

PURCHASING A PROPERTY IN SPAIN

Title Deed

Escritura

Notary Office
Calle Jaén
Edificio Tomé
Tel. 95 2520192

Monday to Friday from 10:00 to 15:00

The title deed is formalised in a Notary Office. The title deed (escritura) is the document that you sign when buying a property. It is formalised in front of a Notary and the purchaser and the seller should be present to sign the terms of the purchase. If you cannot be present, another person can represent you with a notarial power of attorney in Spanish.

In order for a title deed to have complete validity it must be registered in the land Registry of Torrox, which is the public body where all purchase-sales are registered in this area. It isn't sufficient to simply sign the deeds, it is essential to register it in the Land Registry.

After the signing of the title deed, the Notary will supply you with a Copia Simple, a provisional copy of the deed. You will receive the formal deeds at a later date once it has been inscribed in the Land Registry. The inscription in the Land Registry of Torrox can be carried out either by yourself, your representative or the Notary, who will charge about 78 € for this service.

It is commonplace to find that country properties and very old houses do not have a title deed (escritura) as they have been inherited from parents to children. The process of obtaining an escritura could take as long as two years. It is also possible that you will never obtain the deeds especially if there are various heirs and one is not in agreement with the signing. In most cases you should not buy until the owner has obtained a title deed.

The property or land that you want to buy should have a title deed (escritura). If it doesn't have a title deed, it could cause you numerous problems and the need to undergo many different processes to rectify the omissions.

If the house you wish to buy is not completely constructed, it is advisable to retain part of the purchase price to guarantee the total completion of the dwelling together with the roads and other infrastructure.

If you are buying a detached or terraced house, both the land and the dwelling, with the corresponding square meters for each, should be stated in the title deed. If only the land appears, then you need to discuss with your lawyer the requirements for registering the building.

In general terms do not buy a property that has an embargo as the debt is against the property and not against the previous owner. You could risk losing the property you have bought.

Beware of buying a property that doesn't appear in the Land Registry. It is possible that there may be problems and even it could happen that the seller may not be the actual owner.

If the house you are buying has a mortgage and you wish to continue with it, you should consult with the bank that issued the mortgage to ensure you can continue with the payments.

Land Value Tax

Plus Valía

Nerja Town Hall, Rentas Department
1st floor, Nerja
Tel. 95 254 8423
Monday to Friday from 10:00 to 14:00

The Plus Valía is a Town Hall tax and it is paid only once at the time of purchasing a property. It depends on the rateable value of the property and on the number of years which have elapsed since the last sale. To obtain the exact amount payable, you can consult the Rentas Department or the estate agent.

Sometimes this tax is paid by the buyer and sometimes by the seller. In any event the point should be covered in a private sale contract before completion.

IBI- Urbana Rates

Nerja Tax Office
Oficina de Recaudación, Calle Diputación 2
Tel. 95 252 3690
Monday to Friday from 9:30 to 13:30

Besides the title deed, you must present your NIE number and the last receipt of IBI-Urbana Rates.

Nerja Tax Office

Oficina De Recaudacion

Nerja Tax Office, Calle Diputación 2
Tel. 95 2523690
Monday to Friday from 9:00 to 13:30

This office will inform you if there are any outstanding municipal debts such as IBI- Urbana Rates, Land Value Tax (Plusvalía) etc. Before buying you should confirm that there are no outstanding debts, as the debts go against the property and not against the previous owner. If debts are not paid within a determined time period you could receive notice of an embargo.

Land Registry Office

Registro de la Propiedad

Calle Calzada 6, Torrox
Tel. 95 2538053
Monday to Friday from 8:00 to 13:00

After the purchase of a property, and to ensure that the sale has total validity, you must inscribe the title deed in the Land Registry of Torrox. The amount you pay will depend on the declared price in the title deed. This office will inform you of the name of the owner and if the property has an embargo, mortgage or outstanding debts. You must apply for a Nota Simple to check that the property is free of charges. For this you need to indicate the complete address of the house or the name of the owner if it refers to land. The Nota Simple costs about 4 € and can be obtained on the same day.

Notary Office

Calle Jaén
Edificio Tomé
Nerja
Tel 952 520192

Monday to Friday from 10:00 to 15:00

These expenses depend on the selling price that appears in the title deed. The Notary expenses are paid according to the agreement between purchaser and seller, however, it is the custom that the purchaser pays all the expenses. A Foreign Non-resident has one month to present the NIE number (identification number for foreigners) in the Notary Office.

Value Added Tax (New Properties Only)

IVA

You must pay the builder 7% IVA of the price that is declared in the title deed when purchasing:

- A home
- A garage with a home in the same building

You must pay the builder 16% IVA when purchasing

- A business premises
- A garage without a home

It will show in the title deed that you have paid this tax to the builder

Planning Department of the Town Hall

Urbanismo

Town Hall
1st floor
Nerja
Tel. 95 254 8442/39

Monday to Friday from 10:00 to 14:00

Before buying a house or land it is essential to consult with the Planning Department about the planning consents of the property. This will avoid problems such as: buying a house under construction and later being fined for not having a Building Licence; having to pay for infrastructure (streets, drains etc.); no electricity connected to the house; no connection to the municipal water system, etc.

Consultations regarding houses or land require an appointment and you will need to be accompanied by someone who speaks fluent Spanish. To obtain precise information, it is preferable to take a plan, photographs of the area and of the house and the name of the owner or builder.

The information provided by the Town Hall always prevails over any information given by an agency or third party.

Requisites for house purchase

It is necessary that there is a First Occupation Licence issued for your house. This means that it is legal and has complied with all the conditions necessary to classify it as a habitable dwelling. This licence is granted by the Town Hall to the promoter only when the house fulfils the construction regulations as well as those of infrastructure; i.e. paved streets, water and drains connected to the municipal services, street lights, green areas...

The Planning Department will advise you if the property has a First Occupation Licence. You can buy the property if it doesn't have this licence, but you must understand that it is possible, in the future you will have to pay to the Town Hall your share to complete the necessary infrastructure.

Requisites for land purchase

The Planning Department will advise whether or not you can build, as well as the size and number of levels that are permitted. The construction regulations always depend on where the land is situated.

Public Treasury Tax

(Selling property)

Hacienda

When you wish to sell your property, you must pay taxes to the Public Treasury (Hacienda) for the profits obtained from the sale – unless you qualify for relief. The profits correspond to the difference in price that features in your purchase title deed and your sale title deed. Depending if you are a Foreign Resident or Non-resident, it would be calculated in one of the following ways:

Foreign Non Residents

If you are a Foreign Non-resident you must pay Hacienda 18% of the profits made from the sale of your property. At the time of selling, the purchaser will discount 3% of the declared purchase price and deposit it with the Hacienda. The seller has four months from the date of completion of the sale to pay the appropriate tax to Hacienda.

Foreign Residents

If you are a Foreign Resident you must declare to Hacienda 18% of the profits obtained by the sale of your property in the following year. If you sell your permanent home and within two years of the sale you buy another permanent home reinvesting all the profits of the sale, you will not pay any tax to Hacienda. A "permanent home" is considered as one in which you have lived continuously more than three years. Sellers over 65 years of age have some relief depending upon their circumstances.

Stamp Duty Office

Oficina Liquidadora

Transfer Tax

Plaza Almanzor

Edificio Centro

Torrox

Tel. 95 2539130

Monday to Friday 8:00 to 13:00

New Buildings - If you have bought a newly constructed property and have already paid the IVA, you must pay 1% tax based on the price that appears in the title deed to the Oficina Liquidadora.

Resale's and Land - If you have bought a resale property or a land, you must pay 7% tax based on the price that appears in the title deed to the Oficina Liquidadora.

Water

Company Agualia (Sogesur)
Calle Málaga 11
Edificio Las Palmeras
Tel. 952520154

Monday to Friday from 9:00 to 13:30

The change of name is free. If there are any outstanding debts you must pay them before the contract can be put in your name. If your property is on the outskirts of Nerja and does not receive water from the municipality, you should find out which company supplies your water.

Electricity

Company Sevillana Endesa in Nerja
Calle San Miguel 3
Tel. 95 252 0875

Monday to Friday from 9:00 to 14:00 - 17.00 to 20.00

The change of name will cost approximately 30 €. If there are outstanding debts from the last owner, you need to make a new contract that will cost you from 90 € to 110 € depending on the level of power.

Community of Owners (APCUN)

Association of Presidents of Communities & Urbanisations in Nerja.
President Alfons Mettel. - Secretary Nan Cowie Tel 952 52 5425

If your property belongs to a community, you should find out who the Administrator is in order to notify the change of name. A building will have a community when there are common areas for the individual owners e.g. gardens, pool, exterior lighting, lifts, stairs, generators... If the building belongs to a community, you should find out who the Administrator of the Community is and verify that the house, apartment, business premises, garage or land does not have any outstanding debts.