

Judicial guarantees

If you decide to purchase one of our properties on the Costa Blanca, you should know that you can count on all the security and guarantees that Spanish Laws and European regulations can provide. One must not forget that Spain has belonged to the European Union from the beginning, hence, it is obliged to fulfill and carry out the EEC regulations for the protection of the consumer and the user. One of the last laws approved in Spain which protects your interests as a property purchaser is the new Construction Regulation Law, which became effective in May 2000. The Group Aljamia is also obliged to comply with these regulations.

One of the latest innovations of this law is the obligation for developers to purchase an insurance policy to cover material damages and guarantee the repair of any damage or defect that could occur in the building during the first ten years. The benefit for the purchaser is not only the ten year security he owns with his property, but insurance companies also control and audit during the construction period with the aim of guaranteeing the quality of the property and avoiding any future problem

Title deeds and register

In order to acquire your property with total legal security, the purchase should be registered in the official public title deeds (so – called Escritura) which is drawn up before a Public notary. This title deed is deposited in the Property Register afterwards, where you will be regarded as the legitimate owner of the property.

Grupo Aljamia engages to provide you with the tax and the judicial information you need and to translate the whole process of purchase, so you will perfectly understand everything.

Taxes

The last step that enables the process to be totally legalised is the payment of the corresponding taxes established by law. The taxes are the same for both European and non – European residents.

In case of a new property, the following taxes are to be paid:

Value Added Tax (IVA)

This is a tax which is to be paid by the new owner. For the majority of goods and services the normal applicable amount is 16% (e.g., the case of purchasing plots of land or garage spaces), but in the case of a house purchase, the percentage is reduced to 7% of the total value.

Public Notary Fee

A tax paid for the Notary Documents which are inscribed into the Property Register (as in a property purchase). This tax amounts to 2% of the value of the property

If it is a resale property you are purchasing, you should also take these following taxes into account:

Transfer Tax (ITP)

This local tax is also known as municipal plusvalía, it is upon the increase of urban land value, and properties located on them. It is calculated by the charts which are available in the Town Halls.

After purchasing your property (both new or resale) you must pay the following tax annually

Urban Land Increase Tax

This local tax is upon landed property and is paid annually, as long as there is a house on the land. It is calculated from the cadastral value of the property (official value registered in the Town Hall, which is usually lower than the market value). When you buy a property, the seller should pay this tax for the current year.

Please, don't hesitate and contact us for further information.