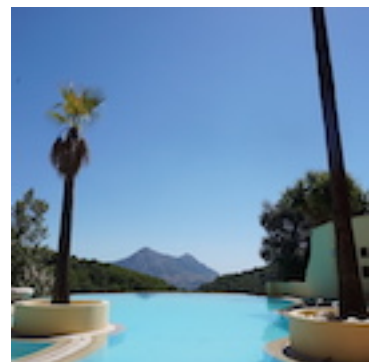


Andalucía Market Report 2025



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Introduction

Andalucía is an important part of Spain's overall property market because it accounts for approximately 20% of total transactions across the country and in 2024 it was on track at 19.8% of Spain's property market. As regards the overseas sector, about 20% market share in Andalucía as a whole can be attributed to foreigners and in 2024 it was 18.4%, slightly below the national of 19.9%. However, as this report will detail, foreign market share in some areas is double that figure.

I think it's now time to move on from the statistics relating to the pandemic affected years as it's clear just how much the post-pandemic surge of overseas buyers playing catch up distorted the figures. The reality is that if you compare the total of foreign buyers during the three pandemic-affected years of 2020/21/22 with the total in the three years prior to the pandemic, 2017/18/19, they are very similar. Analysis of these two periods show the overseas market had grown by 8% at the end of 2022 when compared with 2019, but that's no more than might have been expected with small annual increases of 1% - 3% which had been the case for several years before the pandemic. We now have two years' statistics to work with that really aren't distorted in any way by the pandemic disruption and, in my view, we do have an idea of what the 'new normal' looks like. And I think it looks pretty good.

When I update our market reports at the start of a new year I'm always at a disadvantage of not having full year statistics to hand as the key numbers for the overseas sector of the property market are published half-yearly. The January - June numbers appear in October but for July - December we have to wait until April of the following year. We now have the 2024 full-year statistics and they show strong growth in terms of overseas buyer numbers, how much they're spending and a greater diversity of nationalities choosing Spain for their property investment.

Where The Numbers Come From

The most accurate statistics are those produced by the Notaries, with breakdowns by nationality, autonomous regions and prices per square metre. These are published half-yearly. In addition, I analyse Ministry of Transport, Movement & Urban Planning (MITMA) statistics, which are published quarterly, giving breakdowns by province and municipalities, making it easy to spot market hotspots. However, they do not count by nationality, foreign buyers are counted as a block, split by whether they are resident or non-resident in Spain.

In general, I pay no attention to statistics from the Property Registries as they don't record when a purchase is actually done but when it is entered in the Registry, which may be weeks and even months later. So, for accuracy, I stick with the Notaries and MITMA.

To understand where the property market is it helps to know where it's come from so I'll start with a brief resumé.

Where We Were

At the peak of the Spanish Property Market bubble which burst as a result of the 2008 global crash the highest market share attributed to overseas buyers was 8.9%. In 2007, 57,674 foreigners bought a property in Spain, 7.3% of the total property market. However, with foreign buyers totalling 11,898 in Andalucía that year, overseas market share was 20.6%, highlighting just how important the overseas

element was in the region, whether you looked at transaction numbers, market share or spending power.

While the domestic sector of the Spanish property market was still in steep decline until 2014, growth in the overseas sector got going again in 2012 and buyer numbers have increased every year since with the exception of 2020, the year most affected by Covid -19 lockdowns. In price terms, Marbella was the first place anywhere on Spain's Mediterranean coast to register price rises after the 2008 meltdown. That was in Q1 of 2014 and prices have risen every quarter since. In the three years before the pandemic arrived the annual average of foreign property buyers in Andalucía was 18,500. In 2024 there were 25,578, a 38% increase, so before diving into the latest statistics I'll put forward a few reasons why Andalucía is such a magnet for buyers from overseas.

Why Andalucía?

Andalucía is not only Spain's largest autonomous region it is one of the most varied. It has both Mediterranean and Atlantic coasts, a vast, mountainous interior and some of Spain's most historic cities; Cádiz, Málaga, Seville, Granada and Córdoba. Cádiz is thought to be the oldest continuously inhabited city in Europe, settled by the Phoenicians over 3,000 years ago and the annual New York Times list of 52 places to see had Cádiz at number 50 in 2019. In November 2023, Forbes magazine reported on the annual poll by InterNations, a global community of people living and working abroad, which ranks the best cities in the world to be an ex-pat. [Málaga](#) was ranked #1. (Source: Forbes)

The Sunday Times has also highlighted great things to do in Andalucía that have nothing to do with lying on a beach. For example, some serious [hiking](#) or discovering the triangle of iconic [Andalucian cities](#). And the project to link the entire 185kms of the [Costa del Sol](#) with a coastal path is progressing well.

Andalucía really does have something for everyone, with lots of options for property buyers. It's so much more than a sun 'n sand summer destination, everywhere on Spain's Mediterranean and Atlantic coasts is good for that. There were clear signs in 2024 that more visitors are coming in what used to be thought of as low season as Málaga overtook Gran Canaria to become Spain's 3rd busiest airport in the Jan - March period.

However, many foreigners forget that only a small part of Spain's Mediterranean mainland coast faces south and it's all in Andalucía. This helps explain why it is one of the very few places in Spain with a genuine 12-month season. The micro-climate areas on Andalucía's southern Mediterranean coast are buzzing all year round, particularly in the main golfing locations. That's where you find the mildest winter temperatures on the European mainland. Meanwhile, on Andalucía's Atlantic coast there are some of the best wind and kite surfing conditions in the world throughout the year.

Head into the [Sierra Nevada](#) for Europe's most southerly and sunniest ski-resort, just 45 minutes from the coast. And it's also one of Europe's highest resorts with slopes between 2,100m and 3,300m above sea-level. These altitudes mean it is usually open by the end of November and rarely closes before May. The resort is currently undergoing a 10-year investment programme to update infrastructure, including

twenty new snow cannons. And when the snow melts in May? Then mountain biking, motocross, hiking and other summer activities are on offer.

For sports enthusiasts Andalucía is a dream location. There's horse-riding on the coasts and in the sierras. Tennis year-round, scuba diving, wind and kite surfing, rock-climbing, hiking, cycling and mountain biking, snow skiing. They're all there, with the perfect climate in which to enjoy them. But for Andalucía the biggest sport of them all is golf.

Golf, Golf & More Golf

Andalucía has 102 golf courses and 47 of those are in Málaga province. That's why the Costa del Sol also brands itself the Costa del Golf. In Cádiz province there are 7 courses in the Sotogrande area. Valderrama is the most famous, thought by many to be the best course in Europe and one of the best in the world. Who can forget the Seve Ballesteros Ryder Cup in 1997, played on this course?

In fact, 25% of all Spain's courses are in Andalucía, bringing in more than half a million golfers between October and May. Without doubt, golf is the one of the reasons for the 12-month season on the Costa del Sol. In comparison, Mediterranean coasts without a thriving golf sector are relatively quiet in winter and many bars, restaurants and businesses close. The golf sector currently generates around €1bn+ for the Andalusian economy and the daily spend of golfers is estimated to be about double that of summer visitors.

Unpicking The Statistics

In 2024 there were a total of 138,372 property transactions in Andalucía of which 25,578 were attributed to foreign buyers, of whom 52.9% were non-residents. Overseas market share in Andalucía is normally similar to the national average but 2024, it was 18.4% against 19.9% nationally and the only Mediterranean region to register below the national average. In contrast, overseas market shares of the Balearics and Comunidad Valenciana property markets were a rather astonishing 39.4% and 36.8% respectively. However, what the Andalusian average masks is the high levels of foreign buyer activity in just a few locations and almost none in others. As a result, when it comes to the overseas property market it's better to think about the individual provinces rather than the autonomous region as a whole.

The 2024 figures show that 27% of all transactions occurred in just one of Andalucía's eight provinces, Málaga. Of the 37,970 property transactions in the province, 14,580 were by foreign buyers, a market share of 38.4% more than twice the regional average and almost double the national level. Almería registered 20.9% foreign market share, just above the national average but at the other end of the scale, six of the eight provinces had foreign market share way below the national level, the lowest being Córdoba (3.8%) and Seville (4.5%). Why the big difference?

As I pointed out in our annual report for the [Spanish Property Market](#) as a whole, only five of Spain's autonomous regions have a Mediterranean coast and these accounted for 73.6% of all overseas buyers in 2024. Of Andalucía's eight provinces four are on the Mediterranean and four are not and the statistics clearly show the benefits of having Mediterranean coasts. The three inland provinces, Córdoba, Jaén and Seville, plus Huelva on the Atlantic coast, had a combined total of 2,779 foreign buyers in 2024, while the four on the Mediterranean, Almería, Granada, Málaga and

Cádiz counted 21,676 in the same period, 84.7% of Andalucía's overseas purchasers. However, of the four Mediterranean provinces Málaga accounted for 67.5% of the transactions so it's quite clear it is the engine of the overseas property market in Andalucía.

Andalucía's Prime Locations

The statistics given in the previous section show that Málaga province leads the way in Andalucía. Within the province, the prime areas are the Marbella municipality, the Benahavís municipality which takes in the hills just behind the coast, heading up the Ronda road, and Estepona. There are 208 municipalities in Málaga province but just these 3 accounted for 23% of the total market in 2024. However, municipal statistics don't give a breakdown for foreign buyers or nationalities but I estimate the figures for these municipalities is similar to the provincial overseas market share of 38% and will hold good for the three that make up the Golden Triangle; Marbella, Estepona and Benahavís.

The Costa Tropical in Granada province is where buyers can find superb panoramic sea views, very close to the water. Some frontline properties even have steps right into the sea. Its proximity to the Sierra Nevada mean it is one of the few places where it is possible to sunbathe on the beach in the morning then head into the mountains for an afternoon of skiing. In Cádiz province, Sotogrande is the star turn, with a property range that goes from holiday apartments to the most palatial mansions.

Inland, the prime locations in Málaga province include Ronda, Gaucín, Coín and Alhaurín el Grande. However, after the 2008 crash the rural market returned to more of a niche market, appealing to a certain type of foreign purchaser, perhaps <5% of the total overseas sector. Typically, they are looking for a country property with some land or a character village house. The figures tell the story. The total number of purchases in 2024 were just 443 in Ronda, 31 in Gaucín, 310 in Alhaurín el Grande and 328 in Coín. As there is no domestic/overseas split at the municipal level, these numbers are the totals. As you can see, the rural market is very small.

Foreign Spending Power

And it's not just the numbers that make foreign buyers so important to the Spanish Property market. They spend more too and in some locations a lot more. Typically, foreign buyers pay more per square metre than the average for domestic buyers and the latest statistics show this trend continued in 2024. As a result, the average spend by a foreign buyer in 2024 was €2,306pm², 37.7% higher than the domestic average of €1,686pm². However, foreign buyers in Andalucía spent even more, paying an average €2,515 pm², an increase of 11.7% compared with 2023.

All the overseas buyer hotspots in Spain saw increases in the average amount paid by foreigners per square metre in 2024. In the case of Andalucía, if we make the comparison with just before the pandemic we see that overseas buyers are paying 41% more per square metre in Andalucía now than back then.

New-Build Demand

For reasons I have never quite understood, foreign buyers are like moths to a flame if new-build is available, even when the location is inferior, the size is smaller and the price per square metre is double that of resale property. The fact is there is very little

raw building land available in the very best locations, it was built on years ago. Consequently, it follows that much of the new-build activity is not in prime locations. In addition, plot sizes and constructed square metres are becoming even smaller in comparison with resale product. In fact, I've seen some new-build villas on such small plots it takes imagination to call them detached.

Once recovery started after the 2008 crash, the supply side of new properties lagged way behind demand. In reality, there was no supply side as the construction industry was more or less wiped out. At the height of the building frenzy in 2006, Spain approved building licences for 735,000 units, of which approximately 21,000 were in Málaga province. However, in 2014, the number of building permits granted in the province was a total of 798, a fall of 96.2%. Demand, particularly from overseas buyers, started to recover from 2012 onwards and rapidly overtook supply.

And now, the latest figures seem to show that Spain's construction industry is still in the doldrums and the number of new units has stabilised around 90,000 per year. This is totally insufficient even to satisfy the number of new household formations, currently running about 235,000, on top of which there is increasing demand for second homes from both domestic and foreign buyers and rental investors. Clearly, the demand/supply imbalance in this sector is not going to improve any time soon and inevitably will put further upward pressure on prices in the resale sector.

Resale Demand

The lack of well-priced, top quality resale properties in prime locations means demand is running way ahead of supply in this segment of the market in Andalucía. Given rising demand, it is now very common for there to be competition between buyers for a good property in the right location. In addition, whereas in pre-pandemic 2019 I would have said buyers were more likely to walk away from a purchase than overpay lack of stock is ramping up the pressure on buyers.

Buyers should be prepared to move quickly to secure properties in prime locations. In three recent cases our clients succeeded in buying beachside properties even before they came on the market because I had done all the research in advance. There would have been serious competition once they were openly marketed. Instead of which, no local agent even knew they were for sale and our clients were first through the front doors and got a clear run at them.

Nevertheless, I have a problem with some asking prices. I feel sellers assume that just because new-build prices have gone through the roof they can ramp up their asking prices to similar levels. Interestingly, a report from Tecnocasa, one of the big valuing companies in Spain, suggests resale asking prices are still, on average, at least 20% above the eventual price achieved. In fact, clients of The Property Finders recently bought a frontline golf course house, detached with five bedroom suites and lots of extras, with a 14% reduction from the original asking price. That had been way too much but an interim reduction brought it into the frame and we still got another 8% off.

Getting It right in 2025

If you buy at the right price, property in Andalucía is still relatively affordable. There's potential for substantial capital growth in the medium term and excellent rental yield potential. One of The Property Finders clients is seeing a 2019 purchase generating

a gross yield of 8% for a long-term let. However, it is clear the mood is changing and if rental income is part of your buying strategy then I would recommend you proceed with caution. City centre licences for short-term tourist lets will be strictly limited and may disappear altogether. In 2024 Málaga's attitude hardened with new restrictions coming thick and fast. In addition, away from the city centres, it seems likely that more apartment complexes will vote to limit or ban short term holiday lets, leaving detached houses and townhouses as the best bet for rental income. For more on the issues and proposed solutions see recent blogs here: [A Global Problem](#) and [Local Solutions](#).

My advice is always the same. Don't buy anything that is blighted. Roads tend to get busier over time so if it's noisy now it will only get worse. If there is a mobile mast in view assume there will be more as the tendency is for them multiply. High-tension electricity pylons are also a big no-no. We can assume new housing will increase in the medium term, so it's essential to be aware of local planning issues and what might be in the pipeline. It is essential to do the research and compare asking prices for new property with comparables in the resale sector. Buyers in the new-build sector should be cautious and ignore what an agent friend of mine calls 'candles and cushions' marketing. Lots of soft focus life-style images, very seductive, but better to check the price per square metre and ask if it makes sense.

Andalucía's varied geography and climate means property buyers need to think carefully about the right location for them. It's hot everywhere in summer but away from the cooling coastal breezes the interior can be too hot for many, frequently over 40°C. In winter, even on the coasts, being outside one of the special micro-climate areas can mean temperatures as much as 10°C lower than the warmest locations. Inland, the snow line is around 800m above sea level and daytime temperatures are as much as 15°C lower than on the coasts. At night, it is often below freezing. If you're considering a purchase inland my advice is always to do the looking and choosing between October and April.

And finally, when I am assessing properties for my clients I always ask the following questions. If circumstances change and they need to sell quickly is the price right to enable them to do that? Secondly, is this a property for which there will always be demand irrespective of market conditions? The fact that it is quality property in the most prime locations driving the current market shows there will always be demand for top quality in prime locations. It always has been, still is and always will be about location. Do not compromise on location, it must always be the key consideration.

Conclusions

I think 2024 statistics show us a new normal for the overseas sector of the property market with increased demand from a broader spectrum of international buyers, particularly at the luxury end of the market. If demand continues to grow at the same rate we saw in 2024 then expect 2025 to be more of the same - demand way ahead of supply putting upward pressure on prices. One reason that overseas buyer numbers seem set to grow even more is that long-haul, direct flights into Málaga airport are increasing. Direct flights from New York on United Airlines will increase to daily between May and September 2025 and Doha - Málaga on Qatar Airways is now a year-round service, daily in July and August, and three or five times a week at other times. Easier access always results in more buyers. Málaga airport is currently the fastest growing in Spain in terms of passenger numbers.

Foreign buyers drove the initial recovery of the property market after the 2008 crash, buying in record numbers and increasing market share from 2013. And now it seems they are doing the same in the post-Covid period, with record numbers and increasing market share in prime Mediterranean. locations. And there's no doubt in my mind that with the 'work from home' and 'work from abroad' options becoming a reality for more people, many buyers from overseas will be deciding that home will be in Andalucía.

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