

# **Thank you** very much for downloading our guide!

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Kindest regards  
Carolina García Chagrin  
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WHAT YOU NEED TO KNOW ABOUT **BUYING** A PROPERTY  
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We recently completed the purchase of a two-bedroom house in El Tablero with the help of Cardenas in Arguineguin. As first time buyer in Gran Canaria we had no idea of the process or the language, but we were in very capable hands with a very experienced team who are multilingual. We initially viewed the property with Yvonne, and was impressed with her knowledge and she explained in detail all the services available under the Cardenas umbrella. Once our offer was accepted Mette took over and sorted out NIE, bank account, electricity and water accounts etc. On completion day we were guided through by Ainhoa at the Notary office who translated and explained the process. I would highly recommend the team from Cardenas. Big shout out for Yvonne, Mette and Ainhoa.....10 out of 10.

**Tom O.**



# 01

## TRUSTED PROFESSIONALS

Cárdenas Real Estate, founded in 1980, is a company based in Arguineguín. We are specialists in the sale of properties in the south of the island and work hard to provide our clients with all the honest and professional advice needed when buying property in Gran Canaria.

# 02

## THE DECISION TO BUY

Buying a property is undoubtedly one of the most important investments in anyone's life. If it is your first property purchase here in Spain, you will often have doubts about it, you may find yourself completely lost and you may not even know where to start. Don't worry; we will take it step by step. The process of finding the ideal home takes time and dedication, so it is very important that each step taken along the way is firm, safe and accurate.

### **Before you start, ask yourself where you want to go.**

The first of these steps is to ask yourself why you want to buy and if you are convinced of your decision. Is it a necessity derived from some change in your life, or a possibility in the process of maturing? Does the property you are looking for involve relocating? Perhaps you plan to use it as a second home? Or is it an investment? All of this is important when it comes to determining the key factors that will define the conditions of your search.

In spite of our recognised prestige in Gran Canaria, and our position as a reference point in the area where we have 4 offices, during these past 40 years we have maintained our character as a family business: we accompany our clients throughout the whole real estate process and offer a close, empathetic and friendly service, in their preferred language.



## Characteristics and budget

Next, before making this life changing decision ask yourself what exactly are you looking for and what is your budget. Set a limit and be realistic in setting it. To do this, bear in mind that house prices vary greatly depending on the area. Even in the same area, some buildings are more in demand than others. Keeping your budget in mind is as important as knowing where you want to live or the type of property you need. Also consider whether you are willing to refurbish, or whether the property should be ready to move into.

In the spiral of supply and demand that is the property market, it is key to know exactly what you are looking for in order to maintain focus. Your needs will be reflected in a list of requirements that will take into account variables such as location, size, amenities and features, design and price.

## Organise your priorities

In addition, all these requirements should be ranked according to your priorities, as it may not be possible to meet all of them for the price you are willing to pay. Think carefully about which points you are not willing to give up (e.g. a minimum number of rooms) or which can be varied according to other advantages.

## The intangible

However, in order to find the property of your dreams, you need to take into account other factors that are not limited to a list of



objective requirements to filter through the many portals and databases on the internet. Depending on your lifestyle, hobbies, tastes or personal needs, there will be houses, buildings or areas that are more suitable for you than others.



In-depth knowledge of the different areas and the characteristics of the properties in them is key to finding the best option, taking into account these more intangible factors. This is where the help of a good real estate professional can be fundamental. They will be able to advise you based on the knowledge and experience that they have acquired over the years.

At Cárdenas we focus on people not on properties which is why if you allow us to, we will help you to find the most suitable property by offering you the resources and intangible information that are not so easy to obtain on the internet. After evaluating all the factors both objective and subjective, in depth with you, we will be able to offer an optimal viewing plan, thus finding the right property quicker and with much less effort.



# 03

## DO YOU NEED HELP?

When it comes to tackling this large project, you may decide to enlist the help of a real estate professional who can provide you with all the information needed and at the same time save you time and money. Some people mistakenly believe that the intervention of a real estate agent makes the buying process more expensive. Don't be misled!

A good agent guarantees success and fulfils your expectations, with all of their work revolving around your personal conditions and situation. Not only will you save money, but also time, hassle and, above all, risk. The real estate agent will make a selection of the best properties in your area

of interest and will also offer a range of services providing you with the information and resources needed to make the ideal decision.

Bear in mind that, contrary to the biased view of someone from outside the real estate world, an agent has a broad and comprehensive knowledge of the whole sector in terms of the market and procedures such as contracts, financing options, prices, negotiating conditions, registration data and notary information, etc. Their job is precisely to avoid unnecessary risks and to make the whole process run smoothly and efficiently.

In addition, an agency with specialised services for buyers does not only offer its own portfolio of properties, but will collaborate with other agencies to find the most suitable property. All this is possible thanks to the MLS (Multiple Listing Service) or property sharing system, whose members have access to the vast majority of properties available on the market. The management fees are shared between the listing agency and the agency representing the buyer. You can therefore choose the agent with whom you want to buy, and they will be able to offer you any property available on the Listing Service at no additional cost.





We would both like to say thank you very much for all your time, guidance and assistance in making the purchase of our property in Gran Canaria so easy and enjoyable. The professionalism of yourself and the team at Cardenas was clear from the very start when you took your time to help us find the right property. You kept us right through the whole purchase from start to finish and answered our many questions truthfully. We honestly believe that it is the trust we have now built with yourself that has made us decide to purchase our second property. Words cannot describe how grateful we are to you and Cardenas for everything that you have done for us and we look forward to purchasing property number 2.

**David & Phiona R.**



# 04 | FACTORS TO CONSIDER BEFORE BUYING

## Buyer's costs

The price of a property is not the only expense that you will have to assume during the purchase process. There are a series of expenses linked to the operation that will have a direct impact on the final amount, so it is advisable to take them into account from the beginning in order to calculate, even if only approximately the final amount.

- Transfer tax for second-hand properties (second or subsequent transfers) or General Indirect Canary Islands Tax (IGIC) for newly built properties (first transfer).
- Notary fees
- Land registry registration costs
- Deed processing costs and costs for title changes of utility providers

## Mortgage-related expenses

- Appraisal costs
- Tax on Documented Legal Acts (AJD)
- Public Deed and mortgage registration in the Land Registry office
- Opening fee, to be negotiated with the financial entity.
- Administration fee, to be negotiated with the financial entity.

As a general rule, these expenses assumed by the buyer are around 10% of the final price of the property. At Cárdenas we will provide you with a detailed report of these costs for the property you are interested in enabling you to reach your final decision with all the necessary information at hand.

## Administrative requirements for non-residents in Spain

- **Obtain a NIE:** The NIE Number is a fiscal identification number for foreigners who want to stay for more than three months in Spain or to carry out certain transactions, such as buying property, opening a bank account or buying a car.
- **Open a bank account:** Opening a bank account will allow you to manage all payments. Please note that the entity will require certain documents certifying your economic activity and/or the origin of the funds destined for the real estate purchase.



## How to get the best financing option?

It is relatively common that when purchasing property you will require the services of a financial entity to take out a mortgage. To grant it the bank will take into account two factors: the buyer's ability to pay, which is calculated according to income, and collateral, which is calculated according to the appraised value of the property.



The maximum mortgage loan is usually applied based on the following limits:

- maximum of 75-80% of the appraised value
- in addition, that the buyer's debt quota (total monthly amount to be paid for all loans) should not be more than 30-40% of their net income.

Financing for non-residents works in a similar way, the maximum age at the end of the mortgage term is 75 years and up to 70% of the appraised value is given.

To grant the loan, the bank will assess the mortgage guarantee, in addition to the current capacity to repay.

In Cárdenas we have agreements with banks that provide programmes specially designed for non-residents; they offer a binding pre-approval of the loan with a response time within 48 hours of receipt of documentation. To avoid uncertainty or unpleasant surprises at the last minute, it is advisable to receive the pre-approval before starting the process of searching for a property.

Having pre-approval in place will give you a lot of points when negotiating with the owner, it is vital that the person interested in the property can demonstrate to the seller that the financing arrangements have been clarified.



# 05 | THE PURCHASING PROCESS

If you have already found your ideal property, congratulations! You are reaching the end of the process. However, there are still a number of vital steps to take before the purchase is successfully completed. Make sure you give each one of them the attention they deserve in order to complete the operation successfully, and above all, make sure you are kept informed at all times.

## **It's time to talk business**

Negotiation is one of the most important steps in the sale and purchase of real estate. It is a highly complex moment in which the parties involved could have a conflict of interest. At this delicate point, objectivity and temperance are required, as well as a clear understanding of your objectives.



Dear Leonor,  
We would like to thank you and all at Cardenas for all your help in achieving a fast, smooth, and very efficient transaction on the purchase. We would not hesitate to recommend your excellent services to anyone in the future, as you give a very professional and personal service. We wish you and all at Cardenas a Merry Christmas and a Happy New Year.  
Many thanks again.

**Raymond and Linda D.**



In general, the buyer makes a number of requests to the owner, for example a price adjustment. These issues are best dealt with by an experienced real estate advisor who will defend the buyer's terms without jeopardising the transaction.

Furthermore, do not forget that the price is not the only factor discussed during the negotiation, other vital conditions too including: the date of the deed, the handing over of the keys, furniture included, subrogation of the loan, etc.

### **The purchase offer**

In order for the offer to be well received by the seller and to have the best chance of success, it is essential that it is made in written form and binding upon buyer. In this respect, pre-contract offers are becoming increasingly common, i.e. the buyer deposits an amount of up to 1% of the offered price with the real estate

agent as a sign that the offer is binding. There are often interested parties who make unserious offers without having a real intention to buy, so in this sense making a pre-contract offer strengthens your bid in eyes of the seller and greatly increases the chances of reaching a satisfactory agreement.

### **The private option to purchase contract**

This is an agreement between the buyer and the seller, where the seller agrees to sell the property and the buyer agrees to buy it at the agreed price.

The private option to purchase contract contains all the relevant details of the agreement, including the description of the property, the purchase price, method of payment and the date of final formalisation of the sale. This usually coincides with the handover of possession of



the property. At this point, the buyer must make a down payment, which is normally paid into the estate agent's account and is usually 10% of the agreed purchase price, although the amount may vary.

The private option to purchase contract usually includes a clause stating that, in the event that the seller decides to withdraw from the sale, the buyer is entitled to receive double the payment as compensation.

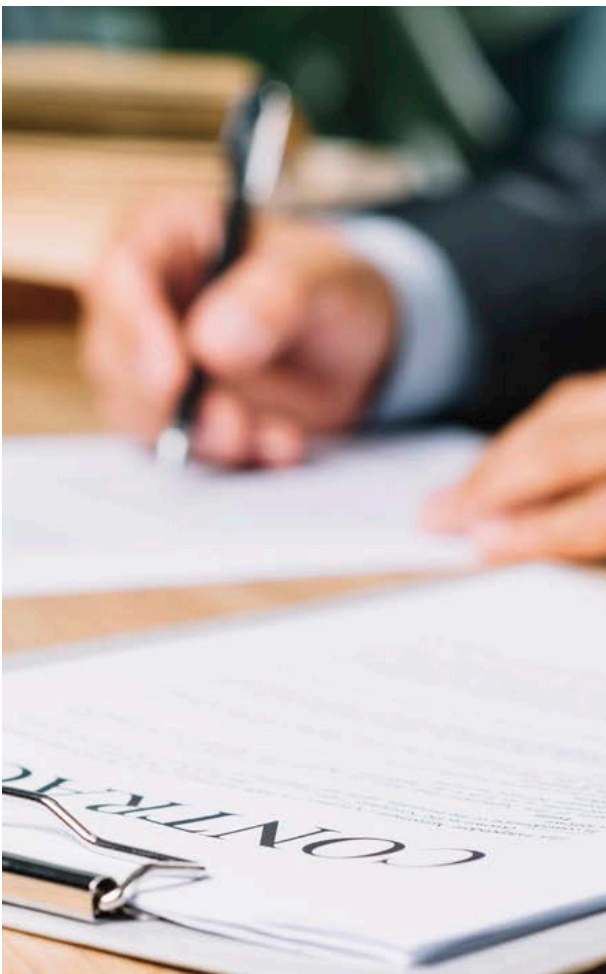
However, in the event that it is the buyer who decides to withdraw from the purchase, the amount of money is forfeited.

Prior to signing the contract, it is essential to carry out a due diligence process in relation to technical and legal details for each specific property.

### **Deed of sale**

On the day that the sale is formalised, and after prior confirmation that the property has no outstanding debts of any kind, the rest of the purchase price (minus the amounts previously paid) must be paid.

At the same time, the seller and the buyer will firm the Public Deed of Sale, which is the title of acquisition of the property.



**The Notary Public** is a public official who certifies the transfer of the property in compliance with the legal requirements. The signature before a Notary Public requires the physical presence of the seller and buyer however, if they are unable to attend in person they can grant power of attorney to someone of trust but this must be executed before a Notary Public, either in Spain or abroad. Powers of attorney authorised before foreign notaries require an additional legalisation, called Apostille (Hague Convention of 1961).

Once the deed has been signed, it must be presented to the tax authorities in order to pay the transfer tax, and subsequently registered in the Land Registry. Once these steps are taken the buyer's rights are fully valid against third parties.



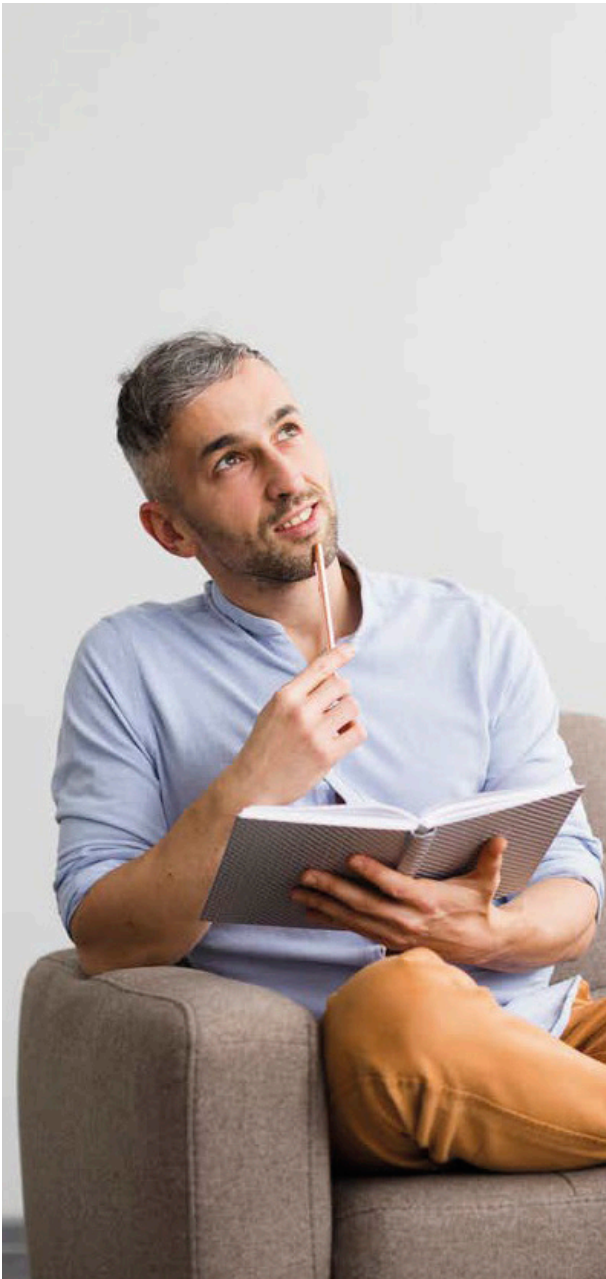
Both of us were extremely pleased how quickly the purchase of our holiday home went though, and with all your continuous help and support made the process very easy. We would highly recommend your professional and friendly service to others interested in buying a property in Gran Canaria. We would definitely buy our next home with Cardenas again.

**Nicola P. & Robert G.**

# 06

## WHAT SHOULD YOU CONSIDER AFTER BUYING?

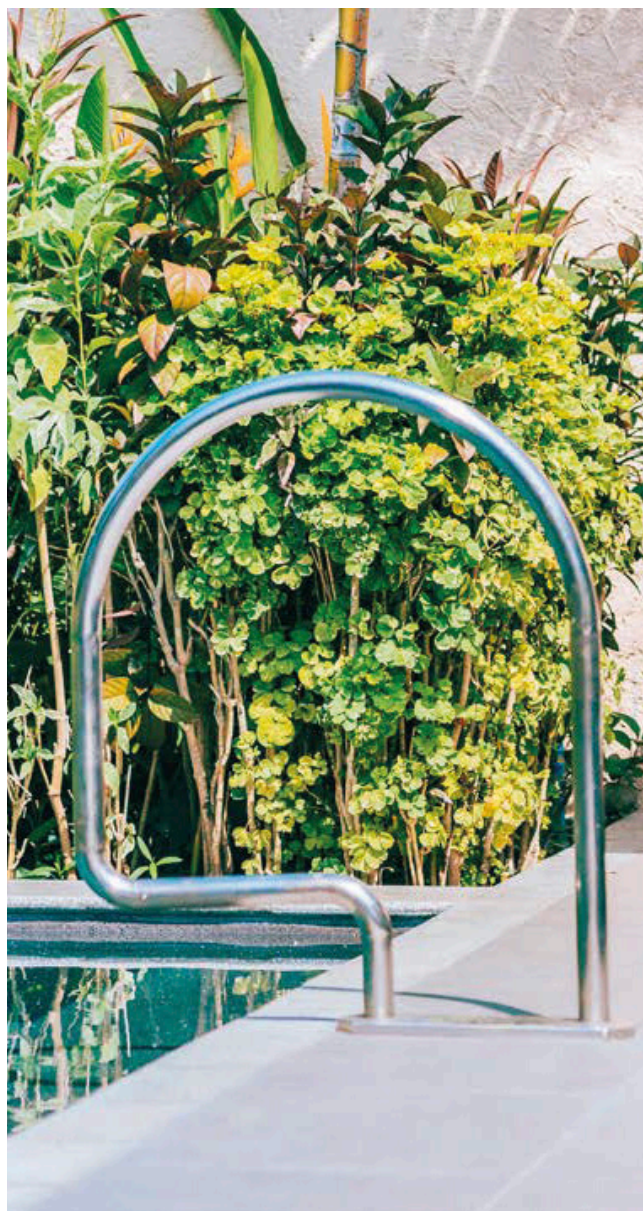
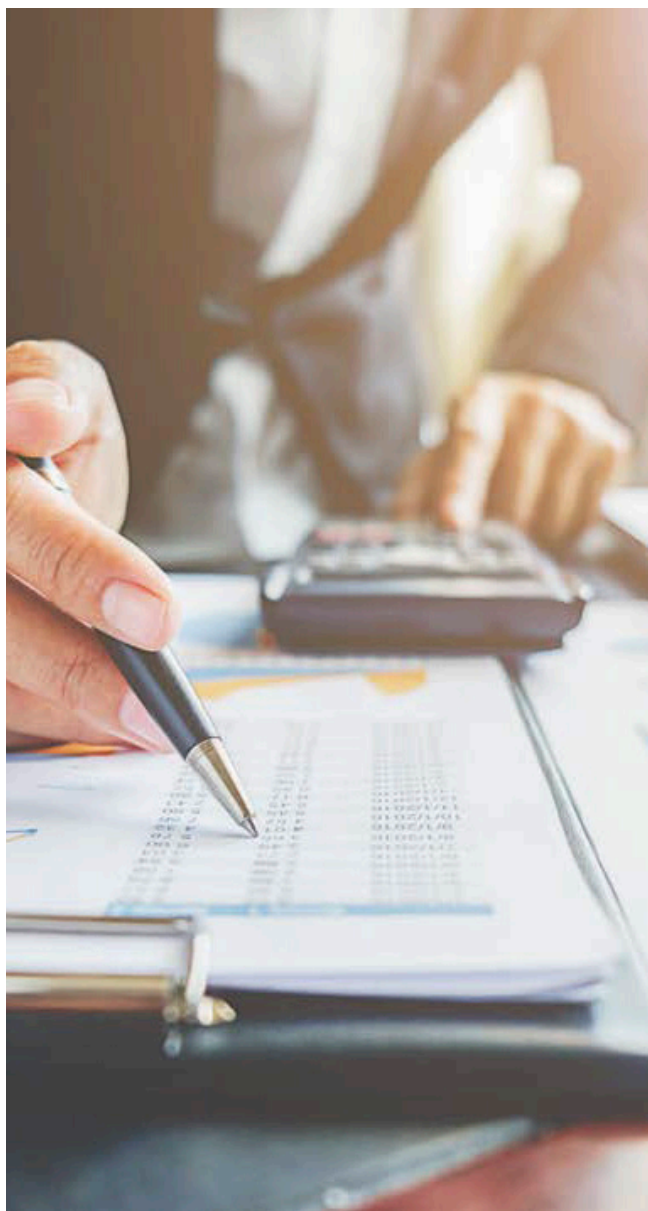
Once you have purchased your new property there are a number of things to consider:



- Taxes associated with the property. Land Tax (IBI) paid to the Town Hall.
- Rubbish Tax, paid to the Town Hall. In some areas this tax is included in the water bill.
- Household insurance.
- Utility supplies: Water and electricity consumption.
- Community charges: In the event that your property belongs to a building under a co-ownership regime you will have to pay for the use and maintenance of the common areas. These expenses are monthly and may include the cost of utility supplies for the common areas, community insurance, cleaning and maintenance of spaces, repairs and administration costs. The community fees can be ordinary or extraordinary (one-off payment for improvements or major repairs) and are calculated according to the participation share of your property in the building, which is registered in the Land Registry.

### **Income tax for non-residents**

All non-resident owners of property in Spain are required to pay income tax.



### **For properties intended for personal use**

The tax base is 2 % of the assessed value of the property. The assessed value is much lower than the market value. On this basis, the tax rate is applied, which is 19 % for EU residents and 24 % for non-EU residents.

### **If you intend to rent out your property**

You will pay income tax on the basis of the rental income received. If you are an EU resident there are various costs that can be deducted, for example, property management fees and maintenance of the property. The tax rate is 19% for EU residents and 24% for non-EU residents.



# 07 | HOW CAN WE HELP YOU?

We hope this buyer's guide has helped you to understand the process of buying a property in the Canary Islands. We know there is a lot of information but please don't be alarmed. We are here to help you every step of the way. Before putting a property on the market we will have already checked its legal situation therefore avoiding any last minute surprises.

Once you have decided to buy we have a specialised multilingual Transaction Department that will work side by side with your real estate advisor accompanying and guiding you through the entire buying process.

But that is not the end of our services. Our Legal and Tax Department offers you comprehensive after-sales services in all post-purchase procedures and also in the fulfilment of your annual tax obligations.

At Cárdenas Real Estate we have the necessary technological means to provide our services online, including online meetings, virtual viewings of properties, advice to buyers and sellers, home valuations, legal and fiscal advice, etc.

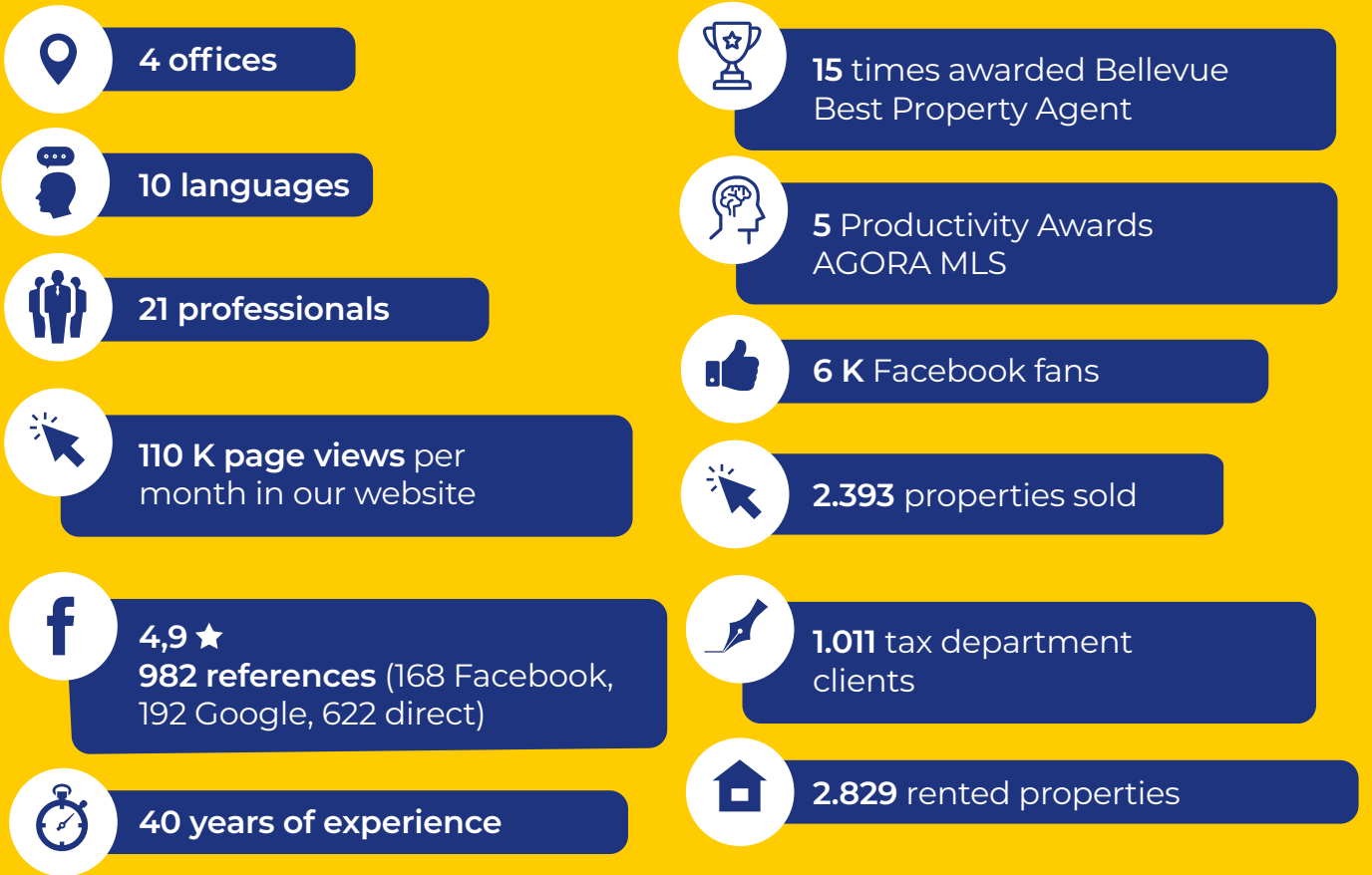
If you are unable to attend the formalisation of the sale and purchase in person, we can assist you in the granting of powers of attorney that will enable you to appoint a representative

We also have the largest offer of properties. We are members of the Multiple Listing Service BOICAN (Canary Islands Real Estate Exchange) and Agora MLS Canarias made up of over 105 agencies. Even if you were to find a property elsewhere we can assist you in the sale at no additional cost. We can collaborate with the listing agency whilst sharing the fees, but to do this it is essential that we establish contact with the agency from the very first moment because if you were to request information from them before contacting us it would be difficult for us to seek collaboration. Just send us the links to the properties you are interested in and we will manage the viewings, information requests etc.

In all other cases, for example if you find the property through other channels or privately, we can also assist you through our multilingual Transaction Department.



## OUR NUMBERS





We have found the service provided by Cárdenas to be excellent. You have taken care of every detail and kept us fully informed through the whole purchasing process. We have been dealing with Yvonne Weerts and she has been extremely friendly and helpful. We are pleased that you are offering post-sales support too. Thank you once again.

**Barry H.**



# 40 YEARS FULFILLING DREAMS



*Thank you!*



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