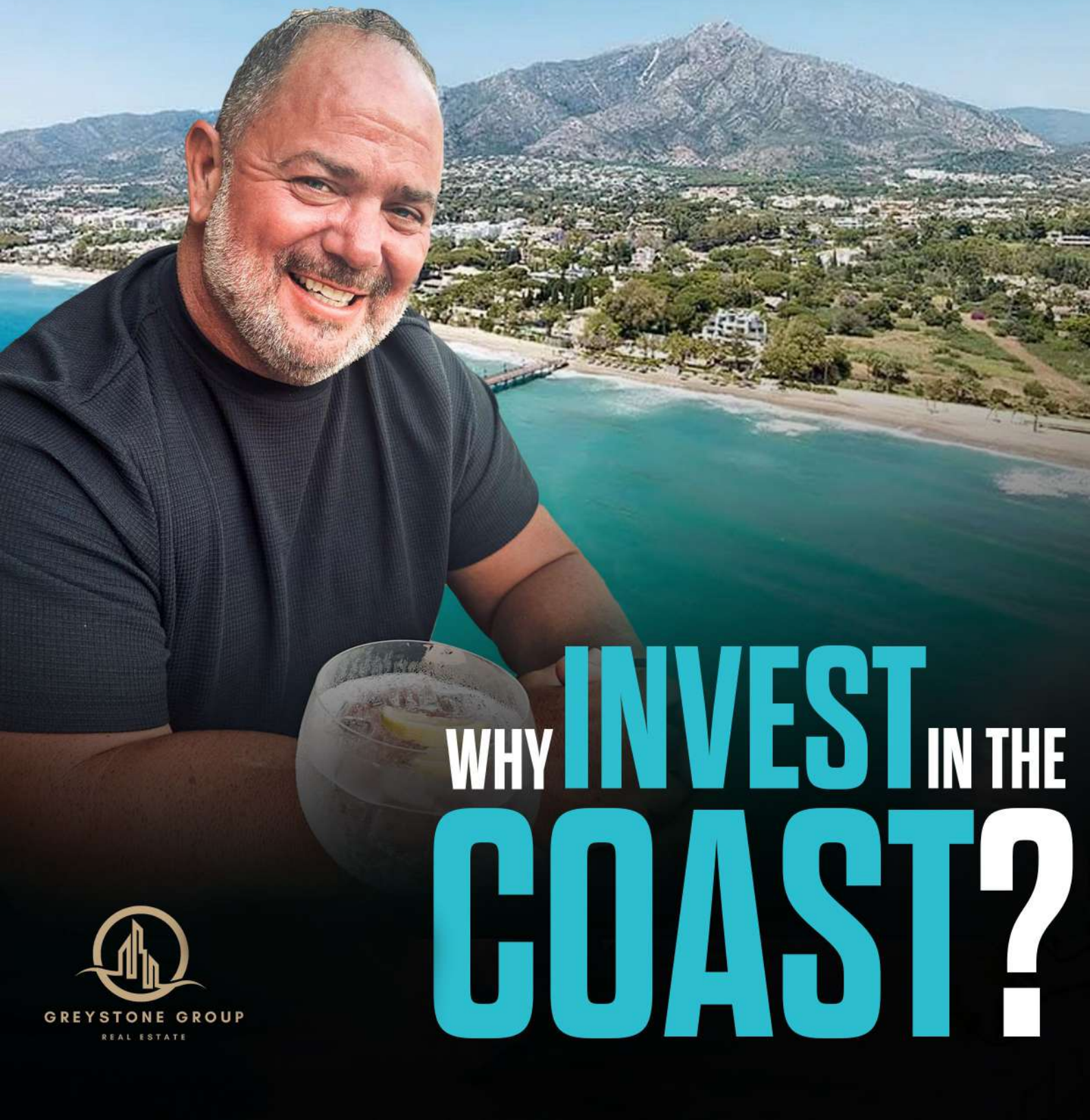


COSTA DEL SOL

— BUYER'S GUIDE —



WHY **INVEST** IN THE
COAST?



GREYSTONE GROUP
REAL ESTATE



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INTRODUCTION

Buying a property abroad is exciting, but we understand it's a big decision. Our Buyer's Guide introduces you to the process of buying in a new development or a resale property, covering each step, from contracts and taxes to fees and completion times. Our goal is to guide you through every stage, ensuring a smooth and enjoyable experience.

Our focus is on what matters most to you. We take time to understand your unique requirements, from the ideal location and budget to the specific features that make a property feel right. By prioritizing your goals, we create a tailored selection of properties that best match your needs.

Working with a single agency offers the benefit of a dedicated agent who learns your preferences as you view properties, saving you time. Greystone International combines local market knowledge, impartial advice, and a client-focused approach to help you find the ideal property.

WHY INVEST IN THE COAST?

Premier Hub for Tourism and Leisure

Costa del Sol is a top destination for luxury tourism and Mediterranean leisure, drawing in high property demand and increasing rental returns.

Infrastructure Investments

Ongoing upgrades, including public transport, highways, and high-speed rail connections, boost accessibility and property values in the region.

Financial Incentives

Competitive tax policies, especially for non-resident investors, make Costa del Sol an attractive choice for property investments.

Strategic Location

Ideally positioned on Spain's southern coast, Costa del Sol serves as a gateway to Europe and North Africa, enhancing global appeal.

Economic Stability and Security

Spain's secure environment and EU membership support a stable property market, attracting both investors and residents to Costa del Sol.

Residency and Lifestyle Benefits

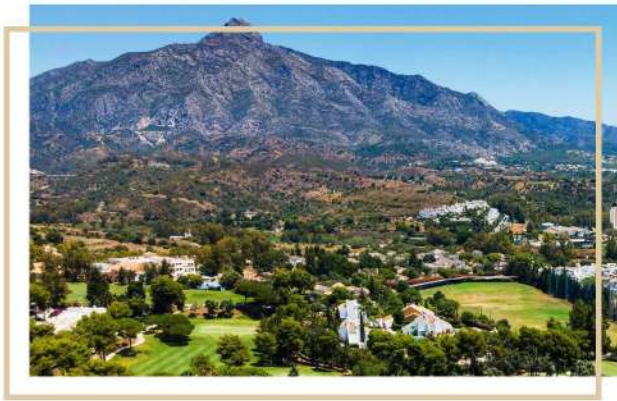
Residency programs for non-EU buyers and a high standard of Mediterranean living encourage long-term investments and a luxurious lifestyle.

Where to Buy on the Coast?



Marbella East

Marbella East is a thriving part of Costa del Sol, evolving as a top destination for luxury living and tourism. This growth has driven up real estate values, with prime areas seeing notable increases in property prices. High-profile developments, including plans for a new marina and luxury resorts, are attracting significant investment to the area. Marbella East offers a variety of properties, from elegant beachfront apartments with views of the Mediterranean to spacious hillside villas, all with convenient access to Marbella's city center and nearby international airports.



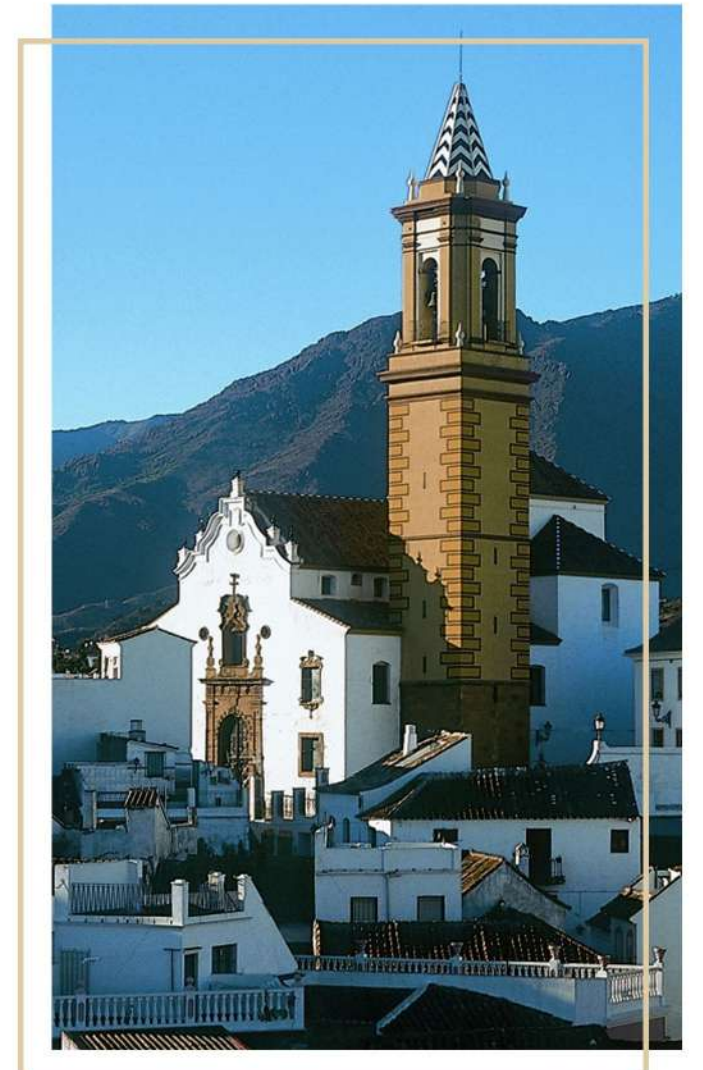
Nueva Andalucía

Nueva Andalucía combines a rich Andalusian charm with modern luxury. Investing in this area offers access to diverse properties, from exclusive golf-front villas to contemporary apartments near vibrant hotspots like Puerto Banús. The area's focus on luxury lifestyle amenities and scenic landscapes makes it an appealing choice for investors seeking growth in a culturally rich yet modern environment.



Estepona

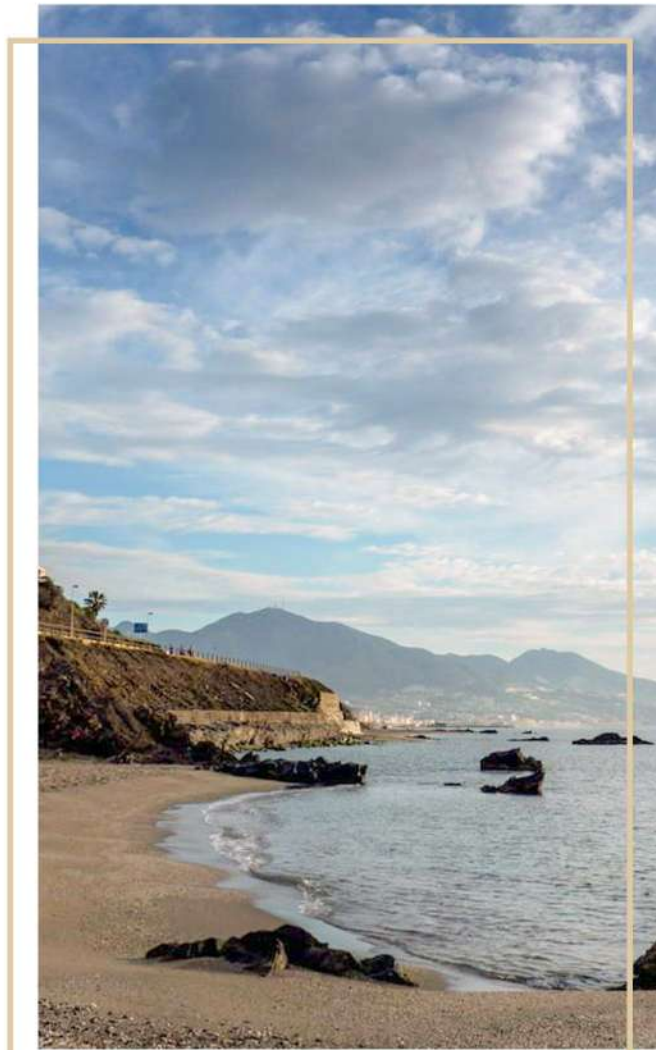
Estepona is quickly gaining popularity among property investors, especially with ongoing developments such as the new Estepona Marina project, poised to enhance tourism and leisure offerings by 2026. These projects are expected to boost visitor numbers, increase employment opportunities, and drive demand across residential real estate. Estepona's property market provides a mix of luxury and affordability, with promising potential for appreciation as new infrastructure projects, including road expansions and improved coastal connections, enhance accessibility and appeal.





Mijas Costa

Mijas Costa is a vibrant stretch of coastline on the Costa del Sol, blending the charm of Spanish seaside towns with the amenities of modern developments. Known for its scenic beaches, golf courses, and family-friendly atmosphere, it attracts both holidaymakers and permanent residents. Its residential options range from traditional Andalusian townhouses to upscale beachfront apartments, catering to a variety of budgets. Ongoing infrastructure improvements and its proximity to Málaga make Mijas Costa increasingly accessible and appealing for property investors looking for growth potential.



Sotogrande

Sotogrande is renowned for its exclusivity and luxury lifestyle, making it a premier destination for high-end property investors. The area boasts world-class amenities, including prestigious golf courses, a marina, and polo fields, which add to its appeal among affluent buyers. With a focus on privacy and sophistication, Sotogrande's properties offer spacious layouts and high-end finishes, often nestled in lush, landscaped surroundings. This prestigious enclave continues to see strong demand as it remains a favored retreat for discerning buyers looking for elegance and tranquility on the Costa del Sol.



Málaga

Málaga, as the capital of the Costa del Sol, combines a rich cultural heritage with a thriving modern lifestyle. Known for its historic architecture, vibrant arts scene, and international appeal, Málaga is a top choice for investors looking to capitalize on urban growth. The city's real estate market offers a range of options from historic apartments in the old town to new developments along the coastline. With ongoing enhancements in infrastructure, Málaga is increasingly positioned as a hub for tech startups and tourism, making it a compelling choice for property investors seeking both appreciation and rental potential.



STEPS TO BUYING

STEP 1

Reservation Deposit & Due Diligence

Once you've chosen your ideal property, the purchase process starts with a reservation agreement. This removes the property from the market and locks in the price. A reservation deposit, typically between €3,000 and €12,000, is required at this stage. It's recommended to have funds ready when you arrive in Spain to secure your deposit, which can be paid via credit card or bank transfer to your lawyer's account. After the deposit is received, your lawyer will begin due diligence, investigating the property's legal status and details.

STEP 2

Private Sale & Purchase Agreement

Around 14 days after making the reservation, you'll sign a Private Purchase Contract (PPC) with the seller. During this period, your lawyer completes the final checks on the property. At this stage, you'll pay approximately 10% of the purchase price, with the initial deposit deducted from this amount. For new developments, a flexible payment plan may be available, allowing installments over the construction period. Payments are typically linked to construction milestones, with the final balance due upon completion, when the property is ready for transfer and the Title Deed is signed.

STEP 3

Notary & Title Deed Registration

The transfer is officially completed when the Title Deed (Escritura de Compraventa) is signed before a Spanish Public Notary. The remaining balance is paid, and the keys are handed over. If you can't be present, you can grant your lawyer Power of Attorney to complete the process on your behalf. Once signed, the Notary sends a copy of the Title Deed to the Property Registry. Your lawyer will handle the registration and transfer of utilities, ensuring everything is ready for your move. Final registration may take a few months, so it's wise to coordinate utilities in advance, this process we can also assist you with.

STEP 4

Buying in a New Development

When purchasing in a new development, construction may take up to 18 months, with payments spread over this period in scheduled installments. These payments are usually made via bank transfer or bank draft from a Spanish bank account. Spanish law requires developers to issue a bank guarantee for each payment, safeguarding your investment if the developer is unable to complete the property, becomes insolvent, or fails to meet the agreed completion date. Upon completion, new properties may initially lack water and electricity connections, which your lawyer can help arrange. Developers are also legally required to provide a construction liability guarantee, covering any potential structural issues.



UPDATED PURCHASING COSTS FOR COSTA DEL SOL

Transfer Tax - Resale Properties

As of April 27, 2021, the Andalusian government has set the Transfer Tax at a fixed rate of 7% for resale properties, simplifying costs for buyers across Costa del Sol.

VAT and Stamp Duty - New Developments

For new properties, buyers pay VAT (IVA) instead of Transfer Tax at a rate of 10%. Stamp duty has been reduced from

Estimated Additional Costs

Beyond the purchase price, buyers should anticipate total additional costs of approximately 10-14%, which cover:

- Notary fees, stamp duty, and registry fees
- Legal and administrative costs
- Bank and mortgage fees, if applicable

Mortgage-related costs may include opening fees, typically around 1-1.5% of the loan amount.

Additional Considerations

Other costs to plan for include:

- Utility connections (water and electricity) and the setup of automatic payments
- Legal documentation: NIE (tax number), Power of Attorney, Spanish bank account setup, and property wills

Ownership Options in Spain

Purchasing property in Costa del Sol can be done through different structures, each with unique tax and legal implications:

- 1) Individual Ownership: Buy in your name.
- 2) Joint Ownership: In the names of spouses or family members.
- 3) Company Ownership: Using a Spanish or foreign company.

Each structure has distinct benefits and considerations based on personal circumstances, so it's recommended to consult with a qualified lawyer to choose the best option for your needs.



Basic Required Formalities

N.I.E. (Foreigner Identification Number)

The N.I.E. is a mandatory identification number for foreigners in Spain, required for property purchases. Your lawyer can help you obtain the N.I.E. at the local police station, simplifying this essential step.

Spanish Bank Account

A Spanish bank account is necessary for managing utility payments, taxes, and property-related costs. Your lawyer can assist with setting up the account and arranging direct debits for convenient management of expenses.

Spanish Will

While not obligatory, having a Spanish Will is highly recommended. It simplifies inheritance procedures, helping avoid delays and potential tax penalties. Without a Spanish Will, the inheritance process may extend up to two years, so establishing one can provide peace of mind.

Power of Attorney (Recommended)

Granting Power of Attorney to your lawyer is a helpful option, allowing them to handle the property purchase on your behalf, including signing contracts and managing paperwork. This can streamline the process, especially if you're unable to be present in Spain for every step.

Property Costs to Bear in Mind

Community Fees

As an owner, you are responsible for a share of the costs associated with the maintenance and upkeep of the complex, commonly referred to as community fees.

Local Council Tax (IBI)

The "Impuesto sobre Bienes Inmueble" (IBI) is a local real estate tax based on the property's rateable value, varying by town. This tax contributes to local council expenses and is mandatory for all property owners in Spain.

Wealth Tax (Where Applicable)

Wealth tax applies on a progressive scale for assets over €700,000 per individual, with the first €700,000 exempt. Joint ownership can help reduce the tax liability. For example, a couple owning a property valued at €1,400,000 with no mortgage would pay no wealth tax. Mortgage debts or other liabilities are deductible from the taxable base.

Property Income Tax for Non-Residents

For non-residents renting out their property, rental income is taxed at a percentage of net income received. Alternatively, a deemed income tax, usually 2% or 1.1% of the property's rateable value, may apply if the property is not rented. You must file a tax return with the Spanish Tax Authorities, and your lawyer can act as your fiscal representative to manage these obligations.

Utility Services

Costs for water, electricity, and other utilities are typically the owner's responsibility and can be set up through direct debit from a Spanish bank account.

Home Insurance

Home insurance is advisable to protect against potential damages and risks associated with property ownership.



Mortgages for Foreigners & Non-Residents in Spain

Foreigners and non-residents can apply for mortgages with Spanish banks. We can help by recommending banks or mortgage brokers that best match your needs

Requirements

To qualify for a mortgage in Spain, applicants must demonstrate their financial capacity to make repayments. The monthly mortgage payment should not exceed 30-35% of the applicant's net monthly income, with a maximum repayment term of 30 years. Generally, mortgages are issued up to the age of 70-75.

Mortgage Amount and Valuation

During the mortgage application process, the bank will order an official valuation of the property by an independent and certified company. This valuation is the main security for the loan. Typically, banks offer up to:

- 60-65% of the property value for non-residents
- Up to 80% for residents

The property itself serves as collateral, so if payments aren't met, the lender can repossess and sell the property to recover the loan.

Types of Mortgages

The most common mortgage type in Spain is the Repayment Mortgage, in which both capital and interest are paid monthly. Over the loan term, the balance is fully repaid, providing clarity on total repayment costs from the outset.