

Budgeting the purchase of your spanish property

If you have decided to buy a Spanish property it is important to ensure you have the funds in place to complete the transaction. Spain has 17 autonomous regions and purchase taxes vary from region to region.

1 Brand new property

If you buy a brand new property you will pay IVA (VAT) for mainland Spain and IGIC for the Canaries as well as stamp duty.

Mainland Spain and the Balearics

IVA is 10% and stamp duty 1.5%

Canaries

IGIC (VAT) is 7% and stamp duty 1%

2 Second hand property

If you buy a second hand property, you will pay what is known as *Impuesto de Transmisiones Patrimoniales* (Property Purchase Tax).



Example of purchase costs for property in Andalucia for €190,000

Notary fees and Land Registry fees

Typically up to 0.5% of the purchase price each €1,900

Legal costs up to 1% of the purchase price

plus IVA (VAT) at 21% €2,299 (Incl. IVA)

Land searches

up to €200

Transfer of utilities & setting up direct debits

up to €350 plus IVA at 21% €423.50

Power of attorney

Signed in UK

Notary fees up to £250

Signing power of attorney in Spain

up to €100

Transfer tax on second hand properties 8%

€15,200

If brand new property = 10% IVA and 1.5% stamp duty

2 x Spanish wills (highly advisable)

€211.75 each

Plus notary fees

approx. €60 each

Surveys advisable

Quotes vary according to property size and type of report

Total €20,666

Transfer Taxes per region

Andalucia

Up to purchase price of €400,000 = 8%

€400,000 to €700,000 = 9%

€700,000 plus = 10%

Balearic Islands

Up to €400,000 = 8%

Over €400,000 = €32,000 on the first €400,000 and then 9%

Over €600,000 = €50,000 on the first €400,000 and then 10%

Over €1,000,000 = €90,000 on the first €1,000,000 and then 11%

Canary Islands

= 6.5%

Catalonia

= 10%

Murcia

= 8%

Valencia

= 10%

If you take out a mortgage

Ask the bank to confirm the total costs of the transaction.

Expect costs of between 2% to 4% of the Loan to Value.

Disclaimer. Costs set out above are approximate and tax rates correct at time of going to print. If the property has legal issues then costs may increase