



Buying a property

HELPFUL TIPS AND INFORMATION



Basically it is very easy to buy and finance a property in the Canary Islands. If you need financing local banks will normally do this, lending between 60–70% of the purchase price, with an average interest rate of 4%. The buyer therefore needs to find 30–40%. In some cases with secure collateral, even 100% can be obtained.

Independent experts value the property and the valuation gets forwarded to the bank, who in turn will sort out the financing. The buyer pays the valuation fee which varies with the property value.

Before buying, it is necessary to find out if there are any encumbrances i.e. to ascertain that all taxes and official fees have been paid, together with all the community fees. This is done through the Land Registry Office–El Registro–and will cost around 25 euros.

Getting all the information about regional construction regulations will make sure that houses under construction are conforming to the original plans and that any future renovations you may wish to do are permissible. In the regional technical office you will find all the detailed plans both for building and infrastructure of the area concerned.

The normal process of buying a property is as follows. After agreeing the price and financing, a preliminary contract will be signed and a first payment agreed. The percentage of this depends on the total sum and is a guarantee of intent for both the buyer and seller.

To complete the process it is then necessary to go to a notary, together with an interpreter if necessary. Here you will obtain your legal document, an “Escritura”. This is absolutely vital to legalise the purchase. The next step is the registration of the new owner in the Community Land Registry Office (“Registro de Propiedad”), the legal process is then complete.



Additional advice

Some additional advice that can save you from making mistakes:

- Beware of people offering you properties whilst in a hotel bar, on the beach or on the streets and who give you a mobile telephone number as a point of contact.
- Look closely at the real estate companies to ascertain their standards. If possible talk to local people to get a good idea of how they operate. The association ‘Colegio de Agentes de la Propiedad Inmobiliaria’ is an official body where estate agents are registered, information can be obtained from this source.
- In the Canary Islands the ‘amazingly good offer’ normally means that there is something wrong somewhere.
- Better that you check everything and take your time buying a property, it is after all a very big decision.
- You must remember to take into account the additional costs when buying, like taxes for the land, value added tax, notary and valuation fees, registering the property, lawyers fees and last but not least, the charge for water and electricity connections.