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The Investor's Guide 2026

COSTA DEL SOL & COSTA BLANCA

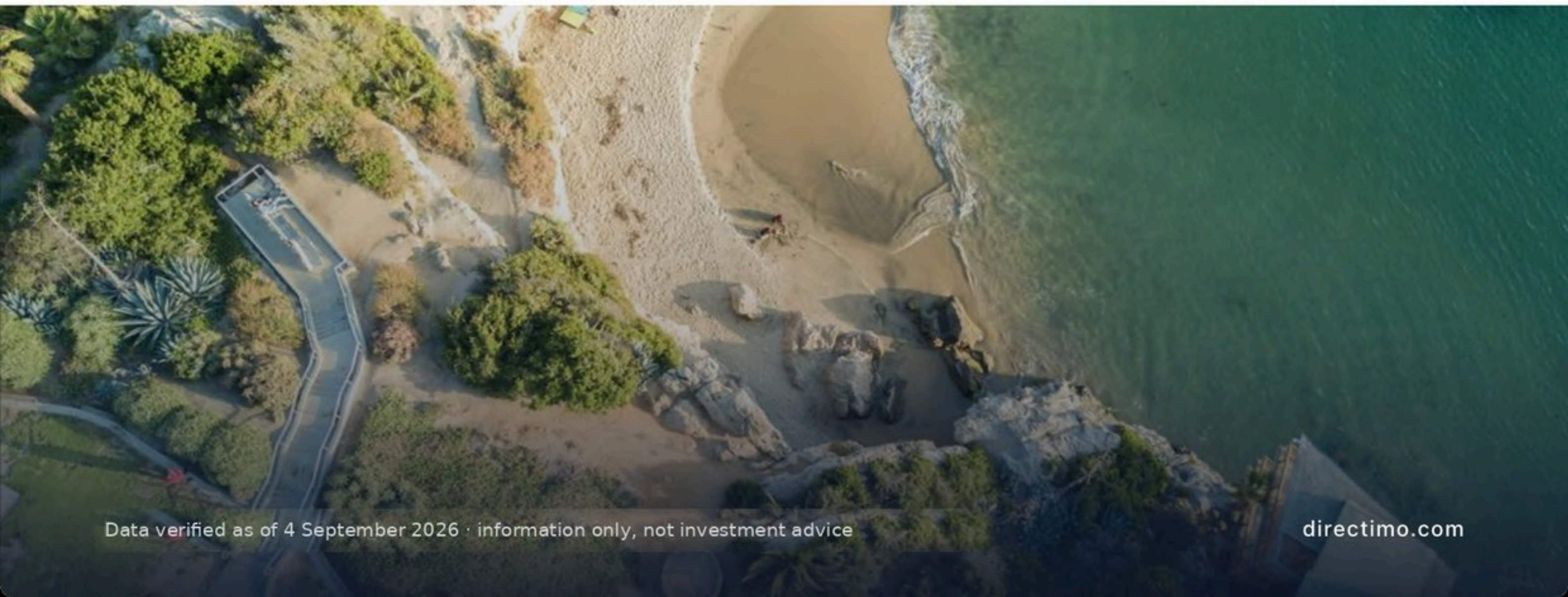
Real yields after all costs, real transaction prices and the rental rules that changed in 2024–2026 — with the lifestyle those coasts actually buy you.

2,8–3,5%
Real net rental yield, after all costs and tax

~4,5%
Achievable net, with clear selection criteria

+8,3% / +6,4%
Annual appreciation, Málaga / Alicante · 2019–2025

8–10%
Total return on capital, before financing



DIRECTIMO INTELLIGENCE

Costa del Sol & Costa Blanca — The Investor's Guide 2026

Real yields after all costs · real transaction prices · the new rental rules

September 2026 · data verified as of 4 September 2026

> **In short**
>
> **Rental yield:** advertisements will show you 8–10%. After all costs and taxes, the market's real average is 2.8–3.5% per year; a property chosen with clear criteria can sustain ~4.5% net (the best documented cases in our models: 4.2–4.3%).
>
> **Appreciation:** +8.3% per year in Málaga and +6.4% in Alicante over the last six years, on actual transaction prices. Measured after inflation over eleven years, Málaga is the strongest province in Spain, at +5.2% a year (Bank of Spain, June 2026). Together with rent, the total return on capital reaches 8–10% per year, before any financing.
>
> **Financing:** bank loans at ~3% — the rent covers the mortgage payments, while appreciation works on the property's full value.
>
> **What follows in this guide:** how each engine works, with verifiable figures; the rental rules that changed in 2024–2026; the five investment strategies — off-plan, mid- or long-term letting, apart-hotels, resales with a tourist licence; and why these two coasts concentrate Europe's largest demand.

1. Where the return comes from: three engines

As everywhere in real estate, the profit is made at purchase: when you sell, you sell at the market. What you buy — the micro-location, the product, the licence status, the entry price — separates outcomes far more than market timing does. A well-constructed investment in Southern Spain rests on three engines working together: rent, appreciation and financing. Let's take them one at a time, with the real numbers.

1.1. Rent: what is left after all the costs

The gross yield shown in property marketing for tourist rentals (STR — short-term rental, by the night or week) is 8–10% — a real figure, but before any cost. Deduct the acquisition costs (9–14% on top of the price), furnishing, management, platform commissions, community fees, IBI (the annual property tax), utilities, insurance, accounting, repairs and the 19% income tax, and the picture looks like this:

Segment	Net per year, after all costs and tax*	Notes
Tourist rental, standard operation	2.8–3.5%	The typical case of a “good” property, bought and operated without particular optimisation
New apartment with facilities, optimised operation (~€350,000)	~4.2%	10.5% gross on new stock at premium rates; 4.2% net after tax on total cost
Property chosen with clear criteria	~4.5%	A selection benchmark, not an average; best documented cases: 4.2–4.3% (optimised new apartment · renovated resale, Marbella East)
Mid-term (2–11 months)	~2.5–4%	No tourist licence needed; much lower running costs — in optimised new projects it reaches ~4%, close to the tourist net
Long-term (12+ months)	~2.5–3.5%	Vacancy close to zero; annual rent increases are legally capped (the IRAV index — see 3.3)

*Net = after all acquisition, furnishing and operating costs and the 19% income tax (EU/EEA), calculated on the total acquisition cost. Internal models on properties actually analysed, 2023–2026.

1.2. Appreciation: what the transaction prices say

Over the last six years, notarial transaction prices rose **+8.3% a year in Málaga** and **+6.4% a year in Alicante**. Measured after inflation over a longer window, the Bank of Spain's 2025 Annual Report ranks **Málaga first among all Spanish provinces for real house-price growth between 2014 and 2025, at +5.2% a year**, ahead of Madrid and the Balearics. That is compounding through a full cycle, including the 2020 shutdown and the 2022–2023 rate shock.

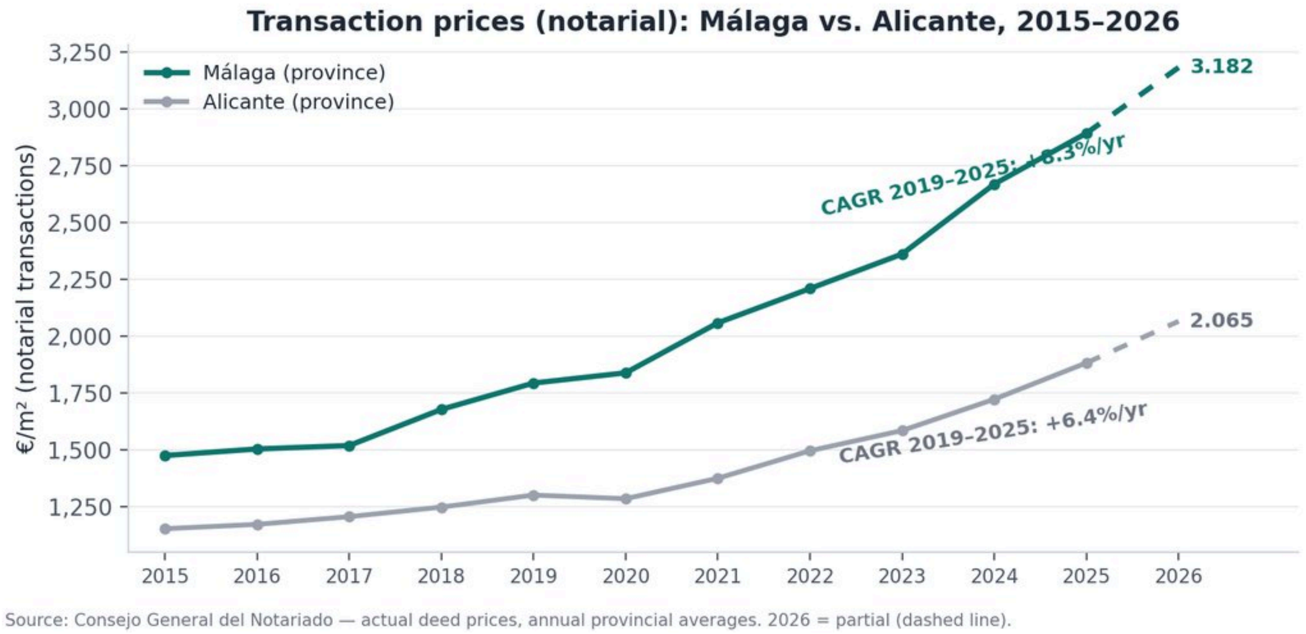


Fig. 1 — Notarial transaction prices, provincial averages (annual series). Snapshot May 2025–April 2026: Málaga €3,019/m², 33,279 transactions, average transaction €364,378; Alicante €1,978/m², 52,847 transactions, average €203,488.

What happened in 2008 — and why where you buy matters

Any long-term decision deserves to be tested against the last full cycle. The 2008 crisis hit property markets across Europe — from Ireland to the United Kingdom — and Spain was among the hardest hit: the average home value fell 42.6% from its 2007 peak (Tinsa — Spain's largest property valuer; appraisal values), and the Mediterranean coast, the epicentre of overbuilding, fell more than 51%.

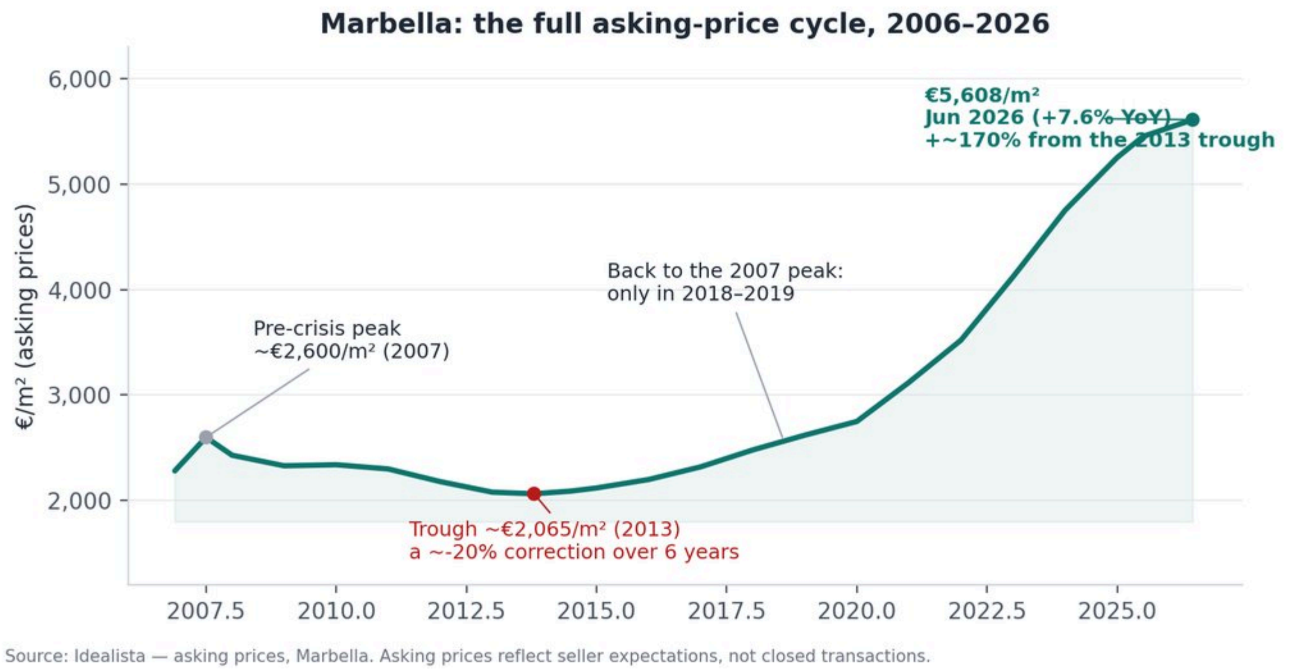


Fig. 2 — The full Marbella cycle, 2006–2026, on asking prices (Idealista). Rebuilt and annotated by Directimo.

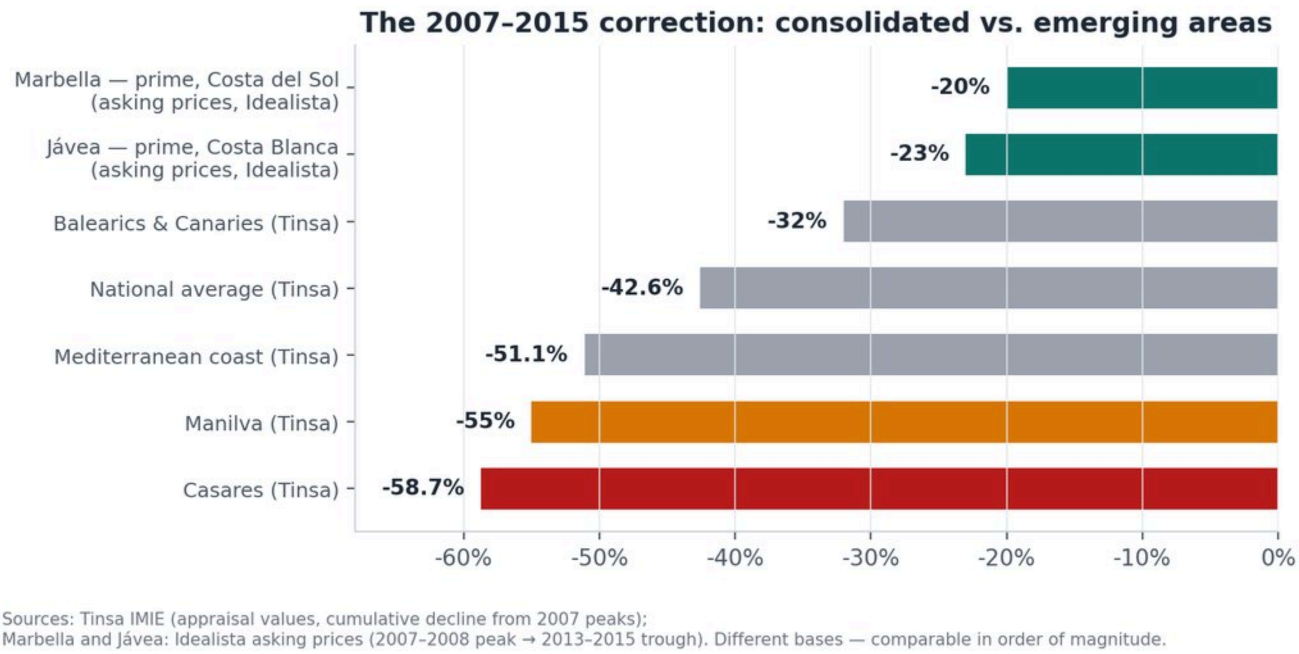


Fig. 3 — Cumulative decline from the 2007 peaks (Tinsa, appraisal values); for Marbella and Jávea, the figures are based on asking prices (Idealista) — different bases, comparable in order of magnitude.

The useful lesson lies in the differences between areas. Within the very same coast, consolidated areas lost a fifth of their value, while overbuilt emerging towns lost more than half: Casares -58.7% and Manilva over -55% (Tinsa) — both, today, active development areas once again. The pattern repeats on the Costa Blanca: Jávea, an equivalent prime market, corrected ~-23% on asking prices and stands today at €4,118/m² (+7.6% vs. June 2025).

> **What to take away:** yield is inversely related to market maturity. An emerging area, if development is sustained, can offer higher yields and faster appreciation at the same time — but history shows a downside almost three times larger than in consolidated micro-markets when the cycle turns. In emerging areas, choosing the right project and the right phase matters more than the area itself.

Is this cycle different from 2007? What has changed structurally

- **Supply has inverted:** at the peak of the boom, ~865,000 homes were started per year, and production exceeded household formation by an average surplus of ~125,000 units a year (Bank of Spain). Today the ratio is reversed: ~242,000 households are formed each year while building permits cover only ~141,000 — six new homes for every ten households (AIReF), with a cumulative deficit estimated by BBVA Research at ~885,000 homes by 2027. The 2008 correction started from a mountain of unsold stock; today's market runs on a shortage of it.
- **Developers no longer build on client money without a safety net:** banks finance construction only after a pre-sales threshold (typically ~50% — standard post-crisis banking practice), buyers' deposits are mandatorily guaranteed by a bank or insurer (Law 20/2015), and in practice the guarantees are issued only once the building permit is in place.
- **Credit is prudent:** predominantly fixed rates, debt payments capped at ~35% of income and real deposits of 30%+ — versus the 100%+ variable-rate loans that fuelled the 2003–2007 cycle. Only 13% of Spanish purchase mortgages carried a loan-to-value above 80% in 2025 (Bank of Spain).
- **Foreign demand no longer depends on one country:** in the last cycle it was dominated by British buyers, and the pound's ~30% devaluation in 2008–2009 cut it off exactly at the peak of supply. Today, the leading nationality in each province accounts for only ~13% of foreign purchases, with active demand from more than ten markets (section 4) — plus a new, permanent layer: relocated professionals, remote workers and retirees.

These conditions do not eliminate market cycles. They reduce the probability of a repeat of the 2008 mechanism — oversupply financed by cheap credit — and the lesson of the differences between areas holds in any scenario.

1.3. Bank financing: what the rent covers, and where the gain comes from

Spanish banks lend EU non-residents up to **70% of the property value**. Fixed rates for strong non-resident profiles run from around **3%**, in a market ranging between 2.8% and 4.5%. Income from any EU country is accepted; total debt payments are prudently capped at ~35% of net income.

Rates turned during 2026. The European Central Bank raised its policy rate in June 2026, its first increase in almost three years, and the twelve-month Euribor averaged **2.95% in August 2026** against 2.11% a year earlier. Variable-rate offers have moved up with it, and lenders have become more selective on second-home financing. Mortgage pre-approval before making an offer carries more weight than it did twelve months ago.

Here is the calculation worth understanding precisely: at these rates, the rent from a well-chosen property with a strong property-management service covers roughly the mortgage payments — not much more. Net cash flow after the mortgage is close to zero in the first years. The gain comes from elsewhere: appreciation applies to 100% of the property's value, while your capital tied up is ~30%. In practice, the property pays for itself in the years when you only use it a few weeks — and the return on your own capital compounds fast:

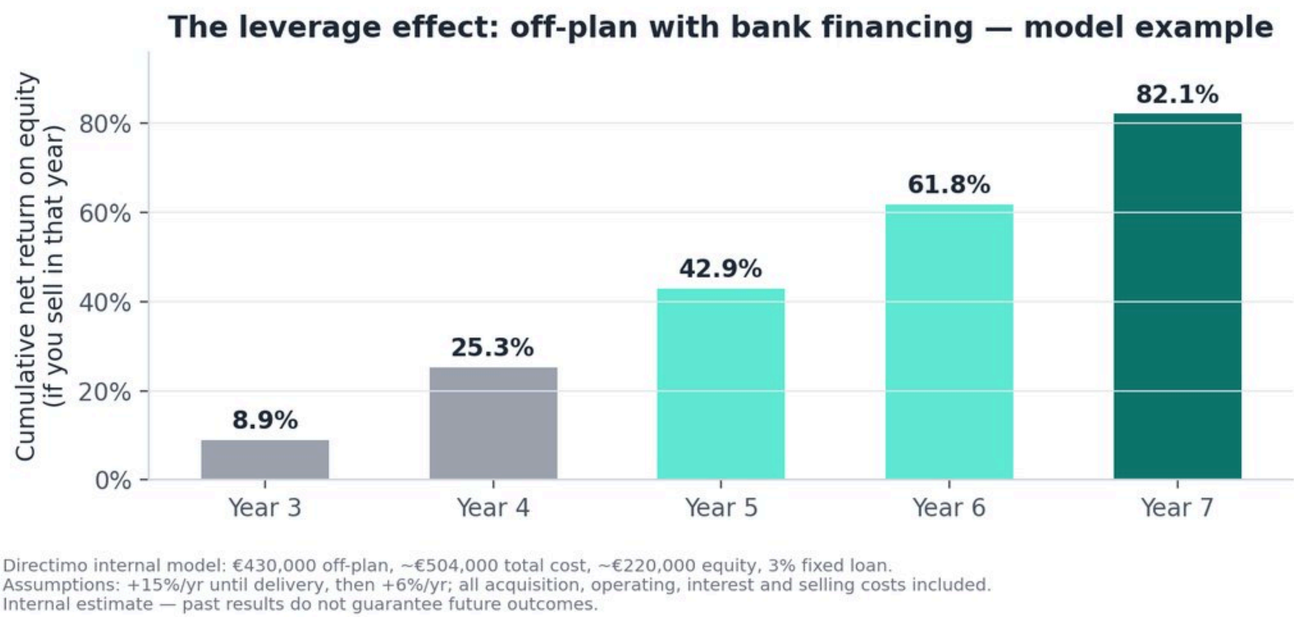


Fig. 4 — Model example: a €430,000 off-plan apartment with financing; cumulative net return on equity if you sell in the given year (all costs, interest, commissions and selling taxes included). In the first two years a sale is loss-making because of transaction costs — the minimum rational horizon is 5–7 years; Spain is not a quick-flip market.

The appreciation assumption in the model is deliberately moderate: **+6%/yr** after delivery — below Málaga's six-year notarial average (+8.3%) and far below BBVA's forecast for the current year (+12%). The model runs on a 3% fixed loan; a higher rate reduces the early-year returns without changing the shape of the curve. Our working principle: every purchase is modelled first without financing; any financed scenario is a sensitivity analysis, not a promise. For budgets above €500,000 there are also leveraged private-banking structures — for example Caixa, through its Luxembourg private-banking arm: a Lombard loan against low-risk funds, which frees up liquidity for the property purchase; exact terms are confirmed with the bank at the time of purchase, and your advisor can make the introduction.

Want these numbers run on your own budget? **Book a 25-minute consultation** — we define your criteria and you receive the full model on 2–3 suitable properties.

2. Tourist rental rules: what to know before you make an offer

The tourist licence is called VUT on the Costa Blanca and VFT on the Costa del Sol — an authorisation per property, entered in the regional tourism register. Legislation tightened visibly in 2024–2026, and that changes the arithmetic: new licences are getting harder to obtain, so existing ones are worth more and more. Four things to remember — the full legal detail is in Annex D.

2.1. The building's own rules come first

Many older blocks on both coasts — built between the 1960s and the 1980s — carry community statutes that prohibit lodging use. Where such a clause is registered against the building, tourist letting is prohibited, the licence cannot be exploited, and the neighbours do not need to vote on anything. The Supreme Court confirmed this in April 2026 and applied it to a property that had been operating legally since 2018.

This is settled by reading the statutes registered against the building, alongside the minute book — a check made before the offer, not after. It matters most in the older apartment stock: Benidorm, Calpe, Torrevieja and central Alicante on the Costa Blanca; the older urbanisations of Fuengirola, Torremolinos and Benalmádena on the Costa del Sol.

2.2. The neighbours decide — but only for new activity

Where no such clause exists, starting a new tourist rental in an apartment building has needed, since April 2025, the express approval of the community of owners (the equivalent of a homeowners' association, but with stronger powers): 3/5 (60%) of owners and of ownership shares. The rule has been inverted: it used to be allowed unless prohibited; now it is the reverse. The good news: the rule is not retroactive. A property operating legally before April 2025 continues to operate; at most, the community can charge it a service-fee surcharge of up to 20%.

2.3. Some town halls have stopped issuing new licences

- **Costa del Sol:** Málaga city is issuing no new tourist-home licences until August 2028, and since July 2026 has also frozen hotels and tourist apartments on residentially zoned land until 2029. Fuengirola restricts licences structurally (no separate street access, no licence) and has raised charges on tourist apartments. In Marbella, ground-floor commercial premises can no longer be converted into tourist apartments. Manilva has an ordinance in preparation — confirm the current position with the town hall.
- **Costa Blanca:** Alicante city has suspended new licences while it finalises a permanent per-district limit; the courts upheld the suspension in February 2026. Jávea set a municipal ceiling in May 2026, allocated neighbourhood by neighbourhood, with little headroom left. Altea has zone-by-zone limits in force since July 2026. Dénia moved the other way in August 2026 and relaxed its rules. The rest of the coast remains, in general, open — but the regime must be checked town by town, before you make an offer.

2.4. On the Costa Blanca, the register itself is being cleaned

The Valencian authorities have been removing registrations that fall short of the current requirements: more than 18,000 were cancelled during 2025, and a further review is under way, most of it turning on the municipal planning-compatibility certificate behind each entry. Some listings still advertise a number that has already gone. What counts is the registration's current status and the certificate behind it, checked at the address, before the offer.

2.5. The two coasts have different rules — and that shapes your strategy

	Costa Blanca (Valencian Community)	Costa del Sol (Andalucía)
When you need a licence	Only for stays of up to 10 days. From 11 days on, it is a seasonal let — an ordinary contract, no licence	For any stay under 2 months. Over 2 months — a seasonal contract, no licence
What that means in practice	Stays of 2 weeks – 3 months (digital nomads, wintering northerners, clients test-driving the area) can be operated legally without a licence	The same 3-week stay requires a licence; mid-term starts from 2 months
How long the licence lasts	5 years, then renewal (with a favourable planning report and a certificate from the community). Licences pre-dating August 2024 are valid until August 2029	It does not expire — it remains valid as long as the conditions are met
What happens on a sale	The licence does not pass automatically to the buyer: a change-of-owner declaration is filed and it must be confirmed that current planning rules still allow tourist use at that address	The licence passes with the property: the buyer simply notifies the change of owner — no new vote of the neighbours (official clarification, July 2025), provided the building's statutes permit the use
The risk to watch	The 5-year renewal: if the town hall has meanwhile restricted the zone or the community has prohibited the activity, renewal can be refused. Registrations are also being audited against the planning certificate	New licences are getting harder to obtain, and the number of registered tourist homes in Málaga province fell 6.6% in the year to May 2026 — an existing licence is an increasingly valuable asset

The practical conclusion: the Costa Blanca is structurally better suited to mid-term letting (from 11 days, no licence) and more fragile for pure short-term; the Costa del Sol is the reverse — a licence with no expiry date that transfers simply on sale, but any stay under 2 months requires one. Since May 2026 one formality has also disappeared: the single national registration number is no longer required to list on the platforms — what matters is the regional licence, the town hall and the community of owners (details in Annex D).

Book a free 25-minute call → we check the licence status and the municipal regime for the exact address you are considering.

3. Five investment strategies: what you buy and how you let it

3.1. Off-plan: buying during construction, with your deposit guaranteed by law

- You initially pay a reservation fee of €6,000–10,000, then a deposit which, together with the reservation, reaches 20–30% of the price (sometimes with staged payments of a further 10–20% during construction). On a quality project, in a good area, ideally bought at launch, typical appreciation until completion is 20–30% (internal estimate on the projects we analyse; there have been cases above 50%, but we prefer moderate estimates). Appreciation applies to the full value, with only ~30% of capital tied up on average.
- Deposits are guaranteed by law. The developer is obliged to cover them with a bank guarantee or an insurance policy and to hold them in a separate account (Law 20/2015). If the project is not completed, you recover your money with interest. Every new build also comes with a 10-year structural warranty. The practical rule: verify that the guarantee exists before any payment.
- On delivery you can finance the property with a mortgage; for a well-chosen property with strong management, the rent roughly covers the payments (section 1.3).

What to watch

- The tourist licence does not exist at the time of contracting — it is obtained after delivery. If the town hall restricts the zone in the meantime (2.3), the tourist-letting plan can become impossible. That is why the mid-term fallback (3.2) must be part of the plan from the start.
- From our own commercial track record: ~60% of buyers who initially declare a mixed intention (personal use + letting) fall in love with the lifestyle, become holiday-home users and may end up voting in the community against tourist-letting permissions. The community's actual composition at delivery can change the arithmetic, even if the developer declares initial approval.
- There are also a handful of projects where the developer expressly requires written consent to tourist letting at the moment of contracting — a good signal of the building's investment vocation.

3.2. Mid-term letting: the strategy that needs no licence

- Costa del Sol: from 2 months upwards, to ~11 months. Costa Blanca: from just 11 days — far more flexibility, including long holiday stays.
- Demand is constant: northerners wintering in the south at living costs up to ~30% lower than at home, people relocating who test the area before buying, remote professionals. Marbella's municipal residents' register counts 156 nationalities.
- Gross income is lower than tourist letting, but net income reaches ~80% of the tourist net (internal estimate, validated with top management companies) — and in optimised new projects, as much as ~95% (4.0% mid-term vs. 4.2% tourist, in the same model). Booking and management costs are far lower, utilities are paid by the tenant, and you can use the home yourself between contracts.
- **One measure to watch.** A housing decree drafted in July 2026 would cap seasonal contracts at twelve months and treat more than two consecutive contracts between the same parties as an ordinary residential tenancy. It was withdrawn before approval and nothing has been published, so the strategy is unaffected today. It is worth tracking, because it bears directly on this fallback.

3.3. Long-term letting: lower income, minimal risk

- Vacancy is close to zero — demand is high and the supply of new, modern-furnished homes is small. In exchange, annual rent increases are legally capped at the IRAV index (~2.4–2.5% in 2026), even if the market rises 30% in 3 years. The usual solution: successive mid-term contracts (3.2), renegotiated at market price.

3.4. Apart-hotels: buildings built specifically for investors

- The legal framework exists on both coasts (Andalucía since 2011, the Valencian Community through its 2018 tourism law): hotel buildings of at least 4 stars, or tourist apartments rated 3 keys — the top category (keys are the apartment equivalent of hotel stars) — in which you buy a unit while letting is handled by a single operating company (empresa explotadora), on contracts of at least 10 years, recorded in the land registry.
- Personal use is limited by law: the units have exclusive tourist use, and using them residentially is a sanctionable offence. On the Costa Blanca the threshold is written into the law itself: more than 4 months of own use per year = residential use, prohibited. On the Costa del Sol, the specific cap is set by the operating contract — typically ~2 months (~60 days) per year — and exceeding it exposes you to the penalties for residential use.
- Interests are aligned: the operator earns a percentage of revenue, so it maximises revenue; the resale value stays tied to the yield generated.

What to watch

- The operator's track record, and the conditions under which fixed costs can be changed.
- Changing the operator is not an individual right (the law requires a single operator per building) but a decision of the community of owners — a simple majority, unless the statutes require more — exercisable at the contractual windows (once every 10 years) and followed by re-authorisation. Check the statutes and termination clauses before buying.

- Avoid fixed-rent structures instead of a percentage, common in older buildings: on a comparable €300,000 unit with a fixed rent of €10,000/year, the 3.33% gross yield caps the resale value.
- Scarcity works in resale's favour: these buildings represent only 1–2% of the stock available for sale — there is no oversupply, and the unit resells on very good terms, again as an investment product.

3.5. Resales with an existing tourist licence: an increasingly rare asset

- Resale properties offer excellent locations at lower prices; with renovation (which we can deliver turnkey, with vetted specialists), both the yield and the value rise significantly — especially in prime locations.
- On the Costa del Sol, an existing licence keeps gaining value: new ones are harder and harder to obtain, legal supply is shrinking, and the transfer is simple — the licence passes with the property, via a notification (2.5); the community's 3/5 approval is needed only to start a new activity, not to take over an existing one. The building's own statutes still govern (2.1). On the Costa Blanca, an existing registration is a real advantage, but conditions are re-confirmed on sale — we verify this before the offer, not after.
- There are also a few new projects where the developer has written community consent for licences into the statutes — buildings designed for investment. Even there, we verify case by case that the town hall issues the authorisation.
- A new home with an active licence is a valuable asset — but the best-located ones can be too expensive for yield: always run the full net calculation (Annex B), not the gross yield from the listing.

Book a free 25-minute call → we work out which of these five strategies fits your budget and your horizon.

4. Who is buying alongside you

According to notarial data (May 2025 – April 2026), foreign buyers accounted for **42.5% of transactions in Málaga province** (~14,000 purchases) and **51.5% in Alicante province** (~27,000) — in Alicante, foreigners have overtaken Spaniards as the main buyers. Their volume is on the order of ~€5 billion per province (estimated at the market's average ticket — €364,378 in Málaga, €203,488 in Alicante; the real ticket of foreign buyers is higher, because they dominate precisely the expensive micro-markets: the average transaction is €769,000 in Marbella and ~€993,000 in Benahavís). Two-thirds are non-residents, and half are aged 41–60. 2025 was a record year nationally, with ~97,300 purchases by foreigners. For resale, this diversity of demand works like insurance: you never depend on the fortunes of a single home market.

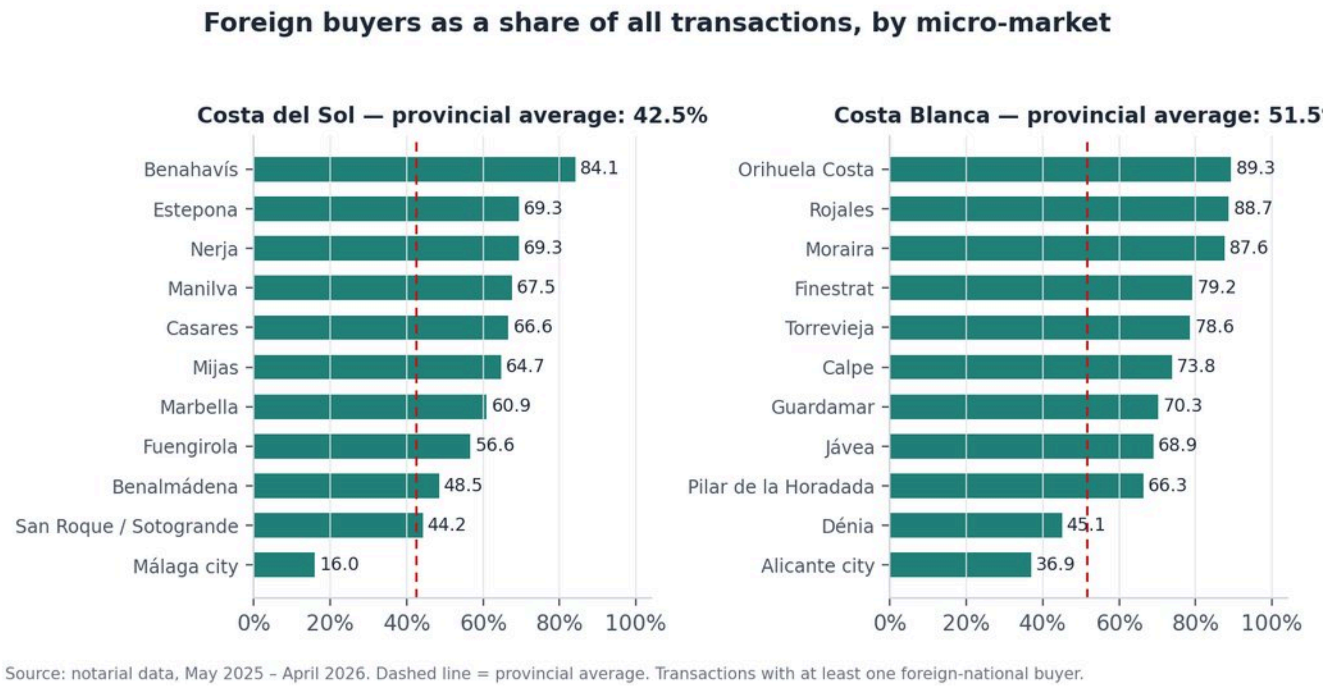


Fig. 5 — Foreign buyers' share of transactions by micro-market, notarial data May 2025 – April 2026. Extremes: Orihuela Costa 89.3% and Benahavís 84.1% (average transaction €992,993) vs. the provincial capitals, still predominantly Spanish markets. In Málaga the British, Dutch and Poles lead; in Alicante — the Dutch, British and Poles; local profiles differ visibly (Nerja is "Swedish", Jávea and Moraira "Dutch").

5. Why these two coasts: the context that sustains demand year-round

- **The EU's largest rental demand, officially measured:** in 2025, Andalucía became the #1 region in the European Union by nights booked through the online platforms (Airbnb, Booking, Expedia — Eurostat data), with over 44 million guest nights a year, while the Valencian Community sits consistently among the top regions; at the end of 2025, five of the EU's ten most popular regions were Spanish.
- **Prime prices at a fraction of the French Riviera:** at €5,608/m² (asking prices), Marbella — the Costa del Sol's flagship — costs about the same as Cannes or Nice (~€5,800–6,100/m²), while the Riviera's equivalent enclaves reach €15,000–18,000/m² (Saint-Tropez, Saint-Jean-Cap-Ferrat; SeLoger estimates, 2026). Jávea, at €4,118/m², sits below any prime Riviera market — with similar buyer profiles: in the Côte d'Azur's luxury segment (average ticket above €2m), over 70% of buyers are international — American, Scandinavian and German-speaking (Engel & Völkers, Jan. 2026).
- **Málaga is also a European tech hub:** Málaga TechPark hosts over 25,000 professionals and 700+ companies, and Google (a cybersecurity centre), Vodafone (a European R&D hub — 600+ jobs, a €225m investment), Oracle, Ericsson and Capgemini all operate from the city. For an owner, that adds a layer of mid- and long-term rental demand from relocated professionals, active year-round, on top of tourist demand — the combination of technology, climate and coastline that has earned Málaga the label of "Europe's California".

- **The Costa Blanca plays the role of “Europe's Florida”:** the most accessible major international market (average transaction €203,000, the equivalent of 5.6 years of income), with Spain's highest share of foreign buyers and micro-markets where 8–9 out of 10 buyers are international. Alicante also hosts the EUIPO — the European Union Intellectual Property Office, one of the largest EU agencies — a stable institutional anchor for year-round residential demand. Alicante-Elche airport handled 12.4 million passengers in the first seven months of 2026, up 9.6%, and a terminal expansion has been put forward for the 2027–2031 investment cycle.
- The full market reports for each coast (September 2026) are at directimo.com/market-reports.

Annex A — The complete cost structure

A.1. Acquisition costs (on top of the property price)

	Costa del Sol (Andalucía)	Costa Blanca (Valencian C.)
New build	VAT (IVA) 10% + AJD (stamp duty) 1.2% + notary, registry, lawyer ≈ 13.5% total; ~14% with mortgage fees	VAT (IVA) 10% + AJD 1.4% + notary, registry, lawyer ≈ 13.5–15%
Resale	ITP (the transfer tax on second-hand property) 7% + notary/registry ~0.7% + lawyer ~1.2% ≈ 9% total (without a mortgage); +~0.5–1% with one	ITP 9% (cut from 10% on 1 June 2026; 11% above €1m, on the full value) + costs ≈ 11–12.5%
Furnishing & fit-out	€15,000–20,000 for a new 1–2 bedroom apartment — given the usual market standard: fully fitted and equipped kitchen, finished bathrooms, built-in wardrobes, plus parking and a storage room included in the price	similar

A.2. Annual running costs, by letting regime

Annual cost	Tourist (STR)	Mid-term	Long-term
Platforms / placement	15–18% of gross (3% with direct clients)	~10% (or a flat fee)	~8% (≈ one month's rent)
Management, VAT included	20–30% of gross after platforms (cleaning, consumables, concierge included)	~5%	0–2%
Community fee	€1,500–2,000 in new projects	same	same
IBI + waste	≈0.25% of the price (the exact calculation applies a rate to the cadastral value)	same	same
Insurance + tax accounting	≈€800	≈€600	≈€500
Utilities	€950–1,350 (paid by the owner)	paid by the tenant	paid by the tenant
Repairs & re-furnishing	≈€1,000	≈€500	≈€500

A.3. Taxation (non-residents)

- EU/EEA tax residents: 19% on net rental income (the costs above are deductible). Non-EU: 24%, with no deductions.
- When the property is not rented: an annual tax on “imputed” income (Modelo 210), ~0.15% of the purchase price per year — payable even if the home stands empty. From 2026 this moves from four filings a year to a single annual return, submitted each April.
- On sale: 19% on the gain (EU) plus plusvalía municipal — the local tax on the increase in land value, typically a few hundred to a few thousand euros (under 1% of the price); zero if you sell without a real

gain. The buyer withholds 3% of the price on account of the non-resident seller's tax — a recoverable advance, not an extra tax.

- A change in the buyer's favour is pending: the European Commission is pressing Spain to extend to non-residents the rental-income deductions currently available only to residents. Spain has not amended the law and no timetable exists.
- The order of magnitude of ownership: for a ~€400,000 apartment used less than 6 months a year, total holding costs (community, IBI, waste, insurance, basic utilities) come to ~€3,200–4,000/year — roughly 0.8–1.0% of the value.

Annex B — Four worked examples (properties analysed)

	New, standard operation	New with facilities, optimised	Renovated resale, tourist	Same new project, mid-term
Profile	Navigolf 2 — 1 bed/1 bath, new complex	2 bed/2 bath, new complex with facilities, ~€350,000	Marbella East — 3 bed/2 bath (€50,000 of renovation + furnishing included)	2 bed/2 bath, ~€350,000, let for 2–11 months
Purchase price	€340,000	€350,000	€400,000	€350,000
Total cost	€400,220	€416,550	€487,200	€416,550
Gross yield	7.4% (€101/night, 80% occupancy)	10.5% (€173/night, 69% occupancy)	9.6% (€184/night, 70% occupancy)	7.2% (€99/night equiv., 83% occupancy)
Net after tax	2.9%	4.2%	4.3%	4.0%
Total return with 6% appreciation	8.9%/yr	10.2%/yr	10.3%/yr	10.0%/yr

Market benchmark for comparison: a central Estepona resale at €380,000 under standard operation returns approximately 3% net after tax. Sources for the models: AirDNA (adjusted for building, furnishing and views), Idealista and Casafari for mid-term validation, and Directimo's internal offer-analysis model on properties actually reviewed between 2023 and 2026.

Annex C — VAT on tourist rentals

- **Today:** tourist letting without hotel services (cleaning only between stays) is VAT-exempt. Apartments with active hotel services — reception, mid-stay cleaning, linen changes — are taxed at 10%, the same rate as hotels.
- **The proposal:** a rise to 21% was announced during summer 2026 and drafted into a housing decree. The decree was withdrawn before approval in July 2026 for lack of parliamentary support, and nothing has been published. There is no effective date, and the exact scope remains disputed.
- **The real impact would be smaller than the headlines suggest:** once VAT-registered, the owner deducts the full VAT on costs — platform commissions, management, accounting, utilities, repairs. At a 10% rate with deductibility, our internal estimate is that the effective net impact would be on the order of ~4% of revenue; at 21%, proportionally more, but still well below the nominal rate for professional operators. Operators providing hotel-type services would fall under 10% rather than 21%.

Annex D — Regulatory notes (for those who want the detail)

- **Community statutes (Supreme Court, 28 April 2026):** where a community's registered statutes expressly prohibit lodging or *hospedería* use, tourist letting is prohibited without any new vote being required — and the Court applied this to a property operating legally since 2018. An administrative licence and entry in the regional register do not override registered statutory restrictions. This applies identically on both coasts, since it rests on the national Horizontal Property Act.
- **Community approval (Organic Law 1/2025, in force 3 Apr. 2025):** new tourist activity = express approval by 3/5 of owners and of ownership shares; a prospective ban requires the same 3/5 majority

(not 50%+1, as is often claimed). No retroactive effect; a service-fee surcharge of up to 20% is possible for existing tourist units.

- **The single national register (RD 1312/2024):** mandatory from July 2025, annulled by the Supreme Court on 19 May 2026 and confirmed by four later judgments — the national number is no longer required for online promotion, and it has not been reissued. Still in force: regional registration (VFT/RTA in Andalucía, VUT in the Valencian Community) — with the registration number mandatory in every advert — municipal rules, community statutes and the non-annulled reporting obligations.
- **Licence transfer:** Andalucía — the licence attaches to the property, not the owner (clarification by the DGSJFP, July 2025): on a sale, the buyer notifies the change of owner to the Tourism Register, with no new community vote, provided the building's statutes permit the use. Valencian Community — a change of owner requires a fresh modification declaration plus a favourable planning-compatibility report; before reserving, confirm the registration number, the cadastral reference, the planning-report status, the renewal timing (5-year cycle) and that current municipal rules still allow tourist use at that address.
- **Register audit, Valencian Community:** more than 18,000 registrations were cancelled during 2025 for failing the requirements introduced in 2024, and a further tranche is under review, most of it turning on the municipal planning-compatibility certificate. Alicante, Benidorm, Torrevieja and Valencia have taken on the delegated sanctioning powers; the maximum penalty is €600,000.
- **Municipal restrictions (as at the date of writing):** Málaga city — new tourist-home licences suspended Aug. 2025 – Aug. 2028, plus a separate freeze on hotels and tourist apartments on residentially zoned land from July 2026 to 2029; registrations were previously blocked in 43 saturated districts, and the regime was upheld by the Andalusian High Court in February 2026. Fuengirola — no licence without independent access; ~600 registrations cancelled; a higher waste charge and the IBI discount removed for tourist apartments. Marbella — a ban on converting ground-floor commercial premises. Manilva — an ordinance in preparation; confirm with the town hall. Alicante city — new licences suspended while Modification 52 of the general plan sets a permanent cap of 0.187 tourist places per inhabitant by census section; the suspension was upheld in court in February 2026. Jávea — a municipal ceiling of 4,584 tourist homes set in May 2026, allocated by neighbourhood, with new licences suspended during the approval process. Altea — zone-by-zone limits definitively approved in July 2026; registered stock has fallen by about a quarter. Dénia — rules relaxed in August 2026, with more allowance in high-demand zones; Montgó, Les Marines and Les Rotes unrestricted. Guardamar del Segura — certain zones restricted.
- **Seasonal letting:** a housing decree drafted in July 2026 would cap seasonal contracts at twelve months and convert more than two consecutive contracts between the same parties into an ordinary residential tenancy. It was withdrawn before approval; nothing has been published and no effective date exists.
- **Non-EU buyers:** the 100% transfer tax on non-EU non-residents, announced in January 2025, was never adopted and was dropped from the government's 2026 housing package. EU/EEA citizens were never targeted.
- **Condohotels / apart-hotels:** Andalucía — Law 13/2011, art. 42 (hotels of at least 4 stars / 3-key tourist apartments, under co-ownership); Valencian Community — Law 15/2018, art. 68 and Decree 10/2021, art. 43: the cession of tourist use to a single operator is recorded in the land registry, on contracts of at least 10 years; “residential use” (prohibited) = a reserved right of use for the owner exceeding 4 months/year — so the legal personal-use cap in the Valencian Community is 4 months. In Andalucía, Decree 194/2010 imposes exclusive tourist use and sanctions residential use of the units; the specific personal-use cap (~2 months) is set in the operating contract, and exceeding it exposes the owner to the penalties for residential use.

Methodology note

- **Price and transaction sources:** Consejo General del Notariado (actual deed prices; the annual provincial series and the May 2025 – April 2026 extract), Colegio de Registradores (national context), INE, Banco de España (*Informe Anual 2025*, June 2026 — provincial real house-price growth 2014–2025), Tinsa (the 2007–2015 cycle, appraisal values), Idealista (asking prices — used solely for the Marbella cycle and for sizing live purchases, and labelled as such), BBVA Research (forecasts; the June 2026 revision: +12% in 2026, +5.7% in 2027), AirDNA (Airbnb revenues).

- **How €/m² prices are read (built vs. usable, transacted vs. asking):** all €/m² figures in this guide are on built surface — it includes interior walls and a share of common areas, and terraces count only partially (professional valuations, Order ECO/805/2003, weight them at 30–50%). Usable surface is typically 80–90% of built, so prices per usable metre are ~10–20% higher. Separately, the notarial average sits systematically below the portals' average (e.g. €3,019 vs. €4,158/m² in Málaga): the gap is mainly a mix-and-timing effect, not a negotiable discount — deeds include every sale, including cheaper inland stock and off-plan prices agreed 1–2 years earlier, while portals over-represent active coastal listings. We use notarial prices for the market trend and asking prices for sizing live purchases.
- **Yields:** “net” = after all acquisition, furnishing and operating costs and the income tax (19%, EU/EEA), on the total acquisition cost. Internal models on properties actually analysed, 2023–2026; estimates — past results do not guarantee future outcomes.
- **The legal regime:** the one in force on 4 September 2026; exact sources are cited in Annex D. Rules change fast at regional and municipal level — a point-in-time check at the date of the offer, including at the level of the community of owners, is mandatory. This material is market analysis, not investment, legal or tax advice.
- Complementary Directimo Intelligence materials: the Costa del Sol and Costa Blanca market reports (September 2026, directimo.com/market-reports), “Costa Blanca vs. Costa del Sol: the complete decision guide” and “Spain as an international investment”.
