

# Residential Snapshot

Q4 2025

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 continuous increase in the number of transactions in 2025 highlights the strength of the domestic market

- The strengthening of demand is reflected in the increase in mortgage activity in 2025, anticipating a year-end finish among the highest levels of the last decade.

### SITUATION IN SPAIN

2025 concludes with the residential market remaining in an expansionary phase, driven by demographic growth, while sustained pressure on housing prices persists. Although questions have emerged regarding the potential formation of a bubble, the current environment shows no parallels with 2007, as price pressures are primarily the result of a structural housing supply deficit. Moreover, the financial system is not exhibiting the excess leverage that characterized the pre-2007 period.

Although the supply of new housing has begun to recover and is expected to maintain this upward trajectory, it remains insufficient to accommodate prevailing demand or to rectify the accumulated structural housing deficit, estimated at 700,000 units. By the end of the year, mortgage increased by 18% relative to 2024, surpassing 500,000 transactions. This expansion consolidates the upward trajectory observed over the past 2 years and provides additional evidence of the sustained intensification of credit-financed housing demand.

## Spain

Sept-Nov 2025 vs Sept-Nov 2024

**+7.1%** 37,120 approvals

**-20.6%** 22,860 final works certificates

Q3 2025 vs Q3 2024

**+2.7%** 166,060 n° of transactions

**+12.1%** 2,140 €/sq m

Source: Ministry of Public Works

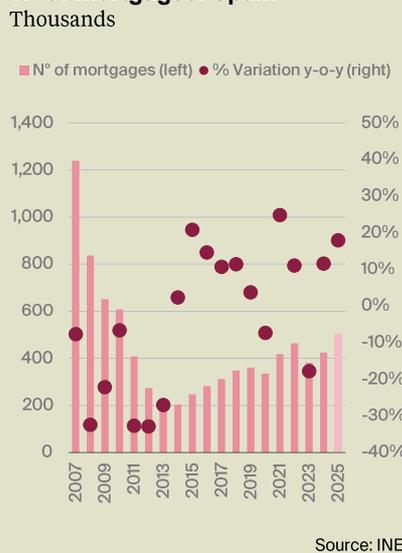
### GDP Evolution



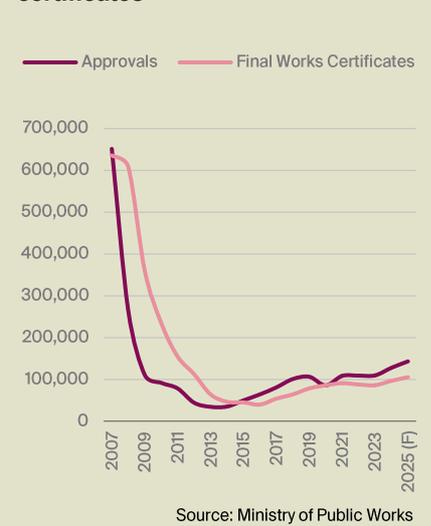
### CPI Evolution



### N° of mortgages. Spain



### Approvals and final works certificates



## TRANSACTIONS AND PRICES IN SPAIN

The increase in the average housing price since 2021 has been significant, but it has occurred in an inflationary context. According to CaixaBank Research, real housing prices have not reached the levels of 2007 and remain around 20% below the prices recorded in the third quarter of 2007.

Data show that in the third quarter, prices continued to rise both for new builds and second-hand homes, by around 11.5% and 12% year-on-year, respectively.

This growth trend is expected to continue next year, driven by limited supply and demographic growth in major cities.

By the end of 2025, residential market data also show a year-on-year increase in price variation, with particularly notable rises in Murcia (+23.6%), Valencia (+22.8%) and Madrid (+21%). In the first three quarters of 2025, around 537,000 free-market housing transactions were recorded in Spain, 7% more than in the same period of 2024.

The market remains dynamic, and the forecast for the end of 2025 is that the number of transactions will increase by around 8% compared to 2024, highlighting the momentum of the market and investor interest.

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

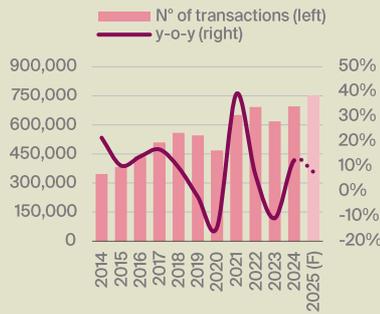


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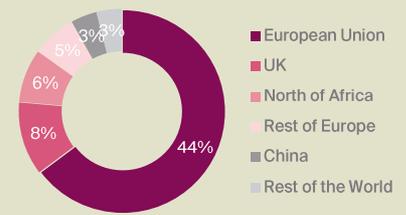
### Nº of transactions



Source: Knight Frank Research, Ministry of Public Works

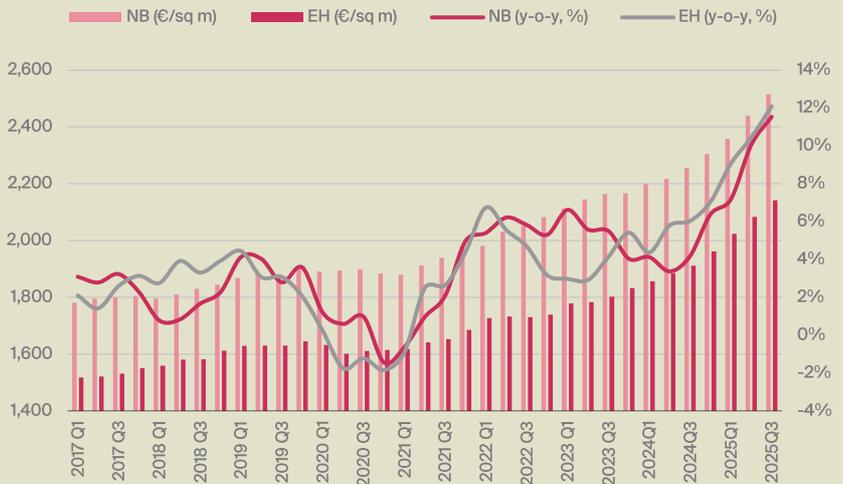
### Origin of foreign housing buyers

Q4 2025. %



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

December 2025



Source: Idealista