

Residential Snapshot

Q1 2023

The sector indicators are compiled quarterly from a detailed and exhaustive study prepared by experts in the Knight Frank Spain office and are based on real data and market trends.

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The number of home sales has achieved its best outcome in 2022*

- The approvals in 2022 remain close to 110,000 units, similar to 2021. The final works certificates show a variation of -3% due to their connection with the approvals issued two years ago, which occurred during the peak of the pandemic.

SITUATION IN SPAIN

The latest data from the INE reveals an annual GDP growth of 3.8% during the first quarter, 9 tenths higher than the previous quarter, while it places the annual variation of the Consumer Price Index (CPI) at 4.1%, 8 tenths higher than the month of March.

By the end of 2022, close to

464,000 mortgages were signed representing an annual growth of over 10%.

The number of approvals in 2022 remained stable compared to the previous year, with around 110,000 approvals. However, the number of the final works certificates has decreased by 3%, reaching nearly 88,000 certificates.

Spain

Approvals and final works certificates evolution. 2022 vs 2021

+1% 109,000 approvals

-3% 87,750 final works certificates

Transactions and average price of free housing evolution*. 2022 vs 2021

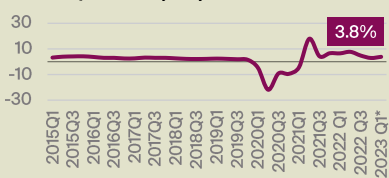
+6% 693,000 n° transactions

+3.3% 1,750 €/sq m

Sources: Ministry of Public Works.
*New build and existing housing to q4 2022.

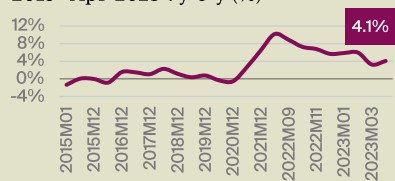
GDP evolution

2015 - Q1 2023*. y-o-y (%)



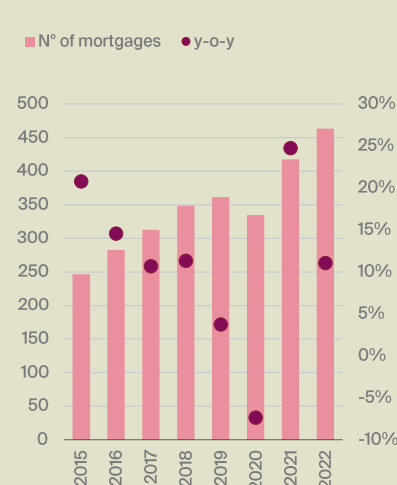
CPI evolution

2015 - Apr 2023*. y-o-y (%)



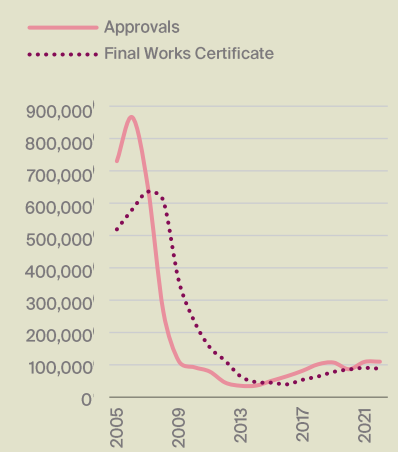
N° of mortgages

2015-2022



Approvals and final works certificates

2006 - 2022



PRICES AND TRANSACTIONS IN SPAIN

In 2022, free housing transactions reached the highest number in the historical series, with approximately 693,000 residential sales in Spain, representing a 6% increase compared to 2021.

The origin of buyers in Spain continues to be led by Europeans, accounting for nearly 45%, with Germans holding significant weight within this group (9%). British buyers are also attracted to the Spanish residential market, representing approximately 11% of the total international buyers.

Regarding prices, the average price of free housing stood at around 1,750 €/sq m at the end of 2022, representing a year-on-year growth of 3.3%. In new build homes, the average price was slightly over 2,080 €/sq m, with a growth of 5.3%, while existing housing closed at around 1,740 €/sq m, showing a 3.2% annual increase.

Analyzing residential prices by autonomous communities, Ceuta and Melilla, Navarre, the Balearic Islands, Andalusia, and Madrid stand out as the regions with the highest annual growth in the last quarter of 2022, with approximately a 5% - 6% variation.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



Residential

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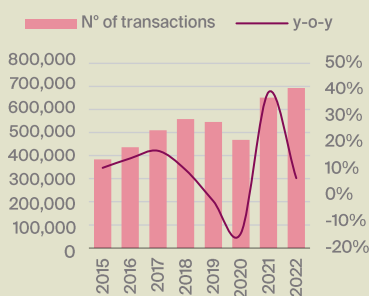


Research

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N° of transactions

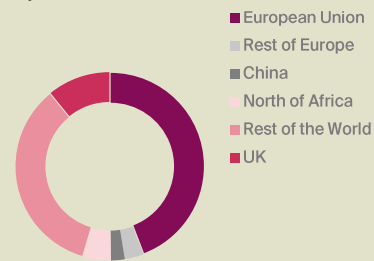
2015 - 2022*



Source: Ministry of Public Works.*Provisional

Origin of foreign housing buyers

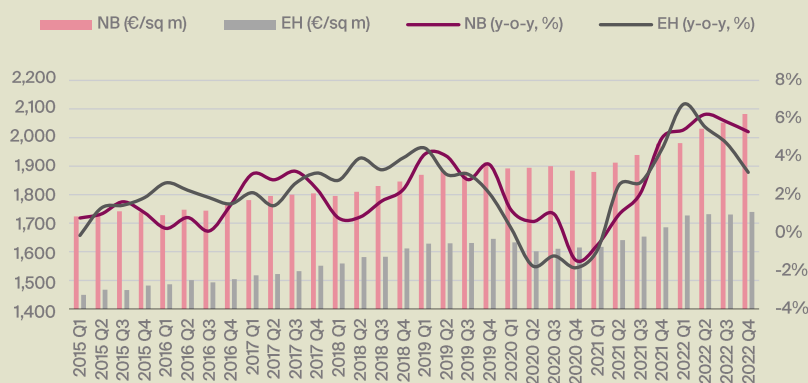
Q4 2022. %



Source: Spanish College of Property

New build (NB) and existing houses (EH) prices in Spain

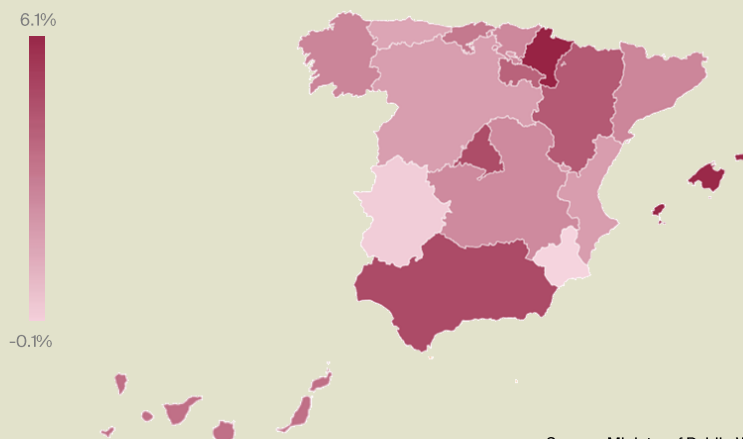
2015 - Q4 2022



Source: Ministry of Public Works

New build prices variation by region

Q4 2022 vs Q4 2021. (%)



Source: Ministry of Public Works