



 ARTEMIS

Real Estate Investment

Liberating your savings

A step-by-step process of buying a property in Spain

Key considerations before investing in Spanish RE

- Spain has passed on some powers to the individual regions, which means that every region applies a different sales tax (ITP) per region. For example while in Cataluña ITP is 10%, in Madrid ITP is 6%, and in the Basque Country ITP is 4%. The same applies for the AJD, though with smaller differences per region.
- Spanish banks are more conservative than northern European banks when it comes to mortgages. The buyer can take a loan for only 60-70% of the value of the property and will have to top up 30-40% with cash. Banks will also want to see a source of steady income, preferably a salary in a major currency, before giving a mortgage. The mortgages will not cover taxes (ITP & AJD).
- In Spain it is not necessary to employ a lawyer for a real estate purchase. The transaction however will have to take at a notary's office, and it is necessary to take an appointment a few days before the transaction date.
- The buyer will need a NIE (Número de Identidad de Extranjero), which can be issued in Spain or in a Spanish consulate abroad. This serves as an ID card and can also be used to open bank accounts, take a mortgage etc. It usually takes 2-3 days at a Spanish consulate.
- If a mortgage is required, the bank will have to assess the property via a 3rd party assessor (usually TINSA). In most cases, the assessed value will be only slightly lower or the same as the transaction value. The mortgage will be calculated basis the assessed value.

The sales process usually takes 2-3 months*

Step 1 - Prepare

- Sign a search mandate with Artemis (it takes 1 second)
- Identify the right property (it takes... as much as you need!)
- Issue a NIE at a Spanish consulate (it takes 2-3 days)
- Communicate with the banks to study the financing options (it takes 1-2 weeks)
- Issue a power of attorney allowing us to take care about the legal paperwork

Step 2 - Express Interest

- Sign an expression of interest ("reserva") for the property and pay €1000 to the owner to take it off market
- This gives you time to finalize the financing

Step 3 - Pay Deposit

- Sign the contract with the seller pay a 10% deposit ("arras")
- Make an appointment with the notary for the handover

Step 4 - Get the keys

- Meet at the notary's office to make the final payment, obtain the property documents ("escritura") and the keys
- The payment of ITP/AJD is done on the same day for mortgage buyers, while cash buyers have 30 days to comply

*1-2 months for cash buyers

Breakdown of mortgage and cash requirement

Property cost	€250,000
Stamp duty (ITP @10%)	€25,000
Mortgage duty (AJD @1%)	€2,500
Notary fees	€1,500
Artemiss fees (5%)	€12,500

Total transaction cost €291,500

Assessed value by the bank	€245,000
Mortgage by bank @LTV 70%	€171,500

Cash required by buyer €291,500-€171,500= **€120,000**



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**Reach out to kickstart
your project:**

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