

NOVA
REALTY

HOME BUYING GUIDE



ESSENTIAL STEPS



HOME BUYING GUIDE

The content presented in this document is intended solely for informational purposes. Nova Realty recommends consulting a lawyer and tax adviser before buying property in Spain to ensure it's free of charges, giving you peace of mind throughout the purchase.

STEP 1

The Properties Selection

Book an appointment with Nova Realty for personalized property selection based on your needs & budget.

T.: +34 625 292 032

E.: RICHARD@NOVAREALTY.ES

STEP 2

The Inspection

We'll organize property viewings before your arrival and assist with airport pickup.

YOU CAN RELY ON US FOR A

SMOOTH EXPERIENCE.

STEP 3

Legal Advice

When choosing a lawyer, find someone with expertise in your specific field.

WE CAN RECOMMEND

QUALIFIED LEGAL

STEP 4

Reservation / Due Diligence

After discovering your dream home, your agent will request you to sign a reservation agreement (contrato de reserva), effectively removing it from the market. **Typically, a minimum of 6,000 EUR is paid upon signing.** Your lawyer will conduct a property due diligence, covering building and first occupation licenses plus any other relevant legal or tax matters.

DUE DILIGENCE

Due diligence is a crucial legal procedure conducted by a neutral specialist to assess the property. The main objective of this procedure is to verify the information provided by the seller. The due diligence process may vary depending on whether the seller is an individual or a company.

FROM A PRIVATE PERSON

- Seller's Legal Identity
- Land Registry
- Property must be free of debt
- Municipal Building & Habitation License
- Drafting & Signing contracts

FROM A COMPANY

- Seller's Legal Identity
- Land Registry
- Property Must be Free of Debt
- Building License (if Applicable)
- Quality & Building Specifications
- Bank Guarantee / Insurance
- 10-Year Structural Defects Insurance
- Review Purchase Contract

STEP 5

Private Purchase Contract *(Known as PPC & Contrato de Compraventa or Deposit Contract/Contrato de Arras)*

After conducting thorough due diligence, within a two-week timeframe, the lawyers will draft a Deposit Contract-or Private Purchase Contract. The difference between the two is that a Deposit Contract both parties can decide not to complete the purchase (and either losing the 10% or returning 20% in the case of the seller), but in the Private Purchase Contract (PPC) both parties have to complete. At this stage, an additional percentage of the property's agreed price must be paid, typically 10% for resale properties and 30% for new developments.

STEP 6

Public Deed

To complete the purchase, the buyer must sign the public deed of purchase (Escritura Publica) at the notary's office. You can either be present in person or appoint someone, usually your lawyer, through a power of attorney. In case you have a mortgage, a separate deed will be required, which the notary will carefully review. Finally, the buyer will be handed the keys, officially becoming the new homeowner.

STEP 7

Taxes & Expenses *(Based on the property type: Resale or New)*

RESALE PROPERTY

- **The ITP (Impuesto de Transmisiones Patrimoniales)**
In Andalusia, a 7% Property Transfer Tax is applied to all purchases.
- **Notary Fees (Escritura):** The fees charged by notaries usually fall within the range of 500 to 1,800 EUR per transaction.
- **Land Registry Fees:** This fee is determined by the authorities and is usually between 50-70% of the notary fee.
- **Legal Fees:** 1% of the purchase price + 21% VAT

NEW PROPERTY

- **The VAT:** 10% for residential properties and 21% for plots, garages & storage
- **Stamp Duty:** 1,2% for Andalusia
- **Notary Fees (Escritura):** The fees charged by notaries usually fall within the range of 500 to 1,800 EUR per transaction
- **Land Registry Fees:** This fee is determined by the authorities and is usually between 50-70% of the notary fee
- **Legal Fees:** 1% of the purchase price + 21% VAT

STEP 8

The Final Steps

Upon becoming the new owner, it is necessary to update all names on contracts associated with the property. This encompasses utilities such as water and electricity, council tax (IBI), rubbish tax (Basura), and community fees. To ensure the smooth processing of payments, it is imperative to possess a bank account in Spain.

ADDITIONAL FACTORS & RECOMMENDATIONS

1. **GOLDEN VISA:** Spain currently offers a 'golden visa' program for individuals who become property owners. This program serves as an investor's visa, granting eligibility for a golden visa if you invest over 500,000 EUR in Spanish property, whether it's one property or multiple properties. It's important to note that this visa does not grant work permit rights, but it allows you to reside in the country.

Applicants must meet these requirements:

- ✓ **Non-EU citizens.**
- ✓ **Must be of legal age (18 years or older).**
- ✓ **No criminal record in the last five years.**
- ✓ **Not currently residing irregularly in Spain.**
- ✓ **Having medical insurance.**

2. **N.I.E NUMBER:** A sequential ID assigned to foreigners in Spain. It is necessary for various purposes like opening a bank account, getting a Spanish phone number, or pursuing work or studies. If you're planning from abroad, you can apply for an N.I.E through a Spanish Consulate. If you're already in Spain, you can do this at the Police Station or seek assistance from a legal administrator ("gestor" in Spanish).

3. **INSURANCE:** Ensuring coverage for property liabilities is a crucial step in safeguarding your investments. When it comes to mortgage acquisitions, banks often mandate a policy to shield the interest rate until the mortgage is fully paid off. Adequate insurance ensures protection, peace of mind, and financial security.

4. **INTERNATIONAL SCHOOLS:** *The Costa del Sol has many International Schools regulated by the Education Department of Junta de Andalucia. They provide diverse educational opportunities and maintain high learning standards for students in the region.*

The American College Marbella

Location: Puerto Banús, Marbella
www.americancollegespain.com

Svenska Skolan Marbella

Location: Puerto Banús, Marbella
www.svenskaskolanmarbella.com

Aloha College Marbella

Location: Nueva Andalucia, Marbella
www.aloha-college.com

Swans International Primary School

Location: Nagueles, Marbella
www.swansschool.com

Calpe College International School

Location: San Pedro – Marbella
www.calpecollegeschool.com

Laude San Pedro International College

Location: San Pedro, Marbella
www.laudesanpedro.com

The English International College

Location: El Rosario, Marbella
www.eic.edu

Colegio Alemán Juan Hoffman

Location: Elviria, Marbella
www.deutsche-schule-malaga.com

The International School Estepona

Location: El Paraiso, Estepona
www.marbellaschool.com

Sotogrande International School

Location: Sotogrande, Cadiz
www.sis.ac

Svenska Skolan Fuengirola

Location: Fuengirola, Mijas
www.skolan.es

St. Anthony's College

Location: Fuengirola, Mijas
www.stanthonyscollege.com

The British College of Benalmádena

Location: Torremuelle, Benalmádena
www.thebritishcollege.com/es

Benalmádena International College

Location: Torrequebrada, Benalmádena
www.bic-benal.com

Sunny View School

Location: Cerro del Toril, Torremolinos
www.sunnyviewschool.com