

NEWSLETTER 07/11/2016 Costa del Sol Property Market Report

07/11/2016

Company News



Costa del Sol Property Market Report

2016 has so far proved to be an excellent year for the Costa del Sol property market. Sales are booming and prices moving upwards. The new-build market is enjoying a particularly good year with luxury developments leading the way. Analysts such as Knight Frank and Aguirre Newman point to pent-up demand in niche areas such as the so-called Golden Triangle formed by Estepona, Marbella and Benahavís.-

New-build prices soar

Figures released by the Spanish Institute of Statistics (INE) in early September confirmed the general upward direction of the Spanish property market. Prices for homes generally across the country rose by 3.9% in the year to Q2.-

The increase was particularly pronounced in the new-build sector where prices went up by 8.4% in the 12 months to June. This price hike is nearly triple the increase in prices for resale properties (3.2%), confirming that the market for new builds is moving considerably faster.

This tendency is reflected in the two regions home to the most popular places in Spain to buy property: the Costa del Sol and Costa Blanca. In Andalusia, prices for new-build properties saw a rise of 8.6% in the year to Q2 while those in the Comunidad Valenciana (home to the Costa Blanca) went up by 7.3%.

Sales ride high on the Costa del Sol

Latest figures for sales of property in Malaga so far this year go way beyond the national trend for property generally. In the four months between April and July, sales of all property on the Costa del Sol went up by a massive 14.3% compared to the same period last year, confirming the big interest in the area from home buyers.

Like Spain generally, the new-build sector on the Costa del Sol is having a good year. According to the INE, sales of new property on the Costa del Sol from April to July rose by 7.2% year-on-year.

New development consolidates on the Costa del Sol

A report by Aguirre Newman published in the summer points to a consolidation of new development on the Costa del Sol. The property consultancy company found that the number of new homes for sale has risen for the first time since 2007. The 4.87% increase between May 2015 and May this year brings the total of new-build properties on the market to just over 15,500 units.

As well as more supply on the market, Aguirre Newman reveals that more new development is taking place. In the year to May, some 49 new developments were started along the Costa del Sol, a rise of 69% on the previous 12 months.-

According to the report, this new development is taking place as a result of pent-up demand. In terms of selling times, both apartments and single family homes (townhouses and villas) have dropped dramatically. In the case of new-build apartments on the Costa del Sol, the average sell time is 52 months, half the time taken in May 2015. The pattern is repeated in new townhouses and villas, currently taking 22.5 months to sell instead of the 54.6 months seen last year.-

Location, location, location

As always with property, location is key. In terms of luxury property in Spain, the so-called Golden Triangle made up of Benahavís, Estepona and Marbella turns out to be one of the country's high-end property hotspots.

In Spain Insight 2016 dedicated to luxury property in Spain, Knight Frank pinpoint Marbella, a resort that has long ranked among Spain's top places for luxury property. It's the only resort on the mainland to feature in the report and Knight Frank highlights the strong interest from Middle Eastern buyers.

The report also highlights the shift in focus from Marbella to Benahavís and Estepona. Buyers looking for high-end

