Release capital from a Spanish property — and buy again

A working document to tick off, fill in and take into the bank meeting. As of August 2026

> A paid-off property in Spain is capital that does nothing. Selling in order to buy again costs tax and commission and gives away the growth you would still have had. The other route is a mortgage over the unencumbered property, with the capital going into the next purchase. This document holds the requirements, the document list, the timeline with its deadlines, one constellation calculated through, and the points at which it fails.

1 · What this structure is for — and what it is not for

The Spanish mortgage market is built around acquisition. The classic hipoteca finances a single event: contract, price, valuation, payment to the seller — standardised and largely automated. Releasing capital from a property you already own does not fit that grid: someone has to underwrite it by hand, and the branch has no mandate to do so. For residents it is already the exception; for non-residents a share of lenders refuses it outright. The "no" at the counter is therefore usually a statement about the institution, not about your case.

Suited to	Not suited to
Unencumbered Spanish property in a marketable location	Property in thin markets where a forced sale would be difficult
Capital that demonstrably stays in Spain	Unrestricted use abroad — the funds may not leave the country
Buying a further property in Spain	Consumer purposes: what the counter offers instead is often a consumer loan on entirely different terms
Owners who want to keep the existing property	Capital privado: private money is quick to get and expensively paid for — this is about a bank
Gifts within Spain as well	Refinancing a running Spanish mortgage — that is a different transaction

> How narrow this market is, the competition says itself: the Spanish broker IMS Mortgages states publicly that remortgaging in Spain is offered by exactly one institution, that the banks currently do not offer refinancing to non-residents, and that lending is possible only against an unencumbered property (retrieved 14.07.2026). Our own survey reaches the same result: of 15 to 20 institutions assessed, two lend against unencumbered existing property for non-residents (Perini Market Check, as at 14.07.2026).

2 · Requirements — please tick these off first

- [ ] **The property is free of charges — or the residual debt is redeemed alongside**
  The 50 % applies to the unencumbered property. A small residual debt is no obstacle; it merely reduces the capital released.
- [ ] **The location is marketable**
  A lender that might one day have to sell wants buyers to exist. Liquid, internationally traded markets carry this structure.
- [ ] **The use of funds is in Spain and can be documented**
  Buying a further property is the most common case. The funds may not leave Spain — the bank monitors how they are used.
- [ ] **The valuation is the reference, not what you once paid**
  The amount depends on the current valuation. Buying cheaply years ago works in your favour; buying at the top does not.
- [ ] **Ownership is unambiguous**
  Multiple owners, inherited co-ownership or an unregistered extension delay or prevent registration of the new charge.
- [ ] **Register and cadastre agree**
  An unregistered extension reduces the valuable substance — and therefore the loan — even though the space exists.
- [ ] **The income carries the new instalment**
  Releasing capital is not a substitute for creditworthiness. Underwriting is as strict as for any mortgage.
- [ ] **Council tax, community charges and utilities are up to date**
  Outstanding community costs attach to the property and surface at the valuation at the latest.

3 · The documents the bank wants to see

Grouped by person, income and property. The half-sentence after each line says why the bank asks for that piece of paper.

Personal

- [ ] **Identity card and passport, copies**
  Identity and nationality.
- [ ] **NIE — already held, since you own property in Spain**
  Please check that the number still matches your current identity document.
- [ ] **Current certificate of registered address in your country of residence**
  It decides whether your file is run as a non-resident case.
- [ ] **Full credit file (SCHUFA under Art. 15 GDPR), no more than a month old**
  For non-German applicants, the equivalent credit report from the home country.
- [ ] **Signed personal financial statement**
  The basis of the pre-assessment, before any application is live.
- [ ] **Evidence of the intended use: particulars, reservation or preliminary contract**
  Without documented use inside Spain the structure cannot be written.

Income

- [ ] **Last three payslips plus the December payslip of the previous year**
  The December slip shows the annual totals.
- [ ] **Tax assessments for the last two years**
  For non-German applicants, the home-country assessment.
- [ ] **Six months of bank statements, complete and unredacted**
  Redacted statements are rejected.
- [ ] **Pensioners: latest pension award letter and a statement showing the payment**
  The letter evidences the amount, the statement the actual receipt.
- [ ] **Self-employed: two sets of accounts, management accounts, trial balance**
  Spanish lenders regularly ask for two to three years of evidence.
- [ ] **Rental income from the existing property: tenancy agreements and receipts**
  If the charged property is let, the rent counts as income — and the bank wants it evidenced.
- [ ] **Existing loans: interest certificates and confirmation of no arrears**
  Loans in your home country also count towards the debt ratio.

The properties — existing security and the new purchase

- [ ] **Nota Simple for the existing property, no more than three months old**
  It proves ownership and the absence of charges — the core of this structure.
- [ ] **Escritura for the existing property**
  It shows the date of acquisition, the description and the registered areas.
- [ ] **Current cadastral extract and Referencia Catastral**
  Checking it against the register exposes unregistered extensions.
- [ ] **Latest IBI (council tax) notice, paid**
  The tax notice doubles as evidence that the property is correctly recorded.
- [ ] **Certificate from the owners' community confirming no arrears**
  Outstanding community costs attach to the property and reduce the headroom.
- [ ] **Cédula de habitabilidad or licencia de primera ocupación**
  Without proof of habitability the valuer will not value, or values with a deduction.
- [ ] **A current valuation, or willingness to commission one**
  The valuation sets the limit; it takes 5 to 10 working days.
- [ ] **Papers for the new purchase: Nota Simple, particulars, draft arras contract**
  The use of funds is tested against those papers, not against a statement of intent.

4 · Sequence and timeline through to drawdown

Step	What happens	Realistic duration
1 · Financial statement and pre-assessment	size up the limit from valuation and income	2 to 5 days
2 · Confirm the absence of charges	Nota Simple, cadastral check, community costs	3 to 10 days
3 · Approach 15 to 20 institutions	only lenders that write unencumbered existing property for non-residents	in parallel, not one by one
4 · Commission the valuation	it sets the limit, not what you once paid	5 to 10 working days
5 · Submit evidence of use	particulars, reservation or preliminary contract for the new purchase	alongside the valuation
6 · Approval	limit, fixed-rate period and payment route are settled	up to 10 days with a complete file
7 · FEIN with the notary	the binding offer has to be lodged	at least 10 days before the deed
8 · Two notary appointments	briefing with its record, then the mortgage deed	at least 11 days after approval
9 · Registration at the Registro	only then is the charge validly created	days to weeks
10 · Drawdown and use of funds	the bank monitors that the capital stays in Spain	with, or straight after, registration

> With a complete file the whole process runs between three days and four weeks to approval. What lengthens it is rarely the bank: foreign documents, source-of-funds evidence, income in a foreign currency, self-employment and missing property papers are the delays we see again and again.

5 · One constellation calculated through — worked example

Assumptions, all our own: an unencumbered resale apartment on the Costa Blanca (Comunitat Valenciana) with a valuation of €600,000. A second resale apartment in the same region is bought for €260,000. Term 20 years. Not an offer and not a commitment — a calculation showing what the headroom gives and what the purchase needs.

Item	Amount	Where the figure comes from
Valuation of the existing property	€600,000	assumption, free of charges
Lending headroom, 50 % of the valuation	€300,000	the normal case for non-residents in this structure
Purchase price of the new property (resale)	€260,000	assumption
ITP 9 % — Comunitat Valenciana up to €1,000,000	€23,400	Ley 5/2025, in force since 01.06.2026
Notary (0.75 %)	€1,950	statutory fee scale
Land registry (0.4 %)	€1,040	fee schedule
Lawyer (1 %)	€2,600	customary rate
Gestoría and sundries	€410	administrative steps after signature
Purchase costs in total	**€29,400**	11.3 % — inside the 10 to 13 % band
Total investment in the new purchase	**€289,400**	price plus costs
Actually drawn against the existing property	€289,400	48.2 % of the valuation — only what the purchase needs
Headroom left unused	€10,600	stays available for later
Liquid funds required	**€0**	the existing property is neither sold nor touched
Instalment (2.8 %, 20 years)	€1,576.19	French amortisation on the evidenced rate

Item	Amount	Where the figure comes from
Total amount over 20 years	€378,285	sum of the instalments
Total debt	**€289,400**	secured on the previously unencumbered property

The counter-calculation: selling instead of charging. Selling the existing property to pay cash for the next one means agency commission and plusvalía municipal on the sale, exposes any gain to taxation and gives up the property's future growth. The purchase costs on the new property fall due anyway. Those items depend so heavily on the individual case — holding period, acquisition cost, region, tax status — that we deliberately do not put figures on them here; they belong with your tax adviser. The price of the mortgage route, by contrast, can be named: the property that was free of charges is now collateral and enforceable on default, and notary, registry and valuation costs arise again.

> The rate and the amortisation method are not guesswork: the calculation uses the discounted borrowing rate of 2.8 % p. a. and French amortisation from the representative example published on perini.es (€200,000 loan, 65 % LTV, 20 years, instalment €1,089.28, APR 2.86 %, total amount €261,426). Valuation (tasación) 400 €, no arrangement fee (comisión de apertura 0 %). The borrowing rate shown applies with the bonificación; it requires two to four bundled products, depending on the bank, whose running costs are not included in the APR. Without the bonificación the same source gives a borrowing rate of 3.8 %, an instalment of €1,190.99 and an APR of 3.89 %. Purchase price, property type, region and term are our own assumptions. Your own rate may be higher or lower — it depends on your standing, the loan-to-value and the fixed-rate period, and the bank sets it.

6 · Where cases like this fall over

- **The branch is asked — and says no**
  Releasing capital does not fit the automated grid and has to be underwritten by hand. The branch has no mandate for that. The refusal is a statement about the institution.
- **A consumer loan is offered as the solution**
  What arrives at the counter instead runs on entirely different terms and over a very different period. That difference belongs before the signature, not after.
- **The funds are meant to go abroad**
  The money may not leave Spain. Unrestricted use outside Spain is not part of this structure — not even in part.
- **The calculation uses the price you paid years ago**
  The limit depends on the current valuation. The two diverge in both directions.
- **An unregistered extension**
  A conservatory, a converted basement, an extended terrace: what the register does not show does not count towards the valuation, even though it was built and paid for.
- **Outstanding community charges or council tax**
  They attach to the property and surface at the valuation, or at the notary at the latest.
- **Missing the window after a new-build purchase**
  Waiting too long after paying in full makes you the owner of a paid-off property rather than a buyer arranging finance: as a rule up to 50 % of the valuation instead of up to 70 %, with the use of funds tied.

7 · What we take on — and what we charge

– **A check before you sign.** You hear whether the structure holds before the preliminary contract — not after the deposit has left your account.

– **A selection of lenders, not a branch visit.** 15 to 20 institutions are approached per case: major Spanish banks, regional cajas, non-resident specialists and international lenders. What counts is who writes the structure, not who calls it conceivable (Perini Market Check, as at 14.07.2026).

– **Documents in bankable form.** We sort them, have them translated and file them — with a complete file, processing runs from 3 days to 4 weeks.

– **Contract check.** The arras contract and the payment schedule are reviewed before they bind you.

– **Support up to the notary.** Two appointments, the ten-day FEIN period, the registry entry — the order of events is half the battle.

Our fee is 1 % of the loan actually arranged — not of the purchase price — falls due only if the financing completes, and carries no Spanish VAT. If no financing materialises you pay nothing: no advance payment, no handling charge. If the loan ends up smaller than planned, the fee shrinks with it.

8 · Next step

Send us the key facts before you sign anything: property, region, purchase price, any valuation you already have, your income position and — for a new build — the developer's payment schedule. You will hear from us whether the structure holds in your case. Email info@perini.es · perini.es

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