

Property Price Rise

09/07/2023

Spanish Real Estate News, Marbella Real Estate News



The enticing combination of a superb climate, enviable lifestyle and improved infrastructure, along with the post pandemic trend to work from home, resulted in Marbella experiencing the highest property price increase in Spain in 2002.

Data compiled by leading property portal Idealista showed that Marbella registered a price increase of 19.9%, a figure that equates to an average cost of €4,121 per square metre, an all-time high. Meanwhile a survey by Fotocasa reported that Malaga province in general had seen an increase of 11.5%, making the average square metre price in the province €2,682.

The Fotocasa findings were backed, albeit at a slightly lower level, in a separate report published by Pisos.com According to Pisos.com, Costa del Sol property registered an increase of almost 10% (9.86%) in the year to August, taking average prices to €2,367 per square metre

There are several reasons behind these all-time highs. Recent rises in the Euribor, the benchmark for mortgage lending has been rising steadily since January last year. By the end of August, it stood at 1.5%, and, as a result, many homebuyers took the decision to buy property on the Costa del Sol before interest rates went up even further.

Lack of supply has also been a significant factor behind the sharp rises in property prices. This has resulted in the resale real estate market registering frenzied levels of activity since the middle of last year.

The new-build market has also been similarly busy. There are, however, several significant obstacles that have slowed its growth. They include the slowdown in construction caused by the shortage of materials, and as a result, the resale market is busier than ever, pushing prices ever higher.

While the Marbella market may be suffering from a lack of supply, neighbouring municipalities are attracting investment in both the new-build and resale sectors.

Perhaps the most attractive of these are Estepona and Benahavis, which have both seen significant new developments and projects launch in the past few months.

With more and more people looking to make Marbella and the coast a permanent base, property prices look certain to rise.