

Viewing Property in Spain

It is necessary to ensure you have sufficient funds to pay the reservation fee before viewing properties; otherwise you may be disappointed to find that you lose the property that you wish to secure.

A reservation fee will range from around 3.000 € to 6.000 €. If you are paying by cheque remember to allow up to ten days for the cheque to clear from a bank account which is not Spanish. If the vendor decides not to sell he is obligated to return the reservation fee; however, if you decide not to buy you will forfeit it.

Deciding on a Property

Once you have decided to make the trip to Ibiza to find your ideal home, we at everythingibiza.com can help you to organise accommodation, transport and a full itinerary. We want you to make the most of your time here and view as many suitable alternatives as possible within the time frame you have. When deciding on a property think about how often you will use it and the feasibility of the location for holiday or long term rental. Set your budget remembering to add ten percent to cover notary and other fees associated with house buying. Consider your priorities, for instance if you would like front line sea views check that no other construction will take place then check on local transport and the facilities of the area to ensure that it's a suitable location for you.

Negotiation

Once you are happy with your choice a verbal offer needs to be made to the vendor and terms and price are negotiated. If you are buying with a mortgage, final completion dates may need to be set to allow for this. At this point you may want to appoint a lawyer to ensure that any agreement meets necessary legal criteria. A lawyer will assist you with the Spanish legal requirements and ensure that the property is free of debt before you complete the purchase. We at everythingibiza.com have our own in-house lawyer with a great deal of experience in property buying.

Formalisation

Once the verbal agreement has been reached it is necessary to formalise the terms of the offer in writing. The reservation fee paid to secure the property at the fixed and agreed price is held by the appointed party until completion and will not be passed to the vendor.

Contracts

Upon acceptance of the offer a 'Compra-Venta' is signed. This is a legal document laying down the terms of the sale and setting the date for final completion at the notary. At this stage the buyer will pay a ten percent deposit of the full purchase price. Should the buyer withdraw from

the purchase prior to completion this ten percent will be forfeited to the seller, should the vendor withdraw he will be liable to repay this sum to the buyer plus compensation.

Completion

In order to complete the sale the public title deeds or 'Escritura de Compraventa' need to be signed before the notary and the final payment made. It is at this point that the possession passes over to the buyer with the handing over of the keys.

Registration

Once the local land registry have received notice of change of ownership from the notary the relevant transfer taxes will need to be paid and local utility services will need to be informed and payment arranged through a local bank account. All this can be arranged through our in-house lawyer. Final registration of the title deed may take up to two months.

Fees and Taxes

Legal fees account for 1-2% of the cost of the property plus IVA (local tax). Notary fees are fixed and range from 300€ to 1,200€ depending on the value of the property and Land Registry fees are approximately 20% less than notary fees.

Taxes payable are IVA or transfer tax (ITP) which applies only to property that is being re-sold, not Off Plan Developments. Both these taxes currently stand at 7%. Stamp Duty (AJD) of 1% is also payable on Off Plan Developments. 'Plus Valia' is a local municipal tax which is payable on land and is based on the assessment of the increase in value of the land since the last time the property was sold. The vendor is normally liable for 'Plus Valia' but can stipulate that the buyer must pay. This tax can range from a few hundred euros to several thousand euros depending on how much land is involved, and the liability for this tax forms part of the negotiation of the sale.