

## **PROPERTY BUYING PROCEDURE AND TAXES TO BE PAID:**

### **THE STEPS ARE AS FOLLOWS:**

- 1- RESERVATION FEE**
- 2- PURCHASE AGREEMENT WITH DOWN PAYMENT IN ADVANCE**
- 3- DEED OF SALE**

#### **1. RESERVATION FEE**

If you have found the property you are looking for, and you want to make a RESERVATION of the property, we need you to provide the following information:

- **Name, Surnames and ID or NIE of the buyer** (if the person is a foreigner and does not have an NIE, provisionally a Passport or Driver's License can work, but obtention of the NIE will be essential)
- **Purchase offer.**
- **Latest date of the Deed of Sale.**
- **Amount to pay in the purchase agreement with down payment in advance.**

The RESERVATION FEE is used to suspend marketing and to give the owner time to analyze the purchase offer. The company, MONIKA RÜSCH, will hold this amount and the buyer empower the company, MONIKA RÜSCH, to transfer said RESERVATION FEE to the owner in the event the purchase offer is accepted. The purchase agreement with down payment in advance will be formalized at that time.

If the RESERVATION is not accepted by the owner, the company, MONIKA RÜSCH, will refund the amount of the reservation fee to the clients.

#### **2. CONTRATO DE ARRAS PENITENCIALES**

This is a contract signed by the buyer and the seller in which the price of the house and the maximum time of the Deed of Sale are being set.

The sum of the payment on account by the concept of Arras Penitenciales, in general, is 10% of the total price of the purchase.

Once this document is signed, if the Deed of Sale is not signed for reasons attributable to the buyer, he will lose the amount of money delivered in this act.

Once the contrato of Arras Penitenciales is signed, if the Deed of Sale is not signed for reasons attributable to the seller, the seller will have to refund double the money received to the buyer.

#### **3. DEED OF SALE**

This is the last step. We are almost there!

This is the signature of the sale before a Notary Public. The Notary Public is chosen by the buyer. If the buyer does not understand Spanish, he must be accompanied by an official translator.

Upon signature, the remaining amount will be paid to the seller. The payment must be done by means of a bank draft issued by a Spanish financial institution.

#### **TAXES TO PAY ON A DEED OF SALE:**

#### **WHO PAYS WHAT?**

**BUYER:** The buyer must pay expenses and taxes for the property purchase, these are as follows:

- Notary Public and administrative work
- Recording the property at the Land Registry
- ITP (Tax on Property Transfers) which amounts to 10 % of the purchase price.

**SELLER:** The seller must pay:

- Plusvalía municipal (Capital Gains Tax of the municipality)
- Administrative and registry cancellation expenses (in case of existing mortgage)