



CRYSTAL SHORE
PROPERTIES

Your essential guide for buying property in Spain



www.crystalshore-properties.com
Marbella | Estepona | Benahavis



INTRODUCTION

When buying a property overseas, having the right team in your corner is paramount to ensure you have the best advice and an enjoyable and easy experience, whilst navigating through the local market.

Crystal Shore Properties, established in 2005, is an independent, multi-lingual real estate company based centrally on the Costa del Sol, in the 5 star Las Dunas Hotel, Estepona. When purchasing your new property, you can rely on Crystal Shore Properties as your trusted partners to guide you through every step of the way, meaning you can sit back and enjoy the process.

This easy-to-navigate Buyer's Guide will equip you with all of the knowledge you need when buying your new Spanish home



FIRST STEPS

The best part of purchasing in Spain is that you only need ONE agent. Crystal Shore Properties have access to all listings, including those with other agents, so you can rest assured we won't miss a single "for sale" sign. No more spending hours searching multiple sites, making multiple phone calls or trying to remember where you saw which property.

This method of selling houses makes life a lot easier for the buyer, and incurs no extra charge; agents simply split their commission.

At Crystal Shore Properties, we aim to build strong relationships by investing time in our clients to truly understand their goals. Our knowledgeable and friendly agents will start the process by providing a full consultation over the phone, or over a coffee in our lovely seafront office. We enjoy getting to know you and your specific criteria so that we can make sure to send you only the most suitable options. Our experienced team will assist you in getting acquainted with the area and of comparable values of properties with similar characteristics in different locations. We will help locate the right property and guide you through the preliminary negotiations with the prospective seller.



A large background image showing a clear blue swimming pool in the foreground, with a metal ladder leading into the water. In the background, there's a sandy beach, some palm trees, and the ocean under a clear blue sky.

FINANCES

As part of our consultation, it is important for us to know exactly how much you are prepared to pay for your Spanish property. You will also need to tell us what your financial sources are; a home sale, funds in the bank, a re-mortgage of your main home or a mortgage from a Spanish bank. Spanish banks will lend to non-residents and taking a Spanish mortgage is an excellent way to fund your purchase with current interest rates between 2.3 - 2.6%*.

WHY TAKE A SPANISH MORTGAGE?

If your liquid funds are in a currency other than euro, by taking a euro mortgage you can protect yourself against interest exchange rates. Keeping your funds in your own country until the currency rate increases and then paying your outstanding mortgage off at a more favourable point in the future. Make your money work for you. You may feel that your cash budget doesn't get you the property you really want so getting a Spanish mortgage can give you the right amount of cash so you can purchase your dream property in the location you desire. If the property is for investment and you wish to receive a rental return, it is worth considering buying a better property in a more desirable location, as these types of properties are more like to get you a better rental return on your investment.

Crystal Shore Properties recommend using an Independent Mortgage broker. We can put you in touch with them before you view any properties. They will be able to give you an "Offer in Principal" so that you know exactly how much you can spend. This will put you in a strong negotiating position when you find the perfect property.

WHY USE AN INDEPENDENT MORTGAGE BROKER?

- Free independent advice
- Access to the whole of the market in order to ensure the best deal for your particular circumstance
- They can project manage the whole application



APPOINTING A LAWYER

It is advisable to engage the services of a registered and established Lawyer of a BAR association based in Spain. As registered Lawyers, they are protecting your rights and are a law firm independent from any agency. They will provide the legal guarantees for the purchase of the property ensuring that Spanish legal requirements are met and that the property is bought free of encumbrances, charges, liens or any whatsoever debts and up-to-date in the payment of any local contributions and community charges. It is also strongly advisable to use an independent English speaking Spanish lawyer – especially if you aren't a Spanish speaker. They will guide you through the details of the transaction so that you fully understand the contract and supporting documentation.

It is not compulsory to use a lawyer in Spain but for a relatively small fee in comparison to the price of your property, using one will give you peace of mind.

To use a Lawyer from your home country may increase substantially your legal fees and most certainly will delay the buying process. Crystal Shore Properties can recommend a number of accredited and trustworthy lawyers through our 20 years' experience on the coast.



PURCHASING PROCESS

RESERVATION DEPOSIT / DUE DILIGENCE PROCESS

Once the right property has been found and a price agreed, the purchase process begins with a reservation agreement, which will take the property off the market and also will “freeze” the purchase price.

The amount to be paid at this stage will usually be between 3,000 and 12,000 Euros depending on the property. *(Before arriving in Spain, make sure that you have sufficient funds available).* For properties over 1 million euros, the deposit is normally 10,000 euros and for those over 2 million euros, this is 50,000 euros.

The best way to pay the reservation fee is by credit card. It is not advisable to pay by cheque, especially if drawn on a foreign bank account, as it can take approximately 14 days to be cleared at a Spanish bank. Such delay could cost you the loss of your property. Whilst the property is reserved your appointed lawyer will carry out all the necessary searches the kind of property you have decided to acquire.

PRIVATE SALE AND PURCHASE AGREEMENT

Within approximately 14 days of the signing the reservation agreement, a private sale and purchase agreement is to be signed between the buyer and the seller (or their authorized representatives). During this time, the lawyer should have completed the investigations and searches in relation to the property and arranged with the seller the procedure for cancellation of any outstanding debts. It is a customary practice at this stage to pay approximately 10% of the purchase price minus the reservation amount. Funds can be lodged in your own Spanish bank account and your lawyer can arrange for an account to be opened for you or in your lawyer’s escrow account.



PURCHASING A PROPERTY IN A NEW DEVELOPMENT

In the case of new constructions, it can take up to 18 months before completion and usually payments are in stages of two to four months, for example by bankers draft cheques from a Spanish bank account or bank transfer. When purchasing a property in a new development, the developer by law should provide bank guarantees against each payment made on account of the purchase price.

Many developers offer these bank guarantees free of charge while others charge a percentage. A bank guarantee protects your payments. In the unlikely event that the developer fails to complete the property, goes into liquidation or fails to complete on time and you do not wish to wait, all the sums paid by you will be returned in full. New properties are handed over without water and electricity connection. However, this can be arranged by your lawyer. Under Spanish Law, the developer must provide you with a liability construction guarantee.

NOTARY – TITLE DEED / REGISTRATION

A property sale is formally completed in Spain when the title deed (“Escritura de Compraventa”) is signed before a Public Notary in Spain, the final payment has to be effected and the keys of the property are handed over to the new owner. If you cannot be present at the completion, you can grant a Power of Attorney to your lawyer so that all necessary procedures can be completed on your behalf.

Once the title deed is signed, the notary will fax a copy of it to the Property Registry. Your lawyer will pay on your behalf all the relevant transfer taxes and will deal with the formalities of registration of your title deed. Final registration of the title deed may take several months. Your lawyer can also arrange for the transfer of the utility service accounts, such as water and electricity, and arrange that all other bills be charged by direct debit to your Spanish bank account. Connection to such provision services may take some time. Therefore, we suggest that you confirm this with your lawyer before making any plans to move into the property.

Completion of the purchase typically takes place approximately three to four weeks after signing the Private Purchase Contract. At this point the balance of the purchase monies, plus any taxes and costs will be paid. Then the fun bit – you receive the keys and the property is all yours to enjoy.



PURCHASING COSTS

All the costs & taxes involved with a property purchase transaction are approximately 10-15% of the purchase price. If you place a mortgage on the property there is an additional cost of approximately 3-4% of the mortgage amount.

LEGAL FEES:

The legal fee depends on the service you require, plus VAT (IVA) currently charged at 21%. Your lawyer will have a transparent fee structure with clear advice of any charges and fees. They will give you a detailed estimate on the likely overall cost once we receive the information of your purchase.

NOTARY FEES:

The Notary fees are charged according to a fixed scale, depending upon the registered value of the property. The charges may range from 600 to 2.000 Euros.

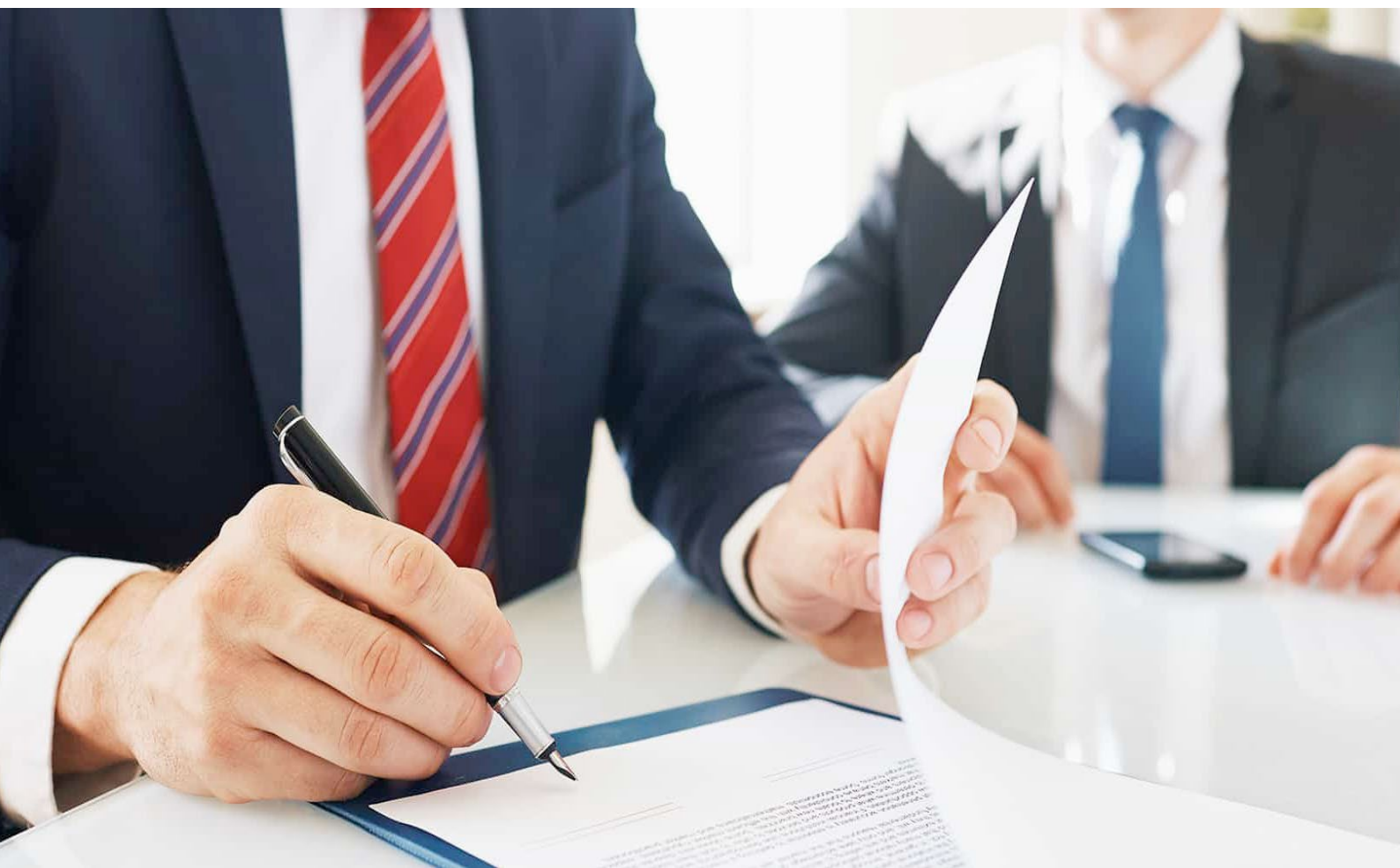
PROPERTY REGISTRY FEES: Generally, 60-80% of the notary fee.

When buying business premises, plots of land and garage spaces: Each case should be studied individually in order to confirm if 10% or 21% VAT or if Transfer Tax is applicable.

As an example, for a purchase price of €250,000

New property purchase costs: 14.2%	These include: VAT/IVA at 10%, stamp duty at 1.2%, legal fees 1%, notary and registry fees 1%, plus 0.7% for various documents required such as power of attorney, NIE application and certificates.
New property purchase costs with new mortgage: 16.7%	These include: VAT/IVA at 10%, stamp duty at 1.2%, legal fees 1%, notary and registry fees 1%, plus 0.7% for various documents required such as power of attorney, NIE application and certificates.
Resale purchase costs: 10.7%	These include: 7% for Transfer Tax, 1% for legal fees, 1% for notary fees and 0.7% for various documents such as power of attorney, NIE application and certificates.
Resale purchase costs with new mortgage: 13.2%	60% of €250,000 or the amount of €150,000): These include: 10.7% as above plus 0.8% notary fees, 0.7% for bank gestor, valuation and provision of funds, and 1% opening fee.





BASIC REQUIRED FORMALITIES

POWER OF ATTORNEY:

We recommend you to provide your lawyer with a Power of Attorney in order to act on your behalf. The Power of Attorney enables us to sign all the relevant contracts and documents related to the purchase on your behalf.

N.I.E. NUMBER:

This is the Spanish ID number for foreigners and it is mandatory to apply for it at the police station to purchase a property. Your lawyer can apply for it on your behalf with a valid Power of Attorney. The cost is minimal – under 20 euros

SPANISH BANK ACCOUNT:

You need to open a Spanish Bank Account for your direct debits related to your utilities services and annual costs and taxes. With the Power of Attorney your lawyer can open the bank account on your behalf and arrange for the direct debits.

ANNUAL COSTS FOR OWNING PROPERTY IN SPAIN

As you would expect, there are costs associated with owning a property in Spain, however they are very low in comparison to the rest of Europe.

- **IBI (Impuesto sobre Bienes Inmuebles)** is the equivalent of council tax in the UK and is paid to the local government. This varies from property to property, however, we can tell you the associated tax for any property that you like. This is an annual payment.
- **Basura (Rubbish Collection)** is also paid annually and the amount depends on which area you live in. It is a very reasonable charge given that rubbish is collected daily.
- **Community Fees.** Should the property be part of an urbanization, a monthly charge will be applicable to cover the upkeep and cleaning of common areas such as lifts, swimming pools, gardens, gymnasium or spa.
- **Water, electricity, gas, telephone and Internet fees** have to be paid for by the user. Usually on a monthly or a bi-monthly basis.

Your appointed lawyer in Spain will help you to set up all these payments on a direct debit in your name, once you own the property.



CURRENCY EXCHANGE

If your funds for your purchase are not already in euros, the exchange rate which you receive when you transfer the money can have a massive impact on the final cost of the property. The price of currency fluctuates second by second and in the time from when you place the initial reservation deposit to the moment you complete the purchase, the exchange rate can change dramatically. Crystal Shore Properties recommend a currency exchange specialist and would urge you to get in touch with them early in the process. They can offer you better exchange rates than a typical bank – saving you up to 4% - which is A LOT of money when we are talking hundreds of thousands of euros.



GOLDEN VISA

In 2013 Spain introduced a law offering residency permits to non-EU nationals in return for an investment of €500,000 or more in Spanish property. This became popularly known as the Spanish 'Golden Visa' scheme. The objective of the law is to attract entrepreneurs to Spain, and stimulate foreign investment in Spanish real estate, public debt, and job creation. This law enables non-EU nationals to get qualified residency permits in return for investing in Spanish real estate (and other assets), leading to long-term residency in Spain if certain conditions are fulfilled. Spanish residency, and the ability to travel freely in the European Schengen area (for 90 out of every 180 days), is a major attraction for many non-EU investors. Only certain types of investment are included in this group:

- Estate investments under the "Golden Visa" scheme are proving popular. It could be a case of purchasing one property over 500,000€ or multiple properties totalling over 500,000€.
- The initial visa is valid for one year and can be extended and renewed as residency every two years.
- The requirement for renewal is that the person is under the same circumstances as when obtaining visa on the first place and that the person has travelled to Spain at least once during the first year of residency.
- Applicants will also need to meet all other requirements for becoming resident, i.e. hold a public or private health insurance, have sufficient resources for themselves and their family members, and showing a clean criminal record.





BENEFITS FOR BUYING ON THE COSTA DEL SOL

If you are unfamiliar with the Costa del Sol, these bullet points are here to help you understand why the Costa del Sol is recognised as a prime holiday or permanent resident location.

- 320 days of warm sunshine a year with the average temperature of 18°C
- Wide range of International flights to and from Malaga International Airport
- The Costa del Sol offers beach activities for all ages and has something to suit every lifestyle and budget.
- 66 Golf courses to choose from on the Costa del Sol
- The Costa del Sol has a long and interesting history with some of the finest galleries, museums to visit



AFTER SALES

INTERIOR DESIGN:

We understand that furnishing and decorating your new home can be one of the most exciting parts of the property purchase. While some resale properties may be sold fully furnished, others will need furniture, fixtures and fittings. We work in partnership with interior designers who can assist you with putting your own personality into every room of your new property. This service can include everything from sourcing beautiful furniture to stylish soft furnishings such as curtains, blinds and floor coverings. We can even make sure that your kitchen cupboards are stocked with crockery, cutlery and glassware. If you would like to find out more about this bespoke aftersales service, we will be happy to talk to you about our Interior Design Service when we meet.

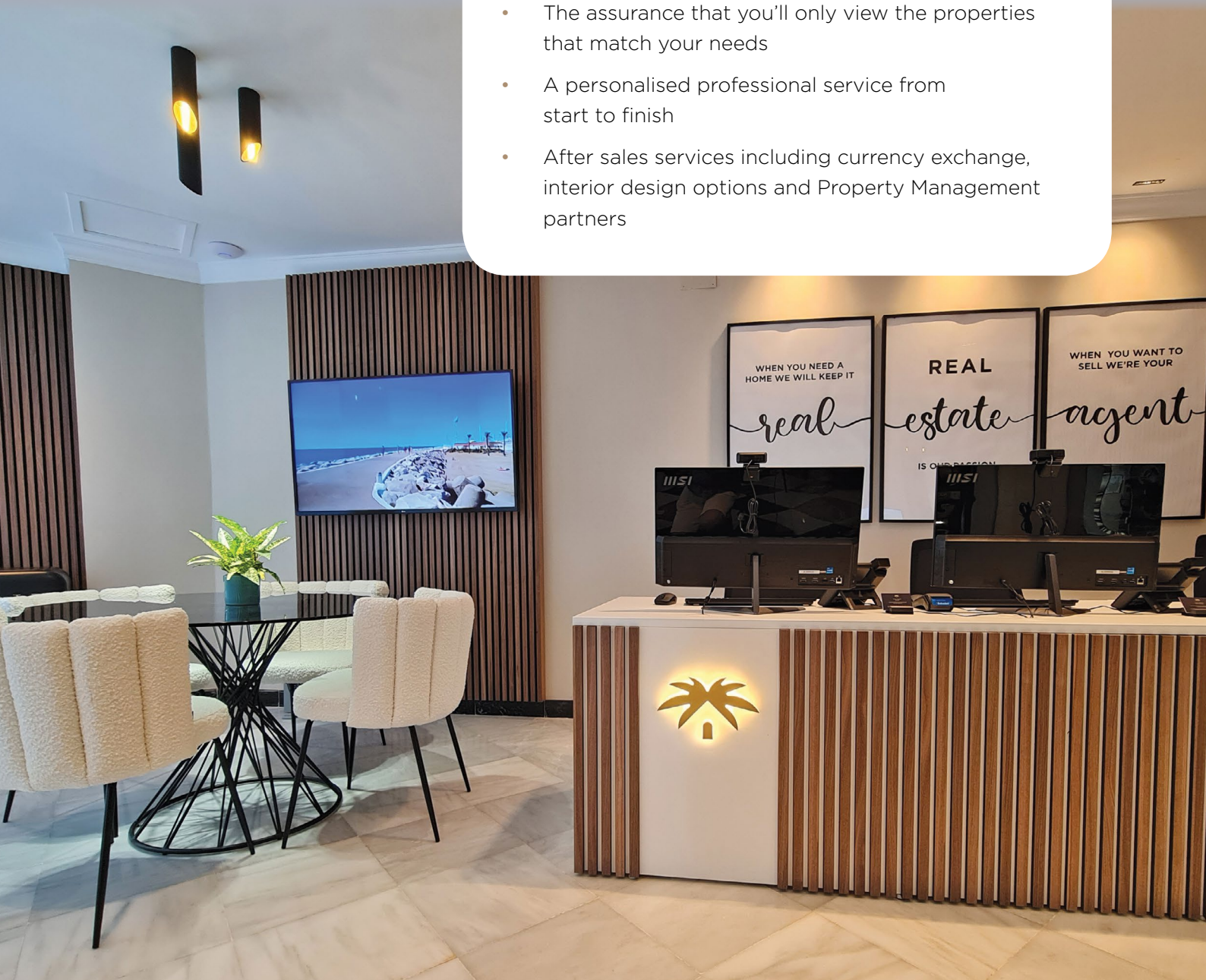
PROPERTY MANAGEMENT

Crystal Shore Properties recommend experienced and trusted Property Management companies who can look after your property whilst you're away, or who can help you to rent out your property if you wish to explore the potentially lucrative holiday lettings market. There are various levels of service available from one-off management projects to continuous care of your property. These include:

- **Key holding service.** This is a useful service regardless of whether you are letting your property as it's always a good idea to have a spare key locally in case of emergencies.
- **Meet & Greet.** If you are letting your property, you will need a local service to clean and prepare your house or apartment for your guests and to ensure that everything is as it should be.
- **Utility bills.** If you don't want to pay using direct debit, a property management company can arrange to pay your bills on your behalf.
- **Pool & Garden maintenance.** If your property has outdoor space this will need to be cleaned and maintained. A maintenance company will ensure a private pool is tested and treated for chemical balance and that your gardens are trimmed, weeded and lawns mowed for a presentable appearance all times.

WHY WORK WITH CRYSTAL SHORE PROPERTIES

- Established in 2005 with over 20 years' experience in the local property market
- Award winners of the European Property Awards
- Knowledge of local areas and properties on the market
- The assurance that you'll only view the properties that match your needs
- A personalised professional service from start to finish
- After sales services including currency exchange, interior design options and Property Management partners



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