

Paperwork and Contracts Involved When Buying or Selling a Property in Spain

Understanding the sequence of paperwork and contracts is essential in Spain, where property transactions involve both private contracts and public documents. Each stage has a specific legal purpose.

Step 1: Offer and Reservation

- Buyer and seller agree on a price
- **Reservation agreement (reserva):**
 - Takes the property off the market
 - Confirms price and basic terms
- **Deposit:** Typically €3,000–€6,000
- **Tip:** Review carefully; sets deadlines and conditions

Step 2: Due Diligence and Document Checks

- Usually handled by a lawyer
- Key documents to review:
 - Land Registry extract (ownership, charges)
 - Cadastre records (size, boundaries)
 - Planning permissions and licenses
 - Proof of IBI, community fees, and utilities paid

Ensures the property is legally sound and matches official records.

Step 3: Private Purchase Contract (Contrato de Arras)

- Most common private contract in Spain
- Buyer typically pays **10% deposit**
- Contract specifies:
 - Completion date
 - Penalties for withdrawal
 - Buyer withdrawing → loses deposit
 - Seller withdrawing → returns double deposit
- **Legally binding**

Step 4: Mortgage Paperwork (If Financing Is Needed)

- Bank conducts property valuation
- Issues **FEIN (binding mortgage offer)**
- Spanish law includes a **cooling-off period**
- Buyer attends pre-signing meeting at notary to confirm terms
- Mortgage is formally signed after this process

Step 5: Notary Signing and Completion

- Takes place at the **notary's office**
- Attendees: buyer, seller, bank, sometimes lawyers
- **Notary responsibilities:**
 - Verify identities
 - Read the public deed (**escritura**)
 - Confirm payments and taxes
- Buyer pays remaining balance, receives keys, and signs the deed
- Ownership legally transfers at this stage

Step 6: Post-Completion Registration and Payments

- Deed must be:
 - Registered at the **Land Registry**
 - Updated in the **Cadastre**
 - Used to pay **purchase taxes**
- Often handled by a **gestor or lawyer**
- Utilities are transferred and local taxes updated in the new owner's name

Summary of the Process

1. Reservation agreement
2. Due diligence and document checks
3. Private purchase contract (Contrato de Arras)
4. Mortgage approval (if applicable)
5. Notary signing and completion
6. Registration and tax payments

Following this step-by-step process helps buyers and sellers move through the transaction confidently, avoiding delays and surprises.

