# Spain advances 100% tax on holiday homes owned by non-EU buyers amid housing crisis



Spain's government is charging ahead with a controversial proposal that could dramatically reshape the nation's housing landscape—a staggering 100% tax on holiday homes purchased by non-EU residents, including British buyers. This initiative, driven by Prime Minister Pedro Sánchez's Socialist party, reflects a troubling shift towards scapegoating foreign investment for Spain's housing crisis. Instead of addressing the underlying issues, this initiative effectively punishes those who contribute to the economy, while locals suffer from inflated property prices.

The proposed tax aims to double the cost of property acquisition for non-EU nationals, a move that could severely limit opportunities for UK buyers, who make up a notable share of property transactions in Spain. With the government’s focus narrowly fixated on foreign ownership, the broader legislative push to tackle the housing crisis appears misguided at best. The surge in foreign property acquisitions—27,000 by non-EU residents in 2023—has certainly raised concerns, but demonizing foreign investors distracts from the vital need for tangible housing solutions.

Moreover, the Spanish government is contemplating a 21% VAT on short-term rentals, a measure that risks further inflating housing costs for residents while alienating tourists. This misguided attempt to pivot the focus away from tourism-driven practices seems unlikely to alleviate the plight of locals grappling with a dire housing situation exacerbated by the government's own policies. The strain is particularly evident in regions like the Canary Islands, where rampant tourism pressure is leaving residents squeezed between rising rents and dwindling availability.

Organized protests across Spain reflect the unrest among communities feeling the brunt of misguided government policies. Many local residents are demanding genuine relief from rising housing costs, a sentiment echoing the discontent felt by property buyers from the UK who contribute significantly to local economies. The call for protections emphasizing local residents' rights over transient visitors illustrates a yearning for a more balanced approach to property ownership and tourism.

In a troubling development, the government has enforced heavy regulations against illegal holiday rentals, pushing Airbnb to remove almost 66,000 listings that don’t comply with the law. While this move may appear positive, it reveals a worrying trend of prioritizing bureaucratic control over the urgent need for housing. The focus should instead be on bolstering housing supply and ensuring local residents have access to affordable living conditions, rather than merely targeting foreign purchasers as convenient scapegoats.

Critics argue that simply targeting foreign buyers fails to address the deeper issues contributing to the housing crisis, such as a lack of public housing and regulatory measures against real estate speculation. Residents, including many from the UK who have successfully settled in Spain, are calling for coherent, comprehensive strategies to improve affordable housing rather than pointing fingers at overseas investors. The prevailing sentiment is a clarion call for reforms that genuinely prioritize the well-being of local citizens over profit-driven motives.

Navigating these complex legislative waters will be challenging for Sánchez's minority coalition. Unions of various parties will be essential to pass crucial reforms, yet historical difficulties in achieving cohesive legislative action only highlight the precariousness of Spain's political climate. As the situation develops, both residents and foreign investors remain anxious about the outcomes that will shape the future of the housing landscape—hoping for policies that prioritize the needs of locals over the whims of short-term tourism revenue.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.dailymail.co.uk/news/article-14743693/Spain-pushes-ahead-plan-hit-Brits-100-holiday-home-tax-DOUBLING-price-property-purchase-tackle-housing-crisis.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.reuters.com/en/spain-considers-new-21-vat-short-tourism-rentals-double-hotel-rate-2025-05-23/> - Spain's government is proposing a 21% VAT on short-term tourism rentals—double the 10% rate applied to hotel stays—in an effort to combat the ongoing housing crisis. This tax would apply to rentals shorter than 30 days and could affect about a third of Spain's 94 million annual tourists, many of whom prefer renting homes over hotels. Currently, such rentals are not taxed on mainland Spain. The initiative, part of a broader bill, is being introduced by the Socialist-led minority government, which could face challenges in getting it passed through a divided parliament. Housing Minister Isabel Rodriguez emphasized the bill's goal to prioritize residential use over tourism-driven rentals. A recent Bank of Spain report highlighted a national shortage of 450,000 homes, with tourist properties and foreign-owned houses dominating markets in regions like the Canary and Balearic Islands. Critics, including property owner associations, argue the proposed tax discriminates against short-term rental owners. The bill also proposes taxing non-EU property buyers up to 100% unless they reside in the purchased home and increasing taxes on vacant properties. Additionally, cities like Madrid, Malaga, and Barcelona are imposing or planning stricter controls on tourist rentals.
3. <https://apnews.com/article/a91e605f6342db1b169d4f9d1681e9d4> - Spain’s Consumer Rights Ministry has ordered Airbnb to block nearly 66,000 holiday rental listings for violating regulations, such as lacking appropriate license numbers or misrepresenting ownership details. The move is part of a broader government effort to address the country's housing affordability crisis, which has sparked widespread protests over rising rental costs driven by platforms like Airbnb. Consumer Minister Pablo Bustinduy emphasized the importance of prioritizing housing rights over commercial interests. Airbnb has said it will appeal the decision, arguing the ministry overstepped its authority and used an indiscriminate methodology that included listings not requiring licenses. Authorities had previously notified Airbnb about the violations, and Madrid’s high court recently upheld the government’s order. The first directive requires the immediate removal of 5,800 listings, with further instructions to follow, affecting properties nationwide, including in Madrid, Andalusia, and Catalonia. Barcelona had already announced plans to eliminate all 10,000 licensed short-term rental apartments by 2028 to protect long-term housing availability for residents.
4. <https://www.reuters.com/world/europe/thousands-protest-against-overtourism-spains-canary-islands-2025-05-18/> - Thousands of protestors took to the streets across Spain's Canary Islands and several mainland cities to demonstrate against the negative impacts of mass tourism. The protests, organized under the banner 'Canaries have a limit,' aim to pressure authorities to regulate tourist numbers, as the surge in visitors has significantly strained local infrastructure, raised housing costs, and burdened essential services. Over one million tourists arrive each month, overwhelming the islands' resident population of 2.2 million. Protestors highlighted issues such as water shortages, traffic congestion, and healthcare accessibility, particularly during peak tourist seasons. One hotel manager, Juan Francisco Galindo, described how escalating tourism has tripled hotel accommodations since the 1970s but also led to personal hardships, including a forced expropriation of his father's property for a luxury hotel project. Critics argue that government policies prioritize increasing tourist numbers over sustainable development and residents' well-being. In response, Canary Island officials visited Brussels to seek European Union funding for affordable housing. This protest joins earlier demonstrations in other Spanish hotspots like Mallorca, Barcelona, and Malaga, reflecting growing national concerns over overtourism.
5. <https://elpais.com/economia/2025-05-22/cerco-al-uso-turistico-de-la-vivienda-21-de-iva-para-pisos-vacacionales-y-un-recargo-del-100-a-compradores-extracomunitarios.html> - El Grupo Socialista ha presentado una proposición de ley en el Congreso para regular el uso turístico de viviendas en España, con dos medidas clave: la imposición de un IVA del 21% a los alquileres de corta duración (menos de 30 noches) y la creación de un nuevo impuesto para la compra de inmuebles por parte de ciudadanos extracomunitarios. Esta última figura tributaria, denominada Impuesto Complementario Estatal sobre la Transmisión de Bienes Inmuebles a no Residentes en la UE, implica un gravamen del 100% sobre el valor del inmueble, lo que puede duplicar su coste para los compradores afectados. Ambas medidas excluyen casos específicos, como municipios de menos de 10.000 habitantes o empresarios en actividad económica. El objetivo del gobierno es frenar el uso especulativo y turístico de la vivienda y facilitar el acceso residencial para los ciudadanos, especialmente en zonas tensionadas por la alta presencia de turistas y compradores extranjeros. Aunque el impacto general sobre el mercado es objeto de debate, se reconoce que estas prácticas influyen en la escasez de vivienda y el encarecimiento de los precios en determinadas áreas urbanas y turísticas.
6. <https://www.huffingtonpost.es/economia/un-britanico-vive-en-espana-responde-contundencia-crisis-de-la-vivienda-un-impuesto-del-100-no-la-resolvera.html> - La crisis de la vivienda en España ha generado un debate tras la propuesta del presidente Pedro Sánchez de dificultar la compra de viviendas a extranjeros no europeos, responsabilizándolos del incremento de precios. Residentes británicos en España, como Amanda y Alexandra Smith, consideran que esta medida es ineficaz y una manera de buscar culpables. Critican la falta de políticas públicas que fomenten la construcción de viviendas asequibles y regulen los alquileres. Sostienen que el verdadero problema es la escasez de infraestructuras y viviendas accesibles, no la compra de lujo por extranjeros. La medida, aseguran, no resolverá la crisis de acceso a la vivienda para los ciudadanos españoles.
7. <https://apnews.com/article/9a4bc15ae2a0d1460950848ad2596d1b> - Tens of thousands of people across Spain protested on Saturday, April 5, 2025, against the nation's deepening housing crisis, voicing frustration over soaring rents and unaffordable property prices. In Madrid and Barcelona, official and organizer estimates differed widely, with authorities reporting tens of thousands of participants and organizers claiming numbers upwards of 100,000. The protest was led by housing activists and supported by major labor unions, highlighting a generational struggle where even well-employed young adults cannot afford to buy or rent homes independently. In the past decade, rents in Spain have nearly doubled, particularly in cities like Madrid and Barcelona, while wage growth has lagged, leaving many dependent on shared housing or family homes. Spain lacks sufficient public housing compared to other European countries, with only 2% of housing stock available as public rentals, far behind the OECD average. Protesters criticized property speculation and the impact of short-term tourist rentals, leading Barcelona to pledge a full ban on such permits by 2028. Despite government initiatives like rent caps, public dissatisfaction continues, and experts warn of prolonged unrest due to the severity of the crisis.