



## Welcome to the **Hi Homes Marbella** step by step guide to buying a property in Spain.

### INTRODUCTION:

*It can seem like a very big and difficult step for clients to purchase a property in Spain. Many clients feel insecure due to the lack of adequate information about the process involved and also the costs associated with buying a property. For this reason, we have prepared this detailed step by step guide that will be able to answer all the questions relating to purchasing of a property in Spain.*

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## How does the Spanish buying process work?

*Buying real estate and properties abroad can be a little daunting and sometimes frustrating. This is why at Hi Homes Marbella we are fully dedicated to taking you through the process step by step and assisting you with all the after sale services needed.*

*In addition to our sales services, our commitment is to guide our clients from the first step until the last. Our decades of experience on the Costa Del Sol has brought us fantastic contacts, this way being able to recommend you the best independent legal & financial advisors to make you feel comfortable through every step of the way.*

### THE SPANISH BUYING PROCESS

*Once you have found the perfect property on the coast and decide you want to move forward with the purchase, the first step is 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 **\*Due diligence**.*

**\*Due Dilligence definition:** Research and investigation into the real estate transaction to make sure that the property is free of any debts and/or encumbrances, a review of building permits, licenses, certificates and taxes.

### RESERVATION CONTRACT

*Generally, 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 or the vendor. This is a temporary reservation document only. This document would include the following:*

- Full name of buyer and vendor
- Price of the property
- Property address
- Date to sign \*PPC
- Other special conditions
- Deposit amount to reserve the property and how long for

**\*PPC is the abbreviation for Private Purchase Contract**

*Normally 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 cash, it can be held in the Hi Homes Marbella client account or with a lawyer of your choice. The deposit serves to reserve the property while your lawyer conducts all due diligence or to arrange finance in this period.*

*The reservation deposit is fully refundable should your lawyer discover any irregularities about the property. If you proceed with the purchase after the due diligence the 6,000 Euro deposit will be used towards the purchase price.*

**WHAT IS NEXT?** *Once your lawyer has conducted a full and thorough \*Due Dilligence, he/she will inform you of their findings and discuss moving to PPC.*

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## How does the Spanish buying process work?

### WHAT IS A PRIVATE PURCHASE CONTRACT OR PPC?

Referred to as **PPC**: A private purchase contract is a contract between the buyer and the vendor usually following from the reservation contract. PPC is a more in depth agreement setting the exact terms and conditions of the purchase

These normally include:

*-Legal declaration from the vendor stating that he/she is legally able to sell the property*

*-The exact address and size of the property, as well as the catastral reference of the property in the land registry.*

*-The completion and hand over date of the property.*

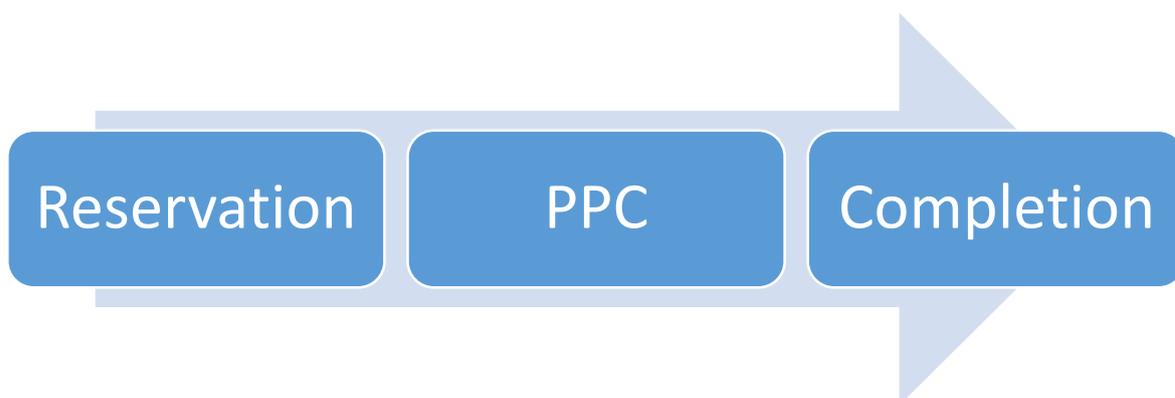
*-The agreed terms and conditions.*

Once PPC is signed by both parties the following step is completion. The completion is always formalised in a Spanish Notary.

### HOW DOES COMPLETION TAKE PLACE?

Completion of the property sale is signed in a Spanish Notary. This contract is similar to PPC, however this time, signed by both parties and a Notary. After completion the lawyers uses this contract to change ownership at the land registry.

After this step... **Congratulations**, you would now be an official owner of Spanish property!



## LET'S TALK ABOUT BUYING COSTS

The costs of purchasing a property 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% ITP on re-sales depending on price.
- 1% Notary fee (Notarization of property cost)
- 1% Legal fees (A fee charged by your selected lawyer)
- 1.5% Stamp Duty Tax (Tax charged to make all documents legally effective)

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

## AFTER SALES AND ADDITIONAL SERVICES

Once you have successfully completed the purchase of your new home we will be more than happy to assist you with any after sales services you may need.

At Hi Homes Marbella we take great pride from our after sales services, we are able to help you with:

Handymen

Property management

Furniture packages

Interior design

Kitchen Suppliers

Contracting water and electricity

Internet and satellite services

Car rental

Home security

Advice on banks and schools

Builders

Currency exchange

Property insurance

Health Insurance

Arrangements for NIE number

General after sales services



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