

# HOW TO BUY A HOLIDAY HOME IN SPAIN



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# Unlock Spain: Your Guide to a Dream Holiday Home



So, you've fallen in love with  
Spain—haven't we all?

Maybe it was the sunny afternoons by the beach, the sangria-fueled tapas nights, or that one charming whitewashed village that stole your heart. Whatever the reason, the idea of owning your very own slice of Spanish paradise has planted itself firmly in your mind—and now, you're ready to make it happen.

But how exactly do you go from daydreaming under an umbrella to actually holding the keys to your holiday home in Spain? Well, this guide is here to walk you through every single step, without the boring legal jargon and confusing red tape.

Whether you're dreaming of a beachfront apartment in Marbella, a hillside villa in Mijas, or a modern townhouse in the heart of Malaga, we've got you covered.

Let's get started.





# Why Buy a Holiday Home in Spain?



## 1- Lifestyle and Climate:

Spain offers a diverse landscape, from the serene beaches of Costa del Sol to the rugged beauty of the Pyrenees. The Mediterranean climate ensures over 300 days of sunshine annually, making it an ideal retreat year-round.

## 2- Investment Potential:

Historically, Spanish property values have shown resilience and growth. Cities like Marbella, Málaga, and Estepona have seen steady appreciation, driven by both domestic demand and international interest.

## 3- Rental Income Opportunities:

With tourism being a significant part of Spain's economy, there's a strong demand for short-term holiday rentals. Many homeowners choose to rent out their properties when they're not using them, generating additional income and maximizing their investment.





# Setting Your Budget

Before falling in love with a sea-view apartment or a countryside villa, it's important to figure out your budget. Property prices in Spain can vary widely depending on location and type. For example, apartments in less touristy areas can start from as little as €50,000, while villas—especially those near the coast or in popular regions—can range from around €150,000 to several million euros.

## Additional Costs

Expense Category	Typical Rate / Range
• Property Transfer Tax	• 6 % - 10 % (For Resale Properties)
• VAT (IVA)	• 10 % (For New Builds)
• Notary and Land Registry Fees	• 0.1% - 2%
• Legal Fees	• 1% - 2%
• Surveyor Fees	• Varies
• Annual Property Tax (IBI)	• Varies by municipality





# Choosing the Right Location

Spain offers a diverse range of towns and neighborhoods, each with its own appeal. Whether you're seeking a vibrant lifestyle, rental potential or peaceful coastal living, here are some standout areas to consider:

## 1- Marbella

Renowned for its luxury lifestyle, high-end real estate and world-class golf courses. Ideal for upscale investments and buyers seeking prestige and comfort.

## 2- Estepona

A charming town with a traditional Andalusian feel, modern amenities and a growing property market. Great for families, retirees and second-home buyers.

## 3- Malaga

A vibrant coastal city blending history, culture, and modern living. With a growing tech scene, excellent transport links, and a buzzing city vibe, Malaga appeals to both investors and long-term residents.

## 4- Mijas

Offers the best of both worlds with Mijas Pueblo's traditional hillside charm and Mijas Costa's beachfront convenience.

## 5- Fuengirola

A well-connected town with a strong expat community, sandy beaches, and a wide range of restaurants and services.



# The Buying Process



## 1- Obtain an NIE

This tax identification number is mandatory for property transactions. You can apply at a Spanish consulate or in Spain.

## 2- Open a Spanish Bank Account

Necessary for handling payments related to the purchase and ongoing expenses.

## 3- Engage a Lawyer

Hire an independent, English-speaking lawyer who is well-versed in Spanish property law. They will conduct due diligence, ensure the property is free from debts and legal issues and draft and review all necessary contracts.

## 4- Sign a Reservation Contract

This agreement, accompanied by a deposit (typically € €3,000 - €6,000), reserves the property and removes it from the market.

## 5- Conduct Due Diligence

Your lawyer will verify property ownership, check for any outstanding debts or encumbrances, and ensure that all necessary licenses and permissions are in place.

## 6- Sign the Purchase Contract

This binding agreement requires a 10 % deposit. If either party withdraws, penalties apply.

## 7- Finalize the Sale

The final deed is signed before a notary. The remaining balance is paid and ownership is transferred.

## 8- Register the Property

Post-sale, register the property with the Land Registry to formalize ownership.





# Managing Currency Exchange

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Fluctuations in exchange rates can impact the final cost. Consider:

- ## Spot Contracts

Immediate currency exchange at current rates.

- ## Forward Contracts

Lock in a rate for a future date, protecting against unfavorable shifts.

*Consult with currency exchange specialists to determine the best strategy.*





# Financing Your Purchase

- Mortgages

Non-residents can obtain mortgages from Spanish banks, typically up to 60-70% of the property's value. Requirements usually include proof of income, a credit history and a down payment of 30-40% or more.

- Alternative Financing

Equity release allows you to utilize the equity from properties in your home country, while some buyers choose to use lump-sum pension withdrawals. It's essential to consult with financial advisors to fully understand the implications and risks involved.





# Post-Purchase Considerations

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- Utilities and Services

Transfer the utilities—such as water, electricity, and gas—into your name and set up internet and any other necessary services.

- Community Fees

If your property is part of a community (e.g., an apartment complex), there may be monthly fees for maintenance and amenities.

- Insurance

Home insurance protects your property against damage and theft, while liability insurance is especially important if you plan to rent out the property.





# Legal and Tax Obligations

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- Annual Taxes

IBI (Impuesto sobre Bienes Inmuebles) is a local property tax, while Non-Resident Income Tax applies even if the property is not rented out.

- Rental Regulations

If you plan to rent out your property, you must obtain a tourist license and comply with regional regulations, which may include meeting safety standards and registering guests. Failing to meet these requirements can result in hefty fines.





# Renting Out Your Holiday Home

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- ## Licensing

Each region has specific requirements, but generally, you'll need a tourist license and must comply with local safety and quality standards.

- ## Taxation

EU residents are taxed at 19% on their net rental income, while non-EU residents are taxed at 24% on their gross rental income.

- ## Management

Consider hiring a property management company to handle bookings, maintenance and guest services.





# Residency and Visa Considerations

While owning property doesn't automatically grant you residency in Spain, it can support your visa application under certain schemes:

- ## Digital Nomad Visa

Spain now offers a Digital Nomad Visa for non-EU citizens working remotely for companies outside Spain. This is a great option for remote workers or freelancers who want to live in Spain while continuing to earn from abroad. Property ownership can support your application, but it is not mandatory.

- ## Non-Lucrative Visa

Suitable for retirees or those with independent income who want to spend extended time in Spain without working.

- ## Schengen Visa Rules

If you're from outside the EU, remember the 90/180-day rule—you can only stay in Spain (and the Schengen Area) for 90 days in any 180-day period without a visa.

Always speak with an immigration lawyer or consultant to ensure you're fully compliant and exploring the right visa path for your lifestyle.





# Final Tips for a Smooth Purchase



- Visit multiple times:

Don't buy after just one visit—get to know the area at different times of year.

- Use professionals:

Always hire an independent lawyer, a qualified notary, and a trusted estate agent.

- Check local restrictions:

Especially for rentals, some areas limit licenses or types of use.

- Don't rush:

Take your time to do due diligence—it's better to lose a deal than to buy the wrong property.





# Welcome to Your Spanish Escape

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Owning a holiday home in Spain isn't just a financial decision—it's a lifestyle investment. Whether you're dreaming of lazy afternoons by the sea, hiking in the mountains, or tapas in historic towns, Spain offers something for everyone.

With the right preparation, legal support, and planning, buying a holiday home here can be one of the most rewarding decisions of your life.

So, go ahead—start imagining that first glass of Rioja on your new terrace.