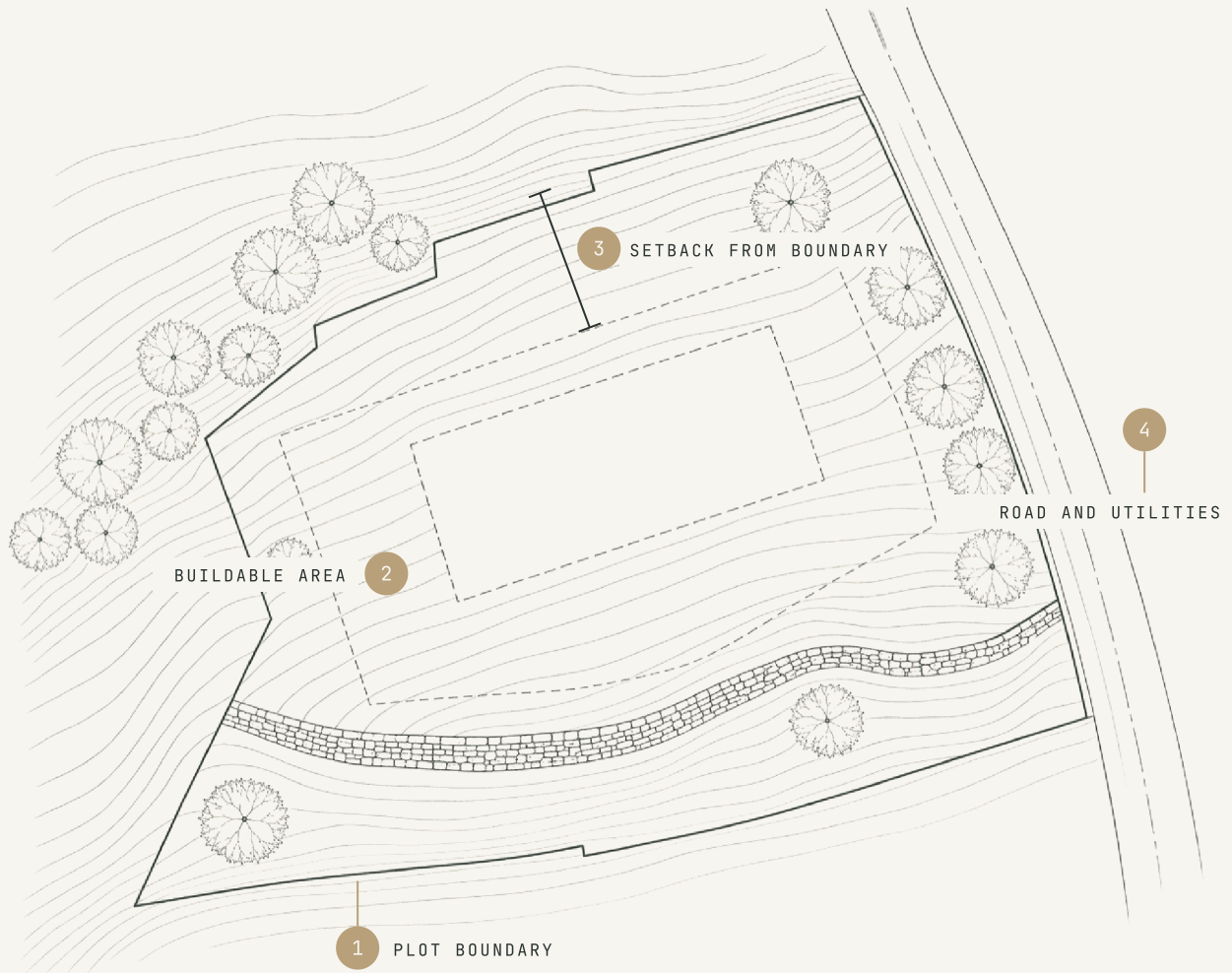


Buying a plot and building on it

The same €450,000 plot costs €60,300 more in tax if a company is selling it.



WHAT THIS GUIDE COVERS

01	Who sells the land sets the tax	p. 2
02	The four questions before you make an offer	p. 3
03	The build cost, and what it does and does not include	p. 4
04	From plot to keys, with a worked example	p. 5
05	The people who assess the plot also build on it	p. 6

The numbers on the drawing match the four questions on page 3.

LAND SOLD BY A COMPANY

21% VAT + 1.4%

LAND SOLD BY AN INDIVIDUAL

9% transfer tax

BUILD COST PER M²,
EXCLUDING VAT

from around €2,200

The same plot, two different bills

With a house, the type of property decides which tax you pay. With land, it comes down to the **seller**.

1 The seller is a company

21% VAT

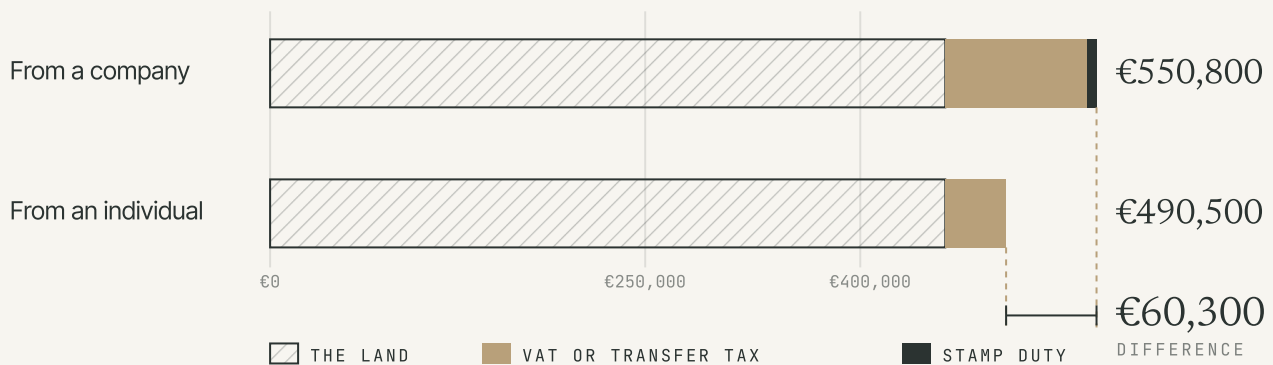
Plus 1.4% stamp duty on the deed. No transfer tax.

2 The seller is an individual

9% transfer tax

No VAT and no stamp duty. Above €1,000,000 the rate rises to 11% on the whole value.

A €450,000 PLOT, WHAT YOU PAY IN TOTAL



ITEM	FROM A COMPANY	FROM AN INDIVIDUAL
The land	€450,000	€450,000
VAT, 21%	€94,500	none
Stamp duty, 1.4%	€6,300	none
Transfer tax, 9%	none	€40,500
TOTAL	€550,800	€490,500

Worked example: our own calculation based on the published rates, not a figure issued by the tax office. Transfer tax is charged on the Cadastre's reference value, unless the purchase price is higher.

AGRICULTURAL LAND IS DIFFERENT AGAIN

Land that cannot be built on is exempt from VAT and falls under transfer tax. Since 1 June 2026 a 4% rate applies to agricultural plots, but only for professional farmers. It does not apply to a building plot.

ASK BEFORE YOU MAKE AN OFFER

If the listing does not say who is selling, ask. The answer changes your offer.

WHAT COMES ON TOP

Notary, Land Registry and professional fees. Those are in guide 02 (What it costs).

A plot is not a promise

If a plot is advertised as building land, that does not mean you can build whatever you like on it. What is allowed is set out in the zoning plan, and it differs from plot to plot.



1 How is the land classified

Urban, earmarked for development, or rural. On rural land, building is heavily restricted and sometimes ruled out, even if there is an old barn on it.

2 How much can be built

A big plot with a low coverage limit can give you a smaller house than a small plot with a generous one.

3 Where can it go

Distance from the boundary and from the road, maximum building height. These often shape the design more than the buyer's taste does.

4 Is it connected

Water, electricity and sewerage. You cannot see them on site. If one is missing, you want to know what connecting it costs before you make an offer.

DO ALL THIS BEFORE YOU OFFER

All four can be answered before you make an offer. We do this as standard on every plot. It decides whether the land is any good, and it is exactly where an estate agent without a building surveyor runs out of answers.

THE LICENCE

A new build always needs a building licence, based on a detailed design by an architect.

IN PRACTICE

3 to 6 months

Our own experience, not a statutory deadline.

THE BUILDING LICENCE, OBRA MAYOR

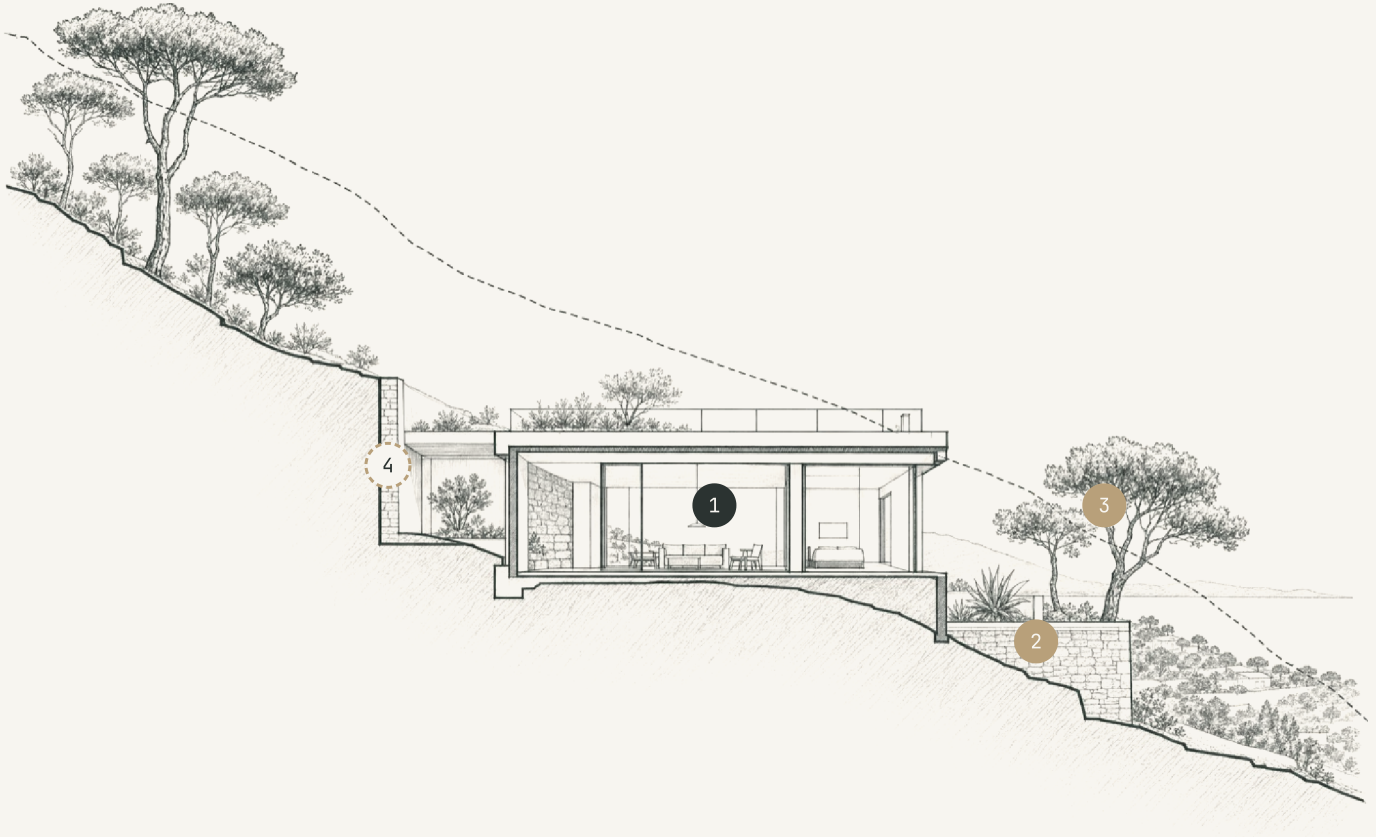
A building licence for a new build is called an obra mayor. How long it takes differs from one town hall to the next, so we check it case by case. For an existing house, see guide 04 (Renovation and permits).

From around €2,200 per m²

Per m² built, excluding VAT. Where it ends up depends on the finish level you ask for: the kitchen, the bathrooms, the tiling.

WITH 10% VAT

from around €2,420



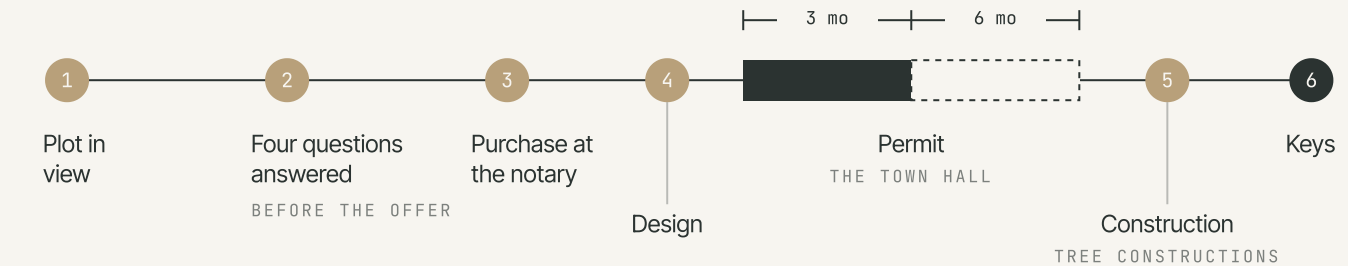
NO.	PART	WHAT IT COVERS	IN THE BUILD COST
1	Everything inside the walls	Shell, fit-out, services, kitchen, bathrooms, tiling	Yes
2	External works and terrace	Terraces and the ground around them	No, separate
3	Garden and pool	Planting, garden, swimming pool	No, separate
4	Earthworks and retaining walls on a slope	Excavation and the walls that hold back the slope. On a slope, a sizeable item	No, separate

The figure per m² is a starting point, not a quote: the final cost comes out of the design.

WHY 10% VAT The reduced rate applies to a new build you commission: you contract directly with the builder and at least half of the built area is living space.	RENOVATION IS 21% For renovation or repair work, the rate is normally 21%. When the lower rate applies is set out in guide 04 (Renovation and permits).	EARTHWORKS AND RETAINING WALLS Not in the price per m². Priced separately, like the garden, terrace and pool.
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Six steps, and one of them has a timescale

The order is fixed. How long design and construction take depends on the house.
Only for the licence does experience tell us what to expect.



NOT TO SCALE · ONLY THE LICENCE HAS A STATED DURATION

WORKED EXAMPLE · A €450,000 PLOT WITH A 300 M² HOUSE

ITEM	LAND FROM AN INDIVIDUAL	LAND FROM A COMPANY
Land including tax, page 2	€490,500	€550,800
Construction, 300 m ² × from around €2,200	€660,000	€660,000
VAT on construction, 10%	€66,000	€66,000
TOTAL INVESTMENT, FROM	€1,216,500	€1,276,800

Our own calculation based on the published rates and the lower end of our build cost, as at 18 September 2026. The 300 m² is an example size. These are starting figures: the build cost rises with the finish level.

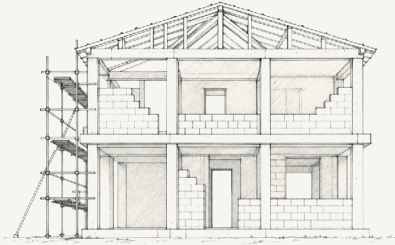
NOT INCLUDED	STILL TO ADD
External works, terrace, garden, pool, earthworks and retaining walls. Priced separately.	Notary, Land Registry and professional fees on the purchase of the land. See guide 02 (What it costs).

WHO DOES WHAT WITH A PLOT

STEP	WHO	WHAT THEY DO
2	Our building surveyor	Assesses what may be built on the plot and what the site will need
3	Your legal adviser	Checks ownership, charges and licences, and works only for you. Around 1% of the purchase price
5	TREE Constructions	Builds the house to the design that fits the rules

RULE OF THUMB
With a plot, work out the land including tax first, then the build with 10% VAT, and put the outside work on a separate line below. Forget that last line and you are in for a surprise later.

The people who assess the plot also build on it



HOW IT USUALLY GOES

An estate agent who sells a plot is finished once the deed is signed. What comes after that is yours: whether it can be built on, what that costs, and whether the design fits the rules.

HOW WE DO IT

The same people who judge whether the land is sound also design and build the house. There is no handover in between, so there is never a point where nobody is responsible.

Have a plot in mind?

Send us the plot reference. We will find out who is selling, what may be built and whether it is connected. That tells you whether an offer makes sense.

[📅 Book a call](#)

CALL

+34 865 76 03 63

EMAIL

info@tree.es

TOPIC	SOURCE
VAT on land and the exemption	Agencia Tributaria, Manual práctico IVA 2025 · Ley 37/1992
Transfer tax and stamp duty	Agència Tributària Valenciana · Ley 5/2025, since 1 June 2026
Reduced VAT rate on construction	Ley 37/1992, article 91
Land classification and building licence	Decreto Legislativo 1/2021 of the Generalitat
Build cost and what it covers	TREE's own figures, 18 September 2026
Permit timescale, obra mayor	TREE's own experience, 17 September 2026
Earthworks and retaining walls priced separately	TREE's own figures, 17 September 2026

General information, not tax or legal advice. Worked examples are our own calculations based on published rates. What may be built on a plot is set out in that municipality's zoning plan. This guide carries a reference date and is reviewed every quarter.

THE TREE GUIDES SERIES

01 Buying in Spain	02 What it costs	03 The building survey	04 Renovation and permits	05 Buying a plot and building on it
06 The papers that must be right	07 After the keys	08 Inheritance and wills	09 Renting out	10 Mortgages for non-residents