

Buying Guide

This Buying guide is intended to give you an insight into starting a business in Spain. It will help you to understand the documentation and legalities involved in making a purchase and advise on how you can make the transition to life in Spain as smooth as possible.

Moving to a new country can be a confusing experience for most of us. Culture, laws, language all are different and can at times be far too much to digest. That is why we at Bars For Sale Spain, will do our utmost to make the transition as stress free and smooth as possible. From the moment you step off the plane at Malaga airport we do all we can to make your initial visit and hopefully your permanent stay as pleasant and enjoyable as possible. We will also make ourselves available to show you as much or as little as you wish with regards to viewing. If this is your first visit to Malaga and you are not booked with a tour operator, cannot cope with driving abroad, we will be more than happy to collect you from the airport.

We will explain everything to you in a simple and straightforward way. We will give you all the relevant and necessary information you require to help you make your decision. Our advice is honest, as many of our clients can testify to, and given in a totally pressure free way. We pride ourselves on the fact that we NEVER, EVER put our clients under any duress before, during or after they have been viewing businesses. The decision is yours and yours alone.

Here at Bars For Sale Spain, we pride ourselves on our clients, we do not hand over the keys and leave you to it, we will help you as much as you want. We can organize the Breweries, food suppliers, menus, advertising, signage, Opening night and it would not end there. Once a client always a client, we cannot be held on our aftercare service.

BUYING A BUSINESS

Making the decision to buy a business can be difficult on, we will endeavor to give you as much information and help as we possibly can. We will never, ever exert any kind of pressure on you to buy any kind of business, we would far rather you make up your own mind. After all it is you who is putting forward your hard earned money to invest in the business and not us. When we take a business on, our books will find out as much as we possibly can about the business, size, location, type and length of lease, rent, community charges, overheads, type of clientele, Competition and so on. We pass all this and more, on to you as the prospective buyer. Once you have made the decision to buy we assist you in every way possible to ensure that the purchase is conducted and concluded as smoothly and efficiently as possible. Remember it does not stop there. Even after purchasing we are available to help you with organising bank accounts, accountants, arranging gas and electric supplies, assisting in finding you long term accommodation, schools and so on.

When dealing with the legal side of your purchase we use our lawyers/Solicitors, who have well over twenty years experience of property law here on the Costa del sol. They will guarantee that your purchase, whether freehold or leasehold, will be completed with the minimum of fuss and all licenses will be legally transferred into your name, giving you total peace of mind.

Having made the decision to buy you will need to follow these procedures. A deposit will need to be placed to reserve the business you choose. This is normally 10% of the agreed price. The

deposit is held until all the relevant and necessary searches on the property have been carried out. At the same stage you will be required to sign a reservation agreement, which outlines the business to be purchased, the price, deposit paid and balance to be paid prior to completion. A completion date is agreed between you and the vendor, normally one month. At this stage the business is taken off the market and both buyer and seller are committed to proceed with the sale. Further checks will be carried out to ensure that the business is free from debt and the freeholder if different from the seller is contacted as part of the preparation of the new contract.

BUSINESS OVERHEADS

Business overheads vary, depending on the type and size of the business. The figures shown below are no more than a guide but are designed to give you a good idea of the running costs of a typical bar/Café in this part of Spain.

RENT

An Average Rent is 900€ Per Month

ELECTRICITY

Electricity bills are paid Quarterly 240€ Per Quarter

GAS

Gas is supplied in bottles depending on which bottles are used are either 11€ or 15€

SOCIAL SECURITY

This includes health care for the family and your pension 250€ per month (Married couples pay 250€ - Singles pay 125€ each).

INSURANCE

Theft, fire and public liability is included and is paid annually 40€ Per Month

TERRACE TAX

This is payable if the terrace is on a public street and is levied by the local Town Hall. Charges vary, depending on the size of the terrace. If the terrace is on private land there may be no charge. Prices can range anywhere from 300€ to 1000€ every 6 Months.

COMMUNITY CHARGE

This sum is payable for the upkeep and maintenance of the community which your business may belong to. Sometimes included in the rent. Again this depends on where the business is situated, but can vary from 50€ - 100€ per month.

WATER CHARGES

These charges are usually very low and metered. 10€ per month

STOCK

Some businesses are sold with stock included; others with stock as an additional charge. No matter which situation you are faced with you will have to buy stock at a very early stage. A typically sized bar for example will have between 300.00€ and 400.00€ of stock to ensure it runs smoothly, but this varies according to the size and turnover of the business.

BUSINESS DEPOSITS

Most businesses are sold on a leasehold basis, although some are available freehold, it is a legal requirement that 2 months rental deposit be paid at the time of purchase. This deposit is returned when and if the business is sold on. In addition you're first months rent, plus IVA (VAT) is also payable.

LEGAL FEES AND LICENCES

The correct licenses and permits are vital to anyone setting up in business and we ensure that your new business is totally legal in every aspect. You will need to allow for approximately 3000.00€ to cover these necessary additional costs. Local authorities charge different fees for transferring opening licenses from one owner to the next, so this sum of money may vary depending on where you buy your business and is unlikely to be more than the figure quoted. Shown below are the necessary licenses you are likely to need when living and working in Spain.

N.I.E. NUMBER

This is your identity number that is issued to all foreigners residing in Spain. This is like your National Insurance Number, you cannot work in Spain without it.

FISCAL LICENCE

This is a license for anyone with a taxable income in Spain.

OPENING LICENCE

This license is issued by the local Town Hall and is required by all businesses. This license authorizes you to trade.

I.V.A. REGISTRATION

This is the Spanish equivalent of VAT and works in a similar way to the U.K.

SOCIAL SECURITY REGISTRATION

This entitles you and your family to use the Spanish National Health Service and a percentage of the monies paid goes towards a pension fund once you have Spanish Residencia.

FOOD HANDLERS CERTIFICATES

Anyone working with food ie; Bar/Café, Restaurant or Supermarket will need this certificate. It is a fairly simple test, taken in English, which we can arrange for you.

INSURANCE

You will need to ensure that your business premises are insured to cover you for fire, theft and public liability. This again depends on the size, type and location of your business but will be around 250.00 per annum, payable on the day you initially purchase the business.

Useful Information

TAXATION

Personal tax levels in Spain are much lower than in England. The tax year runs from 1st January to 31st December and returns have to be submitted every three months although declared profits are not high. We can introduce you to an Accountant who will prepare your books and accounts.

VAT or IVA as it is called in Spain is controlled much the same as in the UK. The main IVA rate is 16% and is paid every three months but can be reclaimed as in the UK.

ELECTRICAL ITEMS

All electrical goods brought from England will work in Spain. Sky television is available in Spain, the cost of installation being high than in England but you are advised to obtain your viewers card in England prior to moving. Electrical plugs are different in Spain and you can either change these or use an adaptor. Electricity bills are sent every two months, we would advise you to arrange payment through your bank. Paying at their offices can be very time consuming and reminders are not sent out. As no cooking and water heating is done by gas, bills tend to be considerably lower than England.

GAS

There is no piped gas, at the moment, although it is to be introduced. Gas canisters are available at a cost of about 11.00€ or 15.00€ depending on type. Deliveries to your door are usually made but you can buy your own from the nearest supply depot, Control Station or local Shop.

WATER

Water is metered, which means you only pay for what you use and costs are minimal. Unlike many years ago the tap water is safe and drinkable although it may taste different because of the minerals in the water. Hot water is readily available and very cheap from all stores and supermarkets.

SCHOOLS

The state schools are free and enjoy a good reputation for their standards. Most state schools have a good proportion of non-Spanish pupils and whilst younger children tend to pick up a new language much quicker than their elders, additional lessons are available to enable foreign pupils to learn the language quickly. If you wish, Private lessons are available and we can organize these for you. In our experience the younger the child the quicker they tend to pick up the language. The normal school day lasts from 9 am to 2pm and pupils enjoy numerous holidays throughout the year!

There are several private schools in the area, which teach the GCSE and A level curriculum. Standards in these schools are extremely high with pass rates being much higher than in the UK. Class sizes tend to be much lower and most schools have bus pick up points along the coast for their pupils. These schools are fee paying and the amount you will pay depends on the age of the child. We have information on these schools, should you require it, and we can also arrange for you to visit the schools and have a look around and speak to the staff when you are here in Spain.

These schools cater for children from 4 to 18 years of age and they can go onto University, either in England or Spain from here.

There are also quite a number of privately run kindergartens throughout the area. They are of a very high standard and are very inexpensive compared to England Approx 160.00€ from 09.00 – 14.00.

PETS

Pets can be brought to Spain from England on the Pet passport scheme. Microchips have to be inserted into the animal's neck and rabies vaccination is still obligatory. If you are thinking of bringing your pet to Spain we would advise you to see your local vet for advice, but please do so well in advance of your departure as there are time limitations that have to be adhered to.

CARS

Taking your English car is a matter of choice. You are officially allowed to drive your car in Spain for six months then re-register it with Spanish plates. There is a cost involved, which depends on the type of car and age. This law is in force, but is not enforced with a great deal of vigor.

New car prices are less than England, Insurance costs are the same as in England but you can transfer any no claims bonus. A letter from your Insurance Company, stating your level of No Claims Bonus, will be enough.

Both petrol and diesel prices are cheaper than in England.

Your UK driving license can legally be used in Spain but you can exchange this for a Spanish license without re-taking your test. However, should you purchase a Spanish plated vehicle you can not drive it with an English license, you will be required to have a Spanish one. Please note should you apply for a Spanish driving license they do require your English license and this is not returned. Should you require any further information about bringing your car to Spain, buying a new or secondhand car in Spain, advice about insurance or hiring a car whilst you are here, our office would be pleased to assist you.

HEALTHCARE

State hospitals and health centers have an excellent reputation and you should find that waiting lists are not as long as in England, You will be registered with a doctor at your local health center and translators are always on hand to help with any language difficulties.

There are a number of private health plans available, including BUPA and we can supply you with all the relevant information you will need if you are planning private health insurance.

Although as a temporary visitor you're European Health Insurance Card (EHI card) will enable you to receive medical assistance. For emergencies you would go to the local state hospital and you show them your card and passport. The same with your local doctors/Health Centre for an appointment, go with your card, passport and a copy of your passport and they will register you for a month and give you a doctors appointment. In both cases they will fill out relevant

paperwork and deal direct with the UK NHS service. The only thing payable by you will be your prescription; however, if the hospital has dispensed them, there will not be a charge.

For those resident in Spain the social security charges for self employed business owners is approx 250.00€ per month. However, if you are a married only one person pays normally the husband and this entitles his wife and family to free medical cover. Should both parties not be married then both parties have to pay totaling 500.00€ per month.

Chemists or pharmacies are numerous in all high streets. Most of the staff speak English and medication is usually cheaper than in England. They can diagnose most common ailments and many items of medicine can be bought without prescription. A green cross prominently displayed outside the shop identifies all pharmacies and there is always an all night Pharmacia open within reasonable distance.

BANKS

Transferring money in and out of Spain is now much easier than it once was. In fact there are now very few restrictions on the movement of your money in and out of the country. However, there can be some delays with some types of transfers. For example an English cheque can take up to four weeks to clear from being presented to a Spanish bank although transfers directly from English bank to Spanish bank takes much less time. We would advise you to seek advice from us or from your local bank manager before making a firm decision on movement of your money.

Once you arrive we can help you open a bank account and you need is a Spanish & English address and passport. There are a number of Spanish banks in the area as well as English banks such as Halifax & Barclays. The banks do have English Speaking staff to help you. The services and types of accounts available are very much the same as in England. Cash points are readily available and they accept Switch, etc, as well as their own cards. Please be careful, certain Spanish banks and certain English bank cards charge over the top charges for withdrawing cash sums

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