

Spain and Affordability

Valencia Property | December 2025



8th December 2025 | Graham Hunt

Things don't cost what they used to. Spain isn't cheap any more. Both true but both are wrong too. Welcome to another blog post where we spend our time convincing you to come to Spain, and more particularly Valencia, to live. Over the last few weeks the talking point of affordability has become the latest political football the world over. As usual the Orange Sh*tgibbon is lying through his teeth about costs in the USA, black is white, north is south, Eurasia have always been our friends etc (Yes, that's an Orwell reference because we are at that point now.) However, when we do it we do it through a more open and inclusive point of view. It's called truth and maybe the Felon-in-Chief might like to try that once in a while.

We realise that Spain isn't as cheap as it once was — where is? However, we also look at prices here from a standpoint of being here for over a quarter of a century, so of course things aren't the same. However, as we receive so many clients from Northern Europe, North America, Australia, the Gulf States and more, we also get a perspective about what things cost elsewhere compared with here, and the truth is that Spain compares very favourably with most places as a place to live from a cost of living point of view, and Valencia compares very favourably with other places in Spain.

Today we are going to look at the big ticket items of affordability — the things that eat the most into your monthly budget — rather than the most on a day to day basis, because in most cases Valencia will beat the places you are coming from for the little things like the cost of a coffee or beer, quality fruit and veg and more, but it will also beat them for the big ticket items.

The Big Ticket Items

Property Prices • Healthcare • Interest Rates

Transport • Utilities • Childcare • Insurance

Property Prices

Here we are talking about both rentals and sales. Rentals have shot up in price since the pandemic and are now at 60–90% above the levels prior to 2020 in the city. There is also a major shortage of rentals throughout the city and its suburbs.

However, talking with our clients who are renting currently we realise that we are still looking at prices about half or less of the

equivalent property in most US cities and a third of places you can find in San Francisco, Los Angeles, NY etc...

(This doesn't help the local population because we have been living in the fishbowl remember and we are comparing with time as opposed to place.)

Regarding purchasing, prices are well below those found in those places and also well below cities in Spain like the capital Madrid, Barcelona, San Sebastian etc. Valencia might not be seen to be as affordable from our point of view any more having been here for 25 years plus, but it is for anyone coming to Valencia from other places in the World and comparing with their departure point.

(Again this is no solace for locals trying to get on the property ladder but the continuing low interest rates, about which more later, mean locals with savings or the bank of mum and dad can still manage it.)

Healthcare

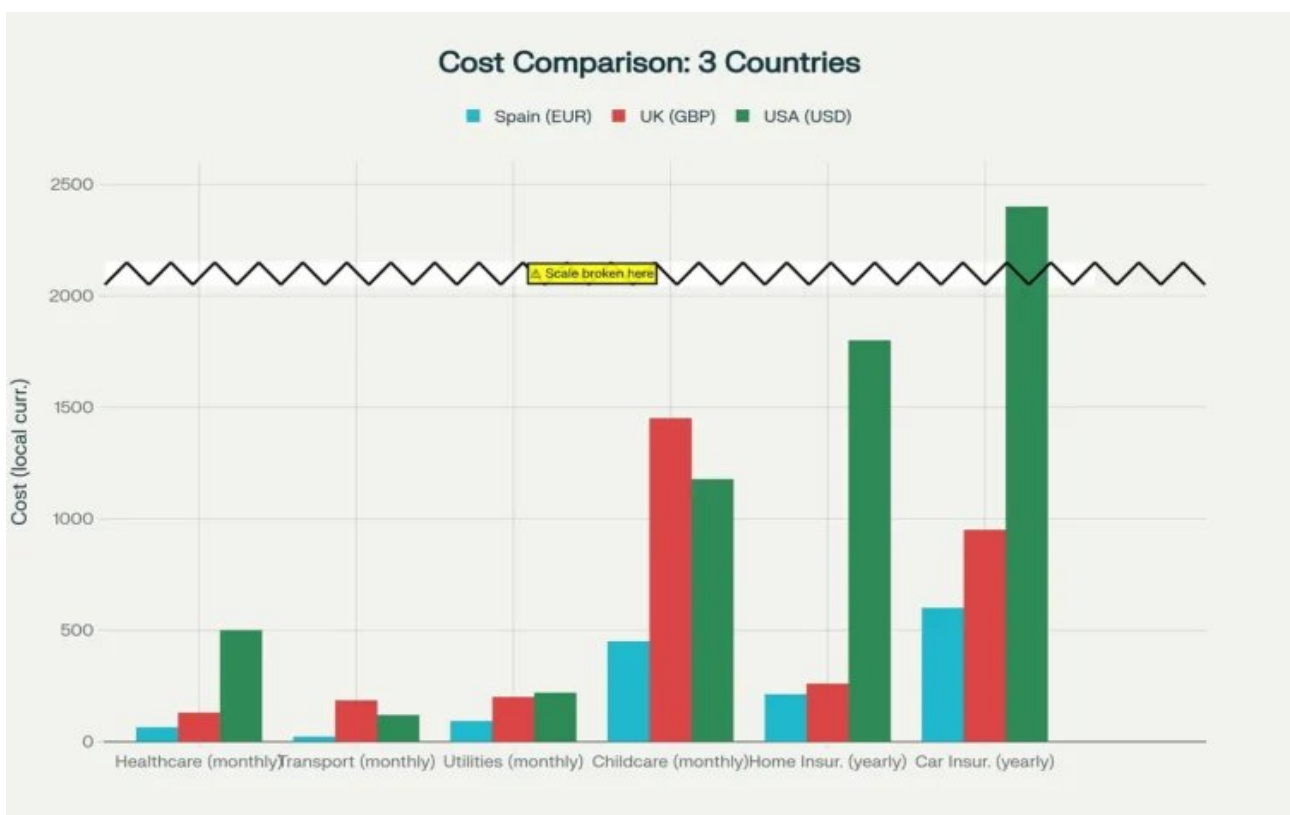
We have been looking at the costs of treatments in the US compared with Spain, the differences in the costs of prescriptions and the difference in the basic costs of private healthcare. The numbers we have been quoted so far are scary if you happen to live in the States — and most of that was before the huge jump in costs through the changes to Medicaid and Medicare and what the greedy insurance companies there think they can get away with and also what is actually covered.

We are in the process of putting together an article about the difference in healthcare between here and the USA but James Blick put together an excellent video about healthcare in Spain

which covers many of the key points. You can [watch it here](#).

In every case the average cost is so much lower in Spain. In fact we often find that American clients are shocked at “what things actually cost” because they are told in the States that what they are charged is what things cost. My first wake-up to this lie was in the Michael Moore film “Sicko” when he took 9/11 survivors to Cuba and they were able to get the same medicines they took in the States at a small fraction of the cost they paid there. That's almost the same here. Equally, insurance costs, utility costs and childcare are so much cheaper here — and with childcare you don't have to worry about school shootings either.

Below you can see the average cost comparisons between the UK, USA and Spain for various of these big ticket items. Car insurance broke the scale.



Cost Comparison: Spain (EUR) vs UK (GBP) vs USA (USD)

Interest Rates

If you want to borrow money for any particular purpose in Spain then now is the time to do it. Make hay while the sun shines on the really low interest rates, especially when getting a mortgage, maybe on a car purchase or for another big ticket item such as modernisations to your home.

The average cost for mortgage interest rates in Spain at the moment is under 3% for both resident and non-resident mortgages. They may be quoted at 3.5% but with easy bonuses available they usually come down to below 3%. We recently had a client who will be paying 1.8% fixed rate for twenty years. Now that's what I call a deal.

Transport

The first question is whether you need a car in one of Spain's main cities. As more people get a car traffic gets heavier, but you can walk across the whole city in just under two hours — so do you need one? If you live in the centre and walk an hour in any direction it's very likely you won't be outside the city when you finish.

However, you can buy, rent or lease a car and all of the options are relatively affordable. Public transport is excellent, frequent and also extremely affordable. Getting around on a bike has never been easier, whether it's your own bike, one of the Valenbicis you see everywhere, or renting by the hour, morning or day from any of the many bike rental places.

Utilities

You'll need them. These days there are more because added to water, electricity and gas you have internet and phones being considered essential utilities. Water is comparatively expensive now — for me around 32 euros a month here and roughly the same in my holiday home despite hardly using water there. Most of the costs are fixed for the service, drainage and taxes, so even heavy usage doesn't usually raise the bills much.

Electricity is comparable with most places in the World (because of the service fees again) but the kWh is much cheaper than most Western European countries. If you can get solar then get it — your bills will magically reduce because of the big yellow orb being visible for over 300 days of the year... Gas is relatively cheap too.

Phone tariffs are so cheap as to be laughable for a basic package compared with the States — including mobiles, a fixed line if you are mad enough to want one, fast internet and even many streaming services available for around 60 Euros a month. There are services for 10 Euros a month, believe it or not, but even a service such as Digi with fibre-optic internet and mobile can be as little as 25 Euros a month.

Childcare

We have written about this before but it needs to be noted. If you need to work then childcare is extremely affordable.

We wrote the following in 2023:

"The cost of a nursery full time for children in the Valencian region is 34 euros per month. Yes you read that right, 34 euros per month. Private nurseries can go up to 260 euros per month but they still get a subsidy for every child. In the UK nurseries cost on

average over 1,000 pounds per month and in the USA the average cost is around 1,200 dollars per month. So even if you go fully private here the childcare costs are insignificant compared with the UK and USA. Therefore if you have a baby or toddler you are likely to save over 10k per year just on childcare costs. There was a report in the UK that parents there have to pay up to 75% of their salary just for childcare which of course affects people going back to work after giving birth."

Things have changed of course. Prices in Valencia for private nurseries are now around 350–800 Euros per month (Montessori at the top end) and public nurseries can cost up to 200 Euros, but there are always subventions and here's the kicker: from 0–3 years old they are free for lower income families and everyone else gets their places subsidised.

Insurance

Just like anywhere you need to shop around but house, health, car and other insurances are affordable. Keep an eye on any current provider and you might get a better deal on renewal after a year.

Our team at Valencia Property have an average health insurance cost of 65 Euros per person per month. House insurance on an apartment might be around 400 euros per year and on a house 600–800 Euros. Car insurance doesn't break the scale — and if you want any other insurances just in case then you can probably afford them.

The Day To Day

The above items are the big ticket items, the things you have to pay in many cases for peace of mind and more. However, the day to day items also make a huge difference in how much it costs to live here. Food, drink and entertainment are affordable. Your other car costs, if you have a car, like parking, charging and MOT costs are lower. (I say charging because you wouldn't be silly enough to buy an ICE car, would you? Yes, petrol is more expensive.) Food markets, restaurants and bars remain excellent value compared with Northern Europe and North America.

Why Do You Need To Know This?

You may ask why we are telling you this. The answer is simple. People wonder how much it costs to live in Spain and the answer is “(probably) a lot less than where you are coming from”. This is true for the majority of our clients. This huge difference generally means that any worries about “How much tax will I pay?” are massively overblown: the differences in the day to day cost of living and the big ticket items will likely more than make up that difference and your quality of life will improve massively. So...

Pay your taxes and enjoy life.

Valencia Property — Your Agent. Not Theirs.

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