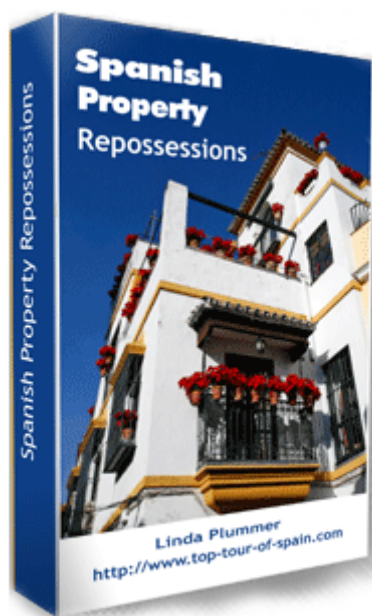


# ***SPANISH PROPERTY REPOSSESSIONS***



by

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<http://www.top-tour-of-spain.com>

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## Introduction

At the Top Tour of Spain website, we offer FREE listings of property repossessions throughout Spain which are mainly due for Public Auction. Most of these properties are well under 100,000 euros.

The foreclosure listings on the Top Tour of Spain site provide you with all the information necessary to start you on your journey towards buying whichever repossession interests you.

And this e-book explains - in simple terms - how to use that information and put it into practise.

To start off with, the thought of buying a repossession in Spain may seem daunting.

But, when you give it serious thought, you'll realise there's not much more work or risk involved in buying foreclosures than in purchasing a Spanish property through normal channels.

Anyone can open a real estate business in Spain, with no formal training required, so you need to exercise extreme caution when buying Spanish property anyway - reading up well on the subject, and not depending entirely on the real estate agency but employing your own, independent lawyer to act for you as well.

So, while you're at it, you may as well go that one step further ... in other words, learn about Spanish property repossessions and ask your lawyer to help you with finer details once you've done the basic legwork. The financial rewards you gain will surely make your efforts worthwhile.

## Basics of Buying Property In Spain

Before buying *any* property in Spain, it's always wise to learn a little about the basics. Below, you'll find links leading to free, helpful advice and information on this subject.

Free e-book which covers buying property in Spain:

<http://www.top-tour-of-spain.com/properties-Spain-buying.html>

Simple guide to buying property in Spain:

<http://www.top-tour-of-spain.com/property-law-spain.html>

Tips on finding an English-speaking Spanish lawyer:

<http://www.top-tour-of-spain.com/property-lawyers-spain.html>

Now you've read a few facts about buying Spanish properties, let's get on with our main subject - how to buy repossessions in Spain ...

## What Are Property Repossessions?

When a person gets seriously into debt, anything they own of value - such as property, cars, boats, jewelry - can be legally seized or “repossessed” and sold to the highest bidder in order to pay off that debt.

When a property is repossessed, it's usually because the owner owes money to a bank or financial institution. More-often-than-not, s/he's unable to pay her/his mortgage.

If the individual banks or financial institutions don't manage to sell the repossessed property - and they don't usually make a tremendous effort to do so - this property will eventually go up for Official Public Auction in a Spanish Court of Law.

In Spain, up to **three** Public Auctions can be held for any given property. In the repossession listings at Top Tour of Spain, you'll find the date of the first auction. Missed the first auction? Never mind! Check at the local Court or **Juzgados** to learn the dates of a possible second or third auction - at an even lower price.

With the first **two** Public Auctions, a **guide price** or **reserve** is set, the guide price being lowered for the second Public Auction.

If no-one buys the property and it goes to a third Public Auction, this guide price is completely removed, and the property will go to the highest bidder - **however low that bid**.

Consequently, repossessions in Spain vary from countries such as the UK, where strict regulations exist to ensure that banks or building societies obtain the best offer for any property.

The result? You can get terrific bargains buying repossessed Spanish properties.

## How To Discover Repossessed Spanish Properties

It's all very well saying you can make terrific profits buying repossessed Spanish properties. The problem is ...

### *How Do You Find Out Which Spanish Properties Have Actually Been Repossessed?*

The answer to that problem is as follows ...

1. Firstly, such legal actions have to appear by law in the "*Boletín Oficial*" or "*Official Legal Gazette*" of the appropriate comunidad or province in Spain, so you should find them listed there.
2. Secondly, announcements of Public Auctions should be made on what are called the *tablonas de anuncios* in the *Juzgados* or *Local Law Courts*. Ask at your local *Juzgados* where they're to be found, and regularly check them.
3. Thirdly, simply browse through regularly-updated, FREE listings of Spanish repossessed properties available at the Top Tour of Spain website. Click here:

<http://www.top-tour-of-spain.com/spanish-property.html>

Those of you interested in buying repossessions will be looking for a bargain and are perhaps on a limited budget, so we generally only list properties with a reserve price of 100,000 euros or under.

These listings provide you with sufficient details about each property for you to be able to learn all about it and eventually bid for or buy it. They tell you:

- address of the repossessed property
- Land Registry where the property is registered
- Land Registry number of the property
- Court where auctions will be held
- name of claimant, ie person/body demanding payment - very often the bank holding the mortgage

Occasionally, not all the above points will be included, simply because the Province does not supply a certain piece of information. However, you'll always find sufficient details to enable you to bid for or buy the property.

So, with the listings at <http://www.top-tour-of-spain.com> you now have all the information necessary to start you on your profitable journey of buying foreclosures in Spain.

It just remains for you to learn how to put this information to the best possible use...

## How To Purchase Prior To Auction

Does the thought of having to bid for a property at Public Auction in a Spanish Court of Law bring you out in a cold sweat?...

Never fear! There **are** ways of buying that bargain Spanish repossession before it actually gets to Court and without having to go through the bidding procedure. Let's take a look at them...

### ***Deal Directly With The Claimant***

The **claimant** is the person, body or institution who is owed the money - and, where possible, this information is always provided in the listings at Top Tour of Spain.

More-often-than-not, the claimant is a **Spanish bank**, which has foreclosed due to non-payment of mortgage. The property is just left sitting in bank files waiting for official proceedings to take place.

If this is the case, do go along to the bank mentioned and state your interest in buying the property before it goes to the Local Courts for Public Auction. The bank should be happy enough to oblige because their only interest is in clearing any debts on the property as quickly and as simply as possible.

On the other hand, the claimant could be a Spanish governmental body. When this is the case, go along to the address supplied on the listings and ask for information there.

Whoever the claimant is, do try and reach an agreement with them before Public Auction is held.

### ***Deal Directly With The Owner***

Another option is to discover who owns the property and come to a private agreement with the owner before Public Auction.

The owners should welcome a private arrangement for it will presumably be to their advantage. Remember that, in Spain, if the repossessed property gets as far as a third auction, it will just go to the highest bidder, and this would not suit the owners - who are obviously in financial difficulties.

How do you discover who owns the property? There are a number of ways ...

- Check to see if the owners still reside in the property.
- If in an apartment block or **urbanización**, ask administrators for contact details.
- Contact the claimant and ask for name and address of property owner.
- Obtain a **nota simple** from the **Registro de Propiedad** (Property/Land Registry). This should show the full name of the current owner, plus property details, including any outstanding mortgages.

### **Contact Banks In General**

Above, we dealt with how to buy a specific repossessed property before auction.

However, even if you have no particular property in mind, it's well worth visiting banks in the area of Spain which interests you, asking if they have any property repossessions on their files. It's more-than-likely you'll receive a positive reply.

## How To Check Out The Property

You now have details about property repossessions throughout Spain, plus information on how to buy before auction.

So, what steps should you take on discovering a property that interests you?

First of all, view the actual building to see if you like it and its surroundings. Then, find out as much information as possible about the property. For starters, you'll need to visit the *Juzgados* (Law Courts) once again, to ensure the property is still up for auction. After all, you don't want to spend time and money investigating a property if someone has beaten you to it and bought prior to auction.

Next, work your way through the following check list:

### ***Is The Property Occupied?***

- Is the property occupied? If so, by owner/s or tenant/s?
- If owner-occupied, will they come to a private agreement with you?
- If tenant-occupied, discover if they have a rental contract, plus its terms.

### ***Do Any Outstanding Debts Exist?***

You'll need to pay particular attention to any debts owing on the property and any bills outstanding for, in Spain, any debts will be passed onto the new owner.

- Discover if any **comunidad** bills (rates) remain unpaid.
- Visit the **Registro de la Propiedad** (Land Registry) and the **Juzgados** (Law Courts) to learn of any debts against the property - such as mortgages.
- Go along to the local **SUMA** office and ask if any unpaid IBI bills on the property exist.
- Check that electricity/phone/gas bills are all paid.

It's possible to do the above groundwork yourself. But you may prefer to employ a competent, English-speaking Spanish lawyer to see to it for you. They should have the knowledge and experience to carry it out competently and quickly.

**Do** review the lawyer's paperwork to ensure all the above points have been checked, for there will probably be some sort of debt/s against the property which you'll take into account when deciding on how much to bid.

## Making Financial Arrangements

You've discovered a wonderful property you'd like to bid for or purchase.

*What financial arrangements do you need make?*

This all depends on whether you've reached a **private agreement** with the owner or claimant, or if you're going to **bid at Public Auction**.

### **1. Private Agreement**

If you've reached a private agreement with either the owner or the claimant, the financial arrangements will be relatively straightforward and similar to if you were buying a property in the normal manner.

In other words, it will either be a **cash purchase**, or you'll need to take out a **mortgage** to buy the property.

If you're planning on a **cash purchase**, you may need advice on how to best transfer funds from another country into Spain.

If you need a **mortgage**, are buying from the claimant, and the claimant is a bank, it's possible they will help arrange a mortgage for you.

### **2. Bid At Public Auction**

Perhaps you didn't manage to reach a private agreement and plan to bid for the foreclosed property at Public Auction?

If this is the case, you'll first need to ensure you either have enough cash to pay for the property, or that a bank or financial institution will agree to give you a mortgage.

Then, you'll need to **organize a special deposit**, the payment of which is essential in order for you to actually participate at Public Auction.

This deposit is usually - 'though not always - 30% of the guide price or **tasación**. It can either be paid into an account prior to Auction (more-often-than-not at the **Banesto** Bank), the actual account number and details being quoted at the **Juzgados** (Law Courts). You'll need to take proof of payment along with you to the Auction.

Or, you can take a banker's draft for the deposit along with you to the Public Auction, presenting it prior to bidding.

This deposit will be returned to all unsuccessful bidders.

Remember, you can always ask your lawyer or your local Spanish bank for help and advice with these matters.

### **3. Spanish Governmental Body**

If a Spanish Government body is handling the auction, you'll find its address in the Top Tour of Spain listings. Either you or your lawyer should go along to this address and ask details of any specific financial arrangements you need to make.

## How To Bid At Public Auction

In Spain, up to three auctions can be held.

A guide/reserve price or **tasación** is normally set for the first auction. If the property remains unsold, this guide price will be lowered for the second auction. If the property still remains unsold, it will go to a third auction - and here, no reserve price is set, and the property simply goes to the highest bidder. It's when properties reach the third and final auction that real bargains can be picked up.

### ***Proof of Identity***

Public Auctions take place at the local Law Courts or **Juzgados**. You'll need to take proof of identity along with you, such as passport or residence card.

### ***Deposit***

You'll also need take along either a banker's draft for the obligatory deposit, or proof that it's been correctly paid into the stated bank account, as explained in the previous chapter. Deposits are returned to unsuccessful bidders.

### ***Ways To Bid***

There are, basically, three ways of bidding at Public Auction. You can:

1. Attend in person and make the bid yourself.
2. Empower another person - such as your lawyer - to bid on your behalf.
3. Make a sealed bid, sending your bid to the Court in a sealed envelope.

### ***Making A Sealed Bid***

If you decide to make a sealed bid, you should ask your lawyer to draw this up. It should include:

- your personal details
- photocopy of passport/residence card

- details of the auction
- proof of deposit payment
- amount you wish to bid in both numbers and writing

You may also wish to discuss with your lawyer or local bank how high you should bid for the property. As already mentioned, when deciding on a figure, you'll need to take into account any debts outstanding on the property.

## What To Do When You've Won The Bid

With the help of a competent lawyer, you may have been fortunate enough to win your bid at Public Auction.

If you are the winning bidder, you'll be expected to come up with the difference between the deposit and the price accepted at Public Auction within 20 days, after which you'll be declared the new owner of the property.

As with buying any property in Spain, you'll need to pay normal purchase costs and ensure the property is registered at the **Registro de la Propiedad** or Property/Land Registry. Your lawyer can advise you about this. It 's also explained in a free e-book which you can download at:

<http://www.top-tour-of-spain.com/properties-Spain-buying.html>

If you weren't handed the keys to the property on winning the bid at Court, you'll need to employ the services of a locksmith. It's always advisable anyway to change the lock on the property.

If the property is occupied by tenants you should have discussed with your lawyer prior to bidding how you'll be dealing with this.

It's possible the tenants have no legal rights and the Judge has ordered their departure. Or, you may prefer to inform the tenants that you're the new owner and start collecting rent from them.

Whether you bought as an investment or for your own use, enjoy your bargain property!

## Training Tips

Here are some training tips for you, so that buying that Spanish property repossession doesn't seem such a daunting task ...

1. Read through the free e-book about Buying Property in Spain several times. You can download it here:

<http://www.top-tour-of-spain.com/properties-Spain-buying.html>

2. Read through this e-book several times as well until you've completely absorbed it.

3. Find out where your local **Juzgados** are - in particular the one dealing with Public Auctions. Pay several visits ... get to know it, feel at home there, and ask the whereabouts of the **tablón de anuncios**.

4. When you next visit your local Spanish bank, ask if they ever have any property repossessions on their files.

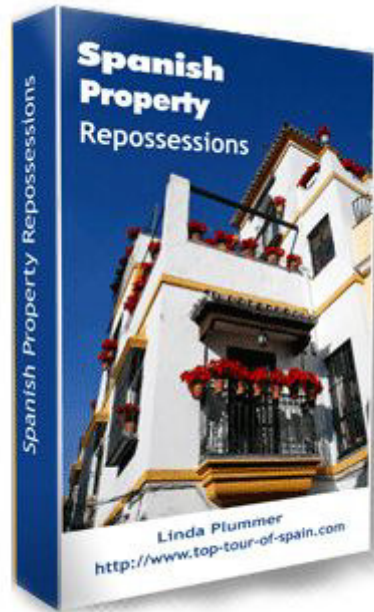
5. Regularly scan repossession listings at Top Tour of Spain and see if any bank/s are regularly mentioned as being claimants in the area that interests you. If any banks are repeatedly mentioned, go and tell them you're interested in repossessions.

6. Subscribe to the Top Tour of Spain RSS feed - just look under the Nav Bar on any of the site's pages. You'll then be among the first to learn of any new repossessions.

7. Ask English-speaking people living in your area of Spain to recommend an English-speaking Spanish lawyer.

Now it's up to you to search out those bargain properties and enjoy big profits!

Happy Bargain Hunting!



<http://www.top-tour-of-spain.com>