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Spanish Market Report 2025



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Introduction

When I update our Spanish Property 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 March of the following year. However, as the tendency is for both halves to be quite similar in outcomes it's possible to make estimates for the full year which probably won't be far off the mark come March when those full year stats are published. And my best guess is that 2024 is on track to at least equal, and very likely to even better the 2023 number which, at the time, was an all-time record. That's because we now know that in the first half of 2024, 69,412 overseas buyers bought a property in Spain, well over half way to beating the 2023 full year total of 131,388.

One thing I think we can be certain of is that the distortion caused by the Covid-19 pandemic has now been washed out of the statistics. The reality was that what looked like a boom in the numbers of overseas property buyers in Spain in both 2021 and 2022 was just a mirage, as I explained in [this blog](#). Not a boom, just tens of thousands of people who would have shown up in the statistics for 2020 and 2021 but didn't because of lockdowns, entered the market more or less simultaneously, playing pandemic catch up together with normal new annual demand. So the overseas market was never increasing at 20%+ annually as the statistics for those years seemed to suggest because they were being compared with the big drops that occurred in 2020 and 2021. In reality, if the market had just continued to grow by 1% - 3% per year, as it had been doing for several years before the pandemic, it would have been in exactly the same place in terms of the number of overseas buyers.

And that's what these latest figures confirm, continued upward trend of overseas buyers in Spain in 2024, but at the level more in line with the growth rates of the immediate pre-pandemic years 2017 - 2019, and I predict this trend will continue in 2025. However, if the overseas sector of the Spanish Property Market has grown at an average 2% annually for a nearly decade, and that seems to be the case, it's clear we are dealing with a much bigger market. In fact, compared with 2016, the first year that foreign buyer numbers got back to the levels seen at the top of the market just prior to the 2008 crash, 2024 buyer numbers are 57% higher. It seems overseas demand is stronger than ever and growing and this raises one of the most important issues in the current market, the imbalance between supply and demand and I will cover this topic in this report.

Where The Numbers Come From

The Notaries are my preferred source for a straightforward count of transactions numbers, with breakdowns by nationality, autonomous regions and price per square metre. This format started in 2007 so gives an interesting overview of international buyer patterns from just prior to the 2008 market meltdown and the subsequent recovery. These are published half-yearly.

In addition, MITMA (*Ministerio de Transportes y Movilidad Sostenible*) is good for a more local breakdown by province and municipality and published quarterly. However, they do not count by nationality, foreign buyers are counted as a block divided not by where they come from but by whether they are resident or non resident.

In my view, stats from the Property Registries can be ignored as they count when a property is inscribed in the registry, not when it completed in front of the notary and inscriptions may be weeks or even months after completions. At the end of 2024 clients of The Property Finders purchased a property owned by an Spanish Limited Company and getting it inscribed in the Land Registry after it had been taken out of company ownership took two months. So, if a property purchase takes place in front of a notary in August but doesn't get registered until October, is that a statistic that belongs in August, which is when the notary would count it, or October, which is when it would show up in the land registry, is it a Q3 transaction or Q4? As a result of these discrepancies, the Notaries and Property Registry statistics always differ and not by a little. They are usually out of sync by between 20% - 25%.

I update this report regularly throughout the year and I also blog and post on social media with news and views so do make sure to follow us. To understand where the property market now 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 financial crash the highest market share attributed to overseas buyers was 8.9%. For several years prior to the crash Spain had constructed over 800,000 new units per year, more than the UK, France and Germany combined. The market was fuelled by cheap credit and speculation and the bubble was always going to burst at some stage, the global meltdown just helped it on its way. However, the almost complete wipeout of Spain's construction industry is still impacting the property market nearly 20 years later as demand outstrips supply, affecting both domestic and overseas purchasers.

Growth in the overseas sector got going again in 2012 while, in contrast, the domestic market continued to shrink until 2014. After 8 years of sustained growth by the end of 2019 overseas buyer market share had more than doubled to 19% of the overall market. Furthermore, in terms of overseas buyer numbers this sector of the market was 77% bigger than at the pre-2008 peak. In contrast, the domestic market experienced a much slower recovery over the same period. When Covid-19 arrived Spain's domestic property sector was still 40% smaller than it was a decade before.

Before starting to dig into the statistics and apply them to the property market and related issues it's perhaps worth taking a look at why Spain is such a draw for so many overseas buyers.

The Overseas Property Market - Why Spain?

For lifestyle Spain is hard to beat, it's relaxed and easy-going, safe and child-friendly. Life expectancy has increased by 12 years since 1970 and at an 84yrs average, it is one of the highest in the world.

The climate suits all tastes. It ranges from four seasons with a proper winter and lots of snow in the north to the sub-tropical south. The micro-climate zones on the Mediterranean coasts of Andalucía have the best winter temperatures on the European mainland. Spain's beaches, marinas and tourist boats have more Blue Flags than any other country in the world, a total of 747 in 2024. In fact, Spain has occupied the top spot every year since the scheme began in 1987.

Living well is affordable with food and drink prices below the E.U. average, (Source: Eurostat 2023). Spanish cuisine is world-class and currently, Spain has 3 restaurants ranked in the top 4 in the world. (Source: [The World's 50 Best Restaurants](#)). For the cultural tourist Spain has some of the oldest cities in the world and 49 UNESCO World Heritage sites. This puts it in third place globally, behind Italy (58) and China (56). 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. For the first time ever, the first 3 positions were occupied by Spanish cities; Málaga was ranked #1, followed by Valencia and Alicante. (Source: [Forbes](#)). And in 2024, the same organisation ranked [Spain 4th](#) in the list of best countries for ex-pats, the only European country in the Top 10. Then, in January 2024, the annual New York Times list of 52 places to visit during the year, ranked Valencia at number 20. (Source: [New York Times](#)).

Sports and outdoor enthusiasts are spoilt for choice. Golf, tennis, equestrianism, skiing, wind & kitesurfing, mountain biking, rock-climbing, hiking, fishing - the list goes on and on. The result is that Spain has a quality of life that's hard to beat, appealing to both foreign second home owners and permanent residents from overseas. None of what has persuaded millions of foreign property buyers to choose Spain in the past has changed. The sun is definitely still shining.

The Spanish Property Market And Overseas Buyers

Whether you look at transaction numbers or market share it's clear international buyers are an important part of the overall Spanish Property Market. For the three years prior to the pandemic the number of overseas buyers had topped 100,000 with an annual average of 102,000. Even allowing for a drop of several thousand in the second half of 2024 compared to the first half the overseas sector is entering 2025 with 30%+ more transaction numbers

than pre-pandemic. In contrast, the domestic sector shows an increase of barely 20% over the same period.

We now know that there were 69,412 international buyers in Spain between January and June 2024. equivalent to 20.4% of the total Spanish market. But it's not just the numbers and market share that give overseas buyers a prominent place in the property market, it what they spend and we have to dig deeper into the statistics to get to the important figures.

Unpicking the Statistics

Until the post-pandemic surge of overseas buyers had died down it was difficult to see what the new normal might look like. In my review of 2022 I said that we needed to see two years of statistics to make a judgement and I believe we are now at that stage. We know that 131,388 foreigners bought a property in Spain in 2023 and with 69,412 already in the books in the first half of 2024, I predict the full year will be around 135,000±, assuming 2% annual growth which, as I've already pointed out, had become the norm pre-pandemic.

These latest statistics clearly show the overseas sector of the Spanish property market has become a much bigger cake over the last decade. In addition, the traditional markets from northern Europe have been joined by other nationalities that barely registered previously and the signs are that these groups will continue to grow. And while it remains the case that much of the overseas sector is based on second home ownership, there are indications that the balance is changing, with more purchases linked to permanent residence, either as retirees or working. For example, two decades ago 77% of British buyers were second home owners, today that has fallen to 60% with 40% classed as resident foreign owners.

We know that the Covid-19 pandemic changed a lot of things, not least the possibility for some of working from home and working from abroad. If home and abroad can be combined in Spain then the property market is likely to benefit long term.

Head For The Med

In my opinion, the new normal for the overseas sector of Spain's property market will be annual transactions in the region of 135,000 and growing, with market share around 20%. The 2024 statistics so far show 20.4% foreign market share. However, the statistics also highlight that the overseas market is much more important in some locations than others, with much higher market share. It turns out that a key factor in where overseas buyers spend their money is the Mediterranean.

Spain is divided into seventeen autonomous regions but only five have Mediterranean coastlines; Cataluña, the Comunidad Valenciana, Murcia,

Andalucía and the Balearic Islands and they dominate the overseas sector. The latest figures show that 73.7% of all foreign buyers in 2024 so far bought in one of these five regions, a total of 51,181. The pull of the Mediterranean is even clearer in the case of those autonomous regions with some coastal provinces and some inland, Andalucía is a good example of this; four of its eight provinces have Mediterranean coastline and four do not. The four Mediterranean coastal provinces, Almería, Granada, Málaga and Cádiz, accounted for 86% of the foreign purchasers in the region in 2024.

And it's the same in Cataluña, where the three provinces with Mediterranean coastline - Barcelona, Tarragona and Girona - dominating the overseas market with 95.4% of foreign buyers, leaving inland Lleida with just 423.

In fact, when the statistics for the overseas buyer sector are unpicked we are really only looking at six regions, the five with Mediterranean coastlines and the Canary Islands. Between them they accounted for 80.1% of the market in 2024 so far.

The Nationality League Table

The MITMA statistics don't count by nationality, foreign buyers are split into resident or non-resident foreigners groups, no further details. However, the notaries started counting foreign buyers by nationality in 2007. Prior to that we didn't know much other than that there were lots and lots of Brits compared with other nationalities. In fact, starting in the 1960s, the British made up about 80% of all foreign buyers in Spain until around the mid-1990s when other nationalities began to enter the market in greater numbers. However, we didn't have an official count until 2007 and every year since then the British have been the nationality league leaders.

Although I keep expecting to see the British knocked off the top spot they are hanging in there. The nationality breakdown for the first six months of 2024 left them in 1st place with 5,864 purchases, 8.45% of all foreign buyers. So far, so normal but there are big changes happening lower down the league table. Previously, I would have expected to see either the French or Germans in the next two spots, they switched around on a regular basis but not any more it seems. Buyers from Morocco took 2nd place, with 4,388 purchases and 7.8% foreign market share, pushing the Germans (4,710) into 3rd place, Romanians (4,388) were 4th, Italians (4,332) 5th and the French slipped to 6th (3,939).

What really stands out about the nationality statistics now is just how much some markets have expanded in the 18 years since 2007 when the notaries started collating where the overseas buyers were coming from. For example, in the 1st half of that year there were just 444 German buyers against 4,710 in 2024 and only 192 from the U.S. versus 1,363 in 2024. Back in 2007 Poland didn't even register as a separate country, they came under the 'EU others' group but in the first half of 2024 they experienced the biggest increase y-o-y in the nationality league, up 28.5% with 3,105 buyers. And while the German

market has grown steadily over the years to its current level the U.S. market growth has been more explosive, up 120% since 2019.

So having looked at where all these international buyers are investing their money and identified who the major players are, it's time to focus on what they spend. This produces a rather different league table.

Foreign Spending Power in The Spanish Property Market

Buyers from overseas have always spent more than domestic buyers. These 2024 figures show that in the first half of the year the average spend per square metre for domestic buyers was €1,659 while the average for foreign buyers was €2,249, 35% more. And the difference is even more marked if overseas buyers are separated into residents and non-residents; the average spend of a non-resident foreign buyer was €2,895, 74.5% higher than the domestic average. In the case of British buyers, who are far from the biggest spenders among overseas buyers, they spent 36% more than domestic buyers if taken as one group. However, if the British buyer is a resident then that difference falls to 16.8% while a non-resident British purchaser spent, on average, 50% above the national average for domestic buyers.

Buyers from Sweden topped the spending league table, averaging €3,330 per m², approximately double the domestic average, with non-resident Swedes paying €3,454 per m². However, they lost that lead position when compared with non-resident buyers from the U.S. (€3,621pm²), and China (3,636 pm²) who, in turn, were obliterated by Venezuelan non-resident buyers on €6,807 pm². But before estate agents start planning expensive marketing campaigns to attract more wealthy Venezuelans into the market they should take note that in the first six months of the year there were a grand total of 17 non-resident buyers from Venezuela. And the number of resident Venezuelans entering the market was only 796 and they spent 16.8% less than the domestic average. So, breaking this group down into resident and non-resident sections it turns out that while the 2% who were non-residents spent way more than everyone else in terms of price pm², obviously purchasing at the very top of the market, the 98% who were residents spent considerably less than Spanish buyers. It's safe to assume that they weren't buying in the traditional Mediterranean mainland coasts and island hotspots.

So what of the Moroccans, now the second most numerous in the nationality league table. Analysing these first half year figures we see only 1.9% were non-residents, a grand total of 109 and they spent on average €2,828 pm², very close to the average spend for all non-resident foreign buyers and 13.5% more than the average non-resident Brit. However, it's the 98.1% resident Moroccans that really mess the figures up - their average spend pm² was just €685, less than half the average spend of Spanish buyers. And it's the same confusion in respect of Chinese buyers. The 10.5% non-resident Chinese buyers outspent the Swedes, Germans and Americans, while the 89.5% who are residents were more or less in line with the domestic average. So by including a large number of buyers with an average spend so much lower than other buyers from outside Spain, the statistics are skewed and a bit of digging shows that it's the non-resident purchasers from overseas who have the buying power to make a big difference to the Spanish property market.

The Regional Hotspots

In terms of overseas buyer spending power all the overseas buyer hotspots saw increases in the average amount paid by foreigners per square metre in the January - June period of 2024. And to get a sense of just how much prices have risen recently, I've compared 2024 per m² prices with pre-pandemic 2019. In the case of Andalucía it's up to €2,437pm², a rise of 36.7% and Cataluña was up 21.5% to €2,516. Meanwhile in the Comunidad Valenciana, the increase to an average of €1,779m² means prices have risen 30.5% since 2019.

And the most expensive autonomous region in the Mediterranean? That would be the Balearics. After breaking through the €4,000 pm² barrier in 2023 it has risen further in 2024 to €4,492 up an astonishing 44.3% since pre-pandemic 2019. In contrast, there is one Mediterranean region where the average price paid by foreign buyers was even below the domestic buyer average and that was Murcia, on €1,219 per m².

I've already commented on the statistics which show how the overseas sector of the Spanish Property Market is concentrated in just a handful of regions. And within those regions it is further fragmented at the provincial and municipal levels. A good example of this is Andalucía. Not only is it Spain's largest autonomous region it is one of the most varied. It has both Mediterranean and Atlantic coasts, a huge, mountainous interior and five of Spain's most historic cities; Cádiz, Málaga, Seville, Granada and Córdoba. In addition, this one region accounts for 20% of all property transactions in Spain. So, in property terms it really has something for everyone but foreign sector activity is far from evenly spread. In reality it is actually concentrated in just a few locations.

Andalucía has eight provinces and while the overseas market share of 17.6% across the whole region was well below the 20.4% national average it turned out that in Málaga province, which really means the Costa del Sol, foreign market share was 38%, just behind the Balearics where it represented 39.3%. And looking at the Comunidad Valenciana, 72.09% of all 2024 foreign buyers in this region bought in just one province: Alicante, a market share of 50.9% . (Source: MITMA)

Tourism and Rental Demand

At the time of writing this review the figures for January - November international arrivals had already surpassed the 2023 full year total. The 88.5m foreign visitors make it almost certain that the 90m barrier will be broken when the December total is published in February. Spain will have a new all-time high and retain its position as the second most visited country in the world. And not only are the numbers up international tourists are spending more, up 17% compared with 2023

There is a link between visitor numbers and the property market because property buyers in Spain have usually been tourists for years before they decide to purchase. What seems to be happening is that there are many more visitors out of the high season summer months. For example, the December 2023 total of 5.2m was 21% higher than the same month in 2019 which, at the time, was the highest December total on record. Another factor behind the surge in numbers is the wider spread of nationalities, with strong growth from newer markets while the traditional, long-established markets, such as the British, Scandinavian and German markets remain the leaders. As with the nationality league table for property buyers the British lead the pack and by a big margin.

The statistics indicate that about 25% of international visitors looking for somewhere to stay do not stay in hotels, preferring to privately and current rental yields make letting a property to the tourist market in Spain an interesting option. And not just for the buy-to-let investor because although not all foreign owners are part-time landlords many are. They look for rental income to cover essential maintenance and running costs and taxes. Obviously there are many variables but the best gross yields can be as high as 10% and sometimes even higher for a large, top quality detached house in a prime location. Apartments and townhouses near the beach can return 6% - 8% gross, assuming a luxury interior. Typically, a quality property in a prime location will generate a higher yield in the short-term holiday market than the same property let long-term, in the region of 3% - 5% better.

However, there are always exceptions to the rule and growing demand for long-term rentals at the top end of the market can produce a gross yield similar to the short term yield. One of The Property Finders clients is seeing a 2019 purchase generating a gross yield of 8% for a one-year let. Just as the highest activity levels are at the top end of the property market so it is in the rental sector. Properties priced at €10,000 - €20,000 and up per week had no trouble finding takers in 2024 and high season weeks were fully occupied.

However, it is clear the mood is changing and if rental income is part of your buying strategy then I recommend you proceed with caution. City centre licences will be strictly limited and may disappear altogether - in 2024 Barcelona announced a total freeze from 2028 and Málaga's attitude hardened in 2024, 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](#).

Who Is Buying What - New Build v Resale

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 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, plots and constructed square metres are being squeezed in comparison with resale product.

I realise many buyers are not looking to make a huge profit in the short-term, they've made a life-style purchase. However, I've yet to meet one who is happy with the idea of a loss even before they've got the keys. In fact I think some buyers have been paying such inflated prices for new build properties that they may never see a return on their investment no matter how long they hold it. The discrepancy between new-build and resales prices in the current market is as extreme as I have ever seen in over 25 years in the property business in Spain.

I believe the main reason for this discrepancy is the legacy of the almost total destruction of the Spanish construction industry after the 2008 meltdown. Following years of excessive building, up to 800,000 units annually, Spain is currently completing around 90,000 units per year, about 40% below what is needed to cover new household formation, never mind demand for second homes from both domestic and foreign buyers. plus the rental investment sector. In October 2024 the Bank of Spain estimated that Spain is lacking 600,000 properties to cover new household formation since 2021, when it says the demand/supply ratio became seriously uncoupled. New household formation is currently around 265,000, a figure predicted to rise each year between 2024 and 2028 to around 330,000..

People can't buy what isn't there. A deficit in the new-build supply side inevitably puts pressure on the resale sector. Even before Covid-19 arrived there was a supply side deficit in the quality resale sector in prime locations and this has been exacerbated by the increase in international buyers entering the market over a short time period without a similar surge in supply. And what they are looking for, that is, high quality properties in top condition in prime locations is precisely what is in such short supply and I don't see the demand/supply imbalance changing any time soon.

Buying Right in 2025

My advice to potential buyers in Spain is the same as ever. The location must always be key. Shiny new stuff, whether it's a house or an apartment, something on the coast, the city or in the country, never trumps location. Always get the location right and then do the best with the available budget even if that means adjusting expectations. For example, several recent clients of The Property Finders have chosen a semi-detached property in order to stay in a really prime location. In my view, that is always the best decision. If they had stuck with their preference for detached they needed to accept an inferior location to stay in budget. Never compromise on location.

My advice to buyers in 2025 is do not obsess about new-builds, especially if not located in prime positions. Many are not. Consider equivalent resales,

calculate the price per m² to include any renovation if it's needed. Then you can take an informed view on what makes the best financial sense. The result will almost certainly be a lower price, a bigger property and, most important of all, a superior location.

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. Electricity pylons are also a big no-no. We can assume new housing will increase in the long term. So it's essential to be aware of local planning issues and what might be in the pipeline. Already, in some areas I can count twenty cranes while standing still. If there is vacant land nearby find out with absolute certainty what, if anything, can be constructed. The selling agent saying it is green zone is just not good enough. Why risk losing a fabulous view?

And 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? One thing is certain; there will always be demand for top quality in prime locations. It always has been, still is and always will be about location.

The idea that the Spanish property market would experience a post-pandemic meltdown, similar to the market crash of 2008, quite clearly was wrong. In contrast, it has enjoyed increased interest and not just from long-established markets of British, Scandinavian and other European nationalities but from all over the world and it is now a truly global market. As already mentioned, overseas demand is pushing market share in the most prime locations way beyond the national average of 20%. The Spanish property market would certainly be in a very different place without overseas buyers.

And as to where prices are going in 2025, it really comes down to the demand/supply imbalance and I think we can be certain that if demand remains as strong as it is now and supply stays limited, prices are going in one direction only and that's up. Nevertheless, if you buy at the right price in a prime location, Spanish property is still relatively affordable. There's potential for substantial capital growth in the medium term and excellent rental yield potential. The sun continues to shine and the quality of life is rated one of the best in the world. And there's no doubt in my mind that with the WFH and WFA options becoming a reality for many more people post-Covid, that home will be in Spain.