



Registradores  
DE ESPAÑA

## Opportunities for foreign buyers of Spanish real estate

London, 2014/12/01

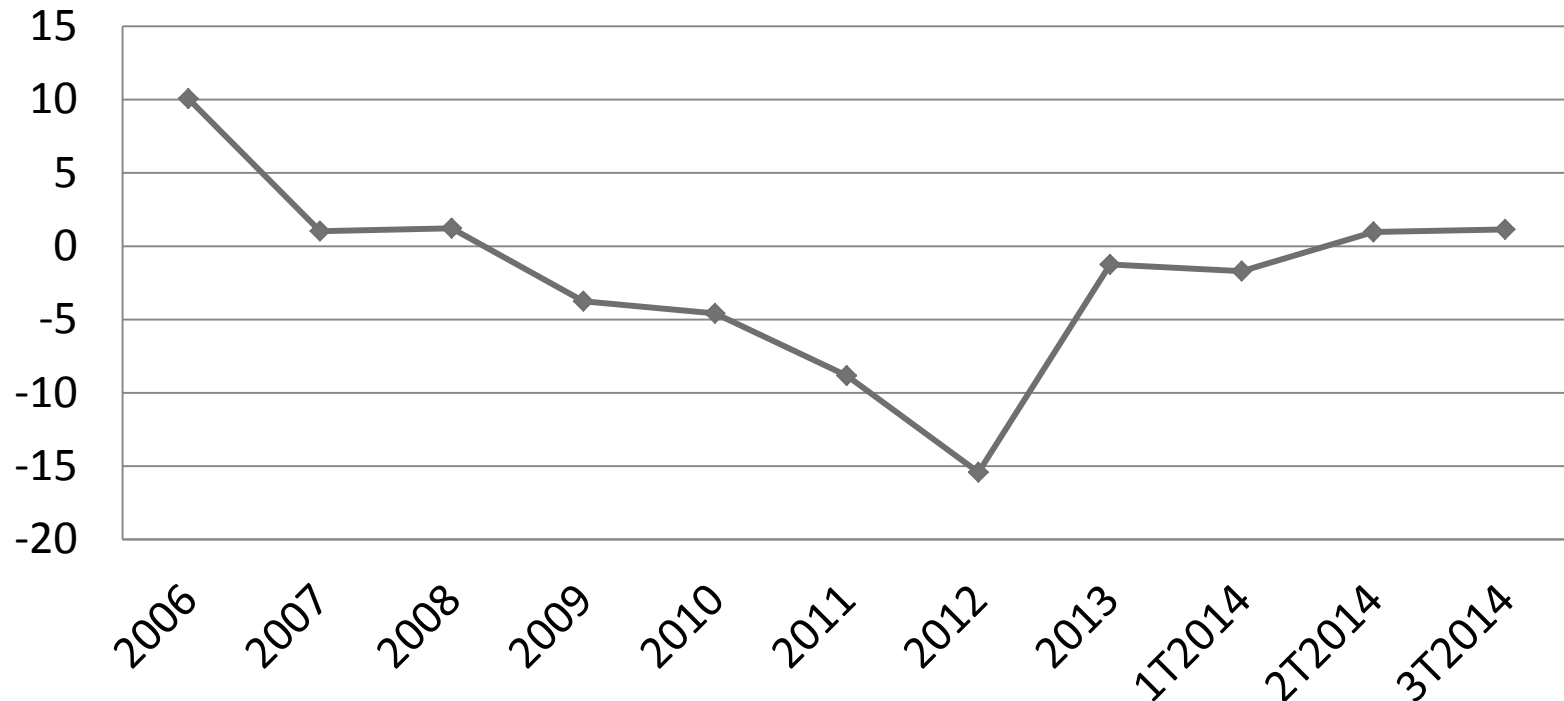
# STATISTICS

## Current situation: signs of stabilization

- Prices rose by 1,15% in the Q3 of 2014. Second year-on- year increase in a row since 2008.
- The number of transactions still shows low figures, but there are signs of a timid increase. In Q3 almost 80.000 purchases were registered an increase of 1.4%.
- During the last three months the number of mortgages taken has increased.
- Real Estate acquisitions by foreign citizens in Spain accounted for 13,10% of all registered transactions in Q3 2014, setting a new all time high

## Annual average rate of change in house prices

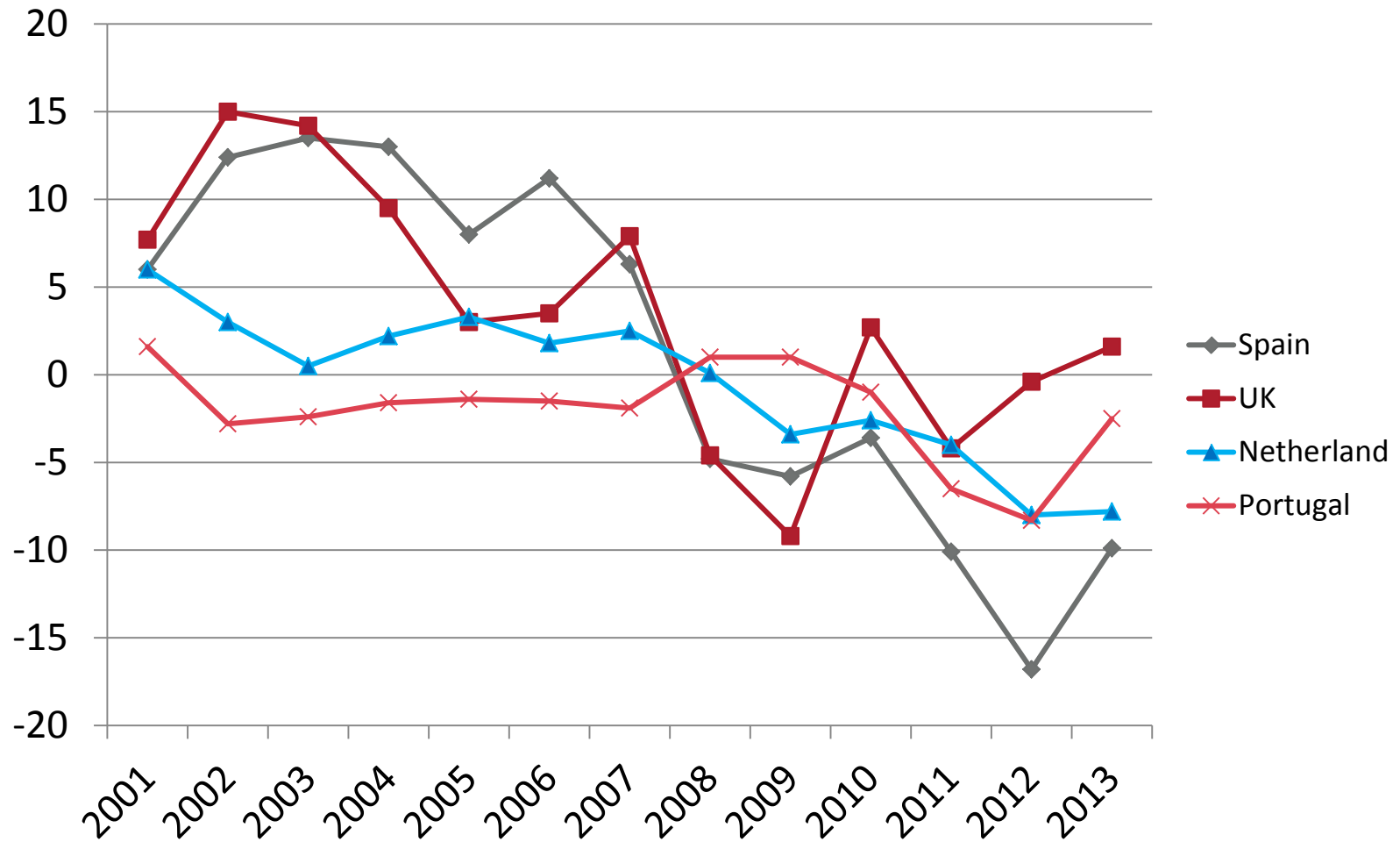
- Housing prices soared 200% from 1997 to early 2008
- Subsequently prices have dropped by 32%



Source: Public Corporation of Property Rights and Commerce Registrars of Spain



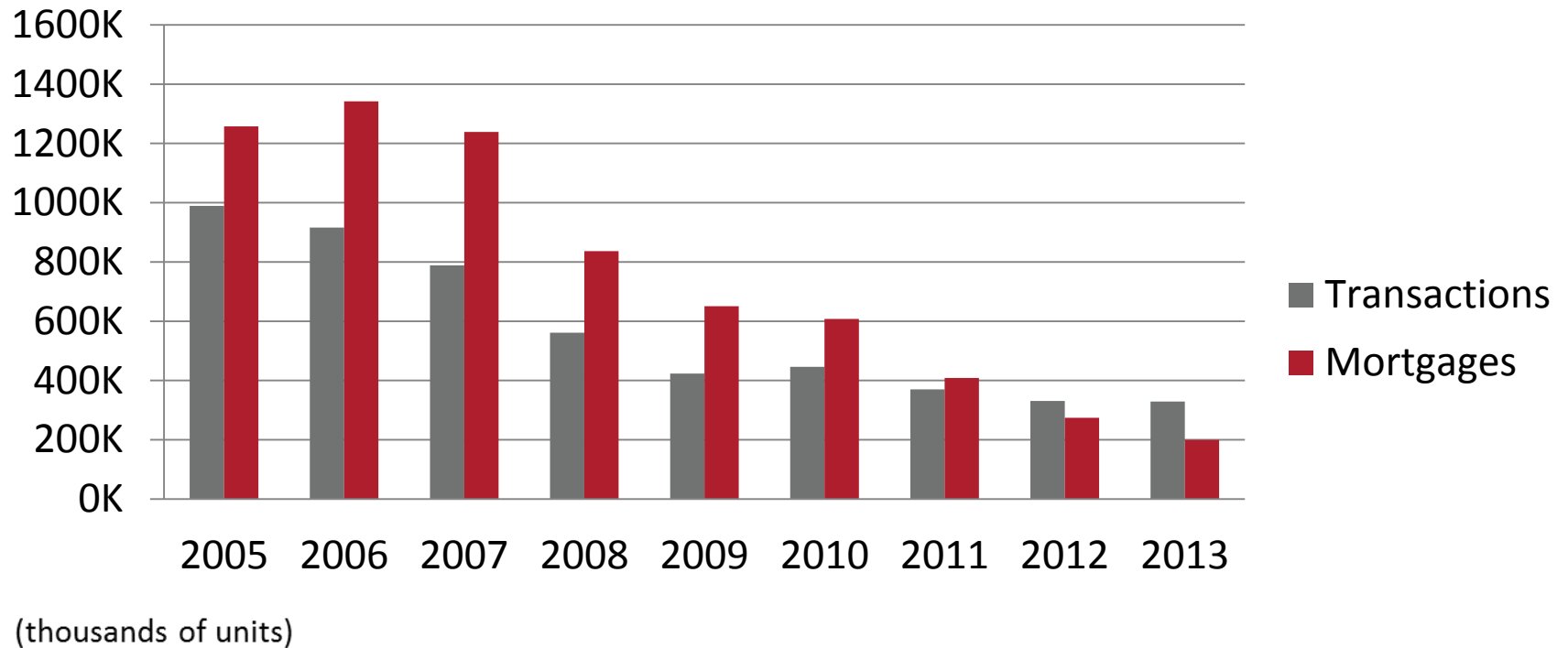
## House price index - deflated - 1 year % change



Source: Eurostat

## Transactions registered and mortgages (thousands of units)

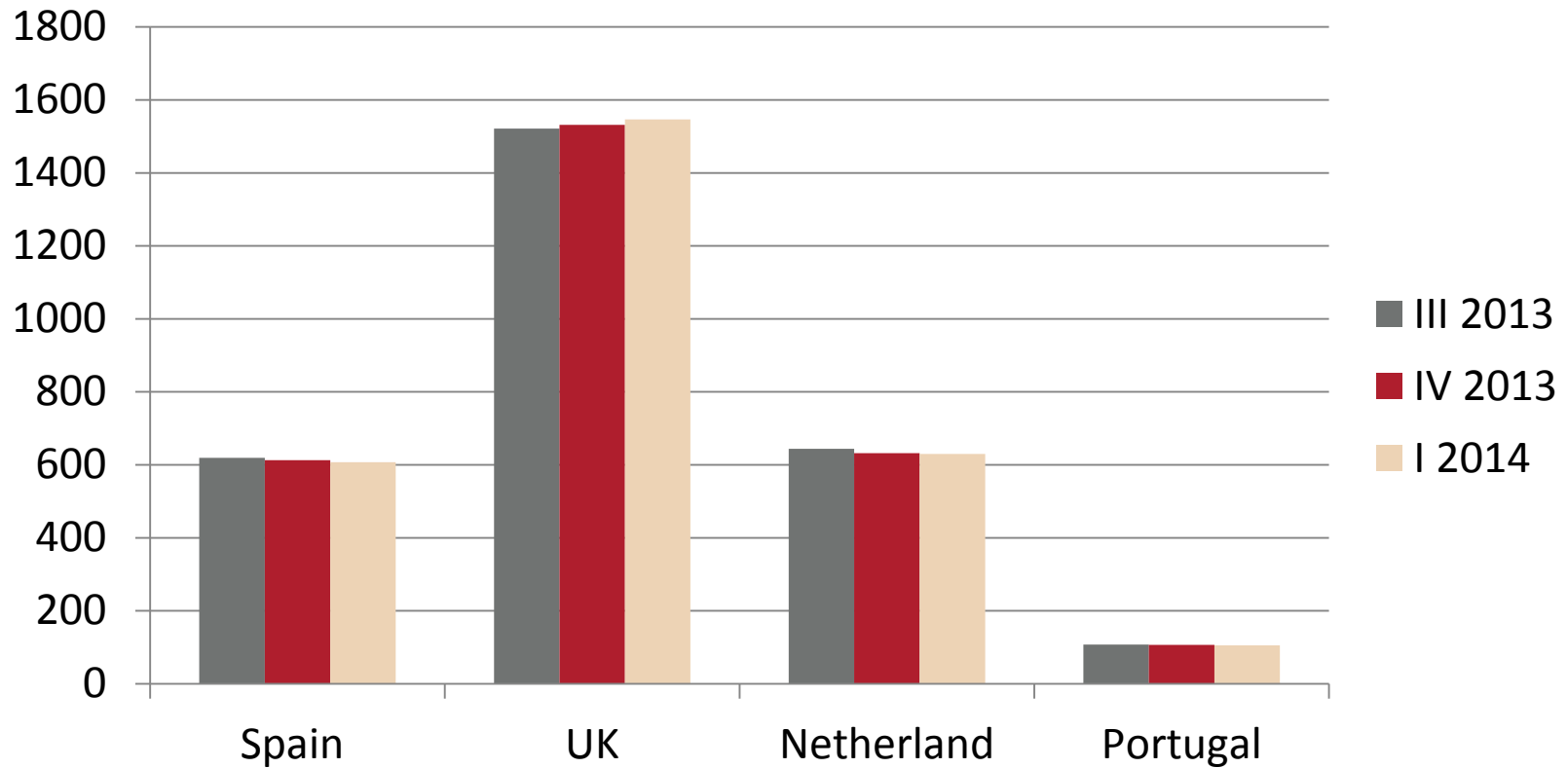
- In 2005-2006 nearly 1 million sales were registered. Last year only 329.000 transactions were registered
- The number of mortgages taken out to purchase homes tripled from 1997 and 2006. Since that year the number has reduced 7-fold.



Source: Public Corporation of Property Rights and Commerce Registrars of Spain and National Institute of Statistics (INE)

## Total Outstanding Residential Mortgage Lending (Million EUR)

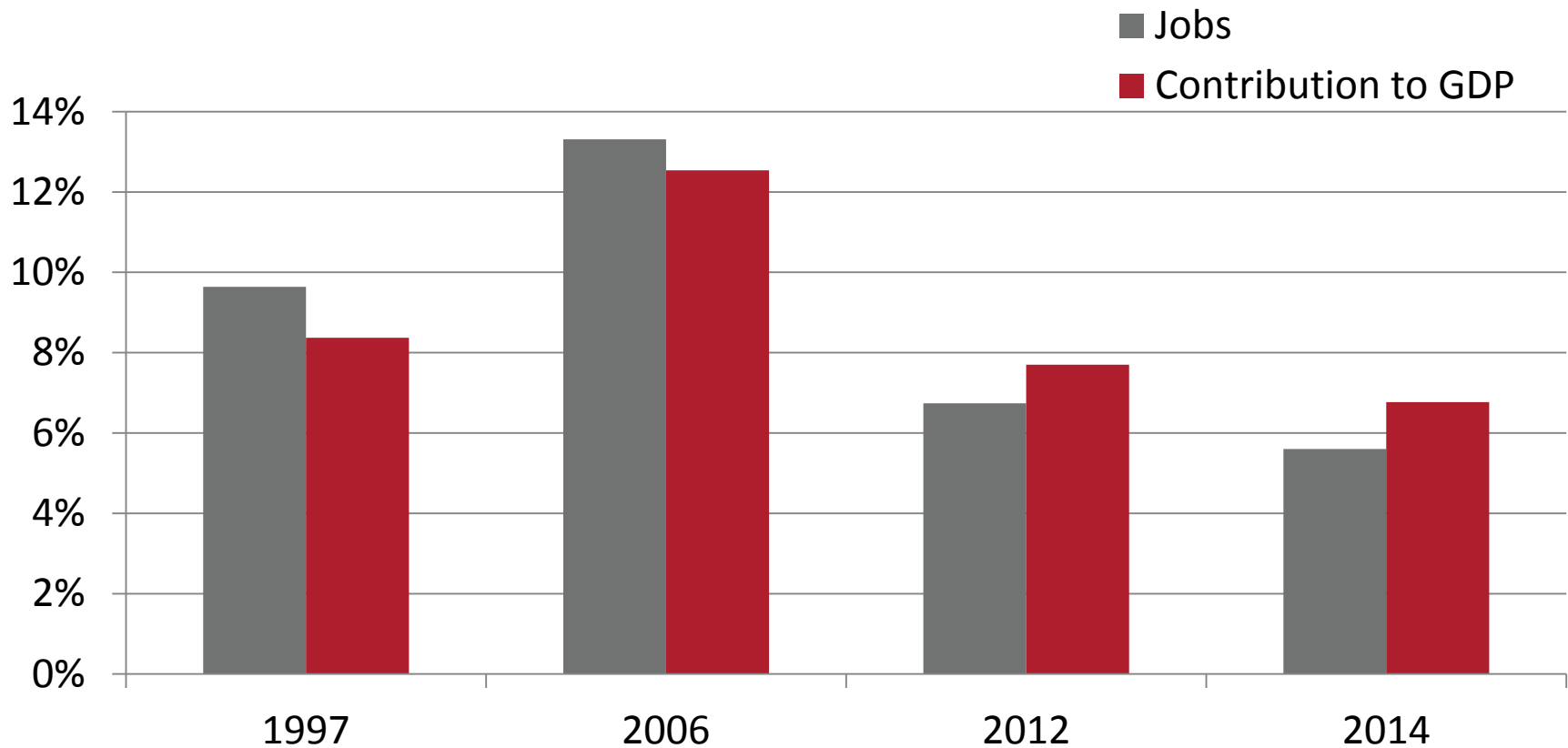
- In most EU countries the credit crunch persists
- A timid increase in the number of mortgages can be seen in UK, Germany and Belgium



Source: European Mortgage Federation

## Construction Sector (Jobs and contribution to the GDP)

- The contribution of the Construction Sector to the GDP of Spain reached 12,5% in 2006
- In 10 years 1,3 million jobs were created in the Construction Sector. However, since then, 1,8 million jobs have been destroyed.

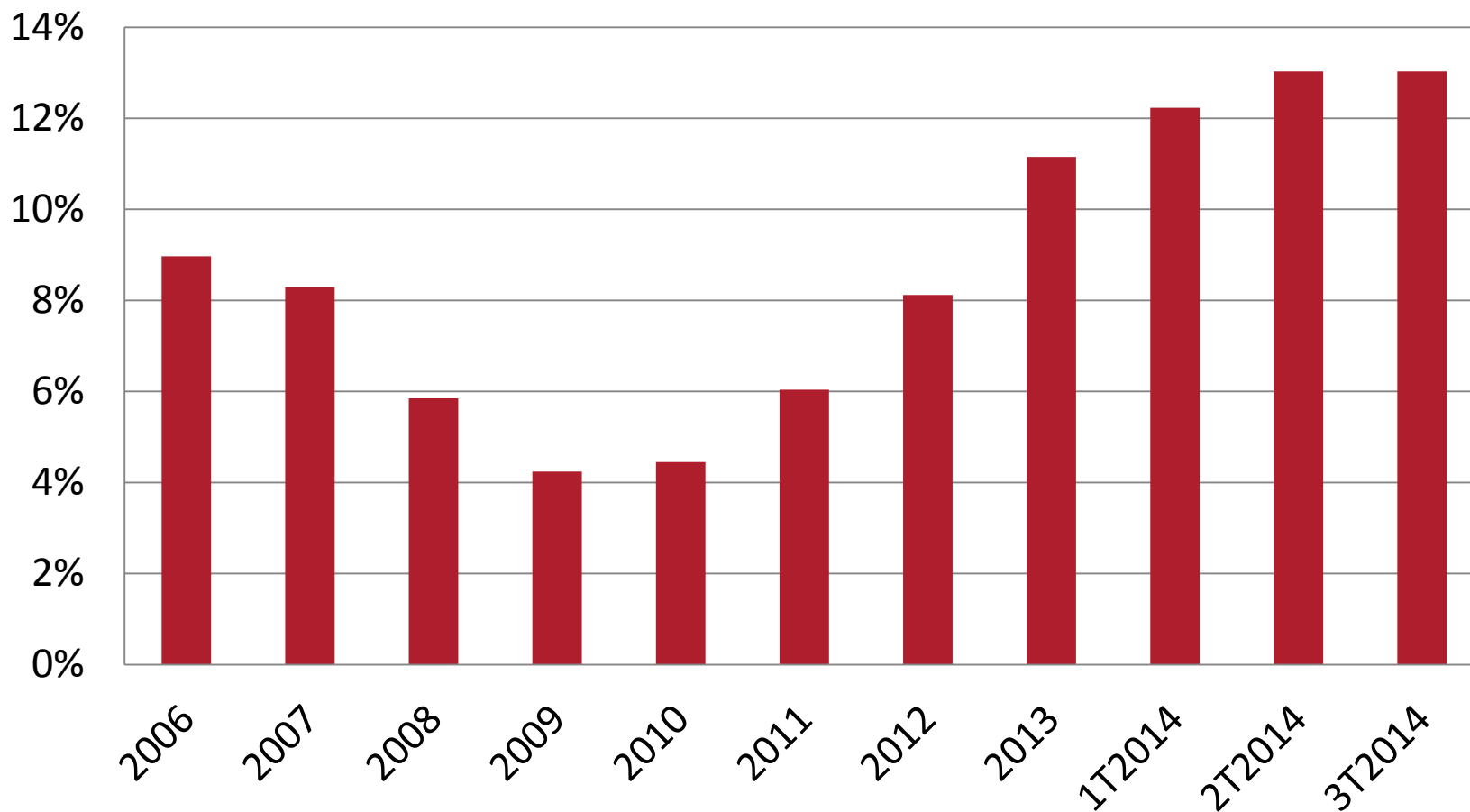


Source: National Institute of Statistics



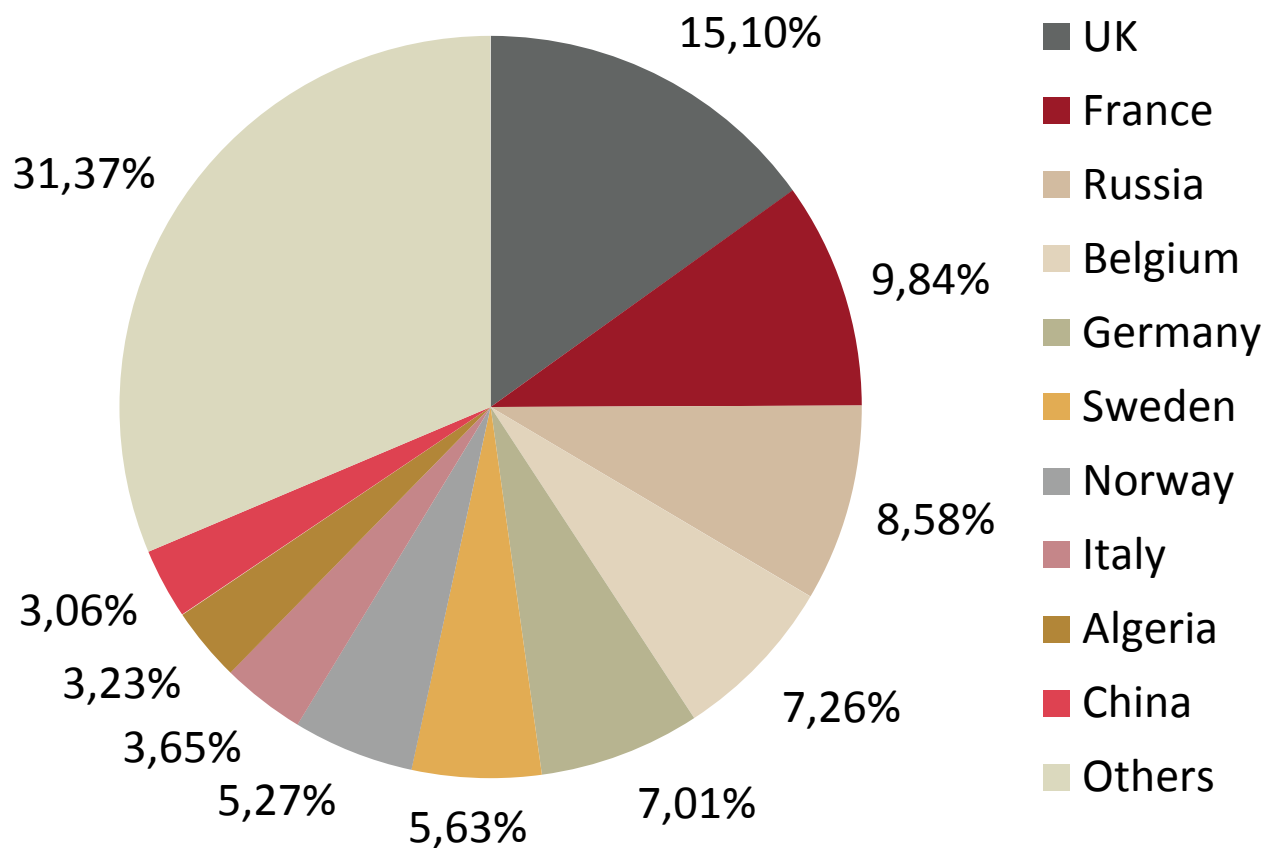


## % Transactions with foreign citizens involved



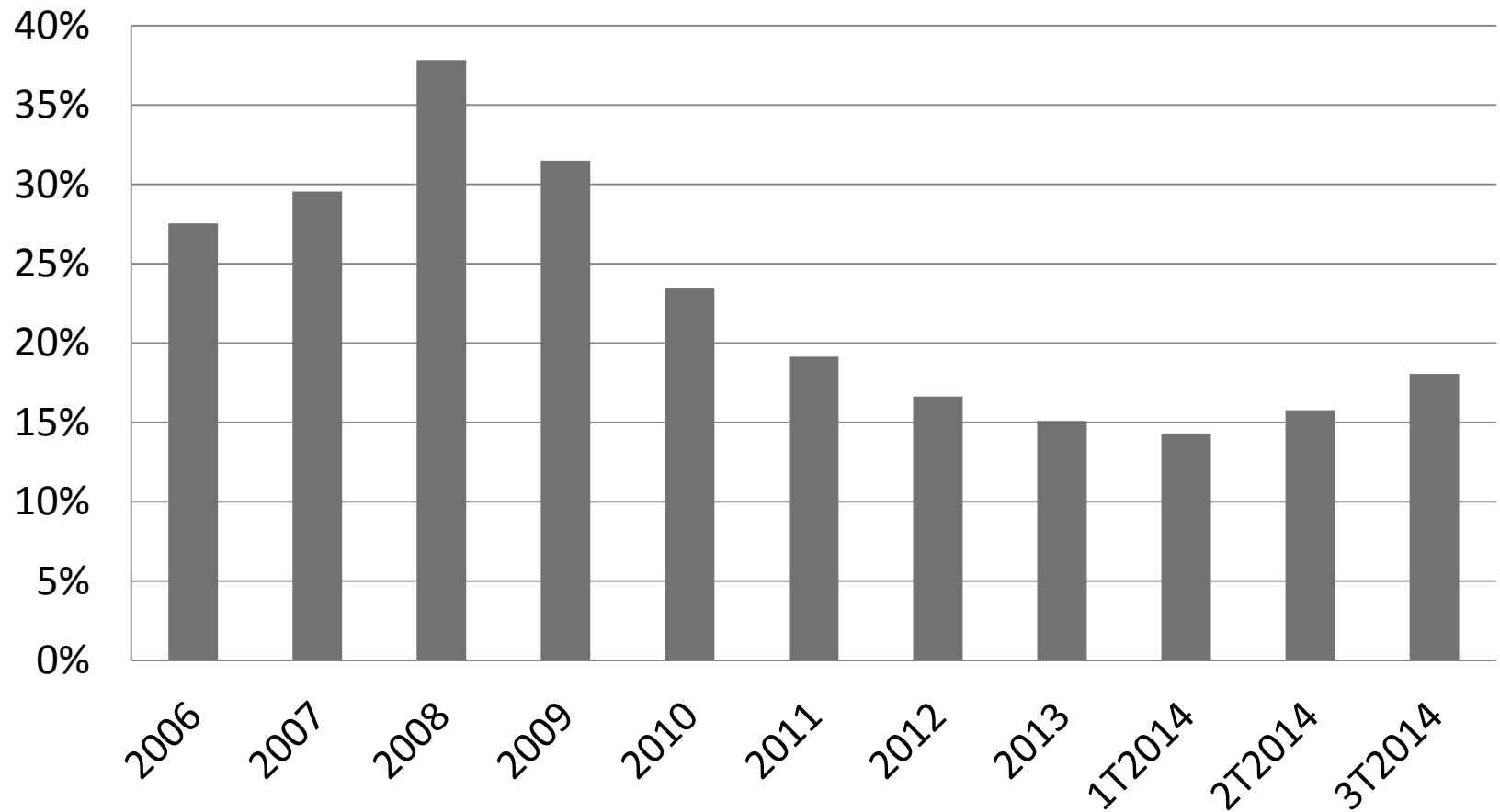
Public Corporation of Property Rights and Commerce Registrars of Spain

## Most foreigners purchasing real estate in Spain do it for touristic reasons



Source: Public Corporation of Property Rights and Commerce Registrars of Spain

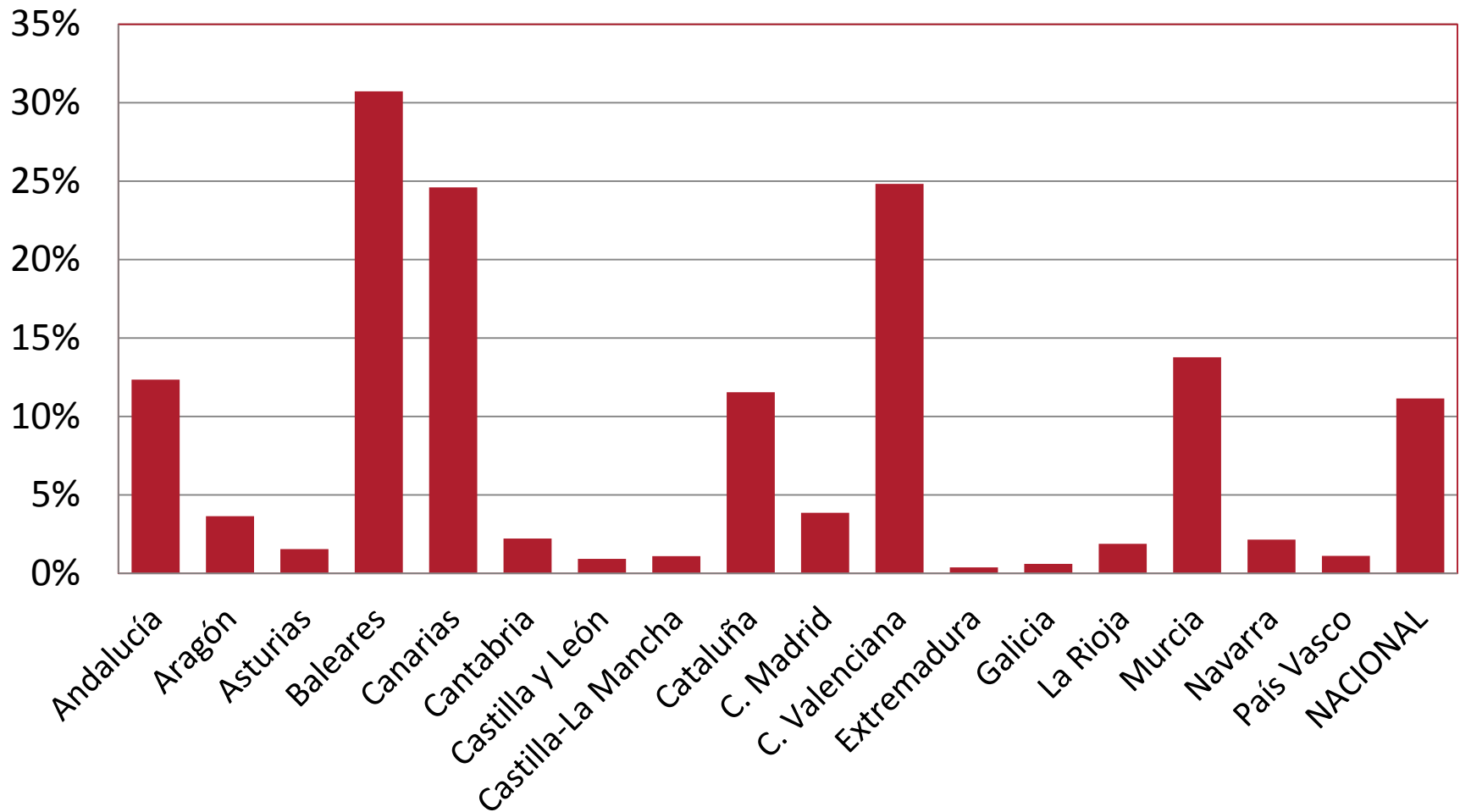
## % transactions by British Citizens of all the homes purchased by foreigners



Source: Public Corporation of Property Rights and Commerce Registrars of Spain



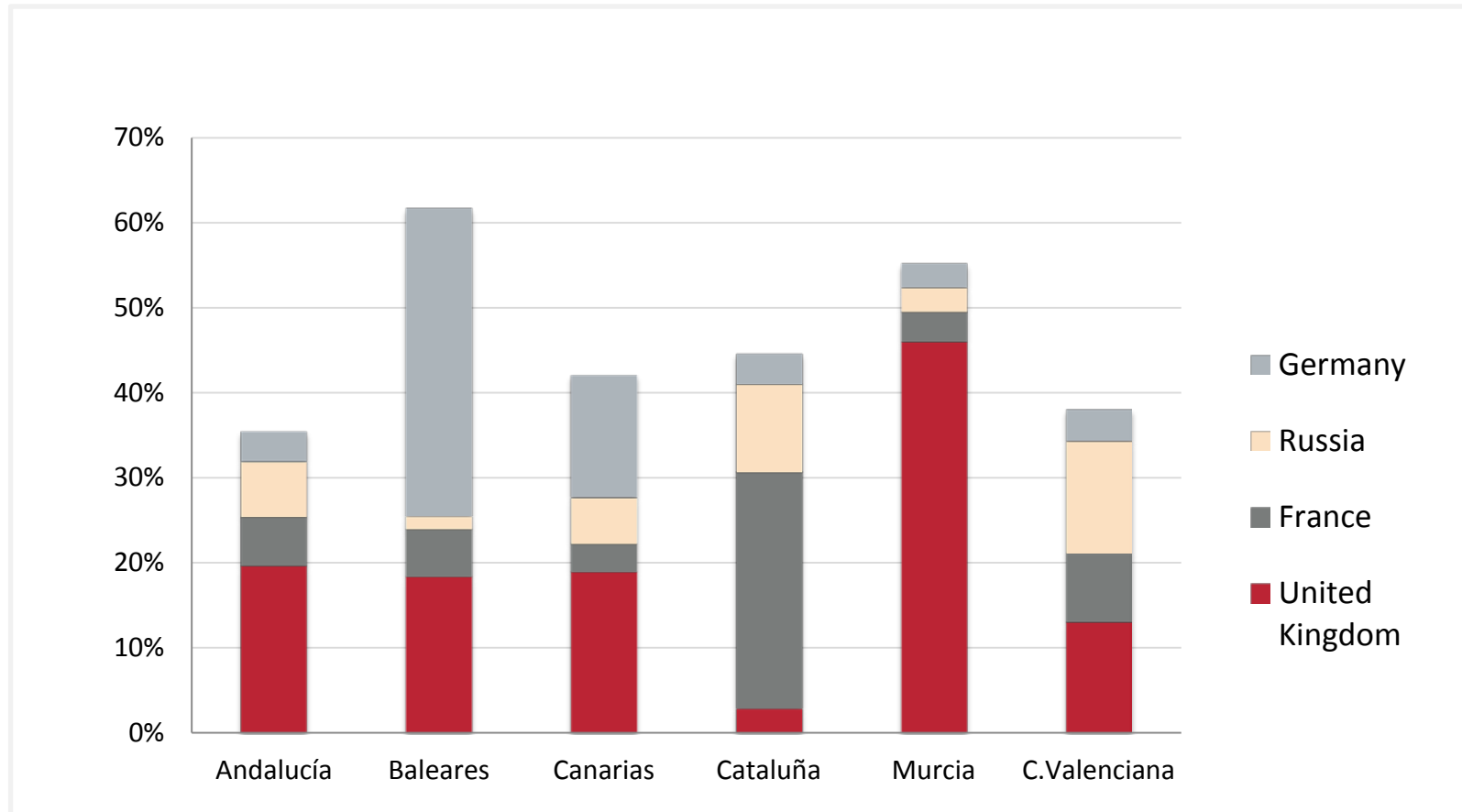
## Transactions with foreign citizens involved by CCAA.(%) 2013



Source: Public Corporation of Property Rights and Commerce Registrars of Spain

## Demand of properties by foreigners on Mediterranean coast CCAA

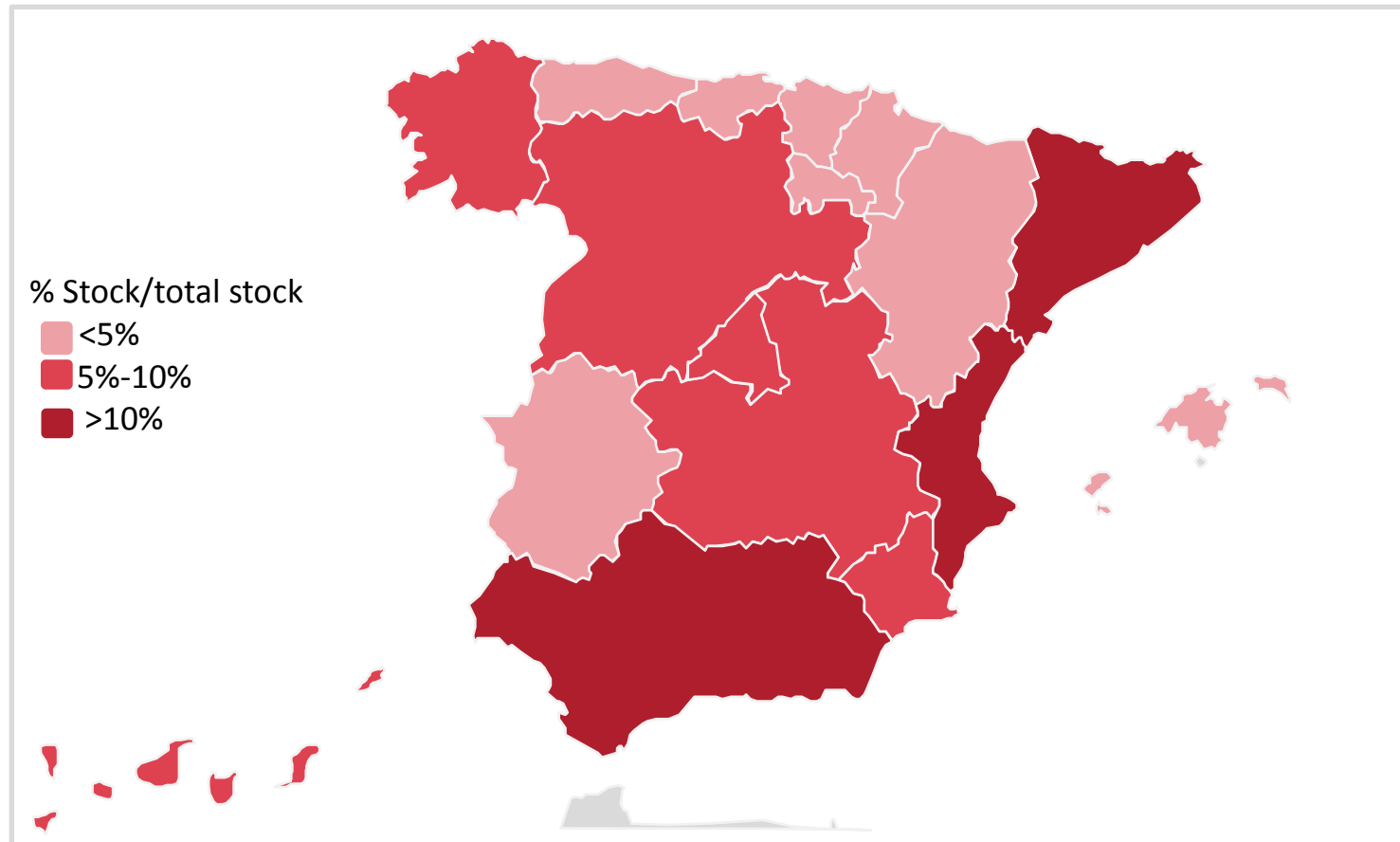
British Citizens are on top of the ranking in Andalucía, Murcia & Canarias; French in Cataluña, German investors in Baleares and Russians in C. Valenciana



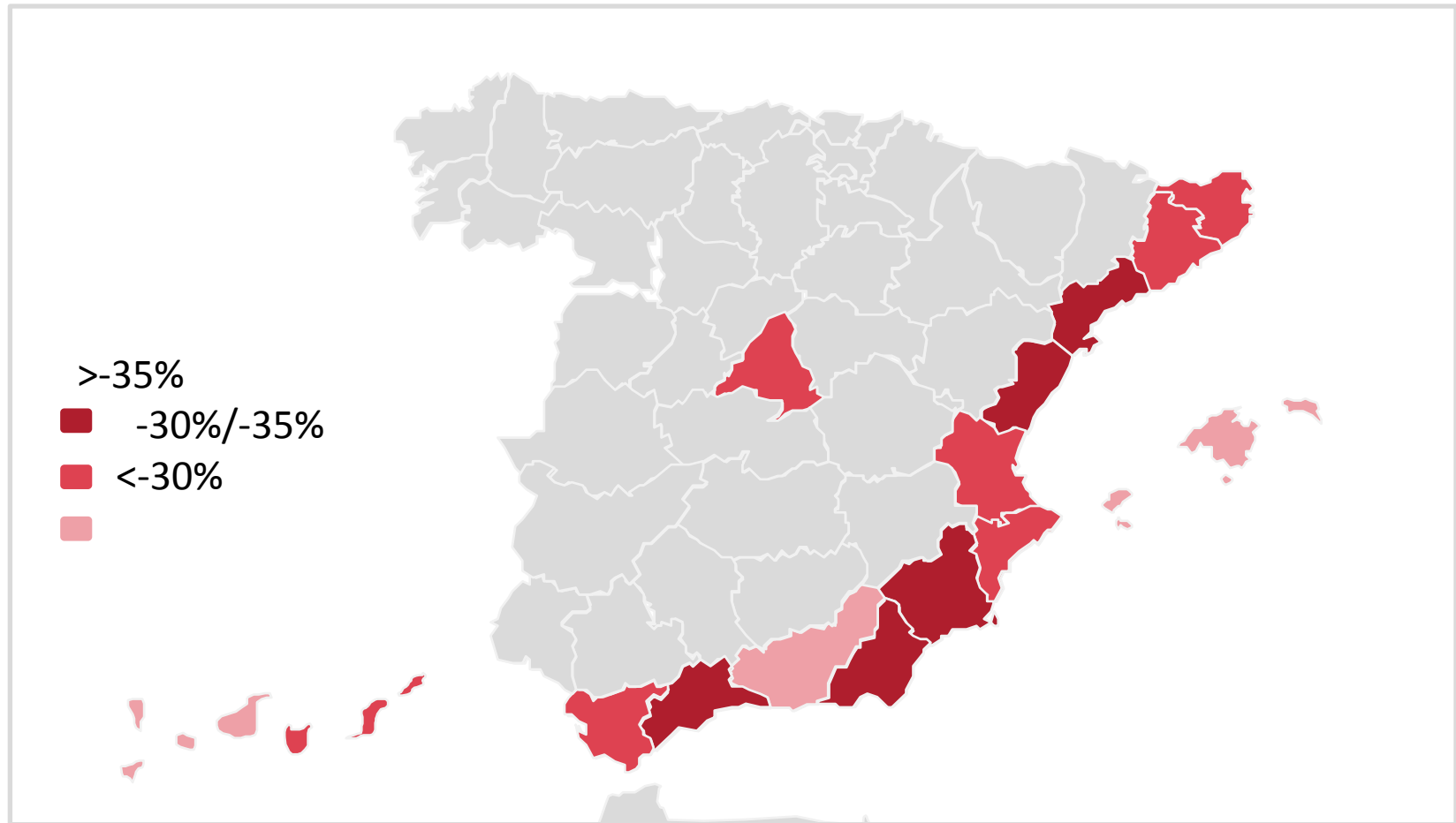
Source: Public Corporation of Property Rights and Commerce Registrars of Spain

## % Vacant Stock / total stock

- 563.908 homes, not yet sold or rented in 2013: Decreased of 13,21% since 2009.
- C. Valenciana, Andalucía & Cataluña make up 49% of the total national stock



## Variation in prices 2008- 2014 in the top 15 provinces with foreign demand for properties



Source: Ministry of Public Works

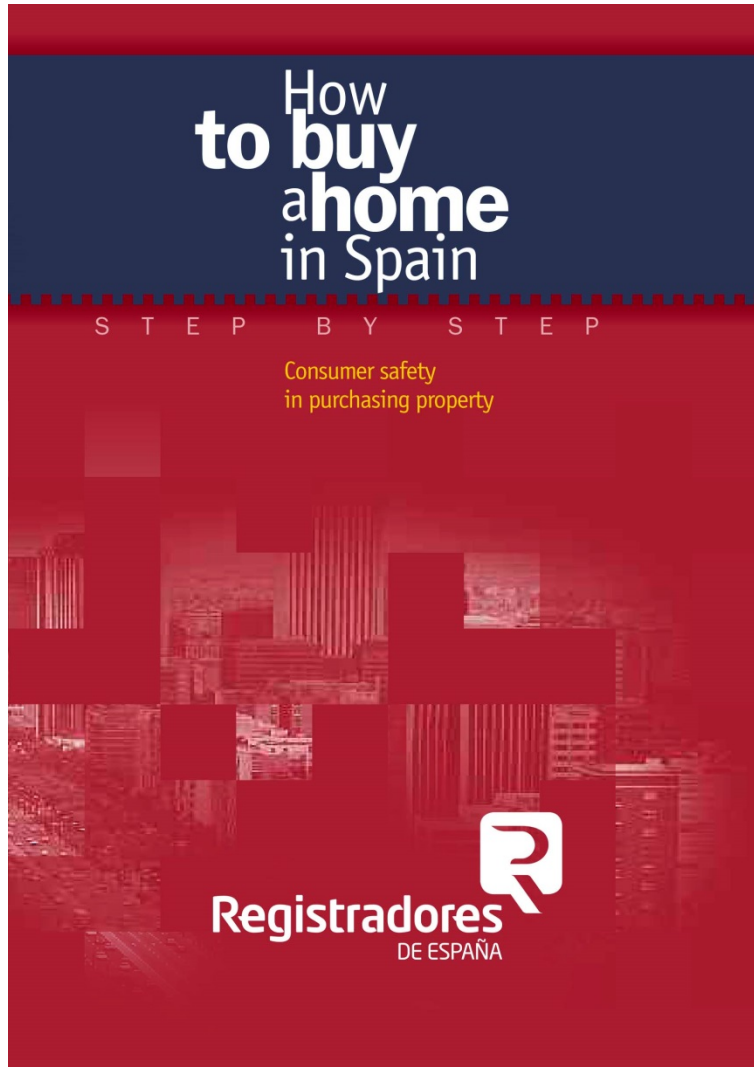
## Variation in prices 2008- 2014 by CCAA

- Prices have dropped more intensely in Coastal Regions and in some Communities of the interior like Madrid and Castilla-La Mancha





# LEGAL CERTAINTY THROUGH THE LAND REGISTRY



## Consumer safety in purchasing property

Public Corporation of Property Rights and Commerce Registrars of Spain has drawn up a guide outlining the different steps and recommendations that a private purchaser should follow when buying a house in Spain. Setp by step

- ❖ Searching for the most appropriate house.
- ❖ Signing the contract.
- ❖ Payment of taxes.
- ❖ Registration in the Land Registry.
- ❖ Expenses incurred in buying a house.

More information: <https://buyingahouse.registradores.org//>



## Land Registry certificates in English by Public Corporation of Property Rights and Commerce Registrars of Spain

**Información Registral**

REGISTRO DE LA PROPIEDAD DE MADRID Nº 24  
Tlfono.: 91 555 48 24  
C/ Alcalá, 540, Edif. B, 4ª Planta

Fecha de Emisión: DIECISIETE DE JUNIO DEL  
AÑO DOS MIL ONCE  
FINCA DE MADRID Nº: 5132  
IDUFIR: 2810583212321

DESCRIPCION DE LA FINCA  
URBANA: PISO PRIMERO LETRA C. de la casa  
número quince de la Plaza xxx xxx, de esta  
capital. Referencia Catastral:  
3280215VK4736A0055ZB. Calificada como  
Vivienda de Protección Oficial. Se halla situado  
en la segunda planta del edificio contando la de  
semisótano en la parte interior de dicho edificio,  
entre los pisos B. y D. Tiene su  
entrada, por la primera escalera de la casa,  
común para los pisos letras A. B. y C.; está  
destinado a vivienda. Ocupa una superficie  
aproximada de ochenta y cinco metros  
cuadrados, distribuidos en hall, pasillo, cinco  
habitaciones, cuarto de baño, cocina y  
water y linda: por su frente u Oeste, con hueco  
de escalera y ascensor y con piso primero  
letra B.; derecha o Sur, con patio de la casa  
número quince duplicado de la Plaza xxx xxx;  
izquierda o Norte, con segundo patio de la casa  
de que forma parte y con  
hueco del ascensor de la segunda escalera de la  
misma casa; y por la espalda o Este, con  
hueco de la segunda escalera y ascensor de éste  
y con piso primero letra D. Dispone de  
instalaciones de agua corriente, luz eléctrica,  
gas, calefacción central y servicios de  
ascensor. Tiene cinco huecos al segundo patio  
de la casa de que forma parte y otros  
cuatro de luces y vistas al patio de la casa  
número quince duplicado de la Plaza de  
xxx xxx. Cuota. El valor de la parte privativa de  
este piso en relación con el  
valor total del inmueble, se fijó en DOS ENTEROS  
Y VEINTICINCO CENTESIMAS POR CIENTO e  
igual cuota se le asignó en los elementos  
comunes del edificio a los efectos de  
distribución de cargas y beneficios. La finca  
descrita a continuación de la señalada con  
el número 7.235 obrante al folio 24 del tomo 225  
del archivo común.

TITULARIDADES  
NOMBRE TITULAR N.I.F. TOMO LIBRO FOLIO  
ALTA

-----  
LOPEZ SANCHEZ, CARLOS 11.555.190-1 1976 412  
125 2  
PARTICIPACION: 100,000000% del pleno  
dominio.  
TITULO: Adquirida por COMPRAVENTA en virtud  
de Escritura Pública, autenticada por el/la  
notari/a ALBERTO FERNANDEZ RAMOS en  
MADRID, el día 11/01/89  
Inscripción 2ª de fecha 26/04/1989.  
SUJETA A LAS LIMITACIONES LEGALES  
ESTATUTARIAS DEL REGIMEN DE PROPIEDAD

LAND REGISTRY Nº 24 . MADRID  
Phone number: 91 555 48 24  
C/ Alcalá, 540, Building B, 4th floor

INFORMATION EXTRACT

Date of Issue: SEVENTEENTH JUNE TWO  
THOUSAND AND ELEVEN

PROPERTY IN MADRID Nº: 5132  
IDUFIR: 2810583212321

DESCRIPTION OF THE PROPERTY  
URBAN REAL ESTATE: NUMBER TWENTY SIX,  
GROUND FLOOR LETTER C, of the house  
number fifteen at the Square xxx xxx in this  
City. Cadastral Code:  
3280215VK4736A0055ZB. Qualified as Social  
Housing (Vivienda de Protección Oficial). It is  
located on the second floor of the building  
including the semi-basement inside the  
above-mentioned building, in between floors B  
and D. The entrance stairs to the house is the  
same for floors A, B and C; residential use.  
Approximate surface: eighty five square metres,  
distributed in hall, corridor, five rooms, bathroom,  
kitchen and toilet. BOUNDARIES: in the front and  
west, the staircase hole and lift and on the  
ground floor letter B; on the right or south, the  
patio of the house number fifteen, duplicate of the  
one at Square xxx xxx; on the left or north, the  
second patio of the house and the lift hole of the  
second staircase of the same house; at the back  
or east, the hole of the second staircase and the  
lift hole and with the ground floor letter D. It has a  
water supply system, electricity, gas supply,  
central heating and lift. It has five holes heading  
the second patio of the house and other four  
ones of lights and a view of the patio of the house  
number fifteen duplicate of the one at Square  
xxx xxx. SHARE: The value of the private  
floor area on this floor in relation to the value of  
the whole building was TWO TWENTY-FIVE  
HUNDREDTHS PER CENT and the same value  
was given to the shared areas of the building in  
relation to the charge distribution and benefits.  
The property description number 7.235, SHEET  
24, volume 225 in the public archives follows:

OWNERSHIP  
NAME OF THE OWNER TIN  
VOLUME BOOK SHEET ENTRY

-----  
LOPEZ SANCHEZ, CARLOS 11.555.190-1  
1976 412 125  
SHARE: 100,000000% of full ownership.  
TITLE: Purchased under a PURCHASE AND SALE  
AGREEMENT formalised in public deed,  
authorized by Notary Mr ALBERTO FERNANDEZ  
RAMOS in MADRID, on 11/01/89 2nd entry with  
date 26/04/1989.

UNDER LEGAL REGIME OF CONDOMINIUM  
(Propiedad Horizontal).

- ❖ 1-4. **Competent Land Registry Office and kind of information:** competent Land Registry Office; kind of information; place, time and date of issue; LR number of the property.
- ❖ 5-9. **Description of the property:** Identification and description of the property; descriptive features of the property; special number in the condominium and its share in it; qualified as Social Housing; Cadastral Code
- ❖ 9-14 **Ownership:** Ownership; name of the owner; rank of ownership; Legal Document; Land Registry Data and Date of its entry
- ❖ 15- 23 **Charges:** Mortgages and other charges; Source Charges; notice about tax responsibility over this property; Mortgage; holder of the mortgage in force; Foreclosure Notice; Annotation of Embargo; Pending Documents; Information for consumers.

## Registration of documents executed before foreign notaries



- ❖ CROBECO: Online resource to aid European conveyancing
- ❖ Judgment of the Supreme Court of June 19, 2012 : foreign notarial document can access the Spanish Registry and must fulfil in Spain the full effects of a deed .

## **Planning law** (Royal Legislative Decree 8/2011 of July the 1st)

- ❖ It will not be possible to register any new finished construction unless the License of first occupation is supplied as well as the traditionally required construction permits and the Technical Certificate
- ❖ Opening case file of Urban Discipline in relation to activities which imply the creation of new registered properties, by means of parcellation, re-parcellation of any kind, statement of new construction or establishment of condominium, will require, according to Administrative mandate, the corresponding preemptive annotation at the Land Registry. This prevents third parties acquiring in good faith from being damaged by activities they haven't been part of.
- ❖ Allowing the registration of situations where the lack of compliance with applicable urban regulations, and related sanctions imposed, have prescribed, while maintaining the rest of limitations affecting properties that do not fully comply with urban planning regulations.

## New Coastal Law

- ❖ A new Coastal Law has come into force, to enhance the information that users can obtain and find out from the Registry about the boundaries of the Public Property in the land nearby the shore and the houses built on it. Buying a property in the Spanish coast is now more secure.
- ❖ The most relevant development in the field of demarcation of the public Property is the intervention of the Peripheral Coastal Service together with the Land Registry, that will be provided with the official Coastal Public Domain Line, so the Registrar can perform the required verifications regarding the relation between the property and that LDPM, to inform whether the land or house is affected or not by these limitations.

