



GoldAcre
ESTATES

**Buying
and
Selling
Property
Guide**

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INTRODUCTION

The dream of owning a property abroad has become far easier to achieve than most people realize. With a stable European environment, common currencies, more and easier flight availability.

However for the prospective purchaser it still can be very daunting indeed, due to factors such as lack of understanding of the laws and regulations in a foreign country which are often very different than those we are used to at home. So it is vitally important that you ensure you have **the most professional assistance** available to ensure that you achieve your dream safely.

The **Canary Islands** is a fabulous place for both those that want to become full time residents or for just the occasional visitor to the Islands. Of course the Canary Islands are becoming an ever increasing choice for those that want to own a holiday home or even move for a better way of life and of course those that want to retire to the sun to enjoy a hard earned rest after many years of toil.

The temperature and all year round sunshine make the Canary Islands the perfect choice for many Europeans for their property purchase because we are part of Europe from a comfort point of view, and far enough removed from mainland Europe to enjoy the subtropical climate of Africa.

However when buying in a foreign country caution should always be exercised, customs and procedures are very different from those at home and be aware there are always a host of advisors who are always on hand to give ill informed advice to the prospective purchaser. These are often found in bars, around the pool areas or the casual acquaintance that happens to know someone who knows someone.

GoldAcre Estates advice to all prospective purchasers is **be cautious and always** ensure that you take specialist professional advice, after all you would not buy a house at home in the pub from a total stranger, would you?

GoldAcre Estates guide to buying and selling in the Canary Islands is produced to help the prospective purchaser understand a little better the procedures involved and to hopefully give a better understanding

into the process of investing in a property abroad.

We all at GoldAcre Estates would like to add that our guide is no substitute for Professional, Property, Legal and Fiscal assistance.

The Team at GoldAcre has extensive experience in property and business sales in the Canary Islands and all have had extensive training in every aspect of Real Estate purchase in the Canary Islands.

We are always on hand and willing to advise and assist any client, before, during and after a purchase is made, and this includes all prospective purchasers who are making their first tentative enquiries into buying abroad.

At **GoldAcre Estates** we believe that all clients deserve the best, after all the Canary Islands offers you the very best of climate and lifestyle why

should we not ensure you have the best assistance available to help you in the **pursuit of your Dream Home** .

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THE ESTATE AGENTS

Choosing the Right Estate Agent

Always select a **Licensed Real Estate Agent** as many agents operate without being properly licensed which means that you are putting yourselves potentially at risk. It could even mean that the person you are dealing with has had no formal training in real estate at all.

Membership of professional organisations such as FIABCI or AIPP and will have an official number and are regulated by the associations which sets certain standards and more importantly ensures that all the members are kept up to date regarding the law, taxes, etc...

Licensed Real Estates will always have

If an estate agent is unable to provide you with an association number within their business, they are unofficial and should be avoided.

You can always ask a lawyer to obtain confirmation of the registration for you.

The work of a good estate agent is far more comprehensive than that of an agent in the U.K, therefore the importance of the professionalism and the range of services offered by an Estate Agent cannot be over emphasized. The agent should be totally independent to ensure that you truly receive totally unbiased advice. A good agent should be able to advise you on all the different areas where property is available along with being able to advise on the different developers and the quality of their past and present construction, you of course will find some developers, are both developers and sales agents which really defeats the object of the

ability **to give unbiased advice.**

We at **GoldAcre Estates** are Independent Estate Agents and offer **truly unbiased advice and a service that is hard to equal.**

Our objective is not to force you to buy a property but to simply help you find your Dream Home in the sun. Our major responsibility is to present all the facts honestly and accurately to ensure you are happy in the knowledge that every precaution has been taken to ensure the safety of your purchase.

Our services extend to areas such as preparation of purchase contracts (which are always done in conjunction with legal advisors) arranging where necessary introductions to properly accredited legal council and fiscal advisors, assistance with opening bank accounts , assistance and advice on obtaining mortgages, insurance and a whole host of other necessary financial services as well as advice and direction towards reputable furniture and kitchen suppliers.

in fact **GoldAcre Estates** is **your complete one stop shop.**

Once you are a proud owner **GoldAcre Estates** service is still there for advice on maintenance, gardens, pool cleaning in fact everything you can think of relating to all aspects of your new property.



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THE PURCHASING PROCESS

Legal Advice

This is one of, if not the most important part of buying your Dream Home abroad; you would not even consider buying a house at home without good local advice so when abroad why should you throw all caution to the wind?

The horror stories you hear of people

losing their homes or having debts on their property are largely due to the fact that in general they have not taken specialist advice and in the worst cases listened to our "poolside expert".

GoldAcre Estates can assist you with all legal aspects of your purchase of your Dream Home or in fact if you are selling acting as your representative.

We at **GoldAcre Estates** do not buy or sell a property without correct legal counsel and ensure that all our clients have advice about every aspect of the law regarding property purchase.

To that end we have on behalf of all our clients fixed fees for purchasing a property and ensure that you our client know exactly what your costs are going to be from day one. Another important point of note is that all our services are designed to ensure your full safety and security when purchasing through our Company.

We have access to local law firms (Abogado) based in the Canary Islands Why? The answer is simple, the laws are different in your home country and in general an overseas solicitor does not understand Spanish Law and really does not have access to the information that a local company can readily obtain.

Your advisors should run a check to ensure that the property is purchased with full freehold title, free of encumbrances, liens ,charges or debts and that all payments of local contributions and community charges are paid.

The property searches may vary dependent upon the kind of property that you have chosen to purchase.

Using a solicitor from your home country could also substantially increase your legal fees and would most certainly delay the sales process.

Reservation Deposit and Contract

Once you have found your Dream Home, **the purchase process begins with either a reservation agreement** which takes the property off the market and freezes the purchase price. Or you go to a main contract.

No reasonable vendor would disagree to this deposit being refundable should your legal representative find any legal reason for the sale not to proceed.

For additional security, your estate agent should have a totally separate clients account where these funds are lodged.



Your deposit can be paid in several ways. And your Agent can explain all these methods to you

All purchase contracts should contain details of both the vendor and the purchaser along with the purchase price and the terms of payment.

It is important to note that **all contracts must be written in Spanish with a written translation in English** to comply with the law.

Funds can be transferred through your own bankers or sometimes significant savings can be made by using specialist currency houses.

At GoldAcre Estates we can discuss all these aspects with you in detail.

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Formal Completion and Exchange at the Notary

A property sale is formally completed in the Canary Islands in front of a Notary. They are the only people that can prepare and approve the final title deed (*Escritura de Compraventa*) which is signed by both the buyer and the vendor or their authorized representative before the Notary, and at this point all the ~~and~~ taxes are paid and possession of the property passes to the new owner. The title deed is then sent to the Land Registry where the new owners name is registered. **The Notary is also responsible for ensuring that the final transaction complies with the detail of the title deed.**

Who is a Notary?

A Notary is a lawyer who has had special training and passed additional examinations to qualify them for these special duties which cover a large range of legal matters not just property transfers.

Once a document is signed by a Notary he becomes legally responsible and is duty bound to enter the details into public records.

Registration

Once the title deed has been signed and has been sent to the Land Registry your legal representative will deal with the formalities of registering the title deed and will pay on your behalf all the relevant transfer taxes.

Final registration of the title deed may take several months, your legal representative should arrange for the transfer of the accounts with utility services such as water and electricity there is normally additional charges for these services.

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COSTS & TAXES

Fees and Taxes

There are in principal three fees and two taxes to pay when purchasing a property in the Canary Islands rule of thumb when buying a property to add between 10% - 11% on top of the purchase price to cover your taxes Notary fees etc. Of course **if you are taking a Spanish Mortgage you should add approximately 2% on top.**

Notary Fees

The Notary charges according to a fixed scale which is dependent upon the official value of the property.

As part of our sales process, we outline what these fee's will be. Alternatively, these will be confirmed by your legal advisor.

Land Registry Fees

These are determined by the value of your property. Please consult your lawyer for further information.

Purchase Taxes

On a resale property a transfer **tax of 6,5%** is applicable which is always based on the declared purchase price of a property. When purchasing a New Property i.e. off plan VAT or IGIC as it is known is payable at the **rate of 7%** of the purchase price and again this is payable in the proportions as laid out in your purchase contract, on top of this figure you have to add a **additional 1% document tax or stamp duty.**

Plus Valia

This tax is paid on the **increase in the value of the land** since the previous sale and is fixed by the Local Tax Authorities; it is calculated on the size This of the land. By law, the vendor is obliged to pay this tax.

The information contained within **GoldAcre Estates guide to buying and selling** is never designed to replace sound legal and fiscal representation and whilst every effort has been made to ensure that all the information contained within this guide at the time of going to press was correct, laws, taxes and regulations change and therefore **GoldAcre Estates** cannot accept any responsibility for any loss or damage caused by actions taken or not as a result of reading this guide



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