



THE SANDHÜTEL LENS

Spain: The Second Home Coast

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SPAIN WILL SELL YOU THE HOUSE. THE REGION YOU BUY IT IN DECIDES WHAT YOU KEEP.

Every conversation about a Spanish second home now opens with the same headline: a proposed 100 percent tax on non-EU, non-resident buyers, aimed squarely at exactly the kind of purchase this edition covers. It is real in the sense that a bill exists. It is not real in the sense that matters to a buyer today, since it has not been debated, voted on, or brought any closer to law in the fifteen months since it was filed. Spain has not built a Swiss-style barrier around foreign ownership. It has built something quieter and, for a family choosing where to spend its winters and summers, considerably more relevant: seventeen different regions, each setting its own transfer tax, its own wealth tax treatment, and its own rules on whether a holiday home can ever legally earn a little towards its own upkeep.

The Golden Visa route to residency through a €500,000 purchase ended in April 2025, and the segment of buyers who were purchasing partly for that reason has genuinely thinned. It has not dented overall demand: foreign buyers took a record share of all registered Spanish purchases in the most recent quarter on record. The buyer this edition is written for was never chasing residency in the first place. They are choosing between a Costa del Sol winter, a Balearic August, and a Costa Blanca villa with a garden, and the honest answer to which of those makes the better second home depends less on the property than on which region's tax office is on the other end of the completion.

Spain's national price cycle is running hot, up more than 12 percent year on year, while the number of actual sales completing has fallen for two consecutive quarters. That gap between price and liquidity is itself a signal worth reading before location. A market where prices are accelerating faster than transactions is a market that rewards buying where resale depth is proven, not simply where the headline growth number is loudest.

This edition treats the region, not the resort, as the primary filter. Andalusia, the Balearic Islands and the Valencian Community produce three genuinely different holiday home propositions for the same buyer profile, before a single villa has been viewed.

THE REAL DIVERGENCE

Spain's national headline is unambiguous: the INE house price index rose 12.2 percent year on year in the second quarter of 2026, with existing homes up nearly 13 percent. Underneath it, registered transaction volumes fell 2.3 percent over the same quarter, and provisional July figures showed a further 7.7 percent drop, the second consecutive slowdown in actual completions even as the price index climbed. Price and liquidity are moving in opposite directions. In a market like that, exit quality matters more than entry price, and the honest question for a second home is not just what you pay, but how easily someone else will want to buy it from you in ten years.

There is no single Spanish cycle underneath that headline. The Balearic Islands led regional growth at 13.7 percent, the Valencian Community close behind at 13.0 percent, Andalusia essentially at the national pace at 11.9 percent, and Catalonia trailing at 10.1 percent, still strong on paper, inside a fiscal and regulatory regime that makes it the weakest entry point in this edition regardless of the growth number. Foreign buyers reached a record 15.98 percent of all registered purchases in the same quarter, more than half of them from elsewhere in the EU, with UK buyers the largest single non-domestic nationality. Demand for a Spanish holiday home has not gone anywhere. What differs, region by region, is how much of what you pay for that demand you actually get to keep.

Andalusia carries the cleanest tax position of any region in this edition and should anchor the allocation, not just supply the biggest name.

National price growth is outrunning transaction volume, so buy where resale depth is proven rather than where the headline number is loudest.

Treat the Balearic Islands as a long hold, wealth preserving purchase, not a market that will pay for itself through letting.

Jávea and Moraira offer the deepest established foreign buyer base outside Andalusia at a fraction of Marbella's price, and deserve to be judged as a primary choice, not a fallback.

STRUCTURAL DRAG: THE REAL COSTS

The bill is real: the Socialist group filed a proposal on 22 May 2025 to impose a complementary tax of up to 100 percent of a property's value on purchases by non-EU, non-resident buyers, with any ITP already paid deductible against it. Fifteen months later, the official Congress record still lists the bill at its initial toma en consideracion stage, the plenary vote on whether to proceed with it at all, with no evidence it has advanced into committee or towards enactment. The IMF's own May 2026 review of Spain classified the measure as remaining at announcement stage and flagged doubts about whether it could survive a challenge under EU free movement of capital law. Treat it as a live political risk worth monitoring. Do not price it into a purchase today; there is nothing enacted to price.

The costs that are real and current are quieter and, cumulatively, larger than most buyers expect. Resale transfer tax, ITP, is set independently by each of Spain's seventeen regions. Buy in Andalusia and it is a flat 7 percent. Buy in the Balearic Islands and it climbs on a sliding scale to 13 percent. Cross the €1,000,000 line in the Valencian Community and the rate does not taper in gradually; it jumps to 11

percent on the entire purchase price, not merely the amount above the threshold. A national tax risk that has not moved in fifteen months has absorbed far more attention than a regional tax gap that is live, current, and can run to six figures on a single villa.

Two changes have actually taken effect and are worth knowing before you view anything. The Golden Visa route to residency through a €500,000 purchase ended on 3 April 2025, and non-EU purchases above that threshold fell by roughly 30 percent in the following quarter, evidence of a genuine shift in who is buying rather than a broad retreat, since total foreign demand has since climbed to a record share of the market regardless. And from that same date, any new tourist letting use of an apartment now requires a 60 percent vote of the building's owners before it can begin, a nationwide rule that applies in every region in this edition. If a holiday home occasionally earning its keep matters to you, check this before you fall for the view.

7% / 13%

ITP RANGE ACROSS REGIONS
Andalusia flat rate vs Balearic top band

100%

PROPOSED NON-EU LEVY
Filed May 2025, stalled since, not law

60%

OWNER VOTE NOW REQUIRED
For any new tourist-use flat, nationwide
from Apr 2025

THE COASTS WORTH READING CAREFULLY

Marbella (Golden Mile and Nueva Andalucía)

Opportunity: the deepest, most liquid resale market on this coast, inside the one region in this edition with a genuinely clean tax position. Avoid: paying Golden Mile prices for a Nueva Andalucía address; the two are no longer moving at the same pace.

Marbella's asking prices average €5,956 per square metre, up 4.0 percent over the year, a modest pace next to several of its neighbours, but the average hides real divergence underneath it. The Golden Mile itself runs at €8,336 per square metre, up 5.9 percent, and Nueva Andalucía at €6,239, up 5.7 percent, while pockets such as La Dama de Noche and La Alzambra have fallen 8.9 percent over the same period. Rents have grown faster than sale prices, up 8.0 percent to €23.7 per square metre a month, evidence of genuine year round demand rather than a purely seasonal market. Málaga's airport carried 16.3 million passengers in the first seven months of 2026, up 6.6 percent, and the province's foreign buyers now account for over a third of all registered purchases, the longest established international owner community on the Costa del Sol. This is where a family buys the mild winter, the international school places and the deepest eventual pool of buyers when the time comes to sell, not necessarily the fastest growing address on the coast.

Buy Marbella for certainty, not for growth. The Golden Mile is where a second home holds its value across a cycle; everything cheaper in the same postcode is a different, less liquid asset.

Sotogrande (San Roque, Cádiz province)

Opportunity: golf, marina and genuinely low density living at close to two thirds of Marbella's price. Avoid: reading Cádiz province's headline foreign buyer share as Sotogrande's own; the resort is a private micro market the provincial figure was never built to describe.

Sotogrande's asking prices average €3,984 per square metre, up 11.6 percent over the year, with rents up 10.7 percent to €14.9 per square metre a month. The resort's marina and puerto district is running far ahead of that average again, up 25.0 percent, though on thinner volumes than the wider figure suggests. Cádiz province's official foreign buyer share sits at just 5.41 percent, a number that describes a large, mostly domestic province and says nothing about Sotogrande's own gated, golf and marina led buyer base. What the resort actually sells is quiet: low rise, low density, built around two championship golf courses and a working marina rather than a beach club scene, the choice for a family that wants privacy over proximity to nightlife.

This is the quiet alternative to Marbella, not the cheap one. Buy inside the marina or on golf frontage, where the scarcity is real, and expect a smaller pool of future buyers when you eventually sell.

Estepona

Opportunity: the sharpest price and momentum story on the coast, running well below Marbella on a per square metre basis. Avoid: the Seghers pocket specifically, which fell 6.9 percent while the rest of the municipality climbed.

Estepona's asking prices average €4,961 per square metre, up 17.4 percent over the year, more than four times Marbella's current pace, while rents have grown only 3.8 percent to €20.9 per square metre a month. That gap between fast capital growth and much slower rental growth is the tell: this is a town absorbing Marbella's overflow buyer, drawn by a rebuilt promenade, a growing marina district and the same climate at a meaningfully lower entry price, with a development pipeline still working through its own supply. Not every pocket is participating evenly; Seghers fell 6.9 percent over the same period even as the municipality average rose sharply, a reminder that a fast headline number can still hide a weak specific address underneath it.

Estepona is Marbella's overflow, not its replacement. Buy the finished, established pocket over the pipeline, and expect today's growth rate to cool as the new stock completes.

Benahavís (La Zagaleta, El Madroñal, La Quinta, Los Flamingos)

Opportunity: the most private hillside addresses on the coast, still climbing at 7.1 percent overall. Avoid: assuming every gated enclave here is moving together; La Zagaleta is flat to down while La Quinta is up nearly 10 percent.

Benahavís as a whole averages €5,553 per square metre, up 7.1 percent over the year, while rents have actually fallen 1.5 percent to €21.8 per square metre a month, a genuine divergence between rising capital values and softening rental demand. That municipality average is doing a great deal of work to hide the real picture: La Zagaleta, the most exclusive gated estate on the coast, sits at €8,040 per square metre but is down 0.6 percent over the year, Los Flamingos is down 2.3 percent, while La Quinta has climbed 9.5 percent over the same period. Transaction volumes across these enclaves are genuinely thin, which makes any single year's figure noisier than it looks, but the direction of travel between neighbouring gated communities is real and worth knowing before you commit to one over another.

This is a house you buy to keep, not to let. Choose the specific enclave with care; the municipality average is hiding real winners and real laggards under one name.

Ibiza and Eivissa Town

Opportunity: the strongest sense of genuine scarcity of any address in this edition. Avoid: buying on the promise of a rental return the island's own licensing system will not let you achieve.

Ibiza's asking prices average €7,537 per square metre, up 10.3 percent over the year, while asking rents have fallen 5.4 percent to €31.9 per square metre a month, the sharpest divergence between capital values and rental demand anywhere in this edition. That gap is not a market failing; it is policy. The Balearic government's tourist place framework is deliberately designed to hold letting capacity flat, new tourist places in multifamily flats are prohibited outright, and existing capacity moves through an island wide cap and exchange system rather than growing to meet demand. The Balearic Islands also carry the highest transfer tax band in this edition, up to 13 percent on a resale purchase, and the region's own wealth tax exemption threshold, at €3,000,000, is the highest explicit exemption of any region in Spain, a detail that matters far more to the buyer this island actually attracts than any rental yield calculation. Ibiza airport carried 5.3 million passengers in the first seven months of 2026, up 3.1 percent, modest growth against a market that does not need to grow to stay full every August.

Buy Ibiza for August, not for yield. Treat any rental income as a bonus you may never be licensed to collect, and price the entry tax accordingly.

Mallorca southwest (Calvià, Port d'Andratx, Santa Ponça)

Opportunity: the most established, best connected island lifestyle market outside Ibiza, with genuinely limited waterfront supply. Avoid: pricing a rental yield into the decision at all; this is the lowest income market in the entire edition.

Calvià, the municipality covering this stretch of the island's southwest, averages €7,556 per square metre, up 5.2 percent over the year, with rents up a modest 2.0 percent to €23.7 per square metre a month. Port d'Andratx itself commands €10,565 per square metre, up 4.2 percent, Portals Nous and Bendinat €9,889, up 12.0 percent, and Santa Ponça €7,333, up 8.8 percent. Palma's airport carried 19.6 million passengers in the first seven months of 2026, up 2.2 percent, the deepest, most mature connectivity of any resort in this edition and a genuine argument for treating this as a year round second home rather than a purely August house. The trade off for that maturity and connectivity is income: this is the lowest rental yield profile of any location in this edition, and the same tourist place restrictions that constrain Ibiza apply here as a matter of Balearic, not island specific, policy.

This is the mature, defensive choice, not the exciting one. Buy waterfront or marina frontage specifically, since the broad municipality average includes stock that will not hold its value the same way.

Jávea and Moraira

Opportunity: the deepest established northern European buyer base on the Spanish coast, at close to a third less than Marbella per square metre. Avoid: crossing the €1,000,000 line without planning for it; Valencia's transfer tax jumps to the full 11 percent the moment you do.

Jávea's asking prices average €4,183 per square metre, up 5.8 percent over the year, with rents up 10.7 percent to €15.4 per square metre a month, the fastest rental growth of any location in this edition. Moraira, immediately along the coast, averages €4,509 per square metre, up 6.1 percent. Alicante province's foreign buyer share stands at 44.65 percent, the highest of any province examined in this edition, the legacy of a genuinely multi-generational British, Belgian, Dutch and Scandinavian buyer

community rather than a recent trend. Alicante's airport carried 12.4 million passengers in the first seven months of 2026, up 9.6 percent, the fastest growing of the four airports examined in this edition. This is a villa led, garden led market rather than an apartment market, and from 1 June 2026 the Valencian Community's general transfer tax fell from 10 to 9 percent, a genuine, enacted saving on everything under €1,000,000. Cross that line, however, and the rate does not step up gradually; it applies at 11 percent to the entire purchase price, a real cliff that villa buyers in particular need to plan around rather than discover at completion.

This is the honest value play in the edition. Buy under the million euro line deliberately; the return in outright value is real, and Valencia will not reward the buyer who drifts just over it.

THE HIGHER FRICTION COAST

Barcelona and the Costa Brava are conspicuously absent from the list above, and the reason is worth stating rather than leaving as a silent omission. Catalonia is the one region in this edition where policy is actively working against the kind of purchase this edition describes. Barcelona's phase out of all 10,101 licensed tourist apartments by November 2028 is enacted policy, not a proposal, upheld by Spain's Constitutional Court; it is a city specific measure, but it sets the tone for the region's wider stance. Catalonia's own transfer tax runs progressively to 13 percent, with a 20 percent rate applied to buyers who already hold multiple residential properties, and its regional wealth tax exemption threshold, €500,000, is the lowest of any region compared in this edition, meaning a meaningful second home buyer meets wealth tax exposure here sooner than anywhere else on this coast. None of this closes Catalonia to a foreign buyer the way Lex Koller closes Swiss cities to one; it simply makes the region the most expensive and least accommodating place in Spain to hold the kind of asset this edition is built around. Watch it. This edition is not built to recommend buying into it yet.

SELECTED DATA SIGNALS

MACRO & STRUCTURAL

15.98% FOREIGN SHARE OF Q2 2026 PURCHASES Record high, Colegio de Registradores	+12.2% SPAIN HOUSE PRICE INDEX, YoY INE, Q2 2026	7% to 13% RESALE TRANSFER TAX RANGE Andalusia to Balearic Islands, regional tax agencies	Stalled PROPOSED 100% NON-EU LEVY Filed May 2025, no vote since, Congreso de los Diputados
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ACCESS & SEASONAL COMMUNITY

+9.6% ALICANTE AIRPORT PASSENGERS, YTD AENA, Jan to Jul 2026	+6.6% MÁLAGA AIRPORT PASSENGERS, YTD AENA, Jan to Jul 2026	44.65% ALICANTE PROVINCE FOREIGN BUYER SHARE Colegio de Registradores, Q1 2026	34.30% MÁLAGA PROVINCE FOREIGN BUYER SHARE Colegio de Registradores, Q1 2026
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Figures are regional and provincial context, not resort specific buyer shares. Sotogrande and Jávea and Moraira sit inside the Cádiz and Alicante figures respectively but are not separately reported at resort level by any official source.

Read together, the top row says Spain remains genuinely open to foreign capital and that the loudest political risk on the table has not moved in over a year. The second row says something more useful to a family choosing where to spend its winters and summers: connectivity into the Costa Blanca and Costa del Sol is deepening fastest, and the communities buying there are large and long established, not a recent, thin trend that could reverse as quickly as it arrived.

Neither row should be read as a yield case. This edition is built around where a family actually wants to be, and how much of the purchase they get to keep, not around what the property could earn if let out. The regions that look weakest on that narrower measure, the Balearics above all, are often the strongest on the measure that actually matters here: scarcity, brand and a genuine reason to keep coming back every year.

THE SANDHÜTEL READ

The headline reading of Spain right now is a single, dramatic number: a proposed 100 percent tax on buyers exactly like the ones this edition is written for. That is not the thesis. Spain has no national property market. It has seventeen regional ones, each setting its own transfer tax, wealth tax exposure and rules on whether a holiday home can even earn towards its own upkeep, and those differences matter more to a genuine buyer than a bill that has not moved in fifteen months.

Put Andalusia's flat 7 percent transfer tax and full wealth tax relief next to the Balearics' sliding scale up to 13 percent and frozen tourist letting capacity, and a pattern emerges no price chart shows: the region with the simplest cost of ownership, Andalusia, also has the deepest resale market and the largest established foreign buyer community, over a third of all registered purchases across Málaga province. Jávea and Moraira, a third below Marbella with the highest provincial foreign buyer share in the country at 44.65 percent and the fastest rental growth in the edition, point to the same conclusion from the value end: the honest case sits in Andalusia and the Costa Blanca North, not in the regions generating the loudest headline growth.

The allocation argument is straightforward. Anchor a purchase in Andalusia: Marbella for liquidity and brand, Estepona for value migration, Sotogrande for privacy, Benahavís only for a specific enclave rather than the municipality average, since the tax position is the cleanest in the country and the buyer pool the deepest. Treat Jávea and Moraira as a genuine primary alternative, particularly for a buyer prioritising value and a garden over a beach club scene, while planning around the €1,000,000 Valencian tax cliff. Hold the Balearics, Ibiza and Mallorca's southwest, as a long term, wealth preserving purchase for a buyer who wants scarcity and August, not letting income. Treat Catalonia and the proposed non-EU tax as the two genuine watch items here, one a policy stance already working against this buyer, the other a headline that has generated nothing but headlines for over a year.

At Sandhütel, a second home is judged the same way as any other asset: understand exactly what you will keep, in cost and in enjoyment, before you fall for the view.



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