

Common Legal Pitfalls in Buying New Developments in Costa del Sol

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Purchasing a new development property in [Costa del Sol](#) can be an exciting investment, but it also comes with potential legal pitfalls. This guide provides a detailed overview to help you navigate and avoid common legal issues.

1. INCOMPLETE OR MISSING BUILDING PERMITS

PITFALL:

One of the most significant risks when buying a new development is the lack of proper building permits. Without these permits, the property may not be legally recognized, leading to severe consequences.

KEY CONSIDERATIONS:

- **Verification:** Ensure that the developer has obtained all necessary building permits and licenses.
- **Due Diligence:** Your lawyer should verify the legality of the construction through the local town hall.
- **Documentation:** Request copies of all permits and ensure they are valid and up to date.

2. OUTSTANDING DEBTS AND ENCUMBRANCES

PITFALL:

Purchasing a property with existing debts or encumbrances can lead to unexpected financial liabilities, including unpaid taxes, mortgages, or other claims against the property.

KEY CONSIDERATIONS:

- **Land Registry Check:** Conduct a thorough check at the Land Registry to ensure there are no outstanding debts or liens.
- **Clear Title:** Ensure the property has a clear title before proceeding with the purchase.
- **Legal Advice:** Consult with your lawyer to verify the property's debt status.

3. DEVELOPER INSOLVENCY

PITFALL:

If the developer becomes insolvent before completing the project, buyers may lose their deposits and face legal battles to reclaim their money.

KEY CONSIDERATIONS:

- **Financial Stability:** Research the developer's financial health and track record.
- **Bank Guarantees:** Ensure that your deposit is protected by a bank guarantee or insurance policy.
- **Contract Clauses:** Include clauses in the contract that protect your interests in case of insolvency.

4. DEFECTS AND NON-COMPLIANCE WITH BUILDING STANDARDS

PITFALL:

New developments may sometimes have construction defects or fail to meet local building standards, resulting in costly repairs and legal disputes.

KEY CONSIDERATIONS:

- **Building Inspections:** Arrange for independent inspections to identify any potential defects.
- **Compliance Certificates:** Verify that the property complies with all local building codes and standards.
- **Warranty:** Ensure that the property comes with a builder's warranty covering defects and non-compliance issues.

5. MISREPRESENTATION OF PROPERTY SPECIFICATIONS

PITFALL:

Developers may misrepresent the property's specifications, such as the size, materials used, or amenities included, leading to disappointment and legal issues post-purchase.

KEY CONSIDERATIONS:

- **Detailed Contracts:** Ensure that the purchase contract includes detailed specifications and descriptions of the property.
- **Verification:** Cross-check the actual property against the contract specifications before finalizing the purchase.
- **Inspection:** Conduct a final walkthrough to verify that all specifications are met.

6. LACK OF COMMUNITY INFRASTRUCTURE

PITFALL:

Some new developments may lack essential community infrastructure, such as roads, water supply, and sewage systems, significantly affecting the property's livability and value.

KEY CONSIDERATIONS:

- **Infrastructure Plans:** Review the development's infrastructure plans and timelines.
- **Legal Compliance:** Ensure that the developer is legally obligated to complete all necessary infrastructure.
- **Community Agreement:** Check for agreements related to the development and maintenance of infrastructure.

7. CHANGES IN LOCAL ZONING LAWS

PITFALL:

Changes in local zoning laws or urban planning regulations can impact the value and usability of your property, including restrictions on property use or future development plans.

KEY CONSIDERATIONS:

- **Zoning Verification:** Verify the current zoning status and any planned changes with the local town hall.
- **Future Developments:** Research any planned infrastructure projects or developments that may affect the property.
- **Legal Counsel:** Consult with your lawyer to understand the implications of zoning laws on your property.

8. INSUFFICIENT LEGAL ADVICE

PITFALL:

Not engaging a qualified lawyer can lead to overlooking critical legal aspects of the purchase, resulting in costly mistakes.

KEY CONSIDERATIONS:

- **Engage a Specialist:** Hire a lawyer who specializes in Spanish real estate law.
- **Comprehensive Review:** Ensure that your lawyer conducts a thorough review of all legal documents and the property's legal status.
- **Ongoing Support:** Keep your lawyer involved throughout the purchase process.

9. ISSUES WITH COMMON AREAS AND SHARED FACILITIES

PITFALL:

In developments with shared facilities, such as pools or gyms, disputes can arise over the maintenance and use of these areas.

KEY CONSIDERATIONS:

- **Community Rules:** Review the community rules and regulations governing the use of shared facilities.
- **Maintenance Fees:** Ensure you understand the maintenance fee structure and any future liabilities.
- **Governance:** Check the governance structure for managing common areas and resolving disputes.

10. NON-COMPLIANCE WITH RESERVATION AGREEMENT

PITFALL:

Disputes can occur if the terms of the reservation agreement are not honored, leading to potential loss of deposits or legal conflicts.

KEY CONSIDERATIONS:

- **Clear Terms:** Ensure the reservation agreement clearly outlines the terms, conditions, and obligations of both parties.
- **Legal Review:** Have your lawyer review the reservation agreement before signing.
- **Deposit Protection:** Verify that your deposit is protected under the terms of the agreement.

CONCLUSION

Purchasing a new development in Costa del Sol involves navigating various legal complexities. By understanding these common legal pitfalls and taking proactive steps to address them, you can protect your investment and ensure a smooth property purchase. Engaging experienced legal professionals and conducting thorough due diligence are crucial to mitigating risks and making informed decisions. Always ensure you have the right legal support to guide you through the process, safeguarding your interests and securing your investment.