# Spain proposes 100% tax on non-EU property buyers to tackle housing crisis



Spain's government is pushing a divisive initiative that threatens to impose a staggering 100% tax on properties purchased by non-EU residents, a move that specifically targets British buyers who make up a significant portion of the market. Prime Minister Pedro Sánchez's Socialist party has introduced this proposal in Parliament, portraying it as a necessary measure to address a growing housing crisis afflicting the nation. However, this approach raises serious concerns about the implications of blaming foreign investment for soaring housing costs and scarcity.

Non-EU residents, including thousands of UK citizens, accounted for approximately 8.2% of property transactions in Spain in 2023, completing an estimated 27,000 purchases. Local dissatisfaction has been brewing, with residents claiming that foreign buyers are driving up prices and worsening the housing shortage. The proposed legislation not only imposes a punitive tax on foreign homeowners but also seeks to hike VAT on short-term rentals and introduce new taxes on real estate investment trusts. Moreover, penalties for unoccupied properties, a common strategy in urban areas, exacerbate the crisis.

Frustration has spilled into the streets, with protests erupting nationwide over rising living costs and severe housing shortages, particularly in tourist-heavy areas like the Canary Islands and major cities such as Madrid and Barcelona. Demonstrators have rallied under calls to end “housing as a profit-making venture,” showcasing the growing disconnect between local housing demands and foreign investments. Clearly, this sentiment reflects a broader unrest toward government responses that seem to prioritize punitive measures over meaningful solutions.

Critics of the proposed tax are rightly skeptical of its effectiveness. Experts question whether such a heavy-handed approach will substantially lower rising housing prices, given that foreign buyers constitute a relatively small slice of the overall market. Rather than tackling the root causes of the crisis, like restrictive construction policies and zoning laws, this plan risks complicating Spain’s real estate landscape even further.

Concurrently, the government is attempting to regulate the booming short-term rental market, having instructed platforms like Airbnb to remove over 65,000 illegal listings. These listings often operate without proper licensing, contributing to the chaos in the holiday rental sector. As Spain's Consumer Rights Minister, Pablo Bustinduy, stated, “No more excuses. Enough with protecting those who make a business out of the right to housing in our country.” His assertive remarks highlight a focused stance against those profiting from the housing crisis, yet they fail to address the core issues at hand.

As the proposal heads toward a parliamentary vote, its future is far from assured. Sánchez leads a minority coalition that has struggled to pass vital legislation. If this controversial taxation policy moves forward, it will face intense scrutiny regarding its ability to genuinely alleviate the housing crisis, with many watching closely to gauge its impact.

This approach to the housing crisis—mixing taxation with regulatory intervention—claims to craft a fairer real estate scenario in Spain. However, the debate will continue to intensify around whether such government actions address the true underlying challenges or simply serve to repackage existing problems in an effort to placate public discontent.

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

## Bibliography

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2. <https://www.theguardian.com/world/2025/jan/13/spain-proposes-100-tax-on-homes-bought-by-non-eu-residents> - Spain's Prime Minister Pedro Sánchez announced a proposal to impose a 100% tax on properties purchased by non-EU residents, aiming to address the country's housing crisis. Sánchez highlighted that in 2023, non-EU residents bought around 27,000 properties, primarily for speculation rather than residency. The measure seeks to prioritize housing availability for residents and deter foreign investment that contributes to housing shortages. The proposal is part of a broader strategy to combat rising housing prices and ensure equitable access to housing for Spanish citizens.
3. <https://www.aljazeera.com/news/2025/1/25/spain-plans-100-house-tax-on-foreigners-will-it-fix-the-housing-crisis> - Spain's Socialist Prime Minister Pedro Sánchez proposed a 100% tax on properties bought by non-EU residents to tackle the housing crisis. The plan aims to deter foreign buyers from purchasing homes for speculation, thereby increasing housing availability for residents. In 2023, non-EU residents purchased 27,000 properties in Spain, contributing to rising housing prices. The proposal is part of a broader package to address the housing shortage, including higher taxes on holiday rentals and tax breaks for landlords who provide affordable housing.
4. <https://www.dw.com/en/spain-100-percent-tax-foreign-property-buyers/a-71292116> - Spain's Prime Minister Pedro Sánchez proposed a 100% tax on property purchases by non-EU nationals without residency, aiming to curb speculation in the real estate market. The measure responds to rising housing prices and rents, particularly in cities like Barcelona and Madrid. Critics question its effectiveness, noting that foreign buyers constitute a small proportion of the market. The proposal is part of a broader strategy to address housing affordability, including higher taxes on holiday rentals and incentives for affordable housing.
5. <https://www.bbc.com/news/articles/cr7enzjrymxo> - Spain plans to impose a tax of up to 100% on properties bought by non-EU residents, such as UK citizens, to address the housing emergency. Prime Minister Pedro Sánchez stated that in 2023, non-EU residents purchased 27,000 properties, primarily for speculation rather than residency. The measure aims to prioritize housing availability for residents. Details on implementation and timeline are pending, as the proposal requires parliamentary approval.
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7. <https://www.euronews.com/travel/2025/01/16/want-to-move-to-spain-in-2025-beware-of-new-property-tax-anti-tourism-protests-and-airbnb-> - Spain plans to introduce a 100% tax on properties bought by non-EU residents to protect the housing market from foreign buyers. Prime Minister Pedro Sánchez stated that the measure is necessary to solve the country's housing crisis, exacerbated by overtourism and the proliferation of short-term holiday rentals. The proposal aims to prioritize housing availability for residents and deter foreign investment that contributes to housing shortages. The plan is part of a broader strategy to address rising housing prices and ensure equitable access to housing for Spanish citizens.