

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

Q4 2022

SPAIN



Approvals and Final works certificates*
Q3 2021 / Q3 2022

-1% 78,100 approvals

-2% 66,500 final works certificates



Transactions and prices*
Q3 2021 / Q3 2022

+13% 525,000 N° of transactions

+4.7% 1,740 €/sq m (free housing)

*Source: Ministry of P. Works / INE

Situation in Spain

The country's economic growth is reflected in the latest GDP data, where in the 3rd quarter of 2022, the year-on-year variation was close to 4,5%. According to the IMF, the year-end forecast is estimated at 4.6%. The CPI slowed its growth slightly, although it continues being at high levels, having reached 5.7% at the end of the year.

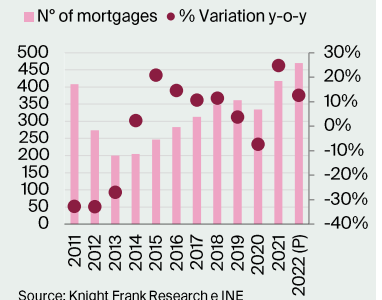
The number of mortgages up to

November was around 435,000, an annual growth of more than 15%. It is expected the year will close with around 470,000, which is an increase of more than 10% higher than the one recorded in 2021.

Approvals are expected to close the year at around 110,000, 2% more than the previous year, while completion certificates, being related to approvals approved approximately two years earlier, will register 10% less than in 2021.

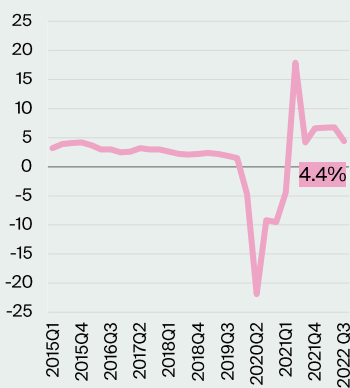
N° of mortgages

2011 – 2022 (F). Thousand



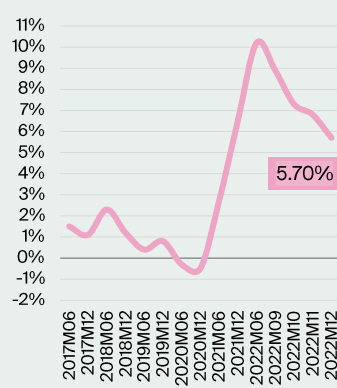
GDP Evolution

2015 – Q3 2022. y-o-y (%)



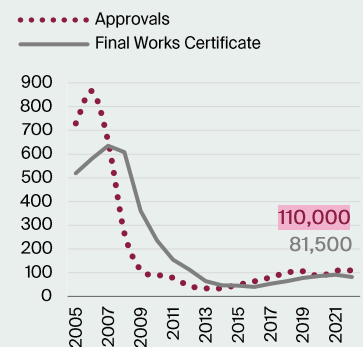
CPI Evolution

2017 – 2022. y-o-y (%)



Approvals and Final Works Certificates

2006 – 2022 (F). Thousand



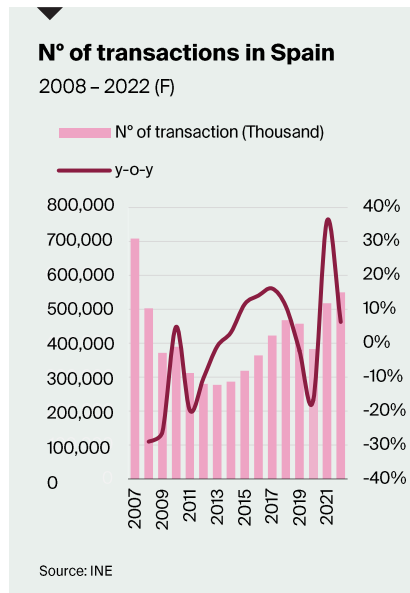
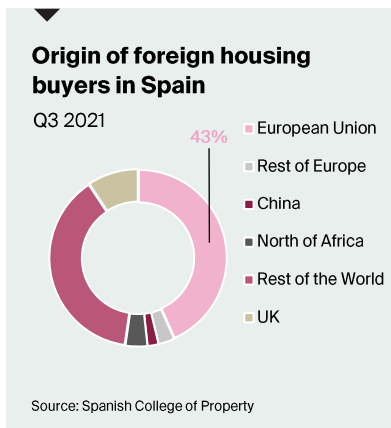
Prices and transactions in Spain

In the first nine months of the year, more than 525,000 units of free housing were transacted and due to the good performance of these months the figure is expected to rise to 655,000 by the end of the year, slightly more than in 2021.

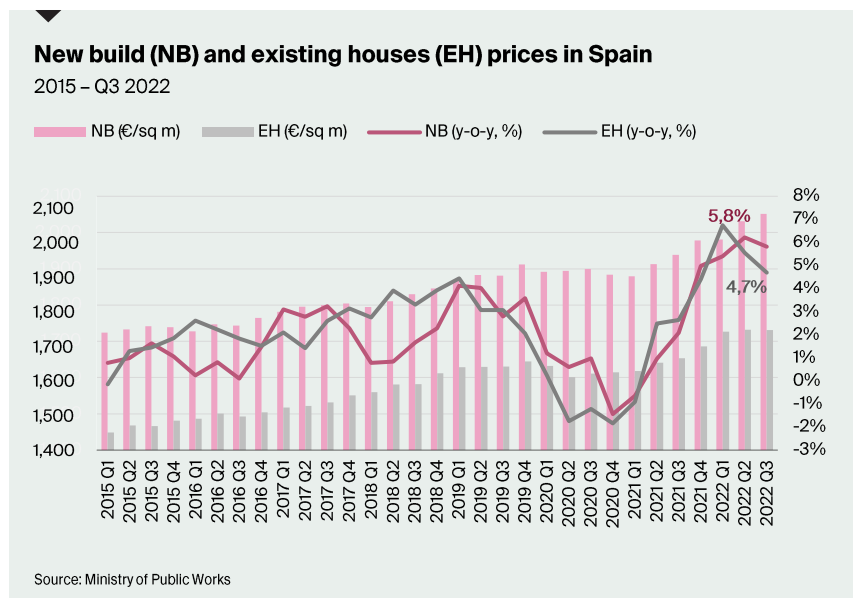
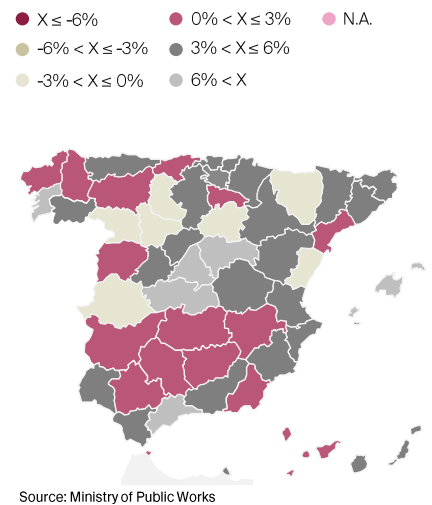
The price of free housing in Spain during the 3rd quarter has increased by almost 5% year-on-year, around 1,740 €/sq m.

In new-build, the average price has reached more than 2,000 €/sq m, an increase of 6%, although these increases are expected to slow down due to the economic context. Existing housing prices have reached prices of around 1,730 €/sq m, a year-on-year increase of 4.7%, somewhat more subdued 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. Q3 2021 – Q3 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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