

# Investing in Properties in **Costa del Sol**

MARBELLA | BENAHAVIS | ESTEPONA | MANILVA | SOTOGRANDE  
MIJAS | FUENGIROLA | BENALMÁDENA | TORREMOLINOS

# Marbella Investment Guide

## Index

- 03. Marbella
- 04. Choosing the Right Broker
- 05. Marbella, the Best Travel Destination in the World
- 06. Comprehensive Services
- 07. Investment Process
- 08.– 12. Purchase Contracts
- 13. Selling Your Property On Costa del Sol?
- 14. Contact Us

# Marbella

and the surrounding areas in the Malaga region have become a new favourite investment destination.

The growing popularity of this region has earned it the title: The best city in the world to live. This has been published in Forbes magazine after the extensive survey by InterNations corresponding to 2023. In a ranking including 48 other cities, the Costa del Sol came out top after a survey of over 12,000 ex-pats of 177 nationalities from a total of 181 countries.



# Choosing the Right Broker is Crucial for Anyone Considering Property Investment in Spain

- Trustworthiness and professional support throughout the entire purchasing process are very important to ensure the investment is secure. We at the Hub Venture capital pride ourselves on providing bespoke services to our clients, ensuring the investment process is legal and secured.
- Spanning over 20 years of experience in the international property markets in Poland, Dubai, London and Costa del Sol in Spain.
- Authorised Property Advisors recommended by the Polish Government organisations.
- Dedicated and professional team of advisers and lawyers with access to all new build, re-sale and off market properties on the Costa del Sol.
- Guaranteed 100% safe investment in the verified properties to maximise ROI
- In-depth knowledge of the property market in Spain.
- Bespoke after-sales services including short or long term rentals, property maintenance, interior design & furnishing
- Comprehensive range of services including technical inspection before the takeover, connecting water and electricity subscriptions, arranging internet connection, and coordinating all processes to make the journey hassle free for the investor.
- Support with Banking, Finance and Mortgage application.

# Marbella, the Best Travel Destination in the World

*For anyone who has visited Costa del Sol, whether for a holiday or with the aim of investment these are just a few reasons why Costa del Sol is an attractive destination.*

- Year-round sunny climate: Over 325 sunny days a year, ideal for temperate and leisure living.
- Expansive beaches: 150 km of sandy coastline.
- Rich recreational offerings: 70 golf courses, tennis courts, sports fields, and a wide range of cultural and social events.
- Affordable luxury real estate: Prices much lower than in London or Monaco
- Excellent education: International schools offering the highest standard of education.
- Beautiful landscape of , vast sea and mountains views and ,resident and tourist urban lifestyle.
- Ongoing re-development of the Malaga region.
- Marbella is the base for many trips to the Sierra Nevada mountains, the famous La Concha mountain, El Chorro or to the El Caminito del Ray gorge (the king's path).
- Unique topography and location where the western basis (basin?) of the Alboran Sea is connected to the North Atlantic Ocean through the Gibraltar Strait channel.

# Comprehensive Services

At **THE HUB VC** we understand that each investor has different needs. That's why we provide a comprehensive range of in-house property services to meet all your requirements.

## FINANCE

Our Mortgage Brokers can help to secure the ideal financing option for your needs. Through our network we can help with Private Wealth Management and Private Banking.

## DEVELOPMENT

Our experts of land acquisition and land development offer comprehensive project management services covering the entire investment cycle. From planning to execution, we ensure projects meet the highest quality standards and are delivered according to the schedule.

## SHORT & LONG TERM RENTAL

Rent effortlessly, cover costs, and maximize profits with our comprehensive rental service. From marketing to logistics, we handle it all for hassle-free property management.

## MAINTANACE AND RENOVATIONS

Experience complete property care with our all-in-one service: handyman solutions, cleaning, and refurbishment. From minor repairs to full renovations, our team ensures your property reaches its full potential.

## INTERIOR DESIGN AND FURNISHING

Our interior deigners work closely with investors according to the agree budget to ensure every detail match the preferences & style. Our dedicate team is passionate about properties and deliver results that add value to the property and exceed expectations

## SALES AND MARKETING

Our famous videographers & photographers create outstanding content & visuals to highlight the unique features of any property. We are expert in sales having In-depth knowledge of the property market in Spain. With the right marketing materials we can help to sell your property at the highest possible price.

# Investment Process

## 1. Pre-Purchase Preparation

All foreign investors. In Spain must obtain NIE number. The NIE is a personal, unique and exclusive number that is assigned to foreigners who, for economic, professional, or social reasons, are engaged in activities related to Spain and require identification in this country.

A NIE number obtained via the Consular Office identifies the bearer to all levels of the Spanish public administration, but does not entitle the holder to reside in Spain or prove residence there.

Foreigners who wish to become residents in Spain must be aware of the possible need to obtain a visa beforehand. Citizens of the European Union, once established in Spain, must register at the Central Registry of Foreign Nationals.

## 2. Securing Funds

Before signing a contract and making the first instalment, it is important to be sure that you can pay the full purchase price by the time stipulated in the PPC (PRIVATE PURCHASE CONTRACT). We assist our clients in the process of securing funding via mortgage brokers and private bankers.

## 3. Choosing Lawyer and POA

It is highly recommended to sign POA (Power of Attorney) with your chosen lawyer who will represent your interest and will be legally responsible for the sales – purchase transaction. The lawyer must ensure that the transaction is safe and the sales purchase contract is legally bonding according to the Spanish law.

We recommend signing a Power of Attorney in Spain at the Notary Public together with the lawyer to save time for all parties.

# Purchase Contracts

Final step signing the DEED. Notary deed in Spain is the final document that is signed to transfer ownership of a property from one party to another. The deed is signed, with lawyers present, in front of a public notary, who witnesses the signatures and ensures that there are no last minute changes to the status of the property.

## Reservation contract

The reservation contract is signed at the developer's office when an investor has intention to purchase an off plan property or with a seller party of the re-sale property.

The purpose of signing the reservation contract is to ensure that the property is taken off the market for an agreed period when the buyer secure funds to proceed with the purchase.. The reservation contract is legally bonding the seller and the buyer to enter Private Purchase Contract within maximum 30 days. It should include essential provisions such as deadlines for payments and signing the deed, as well as outlining the rights and obligations of both the buyer and the seller.

## Private Purchase Contract - PPC

Signed when the building license is approved.

It is important that you have a lawyer to review the contract from the developer or private seller. PPC must include:

- Detailed description of the property.
- How expenses/fees are to be distributed. When the deed is to be signed.
- Legal position of the parties in the event of default.

However, in some cases, you may proceed directly to signing the deed if the home is already completed.

## Technical inspection of new buildings

Generally, there is an opportunity to conduct this inspection either with or without the developer after the takeover. In both cases, a "snagging list" is drawn up normally within a deadline of 30 days from signing the deed.

Before signing the deed and handing over, a "courtesy visit" to the apartment is possible. This allows you, as the owner, to verify that the apartment is complete with all fixtures, fittings, and installations. It is important to note that the law does not permit the postponement of deed signing due to defects found in the property, except if those defects render the property uninhabitable.

The law grants the buyer the following rights for complaints: 1 year for visible faults and defects, and 3 years for hidden errors and defects. Regarding construction defects, there is a 10-year warranty that developers are required to adhere to.

## Purchase Contracts (continued)

### Licenses

Completion certificate (“Licencia de primera ocupación” in Spanish) is issued when the building is completed according to the building license.

Legally, the building is considered habitable only after a completion license has been issued, allowing for permanent connections of electricity and water.

Therefore, contracts for electricity and water cannot be established until after the deed is signed and registered with the Land Registry which typically occurs within 14 days from the order.

### Bank guarantee when buying off plan

When purchasing an apartment under construction, it's crucial to ensure that a bank guarantee is provided for the amounts paid during the construction period. The seller is legally obligated to provide a bank guarantee during this period.

Spanish law mandates that the bank guarantee must cover the amounts paid during the construction period, and it should remain valid until the completion of the building. In case of default by the seller, the law requires repayment of the amount paid plus interest to the buyer.

### Costs

All purchase amounts advertised are exclusive of taxes.

To estimate the total purchase price, it's necessary to consider the following additional cost:

- **7% ITP TAX** when we re-sale and **10%** new built
- **1%+VAT** Notary Registry
- **1%+VAT** Legal advice
- **IBI & COMMUNITY FEE** depends on the project and urbanisation

## Purchase Contracts

(continued)

All construction projects have a payment plan prepared by Developer.

### Typical payment plan:

- Reservation of property: €5,000 - €20,000 depending on the developer and a property type
- When signing the purchase contract PPC: between 10% - 30% of the purchase price + VAT, reservation fee is deducted from this amount.
- During the construction process: 10% of the purchase price + VAT, Handover: Between 50-70% of the purchase price + VAT, depending on the payment plan during the construction process.

## Purchase Contracts

(continued)

### Total cost for the purchase of new build property (approx 12%)

- 10% VAT on new buildings to the state
- 1% + VAT on the legal service (divided into 2 payments)
- 1.2% in stamp duty
- 0.4% to Notary public (variable cost)
- 0.4% in land register registration expenses (variable cost)

There are no expenses for a broker as this is included in the house price

### Total cost of the purchase a resale property (i.e. you're not the first owner) from 4% up to 10% depending on the structure.

- 2% Transfer Tax / ITP Tax when property purchase via a Spanish Limited Company (SL) or **7%** when property purchase by an individual tax payer.
- 1% + 21%VAT Legal Fees
- 0.4% to Notary public (variable cost)
- 0.4% in land register registration expenses (variable cost)

There are no expenses for a broker as this is included in the house price

## Purchase Contracts

(continued)

### Additional information: Property Tax

Unpaid property tax, refuse collection tax, and condominium tax are not personal encumbrances and therefore remain with the property regardless of the owner at any given time. If it is discovered that the seller is not current with these payments, they have the option to settle the payments before signing the deed. Alternatively, the buyer's lawyer can withhold a corresponding amount from the purchase price and make the payment on behalf of the seller.

The seller is required to provide the latest original property tax receipt and a certificate from the condominium confirming that there are no unpaid condominium fees for the duration of their ownership when signing the deed.

If taken before signing a contract, a land registration certificate (Nota Simple) should be obtained for the property. This certificate will indicate whether there are any encumbrances or restrictions on the seller's right of ownership.

Unpaid property tax and co-ownership tax do not appear on the land registration certificate unless the property has been seized.

The costs associated with purchasing a second-hand home are slightly lower than those for a new build. You don't have to pay stamp duty.

Property Tax varies depending on the location in Spain. Resale property (i.e. you're not the first owner): Transfer Tax applies at rates from 4% in the Basque Country to 10% in Catalonia and Costa Blanca. Sitting in the middle are Andalucia, where it's 7% and the Balearics with 8%.

# Selling Your Property on Costa del Sol?

Are you considering selling your property on the Costa del Sol?

We would love to hear from you!



# Contact Us

Justyna Reygan

E-mail: [justyna@thehub.vc](mailto:justyna@thehub.vc)

+34 671 442 889 (ES) WHATSAPP

