

# Overseas buyers guide to Spain.



Key areas to consider before buying a property in Spain.

## Avoid the fiction. Get the facts

Buying a property overseas can be daunting, especially when newspapers and television programmes highlight the horror stories, but the good news is it doesn't have to be that way. Take our clients for example, they tell us time and time again how their experience has not only been a positive one but also has exceeded their expectations. How? By being prepared! It is crucial for anyone looking to buy a property overseas to be fully informed if they want a hassle-free experience, which is why we have produced a series of guides to help prospective buyers.

## A brief guide

This guide is designed to provide a snapshot of the key areas you will need to consider before buying a property in Spain. Every country has its own way of doing things and being aware of the differences is an important step in your journey.

## Spain – property statistics

56% of second homes abroad are located in Spain & France. With an average budget of £205,000, purchase prices have risen by 12% per annum over the last decade.

The Catalonia region experienced the highest level of home price inflation over the past 5 years at 14.3% pa with the majority of these properties located in Costa Brava. Typically the highest rents are achieved in established holiday destinations.

Average house price	£252,342
Average rent per week	£515.00
Average rental weeks	18
Average annual rent	£9,251
Capital growth pa (02-06)	10.8%

Source: Savills Research; Office of National Statistics; homesoverseas.co.uk

## Key areas to consider before buying a property in Spain.



### The legalities

**Independent legal advice:** You will need a legal adviser to ensure your interests are represented when making the purchase. Whilst estate agents are knowledgeable and helpful, their remit is to sell properties.

**Bank account:** An account in Spain will be required in order to facilitate your financial transactions within the country.

**Spanish Notary Public – the ‘Notario’:** The ‘Notario’ is required to witness the signatures of both seller and buyer on what is effectively the ‘contract’; to check that the title deed (the ‘Escritura’) and any charges are in order, and to handle specific administrative matters. That’s it. They are not there to act in any advisory capacity.

**Power of Attorney:** If for any reason you are unable to be present for the signing of the contract, you can grant Power of Attorney to someone else to attend and sign on your behalf.

**Spanish Land Registry:** Once the title deeds (the ‘Escritura’) have been signed it needs to be presented to the local Land Registry.

If you are looking to purchase a new-build property, there are additional facts that you will need to take into account. See below for details.

### Additional purchase costs

Aside from the actual purchase price of the property, you will need to take into account the following costs:

**Legal fees:** This covers items such as legal advice, property searches, payment to the ‘Notario’ for preparing the title deed (the ‘Escritura’), document translations and/or a requirement for an interpreter, the Land Registry fee and the cost of a Power of Attorney if appropriate.

Taxes: in order to buy property in Spain, you will need a Foreigner Identification Number (known as an ‘N.I.E.’) and to register with the Spanish Tax Authorities the ‘Hacienda’.

- Transfer Tax or Spanish VAT (IVA)
- Stamp Duty

Both taxes are due upon completion of the purchase. The amount of tax payable is dependent on the value, type and location of the property.

### New-build properties

There are other factors you will need to consider if purchasing a new-build property, such as agreeing your specification with the Builder, additional taxes and fees etc. Details can be found in our free, comprehensive, no-nonsense guide.

## Turning overseas dreams into financially balanced realities.

### The Next step

If you are serious about buying a property in Spain, contact us today to order our comprehensive, no-nonsense guide. It's full of facts and figures – including insights into the buying process – as well as information on what to expect and to budget for once the property is yours. You will also find details of our services and how we have helped our clients turn their overseas dream into a welcome reality.

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### Language is no barrier

Employing the services of an interpreter is easier than you might think and can make all the difference to your buying experience. Ask us how.

### Overseas but over here

Trafalgar Square Overseas is a truly independent advice-based mortgage brokerage. Our guiding principle is to break the mould of institutional-style selling by operating a new, non-aligned mortgage business which is client-centred and based entirely on service.



Trafalgar Square Overseas is a Member of the Association of International Property Professionals (AIPP). In an effort to improve the professional standards of the international property market, Members of the AIPP have voluntarily committed themselves to industry regulation.

When you see that a company is a Member, it means:

- A company has been vetted and approved.
- A company has submitted to industry standard training.
- A company has agreed to follow the AIPP Code of Conduct, one established to help and protect you, the buyer, by ensuring Members follow professional guidelines.

## Trafalgar Square overseas

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