

NEWSLETTER

How is the Real Estate Market?

ALFONSO LACRUZ'S NEWSLETTER, YOUR LOCAL EXPERT IN BENAHAIVIS AND MARBELLA

NAVIGATING MARKET DYNAMICS: INSIGHTS INTO 2023 MARBELLA AND BENAHAIVIS LUXURY REAL ESTATE

In the midst of a broader slowdown in the real estate markets of Marbella and Benahavis throughout 2023, marked by a notable 26% decline in the overall number of homes sold, one question looms large, how is this downturn affecting the exclusive realm of luxury properties, defined here as those valued at one million euros and above?

Within Charts 1 and 2, the volume of closed units across various price brackets and the proportion of sales within the upscale market is showcased versus the overall number of properties sold in both Marbella and Benahavis. These charts unveil compelling insights:

1.- Parallel Slowdown in Luxury Segment: The luxury market mirrors the broader trend, experiencing a significant 26% dip in Marbella and a more pronounced 30% decrease in Benahavis. Despite this, there's a glimmer of resilience. Notably, the highest

levels in Marbella, encompassing properties valued at four million euros and above, have witnessed an impressive 18% uptick in sales, suggesting a degree of insulation from prevailing market challenges.

" The luxury real estate market in Marbella and Benahavis, despite the actual challenges, exhibits a resilience and momentum cultivated over recent years "

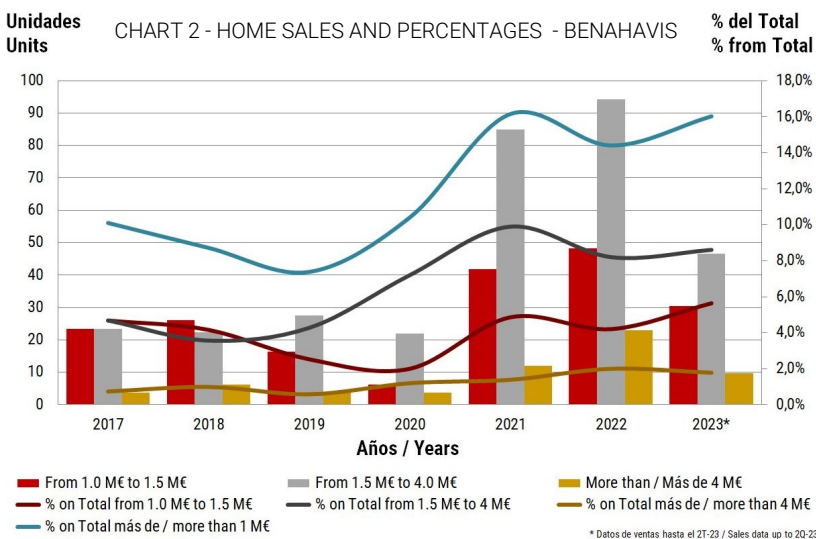
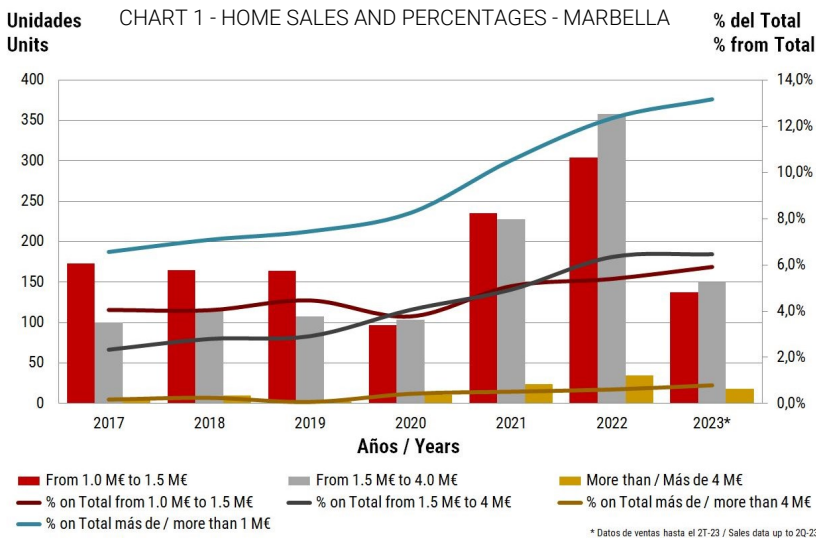
2.- Robust Growth in Luxury Market: Even amid the general market slowdown, the luxury segment has demonstrated remarkable growth. Charting the first six months of 2023 reveals sales figures surpassing those recorded for entire years from 2017 to 2020. This upward trajectory over the past three years signals the enduring strength and viability of the luxury real estate market in the region.

3.- Ascending Percentage of Luxury Sales in Marbella: Marbella continues its ascent in the luxury market, with the percentage of sales steadily climbing. This year, the figure increased by an additional 1%, reaching an impressive 13.2% of the overall market. Within six years, the percentage has doubled, surging from 6.6% in 2017, attesting to the robust growth this segment continues to exhibit.

4.- Dynamic Trends in Benahavis: While Benahavis exhibits a more fluctuating pattern in percentage shifts, there is an overarching upward trajectory, with a notable 60% increase over the past six years. The doubling of the percentage within the highest price bracket mirrors the trend observed in Marbella.

5.- Distinctive Appeal of Benahavis: Noteworthy is the substantial disparity in the percentage of luxury sales in Benahavis compared to Marbella, particularly beyond the four million euros threshold. Benahavis consistently outpaces Marbella in this segment, solidifying its standing as a coveted destination for wealthy individuals. This trend has contributed to Benahavis earning the distinction of being the richest municipality per capita in Andalusia.

In summary, the luxury real estate market in Marbella and Benahavis, while not immune to the broader market challenges, it exhibits a resilience and momentum cultivated over recent years. The allure of these exclusive properties persists, promising a continued trajectory of success in the face of evolving market dynamics.



WHAT ARE THE EXPENSES RELATED TO THE OWNERSHIP OF A PROPERTY IN SPAIN?

When delving into the financial considerations tied to property ownership in Spain, it becomes imperative to distinguish between maintenance costs and expenses not directly related to property upkeep. In this article, we will specifically focus on the latter.

1. Council Ownership Tax (Impuesto sobre Bienes Inmuebles

I.B.I.)

The I.B.I., an abbreviation for Impuesto de Bienes Inmuebles, stands as an annual tax applicable to all Spanish properties. This local tax, irrespective of residential status, is paid to the Council and contributes to maintaining the infrastructures and services provided by the Town Hall. Calculated as a percentage (Benahavis, for instance, applies a 0.4%) of the catastral value or tax value, the I.B.I. is a crucial aspect of property ownership.

2. Rubbish Collection Tax (Basura)

The Rubbish Collection Tax, another local tax, is paid to the Council by property owners, regardless of residential status. This tax funds the rubbish collection services provided by the Town Hall. Each Council sets its own tax rates, ranging from a fixed lump sum per year to a percentage of the catastral value.

3. Annual Wealth Tax (Impuesto de Patrimonio)

Applicable to both residents and non-residents owning property in Spain, the Annual Wealth Tax is a nuanced aspect that requires expert advice for clarity.

4. Personal Income Tax

Exclusive to non-residents in Spain, this yearly tax has distinct modalities based on whether the property is rented out or not. For rented properties, the tax is 25% of the declared income, while for non-rented properties, it is 25% of 2% of the catastral value.

5. Community Fees

In condominiums, whether comprising buildings, townhouse complexes, or communities of independent villas, shared maintenance costs for common elements (pool, garden, roads, lights, security, etc.) are distributed among property owners. A yearly budget is prepared, and fees are calculated as a percentage associated with the property.

6. Insurance

Though not compulsory in Spain, having household insurance is strongly recommended. The potential risks far outweigh the cost of ensuring your property's protection.



Luxury New Villa
Montemayor | Benahavis

5 bed | 6 bath | Gym | Cinema
624,53 sqm | 158,21 sqm terraces
Private infinity pool

2.495.000 €



Casita de Ensueño Townhouse
Montemayor, Benahavis

231 sqm built
50,5 sqm of terrace
Private pool

495.000 €



Renovated Apartment
Cosmo Beach, Estepona

112 sqm | 2 bed | 2 bath
Amazing pool, views & 1
min walking to the beach

310.000 €

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