



Guide to Buying Property in Spain

About This Guide

Welcome to the Andalusian Lawyers Guide to Buying Property in Spain. This guide's objective is to give you general information about the buying process in Andalusia, southern Spain. Although the guide contains legal information, it should not be used as a substitute for professional legal advice when buying a property. At Andalusian Lawyers, we believe you should contract a lawyer's services as soon as you find a property you are seriously interested in. Make sure your lawyer is completely independent to ensure your interests (and only yours) are represented and protected at all times.

About Andalusian Lawyers

Andalusian Lawyers is an independent law practice with specialist knowledge in Spanish property law and non-resident legal matters. Directed by José María Sánchez Alfonso, who has more than 25 years experience in conveyancing, Andalusian Lawyers assists you throughout the purchase process, protecting your interests and investment.

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FIRST STEPS

Contact your lawyer: Once you have found a property you would like to buy, you get in touch with your lawyer. Do this before you pay any money such as a reservation fee so that your lawyer can carry out some basic legal checks on the property.

Pre-purchase contract: Your lawyer will draw up a pre-purchase contract, which includes all the terms and conditions of the purchase. In tandem with this, your lawyer will undertake all the necessary legal checks on the property to ensure that it is 100 per cent legal for you to buy and that all is in proper legal order (see **Legal Checks** on page 3). When you sign the pre-purchase contract, you usually pay 10 per cent of the price of the property.

Mortgage: If you require a mortgage to finance your purchase, keep your lawyer informed of progress in your application so this can be taken into account in the pre-purchase contract. Allow plenty of time for mortgage applications to be approved.

Survey: It's a good idea to get a qualified surveyor to inspect the property you plan to buy and provide you with a report. You might like to get a survey before you sign the pre-purchase contract as the findings may affect the price you are prepared to pay. Alternatively, ask your lawyer to include a clause in the contract that makes provision for any necessary repairs revealed in the survey.

Inventory: Resale properties often include furnishings and fittings. Agree on a detailed inventory with the vendor and make sure it's attached to the pre-purchase contract.

Power of Attorney: You may need to arrange a power of attorney with your lawyer so that he can act on your behalf if necessary.





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LEGAL CHECKS

Your lawyer will carry out comprehensive checks to ensure the property you are buying is 100 per cent legal. These checks include:

- Looking at the Property Registry to check title, property description, charges and encumbrances.
- Consulting the local council planning department to check building and occupation licences.
- Consulting the local Cadastral Registry to confirm the official value of the property.
- Confirming payment of taxes (local, regional and national) to ensure the property is free of debt related to taxes.
- Ensuring payment of community fees is up to date.

If you are buying an off-plan property, the checks also include:

- Consulting the Company Registry to check the development company.
- Verifying the bank guarantee and financing conditions provided by the development company.
- Confirming the 10-year construction guarantee is in place.

Find out more about essential checks on www.andalusianlawyers.com.





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FINAL STEPS

Notary Public: Your lawyer will accompany you to the Notary Public to sign the title deeds. Your lawyer will check the deeds and ensure all is in order. He should also provide a rough translation of the deeds so you know what you are signing.

Payment: Your lawyer will organise the method of payment for the purchase and arrange banker's drafts etc to pay the vendor at the time of signing the title deeds. If necessary, your lawyer will sign the deeds and make payment on your behalf.

Registration: Your lawyer will organise the registration of the title deeds at the appropriate Property Registry so that the property can be registered in your name.

Utility Supplies: Your lawyer will arrange for utility supplies (electricity, water and gas) to be connected to the property (if they are disconnected or you are buying a new property) or contracted in your name.

Property Taxes: Your lawyer will arrange for all the taxes and charges (see page 5) associated with your purchase to be paid on your behalf.





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TAXES & CHARGES

The following taxes are levied on the purchase of a property in Andalusia by an individual:

Transfer tax: Between 7 and 10 per cent depending on the purchase price. Levied on resale properties only.

VAT: Charged at 10 per cent on new properties only.

Stamp duty: Charged at 1.5 per cent on new properties only. Stamp duty is also levied on mortgage loans.

Notary costs: These vary depending on the complexity of the title deeds. Your lawyer will be able to give you an estimate of the fees.

Land registry costs: The exact amount depends on the title deeds. Again, your lawyer will be able to give you a good idea of the exact amount.

Legal fees: Lawyers generally charge between 1 and 1.5 per cent of the purchase price. Andalusian Lawyers charge 1 per cent or €1,000 for properties priced under €100,000.

Estate agent's fees: Most agents charge 5 per cent of the purchase price as their commission. This is included in the purchase price.





AFTER-SALES SERVICES

Andalusian Lawyers provide a comprehensive range of after-sales services. These include:

- Arrangement of direct debit for utility supplies and taxes such as local rates and community fees.
- Non-residents' wealth and income tax, payable annually by all non-resident property owners.
- Fiscal advice on taxation matters for non-residents.
- Legal advice on obtaining residence and work permits.
- Legal advice on letting your property.
- Legal advice on inheritance and donation.
- Arrangement of making a Spanish will.
- Conveyancing services if you wish to sell your home.

Our experience takes in more than 25 years of conveyancing and non-resident services. Please contact us for more information on any of the above or if you have any queries.

