Your complete guide to buying property in Spain

Buying property in Spain attracts thousands of international buyers each year. The process differs significantly from what you might know from your home country, and understanding these differences helps you make informed decisions. This guide walks you through everything you need to know, from the first steps to collecting your keys.

We have worked with buyers from over twenty countries, and the questions remain remarkably similar. How long does buying property in Spain actually take? What are the real costs beyond the purchase price? Which legal requirements apply to foreign buyers? This guide answers these questions based on years of experience in the Axarquía region.

Why property buyers choose Spain

The reasons for buying property in Spain vary, but certain factors appear consistently. The climate delivers over 300 days of sunshine annually in regions like Andalusia. Property prices remain competitive compared to northern European markets, particularly in rural areas and smaller towns. The healthcare system ranks among Europe's best, and the cost of living stays moderate even in popular coastal areas.

Spain welcomes foreign property buyers. The legal framework treats international buyers the same as Spanish citizens, with just one additional requirement: obtaining an NIE number. The country's infrastructure connects even remote villages to major airports within reasonable driving distances. Málaga airport, for example, serves the entire Costa del Sol and Axarquía region with direct flights to most European capitals.

The rental market adds another dimension. Many buyers in Spain plan to rent their property during periods when they're not using it themselves. Tourist rentals remain in high demand, particularly in coastal regions and traditional white villages. Long-term rental options exist for those seeking steady income without the management intensity of holiday lets.

Understanding the Spanish property market today

Property prices in Spain have risen steadily over the past decade. The average price per square metre reached historical highs in 2024, surpassing even the 2017 peak. Regional variations exist, naturally. Coastal properties command premium prices, while inland villages offer considerably better value.

Foreign buyers currently represent about 15% of all property transactions in Spain. British buyers lead this group, followed by French, German, Dutch, and increasingly American purchasers. This international interest maintains stable demand even during economic uncertainties in individual countries.

The property buying process in Spain

Buying property in Spain follows a structured process. Each step serves a specific purpose, and skipping stages or rushing through them creates risks. The timeline typically spans two to three months from finding your property to signing at the notary, though variations occur based on circumstances.

Step 1: Get your NIE number

The NIE (Número de Identificación de Extranjero) comes first. This identification number stays with you permanently and appears on every document related to your Spanish property. You cannot buy property in Spain without it. Applications take place at Spanish consulates in your home country, or in Spain at national police offices.

The application requires your passport, application form, and payment of the fee. Processing times vary by location. Consulates abroad often process applications within weeks, while applications in Spain might take longer during busy periods. Start this process early, well before you've found a specific property.

Step 2: Open a Spanish bank account

A Spanish bank account simplifies every aspect of buying property in Spain. Utility bills, property taxes, and community fees all run more smoothly through direct debit from a Spanish account. International transfers carry fees and currency exchange complications that you'll face repeatedly if you try managing everything from abroad.

Most Spanish banks welcome foreign account holders. You'll need your NIE number and passport. Some banks request proof of address, either in Spain or your home country. The account opening appointment takes about an hour, and most banks in tourist areas have English-speaking staff.

Step 3: Find your property

Property hunting in Spain works differently than in some countries. Estate agents don't operate under the same regulatory framework as, for example, British or Dutch agents. Multiple agents might list the same property. Visiting properties requires patience, Spanish schedules run more flexibly than northern European ones.

Take time with this stage. The property market in each village has its own character. A townhouse in Cómpeta's old quarter brings different considerations than a villa on the outskirts, 'el campo' as we called it. Access roads matter enormously for country properties. Water supply, particularly in rural areas, deserves careful checking. Solar orientation affects both summer cooling costs and winter heating needs.

Step 4: Make an offer

Offers in Spain work through your estate agent. The vendor might counter-offer, and some negotiation typically occurs. Once you've agreed on a price verbally, you move quickly to the next stage. Spanish vendors expect action within days, not weeks.

Step 5: Sign the reservation contract

The reservation contract (contrato de arras) removes the property from the market and commits both parties. You pay a deposit, typically 10% of the purchase price. This document specifies the final sale price, the completion date, and what happens if either party withdraws.

Understanding these withdrawal clauses matters. If you pull out, you lose your deposit. If the vendor withdraws, they must return double your deposit. These stakes keep both parties committed to completing the sale.

Step 6: Due diligence and legal checks

This stage determines whether buying property in Spain becomes a success or a disaster. A lawyer checks the property's legal status, confirms the vendor actually owns it, verifies no debts exist against it, and ensures building permissions match the actual construction.

The checks reveal issues regularly. Outstanding community fees, unpaid property taxes, illegal extensions, boundary disputes – these problems surface during due diligence. Discovering them before you sign at the notary gives you options. Discovering them afterwards gives you problems.

The lawyer also checks urban planning regulations. Some areas restrict new construction or extensions. Properties in rustic zones face different rules than those in urban areas. These distinctions affect your future options with the property.

Step 7: Sign at the notary

The final step happens at the notary's office. You sign the title deed (escritura), pay the remaining balance, and receive the keys. The notary reads the entire deed aloud – yes, even when it takes an hour. This public reading creates the legal record of the transaction.

You'll also pay the property transfer tax at this stage. The notary calculates the exact amount based on the regional rate. After signing, the deed goes to the property registry, officially recording you as the owner. This registration typically takes several weeks.

Costs of buying property in Spain

The purchase price tells only part of the story when buying property in Spain. Additional costs add 10-15% to your total outlay. These costs vary slightly between regions and between new builds and resale properties.

- Property transfer tax (ITP): Resale properties carry this tax, which ranges from 6-10% depending on the region. Andalusia charges 7% for properties up to €400,000, rising to 10% for properties above €700,000.
- VAT (IVA): New builds carry 10% VAT instead of transfer tax, plus 1.5% stamp duty.
- Notary fees: These scale with property value but typically cost €600-1,200.
- Land registry fees: Similar to notary fees, these run €400-900 depending on property value.
- Legal fees: Most lawyers charge 1% of the purchase price plus VAT. This investment protects you from costly mistakes.
- Bank charges: If you arrange a Spanish mortgage, expect arrangement fees of about 1% of the loan amount.

Beyond these one-time costs, annual expenses await. Property tax (IBI) varies wildly between municipalities. A village house might cost €200 yearly, while a coastal villa might run €2,000. Community fees apply if you buy in a complex with shared facilities. These range from minimal amounts for basic maintenance to €200+ monthly for complexes with pools, gardens, and security.

Common mistakes to avoid when buying property in Spain

Some mistakes appear with depressing regularity among foreign buyers. Skipping the lawyer saves perhaps €2,000 and creates risks worth tens of thousands. The property might have debts against it. Building permissions might not exist. The vendor might not actually own it. These situations happen often enough that the penny saved becomes a pound lost.

Underestimating renovation costs catches people repeatedly. That charming village house needs new plumbing, rewiring, a replacement roof, and updated bathrooms. Builders in Spain work to different timescales than you might expect. A three-month renovation becomes six months. Budget overruns occur. Plan accordingly.

Ignoring community rules causes friction. Some complexes restrict rental activity. Others have rules about noise, pets, or modifications to exteriors. Read the community statutes before buying, particularly if you plan to rent out the property.

After you buy, what's next?

Buying property in Spain creates ongoing responsibilities. You must register your property purchase with the tax authorities within 30 days. This declaration (Modelo 211) confirms you've paid the transfer tax. Missing this deadline brings fines.

If you plan to rent your property, licensing requirements apply. Rules vary by region and even by municipality. Some areas require tourist rental licenses that take months to obtain. Others restrict short-term rentals entirely. Research these requirements early.

Non-residents must file annual tax returns even if you're not renting the property. Spain taxes an imputed rental income based on the cadastral value. The actual amount remains small, typically €200-500 annually, but filing requirements are strict.

Utilities need transferring to your name. Water, electricity, and internet all require separate contracts. Community fees begin immediately after completion. Set up direct debits to avoid missing payments, which can accumulate penalties quickly.

Consider property insurance. Buildings insurance protects against fire, flood, and structural damage. Contents insurance covers your belongings. Many mortgage lenders require buildings insurance. Even without a mortgage, the coverage brings peace of mind.

FAQ - Buying property in Spain

Can foreigners buy property in Spain?

Yes, foreigners buy property in Spain under the same conditions as Spanish citizens. The only additional requirement is obtaining an NIE number. No residency requirement exists, and no restrictions apply to the type or location of property you can purchase.

How long does buying property in Spain take?

The typical timeline runs 8-12 weeks from making an offer to signing at the notary. This assumes you already have your NIE number and bank account. Delays occur if legal checks reveal problems, if mortgage approval takes longer than expected, or if completion dates need rescheduling.

Do I need a lawyer when buying property in Spain?

Legally no, practically yes. A lawyer costs about 1% of the purchase price. This investment protects you from buying properties with debts, illegal construction, or ownership disputes. The modest cost buys substantial protection.

What is an NIE number and how do I get one?

The NIE (Número de Identificación de Extranjero) is your Spanish tax identification number. Apply at Spanish consulates abroad or at national police offices in Spain. You'll need your passport, completed application form, and the application fee. Processing takes 2-4 weeks at consulates, sometimes longer in Spain. Our legal advice service can help with the application process.

Can I get a mortgage in Spain as a non-resident?

Yes, Spanish banks lend to non-residents, typically covering up to 70% of the property value. Requirements include proof of income, bank statements, and your employment contract. Interest rates for non-residents run slightly higher than resident rates. Expect the approval process to take 4-6 weeks.

What are the taxes when buying property in Spain?

Resale properties carry transfer tax (ITP) of 7-10% depending on the region. New builds carry 10% VAT plus 1.5% stamp duty. You'll also pay notary fees (€600-1,200), land registry fees (€400-900), and legal fees (typically 1% of purchase price plus VAT).

Do I need to live in Spain to buy property?

No residency requirement exists for buying property in Spain. You can purchase property while living abroad and visit whenever you choose. However, non-residents staying more than 183 days per year become tax residents, which changes your tax obligations.

What is the difference between rustic and urban land?

Urban land (suelo urbano) allows construction and connects to municipal services. Rustic land (suelo rústico) has strict building limitations, and construction typically requires agricultural justification. These classifications appear on the property's nota simple and fundamentally affect what you can do with the land.

Can I rent out my Spanish property?

Yes, but regulations vary by region. Tourist rentals require licenses in most areas. Some municipalities have restricted or banned short-term rentals entirely. Long-term rentals face fewer restrictions but come with strong tenant protection laws. Check local regulations before buying if rental income factors into your plans.

What happens if I die owning property in Spain?

Spanish succession law applies to Spanish property regardless of your nationality. However, EU regulations allow you to choose which country's inheritance law applies to your worldwide estate. Making a Spanish will simplifies the process for your heirs and reduces costs. Inheritance tax applies, with rates varying by region and relationship to the deceased.

What are community fees?

Community fees (gastos de comunidad) cover maintenance of shared facilities in apartment blocks or residential complexes. These might include swimming pools, gardens, security, building insurance, and shared utilities. Fees range from €30 monthly for basic apartment buildings to €200+ for luxury complexes with extensive facilities.

Is property tax high in Spain?

Annual property tax (IBI) varies by municipality and property value. Village houses might cost €200-400 annually, while coastal villas might run €1,500-3,000. The rate depends on each municipality's fiscal policy and the property's cadastral value, which typically sits well below market value.

Ready to start buying property in Spain?

The process of buying property in Spain becomes straightforward when you understand each stage and work with experienced professionals. We've guided hundreds of international buyers through this process, helping them avoid common pitfalls and find properties that match their goals.

Our office in Cómpeta serves the entire Axarquía region. We know these villages, understand the local property market, and maintain relationships with trusted lawyers, builders, and service providers. Whether you're looking for a renovation project in a traditional village or a modern villa with sea views, we can help you find it and guide you through buying it.

Contact us + enlace to discuss your property search. We'll explain your options, show you what's currently available, and give you honest advice about what to expect. Buying property in Spain works well when you have the right support – let us provide it.