

# BROMLEY ESTATES

## *Marbella*

"Helping clients succeed"

**ALL YOU NEED TO KNOW ABOUT  
BUYING A PROPERTY IN SPAIN**



# How does buying a property in Spain work?

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 specialists 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 conducts 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 buildings 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 a 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

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



# How does buying a property in Spain work?

## Buying Costs

The buying costs in Spain vary from 10% to 13.5% of the purchase price, broken down as follows:

- 10% IVA (VAT) on NEW properties, 8% to 10% IVA (VAT) on re-sales depending on price category
- 1% Notary fee (Notarization of property cost)
- 1% Legal fees (a fee charged by your selected lawyer to conduct the \* Due diligence)
- 1.5% Stamp Duty Tax (A tax charged to make all documents legally effective)

If you should require a mortgage, you should calculate an average of 1- 1.5% cost for the set up fee of a mortgage with a local Spanish bank

**For further assistance on buying a property in Spain please contact us directly:**

## ADDITIONAL SERVICES

Below we have compiled a list of the most commonly requested services. When moving or vacationing in a new country, there could be a learning curve to **“how things work in Spain”**. We are here to assist you with any requests you may have and will direct you to only the most reputable of companies.

- |                                   |                                 |
|-----------------------------------|---------------------------------|
| • Property and Health insurance   | • Handymen                      |
| • Currency exchange               | • Property Management           |
| • Builders                        | • Satellite/Internet services   |
| • Furniture packages              | • Car rental                    |
| • Interior design                 | • Home security                 |
| • Kitchen suppliers               | • Advice on Schools and Banking |
| • Contracting water & electricity | • Arrangement of NIE number     |

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