

Spanish Buying Guide



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The process of buying a property in Spain involves several steps and various taxes and fees. Here's a detailed breakdown of the process, along with the taxes and fees you can expect to encounter:

Research and Budgeting:

Determine your budget, including the purchase price, taxes, fees, and ongoing costs.

Find a Real Estate Agent:

We recommend you to buy your property only with a trustworthy agent, from Bulk Real Estate, we will offer you a totally personalised service, we will advise you during the whole process of your purchase, all completely free of charge for the buyer.

View Properties:

Visit properties that match your criteria and preferences.

Negotiate the Purchase Price:

Negotiate the purchase price with the seller through your agent at Bulk Real Estate.

Due Diligence:

Conduct thorough due diligence, including checking the property's legal status, compliance with local regulations, and condition.

Reserve Agreement (Arras Contract):

Sign a "Arras" contract and pay a deposit (usually around 10% of the purchase price) to reserve the property.

Financing:

Secure financing if necessary. Shop for the best mortgage rates and terms.

Notary Public:

Sign the official purchase contract before a Spanish notary public.

Obtain an NIE (Número de Identificación de Extranjero):

As a foreign buyer, obtain a Spanish tax identification number (NIE), if you are from the European Community, you can obtain it very easily from the national police, and if you are not, the value of the property must exceed €500,000 to apply for the Golden Visa and obtain a Spanish NIE.

Taxes and Fees:

Pay the following taxes and fees during the purchase process:

a. Property Transfer Tax (ITP - Impuesto de Transmisiones Patrimoniales):

ITP varies by region and typically ranges from 6% to 11% of the property's purchase price. This tax applies to the transfer of used properties.

b. Value Added Tax (IVA - Impuesto sobre el Valor Añadido):

IVA, at a rate of 10%, is applicable to the purchase of new properties or those that have been substantially renovated.

c. Stamp Duty (AJD - Actos Jurídicos Documentados):

Stamp duty is usually around 1% of the property price and is applied to the public deed.

d. Notary and Registration Fees:

These fees are related to the notarial services and registration of the property in your name. They can amount to around 1% to 2% of the purchase price.

Final Payment:

Pay the remaining balance of the purchase price to the seller.

Land Registry:

Register the property in your name at the local Land Registry.

Property Ownership Transfer:

The property ownership is officially transferred to your name.

Possession and Utilities:

Take possession of the property and transfer utility contracts to your name.

Annual Costs:

Budget for ongoing costs, including property taxes (Impuesto sobre Bienes Inmuebles or IBI), garbage collection (recogida de basura), community fees (if applicable), and maintenance.

Legal Assistance:

Consider hiring a Spanish lawyer (abogado) to guide you through the process and ensure legal compliance, Bulk real estate can help you with this.

Keep in mind that tax rates and regulations may change over time and can vary by region within Spain.

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ADDRESS

Calle Córdoba 9,
Oficina 8 (29640)
Fuengirola, Málaga.

CONTACT

Tel. +34 662 42 68 82
www.realestatebulk.com
info@realestatebulk.com