

Essential information for buying properties in Spain

Buying property abroad is not necessarily the same as buying in the UK, there is other essential information you need to be aware of both before and during your property purchase.

- It is of paramount importance to seek independent advice from an overseas solicitor.
- You need to ensure that you will have full title to the property on completion and that you have the appropriate documents including the “nota simple”, available for the lender. This document is required before a valuation can be carried out.
- You will need to obtain an N.I.E. number (Número de Identidad de Extranjeros). These must be applied for in person at any national police station in Spain and are required for opening a bank account, contracting goods and services (telephone, electricity etc) and dealing with the national and local tax authorities.
- If the ‘nota simple’ states that the property is ‘Rustica or Rustico’ (this is normally for properties outside of the main towns), please contact us before proceeding further, as it may not be possible for us to obtain finance for you through our lenders. The property must also state that it has been registered as a ‘Vivienda’, i.e. as a ‘habitable dwelling’, built over five years ago and that the local council are willing issue a “Certificado de exencion de infraccion urbanistica”
- You should check with the estate agent and/or your lawyer that you are aware of the costs charged by legal and Government authorities for buying a Spanish property. The lender will also have their own legal costs for assigning the loan, the cost of which they will normally advise you when they issue the mortgage offer. These associated fees/taxes are typically between 10% - 13% of the properties purchase price.
- Before signing the sales contract, the bank will require a copy of this document to be forwarded with the relevant application form. However you are able to sign this contract with the clause “subject to mortgage finance” as the contract, once signed is normally legally binding,
- Be aware that the Notary may be incorporating costs for assigning the mortgage within their charges, and you should establish with the Notary the actual cost before proceeding with a loan application.
- The completion of a Spanish mortgage takes place in front of an appointed Spanish Notary and all parties to the mortgage, including the vendor, lawyers and a representative of the lender need to be present. However, a power of attorney may be used to sign on your behalf for the mortgage and land deeds.