

REVIEW



Brexit Implications For Your Place In The Sun



[back](#) [home](#) [forward](#)



[contact us](#)

October 2017

Brexit Implications For Your Place In The Sun

The potential effect of Brexit on the ownership of property in Spain and other parts of the EU popular with British investors has already generated much debate. Many questions surrounding Brexit and its implementation remain unanswered. Consuelo Suay, a UK, Isle of Man and Spanish qualified lawyer at M&P Legal takes an overview of where we are.

Large numbers of UK nationals have taken the decision to invest in European property either as holiday homes or for more permanent residence or retirement. Such existing property owners may have understandable concerns due to the level of uncertainty surrounding the Brexit process and its possible outcome. Those who may be considering investing in property in popular destinations such as Spain and Portugal will be similarly wondering what the future will look like and how it may impact on the long term viability of their investment.

For the short term and until Brexit has been fully implemented, the status quo looks set to continue. Current rights are being preserved pending the UK's departure from the EU. Implementation may take a number of years to complete and there are likely to be lengthy transitional periods. What this means for existing property owners therefore is that there will likely be a significant period for which there will be no material changes. It seems to be the case therefore that existing property owners need not feel panicked into making any rash decisions. Full implementation still seems some way off into the distance. A

further encouraging sign appears to be a willingness on both sides in the negotiation that the current status of UK nationals living in EU countries and those European nationals living in the UK will likely have their current rights preserved and protected. No one, it would appear, is seriously expecting forced repatriations. An important factor in this respect is that for countries such as Spain, the economic value of investment by non-Spanish nationals cannot be underestimated. It is therefore frankly inconceivable that the Spanish Government would want to create an environment which restricted or discouraged external investment particularly in areas which are highly dependent on the tourist economy. It is highly likely therefore that ways and means will be found to maintain and encourage this important economic benefit.

The outlook therefore for UK nationals with existing holiday homes or those considering investing in this type of property is likely to be largely unaffected by Brexit either in the short or long term. The only significant disincentive it seems at present is the current devaluation of the pound sterling against the euro, which is placing UK property investors at something of a disadvantage. Exchange rate fluctuations can never be predicted with accuracy but longer term, once the manner in which Brexit will be achieved becomes clearer, sterling's relationship with the euro should eventually stabilise.

The position of longer term residents in countries such as Spain and Portugal remains

Brexit Implications For Your Place In The Sun

perhaps more problematic although with some 300,000 UK nationals living in Spain alone, there will be significant economic and social imperative on both sides of the Brexit negotiation to minimise adverse consequences for all concerned. There are clearly concerns at present with regard to rights of permanent residency, access to health care and other benefits, as well as freedom of movement and the possibility of new visa requirements being introduced. However as mentioned at the outset there appears to be a desire on both sides of the negotiation to reciprocally protect and preserve the rights of nationals who are already settled or residing permanently and therefore economically connected to their host country. It is difficult to envisage this changing substantially or there being a breakdown in the level of cooperation between the UK and its European counterparts to such an extent that highly damaging or adverse consequences would be suffered by persons who are already permanently resident.

Overall, therefore, despite Brexit and the uncertainty surrounding its implementation, there is probably less to fear for UK nationals with property interests in the EU that may have at first been anticipated. After all, investment by UK nationals in EU countries such as Spain is nothing new and has been an established market that has grown over many decades, well before Spain's full membership of the EU. There can be no doubt that in some ways the UK's membership of the EU has facilitated and encouraged the process of acquiring and owning property in EU countries. However, it should not be assumed that the UK's eventual departure from the EU should make it substantially less of an attractive proposition than it has always been.

Consuelo Suay is employed as Counsel at the law firm of M&P Legal. Qualified in the Isle of Man, UK and Spain she is uniquely qualified to assist clients with business, property or other interests in Spain and its islands.

M&P Legal is an established Manx law firm with highly experienced Advocates and Solicitors who regularly feature as recommended in the Legal 500 and Chambers & Partners legal directories. The practice deals with Isle of Man litigation such as debt recovery, personal injury, employment, contract, injunctions, enforcement of UK judgments, professional negligence; private client matters such as probate and wills, conveyancing; and corporate/commercial, banking, trusts and insolvency.

Please contact the practice manager Honor Beard - hkb@mplegal.im with any questions.




LEGAL

REVIEW



[back](#) [home](#) [forward](#)

 [contact us](#)

Profiles

Click on a profile to be taken to our web site for full details



Christopher J Murphy
Joint Managing Director
cjm@mplegal.im



John T Aycock
Joint Managing Director
jta@mplegal.im



Christopher M Brooks
Counsel
cmb@mplegal.im



Damian P Molyneux
Director
dpm@mplegal.im



Consuelo Suay
Counsel
csc@mplegal.im



Amelia J Quinn
Trainee Advocate
ajq@mplegal.im



Carol A Young
Conveyancing Manager
cay@mplegal.im



Niall M Prentice
Paralegal Assistant
nmp@mplegal.im