

Changes to Transfer Tax and Stamp Duty in Catalonia

Decree Law 5/2025 of 25 March adopting urgent measures in tax, personnel expenses and other administrative matters will enter into force on 26 June 2025. Among other measures, Decree Law 5/2025 introduces several changes to Transfer Tax and Stamp Duty, which are especially relevant in the real estate field.

1. ENTRY INTO FORCE

The measures set forth below will enter into force three months after the day following publication of Decree Law 5/2025 (“**Decree Law**”) in the Official Gazette of the Government of Catalonia, i.e. on 27 June 2025. The only measure that will not enter into force on this date is the elimination of the 70% Transfer Tax reduction applicable to the sale of dwellings to real estate companies, which will enter into force the day after the Decree Law’s publication, i.e. on 27 March 2025 (today).

The Parliament of Catalonia must ratify the Decree Law within 30 days of its enactment.

2. CHANGE TO THE TRANSFER TAX SCALE APPLICABLE TO REAL ESTATE ACQUISITIONS

The Transfer Tax rate applicable to the sale and transfer of real estate and the creation and assignment of rights in rem, except for in rem guarantees, is modified.

Specifically, the second tax bracket at which these transactions were previously taxed is modified and two additional tax brackets are created (12% and 13%). The resulting Transfer Tax scale will be as follows:

Total property value ranging from	To	Applicable rate
EUR 0	EUR 600,000	10%
EUR 600,000	EUR 900,000	11%
EUR 900,000	EUR 1,500,000	12%
EUR 1,500,000	Upwards	13%

3. 20% TRANSFER TAX WILL APPLY TO CERTAIN ACQUISITIONS

3.1 ACQUISITION OF DWELLINGS BY LARGE-SCALE PROPERTY OWNERS

20% Transfer Tax will apply to the acquisition of dwellings by large-scale property owners.

For these purposes a large-scale property owner is considered to be an individual or company:

- a) owning more than ten properties for residential use or owning a constructed surface area of more than 1,500 m² for residential use in Catalonia; or
- b) owning five or more residential properties in an area that the Generalitat of Catalonia has declared to be a high-affordability “pressured” area.

For these purposes, a dwelling is considered to include not only the dwelling itself but also any storage room and up to two parking spaces, provided they were all acquired simultaneously or are located in the same building or urbanisation. In both cases, they must have been at the disposal of the seller at the time of the sale and not have been assigned to third parties.

3.2 ACQUISITION OF ENTIRE RESIDENTIAL BUILDINGS

20% Transfer Tax will apply to the acquisition of entire residential buildings with or without condominium (horizontal, i.e. multiple units) division.

If the building is purchased in several stages, the purchaser might initially apply the general progressive rate, applicable to real estate acquisitions, in its self-assessments.

If the entire building is finally purchased, the self-assessments will be considered to be provisional and the taxpayer will have to regularise the situation in its final self-assessment by applying the rate of 20% to the total value of the building and deducting the amounts paid in each of the previous self-assessments mentioned, as well as applying the corresponding interest for late payment.

3.3 EXCEPTIONS TO THE APPLICATION OF THE INCREASED RATE

The following acquisitions are excluded from the increased tax rate:

- (i). Those carried out by a social developer (*promotor social*) in accordance with Law 18/2007 on the right to housing, or a private non-profit entity that provides housing to individuals and families who are in a situation of housing vulnerability;
- (ii). Those of real estate to be used as the head office or workplace of a large-scale property owner; and
- (iii). Those of entire buildings made up of four dwellings, provided that the purchaser is an individual and all the dwellings are intended to serve as their primary residence and that of their second-degree relatives.

4. ELIMINATION OF THE 70% TRANSFER TAX DEDUCTION ON THE SALE OF DWELLINGS TO REAL ESTATE COMPANIES

The 70% deduction to the Transfer Tax payable by real estate companies for their acquisition of dwellings has been eliminated.

Unlike the other measures described above, this change comes into effect on 27 March 2025.

5. INCREASE IN THE STAMP DUTY RATE APPLICABLE TO TRANSACTIONS IN WHICH THE VAT EXEMPTION IS WAIVED

The Stamp Duty rate applicable to deeds documenting transactions in which the VAT exemption has been waived is increased from 2.5% to 3.5%.

6. OTHER MEASURES: INTRODUCTION OF REDUCED RATES FOR TRANSFER TAX AND STAMP DUTY

6.1 CONVERSION OF A PROPERTY INTO A VPO (SUBSIDIZED HOUSING PROJECT)

A 50% deduction will be applicable to the Transfer Tax or Stamp Duty due on the acquisition of office buildings or unfinished structures intended to be converted into subsidised housing (VPO).

This reduced rate is temporary and applies if the sale documentation expressly states that the contract is executed for the purposes of building VPOs. However, its definitive application is subject to obtaining the category or provisional declaration of VPO within a maximum period of three years.

6.2 ACQUISITION OF REAL ESTATE TO BE USED AS A HEAD OFFICE OR WORKPLACE

A 50% deduction will be applicable to the Transfer Tax or Stamp Duty payable for the acquisition of real estate, whether they are residential properties, commercial premises or industrial warehouses, provided that the properties are intended to serve as the head office or one of the workplaces of a company or business and that certain requirements are met.

The requirements are that:

- (i). The company or business has its tax and registered office in Catalonia or establishes it there upon acquiring the property;
- (ii). The property is not used for the management of movable or immovable assets (a maximum period of six months is granted for the change of use, if applicable);
- (iii). The company or business must operate for at least five years following the date of acquisition;
- (iv). The company or business must increase its overall workforce in the year in which the property is acquired in comparison to the previous year, and maintain those numbers for at least three years;
- (v). Furthermore, for the stamp duty rebate to be applicable, it is required that the the VAT exemption has been waived in the transfer of the property.

7. CONTACT LAWYERS



Víctor Viana Barral
+34 915864517
victor.viana@uria.com



Carlos Durán Haeussler
+34 934165178
carlos.duran@uria.com



Luis Suárez de Centi
+34 915860094
luis.suarezdecenti@uria.com



Cristina Puerta Ruiz de Azúa
+34 944168543
cristina.puerta@uria.com

