

VALENCIA PROPERTY

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The Running Costs of Your Valencia Property

A 2026 GUIDE

Everything you need to know about electricity, gas, water, IBI, community fees, internet, insurance and more – updated for a world that has changed beyond recognition.

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Part One

Electricity in 2026

We wrote an article back in 2019 called *What Are The Running Costs of Your Valencia Property?* It was one of the most read articles on the blog and still gets a lot of traffic. The problem is it's now seven years old and the world has changed – and continues to change – at an ever faster pace. Since 2019 we've had a global pandemic, a war in Ukraine, an energy crisis across Europe, supply-chain inflation, and now fresh chaos in global energy markets. In the UK, Germany and Italy people are bracing for another round of energy price pain.

And here in Spain? It's a different story. Not a perfect story, but different on the good side. That is why this guide exists.

This part focuses entirely on electricity because what has happened in Spain over the last seven years is arguably one of the biggest positive changes in the country during my 27 years here. It affects what you pay every month, how you heat and cool your home, whether you can charge an electric car, and how exposed you are to global energy shocks.

Spain's Renewable Revolution

In 2019 when we wrote the original article, renewable energy supplied a maximum of 37% of Spain's electricity. In 2025 that figure was 55.5% and is growing fast. On certain days renewables can account for 100% of generation with surpluses going into battery storage. Wind was the single biggest source of power in the country in 2025, ahead of nuclear and gas. Solar was right behind and growing fast. Spain hit **50 GW of installed solar capacity** at the start of 2026. The country did not use coal-fired power at all in August 2025. Not a single kilowatt.

Self-consumption solar installations hit 9.3 GW of capacity last year. Between 2020 and 2024 Spain cut its power-sector import bill more than any other EU country, avoiding 26 billion cubic metres of gas imports and saving an estimated **13.5 billion Euros**. In February 2026 renewables hit 63% of Spain's generation mix and the average wholesale electricity price that month was **16 Euros per megawatt hour**. On some days it was close to zero.

That is a complete transformation in just seven years. And as a consumer you can be part of it. Suppliers like Naturgy and Octopus Energy offer tariffs that supply 100% renewable electricity – not 55%, not 63%, but 100%. They also tend to be cheaper than the legacy providers like Iberdrola and Endesa. We switched our own properties to Naturgy and Octopus over the last year and the savings were immediate.

The Renewable Shield in Action

Spain's forecast average electricity price for 2026 is around **66 Euros per megawatt hour** – roughly half what Italy is facing. Gas only dictates the electricity price here for about 15% of the day. So when gas prices spike because of events elsewhere, the effect on your electricity bill in Spain is far more muted than it is in Germany, Italy or the UK.

The nationwide blackout in April 2025 prompted a lot of quick commentary blaming renewables. The ENTSO-E expert panel published its final report in March 2026 and was clear: **renewables did not cause it**. It was a grid management and coordination problem. Spain's grid operator has reinforced the system since. The fundamental picture remains the same: Spain's bet on renewables is paying off precisely when the rest of Europe is most exposed.

If you are coming from the UK, where gas sets the electricity price two-thirds of the time, or from Italy where it is almost 90% of the time, you will feel this difference in your pocket every single month.

What Will You Actually Pay?

Without any mitigation a typical apartment electricity bill in Valencia could be between **60 and 90 Euros per month** depending on usage and time of year. Air conditioning in summer and heating in winter push the numbers up. For a house you are looking at **80 to 150 Euros per month** in normal conditions depending on the size.

Two quick wins worth acting on immediately:

Get your contracted power (potencia) right. Every bill has a fixed charge for the power you have contracted regardless of whether you use any electricity at all. The old standard was 3.3 kW but these days 5.75 kW is more realistic if you want to run a washing machine, an oven and a kettle without tripping the supply. Too low and everything trips. Too high and you are paying for potential you never use.

Shop around. The electricity market in Spain is competitive. We have switched our own properties between Endesa, Naturgy and Octopus Energy over the last year and saved hundreds of Euros annually just by checking tariffs and moving. Suppliers like Octopus offer simple flat-rate tariffs with no time-of-use complications. The days of just staying with whoever the previous owner was contracted with are over.

Solar Panels: The No Brainer

If you have a house or a penthouse apartment with roof access, solar panels are a no-brainer. Spain scrapped the old "sun tax" back in 2018 and since then installations have gone through the roof – literally. A typical house installation of 10 to 12 panels with around 3 to 4 kW of capacity costs in the region of **4,000 to 7,000 Euros** depending on the setup. Our own 12-panel, 3.6 kW system was producing over 20 kWh per day in summer.

Many towns offer a **50% reduction in IBI (council tax) for five years** when you install solar panels. In our case that saved 1,500 Euros over the five years, on top of the reduced electricity bills. Regional grants funded through EU New Generation programmes are also available – we got 40% of our installation cost covered. The payback period on a good-sized system is typically 3 to 7 years, after which you are generating free electricity for the next 20-plus years. Your house also goes up in value and you can offset installation costs against capital gains tax when you eventually sell, as it counts as a mejora – a capital improvement.

Battery Storage: The Game Changer

A home battery system stores the solar energy you generate during the day for use at night or during cloudy periods. We have a 15 kWh battery on our property with a Huawei inverter and it has made a massive difference.

Without a battery, excess solar generation during the day gets exported back to the grid for a few cents per kWh. Then in the evening when you actually want to use electricity you buy it back from the grid at three or four times the price. That is a bad deal. Batteries changed that. With a battery you store daytime surplus and use it yourself in the evening and through the night.

We also switched our inverter to TOU (time of use) mode via the phone app. On days when solar generation is low the battery charges itself from the grid overnight when electricity is cheapest – about 8 cents per kWh on our Naturgy

tariff – and then we run the house off that stored cheap electricity during expensive peak hours.

Battery systems add **3,000 to 8,000 Euros** to the cost of a solar installation depending on capacity. A 5 kWh battery is fine for an apartment or small house. A 10 to 15 kWh system makes more sense for a larger property. Lithium iron phosphate batteries are now standard – they last longer, are safer, and prices are still coming down.

Virtual Batteries: The Free Alternative

If you cannot install a physical battery – perhaps because you are in an apartment or do not want the upfront cost – some suppliers offer virtual battery schemes. Your exported solar surplus is stored as a credit rather than being compensated at a low rate.

Naturgy's virtual battery scheme and Octopus's Solar Wallet both do this. Your summer surplus builds up as credit that offsets your winter bills. It is not quite as good as a physical battery but it is free to set up, and for apartments where physical battery installation is not an option it is a smart choice.

The Bottom Line on Electricity

Electricity in Spain has gone from one of the most expensive running costs to one of the most manageable. Seven years ago Spain had some of the highest electricity prices in Europe. Now it has some of the lowest. The combination of low wholesale prices driven by the renewables revolution, competitive retail tariffs, solar self-consumption and battery storage in a 320-days-per-year sunny country means your electricity bill can be brought under control in a way that was simply not possible in 2019.

Part Two

Everything Else

Now we cover the rest: IBI, gas, water, community fees, internet, home insurance, security, and pool and garden costs. Some of these have changed a lot since 2019. Others have barely moved. Some have even gone down. Let's go through them.

IBI — Council Tax / Property Tax

The IBI (*Impuesto de Bienes Inmobiliarios*) is the one cost that belongs to you as property owner every year regardless of whether you live in it, rent it out or leave it empty. It is based on the catastral value of the property – the value the land registry assigns to it, not the market value. Catastral values tend to be well below market values so do not be alarmed when you see the figure.

A small apartment with a protected facade might pay as little as 60 Euros per year. More typical for a standard apartment in Valencia is **250 to 500 Euros per year**. (We signed for a property recently at 380,000 Euros and the annual council tax was 198 Euros.) Outside the city, houses on standard plots run to **400 to 800 Euros per year**. Larger properties in places like Portacoeli in Serra or La Eliana can run to 1,000 to 2,000 Euros per year depending on plot size.

Be aware that most councils now charge rubbish collection and recycling separately from the IBI. Expect an additional bill of **50 to 150 Euros per year** for waste management. It is not a lot but it catches people out when they were only expecting one bill and two arrive.

*“One thing worth knowing: under the 2023 Housing Law, councils can apply surcharges of up to 50% on the IBI for properties left empty for more than two years without good reason. However, this **only applies to owners who hold four or more residential properties**. If you are buying a single property as a holiday home or investment it does not affect you.”*

And as mentioned in the electricity section: install solar panels and many towns give you a 50% reduction in IBI for five years. That alone can save 500 to 2,500 Euros over the five years before you even count the electricity savings.

Gas and Heating

Unlike electricity, gas in Spain has no renewable shield. Gas prices are directly exposed to global markets and those markets are currently volatile.

Many apartments in the city use gas for cooking, water heating and sometimes central heating. A typical bill for cooking and water heating is **30 to 50 Euros per month**. Add central heating in winter and that can rise to **60 to 120 Euros per month** from November to February depending on property size.

The standard regulated 12.5 kg butano bottle (*bombona de butano*) currently costs **16.35 Euros** (March 2026) after a 4.9% increase driven by rising freight costs. Back in 2019 a bottle was around 14 Euros. That same bottle hit a record of 19.55 Euros during 2022 at the height of the Ukraine War energy crisis. If you use gas only for cooking a bottle will last several weeks. If you use it for water heating too you will get through one roughly every two to three weeks.

The larger unregulated 35 kg propane bottles used in heating systems currently cost **70 to 83 Euros each** depending on the supplier. Houses with propane heating typically have two to four connected and can get through them quickly in a cold winter.

The direction of travel for heating and cooling is electric. Heat pumps run on electricity and work as both air conditioning in summer and heating in winter. If your electricity is coming from solar panels on your roof with battery storage, or from a 100% renewable supplier at cheaper rates, your heating costs are increasingly decoupled from global gas and oil prices. More and more renovations and new builds are going all-electric for exactly this reason.

As with electricity, comparing gas suppliers is worthwhile. The main players are Iberdrola, Endesa, Naturgy and TotalEnergies. Many offer discounts of 5 to 10% if you bundle electricity and gas together.

Water

Water in Valencia is still surprisingly cheap. A typical apartment bill runs to **25 to 40 Euros per month** including taxes for drainage and waste water treatment. For a house expect **40 to 70 Euros per month** for a standard property with some outdoor space.

Most houses in the campo have two types of water supply: the drinkable mains supply (*agua potable*) and the agricultural water supply (*agua de riego*) for the garden and pool. Agricultural water is cheap – you can fill a pool for 20 to 50 Euros depending on size and provider. The agricultural water keeps the garden alive through the summer without running up your mains water bill.

“Keep an eye on water restrictions. Valencia has had a very wet winter this year with dams at almost 100% capacity in many cases, but drought periods do occur and the council can restrict water use for gardens and pools when they do.”

Community Fees

If you live in an apartment you pay a monthly community fee to fund the upkeep of the building – similar to an HOA elsewhere but considerably cheaper. This covers cleaning of common areas, lighting, lift maintenance, building insurance, and ongoing repairs.

An apartment with a lift will typically have community fees of **30 to 80 Euros per month**. Without a lift: **10 to 30 Euros per month**. These figures have gone up a bit since 2019, mainly because of inflation on maintenance contracts, cleaning costs and building insurance premiums.

On estates like Portacoeli in Serra the community fee covers shared facilities, 24-hour security and water rates, and can be **100 to 200 Euros per month** for houses on double plots or larger.

“One thing to check before you buy: ask whether there is a derrama planned – a special levy for major works like replacing the lift, waterproofing the roof or renovating the facade. These can run into several thousand Euros divided among owners. Your lawyer should check the community minutes before purchase. Ask us and we will make sure this is done.”

Internet and Mobile

Fibre is everywhere now – in the city, in the towns, in the villages. Standard speeds are 600 Mbps to 1 Gbps both ways. 5G coverage is widespread in the Valencia region. Prices have actually come down since 2019, which is unusual for anything anywhere.

A fibre and mobile package from O2 starts at **30 Euros per month** for 300 Mbps fibre with a mobile line with 25 GB and unlimited calls. Their 600 Mbps package with 35 GB is 35 Euros per month. Step up to 1 Gbps with 120 GB and you are paying 38 Euros per month. All without a lock-in contract.

If you are buying a second property, you do not need to pay full price for a separate connection. Digi offer 300 Mbps for just **10 Euros per month** and 1 Gbps for 20 Euros, with only three months' commitment and the option to suspend the service for up to three months a year when you are not using the property.

Home Insurance

Home insurance (*seguro del hogar*) is not legally required in Spain unless you have a mortgage. But you should have it regardless. A burst pipe and its consequences for your downstairs neighbour, or plasterwork falling onto a passer-by, without cover would be a very expensive problem.

A standard building and contents policy for an apartment will cost **150 to 300 Euros per year**. For a house: **250 to 1,000 Euros per year** depending on size, location and what you want covered.

If you have been with the same insurer for years the chances are you are paying too much. We were with Generali paying 811 Euros per year for our house – a policy that had crept up from 389 Euros over the previous decade. We switched to Linea Directa for about **310 Euros per year** with actually better coverage. A saving of 500 Euros a year for about an hour's work comparing quotes.

“If you have solar panels and battery storage, check your policy covers them. Not all policies do and some that claim to cover solar specifically exclude inverters and batteries.”

Security

Spain is a safe country and Valencia is a safe city. That said, if you want an alarm system for peace of mind, Securitas Direct remains the main player and you can contract a monitored alarm system from **30 to 50 Euros per month**. They install the system, monitor it remotely and notify the police if anything triggers.

For city apartments the main security consideration is a solid front door. For houses on estates or in more rural areas, a basic alarm is a sensible investment, especially if the property is empty for longer periods.

Pool and Garden

A gardener and pool maintenance service for a typical house will cost **120 to 300 Euros per month** depending on the size of the garden and pool and how often they come. If you maintain the pool yourself, chemicals for a standard 8x4 metre chlorine pool will run to **30 to 40 Euros per month** in summer. The filter pump runs a few hours a day and adds to the electricity bill but if you have solar panels that cost is minimal.

If you do not want the hassle and cost of a private pool, many developments have shared pools where the cost is split among all owners and comes out of the community fee. Access to a well-maintained shared pool and garden for **30 to 60 Euros per month** as part of your community costs.

Two Real-World Cost Examples

What does it actually cost to run a Valencia property per month? Here are two typical scenarios.

Example One: A Two-Bedroom Apartment

A two-bedroom apartment in Valencia city with a lift, no pool and no garden.

Cost Item	Per Month (approx)
IBI (council tax)	~€30
Electricity	€60 – €90
Gas	€30 – €40
Water	€25 – €35
Community fees	€40 – €60
Internet and mobile	€35 – €45
Home insurance	~€20
TOTAL	€240 – €320 per month

Annual carrying cost: roughly €3,000 to €4,000 per year.

Example Two: A Three-Bedroom House with Pool

A three-bedroom house in the commuter belt with a pool and garden but no solar.

Cost Item	Per Month (approx)
IBI (council tax)	~€50
Electricity	€80 – €120
Gas	€35 – €60
Water	€40 – €60
Internet and mobile	€35 – €45
Home insurance	~€30
Pool and garden maintenance	€150 – €200
Security monitoring	~€35
TOTAL	€455 – €600 per month

Annual carrying cost: roughly €5,500 to €7,200 per year.

That same house **with solar panels and battery storage?** Electricity drops to 20 to 50 Euros per month. IBI drops by 50% for five years. The pool pump runs on solar. Suddenly you are looking at **€350 to €480 per month** and the gap only widens as gas and electricity prices rise for everyone else. Annual carrying cost could be as little as €4,200 per year.

For context: Valencia's cost of living index is roughly half that of New York and dramatically lower than London, Paris, Los Angeles or Toronto. The running costs of your property are a big part of the reason why.

How We Can Help You Save Money

If you have read this far you will have noticed a theme. There is money to be saved on almost every one of these bills and most people never get round to doing it. The bills are in Spanish, the tariff structures can be confusing, life is busy and as a result many people just don't act.

That is why we offer our bill optimisation service. We look at your electricity, gas, internet and insurance bills, compare the market, find the best deals for your situation and handle any switches for you. Most of our clients save several hundred Euros a year. Some save quite a lot more.

Insurance is often the single biggest saving we find because nobody ever gets round to comparing it. They just let it renew every year and the price creeps up without anyone really noticing. It certainly did for us, until we checked.

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