

# The best ways to finance your Spanish property



**spanish**  
LegalHomes.com

buy with confidence



## ABOUT US

Since 1985, our group has helped over 10,000 people to safely and securely purchase a property in Southern Spain.

As one of the largest and most established real estate agents in Spain, our clients have access to an unrivalled range of benefits which include:

- Over 500 'key ready' Spanish properties available for purchase.
- A selection of exclusive properties not available anywhere else online or through other agents.
- The opportunity to participate in a one-to-one, relaxed viewing trip with a local, unbiased, bilingual property expert.
- In-house experts who will assist with the legalities of buying in Spain, setting up bank accounts, furnishing your property and moving in.
- Access to great finance rates from leading lenders in both Spain and the UK.
- Access to our excellent After-Sales team who can offer furniture packs on all our properties and assist clients to move in with no hassle and trouble-free completions.

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"The whole team has exceeded my expectations and I would not hesitate in recommending you all to any new buyers especially if they are daunted by the whole buying process... you made it so easy!"

Paul Griffiths

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Exquisite cuisine, healthy micro-climate and stunning beaches, what's not to like? Plus, flights to the nearby Spanish airports are low-cost and regular from most UK airports!



## RAISING FINANCE IN THE UK & SPAIN

Over 40% of UK people who buy a home abroad will raise some or all of the finance from one source or another.

Buying a Spanish property is a similar process to what you would expect when buying in the UK. On all property sales in Spain (new and resale), you will need to add 12-14% on top of the agreed basic buying price for Notary fees, taxes, legalities and registration to get the clear Title Deeds.

Paying with cash puts you in a much stronger position to negotiate for a better deal whilst on-site in Spain and being able to hand in a deposit on the day of reservation. However, you can still get a great deal by securing your finance prior to viewing any properties!

We recommend talking to our reputable financial advisers who can help see if you can raise extra funds from the UK or Spain before you view. Securing extra funds may increase the choice of properties available to you, including better locations, larger sizes and proximity to local amenities.



Organising your finances may seem challenging, but with the help of a qualified adviser, it can be a smooth and easy process!

We have offices and dedicated experts in all the key destinations:

### COSTA BLANCA

Popular for:

- Highly affordable properties
- Perfect dry micro-climate
- Great local amenities throughout the region

Prices start from: £85K

### MURCIA

Popular for:

- Low cost of living
- 250 km of stunning coastline
- Properties on or near championship golf courses

Prices start from: £85K

### COSTA DEL SOL

Popular for:

- Luxury living by the sea
- Expat communities
- High demand for holiday rentals

Prices start from: £150K





## WHY CONSIDER FINANCE?

Owning a property in Spain is a great asset to have.

### ACCESS TO BETTER PROPERTIES AND/OR AREAS

By securing or having access to extra funding you could buy something better or bigger and in a more desirable location! The jump from a 1 bed to a 2 bed apartment, or from an inland location to a coastal hotspot, could open doors to a better long term investment and higher rental returns.

### REDUCE THE IMPACT OF A WEAKENED £

You can pay off a Spanish mortgage balance at any time without paying heavy redemption penalties. Many of our clients require this flexibility on their mortgages, so when the '£ Sterling' gets stronger, they can choose to pay off the balance.

### OWN YOUR PROPERTY QUICKER

If you've been saving to buy for a while, why wait any longer? By obtaining the extra finance, you can purchase earlier than you planned and enjoy your place in Spain sooner than expected!

### IT'S OFTEN EASIER TO OBTAIN THAN YOU MAY THINK!

The average timescale for a Spanish mortgage is 6-8 weeks, however you can obtain an Agreement in Principle (AIP) for a property you wish to buy within two working days! This means all your finances can be organised before you fly out to Spain.



## UK FINANCING

Get your finances in place before heading to Spain.

If you own a property in the UK, we have UK based financial advisers that can help you throughout the process of sourcing the funds you require to purchase a property in Spain. This route is often chosen because it tends to be quicker and easier than obtaining a Spanish mortgage.

Our recommended UK Financial Adviser, Matthew Duffy of Cherry Mortgage and Finance Ltd, has years of experience in sourcing funds for overseas purchases. Matthew can gladly discuss the various options with you and work to find you a suitable solution, whilst taking the time to walk you through the process.

Matthew has visited our Spanish showrooms and seen many of the properties we offer for sale in Spain, so is highly educated to offer professional advice on what the most beneficial financial routes are for you.



You can secure sufficient finance in the UK via:

- Mortgages and remortgages - a safe loan used to buy property. There are various types of mortgages including fixed and variable interest rate deals.
- Equity release - this refers to a range of products that let you access the equity (cash) tied up in your home if you are over the age of 55.
- Loans, secured and unsecured - A secured loan is a loan in which the borrower pledges some asset (e.g. a car or property) as collateral for the loan. An unsecured loan is a loan that is issued and supported only by the borrower's creditworthiness, rather than by any type of collateral, such as a property.

Contact Matthew Duffy

Phone: +44 (0)1202 925365

Email: [info@cherryfinance.co.uk](mailto:info@cherryfinance.co.uk)

Web: [www.cherryfinance.co.uk](http://www.cherryfinance.co.uk)



## SPANISH MORTGAGES

Obtaining a Spanish mortgage may be easier than you think!

Through our broker partners, we can help you obtain a Spanish Mortgage on all of the fully legal properties in our portfolio. Working with only the major Spanish high street banks this ensures a smooth process. Please note, your mortgage must be arranged, as well as pre-accepted in Spain.

Our recommended brokers, [Fluent Finance Abroad \(FFA\)](#) are a long established and successful firm based in Spain, with a team full of British and multilingual staff. Marc and his team can source our clients the very best, low interest rate mortgages from all the major Spanish banks.

For non-resident mortgages, who pay their taxes outside Spain, you can expect to get finance of up to 70% of the valuation and you must have at least 30% available as a cash deposit. With the help of FFA, you can ensure all the relevant information and paperwork is correctly resourced and completed.

*"We have access to a vast network of both international and Spanish mortgage providers and are able to secure best value funding, regardless of nationality. We have market leading low rate mortgages available which are exclusive to our clients."*

[Marc Elliott de Lama, Spanish Mortgage Consultant & IFA](#)

Age won't stop you! If you are retired or are over 60 years old and in receipt of a pension, you can still obtain a mortgage in Spain in your own name. However, it is possible to assign a guarantor to secure the borrowing and if they are a part-owner, there are potential inheritance tax benefits!



[Contact Fluent Finance Abroad](#)

Phone: (+34) 952 85 36 47

Email: [info@fluentfinanceabroad.com](mailto:info@fluentfinanceabroad.com)

Web: [www.fluentfinanceabroad.com](http://www.fluentfinanceabroad.com)

## SPANISH MORTGAGE EXAMPLE

Obtaining a Spanish mortgage may be easier than you think!

These new, contemporary 2-3 bed apartments in Torrevieja, Alicante are available from just €152,000.

We've worked out two examples based on a buyer borrowing 70% or 60%.

We've also included the approximate additional costs that come with a property purchase e.g. fees and taxes; for this example it is 14%.

Price of the property  
€152,000

Estimated extra costs  
€21,280

Therefore, total cost to pay  
€173,280

### SPANISH MORTGAGE OPTION 1 30% DEPOSIT

|  |   |
|--|---|
| 30% Deposit value  | €66,880<br>at Exchange rate of 1.12% =<br>£59,714 |
| Mortgage value (LTV) 70%<br>(Max lending amount for non Spanish tax residents from the EU) | €106,400  |
| Cost per month over 25 years<br>at 2.00% interest rate                                     | €455<br>at Exchange rate of 1.12% =<br>£407       |

In summary, with a 70% mortgage, you could buy this property using a deposit of €66,880 and then monthly installments of €455 over 25 years.

### SPANISH MORTGAGE OPTION 2 40% DEPOSIT

|  |   |
|--|---|
| 40% Deposit value  | €82,080<br>at Exchange rate of 1.12% =<br>£73,286 |
| Mortgage value (LTV) 60%<br>(Max lending amount for non Spanish tax residents from the EU) | €91,200   |
| Cost per month over 25 years<br>at 2.00% interest rate                                     | €390<br>at Exchange rate of 1.12% =<br>£348       |

In summary, with a 60% mortgage, you could buy this property using a deposit of €82,080 and then monthly installments of €390 over 25 years.

\* Please check with an officially registered currency exchange company for up to date exchange and mortgage rates, the figures shown are for guidance purposes only and these are liable to fluctuate. Our currency change and foreign payment specialists at [GCEN](#) can advise you further.



## RENTAL RETURN GUIDE

There has never been a better time to buy and rent out a property in Spain.

We firmly believe that this year is the perfect time to purchase a Spanish home, prices have certainly bottomed out and genuine bargains in prime locations are getting snapped up... that's fact not fiction.

| LOW SEASON<br>OCT - FEB    | MID SEASON<br>MARCH - MAY | HIGH SEASON<br>JUNE - SEPT |
|----------------------------|---------------------------|----------------------------|
| 2 BED APARTMENT / BUNGALOW |                           |                            |
| £200 P.W.                  | £275 P.W.                 | £450 P.W.                  |
| 3 BED APARTMENT / BUNGALOW |                           |                            |
| £225 P.W.                  | £300 P.W.                 | £550 P.W.                  |
| 2 BED VILLA WITH POOL      |                           |                            |
| £250 P.W.                  | £350 P.W.                 | £650 P.W.                  |
| 3 BED VILLA WITH POOL      |                           |                            |
| £300 P.W.                  | £450 P.W.                 | £850 P.W.                  |

These rental prices are for guidance only. The location of the property, its closeness to local amenities and proximity to the beach will affect the rental rates the property can achieve. E.g. certain properties close to Golf and beach command higher rental returns than shown.

Paying off your mortgage can be easier with the help of rental returns!

You can expect 4-8% yield for 3-6 months rental.



## HOW DO I TAKE THE FIRST STEP?

If you are interested in learning more about the finance opportunities available to you, our helpful bilingual advisers will be happy to help you!

A property in Spain is a usable asset!

With 320 days of sunshine, you, your friends and family can use the property all year round. And when you're not using it, simply rent out the property for some extra income or to help pay off the mortgage! If or when you choose to sell the property, and the demand is still high you are likely to make a profit!

Get in touch with our Spanish based brokers at Fluent Finance Abroad:  
 Phone: (+34) 952 85 36 47  
 Email: [info@fluentfinanceabroad.com](mailto:info@fluentfinanceabroad.com)  
 Website: [www.fluentfinanceabroad.com](http://www.fluentfinanceabroad.com)

Our recommended UK based adviser at Alder House Finance can help you:  
 Phone: +44 (0)1425 291066  
 Email: [info@alderhousefinance.co.uk](mailto:info@alderhousefinance.co.uk)  
 Website: [www.alderhousefinance.co.uk](http://www.alderhousefinance.co.uk)

### What do I need to do?

- There are a variety of documents required to analyse your financial position. Contact our recommended advisers for full details. These may include: Passport (or other proof of identification) and Income details.
- Contact one of our reputable financial advisers who understand the Spanish property market. They will help you to understand your current financial position and if you're in a position to access extra funding.
- Secure an Agreement in Principle (AIP) before you fly out to Spain to view. This can usually be completed within two working days.
- Complete application process once you have found your dream property.

Disclaimer: This guide has been compiled in a generic sense and its sole purpose is to provide a basic overview. The information contained herein does not in any way constitute as financial advice. Each individual's requirements and capacity for lending is different. Before making a decision on any potential finance package or before handing over any deposit for a particular property, we strongly advise consultation with an industry expert. Your home is at risk if you were not to keep up with payments. [Contact us](#) now to speak to one of our team.



Just wanted to thank you, Mike and the team for all your hard work and kindness during our visit, it was very much appreciated. We would never have coped without your help finding our holiday home, not only were you professional in your job but you made us feel like we were old friends.

They should feel very proud to have you as an employee as we are sure you actually make all your clients dreams come true!

TRACEY & STEVE



We can't thank you enough...

We are certain we would not have had the confidence to buy on our first visit to this part of the region without your help.

We were shown the whole coastline with a real mixture of properties, all chosen with our brief in mind.

At no point did we feel under pressure to buy. The whole trip was above and beyond anything we expected, receiving exceptional service throughout.

ANDY & SARAH



## FOR MORE INFORMATION

Please contact us if you have any queries or would like any further information about our finance options, properties and the buying process.

VIEW OVER 500 GREAT VALUE  
SPANISH PROPERTIES ONLINE AT  
[www.spanishlegalhomes.com](http://www.spanishlegalhomes.com)

Office administration  
01202 700595

Sales and advice line  
01202 971614

24 Hour helpline  
**07968 421312**

Email: [sales@epspain.com](mailto:sales@epspain.com)  
[www.spanishlegalhomes.com](http://www.spanishlegalhomes.com)

 / [spanishlegalhomes](https://www.facebook.com/spanishlegalhomes)

