

# NEWSLETTER

## How is the Real Estate Market?

ALFONSO LACRUZ NEWSLETTER, YOUR LOCAL EXPERT IN BENAHAIVIS AND MARBELLA

### IS THE REAL ESTATE MARKET OF MARBELLA & BENAHAIVIS FACING A DOWNTURN?

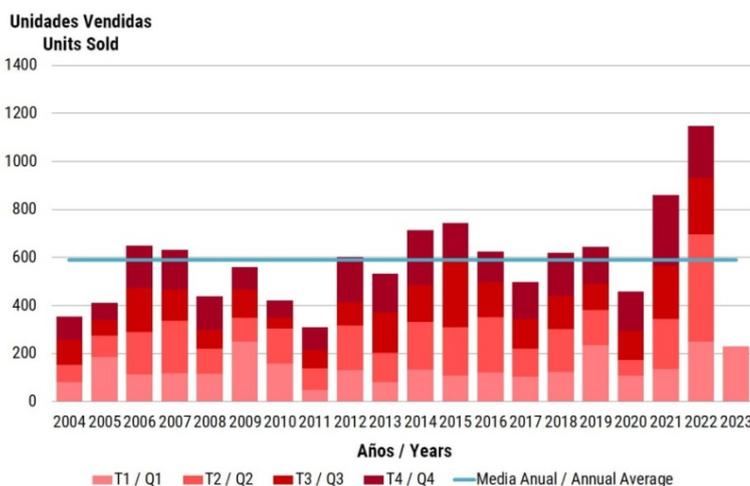
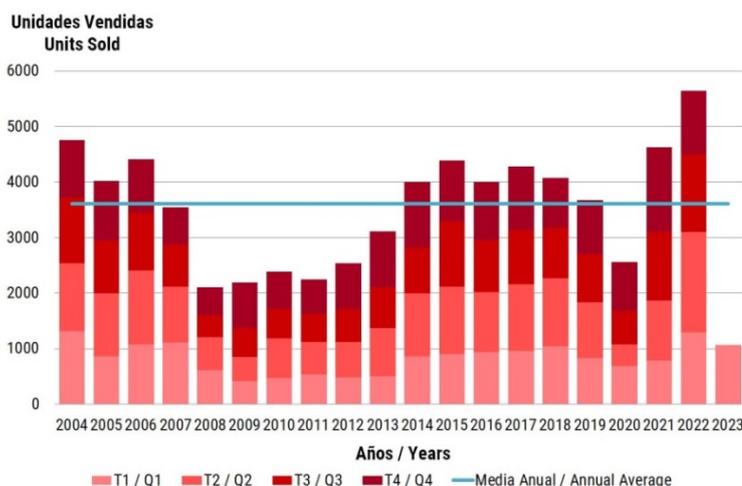
The data of closed transactions for the first quarter of 2023 was published last week by the Ministry of Housing showing interesting numbers that will be analyzed in this article:

1. First of all, there have been numerous comments about the **slowdown of the real estate market, and to some extent, they hold true**. In Benahavis, we observed an 8,8% decrease in the number of sales compared to the same quarter of 2022. In Marbella, this reduction reached a significant figure of 17,4% when compared to the corresponding quarter of the previous year. It is important to note that 2022 marked the best year in the history of the real estate market in the area. Despite these declines in

number of closed transactions, the first quarter of 2023 still ranks among the top five years in the real estate market of Costa del Sol. Moreover, it surpasses the average number of transactions closed in the first quarter over the last ten years, with Benahavis leading at 47% above the ten-year average and Estepona trailing at 7% above.

2. When we focus specifically on the sale of second-hand properties, the situation becomes even more noteworthy. **In Benahavis, there has been a remarkable 10,3% increase in the number of closings for second-hand homes**. This growth is particularly remarkable given the reports on the real estate market slowdown and the exceptional year experienced in 2022. On the other hand, Marbella lived a 7,2% decrease in the number of closings for second-hand properties, yet it remains the second-best year in the city's real estate history.

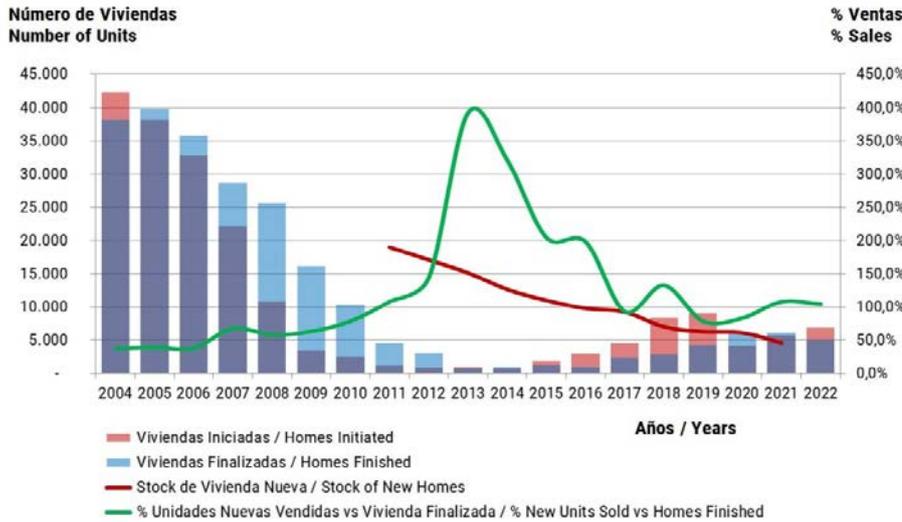
3. However, when we turn our attention to the **sale of new units, the numbers paint a discouraging picture**. There have been significant reductions in the closing of newly constructed properties, with some cases experiencing a decline of nearly 90%. It is important to note that the Ministry's data, based on the records from the Land Registry, count a sale when units are completed, the buying deed is signed at the Notary, and the sale is registered at the Land Registry. This means that the recorded closings in this quarter represent sales that were signed months or even years in advance of the completion of the properties, mainly in 2022 but with construction initiated in 2019 or 2020, which was also affected by the pandemic-related delays. Looking ahead, we can expect an increase in the number of sold properties in



the coming quarters, as new homes are delivered. These sales will account for the units sold during 2021 and 2022. In fact, as we mentioned in our previous newsletter, there is a shortage of new properties, as the inventory continues to decline due to high demand, while construction levels remain lower than those seen during the boom

years from 2001 to 2007. You can refer to the attached chart for a visual representation.

In summary, **the real estate market remains fairly active, although it has slowed down compared to the record-breaking year of 2022.** The limited availability of newly built properties may further promote the sales of second-hand homes.



Source: Colegio de Registradores de España, Ministerio de Fomento

EXCLUSIVE PROPERTIES



Local for restaurant  
Marbella  
168,93 m2 built  
25,36 m2 of terrace for  
1,195.000 €



Apartment, Pto. del Almendro,  
Benahavis  
2 bed, 2 bath, 116 m2 built  
Pool & Sea views for  
259.000 €



Rustic finca  
Benahavis  
6 bed, 4 bath, 286 m2 built  
& 10.005 m2 plot for  
749.500 €

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