



# WHAT WILL IT REALLY COST?



*If you take the time to look at the numerous real estate offers in different magazines and in estate agents' windows, you will find out that it is very confusing. In the end you will ask yourself "How much will it really cost to buy a property?"*

There are totally different ways of financing, sometimes up to 120% of the selling price, giving the impression that everything is very easy, and sometimes you even start to think that you are being given a gift. At the same time there are confusing details about the expected mortgage rate and explanations about the interest rate that it all appears double dutch.

To put some light on the matter, we asked a bank expert to explain to us in a simple and understandable way, the basic information that you need for buying a house or an apartment in Lanzarote.

Supposing the selling price is 197.200 Pounds, estimated interest rate is 6%, the expert came to the following conclusion: to give the bank the necessary security to get a mortgage and to make sure that your monthly rates are not too high, it is advisable to have 30% of the selling price available. On top of that you need an extra 8% of the selling price for the whole buying process, which will include notary and lawyers

fees. Plus you will probably need basic furniture and tableware, the expert added the flat rate of 7.064 euros to his calculations - with this data you get the following results:

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30% of the selling price (197.200)	=	59.160
Cost of buying process (8%)	=	15.776
Furniture and tableware	=	7.064
<b>Total</b>	=	<b>£82.000</b>

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That means that a buyer should have at least 82.000 pounds to buy a house that costs 197.200 pounds, under secure conditions - or close to 40% of the selling price.

Especially on an island as Lanzarote, with his limited space, it becomes very clear that a place in the sun is an investment which needs a healthy background and a clear decision. In exchange you get a steady rise in value and the possibility to enjoy your life in a very special surrounding ■

