



New Build Buyer's Guide.

Everything you need to know to about purchasing a
new property in Spain.



New Build Buyer's Guide 2021.

The appeal of buying a new-build property in Spain is understandable. New build resorts in Spain often come with a ready-made community, great communal facilities and, being brand-new, require minimal maintenance. What's more, off-plan properties in Spain can offer great value for money for investors, especially when buying more than one property.

However, whether buying new or old you should always do your research and exercise caution to ensure that your interests are protected when buying a property in Spain.

DO instruct an independent lawyer

Developers and estate agents selling new build properties in Spain often suggest that the legal fees for the purchase can be 'packaged' into the property price. However, it's crucial that you instruct an *independent* Spanish lawyer, i.e. who is not connected to the estate agent or developer/development. We can't stress this enough!

You need a lawyer to act solely in your interest and be completely objective. When using a developer or estate agent's recommended lawyer there is always a conflict of interest. If there are any potential issues with the property you want to make sure that they are brought to your attention. Likewise, off-plan purchase contracts should protect your interests, a good independent lawyer will make sure of this.

DON'T go ahead with a purchase unless the property is bank guaranteed

These days off-plan property purchases in Spain are much safer, following the aftermath of the property crash in 2008, which saw many people's dreams crushed as developers and builders went bankrupt before completing developments. No one wants to be one of those unlucky few though, so it's crucial that you ensure any off-plan property purchase is bank guaranteed to ensure that your interests are protected.

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DON'T be surprised if there are delays

Let's be honest, builders rarely run on schedule! It's not necessarily their fault, there are often unforeseen circumstances that can put the schedule back by weeks, months or even years in some cases, so be prepared for a few setbacks. Nevertheless, your Spanish lawyer can ensure that projected completion dates are recorded in your purchase contract to offer a safeguard should the delays become unacceptable.

DO check whether there are any warranties

Similar to the NHBC Buildmark warranty in the UK, new build properties in Spain are covered by *Seguro Decenal*, an insurance which covers the property owners against serious structural issues for 10 years following completion. If you need to make a claim on this insurance, you'll need the correct documentation from the developer with regards to the *Seguro Decenal*, so make sure this is provided by the developer on completion.

It's worth checking the reputation of the developer and builder, if possible, as some are better than others when it comes to their obligations with regards to 'snagging' and correcting other issues, such as a leaking roof, which aren't deemed serious enough to be covered by the *Seguro Decenal*.

DO ask about services charges/communal fees

Most properties that are part of a resort with shared facilities, such as a swimming pool, gym etc. are subject to service charges. Find out what these fees are and what they cover before signing any reservation contracts as they can vary significantly. You should also check whether the service charge is automatically increased annually or if it is capped for a certain period, as well as how frequently the fees are charged.



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Your estate agent should be able to advise you how the service charge compares to other properties in the area.

DON'T assume you can rent it out long-term/short-term without checking first

In recent years Spain has clamped down on holiday rentals, especially in tourist hotspots including Barcelona, the Canary Island and the Balearics. It's always best to be upfront if you intend to rent the property out, to ensure it's legal to do so. Luckily, some of the most popular holiday destinations, such as the Costa del Sol and the Costa Blanca, have fairly lenient holiday rental restrictions, although you may need a rental license and proof that the property meets rental criteria.

The rules vary from region to region and are dependent on the type of property, so take legal advice on this before signing a reservation contract or paying reservation fees.

DON'T buy/pay a deposit without visiting the location

It's so important to see the development in situ and get a feel for the place in person. The atmosphere can drastically change depending on the time of year. Some parts of Spain can be a hub of activity during the busy seasons but when the tourists have disappeared, they can be very quiet.

A luxury apartment might not be so appealing if you realise it's in the middle of nowhere or that your supposed peaceful retreat is situated right next to a busy road. So, whether you're after a tranquil location or somewhere lively, it's crucial that you find out what the area is like all year round.