



ECO VIDA HOMES
A BETTER WAY OF LIVING

Back of the Envelope Cost Guidelines

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These back of the envelope cost guidelines are for people who want to know, in very broad terms, how much it costs to build a villa in Spain and what kind of villa they can get for their money. It may help you establish an initial budget and start a conversation with us.

It's important to remember that the numbers in the example are just to show how the arithmetic works. The numbers for your house will be completely different. They will be tailored to your budget, your preferences, and the nature of the plot. If you work with us you make all the decisions on the design and finishes, with our support of course, and the final specification is tested in a competitive tender. So how much it costs is decided by you (not us).

You will see below that the size and quality of the villa have the biggest effect on the numbers. The range for a simple villa design with decent but modest finishes on a straightforward plot is probably between 1600€ and 1900€ / m² at today's prices. The general tone of the villas in the client stories section of our website is probably over 2000€ / m² nowadays.

We'd like you to think of Eco Vida Homes as your guide to navigating the hazards and making your vision a reality. We do this all the time. We are fully-qualified, seasoned professionals and we are ethically regulated by the RICS in London.

Before I get started on the Cost Guidelines, here are **three of our brand promises**.

1) *With Eco Vida Homes, you are in charge of the costs. We have a **METHOD** for staying on budget.*

2) *With Eco Vida Homes, **YOU** are in charge of the design. Our job is to make your vision a reality.*

3) *In a different (Spanish) business environment, **we've got your back.***
[Take a look at what our clients say about us](#)

You can [book a consultation](#) at any time with John Wolfendale

The **four big cost items** to understand are:

1. The cost of the plot
2. The cost of the build
3. Taxes
4. Professional fees

I will discuss each big cost item below. But first, let me get right to it: here is a spreadsheet laying out the main costs. You should read the notes below too. This is not the detailed spreadsheet we send you when we have a specific plot to relate it to. This is the back-of-the-envelope spreadsheet. The spreadsheet is just to show how the arithmetic works.

You put in your own figures according to the guidelines underneath the spreadsheet. The two big variables, beside the cost of the plot, are the size of the villa (in the spreadsheet 350 sq m) and the quality of the build (in the spreadsheet 1,700€ / sq m).

The Cost of the Plot		Euros
Negotiated Price of land say.....		350,000
Taxes	8%	28,000
Lawyer and Notary	1%	3,500
Total Cost of Plot		381,500
The Cost of the Build		
Square Metre (gross external)	350	
Turnkey cost / sq m depends on the quality of the build (see note below)	1700	595,000
Site preparation / retaining walls (see note below)		50,000
Garden, pool, terraces, driveway, front gate etc		65,000
Renewable energy systems		25,000
Total Cost of the Build		735,000
Professional Fees		
Will depend on the size and complexity of the project (see note below). For the moment, let's say 8% of the total cost of the build to include all professional fees		58,800
Taxes		
VAT @ 10% of Cost of Build		73,500
VAT @ 21% of Professional Fees		12,348
Building Licence Fee payable to town hall (see note below) say 6% of the Total Cost of the Build		44,100
Total Taxes		129,948
Grand Total		1,305,248 €

1. The Cost of the Plot

Here are the key things to think about:

Planning Regulations

The size of the villa you can build in square metres is a percentage of the total square metres of the plot. This percentage varies and is normally between 20% and 35%. So if you want a villa of 250 sq metres, and if the planning regulations allow a 30% built area, you are looking for a plot of at least 827 sq m. ($835 \times 0.3 = 250$). So, when evaluating a plot, you must ask the sellers for this percentage figure and how big the plot is.

The Danger Point

Buying the plot is the danger point. It's the point of no return. Many plots we evaluate on behalf of our clients have some kind of hidden defect that would have been catastrophic had our clients not found out. We offer a free independent plot evaluation. [Find out more here.](#)

Use a “residual valuation” when negotiating the price

Essentially, the residual valuation is calculated by taking the value of the completed development and subtracting the cost of the build including taxes and professional fees. It's the most you can afford to pay for the plot without making a loss. [This article explains how to evaluate the financial viability of a plot.](#) We can also provide a financial assessment once a plot has been identified.

Plots with views are worth more. Plots with views generally have slopes. The greater the slope, the greater the build cost and therefore the lower the residual valuation. This is often the dynamic in evaluating a plot and negotiating the price.

We may be able to help you find a plot. Ask us for more information if you are interested.

2. The Cost of the Build

The size of the villa has a big effect on costs. Nearly everything is a percentage of this number. You can use the spreadsheet to iterate the size of the villa.

So, what is the cost in euros per square metre for a turnkey villa? Bear in mind the accuracy of the whole calculation depends on this number. People in the industry bandy this number about as if they were buying apples at the grocery store, with “this much” for a luxury build and “that much” for a standard build. But, how do we know, when we use a term like “luxury,” that it means the same to you as it does to me? At Eco Vida Homes, we recognise the problem and strive to overcome it.

For qualified clients, we can show real costs of recent villas with photographs. These are kept behind a password to protect our clients’ privacy. Your villa will be different to theirs, but at least you have something to anchor your assessment on.

We encourage you to send us photos and pictures of what you like and tell us why. We can discuss costs and what kind of things add and subtract to the costs. We can tell you what’s expensive and why. We can find out what you want and suggest cost savings.



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The range for a decent quality villa for most of our clients is between about 1200€ and 1700€ psm. You can certainly pay a lot more and people do. Can you pay less? Yes, but it's probably not going to be a very nice villa. It will be hard work getting there too and you will have to forego many things that you might want as you go through the design phase. Locals build for less than this and you may hear about it, but in these cases they build very low quality buildings.

Professional developers building 30 at a time may do it for less because they have a lot of leverage over their suppliers. Also, they are adept at making their villas look great so they sell while also cutting costs on the fundamentals of the building, which means that maintenance costs are high and energy efficiency and comfort are low.

A big number that is often forgotten about at this stage is the cost of everything outside the main building such as the swimming pool, garden terraces, driveway etc. All this can mount up to a surprisingly high figure.

The cost of site preparation, extra foundations because of unstable ground conditions, retaining walls... all need to be evaluated once the plot itself has been identified.

3. Taxes

In general discussions, every number that is quoted will have to have VAT added to it. On the main contract sum it's 10%. On professional fees it's 21%.

Then, for the building licence and licence of first occupation, use 6% of the contract sum. Actually, it's probably a higher percentage of a lower figure (a PEM that is read off-table provided by the Architects College) but the percentage varies between municipalities and is sometimes comprised of two or three different numbers.

4. Professional Fees

For professional fees: Let's use 8% of the contract sum. If you want a celebrity architect, use 15%. If you want cheap and not so cheerful, add in less. If you want to know how to [choose an architect then look at our blog section](#).

This number, 8%, is for all design, topographical, geotechnical, fees and supervision of the works and handling of all the bureaucracy with professional care and attention.

Please note, the actual figure will depend on the plot, the size of the villa, design and complexity, so please don't interpret this as any indication of what we might charge. We quote for these once we have met you and seen the plot. This is just a back of the envelope figure to get started with.



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We strongly advise you to sign up to the EVH reference library. It's in both our interests that you are well informed. [Please do that here](#).
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