

# Real Estate

## Sector Report

S2 2025

The Spanish real estate sector  
is in full expansionary phase

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Spain's housing  
market enters a new  
expansionary phase

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The price of not building:  
how the housing deficit  
explains much of the  
price pressures

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How has the profile of  
non-resident foreigners  
who buy homes in Spain  
changed?

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## SECTOR REPORT

**Real Estate S2 (Second Semester) 2025** The *Sector Report* is a publication produced by CaixaBank Research

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# Summary

## S2 2025



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The Spanish real estate sector is in the midst of a boom, driven by lower interest rates, the improvement in purchasing power and population growth.



### 13 THE PRICE OF NOT BUILDING: HOW THE HOUSING DEFICIT EXPLAINS MUCH OF THE PRICE PRESSURES

We estimate that in the last four years a deficit of over 500,000 homes has accumulated in Spain, and this explains much of the upward pressure on prices.



### 20 HOW HAS THE PROFILE OF NON-RESIDENT FOREIGNERS WHO BUY HOMES IN SPAIN CHANGED?

The demand for housing among non-resident foreign buyers has grown sharply in recent years, especially after the pandemic. Tourist provinces are where most of the foreign demand is concentrated, but new hotspots have also emerged in less traditional areas.

«A home is not just a piece of real estate;  
it is also a form of spiritual grounding.»

MARIO BENEDETTI



# Real Estate

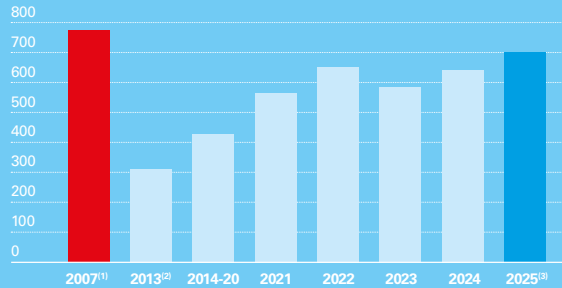
## The Spanish real estate sector, in the midst of a boom



Housing demand skyrockets in 2025 to its highest levels since 2007...

### Home sales

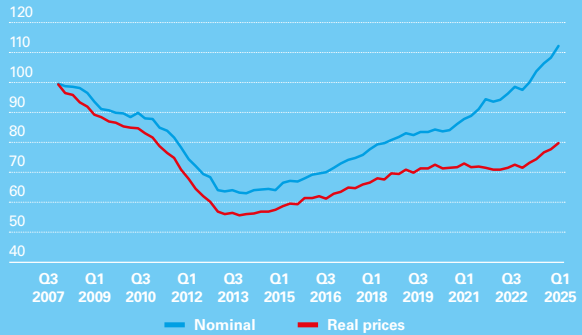
Thousands



**Notes:** (1) Previous peak. (2) Post-bubble low. (3) Trailing 12 months to Q1 2025.  
**Source:** CaixaBank Research, based on data from the Spanish National Statistics Institute (INE).

... and there are already some signs of overvaluation in the market

### Housing Price Index



### 2025-2026 forecasts

	2023	2024	2025	2026
Sales (thousands)	584	642	720 (650)	720 (618)
New construction permits (thousands)	109	128	140 (135)	150 (145)
House prices (MIVAU) (annual change, %)	3.9	5.8	9.6 (5.9)	6.3 (3.0)
House prices (INE) (annual change, %)	4.0	8.4	10.8 (7.2)	6.3 (3.0)

**Note:** In brackets, forecast from the *Real Estate SR S1/2025*.

### Factors that continue to drive the real estate sector:



Low interest rates



Population growth



Improving household purchasing power

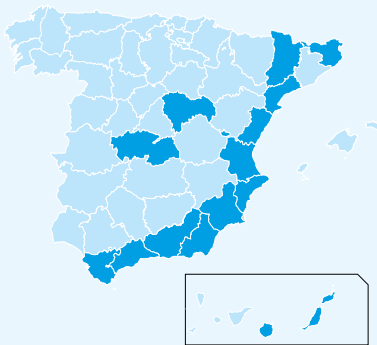


Strength of the labour market

## The accumulated housing deficit explains much of the upward pressures on prices

It is concentrated in more urban and touristic provinces...

Top 15 with the highest deficit as a % of the stock of primary homes

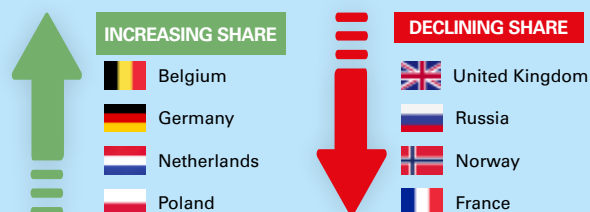


... and could explain up to 39% of the recent increase in prices



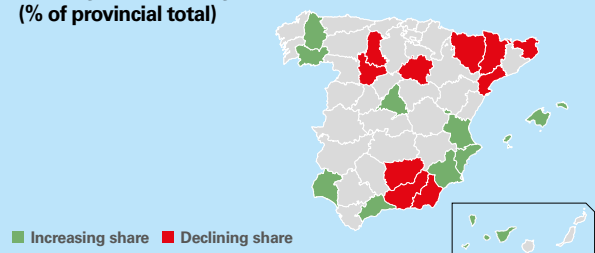
## Much of the surge in demand is due to non-resident foreign buyers

Changes are noted in the nationalities most interested in Spain's housing market



## Traditional destinations are consolidated and other new ones emerge

Housing sales to foreign non-residents (% of provincial total)



**Note:** CaixaBank Research, based on data from the Spanish National Statistics Institute (INE) and the Ministry of Housing and Urban Agenda (MIVAU).



## Executive summary

# The Spanish real estate market consolidates its expansive phase in 2025

During the first half of 2025, the Spanish real estate market has confirmed that it is in full expansionary phase. The revival of demand, which began in the second half of 2024, has consolidated this year with 700,000 sales registered in the trailing 12 months to June, 19.7% more than the first half of the previous year. This dynamism is explained by the improvement in financing conditions, increased household purchasing power and sustained population growth. On the supply side, **the construction sector is showing signs of recovery**. In the 12 months to May, around 132,000 permits for new homes have been approved, a 13% increase year-on-year. However, **new housing production is still not reaching sufficient levels to balance the market and the housing deficit continues to widen**.

The housing deficit that has accumulated in recent years is, in fact, one of the determining factors behind the recent price pressures, which continue to accelerate and hamper housing affordability, especially in areas of higher demand. Although some indicators are beginning to detect signs of overvaluation in the Spanish real estate market, **it should be recalled that the current context is very different from the boom of the 2000s**. Households, the construction and development sector, and the financial system itself are in a much stronger financial position this time round, and the risks of a sudden correction in house prices are contained. Still, imbalances persist that deserve attention.

**The housing deficit accumulated in recent years is generating price tensions**. We estimate that between 2021 and 2024, a deficit of between 515,000 and 765,000 homes has accumulated, according to different definitions, which is equivalent to 3%-4% of the stock of primary homes. In the second article of this report we show that the correlation between the deficit and the growth of house prices is significant: it is estimated that the accumulated deficit could

explain up to 39% of the increase observed in the period, which underscores the urgency of reviving residential development to mitigate price pressures. At the territorial level, the deficit is concentrated in the provinces with the greatest demographic pressure and tourist demand, such as Madrid, Barcelona, Alicante, Valencia and Malaga, while in depopulated regions the deficit is smaller.

The third article focuses on foreign demand, which has played a significant role in the current expansive cycle. In year to Q1 2025, **approximately 18% of the homes sold have been acquired by foreign citizens, reaching 133,000 sales, an all-time high**. More than half of these purchases are by resident foreigners, while 44% of them are by non-residents. The profile of these non-resident buyers has evolved and shows a greater diversity of nationalities and a growing interest in new locations. The provinces located along the Mediterranean arch and the island regions are where most of the foreign demand is concentrated, but new hotspots have also emerged in less traditional areas, such as Castellón, Asturias, Huelva and Córdoba.

Non-resident foreign buyers tend to have higher purchasing power, which translates into higher average prices and a preference for mid-to-high or high-end properties, a trend that directly influences market developments in certain areas.

Once again, the main conclusion of this report is that the supply of housing remains insufficient to absorb a demand that continues to rapidly expand due to the formation of new households, primarily as a result of the significant migration flows that our country is experiencing. **This housing deficit and the pressure it exerts on prices underscores the need to accelerate the construction of affordable housing**.



### Situation and outlook

# Spain's housing market enters a new expansionary phase

The Spanish housing market is in the midst of a boom, driven by lower interest rates, the improvement in purchasing power and population growth. Demand continues to grow sharply, with foreign buyers playing a notable role, while supply is also steadily gaining traction, although it still does not compensate for the housing deficit accumulated since 2021. House prices continue to accelerate, now exceeding the peak reached in 2007 in nominal terms, and signs of overvaluation are beginning to become apparent. However, the current context differs from the one prior to the bursting of the housing bubble: rather than an oversupply, there is a serious housing deficit, and that is what primarily explains the pressure on prices; moreover, households, the construction and developer sector, and the financial system are in a strong financial position. We expect prices and sales to remain dynamic in the coming quarters, underscoring the need to increase the supply of affordable housing.

### **Housing demand has undergone a rapid revival since mid-2024 and is at levels not seen since 2007**

The first half of 2025 confirmed the revival of demand which began in the second half of last year, driven by a combination of economic and structural factors. On the one hand, the easing of monetary policy by the European Central Bank has reduced the cost of mortgage financing, and this has reactivated the demand for home loans, with the amount of new loans up 30% year-on-year in the first half of the year. On the other hand, this financial stimulus has been compounded by an improvement in household purchasing power, thanks to an increase in disposable income (driven in turn by job creation) and moderating inflation. In addition, demographic growth – Spain has exceeded 49 million inhabitants and 19.5 million households –, the lack of supply in the rental market and expectations that house prices will continue to rise have acted as additional catalysts for sales.



Thus, in the trailing 12 months to June 2025, there have been some 700,000 sales (according to data from the National Statistics Institute, or INE), 19.7% more than in the first half of the previous year, reaching levels not seen since 2007.<sup>1</sup> However, while the volume of transactions is very high, the demographic pressure is now greater than it was then: there are 4.3 million more people and 3.2 million more households than in 2007. In the 12 months to June 2025, some 14.3 transactions per 1,000 inhabitants have been closed, well below the 17.3 reached in 2007. Also, most transactions correspond to existing homes, although the sale of new homes is gaining traction thanks to the gradual recovery of supply (22.2% in S1 2025 versus 21.0% in 2024). However, the current figures fall far short of 2007 levels, when 42.1% of sales involved new homes, reflecting the construction boom of that period, as we will analyse later.

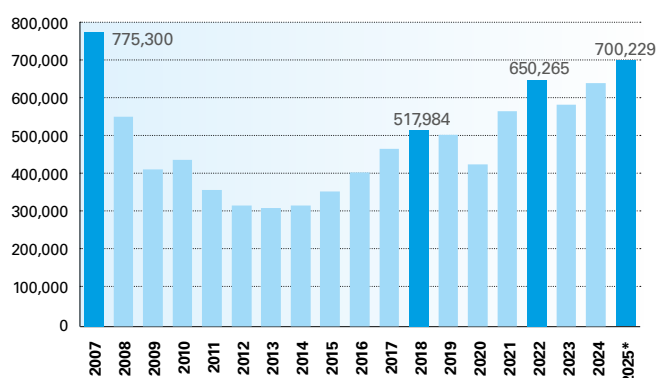
① According to MIVAU statistics (based on Notaries), the number of sales was 740,000 homes in the trailing 12 months to Q1 2025.

In recent quarters, the revival of demand is widespread, occurring across the various types of buyers. Although the latest boom is primarily driven by purchases made by Spanish citizens, the role of foreign buyers is far from negligible: foreigners acquired around 50,000 homes in S1 2025, according to the Association of Property Registrars, which represents 14.1% of all sales (compared to a historical average of 10.5% in the period 2006-2024) and is 15% more than in the same period last year.<sup>2</sup> In the article «How has the profile of non-resident foreigners who buy homes in Spain changed?» of this report, we delve into how foreign demand has influenced the behaviour of the housing market in this period.

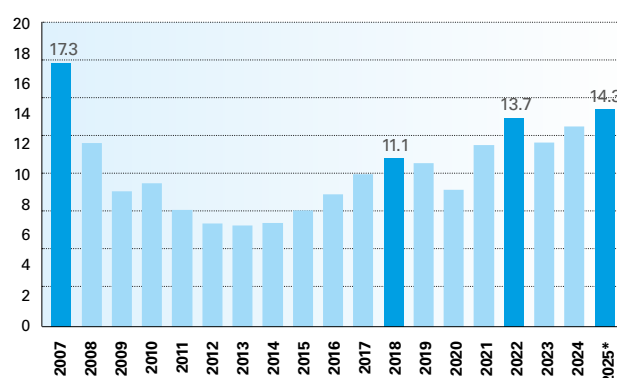
② According to MIVAU transaction data (based on Notaries), sales to foreign buyers amounted to around 133,000 in the trailing 12 months to Q1 2025, accounting for 18% of the total.

## Home sales in Spain

Number of home sales



Number of sales per 1,000 inhabitants



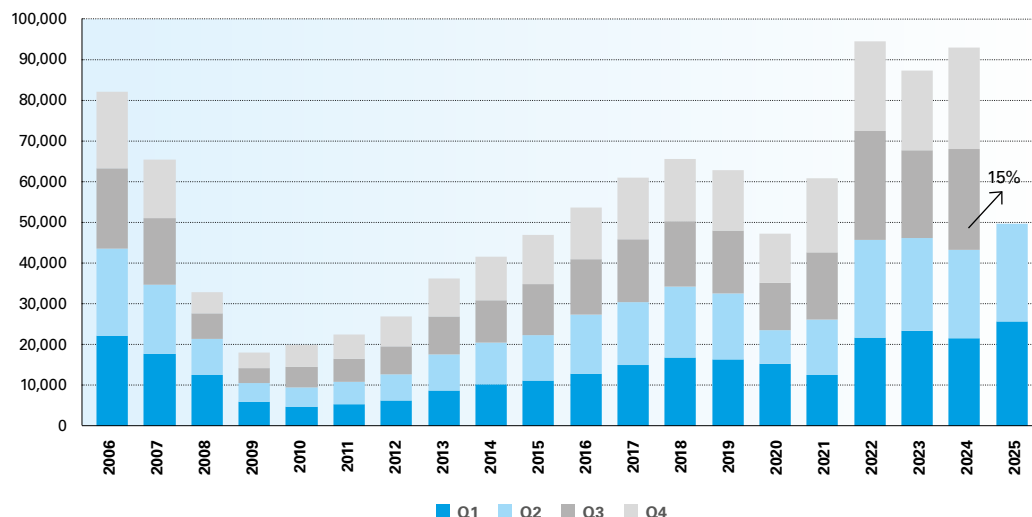
Note: (\*) Trailing 12 months to June 2025.

Source: CaixaBank, based on data from the Spanish National Statistics Institute (INE).



## Home sales to foreign buyers

Number



Source: CaixaBank Research, based on data from the Association of Property Registrars.

## The supply of new housing has undergone a rapid revival in 2025, but is still far from compensating for the deficit accumulated since 2021

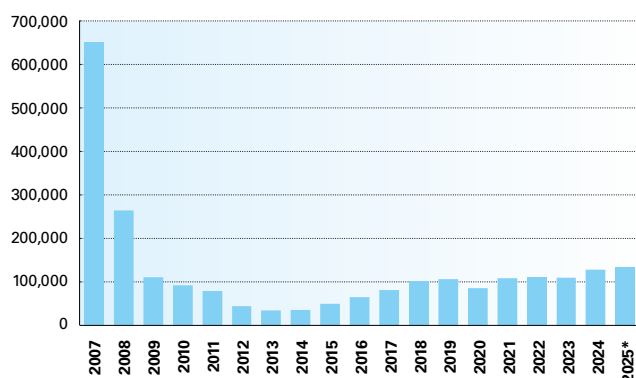
In the trailing 12 months to May, around 132,000 new homes were approved, representing a 13% increase year-on-year, on top of the 17% increase registered in 2024. Moreover, this trend is expected to continue to steady increase, taking into account the continuing strength of demand and the intention of the property developer sector to continue to grow the current housing stock. However, this increase in supply remains insufficient to absorb demand and close the accumulated deficit of more than 500,000 homes since 2021. In this same report we analyse in detail this accumulated deficit by region, in the article «The price of not building: how the housing deficit explains much of the price pressures».



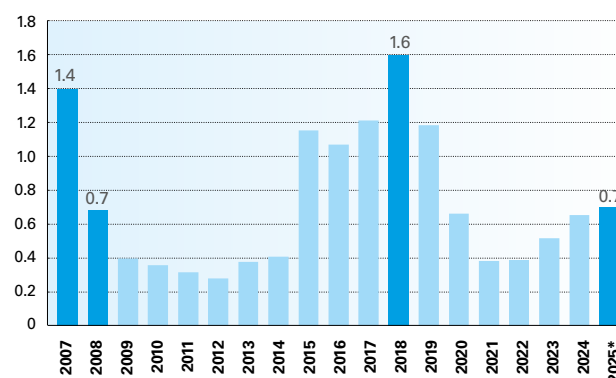


## The new housing supply is clearly inadequate in view of housing needs

Number of new construction permits



Number of permits per household created



**Notes:** (\*) Data on new construction permits for the trailing 12 months to May 2025. Net household creation data come from linking the series from the Labour Force Survey (LFS), the Continuous Household Survey (CHS) and the Continuous Population Survey (CPS).  
**Source:** CaixaBank Research, based on data from the Spanish National Statistics Institute (INE).

## The labour market continues to create employment in the sector and there has been a dramatic reduction in temporary employment in construction

The rest of the sector's supply indicators offer a similar reading and show a gradual but modest improvement. On the one hand, the apparent consumption of cement is close to the levels seen in 2012 (around 15 million tons in the trailing 12 months to January) and is growing at a rate of 4% per year. On the other hand, the labour market is showing a steady increase in the number of registered workers in the construction sector (3.5% year-on-year in August), outpacing the average for the economy as a whole (2.3%) and reaching approximately 1.45 million workers in total.

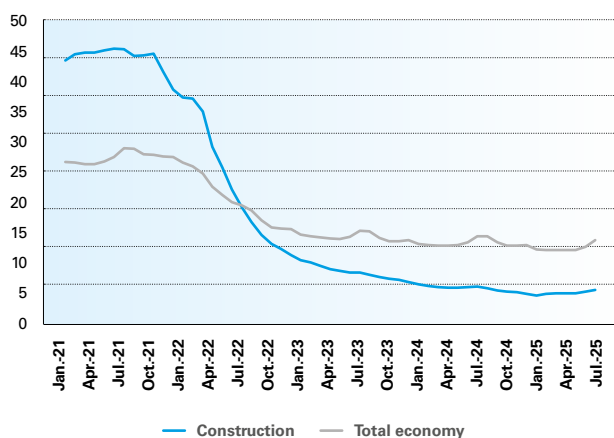
The construction sector has experienced a drastic reduction in temporary employment in recent years, consolidating its position as one of the branches of the economy that has made the most progress in this field since the 2021 labour reform came into force. In 2022, temporary contracts (full and part-time) accounted for around 35% of the total. In 2025, this figure has fallen to just 4.8%, which represents a structural transformation of the hiring model in the sector. Full-time permanent contracts have gone from representing 63% to 85.6% of the total, reflecting a clear commitment to job stability. There is also a slight increase in permanent part-time contracts (from 5.1% to 6.0%), suggesting greater flexibility within this stability. Finally, there has been an increase in the use of discontinuous fixed contracts – a format that is well-suited to a sector in which downtime between projects is frequent. Its growth suggests that companies are reorganising their workforce in order to maintain the employment relationship without resorting to dismissal, but in any case, this only explains a small part of the reduction in temporary employment in the construction sector.

## The sector's supply indicators show a gradual but modest improvement

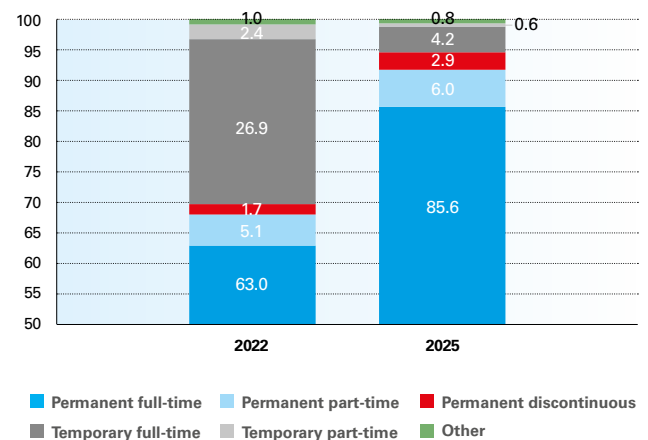


## The construction sector stands out as one of the branches of the economy that has reduced the temporary employment rate the most since 2022

**Temporary contracts**  
(% of all contracts)



**Registered workers by type of contract and working day in the construction sector\***  
(% of all contracts)



Note: (\*) The data for 2022 and 2025 correspond to the average for January-July.

Source: CaixaBank Research, based on data from the Ministry of Inclusion, Social Security and Migration.

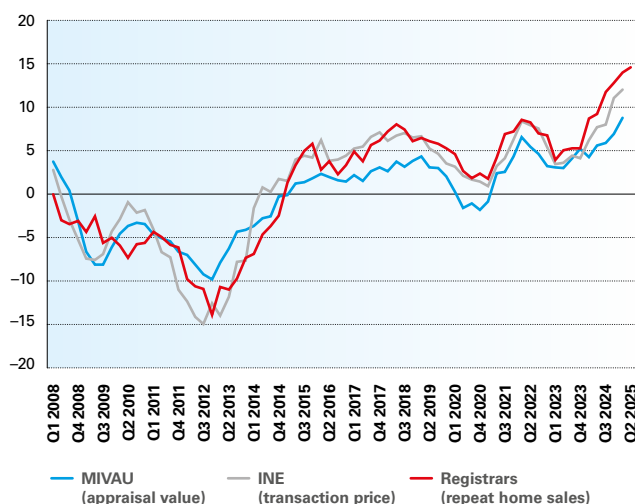
## House prices continue to accelerate hindering access to ownership

According to the main national price indicators, the growth of house prices continued to intensify in the opening months of 2025. According to the appraisal value index published by the Ministry of Housing and Urban Agenda (MIVAU), the increase was 9.0% year-on-year in Q1 2025, compared to 7.0% in Q4 2024. The price index published by the National Statistics Institute (INE), based on transaction prices, shows a sharper growth rate, at 12.2% year-on-year in Q1 2025 (11.3% in Q4 2024). With these increases, the price of housing now exceeds, in nominal terms, the peaks registered in 2007. Although there is no doubt that the growth of house prices in recent quarters has been significant, it should be recalled that this has occurred in an inflationary context and that, in real terms, prices have not yet reached the previous highs, except for in the case of new homes.

## House prices set new highs in nominal terms and maintain a clear upward trend

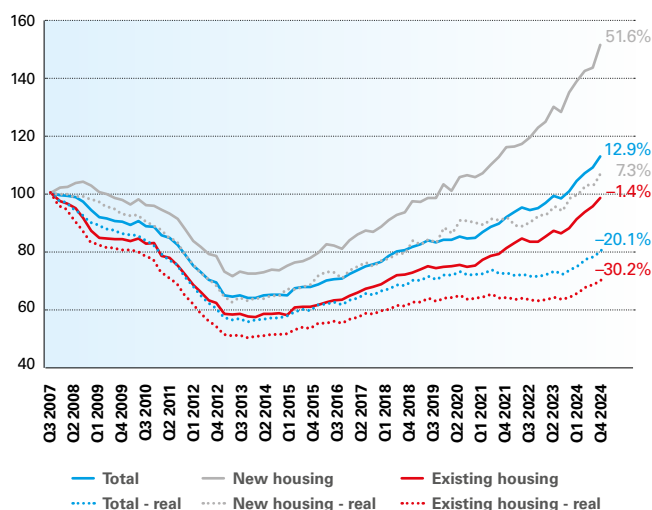
### House price indices

Year-on-year change (%)



### Housing Price Index (INE)

Index (100 = Q3 2007)



Source: CaixaBank Research, based on data from the Ministry of Housing and Urban Agenda (MIVAU), the National Statistics Institute (INE) and the Association of Property Registrars.

By region, we see a mixed pattern. Firstly, the most economically dynamic autonomous communities, Madrid and Catalonia, have registered a sharp increase in prices due to the high demand for housing and the greater pressure on the available land. Secondly, Andalusia, the island regions, the Community of Valencia and Murcia stand out, being the most attractive regions for international tourists. In contrast, regions such as Aragon, Castilla-La Mancha, Castile and León and Extremadura, with lower pressure on housing, a more ageing population and less appeal for real estate investment, have recorded lower house price growth.<sup>3</sup>

③ House prices and sales have surged since mid-2024, especially in the most expensive areas, widening the territorial gap and shifting demand to more affordable areas, such as peripheral municipalities and regions in the north-west of the country. For a more detailed analysis of where the demand for housing is growing the most in Spain, see the article «The real estate boom spreads across Spain», published in the *Real Estate SR S1/2025*.






















# Real Estate

## House prices in Q1 2025

Change vs. the peak in 2007-2008 (%)\*

AUTONOMOUS COMMUNITY	Nominal value			Real value		
	Total	New housing	Existing housing	Total	New	Existing
 Andalusia	25.8	72.8	9.5	-9.5	27.4	-22.5
 Aragon	-8.8	10.0	-21.1	-35.5	-19.0	-44.8
 Asturias	3.5	25.5	-8.5	-26.0	-8.6	-35.2
 Balearic Islands	30.7	86.9	16.2	-7.8	38.1	-17.7
 Canary Islands	19.4	48.5	9.3	-10.4	9.4	-22.6
 Cantabria	5.8	28.0	-3.9	-24.3	-6.1	-32.0
 Castile & León	-2.9	23.4	-15.5	-30.4	-10.1	-40.2
 Castilla-La Mancha	-9.7	12.9	-20.8	-35.6	-16.3	-43.9
 Catalonia	2.9	42.2	-5.5	-28.5	1.8	-32.9
 C. of Valencia	8.0	35.4	-2.6	-21.9	0.4	-31.1
 Extremadura	-6.9	17.3	-13.1	-29.6	-12.1	-38.2
 Galicia	7.5	37.6	-5.8	-22.9	0.5	-33.3
 Madrid	16.8	50.0	3.8	-15.7	6.3	-26.5
 Murcia	10.1	38.2	-2.0	-19.3	1.5	-30.5
 Navarre	-16.4	3.7	-31.1	-40.3	-24.8	-51.2
 Basque Country	-3.4	40.2	-17.7	-32.9	1.7	-41.7
 La Rioja	-9.1	11.1	-13.9	-34.5	-19.1	-39.0
<b>NATIONAL TOTAL</b>	<b>12.9</b>	<b>51.6</b>	<b>-1.4</b>	<b>-20.1</b>	<b>7.3</b>	<b>-30.2</b>

**Note:** (\*) For each series, the point of reference is the historical peak prior to 2013 (except for the nominal value of the national total for new housing, for which the reference is Q3 2007).

**Source:** CaixaBank Research, based on data from the Spanish National Statistics Institute (INE, transaction price).

Price pressures are even more evident in the rental market, where the lack of supply is pressing. In this regard, CaixaBank's average rental price indicator, which is based on rent payments made by direct debit, rose 5.5% in the first half of 2025 and has accumulated a 30% increase since 2019. The increase is even more pronounced if we take into account the indicators available from the main real estate portals, according to which the highest increases in recent years have been recorded (14.1% year-on-year in July according to Fotocasa and 10.9% year-on-year in July according to Idealista).



## Some indicators are beginning to detect signs of overvaluation

After several quarters of sharp price increases, some indicators are beginning to reflect signs of possible overvaluation in Spain's property market. In its latest *Financial Stability Report*, the Bank of Spain estimated that the price of housing was between 1.1% and 8.5% above its long-term equilibrium level at the end of 2024 (versus a range of 0.8% to 4.8% six months earlier).<sup>4</sup> In parallel, the European Central Bank also estimates an overvaluation of Spain's residential market of around 10% at the end of 2024. In both cases, for now, these levels are still contained, but the trend is clearly upwards (see chart).<sup>5</sup> These indicators, although based on aggregate data and subject to a high degree of uncertainty, serve as an indication for monitoring the possible deviation of house prices relative to values that could be considered equilibrium.

If we apply the methodology developed by the Bank of Spain<sup>6</sup> in our estimates of the affordability ratio at the autonomous community level, which we publish quarterly on the CaixaBank Research **Real-Time Economics** portal,<sup>7</sup> we find that most regions show signs of overvaluation, with the Balearic Islands and Madrid topping the list. In both cases, these estimates suggest that house prices have been gradually decoupling from the trend in household incomes, leading to increasing tension in the affordability ratios.

This rally in the market could fuel fears of a sharp correction in house prices like the one suffered between 2008 and 2013. In this regard, it is important to note that, for the moment, the current environment presents important differences compared to the previous cycle, as summarised in the following infographic on the housing market.

④ *Financial Stability Report*, Spring 2025, Chapter 4.1.

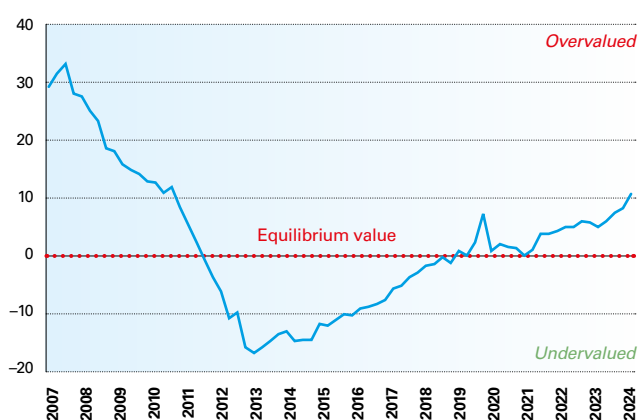
⑤ Average estimate of the four valuation methods used by the ECB.

⑥ The gap is calculated as the difference between the ratio of house prices to household disposable income and its long-term trend, obtained using a single-tail Hodrick-Prescott filter with a smoothed parameter equal to 400,000.

⑦ <https://realtimeeconomics.caixabankresearch.com/#/monitor>

### ECB residential property price indicator

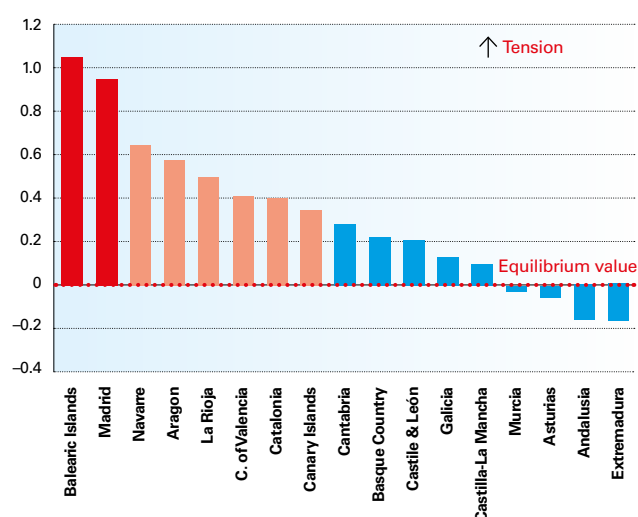
Deviation from the long-term average (%)



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

### Gap in the affordability ratio with respect to its long-term trend by autonomous community

(p. p.)



**Notes:** Data for Q1 2025. The gap is calculated as the difference between the affordability ratio and its long-term trend, obtained using a single-tail Hodrick-Prescott filter with a smoothed parameter equal to 400,000. This ratio is calculated as the price per square metre multiplied by the average floor area of a home, divided by the average household wage. The price of housing is obtained by linking the series produced by the Ministry of Public Works with that of the National Statistics Institute (INE, available from 2007 onwards). The median salary by autonomous community comes from the internal CaixaBank data from 2019 onwards and historical data from the Annual Salary Structure Survey (EAE).

**Source:** CaixaBank Research, based on data from the Ministry of Housing and Urban Agenda (MIVAU), the National Statistics Institute (INE) and internal data.

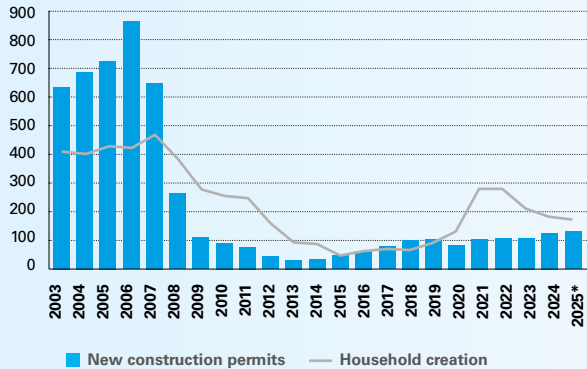


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Indicators of new supply are beginning to react upwards, but remain far from the levels of the 2000s

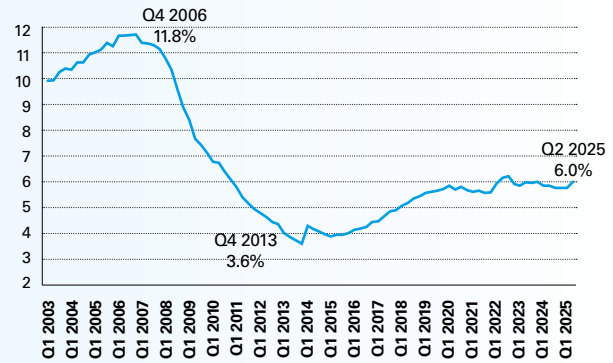
## New supply vs. household creation

(Thousands)



## Investment in residential construction

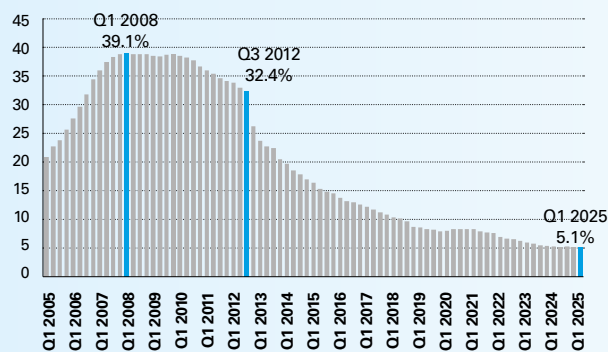
(% of GDP)



The financial sector is less exposed to a sudden change of cycle in the housing market

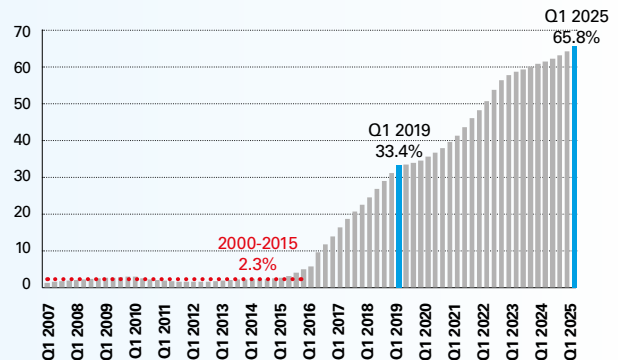
## Credit to the developer and construction sector

(% of GDP)



## Number fixed-rate mortgages

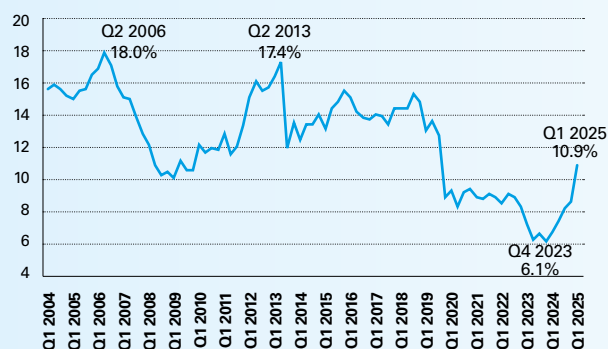
(% of all mortgages)



Households are in a much healthier financial situation and there is no excessive indebtedness

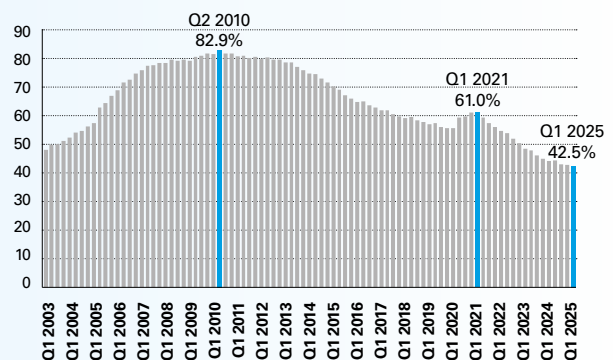
## Loans with LTV>80%

(% of all loans)



## Household debt

(% of GDP)



Note: (\*) Trailing 12 months to Q1.

Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE) and the Bank of Spain.



Firstly, there is no perceived oversupply of housing as was the case in the 2000s; indeed, quite the opposite. In the 2000s, around 550,000 new homes were approved per year, compared to the creation of 400,000 households. Since 2021, around 118,000 new homes have been approved annually, with a creation of 226,000 households, resulting in an accumulated housing deficit of more than 500,000 units since then. In addition, investment in residential construction remains broadly stable in recent quarters and stands at around 6% of GDP, whereas in the 2000s, in the midst of the housing bubble, it was practically double that level.

Secondly, the financial sector is much less exposed to a hypothetical sudden change in the housing market cycle. Credit to the developer and construction sector has remained at around 5% of GDP in recent quarters, a far cry from the ratios above 40% of GDP registered in the late 2000s. As for mortgage credit to households for the purchase of homes, at 30.6% of GDP it is well below the levels of the previous boom (63.6% of GDP in 2006). Moreover, since the pandemic fixed-rate mortgages have become widespread in the Spanish market, accounting for over 50% of all those granted since 2022 (in the 2000s they represented just 2% of the total). Also, the ratio of the number of mortgages to the number of sales remains relatively stable (68.0% in S1 2025 compared to 66.3% in 2024). That is, approximately two in every three transactions currently involve the buyer taking out a mortgage. In addition, there does not appear to be any significant increase in purchases for investment purposes. For instance, the percentage of sales in which the buyer is a legal entity was 11.5% in S1 2025, which represents a slight increase compared to the 10.8% recorded in 2024, but is still below the average for the period 2014-2019 (12.8%).



# Real Estate

Finally, households are in a much healthier financial position than they were in the 2000s. Despite the rebound in mortgage lending, household debt stands at only 42.5% of GDP, compared to just over 80% in 2010. What is more, there are no signs of a relaxation of lending standards – a key point if we are to avoid repeating the mistakes of the past. While it is true that there is a slight upturn in the granting of mortgages for an amount exceeding 80% of the appraisal value (10.9% in Q1 2025), this is largely due to the programmes in place to help certain groups to buy their first home (young people, single-parent families, etc.), as they are the ones who have the most difficulties in accumulating the savings required to become homeowners.





## Outlook for Spain's real estate sector in 2025-2026

The persistent imbalance between supply and demand in the housing market has been a determining factor in the rise in house prices in recent years. Although supply is expected to gain some dynamism in the coming quarters (we anticipate some 140,000 new construction permits for 2025 as a whole, and 150,000 for 2026), it will not be sufficient to meet demand in a context in which the creation of new households could remain close to current levels, at around 180,000 per year (in addition to around 50,000 net purchases by non-residents). In addition, the limited availability of housing in the rental market will continue to shift demand to the sales market. Our forecasts estimate that housing demand will remain at historically high levels in both 2025 and 2026 (around 720,000 sales per year).

Consequently, far from being corrected, the housing deficit will continue to widen, albeit at a more moderate rate than in previous years. This is the main reason why we have revised upwards our house price forecasts for 2025-2026. Specifically, here at CaixaBank Research we anticipate growth of around 10% this year and 6.3% next year. This growth, which is higher than that expected for disposable income per household, will further stress the affordability indicators, especially in the areas of greatest demand. All this reinforces the need to accelerate the construction of affordable housing, as we have noted in previous reports.<sup>8</sup>

<sup>8</sup> See «The challenge of increasing the supply of affordable housing in Spain», published in the *Real Estate SR S2/2024*.

## CaixaBank Research forecasts for Spain's real estate sector

	2023	2024	2025	2026
 Sales (thousands)	584	641	720	720
 New construction permits (thousands)	109	128	140	150
 House prices - MIVAU (% change)	3.9	5.8	9.6	6.3
 House prices - INE (% change)	4.0	8.4	10.8	6.3

Source: CaixaBank Research.



## Housing supply

# The price of not building: how the housing deficit explains much of the price pressures

In recent years, the rise in house prices has intensified, becoming one of the main economic and social concerns in Spain. This phenomenon is largely explained by the housing deficit that has accumulated since 2021 due to a persistent gap between supply and demand. This housing deficit is significant (we estimate it amounts to around 4% of the stock of primary homes in Spain), and higher in certain provinces, major cities and tourist areas: precisely where we find the greatest upward pressures on prices.

House prices in Spain have accentuated their upward trend in recent years, reflecting an increasingly stressed market. This price rally is largely explained by a housing deficit driven by a persistent imbalance between a still inadequate supply and a demand that remains highly dynamic. On the supply side, although the construction of new homes is gaining traction, the current levels remain low in historical terms. At the same time, demand has been driven by intense demographic flows – with strong net household creation – the purchase of housing by non-resident foreigners and the rise of alternative uses such as tourist or temporary rentals, which reduce the availability of ordinary housing. In this article, we estimate the housing deficit that has accumulated between 2021 and 2024 by province, and we analyse its relationship with the growth of house prices.

## Estimating the accumulated housing deficit between 2021 and 2024 for Spain as a whole

To quantify the housing deficit in Spain between 2021 and 2024, three complementary approaches have been used. The first compares new construction permits with the net creation of households; the second, the number of completed homes with said net household creation, and the third adjusts the estimate a little more by discounting those homes that are allocated for tourist use and those acquired by non-resident foreigners.<sup>9</sup> These approaches should be understood as being illustrative estimates, each with the aim of refining the calculation of the deficit a little further, even though they remain imperfect estimates.

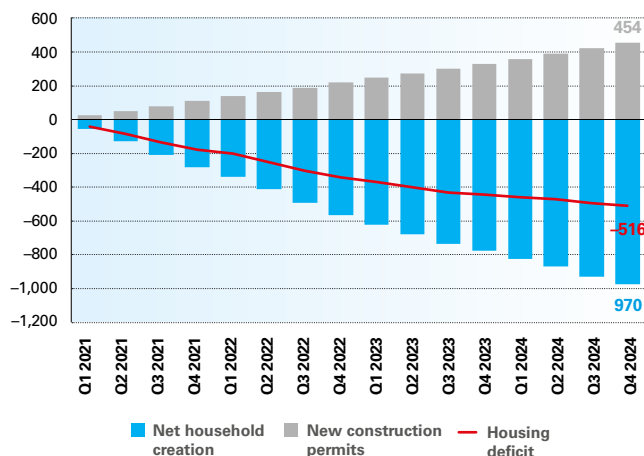
<sup>9</sup> All variables have been calculated as cumulative flows over the four-year period. The data on households are derived from the Continuous Population Statistics published by the National Statistics Institute (INE). We use the hypothesis that 50% of sales to non-resident buyers are purchased from other non-resident sellers and therefore should not be subtracted from the stock of housing available to residents. Unfortunately, no information is available on the percentage of the housing stock that is owned by non-resident foreigners. We do not incorporate any estimate for temporary rental homes, as sufficient information is not available. On the other hand, the demand could be underestimated because unformed households are not taken into account, precisely because of the difficulties in accessing housing.



# Real Estate

## Cumulative quarterly deficit since Q1 2021 (thousands)

Cumulative quarterly data since Q1 2021 (thousands)



**Notes:** Construction permit data up until May. June is extrapolated based on the variation in the year to date.

**Source:** CaixaBank Research, based on data from the Spanish National Statistics Institute (INE) and the Ministry of Housing and Urban Agenda (MIVAU).

	Number	(% of households created)	(% of the stock of primary homes)
Deficit (1)	-515,767	-53.2%	-2.7%
Deficit (2)	-595,639	-61.4%	-3.1%
Deficit (3)	-765,242	-78.9%	-4.0%

**Notes:** All variables have been calculated as cumulative flows over the 4-year period (2021 -2024). The chart shows the estimate of the accumulated deficit (1), which is calculated as new construction permits minus net household creation. Estimate (2) is calculated as finished homes minus net household creation; and the third estimate (3) deducts homes intended for tourist use and those acquired by non-resident foreigners.

According to the first estimate, the housing deficit accumulated over four years amounts to around 515,000 homes, and this figure rises to around 600,000 if we consider finished homes (rather than permits granted) and to 765,000 if homes set aside for other alternative uses are also subtracted.<sup>10</sup> This is equivalent to 4.0% of the stock of primary homes in 2024 and represents around 80% of all the net households created. In other words, after discounting other uses, the volume of new available housing would only have been able to accommodate 20% of the net households created, meaning that other households resided in second homes converted into primary ones.<sup>11</sup>

**Between 2021 and 2024, a deficit of up to 750,000 homes accumulated, largely covered by second homes converted into primary residences**

<sup>10</sup> According to the National Statistics Institute (INE), the increase in the number of homes used as tourist accommodation between August 2020 and May 2025 amounts to some 60,000 homes. According to the Ministry of Housing and Urban Agenda (MIVAU), the number of home sales to non-resident foreign buyers amounted to a total of 218,000 units over this period. We consider half of these homes in the deficit calculation (3).

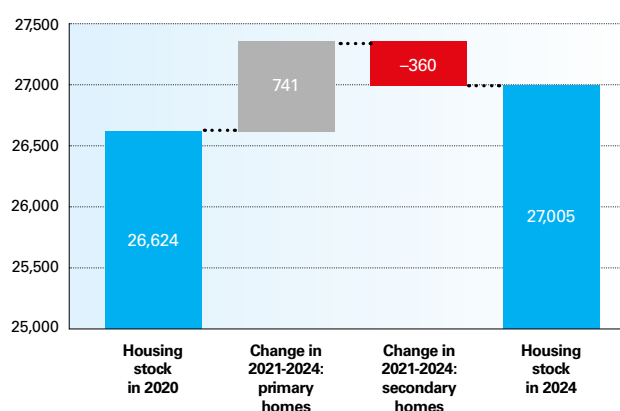
<sup>11</sup> Note that this calculation does not imply that the newly-formed households occupy the newly-built homes or the second homes that are converted into primary residences. The high turnover in the existing-home market suggests that the market dynamics are more complex.



This is revealed by data on changes in the stock of primary and non-primary homes published by the Ministry of Housing and Urban Agenda (MIVAU): between 2020 and 2024 there was a significant transfer from the stock of non-primary homes in favour of primary homes. Specifically, the number of primary homes increased by 741,000 in these four years; of these, 360,000 came from the stock of non-primary homes and 381,000 were new additions to the housing stock. Therefore, much of the housing needs of recent years have been met by converting a portion of the stock of second homes into primary residences, as shown in the following chart.

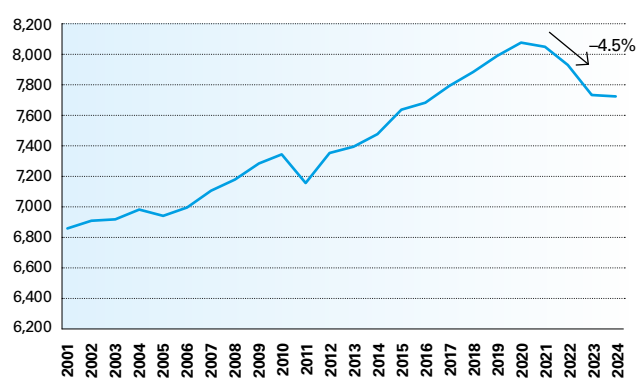
### Change in the housing stock in Spain between 2020 and 2024

Number of homes (thousands)



### Stock of secondary homes in Spain

Number of homes (thousands)



Source: CaixaBank Research, based on data from the Ministry of Housing and Urban Agenda (MIVAU).

### The housing deficit is concentrated in urban and touristic provinces, where supply has not kept up with population growth and tourist demand

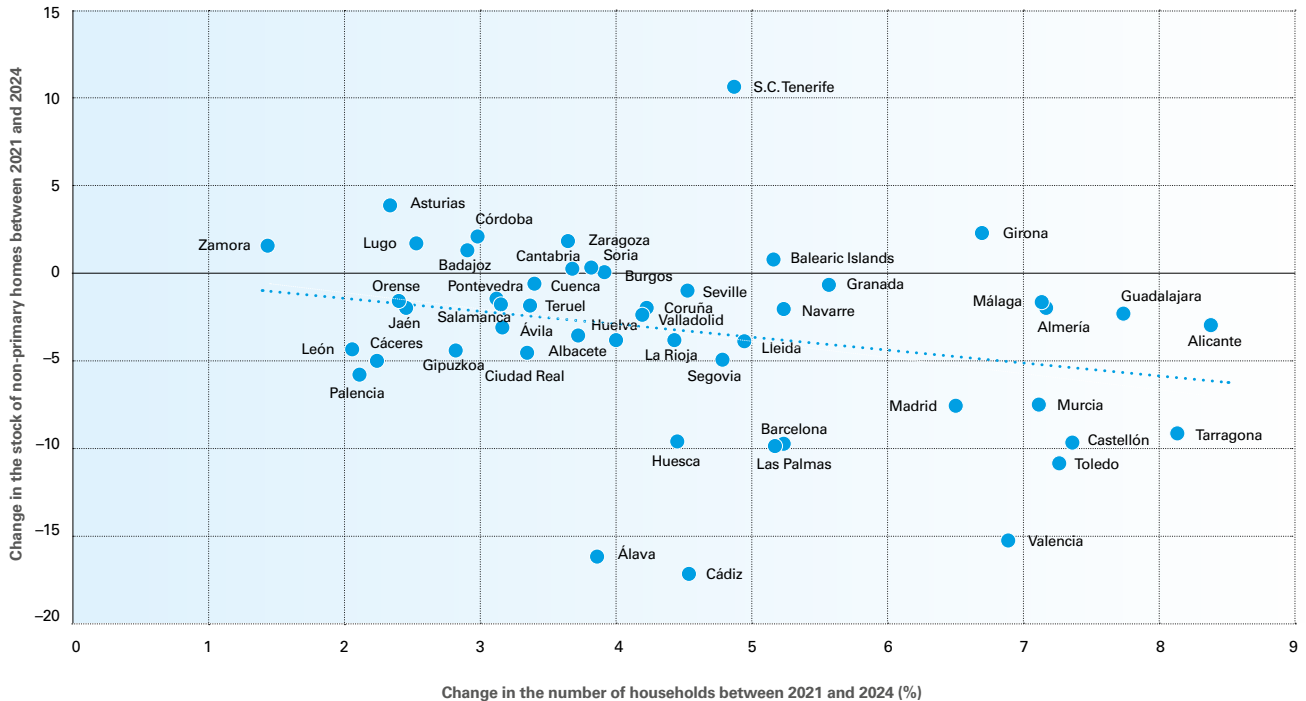
The data by province show that much of the housing deficit accumulated between 2021 and 2024 is highly concentrated: the top four provinces in the ranking account for between 40% and 50% of the deficit, depending on the indicator used, and the top 10, around two thirds. In contrast, the 20 provinces with the lowest deficit account for only 5% of the total (see table on page 17).

It is no surprise that Madrid, Alicante, Barcelona, Valencia and Malaga are the provinces that lead the ranking, as it is urban and touristic areas that have experienced the greatest pressure on demand, while the supply of housing in these locations has failed to match this demand. There is also a negative relationship between net household creation and the change in the number of non-primary homes (see chart below). In other words, it is in the provinces with greater population pressure that we observe a more pronounced trend of transfers from secondary to primary homes, and this also suggests that the pace of construction of new homes in these locations is insufficient. In these provinces, the level of utilisation of the housing stock has increased substantially in recent years. In the future, this lever – converting secondary homes into primary ones – may have less scope to relieve demographic pressures.



## Net household creation and change in the stock of non-primary homes between 2021 and 2024

Correlation = -31.1%



Note: Biscay is excluded because it presents a fall in the stock of non-primary homes of 47.7%.

Source: CaixaBank Research, based on data from the Ministry of Housing and Urban Agenda (MIVAU).

At the other end of the table, we find the provinces associated with Spain's depopulated or «emptied» areas, such as Soria, Palencia, Cáceres, Zamora and Teruel. These provinces are characterised by very small population growth rates. Thus, despite the limited constructive dynamism, the accumulated housing deficit represents just 1%-2% of the housing stock. In any case, it should be noted that even in these provinces a certain housing deficit has accumulated, with only a few exceptions (shaded in green in the table on the following page).





## Accumulated housing deficit between 2021 and 2024 by province

	Housing deficit (1): households - construction permits			Housing deficit (2): households - finished homes			Housing deficit (3): households - finished homes - other uses	
	Number	(% net households created)	(% of primary home stock)	Number	(% net households created)	(% of primary home stock)	Number	(% of primary home stock)
<b>NATIONAL TOTAL</b>	<b>-515,767</b>	<b>-53%</b>	<b>-2.7%</b>	<b>-595,639</b>	<b>-61%</b>	<b>-3.1%</b>	<b>-765,243</b>	<b>-4.0%</b>
Madrid	-91,904	-55%	-3.5%	-86,742	-52%	-3.3%	-87,423	-3.3%
Alicante	-38,921	-62%	-4.9%	-44,729	-71%	-5.7%	-86,021	-10.9%
Barcelona	-65,029	-56%	-2.9%	-77,610	-67%	-3.4%	-72,672	-3.2%
Valencia	-51,901	-73%	-4.6%	-55,108	-78%	-4.9%	-60,410	-5.4%
Malaga	-14,407	-31%	-2.1%	-24,080	-51%	-3.5%	-59,069	-8.6%
Murcia	-26,040	-68%	-4.6%	-29,417	-76%	-5.1%	-38,326	-6.7%
Las Palmas	-14,271	-65%	-3.2%	-16,047	-73%	-3.6%	-27,811	-6.3%
SC Tenerife	-13,083	-68%	-3.4%	-14,411	-74%	-3.7%	-26,393	-6.8%
Tarragona	-22,986	-87%	-6.6%	-22,179	-84%	-6.4%	-24,287	-7.0%
Girona	-12,506	-62%	-4.2%	-15,001	-75%	-5.0%	-21,151	-7.1%
Almería	-11,394	-58%	-4.0%	-15,514	-78%	-5.5%	-20,740	-7.3%
Cádiz	-12,573	-59%	-2.5%	-13,002	-61%	-2.6%	-19,008	-3.7%
Castellón	-13,114	-75%	-5.0%	-14,489	-82%	-5.5%	-18,140	-6.9%
Granada	-13,379	-65%	-3.6%	-14,198	-69%	-3.8%	-18,120	-4.8%
Seville	-2,614	-8%	-0.4%	-14,559	-44%	-2.0%	-17,009	-2.3%
Coruña	-12,738	-67%	-2.7%	-14,043	-73%	-3.0%	-16,380	-3.5%
Balearic Islands	-8,698	-38%	-1.9%	-10,762	-47%	-2.4%	-14,735	-3.3%
Toledo	-12,828	-66%	-4.4%	-13,903	-71%	-4.7%	-14,541	-5.0%
Pontevedra	-4,721	-41%	-1.3%	-7,180	-63%	-1.9%	-10,952	-2.9%
Biscay	-2,937	-18%	-0.6%	-8,239	-50%	-1.6%	-9,141	-1.7%
Cantabria	-4,172	-48%	-1.7%	-5,131	-59%	-2.1%	-8,088	-3.3%
Zaragoza	-6,447	-45%	-1.6%	-6,958	-48%	-1.7%	-7,307	-1.8%
Lleida	-5,900	-70%	-3.4%	-6,102	-73%	-3.5%	-6,472	-3.7%
Asturias	-1,653	-16%	-0.4%	-2,917	-28%	-0.7%	-6,081	-1.4%
Huelva	-5,270	-65%	-2.5%	-4,821	-60%	-2.3%	-6,024	-2.9%
Córdoba	-1,922	-22%	-0.6%	-4,353	-49%	-1.4%	-5,794	-1.9%
Badajoz	-3,910	-51%	-1.5%	-4,775	-62%	-1.8%	-5,070	-1.9%
Navarre	-4,082	-30%	-1.5%	-4,031	-30%	-1.5%	-4,689	-1.8%
Valladolid	566	6%	0.3%	-4,062	-45%	-1.8%	-4,270	-1.9%
Jaén	-3,439	-57%	-1.4%	-3,518	-58%	-1.4%	-4,256	-1.7%
Guadalajara	-2,259	-28%	-2.0%	-3,731	-46%	-3.4%	-3,983	-3.6%
Lugo	-1,820	-52%	-1.3%	-2,582	-74%	-1.9%	-3,812	-2.8%
Albacete	-3,023	-54%	-1.9%	-2,587	-46%	-1.6%	-3,135	-2.0%
Burgos	-1,636	-27%	-1.1%	-2,658	-45%	-1.7%	-3,058	-2.0%
Ciudad Real	-3,479	-54%	-1.7%	-2,706	-42%	-1.3%	-3,027	-1.5%
Salamanca	-2,431	-54%	-1.7%	-2,859	-63%	-1.9%	-2,996	-2.0%
Orense	-1,997	-62%	-1.5%	-2,414	-75%	-1.8%	-2,996	-2.2%
León	-1,668	-41%	-0.8%	-2,299	-57%	-1.1%	-2,884	-1.4%
Huesca	-2,175	-54%	-2.2%	-2,130	-53%	-2.1%	-2,619	-2.6%
Álava	-1,246	-23%	-0.8%	-2,487	-46%	-1.7%	-2,538	-1.7%
La Rioja	-3,228	-55%	-2.3%	-2,240	-38%	-1.6%	-2,492	-1.8%
Gipuzkoa	-1,526	-18%	-0.5%	-1,917	-23%	-0.6%	-2,013	-0.7%
Segovia	-552	-18%	-0.8%	-1,702	-56%	-2.5%	-1,924	-2.8%
Cuenca	-475	-17%	-0.6%	-1,581	-58%	-1.9%	-1,906	-2.3%
Ávila	-1,259	-57%	-1.7%	-1,183	-54%	-1.6%	-1,725	-2.3%
Teruel	-1,036	-56%	-1.8%	-700	-38%	-1.2%	-872	-1.5%
Zamora	131	12%	0.2%	-468	-43%	-0.6%	-649	-0.9%
Cáceres	-699	-19%	-0.4%	-250	-7%	-0.1%	-644	-0.4%
Palencia	-146	-10%	-0.2%	-335	-23%	-0.5%	-440	-0.6%
Soria	-567	-39%	-1.4%	502	35%	1.3%	264	0.7%
<b>Top 4</b>	<b>48.0%</b>			<b>44.4%</b>			<b>40.1%</b>	
<b>Top 10</b>	<b>68.1%</b>			<b>64.7%</b>			<b>65.8%</b>	
<b>Bottom 20</b>	<b>6.0%</b>			<b>6.1%</b>			<b>5.7%</b>	

Note: Provinces ordered by the size of the deficit (3), in number of homes.

Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE) and the Ministry of Housing and Urban Agenda (MIVAU).



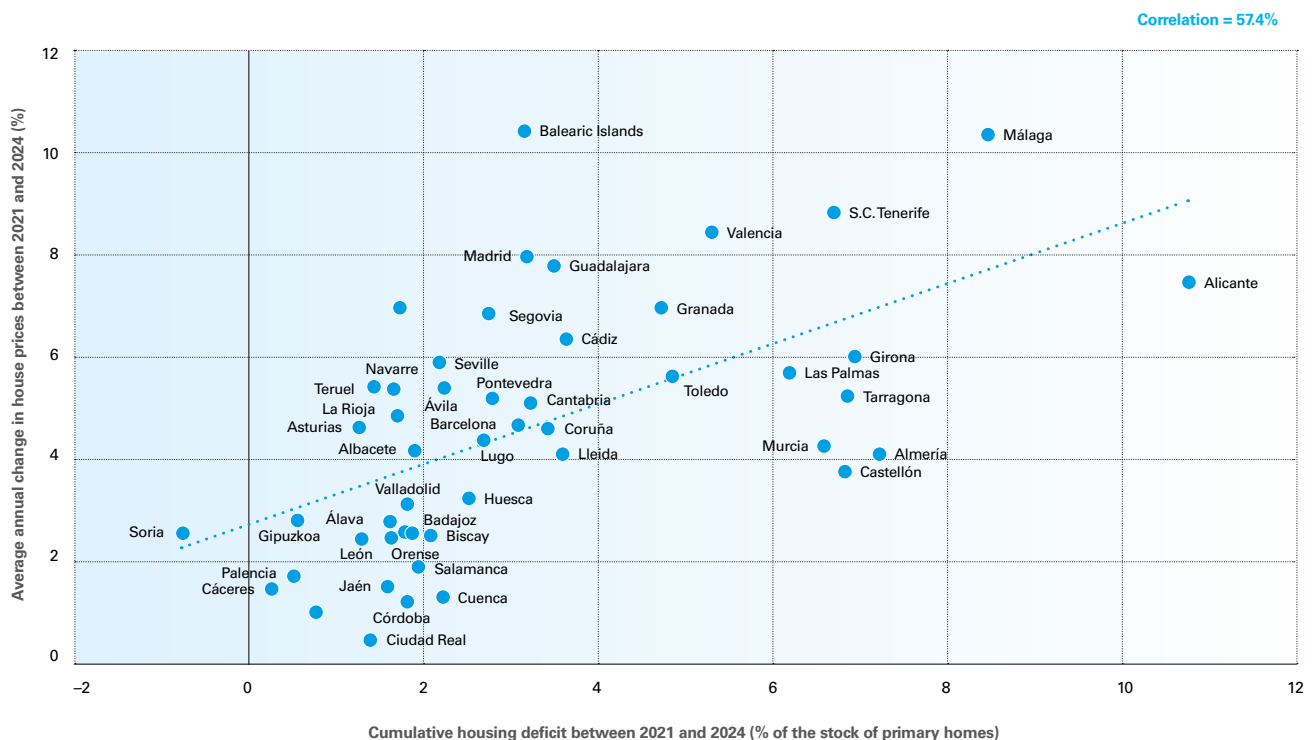
# Real Estate

## The impact of the deficit on house prices

By province, the correlation between the housing deficit and house price growth between 2021 and 2024 is positive with all measures (both in absolute terms and as a percentage of the stock of primary homes). This result suggests that the impact of the accumulated housing deficit on prices is by no means negligible. A simple regression of house prices over the accumulated deficit suggests that for every 1-pp increase in the deficit, prices grow by around 0.6 pps more per year on average. Using this correlation as a benchmark, the total national accumulated housing deficit (765,000 homes, equivalent to 4.0% of the stock of primary homes) would explain 2.3 pps of the annualised price growth of 6.0% registered between 2021 and Q4 2024. That is, the accumulated deficit would explain 39% of the price increase observed in the national total. Put another way, according to this estimate, without the pressures caused by the accumulated housing deficit, house prices across Spain as a whole would have increased by 3.7% per year on average, rather than the 6.0% rate observed.

## The accumulated housing deficit could explain up to 39% of the recent increase in prices

### House prices and cumulative housing deficit between 2021 and 2024



Source: CaixaBank Research, based on data from the Ministry of Housing and Urban Agenda (MIVAU).



In the above chart, we can observe that the provinces with the highest deficit are those that experienced the greatest increase in house prices, such as Alicante, Malaga and Santa Cruz de Tenerife. On the other hand, the case of the Balearic Islands stands out, being the province that experienced the greatest increase in prices (10.4% per year on average), very similar to that registered in Malaga, even though the estimated accumulated deficit is not particularly high (only 3.3% of the stock of primary homes, below the national average). This could be due to the influence of other factors that are driving the price rally in the Balearic Islands (such as the appeal of the luxury segment, among others). In addition, the deficit measure used could be underestimated: for example, those households that have not formed precisely because of the housing affordability issue are not taken into consideration. Such a trend would result in low emancipation rates among young people still living with their parents and difficulties for companies in finding workers who can move to the islands.

In conclusion, this simple exercise merely illustrates how the accumulated housing deficit in recent years could be significantly affecting the evolution of house prices in Spain. Current population projections point to strong housing demand in the coming years, underscoring the need to significantly boost housing construction in order to prevent the current price pressures from escalating.



## Foreign demand

# How has the profile of non-resident foreigners who buy homes in Spain changed?

The demand for housing among non-resident foreign buyers has grown sharply in recent years, especially after the pandemic, consolidating itself as one of the main drivers of Spain's real estate market. This boom is a response to several attractions which Spain has to offer, such as economic stability, the perception of security, good connectivity and a real estate offer that remains competitive. The profile of these buyers and the areas of interest have diversified, with an increase in the variety of nationalities and chosen locations: the influence of the United Kingdom has reduced, Poland is in the top 5 buyer nationalities, interest from the US and Latin America is on the rise, and new centres of interest are emerging in less traditional areas, such as Castellón, Asturias, Huelva and Córdoba.

## The boom in house sales in Spain to non-resident foreign buyers

The demand for housing in Spain among foreigners has grown sharply since the pandemic and, more recently, it has been once again driven by improved financing conditions. According to data on real estate transactions from the Ministry of Housing and Urban Agenda (MIVAU), some 133,000 homes were acquired by foreign buyers in the trailing 12 months to Q1 2025, representing 18.0% of the total. This is 37.9% more transactions than in 2019 and marks a peak in the historical series, which dates back to 2006<sup>12,13</sup>. In comparison, sales to Spaniards are «only» 28.0% above the 2019 level and have not exceeded the peak of 2006-2007, highlighting the key role of foreign demand in the current expansive cycle.

Much of this demand comes from foreigners residing in Spain, a group that has been growing in recent years as a result of the considerable influx of immigrants into our country.<sup>14</sup> Specifically, residents accounted for 56.2% of total sales to foreigners in Q1 2025 (four-quarter cumulative data), representing 10.1% of total sales compared to 9.6% in 2019. This group, generally speaking, tends to acquire a home in Spain for work or educational reasons, among others. In fact, they share a very similar purchasing pattern to that of Spanish residents in key aspects such as location (usually in urban areas), the type of housing acquired (similar average price) and the frequent use of financing to make the purchase.<sup>15</sup>

<sup>12</sup> According to the Association of Property Registrars, sales to foreign buyers accounted for 14.4% of the total, or around 100,000 sales, in the trailing four quarters to Q2 2025. In this article, we use MIVAU and Notary data because they distinguish between resident and non-resident foreigners.

<sup>13</sup> The historical average share of all sales made to foreign buyers is 14.9% in the period 2006-2024.

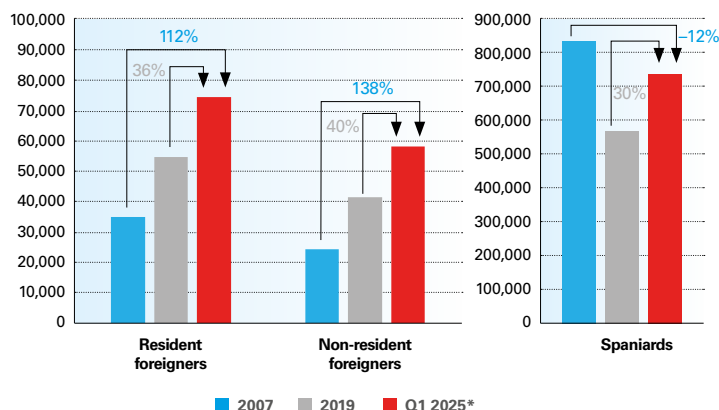
<sup>14</sup> According to data from the Continuous Population Statistics, Spain's population has increased by around 2 million people between Q4 2019 and Q2 2025, 1.8 million of which are foreign nationals.

<sup>15</sup> See «Foreigners' appetite for homes in Spain since the pandemic», available in the *Monthly Report* of January 2025.

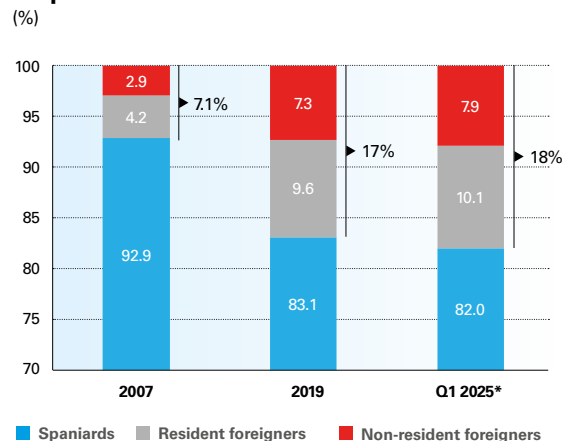


## Home sales according to the buyer's residence and nationality

### Number of sales



### Proportion of all sales (%)



Note: (\*) Four-quarter cumulative data.

Source: CaixaBank Research, based on data from the Ministry of Housing and Urban Agenda (MIVAU).

However, the demand for housing among non-resident foreigners is the category that has increased the most as a proportion of total sales, whether we compare it to before the pandemic (+0.6 pps, going from 7.3% in 2019 to 7.9% in Q1 2025) or relative to the previous expansionary cycle, when this group accounted for just 2.9% of total sales in 2007.

These buyers have a clearly distinct profile from residents. Generally, they acquire homes to spend their holidays in or as investments. They tend to have a higher purchasing capacity, which leads them to prefer touristic locations and mid-high or high-end properties. This trend directly influences demand in certain areas, especially those which appeal to tourists or offer a good potential return. Thus, the average price per square metre of the homes acquired by non-residents was 3,063 euros/m<sup>2</sup> in S2 2024, compared to 1,795 euros/m<sup>2</sup> in the case of resident foreigners and 1,713 €/m<sup>2</sup> for nationals. In addition, the increase in the average price at which non-residents have been buying homes in recent years has been much more pronounced, at 38% since 2019 (see chart below). In part, this trend reflects the fact that Spain has consolidated its position as one of the most attractive destinations for investment in luxury properties in Europe.



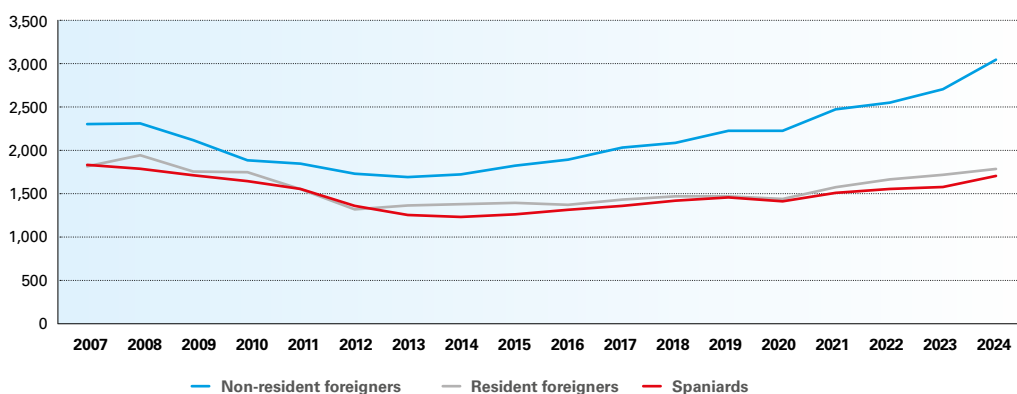


# Real Estate

Next, we will focus on this group, because it is the one that has grown the most in recent years and because of the transformation it has experienced compared to previous decades. This surge in non-resident foreign buyers in Spain's property market can be attributed to a variety of factors, ranging from the current strength of the Spanish economy, the perception of security and geopolitical stability with respect to other destinations and the fact that, despite the recent rally, house prices remain more competitive than in the main foreign buyers' countries of origin.

## Price per square metre of unsubsidised home sales according to the buyer's nationality and residence

Euros/m<sup>2</sup>



Change vs. 2007	Change vs. 2019
33.0%	38.0%
-1.5%	23.2%
-7.3%	18%

Source: CaixaBank Research, based on Notary data.

## The United Kingdom continues to lead, although its influence has reduced, while other nationalities are increasing their presence

Next, we analyse the changes in the nationalities of these buyers, comparing their share of the total in the recent period (average for 2020-2024) with the previous decade (2010-2019). During these two periods in question, sales to non-resident foreigners have increased from an average of 33,000 transactions per year to 48,000 in the more recent period, while their share of total sales has increased from 8.2% to 9.6%.

The United Kingdom remains the main country of origin for non-resident foreign buyers, but its share has declined significantly in the post-pandemic period: it has gone from accounting for 22% of sales transactions in 2010-2019 to around 15% in the more recent period (a fall of 7 pps). This downward trend is largely explained by the impact of Brexit, the depreciation of the pound and the modest performance of the country's economy since the pandemic. In any event, it should be noted that the number of sales to British buyers has remained fairly stable between these two periods, at around 7,400 transactions per year; in fact, the fall in the United Kingdom's share reflects the boom in purchases by other nationalities, as we will see below.



Countries such as Germany, Belgium and the Netherlands have seen their share increase and have established themselves as key actors in the demand for housing among non-resident foreigners. Special mention should be made of German buyers, to whom the number of sales has increased the most in absolute terms, by around 3,300 annually between these two periods, and with just under 7,000 sales they are now catching up on the British. On the other hand, France and Sweden have seen their share of total purchases decline slightly in recent years, although they remain high up in the ranking (in third and sixth positions, respectively, in the period 2020-2024 on average). Moreover, the number of sales to these nationalities has increased between these two periods (an additional 1,000 per year in the case of the French and around 250 for the Swedes).<sup>16</sup>

Poland is the nationality that has increased its share of the total the most between these two periods: going from representing just 0.7% of the total in the decade prior to the pandemic, to 4.7% in 2020-2024. This upward trend has allowed it to climb to fifth position in the ranking in 2024, surpassing Sweden and France.

Although they are not among the main players, it is worth noting the growing interest of buyers from Ukraine, Romania, Ireland and Portugal. This phenomenon reflects a gradual diversification in the profile of foreign buyers, possibly linked to factors such as intra-European mobility, the digitalisation of work and the international perception of high public safety compared to other countries, especially with the war in Ukraine (this factor could explain the upsurge in Eastern European buyers, including Polish citizens).

Outside the European sphere, we also note an increase in interest from US buyers, a phenomenon that seems to go hand in hand with the sharp increase in American tourism since the pandemic.<sup>17</sup> There is also a growing presence of non-resident Latin American buyers, especially from Argentina, Colombia and Venezuela. Although their share of total sales is still modest, the growth is significant: together, they now represent around 1% of the sales of this group, compared to 0.5% in the previous decade.

<sup>16</sup> In 2024, sales to French buyers fell sharply (4,400 compared to 5,400 on average in 2021-2023) and France dropped out of the top 5, overtaken by Poland. On the other hand, sales to Swedes fell significantly in 2023-2024 (around 2,600 versus 4,100 in 2021-2022).

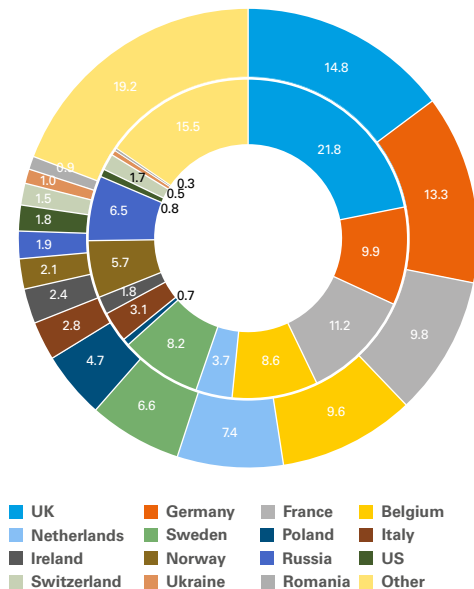
<sup>17</sup> Arrivals of American tourists visiting Spain have skyrocketed in the post-pandemic period, increasing by no less than 1 million tourists, to 4.3 million, between 2019 and 2024. Recently, there has been a marked slowdown in tourism spending from the US, affected by economic uncertainty, the depreciation of the dollar and the country's lower growth. See the article «Uncertainty and US tourism», published in the *Tourism Sector Report S2/2025*.



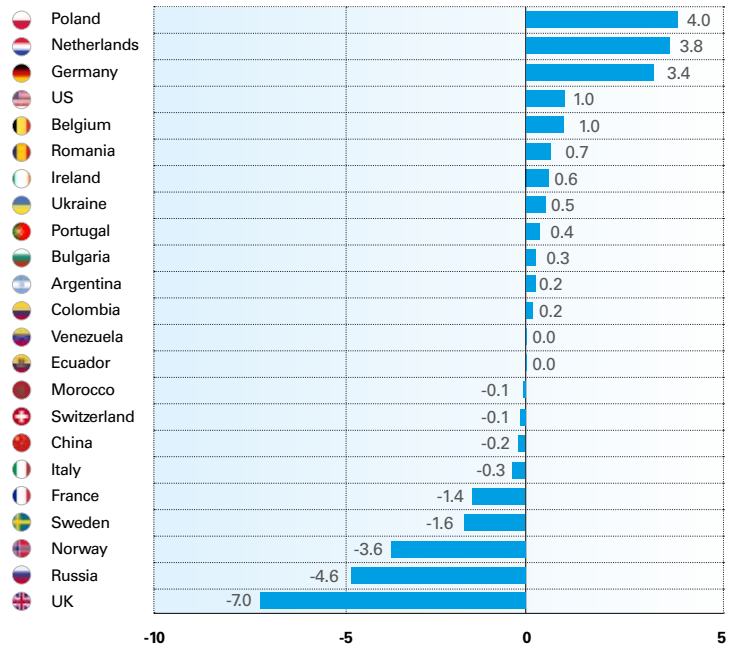
## Main non-resident foreign buyers in the Spanish housing market

### Distribution of sales according to buyer's nationality (% of the total)

The outer ring corresponds to 2020-2024, the inner ring to 2010-2019



### Difference 2020-2024 vs. 2010-2019 (pps)



Source: CaixaBank Research, based on data from the General Council of Notaries.

## Which provinces are the most attractive to non-resident international buyers?

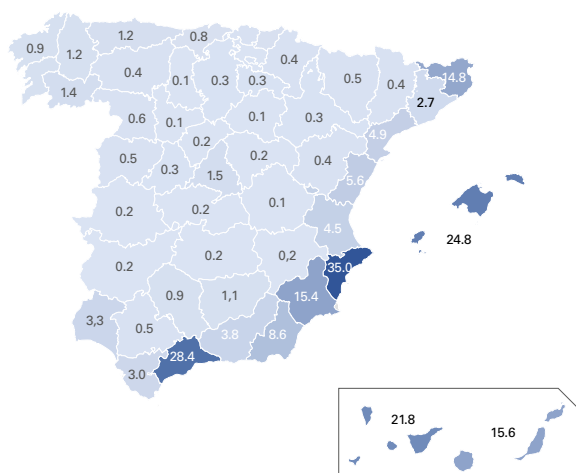
The following maps, based on cumulative four-quarter data to Q1 2025, show: (1) the share of total sales attributable to non-resident foreign buyers in each province and (2) the distribution of the total sales to foreigners by province. It can be seen how the provinces that are most attractive to non-resident foreign buyers are mainly concentrated along the Mediterranean arc and in the island regions. These coastal areas, of marked touristic character, have traditionally been the ones in most demand among this group of buyers, due to their benign climate, their wide range of leisure activities and services, and their good connectivity by air with the main European countries. In addition, factors such as the quality of life, the presence of established international communities and the availability of housing geared towards the international market reinforce its attractiveness as a preferred destination for buying second homes or real estate investments.

The first map shows the relevance of non-resident foreign buyers in some provinces where they represent a significant portion of the total. The most notable are Alicante (35% of all sales in the province), Malaga (28%), the Balearic Islands (25%), Santa Cruz de Tenerife (22%), Las Palmas (15%), Murcia (15%) and Girona (15%).

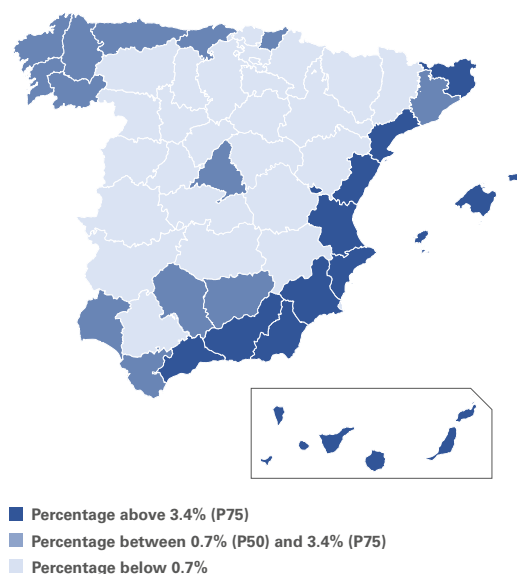
In the second map, which shows the national distribution of sales to non-resident foreigners by province, we can see that the highest percentage of sales is concentrated in the provinces that make up the Mediterranean arc, the islands and some Andalusian provinces (the dark blue colour shows those with a percentage greater than 3.4%, corresponding to the 75th percentile of the distribution). However, the interest of international buyers extends to other areas too. In an intermediate position we find areas such as the north-west of Spain – all the Galician provinces, Asturias, Cantabria and the north of the Basque Country – where, despite not being mass tourist destinations, the role of non-resident foreign buyers exceeds the national average. Madrid, which also holds an intermediate position, deserves a special mention, since despite not being a beach destination, being the capital city its role as a business centre and its extensive range of cultural and leisure activities make it a pole of attraction for international buyers. At the opposite end of the spectrum, the provinces of Spain's interior make up a much smaller share of the total (light blue colours, below 0.7%), probably due to their less touristic tradition and their more limited international connectivity.

## Housing sales to non-resident foreign buyers (Q1 2025)

**Share of sales to non-resident foreign buyers relative to the total sales in each province (%)**



**Distribution of sales to non-resident foreign buyers by province (%)**



**Note:** P50 and P75 indicate the 50<sup>th</sup> and 75<sup>th</sup> percentiles of the distribution, respectively.

**Source:** CaixaBank Research, based on data from the Ministry of Housing and Urban Agenda (MIVAU).





## The growing role of American buyers is key in five regions

The following maps show the top nationality in each autonomous community in home sales involving a non-resident foreign buyer in 2019 and 2024. Firstly, we note how the waning role of British buyers has major regional repercussions: whereas just prior to the pandemic this nationality was the main buyer in four communities (Murcia, Andalusia, Valencia and Asturias), today it only remains the top buyer in Murcia and Andalusia, and its share of total sales has reduced significantly in both cases.

In the case of German buyers, despite having significantly increased the number of transactions and their share of total sales across Spain as a whole, their influence is concentrated in the island regions: in the Balearic Islands and the Canary Islands they account for over half of all purchases by non-resident foreigners, and in the Canary Islands in particular this share has surged (from 21% in 2019 to 55% in 2024). In 2019, however, they were the main buyers in four more regions: Galicia, Cantabria, the Basque Country and Aragon.

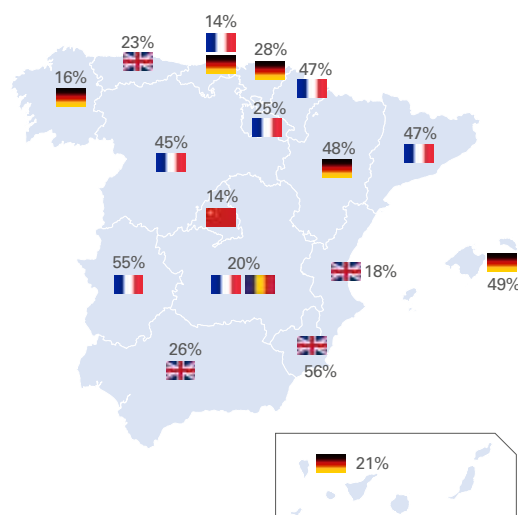
## The presence of French buyers in the country has diversified while American buyers have emerged as a major force

Unlike German buyers, French buyers have reduced their share of total purchases, but they remain the main nationality in five autonomous communities (Catalonia, Cantabria, Castile and León, Aragon and Navarre). That said, in general their share of the total has decline, which once again reveals a greater diversification of the nationalities buying housing in Spain.

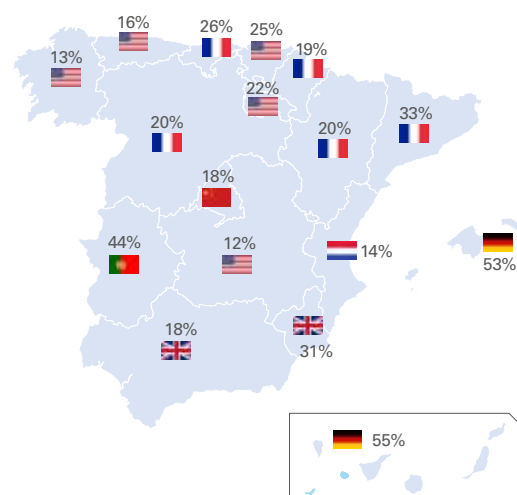
Finally, there is a growing influence of non-resident buyers from the US in Spain's housing market: although in the country as a whole they represent only 2.6% of all sales to this group, they are the top buyers in five Spanish autonomous communities in 2024, whereas at the end of 2019 the US was not the main buyer in any: the Basque Country, La Rioja, Asturias, Galicia and Castilla-La Mancha.

## Share of unsubsidised home sales to non-resident foreign buyers by autonomous community

Data for S2 2019



Data for S2 2024



Source: General Council of Notaries.

### Territorial dynamics of sales to non-residents: Which destinations are gaining or losing appeal?

In order to identify changes in the demand from this type of buyer, we analysed trends in the share of sales made to non-resident foreign buyers between Q4 2019 and Q1 2025 (in both cases, cumulative 12-month data). The charts below show the 10 provinces that have gained the most appeal for this type of buyer in this period and the 10 that have lost the most appeal. This comparison allows us to detect relevant territorial dynamics and anticipate potential trends in international demand.

Broadly speaking, the provinces that have generated the most interest in recent years are locations that have been traditionally attractive to international buyers. Of particular note is Malaga, with 28.4% of all sales in the province, consolidating its position as the second most appealing province for this group of buyers behind only Alicante (35.0%), as well as the one that has gained the most appeal in the post-pandemic period. This growing interest is explained by its powerful appeal for tourism and, more recently, its significant growth as an economic centre: Malaga is positioning itself as a technological hub in southern Europe. In addition, it offers more competitive prices than Madrid or Barcelona and has excellent international connectivity, with direct flights to numerous European cities. Finally, the Balearic Islands, Santa Cruz de Tenerife and Murcia complete the ranking of provinces with increasing interest from non-resident foreign buyers.

**Malaga, the Balearic Islands and Santa Cruz de Tenerife are the provinces that have generated the greatest interest since the pandemic**



# Real Estate

It is also worth mentioning other provinces where non-resident foreign buyers have traditionally played a minor role in the housing market, but which have seen a significant growth in their role in recent years, perhaps reflecting a change of trend in their preferences. Such provinces include Huelva, Orense and Lugo, which, despite not being consolidated tourist destinations, are gaining attraction thanks to factors such as more affordable prices, less saturation and a growing offer of housing geared towards international buyers. Madrid has also emerged as a location that has been generating significant interest since the pandemic.

## Girona, Tarragona, Almeria and Granada are the provinces that have seen the greatest loss of appeal among non-resident foreign buyers

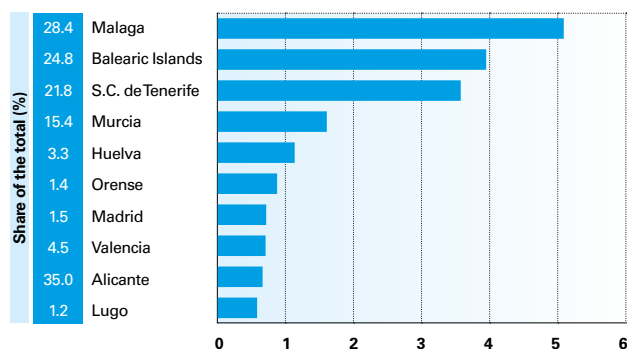
At the other extreme, we note the loss of appeal of some provinces of Catalonia, such as Girona and Tarragona, which have seen a decline in the share of their sales to non-resident foreigners. This decrease is largely due to reduced interest on the part of French buyers, who have traditionally been very present in this area but have begun to diversify their interest in favour of other Spanish provinces.<sup>18</sup> Some Andalusian provinces, such as Almeria and Granada, have also lost relative appeal, possibly to the benefit of other neighbouring provinces that have maintained their appeal or even seen it increase, such as Malaga and Murcia, among others.

<sup>18</sup> According to data from the General Council of Notaries, French citizens accounted for around half of all purchases in Catalonia in 2019, whereas they explained just 33% in 2024.

## New trends in the demand from non-residential foreign buyers by region

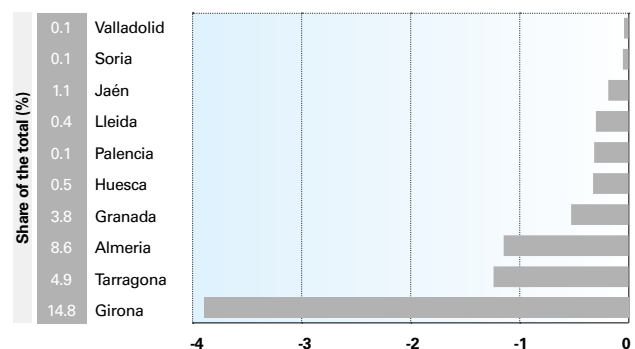
### Provinces that have seen their appeal increase between Q4 2019 and Q1 2025

Change in the share of sales to non-resident foreign buyers relative to the provincial total (pps)



### Provinces that have seen a loss of appeal between Q4 2019 and Q1 2025

Change in the share of sales to non-resident foreign buyers relative to the provincial total (pps)


















































**Note:** The share of the total indicates the percentage of sales to non-resident foreign buyers relative to the total sales in the province in Q1 2025 (four-quarter cumulative data).

**Source:** CaixaBank Research, based on data from the Ministry of Housing and Urban Agenda (MIVAU).

## Indicators and forecasts

Annual change (%), unless expressly indicated

	2000-2007 average	2008-2014 average	2015-2022 average	2023	2024	2025 forecast <sup>1</sup>	2026 forecast <sup>1</sup>	Trend
 <b>Activity indicators:</b>								
Total GDP	3.6	-0.9	1.9	2.7	3.2	2.4	2.0	
GVA in construction	3.6	-8.6	1.3	2.1	2.1	3.0	2.3	
Investment in construction	5.6	-8.7	2.7	3.0	3.5	3.2	3.4	
Investment in housing	7.4	-8.7	5.0	2.1	1.7	2.3	3.1	
Investment in other construction	3.6	-8.6	1.3	2.1	2.1	4.3	3.6	
Construction permits granted (thousands)	642	94	88	109	128	140	150	
Construction permits granted	3.0	-34.2	15.3	0.5	16.7	9.6	7.1	
Works completion certificates (thousands)	482	230	69	88	98	115	135	
Works completion certificates	9.0	-31.2	8.4	-1.7	11.7	17.5	17.4	
Confidence in the construction sector (level) <sup>5</sup>	13.1	-41.7	-14.4	8.7	7.8	14.4	-	
 <b>Labour market</b>								
Total registered workers	3.5	-2.1	2.5	2.7	2.4	2.1	1.7	
Registered workers in construction	6.1	-13.5	3.9	3.8	1.9	2.1	2.8	
Construction of buildings	-	-14.4	5.0	4.1	2.0	3.0	-	
Civil engineering	-	-16.4	1.7	7.3	2.0	2.8	-	
Specialist construction act.	-	-8.9	3.4	3.4	1.8	2.2	-	
Registered workers in real estate act.	10.3	-12.3	5.0	3.8	4.0	4.1	-	
Total people in employment (LFS)	4.3	-2.4	2.1	3.1	2.2	2.0	2.1	
People employed in construction (LFS)	7.0	-13.5	4.0	3.2	4.7	2.6	2.5	
Temporary employment rate in construction (%) <sup>5</sup>	57.6	39.6	38.1	18.0	15.2	15.7	-	
Unemployment rate in construction (%) <sup>5</sup>	7.5	22.8	11.2	7.1	7.2	6.8	-	
 <b>Housing demand</b>								
Sales <sup>2</sup> (thousands)	775	388	486	584	641	720	720	
Sales <sup>2</sup>	-0.1	-8.7	9.3	-10.2	9.9	12.3	0.0	
New homes <sup>2,5</sup>	12.1	-13.4	-0.1	-6.0	22.9	27.1	1.4	
Existing homes <sup>2,5</sup>	-7.8	-5.0	13.0	-11.2	6.9	8.4	-0.4	
Sales to foreign buyers <sup>3</sup>	-	2.0	8.8	-8.5	5.1	14.2	1.7	
Sales to buyers for second homes <sup>4</sup>	-	-10.5	7.0	-7.1	9.7	13.5	1.0	
 <b>Prices</b>								
House prices (MIVAU)	12.3	-4.8	2.2	3.9	5.8	9.6	6.3	
House prices (INE)	0.0	-6.1	4.9	4.0	8.4	10.8	6.3	
New house prices <sup>5</sup>	-	-4.4	6.2	8.0	10.9	10.1	-	
Existing house prices <sup>5</sup>	-	-7.5	4.7	3.2	8.0	5.7	-	
Price of land	18.8	-8.8	1.0	-2.8	9.7	8.7	6.2	
CPI for rent <sup>5</sup>	4.3	1.3	0.7	2.1	2.2	2.4	-	
 <b>Affordability ratios</b>								
Cost of housing (% of gross disposable income)	6.7	7.9	6.9	7.2	7.1	7.3	7.5	
Theoretical effort (% of gross disposable income)	37.8	38.7	30.4	36.9	34.8	33.8	35.5	
Rental yield (%) <sup>5</sup>	4.5	3.5	4.0	3.4	3.3	3.2	-	
 <b>Financing<sup>5</sup></b>								
Number of mortgages	2.9	-22.7	9.8	-17.9	11.6	24.9	-	
Outstanding balance of home loans	17.9	-1.0	-1.9	-3.2	0.3	1.7	-	
New home loans	17.7	-26.7	13.7	-18.6	19.4	28.8	-	
Outstanding balance of developer and construction loans	32.7	-11.6	-9.5	-6.1	1.9	3.4	-	
Home loan default rate (%)	0.5	3.5	4.0	2.5	2.5	2.3	-	
Developer and construction loan default rate (%)	0.5	20.2	14.7	4.0	3.3	3.0	-	

**Notes:** 1. Forecasts as of 01 September 2025. 2. The 2000-2007 average for home sales corresponds to the period 2004-2007 and the data are obtained from the Ministry of Housing and Urban Agenda (MIVAU). From 2007 onwards, sales data obtained from the Spanish National Statistics Institute (INE). 3. Sales to foreign buyers according to the Ministry of Housing and Urban Agenda (MIVAU). 4. Purchases of second homes are estimated on the basis of purchases made in a province that differs from the buyer's province of residence. 5. The «2025 forecast» column corresponds to the cumulative amounts up until the latest available data in 2025.

**Source:** CaixaBank Research, based on data from the Spanish National Statistics Institute (INE), the Ministry of Housing and Urban Agenda (MIVAU), the Ministry of Employment and Social Security and the Bank of Spain.

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