

BUYER'S GUIDE

Guide for International Buyers

Comprehensive advisory services for a secure and efficient purchase

01. Introduction

Spain has established itself as one of Europe's leading destinations for the acquisition of residential assets, both for private use and as part of a wealth investment strategy. The legal, tax and administrative framework of the Spanish real estate market offers a high degree of security. However, the process can be complex for international buyers without the right professional guidance.

Our service is designed for private clients who require efficient, discreet and highly organised management in the acquisition of properties in Spain. We have extensive experience supporting foreign clients at every stage of the process, providing an end-to-end service that ensures transparency and security at all levels.

The process is managed comprehensively, from asset identification through to completion of the purchase and subsequent management, ensuring traceability and control at every stage of the transaction.

02. Overview of the purchase process in Spain

Every real estate transaction is different and requires a tailored approach depending on the buyer's profile, the type of asset and the structure of the transaction.

Nevertheless, the acquisition process in Spain follows a clearly defined series of stages that make it possible to ensure legal certainty and proper coordination at each phase.

1. Property selection
2. Legal and technical review of the property (due diligence)
3. Negotiation and formalisation of the offer
4. Execution of the deposit contract (contrato de arras)
5. Document preparation
6. Execution of the public deed before a notary
7. Registration with the Land Registry

Under normal circumstances, the residential acquisition process usually takes approximately 4 to 8 weeks, depending on the characteristics of the transaction, the need for financing and the administrative timelines applicable to each case.

Our team coordinates every stage of the transaction with lawyers, financial institutions, the notary and all other parties involved. Our objective is to allow the client to remain in control of the transaction without having to manage each procedure directly.

In most cases, many of these procedures can be carried out remotely through legal representation, avoiding unnecessary travel and accelerating the process, as explained further below.

03. Requirements for foreign buyers

It is not necessary to be a resident in order to purchase a property in Spain. However, buyers must comply with certain basic administrative requirements:

- NIE (Foreigner Identification Number): This personal identification number is essential for any legal transaction in Spain. It is required for the purchase of the property, the payment of taxes and the execution of the public deed before a notary.
- Spanish bank account: This enables all payments associated with the purchase, as well as recurring property expenses such as taxes, utilities and community fees, to be managed efficiently.
- Financial documentation: If financing is requested, banks will require information evidencing the buyer's solvency. In transactions not involving financing, this requirement is generally limited to compliance with anti-money laundering regulations, including verification of the source of funds.

These requirements can be handled entirely remotely through legal representation.

Our team coordinates and carries out each of these procedures on behalf of the client, ensuring a streamlined and secure process while avoiding the need for the client to travel to Spain.

04. NIE Application Process

The NIE (Foreigner Identification Number) is an essential personal identifier for any transaction in Spain, including the purchase of a property. There are two main ways to obtain it:

- 1- Through the Spanish consulate in the country of residence. The client must request an appointment and submit the required documentation, which generally includes the

official form, an identity document and justification for the purpose of the application. The usual timeframe in this case is between 2 and 4 weeks.

- 2- Through legal representation in Spain. Alternatively, it is possible to grant a power of attorney to a representative in Spain, allowing them to apply for and obtain the NIE on the client's behalf before the National Police.. This procedure can reduce the timeframe to approximately 5 to 10 business days.

In most international transactions, this is the preferred route, as it is faster and enables the process to be completed without the client having to travel to Spain. Our team can manage this procedure in full through legal representation, coordinating all necessary steps and tailoring the process to the client's needs, including, where required, related services such as opening a bank account.

05. Financing Options for Non-Residents Buyers

International buyers may obtain financing in Spain, although many transactions are completed without external financing, allowing for a faster acquisition process. Nevertheless, some clients choose to structure the purchase with financing for strategic, tax or wealth-planning reasons. In international transactions, financing is often arranged through the client's usual banking institution or through banks specialised in this type of client profile.

Alternatively, financing may also be arranged with banks in Spain. In such cases:

- Spanish banks generally offer non-resident buyers financing of between 50% and 60% of the purchase price.
- The assessment is based on the client's overall financial profile, and documentation proving solvency and the source of funds will be required.
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In general terms, the process includes an initial analysis phase, approval by the bank and formalisation at the same time as the purchase. Our team can coordinate the entire process with financial institutions in Spain, assisting with document preparation, liaising with the bank and monitoring the transaction to ensure efficient management aligned with the purchase timeline. In any event, it is advisable to define the financial strategy in advance in order to act quickly when market opportunities arise.

06. Our Step-by-Step Purchase Process

Acquiring a property in Spain involves a range of legal, administrative and documentary steps that must be carefully coordinated to ensure the transaction progresses smoothly. Depending on the buyer's profile and the characteristics of the property, certain stages may vary or require additional procedures. For this reason, each transaction is managed individually, with the process adapted to the specific needs of each client.

Below, we outline the different stages of the purchase process and explain how our team supports the client throughout the transaction to ensure a successful completion.

• **Property selection:**

The search for a property goes far beyond identifying a home that meets a set of requirements. Each purchase begins with an initial analysis of the client's profile, needs and objectives.

Before starting the search, we define key aspects such as lifestyle, location, intended use of the property, personal preferences, investment horizon and specific priorities. Based on this analysis, we carry out a tailored selection of properties, prioritising those that best align with the client's interests from both an investment and practical perspective.

Throughout this stage, we also provide strategic insight into factors such as location, potential for capital appreciation, future liquidity, associated costs and overall feasibility. The aim is to ensure that each purchase decision is based not only on aesthetic or emotional considerations, but also on a sound, well-structured long-term choice.

• **Due diligence legal y técnica:**

Before entering into any binding commitment, we carry out a full review of the property and all relevant transaction documents.

This includes, among other matters:

- Obtaining and reviewing the Land Registry extract, known in Spain as the *nota simple*.
- Verifying ownership and identifying any charges, encumbrances or restrictions.
- Checking the property's planning status and administrative position.
- Reviewing mandatory certificates, including the energy performance certificate.
- Verifying utilities, community fees and any other relevant matters.

This review allows any potential issues to be identified at an early stage and ensures that the transaction can move forward on a secure basis.

• **Formal offer and reservation of the property:**

Once the property has been selected, the next step is to confirm the buyer's interest and agree the main commercial terms.

In many transactions in Spain, this stage is documented through a formal offer agreement. This is a binding document in which the buyer submits an official offer for the property on the basis of the terms previously negotiated. It will usually cover matters such as:

- Offer price.
- Expected timeline.
- Allocation of costs.
- Conditions relating to financing or prior checks.
- Estimated date for completion.

A deposit is often paid at this stage so that the property can be temporarily withdrawn from the market while the necessary checks are completed and the next steps are prepared.

Our team drafts and reviews this documentation on a tailored basis, ensuring that each offer reflects the client's needs and interests. Where necessary, we also negotiate directly with the seller.

In certain cases, particularly where the main terms have already been agreed, this stage may move directly to the signing of the deposit agreement, known in Spain as «contrato de arras».

• **Deposit contract (contrato de arras)**

The deposit contract, known in Spain as the contrato de arras, is widely used in property transactions and sets out the formal commitment between buyer and seller to complete the purchase on the agreed terms.

Unlike similar arrangements in other jurisdictions, this agreement is binding and creates specific obligations for both parties. As a general rule:

- The buyer pays an amount towards the purchase price, usually around 10% of the property value.
- The seller agrees to maintain the agreed terms and withdraw the property from the market.
- A deadline is set for completion before a notary.

In most cases, the deposit acts as a performance guarantee:

- If the buyer decides not to proceed, the amount paid is forfeited.
- If the seller fails to complete, the seller must return double the amount received.

In view of the legal and financial importance of this document, we oversee this stage closely, reviewing each clause and ensuring that all terms are properly reflected and aligned with the client's interests before signature.

In international transactions, the deposit contract may also be signed through legal representation, provided the client has granted the relevant power of attorney.

- **Signing of the Public Deed**

The purchase is completed by signing a public deed before a notary, who certifies the transaction and gives it full legal effect. This marks the formal completion of the acquisition process and ensures that ownership is transferred in accordance with Spanish law.

Before completion, we coordinate and carefully review all required documentation, ensuring that everything is properly prepared for signature. This preparatory work allows the notarial signing to take place in an orderly and efficient manner, with the legal certainty expected in high-value transactions.

For international clients, completion may also be carried out through legal representation, avoiding the need to travel to Spain while ensuring the same validity and security throughout the process.

- **Land Registry Registration**

Once the purchase has been completed, the public deed is submitted to the Land Registry so that the change of ownership can be formally registered. This is an essential step, as it provides public record of the new ownership and strengthens the legal protection of the buyer's rights.

We manage the entire registration process, ensuring that all documents are correctly submitted and following up with the Land Registry until the registration is complete.

07. Associated Costs and Taxes

In addition to the purchase price, buying a property in Spain involves a number of taxes and associated costs, which vary depending on the type of property and its location.

- **Transfer taxes**

For resale properties, Transfer Tax (Impuesto de Transmisiones Patrimoniales, ITP) applies. The general rate ranges from 7.75% to 10%, depending on the autonomous region.

For new-build properties, the purchase is subject to VAT at the general rate of 10%, as well as Stamp Duty (Actos Jurídicos Documentados, AJD), in accordance with the applicable regulations.

- **Notarial fees**

Notarial fees for signing the public deed are usually around 1.000€, depending on the purchase price.

- **Land Registry fees**

Registration with the Land Registry usually costs approximately 500€.

- **Administrative procedures**

Administrative and document-processing costs are usually around 300€.

The estimated total cost of the transaction ranges between 10% and 14% of the purchase price, depending on the type of property, its location and the applicable tax treatment.

Advisory fees do not represent any additional cost for the buyer, as they are already included within our service structure.

o8. Power of Attorney

El poder notarial constituye una herramienta clave en las operaciones de compraventa internacional, ya que permite delegar la realización de determinados trámites en un representante en España, evitando desplazamientos y agilizando de forma significativa el proceso.

Depending on its scope, the power of attorney may be limited to specific actions, such as obtaining the NIE, opening a bank account or signing the purchase deed. Alternatively, it may grant broader authority, allowing the representative to act on behalf of the buyer throughout the different stages of the transaction.

Our team provides a draft power of attorney tailored to the specific requirements of the purchase. This document must be formalised before the notary chosen by the client, either in Spain or in the client's country of residence.

If granted outside Spain, once signed, the document must be duly apostilled and translated into Spanish by a sworn translator recognised by the MAEC —the Spanish Ministry of Foreign Affairs, European Union and Cooperation—. It is then sent to Spain, where it is reviewed and validated by the relevant notary so that it can be used with full legal effect for the purposes of the purchase.

This mechanism allows the transaction to be structured with maximum efficiency, centralising management through the team in Spain and reducing the need for the client to travel, while fully preserving the legal certainty of the process.

o9. Recommendations

Although the Spanish real estate market offers a high level of legal certainty, proper due diligence is essential to avoid issues that could affect the transfer, use or ownership of the property.

In general terms, the following points should be considered when acquiring a property:

- **Legal status of the property**

For existing properties, it is important to check for any charges, encumbrances, outstanding debts or restrictions on use that could affect the transfer. Discrepancies may also exist between the Land Registry, the Cadastre and the property's actual physical condition.

- **Planning status and Registry consistency**

Discrepancies are often found as a result of undeclared extensions, works carried out without the required licence or planning matters that have not been regularised. These should be carefully reviewed before purchase.

- **Project structure and developer solvency promotor**

For new-build properties, the main focus should be on the developer's solvency, ownership of the land and the proper granting of planning licences. The viability of the project and its regulatory compliance are key elements in ensuring that the development is properly carried out.

- **Licences, delivery deadlines and construction progress**

It is important to confirm that the project has all necessary authorisations and that construction and delivery deadlines are clearly defined and contractually supported.

- **Guarantees for amounts paid on account**

Amounts paid on account must be covered by adequate legal guarantees, such as a bank guarantee or surety insurance, protecting the buyer against potential issues during construction or completion of the project.

- **Consistency between what is contracted and what is delivered**

The specifications schedule, plans and technical specifications should be clearly defined in order to avoid unexpected changes to the final property delivered.

A structured review of these elements makes it possible to anticipate potential risks and ensure that the purchase is carried out with full legal certainty, regardless of the type of asset.

10. Post-purchase

Completion of the purchase does not mark the end of our involvement, but the beginning of a new phase in the management of the property. Proper post-completion planning is key to preserving its value and ensuring that all associated obligations are handled correctly.

The main post-purchase procedures include:

- **Transfer of utility contracts**

Updating water, electricity, gas and other service contracts linked to the property, ensuring they are correctly transferred into the name of the new owner.

- **Annual tax obligations**

Managing recurring property-related taxes at state, regional or municipal level, as applicable.

- **Property administration and maintenance**

Coordinating the general maintenance of the property, as well as managing any potential leases or rental arrangements where the property is held as an investment.

For non-resident owners, comprehensive property management is especially important, as it allows all operational, tax and administrative obligations to be centralised without the need for direct involvement.

In this regard, our support does not end at signing. Ongoing assistance can be provided to ensure that the property is maintained and managed with the same standards of rigour, control and efficiency applied throughout the acquisition process.

11. Contact

For any enquiries or further advice, our team remains available through the following channels:

- Telephone: +34 648456332
- Email: info@spainpropertyadvisorygroup.com
- Personalised assistance: by prior appointment, in person or remotely according to the client's preference
- International support: coordination adapted to different time zones for non-resident clients

If you are considering acquiring a property in Spain, we would be pleased to analyse your case and structure a purchase strategy tailored to your objectives, with a fully personalised and discreet approach.