

PGA Catalunya: Purchasing Process

Reservation & Preliminary Purchase Agreement

In order to secure a plot a buyer must pay a reservation fee of €10,000 that will be held in a notary's escrow account until either exchange or withdrawal. The plot will have been formally reserved when the developer's sales team receives the signed and completed reservation agreement. At this point, the developer's lawyers will issue contracts to the buyer that will also include Homeowner's Association Rules and Regulations.

From receipt of the Preliminary Purchase Agreement and supporting documents, the buyer will have 30 calendar days in which to sign the Agreement. If they choose to withdraw during this time they will be refunded their reservation fee. If they fail to either sign the Agreement or formally withdraw, the developer has the right to retain their fee after the 30th day.

For those buyers who are buying a plot with the intention to self-build, contracts will contain clear guidelines and contact information to assist them with the design and planning process. On signature of the Preliminary Purchase Agreement they will pay a 30% deposit of which the €10,000 reservation fee will form part. They will then have a further period of time in which to complete on the purchase of the plot which will be legally binding on signature of the notarial deeds.

Project Management Self-Build

The provision of the project management service will be charged on a percentage basis of the total turnkey price.

Turnkey Agreement

For those buyers who are buying a plot who also wish the developers to deliver their villa under a turnkey contract, they

will be sent a turnkey contract along with the Preliminary Purchase Agreement and the Homeowner's Association Rules and Regulations. They will then also have to sign the Preliminary Purchase Agreement within the 60-day period, with a payment programme relating to the agreed total turnkey price.

An example of a Preliminary Purchase Agreement could be:

- *Deposit at exchange: 30%*
- *Foundations: 20%*
- *Roof: 20%*
- *Completion: 30%*

The turnkey buyers will take ownership of title at completion upon 100% of the price being paid.

Purchases will incur an 8% purchase tax to the revenue authority at the time of deposit and each stage payment.

Payment Guarantees

All exchange deposits and all payments made by buyers under a turnkey agreement will be held by Barclays Bank under a full guarantee.

Finance For Purchase

Barclays, La Caixa and BBVA have indicated that they are prepared to provide finance for buyers, under either method of purchase. Loan-to-value ratios will vary, however 70% can be obtained. Buyers may of course choose their own lenders

Rental Programme

The estate management is putting in place links with key operators to assist owners who wish to rent their properties. The estate office, which will oversee all rental arrangements to ensure that community bylaws are respected at all times, though individual agreements with rental operators can be handled directly by owners.