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WEALTH MANAGEMENT



PRACTICAL GUIDE · FINANCING · NON-RESIDENTS

Practical guide to buying a home in Spain as a non-resident

Financing, documentation, completion and taxes for foreign nationals and Spaniards living abroad who buy a home in Spain.

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FINANCING · NON-RESIDENTS

Mortgages for non-residents

The purchase of a home in Spain by individuals who are not tax resident, whether foreign nationals or Spaniards living abroad, is subject to the same civil-law rules as for any buyer, but has specific features regarding financing, required documentation and taxation.

This guide sets out the specific aspects for non-resident buyers: loan-to-value, required documents, completion from abroad, purchase costs and tax obligations arising from ownership of the property.

AT A GLANCE

60–70%	Usual financing on the lower of purchase price and appraisal value.
40–50%	Indicative own contribution, including taxes and purchase costs.
NIE	Essential for the purchase, the mortgage and tax obligations.
3%	Withholding applied by the buyer when the seller is non-resident.

IN THIS GUIDE

01 Non-resident status
02 Financing conditions
03 Documentation and completion
04 Purchase taxes and costs
05 Taxation of the property
06 Frequently asked questions
07 Legislation and case law

01 · STARTING POINT

Non-resident status

Tax residence	A person is non-resident if they do not spend more than **183 days** of the calendar year in Spain and do not have the **main centre of their economic interests** in Spain. A person whose non-separated spouse and minor children live in Spain is presumed to be resident unless proven otherwise. Nationality is irrelevant.
Administrative residence	Tax residence must not be confused with a residence permit. Since **3 April 2025**, buying property no longer gives access to an investor residence permit, which was abolished by Organic Law 1/2025.
NIE and bank account	The **Foreigner Identification Number (NIE)** is required to sign the purchase and the mortgage and to meet tax obligations. It is applied for at a Spanish consulate or in Spain. The transaction also requires a **non-resident bank account** with a Spanish institution.

02 · FINANCING

Financing conditions

Loan-to-value	Lenders usually finance between **60% and 70%** of the lower of the purchase price and the appraisal value, compared with 80% for residents' main homes. The percentage depends on the buyer's country of residence, income currency, debt level and wealth.
Term and affordability	Usual terms of **20 to 25 years**, with a maximum age at maturity of around 75–80. As a general rule, repayments on all debts should not exceed **30–35% of net income**. Income stability, credit history in the country of origin and financial assets are taken into account.
Currency and interest rate	The loan is normally granted in euros. If income is received in another currency, the lender takes exchange-rate risk into account. The rate may be fixed, variable or mixed; margins applied to non-residents are usually higher than for residents.
Additional collateral	**Pledging the buyer's financial assets** can strengthen the application or top up the financing without having to sell investments.

03 · DOCUMENTATION

Documentation and completion

Documents issued abroad generally require sworn translation and a Hague apostille or consular legalisation.

Documentation

- **Identity:** passport, NIE and tax residence certificate from the country of origin.
- **Income:** payslips, employment contract and income tax returns for the last two years; for business owners, tax returns and the company's annual accounts.
- **Assets and debts:** bank and investment statements, credit report from the country of residence and details of existing loans.
- **Source of the funds** contributed, as required by Law 10/2010 on the prevention of money laundering.
- **Property:** deposit contract (contrato de arras) and land registry extract (nota simple).

Stages

1. Preliminary feasibility study and amount that can be financed.
2. Obtaining the NIE and opening a non-resident account.
3. Property appraisal and loan approval.
4. Delivery of the FEIN and FiAE at least **10 calendar days** before signing.
5. Notarial transparency certificate and signing of the purchase deed and mortgage loan.

Signing from abroad

If the buyer cannot appear in Spain, they may grant a **power of attorney** to a trusted person before a foreign notary or at the Spanish consulate, apostilled where applicable. The transparency certificate must be coordinated with the notary in advance.

Legal protection

Law 5/2019 on real estate credit agreements applies regardless of the nationality and residence of the individual borrower: the lender bears the notary, land registry and processing costs of the mortgage and the stamp duty on the loan, early repayment fees are capped and floor clauses are prohibited.

04 · COSTS

Purchase taxes and costs

The rates of Property Transfer Tax (ITP) and Stamp Duty (AJD) are set by each autonomous community. Non-residents apply the general rates.

Taxes

Item	Spain (general range)	Madrid	Andalusia
Resale home: ITP	6% to 11%	6%	7%
New-build home: VAT	10%	10%	10%
New-build home: AJD	0.5% to 1.5%	0.75%	1.2%

In addition, there are the notary, land registry and processing costs of the purchase and the appraisal, which together usually amount to between **1% and 2%** of the price.

05 · TAXATION

Taxation of the property

Imputed income
Property not let

Non-residents are taxed annually under Non-Resident Income Tax on imputed income of **1.1% or 2% of the cadastral value**, at **19%** if resident in the European Union or the European Economic Area and at **24%** otherwise.

Letting

EU or EEA residents are taxed at 19% on net income, with expenses deductible; others at 24% on gross income. The return is filed on **Form 210**, generally as an annual self-assessment from 1 to 20 April of the following year.

Sale

The capital gain is taxed at **19%**. The buyer must **withhold 3%** of the price and pay it over using Form 211; the seller then regularises using Form 210. Municipal capital gains tax (plusvalía municipal) is also payable.

Other taxes

Wealth Tax on assets located in Spain, with a tax-free allowance of €700,000, and Property Tax (IBI). **Double taxation treaties** determine the treatment in the country of residence.

FAQ

Frequently asked questions

Can the purchase be signed without travelling to Spain?	Yes, by means of a power of attorney granted before a foreign notary or at the Spanish consulate and, where applicable, apostilled.
Can the property be bought through a company?	It is possible, but it changes the tax and risk analysis, and the transaction falls outside the protection of Law 5/2019.
Does buying a home give access to residence?	No. Since 3 April 2025 property investment no longer gives access to a residence permit. There are other routes, such as non-lucrative residence, with their own requirements.
What happens if the buyer later moves their residence to Spain?	They become taxable as a resident on their worldwide income. If the move is for work reasons, the special regime for relocated workers may be considered.

REFERENCES

Legislation and case law

Provisions and rulings cited in this guide. The wording in force should be verified in each case in the Spanish Official State Gazette (BOE), the regional gazettes and the electronic office of the Spanish Tax Agency.

Legislation

- Law 5/2019 on real estate credit agreements and Royal Decree 309/2019.
- Royal Legislative Decree 5/2004, consolidated text of the Non-Resident Income Tax Law, Articles 13, 24, 25 and 31.
- Order HAC/623/2026, amending the deadlines and content of Form 210.
- Organic Law 1/2025, abolishing the investor residence permit for real estate under Law 14/2013.
- Royal Legislative Decree 1/1993, consolidated text of the ITPAJD Law; Legislative Decree 1/2010 of the Community of Madrid and Law 5/2021 of Andalusia.
- Law 10/2010 on the prevention of money laundering and terrorist financing.

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WEALTH MANAGEMENT

Wealth management firm based in Madrid. We bring together investment, financing and taxation for business owners, investors and families.

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IMPORTANT NOTICE

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