
GUIDE TO BUY A PROPERTY IN SPAIN 2024

Introduction	2
I. The process of purchasing a property in Spain	3
1. Administrative	3
2. Land	7
3. Legal	9
4. Financial	11
5. Taxes	13
II. The role of the Real Estate Personal Shopper	14
1. Locate	14
2. Information	15
3. Insurance	16
III. Our customers	17

Introduction

Buying a home is a complicated task that takes a long time, and requires both legal and economic knowledge to make a good investment at an interesting price. This whole process is even more complicated abroad in a foreign country when you do not know the laws, taxes, market prices or all the multiple administrative procedures that must be done when buying a house.

That is why, for more than 15 years, Bocam Spain has been in charge of helping our clients make this process of buying a house in Spain a simple and transparent project in which all the steps and costs are clear. Thanks to our work, you will be able to save dozens of hours selecting and visiting apartments, and a lot of money thanks to our negotiation power and market knowledge.

The objective of this guide is therefore to offer as much information as possible about the entire process of buying a home in Spain.

I. The process of purchasing a property in Spain

1. Administrative

A) Before buying

Obtaining the NIE

Any foreign resident who wishes to carry out a real estate transaction in Spain must have a NIE (Foreign Identification Number). The NIE serves as identification for the Spanish State, and is also necessary for operations such as the purchase of a vehicle, the opening of a bank account, or the contracting of services such as electricity, water, gas, internet, etc.

To find out everything you need to know about the NIE, read our dedicated article by [clicking here](#).

There are many times that it can take weeks or even months to obtain an appointment for the NIE. If you are interested in working with us, we can take care of this procedure by getting you an express appointment in days in the city of your choice.



• **Open a bank account in Spain**

Opening a bank account is not essential to live in Spain, but it will make your integration into life in the country much easier.

How can I open a bank account in Spain as a non-resident?

Any person who resides in Spain less than 183 days a year and who is not subject to any Spanish tax is considered a non-resident. [Click this](#) link to read an article dedicated to this topic on our blog.

In this case, the documents necessary to open a bank account are:

- A valid passport or ID card
- Your foreigner identification number (NIE)

As for time, it is very fast. The same for the NIE process, your advisor will take care of the process of opening an account for you and you will just have to wait 5 to 7 days to collect your cards and confidential codes at the bank branch.

If you plan to work for a Spanish company, you will have to present a copy of your employment contract at the first appointment (a copy of your employment contract or a pre-employment contract). Depending on your regular use of your account, you may be able to get better terms and reduced management fees.

How to choose a bank in Spain?

When choosing a bank, you will have to take into account the following criteria:

- The amount of management expenses;
- The debit/credit card fee;
- The language of your online account;
- The amount of commissions for withdrawing funds;
- Commissions for international transfers;
- Transaction fees;
- Commissions for use abroad.

But how do you know if an offer is right for you?

For everyday transactions and account maintenance costs, it will cost you about 5 euros per month. Other expenses vary from one entity to another and depend on your needs.

Attention: do not forget to check that your bank card is affiliated with the bank where you want to withdraw cash, otherwise they will charge you a commission of 2 euros per withdrawal. International transfers can be expensive.

The different types of banks in Spain

In Spain, you can choose from more than 150 different banks:

- Those of the national network (Santander, BBVA, la Caixa, Sabadell, Ibercaja, etc.)
- Regional networks
- **Online banks** (BForBank, N26, ING DIRECT Spain, Revolut, etc.)

If you need to travel or move around the country, choose a bank in the national network.

Keep in mind that commission-free online banks have their advantages (free card management), but also their drawbacks (minimum deposit at opening, access to credit, life insurance, low banking fees abroad, stock market operations, etc.).

- **Loan application**

Many buyers we help in our agency use bank financing to pay for their purchase project in Spain.

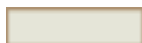
Financing in Spain

The advantages:

- Financing is obtained quickly. Bankers are very responsive and take an average of 7 business days to obtain an agreement in principle.

Disadvantages:

- The type of financing is less attractive. For non-residents, the bank will only finance 60% or even 70% of the property value, for the best applications. On the other hand, if you are a Spanish resident, the bank may finance 80% or even 90% of the value of the property for the purchase of your primary home. If it is your second investment, you will receive the same treatment as a non-resident.
- Additional costs: You will have to use an expert for what is known as an appraisal, who will appraise the value of the property (between 300 and 700 euros, depending on the size of the property).



- **Legal checks**

In Spain, the function of the notary is very different from that of other countries. Therefore, having the help of an expert lawyer in the real estate sector is necessary and essential. [Click here](#) to learn more about the role of the notary in Spain.

To offer the most complete service possible to our clients, we always include the services of a real estate lawyer in our fees. This lawyer will provide him with a written legal opinion so that he can decide whether or not he can move forward with the purchase of the property. Its function is to verify the identity of the owners, that there are no debts or charges, that the property is registered in the property registry, that there are no urban planning violations, etc.

B) After purchase

• Registration at the town hall

In Spain, "empadronamiento" is the term used to define the census. It serves to inform the city council of your place of residence and serves as proof of address. It is valid for 3 months and can be renewed if necessary.

Why should I register?

In Spain, registering gives you access to social security, the right to vote and, in general, to benefit from your rights and privileges as a citizen. It is a quick and simple process that marks your entry into Spanish life in the long term. If you previously used to present proof of address in the form of utility bills, registration is the only valid proof of address in Spain.

How to register?

First of all, you have to register at the Town Hall of the town where you live. You will have to bring the following documents:

- An identity document (DNI or passport) + a copy;
- Your Foreigner Identification Number (NIE) + a copy;
- Your lease signed by the owner and the tenant, or an authenticated deed ("Deed"), in case of purchasing a property.

Practical tips:

Registration is carried out by appointment at the Town Hall of your place of residence. It can take up to a month and a half in some municipalities. As with the rest of the appointments, we can help you in getting it quicker than the normal procedures.



• Additional procedures

Our Bocam Spain agents in Spain take care of everything, including post-purchase services such as:

- Changes in contracts
- Obtaining the housing certificate
- Tax direct debit
- Etc.

2. Land

- **Property selection**

As your project matures, you are in the search phase for your future property in Spain. You have probably seen advertisements on real estate portals but it is very difficult to know the good areas and differentiate a quality house at a good price.

Due to the questionable quality of the photos, the language barrier, doubts about the legal status of the property, its geographical location, etc... it is normal that you may find yourself a little lost.

You can consider going back and forth between your country and Spain, but you run the risk of making unnecessary trips, getting lost among the bad advice of the properties advertised by the agents, or being the victim of a scam paying for services that are not necessary, or a price that does not correspond with the market.

For all these reasons, we advise you to turn to the services of a local expert like our company who also speaks your language and will represent you throughout the process. This way you will save a lot of time, money and avoid unpleasant surprises.

Our advisors will accompany you from A to Z throughout the entire purchasing process, and will save you unnecessary expenses by traveling to previously visit the properties that interest you by videoconference.

During the visits, your agent will check the general condition of the property and the building (heating, insulation, necessary works, etc.) and will collect key information such as the amount of co-ownership charges and real estate tax. Our experts know the local market and can accurately assess the price, tempering the sometimes exaggerated claims of some sellers.

- **Reserve the property**

In Spain, for your purchase intention to be taken into account, you must pay the agency or the owner of the property an amount of between 1,000 and 3,000 euros. This amount, called "Reserve" or "Signal", is accompanied by the signing of a pre-contract in which the main details of the property are established.

The owner then has between 2 and 5 days to accept or reject the offer. In theory, the visits should stop. Unfortunately, in practice, many owners or agencies persist in trying to get a better deal.

If your offer is not accepted, the agency is obliged to return the full amount of the reservation. On the other hand, if your offer is accepted, the advance amount becomes part of the sale price.

- **Signing of the pre-sale contract**

The sales commitment is a private contract drawn up between the buyer and the seller. Known as "Arras" in Spanish, it is not signed before a notary, but rather the notary will request it on the day of the sale to verify the conditions agreed upon between the parties. For more information on this type of contract, [click here](#) to discover our dedicated blog article.

Contains a wealth of essential information, such as

- The identity of the seller and the buyers;
- The address of the property;
- The sale price of the property;
- The deadline to sign at the notary;
- The address of the notary where the sale will be signed;
- Pending debts;
- The means of payment;
- The breakdown of notarial expenses;
- Penalties in case of withdrawal by any of the parties;
- Etc.

In most cases, the financial advance made by the future buyer at the time of the "down payment" (reservation) will amount to 10% of the price of the property.

In the case of a sale through a real estate agency, this money will, in most cases, remain frozen in the agency's account, so that it can be used to arbitrate in the event of a dispute.

In most cases, the commitments signed between two individuals are what is known as "penitential deposits", regulated in article 1454 of the Spanish Civil Code. This means that if the purchasing party withdraws, they lose the amount advanced. On the other hand, if the selling party withdraws, it is obliged to return double the amount advanced by the buyer.

The total duration of the purchasing process from the day the commitment is signed usually varies between 1 week to 3 months.

If you do not need financing and do not want to sign this pre-contract because you are interested in signing and owning the home as soon as possible, you can go directly to sign directly before a notary without going through this step, and in less than a week the house can be yours.

3. Legal

● The role of the lawyer in the purchase of property in Spain

During the process of purchasing a property in Spain, legal checks are by far one of the most important stages for which it is highly recommended or even mandatory to consult a lawyer, as the laws evolve and differ from region to region. another or from one city to another.

The lawyer will carry out a series of checks that the notary will not necessarily carry out.

The lawyer will be in charge of:

- Check that there are no debts (arrears on charges, mortgage, etc.);
- Obtain and verify the city council registration certificate;
- Check any urban project;
- Check that the property complies with the property registry;
- Check the draft deed of sale.

Lawyer fees when buying property in Spain

When purchasing property in Spain, most lawyers base their fees on a percentage of the value of the property (between 1% and 2%). Others offer a flat rate starting at 2,000 euros.

Again, however, certain criteria may affect these fees (e.g., reputation of the attorney, complexity of the case, etc.). Therefore, to avoid unpleasant surprises, expenses are included in our fees.

● The role of the notary in the purchase of a property in Spain

The notary in Spain is responsible for certifying the identity of the parties and witnesses who sign the deed of sale, registering the new buyer in the Property Registry and collecting all expenses and taxes derived from the sale.

● Make a power of attorney in Spain

You have finally found the ideal house or apartment for a total change of life or a wonderful holiday in the sun. You are about to become a homeowner in Spain and would like the procedures to be completed as soon as possible: but there is a huge amount of paperwork to sign, and several round trips over several weeks or even months may be necessary. .

What is the best way to save time (and therefore money) when buying a property in Spain? A power of attorney.

What is power of attorney?

The power of attorney is an authorization for representation, which takes the form of a legal document and must be signed before a Spanish notary or a person with equivalent powers (such as a consul).

It is signed between a principal (one or more natural or legal persons) and an agent (a natural or legal person), and authorizes the latter to act on behalf of the former.

Therefore, the power of attorney can be requested in Spain before a notary, or directly in your country of origin by going to the embassy or consulate. If you wish to do so through the Consulate, [click on this link](#) to be redirected to the official page of the Spanish Ministry of Foreign Affairs, where all the documents you must provide and the procedure to follow are detailed.

If you use the services of a real estate advisor as in the case of Bocam Spain, we will take care of all the administrative and legal procedures for you.

If the power is to be used for transactions

financial or tax purposes, as in the case of a purchase or sale of property, all parties must have a Spanish tax identification number, or a NIE if they are foreigners.

With this authorization, which is usually granted to the lawyer or real estate advisor, the agent will be able to take the necessary steps for your purchase project, such as requesting your NIE, opening a bank account in your name and signing the preliminary purchase and sale contract and the deed of sale. if you cannot or do not want to move at that time.

How much does a power of attorney cost?

If you do it directly through the embassy or a Spanish notary, the cost will be between 40 and 100 euros.

How is it canceled?

You can easily annul the power of attorney at any notary office; The agent will have to be notified.

4. Financial

A) Acquisition costs

Spanish acquisition costs can include several elements, since various parties are involved in a real estate transaction in Spain, such as lawyers, agencies and specialized advisors, in addition to the notary.

What expenses does the buyer have to pay to each party? What taxes do you have to pay? How can I get a quote?

How much does it cost to buy a home in Spain?

Buying a house or apartment in Spain involves paying various types of fees, taxes and charges.

To give a general idea of the amount, it is estimated that the acquisition costs amount to around 11% of the purchase value of the property, excluding the costs of advice and support (it is important to note, however, that these costs may vary from one region to another).

In more detail, there are 3 main categories of purchase expenses:

Notarial expenses: include the notary's remuneration, property appraisal expenses, and property registration expenses. They are estimated at 1% of the purchase value, with a minimum of 1,500 euros.

Taxes: ITP, AJD, VAT, etc. This category varies depending on the type of property (old or new) and the region.

Consulting fees and others: fees of the lawyer, specialized advisor or any real estate agency. Real estate agency fees.

● Buying a new or existing home: what are the differences?

As we have explained before, regardless of the type of home purchased, the notary and property registration costs are identical. Although these rates are comparable between the purchase of an existing home and the construction of a new one, the same is not true for the taxes that future owners must pay.

Taxation of the purchase of an old home in Spain

This option has a number of advantages:

- Immediate availability;
- Access to privileged areas;
- Charming homes;
- Etc.

However, you will have to pay the property transfer tax, also known as "Property Transfer Tax" or, more generally, "ITP", within 30 days of your purchase. This tax varies from 3% to 11% depending on the region of Spain: for example, it represents 10% of the purchase price of the home in the Valencian Community or 8% of the value of the home in Andalusia. To find out everything you need to know about the ITP, [click this link](#) and read our dedicated blog article.

Taxes on the construction of a new home

When purchasing a new construction home or a new construction project in Spain, future owners are taxed differently than when they buy an old construction home.

To benefit from the quality of a new home, the buyer must pay the Value Added Tax ("VAT"), in Spain, this tax represents 10% of the value of the property.

For more information, follow [this link](#) to our blog article on the new construction real estate market in Spain.

Case study:

To help you budget the overall cost of a real estate project in Spain, here is an example of a budget for the purchase of an older home in the Valencian Community:

- Purchase value: 200,000 euros;
- Notary fees: 2,500 euros;
- ITP: $10\% \times 200,000 \text{ euros} = 20,000 \text{ euros}$;
- Advisor support expenses: $4\% \text{ without taxes} \times 200,000 \text{ euros} = 9,680 \text{ euros with taxes}$;

For a total of 232.180 euros.

B) Additional costs associated with a loan

In addition to the acquisition costs estimated above, there may be additional costs in case of purchase with a loan (mortgage).

These costs are the following:

- Appraisal fees (~500 euros) ;
- Application fees (~0.5% of the loan amount).

5. Taxes

The place of filing your income tax return depends on your tax residence (see our dedicated blog article by clicking on [this link](#)). If you remain in Spain for more than 183 days during the calendar year, or if you have established, directly or indirectly, the main center of your activities or economic interests in Spain, you must file your tax return in Spain.

In addition, all owners of real estate in Spain must pay three types of taxes:

A) Real Estate Tax (IBI)

The Real Estate Tax, better known as IBI, is a tax included in the Spanish local tax system that taxes the value of real estate.

It is a mandatory tax that all owners of premises, garages, houses, flats or, in general, any property in their name must pay annually to the city council.

The indicator used to calculate the IBI is the cadastral value of the property. The coefficient applied to this value ranges between 0.4% and 1.3%. To know the exact cadastral value of a property, simply consult the cadastre or the IBI receipt that you receive each year.

For example, for a 150,000 euro apartment purchased in Valencia, the IBI usually ranges between 300 and 500 euros per year.

B) Tax on rental income

• Non-Resident Income Tax

Whether or not you generate rental income from your residence in Spain, you are obliged to pay IRNR ("Non-Resident Income Taxes"). All non-resident foreigners (tax domicile in another country) must declare the income they have received during the year and/or the real estate they own in Spain. The IRNR is paid through form 210 and is usually equivalent to the amount of the IBI. Its amount is estimated by calculating 1.1% of 19% of the property's cadastral value.

• Resident income tax

For Spanish residents, the personal income tax rate is staggered depending on the tax bracket, ranging between 19% and 45%.

C) Wealth tax

The wealth tax (IP - "Wealth Taxes") also exists in Spain, but only affects households with assets in Spain of at least 700,000 euros.

II. The role of the Real Estate Personal Shopper

"Using the services of a real estate personal shopper is like an organized trip but in the context of a real estate purchase."

1. Locate

- **Understand the criteria:**

Our agents listen to your needs and do everything possible to find a property that meets all your criteria. Your follow-up is totally personalized based on your expectations. In this way, your search and your support are tailor-made.

- **Property preselection:**

Noisy neighbors, possible development works, a neighborhood with a bad reputation... These are problems that are not always detected in just a few visits. Our personal shopper is committed to discovering all the small everyday inconveniences that ordinary buyers would hardly detect, carrying out "field studies" before offering you a property.

This pre-selection stage is carried out by our agents, who have an irreplaceable presence on the ground. However, at first, real estate proposals are made entirely digitally, with the aim of maximizing the customer's experience and avoiding unnecessary physical travel.

- **Response capacity:**

On the lookout for any property that matches your criteria, it will submit your proposal as soon as the offer has been published. Therefore, the time lapse between the publication of a property and the proposal of a buyer is considerably reduced with the help of a property hunter.

- **Photographic and video reports:**

Our agents take photos and videos not only of the property, but also of the neighborhood, because the surroundings of a home are as important as the property itself. This content is produced using high-performance stabilizer and equipment to bring you the best quality.

2. Information

- **Pre-visit reports:**

No property is visited without a detailed and complete report on its qualities and defects. Therefore, each visit entails a detailed report from our agents.

- **Information about hidden defects:**

It is essential that a professional with a good eye accompany you during the visit process. Our experts will not let the slightest hidden defect, if any, go unnoticed.

- **Diagnosis:**

A complete appraisal is carried out with high-performance professional tools, to offer you the most detailed diagnosis possible on the surface, energy consumption, insulation characteristics of the coveted property, or even the conditions of co-ownership.

- **Neighborhood survey:**

Our experts can also inform you about even the most direct surroundings, getting to know your neighbors and the owners of neighboring properties. There is always a friendly neighbor who will be happy to tell you all about the latest neighborhood unrest and the real reason why the seller wants to part with his property.

- **Negotiate in favor of the buyer:**

Negotiation is an art. Our professionals are sellers at heart, and will know how to negotiate the best price for your investment and save you a lot of money. Since we buy many apartments every year, we know the real market prices and trends. We understand that one satisfied customer is worth two, and we fight tooth and nail to obtain a lower sales price. That is another thing that differentiates us from a real estate agent who defends the interests of both the buyer and the seller.

- **Advice:**

We will advise you throughout your entire project, from the legal and administrative environment in Spain to the entire complex process of searching and selecting a property.

3. Insurance

- **Legal costs included in our fees:**

Our service includes support and legal checks that you will not have to pay for.

- **Administrative support:**

Nobody likes paperwork.... We take care of all the paperwork so that your home search experience retains only the positive aspects!

- **Possibility of preparing a power of attorney:**

If you wish, we will even take care of signing the deed for you so that you do not have to make unnecessary trips.

- **Accompany you to the notary office:**

Do you need a reassuring presence and a translation, or even a legal explanation? We will be with you at the notary's office and we will accompany you until the signing of the deed of sale.

- **Transfer of contracts for water, gas, electricity, etc.:**

We also make contract changes with the different suppliers, so that you can enjoy your new property without problems.

- **Presentation of trusted service providers:**

We work in collaboration with trusted architects, landscapers and construction companies, helping you remodel and decorate your new home to your liking.


It's good to know:

A real estate personal shopper or property hunter has no interest in favoring one property over another. Therefore, we are 100% independent of the agencies we work with, so there is no conflict of interest. Whether the property is sold by agency A, agency B or an individual, your real estate agent will be representing you at all times and obtaining the best for your interests. This allows us to remain neutral and inform you of the positive and negative points of the properties we identify with you.

III. Our customers

The positive reviews from our clients are a reflection of our **commitment to excellence**, as each positive testimonial represents the result of our constant effort to exceed expectations and provide unparalleled service that inspires confidence and satisfaction in each of our clients.




Luis Garcia Avalos
Review of  Google



5/5 · 6 months ago

They have been able to manage the purchase of an apartment for me to obtain the Golden Visa very quickly, the communication with Jaime has been exquisite, he cares about all the details




Julio Pascual Torres
Review of  Google



5/5 · 9 months ago

I wanted to find an investment apartment to obtain the golden visa and they have advised me very well and we have already signed the deposit




Jose Arnaldo
Review of  Google



5/5 · A year ago

They have managed to rent the apartment we asked for very quickly and exceeding our expectations. Highly recommended



SYAF SHURRAB
Review of  Google



5/5 · One month ago

Very good service, thanks to them I was able to get the new home in Sabadell.

GET IN TOUCH



www.bocamspain.com



+34 613 00 96 44



info@bocamspain.com




BOCAM SPAIN
PREMIUM REAL ESTATE