



SEQUIRE
INTERNATIONAL

YOUR GUIDE TO TAXES AND FEES

WHEN BUYING PROPERTY IN SPAIN



TAXES & FEES

Like the British property buying process, there are a number of taxes and fees you will be required to pay when purchasing your home in Spain.

You should budget around 10% - 12% of the purchase price of your property to cover Spanish fees and taxes which include:

Property Ownership Tax

IBI (IMPUESTO SOBRE BIENES INMUEBLES)

WHAT IS IT?

Known as IBI and similar to council tax in the UK, this is paid to your local town hall regardless of your residential status.

WHAT IS IT FOR?

It goes towards upkeep, maintenance and infrastructure of your local community.

HOW MUCH IS IT?

You should check the most recent IBI bill of any property you are considering to buy before you go ahead.

ADDITIONAL INFORMATION:

Do check the last IBI. As the new owner, it is your responsibility to make any outstanding payments. IBI is an annual tax payable to the local Town Hall rather than an upfront cost.

Transfer Tax

ITP (IMPUESTO SOBRE TRANSMISIONES PATRIMONIALES)

WHAT IS IT?

This tax is paid by any buyer purchasing an existing property that has had a previous owner.

WHAT IS IT FOR?

The ITP is similar to Stamp Duty in the UK.

HOW MUCH IS IT?

It tends to be set at 8% across Spain but in the Costa Blanca it could cost up to 10%.

TAXES & FEES

New Properties Purchase Tax

WHAT IS IT?

Buyers of brand new houses in Spain are liable for this charge if the house is finished or is being built at the time of the purchase.

WHAT IS IT FOR?

It is a VAT known as IVA.

HOW MUCH IS IT?

Usually 10%.

ADDITIONAL INFORMATION:

This is instead of the transfer tax mentioned previously and not in addition to it.

Annual Wealth Tax

IMPUESTO SOBRE PATRIMONIO

WHAT IS IT?

This is a tax that was reintroduced in 2011 and is only payable on assets worth over 700,000 EUR.

HOW MUCH IS IT?

The amount due is calculated using a sliding scale starting from 0.2% and rising to 0.5%.

Personal Income Tax

IRNR (IMPUESTO SOBRE LA RENTA DE NO RESIDENTES)

WHAT IS IT?

Non-residents are required to pay this tax.

If non-residents are renting out their property, this is viewed as an income and must be declared.

HOW MUCH IS IT?

The amount will change depending on whether you rent out your property or not.

If you are renting it out, you will pay 25% of the gross income earned from the property.

If you are not renting out your property and have no other source of income in Spain, the amount of tax you pay will be dependent on the value of your property.

The tax rate is fixed as 25% of 2% of the valor catastral (rateable value of a property in Spain used to calculate taxes) of the property.

TAXES & FEES

Community Fees

COMUNIDAD DE PROPIETARIOS

WHAT IS IT?

If your apartment, villa or house is part of a larger development with communal areas, you will be obliged by law to become a member of the community of owners known as Comunidad de Propietarios.

WHAT IS IT FOR?

You will be required to pay a community fee to help maintain the development.

Insurance

Another essential cost to consider is home insurance. If you are currently living in Spain and can visit an insurance broker to discuss your policy then it will make sense to use the services of a Spanish company. If you are currently living in the UK however, you will be better off choosing a UK broker.

Spanish policies often appear cheaper, but their cover tends to be much more limited. An initial saving could cost you a lot later down the line when you find you aren't covered.

Capital Gains Tax

This is a local capital gains tax that only applies to the increase in value of the land on which your property is built. The amount to be paid is 19% of the net profit.

Although this tax should be paid by the seller, in some cases it has been known for the seller to shift this extra cost onto the buyer. This is quite common in the Costa del Sol and is something to look out for if you are planning on buying in that region.

There are also fees to consider if you decide to sell your Spanish property as a non-resident.

GET IN CONTACT

Sequire International

We hope the advice and tips outlined in this guide help you on your journey towards owning property in Spain.

Whether you're considering a second home in the sun, looking to make Spain your permanent home or are simply wanting to invest in a property on the Spanish coast, the team at Sequire International can help you with your search.

Call us on 0800 011 2639 today.





Call us on:

0800 011 2639

Email us at:

info@sequireinternational.com

or visit

sequireinternational.com

Manchester

Stafford Court, 145
Washway Rd,
Sale, Manchester,
M33 7PE

Costa del Sol

Local 6, Edf Wendolin,
Avenida Arias Maldonado,
Marbella, 29602

Costa Blanca

Urb Lomas de
Campoamor Fase II,
Avenida Tiro del Pichon
local no 8, Orihuela Costa