable for buyers to use independent lawyers who can also communicate in your native language. It is quite normal to give the lawyer Power of Attorney to avoid travelling to sign at each stage of the purchase process.

PURCHASING A RESALE PROPERTY

A Make a Reservation or Holding Agreement

This will generally be made in English & Spanish and expresses your intent to purchase a property. The Reservation fee will hold that property, removing it from the market while you prepare the purchase process and your lawyer undertakes the basic due diligence required. This is Refundable if you cancel within 15 days. This fee generally varies between three to six thousand euros.



B Obtain Your NIE (Número de Identidad de Extranjero)

The whole purchase process requires a foreigner to register firstly for an identity number. The lawyers will apply for this. It is known as a NIE. This number will be requested by Banks for opening accounts and the Notary when completing the sale. Your lawyer makes this application at the local Police Station with a copy of your passport and your reservation contract. It is a simple procedure.



C

Purchase Contract

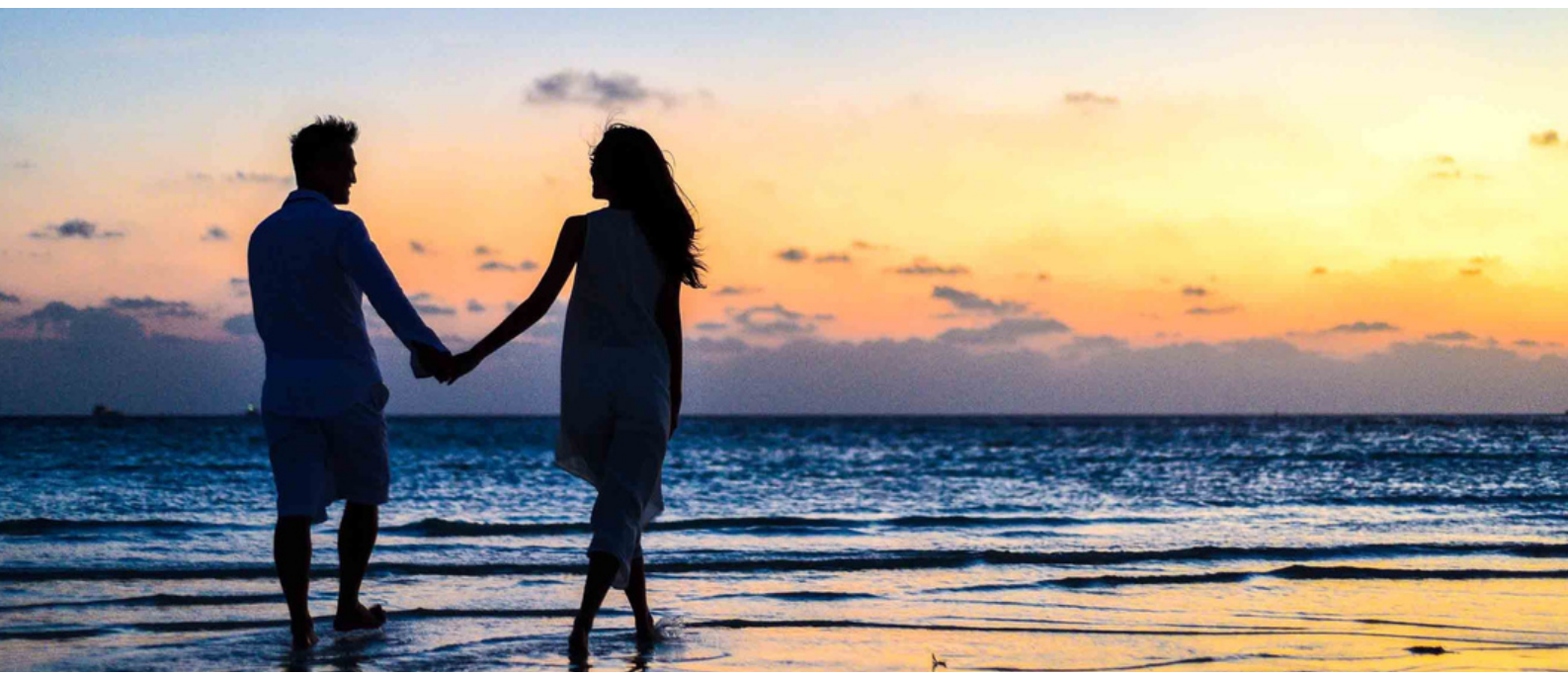
Approximately 30 days after the reservation agreement. A private purchase contract is drawn up by the lawyers and will need to be signed along with 10% payment made to the lawyer (this payment will include the original reservation amount if one has been made).



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Completion

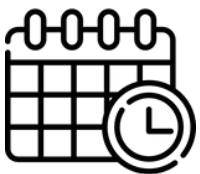
Latin legal systems are very thorough and protective to buyers. There is limited risk if the correct processes are followed using a local lawyer. The remaining balance of the purchase is paid at the Notary, who checks that procedures are correct whereupon you become the owner. The Notary registers this transfer and the Registry Office finally inscribes you as the new owner of the property.



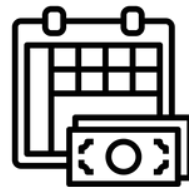


PURCHASING A NEW DEVELOPMENT PROPERTY

The main differences between the purchase of a new development property and a resale property are the timescales involved in completion and the relevant payment schedules



Timescales involved
in completion



Relevant Payment
Schedules

STAGED PAYMENTS

Generally, the process will follow the same outline as Steps 1 2 & 3 above, however depending on the property developers payment schedule, the private purchase contract may require an initial payment of 30% upwards of the property price (again inclusive of the initial reservation)



In some instances, a payment schedule may require additional payments through the construction period to completion. Other instances may simply require the remaining funds to be transferred at completion of sale, as outlined in Step 4 above

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Purchase Costs

As a rule of thumb, the associated costs involved in completing on a mortgaged property purchase in Spain are in the region of

10%-13.5%

There are a number of smaller documents that are attained by your lawyer which are charged on a set fee basis. The larger taxes and fees are calculated on a % basis of the property value.

UPFRONT EXPENSES



Land Registry Reports and Certificates

These documents show the current legal status of the property, encumbrances and any problems with the title deed



NIE (foreigner registration)

This can be obtained by yourself or your lawyer for a nominal fee



Legal Fees

These generally vary between 1% to 1.5% of the property value, depending on the attorney

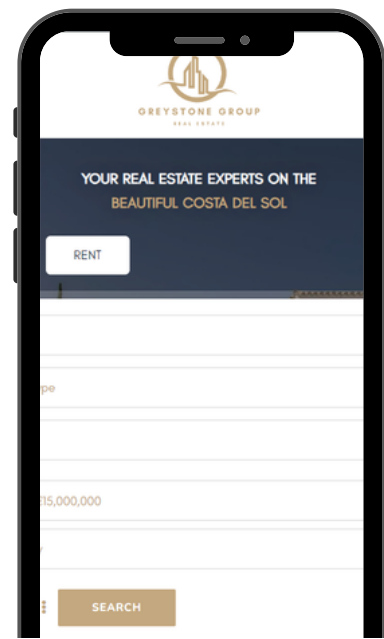


Town Planning Certificate

This gives a clean bill of health to any urban or planning issues



Power of Attorney (if required) to your chosen legal advisor



COMPLETION EXPENSES



**New Development
First Sale**



**10% of the purchase price
plus Stamp Duty of 1.2%**

Lower property transfer tax Andalusia 2021. The Junta de Andalusia is as of April 2021, lowered the ITP tax (impuesto de transmisiones patrimoniales) on Resale Properties to 7%.

TAX BREAK DISCOUNTED RATE:
Take advantage of the
Discounted Tax Rate until 2023!

7% VAT

plus 1.2% Stamp Duty (AJD)

TRADITIONAL RATES

Resale property the tax rates (ITP) were historically on a progressive scale:



Up to 400,000€



**8% of the purchase price
plus Stamp Duty of 1.2%**



**From 400,000€
up to 700,000€**



**9% of the purchase price
plus Stamp Duty of 1.2%**



Over 700,000€



**10% of the purchase price
plus Stamp Duty of 1.2%**

Fees are paid to the Notary Public and the Land Registry who finalise the administration of the process. Budget 0.8% for this. With all these steps completed and the public title deed signed in front of the Notary with your lawyer, the title deed is then officially registered in the Land Registry Office. This is a public bureau where all plots and buildings show ownership. This process takes a few weeks more.

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Annual Property Costs

Spain has a system where the town hall obligations are much lower than other Northern European counterparts, as the Community of Owners take responsibility of a number of property maintenance related issues, controlling their associated costs and levels of service. Spain has some of the lowest holding costs of property in Europe. The following gives an idea of the basic outline costs



COMMUNITY FEES

These fees are set by the Community of Owners who appoint an administrator to run a defined set of services that the owners wish to engage. In apartment complexes, the building is maintained and most often insured through this process. Community fees vary depending on the amenities and communal services such as swimming pools, gardening, security services, gymnasiums, etc

UTILITY SERVICES

These cover electricity and water. Many buildings have solar power and this reduces the electrical cost below that of most Northern European countries. Of course the 320 days of sunshine also helps limit the heating requirements for your property!

INSURANCES

- These costs differ by property type. Individual property owners will need to contract their own buildings & contents insurance
- In apartment complexes, the physical building is often covered by the community building insurance scheme, in this case the owner will only need to contract contents insurance.
- It is mandatory that in a communal building owners are insured.
- Other considerations will be where properties are being utilised for long or short term lettings. In this case, there are additional renters policies available covering liability claims

Other Costs

Town Hall Taxes (IBI). "Impuesto sobre Bienes Inmuebles" translated as property tax

This is paid once a year to the Town Hall and is based upon the capital value estimated by the regional municipality. This is dependent on the classification and size of the land & building.

Non Resident Income Tax (IRNR)

This is a wealth tax based on the value of the property. It is a percentage of the previous tax.

Basura. Rubbish Collection & Mains Drainage

As with the IBI tax, this tax is due once a year and issued by the Town Hall. The rate depends on the location of the property

Please Note: All of these payments can change due to tax laws or movements in Government policy.

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Residence Permit through Investment



In September 2013, Act 14/2013 Spain introduced the “Golden Visa”. This does not currently apply to EU residents in the UK

To be eligible for a Resident Permit in Spain clients need to demonstrate **500,000€ investment in real estate per applicant**. This can be achieved by investment in one or multiple properties



In order to obtain the Visa the investor must meet certain requirements such as having sufficient economic resources to live in Spain, health insurance and no criminal records.



Sufficient Economic Resources



Health Insurance



No Criminal Records

We would advise that you contact a specialist legal advisory service for specific details before engaging in a property purchase based on obtaining a residency permit.

[Request a selection of handpicked properties that meet this criteria.](#)





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REAL ESTATE

Let us Start the Search for your Dream Spanish Property Today



View hundreds of available
properties in your chosen
location

Request Bespoke property
portfolios specific to your
individual requirements



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updates and news on
latest property listings

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