

Gold Acre Estates Guide to Buying and Selling in the Canary Islands

Peoples dream of owning a property abroad has become far easier to achieve than most people realize, with a stable European environment, common currencies, more and easier flight availability. However for the prospective it still can be a very daunting indeed, due to factors of lack of understanding of the laws and regulations in a foreign country which are often very different than those we are used to at home.

So it is vitally important that you ensure you have the most professional assistance available to ensure that you achieve you dream safely.

The Canary Islands is a fabulous place for both those that want to become full time residents or for just the occasional visitor to the Islands, of course the Canary Islands are becoming an ever increasing choice for those that want to own a holiday home or even move for a better way of life and of course those that want to retire to the sun to enjoy a hard earned rest after many years of toil.

The temperature and all year round sunshine make the Canary Islands the perfect choice for many Europeans for their property purchase because we are part of Europe from a comfort point of view, but far enough removed from mainland Europe to enjoy the subtropical climate of Africa.

However when buying in a Foreign country caution should always be exercised customs and procedures are very different from those at home

Gold Acre Estates advice to all prospective purchasers is be cautious always ensure that you take specialist professional advice, after all you would not buy a house at home in the pub from a total stranger would you?

At **Gold Acre Estates** we believe that all clients deserve the best, after all the Canary Islands offers you the very best of climate and lifestyle why should we not ensure you have the best assistance available to assist you in the pursuit of your Dream.

The Estate Agent

Choosing the right Estate Agent

Always select a Licensed Real Estate Agent many agents operate without being properly licensed which means that you are putting yourselves potentially at risk.

The work of a good estate agent is far more comprehensive than that of an agent in the U.K therefore the importance of the professionalism and the range of services offered by an Estate Agent cannot be over emphasized.

We at are Independent Estate Agents and offer a truly unbiased advice and a service that is hard to equal.

Our objective is not to force you to buy a property but to simply help you find your Dream Home in the sun, our major responsibility is to present all the facts honestly and accurately to ensure you are happy in the knowledge that every precaution has been taken to ensure the safety of your purchase.

Our services extend to areas such as preparation of purchase contracts {which are always one in conjunction with your lawyer} arranging introductions to properly accredited legal counsel and fiscal advisors, assistance with opening bank accounts, assistance and advice on obtaining mortgages, insurance and a whole host of other necessary financial services.

Advice and direction towards reputable furniture and kitchen suppliers, in fact **Gold Acre Estates** is your complete one stop shop.

Once you are a proud owner **Gold Acre Estates** service is still there for advice on maintenance, gardens, pool cleaning in fact everything you can think of relating to all aspects of your new property.

The Purchasing Process

Legal Advice



This is one of if not the most important point of buying your Dream Home abroad; you would not even consider buying a house at home without good legal advice so when abroad why should you throw all caution to the wind?

Reservation Deposit and Contract

Once you have found your Dream Home, the purchase process begins with a reservation agreement, which takes the property off the market and freezes the purchase price, the deposit you would have to pay at this stage will be between 3,000 and 12,000 euros depending upon the purchase price of the property.

Formal Completion and Exchange at the Notary

A property sale is formally completed in the Canary Islands in front of a Notary, they are the only people that can prepare and approve the final title deed {Escritura de Compraventa}

Who is a Notary?

A Notary is a lawyer who has had special training and passed additional examinations to qualify them for these special duties which cover a large range of legal matters not just property transfers.

Registration

Once the title deed has been signed and has been sent to the Land Registry your lawyer will deal with the formalities of registering the title deed and will pay on your behalf all the relevant transfer taxes.

Purchasing a Property on a New Development

The processes are fundamentally the same and the title deed process does not differ from that of a resale

property although one or two differences in the process are worthy of note. The first one being that your property could take up to two years to complete, as previously mentioned your payments are staged a little differently to those of a resale and generally you will only be required to place a 30% deposit until your property is completed and ready for title.

Costs

Fees and Taxes

There are in principal three fees and two taxes to pay when purchasing a property in the Canary Islands, as a general rule you should add approx 10- 12% to any property price you see.

Notary Fees

The Notary charges according to a fixed scale which is dependant upon the official value of the property

The Taxes

Purchase Tax

Plus Valia

As previously motioned at Gold Acre Estates we will outline every single cost for you from day one so you have no hidden surprises.

Mortgages

Spanish banks are willing to grant mortgages to non resident purchasers of property in Spain and at **Gold Acre Estates** through our specialist advisors we are able to negotiate some excellent terms for our clients.

Costs

Other things to bear in mind when owning a property

Community fees

Local Real Estate tax

Annual Income Tax

Property wealth tax

Utility services

Insurance

Fiscal representation

Although not exhaustive this list is designed to give you an idea of some of the annual costs that need to be taken into account.

Again at **Gold Acre Estates** we give you an indication of the amounts that may be required before you commit to purchasing your property.

Selling a Property

Capital Gains

Capital gains tax is normally due on a sale of a property.

Tax Retention



Investing for turnover

The Facts

Buying property Off Plan for selling before completion is an excellent form of Investment which can show substantial returns on your capital invested, but like all forms of investment that offer higher than normal returns there are always risks attached.

What are the potential Financial Benefits?

As an investor and using a rough rule of thumb for the right development, you should see conservatively on average between 15%-20% total capital growth, which relates to some 50% return on capital invested because in general you are only investing approximately 30% of the purchase price.

Please ask your **Gold Acre Estates consult to show you a working model on how this works.**

The other point you must factor in is things such as selling fees tax liabilities etc which will all have an effect on your final return.

Timescales

How long should you have your money invested?

On average and because you are buying at the first price release you should expect to have your money


invested for anything between 18 months and two years.

The above information is only a guide and any examples given are only for illustration purposes and must never be taken as a guarantee.

The Cautionary Tail

Like all investment opportunities, if you cannot afford to tie up your capital for a minimum of two years, **DO NOT DO IT.**

With all high return investments there is always an element of risk, at **Gold Acre Estates** we want to ensure you have your eyes wide open.



The information contained within **Gold Acre Estates guide to buying and selling** is never designed to replace sound legal and fiscal representation and whilst every effort has been made to ensure that all the information contained within this guide at the time of going to press was correct, laws, taxes and regulations change and therefore **Gold Acre Estates** cannot accept any responsibility for any loss or damage caused by actions taken or not as a result of reading this guide.

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