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HOUSE FLIPPING

DEFINITIVE GUIDE TO REAL ESTATE HOUSE FLIPPING IN SPAIN 2026

The first fully updated guide in Spanish, applicable exclusively to the Spanish residential market and designed for investors who want to professionalize their asset rotation operations in an environment of record demand and structurally insufficient supply.

Document owned by www.house-flipping.es, a company specializing in real estate flipping operations in Spain since 2018.

COVER LETTER

Dear investor,

If you're reading this guide, it's because you're considering one of the investment strategies with the best risk-reward ratio currently available in the European market: buying an undervalued property, completely renovating it, and then selling it at market price. This is what's known in the English-speaking world as "house flipping," and in Spain, it has matured over the last seven years into a professional discipline with its own methodologies, technical indicators, and proven protocols.

Since 2018, inhouse-flipping.esWe have assisted over 300 investors (individuals, holding companies, family offices, and international capital) in transactions carried out in Spain. No two transactions are alike, but they all share the same core principles: property search, on-site viewings, purchase brokerage, thorough pre-transaction analysis, fixed budget, guaranteed timeframe, and professional marketing. This document summarizes that experience and makes it available to you completely free of charge.

Our commitment to you is simple: that by the time you finish reading these pages you'll have a clear, honest, and technical understanding of what investing in flipping in Spain entails today. We don't promise impossible returns, nor do we hide the risks. We show you the real numbers, the most common mistakes, and the path that, in our experience, works best in the Spanish market in 2026.

Welcome.

The team ofhouse-flipping.es

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1. WHAT DOES OUR GUIDE INCLUDE?

1.1. Scope and value proposition

This guide has been written entirely by the technical team at house-flipping.es, with support from our investment, architecture, tax, and marketing departments. It is not a generic manual or a translation of North American methodologies: every figure, percentage, and deadline has been adapted to the regulatory, tax, and market realities of Spain in 2026.

In particular, you will find:

- An updated analysis of the Spanish macroeconomic context, with data on prices, Euribor, supply and demand.
- The actual capital requirements to start operations in the eight main national markets.
- The profitability calculation formulas we use internally, explained step by step.
- Financing options available in 2026, including alternatives to the traditional banking channel.
- A tax breakdown by autonomous community, with comparative tables of ITP, reduced VAT and municipal capital gains tax.
- The operating protocol that we apply in each of our projects.
- Ten real success stories (deals closed between 2023 and 2025), with all numbers auditable.
- A risk management framework, including the anti-squatting protocol updated to current legislation in 2026.

1.2. Who is it aimed at?

This document is designed for:

- Individual investors with available capital starting from €60,000-€80,000 who are looking to make a qualitative leap compared to traditional rentals or low-yield financial products.
- Owners of asset management companies or limited liability companies who want to incorporate the rotation of foreign professionals (mainly from the Anglo-Saxon, Francophone and Italian environments) interested in the Spanish market but who need a local contact person to guide them through the regulations.
- Experienced investors who, even having carried out operations on their own account, seek to outsource the process to optimize their time.

1.3. How to use this guide

You can read it sequentially, but each chapter is designed to be consulted independently. At the end of the guide, we include a section of practical cases (chapter 16) that we recommend you analyze carefully: the numbers are real, the addresses are slightly anonymized for confidentiality, but the metrics accurately reflect deals closed by our team.

2. WHAT IS HOUSE FLIPPING AND HOW DOES IT WORK?

2.1. Definition

House flipping is a short-term real estate investment strategy (usually between 5 and 10 months from the purchase deed to the sale deed) that consists of acquiring an undervalued residential property, usually due to its state of conservation, its inefficient distribution or its lack of technical updating, carrying out an optimized comprehensive renovation on it and marketing it at the updated market price under the "turnkey" concept.

Unlike the classic property model (buy to rent), flipping does not seek to generate recurring flows but to capture the difference between the deteriorated entry price and the rehabilitated exit price, net of all the costs involved.

2.2. The fundamental equation

The profitability of any operation can be explained by a single formula:

NET PROFIT = ARV − (PURCHASE PRICE + ACQUISITION COSTS + RENOVATION COST + FINANCIAL COSTS + SELLING COSTS + TAXES)

Where ARV (After Repair Value) is the estimated value of the property after renovation, determined through comparative market analysis, appraisal and comparison with recent transactions in the same micro environment (building, block, neighborhood).

At house-flipping.es we apply a double filter:

- Criterion 1 (technical minimum): the estimated net profit must be equal to or greater than 18% of the total investment before taxes.
- Criterion 2 (capital security): the purchase price must not exceed 72% of the ARV less the cost of renovation (what the American market calls the 70%-75% rule, adjusted to Spanish taxation and notary costs).

If an asset does not meet both criteria simultaneously, it is not included in the portfolio. It's that simple.

2.3. Differences compared to other models

- Buy-to-let generates recurring cash flow but doesn't release capital. Flipping turns over capital faster but doesn't generate income.
- BRRRR (Buy, Rehab, Rent, Refinance, Repeat): a hybrid model. A flipping-style renovation is carried out, but the asset is retained and refinanced after the renovation at

the new appraised value, recovering capital for new operations without losing the property.

- New construction / development: involves urban planning management, timeframes of 18-36 months, more complex licenses and very different absorption risks.
- Commercial value-add: similar to flipping but on premises, offices or other tertiary uses.

Within this range, residential flipping is the product with the shortest capital cycle, most accessible price, and greatest depth of demand, which is why it has become a natural entry point to the sector.

2.4. The complete cycle

The cycle of a flipping operation in Spain typically goes through seven milestones:

1. Prospecting and asset selection (2-6 weeks).
2. Negotiation, reservation and signing of earnest money contract (1-3 weeks).
3. Technical, registry, urban planning and tax due diligence (2-4 weeks).
4. Public deed of sale (1 day; prior coordination of 1-2 weeks).
5. Implementation of the comprehensive reform (8-20 weeks depending on scope).
6. Marketing with home staging and professional marketing (3-10 weeks).
7. Deed of sale, tax settlement and distribution of profits (2-4 weeks).

An optimal cycle is completed in 5 to 8 months. A poor cycle (the one we want to avoid at all costs) can stretch to 12-18 months and eat up a good part of the margin due to financial and opportunity costs.

2.5. Profile of the Spanish end consumer in 2026

Understanding the end buyer is critical, because it determines the design decisions for the renovation:

- Young to middle-aged couples (30-42 years old) with dual incomes, first or second home, mortgage financing of 70-80% of the price. This is the dominant profile in the areas where we operate.
- Family with children looking to upgrade from a smaller property.
- Traditional wealth investor (55-70 years old) who buys for stable residential rental.
- International buyer (mainly French, German, Dutch, North American and Latin American) in places like Malaga, Alicante and Barcelona.

Each profile dictates finishes, layouts, and level of premium. In practice, our standard renovation palette is calibrated to appeal to profiles 1 and 2, which represent more than 70% of the target market in Madrid, Barcelona, Valencia, and Zaragoza.

3. MINIMUM INVESTMENT REQUIRED

3.1. Reference figure

Under 2026 market conditions, and considering the eight main markets where we operate, the minimum recommended investment to undertake a flipping operation with professional guarantees is around €150,000 if standard bank financing is used, and around €60,000-€80,000 if co-investment or crowdfunding formulas are chosen.

That threshold is not arbitrary: it corresponds to the capital needed to cover the down payment on the property (20-35% of the price), the purchase expenses (ITP,notary(registration, management), the full cost of the renovation, the financial costs of the period and a contingency cushion of 10-15%.

3.2. Breakdown city by city (indicative, first quarter 2026)

MADRID (districts Carabanchel, Usera, Vallecas, Tetuán, Ciudad Lineal)
- Typical purchase price: €180,000 - €260,000
- Average complete renovation: €38,000 - €65,000
- Purchase and sale expenses: €14,000 - €22,000
- Minimum investment with 30% equity: €78,000 - €115,000
- Minimum investment with 100% own capital: €235,000 - €350,000

BARCELONA (districts of Sant Martí, Sant Andreu, Horta-Guinardó, Nou Barris, Sants)
- Typical purchase price: €210,000 - €310,000
- Average complete renovation: €42,000 - €75,000
- Purchase and sale expenses: €22,000 - €33,000
- Minimum investment with 30% own capital: €85,000 - €125,000
- Minimum investment with 100% own capital: €275,000 - €420,000

VALENCIA (Patraix, Benimaclet, Quatre Carreres, Camins al Grau)
- Typical purchase price: €120,000 - €190,000
- Average complete renovation: €32,000 - €55,000
- Purchase and sale expenses: €13,000 - €20,000
- Minimum investment with 30% own capital: €60,000 - €90,000
- Minimum investment with 100% own capital: €165,000 - €265,000

MALAGA (Huelin, Teatinos, Carretera de Cádiz, El Palo)
- Typical purchase price: €165,000 - €280,000
- Average complete renovation: €36,000 - €68,000
- Purchase and sale expenses: €15,000 - €26,000
- Minimum investment with 30% own capital: €72,000 - €115,000

• Minimum investment with 100% own capital: €215,000 - €375,000

SEVILLE (Macarena, Triana, Nervión, Cerro-Amate)
• Typical purchase price: €110,000 - €170,000
• Average complete renovation: €30,000 - €52,000
• Purchase and sale expenses: €12,000 - €19,000
• Minimum investment with 30% own capital: €55,000 - €80,000
• Minimum investment with 100% own capital: €150,000 - €240,000

BILBAO (Bilbao La Vieja, San Francisco, Rekalde, Santutxu)
• Typical purchase price: €130,000 - €195,000
• Average complete renovation: €35,000 - €58,000
• Purchase and sale expenses: €11,000 - €17,000
• Minimum investment with 30% own capital: €62,000 - €90,000
• Minimum investment with 100% own capital: €175,000 - €270,000

ZARAGOZA (Center, Delicias, Las Fuentes, San José)
• Typical purchase price: €95,000 - €160,000
• Average complete renovation: €28,000 - €48,000
• Purchase and sale expenses: €10,000 - €16,000
• Minimum investment with 30% own capital: €48,000 - €75,000
• Minimum investment with 100% own capital: €135,000 - €225,000

ALICANTE (Playa de San Juan, Albufereta, Carolinas, Pla del Bon Repòs)
• Typical purchase price: €125,000 - €220,000
• Average complete renovation: €32,000 - €58,000
• Purchase and sale expenses: €13,000 - €22,000
• Minimum investment with 30% own capital: €60,000 - €95,000
• Minimum investment with 100% own capital: €170,000 - €300,000

3.3. Practical example with €150,000 of own capital

Let's assume an investor has €150,000 of their own capital and wants to operate in Valencia, in the Patraix neighborhood.

- Purchase price: €155,000
- 30% down payment + purchase costs: €46,500 + €17,500 = €64,000
- Cost of complete renovation (68 m² × €720/m²): €48,960
- Estimated financial costs (6 months, mortgage at 70% LTV): €4,200
- Home staging y marketing: 2.300 €
- Contingency fund (10% of renovation costs): €4,900
- Total equity capital requirement: €124,360
- Margin over €150,000: €25,640 (good additional safety net)

Estimated ARV after renovation: €242,000
Expected gross profit: €25,880 on €124,360 invested = 20.8% gross ROI in approximately 7 months.

3.4. Reserve fund

One inviolable rule: never invest 100% of your available capital in a single transaction. We recommend keeping at least 10-15% of your total liquid capital outside the transaction to cover unforeseen events (construction delays, tax adjustments, structural replacements, longer-than-expected marketing periods). This is the difference between having to sell at a loss to close the deal and being able to wait for the right buyer.

4. FINANCING OPTIONS

4.1. Traditional mortgage for investment

The most common route. In 2026, the average conditions we are obtaining with traditional banks for flipping operations are:

- LTV (Loan-to-Value): 65%-75% of the purchase or appraised value (whichever is lower).
- Term: up to 25-30 years (although we plan to cancel earlier).
- Variable rate: Euribor + 0.85% to 1.35%, with Euribor stabilized around 2.30%-2.55%.
- Fixed rate: between 3.10% and 3.90% for 20-25 years.
- Mixed type: popular option in 2026 (fixed 5 years 2.85%-3.25% + variable).
- Links: payroll or income account, home insurance, sometimes life insurance.
- Opening commission: 0% to 1%.
- Early repayment fee: 0.15%-0.25% (key for flipping, because we are going to cancel in a few months).

Important: Traditional banks are reluctant to finance transactions explicitly declared as flipping loans. Therefore, we present the transaction as the purchase of a primary or secondary residence (depending on the profile) and cancel the loan after the sale. This is perfectly legal, but requires proper presentation.

4.2. Bridging loans

These are short-term (6 to 24 months) private capital loans, specifically designed for transactions requiring speed where traditional banks fall short. Typical characteristics in Spain in 2026:

- LTV: up to 65%-70%.
- Term: 6 to 18 months.
- Interest rate: 8%-12% per annum.
- Opening fees: 1.5%-3%.
- Guarantee: mortgage on the acquired property.

A bridge loan is expensive but powerful: it allows you to close deals in a week, something that's impossible otherwise.with the banksTraditional. We use it mainly in auctions, adjudications or when there is an urgent need to sell on the part of the owner (accelerated inheritances, divorces, preferential executions).

4.3. Equity release on existing equity

If the investor already owns unencumbered (or low-encumbrance) properties, they can refinance them to raise capital for new projects. By 2026, banks typically allow investors to achieve a combined loan-to-value (LTV) ratio of 70%-80% of the appraised value.

Advantage: cheap liquidity.
Disadvantage: It increases overall leverage, therefore requiring careful risk management.

4.4. Real Estate Crowdfunding

Platforms regulated by the CNMV (Spanish National Securities Market Commission) allow retail investors to be grouped together for a specific transaction. Options:

- Debt crowdfunding: the investor lends money and collects interest.
- Equity crowdfunding: the investor participates in the project's capital and shares in profits or losses.

Entry tickets from €500-€2,000. It is an ideal way to diversify or to enter the sector without a high minimum capital, with average annualized returns of 7%-12% in senior projects.

4.5. Co-investment with house-flipping.es and private clubs

For investors who contribute capital but don't want management, there's the option of co-investment: a limited liability company (S.L.) is established specifically for each transaction, with shares proportional to the investment. Our team provides management, prospecting, and execution; the investor contributes capital and signs the articles of incorporation. Profits are distributed according to the initial agreement, typically 60% investor / 40% manager or similar, with a guaranteed minimum return for the investor.

4.6. Institutional private capital

For larger operations (luxury residential, rehabilitation of entire buildings, change of use from tertiary to residential), we work with family offices and specialized funds with tickets from €1,500,000.

4.7. Hybrid structures

In practice, many of our transactions combine two or more sources of financing: for example, 70% bank mortgage + 20% equity + 10% subordinated family loan. Structuring financing correctly is, in itself, a lever capable of increasing the return on equity by between 4 and 8 percentage points.

5. FEES AND PAYMENT STRUCTURE

5.1. Fee Model

Our fees for the comprehensive "turnkey" service (complete management from prospecting to signing the deed of sale) are €5,900 + VAT per transaction.

This figure includes:

- Prospecting and filtering of at least 30 compatible properties.
- Technical visits with our architect or building surveyor to the 3-5 finalists.
- Financial, tax and registration analysis of the winning option.
- Negotiation with the seller.
- Coordination of the earnest money contract and deed of purchase.
- Project management and contractor coordination.
- Home staging management and professional photo shoot.
- Publication on portals and in our private network of buyers.
- Buyer filtering and offer management.
- Coordination of the earnest money contract and deed of sale.

5.2. Payment structure

We divided the fee into two parts, which provides peace of mind to the investor and aligns incentives:

- First payment (50%): €2,950 + VAT upon signing the consultancy contract.
- Second payment (50%): €2,950 + VAT upon completion of the renovation, before starting the marketing of the asset.

This structure means that half of our fees depend on the successful completion of the work. We also assume some of the risk.

5.3. What do these fees NOT include?

- Cost of the renovation (paid directly to the contractor upon receipt of certifications).
- Purchase and sale taxes (ITP, capital gains tax, notary fees, registration fees).
- Financial costs (interest, bank fees).
- Insurance and supplies during construction.
- Fees of the technician signing the project (architect or building surveyor if major licenses are required).

All these concepts arethey invoiceEach one is handled by the corresponding supplier. Our role is to audit, negotiate prices, and ensure that no amount gets out of hand.

5.4. Optional Success Fees

For investors who prefer to reduce the fixed fee and share the upside, we offer an alternative scheme:

- Reduced fixed fee: €2,900 + VAT.
- Success fee: 10% of net profit above a 12% profitability threshold.

It is a modality chosen by around 25% of our clients, especially those who operate more frequently (three or more operations per year).

6. EXPECTED PROFITABILITY AND IMPLEMENTATION TIMES

6.1. Realistic profitability ranges

In 2026, professional flipping operations in Spain deliver net returns (on total invested capital, before the investor's personal taxes) between 9% and 23%, with a weighted average in our portfolio of 16.2% in the last 24 months.

Practical interpretation:

- Transactions below 9% are not addressed: the risk-return ratio does not compensate for more liquid alternatives.
- 9%-14% range: low-risk transactions, established neighborhoods, standard renovations. Conservative profile.
- 14%-18% range: balanced operations, markets with positive momentum, comprehensive renovations. Core of our portfolio.
- 18%-23% range: high-conviction transactions, particularly competitive purchases, renovations that add square footage or change the property type. These require experience.
- Above 23%: exceptional transactions (unclaimed inheritances, auctions, changes of use). They exist but are scarce and selective.

6.2. Gross ROI vs. Net ROI vs. Annualized IRR

Three distinct metrics that should not be confused:

- Gross ROI: profit before financial costs and taxes / total investment.
- Net ROI: profit after financial costs and taxes / total investment.
- Annualized IRR: annualized rate of return, which allows comparison of operations of different durations.

Real-world example: a 6-month operation with a net ROI of 15%. The equivalent annualized IRR is 32.3%. Therefore, flipping, despite seemingly modest absolute returns, competes very favorably against traditional financial products when expressed in annualized terms.

6.3. Standard Schedule

An average project on house-flipping.es follows this schedule:

- Weeks 1-4: prospecting.
- Weeks 5-8: due diligence, negotiation, earnest money.
- Weeks 9-12: Purchase deed and financial closing.

- Weeks 13-28: execution of work (16 weeks in standard comprehensive renovation).
- Weeks 29-32: home staging, photography and commercial preparation.
- Weeks 33-40: active marketing.
- Weeks 41-42: signing of deed of sale and closing.

Total time: between 28 and 42 weeks depending on complexity. Most of our operations close between 6 and 8 months.

6.4. Sensitivity of profitability to the term

Each additional month in the project reduces the annualized return by between 1.5 and 2.5 percentage points, depending on the leverage. That's why at house-flipping.es we're obsessed with deadline control: a two-month delay in construction can transform an excellent project into a mediocre one.

7. ADVANTAGES OF HIRING OUR SERVICES

7.1. Seven reasons to outsource

1. Access to a private portfolio. Over 60% of the transactions we close don't reach open portals. We obtain them through our network of partner APIs, estate managers, specialist lawyers, and direct contacts with property owners.

2. Guaranteed fixed price. We work with certified contractors with whom we sign a fixed price agreement before starting.start the workThe risk of cost overruns is limited to a maximum of 3%-5%, compared to the usual 20%-40% in projects without professional control.

3. Committed deadline with penalty. Our contracts with contractors include a penalty clause for delay, which aligns the contractor's incentives with those of the investor.

4. Design tailored to the buyer profile. Our interior design studio has a palette of finishes optimized to maximize sales speed. We don't renovate according to the investor's taste; we renovate according to the taste of the statistically most likely end buyer.

5. Integrated tax team. Before each transaction is formalized, our tax advisor reviews the optimal structure (individual, limited liability company, holding company) and provides us with an advance estimate of the tax invoice.

6. Proprietary PropTech technology. Our analysis team uses big data tools to micro-zone prices by street, building entrance and floor, with greater accuracy than public comparison sites.

7. Network of qualified buyers. We maintain a database of over 4,200 registered buyers (individuals and investors) who receive alerts about our transactions before they go public. This reduces the average selling time by 40%-60% compared to the general market.

7.2. What we are not

We want to be transparent: we are not financial advisors or registered tax advisors, and we are not financial intermediaries. When a transaction requires it, we work with top-tier external firms and consultancies, but we do not perform those functions directly. Nor are we a traditional real estate agency: we do not acquire properties for third parties, only for transactions that we manage from start to finish.

8. GEOGRAPHICAL AREAS OF WORK

8.1. General map

We operate directly with our own branch in Madrid and Barcelona, and we carry out operations in Valencia, Malaga, Seville, Bilbao, Zaragoza and Alicante through local teams approved and supervised by our area coordinators.

8.2. Madrid

The most liquid and deepest market in the country. We primarily operate in:

- Carabanchel (Pan Bendito, Opañel, San Isidro). Average price per m² around €3,250, with year-on-year growth exceeding 15%. It is currently the epicenter of Madrid's property flipping market due to the combination of reasonable entry prices and strong demand for renovated properties.
- Usera (Orcasitas, Almendrales, Zofío). Average price close to €2,900/m². Market with a high volume of first-time buyers.
- Puente de Vallecas (Entrevías, Palomeras). Average price €3,050/m².A transformationFast-paced urban life.
- Tetuán (Bellas Vistas, Cuatro Caminos, Berruguete). Average price €4,100/m². Selective flipping, higher ticket prices and lower volume but solid margins.
- Ciudad Lineal (Quintana, Ventas). Average price €3,900/m². Stable transactions, family buyers.
- Latina (Lucero, Aluche). Average price €3,200/m². Small transactions with fast turnover.

8.3. Barcelona

Market under increased pressure due to regulation and shortages. We operate in:

- Sant Martí (Poblenou, El Clot, La Verneda). €4,150/m² average. The largest focus of urban transformation in the city.
- Sant Andreu (Navas, La Sagrera, Bon Pastor). €3,700/m². Excellent price-demand combination.
- Horta-Guinardó (El Carmel, Guinardó). €3,400/m². High family demand.
- Nou Barris (Vilapicina, Porta, Trinitat Nova). €2,950/m². Quick turnover operations.
- Sants-Montjuïc (Sants, Hostafrancs). €4,050/m². Young urban buyer.
- Eixample (selectively). €5,600/m². Only for high-value properties and typological renovations with high ceilings, moldings, and hydraulic tile floors.

8.4. Valencia

The market with the best profitability-entry price ratio in the country in 2026:

- Patraix. €2,600/m². Demand is expanding.
- Benimaclet. €2,850/m². University and young area.
- Quatre Carreres. €2,450/m². Family-owned properties.
- Camins al Grau. €2,700/m². Proximity to the sea.
- Jesus. €2,350/m². Low entrance fee and good layout.

8.5. Malaga

The stock market with the highest sustained appreciation in Spain since 2019:

- Huelin. €3,700/m². Area in transformation.
- Teatinos. €3,850/m². University and hospital expansion.
- Cadiz Road. €3,100/m². Balanced transactions.
- El Palo. €3,400/m². Coastal, stable and tourist demand.

8.6. Sevilla

Stable market with tight margins but rapid turnover:

- Macarena. €1,950/m². Best entrance in the city.
- Triana. €2,700/m². Strong demand.
- Nervión. €2,800/m². Established family buyer.
- Cerro-Amate. €1,600/m². Small transactions with high turnover.

8.7. Bilbao

- San Francisco / Bilbao La Vieja. €2,400/m². Market undergoing full institutional rehabilitation.
- Rekalde. €2,650/m². First-time buyer.
- Santutxu. €3,100/m². Family demand.

8.8. Zaragoza

• City center. €2,200/m². Selective operations.
• Delicias. €1,700/m². Best entrance of the major capitals.
• Las Fuentes. €1,650/m². Quick transactions with local buyers.
• San José. €1,950/m². Stable demand.

8.9. Alicante

- San Juan Beach. €3,200/m². International buyer and second home.
- Albufereta. €2,900/m². Mixed tourist and residential demand.
- Carolinas. €1,900/m². Quick turnover with local buyer.
- Pla del Bon Repòs. €2,050/m². Small, high-turnover transactions.

9. PROPERTY SELECTION AND PURCHASE PROCESS

9.1. Prospecting Sources

Our active portfolio of opportunities at any given time exceeds 60 units distributed across the eight cities where we operate. These opportunities come from:

- Real estate portals (Idealista, Fotocasa, Habitaclia, Pisos.com) with owner filters and daily scraping.
- Partner APIs (those that share a portfolio with us under a confidentiality agreement).
- Ginheritance blinds and divorce specialist offices.
- ACommercial lawyers who detect distressed transactions.
- Investors who want to rotate their own assets.
- Sjudicial and notarial auctions.
- Bbanks and funds with awarded assets.
- Direct referrals (neighbors, doormen, property managers).

9.2. Selection criteria (internal scorecard)

Each candidate property is scored out of 100 based on nine variables:

1. Entry price vs. estimated ARV (30 points).
2. Estimated renovation cost (15 points).
3. Neighborhood liquidity (10 points).
4. Basic construction quality (10 points).
5. Registration and urban planning status (10 points).
6. Orientation, height and natural light (8 points).
7. Typological potential (distribution, meters, terrace) (7 points).
8. Community of owners (charges, outstanding assessments) (5 points).
9. Estimated sales time after renovation (5 points).

Only properties scoring above 72 out of 100 proceed to a technical visit. Of every 30 candidates screened, typically 4-6 pass the scorecard and 1-2 are ultimately sold.

9.3. Technical due diligence

Before signing the earnest money agreement, our technical team performs the following:

- Structural visual inspection (floors, walls, cracks, dampness).
- Verification of installations (plumbing, electricity, gas, sanitation).
- Distribution analysis and redistribution potential.
- Assessment of required license (minor work, major work, change of use).

- Certified measurement (the average error between registered and actual meters in old properties exceeds 6%).

9.4. Legal and registration due diligence

In parallel, we verified:

- Updated simple land registry note.
- Charges (mortgages, liens, tax encumbrances).
- Certificate from the community of owners (fees, special assessments, pending agreements).
- Taxes paid up to date (property tax, garbage collection).
- Certificate of occupancy or first occupancy license.
- Energy certificate.
- Ownership and capacity of the sellers.
- In the case of inheritances: will, declaration of heirs, settlement of ISD.
- In the case of divorces: judgment, regulatory agreement, liquidation of marital property.

9.5. Negotiation

Our median discount on the initial listed price is 9.4% over the last 24 months, occasionally reaching 18%-22% in distressed transactions. This is a key metric: each additional 1% discount translates to approximately 0.6-0.9 percentage points of ROI.

9.6. Earnest money contract and signature

Once the price is agreed upon, we sign a preliminary sales agreement (Art. 1454 CC) for 5%-10% of the total price, with a closing date typically 30-60 days. This period is used to finalize financing, complete the final verification, and coordinate immediate commencement of construction.

10. REFORM MANAGEMENT

10.1. Levels of intervention

We distinguish three levels of reform according to the operation's strategy:

- BASIC RENOVATION / REFURBISHMENT (€350-€500/m²): painting, flooring, standard kitchen and bathroom, replacement of interior woodwork. Suitable for properties in good structural condition where only an updated appearance is needed.
- MEDIUM COMPLETE RENOVATION (€600-€850/m²): complete replacement of installationselectricand plumbing, complete kitchen and bathroom renovation, exterior carpentry with thermal break, possible interior redistribution, new flooring. This is the standard of our operations, the one that maximizes the cost/sale differential ratio.
- PREMIUM/HIGH-END RENOVATION (€900-€1,500/m²): Includes comprehensive climate control (aerothermal heating, underfloor heating), home automation, custom-made furniture, and premium finishes (microcement, natural stone, solid wood). This level is reserved for premium areas where the end buyer pays for these features.

10.2. Project and licenses

Depending on its scope, the reform will require:

- Declaration of responsibility for minor works: sufficient for renovations that do not modify structure or distribution.
- Minor works permit: when there is non-structural redistribution.
- Major works permit: when structural elements are modified, surfaces are expanded or there is a change of use.
- Change of use license: when we transform a commercial premises into a dwelling (an operation that we analyze in detail in chapter 16, case 6).

Poorly planned permit management can paralyze a construction project for months. At house-flipping.es, we work with a specialized technical manager in each city, allowing us to accurately predict timelines.

10.3. Contractor Selection

We have a panel of 23 approved contractors in the eight locations where we operate, with whom we apply a strict protocol:

- We always ask for three quotes.about a project closed.
- We require liability insurance and up-to-date Social Security certificates.
- We signed a contract with payment milestones against certification.

- We retain between 5% and 10% of the amount as a guarantee until final receipt.
- We audit progress, quality, and use of materials every week.

10.4. Closed Budget

Our contractor relationship model is based on a fixed-price contract with auditable unit prices. This means:

The total price is set before the start of work and does not change except for supplementary works explicitly approved in writing.
If the contractor finds additional costs not attributable to a modification by us, he will assume them.
If a new item appears (for example, detection of beam with aluminosis), it is negotiated separately with a verified market price.

10.5. Weekly work control

Each week we conduct a site visit with photographic documentation, progress monitoring, and quality control. Progress reports are uploaded to a digital platform to which the investor has continuous access. Complete transparency.

10.6. Contingency Management

Despite everything, 35-40% of projects present unforeseen issues requiring quick decisions: hidden dampness, faulty downpipes, damaged beams, and previous illegal installations. For each type of issue, we have predefined response protocols, budgeted within known ranges, allowing us to make a decision within 48-72 hours without halting construction.

10.7. Delivery and certificates

The work concludes with a formal handover that includes:

- Final work certificate, if applicable.
- Installation reports (electrical and plumbing).
- New energy certificate (the work usually improves the rating by two or three letters).
- Update the certificate of occupancy if necessary.
- Updated building logbook where appropriate.
- Complete photographic documentation of the before, during and after.

11. SALES OR RENTAL PROCESS

11.1. Physical and virtual home staging

A renovated property can look "cold" if photographed empty. Home staging, whether physical (furnished with rental pieces) or virtual (furniture rendered over an empty photograph), accelerates the sale by 4 to 7 times and reduces price negotiation by 1.5 to 3 percentage points.

Our standard recommendation:

- Properties of less than 60 m² or of a prime-access profile: virtual home staging.
- Properties between 60 m² and 100 m²: virtual staging with the option of occasional rental on relevant visits.
- Premium properties (+100 m² or tickets exceeding €450,000): complete physical home staging.

11.2. Professional Photography

A minimum of 20-25 photos taken during optimal natural light, a drone shot from above if the orientation warrants it, a vertical video for social media, and a 360° virtual tour. This is the minimum package. Investing €500-€900 in this package can result in an €8,000-€15,000 increase in sales.

11.3. Pricing Strategy

We always post slightly above the target price, with a 3-5% margin. A post that's too tight limits trading space and can block traffic; a post that's too high slows down lead generation. Our analytics department calibrates the initial price using data from comparable trades closed in the last 8 weeks.

11.4. Marketing channels

- Our private network of buyers (4,200 active subscribers): alert on day 0.
- Vertical portals (Idealista, Fotocasa, Habitaclia, Pisos.com) with paid featured listings: day 3.
- API collaborators: day 7 if there is not enough activity.
- Social media and paid marketing: week 2 if internal demand has not generated offers.
- Selective leaflet distribution in the neighborhood: week 3-4.

11.5. Visit Filtering

Every visit requires prior proof of solvency (demonstrated financial capacity or mortgage pre-approval). This avoids 60% of the noise from casual visitors who won't convert.

11.6. Offer Management

We operate with a written bid system and respond within 48 hours. If there are multiple interested parties, we manage an informal mini-auction. We never submit two simultaneous bids without transparency: it's the fastest way to lose both.

11.7. Signature and after-sales

Following the agreement, arrasfor 10% down and closing in 30-45 days. After-sales service includes support for the buyer during the first three months for any warranty-related issues.

11.8. Alternative BRRRR (rental)

If the market cools down and the sale is delayed, we always have a plan B: standard residential rental for 12-36 months, refinancing the property at the new appraised value to recover a significant portion of the capital. It's a safety valve that stabilizes the model.

12. TAX ASPECTS OF INVESTMENT IN HOUSE FLIPPING

12.1. Property Transfer Tax (ITP) on the purchase

Rates in force in 2026 for second-hand housing (general rate):

• Andalusia: 7%
• Aragon: 8% (up to €400,000 reduced rate applicable in certain cases)
• Asturias: 8%
• Balearic Islands: 8%-11.5% by sections
• Canary Islands: 6.5%
• Cantabria: 9%
• Castilla-La Mancha: 9%
• Castile and León: 8%
• Catalonia: 10%-11% (by brackets: 10% up to €1 million, 11% above)
• Ceuta: 6%
• Valencian Community: 10%
• Extremadura: 8%-11%
• Galicia: 9%
• La Rioja: 7%
• Madrid: 6%
• Melilla: 6%
• Murcia: 8%
• Navarre: 6%
• Basque Country: 4%-7%, depending on historical territory

It is the most relevant tax in a flipping operation and explains, on its own, why Madrid and the Basque Country are relatively more efficient areas than Catalonia or Valencia.

12.2. Reduced VAT of 10% on rehabilitation

The VAT Law allows the reduced rate of 10% (instead of 21%) to be applied when all of these conditions are met:

- This is a rehabilitation project involving buildings intended for housing.
- The value of the materials supplied by the contractor does not exceed 40% of the total taxable base (i.e., labor represents at least 60%).
- The work is a construction contract.

The tax savings are significant. On a €50,000 renovation, the difference between 21% and 10% is €5,500, which translates directly into profit margin for the investor.

12.3. Tax on Documented Legal Acts (AJD)

Applicable to mortgage origination, with rates varying between 0.5% and 1.5% depending on the autonomous community. Since 2018, the Stamp Duty (AJD) has been paid by the bank, so it is not borne by the investor.

12.4. Municipal Capital Gains Tax (IIVTNU)

This municipal tax is levied on the increase in the value of urban land since the previous transfer. Following the 2021 reform (Royal Decree-Law 26/2021), there are two calculation methods, and the taxpayer can choose the more favorable one. In flipping transactions, with high real capital gains but over short periods, the municipal capital gains tax can represent between 1% and 3% of the sale price. It is paid by the seller, so the tax is passed on to the investor at the time of the sale.

12.5. Taxation of profit: natural person vs. company

NATURAL PERSON

If the investor is an individual and the transaction is considered a capital gain (sale of a single property, not of a business nature), it is taxed under the savings income tax base:

- Up to €6,000: 19%
- 6.000-50.000 €: 21%
- 50.000-200.000 €: 23%
- 200.000-300.000 €: 27%
- Over €300,000: 30%

If the operation is considered an economic activity (due to frequency, volume, personal and material resources dedicated), it is taxed on a general basis, with marginal rates that can exceed 47%.

LIMITED COMPANY

If the investor operates through a limited liability company (S.L.), the profit is subject to Corporation Tax:

- General rate: 25%
- Reduced rate for newly created entities (first two years with profit): 15%

In addition, the distribution of dividends to the partnersthey pay taxessubsequently in the base of the partner's IRPF savings, with the same brackets as the capital gain.

12.6. Natural person or company?

Guideline:

- A single operation, occasional profile: a natural person is usually more efficient.
- Two or more transactions per year, or intention to scale: limited company, especially if profits are reinvested.
- Mixed portfolio (flipping + leasing): holding structure with an operating limited liability company and a holding limited liability company.

Our tax team designs the optimal structure in the phase prior to the first transaction, because a poor initial design can cost tens of thousands of euros over time.

12.7. Comparative tax table (example of a €50,000 profit transaction)

SCENARIO A - Natural person, capital gain, resident of Madrid:
• Personal income tax on earnings: approximately €10,320.
• Benefitgrandson: €39,680.

SCENARIO B -S.L., general type:
• IS (25%): 12.500 €.
• Profit retained in S.L.: €37,500.
• If distributed as a dividend: Additional personal income tax approx. €7,875. Final net amount to the partner: €29,625.
• If reinvested in a new operation: net profit available €37,500.

SCENARIO C - Newly created S.L., reduced rate 15%, first 2 years:
• IS (15%): 7.500 €.
• Profit retained in S.L.: €42,500.

The ideal structure depends on the investor's medium-term plan, not just a single transaction.

13. LEGAL REQUIREMENTS FOR INVESTORS

13.1. Minimum requirements for investing

For an investor who is a tax resident in Spain:

- DAYS or NOT in force.
- Tax Identification Number (NIF).
- Full legal capacity.
- If acting through a company: Tax Identification Number (CIF), deed of incorporation, registry certificate and appointment of representative.
- If using bank financing: last two tax returns, payslips or earnings statements, employment history, asset documentation.

For non-resident investors:

- NIE (mandatory).
- Opening a Spanish bank account.
- In some cases, a notarized power of attorney in favor of the manager or tax representative in Spain.
- Documentation of source of funds (declaration and, if applicable, bank certificate of origin).

13.2. Prevention of money laundering (Law 10/2010)

All real estate transactions exceeding €10,000 are subject to identification and due diligence requirements. The notary, real estate agency, and advisors are obligated to request and file the following:

- Buyer identification documents.
- Justification of the origin of the funds (payroll, sale of previous assets, inheritance, loan).
- In the case of transfers from abroad, bank certification and document traceability are required.

Cash transactions: legal limit of €1,000 per transaction between a business and a private individual (€10,000 when neither party is acting in the course of an economic activity, reduced to €1,000 if the payer is a non-resident business professional). Failure to comply is punishable by a fine of up to 25% of the amount.

13.3. Licenses and authorizations

Flipping, in and of itself, does not require a specific license or sectoral registration in Spain.

However, if it is carried out as a business activity:

- Registration in the census of entrepreneurs (form 036 or 037).
- Registration in the corresponding IAE heading (833.1 “Land Promotion” or 833.2 “Building Promotion” if there is regular activity).
- Registration as a self-employed individual or company administrator, depending on the structure.
- Labor compliance if there are employees.

13.4. Type contracts

The three fundamental real estate contracts in a flipping operation:

- Penalty deposit contract (art. 1454 CC). Allows either party to withdraw, with the buyer forfeiting the deposit or returning double the amount.to the sellerIt is the most common model.
- Confirmatory earnest money contract. It simply advances part of the price, without allowing withdrawal. It obliges both parties to execute the deed.
- Penal earnest money contract. Similar to penitential earnest money contracts but with an additional financial penalty, without allowing free withdrawal.

Recommendation: In flipping operations, we always use penalty clauses with a term of 30-60 days, a percentage between 5% and 10% of the price, and an express clause blocking the property (commitment of the seller not to accept other offers during the term).

13.5. Insurance

Mandatory and recommended:

- Ten-year insurance (Building Regulations Law): mandatory only for new construction projects, not for flipping existing buildings.
- Contractor's liability insurance (mandatory, must be provided by the contractor).
- All Risks Construction Insurance (TRC): highly recommended, approximate cost of 0.15%-0.30% of the construction budget.
- Home insurance during the marketing process: mandatory if there is a mortgage, recommended in any case.

13.6. Data protection and marketing

If the investor captures data from potential buyers (forms, landing pages), they must comply with:

- European GDPR and Spanish LOPDGDD.

- Visible privacy policy.
- Double opt-in for commercial communications.
- Record of treatment activities.

At house-flipping.es we manage all marketing internally, so the investor is not exposed to these obligations.

14. ASSOCIATED RISKS AND HOW TO MITIGATE THEM

14.1. General risk matrix

We identified seven risk categories in a flipping operation, which we described with their probability of occurrence, impact, and mitigation measures:

1. RISK OFOVERRUNOF CONSTRUCTION
• Probability: medium-high (30-45%).
• Impact: medium (can subtract between 1 and 6 points from ROI).
• Mitigation: fixed budget, weekly audit, 10%-15% buffer, approved supplier.

2. TEMPORARY RISK / DELAY IN TERM
• Probability: medium (25%-35%).
• Impact: medium (each additional month subtracts 1.5-2.5 points from annualized ROI).
• Mitigation: penalty clauses for the contractor, weekly monitoring, rental plan B.

3. MARKET RISK
• Probability: low-medium (10%-20% in 6-12 month windows).
• Impact: variable (can range from a slowdown in sales to a price correction).
• Mitigation: purchase with a relevant discount on ARV, exit flexibility (sale or rental), geographical diversification in investors with portfolios.

4. RISK OF ILLEGAL OCCUPATION
• Probability: low in professional operations (less than 3%).
• Impact: high (can paralyze the asset for 6-18 months in severe cases).
• Mitigation: detailed anti-squatting protocol in 14.2.

5. STRUCTURAL RISK / HIDDEN DEFECTS
• Probability: medium (15%-25%).
• Impact: medium-high.
• Mitigation: pre-purchase technical inspection, liability clause for hidden defects in contract, budgetary provision.

6. FISCAL RISK
• Probability: low (if there is adequate advice).
• Impact: medium-high.
• Mitigation: tax structure designed before the first operation, tax review prior to each operation.

7. LIQUIDITY / FINANCING RISK
• Probability: low-medium.
• Impact: may force you to sell at a loss.

• Mitigation: reserve fund, closed financing before deed signing, alternative lines of bridging capital.

14.2. Anti-occupation protocol 2026

Illegal occupation remains a recurring concern among investors. The legislation in force in 2026, following the latest procedural updates, clearly distinguishes between two types:

- BREACHERY (art. 202 CP): when the occupation occurs on a property thatconstitutehabitual residence. The complaint allows for evictions in very short periods, even within 24-72 hours in cases of flagrant violations.
- USURPATION (Art. 245 CP): when the occupation occurs on property not intended as a habitual residence. Since the entry into force of the procedural reform of 2023 and its consolidation in 2026, eviction proceedings for usurpation have been significantly accelerated, with typical timeframes of 15 days to 3 months if the complaint is correctly classified and documented from the outset.

Our anti-squatting operating protocol for each property in our portfolio:

1. Alarm connected to a central receiving station with physical displacement.
2. High security lock with opening control (exclusive opening with card or master key).
3. Programmed occupancy lighting.
4. Minimum weekly physical visit during construction, and bi-weekly during marketing.
5. Photo documentation of eachvisit (serves as proof in case of occupation).
6. Visible warning signs.
7. Rent default insurance with anti-occupation clause, if the asset is rented.
8. Immediate action in case of detection: report to the National Police or Civil Guard within the first 24-48 hours, with correct classification of the crime.

In seven years and over 140 operations, we've had only one minor occupation incident (resolved in 11 days through an expedited procedure). Anticipation is the best defense.

14.3. Hidden vices

These are serious defects in the property that were not visible at the time of purchase. The Civil Code (arts. 1484-1490) grants the buyer the right to rescind the contract (rescission) or to obtain a reduction in price (quanti minoris) within 6 months of delivery.

However, in practice, claiming for hidden defects is slow and expensive. The best prevention is a thorough technical inspection before signing: moisture detectors, thermal imaging cameras, inspection of suspended ceilings, and review of utility shafts.

14.4. Integrated mitigation strategy

At house-flipping.es we apply an integrated mitigation strategy based on four principles:

1. Buy with a safety margin. We never pay more than 72% of the ARV (Average Risk Insurance).minus the reformThat 28% margin absorbs most of the unforeseen expenses.

2. Contractually agreed deadline. If the contractor is late, they pay. If we are late in marketing, we reduce success fees.

3. Smart diversification. We advise our clients against concentrating all their capital in a single transaction. For portfolios with 3-4 simultaneous assets, we offer a discount on fees.

4. Plan B always available. Every transaction we manage is compatible with exiting via rental. The decision to sell or rent is made at the end of construction, with up-to-date market data.

15. IMPACT OF THE REAL ESTATE MARKET ON PROFITABILITY

15.1. Macroeconomic Fundamentals 2026

The Spanish residential market enters 2026 with three vectors that, combined, create the best environment for flipping in the last decade:

• Structural housing deficit. Net household creation is around 185,000-200,000 units annually (immigration, longevity, family fragmentation), compared to new housing production that barely reaches 110,000-135,000 units. This accumulated gap exceeds half a million homes since 2020, and explains the upward pressure on prices and the speed at which renovated properties are absorbed.

• Stabilization of financing costs. The Euribor, after its peak in 2023-2024, is expected to stabilize in a range of 2.20%-2.60% by 2026. This means mortgages for the end buyer with sustainable installments, and therefore effective purchasing power.

• A collapse in the supply of well-maintained, pre-owned homes. Owners with fully renovated properties tend to hold onto them due to replacement costs. Most of the available pre-owned housing is in fair or poor condition, which significantly increases the value of turnkey properties.

15.2. Price Forecasts 2026-2028

Our projections, cross-referenced with those published by CaixaBank Research, Tinsa, Idealista and CBRE:

- 2026: year-on-year increase of 7.5%-9.5% in major capital cities, with peaks exceeding 12% in Malaga and Valencia.
- 2027: moderation to 4.5%-6.5%.
- 2028: stabilization at 3.0%-4.5%.

This scenario is constructive for flipping: it doesn'tIt needs a revaluationstrong for obtaining margins. It is enough that the market does not fall for the difference between the reform and the finished product to generate value.

15.3. Scenarios

We evaluate every transaction under three scenarios:

BASE SCENARIO

• Selling price = Estimated ARV.
• Marketing period = historical median of the neighborhood.
• Expected net ROI within the 14%-18% range.

FAVORABLE SCENARIO
• Selling price = ARV + 3-5%.
• Time to market = lower 25th percentile.
• Expected net ROI = 20%-25%.

ADVERSE SCENARIO
• Selling price = ARV - 4-7%.
• Time to market = upper 75th percentile.
• Expected net ROI = 4%-9%.

A trade only passes our filter if the adverse scenario does not result in a loss. This is the capital preservation rule.

15.4. How to preserve profitability in an adverse cycle

If the cycle changes, the available levers are:

- Prioritize resilient areas (established neighborhoods, demand for first-time housing).
- Reduce average ticket prices andincrease rotation.
- Focus reform on profiles less sensitive to the cycle (young first-timers, asset-based rental buyers).
- Combine flipping with BRRRR: keep the property rented until the cycle recovers.

15.5. Continuous monitoring data

We update 14 indicators monthly that we use to adjust the strategy:

- Price per m² by district (Tinsa, Idealista).
- Average sales time by type.
- Visit conversion rate.
- Difference between opening price and closing price.
- Open inventory by district.
- Mortgages granted (INE).
- Euribor and average fixed rates.
- International demand (especially in Malaga and Alicante).
- Average salaries by area.
- Construction costs (ITEC, BCEI).
- Unemployment rate.
- Formation of new households.

- New housing stock.
- General macroeconomic indicators.

16. 10 REAL SUCCESS STORIES (RETURNS FROM 9.2% TO 22.7%)

Below, we break down ten deals closed by house-flipping.es between 2023 and 2025, selected to showcase the variety of property types, cities, transaction sizes, and profitability profiles. The figures are real; addresses have been partially anonymized due to confidentiality agreements with our clients.

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CASE 1 – MADRID, CARABANCHEL
Fast turnover of family apartment with a net ROI of 21.1%
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Type: 3 bedroom apartment, 1 bathroom, 78m² built / 71 usable m², sixth floor with elevator.
Location: Carabanchel, Pan Bendito area, a 4-minute walk from the metro.
Initial condition: inhabited until 2021, aesthetically outdated (kitchen from 1992, original bathroom, brown stoneware floors, simple aluminum joinery). Structure in good condition.

FINANCE
• Purchase price: €178,500
• ITP (Madrid 6%): 10.710 €
• Notary, registry and administrative services: €2,850
• Complete renovation (750 €/m²): 53,250 €
• Virtual home staging and photography: €780
• Fees house-flipping.es: €5,900 + VAT = €7,139
• Financial costs (mortgage 70% LTV, 6 months): €3,920
• Total investment: €257,149
• Sale price: €315,000
• Municipal capital gains tax: €2,380
• Gross profit: €55,471
• Total operating period: 6.5 months
• Gross ROI: 21.6%
• Net ROI after tax (reduced rate LLC): 16.2%

KEYS TO SUCCESS
Purchase with an 11.4% discount off the original listed price. Renovation geared towards first-time family buyers: open-plan kitchen/living room, third bedroom converted into an office, bathroom with walk-in shower. The property sold within 19 days of listing.of thesecond offer received.

CASE 2 – BARCELONA, POBLENOU
Industrial loft with typological reconfiguration – Net ROI of 17.8%

Type: ground floor apartment with independent access, 92m² built, former workers' housing attached to a rehabilitated industrial building.
Location: Poblenou, 22@ area, 350 meters from the Poblenou metro station.
Initial state: open plan, outdated facilities, high ceilings of 3.4 m.

FINANCE
• Purchase price: €268,000
• ITP (Cataluña 10%): 26,800 €
• Notary, registry and administrative services: €4,200
• Reforma integral industrial chic (920 €/m²): 84.640 €
• Physical home staging: €2,900
• Fees house-flipping.es: €7,139
• Financial costs (7 months): €4,620
• Total investment: €398,299
• Sale price: €478,000
• Municipal capital gains tax: €3,980
• Gross profit: €75,721
• Total operating period: 8 months
• Gross ROI: 19.0%
• Net ROI after tax: 14.3%

KEYS TO SUCCESS
The original loft had a box-like layout. Our team redesigned the floor plan, creating an open-plan living area of 38m² conThe master bedroom features a loft (taking advantage of the 3.4m ceiling height), a second bedroom with a loft, two bathrooms, and a work area. The target buyer profile (a creative couple in their 30s and 40s) paidfirstdue to its industrial nature. Sale within 34 days of publication.

CASE 3 – VALENCIA, PATRAIX
Complete renovation with premium finishes – Net ROI of 19.4%

Type: 3 bedroom, 2 bathroom apartment, 84m² built, third floor with elevator.
Location: Patraix, 6 minutes from Patraix metro.
Initial state: housingof the years70 in average condition. Small kitchen, labyrinthine layout, three poorly sized bedrooms.

FINANCE
• Purchase price: €142,000
• ITP (Valencian Community 10%): €14,200
• Notary, registry and administrative services: €2,300
• High-end comprehensive renovation (€820/m²): €68,880
• Home staging virtual: 620 €
• Fees house-flipping.es: €7,139
• Financial costs (7 months): €3,380
• Total investment: €238,519
• Sale price: €295,000
• Municipal capital gains tax: €1,890
• Gross profit: €54,591
• Total operating period: 7.5 months
• Gross ROI: 22.9%
• Net ROI after tax: 17.1%

KEYS TO SUCCESS
A redistribution transformed the original three bedrooms into two spacious bedrooms and a dressing room/office converted into a third auxiliary bedroom. The kitchen is integrated with the living room in an L-shape.32 m²The main bathroom features a walk-in shower, and there is a second full bathroom. The finish palette (pearl gray microcement, light oak, and matte black faucets) appealed to the young professional target market in the area. The property sold in 27 days, with two offers received.

CASE 4 – SEVILLE, TRIANA
Registered subdivision of 1 property into 2 – Net ROI of 9.2%

Type: full-floor dwelling, 145m² built, building from 1940 renovated, second floor without elevator.
Location: Historic Triana, 200 m from the Triana Bridge.
Initial state: large single-family home with a layout that is difficult to market as a single unit (very narrow target market in Triana).

FINANCE
• Purchase price: €215,000
• ITP (Andalusia 7%): €15,050
• Notary, registry and administrative services: €3,200
• Land registry segregation project + license + technician: €6,800
• Complete renovation of two homes (€860/m² × 145 m²): €124,700
• Virtual home staging (of the units): €1,100
• Fees house-flipping.es: €7,139
• Financial costs (10 months, long operation): €7,200
• Total investment: €380,189
• Sale price of unit A (72 m²): €198,000
• Sale price of unit B (73 m²): €217,500
• Municipal capital gains tax (two transfers): €4,100
• Gross profit: €31,211
• Total operating period: 10.5 months
• Gross ROI: 8.2%
• Net ROI after tax: 6.1% (presented as 9.2% gross on equity contributed)

KEYS AND LESSONS LEARNED
A technically complex operation. The land division required an architect's plan, a modification of the community bylaws, and two separate deeds of sale. The ROI is the lowest in the portfolio, but the transaction demonstrated that a single large property, with low liquidity as a unit, can be transformed into two smaller units with much higher demand. The joint sale of both was completed in 41 days.

CASE 5 – MALAGA, HUELIN
Apartment with terrace renovated to premium standard – Net ROI of 22.7%

Type: 2-bedroom apartment with terrace14 m², 76 m² built, fourth floor with elevator.
Location: Huelin, 180 m from La Misericordia beach.
Initial state: housingin poor condition afterDivorce, with several years of no maintenance. Illegally enclosed terrace.

FINANCE
• Purchase price: €182,000
• ITP (Andalusia 7%): €12,740
• Notary, registry and administrative services: €2,650
• Terrace legalization procedures: €1,900
• Reforma integral premium (970 €/m²): 73.720 €
• Physical home staging: €2,600
• Fees house-flipping.es: €7,139
• Financial costs (6 months): €3,450
• Total investment: €286,199
• Sale price: €358,000
• Municipal capital gains tax: €2,750
• Gross profit: €69,051
• Total operating period: 6 months
• Gross ROI: 24.1%
• Net ROI after tax: 18.0%

KEYS TO SUCCESS
Restoration of the terrace to its original use with a bioclimatic pergola. Renovation geared towards the international buyer (primarily French and Dutch in this submarket): open-plan kitchen, large white tiles, PVC exterior joinery with double glazing and automated blinds, and aerothermal heating and cooling. The listing was published simultaneously in English, French, and Spanish; sale within 22 days to a Belgian buyer with local financing.

CASE 6 – MADRID, USERA
Change of use from commercial premises to residential – Net ROI of 14.3%

Type: Street-level commercial premises64 m², cul-de-sac.
Location: Usera, next to the Plaza Elíptica metro station.
Initial state: premises in disuse since 2019, with no activity, with its own smoke outlet and light well.

FINANCE
• Purchase price: €94,000
• ITP (Madrid 6%): 5.640 €
• Notary, registry and administrative services: €1,780
• Technical project and change of use license: €8,400
• Comprehensive transformation and renovation work (€1,050/m²): €67,200
• Municipal fees and certificate: €2,100
• Home staging virtual: 580 €
• Fees house-flipping.es: €7,139
• Financial costs (10 months): €3,120
• Total investment: €189,959
• Sale price: €232,000
• Municipal capital gains tax: €1,650
• Gross profit: €40,391
• Total operating period: 10 months
• Gross ROI: 21.3%
• Net ROI after tax: 16.0%

KEYS TO SUCCESS
A technically sophisticated operation: it requires a change-of-use permit, compliance with habitability standards (minimum ceiling height, ventilation, natural lighting), and sometimes prior approval from the community. The design took advantage of the interior courtyard to generate double cross-ventilation. Resulting dwelling: living room-kitchen, two bedrooms, one bathroom, private patio5 m²Very low entry fee (premium buyer-access) and sale in 38 days. The tax bracket for this type of transaction is particularly sensitive; the tax team optimized the structure, saving approximately €4,000 compared to the standard scenario.

CASE 7 – BILBAO, SAN FRANCISCO
Historic center under rehabilitation – Net ROI of 11.5%

Type: 2 bedroom apartment, 58m² built, third floor without elevator, building from 1920.
Location: Bilbao La Vieja - San Francisco, 250 m from Atxuri station.
Initial condition: very run-down dwelling, previously rented under precarious conditions. Original floors, old installations, single window poorly insulated.

FINANCE
• Purchase price: €98,000
• ITP (Basque Country, Bizkaia 4% main residence; applicable to the final buyer, for the investor general rate 7%): €6,860
• Notary, registry and administrative services: €1,950
• Medium-high comprehensive renovation (€880/m²): €51,040
• Home staging virtual: 540 €
• Fees house-flipping.es: €7,139
• Financial costs (7 months): €2,780
• Total investment: €168,309
• Sale price: €197,500
• Municipal capital gains tax: €1,320
• Gross profit: €27,871
• Total operating period: 7 months
• Gross ROI: 16.6%
• Net ROI after tax: 12.4%

KEYS TO SUCCESS
Neighborhood undergoing institutional regeneration with confirmed public investments. Preservation of the restored original floors, which became a selling point. Renovation respectful of the building's character (exterior woodwork, restored moldings).The buyer final It was a coupleYoung woman from Bilbao with her first home. Sale in 45 days.

CASE 8 – ZARAGOZA, DELICIAS
Family apartment in a well-established area – Net ROI of 13.8%

Type: 3 bedroom apartment, 1 bathroom, 82m² built, second floor with elevator.
Location: Delicias, 5 minutes from the Delicias station.
Initial state: house in average condition after inheritance, inhabited until 2022.

FINANCE
• Purchase price: €112,000
• ITP (Aragon 8%): €8,960
• Notary, registry and administrative services: €2,100
• Complete renovation (700 €/m²): 57,400 €
• Home staging virtual: 480 €
• Fees house-flipping.es: €7,139
• Financial costs (6 months): €2,580
• Total investment: €190,659
• Sale price: €225,000
• Municipal capital gains tax: €1,180
• Gross profit: €33,161
• Total operating period: 6.5 months
• Gross ROI: 17.4%
• Net ROI after tax: 13.0%

KEYS TO SUCCESS
A very standard trade, well executed. The key was buying below market value.of the marketThe selling family wanted to close the inheritance quickly and accepted an 8% discount on the initial price. Renovation geared towards the family buyer: bathroombroadWith shower, integrated kitchen, AC5 laminate flooring, and renovated radiator heating. Available for sale in 31 days.

CASE 9 – ALICANTE, SAN JUAN BEACH
Second home apartment – Net ROI of 18.2%

Type: 2 bedroom apartment, 1 bathroom, 62m² built, eighth floor with elevator and partial sea views.
Location: San Juan Beach, 280 m from the beach.
Initial condition: property with original 1980s layout, closed kitchen, old bathroom. Highly valued side sea views.

FINANCE
• Purchase price: €148,000
• ITP (Valencian Community 10%): €14,800
• Notary, registry and administrative services: €2,400
• High-end comprehensive renovation (€850/m²): €52,700
• Physical home staging (second home apartment, very sensitive to holiday perception): €1,950
• Fees house-flipping.es: €7,139
• Financial costs (5 months): €2,150
• Total investment: €229,139
• Sale price: €289,000
• Municipal capital gains tax: €1,720
• Gross profit: €58,141
• Total operating period: 5.5 months
• Gross ROI: 25.4%
• Net ROI after tax: 19.0%

KEYS TO SUCCESS
Open-plan kitchen and living room to maximize the feeling of spaciousness and views. Renovated terrace with non-slip ceramic flooring and sliding PVC windows. Refurbished bathroom with a large shower and Mediterranean finishes (handmade white tiles, black fixtures). Physical home staging designed to create the impression of a move-in ready second home.The buyer final It was a marriageFrench retiree; sale in 18 days.

CASE 10 – BARCELONA, EIXAMPLE DRET
Classical modernist rehabilitation – Net ROI of 16.1%

Type: 3 bedroom, 2 bathroom apartment, 112m² builtMain floor with continuous balcony, building from 1908.
Location: Eixample Dret, Girona-Provence area.
Initial condition: Historic apartment with modernist elements (moldings, original hydraulic tiles, hardwood woodwork) deteriorated and with obsolete installations. Classic layout with a long hallway.

FINANCE
• Purchase price: €485,000
• ITP (Cataluña 10%): 48,500 €
• Notary, registry and administrative services: €5,800
• Comprehensive heritage conservation renovation (€1,150/m²): €128,800
• Specific restoration of mosaics and moldings: €8,400
• Physical home staging: €4,200
• Fees house-flipping.es: €7,139
• Financial costs (8 months): €8,620
• Total investment: €696,459
• Sale price: €835,000
• Municipal capital gains tax: €6,200
• Gross profit: €132,341
• Total operating period: 8 months
• Gross ROI: 19.0%
• Net ROI after tax: 14.2%

KEYS TO SUCCESS
Careful heritage conservation intervention: original hydraulic mosaic restored (not replaced), moldings replaced using custom molding techniques, stripped hardwood doors andvarnishedThe layout was redistributed, preserving the hallway while opening the kitchen and living room to the street. Completely new installations (electrical, plumbing, ducted air conditioning). The main bathroom is finished in marble, and the secondary bathroom in microcement. The final buyer was an American couple who work remotely and have a high budget; they particularly valued the preservation of the apartment's original character.

SUMMARY OF THE 10 CASES

Case 1 – Madrid (Carabanchel): Net ROI 16.2% – 6.5 months
Case 2 – Barcelona (Poblenou): Net ROI 14.3% – 8 months
Case 3 – Valencia (Patraix): Net ROI 17.1% – 7.5 months
Case 4 – Seville (Triana): Net ROI 6.1% (9.2% gross on equity) – 10.5 months
Case 5 – Malaga (Huelin): Net ROI 18.0% – 6 months
Case 6 – Madrid (Usera): Net ROI 16.0% – 10 months
Case 7 – Bilbao (San Francisco): Net ROI 12.4% – 7 months
Case 8 – Zaragoza (Delicias): Net ROI 13.0% – 6.5 months
Case 9 – Alicante (Playa de San Juan): Net ROI 19.0% – 5.5 months
Case 10 – Barcelona (Eixample Dret): Net ROI 14.2% – 8 months

Average weighted net return: 14.6%. Average term: 7.5 months. Average annualized IRR: 27.8%. Ten cases, ten wins, ten investors who would repeat the experience.

17. CONTACT AND FIRST STEPS

If after reading this guide you are sure that House Flipping may be the right strategy to make your capital profitable, the next step is to get to know each other.

Our initial contact process is quick and without obligation:

STEP 1 – INITIAL MEETING (free, in person or via videoconference)

Duration: 45-60 minutes. In this first meeting we will analyze:

- Your financial situation and available capital.
- Your time horizon and profitability goals.
- Your risk tolerance.
- Your personal availability to participate in the process.
- The optimal tax structure.

STEP 2 – PERSONALIZED STUDY

In 7-10 days we will present you with a study with 3-5 specific opportunities that fit your profile, each with its complete financial analysis.

STEP 3 – DECISION AND CONTRACT

If you decide to move forward,we signed a contractcomprehensive consulting. From that moment on, our team works exclusively for your operation.

STEP 4 – EXECUTION

We accompany you during the5-8 months of the complete cycle, with weekly reporting and permanent access to the tracking platform.

STEP 5 – CLOSURE AND REINVESTMENT

Once the transaction is complete, we'll advise you on reinvesting the released capital, if you wish. Many of our clients carry out 2-3 consecutive transactions.

READY TO TAKE THE FIRST STEP?

Contact our team today:

Telephone: +34 604 997 922 (calls and WhatsApp)
Email: info@house-flipping.es
Web: www.house-flipping.es

We provide service in Spanish, English, and Catalan.
Offices in Madrid and Barcelona.
Free initial meeting with no obligation.

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The market data, percentages, prices, tax rates, and returns cited in this guide are current as of the date of writing and may be subject to change due to subsequent regulatory, economic, or market developments. The historical returns described in Chapter 16 do not guarantee future returns. All real estate transactions involve risks, including the possibility of partial or total loss of invested capital.

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