



The World First guide to **moving to Spain**





Off to sunny Spain?

Our guide will help take away the pain...



David Trumper, content editor at currency specialist [World First](#), explains how to get your Spanish dream started.

If you're thinking about moving to Spain, you'll already be aware of just how much there is to consider. In fact, you'll probably be searching for answers to some of the big questions already; what do I really want? Is this really the right thing to do? Can I even afford it?

But the fact that you've made it this far suggests you're already on your way!

If you decide that Spain is the place for you, it's obviously important to do your research to make sure that you end up in the right place. The property search can – and should! – be fun, but it's easy to get caught up in the dream and ignore some of the realities. For example, after the viewings in the sun come the fees, mortgage discussions, the search for a GP, work, schools, etc. And that's just the start.

Luckily, we've brought together a collection of people who can help. We've spoken to solicitors, estate agents, currency specialists and most importantly, people like you who have actually been there and done it.

Who better to listen to than the voices of experience who have actually bought a property in Spain and know what to look out for?

In a recent survey, we asked more than 1,000 people what attracted them to a new life overseas. Three quarters said a better quality of life, while others mentioned the weather (60%), culture (53%) and a more relaxed way of life (47%).

Whatever your reason for wanting to move to Spain, you're on your way and I hope this guide will take you that little bit closer to making that dream a reality.

Best of luck with your Spanish adventure!



The estate agent

Sally Harrison of Axarquia Properties
explains how to save time on your search.

What are the common mistakes British expats make when they look to buy a home in Spain?

“Many people come on a buying tour without ever having visited the area before. My suggestion would be to visit the area, maybe rent a property for a few weeks to get the feel of the place and drive all over to discover where you would like to live before taking a look at any properties.”

What tips would you give to British expats in their Spanish house hunt?

“Once you find an agent, tell them which properties you would like to view, even if they are on other agents’ websites. Your agent can find out about the properties for you and arrange a complete tour which will mean that instead of meeting up with endless different agents and going backwards and forwards visiting the same places several times a day, your agent can arrange a tour of the properties in order.”

What part of the process of buying a home in Spain should expat buyers be most wary of?

“Make sure that the estate agent they choose has an S.L. company and that they have been established for over 10 years. Make sure they speak your language. Ask for a list of recommended lawyers, visit their websites and go with the one that speaks your language and you feel comfortable with.”

Sally Harrison is an English estate agent at Axarquia Properties, covering Axarquia, the Costa del Sol and Inland South Spain.

“ Once you find an agent, tell them which properties you would like to view, even if they are on other agents’ websites. ”





The estate agent

Jack Arkell of Prime Mallorca Properties explains that understanding all the fees involved is the key to budgeting.

What's the starting point?

“People should get their finances in order and work out what they can afford. I'd advise touching base with a few agents who can explain the process. It's always good hearing the same information from two or three different people, so you know it's accurate.”

What will the extra costs come to?

“Understanding the extra costs involved in the purchase is important – on average you will pay 9-10% on top of the purchase price, for notary fees, lawyers' fees, surveyors' fees, that kind of thing. These extra fees come as a surprise to a lot of people – especially the fact that the notary will charge you a percentage of the purchase price just to sign a bit of paper for you.

“You're initially looking at a 10% deposit to sign a private agreement with the owner of the house. In that private agreement will be the date for completion and, depending on the circumstances of the people involved, that can be two weeks' time or it can be six months' time. It can be a very quick process if you want it to be. That 10% should be held in a lawyer's account so that no-one can get at the money until later along the line.”

How easy is it to get through the process?

“It's not complicated but it's an alien process and so it needs to be explained well. That's why I'd always advise finding an agent you can trust to guide you through that process, someone you can build a good rapport with, and someone that speaks your language.

“ If you're planning to leave the place locked up for six months of the year, it's all about having someone who can look after your house while you're away. ”

“I would always recommend visiting out of season. To be here in July and August is a completely different thing to being here in January and February. All times of year have their pros and cons, but just be aware what you're letting yourself in for. Basically, it's research – you just have to do your research and make sure you're happy with what you're buying.

“You need to be aware of what you can afford, be aware of extra costs on top of the purchase price. Following purchase, if you're planning to leave the place locked up for six months of the year, it's all about having someone who can look after your house while you're away.”

Jack Arkell of Prime Mallorca Properties is an English estate agent based in Pollença, Mallorca.



Currency ups and downs can make a huge difference

One of the things you may not have thought too much about during the exciting early stages of planning your move is sending the money to Spain to pay for the deposit, mortgage repayments, etc.

Changing rates could cost you thousands

Whether you're transferring a lump sum or making regular payments from a rental property or pension at home, what you'll get will depend on the rates.

Currency markets move constantly and can move suddenly too. Rates change on a monthly, weekly, even daily, basis. In the graph, you'll see how much things can change.

With GBPEUR (the pound to euro exchange rate) at close to 1.20 in March 2014, £300,000 would have got you around €360,000. A year on, with the rate nudging 1.40, the same amount would have got you nearly €420,000 – that's €60,000 more than the year before. The exchange rates can make a real difference to the sort of Spanish home you'll be able to afford.

When it comes to making the currency transfer to pay for the deposit, fees and mortgage, maybe you'd just get your bank to make the transfer, thinking it was the easiest thing to do. A lot of people do this, but the alternatives could end up saving you time and money.

How the GBPEUR exchange rate changes in a year





The currency specialist



Fixing a rate today can give you peace of mind, explains currency expert, [Jennifer Bird](#).

“For many people, buying a property abroad is a dream come true but the process can seem quite daunting. While it is easy to get carried away in the moment, it is important to get your finances in order at the very start.

“By thinking about how the exchange rate will affect your purchase early on, you can be sure it won’t end up costing more than you anticipated. A 2% shift in the currency rate on a £500K property could be the difference of a new kitchen.

“It’s essential to speak to a currency specialist who will take the time to understand your requirements and offer options that would best suit your needs. A good currency specialist is there to guide you through the process.

“Let’s say you are buying a property in France and need to transfer the balance in two months’ time. The current GBPEUR rate is attractive and you would like to guarantee the cost of your property. We can fix the rate now, which means you know exactly how much you are paying for the property no matter what the currency market does afterwards. Perfect for budgeting.

“For the mortgage payments, you can set up regular transfers so that payments are made every month without you having to do anything. Again, you can fix an exchange rate and know what you’ll pay every time.

“We speak to so many people that just use their bank to transfer money, not knowing that there is a better way that could save them money. With the banks, you could end up paying much more – sometimes 2, 3 or even 4% – through inferior exchange rates. Clients who use a currency broker never go back to their bank!”

Jennifer Bird is the head of the private client desk at currency specialist [World First](#), who help clients save money when they transfer money to pay for property overseas.

Useful Links

World First – currency transfers

www.worldfirst.com

The Money Advice Service

www.moneyadvice.service.org.uk/en/articles/using-a-money-transfer-firm-to-send-money-overseas

Costs and fees

www.spanishpropertyinsight.com/buying-property-in-spain/costs/



Making it happen: the buying process

Once you've found the property you want to buy and you've had the property surveyed, it's time to place your offer. But how does the process work? We've asked several solicitors who work on behalf of British expats to explain all.



The solicitor

Rebecca Kettell of [Puerta Vides SL](#) explains why you should instruct a lawyer before parting with any money.

What's the process in a nutshell?

“After the legal checks are carried out, a private purchase contract is signed. On the signing of the private purchase contract, it is customary to pay 10% to the seller. Final checks are then carried out, and the purchase Deeds are signed by all parties - including the bank if there is a mortgage - in front of the notary. Taxes are then paid, and the deeds are registered in the buyer's name at the Land Registry and Town Hall.”

What are the most common mistakes British expats make when buying a property in Spain?

“Handing over deposit monies without having had a lawyer check the essentials, such as title, charges, planning situation. Agents often do not check these fundamentals before insisting buyers lay down a deposit to remove the property from the market under a contract that does not properly protect the buyer. Another common mistake is agreeing to complete on a new build where the licence of first occupation is not granted.”

What tips would you give to British expats when choosing a mortgage to buy a property in Spain?

“Consider a variety of providers and don't limit yourself to Spanish banks. If you are using a Spanish bank in the tourist areas, you'll find many have branches with international teams geared up to dealing with expats.

“The Spanish mortgage document is very long compared to UK ones, and it must be scrutinised by someone able to understand it. Particular attention should be paid to the mortgage interest clause and fees, both for set up and early redemption. Don't be afraid to negotiate on these fees.”

How important is it to have an English speaking lawyer, and one that's qualified in Spanish land law?

“Most lawyers dealing with civil matters will be qualified to deal with land law. The buying process is not standardised as in the UK. The lawyer will be able to check the legal situation of the property - including any planning issues - and check there is no outstanding debt. The lawyer must be independent and chosen by the buyer. It goes without saying that in order for the buyer to understand any possible risks associated with the purchase, the lawyer must be able to communicate in good English.”

Rebecca Kettell is an English solicitor, who works at [Puerta Vides SL](#), which helps clients buying property in the Malaga region.





The solicitor

**Gustavo Calero Monereo from [C&D Solicitors](#),
has more mortgage tips for British expats
buying a property in Spain.**

“In Spain, the variable rate is the ‘Euribor plus interest’.

[Euribor stands for Euro Interbank Offered Rate, and the Euribor rate is based on the interest rates at which a group of leading European banks borrow from each other. In calculating the rate, the highest and lowest 15% of all the quotes collected are taken away. You can read more about the Euribor rate [here](#).]

“The Euribor is very low at the time of writing, but it is important to check the possibility of having a fixed rate if you want to be sure about how much you are going to pay every month.

“With a mortgage with a variable rate, it’s also very important to check that there isn’t a floor clause (where your interest rate can’t go below a certain point) in the mortgage loan.

“Apply for the estimation of all the legal costs of the mortgage, including the obliged home and life insurance, which can often be very expensive.

“Once the bank has confirmed that they will give the mortgage, they have to send you the binding offer (oferta vinculante). This document is the guarantee that the bank will indeed grant you the mortgage when applied for.”

Gustavo Calero Monereo is an English-speaking solicitor, who works at [C&D Solicitors](#), which provides legal advice for those buying property in Torrox, Málaga.

Useful Links

List of English speaking lawyers in Spain

www.gov.uk/government/publications/spain-list-of-lawyers

The Spanish Mortgage Association

www.ahe.es/bocms/sites/ingles/pages/Home.jsp?mID=61

The Spanish Land Registry – step by step guide to buying a Spanish property

www.registradores.org/en/comprar_una_vivienda.jsp

Information and advice on buying a property in Spain

www.spanishpropertyinsight.com/

Information on finding and selecting a solicitor in Spain

www.spanishpropertyinsight.com/lawyers-in-spain/selecting-your-lawyer-in-spain/

Spanish tax authority, Agencia Tributaria, provides some information on its website in English.

www.agenciatributaria.es/AEAT.internet/en_gb/Inicio.shtml



My story

It's time to hear from the most important people of all – the people that have followed their dream and bought a property in Spain.

They know what it takes to go through the process, and here they share their stories with you.



The buyer

**Robin Souter, 41, from South London,
bought a property in Ibiza in early 2015.**

Why Ibiza?

“I was brought up in Spain. We’d often go to Ibiza and for years I’d wanted to buy a place over there. I’ve come to a point in my life where I can manage to afford a place, and so I took the plunge.

“For me, it’s the culture, the vibrancy of the island, and it’s just a beautiful place to live and relax and have fun. Although a lot of people think that it’s a 24/7 party place – it’s actually a beautiful island just to sit back and relax and travel around the beautiful beaches.”

How did you make it happen?

“About 10 years ago, I started looking into how much it would actually cost to buy a place over there. Over the years, we did a lot of research as to what areas we prefer and what kind of property was suitable for what we wanted.”

How did you find the process of buying a property in Spain?

“It is daunting, and the systems over there are really different. There were a lot of surprises along the way, which would have been great to know upfront. I think having a good solicitor, someone to advise in micro-detail all the expenses, is probably the most valuable bit of advice I can give. Online research is great, but with no-one to say exactly what you are liable to pay, you end up stitching everything together and making your best guess.

“I used an English speaking lawyer, but you need to have someone who has a really good grasp of the English language because things will get lost in translation. If you’re talking about hundreds of thousands of pounds, you could have a big mistake on your hands.

“I was not misadvised, but there was miscommunication from the solicitor. The process went on for four months, so you can imagine that there were huge trails of emails. There’s stuff you will forget, stuff you will miss, and you need hand-holding – it’s pretty complex.”

“We didn’t necessarily lose anything, but the monies that we transferred were about €7,000 short and that’s exactly what I was trying to avoid. If you knew about it, you could avoid yourself getting into a sticky situation of having to borrow more money when you could have just borrowed it on your mortgage.”

Talk us through the charges and fees

“I just put all this together myself in a spreadsheet; it would have been really useful if someone with the experience and knowledge could do this for you, and put together one concise calculator to show every single outgoing that you need to pay so you don’t fall short on any of the payments.

“You pay two notary charges, which I wasn’t aware of. I got a referral charge – a 1% brokerage fee from the referral – the UK broker – and then I got another 1% from the bank over in Spain, so that means we’re already down €4,000.”

Any more...?

“There’s a notary cost associated with the mortgage and fees, the taxes, then a ‘gestoria’ – I still don’t really know what that is! Then you’ve got your land and property registration – that’s through buying a new build – then you’ve got the stamp duty, a sale fee, which means another notary charge, tax fee charge, property land registry charge and gestoria.



The buyer

Simon Vincent, 50, from Watford, and his wife Sue, bought a property in Pollença, Mallorca in late 2014.

“I’d always fancied the idea of living in Spain, and we were looking for a smaller house to downsize to in the UK, but the price of houses in our area are about double the price of what you get out in Spain. And so, we’d been on holiday in Majorca, and I said “come on Sue! We haven’t found a house in the UK to downsize to, let’s have a look at some properties over there.” We found this little two bedroom townhouse in Pollença, and I decided to go for it. Nothing ventured, nothing gained, and if all failed, I would sell it. The plan is to have a small house in the UK and a small house over in Mallorca and bounce between the two.”

How easy is it to just ‘bounce between the two’?

“We purchased the property last year, and we’ve just started to rent it for this summer. We’re hoping to build the rental income from the property over the next few years, and then move out there permanently. I try to get out there every four to six weeks for a long weekend, and it’s a nice thought to know that at the end of the week I can head out to Mallorca. You can leave work in the UK at six o’clock in the evening, and you can be in bed here by midnight, and when you do that trip a lot, it’s all very quick and very smooth.”

What’s so great about Mallorca and Pollença?

“Majorca’s a very clean island, and Pollença hasn’t succumbed to tourism – they can’t build high rise hotels. It’s pretty quiet, there are plenty of couples and families. There’s always an ambience of old-town Spain living, and the locals accept you, they remember your face, they’re always helpful.”

So what was the first thing you did?

“We got in touch with the real estate agents over there and we said we’d be interested in buying the property but that they’d have to give us some guidance about buying a house in Spain.

“You have to put a deposit on the house as security, so you don’t get gazumped. Then you need to find a good English speaking lawyer. You need to be able to have a fluent conversation with these lawyers so that you can ask them any question. If there are any issues, a good lawyer won’t put you off the purchase of the house but will find a solution – if there’s a charge on the house for example, they would make the vendors settle that charge. So my advice would be to get a good, recommended solicitor to assist you through that process, who will list out the charges and the breakdown.

“While I was securing finances in the UK, they held off the other agents showing other people round that property as well, so you build up a good relationship with these people.”

Simon’s top three tips:

“I would make sure you’ve got the finances in place before you commit to paying the deposit on a property.

“In terms of the actual place to live, go where you would feel comfortable living. It’s all very well having a lovely view of the coast but do you realise that in the winter months it will be a ghost town? Visit at different times of the year, because seasons change and you get different people there at different times of the year. Just go and explore, buy that Lonely Planet guide and go and have a look!

“You’ve got to set yourself a budget, and discuss whether you’ve got the money, whether you need finance, what you’re looking for – seaview, old town, in the mountains.”

Simon now splits his time between the UK and Mallorca, and also rents the property out – visit www.foreverpollenca.com



EXPERT
VIEW

The economist



The Spanish economy is on the up, but there are property bargains to be had, according to economist [Jeremy Cook](#).

“The Spanish economy has fought back well from the depths of the Global Financial Crisis. Growth has recovered to around 2% a year and has brought the unemployment rate down from over 26% down to around 23%. While growth is still low and unemployment far too high – unemployment is about twice the European average – the improvements are continuing and EU leaders are quick to hold up Spain as a model pupil.

“Some risks to the Spanish economy remain, however. Inflation remains in negative territory, further austerity in the form of spending cuts and higher taxes are likely, and an election in December 2015 will likely see anti-austerity parties do well.

“Weakening economic prospects are a negative for a country’s housing market. Since their peak in early 2008, house prices in Spain have fallen by about 30% and remained there through 2014. That means there are definite bargains to be had.

“Most commentators predict that interest rates in Europe are set to remain at ultra-low levels for a long time and mortgage rates within the European Union are unlikely to become prohibitively high anytime soon either. I don’t expect a material increase in the value of the euro, which is good news if you’re looking to buy a property in Spain.

“Compared to the last few years, the sun is now shining a little brighter on Spain and its economy.”



Jeremy Cook is World First’s chief economist. You can read his daily thoughts on the economy by [signing up to his Morning Update](#).



Property purchased. Whats next?

Once you're all settled into your new house, that's just the start of it. There's still plenty to take care of:



Tax

The tax laws in Spain are quite hard to get your head around, and it's worth getting expert advice to walk you through everything you need to know. However, Britain does have a double taxation agreement with Spain, which means you don't pay tax on the same income in both countries.



Schools

It should be easy enough to get your kids into a state run Spanish school. It's possible your preferred school will have a waiting list, but in that instance, the local authorities are obliged to find an alternative.



Pension

You can claim your state pension abroad. Also, you may be entitled to a Spanish retirement pension once you've worked there for a year. To transfer your pension from the UK, use World First to secure a great rate.



Driving

You'll need to get your vehicle registered and taxed; see links on the next page.



Healthcare

You are entitled to healthcare on the state if you work in Spain and make National Insurance contributions. The rules around state healthcare are different from the UK, so check out the useful links section for more information.



Useful Links

What the embassy can and cannot do for British nationals overseas

www.gov.uk/government/world/organisations/british-embassy-madrid

Visas

www.gov.uk/browse/visas-immigration

Healthcare

www.gov.uk/healthcare-in-spain

Pensions

www.gov.uk/living-in-spain#entitlement-to-a-spanish-retirement-pension

Citizens Advice Bureau Spain, taxation information:

<http://citizensadvice.org.es/tax-changes-spain-2015/>

The English language page of the Spanish Tax Authority website:

www.agenciatributaria.gob.es/AEAT.sede/en_gb/Inicio/Inicio.shtml

More details on double taxation agreement with Spain:

www.hmrc.gov.uk/taxtreaties/in-force/spain-dtc.pdf

Driving licences:

www.gov.uk/living-in-spain#driving-licences-and-vehicles

Moving to Spain with children:

www.idealspain.com/pages/information/Moving_to_spain_with_children.htm

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