

ALL YOU NEED TO KNOW ABOUT BUYING A PROPERTY IN SPAIN



BROMLEY ESTATES
MARBELLA

Real Estate with LOVE 

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How does buying a property in Spain works?

STEP BY STEP



Buying a property in a different country can be a little daunting, and at times, frustrating, that is why at **Bromley Estates Marbella** we are dedicated to taking you through the process step by step, as well as providing a full after sale service. Our property specialist have a wealth of Real Estate experience on the coast and are dedicated to helping customers find their ideal property. In addition our professionals will be able to recommend you independent legal and financial advisors to help you feel comfortable with every phase.

| BUYING PROCESS

Once you have found the ideal property on the Costa del Sol and have decided that you wish to move forward with the purchase, the next step would be for Bromley Estates to draw up a « **Reservation Contract** »

A reservation contract is used in Spain as a standard procedure to reserve a property for a specified period of time whilst your lawyer conduct the « Due diligence » *

** **Due diligence:** The act of performing reasonable investigation into the Real Estate transaction at hand and includes but is not limited to: any outstanding debts on the property, violations, a review of the building permits and/or certificates and taxes.*

| WHAT IS A RESERVATION CONTRACT?

Typically, the reservation contract would set out the basic terms and conditions of the purchase and would then be approved and signed by both the buyer and the vendor. This is a temporary reservation document only.

Such document would include:

- Full name of buyer and vendor
- Price of the property
- Property address
- Date to sign a « private purchase contract »
- Other special conditions (Subject to finance,...)
- Deposit amount placed to reserve the property

| DEPOSIT?

A 6,000 Euro deposit will secure the property while the « due diligence » is being conducted. This deposit can be paid by credit card or bank transfer. It can be held in the Bromley Estates company client account or with a lawyer of your choice. The 6,000 Euro serves to reserve the property whilst your chosen lawyer conducts the due diligence and you may also want to arrange a mortgage during that time.

This reservation deposit is fully refundable in the event that your lawyer should discover any legal impediments pertaining to the said property. Should you continue with your purchase after the due diligence, the 6,000 Euro will be used towards the purchase price.

| WHAT HAPPENS NEXT?

Once your lawyer has conducted a full and thorough due diligence, he/she will inform you of their findings and discuss moving to a « Private Purchase Contract » if applicable.

| WHAT IS A PRIVATE PURCHASE CONTRACT?

A private purchase contract is a contract between the consumer and the vendor, again typically setting out the terms and conditions of the contract. The contract will be prepared by your lawyer and will contain:

- A legal declaration from the vendor that he/she is legally positioned to sell the property respectively
- The exact address and dimensions of the property and its features as set out in the « referencia catastral » (government registration of the property)
- The completion date and hand over of the keys etc...
- The agreed terms and conditions as agreed by the buyer and the vendor.

| BUYING COSTS

The buying costs in Spain vary from 10,5% to 13,5% of the purchase price, broken down as follows:

- 10% IVA (VAT) on NEW properties, 7% IVA (VAT) on RESALES
- 1% Notary fee (Notarization of property cost)
- 1% Legal fee (a fee charged by your selected lawyer to conduct the due diligence)
- 1.5% stamp duty tax (charged to make documents legally effective on the new property)

| HOW LONG DOES IT TAKES TO BUY A PROPERTY IN SPAIN?

This is one of the first things that people want to know when buying a property in Spain. How long will it take to become the owner?

But the answer isn't as straightforward as you might think. It depends on the complexity of the purchase. If all paperwork is in order and finances are in place, the buying process can take as little as 3-4 weeks. If a mortgage is required, it can take around 4-8 weeks.

When problems arise and various bureaucratic processes are necessary (e.g. registering the property), it can become a very time-consuming process that lasts for 8 weeks or more. It's often impossible to predict a specific timeframe for your purchase. But in our experience, once the private contract has been signed, completion is likely to occur within 4-6 weeks - and, here at Bromley Estates, we always strive to make the buying process as quick and efficient as possible.

Contact Bromley Estates for further guidance - Our specialists have excellent knowledge of the buying process and buying costs in Spain. They're always on hand and happy to help. Therefore, if you have any question or require further assistance with buying a property in Spain, you're welcome to get in touch at any time. Either give us a call on +34 952 939 460 or send an email to enquiries@bromleyestatesmarbella.com.

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