



PROPERTY INVESTMENT IN SPAIN

Practical guide for German investors

Everything you need to know to purchase a residential property in Spain safely and with confidence.

VOX LEGIS · INVESTOR GUIDE

Why invest in Spain?

The Spanish property market offers a unique combination of profitability, stability and quality of life, making it one of the preferred destinations for German investors.

Profitability

Highly attractive rental yields in prime locations such as the Costa del Sol, Madrid, Valencia, etc., depending on the type of property.

Capital appreciation

Sustained asset growth in markets such as Madrid, Valencia and the Balearic Islands.

Quality of life

Climate, gastronomy, modern infrastructure and direct connections to Germany.

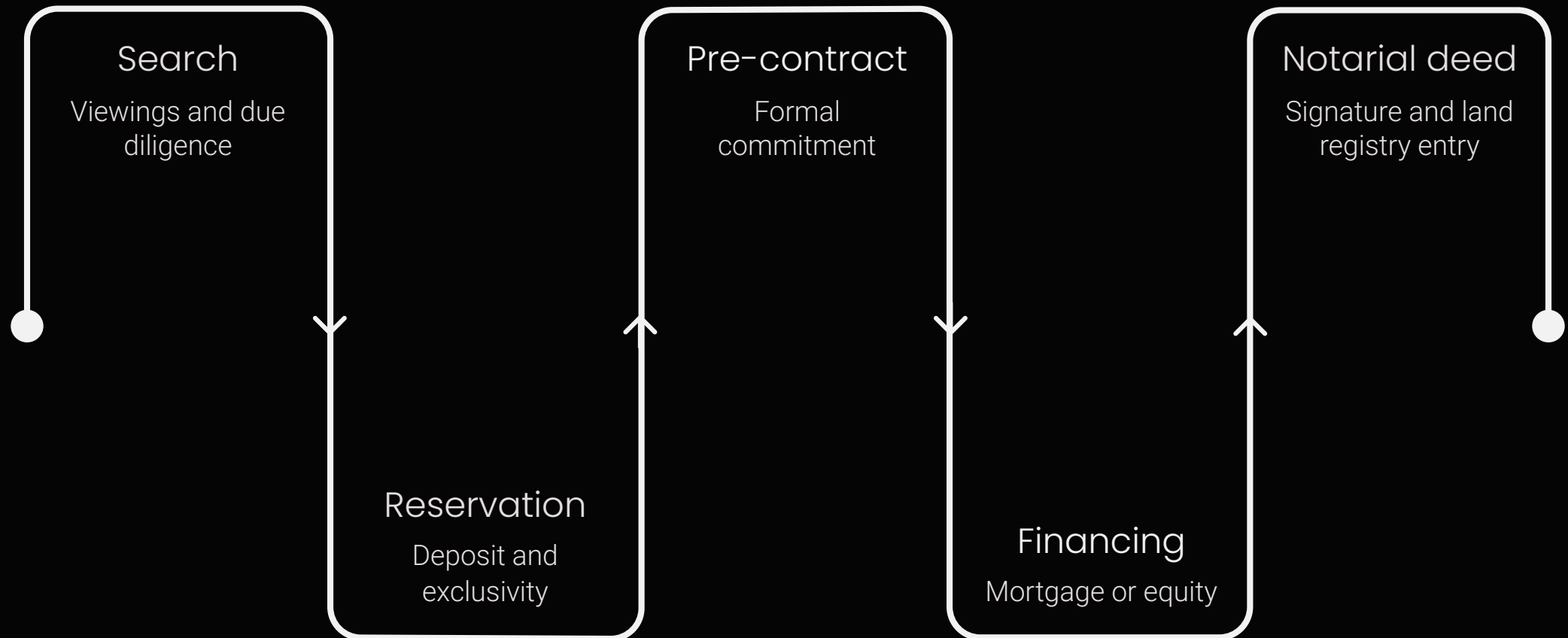
Legal certainty

A solid European legal framework, as well as a transparent and reliable land registry system.



Key Phases of the Purchase Process

From the first viewing to the handover of the keys, the process follows a clearly defined sequence. Knowing it in advance helps avoid surprises and costly delays.



Each phase is linked to specific deadlines and legal obligations, which is why an individual preliminary assessment is essential. Professional advice from the outset is crucial to complete the purchase successfully.



Fundamental legal aspects

The Spanish legal framework includes a range of tax and registry-related obligations that every foreign buyer should know:

NIE (Número de Identidad de Extranjero)

Essential for any property transaction in Spain.

ITP or IVA

Property transfer tax (ITP, 6–10%) for resale properties or value added tax (IVA, 10%) for new builds.

Land Registry Office (Registro de la Propiedad)

Registration guarantees the legal ownership right against third parties.

First occupancy licence (Licencia de primera ocupación)

In most cases, mandatory for connecting utility services and the legal use of the property.



YOUR MOST IMPORTANT ALLY

The Importance of a Specialist Lawyer

A lawyer who specialises in Spanish property law is not an expense, but an investment that protects every euro invested in the transaction.



Legal due diligence

Checking encumbrances, mortgages, attachments and the property's planning and building status before anything is signed.



Contract review

Analysis and negotiation of the preliminary contract (Contrato de Arras), checking for unfair clauses and the terms of the notarial deed.



Language barriers

Acts as a legal interpreter between the Spanish legal system and the German-speaking buyer.



Tax optimisation

Advice on the most efficient structure for the purchase – whether as a private individual, company or trust – following an individual analysis.

The Importance of Documentation

Gathering and checking the correct documents is one of the most critical steps in the process. An incorrect title deed or certificate can block the transaction for months.

From the Seller

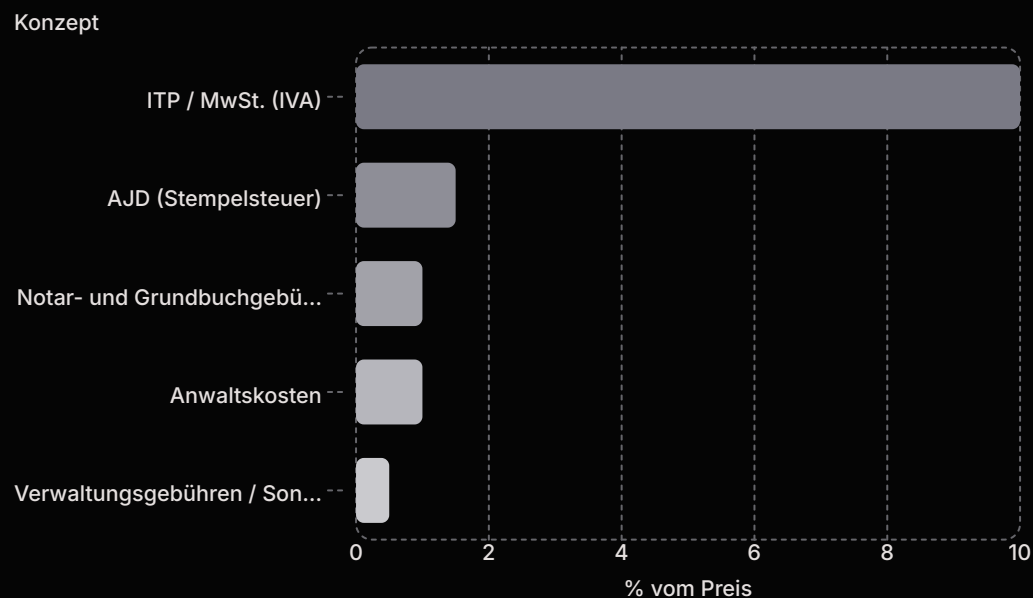
- Current title deed (Escritura)
- Land Registry extract ("Nota Simple")
- Certificate of outstanding community charges
- Latest IBI receipts (property tax)
- Habitation certificate (Cédula de habitabilidad)

From the Buyer

- Valid passport
- NIE (foreign identification number)
- Proof of source of funds (anti-money laundering compliance)
- Signed preliminary contract (Contrato de arras)
- Public notarial deed of sale

The absence of, or errors in, these documents can lead to delays, additional costs, or even make completion impossible.

Financing and Taxes



Mortgage for non-residents

Spanish banks finance up to **60–70 % of the valuation** for non-resident buyers. Proof of creditworthiness must be provided using translated German documents with an apostille.

Ongoing tax obligations

- IRNR (income tax for non-residents)
- Annual IBI (municipal property tax)
- Declaration of assets held abroad (in accordance with the relevant national reporting rules)



Practical Considerations

Purchasing the property is only the beginning. Proper management protects the value of the asset and ensures compliance with all legal obligations as a non-resident owner.

Insurance

Where there is a mortgage, buildings insurance is compulsory. In addition, public liability insurance and holiday rental insurance are recommended.

Maintenance

Engage local maintenance services. For holiday homes, professional property management helps avoid problems from afar.

Rental management

If you let the property, you will need a tourist licence (depending on the Autonomous Community) as well as an accountant or tax adviser to correctly declare the income.

Compliance with regional and local regulations is especially important for tourist rentals, as these may require specific licences and the fulfilment of additional requirements.

Common Mistakes to Avoid

Most problems when buying property as a foreigner are avoidable. These are the most common mistakes we see in our practice:

1 Signing without your own solicitor

The notary does not necessarily protect the buyer: they merely notarise the legal act. The solicitor is the one who represents your interests.

2 Not checking charges and debts

A property may be burdened by undischarged mortgages, attachments or community debts that pass to the new owner.

3 Ignoring the planning and building-law position

Properties on non-buildable land or with illegal building works may be demolished or may not receive a habitation certificate.

4 No tax planning

Failing to declare the property in Germany or to pay the IRNR (Non-Resident Income Tax) can lead to serious penalties in both countries.

Frequently Asked Questions and Conclusion

Do I need to live in Spain to buy?

No. German citizens can buy freely as non-residents, provided they have a NIE number.

How long does the process take?

Between 6 and 12 weeks from reservation to notarial signing, depending on the financing.

Can I grant my lawyer a power of attorney?

Yes. It is common to grant a power of attorney so that your lawyer can sign on your behalf if you are unable to travel in person.

Your path to a secure investment

Investing in Spain is a wise decision. With the right legal team, that decision becomes a solid, protected, and profitable transaction from the very beginning.

At Vox Legis, we support German investors at every stage of the process, from the initial due diligence through to ongoing tax support as non-resident owners.



www.voxlegis.es



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Abogados penalistas en toda España.