

NEWSLETTER

How is the Real Estate Market?

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

MALAGA'S NEW BUILD MARKET 2024: WHY DEMAND IS OUTRUNNING SUPPLY

The latest figures from the Ministry of Housing for 2024 confirm a trend I've been highlighting for the past two years: while demand for newly built homes remains strong across the province of Malaga, construction is still lagging behind—intensifying pressure on supply and prices. Let's look at what the data shows and why this matters for buyers, investors, and homeowners.

1. Stock of New Homes Remains Historically Low: The red line in the chart represents the stock of newly built homes available on the market. After peaking during the 2008 crisis, that stock has steadily decreased. In 2024, the stock remains well below pre-crisis levels, despite a moderate recovery in construction activity. This is a key difference compared to the 2004–2007 bubble years, when oversupply became a systemic risk.

2. Construction Has Not Returned to Boom Levels: The number of homes being completed (blue bars) and initiated (red bars) in 2024 is still a fraction of the peak seen in 2005. Back then, over 40,000 units were finished in one year, and even 83,000 in 2003. In contrast, 2024 barely reaches a quarter of that. Developers today are more cautious, and financing is stricter—good news for market sta-

bility, but a bottleneck for supply.

3. Sales Continue to Outpace Deliveries: The green line in the chart—showing the % of new units sold vs. units finished—remains close to or above 100% in recent years. This means more homes are being sold than delivered, reducing available inventory. This dynamic fuels competition for high-quality properties, especially in prime areas like Marbella and Benahavís.

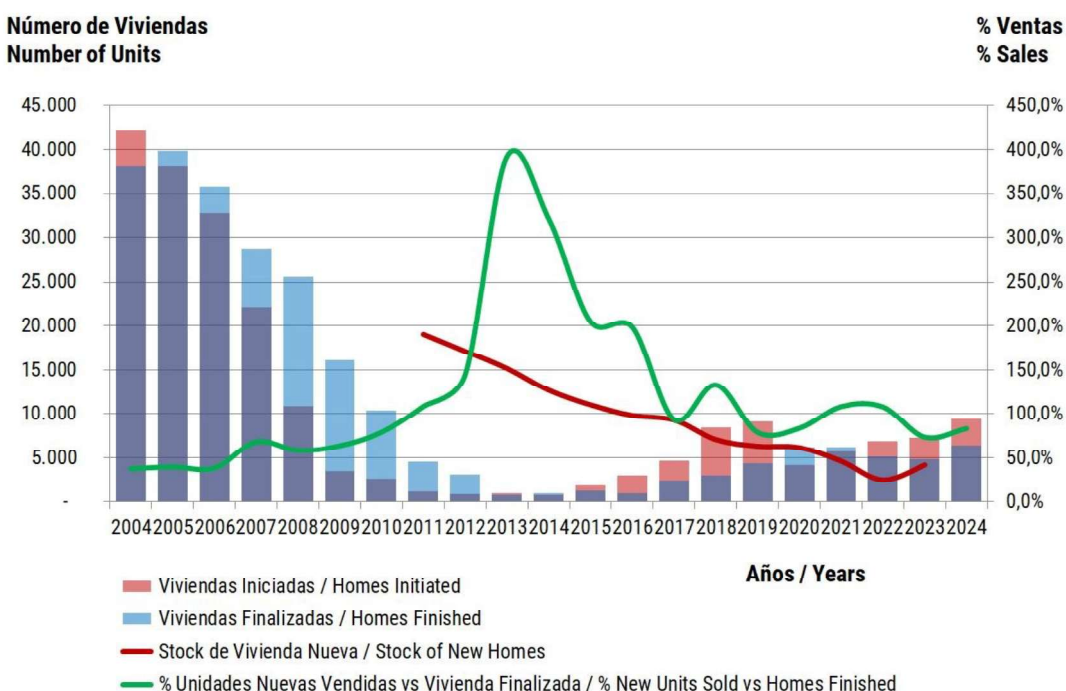
"We are in a market defined by low inventory, controlled construction, and sustained demand."

4. Price Pressure is Inevitable: With demand exceeding supply, prices for new builds continue to rise. As highlighted in my June 2024 newsletter, new developments in Marbella have seen average annual price increases of 17.9% over the past three years. This contrasts with second-hand properties, which have grown at 9.2% per year. Investors seeking capital appreciation and lifestyle buyers prioritizing quality are driving this upward trend.

In summary, we're not witnessing a 2008-style bubble—far from it. Instead, we are in a market defined by low inventory,

controlled construction, and sustained demand. For those considering a purchase or investment, especially in sought-after areas like Marbella and Benahavís, understanding these trends is crucial. The best opportunities are being snapped up quickly—and at increasingly higher prices.

CHART 1 - NEW HOMES FINISHED VS SOLD - MALAGA



SUSTANAIBLE GARDENS

We design sustainable gardens based on environmental observation and the use of native, resilient plants. We apply Nature-Based Solutions (NbS) that replicate natural processes to address today's social and environmental challenges.

CLIMATE-RESILIENT SPACES

Instead of using seasonal plants, we select species adapted to the local climate, such as *Lavandula stoechas* or *Westringia fruticosa*, which bloom at different times of the year, attract pollinators, and stimulate the senses. We avoid plants that may cause negative impacts, such as allergies or structural damage. Pest control is managed biologically, and we promote low-maintenance practices, avoiding unnecessary pruning. To reduce light pollution, we use amber lighting under 2700 Kelvin.

DROUGHT ADAPTATION

We replace grass with ground covers like *Lippia nodiflora*, which require minimal irrigation. Subsurface drip irrigation and organic or mineral mulching help retain moisture. Permeable surfaces and Sustainable Urban Drainage Systems (SUDs) are integrated into our designs to better ma-

nage drought and runoff. We choose low-water, climate-adapted plant communities that fit the existing soil with minimal amendments.

INVESTING IN NATURE IS INVESTING IN HEALTH

By planting species that attract pollinators, we create healthy spaces rich in ecosystem services: reducing CO₂, noise, and stress, improving social well-being, encouraging mental health, and strengthening our connection to nature.

ROSA CEÑO

LANDSCAPE DESIGNER

Master in Historic Gardens and Ecosystem Services of Green Infrastructure (UPM). Creator of projects such as *El Jardín de los Sentidos* (Marbella).

Awards include:

OJA AMJA First Prize and Design Week Marbella 2021.



Open Sea views Apartment

Ocean Pines, Benahavis
122 sqm + 27 sqm terrace
3 bed | 2 bath
Asking Price 399.000€



Sea views apartment

El Alto, Los Arqueros, Benahavis
183 sqm + 50 sqm terrace
3 bed | 3+1 bath
595.000€



Open Sea views Penthouse

Buenavista Quinta, Benahavis
220 sqm + 43 sqm terrace
3 bed | 3 bath
1.200.000 €

