



Serneholt
Estate

REAL ESTATE AGENCY

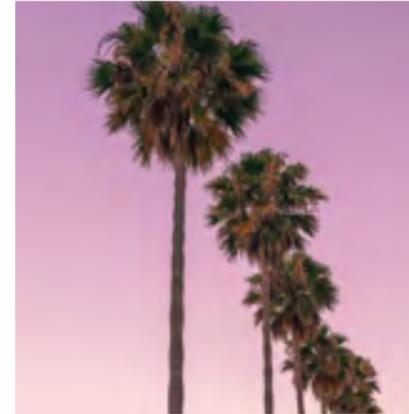
Buying and selling property in Spain



Welcome to Serneholt Estate

Whether you're buying or selling a property, it's useful to have professional help guide you through the process. Let us be those professionals. You can be confident that your priorities will be our priorities, from start to finish.

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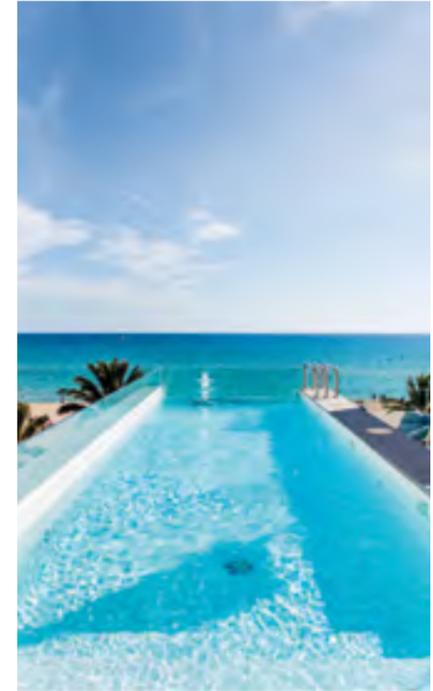
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After thousands of sales, we know what it takes to succeed in the property market.

Real Estate is not just our job, it's our lifestyle, and have been the last 20 years, helping customers to change location for something better is probably the best job you can get.

With our roots in the Scandinavian property market, we have been part of a fantastic development how to buy and sell properties in a smoother way. A change of living was probably one of the biggest, and most challenging things you did during a lifetime until we reached 2000s.

If you go to a Scandinavian property online today you will see high quality professional photos, floorplan, exact location, costs and you can apply for a mortgage on that exact property before even going to a viewing and get a pre-approval within hours and then start a digital bidding online.

Our goal is to make it easier to purchase and sell a property in Spain as well and be more transparent with information and processes.

We already have one of the markets best websites with strong appearance on the social media platforms and collaborations with the biggest portals in Spain to give your property a visibility in another level. Our own

properties are always presented with professional photos and will be seen on the exact location on the website.

Our latest improvement is our collaboration with MyBankfriend that can give a pre-approval for a mortgage within 24 hours that also will be compared between different banks in a early stage to give the best offers on the market.

We keep improving our market together with our clients. Let us help you to change your living today!

Best wishes

Linda and Fredrik Serneholt



Buying a property in Spain



Buying a property can be one of the biggest commitments in your life. Therefore, it's important to find out as much information about the process as possible. And, of course, choosing an agent you can trust.



The process of buying a property in Spain

Buying a property is one of the biggest commitments you will make in your life. Therefore, it's important to find out as much information about the process as possible and choosing an agent you can trust is the first step. The transfer of ownership of a property in Spain goes through a Spanish notary. Doing your homework and knowing what to expect when buying a property is the first step to a successful deal. The next step is choosing your agent. It's important to trust the agent's ability and expertise to find you the right property. You need to feel that they are the best people to represent you and your interests. Don't be afraid to ask questions. Ask about their

brokerage skills, how the agency works compared to others and how they are going to find you your dream home. At Serneholt Estate we always offer clear, on-hand communication throughout the time we work with you and our biggest focus is on you, the customer, at all times. It goes without saying that we will keep you informed and updated throughout the whole process. You will find that this is not so common in the Spanish housing market. To make it easier for you as a buyer we have compiled this buyer's guide. So here is how it works – all the way up to the last meeting with the notary.

- Timeline - of the buying process

1

Preparations

Preparations such as financing, choice of legal representative and organising NIE Number.

2

Viewings

Viewing properties based on your wishes.

3

Bidding & Contract

Bidding on and reserving the property you want. Contract and moving into your property.

1

Preparations

The first steps in the buying process are the preparations. Such as financing, choosing the right legal representation and organising an NIE number.

Financing

What options do you have when investing in a home in Spain? Before actively looking for your dream home, you need to be sure how you're going to finance it by doing all necessary calculations first. You may then need to apply for a mortgage offer from your home country or a Spanish bank. This will allow you to act fast when the right home comes along. You can usually borrow up to 70% of the property's market value from a Spanish bank. As part of our service we can help put you in touch with the right people to help with this.

NIE number

To own a property in Spain you will need a Spanish tax ID number, known as an NIE number. You will need this to take over ownership of the property when you register your title. Your lawyer can help you get one when you have found the right home or you can apply for one at a number of different places; the Spanish embassy or at some Spanish police stations.



Finding a property

Once you've got everything ready, you can start the process of viewing properties in Spain. As a company, we can make all the difference in making this as stress free as possible. Send us your wish list and we'll find the best of what the market has to offer for you. We will also plan your viewings so that you get to see the best options during your visit.

2

Viewing

This step of the buying process is all about viewing property in the search for your dream home.

Viewings

A successful viewing comes down to the commitment your agent takes in finding you the right property. As agents, we focus intently on your particular wishes. In this way, you only view the properties that we know definitely ticks all the right boxes. During a viewing it's paramount that a full inspection of the property is carried out as carefully as possible. This is because all property in Spain is sold in its existing condition and it's very difficult to dispute any defects once you've signed the contract. If this is something you are unfamiliar with it's recommended to contract a surveyor to conduct a survey. Your lawyer will always conduct the legal enquiries and due diligence on the property.

3

Bidding & Contracts

As a buyer, you don't have to be present during the purchase. If you are unable to be there during these final stages, we can help put together the necessary documentation so that we can handle the entire process for you.

Auction / Reservation

It's usual that the property owner will accept the first offer from the buyer who is prepared to pay the asking price. The final price of the property then can often be decided through a negotiation between the buyer and seller. When you have found the right home, we will support you in negotiating the price and terms with the seller. This is when a reservation contract is generally drawn up.

Legal representation

A big difference in Spain is that the buyer – and quite often the seller – is represented by a lawyer. The lawyer will help you through the whole transaction, making sure everything takes place securely and as it should do. Many people choose a lawyer for themselves; however, we can arrange this with one of our trusted partners, if you need help in doing so.

Reservation

A reservation fee (usually 6,000 euro) is also payable at this time either to your lawyer's client funds account or to our client funds account. When the buyer and the seller have agreed on a price, a reservation contract is drawn up. This means that you, as the buyer, pay a reservation fee to reserve the property so it's taken off the market. You are then responsible for inspecting the property carefully before the sales contract is signed. This is due to the fact that all property is sold in its existing condition, taking into account its age, price and use.

Contract

The next step in the buying process is to sign a contract of sale, called the "Arras", or "Option de Compras". At this point you, as the buyer, normally pay 10% (including the reservation fee already paid) of the total purchase price to the seller. This contract is prepared by the buyer's legal representative.

Ownership title

On the completion date, you and the seller meet with the agent and the legal representatives at the notary's office. It's your representative who chooses the notary and who is responsible for booking the appointment. The notary checks both the buyer's and the seller's identification to confirm the property's legal status. And it's also here that you receive your ownership title, the "Escritura pública de compraventa".

Payment

The notary receives the payment, and after paying the taxes and fees, he distributes the final balance to the seller. The seller receives 97% of the purchase price. You, as the buyer, pay the remaining 3% to the Spanish tax office. This acts as a security to ensure that the seller fulfils their tax duties and declares any capital gains from their sale in Spain. When the seller has then met all the official requirements, the 3% will be refunded to them.

Access

You receive the keys from the seller at the meeting with the notary, after which you can move straight into your property. The seller is responsible for leaving the property in the condition (legally and physically) with the installations and licences stated in the sales contract. Remember that the same requirements might not apply in Spain as in your home country, e.g. cleanliness, decoration etc. The property is usually left in its present condition for the new owner, unless otherwise agreed previously between the parties.

Costs

The normal purchase costs of a Spanish property are estimated to be between 10% and 14% of the purchase price and in most cases are slightly higher for new builds than for existing homes.

Costs of buying a property in Spain

Transfer tax - A transfer tax is payable on the sale of existing homes, which amounts to between 7% - 10% of the sale price, although this can vary depending on the region. The tax is often higher for more expensive homes. The transfer tax is payable by the buyer.

Value added tax and stamp duty - Value added tax at 10% is payable on homes being sold for the first time, e.g. new builds. In addition to VAT, stamp duty is payable 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. Both taxes are payable by the buyer.

Notary fee and title registration fee - The Spanish government determines the notary fees, the cost of which depends, among other things, on the property's value and how many pages the sales contract has. In most cases the cost is between €500 and €800 and is usually paid by the buyer. If you have taken out a bank loan to finance the purchase, you will also need to pay the notary fees for the title registration linked to the loan. Title registration fees amount in most cases to between €300 and €500 and are paid by the buyer.

Legal fees and translation fees - Legal fees vary depending on the services included in the purchase and its complexity. Most lawyers charge around 1% plus VAT of the property's purchase price, although there is normally a minimum fee. The fee is often negotiable for more expensive properties. Some charge by the hour and others offer a set fee.

Mortgages - If you take out a bank loan in Spain to finance buying your home, this home loan will be subject to stamp duty of between 0.5% and 1%, depending on the area the property is in. The bank granting the loan will also require a property valuation to be done. This costs around €300 to €500. Most banks also charge a startup fee of around 1% of the loan amount.

Service connection charges - When you buy a new home, you have to pay for the electricity, gas and water to be connected and a meter to be installed. This is often taken care of by the building company. However, it's important to check this.

Homeowner costs - Homes in Spain are subject to a local property tax, which is paid regardless of whether the owner permanently resides in the country or not. The tax is between 0.5% and 1.2% of the taxable value. The average cost of the homeowner tax lies between €200 to €1000 a year, but can be higher for more expensive properties. All owners of Spanish property, including those resident abroad, must submit an annual Spanish tax declaration.

Letting costs - Income from letting a property by owners who are not permanent residents pay a set fee of 24.75% of the rental income. However, some deductions can be made. For property owners resident in Spain, the rental income, after certain deductions, is added to other sources of income and the total amount is then subject to Spanish income tax.

Income tax - Non-permanent residents who do not let their homes are also liable for income tax. This tax is charged regardless of whether the property is let or not or whether the owner has actually received any income from it. The tax is based on a theoretical benefit of owning the property and is calculated as a percentage of the taxable value. The cost is usually relatively small for most homes, often a couple of hundred euros or less per year.

Selling a property in Spain

When selling a property it's important to ensure all the steps are taken to make the best sale.



The process of selling a property in Spain

In Spain the transfer of ownership of a property usually goes through a Spanish notary. Knowing what to expect when selling a property is the first step to a successful deal. Working together with the right agent will ensure the process of finding potential buyers, a much easier task. This is why you need to feel confident about the agency's brokerage skills, how the agent promotes their properties, the language areas they market in, and the online presence they have in the market. At Serneholt Estate we always offer a comprehensive marketing plan

upon taking up a new assignment. This bespoke service isn't commonplace in the Spanish housing market. We, at Serneholt Estate, always prioritise you, the customer, and we will always keep you informed and updated throughout the whole process. To make it easier for you as a seller we have compiled this sales guide. So here is how it works – all the way up to the last meeting with the notary.

- Timeline - of the sales process

1

Preparations

Gathering all necessary information and agreement with an agent.

2

Marketing

Getting the property photographed and profiled on marketing platforms

3

Viewings & Bidding

Engaging with potential buyers and negotiations.

4

Contract

Finalising contracts.

1

Preparations

The first step in the sales process is to gather all the necessary information about your property. Every property has a unique selling point and with this, we can lay the foundation for a successful sale.

Market value

The next step is an assessment of the value must be made. References from current sales of similar properties are obtained, including data from asking prices and sales from previous years. We also gather references from similar houses or apartments that have been sold recently to keep as up to date with the current market trends. Here at Serneholt Estate, we have full access to all databases and can quickly find reference prices in most areas.

Agreement with the agent

Before starting the sales process, we draw up an agreement between you and us, i.e. Serneholt Estate. This agreement regulates the sales assignment. This is normally "non-exclusive", i.e. you can still sell through other agents, but you are obligated to pay us our commission if one of the clients we introduce buys your property. It can also be "exclusive", i.e. you appoint us as the only agent to represent and sell your property.

The seller has to provide complete documentation about the property, namely:

Nota simple - Document confirming legal status of the property

Escritura - Title deeds

Water and electricity contracts or bills

Basura - Payment receipt for refuse collection

Last IBI receipt - The annual local property tax

CO fee - Membership in housing association

Finance

What are the actual operating costs of the home you want to sell? What repairs need to be made in the future and at what cost? If the apartment or house you want to sell is part of a Community of Owners (CO), how big is the CO fee (comunidad)?

Energy certificate

As a seller, you are required to provide a declaration of the energy performance of the property in question. This will then be submitted to the buyer in connection with the sale. We at Serneholt Estate will, of course, help with this, as we have many competent partners who draw up energy performance declarations.

2

Marketing

Prepping the property for sale

The first step in marketing is to make it as neutral as possible, in that we mean making it less personalised, this allows clients to easily imagine what they would do with the property. It should be presentable, clean and with no obvious repairs. Try and arrange the furniture to create a warm and inviting environment.

Photographing

Our experienced and competent photographer will assist you in taking professional photos of your property with a focus on making it look as welcoming as possible.

Marketing

We then add the property to our website. This is translated into seven different languages to attract a wide target group. Not only that, we work with several portals, social media sites and have a weekly newsletter, whilst collaborating with other agents to make the sale as quick as possible.

3

Viewings & Biddings

This is when it really happens. You are now ready to show potential buyers around your property and search for the highest bidder.

Viewings

One of the most important factors for a successful viewing is having a well-prepared agent. So, for us, finding out as much as possible before a viewing is a must. We will have done our homework on your property so that the potential buyer feels they are getting all the information they need to feel comfortable, welcome and in good hands.

Auction / Reservation

In Spain, auctions are relatively uncommon, instead, the seller chooses the first buyer who is prepared to pay the asking price. The final price of the property is often directly negotiated between the buyer and seller.



4

Contract

As a seller, it's not necessary to be present during the sale. If you are unable to be there through the final stages we can help put together the necessary documentation so that we handle the entire process for you.

Reservation

When the buyer and seller have agreed on a price, a reservation contract is drawn up. This means that the buyer pays a reservation fee to reserve the property so it's taken off the market. The buyer is responsible for inspecting the property carefully before the sales contract is signed. The premise is that the property is sold in its existing condition, taking into account its age, price and use.

Contract

The next step in the sales process is to sign a contract of sale, called the "Arras", or "Option de Compras". At this point the buyer pays 10% (including the reservation fee already paid) of the total purchase price to the seller. This contract is prepared by the buyer's legal representative.

Ownership title

On the completion date, you and the buyer meet with the agent and the legal representatives at the notary's office. It's the buyer's representative who chooses the notary and who is responsible for booking the appointment. The notary checks both the buyer's and the seller's identification to confirm the property's legal status. And it's also here that the buyer receives the ownership title, the "Escritura pública de compraventa."

Payment

The notary receives the payment, and after paying the taxes and fees, he distributes the final balance to you. If you, as the seller, are a resident of a country other than Spain, you receive only 97% of the purchase price at the time of the sale. The buyer pays the remaining 3% to the Spanish tax office. This acts as a security to ensure that you fulfil your tax duties and declare any capital gains from your sale in Spain. When you have then met all the official requirements, the 3% will be refunded. Your legal representative will help you get your payment back, but it can take up to a year before your refund comes through. A preliminary estimation of taxes can be made by the agent, but the seller is responsible for the final declaration. This applies to property taxes, CO fees, capital gains, and agent fees.

Access

You hand over the keys to the buyer who, after the meeting with the notary, then has access to the property. As the seller, you are responsible for leaving the property in the agreed condition (legally and physically) and with the installations and licences stated in the sales contract.

Capital gains tax

Non-residents pay 19% on the profit. Residents pay between 19-23% of the profit. You have the right to

deduct costs and taxes that you incur against improvements to the property. You must be able to present the bill, as receipts are not accepted by the tax agency. You also have the right to deduct costs you have incurred in buying and selling the property.

Selling a property from the legal point of view

When you buy a property with a Spanish company as an investment, i.e. with the aim of buying, refurbishing and selling the property within 5 years, you only pay 2% in transfer tax. This does not apply to new builds, as they attract VAT instead. If you don't sell within 5 years, you need to pay the difference in the tax you should have paid from the start, i.e. 8-10% + 50% in financial penalties.

For the first two years after incurring a profit, you pay 15% in tax on the profit and for the subsequent years you pay 25% tax on the profit. You need to remember that the tax on dividends between shareholders is dependent on where the person is registered for tax.

The information in our sales guide is for guidance only as it's subject to change. Ask your representative for the latest details.



We hope this guide has helped you feel more confident about the process of buying and selling property. If you have further questions, please contact us!

Various costs occur during a sale:

3% of the purchase price - paid to the tax agency by non-residents in Spain. If there is no profit from the sale, you are entitled to request this sum back.

- # Plusvalia - Capital gains tax on the land
- # Lawyer's fee
- # Estate agent's fee
- # And if you have a mortgage on the property - The cost of redeeming it



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