

Winkworth

Sellers Guide to Spain



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Selling your property in Spain



If you are toying with the idea of selling your property in Spain, it's important to familiarise yourself with the journey that lies ahead. Selling a property requires some effort and isn't a decision that should be taken lightly. You need to be well equipped with all the facts to establish whether in fact selling is the best possible move or whether renting, remortgaging or even holding on to your property for a while would be better options at this particular time.

The method of selling in Spain, along with the costs and process are likely to be different to what you are used to in your home country. Whether you are up or downsizing, relocating or simply cashing in, you will need to know what's involved and how long it's going to take so that you are able to plan your next move.

To avoid any unexpected surprises and to ensure a smooth, hassle-free transaction, we have put together an overview of each step in the process. Once you are familiar with the steps, you can hand over the leg work to our sales team at Winkworth Spain who will drive all their efforts towards getting your property sold for the best possible price.



Appointing an agent



Firstly, is the matter of appointing an agent. Whilst some people choose to try selling their property privately to avoid paying commission on sale, they often find that after a few months they are unable to reach the right buyers and have wasted precious time in the process.

The benefit of using a Real Estate Agent is that the advertising, marketing, viewings and negotiations will be handled on your behalf. This takes away a significant burden of responsibility from you and also ensures that your property receives maximum exposure through tried and tested advertising channels.

Unfortunately, you will have no success in selling your property if nobody knows about it. Long gone are the days of putting a For Sale sign up outside your house and hoping for the best. These days, a comprehensive digital marketing plan is required to reach potential buyers both nationally and internationally. Unless this is a particular specialism of yours, it's likely that you will need to appoint a Real Estate Agent.

Then is the matter of deciding whether you should use a sole agent or multiple agents, and how to decide who to use.



The Multi-Listing System

Unlike many countries in Europe, Spain operates using a MLS (Multi-Listing System) meaning that all agents work collaboratively to sell properties through a shared online database. This allows 1000's of agents to search for suitable properties for their clients rather than only being able to offer them their own listings. From a seller's perspective, this also increases the odds of being able to sell your property, as all agents will have visibility of your property, not just the agency you list with.

This therefore makes it completely unnecessary to list your property with multiple agents, as the MLS system does not allow duplicate properties. What is more important is that you chose an agent who in addition to the MLS system has:

- A physical office presence in a high-footfall area to take advantage of window shoppers
- Good online reviews from other buyers and sellers
- Listings on multiple national and international property portals
- Advertising in local printed magazines and newspapers
- Impressive property listings already in their portfolio
- A good understanding of their niche market

Before appointing an agent, also make sure you discuss their commission up front, so you know how much their services are going to cost you and how this compares to others in the same area.



What is your property worth?



Once you have appointed your agent, it's time to establish what your property is worth and the asking price it should be pitched at. You can get an indication of asking prices yourself by consulting local and national property portals for similar properties in the area for example Idealista, Fotocasa and Kyero. You may also be able to ask your local neighbours if property has recently sold in your street.

However, for a more accurate valuation you need to bring in the skills of your agent. They will first visit your property to assess the condition, orientation, size, features and views. This information then needs to be layered with their knowledge of local market activity, supply and demand in the area, historic records of sales prices achieved, land values, rebuild costs and the specifications that current buyers are looking for.

It's then important to factor in the agent's commission fee's being deducted, which will be a fixed percentage of the final sales price. You will also need to leave yourself some wiggle room to accept a reasonable offer from potential buyers.

Another point to consider is how quickly you would like your property to be sold. If you are keen to sell with urgency, it is worthwhile pricing the property more competitively than comparable properties in the area to put yourself ahead of the pack or offer more commission to make it more attractive for agents to bring their clients to visit your property over other options. Alternatively, if you are in no rush to sell you may be able to pitch your asking price slightly higher, but be mindful not to leave your property on the market for too long as buyers may become suspicious of why it is not selling.

Together with your agent you will agree the correct pricing strategy for your particular circumstances and the listing process can begin.

Costs of selling



Alongside the pricing strategy, you also need to take into account how much it will cost to sell your home. The sale will be subject to a number of expenses and fee's depending on different criteria. Ask your agent to guide you on which of the following costs will be applicable in your case.

Estate agents fee's

This is likely to be the most significant of all the costs of sale and always paid by the seller of the property. On the Costa del Sol, agency fee's are usually in the region of 5% of the final sales price. This is only payable on sale, so no sale, no fee's. However as previously mentioned you may wish to offer more commission if you are keen to sell at speed.

Legal fee's

You will need to appoint the services of a lawyer to facilitate the sale, provide all relevant legal documentation and draw up contracts between yourself and the vendor before signing at the notary. These fee's are usually around 1% of the sales price.



Taxes

Capital gains tax

If the value of your property has grown during your period of ownership, you will be subject to Capital Gains Tax on the net profit of this growth. Any costs of buying and selling or investment in renovation will be deducted from this profit. As an EU citizen, the rate charged is 19% on the profit. As a Non-EU citizen the rate is 24%.

Withholding tax

As a non-resident of Spain, you are also subject to a 3% retention tax, which will be withheld by the buyer and presented to the tax office to cover any potential tax liabilities that the seller may have following completion. This tax may be refundable once it has been proved that you are up to date with all your taxes, but it will need to be claimed back from the tax authorities. This tax does not apply to residents of Spain.

Plusvalia tax

The controversial Plusvalia tax is paid to the local municipality based on the increase of land value since owning the property. It is calculated on the cadastral value of the property and the number of years that the property was owned. It can be a complex value to calculate, but your lawyer can give you an estimation on presentation of your last I.B.I bill.

Mortgage cancellation fees

If there is a mortgage on your property, you may be subject to a early cancellation fee, but this will be determined by the terms and conditions in your personal mortgage agreement.

Energy efficiency certificate

The seller of the property is obliged to provide a recent Energy Efficiency Certificate. The cost of this is usually around €100-€150.

Utilities and bills

When you sell the property, you must be fully up to date on all running costs of the property including I.B.I, basura, community fee's, electricity, water, internet etc. If these costs cannot be calculated or paid in advance of selling there may be some funds withheld to cover the costs on behalf of the new owner.



Property listing documentation



To allow your agent to list your property online you will need to provide the following documentation to demonstrate the legality of both the property itself and your ownership.

- Nota Simple
- NIE of all property owners
- Passport of all property owners
- Latest IBI receipt
- License of first occupation or habitation certificate
- Energy Efficiency Certificate

Later in the selling process, the buyers lawyer may ask for further documentation but your lawyer will assist you in acquiring these documents from the relevant authorities.



Marketing your property



The successful sale of a property depends on the marketing strategy taken by your selling agent. You want to be sure that your property is presented in its best possible light to the broadest possible audience. These are some of the most important marketing actions that you will want to see from your Real Estate agent.



Professional photography

Lights, camera, angles. The quality of photography for your property makes all the difference to your listing. Property photography should be taken by a professional with the right equipment, showing off all the important features that potential buyers want to see. Unfortunately, a few snaps with a phone camera will not do it the justice it needs, so ensure that your agent delivers on quality images.



Video

Video is one of the most important media tools in today's online world. Even more so when buyers are potentially assessing properties from another country. High-quality videos not only attract a better calibre of buyer but they bring your property to life and give buyers a better feel for the layout of your property. A property being sold with a video is 10 times more likely to receive an enquiry than one without.



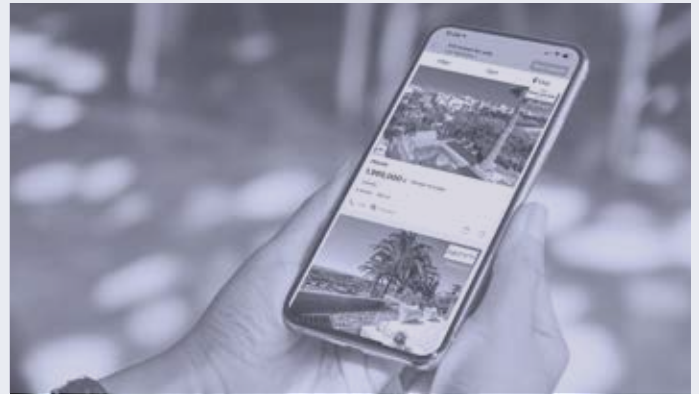
Drone videos

Drone videos are also becoming increasingly important, especially in the case of detached houses, villas and plots. Aerial shots help to showcase the outside features of a property as well as the surrounding areas. This helps to demonstrate proximity to neighbours, main roads and local amenities as well as giving context of the size of the built area.



Floor plan

To help buyers imagine living in your property, a floor plan is indispensable. This really helps them weigh up how they would use the space themselves, get a vision of the layout and sizes of rooms and even start planning their own reforms and renovations.



Virtual tour

In today's digital age, Matterport virtual tours are taking property listings to another level. This is the closest a buyer can come to viewing the property, whilst still in the comfort of their own home. If they like what they see from a virtual tour, their enquiry is likely to be more qualified and serious than any other.



Listing channels

A good choice of property portals or listing channels is critical to the success of your property marketing. Advertising on their website alone, simply isn't enough. Ask your agent which channels they list on and in which countries and ask to see a few links for reference to ensure they are already live with their listings. A few that are worthwhile are:

- Idealista
- Fotocasa
- Kyero
- Rightmove
- A place in the sun
- Zoopla
- Resales



Property description

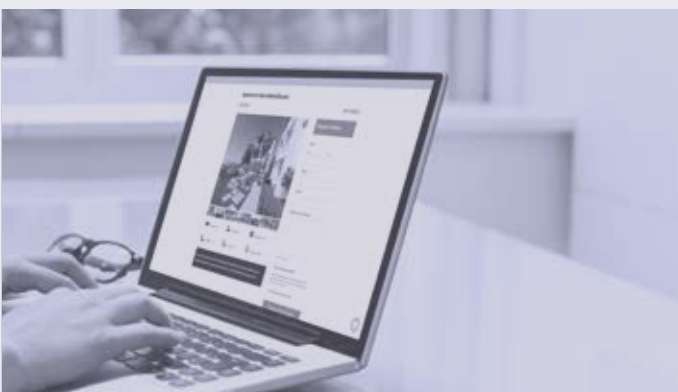
A detailed, descriptive and emotive property description can make or break a listing. Leaving a buyer without some of the key property details will force them to continue with their search, even if your property is ideal for them. A lacklustre property description is likely to be ignored meaning that you are missing out time and time again on a potential sale.



Additional advertising

In addition to the MLS and property channels, you ideally want your agent to be advertising your property through other means. This might include email marketing, social media advertising, property newspapers and magazines and maybe even an open house.

This multi-prong approach will give you the best possible chance of selling your property, for the best price in the shortest possible time.



Property viewings



It isn't always possible or suitable for you as the owner to co-ordinate and host property viewings yourself, especially if it is your second home. This is where your agent will step in.

Ensure you leave keys with your agent and if necessary, the contact of your property management company, cleaner and gardener to ensure the property is looking its best before any viewing. Your agent will take care of the rest.

- Before listing your property, address any potential weak points that could put buyers off viewing. There's no need to take on major renovations if you are willing to reflect this in the price, but freshening up some areas with a lick of paint, fixing damp spots and cracks might just make the difference.
- Ensure you tidy up and declutter before photos are taken. A house full of someone else's belongings feels cramped and unappealing, even if the size is more than adequate.
- Neutral colours work best. Whilst you might love your bright pink wall, it won't appeal to everyone and buyers prefer to see a blank canvas to work with.
- Before viewings, make sure the property looks, feels and smells fresh. Bring in a cleaner on the day even if the property has been empty a while as dust accumulates and odours will appear after time.
- Open curtains, shutters and windows to make the most of natural light.
- If it's hot make sure the aircon is on. Equally during the cooler months make the house feel cosy with heating or a lit fire.
- If you have a garden and pool, make sure they are well maintained and clean. A dirty pool and an unruly garden are only going to make buyers think the property is more work than it is worth.
- If you can, invest in some items to help staging your viewings. New sheets on the beds, fresh flowers, air fresheners, window dressings, fresh fruit, baked goods, candles and cushions can add those finishing touches to make someone really feel like they want to live in your house.

Speak to the experts

We understand that every property is unique and are happy to discuss the best strategy for a successful sale of your property in Spain. Our team of property professionals have in-depth, expert knowledge and experience of the Spanish property market and are happy to answer any questions you may have. We also offer a FREE, no-obligation property valuation, so you can find out what your property is worth, before deciding to sell.



Speak to us today!



+34 952 880 941



+34 600 115 728



info@winkworth.es



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