Estudio Jurídico
ALTA MEDIACIÓN

# Real Estate Taxation in Spain: A 2026 Reference Note

*An overview of the taxes affecting the purchase, rental and ownership of real estate in Spain, for residents, non-residents, individuals and companies.*

# In this this note



# Introduction

In Spain, taxes are split between the State, the autonomous communities and municipal councils, and much of the rate that applies to a property depends on where it is located, not where its owner resides. There is no single tax on real estate income or gains: individual income tax (IRPF) or corporate income tax, VAT or transfer tax (never both on the same transaction), municipal real estate tax (IBI), the municipal capital gains tax, and, for those who hold significant wealth, the wealth tax and the solidarity tax on large fortunes, all coexist.

This note summarises the full picture as of 2026, always distinguishing between resident individuals, non-resident individuals, resident companies and non-resident companies, since these are the four situations that change the applicable rate in almost every section.

**This note is long.**
Keep it as a PDF to consult whenever you need it.

*Summary table: income and gains*

| Taxpayer | Item | Tax | Rate (2026) |
|---|---|---|---|
| Resident individual | Rental income | Personal income tax | 19% – 30% (general scale) |
| Resident individual | Capital gain | Personal income tax | 19% – 30% (savings scale) |
| Non-resident individual | Rental income | Non-resident income tax | 19% (EU/EEA) / 24% (other) |
| Non-resident individual | Capital gain | Non-resident income tax | 19% |
| Resident company | Rental income | Corporate income tax | 25% |

| Taxpayer | Item | Tax | Rate (2026) |
|---|---|---|---|
| Resident company | Capital gain | Corporate income tax | 25% |
| Non-resident company | Rental income | Non-resident income tax | 19% (EU/EEA) / 24% (other) |
| Non-resident company | Capital gain | Non-resident income tax | 19% |

## 1. Rental income

### *Individuals*

Residents are taxed on rental income within their personal income tax, in the general base, together with the rest of their employment or business income, at the progressive rates of each bracket (up to 47%–54% depending on the autonomous community at the top marginal rate). They may deduct expenses linked to the property (community fees, IBI, depreciation, interest, repairs) and, when the property is let as the tenant's habitual residence, apply a reduction on the net income that varies by autonomous community and by the terms of the lease.

Non-residents are taxed under the Non-Resident Income Tax (IRNR) only on Spanish-source income, without the reductions available to residents. The general rate is not 24% for everyone: for residents of another European Union or European Economic Area state the rate is 19%, and they may deduct expenses directly related to obtaining the income; for all other non-residents the rate is 24% on gross income, with no deduction of expenses.

### *Companies*

A resident company is taxed on rental income as ordinary business income, within corporate income tax, at the general rate of 25%. A non-resident company without a permanent establishment in Spain is taxed under IRNR on the same terms as a non-resident individual: 19% if resident in the EU/EEA, 24% otherwise. If the non-resident company operates in Spain through a permanent establishment, it is taxed under corporate income tax rules, with some limits on the deduction of certain payments to its head office.

## 2. Capital gains

### *Resident individuals*

As of 2026, the savings-base scale, which taxes gains from the sale of real estate, is as follows:

| Gain | Rate |
|---|---|
| Up to €6,000 | 19% |

| Gain | Rate |
| --- | --- |
| €6,000 – €50,000 | 21% |
| €50,000 – €200,000 | 23% |
| €200,000 – €300,000 | 27% |
| Above €300,000 | 30% |

Each bracket is taxed only on the portion of the gain that falls within it, not on the total. The 30% bracket is new for 2026: until the previous tax year the maximum was 28%.

*Non-resident individuals*

Taxed at 19% on the gain, with no progressive scale. The buyer is required to withhold 3% of the agreed price and pay it on account of the non-resident seller's tax (form 211). If the withholding exceeds the final tax due, or if there is a loss, the seller may request a refund using form 210.

*Companies*

Resident companies are taxed on the gain as ordinary results, at the 25% corporate income tax rate. Non-resident companies are taxed at 19% under IRNR, the same as non-resident individuals.

*Municipal capital gains tax* (IIVTNU)

In addition to the state tax on the gain, the transfer of urban real estate triggers the Tax on the Increase in Value of Urban Land, a municipal tax that taxes the increase in the value of the land (not the building) since acquisition. It is paid by the seller, and is a deductible expense in that year's personal or corporate income tax. If it is shown that there has been no real increase in value, the tax is not due.

## 3. VAT and transfer tax

These two taxes are mutually exclusive on the same transfer: where VAT applies, transfer tax does not, and vice versa.

*When VAT applies*

If the transferor acts as a business or professional for VAT purposes and delivers a new or substantially refurbished building (a first transfer), the transaction is subject to VAT. The buyer bears the VAT charged, at 10% for residential property (or 4% for subsidised housing in some regions) and 21% in other cases (offices, commercial premises, parking spaces not linked to a home).

Second and later transfers are, in general, exempt from VAT. The exemption may be waived where the buyer is entitled to fully or partially deduct VAT in their business activity, in which case the reduced 10% rate applies (21% in other cases) under the reverse-charge mechanism, with the buyer self-assessing the VAT.

*When transfer tax applies*

Where the above conditions are not met, the transfer of a used property is taxed under the onerous-transfer form of Transfer Tax and Stamp Duty (ITP y AJD), a tax ceded to the autonomous communities, which set their own rate within a range that runs, depending on the territory, from 6% to 11–13% of the property's reference value (or the price, if higher). Madrid applies a flat 6% rate; other communities such as Catalonia, Aragón or Extremadura apply higher rates, with progressive brackets based on value.

Catalonia has also introduced, since 2025, a special 20% rate for acquisitions by “large holders” (anyone owning more than ten residential properties in Spain, or five in areas declared under stress in the housing market) and for the purchase of entire residential buildings.

*Rentals and* VAT

Renting out a home for residential use is exempt from VAT. If the tenant is a company that sub-lets it to its employees as housing, it remains exempt; if the landlord also provides hotel-type services (regular cleaning, linen changes, catering), the transaction becomes subject to VAT at the reduced 10% rate.

## 4. Local taxes: IBI

The Real Estate Tax (IBI) is an annual municipal tax calculated on the cadastral value of the property (the administrative value, not the market value). The rate is set by each municipal council within a legal range: between 0.4% and 1.10% for urban properties, and between 0.3% and 0.9% for rural properties, with the possibility of surcharges in large municipalities or for non-residential properties. It is paid by whoever owns the property or holds a real right of use over it on 1 January of each year, and is a deductible expense if the property generates income.

## 5. Wealth tax and large fortunes

*Wealth tax*

This is a state tax ceded to the autonomous communities, which taxes the net worth of individuals as at 31 December each year. Residents are taxed on their worldwide assets; non-residents, only on assets and rights located in Spain.

The state exempt minimum is €700,000 per taxpayer, but each region may change it: Catalonia sets it at €500,000, Aragón at €400,000, and the Comunitat Valenciana at €1,000,000. In addition, anyone who habitually lives in their home has a further exemption of up to €300,000 on its value.

The state scale is progressive, running from 0.2% up to 3.5% at the top bracket (net worth above roughly €10.7 million), but several regions apply 100% rebates on the tax due, which in practice eliminates the tax: this is the case in Madrid, Andalucía, Cantabria, La Rioja and the Región de Murcia.

### *Solidarity tax on large fortunes*

Introduced in 2022 as a state-level complement to the wealth tax, precisely to neutralise the effect of those regional rebates on the largest estates, and still in force. It taxes net worth above €3,000,000, on this scale:

| Net worth | Rate |
|---|---|
| Up to €3,000,000 | Exempt |
| €3,000,000 – €5,347,998 | 1.7% |
| €5,347,998 – €10,695,996 | 2.1% |
| Above €10,695,996 | 3.5% |

Regional wealth tax already paid is deducted from the amount due under this state tax, so that anyone who already pays in their region does not pay twice on the same wealth; anyone who benefited from a regional rebate ends up paying the equivalent amount to the State.

## 6. Vehicles for real estate investment

### *Limited liability company (SL)*

This is the most widely used vehicle for holding real estate in Spain. Since Law 18/2022 on the creation and growth of businesses, the minimum share capital is just €1, which has considerably simplified incorporation. It is taxed at the 25% corporate income tax rate on its profits, and its shareholders are not personally liable for the company's debts beyond their contribution.

### *Civil partnerships and limited partnerships*

Civil partnerships with a commercial purpose and simple limited partnerships are also taxed under corporate income tax at 25%. In joint ventures (UTEs), common in development and joint construction projects, the result is attributed to resident member companies without additional taxation at the joint venture level; the portion attributable to non-resident members is taxed at the general 25% rate.

### SOCIMI *(Spanish REIT)*

The Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario is the Spanish equivalent of the international REIT. It requires a minimum share capital of €5,000,000, listing on a regulated market or multilateral trading facility in Spain or the EEA, at least 80% of its assets invested in urban real estate for rent, land for development or holdings in similar entities, and at least 80% of its income coming from rent or from dividends on those holdings.

In return, it is taxed at 0% corporate income tax on the income that meets the regime, provided it distributes as dividends 100% of profits from dividends on qualifying holdings, at least 50% of capital gains from the sale of properties or holdings (after the minimum three-year holding period) and at least 80% of remaining profits. A special 15% levy applies to whatever is not distributed within the deadline.

### *Real estate investment funds*

These are collective investment schemes whose main purpose is investing in urban real estate for rental, which must be managed by a management company with proven experience in real estate and financial markets. They require a minimum equity of €9,000,000 and at least 70% of the market value of their assets in real estate and qualifying holdings. In return, they are taxed at the reduced 1% corporate income tax rate.

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*Disclaimer. This text is for information purposes only and does not constitute legal or tax advice, nor does it create any professional relationship. The rates and thresholds cited correspond to the 2026 tax year and vary depending on the autonomous community, the type of property and the taxpayer's personal circumstances. Before making any decision on the matters discussed here, you should consult a professional who can review your specific case.*

## Do you own real estate in Spain and aren't sure which regime applies to you?

At Alta Mediación we help residents and non-residents, individuals and companies, review the taxation of their real estate in Spain: which tax applies to each transaction, which vehicle suits a new investment, and which regional exemptions or rebates can be used. In the first consultation we identify what is already optimised and what isn't.

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