



PURCHASE GUIDE



A potentially life changing decision

Deciding to buy a property in Spain is an exciting and life changing decision. Whilst there are some differences from buying a property in other countries, it's not too complicated once you understand the process. You also have the reassurance that we at Norma Franck are always available if you have any questions whatsoever. This guide should provide a good introduction to the steps you need to take towards owning your property in Spain and a new life with sand between your toes.

Quick steps of the buying process

01 _____

Finance

Do a financial calculation of how you will finance the property and your budget.

02 _____

Contact a sales agent

Find a sales agent and provide the agent with your criterias of what you're looking for. The sales agent will send you suggestions of propertis.

03 _____

Viewings

Attend the viewings together with your sales agent.

04 _____

Contact a legal representative

Find a legal representative that you trust and he/she will help you with Spanish registration number and power of attorney for the steps needed.

05 _____

Put an offer

When you have found your dream home it's time to put an offer on it. In Spain the bidding takes place below the asking price which is different compared to many other countries.

06 _____

Reservation contract

When you get an accepted offer you reserve the property by signing a reservation contract and pay the reservation fee (usually between 6000 and 10 000 €). The transfer will be made into the lawyers client account and not to the vendor. When the transfer is done, the property is off market and your lawyer starts with the due diligence to make sure everything is in order with your new home. If you have applied for a morgage, a valuation of the property will be done and the bank will finish your morgage application.

07 _____

Purchase contract

If everything is in order with the property it's time to sign the purchase contract. This is usually done 14 days after the reservation contract was signed. When both the vendor and buyer have signed the purchase contract 10% of the agreed price of the property (minus the reservation fee) is transferred to the lawyer's client account. The lawyer will confirm the transfer ti the vendor. The agreed date of access is written in the purchase contract.

08 _____

Completion of purchase / access

The day of access everyone will meet at the notary to complete the purchase. By this time, all eventual morgage of the vendor is removed from the property and registration in the title deed is made. The 10% at the lawyer's client account and the 90% that is left of the agreed price is transferred to the vendor at the notary. The keys to the prperty are handed over to you and you got a new home.



Choose your new home with care

At Norma Franck we will help you find the home you are looking for, regardless budget or type of property. For us it's important that the purchase of your new home feels right and that it's the type of home that suits you the best.

We provide all our costumers a service where we offer both our own properties but also our collaborators properties, which means that we have access to cover the complete property market. This way, you can use our knowledge and we can advise you on the best properties that suit your needs all at once.

Our sales agents become your personal agent and you don't have to contact several sales agents and do all the research yourself. We also help you schedule all viewings and show you the properties.

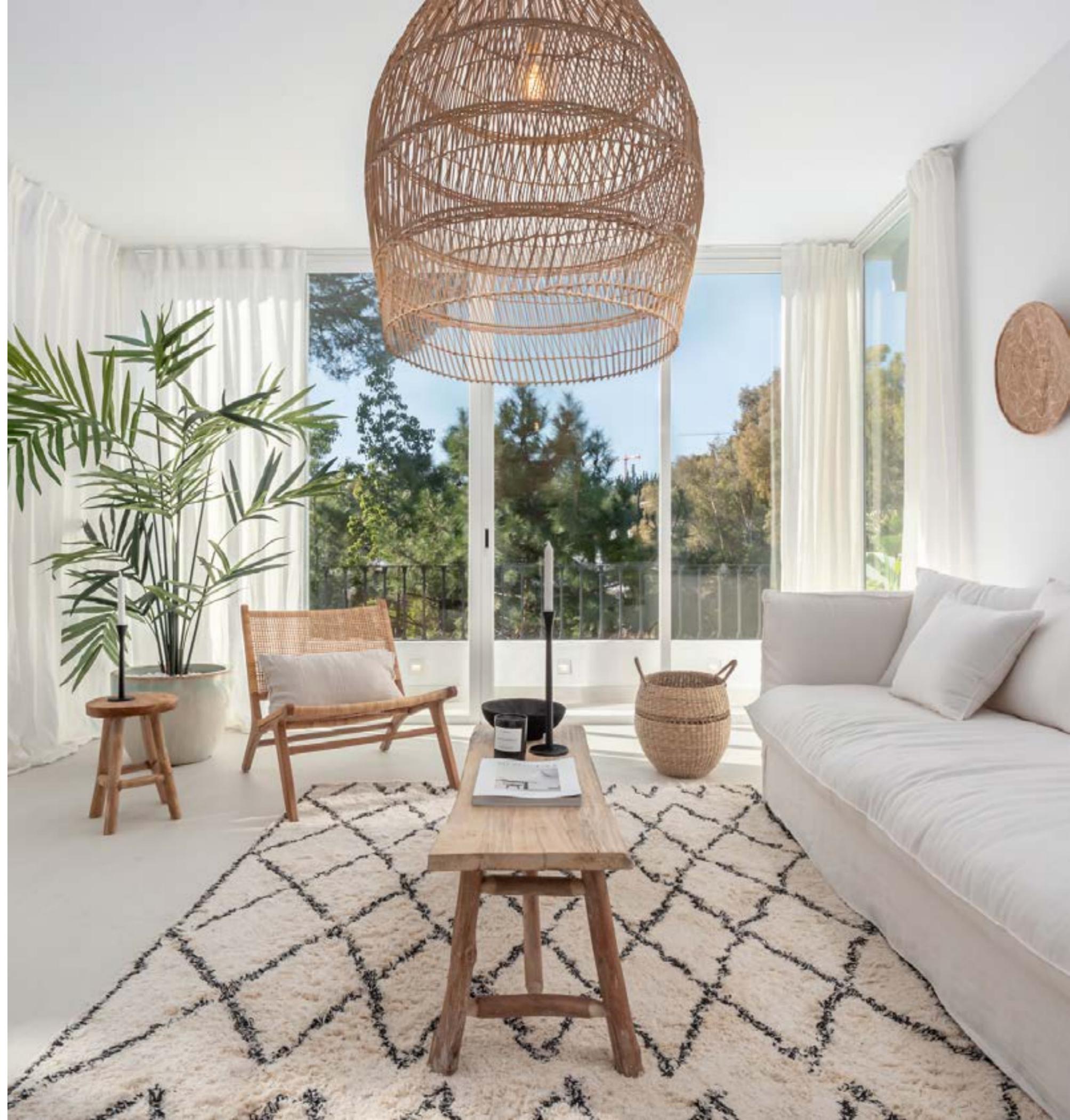


Financing

We recommend our costumers to set a plan of how you will finance the property before you actually start looking. In case you will apply for a mortgage we recommend you to apply for an offer to find out your budget and what your options are.

One option is to apply for a mortgage in a Spanish bank, where you usually can get a mortgage for up to 50-70% of the property price. Another option is to mortgage your existing home via your bank in your country. Having a good overview of your finance gives you an idea what you can expect for the budget, what your new monthly cost will be and allow you to act in the most efficient manner when the right property comes along.

Your sales agent will not be involved in the financing, but can provide you with our recommendations of bank options and legal representation.





Legal Representation

We recommend everyone, both vendors and buyers, to hire a legal representation with experience of the Spanish property market/ transactions to represent you throughout the purchase. The lawyer will cost you 1% of the agreed price of the property, which is a relatively small cost compared to that it will save you from future trouble and costs if something goes wrong in your purchase.

For example, all debts on the property, such as bank loans, local taxes and fees are taken over by the new owner if the vendor doesn't apply for a change. This is included in the lawyers due diligence of the property and he will confirm that there are no debts on the property before you complete the purchase.

If you're not a Spanish resident you will need a NIE number to buy a property in Spain. This is a Spanish identification number for foreigners (Número the Identificación de Extranjero). The NIE number is a tax number which is required when buying a property, paying taxes, starting a bank account, signing up for subscriptions such as telephone, electricity, etc.

Your lawyer will apply and provide you with your NIE number, which is included in the 1% that you pay.

Viewings

The Spanish viewings are quite different from what we are used to in other countries. In Spain, the customer often views several properties individually with the sales agent, which also means that you have enough time to ask questions without stress. Your sales agent will attend all your viewings and can also give his/hers recommendations and/or pros and cons according to our knowledge.





To buy a resale property

A resale property is an existing property that has had previous owners, where you buy the property from the current owner. All resale properties are sold in existing conditions with respect to age, price and usage. It's the buyer's responsibility to check the property before signing the purchase contract. Your legal representation will help you to make a due diligence of the property to see that everything is in order and that it will be a safe purchase.

Property tax of a resale property is 7% of the purchase price.

To buy new development

Buying a new home off plan is a little different than buying a resale property, but your sales agent here to help to ensure that everything goes right and that it will be a secure purchase. At all the new developments, it's the developer of the property who becomes the vendor. The developer, together with your sales agent, will provide you with all information about the development such as when it's going to be built, finish and when the access of the properties will take place.

There are renders, site plans and floor plans of the development to give you a clear picture how the result will look like. The developer will also show you the plot of the development and show you where your property is located. You get to see materials and depending of developer and how far the building process has gone, you might be able to make some changes on the inside of the property to make it suit your needs and taste.

The payment plan of buying a new development depends of the developer but usually a reservation cost of 6 000–10 000 will be paid to take the property off the market. During the building process you usually pay between 30–40% of the property price, sometimes all at once and sometimes divided into different occasions. The 60–70% that's left will be paid at access when the development is completely done.

Property tax (VAT) of a property from a new development is 10% on top of the price of the property.



Costs connected with your purchase

When you buy a property, there will be additional costs of between 12-14% of the agreed price of the property and it's important that this is included in your budget. The buyer pays following costs additional to the agreed property price.

Transfer tax

Property tax is 7% for a resale property and 10% of a property bought from a new development.

Value Added Tax (VAT)

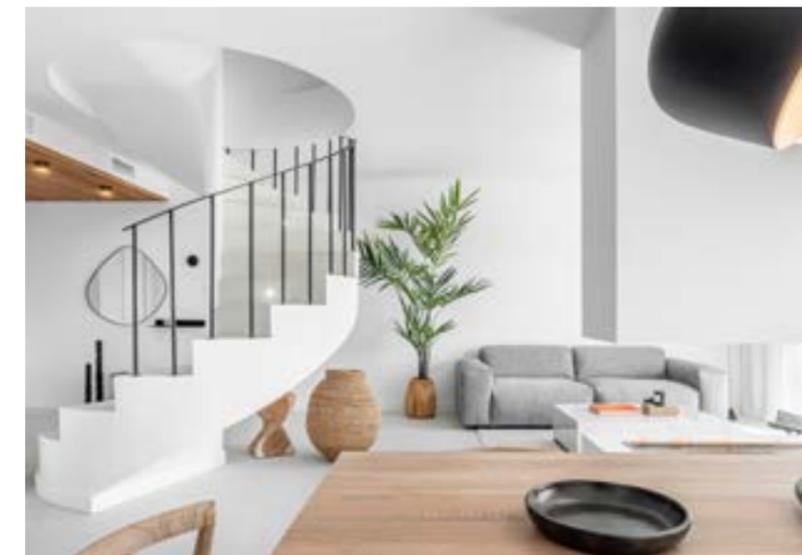
VAT is 10% and shall be paid when a home are being sold for the first time. In addition to VAT, stamp duty shall be paid for the issue of the legal documents. This is normally around 0.5% of the purchase price, but can be 1.5% in certain regions.

Notary fees and registration fees

In most cases the notary fee are between €1800 and €2000 but depending on the price of the property this rates can be much higher. If you have applied for a mortgage of the property, you will also need to pay the notary fees for the title registration linked to the mortgage. Title registration fees are in most cases between €600 and €800.

Legal fees

Most lawyers charge around 1% of the agreed property price. This might be negotiable for more expensive properties. Some charge by the hour and others offer a set fee.



Access

When the due diligence, documents and finance are done, it's time to complete the purchase. The date of the completion is written in the purchase contract and it takes place at the notary. At this time the registration are made that the property has a new owner, and the agreed property price will be transferred to the vendor. The keys will be handed over and the buyer got a new home!



Who is Norma Franck?

Welcome to Norma Franck Homes. We are a Scandinavian style of real estate firm based in Marbella, working with both buyers, vendors & developers.

Norma Franck Homes consists of three different parts, real estate, investment & interior consultancy which we will all do in-house. Our vision is to work as a conceptual real estate firm & keep a high standard of sales & purchases for our clients by working with professional photos, drone videos & designed materials/prospects. The investment part primarily invest in real estate, renovation projects & plots, both together with clients & within the company. We will also offer all our costumers interior consultancy for their new homes and projects thru our interior consultants in our team.

We want Norma Franck Homes to stand out from the usual real estate firms & be a part of a purchase, sale or project from start to end. Most of our clients are foreigners & we strive to be their connection and long hand into the Spanish market and to give them the opportunity to be a part of the growing market in the most efficient & comfortable way.

We usually talk about making a home reach its full potential, both within the property and the benefits of design, architecture and interior.

“
we add
value.”