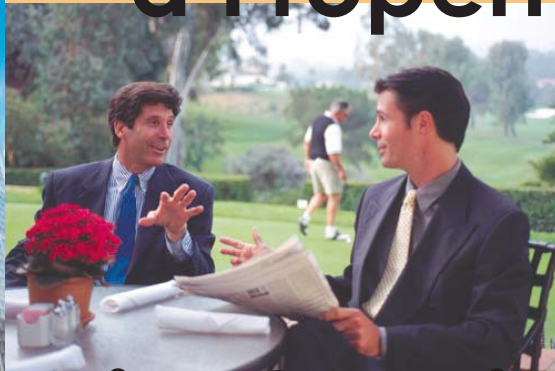


## Solicitors' Services

# Thinking of Buying a Property



# in Spain?

Whether you are planning to purchase a property in Spain, MJ Carrillo Lawyers can guide you through every step of the transaction and help you to ensure a successful outcome.

We are ready to listen, study the case carefully and provide you with full legal assistance since the very beginning of the process.

Let your independent English speaking lawyer's take care of your business.

# Steps in the Purchase Process

We can sum up the normal procedure for purchasing a new property in three stages:

1. - Before signing the contract: the signing of the reservation document and the handing of a signal. Before the contract is issued we will have to investigate the title to the land, make the necessary searches, and ensure the terms of the contract are agreeable.

2. - Signing of the private contract with the seller: in the meantime you will be expected to make advanced payments until receiving the keys. In case you cannot be physically present at the moment of signing the contract you can give your lawyer a general Power of Attorney, to sign on your behalf.

3. - Completion: signature of the title deeds, paying of the final amount. On the day of completion, you should attend the Public Notary's Office to sign the transfer of ownership deed. Once the legal formalities are attended to and completion takes place, the keys to the property can then be released.

# Precautions Before Buying a new Built Property in Spain

## Before buying the property: publicity

Your first contact when you decide to buy a property in Spain will almost certainly be the State Agent. That is the main reason why the vendor advertising has an essential importance.

The seller should follow the dispositions of the General Publicity Law from November 5th, 1988, which provides that it is dishonest the advertising which can induce the seller to make an error on his decision, causing him any economical damage. It is also illegal the publicity which does not inform the purchaser about essential data of the property.



# The Purchase Contract

## Buying the property: the buyer's right to information

The developer is legally required to provide you the following documents:

House map and map of the house situation.

Building specifications and description of the electricity, water, gas and heating networks and fire protection measures.

Dimensions and specifications of the fixture and fittings. This information is contained in the " quality description" (memoria de calidades).

Instructions of the use and maintenance of the installations.

Property description and details of the useful surface, common zones and accessory services.

Details of the registration of the building in the Property Registry, or mention of the building permit.

Reference to the materials used in the construction of the property.

In Spain solicitor, a highly trained English speaking lawyer will review your purchase and sale agreement making sure the contract contains all the essential provisions that should be mentioned. Some of them are: description of the property, details of the useful surface, common zones and accessory services, and its location, the selling price and taxes levied on the property to be paid.

We would provide you with all the guarantees in order to safeguard your rights, your interest and your money.

## Advanced Payments and Precautions

The minimum content of the contract which oblige the buyer to deliver the advanced payments to the seller, should include the developer obligation to refund the purchaser the advanced payments and its interest in case of the delay in starting the building or in the completion of the property or even in case they don not get the cedula de habitabilidad (certificate of occupancy).

Since the very beginning the developer should give the buyer the document with the guarantees to the amounts deposited as advanced payments.

# Completion

## Taxes

The purchase is formally completed when the Public title deeds of purchase-sale are signed before a Notary Public, this payment of the agreed price is done, and the possession is given to the buyer. Unless agreed otherwise, the public legal document always stipulates that the property is sold free from charges and encumbrances, up to date in all the different payments and free form tenants and occupants.

Registration of the property at the Land Registry is not compulsory but highly recommendable.

Before a title deed can be registered into a new owner's name, or a deed issued for a newly constructed building, transfer tax has to be paid by the purchaser. It may come in two variants: Transfer Tax (ITP) at 7% or Value Added Tax (IVA) at 7% plus Stamp duty (AJD) at 1% when buying from a developer or promoter. These two taxes are calculated on the declared purchase price on the title deeds.

Also, the local authorities charge a tax on the increase of the value of land since the previous sale. It is not based on the seller's capital gains tax but on a number of calculations and values set by the Town Hall. This tax is called "Plusvalía", and according to the Law it is the seller's responsibility, although it is commonly stipulated in the contract that the buyer pays it. It is a point which will be negotiated between buyer and seller.

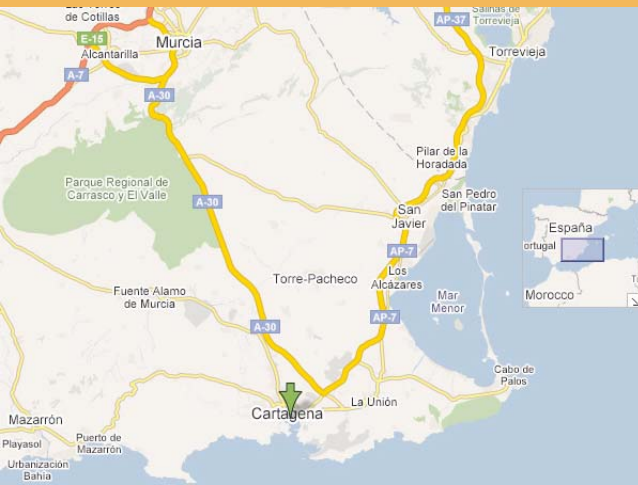
# Other Situations

In case your intention is purchasing a second hand property, selling, renting or even building your own house in our country, Spainsolicitor may also help you to get your best way providing you with the better legal advice in every step of the process.



# Localization

Maps of localization.



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