

Residential Snapshot

Q2 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 residential market begins the year with more positive figures than at the end of 2023

- The residential market showed a slight slowdown during 2023. The year begins with a slight change as the general market indicators have experienced growth compared to the last year.

SITUATION IN SPAIN

GDP has started the year with an annual growth of 2.5% for the first quarter. The International Monetary Fund expects the year to end with 1.9%, leading the growth of the eurozone, and 2.1% in 2025.

The number of mortgages signed from January to April is around 135,000, a figure very similar to that of the same

period last year.

The year is expected to close with around 388,000 mortgages, which would represent a 2% growth compared to the previous year.

Given the good pace recorded in the first months of the year for both approvals and final certificates, they are expected to close at around 115,000 and 95,500 respectively.

Spain

Jan-Apr 2024 vs Jan-Apr 2023

+14% 42,000 approvals

+18% 32,000 final works certificates

Q1 2024 vs Q1 2023

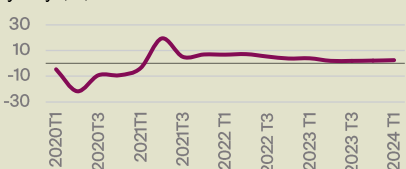
+2% 156,000 n° transactions

+4.3% 1,866 €/sq m

Source: Ministry of Public Works

GDP evolution

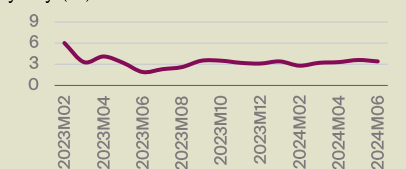
y-o-y (%)



Source: INE

CPI evolution

y-o-y (%)

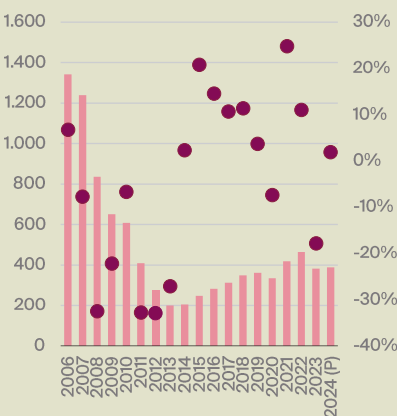


Source: INE

N° of mortgages

Thousand

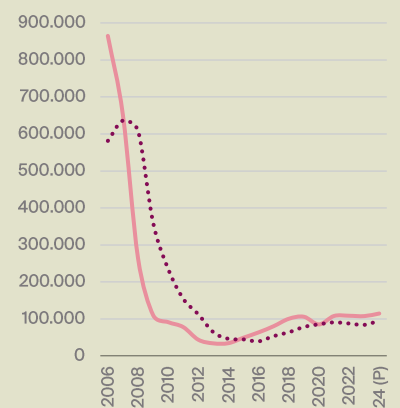
■ N° of mortgages (left) ● % Variation y-o-y (right)



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 been around 156,000 during the first quarter of the year, representing a 2% increase compared to the same period last year. The year is expected to end with a slight recovery, around 625,000 transactions, a trend that will consolidate by 2025.

The British continue to be the foreigners who buy the most properties in Spain. During the first quarter, they accounted for almost 10% of international purchases. They are followed by Germans and French, with 7% and 6% respectively.

Prices continue to experience increases due, among other factors, to a shortage of supply. The average for free-market housing reached around €1,866/sq m during the first quarter, representing a 4.3% annual increase. For new construction, the average price rose to €2,199/sq m (+4.1% annually), while second-hand properties recorded €1,856/sq m (+4.4% annually).

The Canary Islands lead the regions that have experienced the largest annual price variations: Santa Cruz de Tenerife with 18% and Las Palmas with around 12%.

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

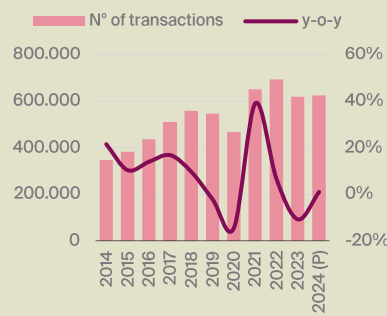
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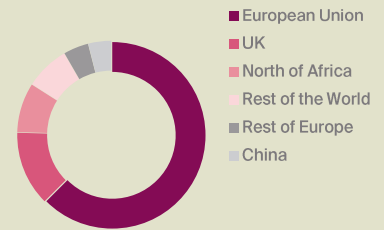
N° of transactions



Source: Research Knight Frank | Ministry of Public Works

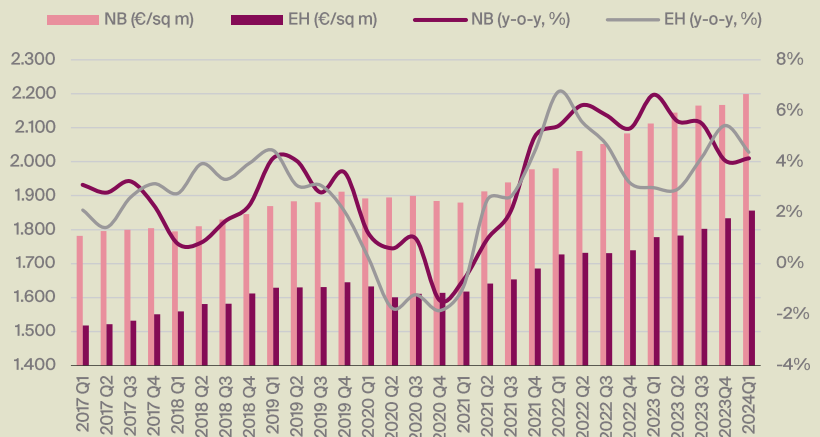
Origin of foreign housing buyers

Q1 2024. %



Source: Spanish College of Property

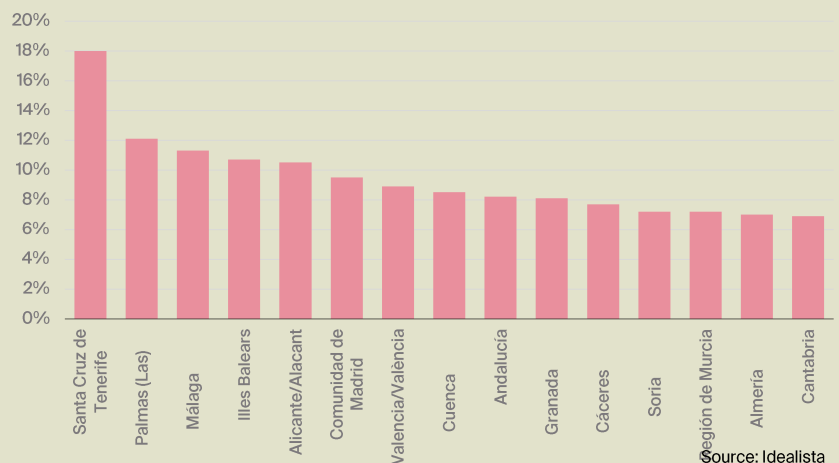
New build (NB) and existing houses (EH) prices in Spain



Source: Ministry of Public Works

Residential prices variation by region

Jun 2024



Source: Idealista