

Residential Snapshot

Q1 2024

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 real estate market has held up better than expected despite the increase in interest rates

- ▶ Although the real estate market experienced a mild slowdown during 2023 and the first half of 2024 is expected to be very similar, the sector is forecasted to regain momentum in the second half of the year.

SITUATION IN SPAIN

The GDP maintains an annual growth of 2% in the last quarter of the year. The International Monetary Fund expects this growth to continue over the next two years, with 1.5% in 2024 and 2.1% in 2025.

The number of signed mortgages has experienced a slight adjustment, registering around 381,000, which

represents a 9% annual adjustment; however, it remains above pre-pandemic years.

The number of approvals has closed around 108,000, similar to the last two years. Final Works Certificates certificates have decreased by 4%, which contributes to the existing problem of lack of stock.

Spain

2023 vs 2022

-1% 108,000 approvals

-4% 84,000 final works certificates

2023 vs 2022

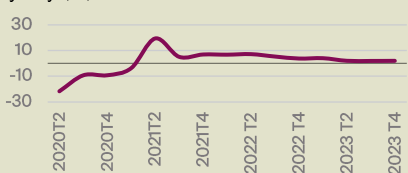
-11% 620,000 n° transactions

+5.3% 1,842 €/sq m

Source: Ministry of Public Works

GDP evolution

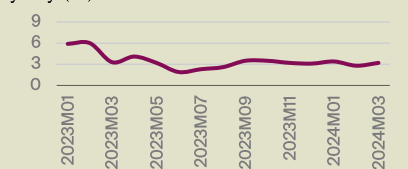
y-o-y (%)



Source: INE

CPI evolution

y-o-y (%)

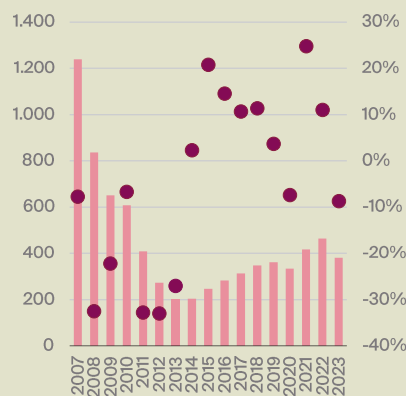


Source: INE

N° of mortgages

Thousand

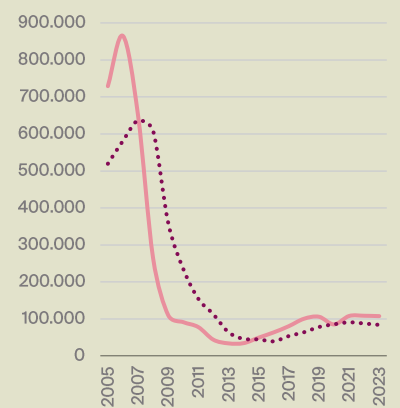
■ N° of mortgages (left) ● % Variation y-o-y (right)



Source: INE

Approvals and final works certificates

— Approvals
..... Final Works Certificates



Source: Ministry of Public Works

PRICES AND TRANSACTIONS IN SPAIN

The number of transactions has also experienced a decrease in the last year, closing 2023 with around 620,000 sales, which places it above the average of the last 5 years. Compared to 2022, which was a record year, it represents an 11% adjustment.

The British continue to be the foreigners who have bought the most homes in Spain during the fourth quarter, accounting for around 10% of international sales. Germans and French follow them, with 7% and 6% respectively.

Prices continue to rise, albeit moderately. The average price of free housing reached around €1,842 per square meter at the end of the fourth quarter, representing a 5.3% annual increase.

In new build, the average price increases to over €2,167 per square meter (+4% annually), while existing houses properties record €1,833 per square meter (+5.42% annually).

The Islands lead the regions that have experienced the highest annual price variations: Santa Cruz de Tenerife with nearly 21%, and the Balearic Islands and Las Palmas with around 12.5%.

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

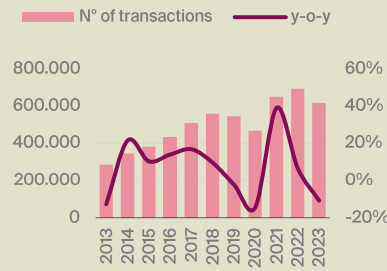
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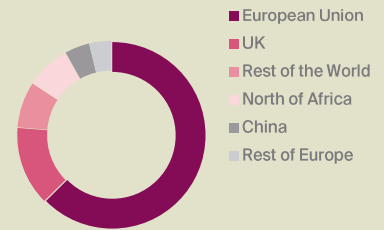
N° of transactions



Source: Research Knight Frank | Ministry of Public Works

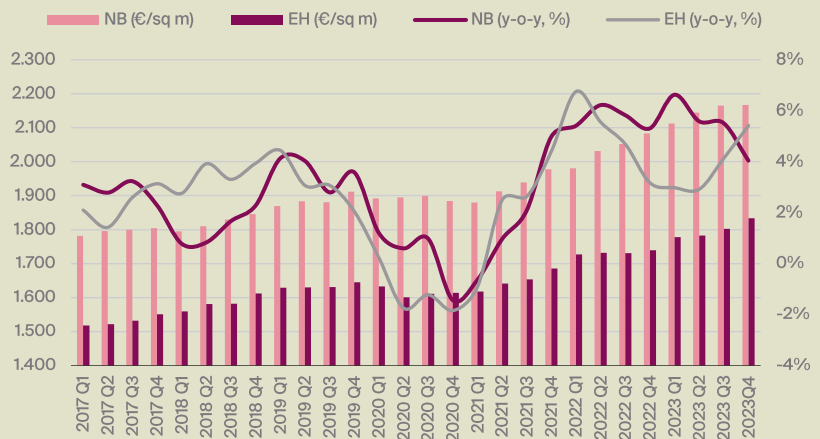
Origin of foreign housing buyers

Q4 2023. %



Source: Spanish College of Property

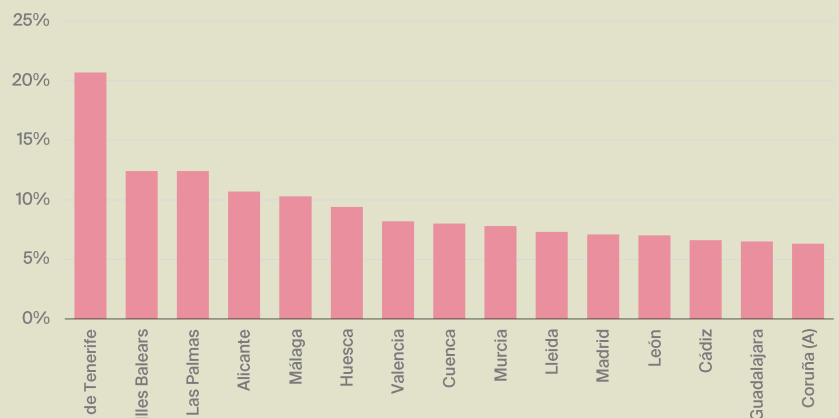
New build (NB) and existing houses (EH) prices in Spain



Source: Ministry of Public Works

Residential prices variation by region

Mar 2024



Source: Idealista