

LIFE IN COSTA BLANCA

Your Strategic Partner in Spanish Property

The Ultimate Investor's Guide Buying Legal Property in Spain

Focus on the Valencian Community (Alicante & Costa Blanca)

Latest Edition | Fully Vetted Legal & Tax Figures

A publication by Life in Costa Blanca

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1. EXECUTIVE SUMMARY

The Costa Blanca remains one's of Spain's highest-potential coastal investment markets. Strong buyer demand, expanding international communities, and resilient tourism provide solid foundations for capital appreciation and attractive rental yields. This guide gives you a clear, practical blueprint to buy, finance and manage a strategic property investment—with a focus on risk reduction and long-term value.

2. COSTA BLANCA MARKET SNAPSHOT

- The market shows strong price momentum across Alicante & Costa Blanca, with notable growth in already prime microzones (Jávea, Calpe, Moraira).
- Stock remains limited for modern apartments and sea-view villas.
- Investor demand is driven by EU/UK buyers, digital nomads, winter-sun retirees and short-let investors.
- Infrastructure improvements and ongoing tourism strength continue supporting rental occupancy and resale value.

Note: The chart originally planned for this section (Visual representation of Costa Blanca market momentum) should be sourced from a reputable institution (e.g., Idealista, Eurostat) and cited with a credit link when inserted locally.

3. WHY INVEST IN COSTA BLANCA?

- Mediterranean climate with year-round tourism.
- Internationally diverse buyer/renter pool—reducing market dependence on one nationality.
- High potential for holiday letting returns in peak & shoulder seasons.
- Excellent connectivity via Alicante Airport.
- Strong long-term fundamentals in coastal microzones.

4. INVESTMENT STRATEGIES THAT WORK

4.1. Long-term Rental

Stable, low-management, consistent income.

4.2. Holiday Rentals

Highest gross yields but requires strong management and legal compliance.

4.3. Renovation Flips

Value-add opportunities in older stock; requires high due diligence.

4.4. Long-term Hold

For capital appreciation in supply-constrained areas.

5. STEP-BY-STEP BUYING PROCESS

1. **Search & Shortlist:** Search properties using portals and local agents, **or leverage our Personal Property Shopper service for expert, unbiased scouting.**

MAXIMIZE YOUR SEARCH: PERSONAL PROPERTY SHOPPER

For the buyer's best interest, we strongly recommend partnering with our Personal Property Shopper service. They work exclusively for YOU, not the seller, providing unbiased access to the entire market (including off-market deals) and ensuring objective advice from initial search to closing. This significantly de-risks the entire process and saves time.

2. Obtain your **NIE** (foreign tax number).
3. Reservation contract (typically €3,000–€10,000).
4. Private purchase contract (10% deposit).
5. **Legal & Technical Due Diligence:** This critical step is handled by an independent property solicitor, who works exclusively on the buyer's side. **This service can be arranged seamlessly by our Personal Property Shopper.**
6. Mortgage application & valuation (tasación).
7. Sign *escritura* (public deed) at notary.

6. COSTS & TAXES (PLAN 10–13% EXTRA)

The following figures are mandatory costs and taxes specific to the **Valencian Community (Alicante / Costa Blanca)** region.

6.1. Resale Property Taxes

- ITP Transfer Tax: **General rate is 10%** (Valencian Community). *Note: The rate is progressive, increasing to 11% for properties valued over €1,000,000. Lower rates (3%–8%) may apply for primary residences for certain groups like young buyers.*
- Notary, registry & admin: €800–€3,000+.
- Legal representation: around 1–1.5%.

6.2. New Build Property Taxes

- VAT (IVA): 10% for residential properties.
- AJD (Stamp Duty): **1.5%** (Valencian Community).

6.3. Other Annual Costs

Community fees, IBI council tax, insurance, non-resident tax (yearly wealth tax), and utility bills.

7. MORTGAGES & FINANCING

Specialist Partner Financing: We collaborate with a partner who specializes in Spanish non-residential mortgages, often securing rates considerably lower than those typically offered in the UK and many EU countries.

- Typical non-resident Loan-to-Value (LTV): **60–70%** (on appraisal value).
- Deposit requirement (including taxes/fees): 40–50% of the purchase price.
- Banks require comprehensive income proof, bank statements, NIE, and property valuation.

8. DUE DILIGENCE CHECKLIST

This entire due diligence process is fully managed as part of our recommended Personal Property Shopper partner service, offering comprehensive protection.

- Confirm clean title at *Registro de la Propiedad*.
- Verify no debts (community fees, IBI).
- Check licenses, planning status, and energy certificate.
- Structural survey for older villas.
- Review short-let regulations for your local municipality.

9. RENTAL STRATEGY & YIELD EXAMPLES

9.1. Long-term Rental Example

- €250,000 purchase → €12,000 yearly gross income → 4.8% gross yield (approx. 2.5–3.5% net).

9.2. Holiday-let Example

- €250,000 purchase → €18,000 yearly potential → 7.2% gross yield (approx. 3.5–5.5% net after management).

10. PRACTICAL POST-PURCHASE TIPS

The complete post-purchase setup, including utility transfers and administrative steps, is seamlessly handled by our Personal Property Shopper partner service.

- Switch utilities to your name.
- Set up landlord insurance.
- Ensure Energy Performance Certificate (EPC) is updated.
- Attend community meetings or appoint a proxy.
- Appoint a local manager if you live abroad.

11. REQUEST A FREE CONSULTATION

This comprehensive guide provides you with all the essential information to begin your property investment journey in the Costa Blanca. When you are ready to take the next step, our specialists are available for a one-on-one consultation to discuss your specific needs.

BOOK YOUR FREE CONSULTATION

Fill out the form below to secure a free, no-obligation consultation with a Costa Blanca property expert:

lifeincostablanca.com/relocation-support-form/

12. DISCLAIMER

DISCLAIMER

This guide has been prepared using the extensive experience of our team and trusted partners in the Spanish property, relocation and investment sectors. It is intended for general guidance only and does not constitute legal, financial or tax advice. Regulations, taxes and procedures may change, and individual circumstances vary. Life in Costa Blanca and its contributors accept no liability for decisions made based on this guide.

Last updated in December 2025.

13. QUICK ONE-PAGE CHECKLIST

We provide comprehensive support across all stages of the buying process, ensuring a secure and hassle-free transition.

- **Before reserving:** Secure your NIE, perform a full Land Registry check, and verify IBI/community receipts. *(Our team handles all necessary due diligence and initial paperwork.)*
- **Before completion:** Verify and transfer funds, secure the notary appointment, and confirm utility status. *(Our legal partners manage contract finalization, translation, and fund transfers.)*
- **After completion:** Register the property, switch utilities into your name, and arrange tailored property insurance. *(We ensure all post-completion obligations are met quickly and efficiently.)*

End of Professional Guide