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Buying a European holiday home after Brexit? Here's everything you need to know

Currency fluctuations and mortgage availability mean it could cost you more, but red tape will be minimal

By Melissa Lawford

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Brexit has brought a [cloud of uncertainty](#) for Britons hoping to buy in Europe in 2021, but [demand for holiday homes](#) is still rocketing in the wake of coronavirus.

Agents have reported a wave of buyers looking for [pandemic boltholes](#). Alex Radford of My Lawyer in Spain, an English-speaking Spanish legal advisor, said: “We’re flat out. We have never been busier.”

Joanna Leggett of Leggett Immobilier, an English-speaking agent in France, said buyer inquiries in December were 9pc higher than in the same month of 2019. Demand is highest for homes within [driving distance of Britain](#).

Fast-changing travel rules and the shift to remote working mean buyers now want properties they can stay in for longer periods, according to Rob Green, of Sphere Estates property services.

Here’s what you need to know if [you want to buy after Brexit](#).



This 1930s mansion has been renovated and is 400m from Cala Major beach in Majorca, Spain. €3.9m with CT Private Property Consulting

Will it cost more money?

Currency fluctuations mean EU homes could get more expensive for Britons.

During the financial crisis, the value of the pound plunged nearly 20pc against the euro in two months. “European property sales to Brits slumped, because they were just not willing to take the hit,” said Mr Green.

Despite the Brexit deal bringing more certainty, the pound remains weak against the euro. This could affect the cost of a purchase, even after exchanging contracts.

You will probably also need a bigger deposit to get a mortgage, said Mr Green. “Because you are outside the EU, lenders will consider you to be more risky,” he said. “Banks are already more reluctant to lend than a year ago.”

Previously, Britons were typically able to buy in Europe with a 30pc deposit. That could well climb to 50pc.

A one-bedroom trullo, a traditional round stone house with a conical roof, in Puglia, Italy. €490,000 with Oikos Immobiliare

Will I need a visa?

You will not need a visa to travel to EU countries for up to 90 days out of every 180 (different rules apply in Croatia, Bulgaria, Romania and Cyprus). Bear in mind that the 90-day period is not just for the country you buy in. Trips elsewhere will eat into your allocation.

If you want to visit for longer, you will need a visa. The terms could vary between individual countries.

Some countries could offer incentives, but they may take time. “It will take at least six months before we see individual policies,” Mr Green said.

There are already favourable options. Demand has spiked for the countries offering golden visas, such as Portugal and Spain, Mr Green added. In Portugal, Britons can purchase EU residency by buying a house worth €500,000 (£454,000). Invest in a low-density area and get a 20pc discount.

A turreted chateau with 15 hectares of land, an art studio and wine cellar. €1.19m with Savills

Will I have to pay more tax?

Agents expect the process and costs associated with buying to stay the same. But there could be changes to taxes on capital gains and rent.

In Spain, non-resident EU homeowners who let holiday homes can deduct their costs from their tax bill and pay 19pc on the rest. Non-EU citizens pay 24pc and cannot deduct costs. It is probable Britons will fall under the latter system, said Mr Radford.

“Have an exit strategy,” said Mr Green. “If things change and you need to sell quickly, is there going to be a strong market for your property?”

What else will change?

Your European Health Insurance Card will remain valid in the EU until it reaches its expiry date, although health insurance is always advisable.

Until now, Britons over 65 who lived in EU countries and received an exportable UK pension could apply for an S1 form, which covered their healthcare. This benefit could change, meaning retired buyers would need private medical insurance. For someone in good health, this can cost about €1,000 a year.

Pet passports are also no longer valid. To take a pet to the EU you now need an animal health certificate.

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