



# **The Ultimate Home Buyer's Guide**

**What you can expect, from start to finish!**

**By Michelle Hughes**

**Your Local Real Estate Expert**

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# 1. First Things First

VillaMía is really looking forward to helping you find that perfect home on the North Costa Blanca!

If you're like most buyers, you probably want to just get out there and see homes, right? (And, of course, we will!)

But please give this a quick read and refer back to it throughout the process of buying your home.

While this guide won't get into *every* little detail about the process (we'll be taking care of a lot of things behind the scenes which you'll never need to worry about)...

...it does get into some things you *should* know about, which will save you time, effort, money, and heartache.

## Why use VillaMía?

- ▶ We're well-established and have an excellent reputation
- ▶ We have an office in a prime location on the Arenal in Jávea
- ▶ Our team is multi-lingual - our languages include Russian, German, English, Spanish, Romanian, Japanese, and French
- ▶ We know the market inside and out - and have contacts to help at every stage of buying, moving in and caring for your property once you have moved
- ▶ Our personal, one-to-one service
- ▶ Trusted members of the Costa Blanca Business Association and Association of International Property Professionals

Again, we're looking forward to working with you, and thanks for choosing to work with us!

## 2. Mission Possible!

As estate agents, sometimes we're representing a buyer and at other times a seller.

Obviously, our "mission" is different for both of those types of clients.

But, since we're representing you as a *buyer*, our mission is pretty simple:

**Our goal is to help you find the best home for your wants and needs and successfully get it at the best price possible!**

Furthermore, we find properties to suit all budgets. If we don't have what you want on our website, don't worry. Once we have your specifications we will search on your behalf and work with other trustworthy agencies in the area.

Even if you're thinking of buying a year or two down the line, let us know and we can add you to the mailing list to give you an idea of what is coming on the market and prices.

We can also help you with short-term rentals, say over two months, so you can find your feet and get to know the area first before you buy.

### 3. You Don't Have To Pay Me A Euro

Have you ever wondered if *you* need to pay your real estate agent when you buy a home in Spain? If so, you're not alone. Lots of people aren't sure how it all works.

Here's the short answer: **When you buy a house with us as your agents, you don't have to pay us a euro.**

If *you're* not paying us...then who is? It comes from the seller who gives us a commission on the sale of the property.

The seller still pays the commissions, even though VillaMía is representing the buyer's interest, not theirs.

Bottom line?

You don't have to pay us a euro to represent you.

## 4. Get Your Pre-Arranged Mortgage In Place

If you haven't already done so, you are advised to get a pre-arranged mortgage if you need to borrow money to finance your Costa Blanca property.

By doing this first, you know exactly what you can afford.

Beyond just knowing that you can get a mortgage, and for how much, getting prearranged will do a couple of other things for you:

- ▶ If you want to make an offer on a property, time can be of the essence. If you need to rush to get a mortgage approved, you may lose the home if you can't get it in time.
- ▶ Starting to talk with lenders now will give you time to choose which lender you want to work with, shop rates and products, and get the best overall loan for your situation. (NOTE: Once you're under contract, you won't have much time to shop around for rates and your preferred lender.)

You can certainly ask any lender you already have a relationship with, but you can always ask us if you want any recommendations. [The Spectrum IFA Group](#) can arrange mortgages and talk you through the Spanish mortgage process.

Remember to budget for additional costs and taxes.

When buying a property in Spain, budget for an additional 12%-13% to cover additional fees such as the 10% purchase tax, notary fees and Land Registry. If you are buying with a mortgage, there are additional set-up costs and fees to consider too.

## 5. What Are You Looking For?

OK, now that you're pre-arranged a mortgage - or have your "proof of funds" ready - we know what you can afford.

That doesn't mean you need to buy a property on the North Costa Blanca for as much as you're approved for. In fact, it'd be great if we can find you a great home for less than you can afford, right? Well, as long as it fits your wants and needs, of course...

What do you need in the home you buy?

If you haven't already gone over this with us, give us a list of your "must-haves" and your "wish list".

Now we can look at all of the homes that meet your criteria and are within your approved budget.

**Pro tip:** We may suggest looking at homes that don't have everything on your lists. Be open to looking at homes that don't meet the criteria you put on your list. You'd be surprised at how many of our clients found their dream home by only looking at homes we suggested—homes that didn't have everything they thought they wanted.

We will help you find your ideal property in the Costa Blanca North in the popular resorts of:

- ▶ Jávea
- ▶ Benissa coast
- ▶ Benitachell
- ▶ Cumbre del Sol
- ▶ Dénia

- ▶ Jesús Pobre
- ▶ Moraira

When looking at properties bear in mind practicalities such as:

- ▶ Location - are the services you want such as restaurants, shops, or schools in easy reach? Are there any buses or good public transport links? Is it busy? Quiet? Near the beach? Hilly? Flat? Is it south facing (warm) or north (could be colder in winter)? Find out what the property and location are like in different seasons.
- ▶ Does it have any heating or air conditioning?
- ▶ Are there any extra living costs? If you're on an urbanisation or a block of flats, you will need to pay community fees for the maintenance of communal areas such as gardens, pools, elevators and the roof.
- ▶ If it is a villa, bear in mind maintenance costs of your pool and garden
- ▶ If it is an apartment, is there a storeroom (trastero) and parking

## 6. The Current Market Conditions

Now you're in the market to buy a home, you're going to notice every little thing you hear about the housing market.

It could be on the TV, a headline or article online, friends, family, ...everyone has an opinion on how the real estate market in Spain is doing. Some agents even distribute quarterly market updates that are just too broad and general.

The problem is, most of what you hear is based upon national data, trends, and statistics. Even if it's "local" insight, it's often still too broad and general.

Real estate markets are very localised. They even vary between towns and cities, from one price range to the next. For instance, in the Costa Blanca North, Jávea house prices tend to be more expensive than Dénia, which is next door. Go a few kilometres inland, and prices drop further.

**We will speak more in-depth about the current market conditions specific to the price range and area you're focusing on.**

Bottom line: Don't base your mindset or decisions on what you casually hear from day to day.

## 7. Don't Spend A Cent...

...without consulting us or your mortgage advisor!

When you're in the process of buying a home, it's important not to accrue any new debts. This can affect whether you will get the loan.

Of course, this doesn't mean you can't go out to eat, buy food, or spend any other daily, weekly, and monthly expenditures you normally have.

It means...

- ▶ Don't buy a new car (or lease one)...
- ▶ Don't book a holiday on the credit card (or drain your bank account)...
- ▶ Don't even necessarily pay off a large credit card bill!

There are plenty of other examples we could give, but the bottom line is this...

Before you spend or commit to any debts between now and when you close on your new home, check with us and your mortgage advisor before doing so.

Some purchases may be absolutely necessary. Some may not even affect a thing. But it's better to be safe than sorry.

## 8. Don't Hesitate

One of the most common mistakes buyers make is letting a great home slip away.

They see the perfect home and think, "Maybe we should wait. What if a better one comes on the market?"

The key word in that last sentence is "if" ...*if* a better one comes on the market. The reality is, if you *do* let a home slip away, another one will eventually come on the market that you'll probably want just as much. But then the key word becomes "*when*" ...

Great homes don't come along every day. And when you find one you like, the best thing to do is make an offer.

Obviously, you don't want to make a hasty decision and regret it. But we'll be here to keep you in check if you are.

So, if you ever feel like you'll regret not making an offer if a home went under contract to another buyer the next day, you're better off making an offer and not hesitating.

Just remember, there's an old saying in our profession that goes like this:

"The home you looked at today and wanted to think about until tomorrow may be the same home someone looked at yesterday and will buy today."

## 9. "Finding" Your Home

The internet has changed how buyers find homes. Not too many years ago, the only way to even know all of the homes that were for sale was through a real estate agent.

Nowadays, almost every single home on the market can be found on the internet. It's become easier to "find" the home of your dreams on the Costa Blanca.

The chances are, you're going to be addicted to looking for homes online at all hours...even at work.

In the years BC - Before Computers - agents had to "find" the perfect home for their client...and that expectation kind of still exists.

Yet, buyers often "find" the home they want before their agent specifically brings it up to them. If this is the case, please send the property link to us. As we know the North Costa Blanca region inside and out, we can tell you if it is in the right location for you. we can then set up viewings for you if it is.

Also, at VillaMía we can do 3D videos and live video walkthroughs for clients so you can see the property as well as if you'd walked through the door.

As a long-standing Costa Blanca real estate agency, we have built up great relationships with other agents and can show you loads of properties, not just those on our website. Just let us know what you're looking for and leave the rest to us.

"Finding" properties is just one part of our job and it isn't even the most important part. The real skills come once you've found your dream property on the Costa Blanca, make an offer, and start going through the process to close on it - and deal with Spanish paperwork!

## 10. Don't Trust Everything You See Online

Piggybacking off the last section...

We often hear buyers say they came across a great deal on Idealista or some other online site.

They see a home that looks like it's for sale and at a ridiculous price. Don't get too excited when you see that sort of thing online.

In fact, don't be surprised if you find many homes on these sites that aren't actually for sale at all. Many times they show homes that were sold and closed some time ago.

The properties may not even exist and could be a scam.

Any properties you see that you like the look of, please send them to us so we can check them out for you. Please don't be tempted to get in touch yourself. We know the Costa Blanca real estate business and can let you know whether a property is a genuine bargain or not.

## 11. Deciding On How Much To Offer

So, how *do* you decide how much to offer on a property you like?

That's a tough one to answer because it depends on a lot of factors:

- ▶ Are there other offers coming in?
- ▶ How long has the home been on the market?
- ▶ What is the owner's situation?
- ▶ What terms (besides money) can you offer the seller?
- ▶ What is the overall market like on the Costa Blanca?

Those are just a *few* of the factors we'll consider.

Ultimately, it's your choice how much you want to offer initially and how much you're willing to go up to in order to get the home.

"Market value" is essentially driven by what a ready, willing, and able buyer is willing to pay for a home. But it's also dependent upon how much a ready, willing, and able seller is willing to accept.

We'll do everything we can to help you understand the market and value of the homes you're considering.

We'll give you our perspective and advice as your agents, which should put you in a good position to get a home for as low as possible, while still submitting an offer a seller will consider and hopefully accept. Because coming in with too low of an offer, at least without justification, can hurt your chances of getting a home at all, let alone at a good price.

## 12. Crafting Your Offer

We alluded to this in the last section—a great offer isn't just about how *much* you offer (although that *does* matter!). It's also about other terms you can offer.

Here are some typical terms and conditions sellers may be interested in:

- ▶ Are you flexible on your closing date? (They may want time to look for another home, for instance.)
- ▶ Or, on the other hand, are you ready for a quick buy? (They may need to move to their new home as soon as possible.)
- ▶ Are you paying cash? (This is less risk and less time for sellers to wait.)

Again, those are just a few. But those are also not things every buyer can accommodate.

So, what we *always* recommend to *every* buyer is this...**Let's have everything in order when we submit an offer:**

- ▶ Let's have your pre-arranged mortgage ready.
- ▶ Let's be ready and responsive during negotiations. (Too often, buyers take too long to respond, which can create a bad tone.)
- ▶ You will need an NIE/TIE identity number to buy a property in Spain, so it's best to get this organised beforehand. Ideally, open a Spanish bank account so you are ready to put down a deposit and set up direct debits for utility bills. Don't worry, we can help you with this and more, such as currency companies and removals.

Many times, the agent who's the most organized and reliable, along with their clients who also appear organized and reliable, have their offer accepted simply because a seller or their agent trusts the deal will be smooth and close on time.

So, when it comes time to make an offer, let's make sure we put our best foot forward, even beyond the amount you're offering. It can truly pay off in the end.

## 13. Earnest Money

In the last section, we mentioned something about how much you're putting down.

There's a difference between how much you're putting down in total (your down payment) for mortgage purposes and how much you're putting down when you make an offer.

When you make an offer on a home, you will put down a reservation deposit - usually €3,000-€5,000 - to take the property off the market. This deposit is non-refundable should you change your mind and pull out.

I advise you not to pay this deposit until you have had the results of your property survey. Structural surveys are not a legal requirement in Spain but the buyer can request and pay for one.

VillaMía and our lawyers will:

- ▶ Carry out a land registry check
- ▶ Check the property has the correct building permissions
- ▶ Make sure all utility bills, council tax, etc have been paid so there are no debts
- ▶ Carry out local searches to see if there are any planning applications that may affect your new home
- ▶ Do a property survey including the energy efficiency certificate
- ▶ Obtain your NIE fiscal number or TIE in Spain if you do not have it already
- ▶ Draw up a Spanish will to cover your assets in Spain
- ▶ Open a bank account in Spain
- ▶ Set up utility accounts in your name

If the property survey highlights any areas of concern, we'll give you some thoughts and guidance on what you should ask to be repaired - and what you might want to let slide - once we have the report back.

You can also get a bank valuation but this is not a full survey. This costs from €200-€750 but may be free if you take out a mortgage with them.

When the deal does close, the deposit money will be applied to the purchase.

A few days after paying this deposit, the contract will be drawn up. The contract usually requires you to pay 10% of the purchase price when you sign it or at an agreed date soon after signing it.

We can't stress how important it is to use a lawyer who will ensure everything is in order. We can recommend a lawyer for you.

Your lawyer will check the title deeds for the property, and check there are no outstanding debts on the property. In Spain, debts such as unpaid utility bills or mortgage go on the property. So if you buy a property and the previous electricity bills haven't been paid, you will be liable.

## 14. Negotiating

We're sure you've heard that negotiating is an art. And it's true.

The approach we take to negotiate the best deal for your home will depend upon:

- ▶ The seller we're dealing with.
- ▶ The agent we're dealing with if it is someone else.
- ▶ The overall situation (how many other offers there are, the current pace of sales, etc.).
- ▶ Your personal situation. (Are you in a position to "lose" the home and keep looking? Can you take time negotiating the deal? Or, is timing critical?)

There are certainly other factors we'll consider as well.

Many buyers think that to get the best price on a home you need to play "hardball" and perhaps start with a very low offer.

Those approaches can backfire fast and hard. Sure, sometimes it makes sense to play hardball. But in the world of real estate it can be harmful.

That isn't to say we're not going to negotiate the best deal possible - we will, of course. It just might not look or sound like some people imagine from what they see in movies and on TV. In real life, you need to write the right script, at the right time, for the right audience.

Just because the property is furnished it doesn't mean everything is included. Ask for an inventory of what is being left and what is included in the sale.

## 15. When You “Lose” A Home

We hope you never go through this (and we’ll do everything we can to help you avoid this!), but you might “lose” a home that you love at some point.

Here are the most common ways this happens:

- ▶ A buyer waits to make an offer on a home, and another buyer scoops it up. (This one is totally avoidable.)
- ▶ There are multiple offers on a home, and the owner chooses another offer.
- ▶ The owner won’t accept the highest amount a buyer is willing to offer.

When these things happen, it stings.

This can set some buyers back emotionally. Sometimes they feel like they’ll never find as good a home. Sometimes they just don’t want to feel that way again, so they become guarded or give up.

In our experience, the best way to deal with this is ahead of time...

We always advise our clients to not get too attached to any particular home until we are firmly under contract. Sure, be hopeful and excited, but always be aware that until the offer is accepted, and the home is firmly under contract, you could “lose” the home.

But don’t look at it as “losing”...look at it as an opportunity to get a better home, and learn from whatever didn’t work the last time around:

- ▶ If you hesitated on making an offer last time, don’t wait next time.
- ▶ If you came in too low the first time, don’t “lowball” the next time.

Ideally, we won’t have to deal with this. We’ll give you our best advice in every situation so you can avoid this ever happening.

## 16. Get Your Mortgage Started Now

Early on in the process, we discussed getting a pre-arranged mortgage in place.

While you've already been *pre-arranged*...now you need to actually *be approved*.

This can take some time. You should really get all your financial information and required paperwork done with your mortgage company as soon as you're under contract.

It may seem like there's plenty of time between now and the notary day, but those days and weeks fly by.

Also, it's not uncommon for lenders to request more documentation from you once they see what you initially send in. This can cause delays and a lot of stress. As a general rule, the better you are about sending over everything in a timely manner, the better off you'll be.

So, if you haven't already chosen a lender, do so immediately. Get the ball rolling. Now is not the time to shop for lenders and rates. But if you're going to, you need to get that done now, and then submit your loan application and documentation within the first few days of being under contract.

## 17. The Walk-Through

Before you head to the notary to complete the purchase, you can do what's called a "walk-through".

This is to make sure the home is in the same condition as when you agreed to purchase it (minus minor wear and tear, of course). Things like:

- ▶ There was no major damage done since you first agreed to purchase it.
- ▶ The owner has entirely moved out and hasn't left anything behind that you don't want. (Like bags and bags of rubbish!)
- ▶ The home is in "broom clean" condition.
- ▶ That everything the owner contractually agreed to leave behind is still there - check the inventory.
- ▶ That all of the major appliances are in working order.

**TIP:** Sellers are often in a rush to get out of the home right up to the notary day. Sometimes they don't leave the home quite as spotless as a buyer may have hoped. Unless it's in atrocious condition, it is probably better to just expect the home to not be as clean as you hoped...and if it is, look at it as a happy surprise.

If there's anything wrong with the home, or they've left junk behind, or the home is disgustingly dirty, we can bring it up with the owner.

With all that said...don't worry! Most homeowners are conscientious, and everything will look and work just fine.

## 18. Notary Day And After Your Purchase!

Congratulations! You're closing on your new home!

There will be lots of documents to review and sign at the notary, and this isn't meant to give you a blow-by-blow description of all of that. We will review and discuss all of these at length.

All purchases in Spain are completed in the presence of an official notary, where the title deeds (Escritura) are signed over from vendor to purchaser. The appointment will be made either before (by mutual agreement) or on the date of completion as stated in the purchase contract.

This can be a very quick process in Spain. You could be getting the keys to your Costa Blanca property between four to six weeks after making the deposit.

We will be at the notary with you along with your lawyer. You will make the final payment to the Vendor who will pass over possession of the property to you, handing you the keys. The notary will pass the details of the new title deed to the Land Registry who will record the details of the new owner.

Here are a few things you should do before you get there:

- ▶ Make sure you have the money ready to be transferred along with any fees for the notary.
- ▶ Bring proper identification - your NIE/TIE and passport.
- ▶ A rested wrist! (You'll be signing a lot of documents!)
- ▶ A big smile...because you're about to own and move into your new home on the Costa Blanca!

Fees to pay include:

Notary - about 1% of the property price

Tax - 10% of the property price (plus IVA if you are buying land, commercial property or a new-build)

Land Registry - €400-€650

After the closing, there will still be a lot going on behind the scenes. Your mortgage, property deeds (escritura), and other legal documents will all be recorded. Once completed, the final documents will be sent to you.

VillaMía can help you settle in to your new home. We can help with insurances, getting utility bills changed into your name, removals, mortgage, wealth tax, pool and garden maintenance, renovations or redecoration, licence if renting out the property, service fees, other fees such as IBI and more.

Of course, we will always be available if you have any questions or concerns, even after you've moved into your new home. Never hesitate to reach out to us!

And we hope we stay in touch on a personal level too! Thanks so much for choosing us as your agents, and we look forward to helping you with all of your real estate needs in the future...as well as any of your friends or family you refer to us!

## Compliments of:



VillaMía

0034 965794139

0034 630724931

[info@villamia.net](mailto:info@villamia.net)