

# Tax Guide MLH

## ***Understanding Property Taxes in Marbella: What You Need to Know***

*Taxes and additional costs are often top of mind when buying, selling, or owning a home in Marbella. Who pays what, and when? What should you expect beyond the purchase price? These are questions we hear often from our clients.*

*To simplify things, we've created a clear and easy-to-follow guide to property taxes in Marbella—so you can move forward with confidence, clarity, and peace of mind.*

## 01: Understanding Purchase Taxes & Costs When Buying Property in Marbella

When it comes to purchasing a home in Marbella—whether it's an apartment, townhouse, or luxury villa—it's important to remember that the listed price is just the beginning. The advertised price (online, in brochures, or through an agent) typically reflects the net amount received by the seller. As the buyer, you'll need to factor in taxes and additional costs on top of the agreed purchase price.

### **New Build vs. Resale: Key Tax Differences**

The biggest distinction lies in whether you're buying a **brand-new home from a developer** or a **resale property** from a private owner:

- **New Build Properties**
  - Subject to **10% VAT (IVA)**
  - Plus **1.2% Stamp Duty (AJD)**
  - VAT is payable on the day of signing at the Notary
- **Resale Properties**
  - Subject to **7% Transfer Tax (ITP)**
  - Payable within 30 days after Notary signing

**Example:** On a €2 million property, the tax difference between new and resale could be €100,000—highlighting the importance of understanding your tax obligations from day one.

It's worth noting: some private sellers may be registered as developers. If the home is **brand new or has undergone full renovation** and hasn't been lived in, it may also fall under VAT rules. Your lawyer will confirm this during due diligence.

### **Buying a Company That Owns Property**

Occasionally, buyers consider purchasing the **shares of a Spanish company** that owns a single property. While this may appear to reduce tax liability, be cautious: if the company's only asset is the property and it has **no real business activity**, the tax office will treat the transaction as a **property purchase**—and the standard taxes will still apply.

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## **Additional Costs to Expect When Buying in Marbella**

Regardless of whether you're buying a new or resale property, several standard costs apply:

### Legal Fees

- Typically **1% + VAT** of the purchase price
- Fees may be negotiable for high-value or repeat clients
- Though hiring a lawyer is not mandatory, we **strongly recommend** it
- A qualified lawyer ensures **full legal and urban planning due diligence**, contract preparation, and essential post-purchase services

### Notary & Land Registry Fees

- Estimated at **0.25% of the purchase price**
- May decrease to **0.1–0.15%** for high-end properties (€2M+)
- Final amounts are calculated after completion

### Bank Fees

- Most transactions in Spain are completed with **banker's drafts**, not direct transfers
- Banks typically charge **commissions** for issuing drafts or handling large transfers
- Costs vary based on your bank, transaction size, and account profile

### Mortgage Costs (if applicable)

- If you're financing the purchase, your main cost will be the **property valuation**, ranging from **€500 to €2,000+**
- Other mortgage-related fees are typically covered by the lending bank

### Technical Due Diligence (Optional, but Recommended)

- Especially for resale homes, we recommend checking systems like **air conditioning, plumbing, and structural integrity**
- Costs range from **€300 to €2,000+** depending on property size and inspection scope

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## FAQs: What Every Buyer Should Know

### Do buyers pay fees when purchasing in Marbella?

Yes, but only the costs outlined above. **Real estate agency commissions are paid by the seller.**

### What are the most common pitfalls?

- Miscalculating taxes and costs
- Delays in setting up bank accounts or fund transfers
- Skipping legal representation
- Failing to plan for annual ownership taxes
- Choosing the wrong agent (working with a trusted local partner like MLH can make all the difference)

### Do I pay tax when buying a home in Spain?

Yes. Taxes are a legal obligation and vary depending on the type of property and region. Failing to pay can result in significant penalties—so preparation is key.

### Are there restrictions for foreign buyers?

No. Non-residents can freely buy property in Spain, but you'll need to **obtain an NIE number, open a local bank account**, and carry out **proper legal and fiscal checks**.

## 02: Annual Property Taxes for Homeowners in Marbella

Owning a home in Marbella brings with it more than just sunshine and sea views—it also comes with a few essential financial responsibilities. Understanding your annual tax obligations is key to enjoying your property stress-free.

These taxes and costs are calculated based on factors like **purchase value, location**, and **cadastral value** (the tax-assessed value of the property set by local authorities).

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### Non-Resident Income Tax (IRNR)

If you're a **non-resident** in Spain and own property here, you're required to pay Non-Resident Income Tax—even if the home is not rented out.

This is often overlooked by new homeowners, but it's important: while authorities may not immediately follow up, they will **review your tax history if you decide to sell**. Any unpaid taxes must be settled at that point, often with interest and penalties. It's always best to stay ahead and file annually.

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### Wealth Tax & the Solidarity Tax

While Andalucía has suspended the traditional Wealth Tax to attract foreign investment, Spain's **Solidarity Tax** now applies to high-net-worth individuals.

Key Points:

- Applies to **net wealth above €3 million**
- Tax-free allowance of **€700,000 per person** (for Spanish residents)
- **Only Spanish assets** are taxed for non-residents
- Includes **Spanish property held by companies**, if no other business activity is conducted

Here's a simplified breakdown of the **progressive tax structure**:

Net Taxable Wealth	Tax Rate
Up to €3,000,000	0%
€3M – €5.35M	1.7%
€5.35M – €10.7M	2.1%
Over €10.7M	3.5%

Not sure how this applies to your situation? **We can calculate a quick estimate for you—just get in touch.**

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## Annual Property-Related Taxes & Costs

### IBI – Municipal Property Tax

The **Impuesto sobre Bienes Inmuebles (IBI)** is a yearly local property tax based on the cadastral value. It typically ranges from **€1,000 to €10,000**, depending on location, property size, and valuation.

### Garbage Tax

A modest municipal fee for waste collection, generally under **€400 per year**.

### Community Fees

If your home is in a development or residential community, expect to pay **monthly or quarterly community fees**—typically ranging from **€200 to €1,000+ per year**. These cover shared services such as security, gardening, and maintenance. Even villas may be part of a community with shared infrastructure.

Note: **Failure to pay community fees** can eventually result in legal action or a property lien, so it's important to stay up to date.

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## Utilities & Ongoing Costs

Monthly utility bills (electricity, water, etc.) include a **minimum base fee**, even when there's no usage, plus consumption charges. For second homes, this means you'll see bills even during periods of non-use.

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## Thinking of Selling or Upgrading?

Whether you're planning to sell your Marbella property or are ready to explore your next dream home, we're here to help. Our multilingual team will guide you through every step with the clarity, care, and confidence Marbella Luxury Homes is known for.

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## FAQs

### Do I need to pay taxes on my Marbella home?

Yes. Whether you're a resident or not, property ownership in Spain comes with tax obligations—including IBI, garbage tax, and (for non-residents) income tax. Additional levies like the Solidarity Tax may also apply depending on the value of your assets.

### What if I become a resident of Spain?

Spending more than 183 days in Spain will likely make you a **fiscal resident**, meaning your **worldwide income** becomes subject to Spanish taxation (with allowances for double-tax treaties). We recommend consulting a tax advisor for tailored guidance.

### Which taxes apply to me as an owner?

Here's a quick recap:

- **IBI** (municipal tax)
- **Garbage tax**

- **Community fees**
- **Non-resident income tax** (if applicable)
- **Solidarity tax** (for high-value assets)

## 03: What to Know About Purchase Taxes When Buying a Plot in Marbella

Thinking of building your dream villa in Marbella? Purchasing land is a fantastic way to tailor a property to your exact tastes—but it comes with a **unique set of tax rules** that many buyers aren't aware of until it's too late.

We're here to ensure you're not one of them.

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### Are Plot Purchase Taxes Different from Buying a Home?

Yes—and the difference can be significant.

Unlike buying an apartment or villa, where taxes are relatively straightforward, **plot purchases in Marbella** involve **two very different tax structures**, depending on **who owns the land**.

Before making an offer or even booking a viewing, it's essential to clarify:

**Is the seller a private individual or a Spanish company (SL)?**

- **If the seller is a private individual:**  
You'll pay **7% Transfer Tax (ITP)** on the agreed price.
- **If the seller is a Spanish company:**  
The purchase is subject to **21% VAT (IVA) plus 1.2% Stamp Duty (AJD)**—that's a total of **22.2% in taxes**.

#### Example:

On a €1 million plot, this difference equals **€152,000 in additional taxes**. On a €3 million plot, it could mean paying over **€450,000 more**—simply based on the seller's status.

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### Why Many Buyers Miss This Step

Most clients naturally assume the taxes are the same as those for a finished home. Unfortunately, this leads to surprises late in the process, and in some cases, causes deals to fall apart.

At Marbella Luxury Homes, we **always confirm the ownership structure up front** so you can budget with clarity—and move forward confidently.

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### What Other Costs Apply?

Aside from the tax differences, all other associated purchase costs (legal fees, notary, registry, etc.) are similar to buying a home. You can revisit those in [our section on property purchase costs](#).

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## FAQs

### What should I know before buying land in Spain?

The key factors are:

- Type of land (urban, rural, residential)
- Zoning and buildability
- Seller status (private vs. company)
- Access, orientation, and terrain

Most foreign buyers purchase **urban residential plots** intended for individual villas. In this case, tax rates differ sharply depending on seller type—**7% for private sellers, 22.2% for corporate vendors**.

### How much does land cost in Marbella?

Prices vary based on location, views, size, and building conditions. Generally:

- Expect **€400 to €1,200 per m<sup>2</sup>**
- Prime areas (like Sierra Blanca or La Zagaleta) can exceed that range
- Factors such as slope, access roads, and retaining walls can also impact cost

Browse our current [plots for sale](#) and filter by price, location, or lifestyle.

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## Final Thought

Buying land in Marbella offers incredible potential—but only with the right advice. At MLH, we'll walk you through every step, from verifying plot permissions and seller status to connecting you with trusted architects, builders, and legal experts. Our goal? To help you build with confidence, not confusion.

Let's build your future—together.

## 04: Taxes for Non-Residents vs. Fiscal Residents in Marbella – What You Should Know

If you own property in Marbella—or are planning to—understanding your **tax status in Spain** is essential. Are you considered a **fiscal resident** or a **non-resident**? More importantly: could you become a fiscal resident **without even realizing it**?

It's a question that catches many property buyers by surprise. Let's clarify the key differences and outline what taxes apply to each status—so you can enjoy your Marbella home with complete peace of mind.

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### Taxes for Non-Residents Who Own Property in Marbella

Even if you only visit seasonally, owning a home in Spain comes with tax obligations. Here are the main ones:

## 1. Non-Resident Income Tax

- **Even if your property is not rented**, you'll need to pay tax on an **imputed rental value**—this is how the Spanish tax office interprets your benefit from owning a home here.
- **Tax rates:**
  - **24%** for most non-residents
  - **19%** for residents of the **EU, Iceland, and Norway**

## 2. Wealth Tax / Solidarity Tax

- While Andalucía has suspended traditional wealth tax, the **national Solidarity Tax** applies to net wealth exceeding **€3 million**
- This applies even if you're not a Spanish resident, provided your assets are located in Spain

For details on tax brackets, refer to [Section 2: Annual Property Taxes](#)

## 3. IBI – Municipal Property Tax

- This yearly tax is based on the cadastral (assessed) value of your property
- Amounts vary by municipality and property size

*Tip: Many buyers are unaware of these taxes until they decide to sell, at which point unpaid obligations must be settled—often with interest and penalties.*

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## When Do You Become a Fiscal Resident in Spain?

You're generally considered a **Spanish tax resident** if any of the following apply:

- You spend **183 days or more** in Spain during a calendar year (not necessarily consecutive)
- Your **primary economic interests** are in Spain
- Your **spouse and/or children** live permanently in Spain (even if you don't)

Even if you pass the 183-day mark, you may avoid being classed as a resident if your **main business and family ties remain abroad**—but this must be properly documented. It's a nuanced topic best handled with a financial advisor.

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## What Happens If You Become a Fiscal Resident?

Becoming a resident brings both new rights—and new obligations.

**You Will:**

- **No longer pay Non-Resident Income Tax**
- Still pay the **municipal property tax (IBI)**
- Still be subject to the **Solidarity Wealth Tax**, if applicable

### You Will Also Be Required To:

- **Pay income tax** on your **worldwide income** in Spain
  - Declare **assets abroad** valued over **€50,000** via Form 720
  - Be taxed progressively, starting at **19%**, up to **47%** for income exceeding **€300,000 per year**
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### Why This Matters for Marbella Buyers

Many international clients purchase second homes here, thinking of themselves as "non-residents." But spending just over six months in Spain—whether intentionally or not—can shift your tax profile. And that can significantly impact your tax bill.

At Marbella Luxury Homes, we advise all clients to consult a trusted **tax specialist early in the process**, especially if they plan to spend extended time in Spain.

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### FAQs

#### How do I calculate the Non-Resident Property Tax?

Use the **cadastral value** listed on your IBI bill (green document).

Here's the basic formula:

**(Cadastral Value) × 2% × Tax Rate (19% or 24%)**

#### 📅 When do I need to pay property taxes in Marbella?

- **Non-Resident Income and Wealth Tax:** Submit returns between **January 1 and December 31** for the current tax year
- **IBI (Municipal Tax):** Typically billed in **August–September**  
Late payments may incur penalties

#### How is income tax structured in Spain?

- **Non-residents:** Fixed rate of **24%** (19% for EU, Iceland, and Norway)
  - **Residents:** Progressive scale from **19% to 47%** on worldwide income
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### Let's Plan Ahead—Together

Whether you're spending summers in Marbella or relocating full-time, understanding your tax responsibilities is essential to smart homeownership. At MLH, we're here to guide you through every step—connecting you with experienced legal and tax advisors to ensure full compliance and peace of mind.

✉ Ready to explore property options or have questions about residency? [Get in touch today](#)—we speak your language and understand your world.



## 05: Vendor Taxes & Costs When Selling a Property in Marbella

Selling a home in Marbella is an exciting step—but it's essential to understand the taxes and costs involved before putting your property on the market. Whether you're selling a villa, apartment, or investment property, being well-informed can help you plan your next move with clarity and confidence.

At Marbella Luxury Homes, we always recommend understanding your **vendor obligations** early—sometimes even before purchasing a property—particularly if your long-term strategy includes resale.

Here's a clear breakdown of the key costs and taxes sellers should expect:

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### Plusvalía Municipal – Local Capital Gains Tax

Plusvalía is a **local tax** levied by the town hall, calculated based on the **increase in the value of the urban land** during your ownership. It considers both the **cadastral value of the land** and the **length of ownership**, up to a maximum of 20 years.

- **Paid by the seller**
  - If you're a non-resident, the buyer may withhold this amount to ensure timely payment on your behalf
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### Capital Gains Tax

Capital Gains Tax is based on the **profit** you earn from the sale—calculated as the difference between the **selling price** and your **original purchase cost**, plus certain eligible expenses (such as notary fees, registry costs, taxes, legal fees, and real estate commissions).

- **Tax rates vary depending on your tax residency status:**
    - **24%** for non-residents
    - **19%** for EU/EEA residents
    - **25%** for companies
  - Certain **home improvements** may also reduce your taxable gain, provided you have official invoices
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### Real Estate Agent Fees

In Marbella, **real estate agency fees are paid by the seller**, not the buyer. These are typically agreed upon when the property is listed.

- Standard commissions are discussed in advance and included in your marketing agreement
- A reputable agent provides not just exposure, but strategic pricing, qualified buyers, and smooth transaction coordination

- All invoices from agencies include **21% VAT**

*Want to know the current market value of your property? Contact us for a no-obligation consultation.*

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### **Legal Fees**

Hiring a lawyer for the sale isn't mandatory—but we **strongly recommend it**. Your lawyer will:

- Review contracts and ensure your legal protection
- Manage communications with the buyer's representatives
- Oversee tax calculations and final utility changes
- Coordinate the cancellation of mortgages and liens

Legal fees are generally **1% of the sale price**, depending on the complexity of the transaction.

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### **Mortgage Cancellation Costs**

If your property has an existing mortgage, the **vendor is responsible for its cancellation**. Costs may include:

- **Early cancellation fees** charged by your bank
- **Notary and Land Registry fees** to formally remove the mortgage from public records

This process usually takes place at the same notary appointment when the property is sold.

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### **3% Retention for Non-Residents**

If you're a **non-resident seller**, Spanish law requires the buyer to withhold **3% of the purchase price** and deposit it with the tax authorities as an advance against potential capital gains tax.

- This amount is **not a tax**, but a withholding
  - After the sale, you may **apply for a refund** if your actual tax liability is less than the 3% retained
  - The refund process typically takes **4–6 months**
  - A lawyer will handle the filing on your behalf—this must be done **within 3 months** of the sale
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### **Summary of Seller Costs**

Expense	Who Pays?	Notes
Plusvalía	Seller	Based on land value increase
Capital Gains Tax	Seller	Based on net profit from sale
Real Estate Fees	Seller	Agreed upon in listing contract
Legal Fees	Seller	Optional but highly recommended
Mortgage Cancellation	Seller	Applies if mortgage is present
3% Retention	Non-resident Seller	Buyer withholds & deposits to tax office

## FAQs

### Who pays the Plusvalía tax in Spain?

The **seller** is responsible. For non-residents, the buyer may pay it on your behalf and deduct it from the purchase price.

### How is the 3% retention handled?

It's held by the **buyer's lawyer** and submitted to the tax office. After completion, your lawyer can file for a refund—less any outstanding tax liability.

### What's the process for selling a home in Spain?

- List your home with a trusted agent
- Confirm your tax and cost responsibilities
- Hire a lawyer to manage the process
- Accept an offer and sign a reservation or private contract
- Complete the sale at the notary, where payment is made and ownership transfers

## Ready to Sell Your Marbella Property?

At Marbella Luxury Homes, we offer **strategic marketing, multilingual support**, and a seamless client experience—from listing to notary. Whether you're moving on, reinvesting, or just exploring your options, we're here to guide you every step of the way.

✉ Get in touch today for a personalized sales consultation.

## 06: Taxes & Costs When Renting Out Your Property in Marbella

Thinking of renting out your Marbella property while you're away? Whether it's a short-term holiday let or a long-term lease, generating income from your home is a smart way to maximise your investment—as long as you're prepared for the financial responsibilities that come with it.

At Marbella Luxury Homes, we ensure our clients understand the **full picture**—from tax obligations to agency fees—so you can rent with confidence and peace of mind.

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## What Taxes Apply When Renting Your Property?

### Income Tax on Rental Earnings

Your tax rate depends on your residency status:

- **Non-residents:**
  - **19%** for residents of the **EU/EEA**
  - **24%** for all other non-EU/EEA nationals
- **Residents of Spain:**
  - Taxed on a **progressive scale** ranging from **19% to 47%**, depending on annual income

*The more you earn, the higher the tax bracket—so careful planning and deductions matter.*

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## Additional Considerations

### TPO – Transfer Tax on Rental Contracts

Technically, **long-term rental agreements** are subject to a **small asset transfer tax (TPO)**. While this tax is rarely enforced in practice, it's good to be aware of its existence.

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## Agency Fees

If you partner with a professional agency to manage your rental—whether short-term or long-term—expect to pay a **commission**, usually based on a “**no let, no fee**” arrangement.

At MLH, we collaborate with trusted rental partners and concierge teams, ensuring your home is marketed effectively, tenants are vetted, and your interests are protected throughout the process.

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## How to Reduce Your Rental Income Tax

Good news: a wide range of **deductible expenses** can significantly reduce your taxable income:

- **Mortgage interest payments**
- **Maintenance and repair costs**
- **Property taxes (IBI), insurance, and service fees**
- **Community fees and utilities** (if paid by the owner)
- **Depreciation / amortization of the property**
- **Professional services** (e.g., legal, agency fees)

- **Contract formalisation costs**
- **Outstanding rent owed by tenants**
- **60% tax reduction** for long-term rentals used as a tenant's **primary residence**

*Proper documentation is essential—always keep official invoices and contracts for every deduction.*

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## FAQs

### How is rental income taxed in Spain?

- **Non-residents:**
  - 19% (EU/EEA)
  - 24% (non-EU/EEA)
- **Residents:**
  - Progressive scale: 19%–47%, based on your total annual income

### Can I reduce my tax liability?

Yes. By deducting qualifying expenses, you reduce your **net income**, which lowers your tax bill. While you **cannot avoid taxes**, smart structuring and professional advice can optimise what you pay.

### Do I need a license to rent out my property short term?

In Andalucía, short-term rentals (less than 2 months) typically require **registration with the Junta de Andalucía**. Our team or your legal advisor can assist you with this process.

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## Renting Smart with MLH

Whether you're renting out a luxury villa for seasonal income or leasing your Marbella apartment year-round, our team is here to support you with:

- Trusted local agency recommendations
- Legal and tax advisory referrals
- Concierge and property management services
- Multilingual guidance throughout

✉ Ready to explore rental income opportunities? [Contact us today](#) to start the conversation.

## 07: Taxes & Costs for Tenants Renting a Property in Marbella

Looking to rent a property in Marbella? Here's some good news: **tenants face minimal tax and cost obligations** when leasing a home—making it one of the most straightforward real estate experiences in Spain.

At Marbella Luxury Homes, we guide both tenants and landlords through the rental process with clarity, care, and professionalism. Here's what you need to know if you're planning to rent your next home in the sun.

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### What Does It Really Cost to Rent?

In most cases, **the price you see is the price you pay**. Rental listings—whether short-term or long-term—typically reflect the final monthly cost, with **no hidden taxes or fees** added for tenants.

- **Real estate agency fees** are almost always covered by the landlord
  - In rare cases, where the market is highly competitive or multiple agencies are involved, you might be asked to contribute to a fee
    - If so, **this should be disclosed before any viewing is arranged**
    - You are entirely within your rights to **decline** such a request
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### What About Taxes for Tenants?

Technically, **long-term rental contracts** are subject to a **small transfer tax (TPO)**—roughly €24 per €6,000 of annual rent. In practice, however, this tax is **rarely enforced** or paid.

- While theoretically a tenant responsibility, the minimal cost and low enforcement make it largely symbolic
  - That said, it's always wise to consult a legal advisor, particularly for **long-term or high-value rentals**
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### What Documents Might You Need?

For long-term rentals—especially in the luxury segment—landlords may request **proof of financial solvency** before accepting your offer.

It's common to be asked for:

- **Tax declarations or payslips**
- **Bank statements**
- **Professional references**
- **Letters of recommendation**
- **Online profiles or company websites**

*Providing strong references can make the difference between your offer being accepted or passed over—especially in a competitive market.*

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### FAQs

**Do tenants pay real estate commissions in Marbella?**

Typically, **no**. Agent fees are paid by the landlord. In some cases—such as unique properties or limited inventory—agents may request a tenant-side fee, but this should always be communicated clearly upfront.

**Is there a rental tax for tenants?**

Technically yes, but in practice, the **small transfer tax (TPO)** is **almost never enforced** and rarely paid.

**Do I need a lawyer to rent a property?**

It's not mandatory, but we **highly recommend** it—especially for long-term leases or high-value homes. A lawyer will review your contract, ensure legal protections, and assist with any administrative needs.

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**Renting with Confidence**

Whether you're relocating to Marbella, seeking a seasonal escape, or searching for a stylish long-term residence, our team at Marbella Luxury Homes ensures your rental journey is smooth, transparent, and fully supported.

✉ Ready to find your next Marbella rental? [Contact us today](#) and let's make it happen—with service you'll love, and expertise you can trust.