

LA LUZ LIVING

COSTA DEL SOL · SPAIN

THE BUYER'S GUIDE · 2026 EDITION

Buying property on the Costa del Sol, *without the surprises.*

The whole process in plain words. What happens in which order, what it really costs, which papers you need and what owning the home costs every year.

- 4 worked cost examples
- 2025 to 2026 rental rules
- Checklist
- Free

BEFORE YOU START

The price on the listing is *not what you pay.*

Expect about 9% on top of the price for a resale home and about 13% for a new build. Almost every problem we see starts with something the buyer did not know before signing.

This guide explains the whole process in plain words. Every number is an example you can check with your own lawyer. Rules and rates change, so use it to understand the process and ask better questions.

Who wrote this. We are La Luz Living, a couple living in Benalmádena. We find homes for buyers and connect them with registered local agents. We are not a real estate agency and we do not sell property ourselves. Our help is free for the buyer, because the agent shares part of the seller's commission with us when you buy. We are not lawyers or tax advisers.

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Eight steps from *first look to keys.*

The order matters more than the speed. Most buyers who get into trouble signed something in step 5 before they finished step 4.

01 Set your real budget

Take what you can afford and subtract the costs on the next pages. Need a mortgage? Ask a Spanish bank first how much it lends you as a non-resident. That number decides your search.

02 Get your NIE

Your foreign tax number. You need it to sign at the notary, open a bank account and pay the taxes. Start early. Appointments can take weeks.

03 Search and view

Check the area at different times of day. For every home you like, ask for the floor plan, the community fees and the yearly IBI bill.

04 Hire your own lawyer first

Before you pay anything. They check that the seller owns the home, that there are no debts or charges, that it is legal and registered as built, and that the community and IBI are paid.

05 Reserve the home

A small reservation payment can take it off the market for a short time. Only pay into a lawyer's or agency's client account, with a written refund condition.

06 Sign the arras contract

You usually pay 10%. With the common type, if you pull out you lose it. If the seller pulls out, they pay it back twice. The contract sets the completion date.

07 Complete at the notary

Both sides sign the deed (escritura). You pay the rest and get the keys the same day. Cannot be there? Someone can sign for you with a power of attorney.

08 After the keys

Your lawyer pays the purchase tax, registers the home in your name and moves water, electricity and IBI to you. If the seller is a non-resident, 3% of the price goes to the tax office.

CASH PURCHASE

A few weeks

from accepted offer to keys, if the papers are in order

WITH A MORTGAGE

6 to 10 weeks

is common for a non-resident mortgage alone

What it *really* costs.

The biggest extra cost is tax. Which tax you pay depends on one thing: is the home resale, or new from the developer? You do not get to choose.

COST	RESALE HOME	NEW BUILD FROM THE DEVELOPER
Main tax	ITP transfer tax: 7% of the price	IVA (VAT): 10% of the price
Stamp duty	Not paid on a resale purchase	AJD: 1.2% of the price
Notary	About €600 to €1,200	About €600 to €1,200
Land Registry	About €300 to €700	About €300 to €700
Your lawyer	Often about 1% + 21% IVA, or a fixed fee	Often about 1% + 21% IVA, or a fixed fee
NIE fee	€9.84	€9.84

Andalucía charges a flat 7% ITP on resale homes, at any price. The lower rates you may read about are for a main home of limited value or for specific groups. A holiday home or an investment pays the full 7%. Notary and registry fees are set by law and grow with the price.



If you take a mortgage

You pay the bank valuation, usually about €250 to €600. Since the 2019 mortgage law the bank pays the notary, registry and admin costs of the mortgage deed itself.

If the seller is a non-resident

You must hold back 3% of the price and pay it to the tax office with form 211, within one month of the notary date. It comes out of the seller's money, not yours. But if it is not paid, the debt can stay attached to the home you just bought.

02 · THE COSTS, WORKED OUT

Two real-world *examples.*

EXAMPLE 1 · RESALE

Apartment for €300,000, paid in cash

ITP 7%	€21,000
Notary	about €900
Land Registry	about €540
Lawyer, 1% + IVA (assumed)	€3,630
NIE fee	€10

€26,080 on top of the price
8.7%

EXAMPLE 2 · NEW BUILD

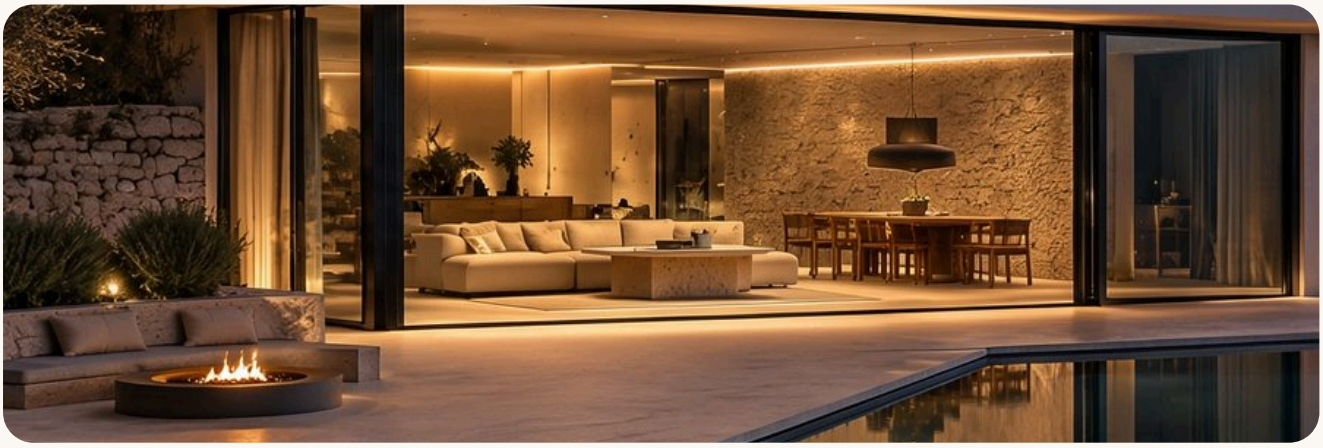
Apartment for €400,000 from the developer

IVA 10%	€40,000
AJD 1.2%	€4,800
Notary	about €1,200
Land Registry	about €700
Lawyer, 1% + IVA (assumed)	€4,840

€51,540 on top of the price
12.9%

About the proposed 100% tax on foreign buyers

In 2025 the Spanish government proposed a tax of up to 100% for buyers resident outside the EU. It is not law. In March 2026 Reuters reported it had stalled in parliament. As proposed, it would not apply to residents of EU countries such as Estonia or Romania.



10% · 14%

Our budget rule. Put aside 10% of the price for a resale home and 14% for a new build. You will probably not spend all of it, and you will never be short at the notary.

What you need *before the notary.*

An NIE, a Spanish bank account, proof of where your money comes from, and either your own presence or a power of attorney. If you need a mortgage, that is a fifth.

NIE number 1

Your identification number as a foreigner for tax and legal matters. It is not a residence permit.

Form EX-15 in Spanish. Fee €9.84 with form 790 code 012. Proof of why you need it, such as a reservation or arras contract. Apply at a police station in Spain, a Spanish consulate at home, or through a representative. It never expires.

Spanish bank account 2

To pay the taxes and set up direct debits for IBI, community fees, water and electricity. Most banks open one for a non-resident with your passport, NIE and proof of income.

Proof of funds 3

Notaries and banks must follow money laundering rules. Keep bank statements, a sale contract from a previous home or an employer letter ready. Unexplained money can delay the notary date.

Power of attorney 4

If you cannot be in Spain for the notary, your lawyer can sign for you. Sign it at a Spanish notary, or at home with an apostille and official translation. Keep it limited to this purchase.

A mortgage, if you need one 5

Spanish banks typically lend non-residents 60 to 70% of the price or the bank valuation, whichever is lower, against up to 80% for a resident. Most banks want the loan repaid before you turn 70 to 75.

EXAMPLE 3 · CASH NEEDED WITH A MORTGAGE

Resale apartment for €300,000

	BANK LENDS 70%	BANK LENDS 60%
Loan	€210,000	€180,000
Your part of the price	€90,000	€120,000
Costs from Example 1 + valuation	about €26,500	about €26,500
Your own money	**about €116,500**	**about €146,500**

The golden visa for property buyers ended on 3 April 2025. For EU citizens this changes nothing, because you can live in Spain anyway.

What it costs *every year.*

Five regular costs. Two of them are taxes that every non-resident owner pays, even if the home stays empty all year.

COST	WHO CHARGES IT	HOW IT IS WORKED OUT
IBI property tax	Your town hall	A % of the cadastral value, roughly 0.4% to 1.1%
Non-resident income tax	Tax office, form 210	19% for EU residents on 1.1% or 2% of the cadastral value
Community fees	The building or urbanisation	Set by the owners' meeting. Ask for last year's figure
Rubbish collection	Town hall or province	A yearly or quarterly bill
Insurance and utilities	Your providers	Water, electricity, internet and home insurance

The cadastral value is not the price

It is an official value set by the land registry office, usually well below the market price. You find it on the IBI bill. Ask the seller for the last IBI receipt before you sign.

The tax on an empty home

Spain treats a home you do not rent out as if it earned you a small income: 1.1% or 2% of the cadastral value. EU residents pay 19% of that, non-EU residents 24%. You file once a year. The 2025 return is due by 31 December 2026.

EXAMPLE 4 · YEARLY TAXES

Apartment with a cadastral value of €120,000, owner lives in Estonia, not rented out

Non-resident income tax at 1.1%	€120,000 × 1.1% × 19%	€250.80
Non-resident income tax at 2%	€120,000 × 2% × 19%	€456
IBI, low end	€120,000 × 0.4%	€480
IBI, high end	€120,000 × 1.1%	€1,320

€730 to €1,780 per year for the two taxes, before community fees

Ask before you buy

The last IBI receipt, last year's community fees, a certificate that the seller owes the community nothing, and the minutes of the last owners' meetings. The minutes show if a big repair, like a new roof or lift, is already voted and waiting to be paid.

Holiday income? *Check it before you choose.*

Since 2024 the rules for short-term tourist rentals on the Costa del Sol have become much stricter. They differ from town to town, and even street to street.

1

Andalucía

A tourist rental must be in the regional tourism register. Since Decree 31/2024, town halls can limit or stop new registrations in saturated areas.

2

Your town hall

Málaga city stopped new tourist rentals for three years from July 2026. Manilva has its own three-year stop. Fuengirola restricts apartments without their own street entrance. Marbella still allows new ones under conditions.

3

Your building

Since 3 April 2025 a new tourist rental in an apartment building needs approval from three fifths of the owners. The community can charge tourist rentals up to 20% more in fees.

Every short-term rental now also needs a number from the national rental register before it can be listed online. In Benalmádena, the town hall's own study found the highest density of tourist rentals on the coast, at the marina and in Benalbeach, and much lower levels in Arroyo de la Miel and Benalmádena Pueblo.



What this means for you

The safest route to holiday income is a home that already has a valid tourist registration and a community that accepts it. Ask your lawyer to confirm in writing that it can continue under your name. Never buy on the promise that "you can easily get a licence".

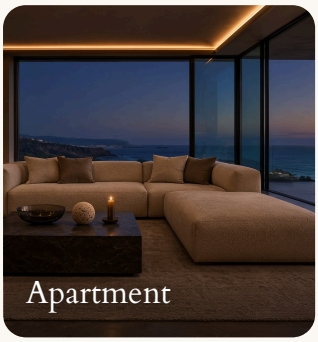
Tax on rental income

Non-residents pay Spanish tax on rent with form 210. EU residents pay 19% on the net income, so costs linked to the rental can be deducted. Non-EU residents pay 24% on the gross income.

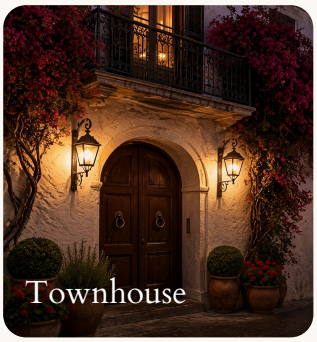
A normal long-term tenancy does not need a tourist registration. It earns less per month but is more stable and not affected by these limits.

Málaga to Estepona, *at a glance.*

About 80 km of coast, and very different towns. The local train from Málaga airport runs only as far as Fuengirola. West of there you will want a car.









AREA	WHAT IT IS LIKE	OFTEN A GOOD FIT FOR	CHECK CAREFULLY
Málaga city	A real city with work, culture and life all year. Airport 15 minutes away	Living here full time	New holiday rentals stopped for three years
Torremolinos	Lively beach town next to the airport, old and new buildings mixed	Easy access, beach life	Noise and building age in central areas
Benalmádena	The coast and marina, Arroyo de la Miel, and the white village of Benalmádena Pueblo	Families, options at different budgets	Steep streets in parts. Busy coast in summer
Fuengirola	Flat, walkable, a long promenade and a big international community	Life without a car, year-round living	Limits on tourist rentals without own entrance
Mijas	Mijas Pueblo in the hills, Mijas Costa and La Cala by the sea, many golf courses	Space, views, golf, villas	Some areas need a car for everything
Marbella	Golden Mile, Puerto Banús, the old town and Nueva Andalucía	Premium homes, strong resale demand	Prices vary hugely by street and building
Estepona	A renewed old town, a long beach and many new developments	New builds, a calmer feel	About an hour to the airport

A home 300 m from the beach and one 3 km inland can be in the same town and feel like different countries. Visit at night, on a weekday and in winter before you decide.

The ten mistakes that *cost buyers the most.*

None of these are rare. Every one of them can be avoided with a phone call or a document before you sign.

1 Budgeting only the price

On a €300,000 home, the costs on top are around €26,000. Plan them from day one.

2 Using the seller's lawyer, or none

The notary checks that the deed is legal, not that the deal is good for you. Only your own lawyer does that.

3 Paying a deposit before the checks

Once you sign arras and pay 10%, pulling out usually means losing it. Registry, debts and legality come first.

4 Buying something not fully legal

A closed-in terrace, extra room or pool missing from the registry or licence can stop a bank lending and cause trouble when you sell.

5 Ignoring the community

The seller's unpaid fees, or a big repair already voted, can become your bill. Get the debt certificate and the minutes.

6 A lower price in the deed

Some sellers suggest it to save tax. It is illegal, the tax is worked out on at least the official reference value anyway, and it raises your capital gains tax later.

7 Holiday income without checking

In some towns and buildings a new tourist rental is simply not allowed any more.

8 Forgetting the 3%

If the seller is a non-resident and the 3% is not withheld and paid, the tax debt can stay with the home.

9 Skipping the yearly tax return

Non-resident owners file every year, even for an empty home. Unfiled returns lead to fines and can block a later sale.

10 Seeing the area only in August

A busy summer street can be empty in January, or the other way round. Visit in more than one season if you can.



08 · YOUR CHECKLIST

Tick these off *before you sign.*

- [ ] Budget set with 10% (resale) or 14% (new build) on top
- [ ] Mortgage answer from a bank, if you need one
- [ ] NIE applied for
- [ ] Independent lawyer who speaks your language
- [ ] Registry extract (nota simple) checked
- [ ] Home matches the registry and the licences
- [ ] Last IBI receipt and cadastral value seen
- [ ] Community fees, debt certificate and minutes seen
- [ ] Rental rules checked for this town and building
- [ ] Spanish bank account and proof of funds ready
- [ ] Power of attorney, if you will not be at the notary
- [ ] 3% retention arranged, if the seller is non-resident
- [ ] Utilities, IBI and community debits in your name
- [ ] Yearly non-resident tax return in your calendar

READY TO START?

Tell us what home you want. *We find it for you.*

The area, the type, the budget and what it must have. We reply within one working day with honest answers and, when you are ready, a shortlist of homes from registered local agents. It costs you nothing, now or later.

Describe your home | **WhatsApp us** | **Email us**

La Luz Living connects buyers with registered real estate agents on the Costa del Sol. We are not a real estate agency, and we are not lawyers or tax advisers. Facts checked against the sources on the last page in November 2026. Always confirm the details of your purchase with your own lawyer.

SOURCES

Where the facts *come from.*

All pages checked in November 2026. Click a source to open it.

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