



COSTS RELATED TO PROPERTY OWNERSHIP IN SPAIN



Non-Resident Tax

Even if you do not live in Spain, you are required to pay these taxes if you own a property there. The Non-Resident Income Tax is generally 19% for EU residents and 24% for non-EU residents, applied to rental income, imputed income, or capital gains generated in Spain.



Property Tax (IBI)

The property tax (IBI) is an annual local tax paid by property owners in Spain, calculated based on the cadastral value of the property. It averages around 0.5% of the purchase price, although this percentage may vary depending on the municipality and cadastral valuation.



Home Insurance

In Spain, home insurance is not mandatory, except for fire coverage when the property is financed with a mortgage, as required by the lender.



Utility Bills

Water provision, electricity, internet, cable, and telephone charges refer to the essential utility costs associated with a property, including both consumption and service subscriptions.



Maintenance Costs

These fees are mandatory and cover community expenses in shared buildings. As a general rule, it is recommended to set aside between 1% and 4% of the property's value for annual maintenance costs.



Income Tax Residency

You are considered a tax resident in Spain if you spend more than 183 days per year in the country, if your economic interests are based in Spain, or if your spouse and/or minor children reside there.