

# COSTA DEL SOL NEW BUILD GUIDE 2024

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Checklist: The ideal new-build  
investment in southern Spain

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Practical matters for  
holiday rentals in Andalusia

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Recommendations: the best  
investments for 2024



INVESTINSPAIN.CO.UK

**HOW TO TURN YOUR NEWLY BUILT HOME  
INTO A SOLID INVESTMENT  
(+5% ROI PER YEAR)**

GUNTHER DE VLEESCHOUWER

# INTRODUCTION

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First of all, thank you for downloading this free E-book from [investinspain.be](http://investinspain.be) (IIS).

My name is Gunther de Vleeschouwer, co-founder of this International real estate agency. Since 2004, I have been active in real estate as a promoter in Belgium, and since 2016 we have focused completely on real estate on the Costa del Sol. I do this together with my wife Sofie and our enthusiastic team from Mechelen (Belgium).

Our mission is as simple as it is clear; to professionally assist people who love the Costa del Sol in their search for the perfect investment, by means of a personal approach with an office in their own country. And our new office in Costa del Sol.

What I have noticed in recent years is the number of IIS clients who see a second home in southern Spain as an investment (or at least partly so) and for them, **the return comes first**. This is a completely different starting point than when you are looking for something to enjoy yourself. In the first case, the question then arises: 'What are the parameters I need to take into account when renting out and/or reselling?

As an answer to this question in the market, we decided to make this free E-book available. By means of a handy checklist, we try to make future buyers aware of the most important conditions and elements that make a (newly built) property in Spain good to rent out.

We therefore recommend that you put this checklist into practice and use it to assess properties on your shortlist. Take a critical look at each point, put yourself in the position of the future tenant, and the ticking can begin...

We hope you enjoy the read!

***\*Be sure to check out the last page of this document. Here, I give a number of recommendations of developments on the Costa del Sol that are currently very attractive and can offer a relatively high rental yield!***



## GUNTHER DE VLEESCHOUWER

*"Spain is in my DNA, I have been going there since childhood and have lost my heart a long time ago. That is why we established our company here with InvestInSpain.*

*With the sale of real estate in Costa del Sol, we want to share our passion with everyone and make their dreams come true. The true paradise for investors and epicureans."*



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# 1. WHY INVEST IN PROPERTY ON THE COSTA DEL SOL?

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**Investing in real estate abroad is often a good idea, especially if you plan to rent out your property. For the rental prices, you are then largely dependent on the local market. Spain is very interesting these days as rental prices have increased considerably in recent years, especially in Marbella, Puerto Banus (Nueva Andalucia), San Pedro de Alcántara and Estepona.**

Compared to last year, rental prices in Marbella are on average **10% higher**, and in the Estepona region even **17% higher**. This is according to research by TecniTasa\*, which is responsible for property valuations in Spain. These rental prices are similar to those of, say, Ibiza, with the difference that the purchase value of properties in the Marbella region is a lot lower! A boost for your yield calculation!

## **Should you invest now?**

While there is still uncertainty about the impact of the coronavirus on the housing market, industry experts say there is no reason to panic. Instead, focus on medium and long-term strategies.

There is hardly any data available on current regional prices, but if you compare the history of house prices in the last crisis with the number of house sales in the same period, it becomes clear that prices had reached the end of their downward trend by the end of 2013. The decline in home sales drove market prices downwards until **confidence was restored**.

Statistics show that most buyers at that time missed out on purchases at the **lower end of the market**. If, as we believe, the local market sees a rapid decline before recovering quickly (subject to effective treatment of the Corona virus), then the best time to buy should be within the next six to eighteen months. While new project launches are delayed by developers, the available ready-to-move-in portfolio remains interesting even during the (post) lockdown period.

According to experts, real estate will therefore remain an attractive asset and a sense of security for any buyer.

\*Source: Tecnitasa - <https://www.tecnitasa.es/>

### Some important findings in this context:

When it comes to the yield of Spanish real estate, at least at the Costa del Sol, it is realistic to expect a gross rental income of **5 to 8%** through seasonal rentals.

These are usually much higher than revenues from dividends or investments, and on top of that you can still enjoy it! In the previous crisis period it turned out that the Costa del Sol (**Marbella & Estepona** in particular) are very crisis proof.

Therefore, these areas are attractive and relatively safe if we look at the investment risk.

- The Spanish economy is growing as one of the fastest in the Eurozone. The value of property in and around Marbella is rising steadily. The Marbella region has seen prices rise by almost 30% since September 2014\*.

▶ Need some inspiration? [Discover some beautiful projects!](#)



\*Source: Idealista, prijzen van onroerend goed voor wederverkoop - [www.idealista.com](http://www.idealista.com)

## 2. CHECKLIST: THE IDEAL NEW-BUILD INVESTMENT IN SOUTHERN SPAIN

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### 1. PRICE FLAT OR VILLA (RESPOND ALERTLY)!

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Developers put beautiful projects on the market in sublime locations at interesting conditions, especially at the beginning! When buying **off-plan** and certainly in a first phase, very interesting prices are charged.

It is therefore common in Spain that prices shoot up per phase or per % of units sold. A good example of this is the development of **Emare** at the beach in Estepona (frontline!).

Immediately after the sale started, the basic sales price of available flats was **€2,280,000**. During the final sales phase, over a year later, the price had risen to **€3,600,000**...for exactly the same unit!

The reason for the much lower prices at the start is that a developer has to prove to the bank at the start that he can sell **50% of the units** before they will grant the loan. So the developer wants to reach the 50% mark as soon as possible. Then comes 'normal' pricing, which then holds until the last 20% of units are sold, at which point an additional increase is triggered.

So price and timing are closely linked and have a huge impact on the investment value of new builds in Spain. It is therefore always wise to take a recognised, local estate agent who speaks your language and understands your wishes. The advantages at a glance:

- A broker is objective...the developer is not
- A broker doesn't charge anything when you are buying (new build) property
- A broker has insight into the total market and can select similar objects for comparison
- A broker often has a broad network of lawyers and attorneys for the safe completion of the sale
- A broker can possibly help you make your home rentable
- A broker stands for expertise, deontology and consumer protection



**\*You have to count on 12 to 14 per cent extra for, among other things, VAT, stamp duty, registration fees and the work of the notary and lawyer. Don't forget that afterwards you will need money for the interior: furniture indoor & outdoor, decoration, curtains, etc.**



## ✓ 2. LOCATION

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As already mentioned in the introduction, **the location**, together with the **asking price**, is 'essential' for your investment.



Traditionally, real estate states that 3 parameters are important; location, location and ... location.

This is no different in Spain! The following matters are very important in this context:

1. What is the **build-ability** of the surrounding plots of land and could this possibly influence your view?
2. What 'activity' is still going on in your area in the low season? After all, you do not want an exodus!
3. Does your desired location have a certain '**scarcity**' or '**exclusivity**'. This is how you protect your investment, even in times of low economic activity.
4. What facilities do you have in the vicinity? Very important in the context of rental
5. Are these facilities also open all year round?

### ✓ 3. TYPE OF HOUSE (TIP: GO FOR NEW BUILDINGS!)

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A lot of **Northern EU expats** buy a second home in Spain and this trend continues, as well as in other Western European countries. The Q2 2021 report from the Registrars Association (*Colegio de Registradores*) revealed that **7,259 properties** changed hands in the area. The new-build market was even busier. Despite a slight drop in Q2, the 5,676 sales ranked as the third-highest in the country.

The explanation for this remarkable increase in the purchase of homes in Spain by EU-expats is the economic growth in their own country and the large amounts of money in their savings accounts that can be invested in the Spanish real estate market. **Savings books** and investments on the **stock market** are often hardly profitable.



Another striking feature is that more and more cash is being paid for, and therefore fewer mortgages are being taken out.

Both existing homes and new-build projects on the Spanish market are popular with expat people, who prefer to let their savings pay off in this way, while enjoying themselves at the same time.

Most northern European buyers are not very fond of typical rustic Spanish casas, which is why they quickly look at new developments. It is not just about studios or flats. Most people opt for more spacious properties, with plenty of open views of the sea. **33.1%** of the homes sold in 2018 were **larger than 100 square metres**. The Costa del Sol is also one of the most popular holiday regions, which also explains why sales figures are so high there.

This is important information. We can safely say that 'the market' likes to be close to the sea, in a spacious newly built flat that is modern and well furnished.

\*Source: HLN - <https://www.hln.be/reizen/nooit-meer-spaanse-huizen-verkocht-aan-belgen-in-10-jaar-7-keer-meer-belgen-met-buitenverblijf>



## ✓ 4. GO FOR SPACE (MIN. 2 BEDROOMS)

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If you plan to spend your own holidays in your second home as well as to rent it out, it is not a bad idea to consider an **extra bedroom and bathroom**.

If necessary, you can close it during your absence. This way, you keep enough space for things that are only for private use.

Most newly built flats also provide a **private storage room** and a **parking space** underground, which can of course also be used for private belongings.

### **An example calculation of rental income**

A 3 bedroom ground floor flat is for sale in the first phase at €239,000 (excl. costs).

*High season* (July - August, Christmas, and Easter holidays): 1.250€/week

*Mid season* (May, June, September): 1.000€/week

*Low season* (other periods): 850€/week

The following can be considered realistic:

10 weeks high season per year: **€12,500**

6 weeks of mid-season: **€6,000**

6 weeks off-season: **€5,100**

**Total gross revenue for rental of this: € 23,600 / year.**

Investment of 271.265€ (239.000€ + 13,5%) this is therefore **8,7%!!!**

## ✓ 5. TENANTS WANT TOP FACILITIES

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Compared to the rest of Spain, Costa del Sol has a lot to offer!

A tenant does not only want to go on holiday for the **great climate**, but also wants to experience something, good food & drink, culture, sports, ...

Costa del Sol has an absolute top offer in that respect!

You will find culture, gastronomy, beaches and shops, but you can also go into the mountains and relax in the forest, at a lake or in one of the many rural Andalusian villages, where mountain goats, eagles and deer still occur in the wild.

In less than an hour you can reach no less than **60 golf courses**. So it is not for nothing that the region is the golf destination par excellence in Europe, where you can also go sailing, polo playing, horse riding right on your doorstep.

Culturally too, we have beautiful cities such as Malaga, **Granada** (in winter you can ski here in the **Sierra Nevada**), Seville, Cordoba, and closer by, of course, Marbella, Estepona, Ronda, ... Last but not least, there is an abundance of good and affordable restaurants, which are also open all year round thanks to the beautiful climate! And of course, exclusive marinas such as **Puerto Banus** and **Sotogrande**, the beautiful beaches and beach bars are all added values for the region.



## ✓ 6. CLIMATE

The region around Marbella is sought after for its mild climate with **325 days of sunshine** per year.

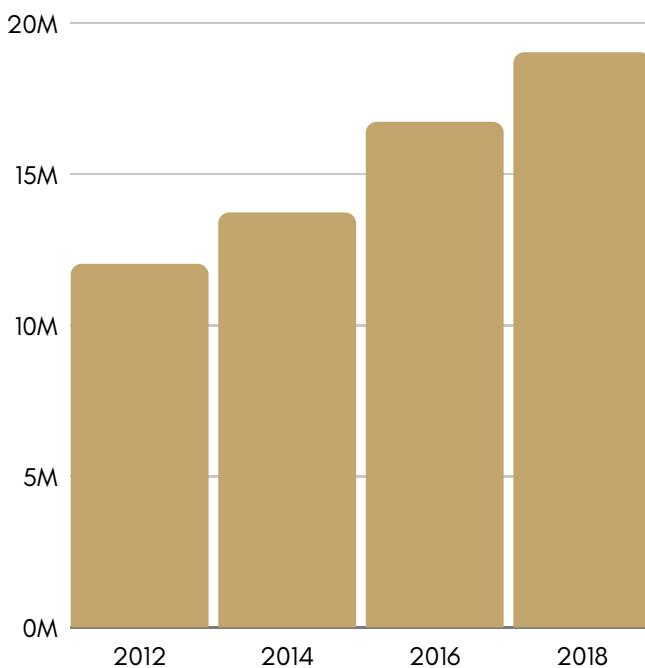
Of course, this is important, but perhaps the consequence is even more important: almost everything remains open throughout the year, and you can therefore easily rent out property all year round.

If you compare this with areas like Costa Brava, Costa Blanca or even the South of France, the season is much shorter!



This way, your **potential rental period** is not spread over 12 months, but over 3 to 6 months!

## ✓ 7. ACCESSIBILITY



Málaga Airport Passenger volume\*

\*Source: <https://airportmalaga.net/statistics/>

The numerous flights of barely 2.5 hours from various airports in Belgium make this region very accessible, even for a (long) weekend.

The low threshold of accessibility makes it even easier for European people, and people in the UK, to plan a short (or longer) trip.

In just a few hours, you can end up in a totally different climate and environment, yet still within a Western European framework.

Just think of safety, health ... not unimportant in these Corona times!

## ✓ 8. OBLIGATIONS AND LICENCES!!! (DON'T RISK SKY-HIGH FINES...UP TO 150K!)

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The times of the wild west on the Spanish coast are literally and figuratively over. And so is illegal renting. The Spanish tax authorities reached a turning point a few years ago and have started to actively combat this phenomenon.

### What does this mean for you?

No stress. You will have to register your second residence in the *Registro de Turismo of the Comunidad de Málaga*.

You can register up to four holiday homes as private individuals.

If you rent out more than four holiday homes, you will be regarded as a company as a company.



MÁLAGA 2020

### Rental licence, tourist tax, police notification

Spain is divided into 17 autonomous regions. Each autonomous region has its own legislation regarding rental. Most governments of the autonomous regions require that the property being rented out has a rental licence. To obtain a license, the property must meet many requirements, such as: a housing permit, complaint forms, first aid kit, fire extinguisher etc. There are also autonomous regions that do not allow the renting out of houses in apartment complexes or, for example, do not allow the renting out period to be shorter than five days.

In all cases, tenants must be registered by the owner (or his/her trustee) at the police station, just as a hotel does.

### Registration in the Registry of Tourism in Andalusia

Before renting out the property for the first time, the owner must apply for a permit from the responsible tourism office. A number of details must be submitted to this office:

The data for the identification of the property

The data of the owner of the property

The data of the company that rents the property.

Any changes to the details of the property, owner and company that occur after the initial request must be communicated. The registration in the register of Tourism in Andalusia can be done online. However, a digital certificate is required for this declaration.

This is usually done by the solicitor who makes the purchase.

### **There are also a number of practical obligations to take into account**

You are obliged to state your registration number in every public communication (AirBnB too!). In addition, you must keep a guestbook (to be collected from the local police) of all tenants. The latter means that you have to organise check-in and check-out through passport registration. (This can also be done using various apps).

### **Taxes**

As owner of a second residence in Spain you are obliged to pay non-resident tax on your rental income. The rate is 19% on the net rental income.

No later than **20 days after the end of each quarter** (trimestre), a tax return must be filed by each owner and for all leased properties (flat, storage room, garage). The name of the declaration is the 'modelo 210'. When the declaration is submitted, the tax must also be paid at the same time. The deadlines are: 20 January, 20 April, 20 July and 20 December. Spain does not have a postponement scheme for filing tax returns. We recommend that you take care of these matters professionally with a **tax specialist** (gestoria, asesoria) who will ensure that all tax obligations are dealt with in accordance with the Spanish tax regulations.

We will be pleased to guide you through a Dutch and Belgian tax specialist in Spain.

*Please note:* the Spanish tax authorities also have access to your rental income if you rent out via online rental platforms, such as AirBnB. Finally, the purchase of a second home and the letting of it in Spain may also have an impact on your Belgian taxes.

## **9. MANAGEMENT & MARKETING**

Also think about how you are going to organise the rental practically. The easiest way is to hand it over - in exchange for a slightly lower return - to a local office. Check in advance whether that is possible in your area.

At least as important: the first impression! Make your guests feel at home immediately! Think up a nice welcome package, make sure there are clear manuals and instructions on how to use the equipment in the house (TV & air conditioning are crucial). And set a few rules at the same time, so that it remains pleasant for you as a landlord, and all future tenants. Furthermore, practical guides of the area, the offer of places to go out and restaurants always do well with tenants.

In short, make sure your tenants feel COMPLETELY at home upon arrival. This way you will be able to offer your guests a top holiday in a top accommodation, and there is a good chance that they will rent from you again in the future. Or maybe even send their friends and family for a sun-drenched stay on the Spanish costa!



## 2. MORE PRACTICALITIES FOR HOLIDAY RENTALS IN ANDALUCIA

### **When are we talking about a holiday rental?**

When this service is offered by publications such as the internet or another tourist channel including travel agencies or other companies offering tourist services.

### **When does your property not fall under holiday rental?**

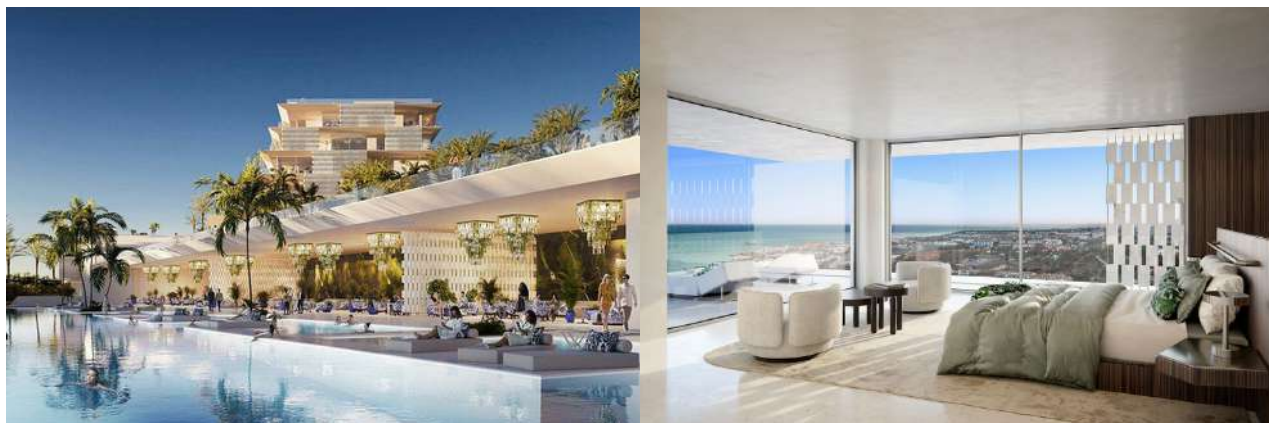
- Properties that are rented out for holidays but where there is no financial compensation in return
- Properties rented for longer than 2 months to the same person.
- Properties located in the countryside, they are covered by articles 47 and 48 of the Andalusian tourism law.
- A collection of three or more dwellings with the same owner located in the same building or urbanisation, they are covered by a different regulation.

### **What must be present in a property?**

- The property must have a licence of first occupancy and one must be able to prove at any time that the property complies with the licence.
- All rooms must have direct ventilation with the outside air or with uncovered patios and all windows must have a system to darken the windows. These rules do not apply if the dwelling is included in the list of protected dwellings and these works cannot be carried out without violating the conditions of a protected dwelling.
- The dwelling must be sufficiently furnished and equipped with the necessary appliances. Everything must be in a good state of repair and hygiene.
- There must be sufficient fixed air conditioning in the house if the house is rented between May and September. If the property is rented out between October and April then there must be sufficient heating appliances in the property. These rules do not apply if the property is included in the list of Protected Property and these works cannot be carried out without violating the conditions of a Protected Property.
- There must be a first aid box with sufficient first aid supplies.
- Tourist information such as restaurants, cafes, food, the nearest car parks, leisure areas, etc., must be available in the home.
- A complaint form must be present in the accommodation.
- The property must be cleaned upon the tenant's arrival and departure.
- There must be sufficient bedding, linen, household furniture in relation to the maximum occupancy of the property.
- There must be an assistance and maintenance service for the property and a telephone number in the property where one can ask for help.
- The tenant must be informed of the internal regulations and the use of the facilities in the home. Furthermore, they must be informed if pets are allowed in the accommodation and if smoking is allowed.
- The tenant must have at his disposal the manual for the electrical household appliances.

### 3. RECOMMENDATIONS: THE BEST INVESTMENTS FOR 2024

Taking into account many parameters, which have been discussed in detail above, our recommendations for renting at this time are as follows:



**1. Region Marbella:** Marbella Design Hills

**Price on demand**

**Marbella Design Hills – Dolce & Gabbana: Exclusive project centrally located in Golden Mile with villa apartments and shopping center in collaboration with Dolce & Gabbana**

This gigantic project includes 92 villa apartments and a shopping center in collaboration with Dolce & Gabbana. A plot of 80,000 square meters has been reserved for this project for development in one of the best locations in Marbella.

Additional features include a beach club restaurant and landscaped boardwalk.

This latest luxury development project in Marbella will have some of the best brands as neighbors (in addition to the partnership with Dolce & Gabbana). Boho Club and Mosh Momento Club are two of the closest, while Puente Romano is just around the corner.

Marbella Design Hills Dolce & Gabbana carries the Fendi Casa quality mark. The development project aims to make Marbella the next international sensation. The 92 luxury villa apartments will be a major focal point and will add even more exclusive real estate to this area of Marbella.

[View online](#)

[Virtual tour](#)

**See next page for an impression of Marbella Design Hills.**





### 3. RECOMMENDATIONS: THE BEST INVESTMENTS FOR 2024

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#### 2. Region Estepona: Australy Aures & Libella

From **€503.500**

 2-4  2-3

Australy, bestaande uit de projecten Aures & Libella, biedt luxe appartementen en penthouses aan met zeezicht op 10 minuten rijden van Estepona.

Aures ligt in de nieuwe stedelijke kern die wordt ontwikkeld in het noordelijke deel van Selwo Park, een strategische enclave in de driehoek van de gemeenten Estepona, Marbella en Benahavís.

Aures: Alle units in dit project beschikken over 4 slaapkamers en een ruim terras of tuin. De appartementen zijn naar het Zuiden of Zuid-Westen gericht en beschikken allemaal over 2 garages. Bovendien kijkt elke unit uit over de zee en veel groen. De grote ramen van de appartementen zorgen in combinatie met Zuid(-West)elijke richting voor veel natuurlijke lichtinval.

Libella: Dit project omvat 67 woningen met 2 en 3 slaapkamers, waaronder penthouses, duplexen en gelijkvloerse appartementen met tuin. De woningen zijn voorzien van een garageplaats en berging en hebben een grote verscheidenheid aan typologieën.

[View Aures](#)

[View Libella](#)

[Virtuele Tour](#)

See next page for an impression of Aures.






### 3. RECOMMENDATIONS: THE BEST INVESTMENTS FOR 2024

Taking into account many parameters, which have been discussed in detail above, our recommendations for renting at this time are as follows:



#### 3. Region Manilva: PureSun Residences

From **€271.000**

 2-3  2

PureSun Residences is a development of two and three bedroom apartments in a beautiful urbanization in Manilva. The project combines modern architectural design with perfectly landscaped gardens surrounding the building, along with extensive communal recreational areas for residents to enjoy a resort concept.

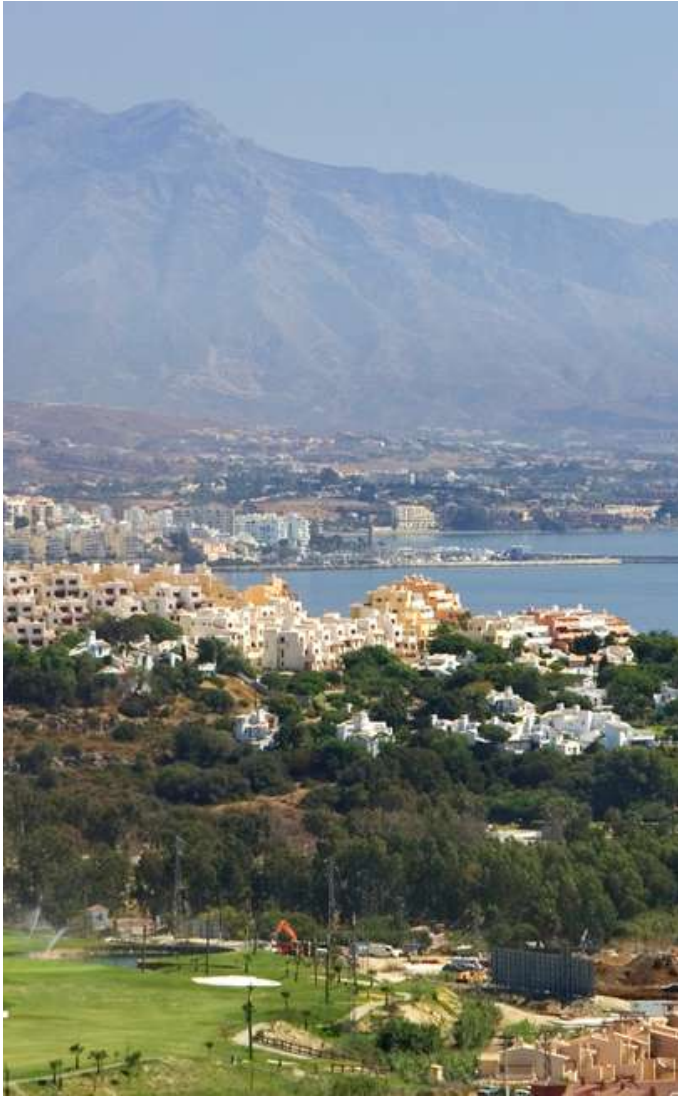
PureSun will have 159 homes, 50 of which will be built in the first phase. The apartments are designed with an ideal layout with spacious interiors and terraces that serve as an extension of the home. Thanks to the orientation of the development and its strategic location, the views and the sun are the main features of the terraces.

One of the most attractive features of PureSun Residences is its sea views: thanks to its strategic location and project design, this project has unobstructed views of the sea from sunrise to sunset.

[View online](#)

[Virtual tour](#)

See next page for an impression of PureSun Residences.





### 3. RECOMMENDATIONS: THE BEST INVESTMENTS FOR 2024

Taking into account many parameters, which have been discussed in detail above, our recommendations for renting at this time are as follows:



#### 3. Region Marbella: Privilege (Frontline beach)

Price on demand

 4  4

Privilege: Frontline beach is located in the urbanization Cortijo Blanco in Marbella, and it is also a frontline beach project! This urbanization has all the services and amenities of an urban environment.

Privilege: Frontline beach was designed by two prestigious architects from Marbella, with extensive experience in developing high-end villas. This project consists of 5 independent villas on four levels: basement, first floor, second floor and solarium. In addition, they all have large green areas and direct access to the beach.

[View online](#)

[Virtual tour](#)

See next page for an impression of Privilege (Frontline beach)





# THANK YOU FOR READING OUR GUIDE

We will be pleased to welcome you at our office in Southern Spain for an initial comprehensive meeting, during which we will be pleased to provide you with all the details of this and other projects.

As a licensed agent, we guarantee professional purchase guidance, deontology and you automatically benefit from our liability insurance. All this is part of the consumer protection.

## Why choose INVESTINS PAIN?

All projects in Spain are offered in a non-exclusive way by all real estate agents. Properties, availability & prices are therefore the same through every estate agent.

## How do we make the difference?

Besides the personal approach, which we find very important, these are our distinguishing features:

## Service portfolio

If you want to buy a second home, don't you want to do that 100% carefree? We take care of you! **Check out our service portfolio!**



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## Local offices

We have an office in Costa del Sol, Spain so that we can always help you close to home.

## Interior design

We can take care of the complete furnishing of your new dream home. Check out **[www.homeinspain.be](http://www.homeinspain.be)**!

