

BUYER'S

G U I D E

SIMPLY
THE BEST
PROPERTIES

MARBELLA
ESTATES
The original - since 1989

A BUYER'S GUIDE TO PURCHASING A PROPERTY ON THE COSTA DEL SOL

When purchasing properties in Spain, it is important for buyers to be well-informed about the local real estate market, legal processes, and potential challenges. Here's a general guide for buyers looking to purchase properties in Spain and on the Costa del Sol in particular.

THE BUYING PROCESS

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2 / ENGAGE A REAL ESTATE AGENT

3 / VIEWINGS

4 / BIDDING AND CONTRACTS

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THE BUYING PROCESS / PREPARATION

STEP 1/4

RESEARCH THE MARKET /

Conduct thorough research on the real estate market, including local variations in property prices, trends, and potential growth areas. Consider factors such as proximity to amenities, the beach or golf courses, and local infrastructure. Above all, focus on the most important criteria just for you. For instance, a beachside location is often not compatible with panoramic views, so it is important to be realistic in your wish list.

DEFINE YOUR BUDGET /

Establish a realistic budget that includes not only the property purchase price but also related costs such as taxes, legal fees, notary fees, and registration fees. Having a clear budget will help narrow down your property search.

If you require financing, explore mortgage options from banks or financial institutions. Ensure that you understand the terms, interest rates, and any associated fees. A good piece of advice is actually to get a pre-approval from the bank based on your personal financial status before you start house hunting. Marbella Estates has contact with several good banks and mortgage brokers and can assist you in this.



THE BUYING PROCESS / ENGAGE A REAL ESTATE AGENT

MARBELLA ESTATES IS A
SPANISH REGISTERED
AND CERTIFIED REAL
ESTATE AGENCY.



ENGAGE A QUALIFIED REAL ESTATE AGENT /

Engage a qualified real estate agent:
Work with a licensed and experienced
real estate agent who has knowledge of
the local market, like Marbella Estates.
A good agent can help you find suitable
properties, negotiate on your behalf, and
guide you through the buying process. Do
give your agent your sincerest criteria for
a property, so your agent will do the
research work for you and present you
with suitable options.

STEP 2/4



THE BUYING PROCESS / VIEWINGS

STEP 3/4

REMEMBER TO SET ASIDE
TIME FOR SECOND VIEWINGS
OF THE MOST INTERESTING
PROPERTIES.

COME TO MARBELLA/COSTA DEL SOL AND LET YOUR AGENT ORGANISE YOUR PROPERTY VIEWINGS /

Ideally you would have preselected a few properties before your arrival, however we recommend to leave time for your agent to show you similar properties to those you have selected. Or perhaps you change your criteria and want to see completely different properties. We recommend to view a limited number of 4-6 properties per day. More than this can possibly overwhelm you. However, remember to set aside time for a second viewing of the most interesting properties.



MAKING AN OFFER /

You have found your dream home, what now? You submit a written offer. Included in the offer should be the price, the date of the final takeover (usually within 4-8 weeks), financing plans (is a mortgage needed or do you have own funds), and, not least, that you are ready with the reservation amount/deposit. A note worth mentioning is if you are thinking of adding any special conditions or requirements that you would like the seller to consider before purchasing a property, these contingencies must be clearly stated in the original offer.

An offer can be met with a counteroffer from the seller, and the real estate agent will assist you with negotiations until acceptance is achieved by both parties. Offers are usually not made with deadlines; the seller can be of any nationality and is often not accustomed to this. Usually, you get a response the same day or as soon as the seller has the opportunity. Make sure you provide a reasonable and serious offer; the more serious your offer looks on paper, the better your chances are of obtaining the best deal possible.

RESERVATION AGREEMENT /

Once you have agreed the terms with the seller, you are required to sign a reservation agreement and pay a reservation deposit. This agreement outlines the key terms and conditions of the sale. The Deposit/Reservation amount is usually 6,000 euros for properties up to 600,000 euros, and 1% of the purchase price for properties above this. ⁽³⁾ The purpose of the reservation agreement is to take the property off the market and show the seller that you are serious about your offer. This should be done on the same day you receive acceptance of your offer. This reservation deposit is usually paid into your real estate agent's client account in exchange for the reservation contract. Note: If the seller has accepted your offer but has not received the deposit, they are free to withdraw the acceptance and potentially sell to someone else.

FUN FACT: THE REASON THE TYPICAL RESERVATION FEE IS 6,000€ IS BECAUSE IT EQUALS 1 MILLION OF THE OLD PESETAS!

THE BUYING PROCESS / BIDDING AND CONTRACTS

STEP 4/4



LEGAL ASSISTANCE /

Once you have found your property, we recommend to hire a reputable local lawyer who specializes in real estate transactions in Spain. The lawyer will assist with due diligence, reviewing contracts, ensuring compliance with local regulations, and handling legal aspects of the transaction. Marbella and the Costa del Sol is an international city, home to many lawyers who speak various languages, so it will be relatively easy to find a lawyer who speaks your language, if you do not want only Spanish or English-speaking individuals.

OBTAIN A NIE /

Non-Spanish residents need a NIE, which is a foreigner identification number, to buy property in Spain. This number is required for various legal and financial transactions, including property purchases. Your lawyer will assist in this.

OPENING A SPANISH BANK ACCOUNT /

Once you have obtained your N.I.E, you can apply to open a Spanish bank account. A Spanish bank account is necessary to have as a property owner in Spain, in order to pay recurring costs such as electricity, water etc. Your lawyer can (with a Power of Attorney) in most cases assist in opening your Spanish Bank Account but please note for the account to be activated you must identify yourself in person at your local branch.

PROPERTY INSPECTION /

You may conduct a thorough inspection of the property you're interested in, particularly if the property is an older single house. If possible, hire a professional surveyor to assess the condition of the property and identify any potential issues. The timing for doing this should be before you sign the private Purchase contract.

THE BUYING PROCESS / BIDDING AND CONTRACTS

STEP 4/4



PRIVATE PURCHASE CONTRACT /

After the reservation, a private purchase contract (PPC) is typically drawn up. This legally binding document outlines the conditions of the sale, including the agreed-upon price, payment schedule, and completion date. Your lawyer will assist at this stage, and we recommend you make a Power of Attorney to him/her.

NOTARY PUBLIC AND PROPERTY REGISTRATION /

The final step involves completing the purchase at a notary public's office. The notary will ensure that the transaction is legally sound, and the property will be registered in your name in the Land Registry. If you have given your lawyer a Power of Attorney you do not need to be physically present at the Notary. However, many buyers prefer this as it is also the moment the keys to your new home are handed over.

Once you have signed a notarial sale deed and paid all required taxes, the deed will be registered at the Land Registry. This process can take up to three months. After signing the deed, the original deeds and all invoices relating to the transaction will be available. You are then at liberty to change all utility bill contracts such as water, electricity, gas, telephone and others into your name and bank details.

RELATED COSTS /

Be aware of related costs such as property transfer tax, notary fees, and registration fees. These costs depend on if you buy a new property from a developer or a resale property from a private previous owner, and if you are taking out finance and the value of the property as such. As a general rule always calculate and allow for approximately 10% of the price in direct costs and taxes for a resale property, and 14% for a new property from a developer.

THE BUYING PROCESS / BIDDING AND CONTRACTS

STEP 4/4

It's important to note that this is a general guide, and specific requirements may apply. Seek professional advice from Marbella Estates at each stage of the process to ensure a smooth and legally sound property purchase in Spain. The particulars of this guide are correct at the time of writing in 2024. Marbella Estates is not responsible for legal or financial changes in Spain which might occur relating to property sales and purchases.



TASK ALLOCATION BETWEEN THE REAL ESTATE AGENT AND THE LAWYER /

Generally all non-residents who purchase a property in Spain use both a real estate agent and a lawyer. The real estate agent assists you until you find your desired property, submit an offer, and negotiate with the seller/seller's agent. The real estate agency usually receives the reservation amount and prepare the reservation contract, including obtaining property registration certificates. A good real estate agent will follow you through the whole purchase process to completion and hand over of the keys. They usually also can assist with extra service for furniture providers, builders and handymen and the like.

The lawyer assists you with the actual property transfer and settlement, checks for any encumbrances on the property, obtains the NIE number, and opens your Spanish bank account. The lawyer will make the private purchase contract. It is customary to grant a Power of Attorney to your lawyer, who then takes care of all the paperwork. The lawyer also arranges electricity and water contracts. Furthermore, the lawyer verifies the

financial status and situation of the homeowners' association where applicable. All periodic payments (electricity, common expenses to the homeowners' association, etc.) are made through automatic bank debits. Finally, your lawyer can assist with the annual Spanish tax return that you, as the owner, must submit.

BUYING A PROPERTY AS A PHYSICAL OR JUDICIAL PERSON /

If you consider buying a property through a company there are other taxes involved, most notably only a 2% transfer tax instead of the 7% for physical persons. However, to qualify for this reduced tax you must sell the property within 5 years and capital gains tax apply. We recommend to consult with a lawyer about what is the appropriate method for your property purchase.

THE BUYING PROCESS / BIDDING AND CONTRACTS

STEP 4/4

The background features a low-angle shot of several tall palm trees reaching towards a clear blue sky. A semi-transparent geometric pattern of overlapping triangles in various shades of blue and white is layered over the image, creating a modern, architectural feel.

SIMPLY THE BEST PROPERTIES

ABOUT MARBELLA ESTATES



www.marbella-estates.com

OUR HISTORY AND THE SERVICES WE PROVIDE /

Our experience traces its origins back to 1989 when the Marbella Estates founding partners worked with a successful local developer. In those early days, the focus was on developing and selling properties in our immediate neighbourhood and providing services to our clients. Since then, Marbella Estates has grown and evolved into becoming one of the leading real estate agencies in the most exclusive area of the Costa Del Sol, called the Golden Triangle, comprising the municipalities of Marbella, Estepona and Benahavis.

We are an independently owned and operated real estate firm, dedicated to serving our clients with professionalism and a high-quality service. The kind of first-class service that earns and builds trust and respect.

Today we are proud to offer a unique local knowledge and decades of experience in real

estate, using that to find the best solution for our clients' property needs. Whether they are sellers or buyers, they can rest assured that we have the most seasoned, capable and dedicated team working in their best interest. Our team not only speaks several different languages but, above all, understands our clients' cultural needs and differences.

For the buyer, we are here to assist with everything in finding the right property, negotiating the best deal and completing the purchase process smoothly. We have an exciting property portfolio from "pied-à-terres" to exclusive mansions and we offer unlimited access to all new developments on the Costa del Sol as well as listings from cooperating agencies. Our commitment is to always find our buyers the right property for them!

For the seller, we offer a free valuation of their home and the most up-to-date and professional marketing approach. We reach out to both local and international buyers through our campaigns and our long established and trusted network. Our dedicated sales representatives are always there in person when showing and viewing our listed properties. We are continuously working hard to be in the top positions on Google search. This helps immensely to sell their properties in the most effective way.

OUR VALUES



www.marbella-estates.com

THE VALUES WE ARE DRIVEN BY /

Passion / We are passionate about property and we use this passion to deliver the best results we can in every aspect of our business. Our company's foundation is built on drive, hard work, honesty and getting deals done.

Commitment / We are committed to loyalty to our clients and to each other, and to provide a service that seeks to exceed our clients' expectations. We want to be number one in our clients' eyes. We want their trust so that they will work with us again in the future and refer us to their friends and families.

Trust / We live up to our responsibilities and promises. We focus on clear communication and building long-term relationships in which trust and transparency are at the heart of what we do.

Integrity / We are always truthful, sincere and realistic with our clients and never compromise their best interests.

Accountable / We hold ourselves accountable for delivering results and solutions that match and meet our clients' needs.

WHY MARBELLA ESTATES



www.marbella-estates.com

WHY YOU SHOULD CHOOSE MARBELLA ESTATES AS YOUR BUYING OR SELLING AGENT /

Our expertise / We have over 30 years' track-record of the Costa del Sol property market coupled with an in-depth knowledge of all concepts related to property transactions.

We come recommended / Much of our new business comes from recommendations and referrals by previous clients as well as recommendations from lawyers, banks and financial advisors. These property professionals know we are well established, trusted and experienced and appreciate we will be here for a long time to come.

Our staff / Committed, passionate and proactive staff, that prioritize client's best interests and goals. Among us we have 7 different nationalities, we have all-together lived in 28 countries, and we speak 10 different languages.

Local experts, international reach / We are considered local experts in the Golden Triangle area (Marbella, Estepona and Benahavis), and our marketing efforts reach clients from the local, national and international markets.

Quality / We have a high-quality property portfolio which is up-to-date and visible in the most important and relevant market channels, including first page visibility on Google. Through us, our customers gain direct access to ALL the properties for sale on the Costa del Sol.



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