

Taxes, fees, and payments

Today I'm going to explain the different taxes, fees, and payments that need to be understood when buying or selling a property in Spain. These costs are often underestimated, but they are a critical part of any property transaction.

I'll start with the **buyer's costs**, and then move on to the **seller's taxes and obligations**.

When buying a property in Spain, the biggest cost is **purchase tax**, and this depends on whether the property is new or resale.

For a **resale property**, buyers pay **ITP**, which is Property Transfer Tax. This typically ranges between **6% and 10%** of the purchase price, depending on the autonomous region.

For a **new-build property**, buyers pay **VAT**, known as **IVA**, at **10%**, plus **Stamp Duty**, called **AJD**, which is usually between **1% and 1.5%**.

In addition to taxes, buyers must pay several professional fees.

These include:

- **Notary fees**, for signing the public deed 0.5–1%
- **Land Registry fees**, to register ownership 0.5%
- **Legal fees**, if a lawyer is used 1–1.5%
- **Mortgage-related costs**, such as bank arrangement fees and property valuation 1–2% of loan amount

Altogether, buyers should typically budget **10–15% of the purchase price** on top of the price itself.

There are also several **mandatory certificates and reports**.

One is the **Energy Performance Certificate**, or *Certificado Energético*. This is legally required and rates the property's energy efficiency. It must be in place before a property is sold. €100–€300

Depending on the property, additional documents may be required, such as:

- Updated **floor measurements or surface certificates**
- Confirmation of registration with the **Cadastre**
- Or, in some regions, a **habitability certificate**

€150–€600 combined

Now let's move on to the **seller's costs and taxes**.

One of the most important is **Plusvalía Municipal**.

Plusvalía is a local tax charged by the town hall on the increase in the value of the land over the time the property has been owned. It is calculated based on the land value and years of ownership, not the sale price. Recent changes mean sellers may choose the most favourable calculation method, or in some cases pay nothing if no gain exists.

Another major cost is **Capital Gains Tax**.

For **Spanish residents**, capital gains are taxed on a sliding scale, currently ranging from **19% to 28%**, depending on the profit made.

For **non-resident sellers**, capital gains tax is charged at **19%**, and the buyer is legally required to **withhold 3% of the purchase price** and pay it directly to the Spanish tax authorities as an advance payment.

Sellers are also responsible for clearing all **ongoing property costs**.

These include:

- **IBI**, which is the annual property tax paid to the town hall €300–€1,500+ per year
- **Basura**, the rubbish collection tax €100–€300 per year
- **Community fees**, if the property is part of a development €600–€3,000+ per year
- And outstanding **utility bills**, such as water and electricity

All of these must be paid up to date before completion.

In addition, sellers must provide:

- A valid **Energy Certificate**
- Proof of IBI and community payments
- And confirmation that the property matches official records

What to Budget

Clear expectations = smooth transactions

Buyers

 **10–15% of purchase price** on top of price
Taxes + professionals + certificates

Sellers

-  Plusvalía
-  Capital gains tax
-  Cleared local taxes & fees

Understanding these costs in advance helps avoid surprises and ensures a smooth and legally compliant property transaction in Spain.
