

Buying guide



*Experience has
its Rewards!*

ALPHA ESTATES MARBELLA


It is so easy to fall in love with Marbella, but how easy is it to purchase real estate on the Costa del Sol once you have found your ideal home?

The answer is - it is pretty straightforward. However, as is the case of purchasing in a foreign country you need the proper guidance. Our team with its decades of local real estate experience are dedicated to not only finding you your ideal home but also sharing with you their knowledge of the purchasing process. We will also recommend accredited lawyers that speak your language, and take care of any other services you may require. Here are some of the most frequently asked questions about purchasing real estate on the Costa del Sol:

1. WHAT IS THE RESERVATION DEPOSIT

The Reservation contract is used in Spain as a standard procedure to reserve the property. Typically it would set out the basic terms and conditions of the agreement between the seller and the buyer. This document would specify your full names, agreed selling price, address of the property, date to sign PPC (if applicable), special conditions (for example - subject to a mortgage, subject to due diligence on both property and community) and the deposit amount placed to reserve the property. At this point the property is officially off the market.

Typically the reservation deposit is 6,000 euros which is refundable should your lawyer find any issues during the due diligence checks made against the property that cannot be resolved. This deposit can be paid by credit card or bank transfer and shall be held in the client escrow account of your lawyer, unless otherwise directed by your lawyer.



WE'RE A GROUP OF PEOPLE WITH A PASSION FOR WHAT WE DO AND FOR LIVING. WE WOULD FEEL PRIVILEGED TO BE PART OF YOUR JOURNEY.

2. IS IT DIFFICULT TO GET A MORTGAGE IN SPAIN?

Spanish banks provide mortgages to residents and non-residents alike. Terms and conditions in both cases are similar. Residents who are looking at properties for sale in Marbella - or elsewhere in Spain - to use as their main home will generally be able to borrow up to 80% of the home value. Non-residents wanting to buy a property on the Costa del Sol can borrow up to 70% of the bank-assessed value. In both cases the banks will check credit worthiness of applicants.

Should you have any questions about obtaining a mortgage on the Costa del Sol, please let us know. We have helped many clients with their mortgages.

3. WHAT IS DUE DILIGENCE ?

Ensuring all is in order with community fees, local taxes, and utilities. Your legal advisor will carry out a series of property checks called a Due Diligence report. It typically includes the following:

- Ensuring the property is legally built and has a first occupation license
- Making sure there is no outstanding debts on the property
- Up to date receipts for community fees, local taxes and utilities should be obtained
- A land registry search will be made to confirm the seller actually owns the property
- If the property is part of a community checks will also be made on the health of the community affairs.



BY OFFERING A COMPLETE
SUITE OF REAL ESTATE
SERVICES, WE ENSURE THAT
WE MEET OUR CLIENTS'
EVERY NEED

4. HOW DOES IT WORK IF THE PROPERTY I WOULD LIKE TO BUY IS OFF PLAN?

The procedure of purchasing off plan property on the Costa del Sol is straightforward but varies depending on the phase of the building permission and construction. Typically it is as follows:

- An initial reservation deposit (between €6,000 - €10,000) is paid to remove the selected unit from the market. This may be paid directly to the developer, or held in your lawyers escrow account. This allows for searches to be made to ensure the development is legally sound. If not this is refundable.
- Once searches are completed, you will need to make the first down payment, and sign the private purchase contract. This is normally between 10% and 30% of the final price. Money paid will be covered by a bank guarantee/insurance policy provided by the developer.
- In some cases, stage payments may be due as milestones are reached in the construction.
- On completion, the builder will apply for the first occupation license. Once these have been granted (without them you will be unable to have utilities connected), a final payment will be due (usually 60-70% of the price). You will sign the deeds and show proof of payment before a notary. The property is then YOURS.

5. WHAT IS PPC?

PPC is a Private Purchase Contract. This is an important step as all the exact terms and conditions of the purchase are laid out as negotiated to protect all parties. At this stage usually 10% is paid. This contract is setting out the terms and conditions of the sale and should be drawn up and signed by the seller and buyer.



WE AIM TO ESTABLISH EASYGOING COMMUNICATION WITH OUR CUSTOMERS, OUR MULTILINGUAL TEAM SPEAKS EIGHT LANGUAGES - JUST ASK US!



6. WHAT ARE THE PURCHASING COSTS IN ANDALUCIA?

The buying costs in Andalucia vary between 10 to 14% of the purchase price:

Brand New Properties

10% VAT on brand new properties
1% Notary fee
1% legal fees
1.5% stamp duty Tax

Total for new properties: apprx. 13.5%

Re-sales Properties

Between 8 to 10% transfer tax (depending on property price)
1% Notary fee
1% legal fees

Total for resales properties: From 10% to 12%

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

7. HOW DO I SETUP DIRECT DEBITS FOR MY BILLS?

Your solicitor will take care of contracting and/or changing the title of all the contracts with supply companies as well as the relevant taxes concerning the property. We will also work with your lawyer to help open a bank account for you..

8. RENTING YOUR PROPERTY IN SPAIN

According to regional legislation in force since May 2016, properties that are rented for touristic purposes for periods of less than two months duration at a time must be registered in the Tourism Office of the Regional Government of Andalusia (Junta de Andalucía). As long as the property complies with the simple requirements laid out by the legislation the licence will be granted quickly.

To this effect, we are at your disposal to guide you through the process of choosing the right rental property in Spain and obtaining all necessary paperworks for renting it out.





9. WHAT ELSE IS IMPORTANT TO CONSIDER WHEN CHOOSING THE PROPERTY?

As one of the most important factors to consider when choosing the property on the Costa del Sol - we recommend to carefully and thoughtfully select the area. There are lots of wonderful areas on the Costa del Sol for all types of tastes and preferences, so we have no doubt that your perfect area does exist and our job is to guide you and get you familiar with the best areas to fit your personality and circumstances.

10. AFTERSALE SERVICES. MYTH OR REALITY?

We are very proud of our aftersale service. Yes, it is a reality and we will take care of you from the moment you get in touch with us, through the buying process, and after completion. We know that purchasing real estate in a foreign country may be a stressfull process, but we have been in your shoes and we know what is needed to make this process smooth. We have useful contacts in all the areas like furniture shops, handymen, electricians, car dealers, etc. We will not only share with you those contacts but also help you to organise what needs to be done to get you settled.

11. WOULD YOU LIKE TO RECEIVE MORE INFORMATION?

If you would like to receive more in depth information about purchasing property in Spain, just get in touch with us. We are always at your disposal and will be happy to assist you.



ALPHA ESTATES MARBELLA HAS
PREPARED FOR YOU THIS PROPERTY
GUIDE WITH THE GREATEST CARE AND
ATTENTION TO THE DETAILS.

GET IN TOUCH WITH OUR
MULTILINGUAL TEAM TO GET A
PERSONALISED SERVICE FOR YOUR
PROPERTY SEARCH.

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