

## **PURCHASE PROCESS**

### **Financial**

Decide how you will finance your property purchase.

- Cash purchase (a purchase without outside financing such as a mortgage).
- Mortgage.
  - Apply for a mortgage on your own country.
  - Apply for a mortgage in Spain. Spanish banks usually give mortgages up to 70% of the property's price.

At Edward & Partners, we work with the best, and we are happy to recommend a good bank for personal accounts and a mortgage.

### **Viewings**

Once we know more about the house you are dreaming of, the features you are looking for, and your budget etc. we'll search the market (our own as well as colleagues' listings) and present you with the properties that match your requirements.

Then we will set up viewings for the properties you wish to see.  
We always attend the viewings together with you.

### **Legal representation**

We highly recommend engaging a lawyer with experience in Spanish real estate transactions to represent you through your purchase. Your legal representative will conduct due diligence of the property and confirm that there is no debt on the property before the transaction.

If you don't already have it, your lawyer will also get you the Spanish NIE number, which is compulsory for buying a property in Spain, opening a bank account, paying taxes and contracting utilities (electricity, internet, water, etc).

Lawyers' fees are usually 1% of the agreed price of the property.

## TAXES

### **Taxes on resale properties**

A resale property is an existing property that is being sold by the current owner. The purchase tax for a resale property is 8% of the value up to 400.000€, 9% of the value between 400.000€ - 700.000€ and 10% of the value over 700.000€.

### **Taxes on new developments**

On a new development, the developer is the vendor and properties are categorized as off-plan or finished properties.

Off-plan properties are sold before construction commences, and finished properties are sold once construction is complete.

In both cases the payment structure will vary depending on the developer's policy and how far construction has progressed. We always provide clear information about payments, periods, quality of the materials, plans, etc.

In this case the taxes are 10% of the agreed price plus around 1.5% (depending on the region) for the local authority fee, for a total of around 11.5% in taxes on top of the agreed purchase price.

### **Other costs**

Apart from lawyers' fees (1%), transfer taxes (8% to 10%) and the local authority fee (up to 1.5%) there are other costs that should be included in your budget.

Notary fees are usually between 500€ and 800€, and if you have applied for a mortgage the notary will charge between 300€ to 500€ for the title registration linked to the mortgage.