

HOW IS THE MARKET?

November 2022

Home prices in the record year for Benahavis & Marbella



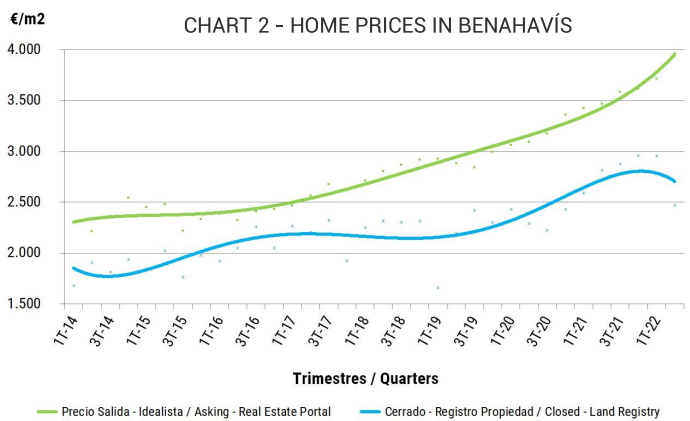
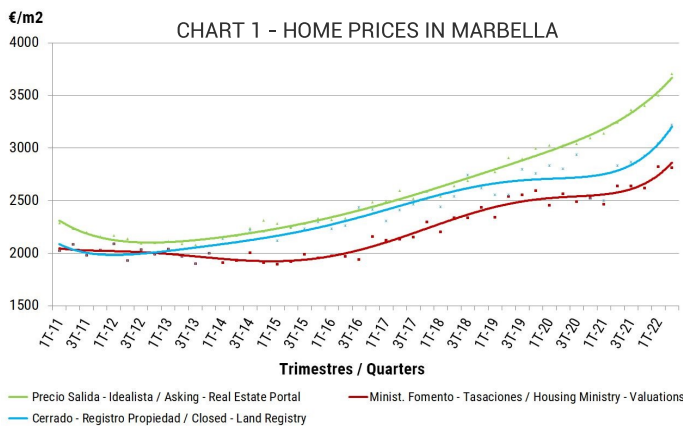
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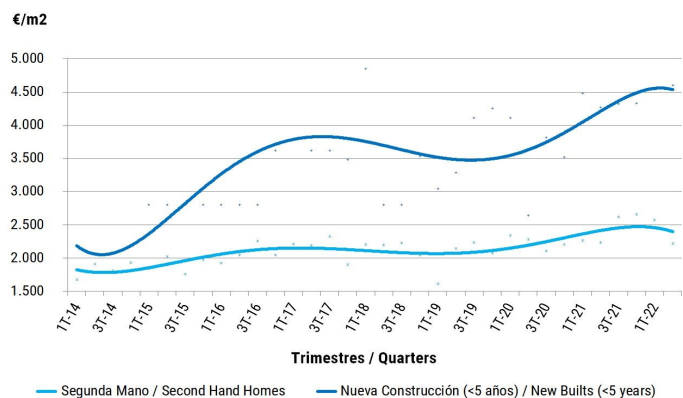
Taking into account that in the first quarter of 2022 all records have been broken in terms of the number of home sales, it is interesting to check how housing prices behaved in that first half of the year, the latest published by official agencies, and also compare them with the asking prices obtained from the real estate portal Idealista.

In Marbella and as can be seen in chart 1, it can be said that all the housing prices analyzed continue to rise by around 5.5% per quarter, which is a very high value for a single quarter. This increase can be seen in asking prices provided by the portal Idealista, as well as in the actual closed prices from the Land Registry and in those published by the Housing Ministry from the official valuations that are carried out.



On the other hand and in Benahavis, there is a change in the trend of the prices that had been rising since 2014. The asking price, which continued to rise during the second quarter, has started to show this change since August of this year, observable in the table below, when we have begun to notice a certain slowdown in the market. Normally this price, the asking price for properties, is the last one to show signs of change since the market always has a delay in assuming a new situation. What can be seen in

GRÁFICO 3 - HOME PRICES IN BENAHAVIS



HOME ASKING PRICES IN BENAHAVIS

Localización	Precio m2 oct 2022	Variación mensual	Variación trimestral	Variación anual
Benahavis	3.969 €/m2	-0,5 %	+0,1 %	+11,1 %
			Máximo histórico	Variación máximo
			4.029 €/m2 ago 2022	-1,5 %

chart 2 for Benahavis is that in the second quarter, with a record number of closed transactions, the average closing price was already lower, just over 10%, than in previous quarters. If we go into more detail, as shown in chart 3, we can see that the drop is both in new built units and in second hand homes, although it affects second hand homes to a greater extent. Whether the effect is temporary or whether we have reached the inflection point in prices will be seen in the coming months, although taking into account that in the second quarter the historical record of transactions was reached, it may show that prices, as I have been saying lately, have reached their maximum and that they were rising excessively, up to an annual increase of almost 20%, which I do not think was very healthy in the long run.

Source: Registradores, Ministerio de Fomento, Idealista

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What are the Taxes when Selling a Home? - Part I

There are two main taxes when selling a property in Spain: the Capital Gain Tax and the Municipal Plusvalia Tax. In this article we are going to focus on the Capital Gain Tax and its general rule for individuals, since there are many particular cases that we cannot deal with due to space limitations.

- How is the Capital Gain which is going to be subject to the Tax calculated?

$$\text{Patrimonial Gain} = \text{Value Transferred} - \text{Acquisition Value}$$

The details on how to calculate these two values is as follows:

⇒ Value Transferred is the value for which the property is sold minus the expenses and taxes associated to the sale operation that are detailed below:

- * The real estate agency fees, if the operation is carried out through one, with its corresponding VAT (at this point it is important to know that to deduct an expense you must have a supporting document - receipt of payment of a tribute or invoice - so it is key to keep them when a transaction is carried out).
- * The Tax on the Increase in Value of Urban Land, known as Plusvalía Municipal Tax.
- * The expenses of cancellation of the mortgage in case there was one on the property.

⇒ Acquisition Value is the value that was paid for the property plus possible investments made on it, reforms (you must have invoices to be able to add them), plus the expenses and taxes associated with the purchase operation that are detailed below:

- * Notary and Land Registry expenses.
- * The Transfer Tax or VAT, as applicable, depending if it was a second hand property or a new unit.
- * The Stamp Duty (Impuesto de Actos Jurídicos Documentados).
- * The refurbishing costs of the house destined to the extension or to a substantial improvement of it. To add these costs to the acquisition value it is necessary to have the invoices that accredit these expenses.

- When is the Capital Gain Tax paid?

In June of the year following the year in which the transaction takes place and within the Income Tax (IRPF).

- What is the rate of the Capital Gains Tax?

The tax rate is divided in brackets and depends on the capital gain you have had:

Up to 6.000 € => 19%	From 6.000 € to 50.000 € => 21%	From 50.000 € to 200.000 € => 23%	From 200.000 € => 26%
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* As each case is different, it is highly recommended that you check your own details with your lawyer or tax advisor.

Owner's Review



"Alfonso y su equipo hicieron un excelente trabajo vendiendo mi villa en medio de la pandemia, lo que demuestra sus grandes habilidades. No puedo recomendarlos lo suficiente."



**Thinking of selling or tired of waiting for a sale?
Don't look anywhere else. We can help! Just call me.**