

GUIDE ON HOW TO BUY PROPERTY IN SPAIN WITH CONFIDENCE

Buying a property is complicated?

Let's start, have you decided to buy a property in Spain and you are faced with a lot of doubts and fears?

We are going to explain to you the important aspects that should guide you in order to make a safe purchase.

For this we introduce you to three concepts or phases:

1. Reservation.
2. Contract of sale.
3. Deed.

1.The purchase of the property in three steps:

Once you have found the property you are interested in, the property must be insured with a deposit, the normal thing is that until you do not deposit the reserve the property is on the market and the first one who reserves takes it, do not trust reserves without money, you can lose it, the market is dynamic and fast the adjustment between supply and demand.

The amount of the reservation is usually 3000 to 6000 euros, it can be more for the purchase price of the house, and the normal way to block the property is to pay the real estate agency. We recommend that before the purchase you consult or hire the services of a professional consultancy firm, in our case it is the firm **Ridalaw** that offers a free consultation, in person, by zoom or virtual call before taking the step of booking.



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- If the property is new, each promoter sets its own payment formula, although it should be understood that it can be generally in the following range:
 - Reserve 3000 to 10,000 euros
 - Payments of up to 50% of the house at the time of the contract and at a later date.
 - Payment of the rest on the day the deed is signed.

- Normally, if the property is second hand, the purchase contract is signed within a maximum period of 10-15 days and 10% is paid, the rest at the signing of the public deed of sale. The deadline for the signing of the sale and purchase contract depends on the parties, the normal is
 - If you buy without mortgage 30-45 days
 - If you buy with mortgage 60 days

However, the parties are free to agree and it is up to the agency and the advisors to bring the parties together. Normally, if you are going to extend the instalments, you must make a partial payment of a different amount.

Once your property is blocked by the reservation, a purchase contract must be signed, and here you must sign it yourself, unless you leave a power of attorney for a third party, lawyer, advisor, etc. to sign it for you.

The power of attorney can be granted in Spain or in your country of origin.

The last step will be the public deed of sale where your house will officially belong to you and will be registered in the land registry where the property is located.

2. NIE (Identification Number for Foreigners)

All foreigners require a NIE when buying property, cars or connecting to public services in Spain.

This document is required before signing the property at the Notary. A photo (3,5x4,5) and your passport are required.

Also receipt of payment of a fee of 9,45 euros.

This is issued by the Directorate General of Police and must be used in all tax declarations and communications addressed to the tax authorities.

This NIE must be processed before completion and you CANNOT buy a property in Spain without a NIE.

3. The bank account.

This can be done without having to be in Spain. It can be opened by proxy, or we accompany you to the bank, as well as to manage the internet banking. On your inspection trip and at the free meeting with the advisors, everything will be explained and prepared for you so that you can leave everything signed before you leave.

4. Arranging a mortgage (if necessary)

Mortgages are available for foreigners in Spain. At the moment the rate is 1.2% to 4%. It is possible to obtain up to 80% of the appraised value of the property if you are an EU citizen and 50% if you are a citizen of another non-EU country. We will prepare the necessary documents. This will be done if necessary before your trip to Spain. For this, **grupoinves** makes a filtering process with you asking you if you want to finance, and above all what part of the price you have in order to make you a FINANCIAL STUDY before you decide and confirm you could get the mortgage, it is free and it is part of our service, as we do not want you to pay any money without knowing beforehand if you could get the mortgage.

5. The Notary.

The office will advise if you contract, or we will for a fee then, prepare all the property documentation for signing at the notary's office, a bank cheque or immediate transfer is required for the balance of the purchase made out to the seller's name.

6. The transaction of buying and selling real estate in general terms involves the following costs:

- Let's go with taxes:
 - VAT of 10%, instead of ITP if the property is a new construction.
 - For a resale property, it will be necessary to pay transfer tax (ITP); in general, it is applied from 6 to 10% depending on where the property is located.
- Let's go with the legal fees:

This will be done if necessary before your trip to Spain.

 - Notary fees: generally between €400 and €900 but charged by tariff, i.e. by tables.

- Land registry fees: approximately half the cost of the notary fees and also carries a fee.
- Lawyers and advisors fees: Ranges from 900-1000 euros the cheapest and 1% of the price of the house, the advantage is that they take care and assume responsibility for everything by having a civil liability insurance.
- Tax ajd that is paid when signing a deed in a notary for a new construction, it ranges between 0.5% and 1.5% of the amount of the deed.

◆ **GRUPOINVES SERVICES:**

- We prepare the inspection trip adapted to the time and properties you want to visit and we will send you an all-inclusive fixed price for your stay.
- Our company coordinates all the visits of the properties you want to see if you send them to us in advance, as we are members of several real estate associations and it is easier and simpler to coordinate everything, you will not pay more to visit with us. We will meet you at the airport. See our TRAVEL GUIDE in detail or we will provide it for you.
- We introduce you to **Ridalaw** office www.ridalaw.com and will arrange visa, NIE and bank appointment. They will help you with a mortgage, opening a bank account and with your NIE.
- We will make sure that all taxes are paid and registration documents are legalised.