



2025 REPORT

LEGISLATIVE CHANGES AFFECTING TOURIST RENTAL PROPERTIES

**HOW WILL THESE
CHANGES AFFECT THE
VALUE OF YOUR
PROPERTY IN MARBELLA?**



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01. WHAT HAS MOTIVATED THESE IMPORTANT CHANGES?

The Spanish government, in what we believe to be a misguided analysis of the causes of the current housing crisis, has recently approved several legislative changes with the intention of limiting the supply of tourist rental properties and, as the Ministry of Housing understands it, thereby increasing the long-term rental offer.

At **LPA**, we stand in solidarity with the dramatic housing crisis affecting the country — as could not be otherwise. However, like all real estate associations, associations of economists, and internationally renowned consultancy firms, we agree that both the diagnosis and, above all, the measures implemented by public administrations will not solve the current situation.

The **vast majority of properties used for tourist rentals are second homes located in coastal areas**

that their owners enjoy for several weeks a year, as well as in historic city centers that have been rebuilt in the last 15 years due to tourist demand — at prices that are not aligned with the local middle-class demand, which typically seeks housing in more affordable neighborhoods with greater access to services than historic centers.

According to the latest report by PWH, the supply of tourist rental housing in Spain has driven a price increase compared to long-term rentals of no more than %3.



MAIN CAUSES OF THE HOUSING CRISIS

We summarize the main causes that, in our professional opinion, have led to the current housing crisis:

DEMOGRAPHIC MOVEMENTS

Large demographic movements — both from inland residents and immigrants from other countries — have significantly increased the population in Spain's main cities.

SHORTAGE OF PUBLIC HOUSING

In Spain, public housing construction has not followed a normal pace for more than 20 years. As a result, there is a notable shortage of public housing, which contributes to the difficulty many citizens face in accessing housing.

NON-PROFITABLE BUSINESS

Public housing modules have been obsolete for over 15 years without being updated by the public administration. This, combined with rising construction costs, has made this sector unprofitable for developers interested in building public housing.

LAND LAW

The national Land Law is outdated. On top of this, excessive regulations and bureaucracy make the development and urban transformation of land — prior to the building process — extremely difficult and slow. As an example, processing a Partial Plan alone can take an estimated 5 to 10 years.

MORE DEMAND THAN SUPPLY

In Spain, approximately 100,000 homes were built during 2024, while around 400,000 immigrants arrived in the country. This discrepancy increases pressure on the housing market, where supply grows at a much slower rate than real demand.

RISING DIVORCE RATE

In our society, the number of divorces increases each year, which leads to families needing two homes, at least temporarily.

HOUSING LAW

In 2023, the Spanish government approved a Housing Law that, although well-intentioned in seeking to protect the most vulnerable in the rental market, has worsened the legal uncertainty for property owners regarding unpaid rent, rent update limitations, and lease terminations. In just the past year, the supply of rental homes has dropped by more than 100,000 units.

02.LEGISLATIVE CHANGES

Although in many cities across the country the different public administrations (central government, autonomous communities, and local councils) are competing among themselves to address this housing problem with political measures — often ineffective — in our area of work (Marbella, Benahavís, and Estepona), both the Andalusian Regional Government and the City Councils place great value on the economic importance of the tourist rental housing supply in our region and are making decisions in the right direction, based on data rather than political narratives.

*In any case, **at the national level, the measures being adopted are moving in the opposite direction, particularly the latest amendment to the Horizontal Property Law, which came into effect on April 3rd.** We will now analyze only this new regulation, as the legislative proposal announced by the PSOE (Spanish Socialist Workers' Party) — Apply a %21 VAT to tourist-use housing, double the property purchase taxes for non-residents outside the European Economic Area, and increase taxes on vacant or second homes that are not rented out under long-term lease agreements — will only be analyzed if they become reality. As of today, they remain proposals which, according to some experts, may have limited legal viability in certain cases.*



2.1 – AMENDMENT TO THE HORIZONTAL PROPERTY LAW. EFFECTIVE AS OF APRIL 3RD, 2025. WHAT DOES THIS LEGISLATIVE CHANGE ENTAIL?

The amendment to the Horizontal Property Law grants homeowners' associations the power to prohibit or allow new tourist license applications.

Before this amendment, tourist rental activity could be carried out freely if not expressly prohibited in the bylaws.

As of April 2025 ,3, for a property to be used for tourist rental, it must have the express approval of the homeowners' association, requiring a favorable agreement from three-fifths of the property owners and their ownership shares.

This vote must be conducted at an annual or extraordinary meeting and does not require an individual vote for each application. In other words, whatever decision is adopted at the meeting will apply to all tourist license applications submitted after the meeting date, according to the legal department of the Association of Property Managers.

It is important to note that this requirement only applies to properties located within a complex or building governed by the horizontal property regime.

2.2 – HOW DOES THIS LEGISLATIVE CHANGE AFFECT PROPERTIES ALREADY REGISTERED IN THE TOURISM REGISTRY AND CURRENTLY ENGAGED IN THIS ACTIVITY?

The amendment to this law is not retroactive and therefore only affects new applications for registration in the Tourism Registry. All properties registered before April 3 will be able to legally continue their rental activity.



03. HOW IS THIS LEGISLATIVE CHANGE AFFECTING THE CITY'S MOST TOURISTIC AREAS?

Although this new law has only been in force for 2 months, many of our members are already witnessing how some property sales in areas like Marbella's Golden Mile, Puerto Banús, or San Pedro Playa are being cancelled due to legal uncertainty and difficulties for buyers wishing to rent out their future homes as holiday rentals when not in use.

Regardless of this legislative change — which, starting April 2025³, requires prior authorization from the Homeowners' Association — as of today, there is a community of owners located in a major tourist area of the city that decided in 2024 to prohibit tourist rentals. After nearly 15 months of prohibition, we believe enough time has passed to share some conclusions.

3.1 – WHAT WAS THE STATED REASON FOR A COMMUNITY OF OWNERS TO BAN TOURIST RENTALS OVER A YEAR AGO?

The main reason was the disturbances caused by some properties managed directly by their owners.

3.2 – HAS THE BAN ON TOURIST RENTALS IN THAT COMMUNITY STOPPED SUCH PROPERTIES FROM OCCASIONALLY CAUSING DISTURBANCES?

It has been 15 months since the ban was approved and the answer is clear: NO. The decision made by the Homeowners' Association is not retroactive, so properties that already held a tourist license may legally continue operating.

However, the ban has had another serious and unexpected consequence for owners: demand from buyers has dropped significantly, and property values have begun to fall.

This has become evident when some owners, with homes listed for sale, sought buyers in the short to medium term and were forced to apply significant discounts to try and stimulate demand.

3.3 – ANY OTHER UNEXPECTED CONSEQUENCES OF THE BAN?

Definitely, YES. As in any sector, where there is demand, there will be supply. If tourist rentals are banned in the most touristic areas of the city, illegal and uncontrolled rentals will increase, managed directly by owners, since professional companies do not operate in properties outside the law.

From LPA's experience, we believe that the best solution to maintain a high level of coexistence and avoid the depreciation of property values is adequate regulation and professionally managed tourist activity — never prohibition.

04. HOW HAS THE PROFILE AND TREND OF SECOND-HOME BUYERS CHANGED IN THE LAST 10/15 YEARS?

In the 1980s and 1990s, only a few homeowners who bought a vacation property in the area considered renting it out when not in use. Why?

1.

Most owners used the property in the summer, and during the rest of the year there was no demand for this type of accommodation in Marbella.

2.

There wasn't a widespread culture of renting out vacation homes when not in use.

3.

It wasn't easy to find companies that offered professional, high-quality services to manage the rental of a vacation property when the owner lived in another city far from Marbella.

4.

Buying a second home back then didn't require as much financial effort as it does today.

WHAT HAS CHANGED SINCE 2010 - 2015

Many owners of vacation homes in Marbella — primarily foreigners — do not use them during the summer. Moreover, demand for off-season tourist accommodation has grown significantly.

The mindset of property owners has changed. In many areas of Marbella, where vacation homes predominate, %60 of buyers only consider purchasing a property if it can be rented out when not in use. It's no longer just about owning a second residence — today, it's more of a hybrid between an investment and personal enjoyment.

The increase in property values in recent years has led many buyers to finance their purchase, relying on income from vacation rentals to cover mortgage payments, property taxes, community fees, and utilities.

The rise of digital platforms and management companies responding to this rental demand has made professional rental management easier and worry-free for owners.

The growth of tourism has significantly boosted demand for vacation rentals, which are often more affordable and comfortable than hotels — especially for families.

05. RECOMMENDATIONS

Recommendations to implement for proper regulation and professionalization of the management of tourist rental homes within homeowners' communities. The goal is to maintain a high level of coexistence between guests and neighbors, avoid property devaluation, and prevent illegal activity without professional oversight and management.



SECURITY DEPOSIT AND EXPLAINING BASIC RULES TO THE GUEST

Each guest must pay a security deposit upon check-in, ensuring care for the property and compliance with community rules. Additionally, the professional manager must personally explain the basic coexistence rules to prevent disturbances.



ON-SITE WELCOME

Personally receive and accompany each guest to the property and inform them of the community rules, ensuring they understand and respect them.



NOISE CONTROL TECHNOLOGY

Installation of noise sensors connected to an operations center that monitors sound levels 7/24 and intervenes immediately in case of incidents.



CONTINUOUS SUPPORT AND ASSISTANCE

Professional support for guests and the community seven days a week, with 7/24 phone assistance to address any needs of guests, property owners, or community staff.

THESE MEASURES IMPLEMENTED BY SOME OF OUR MEMBERS HAVE RESULTED IN A VERY HIGH LEVEL OF SATISFACTION AMONG BOTH GUESTS AND NEIGHBORS, WITH AN ANNUAL INCIDENT RATE BELOW %0.05 OF THE STAYS



LPA: The Leading Property Agents of Spain is the real estate agency association of Marbella, led by companies with a professional track record of over 20 or 30 years in many cases. Its members share a common code of ethics and are committed to providing the highest quality service to both buyers and sellers.

Among its main objectives are the professionalization of the sector, raising service standards, and promoting a culture of transparency, professionalism, and efficiency. The association currently has close to 100 member companies.

You can find more information at www.lpaspain.com.

