



Buying Property in Spain as a Non-Resident

Taxes, costs and the steps you need to know Updated: 16/10/2025



Steps to buy

1. **NIE** — required to buy and contract utilities. Apply at a Spanish Consulate or Spanish Police in Spain.
2. **Spanish bank account** — for IBI/community/utilities direct debits and transfers.
3. **Searches & viewings** — check area, services, transport. Always view in person.
4. **Deposit (arras)** — typically **5–10%**. If buyer withdraws → *forfeits*; if seller withdraws → *returns double*.
5. **Due diligence (CRUCIAL)** — registry extract, encumbrances, community debts, IBI up-to-date, first occupation licence, EPC, community statutes.
6. **Notary deed** — public deed; you become the legal owner on signing.
7. **Taxes & filings** — ITP/VAT/AJD as applicable and, if the seller is non-resident, the **3% withholding (Form 211)**.
8. **Land Registry** — inscription in your name (often handled by notary/agency).



Taxes on purchase

Resale (second transfer)

| Tax | Rate | Payer |
|-------------------------------------|---|--|
| ITP (Transfer Tax) | 6% – 10% by region • Madrid: 6% | Buyer |
| Plusvalía (municipal capital gains) | Per city rules (objective or real method) | Seller (unless agreed) |
| 3% withholding — Form 211 | 3% of price | Buyer (if seller is <i>non-resident</i>) |

Example (Madrid): €250,000 — ITP 6% = **€15,000**. Plusvalía: usually seller. 3% retention only if seller is non-resident (buyer files 211).

New-build (developer)

| Tax | Rate | Payer |
|------------------------------|---|-------------------------------|
| VAT | 10% (residential) or 21% (other). Up to 2 parking spaces + 1 storage room <i>annexed</i> : usually 10%. | Buyer |
| AJD (Stamp Duty) | 0.5% – 1.5% by region • Madrid : ~0.75% | Buyer |
| Plusvalía (municipal) | Per city rules | Seller (negotiable) |

Example (Madrid): €300,000 — VAT 10%: €30,000; AJD 0.75%: €2,250 → **Total buyer taxes: €32,250.**

Rule of thumb: budget an extra **10–15%** for taxes + notary/registry/agency/appraisal.

Other purchase costs

| Item | Estimated cost |
|-------------------------|---|
| Notary | €600 – €1,200 |
| Land Registry | €400 – €800 |
| Agency | €300 – €600 (if mortgage, bank's agency usually involved) |
| Lawyer (recommended) | 1% – 2% of price (or fixed fee) |
| Appraisal (if mortgage) | €300 – €500 |

Mortgage (non-resident)

- **LTV:** **60–70%** of the lower of valuation vs. price.
- Rates 2025: **3%–5%** variable (profile dependent).
- **Costs:** mortgage AJD paid by the bank; appraisal by client; opening fee negotiable; home insurance usual; life insurance not mandatory.



After completion — recurring

- **IBI**: 0.4% – 1.1% of cadastral value (by city).
- **NRIT — Form 210**:
 - **Imputed** (not rented): 1 Jan – 31 Dec of the following year.
 - **Rented**: quarterly (1–20 Apr/Jul/Oct/Jan) or annual in some cases.
 - **Sale**: buyer pays **3%** via **Form 211** in 1 month; non-resident seller files **Form 210** for capital gain within **3 months** after the 211 deadline.
- **Waste collection**: €50 – €200/year (by city).



Responsibilities & common risks

Community debts: buyer is liable with the property for the **current year** and the **three previous years**. Ask for a clearance certificate.

IBI: request latest bills and agree prorating in the deed. The property can be affected by pending amounts.

Plusvalía: agree in writing who pays it and the method (objective/real). Confirm with the city council.

Use/classification: confirm residential use; it impacts VAT/ITP, licences and rentals.

Garage/storage: verify if annexed and how many spaces transfer (affects VAT/ITP).

Need help?

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