

## Guide to selling a property in Spain.

### ➤ ADVERTISING THE SALE: REAL ESTATE AGENCIES.

The sale of properties in Spain is normally done through a real estate portal, or real estate agency, who are in charge of finding a buyer in exchange for a commission that ranges between 4% and 6%.

It is important to sign a "sale order" with the Real Estate Agency to set the conditions (sale price, conditions, Agency Commission, etc.) of the sale and the relationship between the seller and the agency.

The sale order can be exclusively in such a way that the sale is ordered to a single real estate agency excluding the others and for a determined time, or to order the sale to several real estate Agencies at the same time.

Commission is only paid to the Real Estate Agent who sells your house.

### ➤ ADVICE FROM A SPECIALIST: THE LAWYER.

The lawyer is the one who will advise you during the sale process and will review the legal status of the property, drafting the contracts and assisting in the signing of the deeds.

Remember that all the relevant documents for a sale are in Spanish, and therefore it is almost impossible for you as a particular and without knowledge of Spanish to be completely sure that the agreement is done correctly.

The lawyer is the one who defends your rights and interests during the buying and selling process.

### ➤ NECESSARY DOCUMENTATION FOR THE SALE OF THE PROPERTY.

For the sale of the property, the seller (owner) must deliver a series of documentation that the buyer and/or his advisers will receive. Said documentation can be delivered to the real estate agency or directly to your lawyer.

The essential documentation is:

- The deed of sale. It is the property title that accredits the seller as the owner of the property.
- Registry note: Accredits the registration of the property in the name of the seller. Existing charges and rights on the property are also accredited. It is advisable that said simple note be current, obtained on the date closest to the sale. (Normally obtained by the lawyer once the sale process begins.)

- Certificate of habitability of the property: It is a certificate that validates that the property is enabled for housing or other use such as commercial. It is valid for 10 years and if it expires it must be renewed before proceeding to sign the deed of sale.
- The last 4 receipts paid for the Real Estate Tax (IBI) and the Solid Waste Collection Fee (Garbage) on the date of sale.
- Certificate of the Community of owners confirming that the payments are up to date on the date of the sale.
- Energy certificate of the property: This document is also 10 years old and if it expires it must be renewed by the seller before the sale.

➤ **CONTRACTS:**

❖ **THE RESERVATION OF THE PROPERTY:**

Once the sale price is accepted by the seller and buyer, it is advisable to draw up an agreement to reserve the property for a short period of time to withdraw it from the real estate market. For this, a signal is paid on account of the final price, an amount that will be lost if the purchase is not carried out.

It is advisable to have hired the services of a legal adviser (Attorney) to represent you.

❖ **PURCHASE OPTION or DEPOSIT AGREEMENT.**

It is a private contract between the parties prior to the granting of the public deed of sale. It is drawn up by the buyer and seller's attorney. It is agreed for a period of time between 1 and 2 months, although sometimes it can be extended.

The contract will include all the terms and conditions agreed by the parties for the sale, (such as price, payment method, access date, furniture inventory list, etc.).

Upon signing this contract, the buyer will deposit 10% of the sale price in the deposit account of a notary or the seller's lawyer.

The contract contemplates the consequences in the event of non-compliance by any of the parties.

If the buyer withdraws from the signed agreement -according to Spanish law- he will lose the deposit of 10% of the price as compensation in favour of the seller.

If the seller withdraws from the deal for any reason, he must -according to Spanish law- compensate the buyer with an amount equivalent to double the initial payment, that is, return the 10 percent paid plus the same amount.

➤ **EXPENSES AND TAXES ASSUMED BY THE SELLER.**

- ❖ Taxes that must be paid by the non-resident seller in Spain related to the sale.

✚ Non-resident income tax:

The buyer is required by law to withhold 3% of the amount of the purchase and sale and deposit it in the bank account of the Tax Agency.

The buyer has 30 days from the signing of the deed of sale to enter it.

The seller may claim the refund of the surplus from the Tax Agency once the tax has been paid. The return can take at least six months for the tax authority to process. It is important to note that he must still have a bank account in his name in Spain, because it is to this account that the money is paid. He should always seek the help of his lawyer so that this works correctly.

✚ Municipal capital gains:

It is the taxation for the increase in the value of the land, it is of a municipal nature, and it is paid before the Town Hall where the property is located. The term is 30 days from the signing of the public deed of sale.

It is common practice for the buyer to withhold the amount from him to ensure payment. (His lawyer will be able to calculate it in advance)

❖ **Other expenses.**

- ✚ Renewal of the certificate of occupancy: If it has expired because more than 10 years have elapsed since it was obtained. A technical architect is commissioned.
- ✚ Renewal of the energy certificate: Like the previous one, it is only necessary if it has expired for more than 10 years since it was obtained. A technical engineer is commissioned.
- ✚ Lawyer: is the person who will advise you during the sale process, drafting the contracts and assisting in the signing of the deeds. The amount of the fees is usually **1%** of the purchase price plus VAT.
- ✚ Real estate agency: It is the mediating agency through which the buyer is found. His fees range from 4-6% of the sale price.
- ✚ Notary and Registry: Only in the case in which some charges on the property must be cancelled, such as a mortgage. In this case, the expenses are borne by the seller, and are usually withheld from the agreed price.