

Residential Snapshot

Q3 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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Demand remains dynamic, driven by GDP growth and the moderation of inflation.

- The positive evolution of the GDP and the gradual decrease in inflation will set the course for the housing market in 2024, where moderate adjustments are expected in key indicators such as mortgages and transactions.

SITUATION IN SPAIN

The Bank of Spain expects that GDP will finish the year with an annual growth of 2.8%, a figure higher than the European average (0.8% at the end of 2024).

The number of mortgages signed from May to August is around 126,000, a figure very similar to that of the same period last year.

This year is expected to close with around 390,000 mortgages, which

would represent a 2% growth compared to the previous year.

We estimate that the number of building permits will reach around 115,000 by the end of 2024, exceeding the figures from 2023.

On the other hand, it is projected that the number of certificates of completion will be around 90,000, also surpassing the values of 2023.

Spain

May-Aug 2024 vs May-Aug 2023

+18.4% 42,000 approvals

-3.7% 30,000 final works certificates

Q2 2024 vs Q2 2023

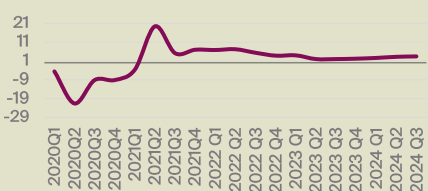
+12% 185,000 n° of transactions

+5.7% €1,896 sq m

Sources: Ministry of Public Works

GDP Evolution

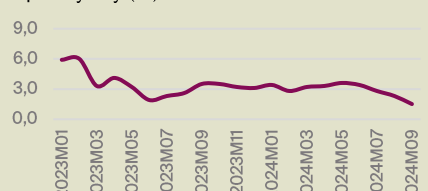
y-o-y (%)



Source: INE

CPI Evolution

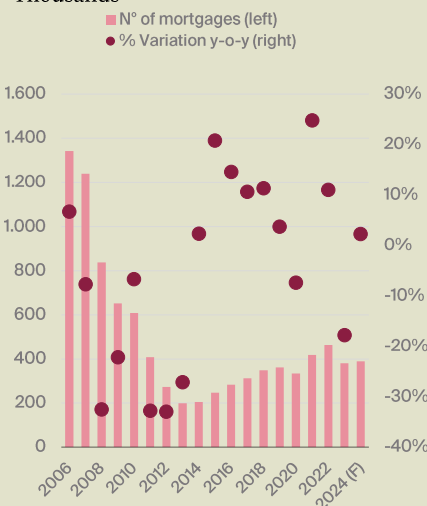
Spain. y-o-y (%)



Source: INE

N° of mortgages. Spain

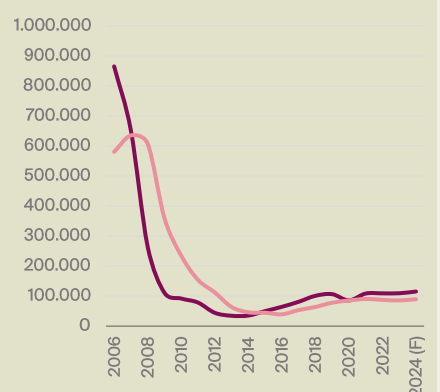
Thousands



Source: INE

Approvals and final works certificates

Approvals
Final Works Certificates



Source: Ministry of Public Works

PRICES AND TRANSACTIONS IN SPAIN

In the second quarter of the year, the number of transactions reached approximately 185,000, surpassing the first quarter and reflecting a 12% increase compared to the same period last year. Projections for 2024 indicate a total of around 738,000 transactions by year-end.

British nationals remain the leading foreign buyers of real estate in Spain, accounting for over 8% of international purchases during the third quarter. Followed by German buyers, who represent 6% of these transactions.

Property prices in Spain continue their upward trend. In the second quarter, the average price of free-market housing reached €1,896/m², marking a 5.7% year-on-year increase.

In the new-build segment, the average price rose to €2,217/m² (+3.4% annually), while resale homes recorded an average of €1,886/m² (+5.8% annually).

The Canary Islands once again lead the regions with the highest annual price variations as of September. Santa Cruz de Tenerife posted a 17.5% increase, and Las Palmas followed closely with almost 15%. Other notable regions include the Community of Madrid (+14.1%) and the Balearic Islands (+13.1%).

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

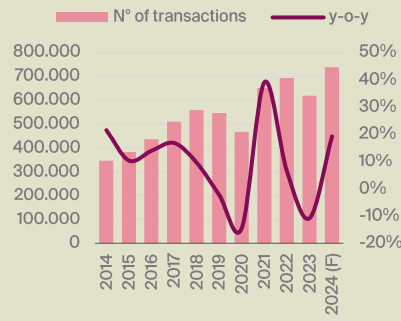


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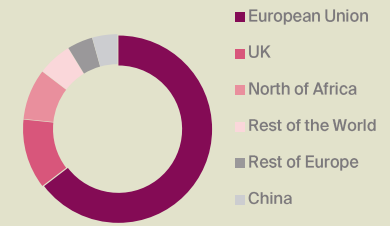
N° of transactions



Source: Research Knight Frank / Ministry of Public Works.

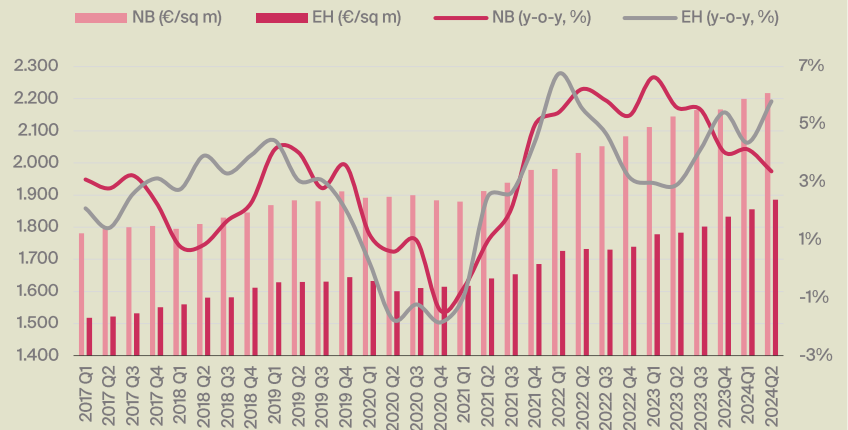
Origin of foreign housing buyers

Q3 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

Sept 2024



Source: Idealista