

Marbella Property

MARKET REPORT 2022

By Christopher Clover

PANORAMA

MARBELLA'S LONGEST ESTABLISHED REAL ESTATE AGENCY

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HISTORIC MARKET ACTIVITY

Marbella and its adjacent municipalities reached historic sales peaks in the high-end market in 2021 and this trend has continued unabated into 2022, increasing by the month.

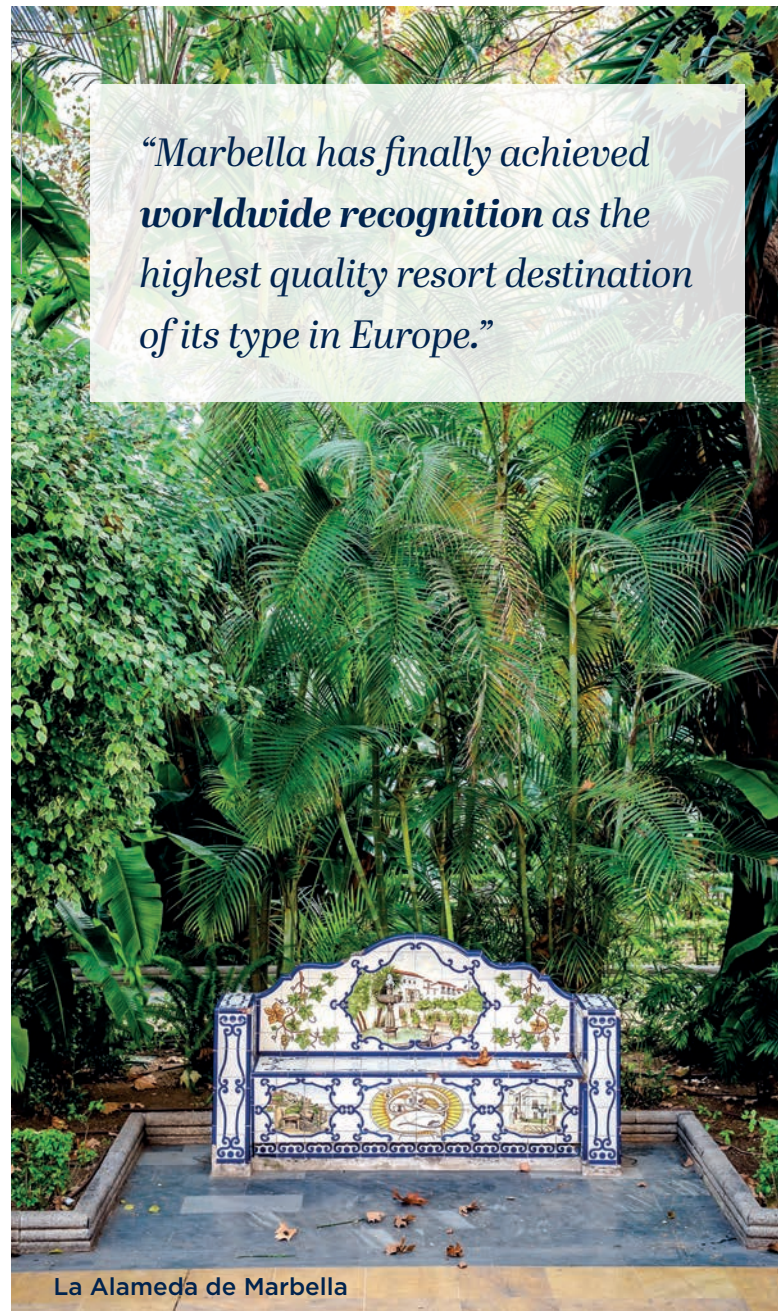
We have even seen bidding wars for some properties, something seldom seen before in Marbella, and unusual in any luxury, second home real estate market.

The Covid pandemic and lockdowns have brought about a new urgency to where and how people want to live on a global basis.¹ But the historic level of activity in Marbella since the end of the lockdown is especially significant, and one of many signs that Marbella has finally achieved worldwide recognition as the highest quality resort destination of its type in Europe.

THE MOST PRESTIGIOUS AND EXCLUSIVE DESTINATION IN EUROPE

Ever since Marbella rose to fame in the mid-fifties and sixties as the southern California of Europe and a favourite destination of the jet set, Marbella has increased in popularity decade after decade.

Thanks to the mildest winter weather in Europe, the avoidance of high rise and high density construction (which ruined many of Spain's other coastlines), the quality of its infrastructure and local governance, its high standard of international schools, shops, restaurants and sporting facilities, including 52 golf courses just in the province of Málaga,



“Marbella has finally achieved worldwide recognition as the highest quality resort destination of its type in Europe.”

La Alameda de Marbella

1. The Economist: [“How the pandemic has changed American homebuyers’ preferences”](#), 30 April 2022



Yacht entering Puerto Banús harbour

the Marbella area has reached a whole new level of recognition since its beginnings as a luxury real estate destination. It has finally become a household name in Europe and an international symbol of quality development and quality lifestyle.

In evidence of this, Marbella won the coveted award of *European Best Destination 2022* for being the most prestigious and exclusive destination in Europe, along with the second prize for the Best Overall Destination, beating the likes of Monte Carlo, Gstaad, Capri and Madeira.²

MARBELLA'S "LOW SEASON" HAS CEASED TO EXIST

Since 1995 when Marbella achieved a *low season* population, including tourists and part-time residents, of around 150,000 – enough people to keep the hotels, shops, restaurants, night life, sporting events, social events and other activities operative in the low season – Marbella has enjoyed a true 12-month “open for business” season unlike any other resort city on the Mediterranean. Within that 12-month season, there were the high, shoulder and low seasons. However, in the winter of 2021-2022, the unprecedented activity made it apparent that the *low season* in the Marbella area never came, and the strong “shoulder seasons” of autumn and spring merged into one. This has always been the full *potential* of Marbella and one of the principal reasons our agency opened its first office here in 1970.

Never has there been more winter-month

“The low season in the Marbella area has now ceased to exist. This has always been the full potential of Marbella, and the reason we opened our agency here in 1970.”

activity in Marbella, with so many quality tourists visiting the area, including those non-residents who come to spend time in their own homes (a phenomenon referred to internationally as *residential tourism*, of which Marbella is a pioneer).

Four and five-star hotels, real estate agents, lawyers, notaries, architects, decorators, builders and most service industries are reporting *the highest level of activity they have ever witnessed*, continuing into 2022 from an already historic level of activity in 2021. Since the end of the lockdown in 2021, and despite the post-pandemic and later global economic and political issues, occupancy and room rates in the best hotels in Marbella soared to the highest levels ever, further evidencing this historic surge in activity.³

Another sign of the incredible level of activity is the announcement on July 6, 2022 that there have been more than 2,000 additional companies (including newly-established autonomous workers) created in Marbella since 2019, the highest figure of any non-capital city in Spain, and the sixth city in

2. [European Best Destinations: “Discover the 10 most prestigious destinations in Europe”](#)

3. [101Tv Málaga: “La ocupación hotelera en Marbella obtiene los mejores datos de su historia”](#)

Comparing year-on-year sales, Marbella, Estepona and Benahavís have seen sales as follows:

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Benahavís	650	633	438	559	422	311	593	533	711	733	624	499	625	643	457	859
Estepona	1,788	2,581	1,721	1,086	1,154	1,248	1,490	1,673	2,113	2,044	2,114	2,673	2,476	2,324	2,515	3,137
Marbella	4,432	3,568	2,116	2,199	2,389	2,259	2,519	3,115	3,997	4,390	3,998	4,275	4,068	3,676	2,560	4,628
Total	6,870	6,782	4,275	3,844	3,965	3,818	4,602	5,321	6,821	7,167	6,736	7,447	7,169	6,643	5,532	8,624



Source: Spanish Ministry of Public Works
www.fomento.gob.es

Please note that these statistics only show the number of properties sold each year, as per the title deeds issued at the notaries, and don't reflect the sales of properties that are under construction or off-plan.

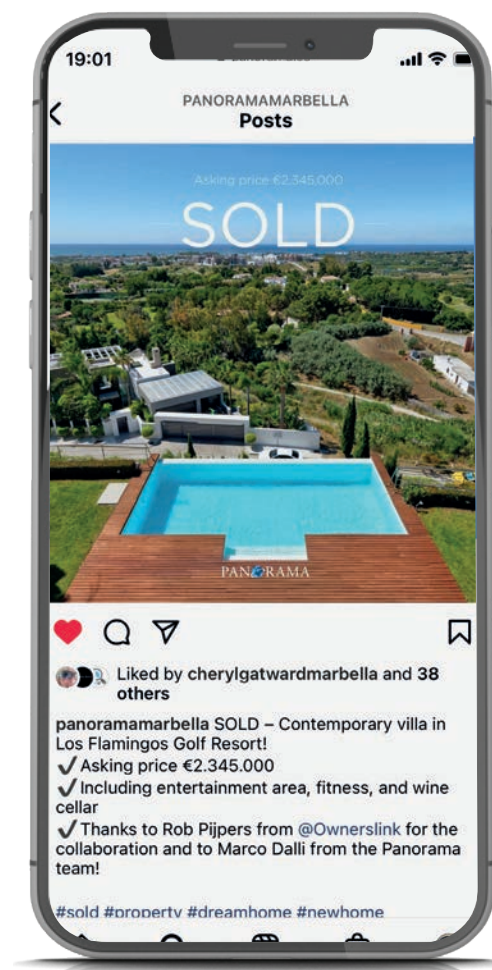
new company formations in the whole country. Add to this, that Marbella has the lowest unemployment figure in all of Andalucía, as well as the number of opening licenses granted to businesses in 2020 and 2021 amounting to 1,100, with 541 granted so far through June, 2022.⁴

SALES STATISTICS

Above is a table of property sales made in 2021 in the three municipalities comprising the “Golden Triangle” of Marbella-Estepona-Benahavís, which is for all practical purposes, one market area. These statistics show all sales, not just those in the luxury end of the market, since the statistics published in Spain unfortunately do not differentiate between sales made in distinct price categories.

In 2021, only 16 municipalities had sales volumes greater than those during the boom year of 2007, Marbella being one of them, only behind Madrid and Valencia.⁵

The market demand in 2021 represents an incredible increase of 30.15% of sales over the pre-pandemic year of 2019. It should be noted however that the sales figures in the Marbella area even in the pandemic year of 2020 were nonetheless surprisingly strong. The pandemic in fact convinced a large percentage of buyers,



4. SUR: “Marbella encara el verano con 2.000 empresas más que en junio de 2019”, 6 July, 2022

5. Business Insider: “Barcelona, Móstoles, Valencia o Marbella: el mapa de las ciudades españolas donde ya se venden más viviendas que en plena burbuja de 2007”, 17 Feb 2022

some of whom had been waiting for years to purchase a property in Marbella, that the time had finally come to fulfil their dream and start enjoying the incredible lifestyle that this beautiful part of the world has to offer.

FIRST HALF OF 2022 SHOWS RECORD BREAKING PROPERTY SALES

2021 already showed historic sales peaks in Marbella and its neighbouring municipalities, but the first semester of 2022 numbers are staggering evidence of the unprecedented, record-breaking surge in sales in this area compared with the first half of prior years

In the graph below we can see the statistics for the first semester 2022 compared to prior years, which gives indisputable hard evidence

“The market demand in the first semester of 2022 represents an incredible increase of 73% of sales over the same period in 2021.”

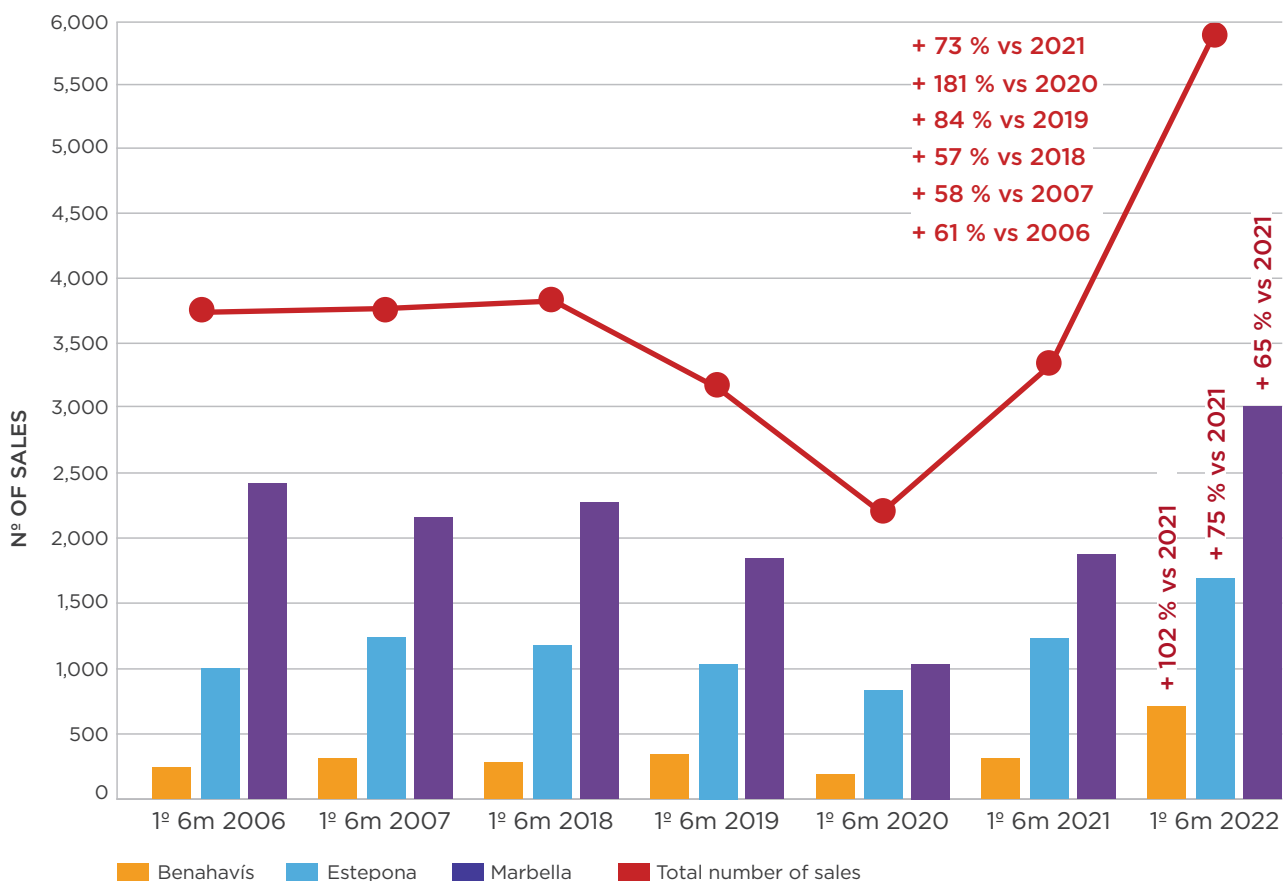
of the positive evolution and popularity of the greater Marbella area.

BILLIONS OF EUROS INVESTED INTO THE MARBELLA AREA

In 2012 the Marbella property market began to recover from the 2008 crisis with a surge of purchases due to a serious pent-up

Note the pre-recession years of 2006 and 2007 have also been included to compare with the first semester of 2022.

NUMBER OF SALES IN THE FIRST SEMESTER OF 2022 COMPARED TO PRIOR YEARS



demand, which had built up over the prior five years of recession. This demand was led not only by normal end-users but also by all types of investors and property developers, from the individual developer refurbishing or building one home, to those building groups of five or ten villas or larger developments including apartment projects, to major international funds building entire gated communities who for the first time started to invest heavily in the area.

Consequently, the Marbella area has seen thousands of new homes being built with investments of billions of Euros. Additionally, refurbishment and modernization of older properties has taken place in all of the different neighbourhoods in the area.

Many of these investors who placed their confidence in the future of the Marbella area have designed, built and sold amongst the highest quality properties of their type *anywhere in the world*. The key word now is *quality*, and never before has Marbella seen such a wide variety of homes that are being built with world-class design, technology and qualities of finishes.

AN EXPLOSION OF SALES OVER €4,000,000

It is in great part due to property developers' confidence in producing world-class homes that the market for properties over €4,000,000 has exploded since the pre-pandemic years. We estimated that in 2018 there were at least 65 properties sold at or above this price, growing to over 120 from mid-2020 to mid-2021. However, in the last year this figure increased further to reach in the area of 150 properties sold at or above this price category. Sales of properties over €4,000,000 are now commonplace, including many sales over €10,000,000. This is one more indication of the strength of the market

“A stark decrease in luxury housing inventory coupled with the increasing buyer demand is driving prices of luxury real estate upwards everywhere.”

and the appeal of this special area of Europe to the most affluent buyers.

PRICES ARE RISING

With inflation the highest it has been in decades almost everywhere in the Western world, a drastic increase in direct construction costs calculated at 23,5% in 2021⁶, and a demand for properties clearly in excess of supply, **it is inevitable that property prices have risen, and will continue to rise in the near future.**

While demand has risen significantly across the board, it has risen much more so in the luxury segment of the market, and this phenomenon is not just exclusive to the Marbella area or Spain, but is happening all over the world.⁷ A stark decrease in luxury housing inventory coupled with increasing buyer demand for this sophisticated type of property is driving prices of luxury real estate upwards everywhere⁸ and causing a historic increase in the sale of properties that are off-plan or under construction.

Fortunately, as the supply of resale properties becomes more limited, there are new projects coming on the market all the time: the Marbella Town Hall reports that building licenses for more than 1,000 properties were granted in the course of 2021.⁹

6. ACR: [“Los costes directos de construcción repuntan un 23,5% en 2021 y baten máximos históricos”](#)

7. Mansion Global: [“U.S. Home Prices Continue to Rise Even Amid Increasing Inventory”](#), 16 June, 2022

8. Forbes: [“Luxury Trends in 2021 International Real Estate Report”](#), December 16, 2021

9. Excmo. Ayuntamiento de Marbella: [“La inversión urbanística se duplicó en Marbella en el último año hasta alcanzar los 324 millones de euros con proyectos para más de un millar de viviendas”](#), 12 Jan 2022



One of the more than 250 new projects on the Costa del Sol

As mentioned in last year's market report, many projects were put on hold in 2020 at the height of the pandemic lockdowns. Most of these have resumed development, and now **between 250 and 270 major projects are planned for development along the Costa del Sol over the next few years.**¹⁰

These new projects, coupled with the many smaller projects about to receive building licenses, will no doubt help keep a supply of new properties going, necessary for the increasing demand, even though we expect the market demand to continue in excess of supply in the near future.

The real estate portal *Idealista* has estimated the increase in average *asking prices* in Marbella from May 2021 to May 2022 to be 15.8%, with an average asking price throughout the municipality of €3,658/m² (compared with €2,604/m² for the whole province of Málaga). As always, *intrinsic*

market mechanisms and the law of supply and demand will control how much prices can rise in the future. Up until now, however, with the demand at mid-year continuing unabated, buyers are clearly finding prices reasonable compared with other luxury destinations.

In the charts on the following pages we have included a few typical examples of sales made in different residential areas in Marbella. The tables cover the first six months of 2022 and indicate *real sales selling prices per square metre*, with most of the sales having been made by Panorama.

WHO IS BUYING?

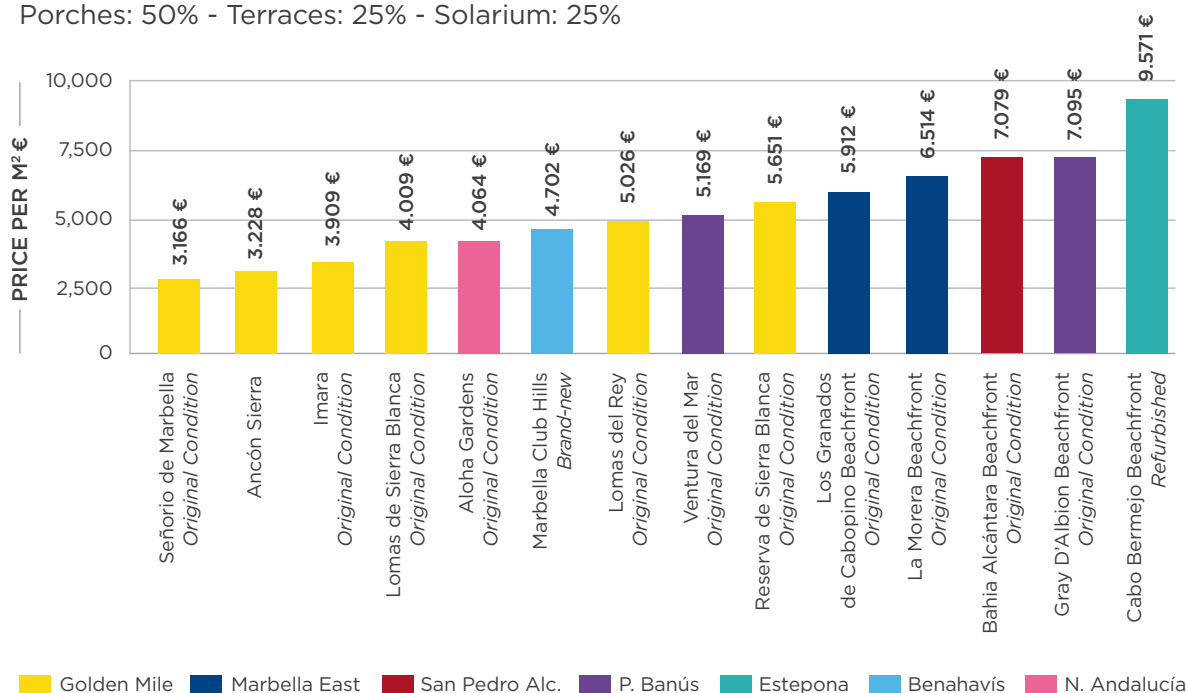
It is well known that the buyers of high-end luxury properties in the Marbella area (which we define as properties with prices starting at €1,000,000) are 85% to 90% foreign buyers, which is precisely what has given the Marbella market so much strength for so many years compared to the national market.

10. [Cinco Días: "Las promotoras confían en la apertura de fronteras para revivir el negocio en la Costa del Sol", 6 May, 2021](#)

SQUARE METRE PRICES OF REAL SALES ACHIEVED IN THE FIRST SIX MONTHS OF 2022

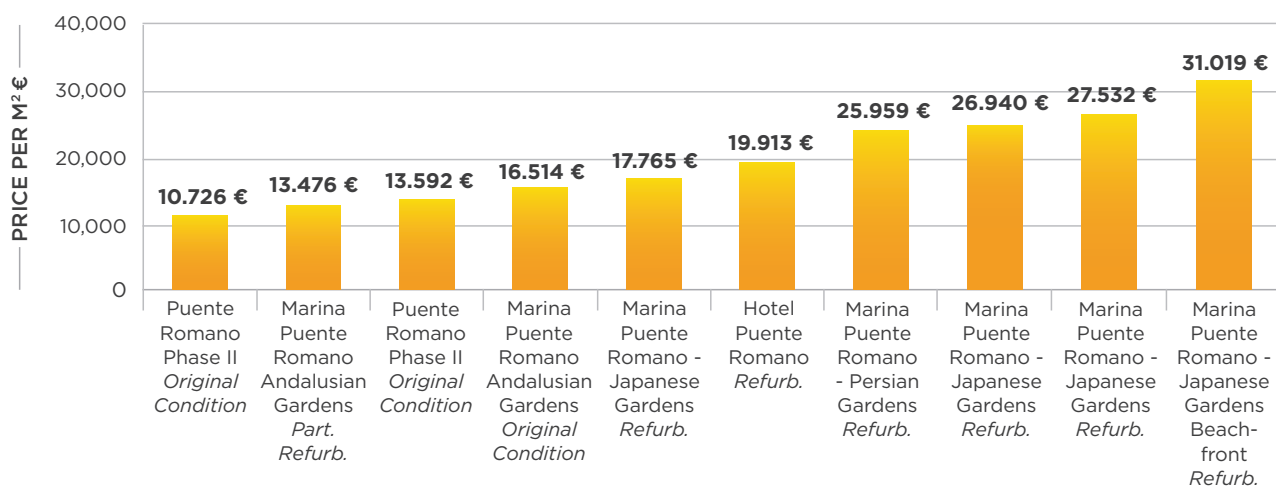
A SAMPLE OF APARTMENTS SOLD IN DIFFERENT RESIDENTIAL AREAS IN 2022

Porches: 50% - Terraces: 25% - Solarium: 25%



A SAMPLE OF APARTMENTS SOLD IN PUENTE ROMANO, GOLDEN MILE IN 2022

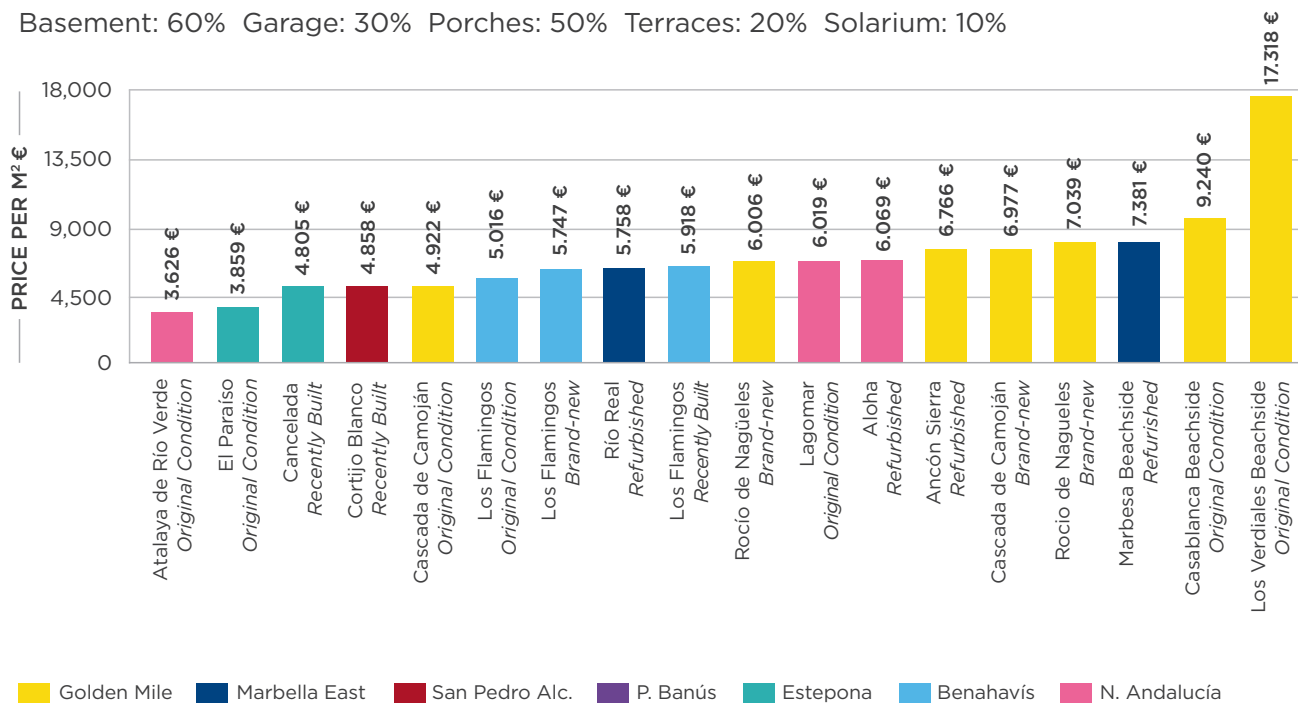
Porches: 50% - Terraces: 25% - Solarium: 25%



SQUARE METRE PRICES OF REAL SALES ACHIEVED IN THE FIRST SIX MONTHS OF 2022

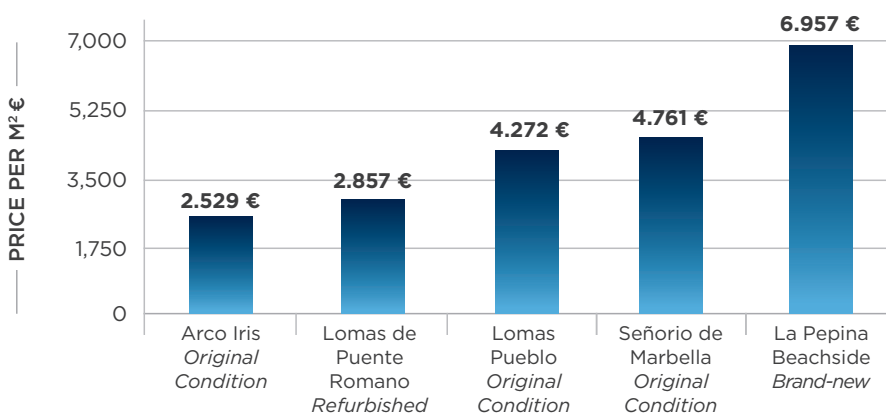
A SAMPLE OF VILLAS SOLD IN DIFFERENT RESIDENTIAL AREAS IN 2022

Basement: 60% Garage: 30% Porches: 50% Terraces: 20% Solarium: 10%



A SAMPLE OF TOWNHOUSES SOLD IN DIFFERENT RESIDENTIAL AREAS IN 2022

Basement: 60% Garage: 30% Porches: 50% Terraces: 20% Solarium: 10%





In the Málaga province, the top three foreign nationalities of property buyers in 2021 were¹¹:

- **British 16%,**
- **Swedish 14%**
- **Belgian 9%.**

It is safe to assume that these statistics will also be largely applicable to the Marbella area. Unfortunately, more detailed figures are not available but, as per statistics for the nationalities of foreign buyers throughout the autonomous region of Andalucía for 2021, it is likely that these will be followed by the French, Dutch and Germans, in that order.

A noteworthy statistical data point is the surge in the Swedish market which has gradually been increasing its market share over the last several years. Last year also saw

the emergence of the Polish market as well as buyers from Eastern Europe and the Middle East, despite the restrictions of movement, many looking to purchase a home as a means to obtain the “Golden Visa”. Of course, purchases by Spaniards are ever-present, and represent the very foundations of the overall Marbella area property market.

Since mid-2021 there has also been a marked increase of US citizens purchasing property in our area, exemplary of the spread of the fame of modern-day Marbella throughout the world.

Despite Brexit, and against all odds, the British still remain by far the largest segment of foreign buyers in Spain as they have been for decades, ever since Margaret Thatcher lifted the UK exchange controls (the infamous “Dollar Premium”), in 1979.¹² Rightmove, a leading UK portal, reports an increase of 36% for purchase enquiries for properties in Spain in April 2022 compared to April of the year before.¹³

Today's Typical Buyer Profile

Higher-end new builds are catering to a demand for contemporary architecture and interior design with international quality brands in kitchens, bathrooms, home cinemas, and featuring state-of-the-art technology. We are also seeing a higher demand for more sustainable, eco-friendly homes and the desire for architecture that connects owners more closely with nature.

Beautifully furnished and immaculately decorated homes, ready to move into, are in great demand.

Today's typical buyers are also younger and trendier, many with a background in web technology, or with experience in successfully selling or going public with their startups.

11. [Estadística Registral Inmobiliaria anuario 2021](#)

12. [Brainsre.news: “Foreigner House Purchases Soar, Led by the Brits” 20 April, 2022](#)

13. [The Times: “British reign in Spain for holiday properties” June 9, 2022](#)



“Today’s typical buyers are younger and trendier, many with a background in web technology”

What are buyers looking for architecturally?

- There is interest in properties across the full spectrum of styles, from the typical *pueblo*-style townhouse, to classic contemporary designs, to ultra-modern designs, with these last types of properties being especially popular with Scandinavian purchasers.
- A lot of people like the modern return of the Ibiza-style property: cubic with a flat roof, featuring modular construction with some earthy elements, a modern variant of those homes Panorama sold in the late 60s and early 70s when we had a presence in Ibiza and organised inspection flights to the Balearic Islands in addition to the Marbella area.
- There is also a growing demand for designs that integrate greenery, light and water into the home which is thought to positively affect people’s quality of life. This new trend in architecture and design sees

the use of living green walls, water features and the use of natural materials throughout the home.

- Andalusian architecture that brings to mind gentle arches, sloped roofs, interior courtyards and countryside surroundings - there is some fantastic traditional architecture that still enjoys a minor but enthusiastic following in the market.

RENTALS MARKET IS ALSO BOOMING

Rentals professionals in Marbella all agree on one thing: there is a real shortage of quality long-term properties available on the market due to a combination of factors.

Whereas one could rent a new, modern, luxurious two-bedroom apartment five years ago in the prime areas of Marbella for around €2,000 per month, prices for the same type of property can now reach up to €3,500 per month, and more. Today, renting a nice



“Rentals professionals in Marbella all agree on one thing: there is a real shortage of quality long-term properties.”

four-bedroom villa in the best areas can cost around €10,000 per month, whereas just a year ago a similar property could be found for about €6,000 per month.

- Some owners prefer renting their properties short-term because of the good rental return in the summer, and because it also allows them to use their second home during the rest of the year. Additionally, the Spanish Urban Rental Law (LAU), despite some improvements, is still slow and ineffective in the eviction of the non-paying long-term tenant, which discourages many owners from renting long-term. This has, in turn, created tougher conditions for potential tenants, with many owners now demanding upfront payment for the totality of the property rental or significant bank guarantees, placing these properties out of the reach of many.
- As a rule of thumb, high-season rental income per week is more or less equivalent to long-term rental income per month, sometimes even higher, depending on the desirability and demand for the neighbourhood or development, and noticeably higher than previous years in

sought-after locations. Rental demand for *crème de la crème* villas is particularly strong and we are now seeing short-term rentals of this type of property at €40,000 per week, or more.

- Demand for long-term rentals is still very strong. Families from all over Europe and beyond are making life-changing decisions to move to this area of Spain, just to rent or to rent with a view to eventually buying. They can now in most cases work remotely while sending their children to any of the excellent international schools in the Marbella area. These factors have pushed prices up and are exhausting the supply of good properties available for long-term rent like never before.
- The property portal *Idealista* notes a sharp increase in the price of long-term rentals in Marbella, up by 21% in May 2022 compared to the previous year, with prices ranging from €13,4/m² to €15,8/m² in different residential areas on the Golden Mile.¹⁴
- According to a recent report by the national property valuation company Tecnitasa, Marbella takes third place in the “Top 5” of the Spanish cities with the highest residential

¹⁴. [Idealista: “Evolución del precio de la vivienda en alquiler en Nagüeles-Milla de Oro”, June, 2022](#)

“Marbella is viewed as a safe haven for purchasing property in uncertain times, not just due to its unique qualities but also to its physical location.”



long-term rental prices, with a price of €22/m²/month.¹⁵

- In our own experience the average long-term rental price is about €10-15/m² in non-prime residential areas, €20-25m² in prime residential areas and up to €35/m² in ultra-prime areas.

THE WAR IN UKRAINE: HOW HAS IT AFFECTED THE MARBELLA MARKET?

Russian buyers have historically not represented a significant share of the property market in the Marbella area, and in 2021 less than 2.1% of the foreigners buying in Spain.¹⁶ Locally, it has been roughly double that figure. Typical Russian buyers have been businessmen wanting a nice part-time home for their family's use, similar to so many others in Western Europe and from around the world. With restrictions on transferring money and obstacles to opening bank accounts due to the current

sanctions affecting many Russians, it is clear that the ability for them to purchase in this area is severely limited until those sanctions are lifted.

The great value of a multi-source, international property market such as that of Marbella, is that when one market drops, another steps up to take its place. There has been a surge of enquiries and sales made in the last several months to people from countries bordering Russia or Ukraine, especially Poland, Lithuania, Latvia, Estonia, and Romania.

The conclusion? Despite the tremendous economic turmoil generated by the conflict, Marbella is viewed as a *safe haven* for purchasing property in uncertain times, not just due to its unique qualities but also to its *physical location*: at the very southern tip of Europe, in a peaceful and secure area far from the big cities and many of the other problems in Europe.

As an international community with over 30% of its approximately 150,000 registered residents coming from other countries around the world¹⁷, (a number to which a significant, unregistered, “floating” population of tourists and part-time residents can be added), Marbella has proven itself time and time again over many decades to be one of the few outstanding successes of multiculturalism.

In our opinion, and that of all of the leading agencies in Marbella specializing in the luxury end of the market, the demand for Marbella properties has in fact *increased* since the Russia-Ukraine conflict took hold, and this is proven by the sales statistics so far in 2022.

15. SUR: “Marbella, al tercer puesto en el ‘Top 5’...”, 14 March 2019

16. CincoDías: “El 2% de las compras de vivienda de extranjeros en 2021 fue de ciudadanos rusos”, 6 March 2022

17. SUR in English: “Pandemic slows population growth in Marbella”, 7 Jan 2022

LOWER TAXES IN ANDALUCÍA

As in most countries, the regional governments of Spain have the responsibility of applying certain taxes (such as Property Transfer Tax, stamp duty, inheritance taxes and others) and the national government, others (such as VAT). With the overwhelming victory of the centrist *Partido Popular* in the elections on June 19, 2022, winning absolute majority with a generous margin, the autonomous region of Andalucía is assured to remain one of the two most tax-friendly regions in Spain, together with Madrid. This is outstandingly good news for buyers, with journalists indicating a general “euphoria” amongst large and institutional real estate investors.¹⁸

Other accomplishments achieved or under study by the current regional government include:

- **The virtual elimination of the Inheritance and Gift Tax**, effective on 11 April 2019 with respect to spouses, children, grandchildren and parents. The tax was reduced by 99% for these groups, and now simply serves as a “control” tax. Further reductions were made to additional groups in early 2022.
- In April 2021 the **Property Transfer Tax** was lowered by up to 3% until the end of 2021, to a flat 7% and the stamp duty was lowered from 1.5% to 1.2%. This was a temporary measure designed to offset the negative repercussions of Covid-19 in the property market and help foster and kickstart property transactions. In October 2021 these lower tax rates were extended indefinitely to 2022 and beyond, giving an amazing incentive for buyers which was, in part, manifested by the market upturn in 2022.

“Marbella’s international community has proven itself over many decades to be one of the few outstanding successes of multiculturalism.”

- **The much loathed Wealth Tax has finally been eliminated.** Further to the Regional Government’s efforts to reduce taxes across the board, the president of the Junta, Juanma Moreno announced on September 19th, the elimination of this tax in Andalucía, which makes Andalucía one of only two autonomous regions in Spain with the lowest taxes and represents one of the most positive steps possible to encourage families to buy in the region. The Wealth Tax was discouraging many individuals and families, both Spanish and foreigners, from buying properties and settling down permanently in Andalucía, and the scrapping of this tax will *provide an immediate, important further increase in property sales in the luxury category of properties, especially with respect to the more expensive properties where the Wealth Tax could range up to several hundred thousand euros every year.*¹⁹
- There have been **numerous tax reductions** at the beginning of 2022, including many taxes affecting young people, and a reduction of Income Tax corresponding to Andalucía, positively affecting all tax residents with high incomes.²⁰

18. Cotizalia: “Euforia inversora en el inmobiliario por la mayoría absoluta de Moreno en Andalucía”, 21 June 2022

19. “Wealth tax in Andalucía to be scrapped from Wednesday this week” SurinEnglish.com 19 September, 2022

20. Garrigues: “Andalucía reduce la tributación autonómica del IRPF y el Impuesto sobre Sucesiones y Donaciones” 26 Oct, 2021



Aerial view of the world famous Puerto Banús marina

- The regional government has announced its **strong opposition to rent controls** such as those currently in force in Barcelona.
- On 23rd December 2021, new regional legislation known as “**LISTA**” came into effect. The legislation **modernises and simplifies planning permissions and land use**, shortening the time for municipalities to make new general plans. This is the most significant legislation affecting real estate development in Andalucía that has ever been passed.

While the regional government is not making Andalucía a tax haven – far from it – the new tax reductions already made and those on the drawing board give, and will give, tremendous benefits to all foreigners living here, whether it’s for all or just part of the year, when compared to almost all other autonomous regions in Spain.

LOCAL AND REGIONAL GOVERNMENT INVESTMENT

€10 Million to strengthen the Marbella brand

The regional government has given a significant boost to Marbella’s portion of the budget of the “*Plan Turístico de Grandes*

*“Andalucía is assured to remain one of the two most **tax-friendly** regions in Spain, along with Madrid.”*

Ciudades” (Major Cities Tourism Plan) by allocating 10 million Euros over the next four years specifically to strengthening tourism and the Marbella brand. Marbella’s Mayor, Angeles Muñoz, celebrated by saying that “once again the Andalusian Government’s commitment to the city is clear” and stated the importance of “working in coordination with the private sector so Marbella continues to be a destination of quality and excellence.”

The plan will focus on 16 initiatives designed to further the Marbella brand, including environment, culture, innovation, marketing and promotion. Four of the 10 million Euros will be allocated to Marbella’s beaches with new equipment, furniture and the improvement of existing facilities.

The plan will create new landscaped areas, improve cultural facilities, highlight Marbella’s

history and heritage, and provide incentives for promoters of large cultural, sporting or congressional events.

Marbella earmarks €7 million for green zones, parks and gardens

This year, Marbella's Department of Public Works is allocating almost 7 million Euros to a dozen actions aimed at refurbishing and improving the city's parks and gardens, including *Xarblanca* and *El Juanar*, and re-landscaping other green-zone areas in the municipality such as in *Finca El Pinillo* and the area around the *Guadalpín* river.

The palm trees adorning the new median strip on the Golden Mile mark an outstanding aesthetic improvement to the road, while also providing increased safety for both vehicle and pedestrian traffic.

OUR CONCLUSIONS AND PREDICTIONS

Lifestyle is more important than ever before.
The world is evolving at an amazingly fast

pace, faster than we have ever witnessed in the last half century. Covid has changed how and where we want to live, not only for our area, but with an increased demand for luxury property, especially in resort areas, all over the world. Lifestyle factors go hand in hand with investment considerations. This tendency is not a new one, but the acceleration of the tendencies started decades ago in the Marbella area.

Demand will continue to be strong. There is no sign of abatement in the demand, quite to the contrary, we expect the historic strong demand which we are experiencing today to continue in the immediate future and to gently decelerate in 2023.

Popularity throughout all seasons of the year. Marbella has evolved to a whole new level in its popularity and image of quality and as a result, the low season has ceased to exist. This is a landmark accomplishment, achieved by many decades of tireless promotion of the





The newly-created planted meridian on the Golden Mile

qualities of Marbella by all sectors of society, investment not only by the Town Hall and the provincial, regional and national governments but especially, the private sector investment of billions of Euros in the creation of high-quality real estate developments, hotels, sporting facilities, shops, restaurants, golf clubs and leisure facilities of all types.

The real challenge will be to keep the improvements coming, leaving no corner of Marbella unattended, and to maintain at all costs uncompromising criteria and efforts aimed to preserve the quality of our environment that we have achieved with so much work over so many decades.

Buyers no longer wait to visit to buy the right property. There are hundreds of clients today who are just waiting to come and “seal the deal” for the purchase of the properties they have pre-selected with their agents. And for the first time, there are dozens of sales, even in the higher-end properties, being made by careful, meticulous live Facetime or WhatsApp video tours, without

even physically inspecting the property. We expect this trend to continue, as it represents the evolution of the times, and our real estate industry has always welcomed with open arms new ways of doing business.

Real estate supply is low compared to boom times of the past. With the lack of supply, rather than oversupply of properties for sale, there appears no sign of the market overheating as it did from 2005 to 2008, leading to a prolonged setback which lasted until the market started recovery in 2012. There are, and will remain for the near future, shortages of many types of properties, especially the high end. Notwithstanding, there are also many new and refurbished properties coming on line, and sales of off-plan and under construction homes will accelerate.

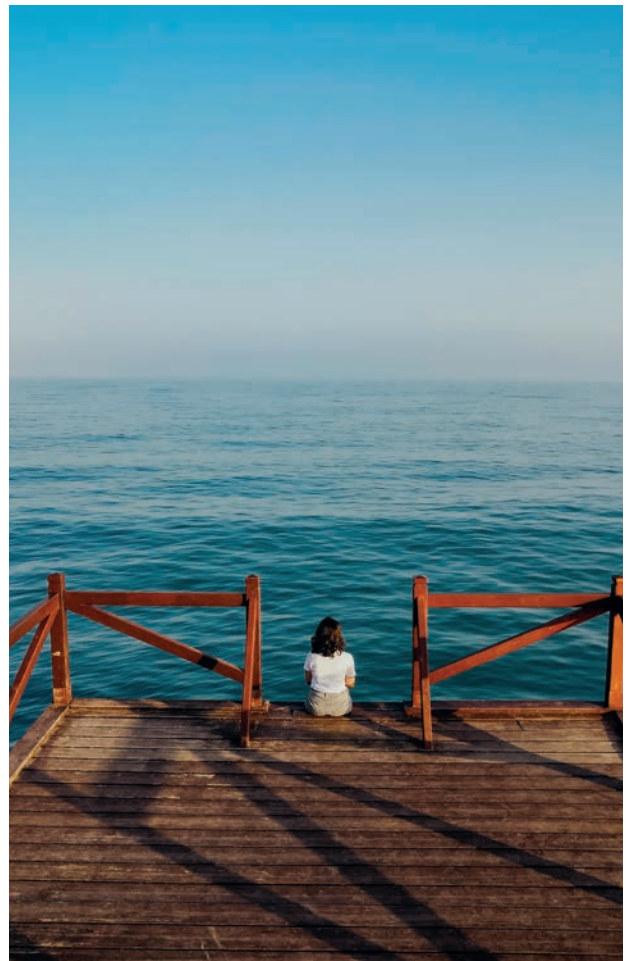
Rising interest rates unlikely to affect demand for luxury Marbella property. Historically low interest rates served to fuel purchases of real estate in this area and all over the world. Now that interest rates are

on the rise, will this cause a slowdown in the Marbella property market? As far as the luxury end of the market is concerned, to date, probably 90% of sales are made without bank financing. We believe therefore that there will be little impact on the luxury end of the market attributable to the increase in interest rates.

Prices are still competitive compared to other luxury destinations. Prices in the ultra-prime areas have risen to record highs in the last year as indicated earlier in this report. In other residential areas prices are still increasing and will probably continue to increase over the next year. Normal market mechanisms and the laws of supply and demand, will eventually determine the moderation of prices in the future. Marbella remains competitive and indeed, has become for many people the “must” place to buy a second home or a *second primary home*.

The Marbella property market’s success includes neighbouring areas. Estepona, Benahavís and other neighboring municipalities will continue to enjoy an increasingly solid market, not only due to the factors described above, but also due to the outstanding features intrinsic to these areas which attract buyers of all nationalities as well. In reality, we are talking about one market area with an incredible variety of properties available for sale in all price categories.

Marbella’s reputation as a lifestyle destination has never been stronger. The Marbella property market is always, like all markets, cyclical and dependent on a myriad of factors. These include the overall health of the economies of the different countries where our buyer clients come from: inflation, interest rates and the availability of credit, and personal wealth and savings. It is also dependent on the continued availability of quality real estate for sale.



“Lifestyle factors go hand in hand with investment considerations.”

Despite uncertainty in some areas, the convergence of world events is clearly favouring real estate in the Marbella area, as demonstrated by the record period of growth we are experiencing, underscoring Marbella’s reputation as one of the most attractive places in the world for quality living and for the purchase of luxury real estate.

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