

# NEWSLETTER

## How is the Real Estate Market?

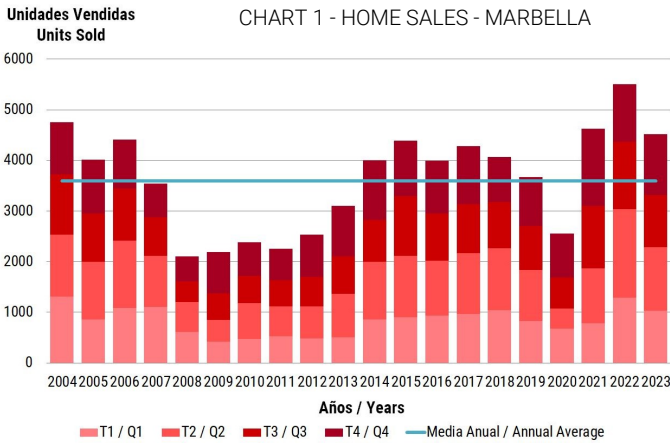
ALFONSO LACRUZ'S NEWSLETTER, YOUR LOCAL EXPERT IN BENAHAIVIS AND MARBELLA

### THE MARKET MANTAINS THE PACE ON MARBELLA & BENAHAIVIS

As we have gone through the first quarter of 2024 and observed activity on the market, the data on closed transactions for the fourth quarter of 2023, and thus for the entire year, has been released. From this information, we can draw a couple of conclusions that align with recent trends:

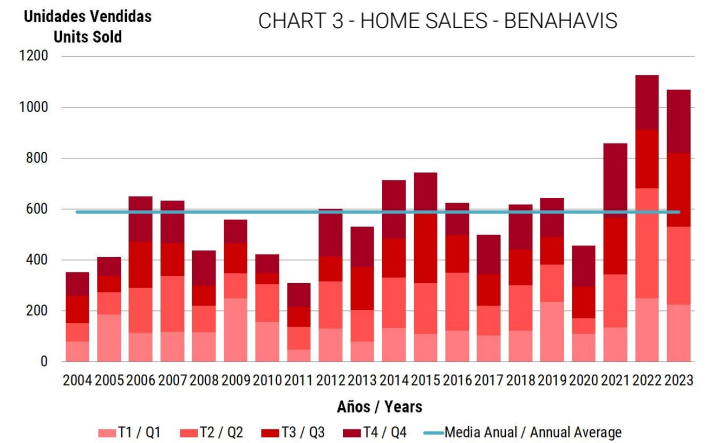
**1. 2023 proved to be a solid year for the real estate market, although it didn't surpass the historic performance of 2022.**

Despite experiencing a notable -18.0% decrease in Marbella and a more modest -5.1% decline in Benahavis in the number of annual closed transactions compared to 2022, it's important to note that 2023 still brought positive outcomes for both municipi-



peaks of 45% and 65% seen during the pre-2008 crisis boom. In fact, the oversupply of new constructions played a role in that crisis, with about five times more construction activity compared to now, yet only approximately 50% of newly built units were being sold. The current numbers indicate the maturity of the market, more controlled development activity, increased developer experience, and a scarcity of available land compared to the abundance seen in 2001.

In summary, the real estate market in the Costa del Sol area con-



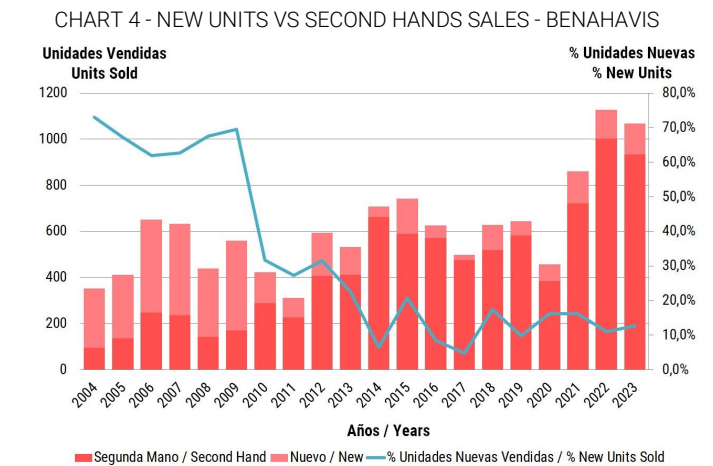
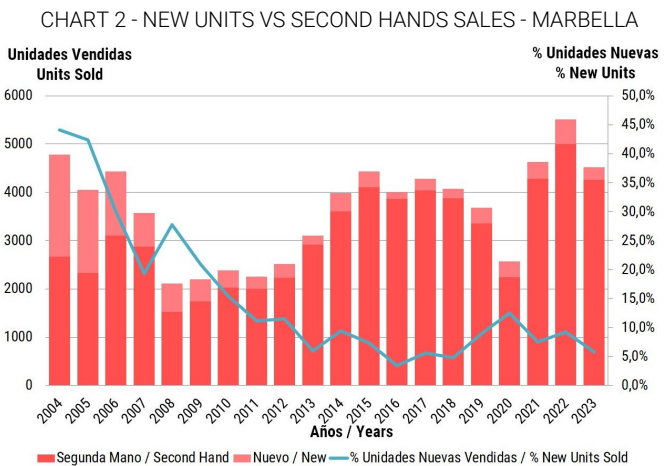
palities. These percentage declines may seem substantial, but they are in comparison to 2022, a year that set historic records for closed transactions in the whole area.

**2. The proportion of new unit sales has remained relatively stable.**

Despite fluctuations, as illustrated in the chart, the average number of new unit sales as a percentage of total sales has hovered around 7.3% for Marbella and 13.3% for Benahavis over the past decade. These figures are significantly lower than the

*"The real estate market in Marbella & Benahavis areas continues to demonstrate resilience and positive performance"*

tinues to demonstrate resilience and positive performance, buoyed by promising macroeconomic conditions and ongoing investments. However, we have to acknowledge the geopolitical uncertainties that have arisen in the first quarter of 2024, presenting a potential risk to stability.



# THE GOLDEN VISA PROGRAM WILL BE ELIMINATED BY THE SPANISH GOVERNMENT

Mr. Pedro Sánchez, Prime Minister of Spain, announced on April 8th the discontinuation of the Golden Visa program. In this article, we will analyze the implications of this decision.

**1. Understanding the Golden Visa.** The Golden Visa is a residence permit offered to non-Europeans who invest in Spain. This permit grants the right to work in Spain and travel freely within Europe. There are four main investment avenues that qualify for the Golden Visa: purchasing property valued at over 500.000 €, acquiring shares in Spanish companies worth over 1.000.000 €, investing more than 2.000.000 € in Spanish public debt, or initiating a business project in Spain that generates employment, socio-economic impact, or technological advancement.

**2. Reasons for Program Elimination:** The decision to eliminate the Golden Visa program stems from the government's commitment to safeguarding the housing rights of Spaniards. It is emphasized that housing should not be subject to speculative business practices. The government has highlighted that the regions where most Golden Visas were granted – including Madrid, Barcelona, Malaga, Alicante, Palma, and Valencia – are facing significant real estate market pressures. The objective is to ensure affordable housing for all Spaniards, limiting their expenditure to no more than 30% of their salaries on housing.

**3. Impact on Marbella & Benahavis Real Estate Market:** The cancellation of the Golden Visa program is expected to have a minimal impact on the Costa del Sol real estate market overall as only 3,75% of home purchases in Spain were made for Golden Visa purposes. Specifically considering Marbella and Benahavis, where transactions exceeding 500.000 € by foreigners are common, the majority of buyers hail from European countries such as Sweden, Belgium, France, Germany, and the Netherlands. With restrictions in place for Russian investors, the primary impact is anticipated to be on British buyers. Even for that case, with approximately 257 transactions exceeding 500.000 € closed by British buyers in Malaga province in 2023 which represents just 0,7% of the market, the overall effect is deemed insignificant.

In conclusion, while it is clear that the discontinuation of the Golden Visa program does not alleviate housing concerns, it does send negative signals to wealthy non-Europeans potentially redirecting their investments away from the Costa del Sol to other destinations.

## EXCLUSIVE PROPERTIES



Penthouse in Hoyo 19  
Los Flamings, Benahavis  
2 bed 2 bath 2 garages  
157,06 sqm + Storage room  
449.000 €



Double Apartment  
Mirador del Paraiso, Benahavis  
5 bed 5 bath 2 garages  
270,05 sqm + 2 Storage rooms  
1.449.000 €



Villa Hoeflo  
Elviria, Marbella  
4 bed 4 bath  
120 + 32 sqm  
699.000 €

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