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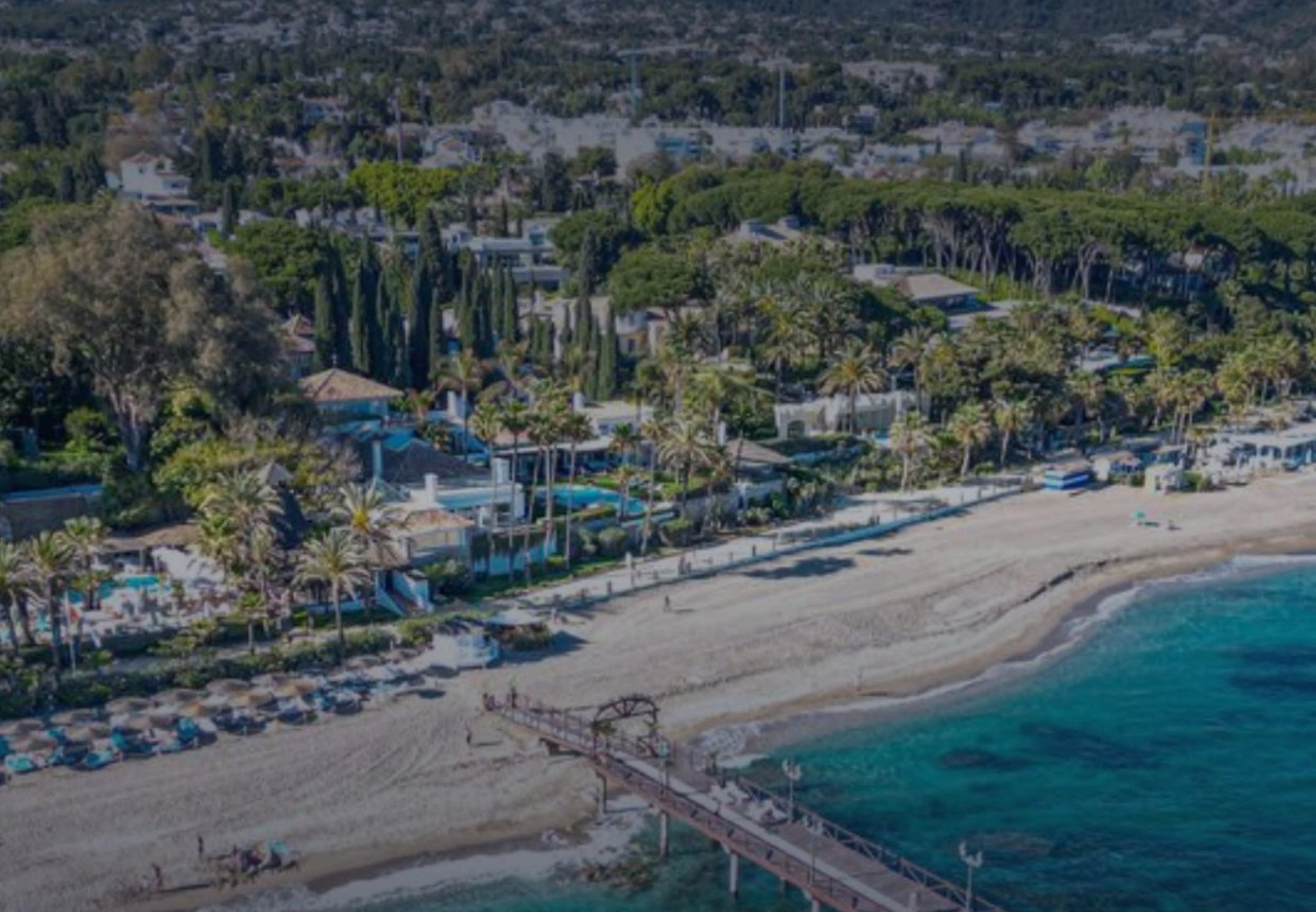


INTERNATIONAL BUYERS' MARKET ANALYSIS

Costa del Sol

MÁLAGA, SPAIN

Property investment on the Costa del Sol — official transaction data, buyer mix and short-term rental yields, plus the lifestyle case: 320 days of sun, year-round flights, golf, schools and healthcare.

3.019 €/m²	**+8,4%**	**42,5%**	**5,5–10,1%**
Avg. transaction price · Málaga	Price growth 2025	Buyers who are foreign	Gross STR yield range

Costa del Sol in September 2026

Steady price growth · deepening international demand

+8,4%
Málaga transaction price growth 2025 (Notariado)

+5,2%
Real price growth per year 2014–2025 — highest of any Spanish province (Banco de España)

42,5%
Foreign share of Málaga purchases — among Spain's highest

Growth has been steady rather than spectacular

Málaga's price trajectory over the last three years has been consistent and mid-to-high single digit, without the sharp swings seen in some European coastal markets. Measured after inflation, the province has compounded at **+5,2% per year since 2014** — the highest rate of any Spanish province, ahead of Madrid (+4,8%) and the Balearics (+4,7%), and achieved without a boom-and-bust pattern.

Period	Málaga price change	Basis
2023	+6,9%	Registered deeds, nominal · Notariado
2024	+13,0%	Registered deeds, nominal · Notariado
2025	+8,4%	Registered deeds, nominal · Notariado
12 months to May 2026	+9,1%	Golden Triangle, weighted · Notariado
2014–2025, per year	**+5,2%**	**After inflation · Banco de España**

This is compounding, not a spike. It also differs from the 2003–2007 cycle in one decisive respect: it is not credit-driven. Only **13% of Spanish purchase mortgages carried a loan-to-value above 80% in 2025**, and in western Marbella 84–95% of prime purchases complete in cash. A market where most buyers do not depend on borrowing behaves very differently from one where they do.

International demand keeps deepening

Foreign buyers account for **42,51% of all residential purchases in Málaga province**, one of the highest concentrations in Spain, and among the highest in the country. Two out of every five homes sold in the province go to a non-Spanish buyer, spread across ten source countries with no single nationality above one in seven. The national foreign-buyer share also reached its highest level on record in the second quarter of 2026.

A note on transaction volumes

2025 delivered Spain's highest transaction volume since 2007, at roughly 705.000 sales. Activity has moderated from that peak during 2026, with 353.237 sales in the first half of the year. Prices did not follow: they continued to rise across the same period. Volumes on the Spanish coast have always been more variable than prices — they respond quickly to rate expectations and to the supply of listings, while prices respond slowly to the balance of demand against stock. A year of consolidation after a nineteen-year high is a normal part of that cycle, and it has historically coincided with better negotiating conditions rather than weaker values.

What this means for a buyer

Fewer transactions are completing, at higher prices, with a rising share going to international and cash buyers. This is a market that is **selecting** rather than expanding — and in a selecting market the individual property carries more of the return than the timing does. Vendor expectations have moderated and negotiation has returned to the process, which makes 2026 a more favourable year to buy well than 2024 was. The three pillars of this report follow from that: where appreciation comes from (page 4), what makes the market resilient (pages 2–3), and how much the choice of property is worth (page 23).

Spain at a glance

Macro backdrop · 2025–2026

49,7 M
Population (Apr 2026) — record high

+2,8%
GDP growth 2025 (+2,4% forecast 2026)

9,9%
Unemployment — below 10% since 2008

>10 M
Foreign-born residents — a first

Spain closed 2025 as one of the EU's strongest economies, with **~705.000 home sales**, the highest number since 2007. Demand is structurally supported by record population growth driven by immigration and by a persistent housing shortage. Foreign buyers reached a new absolute record of **97.300 purchases**. Resale homes accounted for ~79% of all transactions, as new-build supply remains scarce.

2026 — a more selective year

Indicator	Latest	Period · source
Residential sales, Spain	**−7,7%**	H1 2026 y/y · Notariado
Average transaction price, Spain	**2.114 €/m²**	June 2026, record · Notariado
Price change, Spain	**+8,8%**	June 2026 y/y · Notariado
Appraisal values, Spain	**+15,5%**	July 2026 y/y · Tinsa IMIE
Appraisal values, Mediterranean coast	**+17,9%**	July 2026 y/y · Tinsa IMIE
House price index, Andalusia	**+13,3%**	Q1 2026 y/y · INE IPV
New mortgages on dwellings	**+10,8%**	June 2026 y/y · INE

Volumes and prices have decoupled. Fewer transactions are completing, at higher prices, with a rising share going to international buyers. This is the pattern of a market clearing its stock selectively rather than one losing demand.

The structural shortage

The Bank of Spain raised its estimate of the accumulated housing shortfall to **750.000 homes since 2021** (Annual Report 2025, June 2026) and expects it to keep widening. BBVA Research puts the figure at approximately 885.000 by 2027. Household formation runs at roughly 223.000 units a year; construction remains well below that level. Housing starts rose 12,7% in Q1 2026 to their highest level in 18 years — from a base far below what the shortfall requires.

No nationality surcharge is in force

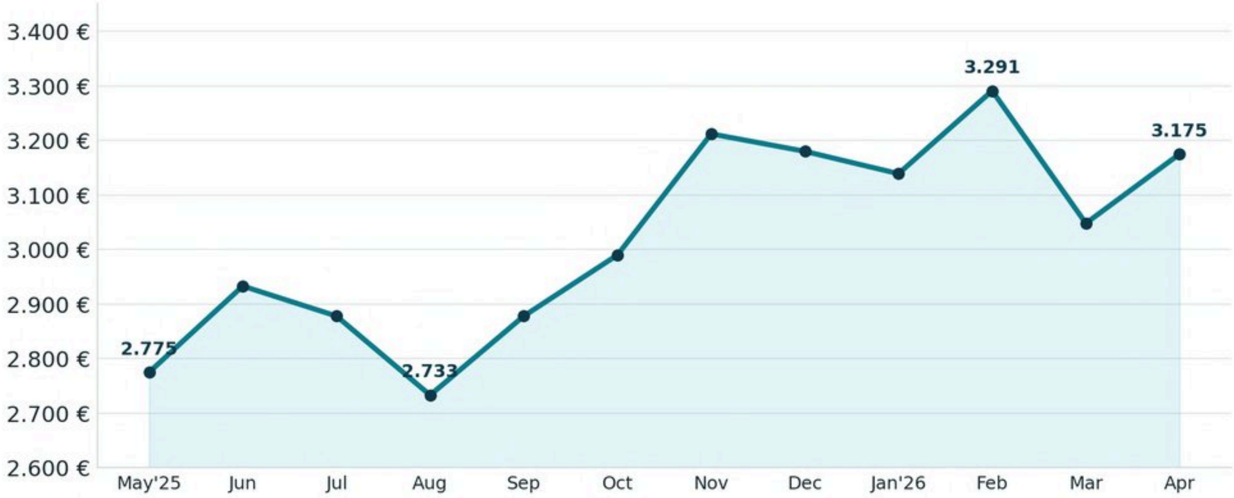
The proposed 100% transfer tax on non-EU, non-resident buyers, announced in January 2025, was never introduced as a bill, never debated in Congress, and was dropped from the government's 2026 housing package. It does not appear in the housing decree drafted in July 2026. EU/EEA citizens were never within its scope.

Málaga — official market data

Consejo General del Notariado · transaction prices · May 2025 – Apr 2026

3.019 €/m² Avg. transaction price (built area)	**33.279** Sales (last 12 months)	**364.378 €** Average purchase amount	**+8,4%** Price change 2025

Málaga is the standout province of the Spanish coast. Prices registered by notaries — the most realistic figure, reflecting actual deeds rather than asking prices — rose **+8,4% in 2025**, after +13,0% in 2024 and +6,9% in 2023.



Buyer & stock profile

Indicator	Value	Indicator	Value
Foreign buyers	**42,51%**	Median buyer age	**50 yrs**
Individual buyers	**85,95%**	Avg. surface	**121 m²**
Resale homes	**85,42%**	Apartments	**76,60%**
Years of net income	**9,42**	New-build homes	**14,58%**

Why this matters for international buyers

42,5% of all Málaga buyers are foreign — among the highest shares in Spain — confirming structural, non-speculative international demand. The largest foreign communities by purchases are the **UK (13,4%), Netherlands (11,4%), Poland (7,0%), Sweden (6,8%) and Germany (6,3%)**. No single nationality accounts for more than one in seven foreign purchases: a market supplied by ten source countries does not depend on the economy of any one of them. A median buyer age of 50 and 86% individual (non-corporate) buyers point to lifestyle and second-home demand rather than institutional flows.

Buyers are not leveraged

Only 13% of Spanish purchase mortgages carried an LTV above 80% in 2025 (Bank of Spain). In western Marbella, 84–95% of prime purchases complete in cash. A market where most buyers do not depend on credit is less exposed to interest-rate movements — which matters more in 2026 than in 2025 (page 21).

Capital appreciation

The primary case · where the return actually comes from

The Costa del Sol's investment record rests on capital appreciation, not rental income. Rental yield supports the holding cost; appreciation produces the return.

+5,2%
Málaga real price growth per year, 2014–2025 — 1st of all Spanish provinces (Banco de España)

+9,1%
Golden Triangle achieved prices, 12 mo to May 2026 (Notariado)

+12%
Spain 2026 price forecast, reconfirmed 10 Aug 2026 (BBVA Research)

Málaga leads Spain over the long cycle

The Bank of Spain published its 2025 Annual Report on 18 June 2026, including a provincial analysis of real house-price growth between 2014 and 2025. **Málaga ranks first among all Spanish provinces, at +5,2% per year in real terms** — ahead of Madrid (+4,8%) and the Balearic Islands (+4,7%).

This is growth after inflation, measured over eleven years, by the central bank. It covers a full cycle including the 2020 shutdown and the 2022–2023 interest-rate shock.

Golden Triangle · achieved prices, 12 months to 31 May 2026

Municipality	€/m² (deeds)	Annual change
Marbella	4.665	**+7,68%**
Benahavís	4.529	**+9,25%**
Estepona	3.437	**+10,98%**
Weighted average	—	**+9,1%**

Corroborating series

Source	Measure	Reading
Tinsa	Málaga province appraisal value, Q2 2026	**2.703 €/m² · +15,05%**
Tinsa IMIE	Mediterranean coast, July 2026	**+17,9%**
INE IPV	Andalusia, Q1 2026	**+13,3%**
BBVA Research	Spain, 2026 and 2027 forecasts (10 Aug 2026)	**+12,0% · +5,7%**

Asking prices are cooling — and that favours the buyer

Málaga asking prices rose 7,6% year-on-year in July 2026 (Idealista) against a national 13,1%, while achieved prices continue to rise at around 9%. The spread between what sellers request and what they receive is narrowing. Vendors are pricing more realistically than at any point since 2023.

The leverage effect

Non-resident buyers can borrow up to ~70% of value, while appreciation applies to 100% of the property. On a purchase held with 30% equity, appreciation on the full value produces a materially higher return on the capital committed, before any rental income. This is the mechanism behind the total returns on page 23, and the reason the minimum sensible holding period is five to seven years. Financing costs rose during 2026 (page 21).

Lifestyle, infrastructure & connectivity

What underpins year-round — not just summer — demand

For relocating and second-home buyers, practical infrastructure decides as much as price, and it sustains demand outside the summer peak. The coast is unusually well equipped: **40+ international schools** (British, IB, German, Scandinavian); a dense private-hospital network (Quirón, HC Marbella, Vithas/Xanit, Hospiten); **70+ golf courses**, the largest concentration in continental Europe; and a dozen-plus marinas. Madrid is **~2h30** by AVE, Sierra Nevada skiing **under 2 hours**, and the coast enjoys **~320 days of sun a year**.

>3 M
Málaga airport passengers in July 2026 — the first single month above 3 million (+7,3%)

16,27 M
Passengers Jan–Jul 2026, +7,9% — nearly double the Aena network's national rate

€1,5 bn
Airport expansion awarded May 2026; target 36 M passengers

Málaga–Costa del Sol is Spain's fourth largest airport, with **162 direct destinations** operated by 64 airlines. Aena awarded the expansion design contract on 5 May 2026: a new non-Schengen terminal, more contact stands, expanded security and baggage handling, with construction expected from 2028. Connectivity decides how much a second home is actually used — two to three hours from most Western European cities makes part-year ownership practical while continuing to work elsewhere.

Tourism demand · a record first half

Indicator	H1 2026	Change
Costa del Sol overnight stays	**10,3 M — first time above 10 M**	+4,2%
Average daily rate	**€125,52**	+9,0%
Occupancy — H1 average · July 2026	**~72% · ~90%**	+1,6 pp (Jul)
Andalusia foreign tourists · spend	**7,33 M · €9,78 bn**	+7,8% · +6,8%

Costa del Sol is Spain's second-largest tourist zone by visitors and third by overnight stays. Top source market: the UK, then Germany and Ireland, which overtook France in H1 2026.

Who buys here — and why it matters

The Costa del Sol is no longer only a holiday destination. It is a place where international buyers live, work part of the year, invest or eventually retire — and that mix keeps demand spread across the calendar rather than concentrated in July and August.

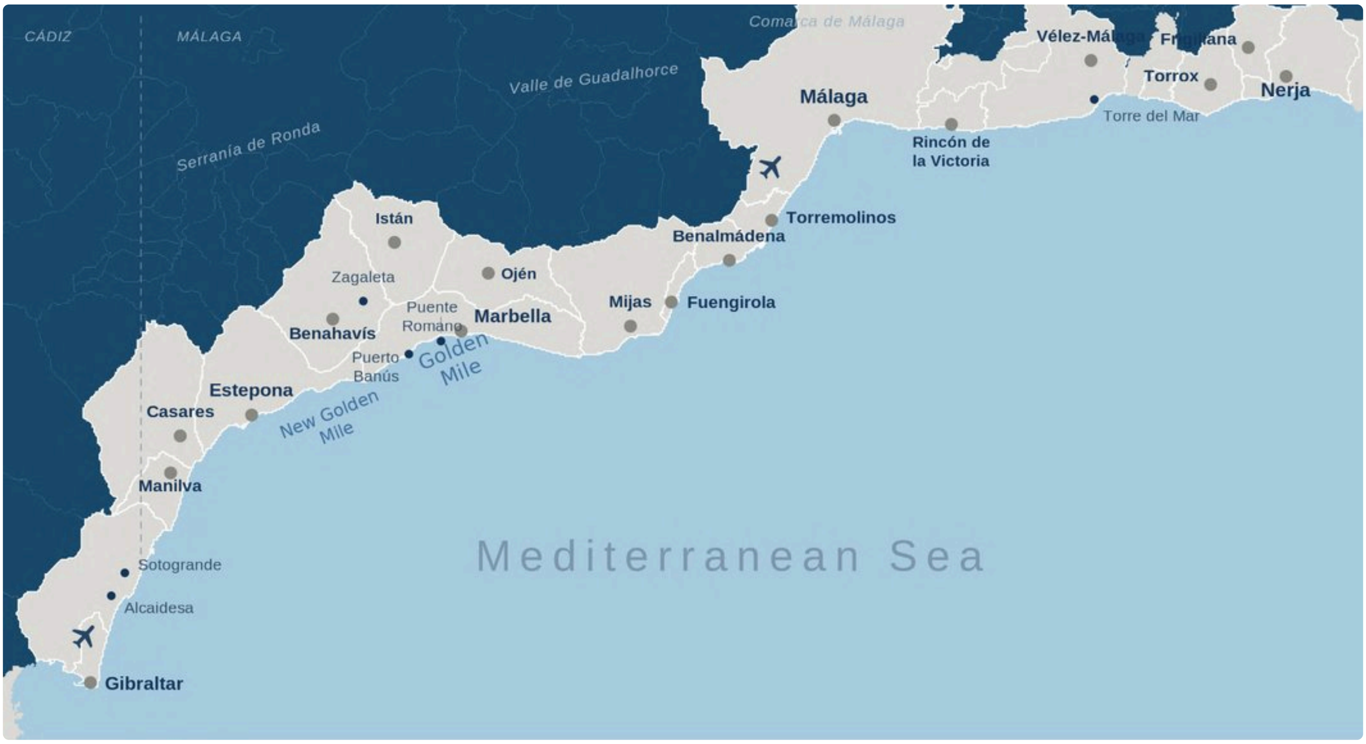
Buyer type	What they need from the property
Permanent international residents	Year-round town, schools, healthcare, established community
Retirees	Single-level access, walkability, healthcare within reach, low maintenance
Remote workers & entrepreneurs	Connectivity, workspace, mid-term flexibility
International families	Proximity to international schools, outdoor space, safety
Second-home owners	Lock-up-and-leave, security, low holding cost, easy flights
Investors	Licence feasibility, occupancy, resale liquidity

For most of these buyers the purchase is a lifestyle decision as much as a financial one. The practical consequence: demand is less sensitive to interest rates and short-term yield arithmetic than in a purely investment-led market, and it does not switch off outside the tourist season. It is why mid- and long-term letting works on this coast at all — there is a resident population to let to, twelve months a year.

Costa del Sol — choosing your zone

A guide to the coast's micro-markets, west to east

The Costa del Sol is not one market but a chain of distinct towns, each with its own price level, buyer and rental profile. Asking prices range from below 2.000 €/m² inland to above 11.000 €/m² on the Marbella seafront, within forty kilometres. The maps that follow trace the coast from the luxury **west**, through the value-led **centre**, to the emerging **east** (the Axarquía).



The Málaga coastline at a glance — Gibraltar and Sotogrande in the west to Nerja and the Axarquía in the east.

The four maps in this guide zoom into each stretch in turn: the luxury **West** around Marbella and Benahavís; the fast-appreciating **Far west** of Estepona, Casares and Manilva; the high-yield **Centre** from Mijas to Málaga city; and the value-led **East** from Rincón de la Victoria to Nerja.

Lifestyle depth. Michelin-starred dining including Skina and El Lago; 2026 openings La Petite Maison, TATEL and Sabine Beach. Five-star hotels underway: Waldorf Astoria at Higuerón, Four Seasons, W Marbella, Conrad Costa del Sol, Kimpton Los Monteros. LIV Golf Andalucía at Valderrama and the Open de España at La Cala.

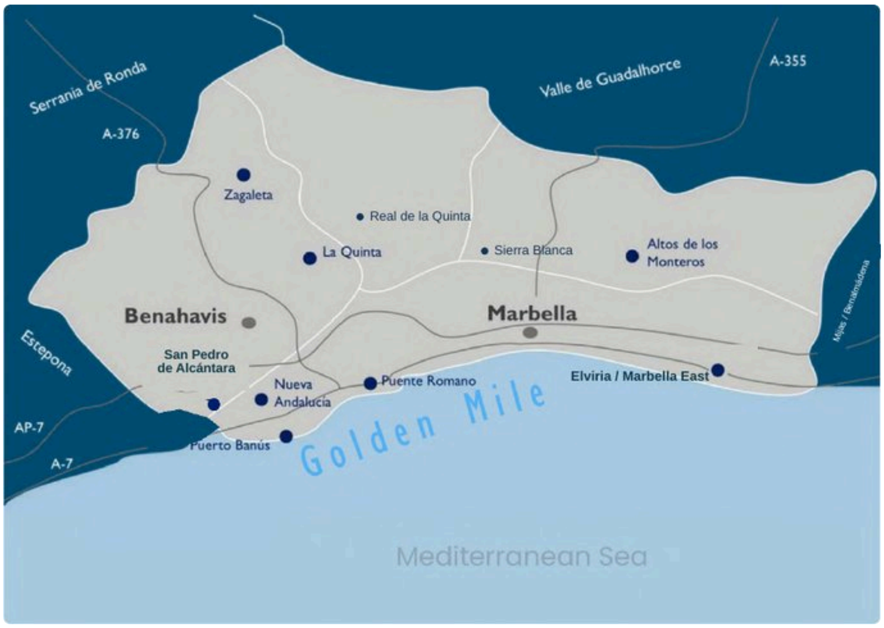
Costa del Sol climate at a glance

~320 days of sun a year · summer ~30°C / ~22°C day/night (August) · winter ~17°C / ~8°C day/night (January), mild by day even in winter · sea ~23°C (Aug) to ~15°C (Feb). A mild Mediterranean climate with several microclimates, among the mildest winters in Europe.

Water — the drought has formally ended

The Junta de Andalucía ended the drought declaration for the Andalusian Mediterranean basins by decree of 10 April 2026. All three Málaga systems — Axarquía, Guadalhorce–Limonero and Costa del Sol Occidental — returned to normal status. Provincial reservoirs stood at **83,3% of capacity on 24 August 2026**, against 52,0% in the same week of 2025 and a ten-year average of 45,1%. The recovery was driven primarily by an exceptionally wet winter; the Junta separately added ~22 hm³ of capacity through desalination, wells and reuse ahead of summer 2026. No water-related restriction currently applies to building licences in any Costa del Sol municipality.

West — Marbella & Benahavís



Marbella · 5.950 €/m² asking · 4.665 €/m² achieved · +7,68%

Spain's most prestigious resort — a 27 km coastline from Nueva Andalucía to Elviria, with the Golden Mile (Puente Romano, Marbella Club) as its ultra-luxury core.

Best for luxury living, trophy assets and family relocation with strong capital growth.

San Pedro de Alcántara · 4.652 €/m² · west Marbella

Marbella's western residential town — a genuine year-round community with a revamped beachfront boulevard and access to the New Golden Mile, more affordable than the Marbella core.

Best for everyday living and value within the Marbella name.

Nueva Andalucía · 6.023 €/m² · behind Puerto Banús

The 'Golf Valley' behind Puerto Banús — a sought-after residential bowl of golf courses, family villas and apartments, minutes from the marina and Marbella's prime leisure scene.

Best for golf, family life and rental demand.

Golden Mile & Puerto Banús · 6.842 €/m² · prime frontline

The beachfront strip linking Marbella to the Puerto Banús marina — prime frontline property, dining and nightlife. Achieved prices in the Milla de Oro core reach 11.463 €/m² (Notariado).

Ideal for prime lifestyle and heritage assets.

Elviria / Marbella East · 4.512 €/m² · beachside east

The leafy eastern stretch of Marbella — Elviria, Las Chapas, Los Monteros and Cabopino — with some of the coast's best beaches, year-round beachfront restaurants and luxury beach clubs such as Nikki Beach Marbella and La Cabane by Dolce&Gabbana.

Best for beachside family living with strong holiday-let demand.

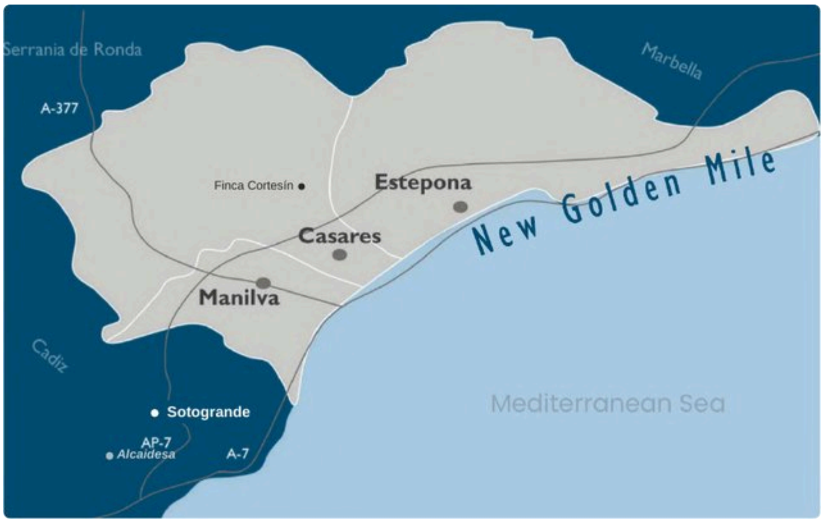
Benahavís · 5.496 €/m² asking · 4.529 €/m² achieved · +9,25%

The hills above Marbella: gated golf estates La Zagaleta, La Quinta and Los Flamingos, among the most exclusive addresses in southern Europe. Villa-dominated.

Best for privacy, legacy investment and luxury golf living.

Achieved prices: Notariado, 12 months to 31 May 2026. Asking prices: Idealista, July 2026 (Marbella, Benahavís) and May 2026 (all others). The two series answer different questions — see page 12 for how to read them.

Far west — Estepona, Casares, Manilva & Sotogrande



Estepona · 4.902 €/m² asking · 3.437 €/m² achieved · +17,0% asking / +10,98% achieved
The “Garden of the Costa del Sol”: a colourful old town plus the fast-growing New Golden Mile of new-build resorts toward Puerto Banús. **The strongest performer in the province** and the only Costa del Sol municipality where asking-price growth is still accelerating (+5,4% in the quarter). Planning policy is actively facilitating hotel and residence projects.

Best for value with strong capital growth and new-build product.

New Golden Mile · 4.191 €/m² · Estepona–San Pedro coast
The coastal strip of new-build resorts, beach clubs and golf running toward Puerto Banús — the coast's main pipeline of modern branded developments.

Best for new-build product with strong capital growth.

Finca Cortesín · Casares coast
An ultra-prime resort enclave — five-star hotel, championship golf and branded residences.

Best for trophy resort living and golf at the western end of the coast.

Casares · 3.611 €/m² · +12,1%
Emerging coastal-and-village premium: the white hilltop town inland and a growing resort coast, with double-digit price growth.

Best for a relaxed pace with capital-growth upside.

Manilva · 3.091 €/m² · +16,0%
The affordable western frontier beside Sotogrande, with double-digit price growth. Note the licensing position on page 18.

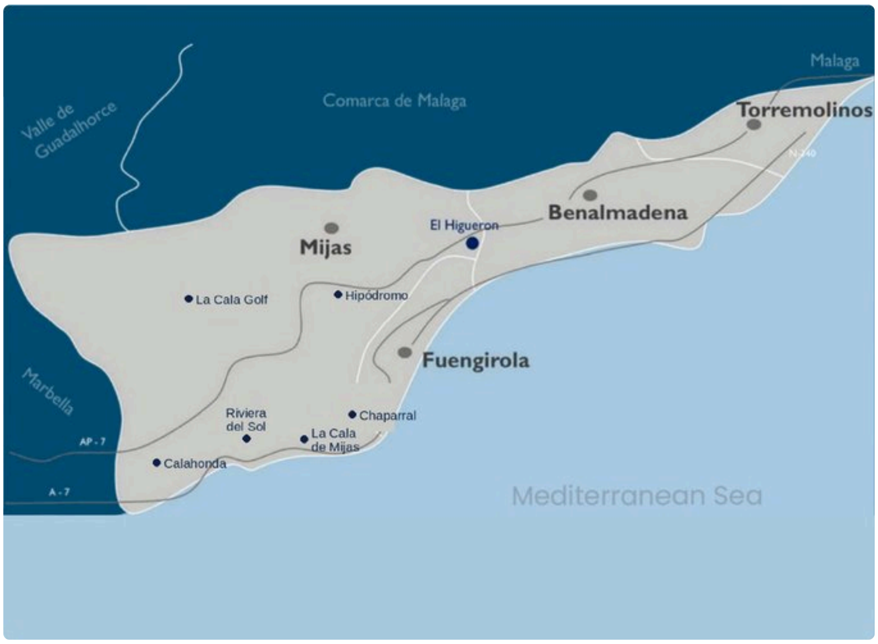
Best for entry-price coastal buyers seeking emerging-market upside.

Sotogrande (Cádiz) · 3.789 €/m² · +12,6%
A premium gated resort of polo, marina and golf just west of Manilva — technically in Cádiz province.

Best for exclusive, resort-style living.

> **Supply is responding here — and only here**
>
> Coastal building permits across Spain rose 21,7% in Tinsa's August 2026 coastal survey, and **Mijas (1.670 units) and Estepona (1.278) were the two most active municipalities in the country**. Across Málaga province, however, permits for April–June 2026 totalled 2.363 homes, slightly below the same period in 2025. Supply is growing in a few municipalities and barely at all in the affordable band.

Centre — Mijas to Málaga city



Mijas · 3.684 €/m² · +8,9%

Blends coastal Mijas Costa (La Cala) with the inland white village — two very different sub-markets under one name. One of Spain's two most active municipalities for new building permits.

Best for active living plus rental income and growth.

Fuengirola · 4.451 €/m² · +3,8%

A dense, lively resort town with the Higuerón developments and very strong rental demand. The slowest asking-price growth on the coast in the year to July 2026.

Best for rental income and modern coastal living — note the tourist-licence restrictions on page 18.

Benalmádena · 4.122 €/m² · +8,9%

Beaches, the Puerto Marina and family attractions. Registered tourist stock fell 12,4% in the year to May 2026 — the steepest decline in the province.

Best for family living and steady rental.

Torremolinos · 4.218 €/m² · +11,1%

The classic, regenerating beach-tourism hub with high short-stay demand and one of Spain's most established LGBTQ+-friendly scenes (La Nogalera). A municipal ordinance prohibits construction of dwellings under 37,5 m².

Best for rental yield and a vibrant beach lifestyle.

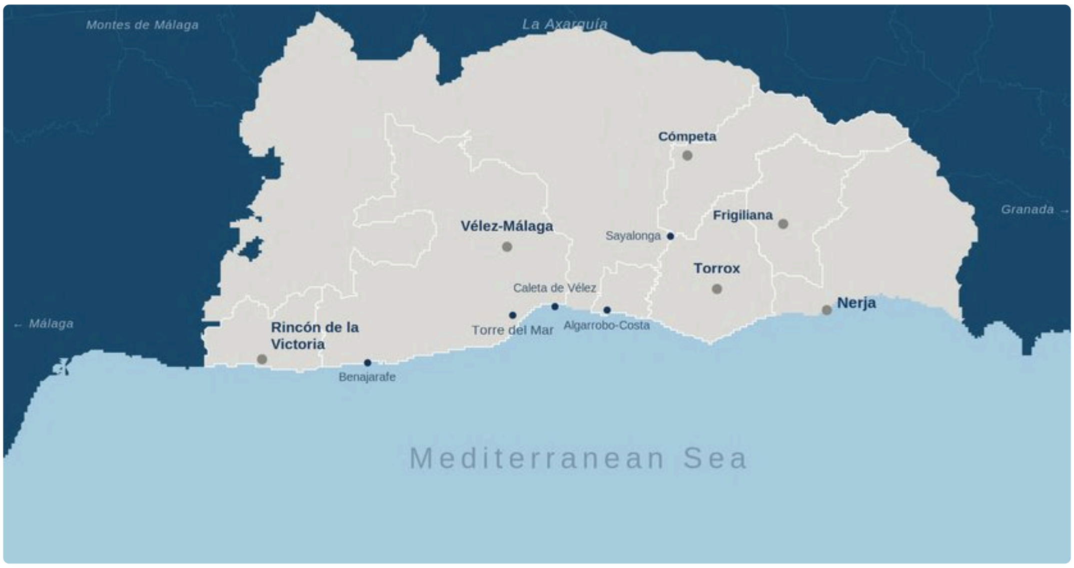
Málaga city · 3.755 €/m² · +9,6%

The cultural capital (Picasso, Pompidou, Soho) and airport hub — the coast's highest gross rental yield, and by a wide margin its strictest licensing. Two separate moratoria are now in force (page 17).

Best for urban yield and culture, licence permitting.

> **Málaga as a technology hub**
>
> Málaga TechPark hosts more than 25.000 professionals across 700+ companies, including Google's cybersecurity centre, Vodafone's European R&D hub, Oracle, Ericsson and Capgemini. This creates year-round mid- and long-term rental demand from relocated professionals — the demand layer that does not need a tourist licence, and the practical answer to the city's licence freeze.

East — Axarquía · Rincón de la Victoria to Nerja



Rincón de la Victoria · 3.422 €/m² · +12,6%
Málaga city's eastern beach suburb (El Cantal, La Cala del Moral), 15 minutes from the capital — a relaxed, year-round local town rather than a tourist resort.

Best for value coastal living within reach of the city, at the east's highest rental yield.

Torre del Mar / Vélez-Málaga · 3.371 €/m² (coast) · +14,6%
The commercial hub of the Axarquía: Torre del Mar's wide promenade and beaches on the coast, with Vélez-Málaga town just inland, where homes are cheaper (1.960 €/m²).

Best for everyday-life coastal value with a genuine local feel.

Torrox · 3.123 €/m² · +12,4%
Marketed as the “best climate in Europe”, split between Torrox Costa — beaches and a large established German community — and the inland village.

Best for entry-price coastal buyers and dependable year-round rental demand.

Nerja · 3.944 €/m² · +5,3%
The Axarquía's flagship resort — the Balcón de Europa, the Nerja and Maro caves and a string of cliff coves; the most mature international market east of Málaga. One of only two Málaga municipalities where registered tourist stock is still growing (+1,5%).

Best for proven holiday-let demand and a premium coastal lifestyle.

Frigiliana · 3.337 €/m² · +5,2%
The white hilltop village above Nerja, regularly ranked among Spain's prettiest — character homes and views, no beachfront of its own. Registered tourist stock grew 13,4% in the year to May 2026, the fastest in the province.

Best for charm, capital preservation and boutique rentals.

The east is absorbing displaced supply

While coastal municipalities lose registered tourist stock — Marbella −11,9%, Benalmádena −12,4%, Mijas −8,8% in the year to May 2026 — the eastern Axarquía is growing: Nerja +1,5%, Frigiliana +13,4%, Cómpeta +34,6%. Inland villages such as Cómpeta, Sayalonga and Canillas de Aceituno are appreciating fast off a low base (Cómpeta **+26,1%** year-on-year, on thin volumes) for buyers seeking authenticity and price over the beach. Verify liquidity at exit before buying inland (page 11).

Where should you buy?

Matching the coast's micro-markets to your objective

The zone detail on the preceding pages runs west to east. This page distils it into a single decision view: pick your primary objective, then read the best-fit zones, the rationale, and what we check before you commit.

Your objective	Best-fit zones	Why	Watch out for
Capital growth	Estepona, Manilva, Casares, Torremolinos, Rincón de la Victoria	Double-digit annual price growth; Estepona the only accelerating market	New supply concentrated in Mijas and Estepona; weak off-plan resale comparables
Rental yield (STR)	Málaga city, Rincón de la Victoria, Torrox, Mijas, Nerja	Highest gross STR yields on the coast (7,2–10,1%)	Licence feasibility — Málaga city is blocked until 2028; community statutes
Luxury / preservation	Marbella, Benahavís, Golden Mile, Nueva Andalucía	Premium liquidity, trophy assets, deep resale at the top; +8,1% prime growth vs 3,2% global	High entry (≈5.500–6.800 €/m² asking); narrow pool at the very top
Family / lifestyle	Marbella East (Elviria), Benalmádena, San Pedro, La Cala de Mijas, Nerja	Beaches, 40+ international schools, year-round community	More moderate yields than a pure STR play
Budget entry	Manilva, Torrox, Vélez-Málaga (inland), Axarquía villages	Lowest €/m² (≈1.960–3.120), emerging-market upside	Liquidity and seasonality; rural legality (AFO) inland

Liquidity at exit — who can you resell to?

Very liquid: Marbella, Estepona, Málaga city, Mijas, Benalmádena, Fuengirola. **Liquid but more price-sensitive:** Torremolinos, Nerja, Rincón. **Thinner buyer pool:** Casares, Manilva, Frigiliana, inland Axarquía. **Trophy / niche:** Benahavís, La Zagaleta, Finca Cortesín, Sotogrande.

History supports the distinction. From the 2007 peak, national prices fell 42,6% and the Mediterranean coast more than 51%. **Marbella asking prices fell approximately 20%; Casares fell 58,7% and Manilva more than 55%.** Consolidated micro-locations lost roughly a third of what emerging ones lost. Emerging zones offer higher entry yields and faster percentage appreciation, with materially larger downside.

Talk through your objective with a Directimo personal shopper — **directimo.com/advisory-call**

Costa del Sol — prices by municipality

Achieved prices (Notariado) and asking prices (Idealista)

Achieved prices · Notariado · 12-month averages

Municipality	€/m²	Municipality	€/m²
Marbella	4.665	**Málaga capital**	3.089
Benahavís	4.529	**Mijas**	2.922
Fuengirola	3.782	**Rincón de la Victoria**	2.905
Nerja	3.551	**Vélez-Málaga**	2.114
Estepona	3.437	**Alhaurín de la Torre**	2.065
Torremolinos	3.282	**Ronda**	1.294
Ojén	3.226	**Antequera**	1.156
Benalmádena	3.155	**Province average**	3.019

Marbella, Benahavís and Estepona use the 12 months to 31 May 2026. All other municipalities use the 12-month extract published June 2026. Micro-markets: Marbella Milla de Oro 11.463 €/m²; Torres del Río 9.867 €/m²; Puerto, Málaga Centro 7.802 €/m².

Asking prices · Idealista · built area

Municipality	€/m²	Annual	Municipality	€/m²	Annual
Marbella	5.950	+4,6%	**Málaga capital**	3.755	+9,6%
Benahavís	5.496	+7,3%	**Mijas**	3.684	+8,9%
Estepona	4.902	+17,0%	**Casares**	3.611	+12,1%
Fuengirola	4.451	+3,8%	**Rincón de la Victoria**	3.422	+12,6%
Torremolinos	4.218	+11,1%	**Torre del Mar**	3.371	+14,6%
Benalmádena	4.122	+8,9%	**Frigiliana**	3.337	+5,2%
Nerja	3.944	+5,3%	**Torrox**	3.123	+12,4%
Sotogrande (Cádiz)	3.789	+12,6%	**Manilva**	3.091	+16,0%

Marbella, Benahavís, Estepona, Fuengirola, Torremolinos, Nerja and Mijas: July 2026. All others: May 2026. Province asking average 4.272 €/m² (+7,6% y/y, July 2026). Sotogrande is in Cádiz province.

Reading the two series

The province averages differ — **3.019 €/m² notarial against 4.272 €/m² asking** — because deeds include all completions, cheaper stock inland from the coast and off-plan prices agreed one to two years earlier, while portals over-represent active, duplicated and often higher-priced coastal listings. Treat the gap as a mix-and-timing effect, not as a negotiable discount. Use notarial data to value a property; use asking data to understand what you are negotiating against. Built area (m² construido) includes interior walls and a share of common areas; usable area is typically 80–90% of built, so prices per usable m² run 10–20% higher.

The prime & luxury segment

Marbella & the Golden Triangle — independent benchmarks

The province figures earlier in this report are weighted by mid-market volume. Marbella and the Golden Triangle (Marbella, Estepona, Benahavís) run on their own dynamics, and independent sources converge on the same 2026 read: firm prime prices on scarce supply, with more selective demand.

4.665 €/m²
Marbella achieved price, 12 mo to May 2026 (+7,68%) — Notariado

+8,1%
Marbella prime growth 2025 vs 3,2% global luxury avg — Knight Frank PIRI

8.540
Golden Triangle sales 2025 (Marbella 51,3%) — KF / DM Properties

63%
foreign buyers in Marbella; <10% of >€2M use a mortgage

Marbella micro-market · achieved transaction prices (Notariado)	€/m²
Milla de Oro — Las Cañas Beach / Marbella Mar	**11.463**
Torres del Río	**9.867**
Golden Mile & Nagüeles	**~5.753**
Nueva Andalucía & Puerto Banús	**~4.225**
Puente Romano beachfront (record)	**up to ~30.000**

Average Marbella sale price €711.138 vs €210.361 nationally (~3×).

Marbella against the global prime market

Knight Frank forecasts prime residential growth of **1,6% across twenty global prime cities in 2026**, rising to 2,2% in 2027. Notarial data show Marbella at **+7,68%** over the twelve months to May 2026 and Benahavís at +9,25%. Marbella prime has been compounding at roughly four to six times the global prime average.

Supply is the binding constraint

Engel & Völkers reports roughly **80.000 interested luxury buyers against ~8.000 listings (~10:1)**, with 70–90% of prime-coastal buyers foreign and up to 84–95% paying cash in western Marbella. Demand is intact but more cautious, with longer decisions, lower opening offers and harder negotiation — precisely the conditions in which independent buyer-side advice adds the most value.

An increasingly global buyer at the top end

The province's five largest foreign communities are European, but the prime segment draws from further afield. Buyers from the **United States, Poland and the Middle East** have become steadily more visible above €1 M, alongside the established Scandinavian and German-speaking demand. The Land Registry confirms the same direction nationally: the number of nationalities buying in Spain continues to widen. For a seller at this level, that means a deeper and less correlated pool of potential buyers than in any previous cycle — the practical form of the diversification argument on page 3.

Branded residences — Marbella leads Europe

More than a dozen projects underway; Knight Frank puts the price premium at **25–35%** over comparable non-branded homes. Flagships: Four Seasons (Rio Real), W Marbella (Las Chapas), St Regis Residences (Finca Cortesín), Waldorf Astoria (Higuerón), Karl Lagerfeld Villas, Marbella Design Hills by Dolce & Gabbana.

What can you buy for your budget?

Benchmark budgets by sub-zone · new-build & resale

For an international buyer, €/m² is abstract. The benchmarks below translate budget into product and sub-zone. Apartment figures are for a **2-bedroom**; a third bedroom adds ~20–30% and a prime view or frontline location ~30–50% within the same area.

New-build apartments · 2-bed benchmark

€300k–400k	Fuengirola · Benalmádena (hills) · Mijas (inland) · Estepona West · Casares · Manilva · Costa del Sol East (Axarquía)
€400k–500k	Málaga city · Torremolinos · Benalmádena Costa · La Cala de Mijas · San Pedro (pueblo) · Estepona East / town
€500k–1M	Málaga centre · Marbella East · Nueva Andalucía · San Pedro de Alcántara · Benahavís · Finca Cortesín · Sotogrande
€1M–3M+	First-line beach · Marbella Golden Mile · Marbella East beachside

New-build townhouses & villas

€500k–1.5M	Mijas (inland) · Benalmádena (hills) · Manilva · Casares · Costa del Sol East · Estepona (East / West)
€1.5M–3M	Benahavís · Marbella West · Marbella East · Mijas Costa · Finca Cortesín · New Golden Mile
€3M–5M+	Golden Mile · La Zagaleta · Sierra Blanca · Los Monteros · Cascada de Camoján · first-line beach

Resale apartments & houses to reform

€300k–400k	**Resale apartments** — Benalmádena Costa · Mijas Costa · Estepona East
€400k–500k	**Resale apartments** — La Cala de Mijas · Marbella East · Nueva Andalucía · San Pedro de Alcántara · New Golden Mile · Benahavís · Sotogrande
€500k–1M	**Resale apartments** — Golden Mile resales · penthouses · beachside prime · frontline beach
€1M–2M	**Houses to reform** — Beachside · Marbella East · Nueva Andalucía · San Pedro de Alcántara · New Golden Mile · Benahavís

The new-build case

New-build is 14,6% of Málaga transactions but a far larger share of international purchases, because the product is built for this buyer: contemporary open-plan architecture · high energy-efficiency ratings · large terraces and sea views · pools · underground parking · gated security · gym, spa and co-working facilities · golf access · a 10-year structural guarantee · turnkey handover with no renovation.

Two of these carry financial weight, not just convenience. **Facilities drive rental performance**: the optimised model on page 23 achieves €173 a night against €101 without them — most of the gap between a 2,9% and a 4,2% net yield. **Energy efficiency** lowers holding cost and increasingly affects resale. Against this, new-build carries higher acquisition tax (~13–14% vs ~9,5–10,5%) and no existing tourist licence.

Why resale has gained ground in 2026

Resale is 85,4% of Málaga transactions, and two 2026 developments raise its relative appeal: legal short-term rental supply is contracting, so a property with an existing transferable licence is now a scarce asset (page 18); and new-build is concentrated in a few municipalities. Established locations with larger plots remain available only through resale.

Directimo benchmarks, cross-referenced to the municipality prices on the previous page. Directimo tracks **650+ new developments and 7.500+ resale properties** on the Costa del Sol.

Short-term rental investment yields

AirDNA apartment revenue ÷ asking-price benchmark · June 2026

Gross yield = annual short-term-rental revenue per apartment (AirDNA, using Airbnb/VRBO-style platform data) divided by an asking-price benchmark: asking €/m² × 90 m² built, excluding purchase taxes and fees. Net op. yield applies an assumed ~50% operating-cost load and is shown before income tax, financing and the buyer's personal tax position. Asking prices are used deliberately because live investment opportunities are sourced from asking-price inventory; this makes the denominator conservative versus deed prices.

Zone	AirDNA rev.	€/m²	Benchmark (90 m²)	Gross	Net op.	Listings y/y
Málaga capital	34.071 €	3.755	337.950 €	**10,1%**	5,0%	+0,5%
Sotogrande (Cádiz)	28.131 €	3.789	341.010 €	**8,2%**	4,1%	−17,9%
Rincón de la Victoria	23.756 €	3.422	307.980 €	**7,7%**	3,9%	−11,6%
Torrox	20.993 €	3.123	281.070 €	**7,5%**	3,7%	−12,3%
Mijas	24.622 €	3.733	335.970 €	**7,3%**	3,7%	−10,0%
Nerja	24.876 €	3.860	347.400 €	**7,2%**	3,6%	−7,7%
Estepona	27.694 €	4.307	387.630 €	**7,1%**	3,6%	+1,8%
Torremolinos	25.790 €	4.032	362.880 €	**7,1%**	3,6%	−3,7%
Manilva	19.196 €	3.091	278.190 €	**6,9%**	3,5%	−22,9%
Casares	22.259 €	3.611	324.990 €	**6,8%**	3,4%	−27,6%
Frigiliana	20.380 €	3.337	300.330 €	**6,8%**	3,4%	−7,9%
Marbella	33.540 €	5.581	502.290 €	**6,7%**	3,3%	−10,1%
Fuengirola	27.118 €	4.509	405.810 €	**6,7%**	3,3%	−3,2%
Torre del Mar / Vélez-Málaga	19.974 €	3.371	303.390 €	**6,6%**	3,3%	−9,8%
Benalmádena	24.167 €	4.122	370.980 €	**6,5%**	3,3%	−5,5%
Benahavís	26.733 €	5.389	485.010 €	**5,5%**	2,8%	−14,3%

Benchmark uses May 2026 asking prices for consistency with the June 2026 AirDNA revenue window. Net op. yield is before IRNR/income tax, mortgage costs and personal tax position.

Three things to know before chasing the headline yield

1 · Top yield ≠ obtainable licence. Málaga city tops the table on paper and has the strictest rules on the coast: a city-wide moratorium on new tourist-rental licences running to August 2028, plus a second freeze on hotels and tourist apartments on residential land to July 2029. A high theoretical yield is not a licence you can get.

2 · Supply is contracting, and now structurally. Active listings fell in 14 of the 16 markets. INE data confirm the same trend in registered stock: **Málaga province holds 45.176 registered tourist dwellings as of May 2026, down 6,6% year-on-year**, with capacity down 10,8%. Fewer competing units supports occupancy and values for those already licensed.

3 · Some zones need a caveat. Sotogrande sits in Cádiz (its figure covers all of San Roque); Mijas blends Mijas Costa with the inland village; Torre del Mar / Vélez-Málaga blends a busy coast with a cheaper inland town — different price and yield profiles within one name.

Which rental strategy?

Short, mid and long-term compared

Rental type	Gross	Net after tax	Demand	Tourist licence	Flexibility
Short-term (tourist)	5,5–10,1%	2,8–3,5% typical	Very high, seasonal	Required (VUT/RTA); new licences frozen or limited in Málaga, Fuengirola, Manilva, Rincón	High
Short-term, optimised	up to 10,5%	4,2–4,3%	Very high	Required	High
Mid-term (2–11 mo.)	~7,2%	2,5–4,0%	High, steady (nomads, relocations)	Not required	Good
Long-term (12+ mo.)	4–6%	2,5–3,5%	Very high	Not required	Low

Net after tax applies all acquisition and operating costs plus 19% income tax for EU/EEA residents, calculated on total acquisition cost. A well-selected property with clear criteria targets approximately 4,5% net; best documented cases reach 4,2–4,3%. A standard resale bought without yield criteria typically returns around 3% net. **Total return including 6% annual appreciation: 8,4–10,3% per year, before financing.** The 6% assumption is deliberately conservative against Málaga's 5,2% real long-run rate and the Golden Triangle's +9,1% over the last twelve months.

Long-term letting — the rent-increase cap

Annual rent increases on a main-residence lease are capped by the official national index (IRAV), by design at or below inflation — around **2,4–2,5% in 2026** — however fast market rents climb. Tourist and seasonal (mid-term) lets are not subject to this cap. Successive mid-term contracts, renegotiated at market price, are the common alternative; note the pending proposal on page 19 that would restrict this.

Málaga city — the mid-term pivot

Málaga city shows the coast's highest gross STR yield (~10,1%), but its city-wide moratorium blocks new tourist licences until August 2028. As the city grows as a technology hub — Google's cybersecurity centre, Vodafone's European R&D hub and the 700+ companies at Málaga TechPark — many investors shift toward mid-term lets (2–11 months) for corporate and relocating professional tenants. These need no tourist licence, sidestep the moratorium, and support low vacancy at premium monthly rates.

Matching strategy to your goal

Short-term suits owners chasing the highest yield who can secure and keep a licence, and who accept active management and regulatory risk. Mid-term needs no licence and captures growing relocation demand — steady income, far less turnover, and no exposure to tourist-licence freezes. Long-term is the most hands-off and lowest-cost, trading rent-growth flexibility for stability and near-zero vacancy. Directimo models the realistic net yield of each option for your specific property and municipality before you commit.

Short-term rental: licence risk & due diligence

Three approvals, three authorities — and what we verify first

The yield in the previous tables only matters if the property can legally be rented short term. A tourist rental needs **three separate approvals from three different authorities**. Any one can block the operation, and the third is the one most often missed.

Approval layer	Authority	What it decides
Urban planning / municipal licence	Town hall	Whether tourist use is permitted at that address at all
VUT registration (RTA)	Junta de Andalucía	Whether the unit is registered and lawfully advertisable
Community of owners' statutes	The building's owners	Whether the statutes permit it — overrides both of the above

MARKET ALERT · APRIL 2026 · COMMUNITY STATUTES NOW DECIDE

The Supreme Court ruled on **28 April 2026 (STS 642/2026)** that where a community's registered statutes expressly prohibit lodging or *hospedería* use, tourist letting is prohibited **without any new vote being required** — and applied this to a property operating legally since 2018. A licence transfers with the property under Andalusian rules, but if the statutes prohibit tourist use the buyer inherits a licence they cannot lawfully exploit. Reading the statutes and the minute book is now a mandatory step. The verification checklist is on the following page.

Municipality	Status, September 2026	Risk	Check before offering
Málaga city	Two moratoria: city-wide VUT freeze to 23 Aug 2028; hotels and tourist apartments on residential land frozen to 25 Jul 2029. PGOU caps 43 districts. Upheld by the Andalusian High Court, 18 Feb 2026	**High**	Existing registered VUT (transfers on sale) is the only route
Fuengirola	Independent street entrance required since Feb 2024; ~600 existing registrations flagged. Waste charges raised, IBI discount withdrawn	**High**	Independent access; municipal rules; community approval
Manilva	Ordinance under preparation; high saturation (~2.400 units) and the province's steepest listings decline (−22,9%)	**High**	Confirm the current position directly with the ayuntamiento
Rincón de la Victoria	Buildings must be uniformly residential or tourist; VUT need independent access	**Med-high**	Building uniformity; independent access
Mijas	No ordinance, but among the most saturated; stock −8,8% y/y; statutes decisive	**Med-high**	Community statutes; inscription date of any prohibition
Benalmádena	Zone caps under study, none in force. Steepest stock decline in the province (−12,4%)	**Med-high**	Community statutes; pending municipal proposals
Marbella	No general moratorium. Conversion of ground-floor commercial premises to tourist use prohibited. Registered stock −11,9% y/y	**Medium**	Statutes; building type; not a converted commercial unit
Estepona	No moratorium; planning policy actively pro-development	**Medium**	Building and community approval
Torremolinos, Benahavís, Casares	No tourist-licence restriction identified	**Medium**	Community statutes; 3/5 approval where new activity
Eastern Axarquía	The most flexible part of the coast — Nerja and Frigiliana are among the few markets still growing	**Med-low**	Rural/coastal legality (AFO); community rules

Legal rental supply is contracting

Why an existing licence has become a scarce asset

45.176
Registered tourist dwellings, Málaga province, May 2026 (INE)

−6,6%
Change year-on-year — the first sustained contraction

−10,8%
Change in registered bed capacity year-on-year

Municipality	Registered units, May 2026	Annual change
Málaga city	8.288	−3,6%
Marbella	6.987	**−11,9%**
Mijas	4.465	−8,8%
Benalmádena	3.532	**−12,4%**
Estepona	—	−6,0%
Nerja	2.731	**+1,5%**
Frigiliana	413	**+13,4%**

This is the first sustained contraction since the tourist rental market developed on the Costa del Sol. Coastal municipalities are shrinking; the inland Axarquía is absorbing displaced supply.

What this means for a buyer

An existing, transferable licence in a building whose statutes permit tourist use is now a **scarce asset**. In Málaga city it cannot be replaced at any price until 2028. In Marbella and Mijas the pool is shrinking by roughly 10% a year. Properties carrying one command a premium over otherwise identical stock, and on current trends that premium is likely to widen rather than narrow. This is the single clearest case in the 2026 market for buying resale rather than new-build — and for verifying all three approval layers before making an offer.

Before buying for short-term rental, we verify

- ✓ The building permits tourist use under municipal planning
- ✓ Community statutes do not prohibit it — and the inscription date of any prohibition
- ✓ For a new activity in an apartment block, 3/5 (60%) owner approval is obtainable
- ✓ Any existing VUT is valid, registered and transfers with the property
- ✓ Regional VUT/RTA registration in place (the national number is no longer required)
- ✓ The property is not inside a municipal moratorium or saturated zone
- ✓ Occupancy, independent access and first-occupation-licence issues
- ✓ Any municipal waste-tax surcharge on holiday flats
- ✓ Full legality if rural / AFO / outside urban land

The Andalusian RTA register reports a higher count for the province than INE, because it includes dormant and duplicate entries. The INE series used above measures dwellings actively marketed on platforms and is the better indicator of operating supply. Enforcement is tightening: the Andalusian High Court upheld Málaga city's regime in full on 18 February 2026, and the Junta has signed inspection agreements with eight municipalities including Málaga.

Check licence feasibility for a specific property — **directimo.com/advisory-call**

Regulatory watch

Status of every measure that could affect a purchase · verified 1 September 2026

The pattern through 2026 has been announcement without enactment. For a non-resident buyer the operative framework is close to unchanged since April 2026, apart from the annulment of the national register and the tightening of community-statute case law. This table separates what is law from what is not.

Measure	Status	Effect
Community statutes — STS 642/2026	**IN FORCE, 28 April 2026**	Registered statutory prohibitions override tourist licences, with no new vote required. See page 17
3/5 community approval (LPH art. 17.12)	**IN FORCE since 3 April 2025**	New tourist activity in an apartment building needs 60% owner approval. Not retroactive; villas unaffected
National register (RD 1312/2024)	**ANNULLED — STS 620/2026, 19 May 2026, confirmed by four later judgments. Not reissued**	No national registration number is required. The Andalusian VUT/RTA number is the operative registration
Modelo 210 filing (Orden HAC/623/2026)	**IN FORCE, 24 June 2026**	Non-resident rental income moves from quarterly to a single annual filing, 1–20 April. One return replaces four
VAT 21% on tourist rentals	**DRAFT ONLY — withdrawn from the Council of Ministers 27 July 2026, pending September. Not in the BOE**	Would replace the current exemption for short stays. Operators providing hotel-type services fall under 10% instead. Scope unsettled
Seasonal rental restrictions	**DRAFT ONLY — same decree**	Would cap seasonal contracts at 12 months and convert more than two consecutive contracts between the same parties into an ordinary tenancy. Would affect mid-term strategies
Ley de Turismo Sostenible de Andalucía	**IN PARLIAMENTARY COMMITTEE**	Strengthens municipal quota powers; raises maximum sanctions from €150.000 to €600.000
Rental contract extension (RDL 8/2026)	**REPEALED by Congress, 28 April 2026**	No extraordinary extension right exists
100% purchase tax, non-EU buyers	**NOT IN FORCE — never a bill; dropped from the 2026 housing package; absent from the July 2026 draft**	No parliamentary process under way. EU/EEA citizens were never in scope
Golden Visa	**ABOLISHED 3 April 2025. No replacement proposed**	Property purchase confers no residency right. Non-lucrative and digital-nomad visas remain available
EU infringement — non-resident landlords	**EXPANDED 4 June 2026; Spain has not yet amended the law**	Concerns the denial to non-residents of rental-income reductions available to residents. If Spain amends, non-resident net yields improve

How to read the VAT proposal

The measure has been announced, drafted and pulled once for lack of parliamentary support. Nothing has been published in the BOE and no effective date exists. Two points are worth knowing if it does advance: operators providing hotel-type services (reception, mid-stay cleaning, linen) fall under the 10% rate rather than 21%, and input VAT on operating costs becomes deductible, which offsets part of the impact. Estate-agency and legal blogs presenting the rise as decided or dated are running ahead of the law.

The buying process

Buying from abroad, step by step — with your Directimo personal shopper

Buying in Spain as a non-resident is straightforward when the sequence and the costs are clear in advance. A typical purchase runs through seven stages:

1. **Define & shortlist.** Set budget, location and must-haves with your personal shopper and receive a curated shortlist of vetted properties — viewed in person or remotely by video.
2. **NIE & bank account.** Obtain your Spanish foreigner tax number (NIE) and open a local bank account; both are needed to transact and to pay taxes.
3. **Reservation & deposit.** Sign a reservation contract and pay a holding deposit (~€6.000–10.000) to take the property off the market. On a resale the deposit then builds to ~10% at the private contract; on a new-build or off-plan, reservation plus staged payments typically reach ~20–30% before completion.
4. **Due diligence & private contract.** Your independent lawyer verifies title, debts, licences, planning **and the community's registered statutes** before you sign the private purchase contract (contrato de arras).
5. **Mortgage (if financing).** The bank runs a valuation and approves the loan; budget for mortgage set-up costs and the stamp duty on the mortgage deed. Pre-approval before offering matters more in 2026 than it did in 2025 — see page 21.
6. **Completion & title deed.** Sign the escritura before a notary, pay the balance, taxes and fees, and receive the keys — ownership transfers at this moment.
7. **After completion.** The deed is registered and utilities and IBI are set up in your name. For holiday lets, your personal shopper and lawyer verify licence feasibility, coordinate the transfer or application where legally possible, and model a mid- or long-term fallback if short-term letting is not viable.

Buying new-build / off-plan

10-year structural guarantee (mandatory) on new construction · off-plan stage payments are protected by a mandatory bank guarantee or insurance policy the developer must hold, and are best routed through your lawyer's client account · after handover, a 1-year warranty for finish defects and 3-year for damp or infiltration.

Leverage — a conservative note

Financing is optional and amplifies both returns and risk. Borrowing improves cash-on-cash return only when net operating yield exceeds the all-in cost of the mortgage — and it magnifies losses just as readily if rates rise, rents soften or the home sits empty. Directimo models every purchase unlevered first; any financing scenario is shown as a sensitivity, never a projection.

How Directimo fits in

Directimo represents the buyer only, never the seller, through every stage above: sourcing and comparing properties, coordinating the lawyer, notary and bank, and handling the licence and registration paperwork, remotely end-to-end. We have completed **1.000+ property transactions since 2011** and **€300 M+ in total property sold**. On standard listed sales the estate-agent commission is paid by the seller; for off-market, presale or special mandates, any buyer-advisory fee is agreed upfront.

Costs, taxes & financing

What you pay to buy, to hold — and what changed in 2026

Headline taxes & costs

Item	Rate / amount
Transfer tax (ITP) — resale, Andalusia	**7%**
New-build — VAT + stamp duty (AJD)	**10% + 1,2%**
Rental income tax — EU/EEA · non-EU	**19% · 24%**
Capital gain on sale — non-resident	**19% (+3% buyer withholding, recoverable)**
Imputed income tax — non-resident, not rented	**~0,15% of purchase price / yr**
Annual property tax (IBI)	**~0,25% of purchase price / yr**
Wealth tax — Andalusia	**0% (100% relief); Solidarity Tax above €3 M**
Inheritance — Andalusia (close family)	**up to 99% relief**
Lawyer fee (buyer)	**~1,21% incl. VAT**

What a buyer pays upfront, on top of the price. Resale: ITP 7% + notary and registry ~0,7% + lawyer ~1,21% → approx. **+9,5–10,5%**. New-build: VAT 10% + AJD 1,2% + notary, registry and lawyer ~2% → approx. **+13–14%**. Add ~0,5–1% where a mortgage is used and €15.000–20.000 to furnish a one- or two-bedroom apartment. On a €350.000 resale, taxes and fees come to ~€33.000–37.000.

What it costs to hold — worked example. A 2-bed apartment, mid-upper segment, ~€400.000: community fees €1.200–1.800/yr · electricity ~€25–35/mo (held mostly empty, used under 6 months a year) · water ~€20/mo · waste tax ~€150/yr · IBI ~€1.000/yr · insurance ~€300/yr → roughly **€3.200–4.000/yr** to hold (~0,8–1,0% of value).

FINANCING CONDITIONS CHANGED IN 2026

The European Central Bank raised rates by 25 basis points on **11 June 2026** — its first increase in almost three years — and held in July. The 12-month Euribor averaged **2,952% in August 2026**, against 2,114% in August 2025, and crossed 3% intraday on 21 August. Spanish lenders have become more selective on second-home financing during the year. Mortgage pre-approval before making an offer is materially more useful than it was twelve months ago. Note that this affects a minority of Costa del Sol buyers: in prime western Marbella, 84–95% of purchases are cash.

Non-resident lending	Current	Spanish market, latest	Value
Maximum LTV	**~70%**	Average new mortgage rate	**2,96–3,03%**
Debt service cap	**~35% of net income**	Fixed-rate share of new lending	**~62–64%**
Term	**up to 20–25 yrs**	Average term	**~25 yrs**
Broker fee	**~1,21% incl. VAT**	New mortgages, June 2026 y/y	**+10,8%**

Two 2026 changes worth knowing

Andalusian ITP for professional resellers tightened. The Andalusian Budget Law (Ley 8/2025, effective 1 January 2026) lowered the property-value cap for the reduced 2% rate to €500.000 and shortened the required resale window from five years to two. This affects professional refurbishment operators, not ordinary buyers. **Modelo 210 simplified.** Non-resident rental income moves from quarterly to a single annual filing from 2027 — one return per year instead of four.

Non-resident taxes, explained

Tax residence, imputed income on unrented homes, and how recurring costs are estimated

Will you become a Spanish tax resident?

You are generally a Spanish tax resident if **any one** of these applies (not cumulative): you spend more than 183 days in Spain in a calendar year; your main economic interests (employment, main income source) are in Spain; or your spouse and dependent children habitually reside in Spain. Below these thresholds, a second-home owner is normally taxed only as a non-resident (rental income 19% EU/EEA, 24% non-EU). Residency affects your worldwide income — confirm with a Spanish tax adviser.

Imputed income tax for unrented homes

Own a Spanish property as a non-resident and leave it empty, and you still owe an annual imputed-income tax (IRNR, Modelo 210) on a notional rental value — even with zero income. It is small: against the purchase price you will actually know, it works out to roughly **0,15% of the purchase price per year** (about €600/yr on a €400.000 home), depending on your residence and when the cadastral value was last revised. Filed once a year, it is a frequent surprise for second-home owners. If you rent the property out instead, you pay tax on the actual rent for those days, and the imputed tax applies only to the days it sat empty.

How we estimate IBI and imputed income tax

Both are set by law on a property's cadastral value, not its market price — and as a buyer you will not know the cadastral value until you own the home. So both are expressed as a share of the purchase price you do know, on the same basis: **IBI ≈ 0,25%** and **imputed income ≈ 0,15%** of the purchase price per year, assuming the cadastral value is roughly half of market (a typical coastal ratio). Underneath, IBI is the municipal rate (~0,4–0,6%) on cadastral value, and the imputed tax is 1,1% (cadastral revised in the last 10 years) or 2% (older) of cadastral value, taxed at 19% (EU/EEA) or 24% (non-EU). Directimo confirms the exact cadastral value and municipal rate for each property before you commit.

Luxury buyers — the Solidarity Tax

Andalusia waives regional Wealth Tax in full, but the national Solidarity Tax on large fortunes still applies to net assets above €3 M — so on high-value trophy assets (Golden Mile, Benahavís estates) it partially offsets the regional relief. Specialist tax planning is advisable before a high-value purchase.

A pending change in the buyer's favour

The European Commission expanded its infringement procedure against Spain on 4 June 2026, over the denial to non-residents of the rental-income reductions available to residents — a restriction on the free movement of capital. Spain has not yet amended the law, and no timetable exists. If it does, non-resident net rental yields improve without any action by the owner.

What selection is worth

Four properties analysed by Directimo, 2023–2026

The gap between a poorly selected and a well-selected property, on the same coast, in the same year, at similar prices, is larger than the gap between a good and a bad year in the market.

Model	Price	Total cost	Gross	Net after tax	Total return with 6% appreciation
New build, 1 bed, standard operation	340.000 €	400.220 €	7,4%	**2,9%**	8,9%
New build, 2 bed with facilities, optimised	350.000 €	416.550 €	10,5%	**4,2%**	10,2%
Renovated resale, Marbella East, 3 bed	400.000 €	487.200 €	9,6%	**4,3%**	10,3%
Same new project, mid-term letting	350.000 €	416.550 €	7,2%	**4,0%**	10,0%

Market benchmark for comparison: a central Estepona resale at €380.000 under standard operation returns approximately 3% net after tax. Total cost includes purchase taxes, fees and furnishing. Net is after all costs and 19% income tax for EU/EEA residents, on total acquisition cost.

A 4,3% net return is 48% higher than a 2,9% one

The difference comes from the property, the building's facilities, the operating model and the community's rules. **None of it comes from market timing.** On €400.000 held ten years, that spread is worth roughly €56.000 in cumulative net rent, before any difference in resale value.

What separates the 4,3% from the 2,9%

Factor	What actually drives the difference
Building facilities	Pool, gym, spa, concierge and security lift nightly rate and occupancy far more than an extra bedroom does. The optimised model achieves €173/night at 69% occupancy against €101/night at 80%
Community rules	Statutes that permit tourist use are now decisive (page 17). A building that prohibits it caps the property at long-term yields permanently
Operating model	Direct bookings, dynamic pricing and professional turnover management. Platform and management costs run 35–48% of gross under a standard operation
Micro-location	Walkability to beach and restaurants drives repeat bookings. Consolidated locations lost roughly a third of what emerging ones lost in the last downturn (page 11)
Entry price	Directimo negotiates at an average of **13,5% below market**.* On a €400.000 purchase that is the difference between a 3,6% and a 4,2% net yield, before any operational improvement

*Benchmark based on Directimo's internal transaction database across 1.000+ completed purchases. Individual results vary by property, location and negotiation.

The practical conclusion

In a market that is selecting rather than expanding, the return is decided before completion — in which property, at what price, in which building, under which statutes. That is the work of a buyer-side personal shopper, and why the same coast produces both 2,9% and 4,3% in the same year.

Key takeaways

The investment case for Costa del Sol · Málaga, September 2026

1. **Capital appreciation is the primary return, and Málaga leads Spain.** The Bank of Spain ranks Málaga first among all Spanish provinces for real house-price growth 2014–2025, at **+5,2% per year after inflation**, ahead of Madrid and the Balearics. Golden Triangle achieved prices rose 9,1% in the twelve months to May 2026. Rental yield supports the holding cost; appreciation produces the return.
2. **The market is selecting, not contracting.** Volumes fell 7,7% nationally in H1 2026 while prices reached records and the foreign-buyer share hit an all-time high. Fewer transactions at higher prices, with more cash buyers, is the signature of selective clearing rather than lost demand. Vendor expectations have moderated and negotiation has returned to the process.
3. **International demand is structural, and diversified.** 42,5% of Málaga buyers are foreign — led by the UK, Netherlands, Poland, Sweden and Germany, with no nationality above one in seven. Median age 50, 86% individual purchasers, and only 13% of Spanish purchase mortgages above 80% LTV. This is lifestyle and second-home demand, not leveraged speculation.
4. **Legal short-term rental supply is contracting, which makes an existing licence a scarce asset.** Málaga province registered tourist dwellings fell **6,6% in the year to May 2026**; Marbella −11,9%, Benalmádena −12,4%. New licences cannot be obtained in Málaga city until 2028. Since April 2026, a community's registered statutes override the licence — making due diligence on three separate approval layers non-negotiable.
5. **Selection decides the outcome more than timing does.** Four properties analysed on the same coast, in the same period, at similar prices returned between 2,9% and 4,3% net. **A 48% spread, from choice rather than market conditions.** In a selecting market, this is where the return is made.

Data sources & methodology

What each figure is based on — and as of when

Every figure is tied to an official, primary or specialist source. Achieved (notarial) and asking prices answer different questions and are kept distinct. **Consejo General del Notariado is the primary source for prices and buyer profile.**

Transaction prices & buyer profile	Consejo General del Notariado (registered deeds). Málaga province averages: May 2025 – Apr 2026, province average 3.019 €/m². Golden Triangle: 12 months to 31 May 2026. Municipality table: 12-month extract published June 2026.
Long-term appreciation	Banco de España, *Informe Anual 2025*, published 18 June 2026 — provincial real house-price growth 2014–2025; accumulated housing deficit; mortgage LTV distribution.
Asking prices (€/m², built area)	Idealista. July 2026 for Marbella, Benahavís, Estepona, Fuengirola, Torremolinos, Nerja, Mijas; May 2026 for all other municipalities. Province average 4.272 €/m² (July 2026).
Appraisal values	Tinsa: IMIE General y Grandes Mercados (July 2026); provincial statistics (Q2 2026); *Vivienda en Costa* report (August 2026) for coastal permits and affordability.
National volumes & context	Colegio de Registradores, Estadística Registral Inmobiliaria Q2 2026; INE, Estadística de Transmisiones de Derechos de la Propiedad and IPV; INE mortgage statistics (June 2026).
Forecasts	BBVA Research, *Situación Inmobiliaria*, 10 August 2026 (+12% 2026, +5,7% 2027). Knight Frank, *The Wealth Report 2026* (PIRI) and *Global Residential Signals*, July 2026.
Short-term-rental revenue & listings	AirDNA / Airbnb-style platform data (apartments), June 2026.
Registered tourist dwellings	INE experimental statistic, reference date May 2026 — dwellings actively marketed on platforms.
Regulation & tax (to 1 Sept 2026)	BOE and BOJA. Andalusia VUT regime: Decreto 28/2016 as amended by Decreto 31/2024 and Decreto-ley 1/2025. Organic Law 1/2025 (LPH art. 17.12; anti-squatting; Golden Visa abolition). Orden HAC/623/2026 (Modelo 210). STS 620/2026 (19 May 2026) annulling RD 1312/2024; STS 642/2026 (28 April 2026) on community statutes. TSJA (Málaga), 18 February 2026. Ley 8/2025 (Andalusian Budget 2026). Municipal ordinances and moratoria as published in BOP Málaga. IRAV reference index 2026.
Tourism, connectivity & water	Aena; INE FRONTUR and EGATUR (June 2026); Costa del Sol Turismo; Junta de Andalucía drought decree of 10 April 2026 (BOJA 24 April 2026); provincial reservoir levels at 24 August 2026.
Prime segment	Knight Frank; DM Properties | Knight Frank; Engel & Völkers; Panorama Marbella Market Report.

How the yields are built

Gross STR yield = annual AirDNA apartment revenue ÷ asking-price benchmark (asking €/m² × 90 m² built), excluding purchase taxes and fees. Net operating yield is pre-income-tax and unlevered, applying an assumed ~50% operating-cost load.

The four worked models on page 23 use Directimo's internal analysis of properties reviewed between 2023 and 2026. "Net after tax" applies all acquisition costs, furnishing, operating costs and 19% income tax for EU/EEA residents, on total acquisition cost. Usable area ≈ 80–90% of built. IBI ≈ 0,25% and imputed income ≈ 0,15% of purchase price per year, assuming cadastral value ≈ half of market. All yield figures are estimates, not guarantees.