



SolmarEstates.com



Solmar Estates Guide: Relocating to Spain



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Hi we are Paul & Leigh Sayers and we own & run Solmar Estates Costa Blanca CB, a legally registered & insured company here on the sunny Costa Blanca, Alicante, Spain. We are long term residents on the Costa Blanca and between us we have a wealth of sales and property experience. We have built our family run business based firmly around honesty, integrity and excellent customer care & service.

Our business is big enough to offer a very wide choice of the very best properties on the Costa Blanca but also small enough to still offer a genuine one to one personal service before, during and a long time after you purchase a property from Solmar Estates.

Living on the Costa Blanca with our family we know the difficulties of setting up home in a new country and can offer practical advice and help on every aspect of buying a property either for fantastic holidays or for starting a new life in Spain. In this document you can find:

The Solmar Estates Service

Sound Bites of Spanish Life

The Climate of Murcia & The Costa Blanca

The Purchase Process

When you first arrive in Spain it can take up to 12 months before you really find your feet and in the early days even the most basic of tasks can sometimes seem daunting. Feel free to ask us, or any of our family members who work within our business, any questions you may have and you will get free genuine advice & help for as long as you need it.

Ready to take the first step? Simply pick up the phone and call us direct on 00 34 966 116 650. We're here and happy to help with every aspect of your Spanish property purchase.

The Solmar Estates Service:

The Solmar Estates Service During the Purchase Process of your Dream Home in Spain:

- Personal one to one no obligation tours of all the properties that match your requirements with impartial advice and no pressure sales tactics.
- Recommendation of local lawyers to guide you through your purchase - you are of course free to use any professionals of your own choice.
- Arranging of mortgages up to, and sometimes in excess of, 70% of the purchase price with all major Spanish banks.
- Arranging of an NIE number (this is your Spanish fiscal number) which you must have to purchase property in Spain.
- Opening a bank account. There are numerous branches of all the major Spanish banks along the Costa Blanca (significantly more bank branches than in major UK towns). Most cater for British customers and speak English and offer current & deposit accounts, cheque books, credit & debit cards & telephone & internet banking all in English. You can even set up a sterling deposit account!
- Advice on which professionals to use for translations, general paperwork, tax & financial issues.
- Advice on currency transfers.
- Advice on driving to Spain, ferries, low cost airlines, accommodation & car hire.
- Advice & help on choosing a removal & storage company.
- Help in finding rental accommodation if you planning to move to or stay in Spain before you have bought a property.
- On completion of the purchase of your property attending the notary with yourself and your solicitor to sign your title deeds and to hand over the final payment.

The Solmar Estates Service:

The Solmar Estates After Sales Services Include:

- Help in choosing or supplying complete furniture packages.
- Arranging security grills and state of the art low cost monitored alarm systems.
- Arranging digital T.V. so that you can watch all of your favourites UK television programmes.
- Help in arranging telephone & ADSL internet lines.
- Help in purchasing a Spanish car & re-registering of any UK registered vehicles you may have bought to Spain with you onto Spanish registration plates.
- Advice and recommendations on all of your insurances requirements inc. Property, travel, vehicles, life & medical.
- Information on local doctors, dentists, hospitals & medical specialists of all types.
- Advice on local schools (both international & state schools), nurseries, playgroups, mother & toddler groups and a whole host of clubs & societies.
- Advice on what shops & supermarkets to use (and what ones not to use!)
- General information on, beaches, places of interest, sporting facilities, bars, clubs & general advice on all aspects of life & living in Spain.

Living in Spain - Sound Bites of Spanish Life:

Spanish Life: The Mediterranean Lifestyle

The Costa Blanca and Costa Calida offer something for everyone...Complete tourist facilities, spectacular scenery, an extensive culinary palette, exciting popular festivities and sports & cultural and entertainment opportunities galore make this one of the most cosmopolitan regions in Europe.

Living Life to the Full

For those who want to live life to the full, the Costa Blanca and Costa Calida are both exceptional places to be. The relaxed & unhurried Mediterranean lifestyle and the healthy climate gives the local people a real passion for everything that they do and an influential culture that stretches out to touch people on every continent.

When in Spain... it's Outdoors

One of the main characteristics of this part of Spain is the way in which the emphasis of life is outdoors, taking place in the many restaurants, cafe bars, beaches and plazas. There is also a full diary of fiestas that take place throughout the year, where the locals from villages, towns and cities will dress up in costumes and celebrate at huge parties that run through to the early hours of the morning. With the superb weather, parties, BBQ's, games of tennis, rounds of golf etc. can be planned well in advance with very little chance of cancellation because 'rain stopped play'. The Spanish people appreciate their way of life and you can too!

The Spanish Climate

The fantastic & healthy weather...The World Health Organisation has confirmed that the Costa Blanca is one of the healthiest areas of the world in which to live with almost as perfect an environment as it is possible to obtain.

Lots and Lots of Warm Sunshine

With well over 300 days of sunshine each year, an average midday temperature of 22 degrees centigrade and remarkably low rainfall, the Southern Coastal areas of Spain are the perfect the perfect places to start a new life or just to enjoy long lazy day holidays.

Blue Flag Beaches

Costa Blanca & Costa Calida has some of Spain's finest beaches...Many of the beaches along the southern Costa Blanca and Costa Calida have held the European Blue Flag for their quality and cleanliness for several years. With their fine sand and crystal clear waters, they are without doubt amongst the most frequented along the Mediterranean coast.

Peace & Quiet?

Beaches such as El Moncayo between Guardamar and La Mata which stretches as far as the eye can see and is so long that even in peak season, there are days when it can seem almost deserted. On the

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Orihuela Costa you'll find many beaches often nestling alongside colourful marinas.

Or a Bit More Lively ?

For those who like their beaches to be a bit more lively, visit Los Locos and Playa Cura in Torrevieja with their fine sand, calm waters, a full range of facilities and the benefit of a bustling seafront promenade. Whatever you prefer, you'll find a beach just for you & when the sun goes down nightlife is well covered with an abundance of bars & clubs catering for all tastes & all age groups.

Cost of living

As we all know the cost of fuel & living is rising around the world but the cost of living in Spain is still significantly cheaper than the UK with a gallon of petrol currently around 4.00 GBP per gallon. Food shopping is very much cheaper than the UK with locally grown fruit & vegetables especially fresh and incredibly cheap. Costa Blanca & Costa Calida property prices are much cheaper than in the UK & we have some absolutely incredible bargains.

Feeling Sporty?

Every sporting activity imaginable is available with water based sports being especially popular. With crystal clear seas snorkelling just a few metres off shore reveals numerous & various aquatic life. Try jet skiing, water skiing, sailing, wind surfing, cannoing, kayaking, scuba diving, football, rugby, tennis, golf, cricket, horse riding, quad biking - If you want to do it, you can do it here.

Spanish Golf

A Golfers Paradise...Both the Costa Blanca and Costa Calida are a true golfers paradise. The year-round climate makes it ideal for a round of golf at any time. Play golf at La Finca, La Manga, La Marquesa, Las Ramblas, Mosa Trajectum, Campoamor, Villamartin and of course the world famous fantastic Polaris World Nicklaus Golf Trail consisting of some of the best golf courses in Spain and many many more. See the 'golf' section below for further details

Spanish Gastronomy

Plentiful Fresh Food & Drink...Food is very important to the Spanish, and because fresh produce is readily available it is easy to achieve fine, rich flavours. Garlic and olives are favourite ingredients. Flavoured cheeses, cured hams, and sausages are a Spanish speciality.

Spanish Specialities

Spain's most famous meal is paella, and it has many variations. Seafood, snails, rabbit, or poultry can be chosen as the base ingredient for this dish, and this is then fried in a big pan with onions, peppers, and olive oil and served with saffron rice and lots of finely chopped herbs and vegetables.

Spanish Tapas

Tapas was invented as a means to make your drink last longer. As dinner is eaten late in Spain, tapas makes a useful snack and is still regarded as informal, street-style food, although it is also served in

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high-class restaurants. Tapas can range from traditional hams or mussels on cocktail sticks to stuffed anchovy, olives or octopus. You will find an amazing variety of tapas dishes, but what makes it a real delight is the dips and sauces that accompany each mouthful. Toast rubbed with garlic, topped with tuna and roasted peppers and dripping with olive oil is just one example.

Spanish Wine

Spain is also one of the largest wine producers in the world, and three million tonnes of grapes are bottled each year. Rioja wine is the most famous of all its varieties, coming from the northern Rioja region. Quality Rioja wines have a common feature: they are aged in oak casks for several years before they are bottled. The oak has small pores and lets in less air so that the wine develops slowly and more smoothly and acquires the flavours it is famous for.

The Spanish Dream

More & more people are leaving the dreary grey & drab U.K. every year to start a new life here in Spain. Now is the time for you to have the lifestyle & property you have always dreamed of.

The Climate of Murcia & The Costa Blanca:

A Fantastic Climate All Year Round

The Costa Blanca enjoys a warm and dry Mediterranean climate, with little rain and a large number of hours of sun per year - just under 3,000 hours. The region has been described by the World Health Organisation as being one of the healthiest climates in the world.

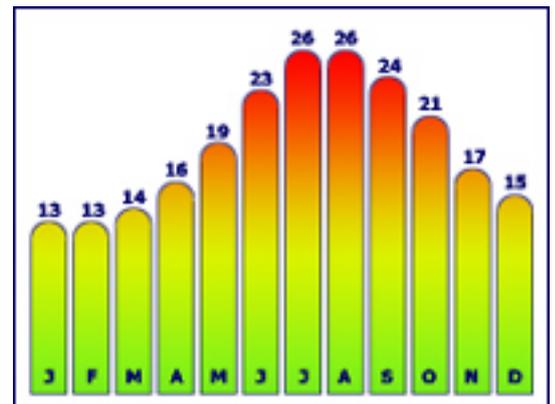
The temperatures throughout the year are excellent, reaching no lower than an average of 13°C in winter, and a heady summer average temperature of 26°C, with many days over and above 30°C. Also enjoying many days of 'Wall to Wall' sunshine, approximately 325 sunny days each year, it's no wonder so many people choose the Costa Blanca when searching for a property.

In summer it is typically very hot with little or no rainfall. Fortunately the combination of low humidity and gentle cooling sea breezes make the mid afternoon temperatures, which can reach 40°C enjoyable and bearable. Daytime Temperatures in the Winter rarely fall below 10°C and can be high enough to allow a little sunbathing.

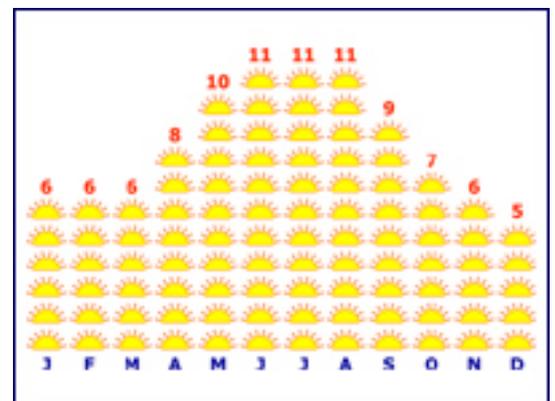
There is not much rainfall but what there is generally falls during the winter months. Fortunately even when it does rain you know that the sun is never far way. In the summer you would be very unlucky to experience more than a few drops of rain.

The Costa Blanca climate is such that you can really enjoy the outdoor life all year round. With a wonderful mix of street cafes/restaurants, great Golf Courses and fantastic blue flag beaches with warm seas you can do it all outdoors - all year round!

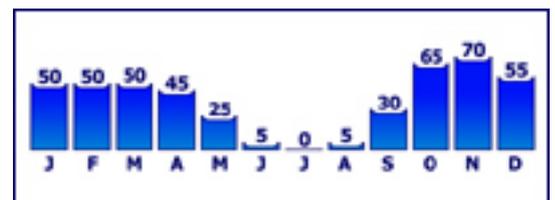
Average Daily Temperatures:



Average Daily Sunshine Hours:



Average Monthly Rainfall (mm):



Moving to Spain - The Purchase Process:

The purchase process - Deposits & payments

The purchase process is much the same for both re-sale properties & new build properties. Off plan new build properties, which are in the process of being built, are offered with a varying range of staged payments depending on the individual builder.

You can also purchase new build key ready properties that are ready for immediate occupation & the deposit is much the same as a re-sale property.

Re-sale & new build key ready properties

Expect to pay a 3,000 euro non refundable reservation deposit, then 10% of the purchase price (less the 3,000 euros already paid) within 4 weeks & then the balance on completion. In some instances completion can be obtained in 4 / 6 weeks & therefore in these cases only a 3,000 euro deposit is required with the entire balance being due on completion. The completion time depends on a numbers of factors. Your solicitor will undertake all the usual searches & obtain copies of all the latest bills. If you are purchasing with a mortgage then this will generally take 4 to 6 weeks to obtain & therefore completion will generally be 6 to 8 weeks.

Off Plan New Build Properties

Expect to pay a 3000 euro non refundable reservation deposit & a further payment of 25% to 40% of the purchase price within 30 - 60 days after reserving the property. The balance is due on completion. Completion will depend on the build time of the property. Each developer offers different build times & different payment structures and some are negotiable.

Make sure that you are fully aware of the actual planned build time & payment terms before you have made any financial commitment & that these terms are contained within your purchase contract. Our solicitors will of course make sure that you are fully aware of your financial commitments & that all documentation is correct.

The Purchase Process - NIE Numbers

All purchasers of all types of properties need to obtain an NIE number (fiscal number similar to UK NI number) prior to completion. This number is free from the Spanish authorities (except for a small tax charge of around 15 euros). It is still possible to obtain an NIE number in one day. However the foreigner's office in Alicante where the numbers are issued are very busy & they limit the amount of applicants per day which means queuing in the middle of the night to get a ticket. There are companies that will arrange this for you including queuing through the night for a charge of around 150 euros per person.

Another option is to apply at a local office. Our solicitor will take you in person to apply for the NIE number & then will collect it for you 7/10 days later. Our solicitors will not make a separate charge for

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this service. You need your NIE number for when you go to the notary to complete the sale but you can still start the purchase process without one. If you plan to reside in Spain for more than 180 days then you should also apply for a foreigner's resident certificate. This is available the same day for a national police station. Again it is free from the Spanish authorities except for a small tax charge of around 7 euros. The paperwork is complicated & best left for a solicitor to sort out. The cost for this would be around 75 euros per person.

The Purchase Process - Taking Out A Spanish Mortgage

Despite the global credit crunch we are still able to offer very competitive mortgages to assist with your Spanish property purchase (subject to status). Obviously you will have to prove that you can comfortably afford the re-payments & that you have cash readily available for the balance. If you can do this then Spanish mortgages are relatively quick & straightforward to apply for. A property purchase with a mortgage should be completed within 4 to 6 weeks. Spanish mortgages are generally a little bit more expensive to set up than in the UK but we can offer mortgages with a bank opening commission from as low as 1% of the amount borrowed. You will also need to pay the bank valuation fee of around 300 euros. You may also be requested to take out buildings insurance & life assurance with the bank but we are able to offer very competitive rates. Average interest rates are currently around 4%. We can offer mortgages up to 70% of the property value. This means you will need cash for the 30% balance plus the additional purchase fees over & above the purchase price as outlined earlier. We can arrange your Spanish mortgage for you. There are numerous branches of all the major Spanish banks along the Costa Blanca & Costa Calida (significantly more bank branches than in major UK towns). All of our banks cater for British customers and we can offer bank accounts with current & deposit accounts, cheque books, credit & debit cards & internet & telephone banking all in English. You can even set up a sterling deposit account! We are currently working with most Spanish banks Lloyds TSB, your English bank in Spain.

Firstly you will need to open a bank account with the bank & the branch in which you intend to apply for a mortgage. To do this you will need just your passport. The bank will also need your NIE number but this can be given to the bank at a later stage. We will help you with the opening of your bank account & we can take you into your chosen branch if you want us to. You will need to pay around 300 euros into your new account to cover the cost of the bank valuation fee for the property you want to arrange a mortgage for. Within a few days of ordering the valuation a valuer will arrange to see the property. He will take measurements & pictures of the property, note down details of the property both inside & outside & look at the surrounding area, the amenities & infrastructure etc. Within a week or so the bank will receive the valuation report of the property & they will use this to calculate how much they are prepared to lend against the property, subject to your individual financial status. (Please note this is a property valuation report & not any kind of structural or property condition survey). In order to offer you a mortgage the bank will need to see the following paperwork to prove that you qualify & can comfortably afford the re-payments :- If you are employed you will need to show the original copies your latest P60, your last 3 to 6 months wage / pay slips, your last 6 to 12 months bank statements showing your wages being paid in, proof that you have the cash balance readily available (usually savings

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accounts statements or similar), proof of any other regular forms of earnings (pensions, allowances etc.) & possibly an Experian credit report which is available free online. If you are self employed all of the above except instead of your P60 & wage / payslips you will need your latest personal / company tax calculations & returns. With all the correct paperwork supplied it is possible to get a mortgage offer, in principle, within 2 days. This can be done in advance of you coming to Spain. You can transfer money from the UK to your new Spanish bank account direct from your own bank or you can use one of the many specialist currency transfer companies. Remember you will get the business currency exchange rate which is always higher than the tourist rate offered by travel companies, the post office & some banks. The rate you will get will depend on the exchange rate at the time of transfer. The cost to send currency to a Spanish bank from the UK can vary from nothing to around £30.00 per transfer. Beware however that some Spanish banks charge to receive funds from an overseas bank and from other Spanish banks. A typical charge is around .04% of the amount transferred. We can offer bank accounts that offer free international transfers. You can also use one of the specialist currency exchange companies (Moneycorp, HIFX, Currencies Direct etc) who all guarantee that no receiving fees will be charged on your money upon arrival in your Spanish bank account. This means that if you transfer 100,000 euros to your Spanish bank account, then that is what you will receive in your account. It is a good idea to set up accounts (there is no cost for this) with several of the specialist currency exchange companies & play one off against the other to get the very best exchange rate. We can recommend currency exchange specialist & help you set up accounts with them.

The Purchase Process - Additional Purchasing Costs

On top of the agreed purchase price there are extra costs to pay. These are generally based on the declared value of the sale that is recorded in the escritura. The escritura is the title deed of the property that is drawn up & signed & handed over at the notary at the time of completion. In the past it has been customary for the declared value of the sale recorded in the escritura to be less than the actual purchase price because there are some tax savings but we recommend to all our vendors & purchasers that they should declare the true value of the sale because it could cause both the vendor & purchaser problems & cost them both money in the long run. All purchases are completed at the notary & both parties have to be there in person or appoint a Spanish solicitor to be power of attorney for them (this is also done at the notary before the completion date & usually costs around 150 euros per person). This means that if a vendor or purchaser is not in Spain then they do not have to come to Spain to complete as their power of attorney can complete on their behalf.

The additional costs are 10% sales / transfer tax based on the declared value of the sale recorded in the escritura (title deeds), various administration charges at the notary & a further 2% notary tax. If you are purchasing without a mortgage then we advise that you add an extra 13% onto the purchase price to cover these costs.

If you are purchasing with a mortgage then there are additional administration charges at the notary & a bank mortgage opening commission of around 1% of the mortgage amount. If you are purchasing with a mortgage then we advise that you add an extra 15% to 16% onto the purchase price to cover these

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costs. In addition if a mortgage is required then the bank will require you to take buildings, contents & life insurance cover out with them.

Finally for conveyancing a solicitor will charge around 800 euros to sell a property & around 1400 euros to purchase a property.

This looks complicated but really is not & both our banks & solicitors will give an accurate & detailed illustration of all the extra costs, over & above the purchase price, given any individuals situation or circumstances & of course prior to any firm financial commitment being made.

The Purchase Process - Vendor's Additional Costs

When agreeing a selling price for your property or deciding whether or not to accept an offer you must fully understand the additional selling costs that you will incur as obviously this affects the final amount you will receive. You need to take into account all of the following :-

Your agents selling commission. This is either added to your agreed selling price or is a percentage taken from your selling price.

Your solicitors selling fees which should be around 800 euros.

You may have a small amount of money retained by your solicitor to cover any outstanding utility bills (water, electricity, gas, telephone etc.) any annual community fees that are due, your yearly Suma (council) tax (the legal owner of a property on the 1st of January of every year is legally obliged to pay the Suma tax for that year even if the property is sold on the 2nd of January)

Plus Valia tax. This is a tax paid to your local town hall on the perceived increased value of the land that your property sits on during the time that you have owned your property. If you have a large plot of land & have owned the property for a long time then the Plus Valia tax could run into 1,000's of euros. More typically though for an average sized property in an urbanisation the cost is somewhere between 150 & 500 euros. If you are selling an apartment then the Plus Valia tax will be also most nothing.

Any outstanding mortgage. If you have an outstanding mortgage on the property you are selling then this will be automatically settled as part of the completion process. Most Spanish mortgages have a 1% early payment charge. This means that if you have an outstanding mortgage of 50,000 euros then there will be a charge of 500 euros. However you must check with your bank as sometimes the 1% is based on the initial amount of the mortgage rather than the outstanding amount. This means that if you owed 50,000 euros but originally borrowed 100,000 euros then the 1% early payment charge would be 1,000 euros & not 500 euros. Also there will be a further notary charge of around 800 euros to strike the mortgage from the notary records.

3% non residents tax redemption. If you have non resident status in Spain (if you do not have a

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Spanish residencia card or the new foreigner's resident certificate or have not paid tax in Spain then you are classed as non resident) you will have 3% of the declared value of the sale that is recorded in the escritura retained at the notary. This is in lieu of any capital gains tax that may be due. Capital gains tax is currently calculated as 18% of the difference between the declared value of the sale recorded in the escritura when you bought the property against the declared value of the sale recorded in the escritura when you sell the property. If the declared value of the sale was 50,000 euros when you bought the property & it is going to be 100,000 euros when you sell the property you could be liable for 18% capital gains tax of the declared 50,000 euro increase in value of your property. This equates to 9,000 euros of which 3,000 euros by way of the 3% non resident's tax retention is automatically retained on completion at the notary. Whether you pay the remaining 6,000 euros will depend on various circumstances. In some instances properties are sold at a loss & the declared value of the sale is the same or even less than it was at the time of purchase. In these cases then the 3% can be re-claimed & no further monies by way of capital gains taxes will be due. The laws governing capital gains tax & non resident's tax retention tend to change on a fairly regular basis & it is important that you seek advice from your solicitor or financial advisor so that you know exactly where you stand with regards the capital gains tax. If you have a Spanish residencia card or the new foreigners resident certificate or are or have been working in Spain & paying into the Spanish tax system then you are classed as resident in Spain & will not have to pay the 3% non residents tax retention upon selling your property.

The On-Going Costs of Owning a Spanish Property

Utility charges. Both a standing charge & usage charge. These will be for gas (some areas do have mains / community gas), electricity, water, telephone, ADSL etc. Obviously these depend on usage but are generally much cheaper than UK prices. Suma IBI tax (similar to UK council tax) is based on property build size & land attached & is on average around 150 to 250 euros per year. This is for the usual council work inc. road sweeping, collection of refuse (usually 7 days a week), street lights, fire brigade, police etc. Most properties (except if they are country / rural properties) will be part of a community & there will be a yearly community fee to pay. This can be as low as 200 euros & as high as 1200 euros per year but the average is around 500 euros or less per year. The community fee usually covers maintenance of communal areas, such as gardens & swimming pools & also such things as additional community lighting. Suma car tax is in relation to engine capacity but is generally around 100 euros per year.

Finally we would recommend anybody who purchases a property in Spain to retain the services of a solicitor or financial advisor or a gestor (a lesser qualified solicitor). Whilst we can advise & help with the majority of aspects of property purchase, property selling & property ownership in Spain we do not offer advice on an individual's tax or personal circumstances. The laws in Spain change quickly & often and you need the very best up to date advice as to your individual personal situation.

You can either pay a monthly subscription to your chosen advisor (the yearly cost is usually a few hundred euros or so) or choose to pay on an ad hoc basis as & when you feel you need advice. This



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could be about tax advice / returns, making a Spanish will, general legal matters or it could just be for a translation service. Either way this will be money well spent as good advice could save you either a lot of money or save you from major headaches / heartaches & will certainly make home ownership in Spain much easier. If you plan to set up a business in Spain then you will automatically use one or all of the listed advisors as well as an accountant. We can recommend a number of professionals to you however you are of course, as per our policy, free to use any professional of your own choosing.