

# SPAIN ENDS ITS GOLDEN VISA PROGRAM



Spain is now taking a different track with its housing woes. The Spanish government has just ended the Golden Visa Program—a program that once let non-EU citizens win residency simply by splashing cash on real estate. Announced by Prime Minister Pedro Sánchez last year and kicking in on April 2, 2025, this move treats housing as a basic right rather than just another investment play.

## The End of the Golden Visa Program

Back in 2013, after the fallout of the 2008 crash, Spain introduced what many came to call the investor visa—or Golden Visa. Essentially, **it let people from outside the EU, along with their close relatives, obtain a residency permit by putting down €500,000 on property**, and it even paved a not-so-direct path to citizenship. Over roughly 12 years, nearly 15,000 foreign investors jumped on board—often turning their properties into summer getaways or short-term rentals, without having the pressure to live or work in Spain. Now, facing a predicted shortage of about 600,000 homes in 2025, the program has been scrapped as part of broader efforts to ease the housing crunch.

Last year, Prime Minister Sánchez made his stance crystal clear, saying, “Housing is not a speculative investment tool, but a constitutional right. For this reason, we will end the golden visa program application.” Generally speaking, this decision reflects a policy pivot aimed at cutting back on unaffordable housing costs. Recent figures show that rental prices have surged by roughly 11.5% over the past year and have ticked up around 3.9% on a quarterly basis. For instance, by December 2024, the average rental cost in Spain was about €13.5 per square meter, and in Madrid—a city hit hardest—the increase reached an eye-popping 91% compared to ten years ago. Meanwhile, the price tag for constructing new homes rose on average 7.6% last year, with some areas even topping 15%; by February 2025, national averages had nudged to roughly €2,311 per square meter.

## A Deepening Housing Crisis

The shuttering of the Golden Visa program comes at a time when Spain is really grappling with serious housing and rent issues. Many believe that the flood of foreign money through this visa only worsened the shortage of affordable homes, especially in buzzing urban centers. Demand has skyrocketed with a blend of rapid, speculative property buys and an ongoing shift from smaller towns to big cities. This trend pushes younger people to look for more affordable, if sometimes distant, neighborhoods—simply because city center rents have grown too steep.

## Economic and Social Impacts

As everyday rent costs climb ever higher, residents across Spain are starting to feel the squeeze. With rents in Madrid and other major hubs now nearly out of reach for many, the decision to end the Golden Visa program is being seen as one way to dial back the market’s runaway speculative investments. That said, there are lingering questions about the move’s broader economic fallout, especially since the program had been a steady source of foreign capital over the years, even if its benefits were mixed.

## Looking Ahead

Spain's housing dilemma suggests that canceling the Golden Visa is just one part of a much bigger puzzle. **Tackling the forecasted shortage of 600,000 homes will require not only more investment in affordable housing but also smarter urban planning and policies that balance local needs with the perks of foreign investment and tourism.** As the country works through this tangle of challenges, the renewed focus on housing as a fundamental right—despite some inevitable bumps along the way—signals a commitment to putting citizens first, even if it means sacrificing quick financial wins.

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