

Buying a property step by step

COSTA DEL SOL



During the process of purchasing a property, it is extremely important to understand not only the price of the property, but also all the associated costs and each stage leading up to the signing of the final deed.

Domsol Real Estate presents a realistic example of purchasing a property in February for the amount of **€270,000 (£232,200)**, including:

- Approximate real costs
- Stages of the purchase process
- Amounts required at each stage

The goal is to provide a clear, transparent, and professional overview, enabling the buyer to make an informed and confident decision.

1. Property Reservation: €3,000 (£2,580)

The first step to secure a property is signing a reservation agreement, which requires an initial payment (usually between €3,000 and €6,000).

In this case: €3,000 (£2,580)

What does the reservation mean?

- The property is taken off the market
- It is blocked for other buyers
- The verification process begins

This stage includes:

- Extract from the Land Registry, known in Spain as a *“nota simple”*
- Identification of the property owner
- Verification of any:
 - charges
 - mortgages
 - legal claims or liens

2. Preliminary Contract (Private Purchase Contract): 10%

After verifying the legal status of the property, a preliminary contract is usually signed, formalizing the commitment to purchase.

This stage is not always mandatory and may be skipped in situations where the buyer has sufficient funds (without the need for financing) and the signing of the title deed is planned within a short period, typically within 3–4 weeks.

10% of €270,000 = €27,000 (£23,220)

Amount to be paid after reservation: €24,000 (£20,640)

What does this mean?

- Price, deadlines, and conditions are agreed upon
- The transaction is secured for both parties

Guarantee:

- If the buyer withdraws → they lose the paid amount
- If the seller withdraws → they must return double the amount

3. Purchase Costs

In addition to the property price, purchase-related costs must be considered.

After signing the title deed and paying the remaining amount of **€243,000 (£208,980)**, the buyer becomes the legal owner of the property and receives the keys.

From that moment, they have approximately 30 days to:

- Settle the transfer tax (ITP)
- Register the property in the Land Registry
- Complete administrative procedures

There is no need to worry about these procedures, as a legal firm usually handles the entire process, ensuring proper execution and compliance with deadlines.

Breakdown for €270,000 (£232,200):

- Transfer Tax (ITP – 7%): €18,900 (£16,254)
- Notary fees: €800 (£688)
- Land Registry fee: €800 (£688)
- Administrative fees + 21% VAT: €700 + €147 = €847 (£728)
- Property Tax (IBI): €228.00 (£196.08)
- Waste collection fee: €64.76 (£55.67)

Total: €21,639.76 (£18,609.75)

Property tax (IBI) and waste collection fees are local charges associated with the property. In this case, since the purchase was completed in February, the buyer pays a proportional part of these costs for the given year.

4. Post-Purchase Formalities

After the purchase, the only remaining step is transferring utility contracts to the new owner.

At Domsol, we take care of transferring all utility contracts, so you don't have to worry about it.

These include:

- Water
- Electricity
- Internet

At Domsol, we supervise every stage of the process to guarantee a safe, transparent, and hassle-free purchase.

