

Your place in the sun

Invest for the future, Buy that Second Property

Buying a second home is becoming increasingly commonplace nowadays and no wonder with the property bargains to be had and the low cost of living in Europe's favourite holiday haunt, Spain.

But before you leap take a good hard look at the market. Are you buying as an investment? Are you looking to relocate or do you simply want a luxury holiday home to help you beat those winter blues? Do you know enough about the second hand market to buy with confidence, or would you be safer buying a new build home built to modern standards? It pays to know what you really want from such a major purchase before you sign contracts or part with hard earned cash.

There are also many legalities to consider. You will need the services of a lawyer, qualified in the law of the land in which you are buying, and who can speak both English and Spanish fluently. Spanish law differs from UK law in many respects and those differences can have financial implications.

Firstly, you must decide in whose name the new property will be bought as this can have tax implications. Be sure you fully understand the tax implications both at home and abroad when buying or selling.

Ask your Abogada (lawyer) for advice on inheritance and whether you will need to make another Will in Spain.

Avoid disappointment and further expense by having a full survey conducted before your commit yourself or your money. You would also be well advised to get to know the area well. Discover as much as you can about the local people, their customs and way of life. For example, is English widely spoken in the area you've chosen?

Transport to and from your second home is another factor. Make sure you are familiar with the cost and regularity of flights. You will also need to consider the cost of maintenance of your new property when you are away.

Taxes can really put the pain in Spain, so ask your Abogada (lawyer) about the income tax implications of renting out your Spanish property. You should also be aware of the Spanish version of capital gains tax, which

applies to the increased value of the land if you resell at a later date, and if the property has been nominated as your principal residence. If you spend more than 183 days in Spain in a given tax year, you may qualify to pay income tax in Spain. Take expert advice by consulting a lawyer who is fully qualified in this particular field. You may also benefit from a chat with your accountant.

Above all, the location of your new property is your primary concern. Many new developments are ideally located to take advantage of the buy to rent market, with a wealth of facilities on hand. If you choose to sell at a later stage, a property in a sought after location will yield a healthy profit. You would be well advised to avoid investing in older



style properties in rural locations. They certainly have charm, but you may well find the upkeep and maintenance a drain on your pocket. Living in splendid isolation is not all it's cracked up to be. Unless you are a very fluent Spanish speaker you may find yourself regretting your choice. Once again the new



developments are usually sited in areas where English is widely spoken and there are first class shopping, healthcare and educational facilities.

Find out more about relocating to Spain, buying to rent, or buying a holiday home in Spain, go to: www.ocgrinternational.com

For a comprehensive range of properties go to www.ocgrinternational.com

or call our UK headquarters on 01752 89 44 64 or email: info@ocgrinternational.com