

Quick Note 22/02/18

## Spain · Housing prices consolidate their rising trajectory

### Data

- Appraisal prices for open market housing were up 1.2% QoQ in Q4 2017.
- In YoY terms, housing prices rose 3.1% in Q4 2017.
- In the full year 2017, housing price growth stood at 2.4%.

### Assessment

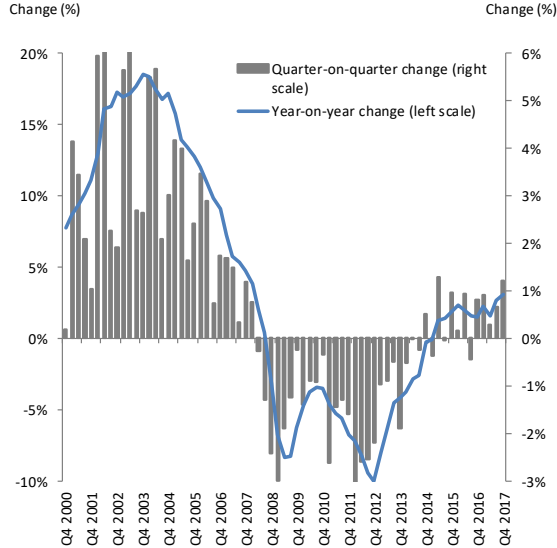
- The sharp increase in housing appraisal prices in the last quarter, slightly sharper than expected, consolidated the rising trend for housing prices, standing for the third consecutive year in positive growth.
- The buoyancy of housing transactions, which grew 14.6% in the full-year, combined with housing supply levels that remain historically low, already suggested that housing prices would remain on the rise. It is worth pointing out that new housing permits showed a significant uptick of 26% YoY in the year up to November.
- Looking ahead to 2018 the prospects remain positive. In particular, a good performance from the labour market, prolonged loose monetary conditions and support from foreign demand are set to drive housing purchases, which should grow at around 8%. In turn, upside pressure on housing prices is set to remain unchanged, amid a shortage of housing available for sale in certain prime zones (for example large cities).
- In the light of this data, **the risks in terms of our forecast for the full year 2018, of 4.0% YoY, look balanced.**

#### Spain: housing prices

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017		2017	
					Data	Forecast	Data	Forecast
YoY change (%)	1.5	2.2	1.6	2.7	3.1	2.9	2.4	2.3
QoQ change (%)	0.8	0.9	0.3	0.7	1.2	1.0	-	-

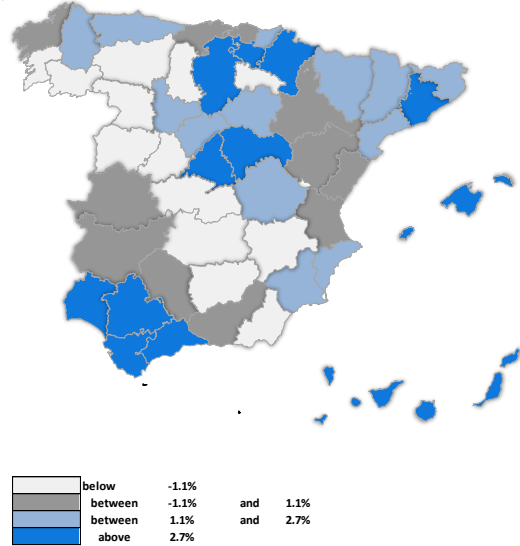
Source: CaixaBank Research, based on data from the Ministry of Public Works.

**Spain: Housing price**



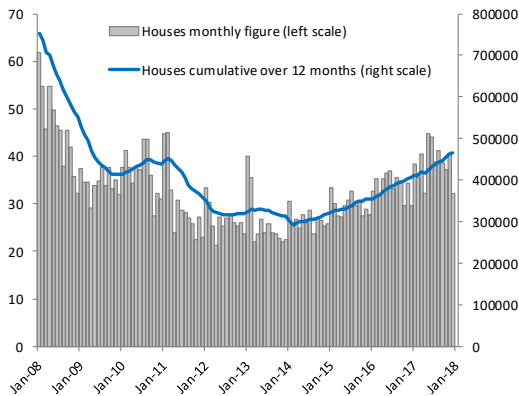
Source: CaixaBank Research, based on data from the Ministry of Public Works.

**Spain: Housing price**  
Change (%)



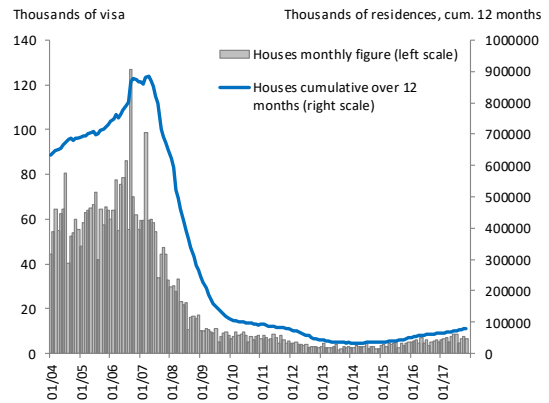
Note: Data from Q4 2017.  
Source: CaixaBank Research, based on data from the Ministry of Public Works.

**Spain: housing sales**



Source: CaixaBank Research, based on data from the INE.

**Spain: start of work visa**



Source: CaixaBank Research, based on data from the Ministry of Public Works.

**Anna Campos**, Economist, Macroeconomics Department, Strategy Planning and Research Division, CaixaBank  
e-mail: [research@caixabank.com](mailto:research@caixabank.com)

**NOTICE REGARDING PUBLICATION OF THE CAIXABANK "QUICK NOTE"**

The "Quick Note" (Nota Breve) is a publication by CaixaBank Research that contains information and opinions from sources considered to be reliable. This document is for informative purposes only and CaixaBank is not liable in any way for any use made thereof. The opinions and estimates are those of the CaixaBank Research and are liable to change without prior notice.