

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.

# Residential Snapshot

Q3 2022

SPAIN



**Approvals and Final works certificates\***  
Q2 2021 / Q2 2022

**+3%** 52,400 approvals

**-6%** 42,700 final works certificates



**Transactions and prices\***  
Q2 2021 / Q2 2022

**+25%** 305,100 N° of transactions

**+5.5%** 1,740 €/sq m (free housing)

## Situation in Spain

The country's economic growth is reflected in the latest GDP data, where in the 2nd quarter of 2022, the y-o-y variation was close to 7%. According to the IMF, the year-end forecast is estimated at 4.3%. The CPI slowed its growth slightly, although it continues at high levels, having reached 7.3% in October.

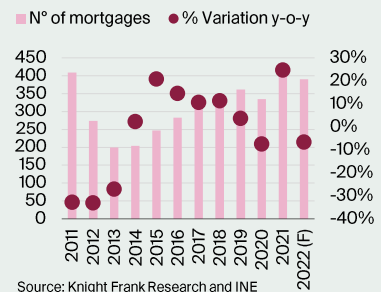
The number of mortgages up to August was around 310,000, an annual growth of more than 15%, although the forecast is that it will end below the year 2021, with near to 400,000, due to the rise in interest rates.

Approvals are expected to close the year at around 100,000, 8% less than the previous year, while completion certificates, being related to approvals approved approximately two years earlier, will register 10% less than in 2021.

\*Source: Ministry of P. Works / INE

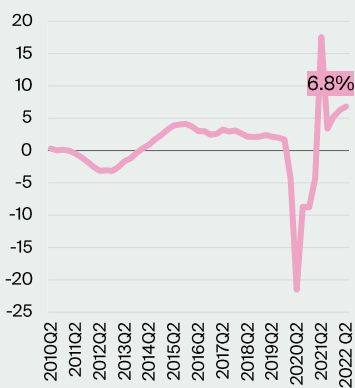
### N° of mortgages

2011 - 2022 (F). Thousand



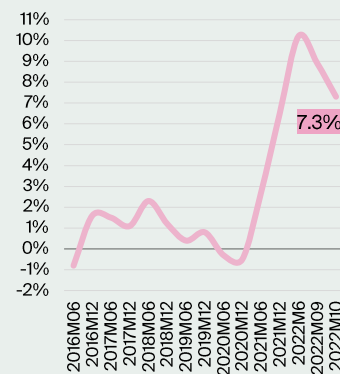
### GDP Evolution

2008 - Q2 2022. y-o-y (%)



### Spain. CPI

Annual change (%). 2016 - Oct 2022



### Approvals and Final Works Certificates

2006 - 2022 (F). Thousand



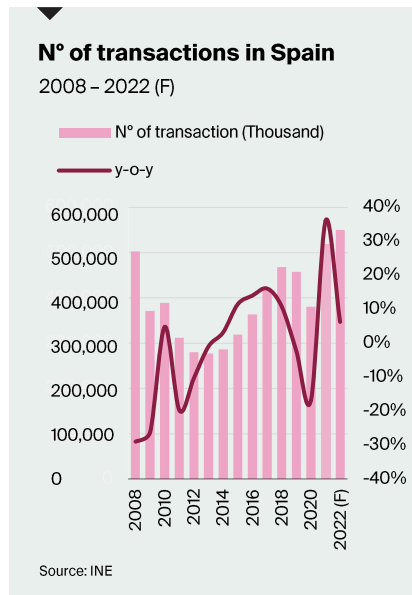
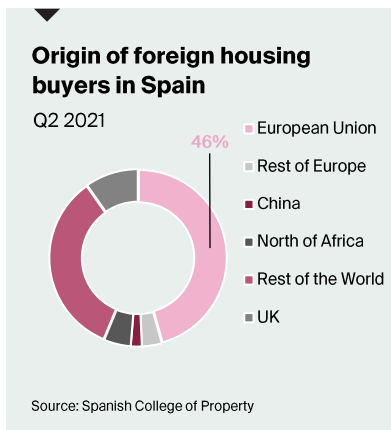
## Prices and transactions in Spain

In the first half of the year, more than 305,000 units of free housing were transacted, due to the good performance of these first months, the figure is expected to rise to 550,000 by the end of the year, 6% more than in 2021.

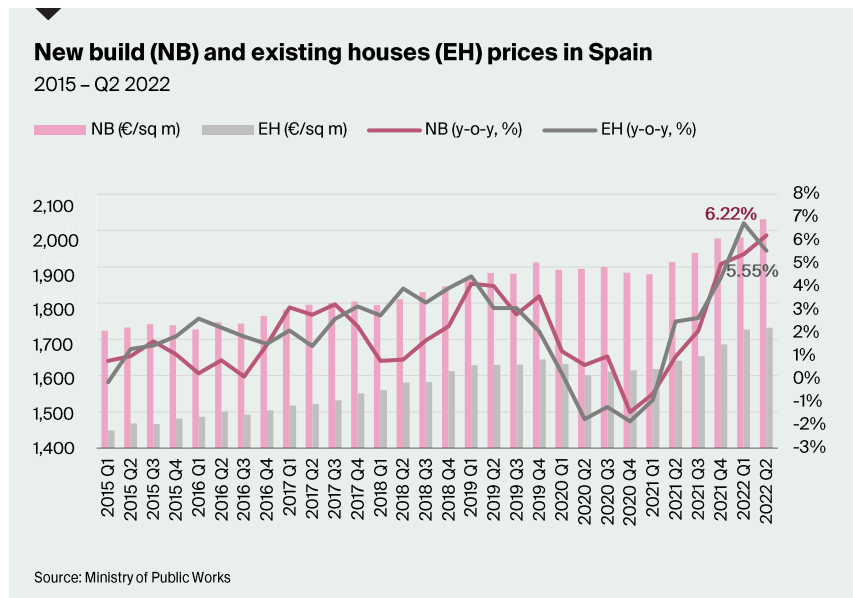
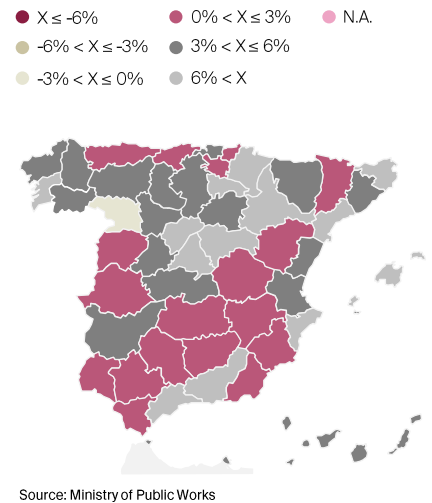
The price of free housing in Spain during the 2<sup>nd</sup> quarter has increased by almost 6% year-on-year, around 1,740 €/sq m.

In new-build, the average price has reached more than 2,000 €/sq m, an increase of 6.2%, although these increases are expected to slow down due to the economic context. Existing housing reached around 1,730 €/sq m, a year-on-year increase of 5.6%, somewhat more contained than in the previous quarter.

The origin of homebuyers in Spain continues to be led by Europeans with almost 45%.



### NEW BUILD PRICES VARIATION BY PROVINCE. Q2 2021 – Q2 2022



**COVID-19:** Across Europe and beyond, market activity is being impacted in all sectors due to the Novel Coronavirus (COVID-19) outbreak. As at the date of this report, we consider that we can attach less weight to previous market evidence for comparison purposes, in providing our opinions on the market. Given the unknown future impact that COVID-19 might have on the real estate market and limited recent comparable data, this report is meant to provide market insights as we see them at this time but we wish to highlight the material uncertainty which may cause swift changes in the market. Please get in touch with our team if you would like to discuss in further detail or receive an update regarding market conditions.

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