



## Spain – August 2022

---

### CONTENTS

<b>PUTTING A VALUE ON THE BALEARICS - ALMOST 80,000 MILLION EUROS.....</b>	<b>1</b>
--	----------

---

### **PUTTING A VALUE ON THE BALEARICS - ALMOST 80,000 MILLION EUROS**

*Property tax calculations are based on the cadastral value*

By comparison with other Spanish regions, the cadastral value of the Balearics is quite low. But then the land area is small by comparison, while the islands don't house the nation's capital and main financial and business centres.

Land registry data indicate a cadastral value in the Balearics of 78,156.27 million euros. These values are what are used to calculate property tax. Madrid, also a small region, has a total value of 510,760.71 million, the highest in the country.

Economist Pau Montserrat points out that the cadastral value is one thing but that the sale value is "quite another". "The cadastral value is, in general, below the real value." If the cadastral value were to be raised in line with market value, the IBI property tax would shoot up.

"Market values are subject to great volatility. They are currently going up, but at the time of the financial crisis, the cadastral value came to exceed the real one. Therefore, it is good to maintain a certain cadastral stability so that there are guarantees of fiscal stability."

The cadastral value factors in both the built property and the land, but the built-up surface is much more valuable than the land, and urban land is worth more than rural land. This helps to explain, says Montserrat, why the total cadastral value of the Balearics is higher than that of Aragon, for example. That region has a total value of 69,415.07 million. It is far larger and has more people, but the vast majority of its land is rural agricultural.

### **International Property Tax Institute**

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or any opinions expressed in the articles.

At the municipal level, Palma is valued at 22,966.60 million euros. Calvia is second at 6,972.20 million. The lowest value is 43 million, and this is for Costitx.

### **International Property Tax Institute**

IPTI Xtracts- The items included in IPTI Xtracts have been extracted from published information. IPTI accepts no responsibility for the accuracy of the information or any opinions expressed in the articles.