

MY LAWYER IN SPAIN

SELLING A SPANISH PROPERTY

GET READY!



If you have decided to sell your Spanish property, then it is important to gather all of the property documents that a potential buyer may request when inspecting and making an offer for your property. Sometimes, not having these documents to hand can be the decisive factor in a buyer choosing a different property to yours. Place yourselves in the buyer's shoes. What information will they need to know about the property, the furniture to be left with the house and the monthly costs? If you can put all of this information together in a pack, ready for potential buyers and estate agents to inspect, you are increasing your chances of selling the property.

YOUR PROPERTY PACK

Below is a list of the copies of the documents that we would recommend you have available for interested buyers.

- Escritura de Compraventa of the property or deeds of the property
- Town Hall rates receipt also known as the IBI (Impuesto de Bienes Inmuebles)
- Invoice for Basura (rubbish) if there is one
- Water bill
- Electricity bill
- Gas bill (if the property has central gas)
- Telephone bill
- Community of Owners invoices
- Certificate from the Administrator for the Community of Owners confirming all community payments for the property are up to date
- Minutes of the Community of Owners meetings for the last three years
- Up to date license of first occupation (licencia de primera ocupación), if available
- Passports of owners
- NIEs of owners
- If there is a mortgage on the property, contact details of the local bank manager and most recent mortgage statement
- A Power of Attorney if you will not be in Spain for the completion
- Inventory of furniture that will be left or which you are prepared to sell
- If you are a foreign tax resident in Spain, a certificate from Hacienda confirming that you are a Spanish tax resident
- Instruction manuals for air conditioning, heating, swimming pool pump and other machinery

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PREPARING PROPERTY DEEDS FOR SALE

If you have extended your property or built and not updated your property deeds then this is something that a buyer will insist is added to the deeds before completion. In order to avoid delays for your buyer, it is advisable to take steps to update your deeds before agreeing a sale. If you wish to wait for a buyer, then find out what needs to be done and let your buyer know to avoid any nasty surprises. It is better to let your buyer know upfront of any outstanding legal issues rather than wait for the buyer to discover this. Having a look at your license of first occupation or habitation certificate (licencia de primera ocupación or cedula de habitabilidad) to see if it is still valid or if it requires renewal at your local town hall.

If you have a legal matter to resolve in Spain and would like some plain and simple legal advice, get in touch with us today!

We can also help you:-

- Buy or sell property
- Write a will and solve probate issues
- Deal with a personal injury claim
- Set up a business
- Solve a dispute
- Take someone to court
- Become a resident
- Sort out family matters or a relationship breakdown
- Understand tax affairs

ACCEPTING AN OFFER

Once you have accepted an offer for your property, there will typically be three stages in the sales process.

Stage 1: Once an offer has been accepted, the estate agent is likely to arrange for the buyer to sign a reservation contract and pay a reservation fee which is typically between 3000€ and 6000€ to allow the buyer's lawyer to check the property documents and ensure all is in order.

Stage 2: Signing the sales and purchase contract and payment of up to 10% of the purchase price.

Stage 3: Completion of the sale and purchase before a Notary.

Not all property sales follow the above stages as sometimes the parties proceed straight to the signing of a 10% deposit sales and purchase contract, or direct to the notary to sign the sales/purchase deed.

COMPLETION

The completion of the sale and purchase will occur before a notary public when you will hand over the keys to the property and receive a banker's draft for the agreed price, less any deposit received.

It is important to take all of the documents listed above with you to completion at the notary. In particular up to date bills and invoices for water, electricity, town hall rates and community fees and agree an apportionment with the buyer before completion.

If you are a non-Spanish tax resident, the buyer will retain 3% of the purchase price and pay this to the Spanish tax office as a part payment on account of your Spanish Capital Gains Tax liability.

If you are a Spanish tax resident then you will include the sale of the property in your annual tax return after completion.

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POST COMPLETION

Capital Gains Tax. If you are a non-Spanish tax resident then you have four months from the date of completion to submit a tax declaration for Spanish Capital Gains Tax and either seek a rebate of the 3% retained or top up your Capital Gains Tax liability.

The costs incurred in the purchase and sale of the property are deductible expenses. These deductible costs include transfer of tax upon purchase, notary and land registry fees, legal fees, estate agent fees and the costs of any renovation that required planning permission which extended the property for which you have original VAT invoices. Unfortunately, the tax authorities are not quick in returning the retained 3% or a part of it.

The tax rate for Capital Gains Tax is 19% for non-Spanish tax residents.

PLUSVALIA

This is a local tax payable to the Town Hall based on the number of years you have owned the property and the increase in the value of the property. This tax is payable within 30 days of completion of the sale.



HOW TO FIND US?

No matter where you are in mainland Spain or the Balearic Islands we have a localised office that can help you with any of your legal needs. Or we can connect with you via our freephone number. Our team of specialist English speaking lawyers are all experts and thrive on being able to help you in what can be a difficult situation. We will ensure that you get the best results for you, with less stress and regardless of the language that is being spoken.

Understanding legal language can be difficult even if English is your language. Trying to deal with legal matters in Spanish can leave you open to errors and misunderstandings. Our team of Spanish lawyers who speak English – and British lawyers who speak Spanish – can look at your specific circumstances and give you the help and advice that you need, as you need it – leaving out the jargon and making it plain and simple to understand. **We also have Lawyers in the team who speak German, Italian and French.**



If you wish to discuss the sale of your Spanish property with us, please contact us by email at enquiries@mylawyerinspain.com or by telephone.

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