

# How to buy in Spain

## Procedures and formalities to buy a property in Spain

## Why buy in Spain? ...

## Real Estate opportunities

The real estate market has lost 40% of its value since 2007 and has stabilized since 2015. Today, **the attractive prices** of the real estate market in Spain and the low interest rates offer great opportunities that allow foreigners to obtain attractive loans to buy apartments or houses at a very advantageous price. On the other hand, you should know that the transactions for **a real estate purchase** in Spain are faster than on the other side of the Pyrenees because of the absence of pre-emption rights period of the city where the property is located..

Take advantage today of the opportunities of the **Spanish real estate market** to find, among a very varied offer, an apartment or a house in the sun and close to the sea!



## **An advantageous tax system**

Following the 2014 tax reform, real estate tax rates were revised downwards in 2015 and dropped in 2017. A tax advantage that makes real estate investment even more attractive thanks to a capital gains tax rate revised downward in the event of resale and better profitability for rental investment.

For non-residents, the tax rate went from 24.75% in 2014 to 19.5% since July 2015 and in 2017 to 19%.

A much more interesting tax system than in most of Europe (between 25% and 41% depending on the marginal tax brackets of activity income to which rental income must be added and taking into account social contributions). It's time to do some great business in Spain!

## A profitable investment

Buying a property in Spain such as an apartment in Torrevieja or Orihuela-Costa (Costa Blanca), very dynamic cities and ideally located by the sea, is a safe and profitable investment. For example, in just 2 hours flight from Paris to Alicante and 2.5 hours flight from Brussels to Alicante, you could be at the doors of our coast. Not to mention that these are very touristy cities.

The offer of the real estate market in Spain is very varied. It is suitable for all budgets and is suitable for all projects whether to spend the holidays in a secondary residence, to rent or to live there.

## A second home for holidays

If you dream of buying a second home abroad to spend a pleasant and sunny holiday without going too far, **Spain is the destination for you.**

Spain has set a record in the **tourism industry in 2019** for the sixth year in a row, with more than **82 million foreign visitors!**

The unusual landscapes, the many historical sites, the spectacular nature reserves, the coast with its paradisiac beaches, all the ingredients are gathered to enjoy an unforgettable holiday in Spain!

## A retreat in the sun

To invest or to live, the year 2022 is a good year to buy real estate in **Orihuela-Costa, Torrevieja, etc ...** with the opportunity to make a nice capital gain in the future. The Costa Blanca is very popular with Europeans, many retirees settle there to spend a peaceful **retreat in the sun!**



Culture, gastronomy, transport and modern services, standard of living and lifestyle, are some of the reasons that will make you [enjoy your retirement in Spain.](#)



## The essential reasons to buy a property in Spain

- **A real estate price in Spain very attractive**
- A successful investment thanks to **favorable taxation** – A country with a strategic geographical position.
- Comprehensive infrastructure networks.
- The biggest projects of the future
- The Sun, the sea and its warm people.
- A much cheaper way of life in everyday life (restaurant, shop, clothing, etc.).
- Attractive rental investment thanks to advantageous taxation and a very high demand for year-round rentals. – Taxes are much lower than in many countries of Europe (**the property tax in Spain is on average half as much as in many European countries and there is no housing tax**).

## The steps and formalities to buy in Spain

When buying real estate in Spain there are several steps to take and [formalities to perform](#). We must be vigilant to every

step, from the reserve until the signing of the deed of sale before **notary**.

Beware of real estate proposals with prices too attractive, there are often hidden defects!. You should also be wary of some real estate agents who have an interest in selling you an apartment or a house.



**NIE Spain:** Spanish law makes it compulsory **to obtain NIE** for all foreigners who want to buy an apartment or a house in Spain. This document is required **to sign the deed** of real estate purchase or to open a “non-resident” **bank account**. It takes an average of 20 days to receive **your NIE IN SPAIN**.

**The reservation (La Reserva)** : Having seen and compared several properties in Spain, you have found the apartment that interests you and you have reached an agreement on the price with the seller, it must then “seal” the operation. For this, we **“reserve”** the housing for payment of a minimum sum (between 3,000 and 5,000 euros, depending on the price of the desired good), which commits the seller not to offer the apartment to another buyer while waiting **the sales agreement**. If you take **our investurismo lawyer service**, it will intervene at this stage. It is important to call us before signing.

**Audits:** Before finalizing a sale, it is necessary to verify that the documents are in conformity with the property that you wish **to buy in Spain** (building permit, **certificate of registration of the property**, license of first occupation of housing, certificate of habitability etc...). Our lawyer service performs all these checks.

**The sales agreement (El Contrato de Arras o El Contrato de Compraventa):** All the details of the transaction to buy

**real estate in Spain** and the necessary clauses must be written on the promise of sale. Our lawyer service can write it.

**Deeds in front of the Notary (La Escritura Pública)** : It is the authentic act of purchase in Spain. The mysteries of the administration are very different from ours, and one must not bet, as in other countries of Europe, on the notary. **In Spain, the function of the notary is usually limited to authenticating the signatures, the seller / buyer financial regulation and the terms of the agreement.** All other steps, upstream or downstream, are the responsibility of the buyer who is solely responsible for his purchase. It will be necessary to present its **NIE** obligatorily.

## **ALL ABOUT LEGAL ACCOMPANYING IN SPAIN**

In Spain, all verification procedures, which guarantee a purchase without surprises, are the responsibility of the buyer, including ensuring the authenticity of the property. Our lawyers will intervene throughout the process until the purchase of your property in Spain. They will perform all the steps and verifications necessary to acquire your property to secure your purchase. Our lawyers will also be present at your side at the notary.

## **Taxes and fees for Buy in Spain**



The acquisition of real estate in Spain leads to a number of taxes that may differ from one region to another. Throughout our collaboration, we will explain in more detail the different steps, taxes and taxes to be paid during a real estate purchase in Spain. You will be in direct contact with our **investurismo Spanish lawyers.**

**Tax on the Transfer of Patrimonies (Impuesto de Transmisiones Patrimoniales – ITP)**. It corresponds to about 10% of the sales price to be provided for the signature in front of the notary. It concerns purchases in the old.

**Tax on Legal Documents (Impuestos de Actos Jurídicos Documentados – AJD)**. It essentially corresponds to the drafting of the act of purchase in front of the notary. It concerns purchases in old or new.

**VAT Value added tax (Impuesto sobre el Valor Añadido – IVA)**. It corresponds to about 10% of the sales price to be provided for the signature in front of the notary. It concerns purchases in the new.

**Property tax (Impuesto sobre Bienes Inmuebles – IBI)**.  
Every year.

**Non Resident Income Tax (Impuesto sobre la Renta de No Residentes – IRNR)**. For owners who do not reside in Spain, net rental income (after deducting interest on loans, trustee fees, works, insurance) are taxed at 19% since 2016 instead of 24.75%. usual.

**Wealth tax (Impuesto sobre el Patrimonio – IP)**. This tax eliminated in 2008 was restored in 2011 in most regions to respond to the crisis.

**Other expenses Tax in Spain**. As the owner of a property you must provide for certain costs such as home **insurance**, gas, water and electricity contracts, community

fees (gastos de comunidad), and rental management fees.

## Why use investurismo legal services to buy in Spain?

When **buying a property** in Spain, various difficulties may arise for you.

That is why we have a legal service made up of **lawyers specializing in real estate** that will allow you to benefit from personalized professional support during the entire process of buying your property in Spain.

We work for you, giving you all the necessary information at each stage of the operation:

- we propose real estate advertisements via our partners
- we verify that the purchase price is consistent with the market price
- we check the legal documents, including the act of purchase with our **Spanish lawyers.**
- we manage the administrative procedures □- we write the sales contracts.



**We offer you security, a time and money saving by using one of our REAL ESTATE services for the acquisition of your property in**

**Spain.**