



Overseas Buyer's Guide

A comprehensive guide by Murciaservices.com



THIS REPORT WILL MAKE YOU MORE OF **AN OVERSEAS PROPERTY EXPERT** THAN MOST OVERSEAS ESTATE AGENTS!

If you've ever even thought about buying a property in Spain, then this report will put you in the most powerful buying position possible, and give you everything you need to know to make sure you're in control of the whole process... and needless to say...

THIS INFORMATION COULD SAVE YOU THOUSANDS!!!

DO YOU HAVE TO BE IN SPAIN TO PURCHASE A PROPERTY?

Not necessarily. Here at Murcia Services we offer the option for virtual viewings through WhatsApp video calls as well as uploading video walk throughs of all of our properties. We would always recommend visiting Spain initially to explore the areas and confirm the style of property that suits you best however don't feel that you have to purchase on that trip.

Whilst on the trip we would recommend you speaking to a local solicitor about potentially signing a 'power of attorney' (this can also be done from the UK through a notary) and they can then act on your behalf to complete the process of purchasing the property including all the conveyancing, legal checks, utility contract transfers etc. For a cash purchase this would normally take 6-8 weeks and if funding through a mortgage 10-12 weeks.

A property can be reserved with basic personal details including ID plus a small deposit (usually 5,000€) with nothing further to pay until completion. To complete a sale on a property in Spain you require two things, your Spanish NIE (tax number) and a Spanish bank account (no money required to open an account).

Please speak to us at Murcia Services regarding our panel of multi lingual local Solicitors that will be happy to help with any of the above and also advise you on all your property needs.

SPANISH PROPERTY TAXES AND HIDDEN COSTS

Generally, when people first start looking for a property in Spain, they start their search either **completely blind to the ins and outs of buying an overseas property**, or their head is full of misinformation handed down to them by friends that have previously bought a property in Spain.

So, we're here to tell you that YOUR FRIENDS ARE WRONG! Well, maybe not intentionally, but they'll be passing information on to you from their personal experience of buying a property.

Most people come out to view properties and have been given the idea that the costs on top of the purchase price are 12%, 15%, even 20%.... We've heard it all!

But wouldn't you rather have an actual formula to calculate how much the purchase will cost you?

In this section, we'll be giving you the EXACT percentages, so you can accurately work out how much a property will cost you, before you even make an enquiry.

We're going to try to give you as much information as possible, without all the jargon!!

What are property taxes in Spain?

The tax for purchasing a property in Spain is set by the regional governments. Most regions pay 8-10% of the purchase price for a resale property, and 10% for a new build property.

The two tables below show the different tax rates for the Murcia Region.

Taxes on buying a resale property

Region	ITP % (Property Tax)	Stamp Duty (ADJ)
Murcia	8%	0%

Taxes On Buying A New Build

Region	ITP % (Property Tax)	IVA %
Murcia	1.5%	10%

What other costs are involved in buying a Spanish property?

You will pay property transfer tax as stated on page 2 plus legal and conveyancing costs. These costs do vary from property to property, region to region, and there are several factors involved, but what matters most is that you know what these costs are for, and how much you'll have to budget for.

So the legal and conveyancing fees are for;

- Notary fees
- Registry fees
- Obtaining NIE numbers
- Opening Spanish bank accounts
- Transferring all the utility contracts
- Power of attorney (optional - but can be difficult without it)

For all of this, we recommend that you budget for 3,000€ - If you have that figure in mind, you won't go far wrong. Much better than a guesstimate!

So that's it for your costs - Not so scary! But just to give you a more visual idea of the purchase costs, I'll pop an example below of actual sales and a price range to give you a clearer picture.

Region	200,000 €
Region: Murcia	ITP 8%
ITP	16,000 €
Notary Fees	1,000 €
Land Registry	600 €
Solicitors, NIE, Conveyancing	1,350 €
Taxes Total	16,000 €
Legals Total	2,950 €
TOTAL	18,950 € (9.5%)

So let's say you've seen a property you like online and you want to calculate how much it will cost you with everything included.

For example, say we've found a nice Finca in Murcia for 200,000€ - We take the 200,000€, multiply that by 1.08 (Murcia ITP tax is 8%), then add the 3,000€* for legals and conveyancing, and we'll end up with something like the calculation below

$$\begin{aligned} 200,000\text{€} \times 1.08 &= 216,000\text{€} \\ 216,000\text{€} + 3,000\text{€}^* &= 219,000\text{€} \end{aligned}$$

Final purchase price including all costs 219,000€

If you follow this calculation for all the RESALE properties you're interested in, then you won't go far wrong.

If you want to calculate the cost for a new build property, then you'll have to use the percentages given in the first graph on page 2.

For example, we're looking at a new build in Murcia for 200,000€. Properties in Murcia are subject to taxes of 10% NVA and 1,5% Stamp Duty - So we have a total of 11,5% - Again, plus legals and conveyancing.

$$\begin{aligned} 200,000\text{€} \times 1.115 &= 223,000\text{€} \\ 223,000\text{€} + 3,000\text{€}^* &= 226,000\text{€} \end{aligned}$$

Final purchase price including all costs = 226,000€

*As previously mentioned, we recommend budgeting approximately 3,000€ for legals & conveyancing based on the above purchase prices however if you would like an accurate quotation, please contact us so we can forward your details to our panel of multi lingual solicitors.

So, that's got you covered for the purchase costs, but what about the ongoing costs of owning a property in Spain?

What is the IBI tax?

IBI tax is similar to council tax in the UK and is paid to the local town hall (usually a one-off annual payment although can be twice per year) for the maintenance of the roads, lighting, refuse etc.

It is a lot cheaper than the UK, for example, a 2 bed 2 bath property would generally pay around 350-500€ per year.

Compare that to a similar 2 bed 2 bath property in Devon, a "Band B" property would be looking at paying £1,270.99 a year! And that's at the lower end of the market!

What are the non-resident taxes?

All non-resident owners of property in Spain are required by law to submit a non-residents' tax return each year, even if they don't let out their property.

The tax amount is related to the cadastral value of the property and should generally be between 75-100€ per annum for most owners of property between 60,000€ and 150,000€.

Submitting a foreign tax return may sound a bit heavy, but most non-residents would stick with the solicitor that dealt with the purchase and have them submit the tax return for them for a small fee.

Community Fees

Many properties will also be subject to monthly community fees. You'll usually find that properties on residential golf resorts are subject to community fees ranging from as little as 40€ a month for a small apartment all the way up to 800€ a month for a top end resort villa.

These fees generally include the access to the resorts on site facilities (swimming pools, padel & tennis courts, gym etc), 24-hour security, communal maintenance, resort lighting, at times WIFI, building insurance and external painting.

Costs of utility bills in Spain

Once again this is based on personal consumption but for a couple living in a 2 bed 2 bath property you would expect your average monthly bills for electric, water and gas to be between 100-120€ per month.

You can make significant savings on electricity by moving to night time or 8 hour tariffs. There's a top tip for you ;)

Pool maintenance

If you decide to go all out with the Spanish lifestyle and buy yourself a nice detached villa with its own private pool something to consider is the ongoing maintenance.

Now if you live in the property year-round, it's actually not that hard to learn how to maintain your pool by yourself, but if you don't, you can contract a pool cleaner than will maintain your pool for as little as 50€ per month.

Groceries & Fuel Prices

When it comes to food and drink what's the main thing we want when we shop? Are we looking to for the best quality? Low prices? Grocery prices in the UK are approximately 20.9% higher than Spain, this is based on such things as bread, milk, meat, fresh fruit and vegetables etc. *Source [Cost Of Living Comparison Between Spain And United Kingdom \(numbeo.com\)](#)

Fresh from the fields, Spanish markets are the best places to visit for fruit and vegetables. It is cheaper than going to the supermarkets. Most days you will find a market which has a large selection to choose from and they also have seasonal fruit and vegetables too.

Local beer, wine's and spirit's in Spain are 54.7% cheaper compared to the UK! Spain are second in the worlds main producers of wine and there most favourable wine is Rioja.

Fuel prices in Spain are lower than the UK and have been for many years, to give you an idea as of December 2023 the cost of a litre of fuel was approximately 0.29c (0.25p) cheaper.

VISAS...

Non Lucrative Visa (NLV)

Ideal for applicants that are looking to retire who earn a passive income (investments, buy to let properties, pensions, savings etc). The main aspect of this visa to be aware of that you are not allowed to work in any country (ideal for retirees). This visa can be renewed for up to 5 years when you then automatically qualify for Spanish Residency.

The Golden Visa

The Spanish Golden Visa (or "Property Visa") grants automatic residency in Spain when you purchase a property or properties to the value of 500,000€ or more (this needs to be over and above any mortgage taken to purchase the property). This can be any type of property: home, commercial, land, or a combination of properties (total value). There are also other options with depositing funds in investment accounts or bonds.

Digital Nomad Visa (DNV)

This is a new visa that only started in 2023 specifically aimed at people that currently work remotely and are now able to do so within our beautiful Spain! You need to get agreement from your current employer and you have to show proof that you have or currently are working remotely already for a company outside of Spain.

Student Visa

There are two different types of student visas depending on the length of your course or studies:

- **Short-term student visa**, the option designed for those studying from 91 to 180 days in the country.
- **Long-term student visa**, in case you are studying for more than 6 months in the country.

Bear in mind that no matter if you are a non-EU citizen or not, if your studies take less than 90 days it allows you to work, automatically, 30 hours per week, and once you complete your studies (whatever the duration), you can modify to a work permit easily.

As with all Visa's they are specific to each candidate we would recommend receiving professional advice. Hopefully the above gives you a snippet of information that shows your Spanish move is still possible!

FAQs...

Exchange rate *correct as of December 2023

Currently the exchange rate sits at 1.167 This means that if you were buying a property at 100,000€ and transferring money from the UK to Spain to pay for the purchase, the cost of the purchase only would be £85,689. We work very closely with one of the largest Currency Transfer companies ensuring they maximise your exchange rate. Call us at Murcia Services to benefit from our exclusive deals.

Can I get a mortgage in Spain?

Yes, as a non-Spanish resident, you will normally be able to get a mortgage of 60% loan to value therefore requiring you to finance 40% of the purchase yourself. It may be possible to get 70% LTV if the property value is over approximately 150,000€.

We work with an English broker who specialises in the Spanish market. If you would like to speak to someone further regarding obtaining a mortgage in Spain, please call us.

How long can I stay in Spain?

As a result of no longer being part of the EU, if you are a non-EU resident, you are allowed to spend 180 days in Spain in any 12-month period but only 90 days per individual visit. For those buying a holiday home, this should only be of minimal impact.

Can I still move to Spain permanently?

Yes, the rules regarding applying for your Spanish residency (required if you are spending more than 180 days per annum in Spain) have changed. However, there are still various visa's that you can obtain depending on your circumstances. Please see page 7 for a brief overview on visas.

Can I bring furniture with me?

Yes, there are several removal companies that we work with that pick up your furniture (or golf clubs!) from your home in England and will deliver them to your new Spanish home.

They generally deal with all of the paperwork and will advise if there is any tax to pay. If you need any recommendations contact Murcia Services who can point in the right direction.

How else can Murcia Services help?



Murcia Services Sales Team **Valuations and property sales with Murcia**

With a multi lingual sales team we are here to help with all of your buying and selling needs. Our large social media presence as well as extensive property portal advertising will ensure that your property receives maximum exposure ensuring the highest possible market price.

Follow us on Facebook for regular property & resort updates.

info@murciaservices.com

+34 677 743 557



The Residences **Holiday rentals and long term lets**

If you are thinking about letting your property out for a few weeks here and there to help with the costs or if you're looking for a longer term investment our Rental Team over at The Residences on La Torre are there to help and advise.

info@theresidenceslatorre.com

+34 711 051 317



Murcia Building Services **Property improvements and works**

If you find the perfect property but don't fancy the kitchen don't worry! Here at Murcia Building Services we have you covered! Murcia Building Services offers all building work including kitchen refitting, bathroom renovations, flooring, extensions and even adding your own Pool. Call Murcia Services for further details or estimations to help make your dream home perfect!

maintenance@murciaservices.com

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MU CARS **MU Cars Car Hire & Transfers**

If you or your friends are over for a visit and need help with airport transfers or car hire speak to our team at The Residences who will be happy to help.

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