

Useful Information ---

The following information is useful when you are buying any property in Spain. It clarifies up many aspects of the purchase process. It also may help you to understand the routines you'll go through.

It is very important that we sell what we build. It means that we are flexible in terms of trading. You can rely on us because we guarantee our full responsibility for our objects and we overlook the real estate agencies. Sometimes they offer you properties they are not responsible for.

This information is a general overview about purchasing your property in Spain. Please, remember that every purchase is different and each situation varies.

Legal Process for the Purchase of Property in Spain ---

Purchase

When you are buying the property in Spain you deal with two kinds of documents: Private Contract and Title Deed (the so – called Escritura).

According to the Spanish Civil Law, when parties reach an agreement about terms and price, they sign a Private Contract. From this moment on, it becomes valid and totally effective between the two parties. The owner's main obligation is to hand over the property. The buyer's obligation is to transfer the money.

To become an owner you must sign a Title Deed and transfer the money. At the same moment you receive the keys. Then we advice you to register your property at the Property Register.

It is common that people first sign Private Contract with the developer or vendor and afterwards they grant Title Deed.

Private Contract is signed between Grupo Aljamía (or the owner of the house in case of a resale) and the buyer. There can be many options but the main ones usually are:

- Identification of both parties by their personal documents (D.N.I., Passport).
- Description of the property in details: location, house measures (m²), number of rooms, and other items that could enable anyone to identify this property without a doubt. You can also use the "Memoria" of qualities which officially gives you a full description of your property in details.
- Price and payment terms
- Property status (mortgages, charges; under construction, built, resale, etc.)
- Hand over date

- Taxation scheme

At this moment a deposit payment which is non – refundable is paid .

Title Deed is granted before a Public notary in order to get certainty and safety for the parties about the purchase. This document shows and proves the agreement in terms of the signing date, appearance of both parties and the agreement reached between them.

This document contains the same information as Private Contract. However, the Title Deed contains more information about the qualities of the building, the plot, the community zones (swimming pool and sports facilities, e.g.), etc. Afterwards, it is required to inscribe the Title Deed at the Property Register.

Sales Price and Final Price _____

The sales price is the price you see in ads when you are looking for a property. It doesn't include VAT, Notary or Title Deed costs. Be aware that after adding VAT, notary fees, electricity and water connection costs and fiscal number registration fee, the price will increase by 9-10%.

Property sales price	100,000 €
VAT 7%	7,000 €
Notary fees 2%	2,000 €
Electricity/Water contracts	300 €
Fiscal Number (NIE)	100 €
TOTAL	109,400 €

Payments Plan for new built property _____

- a) Form of payment for the property with delivery date of 6-12 months

Deposit payment (Private Contract)	10%
1st payment (1 month later)	10%
2nd payment (3 months later)	10%
3rd payment (3 months later)	10%
Keys (with title deeds)	60%

b) Form of payment for the property with delivery date of 1-6 months, almost built

Deposit payment (Private Contract)	10%
1st payment (1 month later)	15%
2nd payment (3 months later)	15%
Keys (with title deeds)	60%

Payment and Purchase of Resale Property _____

In case of resale property the process is simple:

- 1) A deposit is paid for the house to hold it and a date is agreed upon to sign the Title Deed. A month is generally considered enough time for the Title Deed to be signed and for the bank which offers the best service (in case of a mortgage) to be searched.
 - The full amount of the price for the property is paid upon signing of the Title Deed.

Banks and Mortgages in Spain _____

It is becoming more and more frequent for people wishing to acquire the property in Spain to consider taking out a mortgage, whether to finance a large portion of the house or just a top-up amount to get a better property.

Currently, all banks offer up to 60% of the total purchase price including the VAT of the property, but some will give a higher percentage if the bank's appraiser gives the property a higher value.

Many real estate agents would say that the bank will offer a higher percentage, because they do not state the percentage for the sales price (without VAT or Notary costs), but for the final price (with VAT and Notary costs) and other taxes.

In the case of new properties, the bank will only estimate the value of a house once it is finished. In case of resale properties, the appraiser could give you a valuation anytime you want.

Remember that only the bank can tell you how much money they are willing to lend, but not a real estate agent or constructor.



As the constructions of Grupo Aljamia has been taking place in the same area for the last 16 years, we have an excellent working relationship with many banks which have always given our clients favourable conditions with excellent service and reassured us when we directed clients to them.

New and Resale properties _____

There are many differences between the resale property and new property. The basic difference in the first case is that you don't have to wait for it to be completed. However, you do not get a guarantee during the first 10 years of the constructor as you do in the case of a new built property.

The main advantage of a new property is that it is usually priced more objectively (not less expensive). Changes and modifications can also be made. We are always at your disposal to arrange everything you like before or after signing the Title Deed. Only Grupo Aljamia as the constructor can give you such guarantee.

The property can be built to suit your requirements and there is always the right person to answer your requests or questions. In addition, you also have the flexibility that staggered payments allow.

Price and Quality: _____

When buying property in Spain, the price reflects quality, size and location. No other indicator gives you as much accurate information about the quality of the property as the price. It indicates which is the best property suited for your needs and your budget, whether it is a holiday home, residential or only an investment.

The relationship between the quality and the price can vary, because the same property could have different prices. It depends where you buy it. If you buy your property from a constructor (as Grupo Aljamia, e.g.) you have a direct price. We are one of the few companies which can offer you the perfect relationship between the price and the quality.

Visiting the Area and Viewing _____

Unlike larger constructors, Grupo Aljamia offers personal service when showing properties. We can also show you the properties built by smaller, but experienced developers to compare with the houses we build. Unless they use first quality materials and technologies, they are often regressed by big companies.



We understand that there are some expenses you have to incur as you come to view your future property. We offer you a **1000 €** cheque cash back in the case you decide to come on an inspection trip and buy your Spanish home from us.

After Sales Service _____

One of the most important parts of any sale is to make sure that the sales company has a professional and qualified after sales team. This is the most essential part of any reliable and qualified company. A good after sales department can offer you legal, fiscal and financial advice and services, so you don't have to worry about all these issues. All our staff is multilingual, thus you will have no trouble communicating with us.

Conclusion _____

We would like to add that this is just a general informative description of how the purchase process takes place in Spain. Every situation is different and Grupo Aljamia already has extensive experience in this field.

We take pride of being discreet, but at the same time well known within the developer and real estate sector. All our staff has had much experience in the Spanish business world as well as in Europe. As far as comprehensive understanding of the Spanish property law, design and finances, you will find Grupo Aljamia as one of the most professional and qualified teams on the Costa Blanca.

If you have any questions about the purchase of your property in Spain or any relating information, please do not hesitate to contact us.