

## Buyer's Guide

### Step 1: Financing Property Purchases in Spain

Before you begin your property search, it is advisable to arrange your finances. If you require finance, have a mortgage agreed in principle. This will confirm the price of the property you can afford to buy and a pre-approval letter from the lender will show that you are a qualified buyer and in the position to make a purchase. It will also put you in a strong negotiating position with the seller. If you require finance from a Spanish bank, we can connect you.

### Step 2: Property Search and Viewings

Select Property Spain has a very varied portfolio of properties in Barcelona, Sitges, Costa Brava, Mallorca and Ibiza. We are also very well connected and share property portfolios with our professional real estate property partners who are strictly selected, vetted and come highly recommended.

We can therefore present to you a great selection of properties and keep you informed of those coming onto the market. Once you have shortlisted a selection of properties we will make the necessary appointments and accompany you on each visit.

### Step 3: Legal Process To Buying Property in Spain

#### Reservation Agreement

Once you have found your property, the purchase process begins with a reservation agreement. This is a contract that freezes the purchase price and takes property off the market for, usually, 30 days on payment of a fee between €3,000 and €12,000. The deposit is usually held by your lawyer or your agent in a client or escrow account.

#### Exchange of Contract – Contrato de Arras

Within 10 days of signing the reservation agreement, the full private purchase contract (contrato de arras) is signed between the buyer and the seller.

Within this time your lawyer should complete all the searches on the property – confirming that the seller own the property being sold, there are no mortgages or charges and that planning consents are in order.

Once both parties sign the main contract, it is binding. The arras contract or full private contract will usually require a 10 to 20 per cent deposit to be paid. The buyer is then committed to pay the balance of the price, and the seller (once the money has been paid) must transfer ownership to the buyer. If the seller pulls out of the transaction he must return double the amount of the deposit received by way of compensation. If the buyer pulls out he will lose the deposit paid.

#### Completion – “Escritura de Compraventa”

The property sale is formally completed when the title deed is signed before a public official called a Public Notary, or Notario. This will happen at their office and be accompanied by the agreed final payment and all the relevant purchase taxes. The Escritura is then presented by the Notary to the Land Registry for registration and the property is passed to the new owner. Final registration of the title deed can take several months.



With a new-build property, obviously completion can take a lot longer, and the payments are split over stages of the build process, and the developer should provide bank guarantees against each payment. This protects your payments in the event the developer fails to complete the property or goes bust.

Finally, make sure that you have insurance for your property, ensure all service contracts are in your name (telephone, water, electrics etc.) and register your ownership of the property with your local Town Hall (Ayuntamiento) – all of which your lawyer or agent can help you do.