



An outline of the process of buying a home in Spain

Solicitors, Notario, and Surveys, - The Process...

The Spanish legal system is different to Britain, Germany, and many other of the EU countries, solicitors will make checks and enquiries on your behalf, in which case the whole process is little more troublesome than buying a home elsewhere. **IT IS STRONGLY URGED** that you do appoint a solicitor to make these checks. Advice can be given by ourselves on trustworthy, experienced solicitors in the region who you can appoint, should you wish.

Problems can arise when prospective buyers decline the use of solicitors, and later find legal complications which affect their ownership rights. As with any property purchase, it is prudent to have a survey carried out, which we will be please to arrange for you.

Having instructed a solicitor to handle the purchase, you have the reassurance that all the important aspects will be covered.

- The title of the property is checked
- The person selling the home actually owns it
- Whether there are any charges on the property
- Building licences and permissions are in order, where applicable
- Finally, the terms and conditions stipulated by the seller are checked for fairness

A report of the findings is then compiled for you to consider, before proceeding with the purchase. If you decide to proceed your solicitor can then arrange:

- For transference of the title into your name (Escritura process with Notario)
- For any fees and taxes to be paid
- For the title to be registered with the Government Land Registry

Escritura - The title deed, proving who is the owner as well as describing the property in detail. The Escritura is signed once you are satisfied with the preliminary investigations and arrangements for payment have been made. You may either attend the signing in person or appoint someone as Power of Attorney to attend on your behalf. The Escritura is signed in the presence of the Notario.

Notario - the public official who is present to officially certify that the title deeds

have been exchanged and understood by the parties concerned. After the signing, the Notario witnesses the payment, or an acknowledgement that the payment has already been made, and this fact is incorporated in the deeds. The Notario is completely impartial and offers no advice.

After the signing of the Escritura, it is taken to the registry for payment of registration fees.

The registration process can take several months!

It is worth considering who is to be named as the purchaser and owner on the deeds.

Inheritance tax and change of ownership taxes and fees may be a issue you wish to consider

before registration. We would advise this be discussed and agreed with your solicitor as part of his service prior to your agreeing to purchase.

Guideline of Typical Costs of Purchase

Solicitors' fees are usually circa 1% of the purchase price. This includes:

- Advice about the contract
- Investigation of title
- Planning position of the property
- Reporting on enquiry results
- Remitting any funds to Spain
- Arrangement for the payment of taxes
- Arranging for completion
- Arranging for registration

Additional costs...

- Notary fee - circa £200 - £450
- Land Registry fee - Circa £250
- Surveyor's costs, bank charges etc - variable
- Transfer tax - usually 7% of purchase price
- Power of Attorney for signing in your absence - typically £100 (if required because you are not present to do signatures yourself)
- Tax office registration for foreigners (NIE) - typically £100

VAT is chargeable on some or all of the above.

If you spend less than 6 months per year in Spain then you are generally classed as non-resident and you must:

- Name a fiscal representative
- Pay your local rates (Contribucion Urbana/UBI)
- Declare all your capital assets in Spain and, where appropriate, pay wealth tax on them
- Pay tax on any income deriving from your activities in Spain, including notional income you could have derived from letting your home

- Car tax and insurance, where applicable
- Electricity, water and other bills

If you spend more than six months in Spain you will be deemed to be a permanent resident and expected to pay taxes and social security contributions. Many of the above points and requirements still apply and income tax will usually be assessed on worldwide income. It is common practice for foreigners living in Spain to employ the service of an accountant

In the Case of a Death...

Jointly owned property does not automatically pass in full to the surviving spouse or partner but is dealt with according to any wishes expressed in the will. We recommend that ALL new purchasers make out a Spanish Will at the time of purchase, which can be arranged via your solicitor

Further points to consider...

- Review your English will and make out a Spanish Will
- Give an English 'Enduring Power of Attorney' to a member of your family or a solicitor to deal with your affairs should you become incapable
- Nominate a 'fiscal representative' to receive your tax and financial correspondence if you are not a permanent resident in Spain
- Insure your property, contents and health
- Have all service charges transferred to your name, open bank accounts and register for taxes. A local 'gestor' (an official form filler) will do these things for you at a very reasonable rate.