

Recent key developments in the area of Spanish financial regulation

Prepared by the Regulation and Research Department of the Spanish Confederation of Savings Banks (CECA)

Ministerial Order ECM/599/2025 amending Ministerial Order ECO/805/2003 on property appraisal rules and certain rights for certain financial purposes (Official State Gazette: 12 June 2025)

In broad terms, the Order introduces the following changes:

- It adds the principle of sustainability to the principles that must be considered by the credit institutions that provide appraisal services and the certified appraisal firms. According to this principle, property valuation calculation methods must consider indicators of the effect on valuation of factors of an environmental nature and must take into account the environmental and climate risks that could affect the property.
- It modifies the definition of “appraisal updates” to eliminate the reference to three years for appraisal updates for the purpose of determining the carrying amount of insurance and reinsurance firms.
- It modifies the definition of “useful floor area” to eliminate references to outdoor elements and adjust the “used floor area” to “that which has a significant influence on the value of the property”. To this same end, it introduces the requirement to independently assess any spaces whose value is deemed independent of the property.
- The documentation to be furnished in order to calculate an appraisal value must include the property’s energy efficiency certificate, regardless of whether the property being valued is a finished building, a building under construction or a planned development. In the case of buildings under construction or refurbishment, the administrative permit issued by the competent town council and the “new build deed” (in the case of construction) must also be presented.
- It updates the documentation requirements for properties located outside of Spain.
- Regarding the circumstances for including caveats or qualifications in appraisal reports, it adds the appraisal of properties based on administrative permits issued by the competent town council that meet certain characteristics.
- In the cases in which a specific qualification is required, it extends the timeframe during which the appraiser assesses that there is a high probability that the appraisal value could suffer a significant reduction from 12 to 18 months.
- It introduces automated valuation models, on the basis of Royal Decree-law 24/2021, for the purpose of updating the value of properties posted as collateral. The requirements around these appraisals will be implemented by means of a Bank of Spain Circular.
- It modifies the procedure for calculating valuations using comparables so that the appraiser can certify the sources of the relevant characteristics of the comparables, justify the traceability and consistency of the relevant characteristics of the comparables used in the valuation process and indicate whether or not it has adjusted the unit value or total value of the property for comparability purposes.
- It requires that appraisal reports be signed electronically.

- As for the object of the appraisal, it adds that when the floor area used is not the verified useful floor area, the appraisal must explicitly justify why it has chosen a different floor area definition.
- Among the permitted comparative methods, it adds the requirement to cite the source of each witness, record whether or not they were visited and all relevant information, particularly that corresponding to the variables used in the valuation adjustment process, along with other references.
- It empowers the insurance sector watchdog (DGSFP) to issue the circulars needed to implement this order and establish the means for submitting the information requested of the appraisal firms.