



# halo

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## Five key steps to buying property in Spain

Your quick-reference guide

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### 3 WHY SHOULD I READ THIS GUIDE?



It was the rise of the package holiday in the late 1960s and 1970s that first brought Spain to widespread British attention.

Hard though it may be to believe in this era of low-cost flights and widespread global mobility, by the end of the 1950s, only one percent of Brits had ever travelled abroad on holiday. During the 1960s, cheaper air fares, along with post-war prosperity, combined to make the realisation of a foreign holiday increasingly possible for the masses; and by the mid-1970s, package holidays were booming.

And it was Spain that proved to be a particular favourite for this first generation of overseas-bound holidaymakers – not just from the UK, but from many other northern European countries, too.

Not only did Spain boast an intoxicating mixture of sun, sea and sand (and sangria!), it was also cheap and fairly close to home. What's more, the country was more than willing to welcome holidaymakers from all over Europe.

Having been something of an economic backwater until the 1950s, it was the rise of tourism that really began to kick start Spain's economy. By the beginning of the 1990s, it boasted one of Europe's most robust economies.

In time, as more and more foreign buyers visited the country and fell in love with the Spanish lifestyle, more people decided that they wanted to enjoy Spain's charms on a more frequent basis. Today, over half a million Brits alone own a second home in Spain, while more than one million live there permanently.

Yet, whereas once the majority of expats would have settled solely in one of the popular holiday hotspots – Andalusia, or the Balearic Islands, for example – today, expats can be found settled throughout the country. If there's an airport offering low-cost flights from within the region, you can be sure that expats – and, indeed, homeowners – will be somewhere nearby.

What effect the impending Brexit negotiations will have on the relationship between British property buyers and the Spanish property market remains to be seen. The likelihood, though, is that the breakup between the UK and Spain at a political level is unlikely perspective.

Whatever the reason for your interest in purchasing a Spanish property – be it residency, investment or a holiday home – by following the five key steps in this guide, you should have the right tools to get the job done.

Viva España!

## 5 STEP ONE: GETTING TO KNOW SPAIN

Population in 2016:  
**46,041,247**

Capital City:  
**Madrid**

Time Zone:  
**GMT +1**

Currency:  
**Euro (EUR)**

Average national  
property price:  
**124,294 Euros\***

Highest average property  
price by region:  
**Balearic Islands –  
376,000 Euros\***

Lowest average property  
price by region:  
**Zamora –  
74,500 Euros\***

\*source: Kyero, 4th quarter 2016

Average Temperatures:

January	9°C
February	11°C
March	15°C
April	18°C
May	21°C
June	27°C
July	31°C
August	30°C
September	26°C
October	19°C
November	13°C
December	9°C

According to official data released in the fourth quarter of 2016, approximately 18.44 percent of property transactions completed in Spain last year were made by international buyers.

Brits have traditionally been the number one source country for international property buyers in Spain, but the uncertainty triggered by last year's Brexit vote, and the future for British expats who currently live in the country, has seen a slight slowdown in the number of Brits currently entering the market. This, of course, can also be attributed to a combination of rising house prices in Spain and a weaker pound (due to Brexit) which has undoubtedly made the buying a home in Spain a little more expensive for UK-based buyers. However, there are still bargains to be found if you look in the right places...

The fourth quarter figures show that over half of the property sales made in Alicante last year were made by foreign nationals, while international buyer activity is high throughout the Spanish Costas, especially the Costa del Sol and Brava. The cities of Madrid, Barcelona and Valencia and the Balearic Islands also continue to attract significant numbers of overseas buyers. Having been hit hard by the financial crisis between 2008 and 2015, construction is back on the up and property prices are finally going up, having hit record low levels as a result of the crash. Mortgages are currently very affordable in Spain; yet another attraction for would-be property buyers.

Golden Visas, which have proved popular for other European countries, such as neighbouring Portugal, are also now gathering momentum in Spain, with increasing interest from investors in non-EU countries such as China, Sweden and Russia, spending a minimum 500,000 Euros in property in the country.



### halo Who likes to buy property in Spain?

- In spite of the 2016 Brexit vote, British buyers remain the largest group of non-Spanish nationals to invest in Spanish property. In 2016, British buyers purchased 10,162 properties in Spain. This, was, however, down on the previous year's total, with a slowdown noticed from the third quarter to the end of the year.
- French property buyers made 4,355 property purchases in Spain in 2016 – accounting for a market share of approximately 8% of foreign property sales in Spain.
- 4,123 Spanish property buyers in 2016 came from Germany – also making up an approximate 8% market share.
- The biggest rise in demand in 2016 came from Dutch buyers, where the number of purchasers increased by 33%, ahead of Italians (32%) and Swedish buyers (31%).
- Property prices for the whole of Spain rose 2.3% during 2016 and predictions are that within 2 years, this will have risen to 5%.
- The introduction of the Golden Visa, which affords non-EU nationals the right to residency if they purchase a property worth more than 500,000 Euros, has led to an increase in the number of Saudi Arabian, Emirati, Russian, and Chinese buyers purchasing Spanish property.
- German tourists made up a large percentage of tourists in Spain in 2016, with an overall increase of 6% from 2015. Of the tourists surveyed, 2 in 10 were thinking about buying a second home in Spain.

### Halo Handy Hints: Fun facts about Spain

- Castilian Spanish is the second most widely spoken language in the world, after Mandarin. There are estimated to be more than 406 million Spanish speakers worldwide.
- The United Nations projects that Spain will be the world's oldest country by 2050. It is estimated that over 40 percent of the population will be aged over 60 by this time.
- Spain has the second highest number of bars per inhabitants. Only Cyprus has more. No wonder the country is so popular with tourists!
- Spain is the number one producer of olive oil in the world, responsible for approximately 44 percent of the world's olive oil production.
- Despite its reputation sun, sea and sand, the weather in Spain is actually the most diverse in Europe due to its size, coasts and large mountain ranges. The climate changes dramatically from north to south and east to west. The highest official temperature ever recorded is a sweltering 47°C in Andalusia in the southern central region of Spain. The coldest temperature officially recorded in Spain is -32°C in Lerida, in the Pyrenean region in the north of the country.
- The country boasts over 8,000 kilometres of beaches – plenty of options for those who like to feel the sand between their toes.

## 7 STEP TWO: DOWN TO BUSINESS

### Decide on your preferred location and property type

Spain is divided into 17 regions, with 15 of these regions located on the mainland of Spain. The other two regions are island groups: the Balearic Islands lie off Spain's eastern coast, while the Canary Islands are off the western coast of Morocco. Spain is one of the most decentralised countries in the world. Although the country is governed nationally by Parliament, each of the 17 autonomous regions also has its own president, government (gobierno or junta), administration and Supreme Court. This is designed to give each region more responsibility for matters such as economic development, education, health, environment, police, public works, tourism, culture, local language and social security.

### halo Halo Handy Hints

It is also worth noting that while traditional Castilian Spanish is spoken and understood throughout Spain, there are several different dialects and regional languages that also exist in the country – and which often tend to be used ahead of Spanish. The most noticeable examples are found in Catalonia, where over 4.1 million people still use Catalan as their native language, and in the Basque Country.

### Spanish property investment hotspots

#### Costa del Sol

Located on the southern coast of Spain, the Costa del Sol includes the popular resorts of Marbella, Malaga, Fuengirola and Puerto Banus. Historically one of Spain's major tourist destinations, over the years, the Costa del Sol has become something of a Mecca for expats and foreign second home seekers. It is home to a number of large expat communities, including the British Association of Marbella, which has been running for more than 20 years.

As well as a warm year-round climate, the Costa del Sol offers something for everyone, including some of the country's best golf resorts, renowned shopping centres, beaches aplenty and, for those with deep pockets, the opulence of Marbella.

### halo Halo Handy Hints

Investment in infrastructure in recent years means that road and public transport networks are among the best in Spain, outside the major cities of Barcelona and Madrid.

#### Costa Brava

Located next to the French border in the north east corner of Spain, with its southernmost point only around 40 miles north of Barcelona, the Costa Brava is an area that has traditionally appealed to wealthier expats. Although still popular with holidaymakers from northern Europe, the Costa Brava remains a fairly undeveloped region when compared to the commercialism of the more southern Costas.

The region is best known for its wide beaches, sandy coves, medieval villages and numerous high-quality golf courses. Its location close to the Pyrenees mountain range that separates France and Spain means that activities such as mountain climbing and skiing are popular pastimes for those who live in the Costa, while daytrips into France and Andorra are also taken regularly. Some of the largest and most popular resorts and towns in the Costa Brava include Lloret de Mar, Blanes (the southernmost town in the Costa), and Tossa de Mar.

## 9 STEP TWO: DOWN TO BUSINESS

### Costa Calida

The Costa Calida occupies a roughly 200-mile stretch of coastline in the province of Murcia. Not being a traditionally popular tourist location – aside from La Manga, one of Spain's top sports resorts around which most development in the Costa has tended to focus – Costa Calida remains a largely attractive, rural area. In recent years, a combination of low cost flights, low property prices and a great year-round climate (Costa Calida doesn't translate to the 'warm coast' for nothing!) have served to bring the region to the attention of a growing number of foreigners. This has led to some areas of the Costa becoming more popular with expats. For example, there is notable growing British expat populations in the inland towns of Lorca and Mula.

### halo Halo Handy Hints

It is important to note, however, that due to much of the Costa Calida still being relatively untouched by tourists, those who do choose to live in the region will probably need a good grasp of Spanish in order to feel truly comfortable, as English is unlikely to be widely spoken.

### Costa Almeria

The major expat destination on the Costa Almeria is the eponymously named resort from which the Costa takes its name. The easternmost capital city in Andalusia, Almeria has long been a popular tourist, property and expat location. However, despite its popularity it retains a small-town charm, and is far from being overdeveloped like some resorts in other popular areas have been – particularly in the Costas del Sol and Blanca. Outside of Almeria itself, Huércal-Overa has become increasingly popular with expats in recent years, with people from Latin American and northern Europe starting lay down roots in the town. Located in the northern part of the region close to Murcia, the town has a thriving commercial district, and fairly cheap living and property costs. Mojacar, Vera and Bedar are among some of the other more popular towns and resorts in Costa Almeria.

### Costa de Luz

Located in the western part of Andalusia, the Costa de Luz is regarded as being one of the up-and-coming, trendier areas in the region. Bordering the Atlantic Ocean, the Costa de Luz extends from Tarifa in the south, along the coasts of the Province of Cádiz and the Province of Huelva, to the mouth of the Guadiana River. Traditionally, the Costa de Luz has been more popular with Spanish holidaymakers than it has with those from other countries, but over the past ten years, this has started to change, and as a result, more expats, especially from Germany and France, have started to occupy the region. Although not as warm all year round as some of the other Costas in Andalusia are, temperatures in the summer are high and the overall tranquillity of the Costa is ideal for those seeking a laidback lifestyle in a more temperate climate to that available in other parts of Spain. Cadiz, Huelva, Tarifa and Ayamonte (Spain's main crossing point into Portugal) are among the largest resorts in the region.

### halo Halo Handy Hints

As with some of the other less touristy areas, those who choose to live here will probably need a basic grasp of the Spanish language to function on a day-to-day basis.

## 11 STEP TWO: DOWN TO BUSINESS

### Madrid

Spain's capital and largest city, Madrid, combines the feel of any modern international city with one that is still unmistakably Spanish. A lively city though it may be, Madrid retains a laid back charm, which few cosmopolitan Western European capital cities are able to match. While the capital is unlikely to appeal to what you may describe as the stereotypical Spanish expat – in other words, one who covets solely sun, sea and sand – as the country's economic and cultural hub, this city that is most suited to those looking for employment (even during the country's recent economic travails Madrid had the best employment prospects). The good news for those who prefer city living to beach dwelling is that Madrid is nowhere near as expensive in which to live as cities like London and Paris. The flip side to that, though, is that average salaries tend to be much lower.

### halo Halo Handy Hints

As with most major cities, Madrid is well equipped to deal with expats. International schools can be found throughout the city and English – along with many other languages – is widely spoken.

### Barcelona

With a pleasantly warm (if not blisteringly hot) year round climate, some of the country's finest Modernista architecture and a renowned high quality lifestyle, it's little surprise that Barcelona has long been one of the most popular places in Spain for expats to settle. After Madrid, the city is arguably the best place to find employment, with a number of multinational businesses based there. However, employment in Barcelona was hit harder by the recent recession than Madrid, so jobs outside the tourism sector are not as plentiful as they were a decade ago.

### halo Halo Handy Hints

One thing that anyone who settles in Barcelona needs to be aware of is the difference in language between this city and the rest of the country. Many Barcelona natives (Catalans) view the city as belonging to Catalonia rather than Spain, and as such, Catalan is the official language of the city and surrounding region, with road signs, metro instructions and other public notices often appearing in Catalan and not Spanish (Castilian). That being said, Spanish is understood throughout and due to its long term appeal as both a holiday and expat destination, English is, too.

## 13 STEP TWO: DOWN TO BUSINESS

### Practical tips for buying in Spain

#### 1. Check you are eligible to buy a property in the country

While Spain has long been a popular country for overseas property hunting Brits, the UK's decision to leave the EU has created a slight degree of uncertainty over whether the process will be as straightforward in the near future. While many non-Europeans do currently buy property in Spain, and there are no barriers as such to non-European property investment, non-EU members are currently regarded as higher risk; and Spanish lenders tend to offer less favourable mortgage terms to non-EU members.

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**Halo Handy Hints:** Whether British buyers will fall into the 'higher risk' category once the UK finally completes its divorce from the European Union remains to be seen. The likelihood, however, is that the Spanish authorities are not going to want to lose British property buyers, who have long provided such an economic shot in the arm for the country.

#### 2. Identify why you want to buy a property

Are you looking for a holiday home? A property with investment potential? An abode to live in at a later date? Your own individual reason for your property purchase should play a huge part in your investment decision. If you're looking for a property with investment potential, research which areas have property markets that have performed consistently well in previous years.

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**Halo Handy Hints:** Check out whether there are any events happening that could lead to increased demand for property, such as major sporting tournaments. Likewise, if you are seeking a holiday home, take a look at the average climate for the area in which you wish to buy. Try to find out exactly how busy your desired location is during both peak and off-peak season.

#### 3. Check you can stay in Spain

If you are looking for a permanent home in Spain, you will need to check that you are allowed to stay in the country. EU residents from any member state have the automatic right to reside in the country. However, with the UK set to leave the EU completely in the next two years, there is no guarantee that British citizens will be allowed to stay in Spain indefinitely under the Freedom of Movement Act – as is currently the case. Brits may conceivably need to apply for a visa to remain and a Blue Card to work in Spain. Preference to EU citizens in terms of job opportunities may also be exercised, so much is likely to depend on the outcome of the exit negotiations as to how British people will find themselves placed for staying in Spain for the foreseeable future.

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**Halo Handy Hints:** It's worth noting that Spain does operate a Golden Visa scheme, whereby non-EU nationals who purchase a home worth more than 500,000 Euros are automatically granted a residency visa.

#### 4. Check an area out first

While the internet is undoubtedly an invaluable tool for research, there is nothing quite like checking out an area for yourself. A fact finding trip is almost essential prior to purchasing a home. You can see for yourself what the neighborhood is actually like; get a feel for the place; check out how close it is to the local amenities and public transport.

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**Halo Handy Hints:** Just because an agency may say that the house is located minutes away from the beach, doesn't mean it definitely will be. It's the agency's job to make the property look good; it's your job to check that it really is as good as they say.

## 15 STEP TWO: DOWN TO BUSINESS

### 5. Set a budget

It's important to have an idea in your mind of how much your property will cost – in total – and how you will be paying for it. A clear idea of budget helps you set specific goals and will mean you can make the most of any funds you have available to you to find the right property.

**halo**

**Halo Handy Hints:** Buying property in Spain could mean you will have to exchange your currency to Euros, which – given the weakness of the Pound since 2016's Brexit announcement and the market uncertainty as Brexit negotiations continue – is something you will need to keep an eye on. Currency markets move all the time and are very sensitive to political and economic events – something that seems to be making the headlines constantly these days.

As exchange rates move so quickly, it's important to understand the impact this can have on the price of your property and to protect any currency exchanges you make while currency markets are in flux. With this in mind, it is worth speaking to currency specialists, to find you the best available rates and monitor the currency markets for you.

### 6. Beware extra charges and hidden fees

Beware additional charges when purchasing a house. You should generally allow around 10-15 percent of the purchase price to cover all taxes and fees.

**halo**

**Halo Handy Hints:** Never buy a property in Spain without seeking legal advice first.

## 16 STEP THREE: MONEY MATTERS

When buying a property in Spain, there are several important financial matters that must be considered and planned carefully. Here are our Ten Top Tips for foreign property finance:

### 1. What is your total budget?

How much money do you have to spend on your property, the property buying process – including fees – and its ongoing upkeep and maintenance?

### 2. How will you fund the property purchase?

With a mortgage, by releasing equity from another property, or are you paying cash? If you are looking to take out a mortgage it is worth noting that, generally mortgage availability for foreign nationals is good. Despite Spain's well documented problems in its property market in recent (or perhaps because of it) financial institutions still have a healthy appetite for lending, with maximum loan to values still around 65 to 70 percent, although smaller deposits are sometimes possible in areas where house prices are more resilient, such as the Balearics, the Canary Islands, Madrid and Barcelona. It is important to only ever use officially approved lenders and to always take legal advice before signing any binding documents.

### 3. Factor in all additional costs

Extra costs include property viewings and visits to the country before buying the property, along with legal fees, agent fees, taxes, valuation and registration costs, and exchange rates when moving money between countries. Hidden costs of buying a home in Spain include notary fees (typically between 400-900 Euros), land registry fees (approximately half the cost of notary fees), stamp duty and the cost of an independent lawyer.

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### Halo Handy Hints

It is important that you make arrangements to pay your taxes once you have your property in Spain. What you have to pay will depend to some extent on whether you are a resident or not. Both residents and non-residents must pay Impuesto sobre bienes inmuebles urbana tax. This is similar to the UK's Council Tax.

## 17 STEP THREE: MONEY MATTERS

4. **Be aware of currency market movements** and their effect on the price of your property. David Johnson, Director at Halo Financial, has monitored currency trends for over 20 years, seeing dramatic exchange rate movements in response to economic and political events.

### halo Halo Handy Hints

"A Spanish property at €250,000 would have cost £196,250 on 19th June 2016, then jumped up to £209,750 in only a month, following the UK's EU Referendum and its effect on the value of the Pound – that's a difference of £13,500 in your pocket!"

"It's impossible to keep up, but a currency specialist can update you on what market movements mean for you; a valuable tool against uncertainty. The more informed you are, the more money you can save, exchanging currency at the time that's right for you."

GET A CURRENCY QUOTE  
FROM HALO FINANCIAL

5. **Don't forget the ongoing costs associated with owning a property in Spain.** You will need to ensure any regular bills and mortgage payments are covered, as well as ongoing maintenance, amenities, and so on. Remember that if you are paying these in another currency, the same currency market movements mentioned above will affect the price of these payments. Consider any recurring and regular payments and discuss how you could potentially save money on these with a currency specialist.

6. **If you are moving permanently to Spain, get reliable estimates for removals and shipping costs and ensure that these are included in your overall budget.** Find a professional relocation and removals firm to give you a quote. If you are purchasing a home for investment purposes, and therefore not planning on moving any belongings to the country, then you will need to ensure that the house you buy is furnished or budget to furnish it once you have bought it. Unfurnished homes command lower rental values than furnished ones, and are therefore harder to find tenants for.

7. **Consider any inheritance implications**, including Inheritance Tax, your will, and the effects of the property purchase on your estate. Prior to August 2015, inheritance law in Spain dictated that a foreign resident's estate would be dealt with according to the law of their home nationality. However, changes to EU rules in 2015 mean that EU citizens living in Spain, as well as a number of non-EU countries, can now choose whether the law of their home country or their country of residence applies. If a foreign resident dies without leaving a will or making an official declaration on which law they wish to apply, the law of the country where they resided for the last five years will apply.

### halo Halo Handy Hints

The different autonomous communities in Spain can vary the state rules – and many of them do for inheritance tax, so the rules may change depending on where you own your property.

8. **If possible, it may be worth opening a Spanish bank account from your home country.** Many Spanish banks accept non-resident accounts, so it is possible to set up an account in advance of your move. As well as the standard documentation, you may have to prove that you are not resident by providing a certificate of non-residency (certificado de no residencia). To get one, you have to apply at a Spanish police station and the process typically takes 10 days. This option is used by someone who may spend a considerable amount of time in Spain, but is officially resident elsewhere (such as an overseas property buyer).

### halo Halo Handy Hints

The process of opening an account for Spanish residents is straightforward, although you will need to be in possession of a foreigner identification number and certificate (número de identificación de extranjeros). Most Spanish accounts charge an annual fee for current accounts. This could set you back somewhere between 15 to 30 Euros a year.

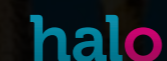
## 19 STEP THREE: MONEY MATTERS

9. **Organise salary or pension payments.** If you are moving to Spain long-term, ensure that your salary or pension can be paid directly to you. State pensions from other EU countries can often be transferred directly to Spain, although will often be paid at the same rate as you would have received in the previous country – meaning you could be subject to currency movements.

### halo Halo Handy Hints

The amount of pension you will receive will be based on the number of years you have made full contributions to the various State schemes you have paid into within the UK, Spain or other European Economic Area country. Again, pensions and other financial asset transfers are something that could be affected by the ongoing Brexit negotiations, so seek expert advice before deciding what you should do.

10. **Plan ahead as much as possible and as far ahead as is feasible,** to ensure you have accounted for all the financial aspects of your property purchase.



#### Halo Handy Hints:

##### Salary and income tax information

The average salary in Spain for the tax year ending 2015 was 20,618 Euros. However, wages outside the larger cities are much lower than this; and in many regions will be closer to 10,000 Euros annually.

The amount of income tax you pay depends on how much you earn. You are likely to be taxed by the state and the region in which you live. For the year ending 31st December 2017, those who earn less than 12,450 Euros a year are taxed 19 percent of their earnings (9.5 percent by the state and 9.5 percent by the region). Those who earn between 12,451 Euros and 20,200 Euros will face income tax of 24 percent (12 percent state, 12 percent region), those who earn between 20,201 Euros and 35,200 Euros pay 30 percent (again an equal split between state and region). The next bracket covers those who earn between 35,201 Euros and 60,000 Euros, who are taxed at 37 percent, while the highest earners – those who earn more than 60,001 Euros pay 45 percent on each Euro earned.

## 21 STEP FOUR: BUYING THE PROPERTY

### Estate Agents and viewing properties

Regardless of location, it's critical to find a good real estate agent. Here are our five top tips for finding the right agent.

#### Top tips for finding a good property agent

1. When researching potential agents, look at some of the overseas property portals to compare regions and agents. This will give you a feel for what's available and the different services they can offer.
2. Establish how long the agent has been operating in that area; their range of properties available and local and regional knowledge.
3. Check their professional qualifications and accreditations. Find out if they are members of any professional associations or membership bodies, thereby ensuring they adhere to a code of ethics and high professional standards.
4. Ensure they are responsive and can answer any queries or questions you have along the way.
5. Take the opportunity to call or email the agent to ask them a question, not just about the property itself, but about the local area and life in Spain. They should also be able to help you with getting your new property set up, either for rental purposes or for you to move in to, as a holiday home or for a permanent move. Local, multilingual estate agents should be able to help you with practical matters in the area, too, such as opening a bank account, how to connect to utilities, and finding local amenities.

### Viewing properties with an agent – “The Viewing Trip”

As mentioned elsewhere in this guide, it is highly recommended that you view any potential property purchase prior to making an offer.

If you can, stay in the area in which you are viewing the property – rent an apartment or try out a holiday let to get a feel for the properties and what it's really like in the area in which you wish to buy.

It's always a good idea to look at any potential property investment at different times of the year and in different situations – visit both day and night, if you can – and comparing and contrasting what the property's like in both summer and winter is advisable.

If it is a long journey for you, you will need to make the most of any specific trips to view properties and be organised – plan ahead as much as possible and make sure your agent works for you to ensure a solid schedule of viewings of properties that fit your criteria.

#### Halo handy Hints: Renting before you buy

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“Overseas buyers who are looking to emigrate or buy a holiday home often try before they buy in their country and area of choice by renting beforehand. Many agents offer both short and long term rentals as well as properties for sale – speak to some agents and look around to see what's on offer that suits your needs.” Mimzee Brewer, Head of Overseas Property, Halo Financial.

## 23 STEP FOUR: BUYING THE PROPERTY

### The buying process

The following is a step by step guide to the property buying process in Spain.

#### Step one: Find the property

The internet will undoubtedly be the first place most people will turn to when it comes to finding the right property. However, if you are visiting the area in which you wish to buy, then take time to visit all the local estate agencies and peruse local newspapers and any free neighbourhood magazines.

#### Step two: Visit the property

Once you have selected a property – or properties (it never hurts to have options), it is well worth paying a visit to make sure it's everything the agent says it is. When visiting a property, it's a good idea to talk to locals about what the area is really like.

#### Step three: Ensure everything is in place

- You've found the property for you. It's time to make an offer! However, before you do, it's essential to check that all your finances are in place.
- Can you definitely get the mortgage you need?
- Do you have enough money set aside for extra, hidden, costs such as legal fees and agency commission?
- Legal fees will typically cost somewhere in the region of 1,000 to 2,000 Euros. It is essential to find a good quality Spanish lawyer who speaks the same language as you. Ideally, they should be in the area you intend purchasing in but this isn't an absolute requirement. You (or rather your lawyer) will need a copy of the Nota Simple which specifies according to Land Registry what you are buying and what is registered.
- During the process of buying a house in Spain, you will need to obtain an NIE if you don't already have one. The Número de Identificación de Extranjeros means that you are registered with the Spanish Tax Authorities. It can be applied in person at the Foreign Office or National Police Station.

#### Step four: Make an offer

Once your finances are in place, and you have engaged a lawyer to work on your behalf, it is time to make an offer. You can do this through the agency who will then present it to the seller, who will either accept or reject. Many, although not all, sellers will accept offers below the market value, so it is worth starting with a lower offer, just to test the water – although not too low, as this can be considered insulting in Spain. Once you reach a verbal agreement, it is a good idea to have your lawyer summarise the key points in writing and get this over to the vendor so as to reduce the chance of any misunderstanding that might scupper the transaction further down the line. If you choose to do this it must be made very clear in the wording of the document that this is just a clarification of what you have agreed in principle and not a binding commitment.

#### Step five: Do your due diligence

Before signing a binding contract – which tends to happen around two weeks after an offer has been made and accepted – it is essential that you instruct your legal representation to carry out due diligence checks for you. This should include checking the legal status of the property; that it's free of debts and charges; that utilities and community fees are paid; and that there is correct planning permission and licences for future improvements. If your lawyer is not satisfied by what they see, then you will be advised to pull out of the deal.

#### Step six: Time to sign

Assuming you get the green light from your lawyer, it is time to sign the contract. You will need to pay a deposit in the region of 10 percent at this point. You will not get this back should you pull out of the deal once the contract is signed.

#### Step seven: Completion date

On the date of completion, you will sign the title deeds in front of a notary from each party. You will then need to pay the remainder of the balance of the property and settle the remaining fees with your agents, lawyers and any other representatives you have used.

### halo Halo Handy Hints

You should generally allow around 10-15 percent of the purchase price to cover all taxes and fees associated with buying a home in Spain.

## 25 STEP FIVE: GETTING SET UP

### The buying process

The advice in this section is aimed mainly at people who are looking to settle in Spain on a permanent basis, rather than those investing in property.

### Currency

The exchange rate that you secure for transferring large sums, such as the proceeds from the sale of a property in your home country, will have a huge bearing on your spending power once you arrive to live in Spain. You should start thinking about exchanging your currency for Euros soon after you start on the long road to emigration. Forget moving money through high street banks, though; the best exchange rates are available through currency exchange specialists. These companies can arrange 'forward contracts', allowing you to secure a good rate of exchange up to two years in advance, or market orders, to set a desired rate and then exchange your currency when the currency hits that exchange rate. Such arrangements can mean peace of mind, as you know your money is protected from any currency movements.

### halo Halo Handy Hints

You may find yourself obsessing over getting the best possible exchange rate, but rest assured this is quite normal; after all, it is an important exchange. If this is the case, speak to a foreign exchange specialist, as they watch the money markets constantly and you can instruct them to watch for the sort of rate you are after. Find out more at [www.halofinancial.com](http://www.halofinancial.com)

GET A CURRENCY QUOTE TODAY

### Residency

Due to the EU's Freedom of Movement pact, if you are planning to move to Spain as an EU citizen, there is no need to apply for a specific visa. Providing you can provide proof that you can support yourself financially, and not be a burden on Spain's welfare state, then deciding to live in Spain should not be an issue.

However, in order to live in the country and enjoy the same benefits as any other Spanish resident – including those pertaining to healthcare, employment and your child's education – you will need to be in possession of a Certificado de Empadronamiento. This is a resident's card, which you will be given when you register with your community's padrón (city roll). This can be done at your local town hall. To register to become a resident you will often need ID – such as an EU passport and proof of your new address.

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You should register as a resident within three months of arriving in the country.

The current uncertainty over the UK's future relationship with the EU means it is currently unknown exactly how residence requirements will change for Brits looking to move to Spain post-Brexit – or indeed for those expats already living there.

Whether UK nationals will be subjected to the non-EU rules, or whether a freedom of movement pact will be included as part of the exit negotiations, is as yet unknown. It's worth remembering that Spain does offer a Golden Visa scheme, which offers residency to non-EU nationals who purchase a home for more than 500,000 Euros.

Currently, non-EU residents who are planning to live and work in Spain will need to qualify for an EU Blue Card. To qualify for this, you will need to have higher professional qualifications, such as a university degree, and an employment contract or a binding job offer which offers a salary higher than that of the average for the same position.

If you are a spouse or partner of a Spanish citizen, then you will be required to prove you have 'reasonable prospects' of staying permanently in that country. In other words, the onus is on you to prove that your relationship is genuine.

## 27 STEP FIVE: GETTING SET UP

### Removals

Whether you're moving to Spain in search of a sunnier climate, or you've made a career move, it is essential that you send your belongings safely and securely onto your new destination.

Having a reliable international removals firm on board is one way to avoid any mishaps along the way. Give yourself plenty of time to research companies that offer the service you require and gather quotes. Whilst many may offer a similar service, or indeed cheaper quotes, it's worth doing your research. International removal companies are governed by an array of official bodies, which make their service adhere to strict rules and regulations.

GET A REMOVALS QUOTE

### halo Halo Handy Hints

You should always look out for the following accreditations before making your final decision:

- FAIM Accreditation, which is the only independent Quality Assurance standard for the International Moving Industry.
- Membership of the FIDI Global Alliance, which sets a quality benchmark for its members.
- Membership of the British Association of Removers Overseas Group. BAR Overseas is covered by the IMMI Advance payment guarantee scheme for your financial protection.

Choosing the right removals company can take some of the steam (and stress) out of the move. Once you have decided which company is going to take care of your move they should take you through each step of the process. If you have moved house before, then much will be familiar – you will be working towards a date, deciding whether to have someone pack for you, or whether you will be doing it all yourself. Removal Companies will assign you a move coordinator, who will advise you on the process and dates and timings.

As the moving date moves closer, you'll be kept informed of what's happening and when. If you've decided to pack your own belongings, you'll be given professional boxes, material and cartons in which to do this. Remember to give yourself plenty of time to pack up. It's easy to underestimate what you've got to do. If professional packers are completing the process, you'll be given a moving date and they will arrive and make sure everything is safely packed away. They'll give you an inventory of what has gone onto the lorry.

### halo Halo Handy Hints

Providing you are an EU member, you will need the following documents to move your belongings to Spain:

- **Passport**
- **Certificate of residency confirming they have been working and living for more than 12 months in the current country of origin.**
- **European Certificate or NIE number.**
- **Removal inventory in Spanish**
- **Valuation form for Shipment Protection Cover**
- **Purchase receipts (only applicable if you are importing any newly purchased goods)**

Please note, this could change as the ongoing Brexit talks take shape. Check with your international removals firm for exactly what you need to provide.

When shipping your personal belongings to Spain, the transit time between removal in the UK and arrival at your new home will be approximately three to seven days for dedicated loads and one to three weeks for part load shipments.

## 29 STEP FIVE: GETTING SET UP

### Pet removals

If you want to take your furry, feathered or even scaled family members with you, then you will need to find out the rules regarding the transportation of pets. These rules will differ slightly depending on where you are travelling from and the type of animal you wish to bring. Unsurprisingly, bringing animals which are native to Spain is more straightforward than bringing those that aren't.

Pets will usually need to be microchipped before they are allowed to enter, possess a pet passport or third-country official veterinary certificate, and cats and dogs will need to have been vaccinated against rabies.

Depending on the country you are travelling from (not the UK), and the animal you are relocating, some airlines will allow small pets like cats or dogs to be taken with the passenger in the cabin. However, it's always worth checking with a pet transportation specialist first as they will be able to advise you of all the rules and regulations.

GET A QUOTE FOR MOVING YOUR  
PETS TO SPAIN

### Healthcare

In Spain, most basic healthcare is provided for free – or at least at low-cost – throughout the country for all residents, providing they are contributing towards the social security system. This usually means that you will need to work for a company or be registered as self-employed.

If you are self-employed, you can apply for your social security number at your local Social Security Treasury Office (Tesorería de la Seguridad Social). If you are working for a company, then your employer should sort this out for you. Once you have a social security number, you will need to visit your local medical centre to obtain a medical card. You will then be assigned to a particular GP and that will be the person you see from that point on.

### halo Halo Handy Hints

Residents from some EU countries who are over 60 years of age may be able to get their country's health system to cover them for any treatment providing they are in possession of the European Health Insurance Card (EHIC); formerly known as E111 health insurance. The EHIC can also be used to cover any EU residents for emergencies that may occur in the time between arriving to live in Spain and receiving the medical card – although it should not be used as full-time cover!

It's worth noting, that even if you don't have a social security number and are younger than 60 years of age, then you will still be entitled to free emergency care in any public hospital, providing you have a Certificado de Empadronamiento – this is a resident's card which you will be given when you register with your community's padrón (city roll).

While those who are eligible to take advantage of Spain's public health system will receive most healthcare free, there will still be costs (albeit subsidised) for things such as prescription medicines, dental care and eye care.

It is worth noting that healthcare standards do vary depending on where you live and some rural areas – especially those that are inland – provide only very basic medical facilities.

If you are not entitled to free public healthcare in Spain, which could potentially be the case for British residents post-Brexit, then you will need to look into taking out private healthcare. There are a number of providers throughout the country. Many expats – whether they qualify for free healthcare or not – do choose to take out at least some form of private healthcare. There are a number of reasons for this, such as to avoid the often lengthy waiting times for non-emergency treatment that exist through the public healthcare system and to ensure they will be treated by an English-speaking doctor (this will not necessarily be the case in the public system).

## 31 STEP FIVE: GETTING SET UP

### Education

While many children in Spain attend pre-schools from the age of three, children don't actually start compulsory education at primary school (Educación Primaria) until the September of the calendar year in which they are six years old. Some children may be allowed to start primary school before this, but that will often be down to the discretion of the Government in the region that you live. In Spain, education is overseen by the regional governments, although the system is similar throughout the country.

Primary school lasts for six years – typically between the ages of 6 and 12 – after which children move on to Compulsory Secondary Education (Educación Secundaria Obligatoria – commonly referred to simply as ESO). ESO lasts for four years (12 to 16). At the end of the fourth year, children will take exams in an attempt to earn their Graduado de Educación Secundaria (Secondary Education Graduate certificate) at which point they can then choose to leave school.

Most Spanish families choose to send their children to free state schools. However, the standards of state schools vary dramatically. Generally, if your child is of primary school age, they will simply attend the school closest to where you live, although there is a little more choice at secondary school level where you will be able to apply to any schools located within a certain geographic zone.

### Education (Continued...)

No doubt you will have remembered to have handed in your notice at work, book your one-way flights and other such essentials. However, there are a host of other tasks than can easily be forgotten about in the excitement of emigration.

It's an obvious point, but it's worth checking your passport is in date; this will save any unwelcome surprises at the airport.

On the subject of important documents, make sure you also keep all relevant paperwork in one place and in a clear order so it can be easily accessed. These documents include:

- all correspondence with immigration departments;
- your medical records;
- school reports;
- references from employers; and
- anything else you think you may be asked for.

Make sure all bank accounts and similar services that you will no longer need have been closed and cancel any direct debits.

### halo Halo Handy Hints

It is essential to note that the teaching language used in all state schools will be Castilian Spanish, alongside any co-official languages that may be used in the particular region in which you live (for example, Catalan, Basque, Galician, or Mallorquin). Therefore, if your child struggles with the Spanish language, they will find school hard going at first; you should also not assume that their teacher will speak any English, especially if you are not moving to a popular expat spot.

There are other options aside from state schools, including international schools (which will teach in English) and private schools (which are sometimes bilingual). It will cost parents money to send their children to either of these types of institutions, but international schools will almost certainly be more affordable than their private equivalents. There are also faith-based schools while home schooling is another option.

### halo Halo Handy Hints

Finally, and it may sound obvious, but take time to say goodbye to all friends and family that you may be leaving behind. The stress of moving to a new country and sorting out all that needs to be done could mean that you run out of time to say proper farewells.

## 33 TEN TIPS WHEN BUYING A SPANISH PROPERTY



1. Be sure you are clear on the exact purpose of the property you are buying before you purchase. The ideal location of the property will differ depending on whether you are looking to make money through rental yields, capital appreciation or for your own use.

2. Beware older properties. Buying a property in need of renovation may appear cheap at first, but keep in mind that getting dilapidated homes to a decent standard can take time and effort and, in some instances, could require you tearing the entire building down and starting again. You will also need planning permission, which can be expensive and a bureaucratic nightmare to receive. Often, planning permission will need to be sought whilst engaging in the property buying process. Carry out in-depth checks first and get a second opinion if you feel you need it.

3. Learn how the purchasing process works. A property may look great value at its given price, but does this price include 'hidden costs', such as property taxes, agent fees, legal fees, etc? Always take legal advice.

4. Haggle over the price. Sure, a property may be listed for a certain amount, but this doesn't mean the seller might not consider dropping the price slightly. If you don't ask, then you don't get!

5. Check the credentials of any professionals you are using. Ask for testimonials and don't take anything a company tells you for granted without making your own checks first. You should be fully confident and comfortable with anyone who is involved in the process, and believe they have your best interests in mind.

6. Always visit the property – or at least the area if you are buying off-plan – before purchasing. If you don't, how can you be sure that the promised two-minute walk from the local amenities/beach isn't actually a 30 minute drive?

7. Check to see whether there are any financial factors that could affect potential profits. For example, how much Capital Gains Tax will you need to pay should you wish to sell your property? How much Income Tax will you have to pay on rental yields? You need to be clear on all financial aspects of owning a property, before you can start planning to make money from your purchase. Seek the help of an Independent Financial Advisor (IFA)

8. Beware of figures. In this guide, we have provided some figures for property prices, salaries and other aspects of the property purchase. However, just because some Spanish properties are appreciating on average in value at a certain rate, doesn't mean that all properties will. Your Spanish property is more likely to increase in value if it is located in a popular location – but then you will also need to take into account that there may be other people selling similar properties at the same time you are. Research is essential.

9. If you plan to let your property out throughout the year, think about how you will maintain it in between tenants. Flying out to the property to check it over yourself will be expensive, time consuming and, in many instances, not a viable option. Managing agents are a popular option. Again, such services cost money - further eating into any potential profit margins. If you're buying an unfurnished property, there will also be an outlay on furniture to consider.

10. Finally, if buying a house purely for investment, don't bank on becoming rich overnight – the Spanish property market has changed considerably since the early Noughties, when quick gains were readily achievable through rapidly rising prices. Investing for profit should be considered a long-term strategy.

## Useful Resources

You can find useful articles online by professionals who can help you with your property purchase, as well as relevant news and views from people who have been through the process before, on the Halo Financial website. [www.halofinancial.com](http://www.halofinancial.com)

There is a wealth of information on Emigrate2, the independent information hub about everything to do with buying property abroad and emigrating. [www.emigrate2.co.uk](http://www.emigrate2.co.uk)

## Happy Hunting!

### Useful Resources

[www.halofinancial.com](http://www.halofinancial.com)

[www.emigrate2.co.uk](http://www.emigrate2.co.uk)

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