

“Let's talk Property”

**Marbella** Property Shop SL  
— established 2001 —



## Seller Guide.

The following notes are aimed at assisting you in your efforts to secure a purchaser for your property as soon as possible and to avoid you being shocked when faced with a bill or tax that you were not expecting. We suggest you confirm with your own legal adviser or accountant in order to ascertain your exact standing on the points mentioned.

### Price setting.

In order to optimise your chances of finding a buyer the price that you ask for your property must be realistic. Just picking a figure out of the sky will not work. A good agent will use his experience and knowledge to help you set a reasonable price given the current market dynamics, demand for property similar to your own and recent selling prices for that kind of property in your area.

There are still some very interesting deals out there for the well informed buyer and insisting on setting an unattainable price will see you waste initial marketing momentum and see your home overlooked by potential buyers. Do your own calculations, factor all of the costs involved in the sale of your property and then look at the increase in value since you bought it. It might be the most natural thing in the world to hope to maximise your nett profit but, in a competitive selling world a seller who is willing to waive a % of potential profit in order to generate further buyer interest, stands to do very well overall and most often sees a buyer found much sooner.

### Sold by owner or Agent.

You are not obliged at all to use an agent to assist in the sale of your property. There have been some amazing stories of owners finding a buyer themselves and a deal being done. It can happen but how often does it happen? Going solo in an effort to save on paying an agent to find a buyer might at the outset seem a wise move, but as property sells all around you and you have run out of ideas as to where you are going to generate a buyer from the perceived wisdom might then not look so.

You may have tried certain outlets here and there where you have paid a small fee to have your property advertised and still nothing. If you find a buyer and some negotiation is required are you equipped to do that? Will you be able to remain calm when the temptation would be to get offended at a price being offered or a demand being made? You need to be sure otherwise you might just be setting yourself on a trail of frustration and annoyance filled with stress.

A property agent can really earn his fee, he will network with other agents and utilise advertising and promotion via web portals and other media. If he is comfortable that the property is a well priced offering then he will promote it to every single client he has that is looking for that kind of thing. He will have colleagues and contacts who he can also feed your property to. Unless you are one of the very lucky owners that have success by going alone, we suggest that you should place your property with as many reputable agents as possible to maximise the exposure available.

## Setting the scene.

Many agents try to avoid listing any property when the present owners are in residence. This allows them to show the property without encountering many of the elements that could see a potential buyer walk away. Being brutal, a client might adore your property but on meeting you he finds things about you not to his liking and decides not to buy. A vacant property will avoid that. The main reason being is that a lifestyle that might suit one person might be very off putting for someone else to walk in to.

Main points to consider:

1. Whenever possible do not be at home or in residence when an agent has an appointed viewing.
2. Try to present your property at it's best at all times. Clothes, magazines, toys and general bric a brac should be tidied away. So should any pets or children!
3. Ask a friend to be honest and ask them what they would change.
4. Ask your friend does the house smell of your cat or dog? That will need to be corrected.
5. Are there any other smells that could be off putting?
6. Is the house in a general tidy condition?
7. No dirty dishes abound or pans with half cooked food left on top of the cooker.

All common sense really and the list could go on. If you get a third opinion or even better ask your agent, if he knows his job he will gently mention any areas that could be addressed, in a subtle manner.

## The serious stuff.

When you are ready to put your property on the market you should have available to provide to your agent for his files the following:

Copy Nota Simple.

A copy of your NIE number or card.

A copy of the Energy Efficiency Certificate for the property.

You should also prepare and have available for when a buyer is found the following which will be requested by the buyer's Lawyer when carrying out his due diligence investigations on behalf of his client, (the buyer)

A copy of the last 4 receipts of payment made for utilities.

A copy of receipt indicating that any community fees have been paid up to date.

A copy of the last receipt for IBI tax.

Once an agreed contract pertaining to the sale of the property has been made between the seller's Lawyer and the buyer's Lawyer, then you are set to sign completion at the local Notary office.

The Notary will need to see all of the documents mentioned above, along with any proof of any deposit monies already paid by the buyer. If all is in place then signing can take place and the transaction of the sale is complete.

## Not so fast!

On completion of the sale the seller is now liable to pay the following:

After selling, vendors are liable for a number of taxes levied by different authorities. The first of these is the Impuesto de Plusvalía (capital gains tax), calculated as a percentage of the change in value of the land on which your property stands. This is owed to your local town hall and varies, dependent on the town.

If you sell at a loss, the sale price is lower than the price you purchased for you can still end up owing this tax, as it is levied on the increase in value during ownership, rather than the price you paid.

Next is the Impuesto sobre la Renta (income tax), which is owed to Hacienda (Spain's central tax authority). The taxable base is calculated as the difference between the original purchase price (plus taxes and costs) and the sale price (minus taxes and costs), and depends on the vendor's resident and legal status.

For resident sellers, this should be included in their annual income-tax declaration. For non-residents, the rate is set at 21% of the taxable base. To offset this amount, buyers are obliged to retain and pay 3% of the sale price to Hacienda. If no profit is made, a seller can ask Hacienda for a refund, but they will not return your money until any pending taxes (including income tax and wealth tax, if applicable) are paid.

Paying off a mortgage on the sale of the property will see you the seller meet the cancellation costs of the loan.

Finally one must not forget the commissions to be paid to your estate agent. Normally, this is around 5% of the agreed sales price, plus VAT. This might seem high to vendors from the UK, but Spain is an extremely competitive market and every agent that attempts to charge less either struggle to stay in business or ends up raising their rates.

## **It's not all bad!**

The rest of the costs arising from the sale and transfer of a property are usually the responsibility of the buyer: fees at the Land Registry; transfer tax; VAT; AJD, or *Impuesto sobre Actos Jurídicos Documentados (stamp duty)*; as well as the fees charged by the notary to create an *escritura in the new owner's name*.