



PROPERTY BUYING GUIDE IN SPAIN

for UK citizens

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1. How to Buy a Property in Spain from the UK?

Step by step buying process using the example of the Costa Del Sol region

Here you will find a step-by-step guide on how the property buying process works in the Costa del Sol region of Spain if you decide to do it with us.

The collaboration usually begins with a consultation via Zoom or by phone, where we go through all the important steps together.

No small talk, we get straight to the point.

1.1 What Kind of Property Are You Looking For, and What Is Your Actual Budget?



Proper preparation is essential at this stage to avoid wasting both your time and money—and that of others. If you lack prior experience, now is the moment to take professional advice seriously.

Here's how to get started:

Define Your Property Needs

Take a moment to clearly outline your expectations:

- **Purpose:** Are you buying for personal use, rental income, or as an investment?
- **Criteria:** What features must the property have? For example, location, size, number of bedrooms, or amenities.
- **Priorities:** Rank your requirements by importance.
- **Flexibility:** Be honest about what you are willing to compromise on and what is non-negotiable.

Calculate Your Realistic Budget

Understanding your financial limits is crucial:

- Property listings in Spain typically exclude additional costs and taxes.
- For resale properties, add approximately 10% to the purchase price.
- For new developments, add approximately 13% to the purchase price.

Being realistic about your budget not only saves you time but also helps narrow your search to options you can truly afford.

Do You Need a Loan?

If you require financing, address this early in the process. Waiting too long to determine your need for a loan can make the property buying journey significantly more stressful. Consult with a bank or mortgage specialist to understand your options and secure pre-approval if needed.

With a well-defined plan, realistic numbers, and clarity on financing, you can confidently move forward toward finding your ideal property in Spain.

1.2 Choose and Work with a Local Real Estate Agent

Choosing the right real estate agent is crucial to saving time, reducing costs, and ensuring a smoother buying process. Here's how to find and work with the best local agent:



How to Find the Right Agent

- **Ask for recommendations:** Consult friends or colleagues who have purchased property in the area.
- **Research online:**
 - Does the real estate firm have a **professional website**?
 - Are they **active on social media**, showcasing properties or engaging with clients?
 - What does **Google** reveal about their reputation?

- **Verify their experience:** Call and ask about properties they've sold and have a specific agent describe the area you're interested in. A competent agent should provide valuable insights and recommendations tailored to your goals.

Connecting with Your Agent

Schedule a phone call, video chat, or Zoom meeting to assess their knowledge, professionalism, and how well you connect personally. A good rapport is essential for a successful collaboration.

Understanding the Market

- In this market, most agencies have access to the **same property listings**, as they are part of a shared database called **Resales-online**, which includes all active listings.
- Each transaction involves:
 - A **seller's agent and lawyer**, representing the seller.
 - A **buyer's agent and lawyer**, working exclusively for you.
- This collaborative setup ensures that both parties' interests are protected and the transaction proceeds smoothly.

Commit to Your Agent

Once you've selected an agent through careful research, **stay loyal to them** throughout the process.

- Respect their work and refrain from involving other agents, as they will have access to the same properties.
- If you're unsure about this approach, don't worry—I'll explain more during our consultation.

By choosing a knowledgeable, trustworthy agent, you'll ensure your property-buying journey in Spain is as seamless and stress-free as possible.

1.3 Searching for the Right House or Apartment

Once your budget and property requirements are clear, it's time to begin your search. This stage can be overwhelming, but working with a local real estate agent simplifies the process and saves you time.



Common Challenges with Property Portals

Platforms like **Idealista** and **Fotocasa** are popular tools for finding properties, but they have their limitations:

- Listings might be **outdated** — properties that appear available may already be sold.
- Some properties may be **misleading or non-existent**.
- Communication issues are common; inquiries often go unanswered.

While these portals can give you an idea of what's on the market, they are not always reliable for making serious decisions.

How an Agent Enhances Your Search

A local real estate agent can streamline your search by:

- Providing **accurate listings** directly from their database that match your criteria and budget.
- Assisting with **due diligence**: verifying property availability, gathering detailed information, and following up with sellers or their agents.
- Helping you understand what kind of property is realistic within your budget based on your preferred area and requirements.

This professional support saves you time, reduces frustration, and ensures you don't miss out on suitable options.

Important Note

If you contact a listing on **Idealista** or other portals directly, you automatically become their client. In such cases, **your chosen agent cannot assist you further** with that property. It's best to let your agent handle all inquiries to maintain seamless coordination.

Next Steps: Selecting and Viewing Properties

- Work with your agent to select around **10 properties** that meet your criteria.
- Rank them by importance to prioritize viewings.
- Your agent will then:
 - Plan your **viewing schedule**, ensuring the times and locations are coordinated efficiently.
 - Map out the **best route** to minimize travel time and maximize convenience.

With a clear plan and professional support, you'll be well-prepared to take the next step in finding your ideal home.

1.4 If You Need a Loan, Start Working on It Now!

Determining whether you'll need financing is an essential step in the property buying process. If you require a loan, you have several options to secure it:



Loan Options

- **From your home country:** Applying for a loan at a local bank may be faster and simpler, especially if you can use property in your home country as collateral.
- **From a Spanish bank:** Spanish banks offer financing for property purchases, but the process may require more documentation and time.
- **Alternative financial sources:** These must be verified to ensure reliability and legitimacy.

Tip: Take all necessary documents to your bank early to assess how much they can lend you. Request written confirmation of the maximum loan amount.

Foreigners Can Get Loans in Spain

- Local banks typically finance **50% to 70% of the property value** for foreign buyers.
- **Requirements:** Be prepared to submit extensive documentation, including proof of income, assets, and financial stability.
- **Timeline:** The process can take longer compared to securing a loan in your home country.

- **Interest Rates:** These are often higher for foreigners, and **non-EU citizens** may face stricter conditions.

Important Considerations

- **Involve experts:** Work with a **local lawyer** or **mortgage broker** specializing in loans for foreigners. Their expertise can save you time and ensure compliance with Spanish banking regulations.
- **Open a bank account:** If your loan is approved by a Spanish bank, it's advisable to open an account with the same institution to streamline transactions.
- **Start early:** Submit your mortgage application as soon as possible with all required documents to avoid delays in the property buying process.

By addressing financing early and involving the right professionals, you'll ensure a smoother and more confident property purchasing experience.

1.5 Property Viewing and On-Site Technical Inspection

When browsing advice online, you'll notice this crucial step is often overlooked. Now that you've shortlisted around **5–10 properties**, it's time to visit them in person with your real estate agent.



What to Expect During the First Viewing

- The initial viewing provides a **first impression** of the property.
- An **experienced agent** can help identify potential issues, such as:
 - Ceiling defects or cracks in walls.
 - Problems with foundations.
 - Outdated electrical or air conditioning systems.

Using a Checklist for Inspection

To avoid unexpected expenses later, we provide a **detailed checklist** for on-site inspections. This tool helps you evaluate properties systematically and focus on essential details.

Consider a Technical Assessment

For added confidence, you can hire a **specialist** to perform a technical assessment. They'll provide:

- A detailed report on the property's condition.
- Estimated renovation costs.
- A basis for **price negotiations**, ensuring you don't overpay.

Making Realistic Choices

After visiting several properties, you'll gain a clearer understanding of potential compromises:

- **90% of properties won't meet all criteria**, so flexibility is key.
- Examples of compromises:
 - A house with breathtaking views might need significant renovation.
 - An Andalusian-style home might lack modern technical features.
 - A property close to shops and schools may sacrifice peace and quiet.

By attending viewings, using the checklist, and considering professional assessments, you'll make more informed decisions and find the best balance between your priorities and available options.

1.6 Making an Offer and Negotiating the Price

Once you've found the right property, the next step is to **make an offer and negotiate the price**. This phase is crucial, and having a knowledgeable real estate agent by your side ensures the process is efficient and well-informed.



Preparing to Make an Offer

Your agent will help you:

- **Understand the market:** By analyzing recent sales of similar properties and average prices in the area, your agent ensures your offer aligns with market values.

- **Compare listings:** You can also review property portals to evaluate the condition and price of similar properties to guide your decision.

The Role of Your Agent in Negotiations

- Your agent acts as a **consultant**, not just a messenger. They collaborate with you to determine the best approach.
- Often, the selling agent provides **hints** about the owner's minimum acceptable price, which your agent can factor into the negotiation strategy.
- Communication is key:
 - Your offer is discussed with the seller's agent, who conveys it to the owner.
 - Counteroffers are relayed back to you through your agent, ensuring clarity and precision throughout the process.

Using Effective Arguments in the Offer Process

To negotiate successfully, your agent can use the following strategies:

- **Highlight property issues:**
 - If the inspection revealed significant defects, such as structural issues or the need for costly repairs, these can justify a lower offer.
 - A **technical inspection report** strengthens your position by providing evidence of future expenses.
- **Understand the seller's motivation:**
 - Learning the reason for the sale (e.g., job relocation, financial need, or a desire for a quick sale) can help gauge their flexibility on price.
- **Exclude unnecessary items:**
 - If you don't need the seller's old furniture, this can be a bargaining point.
- **Emphasize financial readiness:**
 - Having funds readily available or not requiring a bank loan can make your offer more attractive to the seller.

Collaboration Is Key

Negotiating is a collaborative process. Your agent ensures that:

- Your offer is **realistic and well-founded**, based on market data.

- All parties have clear and accurate communication.
- The transaction progresses smoothly, keeping your best interests in mind.

With the right strategy and support, this step brings you closer to owning your ideal property.

1.7 Signing a Reservation Agreement

After your offer is accepted, the next step is signing the **reservation agreement**, a document that reserves the property for you while setting the terms for moving forward. Though it may seem straightforward, this agreement is legally binding and will be crucial in resolving any disputes or issues. It protects your interests and ensures that all key terms are clearly defined.



What Should the Reservation Agreement Include?

- 1. Detailed Description of the Property**
 - Exact address and type of property (e.g., apartment, townhouse, house).
 - Associated elements like parking spaces or storage rooms, with specific descriptions.
- 2. Amount and Conditions of the Reservation Fee**
 - Reservation fee amount.
 - Payment details (how, when, and to whom).
 - Terms for refunding or retaining the reservation fee (e.g., buyer's or seller's fault).
- 3. Property Price and Payment Terms**
 - Total agreed price of the property.
 - Schedule for payments, including the initial deposit and final payment.
- 4. Seller's Obligations**
 - Commitment to remove the property from the market after signing.
 - Agreement not to enter into negotiations with third parties during the reservation period.
- 5. Deadlines**
 - Payment deadlines for the reservation fee and deposit.

- Timelines for signing the preliminary contract and final notarial contract.
- Penalties for missing deadlines (e.g., forfeiture of the reservation fee).

6. Buyer's Rights and Obligations

- Obligation to adhere to payment schedules and terms.
- Right to conduct a legal review of the property.
- Right to a refund of the reservation fee if financing isn't approved, provided this is stipulated in the agreement.

7. Withdrawal Conditions

- Grounds for the buyer or seller to withdraw.
- Consequences, such as forfeiting or returning the reservation fee:
 - If the buyer withdraws, the fee is forfeited.
 - If the seller withdraws, they pay the buyer **double the reservation fee**.

8. Special Clauses

- Property condition and agreed repairs (e.g., repainting, installing appliances).
- Specific inclusions, like furniture, with an attached inventory list.
- Timeline for tenant removal, if applicable.
- Date for the buyer's final inspection before the notarial transaction.

9. Confidentiality Clauses

- Agreement not to disclose the terms or price to third parties without mutual consent.

10. Legal and Notary Fees

- Allocation of fees (e.g., notary fees typically paid by the buyer, unless agreed otherwise).

11. Applicable Law and Jurisdiction

- The legal framework governing the agreement.
- Agreed jurisdiction for resolving disputes (usually the local court).

12. Signatures and Dates

- Both parties' signatures, confirming their agreement to the terms.
- Date of signing.

Best Practices for Signing the Reservation Agreement

- Sign the agreement first, then transfer the reservation fee to a secure account, such as:
 - The buyer's lawyer's client account.
 - The seller's lawyer's client account.
 - The real estate firm's client account representing the seller.
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Your Real Estate Agent's Role

Your agent is responsible for ensuring:

- All essential points are included in the agreement, such as mortgage terms, furniture arrangements, short-term rental possibilities, or tenant issues.
- Your interests as the buyer are protected.
- The process proceeds smoothly and with minimal risks.

By carefully reviewing and signing the reservation agreement, you can move forward confidently in the property-buying process.

1.8 Granting Power of Attorney to a Lawyer

Granting power of attorney to a lawyer is one of the most convenient ways to handle your property purchase in Spain. This step allows the lawyer to represent you in all legal, financial, and administrative matters, ensuring a smooth and hassle-free process.



Why Is It Beneficial?

- You can grant power of attorney at a notary either:
 - **Right away**, allowing the lawyer to manage the entire buying process, including mortgage applications.
 - **After selecting a property**, if you prefer to wait until your choice is finalized.
 - Once granted, your lawyer can handle everything, so you don't need to personally oversee or travel for administrative steps.
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What Does the Lawyer Handle for You?

Here's what your lawyer will take care of:

1. NIE Application

- The **NIE (Número de Identificación de Extranjero)** is a mandatory identification number for foreigners engaging in economic activities in Spain. Without it, you cannot buy property.

2. Mortgage Application

- If financing is needed, your lawyer will apply for a mortgage on your behalf.

3. Opening a Bank Account

- The lawyer will open a Spanish bank account in your name for payments and transfers.

4. Legal Check of the Property

- The lawyer will verify that the property is free from legal issues, such as debts, liens, or ownership disputes.

5. Preparation of Preliminary Contracts and Transfers

- They will draft the preliminary contract and manage all necessary financial transfers securely.

6. Preparation of the Notarial Contract

- The lawyer will prepare the final contract for signing at the notary and ensure all payments are made.

7. Property Registration

- They will register the property in your name at the Land Registry.

8. Utility Contracts (Electricity, Water, and Internet)

- The lawyer will arrange utility connections and, if needed, set up internet contracts.
- Initial bills for utilities can also be managed by your lawyer.

Why It's Worth It

- The process becomes **safe and efficient**, saving you time and reducing stress.
- You won't need to deal with the complex administrative tasks yourself, making it especially beneficial for non-residents or those unfamiliar with Spanish procedures.

Cost of Legal Services

- On the Costa del Sol, legal fees are typically **1% of the property's purchase price plus VAT**.

- While this adds to your overall budget, the convenience and security of having a professional manage the process far outweigh the cost.

By granting power of attorney, you ensure a smooth, secure, and worry-free experience when purchasing property in Spain.

1.9 Legal Due Diligence for Property

Purchasing a property in Spain involves more than just finding the right home—it's essential to ensure the property is legally sound and free of complications. This is where your lawyer's role in conducting thorough **legal due diligence** becomes critical. While technical inspections assess the physical condition of the property, your lawyer will address the following legal aspects:



Key Legal Checks by Your Lawyer

1. Property Ownership

- Verifies that the seller legally owns the property and has the right to sell it.
- Reviews documents such as:
 - **Nota Simple:** A summary of the property's legal status.
 - **Escritura:** The official notarial deed confirming ownership transfer.

2. Encumbrances and Mortgages

- Ensures the property is free of mortgages, loans, liens, or other financial obligations that could affect the purchase or your future ownership.

3. Planning and Building Permits

- Confirms that the property complies with planning and building regulations.
- Checks for required documents, including building permits, certificates, and an **occupancy license**.

4. Connections to Infrastructure

- Verifies access to essential utilities like water, electricity, sewage, and internet.

5. Taxes and Fees

- Ensures all local taxes (e.g., property tax and garbage collection fees) have been paid, and checks for any outstanding debts tied to the property.

6. Restrictions and Easements

- Investigates any legal restrictions or easements (e.g., access rights or usage limitations) that could impact your ownership or use of the property.

7. Community-Related Issues

- For properties within a community, such as apartments:
 - Reviews community regulations, including short-term rental permissions.
 - Checks financial statements and any outstanding community debts.

8. Environmental Concerns

- Determines whether the property is in a protected environmental area or subject to environmental restrictions that could limit its use or development potential.

9. Contract Review

- Analyzes the sales contract and any related agreements to ensure the terms are clear, fair, and legally binding for all parties.

10. Historical or Cultural Restrictions

- Verifies if the property is listed as a historical or cultural monument, which may impose restrictions on renovations or modifications.

Why This Matters

Handling these checks independently is **complex and time-consuming**, and missing any detail could lead to costly consequences later. By entrusting these tasks to a professional lawyer, you:

- Minimize risks.
- Save valuable time and effort.
- Ensure every aspect of the purchase is secure and legally compliant.

Letting your lawyer manage these crucial steps allows you to focus on enjoying the journey to owning your property, knowing that your interests are fully protected.

1.10 Signing the Private Purchase Contract and Paying the Deposit

Once your lawyer has completed a thorough **legal due diligence** and all terms of the reservation agreement have been met, the next step is to sign the **Private Purchase Contract** (*Contrato Privado de Compraventa*). This contract formalizes the agreement between the buyer and seller and secures the property for you.



The Role of Your Lawyer

- Your lawyer is responsible for preparing the contract and ensuring that all clauses are accurate, fair, and legally binding.
- If you've granted **power of attorney**, the lawyer can also sign the contract and pay the deposit on your behalf, saving you time and effort.

Key Elements of the Private Purchase Contract

1. Deposit Amount and Conditions

- The deposit is typically **10% of the property price**.
- If the buyer withdraws from the transaction **without valid reasons**, the deposit may be forfeited to the seller.

2. Legal Issues with the Property

- If hidden encumbrances, mortgages, missing building permits, or other **undisclosed legal issues** are discovered during or after due diligence, the buyer has the right to withdraw and receive the deposit back.

3. Seller's Breach of Contract

- If the seller fails to meet specific obligations, such as:
 - Removing the property from the market.
 - Correcting agreed-upon defects before the final notarial transaction.
- The buyer can withdraw and reclaim the deposit.

4. Significant Property Damage

- In the event of **significant damage** to the property before the final contract is signed (e.g., due to a fire or natural disaster), the buyer can withdraw and get the deposit refunded.

5. Third-Party Rights

- If **third parties have undisclosed rights** to the property that could affect ownership or usage, the buyer can withdraw and receive the deposit back.

Before Signing

Your lawyer will thoroughly review the **Private Purchase Contract** with you, ensuring you understand all terms and conditions before proceeding. They will ensure the contract protects your rights and aligns with the agreed terms, making this a secure and confident step in the buying process.

By securing your deposit and formalizing the agreement, this stage solidifies your position as the buyer, bringing you closer to completing your property purchase.

1.11 Property Inspection Before the Notarial Transaction

Conducting a **final property inspection** before signing the notarial contract is a crucial step in the buying process. This ensures that the property meets all agreed-upon conditions and protects you from potential issues after the transaction is complete.



Why Is This Step Important?

- If the seller is a **non-local resident**, resolving post-transaction issues can be nearly impossible.
- A thorough inspection allows you to address concerns before finalizing the deal, ensuring peace of mind.

What Should Be Checked?

You can inspect the property yourself, hire a professional service, or delegate the task to a competent person. The following points are essential:

1. Confirmation of Property Handover

- Ensure the property is **vacant** and ready for transfer, with any previous residents or tenants having vacated.

2. Inspection of the Property's Condition

- Verify that the property is in the **agreed condition**, and all required repairs have been completed.

3. Receipt of Property Documents and Keys

- Confirm that all necessary documents (e.g., **energy efficiency certificates**, warranties) and keys are ready to be handed over.

4. Functionality Check of Appliances and Systems

- Test all included systems and appliances (e.g., **heating, cooling, water supply, electrical systems**) to ensure they are in working order.

5. Payment of Final Utility Bills and Taxes

- Ensure the seller has paid all outstanding **utility bills** and **local taxes**, avoiding future liabilities for you.

6. Discovery of Hidden Defects

- Look for any **new or hidden issues** that could impact the property's value or your decision to proceed.

7. Furniture and Inventory Check

- If the contract includes furniture or other items, verify their presence and condition.

8. Confirmation of Agreed Changes or Repairs

- Check that all agreed-upon **changes or repairs** have been completed and meet your expectations.

How the Inspection Is Conducted

Typically, we arrange a **property visit** with the client a few days before the notarial transaction. This visit is an opportunity to verify the property's state and conditions against what was agreed in the contract.

By completing a thorough inspection, you minimize risks, ensure your expectations are met, and proceed confidently with the final stages of your property purchase.

1.12 Notarial Property Transaction

The **notarial transaction** marks the official completion of your property purchase in Spain. It serves as a final control mechanism, ensuring that all legal and administrative preparations are in order before ownership is transferred.



What Happens During the Notarial Transaction?

- **Signing of the Public Deed of Sale (Escritura Pública de Compraventa):**
 - This document, prepared in the buyer's name, officially confirms the transfer of property ownership.
 - It is signed by the buyer, seller, and notary in the presence of all parties.
- **If You're Using a Mortgage:**
 - A representative from your bank will also be present to sign the mortgage agreement alongside the public deed.
- **Verification of Payment and Documentation:**
 - The notary ensures that all necessary payments (e.g., final property price, taxes, and fees) have been made.
 - The lawyer and notary confirm that all documents meet legal requirements.

Congratulations!

Once the deed is signed, **you officially own the property.**

Key Handover and Practical Information

- In Spain, the previous owner **rarely hands over the keys** in person or provides a walkthrough of the property.
 - Instead:
 - **Your real estate agent or lawyer** will typically give you the keys after the transaction.
 - You can then head to your new home and begin arranging everything to your liking.
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The notarial transaction is the final step in the property buying journey, and with all preparations handled by your lawyer, it ensures a smooth and stress-free process. Congratulations on your new home!

1.13 Registering the Property in Your Name

After the **sale-purchase agreement** is signed, the notary will notify the **Land Registry** about the transaction. However, it is the responsibility of either you or your lawyer to ensure that the property is formally registered in the new owner's name.



How the Registration Process Works

1. Notary Notification

- The notary sends an official notification to the **Land Registry** immediately after the transaction.

2. Ownership Registration

- Your lawyer will submit all required documents and fees to the Land Registry to finalize the ownership transfer.
- This process can take **up to 30 working days** to complete.

3. Confirmation

- Once the Land Registry confirms the registration, you will receive a **Land Registry certificate**, officially finalizing the transaction.

Important Note

If you plan to **rent out your property short-term**, you will need the **Land Registry certificate** to apply for a tourist license. This document serves as proof that the property is legally registered in your name.

By ensuring timely registration, you secure your ownership rights and can move forward with confidence in managing or using your property as planned.

1.14 Setting Up Electricity and Water Contracts in Your Name

To ensure your new property is ready for immediate use, your lawyer will manage the process of transferring **electricity and water contracts** into your name.



What to Expect

- **Contract Setup Fees:**
 - Depending on the service provider, setup costs typically range between **€150 and €200** per utility.
- **Seamless Transition:**
 - Your lawyer handles the paperwork, ensuring services are activated without delays.

Internet Connection

- If you require an **internet connection**, your lawyer can assist in coordinating the setup with a local provider.
- **Note:** You must be present at the property when technicians install the router.

This service simplifies the utility setup process, saving you time and ensuring your new property is fully functional from day one.

1.15 Paying Taxes Related to Property Purchase

Understanding the taxes and associated costs of purchasing property in Spain is essential for budgeting effectively. Your lawyer or real estate agent will typically provide an estimated total, including the amount you'll need to transfer to your Spanish bank account. Below are examples of costs for resale properties and new developments on the Costa del Sol.



Example: Resale Property

For a **privately owned property** with a purchase price of **€500,000**, the estimated costs are:

- **Purchase price:** €500,000
- **Transfer tax (7%):** €35,000
- **Lawyer's fee (1% + 21% VAT):** €6,050
- **Notary and Land Registry fees (0.5%):** €2,500

Total: €543,550

- **Additional costs:** €43,550
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Example: New Development

For a **new development property** with a purchase price of €500,000, the estimated costs are:

- **Purchase price:** €500,000
- **IVA (VAT):** 10% of the purchase price = €50,000
- **Notary fees:** €1,500–€2,000 = average €1,750
- **Land Registry fees:** €900–€1,500 = average €1,200
- **Lawyer's fee:** 1% of the purchase price + 21% VAT = €6,050
- **Stamp duty:** 1.2% of the purchase price = €6,000

Total estimated cost: €565,000

- **Additional costs:** €65,000
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Mortgage-Related Costs

If you finance the property with a Spanish bank, additional costs may apply:

- **Mortgage service fee:** 0.5%–1.5% of the loan amount.
 - **Property valuation:** Approximately €600.
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Summary

These examples illustrate the additional costs you should anticipate when buying property on the Costa del Sol. Proper planning and consulting with your lawyer or agent will help ensure you have sufficient funds for all necessary taxes and fees.

1.16 How Long Does the Process Take Until You Get the Keys?

In short: **plan for 2–3 months.**



Timeline Overview

- **2 Months:** If you're well-prepared and have the necessary funds in your bank account, the entire process—from property selection to receiving the keys — can take up to **2 months**.
- **3 Months:** If you're purchasing with a mortgage, expect the process to take up to **3 months**, as financing approvals require additional time.

Factors That May Cause Delays

1. **Legal Due Diligence:**
 - The legal checks performed by your lawyer typically take the most time.
2. **Document Preparation:**
 - If the buyer hasn't prepared the necessary documents for the sale on time, this will delay the process.

Next Steps

Congratulations! If you've read this far, you've completed the first step of understanding the buying process.

The next part covers **Taxes on Buying and Managing Property on the Costa del Sol.**

If you have any questions, feel free to email eve@merlishomes.com.

2. Investing in a Holiday Home on the Costa del Sol: Short-Term or Long-Term Rentals – Which is Better?



Have you ever dreamed of owning a holiday home on the **Costa del Sol**? Whether you're considering renting it out to tourists, leasing it long-term, or keeping it for your personal use, the possibilities are plentiful.

A holiday home can double as an investment property, offering both financial returns and the opportunity for you and your family to escape to the Spanish sunshine.

In recent years, the Costa del Sol rental market has expanded by more than **20%**, and the demand for rental properties remains strong. However, navigating this market requires a solid understanding of local trends and regulations.

2.1 Short-Term vs. Long-Term Rentals: What to Consider



When deciding whether to rent your property short-term or long-term, weigh the following factors:

1. Income Potential

- **Short-Term Rentals:** Generate higher income during peak tourist seasons, with earnings often up to **four times more** than long-term rentals. However, income is dependent on seasonality and occupancy.
- **Long-Term Rentals:** Offer a steady, predictable income stream throughout the year, regardless of tourism trends.

2. Regulations

- **Short-Term Rentals:** Regulations have become stricter, especially between **Málaga and Marbella**, requiring properties to meet specific standards and obtain tourist licenses.

- **Long-Term Rentals:** Face fewer regulatory hurdles, but it's vital to have a solid rental contract to avoid situations where tenants secure long-term occupancy rights of **5–7 years**.

3. Management Workload

- **Short-Term Rentals:** Require more time and effort for guest turnover, cleaning, and maintenance.
- **Long-Term Rentals:** Demand less involvement, with fewer day-to-day management tasks.

4. Market Demand

- **Short-Term Rentals:** Success depends on tourist flow and reputation on platforms like Airbnb and Booking.com.
- **Long-Term Rentals:** Depend on local housing demand, which is typically more stable.

5. Costs

- **Short-Term Rentals:** Higher maintenance expenses for cleaning, repairs, and property upkeep.
- **Long-Term Rentals:** More predictable and generally lower maintenance costs.

6. Taxation

- **Short-Term Rentals:** Treated as a business activity, with higher tax obligations.
- **Long-Term Rentals:** Benefit from simpler taxation and potential tax breaks, as the government encourages long-term rental services.

7. Flexibility

- **Short-Term Rentals:** Allow for personal use of the property during unoccupied periods.
- **Long-Term Rentals:** Limit personal access to the property while tenants are under contract.

8. Social and Community Impact

- **Short-Term Rentals:** Can strain local communities, raising living costs and creating dissatisfaction among residents in highly touristy areas.

- **Long-Term Rentals:** Better integrate with the local housing market, supporting the community's needs.

Why Costa del Sol is an Ideal Choice for Holiday Homes

- **Tourism Growth:** In 2019, the Costa del Sol welcomed over **13 million tourists**, and by 2023, that number grew to a record-breaking **14 million**—a **12% increase** compared to 2022. 2024 is projected to see further growth.
- **Climate:** The region enjoys **320 days of sunshine annually**, with mild winters where temperatures rarely drop below **10°C**.
- **Development and Lifestyle:** Ongoing international business investments have created thousands of new jobs, further driving demand for rental properties and making the region attractive for both living and investing.

Conclusion

The Costa del Sol remains a sought-after destination for holiday homes, offering investors strong tourism-driven rental opportunities, a vibrant lifestyle, and a sunny climate year-round. Whether you choose short-term rentals for higher returns or long-term rentals for stability, a holiday home here provides the best of both worlds—an income-generating asset and a personal retreat.

If you're considering investing in a holiday home on the Costa del Sol, consult with a local expert to navigate regulations, optimize your rental strategy, and make the most of this lucrative market.

2.2 Costa del Sol Areas and Seasonality

When investing in property on the Costa del Sol for rental purposes, understanding **local market dynamics** and **seasonal factors** is critical. Different areas cater to varying tenant needs, so it's essential to align your strategy with your goals: short-term rentals, long-term tenants, or a hybrid approach.



Key Questions to Guide Your Strategy

- Are you buying for **short-term tourist rentals**, focusing on **long-term tenants**, or planning a **hybrid approach**?
 - Do you prioritize **meeting your own needs** (e.g., using the property during off-peak seasons) or maximizing rental income by targeting tourists?
-

Spotlight on Areas

1. Málaga and Fuengirola:

- **Short-term rental restrictions:** Current regulations require short-term rental properties to have a **separate entrance** (not a communal one).
- **Future outlook:** As of October 2024, there are discussions to extend this condition to other municipalities, including Marbella, making it even harder to find suitable apartments for short-term rentals.
- **What works here?:** Townhouses, semi-detached houses, or villas with private entrances may be more viable options for short-term rentals.

2. Marbella:

- Despite potential regulatory changes, Marbella remains one of the most sought-after areas for tourists, especially for luxury villas and upscale properties.
- **Tourist preference:** Prime location properties close to beaches, restaurants, and nightlife continue to dominate short-term demand.

3. Other municipalities (between Málaga and Marbella):

- Emerging areas may offer **more flexibility** for short-term rentals compared to larger cities.
 - Properties with unique features, like proximity to golf courses or family-friendly amenities, are particularly appealing.
-

Seasonality and Its Impact

- **High Season (Summer):**
 - From June to September, rental income for short-term properties can quadruple compared to off-season months.
 - Tourist demand peaks, making these months the most lucrative for short-term rentals.
- **Off-Season (Winter):**
 - Demand for short-term rentals decreases, with many properties sitting vacant unless you target long-term tenants or hybrid users (e.g., expats or remote workers).

Navigating the Challenges

- **Short-Term Rentals:** With increasing restrictions, it's crucial to ensure your property complies with local regulations (e.g., private entrances).
- **Long-Term Rentals:** Less impacted by regulations but require a strong rental contract to avoid potential tenant issues.
- **Hybrid Approach:** Offers flexibility for personal use while maximizing income during high-demand seasons.

Conclusion

Investing in rental property on the Costa del Sol requires balancing regulatory constraints, market demand, and seasonal variations. Choosing the right area and property type—whether an apartment, townhouse, or villa—can significantly impact your returns. By understanding tourist and local preferences, you can craft a rental strategy that aligns with both your goals and market realities.

If you're unsure which approach works best for you, consulting with a local property expert can help you make an informed decision tailored to your objectives.

2.3 Best Areas for Short-Term Rentals in Costa del Sol

The **Costa del Sol** is a prime destination for short-term rentals due to its stunning coastline, vibrant lifestyle, and year-round tourism. If you're considering investing in a holiday home or rental property, here are some of the best areas for maximizing your returns.



1. Marbella

Golden Mile

- **Property prices:** From €450,000 for apartments; €2 million for houses.
- One of the most prestigious areas in Costa del Sol, the **Golden Mile** is renowned for its luxury villas, upscale restaurants, and elite clubs. Properties here often feature sea views and exquisite design, making them highly attractive to affluent international tourists.
- **Why invest here?** High demand for luxury rentals, driven by its reputation and proximity to Puerto Banús.

Puerto Banús

- **Marina Banús:** Apartments start at €550,000.
- This area attracts wealthy tourists seeking a glamorous lifestyle with luxury yachts, cars, and nightlife. The marina's central location and exclusive vibe make it a hot spot for short-term rentals.

Nueva Andalucía

- **Property prices:** From €350,000 for apartments; €1.5 million for houses.
 - Known as **Golf Valley**, this area is ideal for golf enthusiasts and vacationers looking for upscale accommodations. It's especially popular during summer and golf events, with demand peaking in these periods.
 - **Proximity to Puerto Banús:** Adds to its appeal for those seeking both luxury and convenience.
-

2. Málaga City Center

Soho Málaga

- **Property prices:** From €350,000 for apartments.
- Often called the “art district,” Soho Málaga attracts young professionals and cultural tourists looking for a vibrant, creative atmosphere.

La Malagueta

- **Property prices:** From €450,000 for apartments.
 - A beachfront area that draws tourists, especially during summer. Its prime location near the beach and luxury hotels ensures steady demand for short-term rentals.
-

3. Estepona

Estepona Marina

- **Property prices:** From €300,000 for apartments.
- The marina area is bustling with restaurants, shops, and bars, making it a favorite for tourists looking for a relaxing seaside holiday.

New Golden Mile

- **Property prices:** From €350,000 for apartments; €1 million for houses.
 - Situated between Estepona and Marbella, this area features modern luxury developments that attract high-income visitors.
-

4. Benalmádena

Benalmádena Pueblo

- **Property prices:** From €250,000 for apartments.
- Known for its traditional Andalusian charm, this area appeals to tourists seeking an authentic Spanish experience, paired with modern conveniences.

Arroyo de la Miel

- **Property prices:** From €220,000 for apartments; €500,000 for houses.
- A lively area popular with families, offering attractions like amusement parks and entertainment hubs.

5. Fuengirola

Los Boliches

- **Property prices:** From €230,000 for apartments.
- A vibrant beachfront neighborhood with excellent bars, restaurants, and cultural events, attracting both locals and international tourists.

Fuengirola Marina

- **Property prices:** From €250,000 for apartments.
- The marina is a lively hub for beachgoers and nightlife enthusiasts, making it a strong contender for short-term rental investments.

Key Insights for Investors

1. **Proximity to the sea:** Properties near the beach command higher rental demand but also come with steeper purchase prices. Homes located **2–3 kilometers inland** may offer better value while still being close enough to attract renters.
2. **Luxury properties:** Areas like **Marbella's Golden Mile** and **Puerto Banús** cater to affluent tourists, ensuring higher rental rates.
3. **Emerging areas:** Districts like **Arroyo de la Miel** and **New Golden Mile** combine affordability with growing tourist interest, making them ideal for first-time investors.

By selecting the right area and property type, you can enjoy consistent demand and excellent returns in one of Spain's most sought-after destinations. If you're unsure where to start, consult with a local property expert to find the perfect match for your goals.

2.4 Seasonal Changes and Their Impact

Seasonality significantly influences the **rental market** on the Costa del Sol, shaping demand, rental income, and property usage patterns. Understanding these shifts helps investors and holiday homeowners optimize their rental strategies.



Seasonal Rental Trends

1. High Season (June – September)

- **Key characteristics:**
 - Peak tourist demand due to warm weather and school holidays.
 - Properties, particularly beachfront homes and villas, can command **up to four times the monthly low-season rent per week**.
 - Popular areas like **Marbella, Puerto Banús, and Fuengirola** see near-full occupancy rates.
- **Example:** A four-bedroom house might rent for **€5,000 per month during the low season** but earn **€20,000 per week during the high season**.

2. Holiday Periods (Christmas, New Year, Easter)

- **Key characteristics:**
 - High demand in areas like **Marbella, Puerto Banús, and Fuengirola** for luxury and family-friendly properties.
 - Short-term rental prices spike, especially for centrally located properties.

3. Low Season (October – May)

- **Key characteristics:**
 - Lower tourist numbers, but demand remains steady from **longer-term tenants** (e.g., remote workers, retirees, and expats).
 - Properties are often rented **by the month** until May, providing stable income for landlords.
- **Golf tourism:**
 - The cooler weather attracts **golf enthusiasts**, with Costa del Sol offering over **70 golf courses**.
 - Apartments and houses near golf courses experience consistent demand, particularly in **Nueva Andalucía** (Golf Valley) and **Benahavís**.

Year-Round Areas

Certain locations enjoy consistent demand throughout the year due to unique characteristics:

- **Málaga City Center:**

- As a cultural and commercial hub, Málaga remains busy year-round, appealing to professionals, students, and cultural tourists.

Key Insights for Investors

- **Flexible rental strategies:**

- During the high season, focus on **short-term rentals** to maximize income.
- In the low season, transition to **monthly rentals** for stable revenue.

- **Target niche markets:**

- Cater to golf enthusiasts during cooler months by investing in properties near courses.
- Market properties for holiday periods to attract families and luxury seekers.

- **Adapt pricing:** Adjust rental rates to reflect seasonal demand, ensuring competitiveness in both high and low seasons.

By aligning your rental strategy with seasonal changes, you can maximize returns while maintaining steady occupancy throughout the year. Costa del Sol's diverse attractions and year-round appeal provide opportunities for a variety of tenant groups, making it an ideal location for rental property investment.

2.5 Who Is Your Target Audience?

The Costa del Sol attracts a diverse range of vacationers, each with unique preferences and needs. Understanding your target audience helps tailor your property selection and marketing efforts, ensuring you meet their expectations and maximize your rental potential. Here's an overview of key groups to consider:





Sunseekers

- **What they want:**
 - Properties with **large terraces**, ideally facing **south or southwest**, to enjoy the region's **320 days of sunshine**.
 - **Beachfront locations** where they can step outside and immediately soak up the sun.
 - Stunning **sea views** or proximity to outdoor pools.
 - **Where they look:**
 - Locations along Costa del Sol's **190-kilometer coastline**, from Nerja to Sotogrande.
 - **Filters to consider:**
 - Proximity to the airport.
 - Terrace size, number of bedrooms, and budget range.
-



Golf Enthusiasts

- **What they want:**
 - Properties near golf courses, with views of the greens—making the course feel like an extension of their home.
 - A serene environment where golf isn't just a sport but a lifestyle.
 - **Where they look:**
 - Areas with proximity to one of Costa del Sol's **70+ golf courses**.
 - Coastal vs. inland courses depending on their preferences.
 - **Filters to consider:**
 - Proximity to specific courses.
 - Golf skill level (beginner-friendly vs. advanced courses).
-



Partygoers

- **What they want:**
 - Properties at the heart of Costa del Sol's **vibrant nightlife** and entertainment scene.
 - Easy access to popular bars, clubs, and cultural events.
 - **Where they look:**
 - **Puerto Banús** and other nightlife hubs.
 - **Filters to consider:**
 - Walking distance to nightlife hotspots.
 - Proximity to restaurants and late-night transportation.
-



Peace Seekers

- **What they want:**
 - Quiet properties far from the hustle and bustle, offering **natural beauty**, privacy, and relaxation.
 - A retreat to recharge and reflect, surrounded by peaceful settings.
 - **Where they look:**
 - Inland areas, typically **5–10 kilometers** from city centers or tourist hubs.
 - **Filters to consider:**
 - Distance from shops, restaurants, and the airport.
 - Budget, number of bedrooms, and scenic views.
-

Conclusion

Whether your property caters to sunseekers, golfers, partygoers, or peace seekers, understanding their priorities will help you tailor your approach. Highlight the unique features of your property that align with their needs, ensuring they see it as the perfect choice for their Costa del Sol getaway.

2.6 Short-Term vs. Long-Term Rental Periods

Understanding the distinction between **short-term** and **long-term rentals** in Andalusia is critical for property owners. Each rental type is governed by specific regulations that influence how you can use and manage your property.



Short-Term Rentals

Definition

- According to **Decree 31/2024**, short-term rentals are defined as rentals lasting **60 days or less** for the same tenant within a calendar year.

Requirements

- The property owner must:
 - **Apply for a tourism license.**
 - Comply with the **legal framework governing tourist accommodation**, including safety and quality standards.

Key Points

- Designed for **holidaymakers and tourists.**
- Ideal for properties in high-demand areas like Marbella, Fuengirola, or Málaga during tourist seasons.

Long-Term Rentals

Definition

Long-term rentals fall under the **Spanish Rental Law (LAU)** and are divided into two categories:

1. Seasonal Residence Rentals

- **Purpose:** The tenant has a primary residence elsewhere.
- **Duration:** Ends on the agreed date, with no automatic extensions.
- **Flexibility:**
 - Terms depend on landlord-tenant negotiations.
 - No automatic protections for the tenant, such as capped rent increases.

2. Primary Residence Rentals

- **Purpose:** The tenant uses the property as their **primary residence**.
- **Minimum Term:** 1 year.
- **Automatic Extensions:**
 - Up to **5 years** if the property owner is an individual.
 - Up to **7 years** if the landlord is a legal entity (e.g., a company).
- **Legal Protections for Tenants:**
 - Capped rent increases.
 - Automatic annual lease renewals.

Key Considerations for Property Owners

1. Short-Term Rentals

- Higher income potential during peak tourist seasons.
- Flexible rental periods allow for personal use of the property.
- Require compliance with strict tourism regulations.

2. Seasonal Residence Rentals

- Flexible agreements allow landlords to terminate leases on agreed dates.
- Suitable for medium-term tenants, such as remote workers or temporary residents.

3. Primary Residence Rentals

- Provide stable, long-term income.
- More regulated, offering tenants significant protections.
- Landlords must commit to potential long-term legal obligations.

Conclusion

Whether you choose short-term rentals for flexibility and higher peak-season income or long-term rentals for stability, understanding the regulatory landscape is essential. For short-term rentals, obtaining a tourism license and meeting legal standards is mandatory, while long-term rentals require careful consideration of tenant rights and contract terms

under Spanish law. Consulting with a local legal expert can help you navigate these options and make the most of your property investment.

2.7 Do You Manage Your Rental Property Yourself or Use a Full-Service Provider?

Managing a rental property can seem like an exciting opportunity, but it requires significant time, effort, and expertise. Here's an overview to help you decide whether to take on the responsibility yourself or hire professionals.



What Does Property Management Involve?

1. Marketing and Advertising

- Crafting engaging property descriptions and capturing high-quality photos and videos.
- Listing your property on popular platforms like **Airbnb**, **Booking.com**, and **Vrbo** to attract potential guests.

2. Managing Bookings

- Accepting and confirming reservations across multiple channels, including websites, booking platforms, WhatsApp, Messenger, and email.

3. Optimizing Pricing

- Setting **dynamic pricing** based on seasonality, demand, and market trends to maximize revenue.

4. Guest Check-In and Check-Out

- Welcoming guests and coordinating check-in/check-out processes.
- Managing **key safes or codes** for seamless access.

5. Property Inspection and Maintenance

- Inspecting the property before and after each guest's stay.
- Organizing maintenance and repairs to address wear and tear or unexpected issues.

6. Cleaning Services

- Ensuring the property is cleaned thoroughly, including linen changes, after every stay to maintain high hygiene standards.

7. 24/7 Customer Support

- Providing round-the-clock assistance to guests, addressing their queries, resolving issues, and handling emergencies.

8. Convenience Services

- Offering extras like meal preparation or coordinating excursions for guests.

9. Tax Filing and Reporting

- Managing tax declarations and compliance with local rental income taxation laws.

10. Police Registration of Guests

- Registering guests as required by Spanish law for short-term rentals.

11. Managing Reviews and Feedback

- Responding to guest reviews and addressing feedback to maintain a positive online reputation.

Self-Management vs. Full-Service Provider

• Self-Management:

- Requires you to handle marketing, guest communication, property maintenance, accounting, legal compliance, and more.
- Provides full control but demands significant time, organization, and local knowledge.

• Full-Service Provider:

- Typically charges **20–30% of revenue plus VAT**, but handles all aspects of property management.
- Ideal if you want a hands-off approach while maximizing rental income and ensuring high standards for your property.

Key Considerations

- **Time Commitment:** Can you dedicate time to manage bookings, coordinate services, and handle guest inquiries?
- **Expertise:** Are you familiar with dynamic pricing, Spanish rental laws, and guest registration requirements?

- **Local Presence:** Do you live near the property to respond quickly to issues or emergencies?
 - **Budget:** Are you prepared to pay for a full-service provider, or do you prefer to retain a larger share of the revenue by managing it yourself?
-

Conclusion

If you value full control, enjoy interacting with guests, and have the time to dedicate to property management, self-management may be a rewarding option. However, if you prefer a hassle-free experience with professional oversight, a **full-service provider** can help maximize your property's potential while allowing you to focus on other priorities.

Evaluate your goals and resources carefully to determine the best approach for managing your Costa del Sol rental property.

2.8 Preparing Your Property for Short-Term Rental

Setting up your property for short-term rental involves more than just obtaining a **tourism license**. To attract guests, meet legal requirements, and deliver a great experience, here's a checklist to prepare your property effectively.



Legal and Regulatory Requirements

1. Tourism License and Registration

- Apply for a **tourism license** and ensure your property is registered with the local municipality's tourism registry.
- Verify that your property has an **occupancy permit (Licencia de Primera Ocupación)** or an equivalent document.

2. Homeowners' Association Approval

- Obtain written confirmation from the **homeowners' association** that short-term rentals are permitted.

3. Energy Efficiency Certificate (EPC)

- Secure the mandatory **energy efficiency certificate**, a legal requirement for renting out property in Spain.

4. Safety Compliance

- Install safety equipment, such as:
 - **Smoke detectors.**
 - **Fire extinguishers.**
 - **First aid kits.**
 - Ensure all equipment meets local regulations and is in working order.
-

Property Setup

1. Furnishing and Furniture Selection

- Fully furnish the property, including:
 - Beds, sofas, tables, and chairs.
 - Quality **linens, towels, and kitchenware.**
 - Electronics, such as a **TV and Wi-Fi router.**

2. Necessary Appliances and Amenities

- Equip the property with essentials, including:
 - **Washing machine, dishwasher, refrigerator.**
 - **Air conditioning and heating systems.**

3. Interior Design and Décor

- Create an appealing atmosphere with:
 - Modern **color schemes.**
 - Adequate **lighting.**
 - Thoughtful **décor** to enhance guest comfort and experience.

4. Photos and Virtual Tours

- Hire professionals to create **high-quality photos** and **virtual tours** for marketing your property on platforms like Airbnb and Booking.com.
-

Guest Convenience

1. Information and Documentation

- Provide guests with:
 - Instructions for using appliances, Wi-Fi, and alarms.
 - House rules and emergency contact information.

2. Linens and Supplies

- Stock up on:
 - Fresh **linens** and **towels**.
 - Essentials like **soap, shampoo**, and **toilet paper**.
- Arrange restocking after every stay.

3. Cleaning and Maintenance Plan

- Schedule regular **cleaning services** and **property inspections**.
- Maintain a quick response system for **repairs and maintenance**.

Marketing and Guest Experience

1. Listing Optimization

- Write compelling descriptions highlighting your property's features and amenities.
- Use professional photos to showcase your property's best angles.

2. Pricing Strategy

- Set competitive, **dynamic pricing** based on seasonality and market trends.

Conclusion

Preparing your property for short-term rentals is essential for meeting legal requirements, attracting guests, and ensuring positive reviews. If you're not using a full-service provider, be prepared to manage these steps yourself to keep your property competitive and guest-ready. For a stress-free experience, you may want to consider hiring a professional property management company.

2.9 Preparing Your Property for Long-Term Rental

Preparing your property for long-term rental involves careful planning to ensure it meets tenant expectations, complies with legal requirements, and minimizes risks. Here's a step-by-step guide:



1. Property Preparation and Maintenance

- Conduct a **thorough inspection** to identify and address necessary maintenance or repairs.
 - Ensure the property is in **good condition** and ready for occupancy.
-

2. Furnishing and Equipment Choices

- Decide if the property will be rented **furnished** or **unfurnished**:
 - **Furnished**: Provide durable, high-quality furniture and essential appliances (e.g., refrigerator, stove, washing machine).
 - **Unfurnished**: Remove excess furniture if it's not included in the rental agreement.
-

3. Tenant Selection Criteria

- Establish clear criteria for tenants:
 - Are **families** or **pets** allowed?
 - Is **smoking** permitted?
 - Setting expectations upfront helps attract the right tenants and reduces risks.
-

4. Legal Compliance

- **Energy Efficiency Certificate (EPC)**: Secure the mandatory certificate for rental agreements in Spain.
 - **Lease Agreement**: Draft a comprehensive contract including:
 - Rent amount and payment terms.
 - Lease duration and renewal terms.
 - Responsibilities for repairs and maintenance.
 - House rules (e.g., noise, subletting).
 - **Legal advice**: Consult a professional to ensure the agreement complies with Spanish rental laws.
-

5. Safety and Insurance

- Install or check safety measures, such as:
 - **Smoke detectors** and **fire extinguishers**.
 - Secure **locks** for doors and windows.
 - **Insurance:** Obtain property insurance and consider **tenant default insurance** to protect against non-payment or damages.
-

6. Utilities and Contracts

- Update utility contracts (electricity, water, gas, internet):
 - Transfer them to the **tenant's name**, if applicable.
-

7. Marketing and Advertising

- Promote your property on suitable channels, including:
 - Real estate portals, local newspapers, and social media.
 - Highlight key features like location, amenities, and tenant-friendly policies (e.g., pet-friendly).
-

8. Handover Protocol

- Prepare a **handover document** that includes:
 - An inventory of furniture and appliances (if furnished).
 - The condition of the property.
 - This document helps prevent disputes at the end of the lease.
-

Conclusion

Preparing your property for long-term rental requires attention to detail, from legal compliance to tenant selection and property maintenance. By following these steps, you'll create a positive experience for both you and your tenants while safeguarding your investment. For added peace of mind, consult professionals to assist with lease drafting, tenant screening, and property management.

2.10 Building and Diversifying Your Property Portfolio

Investing in real estate on the Costa del Sol offers lucrative opportunities, whether you're an individual buyer or a large investor. Here's how we can assist you in building a profitable and diversified property portfolio.



How Can We Help?

1. Data-Driven Insights

- Using platforms like **Idealista**, **AirDNA**, **Booking.com**, and **Airbnb**, along with market research data, we provide:
 - **Average occupancy rates** for target areas.
 - **Daily rental prices** to estimate revenue potential.
 - **Seasonal trends** to optimize investment strategies.

2. Property Selection and Analysis

- We guide you in evaluating properties by considering:
 - **Purchase price** and potential renovation costs.
 - **Rental income projections** for short-term or long-term rentals.
 - Market trends and future value potential.

3. Portfolio Diversification for Large Investors

- We assist in creating a diversified portfolio by combining high-yield short-term rentals, stable long-term rentals, and value-added properties.

What Could Your Real Estate Portfolio Include?

1. Coastal Vacation Apartments

- Studios, 1-bedroom apartments, or larger 4+ bedroom units in high-demand tourist areas.

2. Apartment Complexes

- Example: A **9-apartment building in Las Lagunas**, fully renovated and priced at **€1,500,000** (October 2024).

3. Hostels or Boutique Hotels

- Ideal for short-term rentals targeting groups or upscale travelers.

4. Long-Term Rental Apartments

- Apartments designed for **families** or **remote workers**, offering stable, year-round income.

5. New Developments

- Properties in the **early stages** of development, offering lower purchase prices and high potential for future value appreciation.

6. Renovation Properties

- Affordable properties in need of upgrades, where renovation can significantly increase their market value.

Why Diversify?

A diversified property portfolio balances **high-yield investments**, **steady income streams**, and **long-term growth opportunities**, ensuring stability and profitability across market conditions.

Interested in Building Your Portfolio?

Contact us at triin@merlishomes.com to explore the best options tailored to your investment goals. Let us help you make informed, strategic decisions for long-term success in Costa del Sol's dynamic real estate market.



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