

NORMA FRANCK HOMES

Your guide to buying
property in Spain



Deciding to buy a property in Spain is an exciting and potentially life changing decision.

Whilst there are some differences from buying a property back home, it's not too complicated once you understand the process. You also have the reassurance that we at Norma Franck are always available should you have any questions whatsoever.

This guide should provide a good introduction to the steps you need to take towards owning your own property in Spain and a new life of basking in the sun.

Quick steps of the buying process



Choose your new home with care

At Norma Franck we will help you find the home you are looking for, regardless budget or type of property. For us it's important that the purchase of your new home feels right and that it's the type of home that suits you the best. At Norma Franck we provide all our costumers a service where we list both our own properties and our colleagues properties, which means that we have access to cover the complete property market. This way, you can use our knowledge and we can advise you on the best properties that suit your needs all at once. Our sales agents become your personal agent and you don't have to contact several sales agents and do all the research yourself. We also help you to schedule all your viewings and show you the properties.





Legal representation

We recommend everyone, both vendors and buyers, to hire a legal representation with experience of the Spanish property market/ transactions to represent you throughout the purchase. The lawyer will cost you 1% of the agreed price of the property, which is a relatively small cost compared to that it will save you from future trouble and costs if something goes wrong in your purchase. For example all debts belonging to the property, such as bank loans, local taxes and fees are taken over by the new owner if the vendor doesn't apply for a change. This is included in the lawyers due diligence of the property and he will confirm that there are no outstanding debts on the property before you complete the purchase.

Those whose not Spanish residents need a NIE number to buy a property in Spain, which acts as a Spanish identification number for foreigners (Número the Identificación de Extranjero). NIE Number is a tax number which is required to buy property, pay taxes, acquire bank account, sign up for any subscriptions (such as telephone, electricity, etc.)

Your lawyer will apply and provide you with your NIE number, which is included in the 1% that you pay to the lawyer in a purchase.

Financing

We recommend all our costumers who's thinking of buying a new property to set up a plan and do some calculations of how you will finance the property before you start looking. In case you will apply for a mortgage we recommend you to apply for an offer to find out your budget and what your options are. One option is to apply for a mortgage in a Spanish bank, where you usually can get a mortgage for up to 70-75% of the property. Another option is to mortgage your existing home via your bank in your country.

Having a good overview of your finance gives you an idea what you can expect for the budget, what your new monthly cost will be and allow you to act in the most efficient manner when the right property comes along.

Your sales agent will not be involved in the financing, but can provide you with our recommendations of bank options and legal representation.

Viewings

The Spanish viewings are quite different from what we are used to in other countries. In Spain, the customer often view several properties individually with the sales agent, which also means that you have enough time to ask questions without stress. Your sales agent will attend all your viewings and can also give his/hers recommendations and/or pros and cons according to our knowledge.



To buy a resale property



A resale property is an existing property that has had previous owners, where you buy the property from the current owner. All resale properties are sold in existing conditions with respect to age, price and usage. It's the buyer's responsibility to check the property before signing the purchase contract. Your legal representation will help you to make a due diligence of the property to see that everything is in order and that it will be a safe purchase.

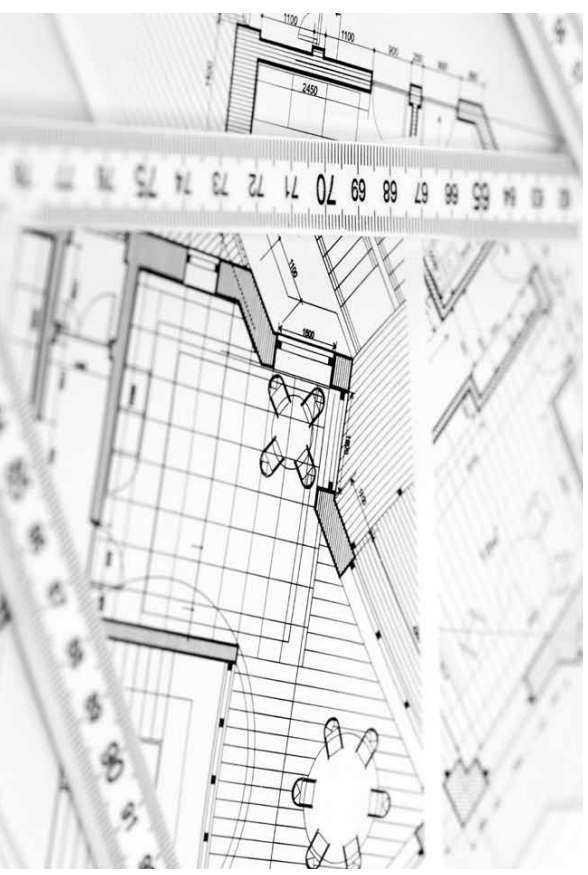
Property tax of a resale property is 8% on top of the agreed price of the property.

To buy new development

Buying a new home off plan is a little different than buying a resale property, but your sales agent here to help to ensure that everything goes right and that it will be a secure purchase. At all the new developments, it's the developer of the property who becomes the vendor. The developer, together with your sales agent, will provide you with all information about the development such as when it's going to be built, finish and when the access of the properties will take place. There are renders, site plans and floor plans of the development to give you a clear picture how the result will look like. The developer will also show you the plot of the development and show you where your property is located. You get to see materials and depending of developer and how far the building process has gone you might be able to make some changes on the inside of the property to make it suit your needs and taste.

The payment plan of buying a new development depends of the developer but usually a reservation cost of 6 000 -10 000 will be paid to take the property off the market. During the building process you usually pay between 30-40% of the property price, sometimes all at once and sometimes divided into different occasions. The 60-70% that's left will be paid at access when the development is completely done.

Property tax of a property from a new development is 10% on top of the price of the property.



Costs connected with your purchase

When you buy a property, there will be additional costs of between 12-14% of the agreed price of the property and it's important that this is included in your budget. The buyer pays following costs additional to the agreed property price.

Transfer tax

Property tax is 8% for a resale property and 10% of a property bought from a new development.

Value Added Tax (VAT)

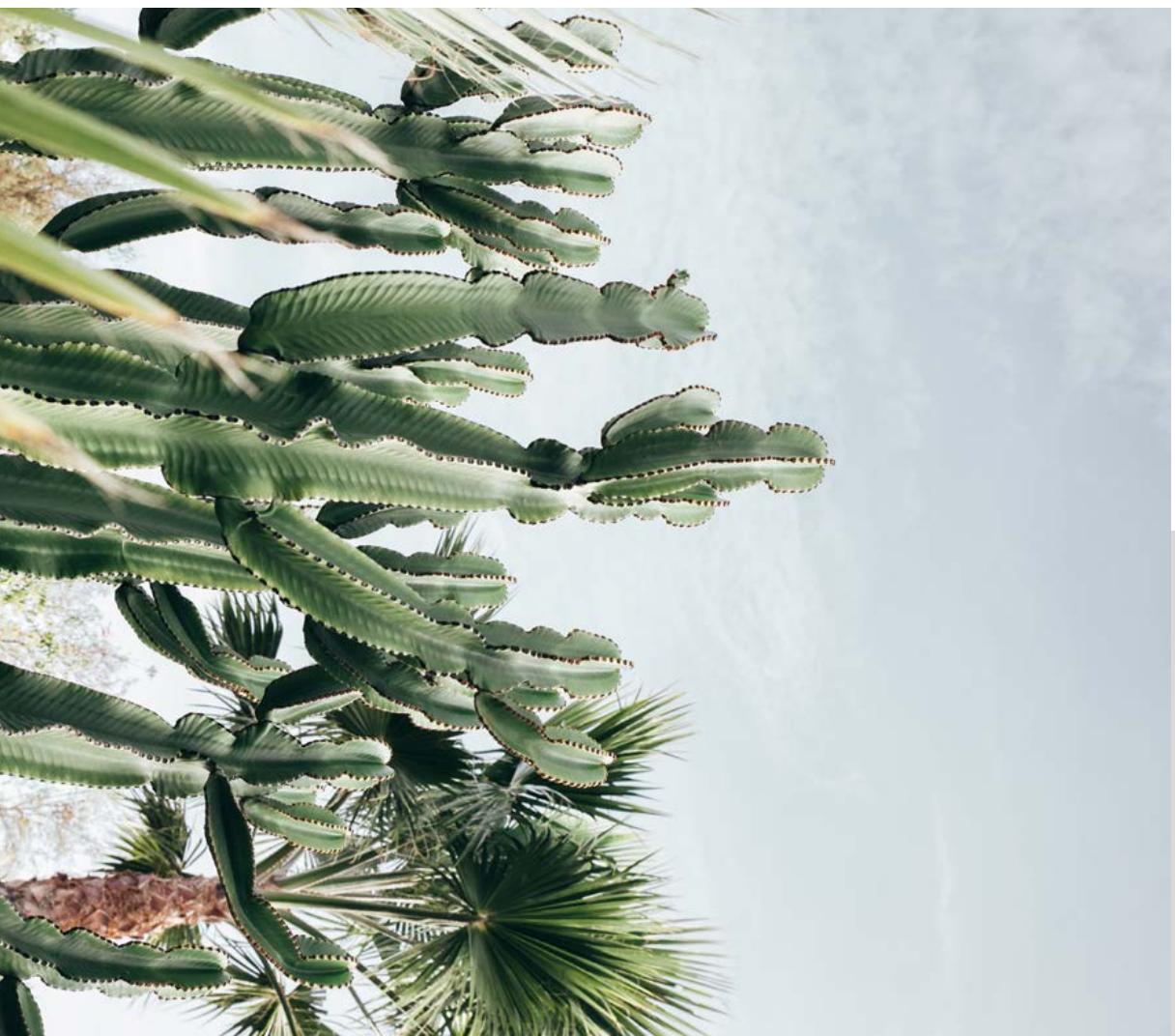
VAT is 10% and shall be paid when a home are being sold for the first time. In addition to VAT, stamp duty shall be paid for the issue of the legal documents. This is normally around 0.5% of the purchase price, but can be 1.5% in certain regions.

Notary fees and registration fees

In most cases the notary fee are between €500 and €800. If you have applied for a mortgage of the property, you will also need to pay the notary fees for the title registration linked to the mortgage. Title registration fees are in most cases between €300 and €500.

Legal fees

Most lawyers charge around 1% of the agreed property price. This might be negotiable for more expensive properties. Some charge by the hour and others offer a set fee.



Access

When the due diligence, documents and finance are done, it's time to complete the purchase. The date of the completion is written in the purchase contract and it takes place at the notary. At this time the registration are made that the property has a new owner, and the agreed property price will be transferred to the vendor. The keys will be handed over and the buyer got a new home!

Who are Norma Franck?

Welcome to Norma Franck Homes. We are a Scandinavian based & style of Real Estate Firm in Marbella, working with both buyers, vendors & developers.

To us, there's a lot more to a home than the obvious. We strive to highlight the benefits of the property to make it reach it's full potential. Our motivation is design, creativity, having the ability to be a part of finding someone's dream home and everything that's connected to making it a true home.

Within the creation of Norma Franck Homes, we are now fulfilling our visions all together and every day we do our utmost to find the best properties and solutions to engage and inspire our clients and costumers. We will improve the Spanish market and show our costumers that you can get sand, sun and palm trees as your neighbor without loosing the qualities of your home that you're used to.

Welcome to join our journey!

“It’s not too uncommon for people to spend their whole life waiting to start living.”

– Eckhart Tolle



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