

QUICK STEPS OF THE BUYING PROCESS

STEP 1

Finance.

Do a financial calculation of how you will finance the property and your budget.

STEP 2

Contact a sales agent.

Find a sales agent and provide the agent with property and your budget your criteria's of what your looking for. The sales agent will send you suggestions of properties.

STEP 3

Viewings.

Attend the viewings together with your sales agent.

STEP 4

Contact a legal representative.

Find a legal representation that you trust and he will help you with Spanish registration no and power of attorney for the steps needed.

STEP 5

Put an offer.

When you decided for your new home, you put an offer on it. Comparing to other countries, the bidding takes place below the asking price in Spain.

STEP 6

Reservation contract.

When you get an accepted offer, you reserve the property by signing a reservation contract and pay a reservation cost of usually between 6000-10 000€. This transfer will be made into your lawyers client account and not to the vendor. When the transfer has been done, the property is off the market and your lawyer starts with the due diligence to make sure everything is in order with your new home. If you have applied for a mortgage, a valuation of the property will be done and the bank will finish your mortgage.

STEP 7

Purchase contract.

If everything is in order with the property, it's time to sign the purchase contract. This is usually done about 14 days after the reservation contract. When both vendor and buyer sign the purchase contract, 10% of the agreed price of the property (minus the reservation cost) is transferred to the lawyer's client account, and the lawyer confirms the transfer to the vendor. The agreed date of access is written in the purchase contract.

STEP 8

Completion of purchase/Access.

The day of your access to the property, everyone meet at the notary to finish the purchase. By this time, all eventual mortgage of the vendor are removed from the property and the registration in the title deed is made. The 10 % at the lawyers client account and the 90% that's left of the agreed price is transferred to the vendor at the notary. The keys to the property are handed over and you got a new home.

When you buy a property, there will be additional costs of between 10-11% of the agreed price of the property for resale properties or around 12% for new properties if VAT is paid on the purchase price, plus lawyer's fees.

Transfer Tax

Transfer Tax (ITP), in Andalucia is set at **7% permanently** for all re-sale properties, payable by the buyer for the purchase of any Real Estate (villas, apartments, land, commercial, premises garages), provided the vendor is not a developer or normally trading in the business of resale properties (waiver to VAT exemption).

Reduced Transfer Tax of **2%** for real estate companies or professionals that buy resale property and sell within 5 years.

Or: Value Added Tax (VAT) and Stamp Duty

- **10% + 1,2%:** Villas, apartments, or a garage that is annexed to an apartment or villa, where the vendor is a developer, promoter or habitual trader for brand-new properties.
- **21% + 1,2%:** Parcels of land, for the first sale of brand-new commercial premises.

Notary fees and registration fees

The cost increases according to the number of pages or complexity of the title deed, and value of the property, +/- €3,000.

Lawyer's fees

These are in the order of **1% + VAT** of the selling price, more or less, depending on the lawyer and the price of the property.
