Q4 Market Report 2025

Q4 2025 Costa del Sol Market Report: Marbella, Estepona & Benahavís

The Golden Triangle closed Q4 2025 in a position of consolidation rather than contraction, with transaction volumes stabilising at historically elevated levels following the exceptional post-pandemic expansion cycle. Marbella recorded 1,213 residential sales in Q4, Estepona 1,073 and Benahavís 178, bringing combined quarterly volume across the three municipalities to 2,464 transactions. While year-on-year growth has moderated, overall liquidity remains robust and materially above pre-2020 norms.

Marbella continues to operate as the structural core of the region, combining scale with international depth. Transaction volumes held firm in Q4, with resale activity dominating and foreign buyers accounting for roughly two-thirds to three-quarters of total purchases. Price growth has moderated into single digits annually, with average values plateauing at elevated levels following nine consecutive years of appreciation. The market is no longer characterised by acceleration, but by stability and disciplined absorption.

Estepona remains the expansion engine of the Golden Triangle. With 1,073 transactions in Q4 and new build accounting for approximately 28–30 per cent of activity, the municipality continues to capture demand driven by development-led supply.

Its broader land availability and project pipeline distinguish it from Marbella and Benahavís. While annual transaction growth has cooled, the structural shift toward new construction remains intact, reinforcing Estepona's role as the primary growth corridor within the region.

Benahavís, by contrast, retains its profile as a low-volume, high-value enclave. Of its 178 Q4 transactions, approximately 85 per cent were resales, with new build contributing 14.6 per cent. The municipality's limited pipeline and premium positioning continue to constrain volume while supporting pricing resilience. Foreign buyers dominate activity, and transactions remain predominantly equity-driven, reinforcing the stability of this ultra-prime micro-market.

Across all three municipalities, international capital remains the defining feature of demand. Foreign purchasers continue to represent a significant share of transactions, particularly in Marbella and Benahavís, insulating the market from domestic credit conditions. Rental markets remain tight, with long-term yields averaging approximately 4.8 per cent in Marbella, 4–5 per cent in Estepona and 3.5–4.5 per cent in Benahavís, reflecting high capital values and constrained supply.

A total of 1,213 home sales were recorded during the fourth quarter, up from 957 in Q3 and modestly higher than the 1,154 transactions recorded in Q4 2024

In aggregate, Q4 2025 confirms a market that has transitioned from rapid expansion to structural maturity. Growth has moderated, buyer behaviour has become more selective and pricing has stabilised at record levels. However, transaction volumes remain strong, international demand is sustained and supply constraints persist in prime locations. The Golden Triangle enters 2026 not in retreat, but in a phase of disciplined consolidation, supported by global capital, lifestyle-driven relocation and long-term structural appeal.

Marbella

Sales Volume & Price Trends

Marbella's property market strengthened into the final quarter of 2025, closing the year with a clear resurgence in transactional activity. A total of 1,213 residential sales were recorded in Q4, representing a marked increase on the 957 transactions registered in Q3 and a modest but meaningful rise compared to the 1,154 sales recorded in Q4 2024. Quarter on quarter, this equates to growth of approximately 27 per cent, while year on year activity increased by just over 5 per cent.

This performance confirms that, rather than entering a downturn during the second half of the year, Marbella's market stabilised and re-accelerated at elevated levels. Volumes remain comfortably above pre-pandemic norms and broadly consistent with the stronger post-2020 cycle, although without the volatility seen during the peak surge of 2022. The final quarter demonstrates renewed liquidity and continued buyer confidence, particularly within the resale segment.

Resale transactions accounted for the overwhelming majority of activity in Q4, with 1,067 sales recorded, representing approximately 88 per cent of total transactions. This reflects a substantial quarter-on-quarter increase and a moderate year-on-year rise. New build sales totalled 146 transactions, or roughly 12 per cent of the market, showing solid improvement both compared to Q3 and relative to the same period last year. The data underscores Marbella's structural profile as a resale-dominated market, where limited new supply is absorbed efficiently but does not materially shift the overall balance of activity.

Prices at Elevated Levels, Growth Moderates

Average closing values in Marbella reached approximately €3,520 per square metre in Q4 2025, extending the upward trajectory seen earlier in the year. On a quarterly basis, prices increased at a more measured pace of around 3 per cent, while annual growth remained robust in the mid-teens. This moderation in quarterly growth suggests the market is consolidating at high levels rather than accelerating further, a dynamic consistent with a mature, supply-constrained prime location.

The sustained annual appreciation highlights the depth of demand underpinning the market. While transaction growth in Q4 was notable, price movements appear increasingly controlled, indicating equilibrium rather than exuberance. Sellers remain confident, yet pricing discipline is more evident than during the immediate post-pandemic expansion.

Marbella therefore enters 2026 with both liquidity and pricing resilience intact. Activity has proven capable of expanding even in a higher interest rate environment, reflecting the equity-driven nature of the buyer base and the continued strength of international demand. At the same time, the absence of excessive quarterly price inflation reinforces the view that the market is transitioning into a more stable, sustainable phase of its cycle.

> Overall, Q4 2025 confirms a market that is active but not overheated. Prices are elevated and continue to edge higher, yet the rate of growth has moderated.

Q4 2025 confirms Marbella's position as the most established and liquid market within the Golden Triangle. Transactions have rebounded strongly into year end, prices remain at record nominal levels, and growth, while moderating, continues to be supported by structural demand and constrained supply. The market appears balanced, firm and fundamentally sound as it moves into the next stage of the cycle.

Buyer Demographics

International buyers continued to underpin Marbella's market in Q4 2025, reinforcing the municipality's position as one of Europe's most internationally driven residential destinations. While provincial data indicates that foreign purchasers account for roughly one third of all transactions across Málaga, Marbella's share remains significantly higher. Market participants consistently report that close to four in five transactions in Marbella involve an international buyer, a proportion that has remained structurally elevated over recent years.

The resilience in Q4 transaction volumes further supports this dynamic. The year-end acceleration occurred despite a more complex global macroeconomic backdrop, suggesting that international demand for prime Costa del Sol property remains deep and relatively insulated from short-term volatility. Importantly, the composition of this demand continues to broaden.

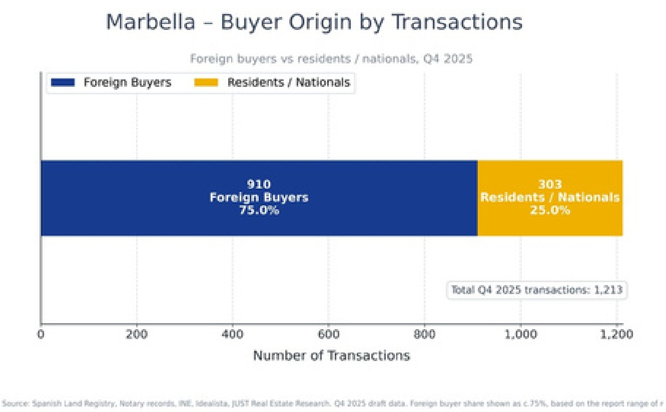
British buyers remain the single largest foreign nationality active in Marbella, maintaining their long-standing influence in the market. However, their relative dominance has gradually diluted as Northern European capital has strengthened. Dutch, Swedish and German purchasers are consistently active, each contributing meaningful shares of foreign transactions. French and Belgian demand remains stable, while interest from Polish buyers has grown materially over the past two years, reflecting broader wealth creation trends in Central and Eastern Europe.

There are also increasing indications of North American interest, particularly from the United States. Although still a smaller segment in absolute terms, enquiries and completed transactions involving U.S. buyers have risen compared with previous years, driven in part by remote working flexibility and relative value compared with other prime resort markets.

Evolving Buyer Profile

Beyond nationality, the profile of the Marbella buyer continues to evolve. The traditional core demographic, established high-net-worth individuals in their fifties and above purchasing second homes or retirement properties, remains firmly present. These buyers are typically equity-driven, focused on lifestyle quality, security and long-term capital preservation.

However, Q4 activity further reinforces the structural shift that has been building since 2021, namely the growing presence of younger professional buyers in their thirties and forties. Enabled by remote work models, entrepreneurial mobility and favourable residency frameworks, this cohort is increasingly purchasing properties for extended occupation rather than seasonal use. Many intend to spend substantial portions of the year in Marbella, with children enrolled in international schools and professional activities continuing remotely or through hybrid structures.



This demographic shift has subtly lowered the average buyer age and contributed to a more year-round residential dynamic within the municipality. Marbella is no longer purely a second-home market, it is increasingly functioning as a primary lifestyle base for globally mobile professionals and families.

Lifestyle Over Speculation

The prevailing motivation among Q4 2025 buyers remains lifestyle-led rather than speculative. Compared with the more opportunistic activity observed during the immediate post-pandemic surge, current purchasers appear more focused on long-term enjoyment and capital preservation. Properties are being acquired for personal use, partial relocation or multi-generational family planning, rather than short-term trading.

> Q4 2025 confirms Marbella's position as the most established and liquid market within the Golden Triangle.

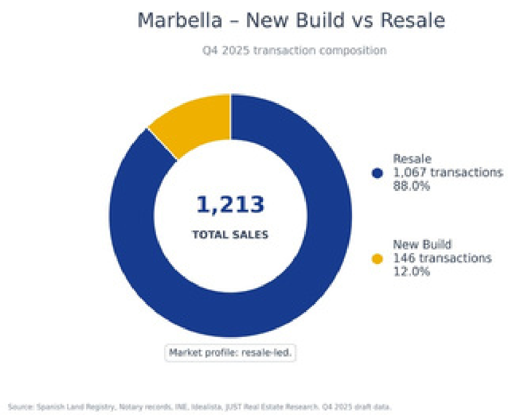
This behavioural shift is reinforced by the structure of financing. A significant proportion of Marbella transactions continue to be completed with limited leverage. Cash purchases or high-equity structures remain common, particularly in the mid to upper price bands. As a result, the market has demonstrated relative insulation from European interest rate movements. Even as financing costs rose during 2023 and early 2024, transaction activity remained comparatively stable, underscoring the depth of liquidity within the international buyer base.

By Q4 2025, mortgage conditions had begun to ease marginally across the Eurozone, yet Marbella's activity levels were not materially dependent on this shift. The market's trajectory continues to be driven more by global wealth flows and lifestyle considerations than by domestic credit cycles.

Buyer demographics in Marbella remain both international and increasingly diverse. British demand retains prominence but is complemented by a broadening European and transatlantic mix. The average buyer is gradually younger, more mobile and more likely to use the property as a semi-permanent base rather than a purely seasonal asset. Combined with high levels of equity financing and long-term ownership intentions, this demographic structure continues to provide stability and resilience to the market as it transitions into a more mature phase of the cycle.

New Development vs Resale

Resale properties continued to dominate Marbella's housing market in Q4 2025, accounting for the vast majority of transactional activity. Of the 1,213 total residential sales recorded during the quarter, 1,067 were



resale transactions, representing approximately 88 per cent of the market. New build sales totalled 146 transactions, or roughly 12 per cent of overall activity.

This structural balance remains largely unchanged from previous quarters, reinforcing Marbella's long-standing profile as a resale-led market where limited new supply is absorbed efficiently but does not materially alter the overall composition of transactions.

On a quarterly basis, both segments recorded meaningful increases. Resale transactions rose sharply compared with Q3 2025, reflecting a renewed acceleration in liquidity into year end. New build activity also improved quarter on quarter, supported by selective project completions and continued appetite for turnkey contemporary product in prime locations.

On a year-on-year basis, growth was more moderate but still positive. Resale volumes registered a measured increase compared with Q4 2024, while new build transactions also recorded an annual rise. The data suggests that Marbella's market strength in Q4 was broad-based rather than isolated to a single segment.

Developer Activity and Supply Constraints

Despite the resilience in new build sales, the overall share of new housing remains constrained by structural supply limitations. Marbella's development pipeline, while active, is inherently restricted by land scarcity, planning history and the premium nature of available sites. As a result, new projects tend to be smaller in scale and are frequently absorbed at an early stage of marketing, often before full completion.

This contrasts with neighbouring municipalities where larger land parcels allow for more extensive development-led growth. Within Marbella itself, the scarcity of developable land continues to underpin both pricing power and limited new supply.

Pricing Differentials

New build properties continue to command a significant premium over comparable resale homes. Contemporary design, energy efficiency standards and turnkey specification drive a willingness among buyers to pay elevated price per square metre levels for modern product, particularly within the upper market tiers. Resale stock, meanwhile, offers broader diversity in pricing and location, sustaining its dominant share of overall transactions. The depth of resale liquidity in Q4 reinforces the view that buyers remain confident in established areas and are not exclusively dependent on new development launches.

Regulatory reform and the progression of updated planning frameworks are expected to gradually improve the medium-term supply outlook. However, the immediate impact on transaction volumes remains limited. In Q4 2025, Marbella's market performance continued to be shaped primarily by resale liquidity rather than new development expansion.

Overall, the balance between new and resale transactions in Q4 reflects a mature and supply-constrained prime market. Developer activity remains active and well-supported, yet resale homes continue to provide the core transactional foundation. This equilibrium, combined with resilient demand and controlled new supply, contributes to the market's ongoing stability as it transitions into a more measured growth phase.

Rental Market

Long-Term Rentals

Marbella's long-term rental market remained structurally tight through Q4 2025, with limited available stock continuing to support elevated pricing levels. Average asking rents stabilised at approximately €20 per square metre per month during the quarter, broadly consistent with Q3 levels and representing sustained double-digit annual growth compared with late 2024.

While quarterly rental growth moderated into year end, the broader trend remains one of constrained supply against persistent demand. A significant proportion of residential stock in prime coastal areas continues to be allocated to short-term or seasonal letting, limiting the availability of long-term rental properties for full-time residents. This imbalance has resulted in consistently low vacancy levels and heightened competition among tenants seeking quality accommodation.

Gross rental yields in Marbella remain moderate relative to other Spanish markets, reflecting the high capital values typical of the municipality. Average gross yields are generally estimated in the mid four per cent range, with smaller apartments achieving slightly stronger returns and larger luxury villas producing lower percentage yields due to higher entry prices. Despite this, sustained rental demand and long-term capital appreciation continue to support investor interest in well-located assets.

Short-Term and Holiday Rentals

Tourist rental demand remained robust throughout 2025, underpinned by continued strength in visitor numbers and Marbella's positioning as a premium Mediterranean destination. The summer season extended into early autumn, and Q4 benefited from sustained conference, golf and lifestyle tourism, reducing the traditional seasonality historically associated with the market.
Short-term rental income potential continues to exceed long-term leasing returns during peak months, incentivising many owners to maintain holiday rental strategies. However, this model carries operational complexity and regulatory oversight, and income remains more variable compared with long-term contracts.

Regulatory Environment

The regulatory framework surrounding short-term rentals tightened further during 2025, with enhanced compliance requirements at both regional and national levels. Registration, safety standards and reporting obligations have become more stringent, reinforcing professionalisation within the sector.

Marbella's municipal stance remains measured. While other Spanish cities have introduced caps or moratoriums on new tourist rental licences, Marbella has thus far avoided sweeping restrictions, citing the distinct profile of its housing stock and visitor base. Nonetheless, regulatory oversight has increased, and the broader European direction of travel suggests continued monitoring and formalisation of the sector.

Investment Dynamics

From an investment perspective, the rental market continues to support Marbella's broader residential resilience. Long-term rental scarcity underpins pricing stability, while the strength of tourism maintains attractive income potential for short-term operators. However, investors are increasingly prioritising balanced strategies, factoring in regulatory developments, operational costs and long-term capital preservation rather than pursuing aggressive yield-driven positioning.

Overall, the rental market in Q4 2025 remains characterised by limited supply, firm pricing and steady demand across both long-term and short-term segments. Growth has moderated from the rapid acceleration seen in earlier post-pandemic phases, yet structural constraints and international demand continue to support stability heading into 2026.

> Average asking rents stabilised at approximately €20 per square metre per month during the quarter, broadly consistent with Q3 levels representing sustained double-digit annual growth

Estepona

Sales Volume and Price Trends

Estepona concluded 2025 with a pronounced increase in recorded residential activity, registering 1,073 transactions in Q4. This represents a substantial rise from the 767 sales recorded in Q3 and a marked increase compared with the 744 transactions registered in Q4 2024. Quarter on quarter, volumes expanded by approximately 40 per cent, while year-on-year growth exceeded 44 per cent.

At first glance, this suggests strong acceleration into year end. However, the composition of activity provides important context. Of the 1,073 transactions recorded in Q4, 321 were classified as new build sales, accounting for nearly 30 per cent of total quarterly volume. These transactions largely reflect project completions and registrations rather than sales agreed during the quarter itself. In practical terms, a significant proportion of these units would have been reserved off-plan 12 to 24 months earlier.

The Q4 volume uplift therefore reflects a combination of delivery timing and sustained absorption rather than a sudden demand spike. Estepona's active development pipeline continues to translate into measurable transaction peaks as projects complete and transfer to buyers.

Resale transactions totalled 752 in Q4, representing approximately 70 per cent of activity. Resale volumes also increased meaningfully compared with Q3 and Q4 2024, indicating that expansion was not solely completion-driven. Liquidity within the secondary market remains healthy, supported by Estepona's relative value positioning within the Golden Triangle.

Price Performance

Average closing values in Q4 2025 reached approximately €2,500 per square metre, continuing the upward trajectory seen throughout the year. Quarterly price growth remained positive, while annual appreciation continued in the low to mid-teens range.

Despite the strong rise in transaction volume, pricing behaviour appears controlled rather than speculative. The data indicates steady capital growth supported by sustained demand, rather than excessive upward pressure triggered by short-term completion spikes. Estepona's pricing differential relative to Marbella remains a key structural driver. Buyers continue to secure contemporary new build product at materially lower price points, reinforcing the municipality's attractiveness for both primary residence and investment strategies.

Market Positioning

The Q4 data confirms Estepona's role as the Golden Triangle's primary development and expansion corridor. Transaction volumes are increasingly shaped by delivery cycles, yet underlying resale activity demonstrates genuine liquidity and broad demand participation. Unlike Marbella, where structural land scarcity limits new build contribution to total activity, Estepona benefits from greater development capacity. This creates more pronounced volume variability between quarters, particularly when larger projects complete.

Overall, Q4 2025 reflects a market that is expanding in structural terms, supported by development output but anchored by genuine absorption. As the cycle progresses into 2026, volume volatility may continue to be influenced by project timing, yet pricing resilience and sustained demand suggest that Estepona's growth phase remains intact, albeit increasingly mature and measured.

Buyer Demographics

Estepona's expansion in Q4 2025 was supported by both structural international demand and a development-led supply cycle. Of the 1,073 residential transactions recorded during the quarter, 678 were completed by foreign purchasers, representing 63.2 per cent of total activity. This places Estepona materially above the Málaga provincial average and confirms its position as a predominantly internationally driven municipality, although with slightly lower foreign concentration than Marbella.

The composition of transactions provides important context. Of the 1,073 total sales, 321 were new build transactions, accounting for 29.9 per cent of quarterly activity, while 752 were resales, representing 70.1 per cent of the market. The relatively high share of new build reflects Estepona's active development pipeline and differentiates it structurally from Marbella, where resale dominates more heavily.

It is important to note that the 321 new build transactions recorded in Q4 largely reflect project completions and registrations rather than fresh demand originating in the quarter. In practical terms, a significant proportion of these units would have been reserved off-plan 12 to 24 months prior. The quarterly uplift therefore reflects delivery timing alongside sustained absorption, rather than a sudden spike in buyer sentiment.

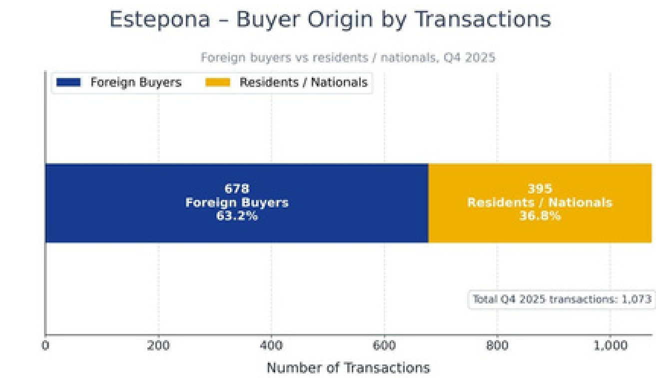
Foreign participation is particularly strong within the new build segment. Development-led projects continue to attract international capital seeking contemporary product at price points materially below Marbella's established prime districts. With average closing prices in Estepona around €2,500 per square metre in Q4 2025, compared with approximately €3,520 per square metre in Marbella, the relative value proposition remains a central driver of demand.

Nationality and Profile

The foreign buyer mix remains diversified. British purchasers continue to represent one of the largest single nationality groups, though their dominance has moderated as Northern European capital has expanded. Dutch, Belgian and German buyers maintain steady participation, while Scandinavian demand remains present across both resale and development segments. Central European participation, particularly from Poland, has strengthened compared with pre-2022 levels, contributing to broader geographic diversification.

Demographically, Estepona's buyer base skews slightly younger and more mid-market than Marbella's. The municipality's comparatively accessible pricing broadens eligibility, attracting professionals in their thirties and forties alongside established second-home buyers. A growing proportion of purchasers intend extended occupation or partial relocation rather than purely seasonal usage, reinforcing the shift toward year-round residential depth.

The strong off-plan commitment dynamic further underscores long-term orientation. Buyers committing to new developments 12 to 24 months before completion are typically allocating equity with a multi-year horizon, suggesting capital preservation and lifestyle positioning rather than short-term speculative intent.



Source: Spanish Land Registry, Notary records, INE, Idealista, JUST Real Estate Research. Q4 2025 draft data. Foreign buyer share: 63.2%.

Financing Structure

Financing behaviour in Estepona reflects a blended structure. Mortgage participation is somewhat higher than in Marbella's upper-tier segment, particularly among domestic buyers, yet international purchasers continue to transact with significant equity contributions. The fact that 63.2 per cent of Q4 transactions involved foreign capital provides a degree of insulation from purely domestic credit conditions, while still allowing the market to benefit from improving European financing trends.

Market Positioning

In summary, Estepona's Q4 2025 data confirms a municipality characterised by high international participation, development-led volume dynamics and diversified demographic demand. Nearly two thirds of transactions involved foreign purchasers, and close to one third of total activity was represented by new build completions. While quarterly volume expansion was influenced by project delivery schedules, underlying resale activity also strengthened, indicating genuine liquidity.

The result is a structurally expanding market supported by forward-committed international capital, demographic broadening and relative pricing advantage within the Golden Triangle. As the cycle progresses into 2026, volume variability may continue to reflect completion timing, yet the depth and diversity of demand provide a stable foundation for sustained performance.

New Development vs Resale

New build activity continued to represent a significant component of Estepona's housing market in Q4 2025, reflecting the municipality's structurally larger development pipeline relative to neighbouring areas. Of the 1,073 total residential transactions recorded during the quarter, 321 were new build sales, accounting for 29.9 per cent of total activity. The remaining 752 transactions, or 70.1 per cent, were resales.

This composition contrasts with Marbella's heavily resale-dominated structure and underlines Estepona's role as the primary supply corridor within the western Costa del Sol. The near 30 per cent new build weighting is materially above the provincial average and highlights the continued absorption of recently completed developments.

Quarter on quarter, new build transactions increased from 249 in Q3 to 321 in Q4, representing growth of approximately 28.9 per cent. Resale activity also expanded meaningfully over the same period, rising from 518 to 752 transactions, a 45.1 per cent increase. This indicates that Q4's overall volume expansion was not solely driven by development completions but was supported by broader market liquidity.

On a year-on-year basis, the contrast is equally pronounced. New build transactions increased from 211 in Q4 2024 to 321 in Q4 2025, a rise of 52.1 per cent. Resale transactions increased from 533 to 752 over the same period, reflecting growth of approximately 41.1 per cent. Total transactional activity therefore rose by 44.2 per cent year on year.

It is important to contextualise the new build data within the development cycle. A significant proportion of the 321 new build transactions registered in Q4 reflect off-plan sales agreed 12 to 24 months earlier and formalised upon project completion. As a result, quarterly fluctuations in volume may partly reflect delivery schedules rather than immediate demand shifts.

Nevertheless, the scale of resale expansion alongside new build completions confirms sustained absorption capacity. Unlike earlier cycles where development-led spikes preceded oversupply, the Q4 2025 data suggests balanced integration between new product and secondary market liquidity.

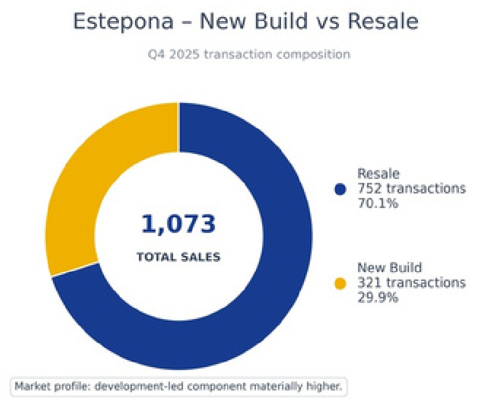
Looking ahead, Estepona's development profile is expected to continue shaping its transaction dynamics. Larger-scale projects and greater land availability will likely result in more pronounced quarterly variability compared with Marbella and Benahavís. However, the Q4 figures indicate that supply continues to meet demand without signs of imbalance, reinforcing Estepona's structural expansion phase within the Golden Triangle.

Of the 1,073 total residential transactions recorded during the quarter, 321 were new build sales, accounting for 29.9 per cent of total activity.

Rental Market

Long-Term Rentals

Estepona's long-term rental market remained firm through Q4 2025, supported by sustained demand and continued population growth along the western Costa del Sol corridor. Average asking rents reached



Source: Spanish Land Registry, Notary records, INE, Idealista, JUST Real Estate Research. Q4 2025 draft data.

approximately €14 to €15 per square metre per month by year end, maintaining an upward trajectory compared with late 2024. Annual rental growth remained in the low double-digit range, broadly consistent with the wider provincial trend, although quarterly increases moderated into Q4.

The rental market in Estepona differs structurally from Marbella. While Marbella experiences acute supply pressure due to high levels of short-term allocation, Estepona retains a comparatively larger stock of long-term rental inventory. Nevertheless, availability remains tight relative to demand, particularly in newly developed areas close to the seafront and within modern residential complexes.

Gross rental yields in Estepona typically range between 4.5 and 5.5 per cent, depending on unit size and location. Smaller apartments within new developments often achieve stronger percentage returns due to lower entry prices relative to rental income, while larger villas and high-specification properties produce more moderate yield percentages.

Gross rental yields in Estepona typically range between 4.5 and 5.5 per cent, depending on unit size and location.

Short-Term and Holiday Rentals

Tourism activity continued to support the short-term rental sector throughout 2025. Estepona benefited from strong summer occupancy and increasing shoulder-season demand, reflecting the municipality's expanding leisure and residential infrastructure. While average daily rates remain below Marbella's premium positioning, occupancy rates remain healthy and seasonal income potential remains attractive for property owners.
The relatively high proportion of new build apartments delivered in recent years has created a substantial pool of short-term rental stock. However, absorption has remained steady, and there is no evidence of widespread vacancy pressure within professionally managed developments.

Regulatory Environment

Regulatory oversight of short-term rentals tightened across Andalucía during 2025, with enhanced compliance standards and registration requirements. These changes apply equally to Estepona and reinforce the professionalisation of the rental sector. While no sweeping local restrictions have been introduced, increased monitoring and enforcement are contributing to greater transparency and operational accountability. From an investment perspective, landlords are increasingly balancing short-term revenue optimisation against long-term stability. Some owners are opting for 11 to 12-month contracts to secure predictable cash flow, particularly in centrally located developments with strong year-round tenant demand.

Market Dynamics

The interplay between new build supply and rental demand remains central to Estepona's investment narrative. The delivery of 321 new build units in Q4 2025 alone illustrates the scale of residential expansion. A proportion of these properties will enter the rental market, either long-term or short-term, incrementally increasing available stock.

However, continued inward migration, both domestic and international, supports sustained tenant demand. Unlike speculative-driven rental cycles, the current dynamic appears linked to structural population growth and lifestyle relocation trends.

Benahavís

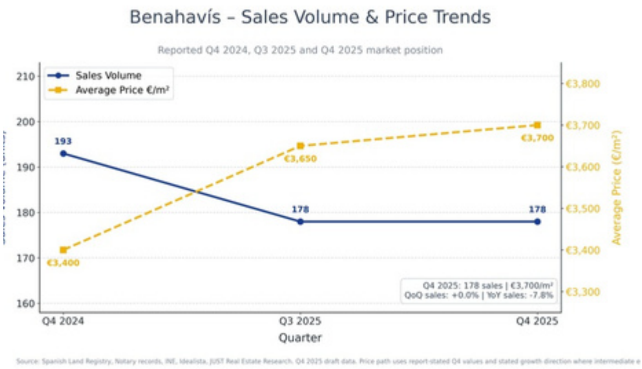
Sales Volume and Price Trends

Benahavís recorded 178 residential transactions in Q4 2025, unchanged from the 178 transactions registered in Q3. Compared with Q4 2024, when 193 transactions were recorded, activity declined by approximately 7.8 per cent year on year.

Unlike Marbella and Estepona, where Q4 saw a clear expansion in volume, Benahavís displayed stability quarter on quarter but a modest annual contraction. This reflects the municipality's structurally lower transaction base and greater sensitivity to project timing and high-value asset turnover.

New build transactions accounted for 26 of the 178 sales recorded in Q4, representing 14.6 per cent of total activity. Resale transactions totalled 152, or 85.4 per cent of the market. Compared with Q3 2025, new build sales declined from 31 to 26, a reduction of 16.1 per cent, while resale activity increased marginally from 147 to 152 transactions, a 3.4 per cent quarterly rise.

On a year-on-year basis, new build transactions declined from 34 in Q4 2024 to 26 in Q4 2025, a decrease of 23.5 per cent.



On a year-on-year basis, new build transactions declined from 34 in Q4 2024 to 26 in Q4 2025, a decrease of 23.5 per cent. Resale transactions fell from 159 to 152 over the same period, representing a 4.4 per cent reduction. Total transactions therefore contracted by 7.8 per cent annually.

The data highlights the municipality's dependence on delivery cycles and high-value individual asset turnover rather than broad-based volume expansion. In contrast to Estepona's development-led growth, Benahavís remains characterised by lower transaction frequency and higher average ticket size.

Price Performance

Average closing prices in Benahavís reached approximately €3,700 per square metre in Q4 2025, positioning the municipality at the upper end of the Golden Triangle in per-square-metre terms. While quarter-on-quarter price movement was broadly stable, annual growth remained positive in the high single-digit range.

The relative stability in pricing despite modest volume contraction reflects the premium nature of stock within Benahavís. Transactions are concentrated in established high-end enclaves, including gated hillside communities and golf-adjacent developments, where supply remains constrained and buyer profiles are typically equity-driven.

Market Structure

Benahavís continues to function as a low-volume, high-value micro-market within the wider western Costa del Sol. With only 178 transactions recorded in Q4, compared with 1,213 in Marbella and 1,073 in Estepona, liquidity is inherently thinner and more influenced by individual project completions or high-value resale listings.

Resale dominance remains evident, with over 85 per cent of activity derived from existing housing stock. The relatively small new build share in Q4 reflects limited completion cycles during the period rather than a structural absence of development interest.
In summary, Q4 2025 confirms Benahavís as a stable, premium municipality operating at lower transaction

frequency but elevated price levels. While annual volumes contracted modestly, pricing resilience and marginal quarterly resale growth suggest continued demand depth within the high-end segment. The market remains fundamentally supply-constrained and capital-driven, differentiating it clearly from the expansionary dynamics observed in neighbouring Estepona.

Buyer Demographics

International buyers continue to dominate Benahavís' residential market. Of the 178 transactions recorded in Q4 2025, 124 were completed by foreign purchasers, representing 69.7 per cent of total activity. This marks an increase from 66.9 per cent in Q3 and 67.9 per cent in Q4 2024, indicating a gradual but clear strengthening of international concentration.

While overall transaction volume declined modestly year on year, the data confirms that foreign demand remains the structural backbone of the municipality. In fact, the proportion of international buyers has increased even as total sales softened, reinforcing Benahavís' positioning as a globally oriented luxury enclave within the Golden Triangle.

Compared with Estepona's 63.2 per cent foreign participation and Marbella's higher concentration, Benahavís sits firmly within the international premium segment. The municipality's product offering, largely composed of gated hillside communities, golf-adjacent villas and high-end apartments, naturally appeals to internationally mobile capital.

Nationality and Profile

The foreign buyer mix in Benahavís tends to skew toward higher-net-worth profiles relative to neighbouring municipalities. British, Dutch, Belgian and German buyers remain consistently active, while Scandinavian and increasingly Central European purchasers continue to feature within the resale and new build segments.

Given the relatively small absolute volume of transactions, shifts in nationality weighting can vary quarter to quarter. However, the sustained near-70 per cent foreign share underscores the municipality's reliance on international equity rather than domestic mortgage-driven demand.

Age and Usage Patterns

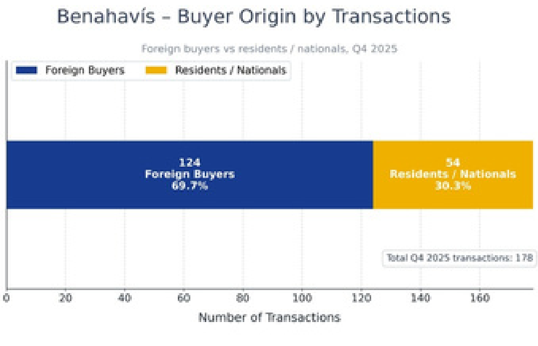
Benahavís buyers typically skew older and more capital-established compared with Estepona's expanding mid-market demographic. Purchasers are often acquiring primary residences within gated communities, lifestyle estates or secondary homes within luxury developments. The emphasis remains on security, privacy and long-term capital preservation.

The relatively small number of new build transactions in Q4, 26 units representing 14.6 per cent of total sales, further reflects the municipality's limited delivery pipeline during the period. As in Estepona, many of these new build transactions represent off-plan commitments formalised upon completion, rather than fresh quarter-specific demand.

Financing Structure

Financing patterns in Benahavís remain strongly equity-driven. The high foreign participation rate and elevated price per square metre, approximately €3,700 in Q4 2025, suggest limited sensitivity to domestic mortgage cycles. Purchases in the municipality are frequently completed with significant capital contributions or cash, insulating activity from short-term interest rate fluctuations.

In summary, Benahavís' Q4 2025 buyer profile reflects a highly international, equity-led and premium-oriented market structure. Despite modest annual contraction in transaction volume, foreign participation increased to nearly 70 per cent, reinforcing the municipality's status as a globally positioned luxury enclave. Demand remains concentrated, capital-driven and structurally distinct from the broader expansion dynamics observed in Estepona.



Source: Spanish Land Registry, Notary records, INE, Idealista, JUST Real Estate Research. Q4 2025 draft data. Foreign buyer share: 69.7%.

New Development vs Resale

Resale properties continued to dominate Benahavís' housing market in Q4 2025, reinforcing the municipality's established profile as a low-volume, high-value resale-led micro-market. Of the 178 total residential transactions recorded during the quarter, 152 were resale transactions, representing 85.4 per cent of total activity. New build transactions accounted for 26 sales, or 14.6 per cent of the market.

Quarter on quarter, the composition shifted marginally. New build transactions declined from 31 in Q3 2025 to 26 in Q4, a decrease of 16.1 per cent. Resale activity, by contrast, increased modestly from 147 to 152 transactions, reflecting growth of 3.4 per cent over the same period. Total quarterly volume therefore remained unchanged at 178 transactions, with slight internal rebalancing toward resale.

On a year-on-year basis, both segments recorded contraction. New build transactions declined from 34 in Q4 2024 to 26 in Q4 2025, representing a reduction of 23.5 per cent. Resale transactions decreased from 159 to 152 over the same period, a decline of 4.4 per cent. Total transactional activity fell by 7.8 per cent year on year. The relatively small absolute number of new build transactions reflects limited completion cycles during the period rather than diminished structural demand.

Benahavís' development profile is inherently constrained by geography and planning, with new projects typically concentrated in select high-end enclaves. As a result, quarterly variability in new build activity often reflects timing of individual project deliveries rather than broad shifts in buyer appetite.

Resale liquidity therefore remains the structural backbone of the municipality. With over 85 per cent of Q4 transactions derived from existing housing stock, the market continues to be characterised by secondary turnover within established gated communities and luxury estates. This reinforces Benahavís' positioning as a mature premium enclave where capital preservation and long-term ownership dominate over development-led expansion.

Unlike Estepona, where new build activity approaches 30 per cent of quarterly transactions, Benahavís maintains a more constrained supply profile. This limited pipeline contributes to pricing stability but also results in lower overall transaction volumes and greater sensitivity to individual asset turnover.

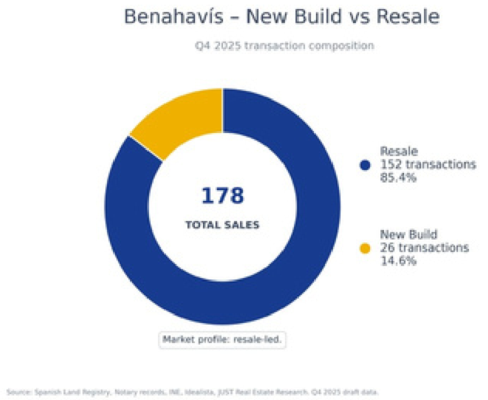
Rental Market

Long-Term Rentals

Benahavís' long-term rental market remains comparatively small in volume but high in value, reflecting the municipality's predominantly owner-occupied, premium residential character. Unlike Marbella and Estepona, where rental supply forms a more significant component of overall housing stock, Benahavís is structurally less rental-driven and more concentrated in primary or secondary ownership.

Average long-term rental asking levels in Q4 2025 were broadly stable compared with Q3, with pricing typically ranging between €16 and €20 per square metre per month depending on location and asset type. Villas and large-format properties command higher absolute monthly rents but produce more moderate percentage yields due to elevated capital values.

Gross rental yields in Benahavís generally fall within the 3.5 to 4.5 per cent range, lower than Estepona and broadly in line with prime segments of Marbella. The yield compression reflects high acquisition costs, particularly in gated hillside communities and golf-front developments, where average sale prices approach €3,700 per square metre.



Demand for long-term rentals remains steady but limited in scale. Tenants typically consist of internationally mobile professionals, senior executives or families relocating to the Costa del Sol who prioritise security, privacy and community infrastructure. However, overall rental liquidity is constrained by the relatively low proportion of housing stock allocated to leasing.

Short-Term and Seasonal Rentals

Short-term rental activity in Benahavís is more concentrated within resort-style developments and villa communities, particularly those adjacent to golf courses or within established luxury estates. The municipality does not operate as a mass tourism location in the same way as central Marbella, and seasonal fluctuations remain more pronounced.

Peak summer occupancy remains strong, particularly for high-end villas capable of commanding substantial weekly rates. However, the total volume of short-term rental inventory remains modest relative to neighbouring municipalities. As a result, the short-term market is characterised by limited stock, high quality and elevated nightly pricing rather than broad-based turnover. Regulatory oversight introduced during 2025 applies equally to Benahavís, requiring formal registration and compliance with regional standards. Given the smaller scale of the rental sector locally, the regulatory impact has been more administrative than structural.

Market Dynamics

The relatively limited scale of Benahavís' rental market reinforces its positioning as a capital-preservation, ownership-oriented municipality rather than an income-yield driven location. With only 178 residential transactions recorded in Q4 2025 and nearly 70 per cent of those involving foreign buyers, the majority of demand remains equity-led and lifestyle-motivated rather than yield-focused.

Rental performance therefore acts as a supplementary consideration rather than the primary investment thesis. Investors active in Benahavís are typically prioritising asset quality, privacy and long-term appreciation potential over short-term rental maximisation.

Key Highlights

- Q4 2025 transactions reached 1,213 in Marbella, 1,073 in Estepona and 178 in Benahavís, with volumes broadly stable quarter on quarter
- New build represented approximately 28–30% of Estepona sales versus 14.6% in Benahavís and a materially lower share in Marbella
- Resales accounted for over 85% of transactions in Benahavís and the clear majority in Marbella, confirming resale-led liquidity
- Foreign buyers comprised roughly two-thirds to three-quarters of transactions in Marbella and Benahavís, underpinning demand resilience
- Annual transaction volumes moderated year on year, with Benahavís down 7.8% in Q4 and new build sales declining 23.5%
- Rental yields averaged approximately 4.8% in Marbella, 4–5% in Estepona and 3.5–4.5% in Benahavís, reflecting premium capital values and constrained supply

Sources:

- Official data from the Spanish Land Registry (Registradores de España) and Notary records (Consejo General del Notariado)
- Ministry of Transport, Mobility and Urban Agenda (former Ministry of Housing/Fomento) – official housing transaction statistics and new vs resale data
- Instituto Nacional de Estadística (INE) – demographic and foreign buyer purchase data
- Idealista (property portal) – pricing and rental market data indices

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