

N.I.E. Number

A non-resident of Spain can purchase a property. You will need to obtain a NIE number. This is an identity number for Foreigners (Número de Identificación de Extranjeros).

We will provide you with a basic form to fill out with a few personal details. Once you have completed the form you need to take the original form and 2 photocopies to the National Police Station of Denia, with a couple of passports size photographs and your original passport. Obtaining a NIE number can take up to 1 or 2 months. So, try to anticipate this time period when thinking of purchasing or selling.

Spanish Bank Account

We can accompany you to a local bank (one, with whom we have an account) or you can find one of your choice.

Of course, if you are purchasing with a mortgage – It is a necessary requirement!

And, if you are purchasing without a mortgage. You will need to open a bank account for non-residents in Spain in order to carry out and complete the purchasing transaction. When adequate funds have been transferred and paid into your Spanish bank account, your bank will write out a cheque to be handed over to the seller in the presence of the Notary the day the Title Deed is to be signed.

Currency Exchange

The Euro has made money transactions much easier. However, if you come from a country that is not within the Euro Zone, you will have to buy euros and transfer them into your Spanish bank account.

Finance

Bearing in mind that the rates are often lower in Spain, this is something that one can check according to the exchange rate of the day. You will find that the interest rate varies for those who are Residents and Non-Residents and those being Spanish nationals. Mortgage application is an easy process. You will need proof of income / funds and a bank survey to value the property according to the land and construction values of today. The mortgage amount offered to you is calculated on your financial status, the valued price of the property to be mortgaged.

Additional Living Costs

Plus Valia

This is a municipal tax formally known as the tax on the increase of the value of the land. It is calculated by the local town hall, who are solely responsible for its administration, taking into account factors such as the rateable value of the land and the time elapsed since the last purchase. This tax can vary from a few hundred euros for a smaller property to several thousand euros for a larger property with a lot of land. By

law this tax shall be paid by the seller.

Urbanization / Community Charges

This charge is usually controlled by the residents committee (of the urbanised area) or by an outside legal company providing this service. This cost covers and includes the maintenance costs of shared facilities Ex: roads, gardens, pools, lighting, taxes. These costs will vary according to the facilities available.

In the event that the property is affected by “Urbanisation or community” fees, then we will ensure that a certificate is obtained from the relevant administration company to prove that the property is free of this type of debt at the date of sale / purchase. This is very important for future property owners as any outstanding debts of this kind could be transferred to the new owner.

Normally, community payments are made in 6 or 12 monthly payments. We can arrange for all future urbanisation / community fees to be paid by direct debit from your bank account.

IBI and Rubish (Property Rates)

The local town hall (or SUMA) charge a tax called the IBI on private property (Impuesto sobre Bienes Inmuebles), this is an annual property tax. This tax varies with areas and is based on the catastral value of the property. Garage spaces / private garages which sometimes have their own escritura (deeds) with have a lower IBI charge.

In most areas this is charged separately from the IBI, where in other areas it is included in the IBI taxation. The charge for the rubbish collection is annually. This is usually in the region of €60 / year and naturally we can arrange for this to be paid by direct debit from your bank account.

Insurance

According to Spanish law, when taking out a mortgage, you must also take out fire insurance. House insurance is available from many companies for your property and its contents. Life insurance is also a good idea to guarantee loan payments in the case of death.

Water and Electricity

These 2 services have a standing "rental" charge apart from the charges of consumption. In this area the water company is: Aguagest and the electricity company: Iberdola is national.

Telephone

With the telephone company “Telefonica” you are charged a monthly line rental and usually a monthly fee for the rental of the phone apparatus. In the event that you have your own apparatus you can avoid paying the latter fee, but this means that any future repairs to the internal phone lines have to be paid for independently by the property owner.

Payments

All Payments for any utilities / services can be arranged through direct debit from your bank account, in the event of purchasing a property. We contact your bank giving them all of the due payments are your property, this way you have the peace of mind that in your absence your bills will continue to be paid.

Escritura (Title Deeds)

This must be signed by buyer and seller in the presence of a notary (a state official authorised to certify that the contract is signed, and the money paid). The notary is not

obliged to check that all details of the contract are correct. The buyer will therefore normally engage their own lawyer who should have verified these details before signing. This will assure the buyer that the property is free of mortgages or debts, that it is inscribed in the Land Registry and that the seller is in fact the rightful owner, that the description and size of the property is in accordance with the information on the contract, and that there are no outstanding municipal or 'Plusvalia' taxes on the property. The buyers own lawyer will also ensure that they are aware of all fees and taxes for which they are liable.

Fees :

- Legal fees amount to approximately 1% and 2% of the net purchase cost plus IVA (currently 16% of fee amount)
- Notary fees are on a scale fixed by the law and can vary from 300€ for lower budget properties to 1200€ for properties that fall into a higher bracket.
- Land registry fees are usually approximately 20% less than the notary fees

Taxes :

- VAT (IVA) or transfer tax (ITP) Both are currently at 7%. IVA pertains to off the plan properties and ITP to re-sales. (IVA on purchasing a plot of land is currently 16%).
- Stamp duty (AJD) is paid when purchasing off plan (1%).

Last Will & Testament

When purchasing a property via CBT Construcciones Inmobiliaria, there are no extra fees for the Will, other than the Notary fees, which will be in the region of €75. Most properties are owned on a 50/50 basis between husband and wife. The basic Spanish will for foreigners shall bequeath any assets to the wife / partner of the deceased and in the event of owners and wife / partner / joint owner deaths then the property and assets will be inherited by equal shares by all remaining children. The wills can of course be changed to suit your individual requirements.

Gestor

Fiscal Representation

It is merely appointing somebody to receive your correspondence from the tax authorities. Anybody who is residing in Spain full time or on a short term basis should appoint a local Fiscal Representative (Gestor), these will ensure that all of your taxes are paid on time and in the event that you need to make a claim for tax reimbursement, your Fiscal Representative can arrange this for you. We can recommend reliable Fiscal Representatives that can speak to you in your own language.
