








Holiday Homes
Spain

Our Guide to Buying Property on the Costa del Sol



2023

TABLE OF CONTENTS

-  About Us
-  Why The Costa Del Sol
-  Before You Travel To Spain
-  Resale Vs New Properties
-  Choosing A Solicitor
-  Buying A Resale Property
-  Buying A New Property
-  Post Completion
-  Mortgages
-  Visas

A lot of companies say they function as a family. We are a family!

On a day-to-day basis you will be dealing with Darren and Angelina, a husband and wife team. We work as 'personal shoppers' for those looking to buy a house or investment property on the Costa del Sol.

All the main agents of the Costa del Sol publish their properties on our portal: holiday-homes-spain.com and we generally have more than 10,000 properties available for sale. We are also partners of all the major developers and architects on the coast.

We can advise on areas and the purchase process in Spain, as well as arranging visits to any of the properties listed on our website. We can also schedule an itinerary to view a selection of properties that maximizes your time and reduces the number of agents you have to coordinate with. We accompany all visits and receive a finding fee from the listing agent when a property is purchased. We do not charge any fees to those for whom we arrange tours.

We hope you find this guide useful and look forward to welcoming you to the Costa del Sol soon,

Darren & Angelina

About DS



WHY CHOOSE THE COSTA DEL SOL?

The Costa del Sol has become a property hotspot with both individuals and companies buying vacation homes and investment properties. Buyers from Europe are being joined by buyers from the Americas, Asia and the Middle East in ever increasing numbers.

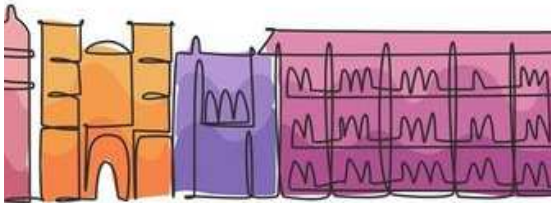
Having a base in Spain allows non-EU residents to travel throughout the borderless Schengen zone of Europe... great for those looking to avoid the hot summers of Dubai or the cold winters of Toronto. Additionally, investing over € 500,000 currently allows the investor to apply for Golden Visa's for their immediate family making travel and studying throughout Europe much easier.

#marbslife

It's a lifestyle choice

It is all about the weather, over 300 days of sunshine every year, the breathtaking scenery, sandy beaches, over 60 golf courses, and culture... the historic cities of Malaga, Granada, Seville, Cadiz, Ronda, Cordoba and Jerez are all in this region of Spain as well as lesser-known gems like Benahavis and Nerja. And lets not forget the food, from cheap and chearful tapas bars, to restaurant chains, to Michelin starred gastronomy, the Costa has it all.

WELCOME TO



Malaga

"At Holiday Homes Spain, we want to maximise your time in Spain to ensure we find the right property for you."

We collaborate with all the other estate agencies in the region and are partners of all the major developers and architects. As such, we are able to arrange viewings on any property potentially of interest to you.

We will work with you to create an itinerary of viewings and get these booked in before you travel. We will then reconfirm all the viewings on the day before you travel to ensure every property is still on the market. We are then ready to meet you and show you all the properties you wish to visit from the day after you arrive.

If required, we can also show you the local amenities and attractions in the areas we visit.

As we are taking care of arranging the viewings, this allows you focus on putting yourself in the best possible position to get a sale agreed

BEFORE YOU TRAVEL TO SPAIN



Get a Mortgage Agreement in Principle

If you require finance for your purchase, it is wise to speak to a mortgage specialist here right from the beginning to ensure you are looking at properties at the right price point.

The mortgage specialist will be able to confirm your maximum lending, the amount of liquid cash you will need for the purchase, and loan repayments.

As a general rule, it is possible to borrow up to 70% of the property valuation.

Having a mortgage Agreement in Principle also gives you the security that you will be able to complete the purchase and helps your negotiating position. We cover this in more detail in the mortgages section of this guide.

Have your Reservation Fee Ready

Upon signing the Reservation Agreement, you will also need to pay a Reservation Fee. This is usually between €5,000 and €10,000 depending on the value of the property. The Reservation Fee is usually paid into your solicitors Client Account and is refundable should your solicitor find any issues with the property whilst undertaking their due-diligence.

Proof that the Reservation Fee has been transferred needs to be provided to take the property off the market and stop others viewing the property. As such, it is important to transfer this to your solicitor as quickly as possible and we recommend you have sufficient liquid cash in your account to transfer this whilst still in Spain.

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BEFORE YOU TRAVEL TO SPAIN

NIE Numbers

An NIE Number is a fiscal reference required for each person looking to purchase the property.

Some estate agents recommend applying for an NIE number before you arrive in Spain. There is no necessity to do this and it does not make any real difference to your negotiating position.

It does however make life less hectic once you find a property it you apply for this when you first arrive in Spain. We recommend arranging a Power of Attorney with a solicitor which will enable them to apply for this number of your behalf. It will also be useful later in the purchase process as it will enable the solicitor to sign documents for you, open a bank account in your name and get the utilities connected.

The NIE number is required when the purchase contract is drawn up, this is usually around 3 weeks after your offer is accepted and the reservation agreement is signed (which takes the property off the market). This is to allow your solicitor time to do full due-diligence on the property before you commit to buying.



Collate Supporting Documents

As with any large financial transaction, anti-money laundering procedures will need to be followed. Please bring a utility bill with you as proof of resident address. You will also need your passport.

If you are a cash purchaser, we would recommend bringing a copy of a bank statement (with account number redacted) that shows proof of funds. This is by no means necessary but can often help the vendor accept a slightly lower offer as it gives them confidence that there will be no issues with financing the purchase.

RESALE VS FIRST OCCUPANCY PROPERTIES

For the uninitiated, buying a property in Spain can be a daunting prospect. However, with a little knowledge and the guidance of a good estate agent and conveyancing lawyer the process can be very simple.

The main differences in the purchase process will depend on whether the property has been previously owned (known as a resale property) or you will be first owner of a newly built property.

With a resale property, you will always be able to physically view the property you are buying and the current owner will be able to confirm exactly what the Council Tax (IBI), Garbage Tax (Basura) and any Community Fees will be.

Additionally it is possible to negotiate on the price and terms of sale, such as whether furniture is included, how much the deposit will be and when the completion date will be.

Our Thoughts...

Buying a "tried and tested" resale property you can see how the property works from a layout and position of the sun point of view. You might well get something that has been built in a great position that would not be available now.

Equally, if a vendor is desperate to sell their home, you might get one at a great price compared to a new property of the same specification





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RESALE VS FIRST OCCUPANCY PROPERTIES

Unless it is key ready, the main difference with a first occupancy property is when you collect the keys. There are now strict rules on completion dates and all instalments paid towards a property under construction have to be 100% protected by bank guarantees. Therefore, your money is as safe as if you were buying a resale property.



Whilst you may be able to view a key-ready new build, it is likely you will have to rely on floor plans and the developers sales office to understand the layout, finishes and views if the property is off-plan or still under construction. With modern technology, most developers can give you a very good feel for the finished product these days.

Likewise, the developer will be able to provide an accurate estimation of what the Council Tax, Basura and Community Fees will be but you will not have an exact figure until your first bills arrive. What they will not do is negotiate on price. The listed prices and payment terms are fixed and there is nothing we can do to change this.



The other main difference is what tax you pay; on resale properties you will pay Property Purchase Tax (ITP) whilst on first occupancy properties you will pay VAT (IVA) instead. We will cover this in more detail in the following chapters.

Our Thoughts...

There are several definite advantages of buying new:

You can choose your fittings from a selection of options to make your holiday home bespoke.

Sometimes you can tweak the layout too, not just tiles and fixtures.

Better build quality.

Improved building controls mean that new homes need to meet certain standards. They have to be well insulated, for sound as well as heating, more eco-friendly and comply with regulations for earthquake resistance.

Modern layouts.

The style will be contemporary with spacious living areas and outdoor terraces. On the minus side, the pay off for larger living areas does mean slightly smaller bedrooms.

Cherry-pick the best location.

If you're hoping to make a return on your investment, choosing the best plot, with the best view, is always going to appeal to renters and also buyers when you want to resell.

Less upkeep hassle and costs.

Everything is new, you won't need to budget for repairs/

Aftersales care.

Buying when building work is ongoing means you'll have the developers team will still be onsite. Any niggles or flaws in the property will be fixed easily.

Ten-year warranty.

New-builds come with certain guarantees so problems can be quickly solved.

CHOOSING A SOLICITOR

There is a large number of law firms on the Costa del Sol which specialise in property purchase. Many of these firms also have an accountant or accountancy division which is very useful once you own your property here.



We would recommend granting your solicitor Power of Attorney, especially if you do not live in Spain and/or do not speak Spanish. The Power of Attorney will allow the solicitor to apply for documents on your behalf, sign documents and contracts on your behalf (saving on numerous flights to Spain), open bank and utilities accounts for you and set up direct debits for taxes, community fees, utilities, etc...

- .
- * What their fees are
- * Whether this fee includes obtaining NIE numbers (if required)
- * Where this fee includes them acting as a Power of Attorney (we recommend this)
- * Whether this fee includes setting up a bank account in Spain
- * Whether this fee includes connecting utilities on completion
- * Whether this fee includes setting up direct debits for taxes, community fees and other ongoing costs
- * Whether this fee includes applying for a touristic licence (if required)
- * Whether they have an accountant who can ensure all taxes are calculated and paid correctly.

If any of these services are not included, we would recommend enquiring how much each will cost.

CHOOSING A SOLICITOR

If the property is primarily to be rented out, it is also worth discussing with the solicitor whether it will be more efficient to purchase the property through a company rather in your own names.

If you intend to move to Spain, then it would be useful if the law firm has an immigration specialiser who can help you with your visa application and processing.

Your solicitor should...

- * Check the property is registered at the Land Registry and obtain a copy of the land search or 'nota simple'
- * Ensure the property has a license of first occupation, this confirms the property has been built as per the planning permission, and check that the boundaries are clearly identified
- * Check the property is registered for local rates known as 'impuesto do bienes inmuebles'
- * Ask to see recent utility bills and check what individual meters are in place: eg water and electric
- * Assess the taxable value of the property, the level at which the tax authorities will accept for transfer taxes
- * Ensure there are no outstanding charges or mortgage against the property or that any in place will be satisfied by the sale





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CHATOS

BUYING A RESALE PROPERTY

Resale properties are any properties which have been previously purchased by an individual or company.

Whilst they have usually been lived in, this is not always the case.

Purchase Costs on a Resale Property

When deciding a budget for your purchase, it is important to take the purchase costs into consideration.

As of January 2025, the standard purchase costs for resale properties in Andalusia are usually as follows:-

- * Property Purchase Tax (Puesto Sobre Transmisiones Patrimoniales or ITP) – 7%
- * Solicitor Fees – 1%+VAT = 1.21%
- * Notary & Registry Fees – Your solicitor will confirm the exact figure but allow up to 1%

As a rule of thumb, we are advise allowing an additional 10% of the purchase price to cover the acquisition costs. Your solicitor will calculate and confirm the exact figure.

On the Costa del Sol, real estate agency fees are usually paid by the seller, you don't need to budget separately for them in your calculations.

Please note...

The above figures do not include any mortgage arrangement fees or property valuation fees for those who require finance for their purchase. The figures should be discussed with your mortgage broker and also taken into consideration.

BUYING A RESALE PROPERTY

The Purchase Process

With Resale Properties we can usually negotiate on the asking price. At Holiday Homes Spain, we are happy to recommend what we feel might be a reasonable initial offer and present this offer as strongly as possible to the vendor and their representatives.

Once a price is agreed, the purchase process can be neatly broken down into three steps:-

Step 1: Sign Reservation Agreement

Signing a Reservation Agreement effectively removes a property from the sales market and secures it for a prescribed period of time – usually 30 days. This allows your solicitor time to conduct their due diligence on the property to ensure all licences are in place, the seller is entitled to sell the property, and there are no debts registered against the property.

The Reservation Agreement, signed by you (or your solicitor) and the seller, confirms the agreed sales price. It is essential that, when travelling to Spain to view properties, you have funds available to pay the Reservation Fee. This is usually between €5,000 and €10,000 and can be paid by credit card or bank transfer to your solicitor.

To draw up the Reservation Agreement, your address, contact details, a copy of the passport of each buyer and, if obtained, NIE numbers will be required. If you do not have your NIE numbers already, inform your solicitor so they can apply for these at this time.

BUYING A RESALE PROPERTY

Step 2: Sign Private Purchase Contract

This is the point at which a sale becomes legally binding and we firmly recommend a local, independent lawyer is used at this stage if you have not instructed one at the reservation stage.

In Spain it is customary that the lawyer representing the seller will draw up the terms and conditions of the contract. Your lawyer will then check these conditions on your behalf and request any disadvantageous terms are amended or removed.

The contract should include payment terms and an estimated completion date. Your lawyer will also conduct a full conveyance of the property and will outline the total costs of the sale, having calculated fees and taxes.

At the time of signing the Purchase Contract, you also pay the deposit. For Resale Properties, this is usually 10% to 20% of the purchase price (minus the reservation fee already paid).

If you pull out of the sale after signing the purchase contract, you lose this deposit. If the seller pulls out of the sale after this point, they are legally obliged to compensate you 2x the deposit paid.

BUYING A RESALE PROPERTY

Step 3: Completion, the Public Notary

The formalities of a purchase are completed before a Public Notary, an independent referee who oversees the sale and ensures the parties have complied with legal requirements including payment of appropriate taxes. This is the day the agreed balances are paid and you take ownership of the property.

You will be asked to come with several cheques, one for the sellers mortgage company, one for the estate agents and one for the seller. Whilst the seller is responsible for their estate agency and mortgage costs, you clear these and the residual amount is payable to the seller.

For example, for a hypothetical purchase for €100,000 where the seller has a €70,000 mortgage on the property and their estate agency fees were €5,000 you would draft the following bankers cheques:

- * €70,000 for the sellers bank to repay the mortgage,
- * €5,000 to cover the sellers estate agency fees, and
- * €25,000 for the seller as the residual value after all their expenses are cleared.

If you are buying with a mortgage, a representative of your lender will attend and provide the cheques up to the value of the agreed loan.

You will receive the keys to the property this day and become the legal owner. Final registration of the title deeds is likely to take a few weeks from the time the Land Registry receives all the paperwork.

At Holiday Homes Spain, we walk our customers through each stage of the purchase process and are always on hand to answer any questions or concerns.



BUYING A FIRST OCCUPANCY (NEW BUILD) PROPERTY

First occupancy properties cover all properties that are sold directly from the developer and have never been entered into the Land Registry. This can include off-plan developments, developments under construction or key-ready properties where you will be the first owner.

Whilst the conveyancing process is largely the same as for resale properties, the purchase costs are different and, if construction is not completed, there will be a wait until you are able to use your new home.

Purchase Costs on a First Occupancy Property

When deciding a budget for your purchase, it is important to take the purchase costs into consideration.

In Andalusia, the standard purchase costs for first occupancy properties are as follows:-

- * VAT (IVA) – 10%
- * Stamp Duty (Actos Jurídicos Documentados or AJD) – 1.2%
- * Solicitor Fees – 1%+VAT = 1.21%
- * Notary & Registry Fees – Your solicitor will confirm the exact figure but allow up to 1%

As a rule of thumb, we are advise allowing an additional 13% of the purchase price to cover the acquisition costs.

Your solicitor will calculate and confirm the exact figure.

The developer pays us an introducer fee to you don't need to budget for estate agency fees in your calculations.

BUYING A FIRST OCCUPANCY (NEW BUILD) PROPERTY

Purchase Process for a First Occupancy Property

After the last housing boom in Spain, massive changes were made in the law to protect those investing in property in Spain.

Spain is now one of the safest countries in the world to make an off-plan property; it is renowned for its rigorous legal protections, transparent property transactions, and stable market conditions. Spain sets the standard for secure investments and is the only country in the world which secures 100% of funds paid investors by law.

Additionally, construction will be signed off by an insurer at every stage of the build and, on completion, a 10 year warranty will be provided on the construction. If kitchens and bathrooms are included, there will likely be a 2 year guarantee on appliances. Lastly, it is normal that the developer provide a snagging period. Where possible, we would recommend inspecting the property and have the snagging completed before completing the purchase.

For first occupancy properties, the price and payment terms are generally fixed and there is no possibility to negotiate these. Once a property is found, the purchase process can be neatly broken down into three steps:-

Step 1: Sign Reservation Agreement

Signing a Reservation Agreement effectively removes a property from the sales market and secures it for a prescribed period of time – usually 30 days. This allows your solicitor time to conduct their due diligence on the property to ensure all licences and building permits are in place.

Your solicitor will also check that bank guarantees are in place that ensure 100% of the instalments you make would be returned to you in the unlikely event that there be an issue with the development.

At this time, the developer will also ask you to provide a source of funds so they can fulfil their anti-money laundering obligations.

The Reservation Agreement, signed by you (or your solicitor) and the developer, confirms the price, payment terms and completion date. It is essential that, when travelling to Spain to view properties, you have funds available to pay the Reservation Fee. This is usually between €5,000 and €10,000 and can be paid by credit card or bank transfer to your solicitor. For villas and high-end apartments, the Reservation Fee might be larger.

To draw up the Reservation Agreement, your address, contact details, a copy of the passport of each buyer and, if obtained, NIE numbers will be required. If you do not have your NIE numbers already, inform your solicitor so they can apply for these at this time.

BUYING A FIRST OCCUPANCY (NEW BUILD) PROPERTY

Step 2: Sign Private Purchase Contract

This step will be skipped if the property is key-ready and you will go straight from reservation to completion.

Where the property is not key-ready, this is the point at which you commit to purchasing the property and we firmly recommend a local, independent lawyer is used at this stage if you have not instructed one at the reservation stage.

The developer will draw up the terms and conditions of the contract. Your lawyer will then check these conditions on your behalf.

The contract should include payment terms and an estimated completion date. Your lawyer will also conduct a full conveyance of the property and will outline the total costs of the sale, having calculated fees and taxes.

At the time of signing the Purchase Contract, you also pay the deposit. This is usually 20% or 30% of the purchase price (minus the reservation fee already paid) but it can be more for villas and high-end apartments.

If construction is yet to start, or there is still a long time until completion, there may be additional instalments to pay before completion. We will advise you of the payment structure when viewing the property and these will also set out in the Reservation Agreement and Purchase Contract. Both the deposit and any additional instalments will be protected by bank guarantees.

If you pull out of the sale after signing the purchase contract, you will lose this deposit and any other instalments made.

Step 3: Completion, the Public Notary

Once the property is complete and the first occupation licence is granted, the formalities of a purchase are completed before a Public Notary, an independent referee who oversees the sale and ensures the parties have complied with legal requirements including payment of appropriate taxes. This is the day the final instalment is paid and you take ownership of the property.

You will be asked to come with a bankers cheques for the final instalment. If you are buying with a mortgage, a representative of your lender will attend and provide the cheques up to the value of the agreed loan.

You will receive the keys to the property this day and become the legal owner. Final registration of the title deeds is likely to take a few weeks from the time the Land Registry receives all the paperwork.

Ay Holiday Homes Spain, we walk our customers through each stage of the purchase process and are always on hand to answer any questions or concerns.

POST COMPLETION

After completion, starts the process of making the property a home or an attractive rental proposition. Many of these tasks can be organised before completion and we can introduce you to reputable furnishers, builders, rental management companies, etc... where required.



Connection of Utilities

If you have granted Power of Attorney to your solicitor, they will be able to arrange for the water, electricity and internet to be connected for you and set up the direct debits. You will simply need to confirm which providers you wish to use.

If the property is a resale, it may be possible to switch the existing account of the previous owner to your name.

Furnishing the Property

There are numerous furniture shops across the Costa del Sol with options for every budget. There are also interior designers for those looking for a bespoke finish.

Many of the furniture shops offer 'furniture packs' which can include lighting, mirrors, artwork and soft-furnishings on top of the tables, chairs, beds, etc... They can also provide packs of bedding, kitchenware, tableware and towels if required.

When you purchase a furniture pack, it will normally include delivery and installation. We would suggest confirming this includes installing lights, curtain rails and hanging mirrors and artwork where applicable.



POST COMPLETION

Setting up direct debits

A number of direct debits will need to be set up to cover the ongoing costs, these may include the payment of council tax (IBI), garbage collection tax (Basura), any community fees, internet and utilities, and income tax if property is rented out.

Most of these will be set up when the service is applied for but your solicitor will be able to assist for any which additional assistance.



Refurbishment of a Property

If you purchase a resale property, it is likely you will want to do some work to put your own touch on your new home.

We can recommend a range of local tradesmen from decorators, handymen, electricians and plumbers to building firms who can undertake a full refurbishment.

Obtaining a Tourist Licence

If you intend to rent your property out on a short-term basis, a touristic licence will be required. Either you, or your solicitor should be able to apply for this online. The licence is free of charge but your solicitor may charge an administration fee for undertaking the work.





MORTGAGES

Spain is a dream destination for property buyers, offering an affordable and desirable blend of sun-soaked beaches, vibrant cities, and charming countryside retreats. With its warmer climate, relaxing lifestyle, and accessible property market, it's no surprise that Spain consistently attracts buyers from around the world.

For non-residents looking to buy in Spain, a basic understanding of some Spanish mortgage law is an important part of the process.

Whether you're buying a holiday home or planning a permanent move, knowing the ins and outs of Spain's mortgage regulations will set you up for success. Let's take a look...



Is it difficult to get a mortgage in Spain?

Getting a mortgage in Spain can be straightforward if you meet the eligibility requirements and properly prepare for the process.

For non-residents, the process is often more challenging due to additional documentation and stricter loan-to-value (LTV) ratios, but it's certainly possible, with many non-residents deciding to call Spain home every year.

Mortgage approval for non-residents

So what exactly do non-residents face when buying a home in Spain?

Stricter deposit requirements

Non-residents often need larger deposits when purchasing Spanish properties.

Resident buyers can borrow up to 80% of the property value from mortgage lenders while non-residents are typically limited to 60-70%, meaning a higher deposit is required for purchase.

Income verification

Lenders require proof of a stable income for new buyers. This may be in the form of bank statements, a letter from your employer, or other documentation.

A mortgage calculator can be a good tool to assess affordability yourself before proceeding with formal applications. You can find ours at: <https://holiday-homes-spain.com/mortgages/>

MORTGAGES

Checks for a good credit history

A clean credit record, both in Spain and your home country, is often crucial for the process.

If you're unsure about your chances of approval, you can get your case analysed by someone familiar with the property market and the Spanish mortgage process. This can also be done at: <https://holiday-homes-spain.com/mortgages/>

Can you get a 30-year mortgage in Spain?

Yes, 30-year mortgages are available in Spain, but the loan term available will often depend on individual circumstances.

Lenders usually look for repayments to be complete by the time the borrower approaches 70 years old, or the time when they stop working.

In many cases, non-resident buyers will be capped at a 25-year loan duration.

With higher deposits required as standard for non-resident buyers, these slightly shorter terms become more affordable.

What are the mortgage laws in Spain?

Spain's mortgage laws saw significant updates in 2019 to comply with EU regulations. These reforms aimed to make the mortgage process more transparent and borrower-friendly. What was the impact on buyers?

Cost distribution

The law shifted some mortgage-related costs to the lender to make properties more accessible.

Pre-contractual transparency

Lenders are required to provide detailed, easy-to-understand information about mortgage terms, including interest rates, fees, and repayment schedules. For non-residents, it's often beneficial to work with a mortgage broker to ensure a complete understanding of all documentation.

Mandatory notary meeting

Before signing a mortgage, borrowers must meet with a notary to ensure they fully understand the terms and conditions. This step helps to prevent disputes and ensures transparency for all parties.

Fixed-rate mortgages

Borrowers can choose fixed-rate options, offering stability and protection from market fluctuations. Non-resident buyers will often be limited to these fixed-rate products.

Early repayment flexibility

Borrowers can repay their mortgage early with reduced penalties, depending on whether the mortgage is fixed or variable rate.

Interest rate caps

For variable-rate mortgages, the law sets limits to prevent excessive interest rate increases.

MORTGAGES

Additional considerations when taking out a mortgage in Spain

With these protections in place, what else must buyers consider when buying a Spanish property?

Work with a mortgage broker

Navigating Spain's mortgage system can be complicated, particularly for non-residents unfamiliar with the local market. A mortgage broker who specialises in Spanish mortgages can make all the difference.

They'll guide you through the process, help you understand your eligibility, and connect you with lenders offering the most competitive mortgage products.

Understand all costs involved

Although Spain's new mortgage laws have shifted many fees to the lender, buyers should still be prepared for additional costs on top of their deposit.

These include:

- * Valuation fees
- * Taxes
- * Notary and registry fees

Choose the right mortgage type

Spanish lenders offer several mortgage options for prospective buyers. Selecting the one that suits your financial situation is important.

Fixed-rate mortgages - Offer stability with a consistent interest rate and predictable monthly payments.

Variable-rate mortgages - Rates are tied to the European Central Bank's Euribor index, meaning payments may fluctuate. These can be beneficial if interest rates are low but carry the risk of higher costs if rates rise.

Check eligibility and documentation

Non-residents face additional criteria for mortgage approval in Spain. You'll need to provide documents such as:

- * Proof of income and employment status.
- * Tax returns and bank statements.
- * A valid NIE (Foreigner's Identification Number).

Having these documents ready will speed up the approval process when you find a property you like.

MORTGAGES

Review exchange rates and currency risks

If you're purchasing a property in Spain using a different currency, fluctuating exchange rates can impact your payments.

This is something to consider when purchasing your property, especially if rates are particularly high (or low) at the time of purchase.

Think long-term

When buying a property it's important to evaluate the long-term affordability of your mortgage. Calculators can help but try to think about how your circumstances might change during your loan period.

Factor in potential changes to interest rates, your financial circumstances, and the plans you have for how you'll use your property.

Secure your dream property in Spain

Spain's mortgage laws are designed to protect borrowers while keeping a fair lending landscape for mortgage providers.

Whilst it's not essential to understand every detail, it's important that non-resident buyers fully understand what will be involved in the process of buying a Spanish property.

Mortgage brokers are essential for non-residents and can often bridge the knowledge gap to ensure a seamless experience with the Spanish mortgage market.

You get an idea of monthly repayments, or receive a non-obligatory loan pre-approval within 24 hours, on our website at: <https://holiday-homes-spain.com/mortgages/>





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VISAS

There are over 20 different options when it comes to garnering your Spanish residency permit, and you most likely qualify for more than one. That's the good news.

However, before we get into the different types of visas, permits, etc., there are a few things to be aware of. For example, although the Spanish Public Administration is digitizing fast, you will still have to take care of some things in person at the consulate.

Additionally, some of the permits are issued based on objective criteria, such as the Golden Visa, which requires that you invest 500,000€ to get a residency and work permit. Others require an evaluation based on internal criteria, such as the trajectory of your business prospects.

Residency permits typically require that you spend for more than 6 months in a year in Spain – which automatically makes you a tax resident in Spain. The Golden Visa is currently the only exception. It does not have any maximum or minimum requirements regarding the days you spend in Spain within the tax year, so you can decide the tax residency by yourself, by simply staying in the country under or over the 6 months limits. Whether you want to become tax resident or not, depends on the level of taxation in your country of origin.

For example, if you come from the Bahamas where the personal income tax rate is 0%, you prefer to stay tax resident right where you are. On the contrary, if you come for example from Sweden, where the rate is 57%, you are much better off being tax resident in Spain. We can recommend specialists who can make you a simulation based on your current situation and you can then make an informed decision on how to proceed.

Keep in mind that the process of gaining a residency permit can take months, so it's critical that you get your documentation in order from the very beginning. One mistake in paperwork can cost you a few months.

Those documents will most likely need to be sworn in and translated by an authorized translator and then notarized. Depending on your country of origin, you'll either need to go the apostille route or the legalization by the Spanish Consulate route.

Many residency applications require the applicant to garner private health insurance. This could be a foreign insurance policy as long as its coverage expands to Spain. The health insurances in Spain are cheaper than in most of the countries, so you probably want to have one from here. We are delighted to recommend you trustworthy companies that can get you covered.

Lastly, if you live in Spain for longer than five consecutive years with any legal permit, you'll be able to seek permanent residency. If you live in Spain for a minimum of ten years—or an ex-colony of Spain for two years—you can apply for a Spanish passport.

Now that we've gotten the tidbits out of the way, let's get to the important stuff: The various residency permits that you may or may not be suitable for you. For non-Europeans, there are several different types of residency cards you may qualify for:-

VISAS

A Tourist Visa

The tourist visa is also referred to as the Schengen visa or short-term visa and allows you to stay in the country for up to 90 days within each period of 180 days. Some nationalities do have this right automatically included in their passports (Americans, Canadians, British, Latin Americans), and others need to apply for the tourist permit from the Spanish consulates in the origin. We are happy to assist you with the consulates if need be.

Non-Lucrative Visa

One of the most accessible Spanish residence permits, the non-lucrative visa is a visa that allows you and your family to live in Spain but not to work for Spanish companies. However, you can work remotely to foreign companies.

Europeans do not need such a visa, only if you come from outside of the EU (now including the UK).

With the non-lucrative visa, you can invest in Spain, like buying a property or own shares of a Spanish company. It also works as a tourist visa for the rest of Europe.

The visa is initially valid for one year and then renewable every two years. If you live in Spain for five consecutive years, you can convert it into a permanent residency permit, and can start working in Spain as well, if you like.

The non-lucrative visa is a great option for:

- * Anyone who plans to retire in Spain
- * Foreigners who want to get to know the country first before investing.
- * Foreigners who are on a sabbatical year
- * Digital nomads who want to work remotely for companies in other countries

There are several benefits of the non-lucrative residence permit. You can move with your family – unlike in some visas where you have to live in Spain first for a year before you can bring your spouse and children. You can study and do paid internships in companies in Spain. Even if you cannot work in Spain, you will be allowed to work for foreign companies remotely.

Additionally, there is no need to invest to obtain this permit.

Each year you live consecutively in Spain with the non-lucrative visa, counts towards the permanent residency permit which you can get after 5 years and if you wish its possible to apply for Spanish citizenship after 10 years.

The requirements are also easy to fulfil. Having enough money in your bank account is the primary factor in the consideration of your application for the non-lucrative residence permit. Having enough money on your bank account. The official minimum amount of money you must have to get this residence permit is approximately 26,000€. Nevertheless, the more you have the better for a successful application. In addition, each family member should have minimum 7,000€ on their account.

VISAS

For your application for the non-lucrative visa to succeed the best way to show that you meet the financial conditions is to have a your bank provide a certificate of cash on your account. This certificate should be dated as close as possible to the date of submission of your application.

Some consulates will also allow you to submit bank certified documents regarding assets (stocks, bonds, real estate value).

Depending on the consulate there may be a requirement to look at bank statements for the last 6 months – this is to see the normal activity and to catch " in-and-out" funds transfers that bring you up over the funds threshold. And don't forget, the name on the bank statement must match that of the main visa applicant.

The retirement or non-lucrative residency allows you to do a joint application. This is simply done by including your spouse and children that are under the legal age just by adding them to your application.

Keep in mind, if you do submit a joint application in order to bring your relatives, the minimum amount of money you are required to show as available to you increases. For each member you are bringing with you, you must demonstrate an additional 100% of the IPREM, which is currently equal to an extra 6,454.03€ annually per additional family member on your application.

Investor Visa (the Golden Visa)

Investor visas, otherwise known as the Golden Visa, is arguably the easiest way to get your residency here. It was created to attract foreign investment to Spain.

To qualify for an investor visa, you'll need to invest 500,000€ in Spanish real estate, buy 1,000,000€ of shares in a Spanish company, or buy 2,000,000€ of Spanish bonds.

UPDATE – JAN 2025 – this visa will no longer be available after April 2025. We would recommend buying a property in January 2025 to complete the purchase and start the visa application process in sufficient time.

Student Visa

If you're planning on studying for your Masters or Ph.D. or participating in a research program in Spain, this is the visa you want to go for. This visa will allow you to work, get an internship, and study in the country with the advantage of allowing you to transition towards a work permit afterwards—minus the extra paperwork and other visa requirements.

Work Permit for a Highly Qualified Employee

If you've been offered a job as a highly qualified worker, the application procedure can be done in Spain. This permit requires that you have university studies, you've been leveraged in a technical position or as a manager and are projected to earn over 40,000€ per year.

VISAS

Business Residency Permit

If you plan to set up a business and become a resident at the same time, you'll likely qualify for a business residency permit or entrepreneur visa. Bonus points are given, if what you're doing is of economic interest for the country, involving high levels of technology.

There's also a self-employed work permit for other business categories if you don't meet the requirements of the above.

Digital Nomad Visa

This digital nomad visa or DNV is known as the visado de teletrabajador de carácter internacional on most of the official Spanish websites provides the option of moving to Spain and being able to work remotely at the same time. The visa can also cover family members (and permit them to work/study in Spain) and allow travel around Europe.

You can apply either through a consulate in your home country, which will give you a one-year authorisation, or apply while you're in Spain on a tourist visa, which will give you a three-year authorisation. Both of these can be renewed for up to five years.

But, to reach that point, you have to make sure you meet a long list of strict requirements to even begin the application process:-

You must be from a non-EU country

The DNV is open to non-EU citizens only. If you're from the EU, you can simply move here and register for your green residency certificate.

You must be an employee working remotely or self-employed

To qualify, you must be a remote worker employed by a company abroad or work for yourself for clients abroad. The visa doesn't allow you to be employed by a Spanish company.

No more than 20 percent of your income can be from Spain

We've already established that you can't be employed by a Spanish company, but if you're self-employed, you can't have too many Spanish clients either, as no more than 20 percent of your income can come from inside the country.

You must prove you earn a sufficient amount

In order to be granted the visa you must prove that you earn 200 percent of the minimum interprofessional salary (SMI). This is equal to monthly income of at least €2,646 in 2024. If you are self-employed and your income changes, you must show you have an average equal to or above that amount for the past six months.

You must prove higher earnings if bringing family members

If bringing family members on the visa, such as a spouse and children you must prove that you have an extra 75 percent of the SMI or minimum wage. In 2024 this equals to an extra €1,984.50 per month on top of the €2,646. And for each additional family member after this, such as children, you will have to prove you have an extra 25 percent of the SMI, which is another €661.50. So for a family of three, you will need €5,292 per month or €63,504 per year.

VISAS

You must have worked for your company or client for three months or more

In order to prove that you have a stable situation, you must have worked for your current clients or company for at least three months. You can show this by sending copies of your contracts.

The company you work for must have been in existence for at least one year

Your employers or clients must not be from a very new startup company, as you have to prove they have been trading for at least one year or more to be eligible.

Prove you have the correct qualifications and experience

You must have at least 3 years' experience working in your field or must prove that you have the specific qualifications to do so, such as a degree or professional certificate from a recognised school or course.

You must not have a criminal record

Criminal record checks are part of the application process. You must have a certificate from the country you've been living in for the past two years and also sign a declaration of the absence of criminal records for the last five years.

Your company must give you permission to work in Spain

If working remotely as an employee, it's vital that your company gives you permission to work from Spain and provides you with a written consent letter.

Permanent Residency

If you've been living in Spain for at least five years under any residency visa (except for the student visa which does not count), you'll be eligible to apply for permanent residency, which will grant you Spanish permanent residency.

All you really need to meet the requirements are your passport, current permit, and the proper paperwork filled out, and voilà! – you're approaching Spanish citizenship.

What a wonderful way to end our guide!

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Contact us at:

www.holiday-homes-spain.com



We are delighted
to assist you.

