

RESA ESTATES



BUYERS INFO

RESA ESTATES



INDEX

Buying process	page 3 and 4
Mortgages	page 5
Taxes	page 6 and 7
About us	page 8
Contact	page 9

RESA ESTATES

buying process

NIE NUMBER

This is a personal all-purpose identification and tax number for foreigners (Número de Identidad de Extranjero) that must be applied for (lawyers or gestorías can take care of this process). This number is required for almost everything in Spain, like opening a bank account, contracts for water and electricity, etc.

NOTA SIMPLE

The 'Nota Simple' is an important document when buying a house in Spain. This document contains a number of basic information about the property, such as the surface of the land and any possible outstanding debts. In Spain, arrears on the mortgage, energy bills, municipal taxes, etc. are linked to a property and not to an individual. It is legally required that a recent Nota Simple (max. 2 weeks old) is handed over at the moment of passing the notarial deed.



RESA ESTATES

buying process

CHECK FOR OUTSTANDING DEBTS

In addition to the Nota Simple, it is also checked whether all tax debts have been paid. Payment receipts from, for example IBI (impuesto sobre bienes inmuebles), the Spanish property tax, must also be presented at the notary.

CERTIFICATE OF ENERGY EFFICIENCY

From the 1st of June 2013, it is compulsory in Spain to submit a certificate of energy efficiency when selling a home. The selling party must deliver this certificate at the transfer of the deed.

PURCHASE CONTRACT

When the lawyers confirm that the legal status of the object complies with the applicable laws and regulations, the purchase contract will be drawn up and signed. When everything is in order, a payment (on average 10% of the purchase price) will be done by the buyer. If the buying party decides to withdraw after signing, they lose the amounts already paid. If irregularities are detected which may damage the transaction, the buying party may withdraw. Amounts already paid will be refunded in accordance with the signed reservation contract.

EXECUTION OF THE DEED

The delivery of the object is done by signing a notarial deed of delivery by the buying and selling party in front of a notary. The remaining amount of the purchase price is paid and the object is formally transferred to the buying party (the object is debt-free at that time). The lawyers will deposit the deed at the land registry where it will be entered and registered.

RESA ESTATES

Mortgage

What are the main differences with other countries?

Evidence of income and expenses is leading

Valuation is always required. In case lower than purchase price, valuation is leading

Spanish banks calculate with net income

Contribution of private capital is required

Fixed interest rate is equal to term of mortgage

There are no interest-only mortgages

Form

In Spain the standard mortgage form is an annuity mortgage. Interest and repayment are paid monthly. Interest is only paid on the outstanding mortgage amount.

Coverage

In general, Spanish banks provide 65% - 70% (non-residents) and 80% (Spanish residents) mortgage of purchase price or appraisal value. Whether this can actually be obtained depends on the financial assessment and valuation.

Duration

The term of a mortgage in Spain can be up to 40 years. This depends on age. Spanish banks use a final age of 75 years, which means mortgage must be repaid at the age of 75. Example: In case of age 58, maximum duration of the mortgage is 17 years.

Interest

Mortgages in Spain are offered on the basis of variable and fixed interest rates.

The term of fixed interest rates always equals the term of the mortgage.

Variable interest rates are based on 12 month Euribor plus a surcharge, which varies per bank.

Tip Do not be tempted by extreme low interest rates. This often involves expensive by-products that are not clearly stated in advance. The degree of transparency in the financial sector in Spain is significantly less than in other countries.

RESA ESTATES

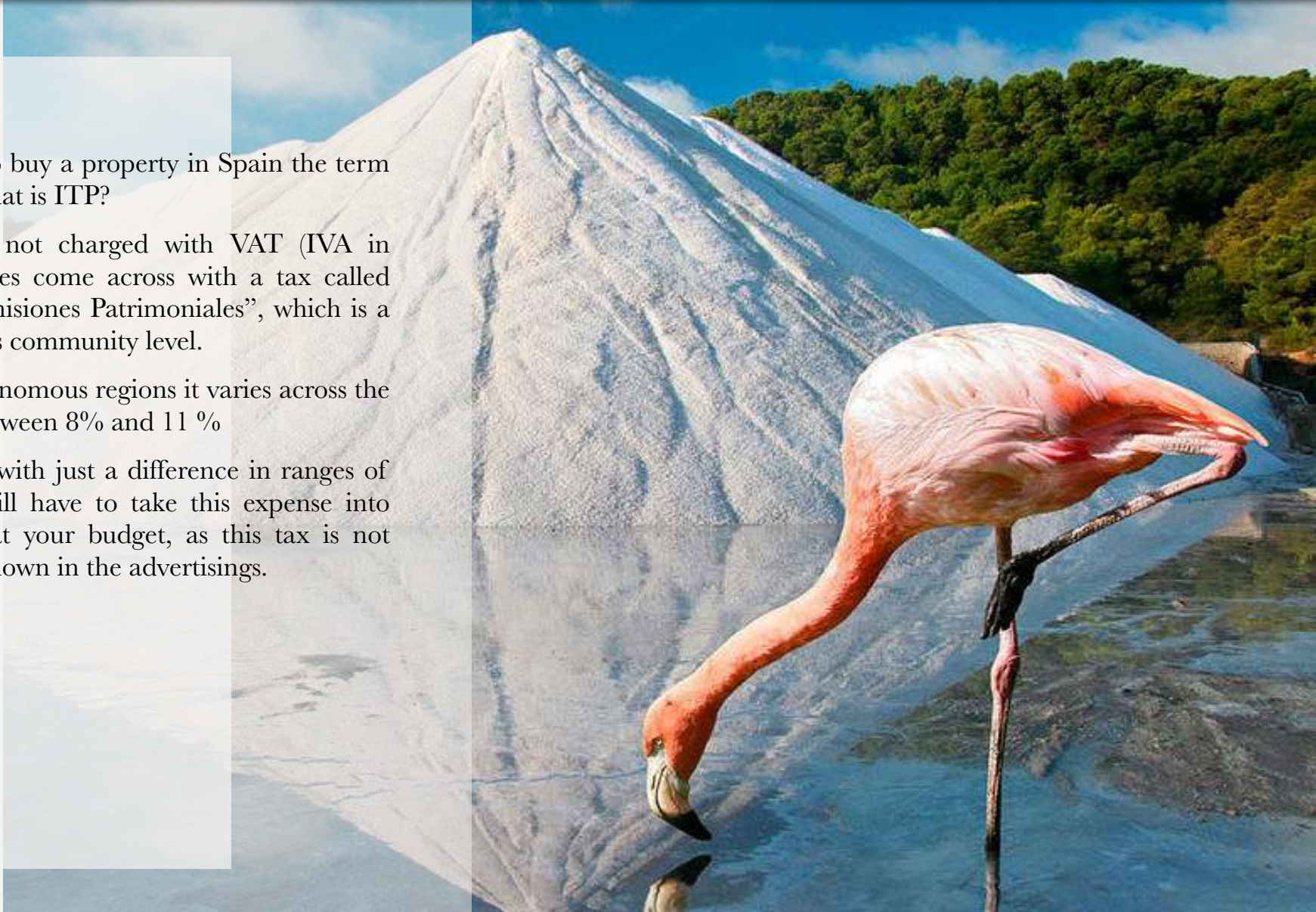
Taxes

When you first start looking to buy a property in Spain the term “ITP” might pop out. But, What is ITP?

Second hand properties are not charged with VAT (IVA in Spanish), however these resales come across with a tax called ITP “Impuesto sobre Transmisiones Patrimoniales”, which is a transfer Tax set at autonomous community level.

As this tax is ceded to the autonomous regions it varies across the country, In the Balearen its between 8% and 11 %

ITP applies to all real estate, with just a difference in ranges of prices in the garages. You will have to take this expense into consideration when looking at your budget, as this tax is not usually included in the price shown in the advertisings.



RESA ESTATES

Taxes

Additional costs

IVA spanish value added tax - new built

AJD Acto juridico documentado - stamp duty on notarial documents

Legal fees - lawyers between 1 and 1,5% of purchase price

Notary cost: about 1% or less of the purchase price

Register cost: aprox 1% of the purchase price, exact amount will be calculated on title deed

RESA ESTATES

About us

Resa Estates is a professional real estate agent serving buyers and sellers of property in Ibiza.

With over 10 years experience and market knowledge, and active listings over the island, Resa Estates is the preeminent office in Ibiza.

We have experience in residential purchases, holiday lettings, commercial properties and longterm rentals.



RESA ESTATES

Contact



0034 638 843 120



www.resa-estates.com



sales@resa-estates.com