



Turning Houses into Homes &
Vacations into Memories!

Investmentguide

ViVi Real Estate



The Search



When you decide to buy a house in Spain, you will probably start searching online. The most important things to determine before you begin are your budget and your needs and desires for a property on the Costa del Sol.

Once you have established and discussed your budget and criteria with your ViVi real estate advisor, your advisor will start searching for you. If you find properties yourself, you can send them to your advisor, and he or she can arrange viewings and find suitable alternatives for you to visit.

During your visit and while viewing the different properties, your real estate advisor will be there to give you advice, answer all your questions, and guide you through the entire **process**.

When you have found your new home, the buying process begins. The real estate advisor will be able to guide you through this process to ensure that you can **RELAX**.



Buying The Property

As soon as you find your dream home, The buying process starts. This is a very exciting, but often stressful step. In order to take as much stress away from you, your property consultant will guide you through this process and help you with every step. Once you have found the right property, the negotiations begin.

Your property consultant will help you with the negotiations as well. It is just as important for ViVi as it is for you, to get the best price possible for you. During the buying process, your ViVi consultant will introduce you to a lawyer that works for you.

ViVi has a carefully selected network of reliable lawyers who speak your language. You will also need to reserve the property to ensure there will be no competition. You will sign a reservation agreement and pay an amount between **€6000,-** and **€20.000,-** to your lawyer. The lawyer will also do a background check on the property and arrange all paperwork for the purchase.

When the negotiations succeed, the reservation fee will be reduced of the actual agreed price of THE property.

If you want a mortgage to buy the property, ViVi can help you with that as well! Your dossier will be compared at different banks for the best offer. For foreign buyers, you can get a mortgage of maximum 70% of the purchasing price (excluding the extra costs), depending on your financial status.



The possibilities

Are you aware of the opportunities to increase your return on equity through the use of leverage? This can be effectively achieved thanks to the leverage effect. By utilizing borrowed capital, such as through a loan, you create a leverage that reduces the risk for the lender when you use real estate as collateral. This allows you to expand your portfolio without needing the full equity yourself. Additionally, if the property value increases, you benefit twice: both from the appreciation and the enhanced return on your own investment, amplified by the leverage effect



Investment opportunities

At ViVi Real Estate, we offer you several investment options: New Developments, Modern Homes, and Resale Properties. **New Developments** include projects that are still in the development phase and have yet to be completed. **Existing new builds** refer to recently completed properties that are immediately available. Finally, **Renovation Properties** offer the opportunity to purchase existing homes, renovate them, and then resell them.





The Costs

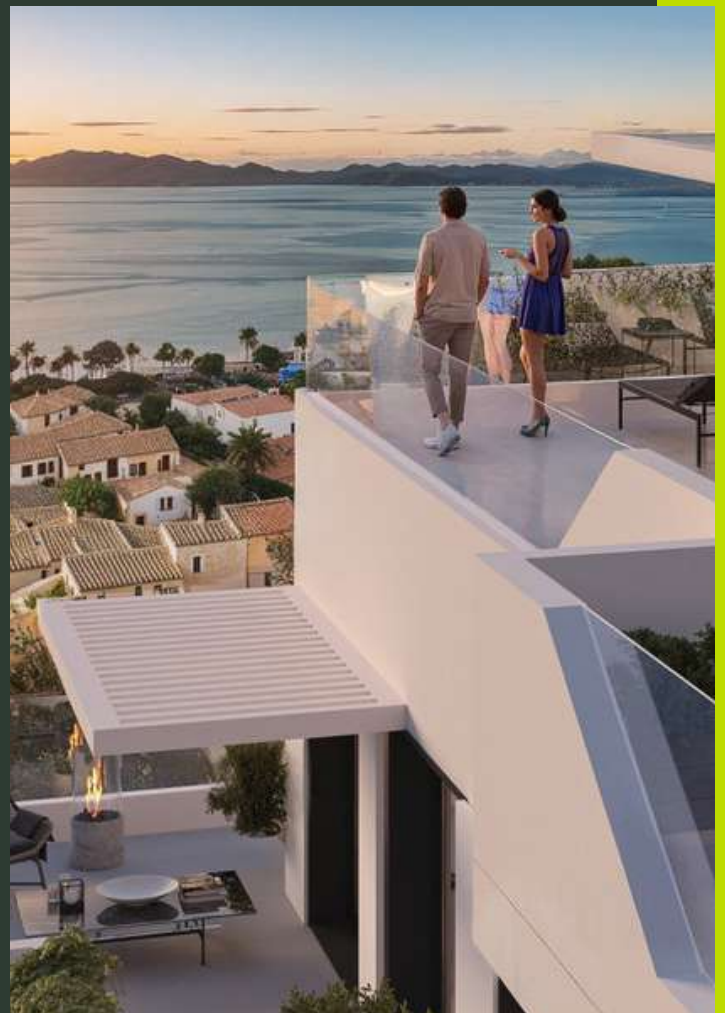
When you buy a property in Spain, you will have to take in account the extra costs. You do not only pay for the property, but you also have other costs like **transfer taxes** and costs for your lawyer and the notary. The transfer tax for a property is split in two different categories:

For a resale this is **7%**

For new developments its **10%** of the purchasing price

For plots it is **21%** of the purchasing price

However, this is still excluding the costs of the notary, and the lawyer.



Lawyer & Notary

The lawyer will check if there are any debts on the property, if it has all the licenses, we will check the mortgage on the property and the financial status of the seller. Your lawyer will also arrange the transfer of utilities, the application of the N.I.E. (the Spanish Tax number), opening a bank account and the estate settlement.

The prices for the lawyer differ per property and company, but in general, it costs around **1%** of the purchasing price. You will also need to go to the notary to verify all the documentation, drawing up the notarial deed and check all the payments. The prices for a notary are decided by law and because of that, do not differ much from each other. Average prices will be around **1%** of the purchasing price.

The prices can differ depending on the complexity of the dossier and the value of the property. In general, the extra costs for a resale property may go up to **10%** and for a new development, it might go up to **14%**.

ViVi will guide you through the whole process step by step. Before, during and after you have bought the property



Have you considered renting out a property in Spain while you are not present? That is certainly possible, but there are some important aspects to keep in mind, such as the Non-Resident Income Tax, known as Impuesto de la Renta de No Residentes (IRNR). This is an annual tax that applies to people who own property in Spain but are not official residents of the country.

For non-residents, the applicable tax rate is 24%, while residents of the European Union pay a rate of 19% on the net amount of rental income received.

When purchasing a property, in addition to the purchase price, there are also additional costs, often referred to as "buyer's costs" (costes de comprador). These costs are usually borne by the buyer but, in some cases, can be shared with or covered by the seller.

Additionally, wealth tax may apply if the property exceeds a value of €3,000,000. This tax applies to both residents and non-residents, and the rate ranges between 1.7% and 3.5%.

Even with these considerations, ViVi will be by your side throughout the entire process—before, during, and after you have purchased the property.



New Developments - Apartments

The first investment opportunity focuses on new developments, also known as "off-plan" projects. This is the perfect chance for you as an investor, as you can benefit from a value increase of 20% to 30% during the construction phase. This not only allows you to achieve a higher resale price but also provides a very attractive return on your investment.

With a purchase price of just €630,000, the total value of the apartment is estimated at €739,250, including additional costs such as notary fees, legal fees, bank fees, connection fees, stamp duty, and furniture. This means that your investment will immediately increase in value.

New projects			
Purchase			
	%		Amount
Off Plan Purchase price		€	630.000
VAT	10%	€	63.000
Notary Fees + Registration	1,50%	€	9.450
Lawyer Fees (Incl. VAT)	1,30%	€	8.190
Bank Fees	1x	€	750
Connection costs for water, electricity, internet, permits	1x	€	500
Stamp Duty Tax	1,20%	€	7.560
Furniture	1x	€	20.000
Total:	14,00%	€	739.450

Bank fees refer to charges for using banking services, such as interest or transaction costs.

Connection fees are the costs for setting up water, electricity, and internet services in your home.

Stamp duty is a tax that only applies to new development projects and is levied when purchasing your property.

Furniture refers to the costs incurred for purchasing furniture for your home.

Return on investment

In addition to the significant increase in value during construction, your property will continue to appreciate during the rental period. On average, properties increase by 5% per year, based on figures from recent years. This means that your property is estimated to reach a value of €949,000. This consistent appreciation, combined with the substantial difference between the purchase and resale price, results in a particularly attractive return on investment.

Sale			
Estimated Sale Price After 5 Years (2 Years Construction + 3 Years Rental)		€	949.000
Sales Costs for Marketing & Intermediary (incl. VAT)	5,21%	€	-49.443
Sales Taxes (3% Non-Resident + 0.5% Municipal)	3,50%	€	-33.215
Sale After Paying Taxes and Expenses		€	866.342
Difference Between Purchase and Sale	17,16%	€	126.892



Rental apartments

New developments give you the opportunity to charge higher rental prices, especially when the property is finished with modern features and offers significant advantages for tenants. During peak weeks, you can charge up to €2,400 per week, which translates to an average rental price of €343 per night. Over three years, your net profit could grow to €82,587, which, combined with the property's value appreciation, results in an impressive return on investment of 28.33%.

Rental and Summary 1				
Rental Income Annually (Gross)		€	52.775	
Property Management Costs (Total)	22%	€	-18.789	
Profit Tax on Rental Income	19%	€	-6.457	
Net Annual Profit (After Tax, Management, and Maintenance)	3,72%	€	27.529	
Net Rental Profit (3 Years)	11,17%	€	82.587	3
Net Profit from Purchase/Sale	17,16%	€	126.892	
Total:	28,33%	€	209.479 *	

SHORT-TERM RENTAL				
ESTIMATED RENTAL PRICE				
Peak week	Nights	Per Night	Guests	P.P.P.N
€ 2.400	7	€ 343	6	€ 57

Months	Amount	Contribution
Jan	€ 1.913	4%
Feb	€ 2.160	4%
Mar	€ 3.189	6%
Apr	€ 3.677	7%
May	€ 4.145	8%
Jun	€ 4.680	9%
Jul	€ 9.034	17%
Aug	€ 10.097	19%
Sep	€ 5.040	10%
Oct	€ 3.800	7%
Nov	€ 1.851	4%
Dec	€ 3.189	6%
Total	€ 52.775	100%

New Developments - Villas

In addition to the opportunity to invest in apartments, you could also choose to invest in villas. Villas not only offer luxury and space, making them highly appealing to tenants, but they also generate higher rental incomes and returns compared to apartments. While this requires a larger investment, it also provides a greater reward.

Take this example: you purchase an off-plan villa (a new project) for €1,795,000. After additional costs, such as stamp duty, the total value amounts to €2,127,550.

New Projects			
Purchase			
	%		Amount
Off Plan Purchase Price		€	1.795.000
Transfer Tax	10%	€	179.500
Notary Fees + Registration	1,50%	€	26.925
Lawyer Fees (Incl. VAT)	1,30%	€	23.335
Bank Fees	1x	€	750
Connection Costs for Water, Electricity, Internet, Permits	1x	€	500
Stamp Duty Taks	1,20%	€	21.540
Furniture	1x	€	80.000
Total:	14,00%	€	2.127.550



Return on investment

Moreover, the value of your villa, similar to apartments, is expected to increase by 20% to 30% during construction within two years. After completion, the value will continue to grow by 5% annually, ultimately bringing the villa to an impressive value of €2,800,000. This represents a significant capital gain and an excellent return on your investment.

Sale			
Estimated Sale Price After 5 Years (2 Years Construction + 3 Years Rental)	€		2.800.000
Sales Costs for Marketing & Intermediary (incl. VAT)	5,21%	€	-145.880
Sales Taxes (3% Non-Resident + 0.5% Municipal)	3,50%	€	-98.000
Sale After Paying Taxes and Expenses		€	2.556.120
Difference Between Purchase and Sale	20,14%	€	428.570



Rental - Villas



To maximize your rental income, in this example, you can charge €6,500 for a peak week. This translates to a nightly rate of €929, resulting in an annual rental income of €142,933. Thanks to the high demand and your net profit from the sale, you achieve a return on investment of 31.89% in this forecast.

Rental and Summary 1				
Rental Income Annually (Gross)		€	142.933	
Property Management Costs (Total)	17%	€	-40.081	
Profit Tax on Rental Income	19%	€	-19.542	
Net Annual Profit (After Tax, Management, and Maintenance)	3,92%	€	83.310	
Net Rental Profit (3 Years)	11,75%	€	249.929	3
Net Profit from Purchase/Sale	20,14%	€	428.570	
Total:	31,89%	€	678.499	*

Considering the different seasons, you can refer to the table to see how much you would earn each month. This will give you a clear view of your income during the high, mid, and low seasons.

SHORT-TERM RENTAL				
ESTIMATED RENTAL PRICE				
Peak week	Nights	Per Night	Guests	P.P.P.N
€ 6.500	7	€ 929	8	€ 116

Months	Amount	Contribution
Jan	€ 5.181	4%
Feb	€ 5.850	4%
Mar	€ 8.636	6%
Apr	€ 9.959	7%
May	€ 11.226	8%
Jun	€ 12.675	9%
Jul	€ 24.468	17%
Aug	€ 27.346	19%
Sep	€ 13.650	10%
Oct	€ 10.291	7%
Nov	€ 5.014	4%
Dec	€ 8.636	6%
Total	€ 142.933	100%

Existing New Builds - Apartments



The second investment opportunity allows you to immediately benefit from existing new builds, a sector that offers attractive returns right away. The biggest advantage? You can start earning income from day one, as the property is fully completed and ready to rent out. Quickly place your property on the rental market and serve your clients immediately, while enjoying stable and fast returns.

For a clear understanding, this example will use a property value of €444,350.

Existing New Builds			
Purchase			
	%	Amount	
Purchase price		€	444.350
Transfer Tax	7%	€	31.105
Notary Fees + Registration	1,50%	€	6.665
Laywer Fees (Incl. VAT)	1,30%	€	5.777
Bank Fees	1x	€	750
Connection Costs for Water, Electricity, Internet, Permits	1x	€	500
Furniture	1x	€	20.000
Total:	9,80%	€	509.146



Return on investment

An additional advantage is that with existing new builds, you do not have to pay stamp duty, which significantly reduces your additional costs. This means the value of your investment already increases to €509,146. Although there is no initial value increase of 25%, you can still expect an annual value increase of 5%. After five years, the estimated resale price is €579,000.

Sale			
Estimated Sale Price After 5 Years		€	579.000
Sales Costs for Marketing & Intermediary (incl. VAT)	5,21%	€	-30.166
Sales Taxes (3% Non-Resident + 0.5% Municipal)	3,50%	€	-20.265
Sale After Paying Taxes and Expenses		€	528.569
Difference Between Purchase and Sale	3,81%	€	19.423



Rental - Apartments

Existing new builds are attractive to renters because their prices are slightly lower, while still offering you high returns and rental income. In this example, a peak week rental rate of €1,500 is realistic for a purchase price of €444,350. This will result in an annual rental income of €32,984, which you can start enjoying immediately. Additionally, you won't spend time on construction or renovation. Over five years, your net profit combined with your net gain from the purchase/sale will yield a return on investment of 18.66%.

Rental and Summary 2

Rental Income Annually (Gross)		€	32.984	
Property Management Costs (Total)	24%	€	-14.319	
Profit Tax on Rental Income	19%	€	-3.546	
Net Annual Profit (After Tax, Management, and Maintenance)	2,97%	€	15.119	
Net Rental Profit (5 Years)	14,85%	€	75.596	5
Net Profit from Purchase/Sale	3,81%	€	19.423	
Total:	18,66%	€	95.019 *	

To give you an even better understanding of the rental income, here is a table showing the approximate earnings you could make each month. This takes into account the low, high, and mid seasons.

SHORT-TERM RENTAL				
ESTIMATED RENTAL PRICE				
Peak week	Nights	Per Night	Guests	P.P.P.N
€ 1.500	7	€ 214	6	€ 36

Months	Amount	Contribution
Jan	€ 1.196	4%
Feb	€ 1.350	4%
Mar	€ 1.993	6%
Apr	€ 2.298	7%
May	€ 2.591	8%
Jun	€ 2.925	9%
Jul	€ 5.646	17%
Aug	€ 6.311	19%
Sep	€ 3.150	10%
Oct	€ 2.375	7%
Nov	€ 1.157	4%
Dec	€ 1.993	6%
Total	€ 32.984	100%

Existing New Builds - Villas

When purchasing a new build villa, you can also start earning returns immediately. This works similarly to apartments and is particularly advantageous for you as an investor. Despite the higher costs, you can charge higher rents and recoup your investment more quickly. To give you a clear picture of the investment, here are some examples. With a purchase price of €1,595,000, you receive a beautifully finished villa. Including additional costs, the total investment amounts to €1,832,560.

Existing New Builds

Purchase

	%	Amount
Purchase Price		€ 1.595.000
Transfer Tax	7%	€ 111.650
Notary Fees + Registration	1,50%	€ 23.925
Lawyer Fees (Incl. VAT)	1,30%	€ 20.735
Bank Fees	1x	€ 750
Connection Costs for Water, Electricity, Internet, Permits	1x	€ 500
Furniture		
Total:	9,80%	€ 1.752.560



Return on investment

The value of the villa will, of course, continue to increase. During the five-year rental period, the value will grow by 5% annually. In this example, this means that the resale price after five years will be €2,050,000. Although the difference between the purchase and resale price is typically smaller for villas compared to apartments, you will ultimately achieve a significantly higher return on investment with existing new build villas than with an apartment.

Sale			
Estimated Sale Price After 5 Years		€	2.050.000
Sales Costs for Marketing & Intermediary (incl. VAT)	5,21%	€	-106.805
Sales Taxes (3% Non-Resident + 0.5% Municipal)	3,50%	€	-71.750
Sale After Paying Taxes and Expenses		€	1.871.445
Difference Between Purchase and Sale	6,78%	€	118.885



Rental - Villas



For rental income, you can charge a peak week price of €6,000. This results in a nightly rate of €857 and an annual yield of €131,938. This generates a return on investment of 23.88%, which is higher than the return from an apartment. This makes investing in a villa more attractive than investing in an apartment.

Rental and Summary 2

Rental Income Annually (Gross)		€	131.938	
Property Management Costs (Total)	18%	€	-33.476	
Profit Tax on Rental Income	19%	€	-18.708	
Net Annual Profit (After Tax, Management, and Maintenance)	4,55%	€	79.754	
Net Rental Profit (5 Years)	22,75%	€	398.770	5
Net Profit from Purchase/Sale	6,78%	€	118.885	
Total:	29,54%	€	517.655	*

SHORT-TERM RENTAL				
ESTIMATED RENTAL PRICE				
Peak week	Nights	Per Night	Guests	P.P.P.N
€ 6.000	7	€ 857	8	€ 107

Months	Amount	Contribution
Jan	€ 4.783	4%
Feb	€ 5.400	4%
Mar	€ 7.971	6%
Apr	€ 9.193	7%
May	€ 10.363	8%
Jun	€ 11.700	9%
Jul	€ 22.586	17%
Aug	€ 25.243	19%
Sep	€ 12.600	10%
Oct	€ 9.499	7%
Nov	€ 4.629	4%
Dec	€ 7.971	6%
Total	€ 131.938	100%

Renovation Properties - Apartments

As a third option, you can choose to invest in renovation properties. Renovation properties offer a unique opportunity to achieve significant returns with a low purchase price. Through strategic renovations, you can significantly increase the property's value, leading to higher resale prices or rental income. With the growing demand for modern homes, smart renovations can maximize your property's appeal and boost your return on investment.

For example, if you purchase a property for €449,000 and invest in renovations that increase its value to €614,252, you could then sell the property for €749,000.

Renovation Properties			
Purchase			
	%		Amount
Purchase price		€	449.000
Transfer Tax	7%	€	31.430
Notary Fees + Registration	1,50%	€	6.735
Laywer Fees (Incl. VAT)	1,30%	€	5.837
Bank Fees	1x	€	750
Connection Costs for Water, Electricity, Internet, Permits	1x	€	500
Renovation Costs	1x	€	100.000
Furniture	1x	€	20.000
Total:	9,80%	€	614.252



Return on investment

This resale price is due to the 5% annual value increase and the valuable renovations. A good renovation significantly enhances the property's added value, resulting in a substantial difference between the purchase and resale price, and an attractive return on investment.

Sale			
Estimated Sale Price After 5 Years		€	749.000
Sales Costs for Marketing & Intermediary (incl. VAT)	5,21%	€	-39.023
Sales Taxes (3% Non-Resident + 0.5% Municipal)	3,50%	€	-26.215
Sale After Paying Taxes and Expenses		€	683.762
Difference Between Purchase and Sale	11,32%	€	69.510



Rental - Apartments

Additionally, modernization allows you to charge higher rental prices. In this example, you can ask €2,100 for a peak week, which equates to €300 per night. This results in an annual rental income of €46,178. After four years of renting, combined with the profit from the sale, you achieve a return on investment of 26.69%.

Rental and Summary 3

Rental Income Annually (Gross)		€	46.178
Property Management Costs (Total)	22%	€	-17.033
Profit Tax on Rental Income	19%	€	-5.538
Net Annual Profit (After Tax, Management, and Maintenance)	3,84%	€	23.608
Net Rental Profit (4 Years)	15,37%	€	94.432
Net Profit from Purchase/Sale	11,32%	€	69.510
Total:	26,69%	€	163.942 *

SHORT-TERM RENTAL

ESTIMATED RENTAL PRICE

Peak week	Nights	Per Night	Guests	P.P.P.N
€ 2.100	7	€ 300	6	€ 50

Months	Amount	Contribution
Jan	€ 1.674	4%
Feb	€ 1.890	4%
Mar	€ 2.790	6%
Apr	€ 3.218	7%
May	€ 3.627	8%
Jun	€ 4.095	9%
Jul	€ 7.905	17%
Aug	€ 8.835	19%
Sep	€ 4.410	10%
Oct	€ 3.325	7%
Nov	€ 1.620	4%
Dec	€ 2.790	6%
Total	€ 46.178	100%

Renovation Properties - Villas

Another interesting option is investing in villas. Although purchasing a villa involves higher costs compared to buying an apartment, the benefits are substantial. After renovation, you can achieve a much higher net profit, which boosts your return on investment. Moreover, a villa offers more space to cater to market demands and needs, positively impacting the property's value.

For example, if you buy a renovation villa for €1,100,000, the value of your property can rise to €1,639,050 after renovation. This illustrates how a smart investment in a villa not only increases your return but also enhances your ability to capitalize on market opportunities.

Renovation Properties

Purchase

	%		Amount
Purchase Price		€	1.100.000
Transfer Tax	7%	€	77.000
Notary Fees + Registration	1,50%	€	16.500
Lawyer Fees (Incl. VAT)	1,30%	€	14.300
Bank Fees	1x	€	750
Connection Costs for Water, Electricity, Internet, Permits	1x	€	500
Renovation Costs	1x	€	350.000
Furniture	1x	€	80.000
Total:	9,80%	€	1.639.050



Return on investment

The forecast for the resale price is quite optimistic. This is due to the 5% annual value increase, similar to the other apartments and villas, but the renovation will also significantly contribute to the final resale price. This creates a substantial difference between the purchase and resale price.

Sale			
Estimated Sale Price After 5 Years	€		1.995.000
Sales Costs for Marketing & Intermediary (incl. VAT)	5,21%	€	-103.940
Sales Taxes (3% Non-Resident + 0.5% Municipal)	3,50%	€	-69.825
Sale After Paying Taxes and Expenses		€	1.821.236
Difference Between Purchase and Sale	11,12%	€	182.186



Rental - Villas

The difference between the purchase and resale price will be factored into your return. With a price of €1,995,000, it is realistic to charge €6,250 for a peak week, which equates to a nightly rate of €893. At these rates, you can expect an annual income of €137,435. After four years, this results in an impressive return on investment of 31.76%.

Rental and Summary 3

Rental Income Annually (Gross)		€	137.435	
Property Management Costs (Total)	17%	€	-33.010	
Profit Tax on Rental Income	19%	€	-19.841	
Net Annual Profit (After Tax, Management, and Maintenance)	5,16%	€	84.584	
Net Rental Profit (4 Years)	20,64%	€	338.336	4
Net Profit from Purchase/Sale	11,12%	€	182.186	
Total:	31,76%	€	520.522 *	

SHORT-TERM RENTAL				
ESTIMATED RENTAL PRICE				
Peak week	Nights	Per Night	Guests	P.P.P.N
€ 6.250	7	€ 893	8	€ 112

Months	Amount	Contribution
Jan	€ 4.982	4%
Feb	€ 5.625	4%
Mar	€ 8.304	6%
Apr	€ 9.576	7%
May	€ 10.795	8%
Jun	€ 12.188	9%
Jul	€ 23.527	17%
Aug	€ 26.295	19%
Sep	€ 13.125	10%
Oct	€ 9.895	7%
Nov	€ 4.821	4%
Dec	€ 8.304	6%
Total	€ 137.435	100%

After sales services

After you bought your property, what's next? Whether you bought a renovation property or a new-build, there is always something that can needs to be done

We provide many services such as renovations, painting, minor repairs, gardening, and home cleaning, including the maintenance of private pools and jacuzzis. With our team of skilled professionals, ViVi ensures that your property remains in impeccable condition.

All this to ensure your property is well taken care of while you go about your everyday life. Please refer to ViVi Property Management website to see a detailed list of all the services we offer and how we can make your life easier!

We also provide rental services through ViVi Homes



ViVi Homes

At ViVi, we understand the importance of taking good care of a property. Especially in cases where you might not be there all the time.

We offer everything from check-in to check-out.

At ViVi Homes, we are dedicated to creating the perfect experience for our guests and partners, fostering long-term relationships. Our commitment is to be there when you need us, offering unwavering support and accessibility.

Multilingual Team

Our team consists of English, Spanish, German, and Dutch-speaking experts. We prioritize communication in your preferred language to ensure you feel comfortable and informed throughout your journey.

Always Available

ViVi Homes is not bound by business hours. We are always present on-site, ensuring your needs are met promptly, even outside traditional working hours. Reliability is our cornerstone.

Renting Out Your Property

Every week your holiday home sits vacant is a missed opportunity. ViVi Homes specializes in maximizing your income potential, reducing fixed costs, and enhancing your property's equity. Our property specialists take care of everything, allowing you the freedom to stay in your home country or travel wherever you please. Rest assured, your home is always open for you to enjoy.

Comprehensive Services

In addition to property management, ViVi Homes offers an array of luxury services on the Costa del Sol, making your stay even more enjoyable. From functional services that simplify your life to indulgent experiences, we have you covered.

Don't miss out on the potential of your Costa del Sol property. Contact ViVi Homes today to explore how we can help you optimize your property investment while providing you with exceptional service and support.





**Excited to buy your property on
the Costa del Sol?**

Contact us today!

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vivi-realestate.com