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# Your Spanish Dream: The Complete Property Guide for UK Buyers

Everything UK buyers need to know about mortgages, costs, tax and the buying process in Spain.

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**A warm welcome from sunny Spain – where your property dreams meet Mediterranean reality**

## SECTION 1

# Why You're Reading This (And Why Spain Might Be Your Answer)

Picture this: You're sipping your morning coffee, scrolling through property listings in Valencia, Málaga, or the Costa Blanca. The prices look tempting. The lifestyle looks irresistible. The weather? Well, that speaks for itself.

But then the questions start flooding in: *How does a UK buyer actually purchase Spanish property after Brexit? Can I get a mortgage? What about taxes? Do I need to speak Spanish?*

You're not alone. Thousands of UK buyers navigate the Spanish property market every year – and while the process has a few unique Spanish twists, it's far more straightforward than you might think.

This guide is your roadmap. No jargon. No assumptions. Just clear, honest advice from people who understand both the UK mortgage landscape and the Spanish property reality.

## SECTION 2

# The Three Types of UK Buyers (Which One Are You?)

## The Lifestyle Seeker

*"I want a place in the sun for holidays now, retirement later"*

You're drawn to Spain for the lifestyle: year-round sunshine, affordable living costs, incredible food, and a relaxed pace of life. You're probably looking at coastal areas or charming inland towns, with a budget between £100,000-£300,000.

**What matters most to you:** Ease of access (airports), rental potential when you're not there, and keeping the purchase process simple.

## The Investment Player

*"I want rental income and capital growth"*

You see Spain's property market as an opportunity. Tourism is booming, rental yields in cities like Barcelona, Madrid, and Valencia are attractive, and prices are still recovering from the 2008 crisis – meaning potential for growth.

**What matters most to you:** Buy-to-let mortgage options, understanding Spanish rental laws, tax efficiency, and choosing locations with strong rental demand.

## The Full-Timer

*"I'm ready to move to Spain permanently or semi-permanently"*

Whether you're retiring, working remotely, or starting a new chapter, you're serious about making Spain your home. You might be looking at larger properties, considering Spanish residency, or even eyeing that countryside *finca*.

**What matters most to you:** Resident vs non-resident mortgages, healthcare access, tax residency implications, and understanding long-term costs of ownership.

### SECTION 3

## The Hard Truth About Spanish Mortgages After Brexit

Let's address the elephant in the room: **Yes, UK buyers can absolutely still get Spanish mortgages post-Brexit.**

But here's what's changed:

### The New Reality (2025)

#### Loan-to-Value (LTV) for Non-Residents:

- Expect **60-70% maximum** (meaning you'll need a 30-40% deposit)

- This is lower than the 80% Spanish residents can access
- Some banks may offer up to 70%, but 60% is more common

#### **Interest Rates:**

- Non-resident rates: **3.5% - 5%** (fixed rates as of 2025)
- Typically 0.5-1% higher than rates for Spanish residents
- Fixed-rate mortgages are more common for non-residents

#### **The Age Factor:**

- Most Spanish banks require the mortgage to be fully repaid by age 70-75
- If you're older, expect stricter terms or a shorter repayment period

#### **Income Requirements:**

- Your monthly mortgage payment shouldn't exceed 30-35% of your net income
- Proof of stable UK income is essential
- Self-employed? Expect to provide 2-3 years of accounts

**Sources:** [Idealista - Non-Resident Mortgages in Spain](#), [Traverse International Finance - Spanish Mortgage Factsheet](#)

### **What UK Lenders Won't Tell You**

Getting a mortgage from a UK lender to buy Spanish property is extremely difficult. Most UK banks won't lend on overseas property due to risk assessment complexities.

Your realistic options:

1. **Spanish banks** (most common route)
2. **International mortgage brokers** specializing in Spanish property
3. **Cash purchase** (surprisingly common for properties under €200,000)

#### **SECTION 4**

## **The NIE: Your Golden Ticket to Spanish Property**

Before you can do *anything* in Spain – open a bank account, sign a property contract, set up utilities – you need a **NIE (Número de Identificación de Extranjero)**.

Think of it as your Spanish financial identity number.

## How to Get Your NIE

### Option 1: From the UK

- Apply at the Spanish Embassy or Consulate (London, Edinburgh, or Manchester)
- You must attend in person
- Processing time: 2-6 weeks
- Cost: Around £15-20

### Option 2: In Spain

- Visit a National Police station or immigration office
- Faster (can be same-day in some locations)
- Useful if you're already viewing properties in Spain

### What You'll Need:

- Completed EX-15 form
- Valid passport (original + 2 copies)
- Two recent passport photos
- Reason for application (e.g., "to purchase property")

**Pro Tip:** Apply for your NIE before you start house hunting seriously. Having it ready speeds up the purchase process dramatically and shows sellers you're a serious buyer.

**Sources:** [GOV.UK - Buying Property in Spain](#), [Balcells Group - NIE Number Guide](#)

## SECTION 5

# The True Cost of Buying (Beyond the Price Tag)

Here's where UK buyers often get caught off guard. In Spain, the total cost of buying property is **10-15% higher** than the purchase price.

Let's break down where that money goes:

## One-Time Purchase Costs

### For Resale Properties (Second-Hand):

#### 1. Property Transfer Tax (ITP) – *The Big One*

- **6-10% of purchase price** (varies by region)
- Catalonia: 10%
- Valencia: 10%
- Andalusia: 8-10% (depends on property value)
- Murcia: 8%
- Example: €200,000 property = €12,000-€20,000 in transfer tax

#### 1. Notary Fees

- €600-€1,500 (depending on property value)
- Fixed by law, but varies with price

#### 1. Land Registry Fees

- €400-€800
- To register the property in your name

#### 1. Legal Fees (Solicitor)

- 1-1.5% of purchase price + VAT
- Absolutely essential for UK buyers (more on this below)

### For New Properties:

#### 1. VAT (IVA)

- **10% of purchase price** (standard rate for new property)
- First-time buyers of certain new builds: reduced rate may apply

#### 1. Stamp Duty (AJD)

- **1-1.5%** of purchase price
- Applies to new builds in addition to VAT

**Total Upfront: Budget for 10-15% on top of purchase price**

**Sources:** [Gaman Lawyers - Taxes for Foreign Buyers](#), [Spanish Lawyers - Property Taxes for UK Buyers](#)

## Annual Ownership Costs

### Property Tax (IBI – Impuesto sobre Bienes Inmuebles)

- Local council tax, varies by municipality
- Typically €300-€1,000 per year for most properties
- Can be higher in sought-after coastal areas

### Non-Resident Income Tax

- If you don't live in Spain full-time, you pay tax on "deemed rental income"
- Even if you don't rent it out!
- Typically 1-2% of the cadastral value per year

### Community Fees (if in an apartment or urbanisation)

- €400-€2,000+ per year
- Covers communal areas, pools, gardens, security

### Utilities

- Water, electricity, internet
- Budget €100-€200/month depending on usage

## SECTION 6

# The Spanish Purchase Process: Your Step-by-Step Journey

## Stage 1: Finding Your Property (The Fun Part)

**In-Person vs Remote:** Many UK buyers start browsing online (Idealista, Kyero, A Place in the Sun), but visiting in person is crucial. The photos rarely tell the whole story.

### **The Viewing Trip:**

- Plan to view 8-10 properties minimum
- Budget 4-5 days
- Visit at different times of day (traffic, noise, sun exposure matter)
- Talk to neighbours if possible
- Check mobile signal strength (seriously – rural Spain can be patchy)

### **Stage 2: Making an Offer**

**The Reservation Agreement (Contrato de Reserva):** Once you've found "the one," you'll typically sign a reservation contract and pay a small deposit (usually €3,000-€6,000) to take the property off the market while legal checks are done.

**This is refundable** if issues arise during legal checks, but you'll lose it if you simply change your mind.

### **Stage 3: Legal Checks (Where Your Lawyer Earns Their Fee)**

Never, ever skip hiring an independent Spanish solicitor. Here's what they check:

- **Property title** (is the seller actually the legal owner?)
- **Debts attached to the property** (unpaid community fees, mortgages, taxes)
- **Planning permissions** (especially critical for rural properties)
- **Boundary disputes**
- **Building regulations compliance**
- **Water and utility rights** (particularly important in rural areas)

**Red Flag Story:** A UK couple nearly bought a beautiful countryside villa, only for their solicitor to discover it was built without proper planning permission. The property would have been unmortgageable and potentially subject to demolition orders.

**Investment:** 1-1.5% of purchase price. Worth every penny.

### **Stage 4: The Private Purchase Contract (Contrato Privado de Compraventa)**

This is the serious commitment. You'll typically pay **10% of the purchase price** as a deposit.

**Key point:** This contract is legally binding. If you pull out, you lose your 10%. If the seller pulls out, they must return double your deposit.

**Timeline:** Usually 4-8 weeks between signing this and completion.

## Stage 5: The Notary and Completion (Escritura Pública)

In Spain, all property sales must be formalized before a notary (a public official, not like UK solicitors).

### On Completion Day:

- You and the seller meet at the notary's office
- The notary reads the deed aloud (yes, really – often in Spanish)
- You pay the remaining balance (usually via bank transfer beforehand)
- You receive the keys
- The deed is registered at the Land Registry

**Pro Tip:** Bring a Spanish-speaking friend or hire an interpreter if your Spanish isn't fluent. You're signing a legal document – you should understand every word.

## SECTION 7

# Buy-to-Let in Spain: What UK Investors Need to Know

Spain's rental market is booming, particularly in cities and tourist hotspots. But the tax situation is complex.

## The Rental Income Reality

### Strong Markets for Rentals:

- **Short-term (holiday lets):** Costa del Sol, Costa Blanca, Balearics, Canary Islands, Barcelona

- **Long-term (residential):** Madrid, Barcelona, Valencia, Seville, Málaga

#### **Yields:**

- Short-term: 5-8% gross yield (but more management intensive)
- Long-term: 4-6% gross yield

## **The Tax Situation (This Gets Complex)**

### **Non-Resident Rental Income Tax:**

- **24% tax rate** on net rental income (after allowable expenses)
- You must file quarterly tax returns (Forms 210)
- Allowable expenses: maintenance, community fees, IBI, utilities, management fees

### **In the UK:**

- You must also declare the income to HMRC
- But you can claim credit for tax paid in Spain (avoiding double taxation)
- Get professional advice – this is not DIY territory

**Wealth Tax Warning:** If your Spanish assets exceed €700,000, you may be liable for Spanish wealth tax (varies by region). Seek specialist advice.

## **Holiday Rental Licenses**

Most regions now require a **tourist license** (licencia turística) to legally rent short-term. The rules vary dramatically:

- **Catalonia (Barcelona):** Very restrictive, limited new licenses
- **Valencia:** More liberal, but still requires license
- **Andalusia:** Regional variations, generally more permissive
- **Balearics (Mallorca, Ibiza):** Strict rules, especially in tourist zones

**Don't skip this.** Illegal holiday rentals face fines of €30,000+.

**Sources:** [MySpanishResidency - Spanish Mortgage Guide](#), [Lawants - Buying Property in Spain After Brexit](#)

## **SECTION 8**

# The Brexit Factor: What's Actually Changed

Let's cut through the noise. Here's what Brexit means for UK property buyers in Spain:

## What HASN'T Changed ✓

- **Your right to buy property** – completely unaffected
- **Ownership rights** – identical to pre-Brexit
- **Ability to get mortgages** – still possible (though criteria may be tighter)
- **Ability to rent out property** – unchanged

## What HAS Changed ✗

**The 90/180 Day Rule:** As a UK visitor, you can only spend **90 days in any 180-day period** in Spain (and the Schengen Area) without a visa.

This is the biggest issue for "holiday home" buyers who want to spend extended time in Spain.

### Solutions:

- Apply for a **Golden Visa** (requires minimum €500,000 property investment) – allows extended stays
- Apply for **non-lucrative residence visa** (requires proof of income/savings, allows permanent residence)
- Time your visits carefully within the 90/180 rule
- Consider splitting time with a non-Schengen country (UK, Ireland, Croatia, etc.)

**Currency Risk:** Pre-Brexit, the £ vs € exchange rate was more stable. Now, fluctuations can significantly impact your purchase price and ongoing costs.

**Solution:** Consider using a currency specialist (like Wise, CurrencyFair, or specialist brokers) and potentially forward contracts to lock in rates.

## SECTION 9

# Regional Guide: Where Should You Buy?

Every region offers something different. Here's the honest breakdown:

### **Costa Blanca (Alicante Region)**

**Best for:** Year-round sunshine, established expat communities, affordability **Vibe:** Relaxed, beach-focused, golf courses, British-friendly **Prices:** €100,000-€300,000 for apartments/townhouses; €300,000-€600,000 for villas **Watch out for:** Overdevelopment in some areas, very touristy in summer

### **Costa del Sol (Málaga Region)**

**Best for:** Upscale lifestyle, glamour (think Marbella), excellent infrastructure **Vibe:** More sophisticated, international feel **Prices:** Higher – from €200,000 for apartments, €500,000+ for nice villas **Watch out for:** Premium prices, competitive rental market

### **Valencia & Region**

**Best for:** Culture, authentic Spanish life, city + beach combo **Vibe:** Cosmopolitan city with traditional Spanish heart **Prices:** €150,000-€350,000 (better value than Barcelona) **Watch out for:** Less established for foreign buyers (can be an advantage)

### **Andalusia Interior (Granada, Seville, Córdoba)**

**Best for:** Culture vultures, affordability, authentic Spain **Vibe:** Historic, traditional, "real Spain" **Prices:** €80,000-€200,000 for charming town properties **Watch out for:** Hot summers, less rental demand, language barrier

### **Balearic Islands (Mallorca, Menorca, Ibiza)**

**Best for:** Island lifestyle, high rental yields, capital growth potential **Vibe:** Varies by island – from party (Ibiza) to peaceful (Menorca) **Prices:** €250,000-€1,000,000+ (premium market) **Watch out for:** High prices, restrictive holiday rental laws

### **Canary Islands (Tenerife, Gran Canaria, Lanzarote)**

**Best for:** Year-round warm weather, established expat communities **Vibe:** More island resort feel, strong British presence **Prices:** €120,000-€400,000 **Watch out for:** Feels less "Spanish," flights less frequent than mainland

## **SECTION 10**

# Your Questions Answered

## "Can I get a Spanish mortgage if I'm retired?"

Yes, but it's trickier. You'll need to prove pension income (UK state pension counts), and the loan term must end before you're typically 70-75 years old. Some UK buyers in their 60s opt for 10-15 year terms, or consider cash purchases.

## "Should I set up a Spanish company to buy property?"

For most buyers: **No**. It adds complexity, annual costs, and tax filing obligations. It made sense historically for inheritance tax planning, but Spanish inheritance laws have improved for spouses and direct descendants.

Consider it only if:

- You're buying multiple properties commercially
- You have complex tax situations
- You're advised by a specialist tax accountant

## "What about healthcare if I spend time in Spain?"

- **Under 90 days/year:** Use your GHIC (Global Health Insurance Card – the post-Brexit EHIC)
- **Living in Spain:** You'll need private health insurance (required for residency visas) or pay into Spanish social security
- **Retirees:** UK state pensioners can apply for an S1 form (gives access to Spanish healthcare)

## "Is it better to buy in euros or pounds?"

You can only pay in euros. The question is *when* to convert.

### Smart moves:

- Open a multi-currency account (Wise, Revolut)
- Monitor exchange rates (set alerts)
- Consider a forward contract if you're risk-averse (locks in today's rate for future payment)

- Transfer in stages if you have time
- Avoid airport/high-street bank rates (terrible)

## "What if I want to sell later?"

### Capital Gains Tax:

- **Non-residents:** 19% on gains
- **Residents:** Progressive rates (19-26%)
- **Exemption:** If you're over 65 and selling your main residence (as a resident)

**Retention:** The buyer's lawyer will retain 3% of the sale price and pay it to the Spanish tax office on your behalf (to ensure you pay your CGT). You get it back when you file your tax return.

## SECTION 11

# The Money-Saving Secrets

## 1. Buy in Winter

Seriously. The Spanish property market slows November-February. Sellers are more motivated, you'll have more negotiating power, and you'll see properties in their "worst" light (good for due diligence).

## 2. Look Beyond the Coast

Inland properties cost 30-50% less than coastal equivalents. If you don't need beach access, places like Murcia city, inland Valencia, or smaller Andalusian towns offer incredible value.

## 3. Consider Older Properties

New builds come with 10% VAT + 1.5% stamp duty = 11.5% Resale properties: 6-10% transfer tax

For a €200,000 property, that's a potential €3,000-€11,000 saving.

## 4. Get Multiple Mortgage Quotes

Use an international mortgage broker who works with multiple Spanish banks. Rates and terms vary significantly between lenders.

## 5. Negotiate Everything

Unlike the UK, where offers are often at asking price, it's normal to negotiate 5-15% below asking in Spain. Especially if:

- The property's been on the market 6+ months
- You're a cash buyer
- It's winter/low season
- There are minor issues that need fixing

### SECTION 12

## Red Flags: When to Walk Away

Trust your gut, but especially watch for:

- ▶ **Seller rushes you or pressures for quick decisions**
- ▶ **No planning permission for extensions/renovations** (especially rural properties)
- ▶ **Community fee debts** (you inherit these with the property)
- ▶ **Property significantly cheaper than comparable listings** (there's usually a reason)
- ▶ **Seller unwilling to provide documentation** for legal checks
- ▶ **Rural property without guaranteed water rights**
- ▶ **Any mention of "we can register it later"** (for builds/renovations)

### SECTION 13

## Your Action Plan: Next Steps

**If you're serious about buying in Spain within the next 12 months:**

## Month 1-2: Research & Preparation

- Define your budget (including the extra 10-15% costs)
- Decide: lifestyle, investment, or full-time living?
- Research regions that match your needs
- Apply for your NIE number
- Get mortgage advice (even if you're not sure you'll need one)

## Month 3-4: The Search

- Set up alerts on Idealista, Kyero, local estate agents
- Book a viewing trip (ideally 5-7 days)
- Hire an independent Spanish solicitor (before making offers)
- View 8-10+ properties

## Month 5-6: The Purchase

- Make offer and sign reservation contract
- Lawyer conducts legal checks
- Finalize mortgage (if applicable)
- Sign private purchase contract (10% deposit)
- Arrange currency transfer

## Month 7-8: Completion

- Final checks and survey (if desired)
- Transfer remaining funds
- Attend notary appointment
- Receive keys
- Set up utilities and insurance
- Register with local town hall (empadronamiento)

### SECTION 14

## Final Thoughts: Is Spain Right for You?

Spain offers British buyers something genuinely special: incredible lifestyle at accessible prices, strong rental markets, and a culture that somehow feels both foreign and familiar.

The process has its quirks – the NIE, the notary, the tax complexities – but thousands of UK buyers navigate it successfully every year.

The key is going in with eyes open, budget realistic, and professional support in place.

Whether you're chasing sunshine, rental income, or a fresh start, Spain might just be waiting for you.

**Ready to take the next step?** The Spanish property market isn't going anywhere – but the best properties won't wait forever.

## SECTION 15

# Essential Resources & Links

### Official UK Government Guidance:

- [GOV.UK - How to Buy Property in Spain](#)

### Mortgage & Finance:

- [Idealista - Non-Resident Mortgages Guide 2025](#)
- [Traverse International Finance - Spanish Mortgage Factsheet](#)

### Legal & Tax Information:

- [Gaman Lawyers - Taxes for Foreign Buyers](#)
- [Spanish Lawyers UK - Property Taxes for UK Buyers](#)
- [Lawants - Buying Property After Brexit](#)

### NIE Number:

- [Balcells Group - How to Get NIE Number](#)

### Property Portals:

- Idealista.com (largest Spanish portal)
- Kyero.com (international focus)

- [Fotocasa.es](https://www.fotocasa.es)

*This guide is for informational purposes and reflects the market as of 2025. Property laws, tax rates, and mortgage conditions change. Always seek professional legal and financial advice specific to your circumstances before purchasing property.*

**Your Spanish adventure starts here. ¡Buena suerte! 🇪🇸**

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