

## BUYING A PROPERTY IN GALICIA

This article is addressed to foreign people who want to buy a house or property in Galicia with a rising market especially in the purchase of rustic houses.

There are many Europeans who have already decided to buy and restore a rural house in Galicia, due to the several attractions in the region as well as its low prices. I will try to offer a general outlook of the principal steps in these acquisitions, when it is essential to take legal advice to supervise all the legal and fiscal aspects of the purchase.

The Land Registration Office and the Cadastre: the Land Registration Office gives security to the purchase against a third party. The documents come from a Notary Office or the decisions pronounced by a Court. Only a notarized deed will go into the Land Registration Office.

Frequently, a private contract is made and then, in the Notary Office, the descriptions are different; boundaries are registered but it is necessary to find out the present adjoining parts to be registered in the new deed. The notarized deed is the really important, as it is the document which will go to the Land Registration Office.

The Cadastre is a register of the Ministry of Economics made for tax purposes in order to pay the tax of Personal Property (IBI). Nowadays, the Notary Office passes the information of the purchases to the Cadastre in order to be updated. Some years ago it was not like that, so it is sometimes convenient to do an updating of the cadastral data.

The Cadastre does not generate civil rights on the property, unlike the Land Registration Office, which bears witness to the authenticity of the documents.

Galicia is a region with properties of small holdings, so it is possible to find mistakes in the Cadastre. That is why it is convenient to adapt the reality to the purchase, so as to the Cadastre and the Register are concordant. A property will never be registered in the Land Register if the difference of m<sup>2</sup> with the Cadastre is over 20% of the total surface.

Burdens in the property (e.g. seizures) are stated in the Land Registration Office.

Possible mistakes and deficiencies in the property deed: sometimes there can be some mistakes in the property deed without correction during several generations, but such events might have a solution if the legal advice is correct.

It is usual as well in Galicia that a property belongs to several heirs, so it is necessary to take some actions before the purchase to justify the titles of the sellers. Sometimes those heirs live far away from Galicia, so it will be convenient to make enough powers to be used in the signature of the purchase.

Frequently, we find properties divided by a path; this path could be a private access or municipal. If it is a municipal path will give more value to the property. Some private paths are used without right.

Taxes: After the signature of the purchase in the Notary, we have to pay 2 different taxes: a 10% (except some cases with discounts) calculated over the price of the purchase which will go to the "Xunta de Galicia". This tax will be paid by the buyer. The other one is the municipal added value tax ("plusvalía") which will be paid by the seller.

The Xunta de Galicia always check the price of the purchase with their experts to see if the final price is the same as the price they have.

In order to avoid these doubts you can calculate first the price in the Xunta, as long as the property in the Cadastre.

Restoration: any amendments or improvements in the property must be asked for permission in the Town Council as each one has its own rules to restore the rural houses.

It is a good idea to take advice from an architect, our legal Office has expert collaborators with this purpose, to study the project of alteration and feasibility in each case.

If the idea is to build a new house in the plot the preventive advice will be very important too.

The purchases of a flat in a building is a very different operation.

Although you might think the legal process to buy a house in Galicia is complicated, it shouldn't be like that with a good professionals (lawyer, architect and notary).

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