



 **ARTEMIS**
Real Estate Investment

Liberating your savings

A guide to mortgages in Spain

Why should I take a mortgage in Spain?

The real interest rates in Spain remain negative (interest rate minus inflation)! This is hugely beneficial for investors, as rental income and house prices go up faster than mortgage payments. Spanish banks offer loans at floating rates at Euribor+1.5% or +2% or fixed rates at ~3.5%.

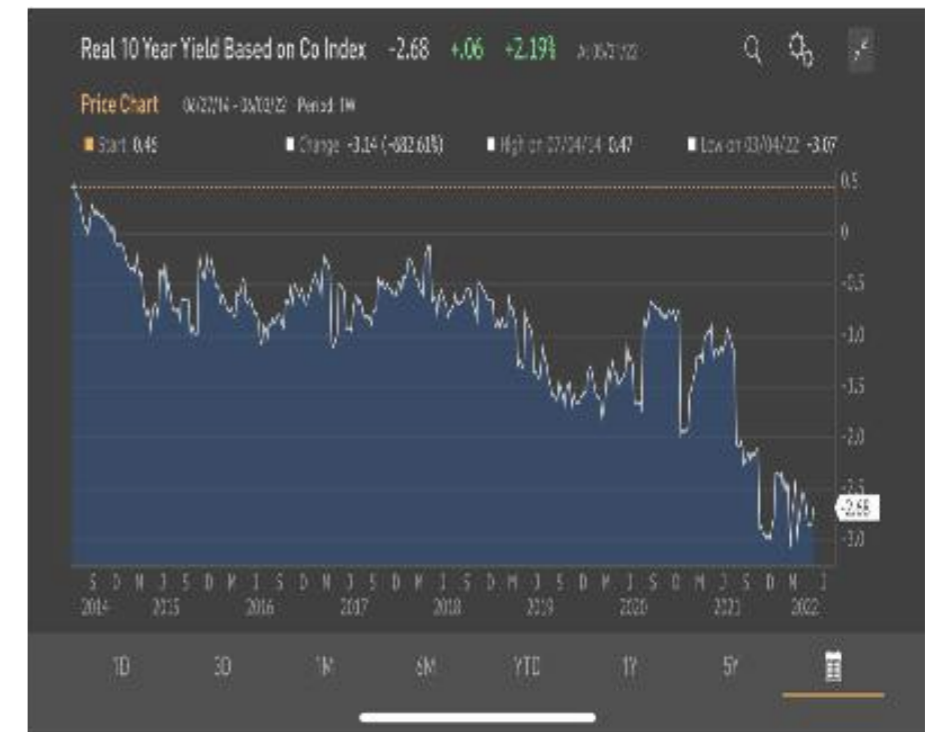
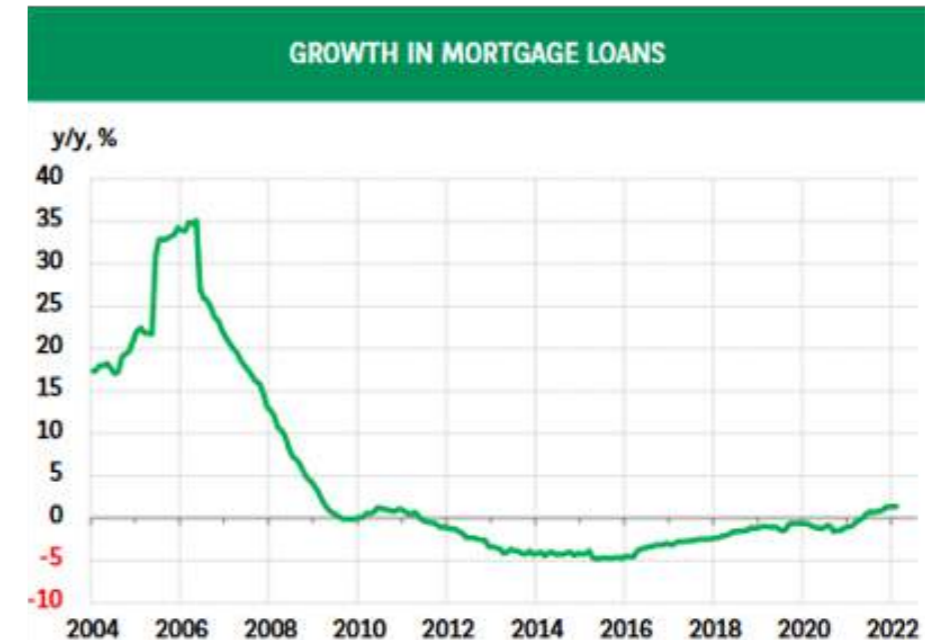
Spanish banks have lowered their Loan-To-Value ratios, to avoid another real estate bubble. They have lowered the LTV to 60-70%, resulting in lower mortgage approvals. While the rational choice would be to lever up as much as possible, the benefit of this policy is that it prevents the market from overheating and crushing.

It is easy for foreigners to obtain an identity card (NIE), open a bank account, and obtain a mortgage from the many Spanish banks. Artemis will guide investors throughout that process.

...and what happens if do not want one?

There are significant benefits in avoiding the banks and buying a property with cash.

- A cash buyer is able to **execute faster (only 2 months vs 4 months on average)** and acquire off-market properties at a **discount**.
- A property bought with cash is free of debt, which means that the buyer can use it as collateral for cash-out refinancing.



<https://www.bloomberg.com>
<https://economic-research.bnpparibas.com/>

How can I be the bank's perfect customer?

Banks everywhere prefer to lend to customers that are assessed as "low risk". In Spain that means specifically:

- Customers with **high salaries** from countries with high incomes (ex. higher GDP per capita than Spain)
- Customers whose salaries are denominated in these **currencies**: GBP, USD, CAD, DKK, NOK, SEK, PLN, CHF, AED, QAR, SAR, ILS, MXN
- Customers who bring some **savings** to Spain, who **buy insurance** products from them, and who keep some of their **earnings** in their account in Spain
- Customers who have all their **documentation in order** and well prepared upfront: Payslips, bank statements, NIE, passport, credit report, and tax returns
- Customers who have taken zero or **low lending elsewhere** and their monthly repayments (incl. the mortgage requested) do not amount to **>35-40% of their net income**.

The best mortgages for non-residents in Spain

This is an indicative list of the mortgage providers that are willing to engage non-residents. Artemis Assets will introduce our clients to the mortgage brokers that we collaborate with to ensure that they obtain the best conditions.

We have a privileged access to the main Spanish banks. We have obtained the status of partner which means:

- a priority communication channel in the analysis of the profile of our clients,
- more flexibility with KYC rules
- intervention on behalf of the client thanks to a simple power of attorney





The process of obtaining a mortgage

Step 1

Work with Artemis Assets to identify the property

Step 2

Work with a mortgage broker or a bank to perform a lending risk analysis

Step 3

Obtain approval and negotiate the loan terms and conditions (ex. Interest rate, period, payment schedule, payment holiday, refinancing penalties etc.)

Step 4

Accept and execute with Artemis Assets

The key takeaways for mortgages for non-residents*

Non-residents are a significant group of Real Estate buyers in the Spanish market, accounting for ~15% of the transactions and ~7% of the mortgages approved.

- The income criteria is higher for non-residents than they are for residents, as they are deemed higher risk clients. On the other hand, non-residents tend to have higher incomes anyway.
- The mortgage periods for non-residents are always maximum 20 years, compared to maximum 25 years for residents.
- The LTV for non-residents tends to be between 60-70%, compared to >70% for residents.
- The interest rates for non-residents can be both fixed or floating and they usually track the interest rates for residents quite close.



**The definition of non-resident is someone who a) stayed less than 183 days in the previous year in Spain
b) has his/her main economic activity outside Spain*



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Reach out to kickstart your project:

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