

Buying Guide 2017

BUYING YOUR DREAM HOME IN SPAIN

In spite of the existence of the European Union there are still many differences between the countries. And in the case of buying a house in Spain it's certain that the buying process varies from your home country. In this document we would like to explain how it all works in Spain. We may not be able to answer all of your questions but you can always contact Team Second Home Andalusia to help you further. In general, the steps are as follows:

Step 1: Finding the house of your dreams

When you have decided to have your own dream home in the beautiful Andalusia region, it is important to think upfront about what kind of property would be ideal for you. Would you like to live on the coast, in the countryside, in a typical white village and is it villa or finca that you prefer or is an apartment or a townhouse more appropriate? We advise you to make a wish list which you can find on our [website](http://www.secondhomeandalusia.com) (www.secondhomeandalusia.com) but there are also important aspects that are not clear or visible after your first viewing.

Our mission is to help you find your ideal dream home from all the properties that are for sale in the **Axarquía area** of Andalusia. We have no shop window or many houses for sale on our website because we believe in personal attention and tailor made offers; therefore we always work on a **specific request** basis. We can show you any house in the area and arrange the appointments and accompany you to the properties as many times as you like. We will support you and do our utmost to give you the answers to all your questions.

Step 2: Negotiate the appropriate price

Once you have chosen the house of your dreams, we will start negotiating the price and the conditions with the vendor.

From this moment on, it is good to get in touch with a solicitor. We cooperate with excellent Spanish solicitors that speak various languages and are experts in Spanish law. A solicitor offers you the legal guarantees that the sale is following all the requirements of the Spanish law, will also ensure that the property is free of charges, the paperwork is up to date and there's no arrears in the payment of the local real estate tax, payments of utility bills and community fees, etc.

When there is an agreement on the selling price, the vendor signs **the reservation contract** and the buyer pays a deposit between € 3.000 and € 6.000, depending on the price of the property. This amount will normally be paid to your solicitor. The reservation contract gives the buyer the formal option to buy the house at the negotiated price and with the agreed conditions. After

signing and the payment of the deposit, the property will be taken off of the market and we can organise the finalisation of the sale.

Step 3. Legal check

Now your solicitor will do the necessary legal checks of the property to make sure that all the paperwork is in order, that it is free of charges and debts and has no other problems. Once this has been carried out and all the lights are green, the solicitor will prepare **the private contract** between the buyer and the vendor.

When the solicitor does find something that is in the way of buying the property, we will do our utmost to try to solve these issues so that the sale can still proceed. In the rare case that the issues found are impossible to repair, the deposit that is paid will be doubled by the vendor and paid to the buyer.

Together with our solicitor we will also arrange the following necessities:

- N.I.E. number: The identification number for foreigners. The solicitor goes on your behalf to the police station with a copy of your passport and the N.I.E. application form. This has to be arranged preferably before the completion date.
- A bank account that you will need for the utilities contracts and payments.

Step 4: Private contract

The solicitor will now draft a private contract that both parties will sign. This document contains all the details of the agreements, the payment form and the date of completion. During this phase you, as being the buyer, have to pay 10% of the agreed price of the property.

Step 5: Signing of title deeds

At the completion of the sale in the notary office, the signing of the title deeds finalises the handing over of the property from the vendor to the buyer. This document includes all the important information about the property and/or the plot. The actual signing of this document have to take place before a Spanish notary, and both the buyer and the vendor sign it.

The notary is the state official whose assignment is to certify that the contract has been signed before him and that the vendor and the buyer have been advised on the payment of their taxes. This is the person that assures you that the legality has been fulfilled.

Step 6: The registry of the property

The property registry is an official public body where you register, for general acknowledgement, the rights and description of a property. The property

registry takes precedence over the catastral registry (see below). Once the sale has completed and you are the owner of the property, the solicitor will go ahead and register this with the property registry to confirm that you are the new owner. Your solicitor will notify you as soon as the title deeds are ready for you. This will take at least 3 to 6 months after the signing.

The Cadastral Registry

The *Catastro* is the global registry of all properties in the province of Málaga. Your solicitor will also take care of the registry of your property in the *Catastro*. This process takes between 1 and 3 years.

Utilities

Your solicitor will make arrangements that the water, electricity, etc. will be registered in your name and that the payments are made via your Spanish bank account.

Costs and Rates

In general, you should add to your expenditures between 11% to 13% of the sales price which contains:

- The fees for the solicitor, the notary and the registration of the property.
- The taxes such as VAT and transfer tax, which is between 8% and 10%, depending on the sales price of the house and if you buy on *one* or *more* names.



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