Q1 2026 Costa del Sol Market Report: Marbella, Estepona & Benahavís

Q1 2026 confirms that the residential market across Marbella, Estepona and Benahavís has moved into a more selective phase, but not a structurally weaker one. The headline transaction figures show a clear reduction in registered sales activity, with 1,566 residential transactions recorded across the three municipalities during the quarter, compared with 2,446 in Q4 2025 and 2,243 in Q1 2025. This represents a 36.0% quarter-on-quarter decline and a 30.2% year-on-year decline.

At first glance, these figures appear significant. However, the decline must be viewed within the context of exceptionally strong activity levels recorded throughout 2024 and 2025, periods which benefited from falling interest rates, substantial international demand, post-pandemic relocation trends and continued migration into the Costa del Sol. Rather than indicating a collapse in demand, Q1 2026 appears to represent a normalisation of transaction volumes following several years of unusually elevated activity.

Marbella remained the largest residential market within the Golden Triangle, accounting for 842 transactions during the quarter, followed by Estepona with 598 transactions and Benahavís with 126 transactions. All three municipalities recorded lower sales volumes compared with both the previous quarter and the same period last year, although the reduction was broadly consistent across the market and does not currently indicate any significant divergence between locations.

Importantly, pricing trends continue to tell a very different story from transaction volumes. Despite fewer completed sales, residential values remain firmly supported by constrained supply, strong household wealth among incoming buyers and continued international demand. Nationally, Spain's residential market recorded annual price growth of 14.3% according to Tinsa, while Málaga Province remained one of the country's highest-value residential markets, with average values reaching €2,598 per square metre and annual growth of 13.1%.

The Costa del Sol continues to benefit from structural demand drivers that distinguish it from many other European residential markets. Málaga Airport remains one of the fastest growing international gateways in Southern Europe, tourism activity continues to reach record levels, foreign direct investment into Spain remains elevated and the region continues to attract retirees, entrepreneurs, remote workers and second-home purchasers from across Northern Europe, North America and the Middle East.

Foreign demand remains one of the defining characteristics of the local market. Málaga Province recorded a foreign buyer participation rate of 34.3% during Q1 2026, more than double the Spanish national average.

This continues to place the Costa del Sol among the most internationally driven residential markets in Europe and provides a significant layer of insulation from purely domestic economic cycles.

Málaga Province remained one of the country's highest-value markets, with annual growth of 13.1%.

Buyer behaviour is nevertheless evolving. Purchasers are becoming increasingly selective, particularly within the €1 million to €3 million segment where choice has expanded substantially over the past 24 months. Properties that are priced accurately, renovated to modern standards and located within established prime areas continue to achieve strong levels of interest. Conversely, properties carrying ambitious pricing expectations are remaining on the market for longer periods as buyers become more analytical and comparison-driven.

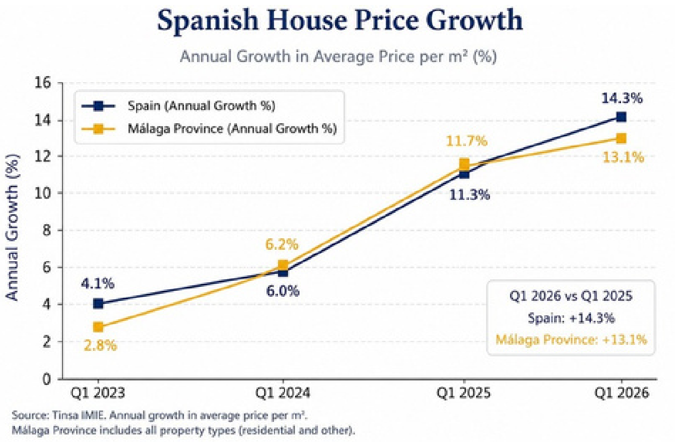
Supply remains one of the most important themes affecting the market. While new development activity continues across Marbella, Estepona and Benahavís, the delivery of completed housing stock remains insufficient to fully satisfy long-term demand. This imbalance is particularly visible within the prime and luxury segments, where land availability remains constrained and planning processes continue to limit the pace of new supply.

The branded residences sector continues to attract significant attention, with Marbella reinforcing its position as one of Europe's leading destinations for luxury real estate investment. New projects associated with globally recognised brands continue to achieve record pricing levels, helping support values across the broader upper-prime market.

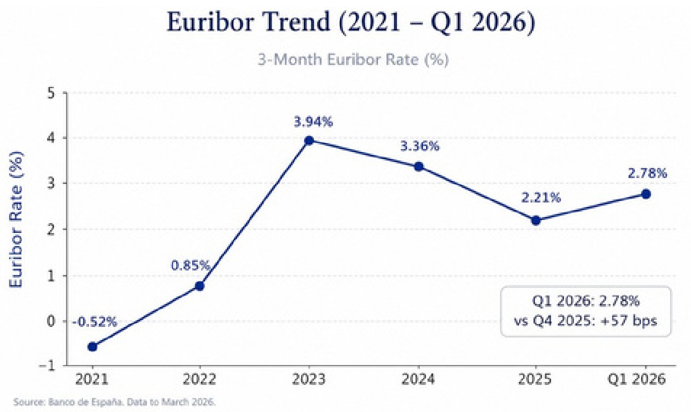
Economic conditions remain broadly supportive. Although inflationary pressures increased during the quarter and the Euribor experienced some upward movement, financing conditions remain considerably more favourable than those seen during the peak tightening cycle of 2022–2023.

Employment levels remain strong, Spain's economy continues to outperform many of its European peers and international tourism remains at historically high levels. Tinsa notes that national housing demand remains supported despite a moderation in transaction activity, with structural supply shortages continuing to underpin pricing.

Looking ahead, the most likely scenario for the remainder of 2026 is one of continued market normalisation rather than correction. Transaction volumes are expected to remain below the exceptional levels achieved during 2024 and 2025, but demand fundamentals remain sufficiently strong to support residential values across the Golden Triangle. Supply constraints, demographic growth, international migration and continued global interest in the Costa del Sol lifestyle are expected to remain the primary drivers of the market.



For buyers, Q1 2026 presents a market offering greater choice and improved negotiating conditions than those seen over the previous two years. For sellers, correctly aligned pricing strategies have become increasingly important as buyers demonstrate greater selectivity. For investors, the underlying fundamentals remain favourable, particularly within prime coastal locations where long-term supply remains limited.



The overall picture emerging from Q1 2026 is therefore not one of weakening demand, but rather a transition towards a more balanced and sustainable market. Transaction activity has moderated from exceptionally high levels, yet the structural drivers that have underpinned the Costa del Sol's residential market over the past decade remain firmly intact.

Interest Rates and Financing Conditions

After providing a major boost to transaction activity throughout 2025, lower interest rates are no longer the primary driver of buyer demand. Much of the benefit from the European Central Bank's easing cycle has now been absorbed by the market.
During Q1 2026, the Euribor moved higher, increasing from approximately 2.2% at the beginning of March to around 2.8% by month-end as financial markets reacted to renewed inflationary pressures and geopolitical uncertainty. Tinsa notes that inflation accelerated from 2.3% earlier in the quarter to 3.3% in March, creating additional uncertainty regarding future monetary policy.

Although borrowing costs remain substantially lower than their 2023 peaks, mortgage demand has begun to stabilise after the strong rebound experienced throughout 2025. This moderation is reflected in the lower transaction volumes recorded during the quarter and suggests the market is moving towards a more sustainable level of activity.

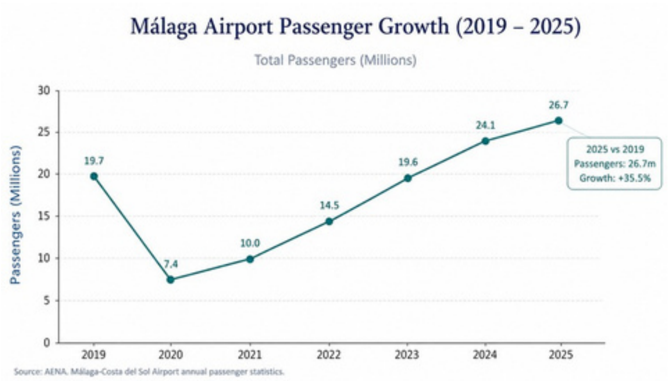
Importantly, however, financing plays a smaller role within Marbella's prime and luxury sectors than in most residential markets. Cash buyers continue to dominate higher-value transactions, limiting the direct impact of interest rate movements on luxury property demand.

Macro Economic Overview

At a national level, residential values continued to advance during the quarter. According to Registradores de España, the average price of residential property reached a new historic high of €2,429 per square metre during Q1 2026, representing quarterly growth of 3.2% and annual growth of 8.9%. New build housing significantly outperformed the resale sector, recording quarterly growth of 6.2% compared with 2.2% for existing homes, reflecting ongoing shortages of newly delivered housing stock throughout many parts of Spain.

Registradores attributes continued house price growth primarily to population growth, household formation, limited housing supply, favourable employment conditions and accessible financing. These structural factors have now supported more than eleven consecutive years of residential price growth.

Mortgage conditions remained broadly supportive despite some volatility in financial markets during the quarter. New mortgage lending continued to expand, with 133,618 residential mortgages registered nationally during Q1 2026, representing a quarterly increase of 0.9%. Fixed-rate mortgages remained dominant, accounting for 67.1% of all new residential lending, providing borrowers with greater certainty over future financing costs. The average mortgage interest rate stood at 2.99%, remaining significantly below the peaks experienced during the tightening cycle of 2023 and early 2024.



Although financing conditions remain favourable, the Costa del Sol market continues to be less dependent on mortgage activity than many other regions of Spain. International and high net worth buyers purchasing in Marbella, Benahavís and increasingly Estepona continue to rely heavily on equity and cash purchases, reducing sensitivity to short-term interest rate fluctuations. Mortgage conditions therefore remain important for overall market confidence, but have a more limited direct impact on prime residential markets than on mainstream domestic housing markets.

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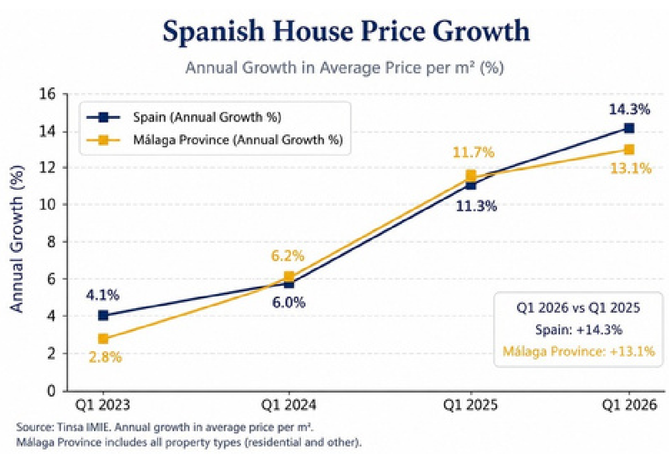
Foreign investment continues to provide a significant source of support for residential demand. During Q1 2026, foreign buyers accounted for 13.92% of all residential transactions nationally, while Málaga Province recorded a substantially higher participation rate of 34.3%, one of the highest levels in Spain and more than double the national average. British buyers remained the largest foreign purchaser group nationally, followed closely by Dutch, Moroccan, German, Italian, Romanian, French and Polish buyers. This diversity of international demand continues to reduce reliance on any single nationality and supports long-term market resilience.

International tourism remained a major economic driver during 2025, with Spain welcoming 96.8 million visitors and generating a tourism surplus equivalent to 4.2% of GDP. Combined with a national financing surplus of 3.9% of GDP, these figures reinforce Spain's strong external position and continue to support international confidence in the Costa del Sol property market.

Spain's external economic position also remains notably strong. The country recorded a financing surplus equivalent to 3.9% of GDP during 2025, one of the strongest external balances among the major Eurozone economies. Spain has now maintained a positive financing balance continuously since 2012, reflecting the strength of exports, tourism and international investment inflows. The continuation of this trend provides a stable backdrop for property investment and reinforces international confidence in Spain as a destination for capital allocation.

Despite these positive fundamentals, affordability pressures continue to build. Registradores reported that average mortgage repayments now represent approximately 34% of average salary costs nationally, with significantly higher ratios recorded in key employment and lifestyle markets. This growing affordability challenge is becoming increasingly visible across Spain's major cities and coastal destinations and remains one of the principal risks facing the residential sector over the medium term.



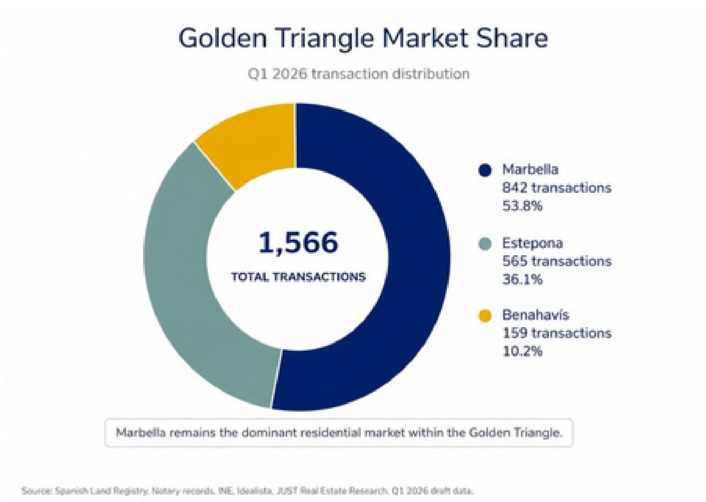
Golden Triangle Market Overview

Marbella, Estepona and Benahavís recorded a combined 1,566 residential property transactions during Q1 2026, representing a 36.0% quarter-on-quarter decline from 2,446 transactions in Q4 2025 and a 30.2% decrease compared with the 2,243 transactions recorded during Q1 2025. While these headline figures indicate a significant slowdown in activity, they should be viewed within the context of exceptionally elevated transaction volumes recorded throughout the previous two years rather than as evidence of weakening market fundamentals.

The moderation in sales activity was evident across all three municipalities. Marbella recorded 842 residential transactions, representing a 30.1% quarterly decline and a 27.4% annual decline. Estepona registered 598 transactions, down 43.8% quarter-on-quarter and 32.9% year-on-year, while Benahavís completed 126 transactions, a quarterly decline of 28.8% and an annual reduction of 34.7%. Despite these lower volumes, Marbella continued to account for more than half of all residential transactions across the Golden Triangle, reinforcing its position as the region's principal residential market.

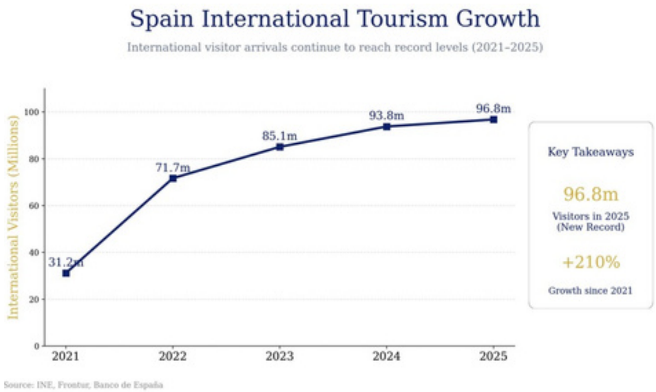
The reduction in activity reflects a market becoming increasingly selective rather than fundamentally weaker.

Following several years of exceptionally strong post-pandemic demand, buyers have become more discerning, with longer decision-making periods and greater emphasis placed on property quality, location and pricing.

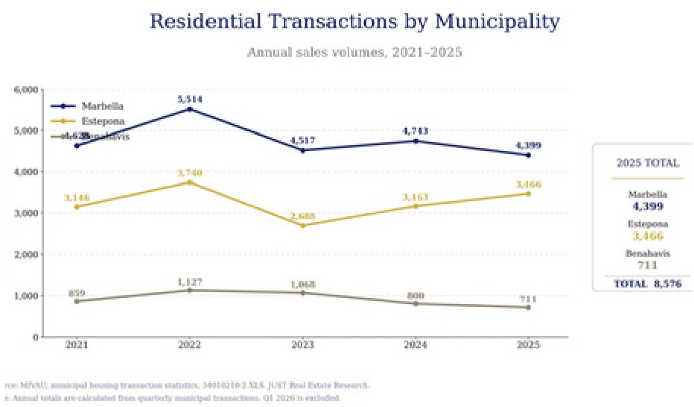


Well-positioned homes continue to attract strong interest, while properties that are overpriced or require significant refurbishment are experiencing longer marketing periods.

Price performance remains considerably more resilient than transaction volumes suggest. National house prices reached new record highs during the quarter, supported by continued supply shortages, population growth and resilient international demand. Across the Costa del Sol, asking prices have remained broadly stable in prime locations, with limited evidence of widespread price correction despite lower transaction volumes.



International demand continues to underpin the region's residential market. Málaga Province recorded a foreign buyer participation rate of 34.3% during Q1 2026, more than double the Spanish national average of 13.92% and one of the highest proportions recorded anywhere in the country. This diversified international demand continues to reduce reliance on domestic market conditions and provides long-term support for residential values across Marbella, Estepona and Benahavís.



Supply conditions remain one of the market's defining characteristics. New housing delivery continues to lag demand, particularly within established prime locations where planning restrictions and limited land availability constrain future development. This shortage of high-quality stock continues to support pricing, especially within the luxury segment where genuinely prime properties remain scarce.

Development activity nevertheless remains robust. Branded residences, luxury mixed-use schemes and premium apartment developments continue to launch across the Golden Triangle, reflecting sustained developer confidence in long-term demand. However, many of these projects are already substantially pre-sold prior to completion, limiting the immediate impact on available market supply.

Marbella

Sales Volume & Price Trends

Marbella recorded 842 residential property transactions during Q1 2026, a decline of 30.1% compared with Q4 2025 and 27.4% lower than the first quarter of 2025. Despite this moderation, Marbella remained the largest residential market within the Golden Triangle, accounting for 53.8% of all residential transactions across Marbella, Estepona and Benahavís.

The moderation in activity reflects a market returning to more sustainable levels following the exceptionally strong post pandemic period rather than a deterioration in demand. Limited housing supply, particularly within the prime resale market, together with more measured purchasing decisions, has reduced transaction volumes while continuing to support pricing across the municipality.

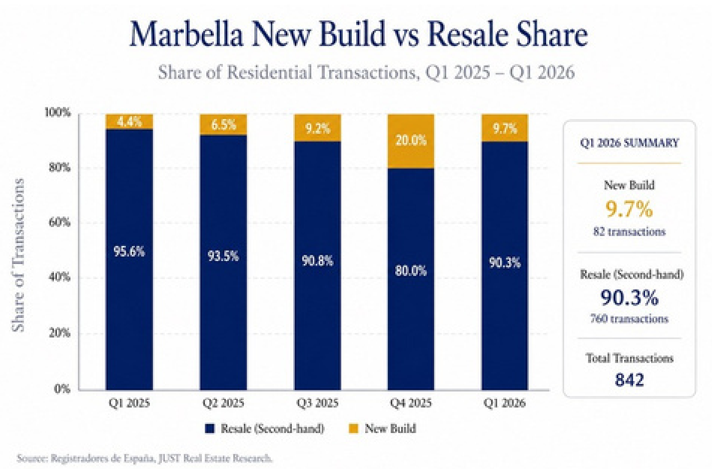
The latest municipality wide Notariado statistics demonstrate Marbella's pricing strength. The average residential transaction value reached €769,218, the average sales price was €4,582 per square metre, and the average property sold measured 168 m^2. Residential values increased by 7.68% over the latest Notariado reporting period, reinforcing Marbella's position as one of Spain's highest-value residential markets.

International demand continues to underpin the market. Foreign buyers accounted for 60.9% of residential purchases, compared with 39.1% for Spanish buyers. The median buyer age was 51 years, 87.5% of purchases were completed by private individuals and 12.5% by companies. Apartments represented 77.7% of all transactions, houses accounted for 22.3%, and resale homes continued to dominate overall activity despite continued demand for new developments.

Marbella's prime residential market continues to operate at a different level to the municipality as a whole. Within postcode 29602, encompassing much of the Golden Mile and surrounding prime residential neighbourhoods, the average residential transaction reached €984,119, with an average sales price of €5,308 per square metre and an average property size of 185 m². Foreign buyers represented 58.2% of purchases, while resale apartments continued to dominate completed transactions, reflecting the limited availability of development land and newly completed homes within Marbella's most established luxury locations.

New Build vs Resale

Marbella's residential market returned to a more typical transaction profile during Q1 2026 following the exceptional level of new-build completions recorded at the end of 2025. Of the 842 residential transactions registered during the quarter, 82 were new-build properties and 760 were resale homes, giving the resale market a 90.3% share of all transactions compared with 9.7% for new-build. The exceptionally high new-build share recorded during Q4 2025 (20.0%) reflected the completion of several developments reaching handover simultaneously rather than a structural change in buyer demand. With those projects completed, the market reverted to its more typical composition during Q1 2026, where resale properties continue to account for the overwhelming majority of transactions.



While resale homes dominate transaction volumes, demand for quality new build developments remains exceptionally strong. Modern design, energy efficiency and turnkey specifications continue to attract significant interest from international buyers, although the supply of completed units remains limited. As a result, new-build properties continue to command a pricing premium, while the constrained pipeline of completed homes reinforces the strength of Marbella's broader residential market.

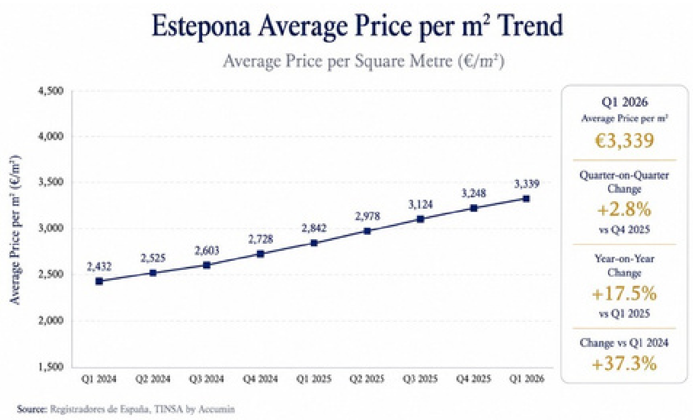
Supply & Development

Supply constraints continue to underpin Marbella's residential market despite lower transaction volumes. Prime areas including the Golden Mile, Sierra Blanca, Nueva Andalucía and Los Monteros remain largely built out, leaving limited opportunities for significant new residential development.

Although the development pipeline remains active, licensing timeframes have yet to improve meaningfully, delaying the delivery of many new-build schemes. As a result, a number of major luxury developments and branded residences remain under construction, with few significant project completions reported during Q1 2026. This has continued to restrict the supply of new homes entering the market.

With demand remaining resilient and quality stock limited across both the resale and new build sectors, constrained supply continues to be one of the principal factors supporting residential values across Marbella.

Estepona Market Overview



Sales Volume & Price Trends

Estepona recorded 598 residential property transactions during Q1 2026, representing a moderation from the exceptionally strong levels of activity recorded throughout 2025. Despite lower transaction volumes, the municipality remained the second largest residential market within the Golden Triangle, supported by continued inward investment, urban regeneration and one of the Costa del Sol's most active development pipelines.

The latest municipality wide Notariado statistics highlight a market that continues to combine affordability with strong capital growth. The average residential transaction value reached €429,353, the average sales price was €3,339 per square metre, and the average property sold measured 128 m^2. Residential values increased by 10.98% over the latest reporting period, reflecting continued demand across both the new build and resale markets.

International buyers continue to play a dominant role in the municipality. Foreign purchasers accounted for 69.3% of all residential transactions, compared with 30.7% for Spanish buyers, making Estepona one of the most internationally driven housing markets on the Costa del Sol. The Netherlands represented the largest overseas buyer group, followed by the United Kingdom, Poland, Sweden and Belgium, demonstrating the broad geographic diversity of demand.

The demographic profile further illustrates the maturity of the market. The median buyer age was 52 years, 86.7% of purchases were completed by private individuals and 13.3% by companies. Apartments accounted for 85.8% of residential transactions, houses represented 14.2%, while 25.1% of all sales involved new build homes and 74.9% related to resale properties. The comparatively high proportion of new build transactions reflects the municipality's continued residential expansion and the availability of modern developments that are increasingly difficult to replicate in neighbouring Marbella.

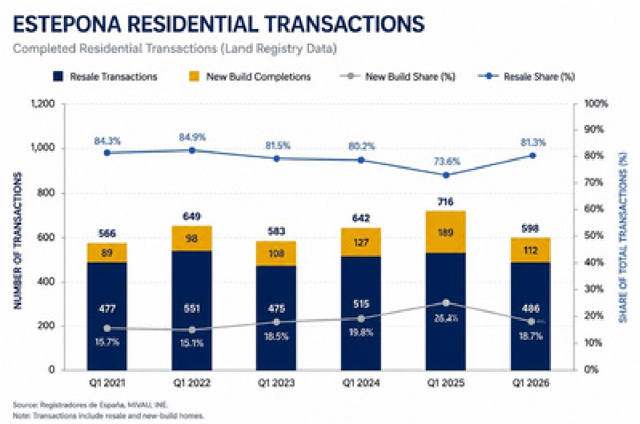
New Build vs Resale

Official municipal transaction data shows that Estepona recorded 598 residential transactions during Q1 2026, comprising 112 new build sales and 486 resale transactions. New build properties accounted for 18.7% of all completed transactions, while the resale market represented 81.3%.

Following an exceptionally strong Q4 2025, when several major developments completed and new build sales accounted for almost 40% of all transactions, Q1 2026 saw the market return to a more typical composition. It is important to recognise that these figures represent completed property transfers, not new reservations. In most cases, buyers committed to these homes 18 to 24 months earlier, meaning quarterly transaction volumes are largely influenced by construction completion schedules rather than current buyer demand.

Despite the moderation in completed new build transactions, Estepona continues to possess one of the most active residential development markets on the Costa del Sol. JUST Real Estate's proprietary research identifies approximately 50 active apartment developments across the municipality, representing around 2,770 apartments at various stages of construction and delivery.

By the end of Q2 2026, an estimated 70% of this apartment pipeline had already been sold or reserved, leaving fewer than 850 homes publicly available. Based on current absorption rates, the remaining stock represents approximately 20 months of supply, demonstrating that buyer demand continues to absorb new supply despite Estepona having the Costa del Sol's largest active residential development pipeline.



Several developments are now approaching completion, including Ayana (144 apartments), while further schemes such as Sierra Blanca by the Sea are expected to add much-needed supply over the coming quarters. However, planning and licensing timeframes remain lengthy, meaning new projects are replacing sold inventory more slowly than demand is absorbing it.

Unless the pace of new planning approvals increases materially, Estepona is likely to remain in a structurally undersupplied position, supporting pricing for well-located modern homes over the medium term.

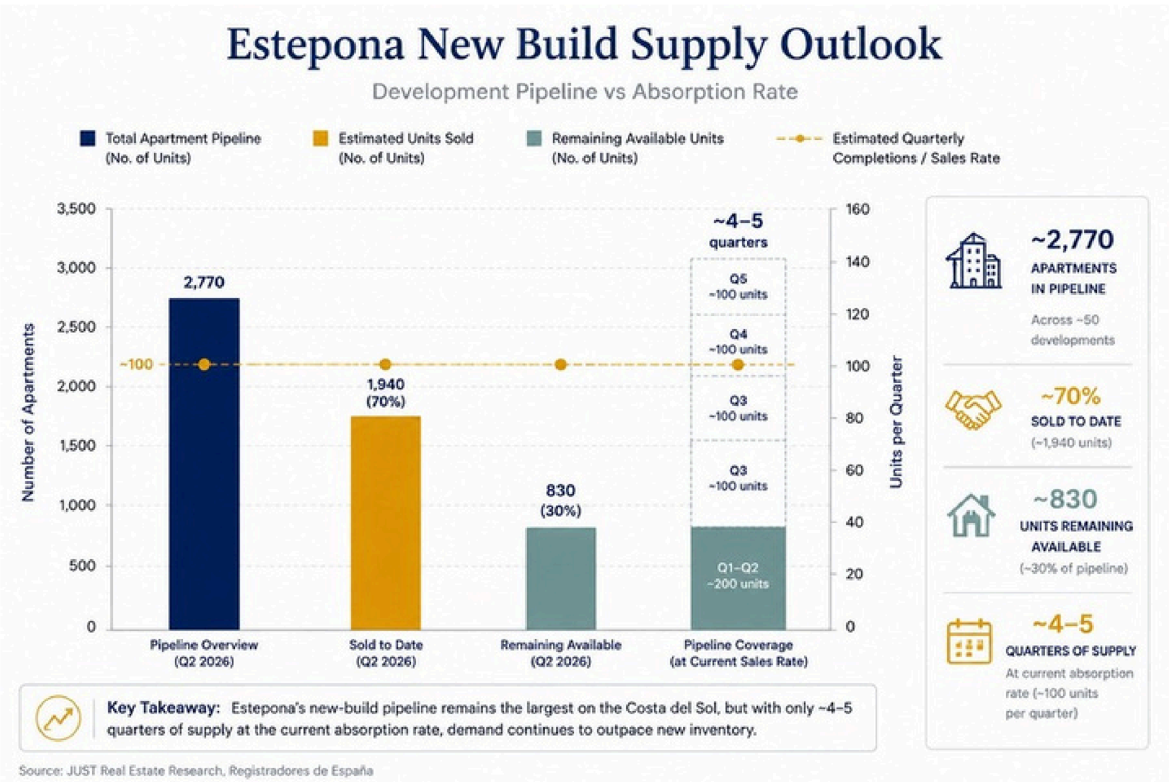
Supply & Development

Despite having the largest development pipeline on the Costa del Sol, supply in Estepona is being steadily absorbed. Our research identified approximately 2,770 apartments across around 50 active developments, with around 70% already sold by Q2 2026, leaving fewer than 850 homes publicly available.
Based on official transaction data, Estepona is registering approximately 100 completed new-build transactions per quarter. At that pace, the current pipeline represents only around four to five quarters of available stock, assuming no significant acceleration in future project launches.

Benahavís

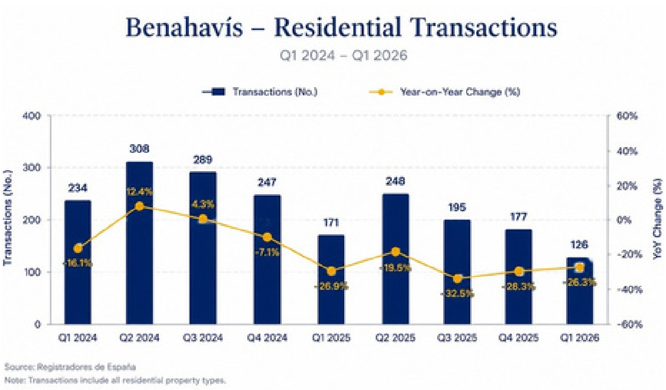
Sales Volume & Price Trends

Benahavís recorded 126 residential property transactions during Q1 2026, reflecting the municipality's comparatively small housing stock and highly selective residential market. While transaction volumes remain significantly lower than Marbella and Estepona, Benahavís continues to represent one of Spain's highest value residential markets, where activity is characterised



by larger properties, higher average transaction values and an exceptionally international buyer profile. International demand remains the dominant driver of activity. Foreign buyers accounted for 84.1% of all residential purchases, compared with 15.9% for Spanish buyers, making Benahavís one of the most internationally focused housing markets in Spain. The United Kingdom remained the largest overseas buyer group, followed by Sweden, the Netherlands, Belgium and Germany, reflecting the municipality's continued appeal amongst high net worth international purchasers seeking primary residences, second homes and lifestyle investments.

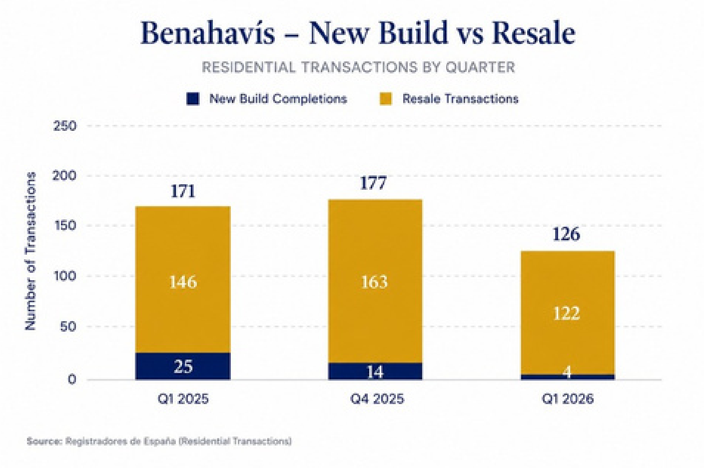
The buyer profile reflects the mature nature of the market. The median purchaser was 51 years old, 75.5% of transactions were completed by private individuals and 24.5% by companies, the highest proportion of corporate purchasers within the Golden Triangle. Apartments accounted for 77.2% of residential transactions, houses represented 22.8%, while 96.7% of purchases involved resale properties, illustrating the limited availability of newly completed homes within the municipality.



The municipality's pricing metrics underline its position as one of Spain's highest-value residential markets. According to the latest municipality wide Notariado statistics, the average residential transaction value reached €992,993, almost €1 million per property, while the average sales price was €4,452 per square metre and the average property sold measured 223 m², substantially larger than the average home purchased in Marbella or Estepona. Residential values increased by 9.25% over the latest reporting period, demonstrating continued pricing resilience across the municipality's luxury housing market.

New Build vs Resale

Benahavís recorded 126 residential transactions during Q1 2026, comprising 4 new build completions and 122 resale transactions. As a result, new build represented just 3.2% of all transactions, while resale accounted for 96.8%, a significant shift from previous quarters as relatively few developments reached completion during the period. New build completions fell from 14 in Q4 2025 to 4 in Q1 2026, a 71.4% quarter-on-quarter decline, and were down from 6 completions in Q1



2025, representing a 33.3% year-on-year decrease. By comparison, the resale market proved considerably more resilient, recording 122 completed transactions, down 25.2% from 163 in Q4 2025 and 34.8% below the 187 resales completed in Q1 2025.

Despite slower new-build completions, the primary market continued to command a significant premium over resale properties. Registradores data shows average new-build prices of approximately €1.29 million (€5,700/m²), compared with €930,000 (€4,300/m²) for resales, reflecting Benahavís' concentration of luxury developments with contemporary design and premium amenities.

While resale properties accounted for most completed transactions, Benahavís' new-build pipeline remains highly absorbed. Our analysis shows 395 of 445 apartments (88.8%) have already sold, leaving just around 50 units available and reinforcing the supply constraints supporting both new-build and resale values.

Rental Market

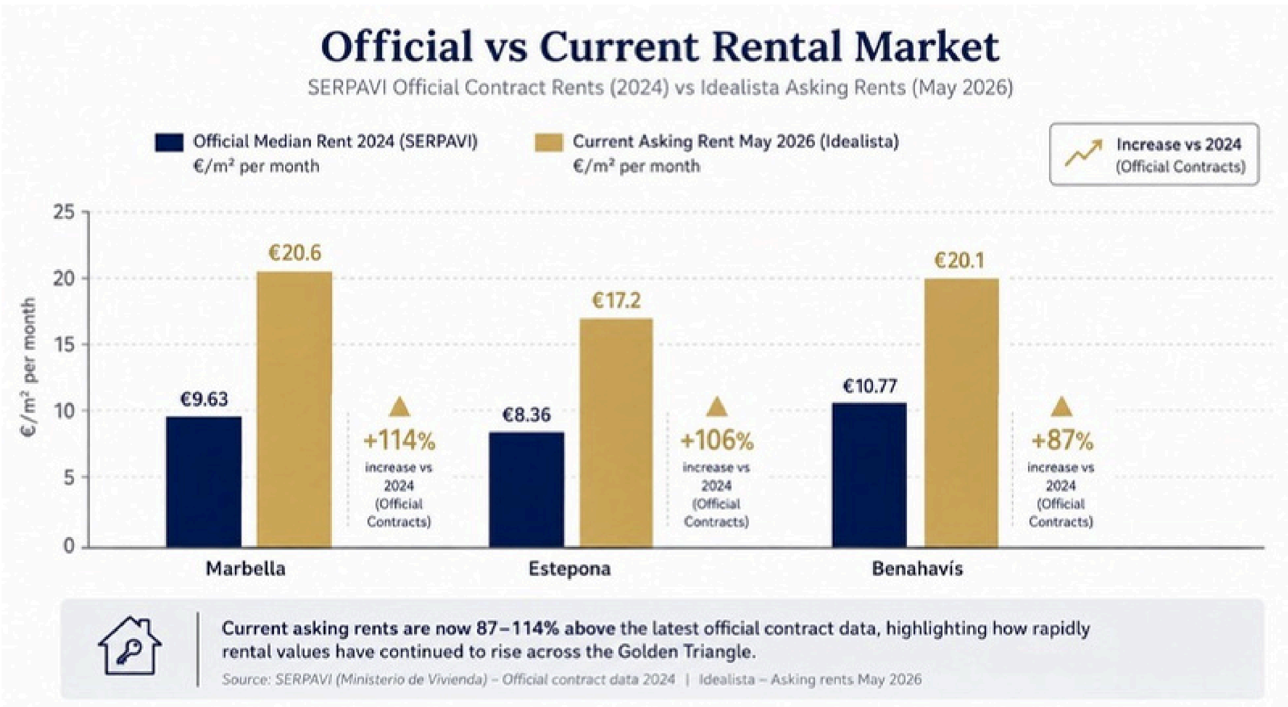
The rental market across Marbella, Estepona and Benahavís continues to be defined by one fundamental characteristic: demand continues to exceed the supply of quality long-term accommodation. This persistent imbalance has driven rental prices to record levels, with landlords benefiting from short vacancy periods and strong competition for well-presented properties across all three municipalities.

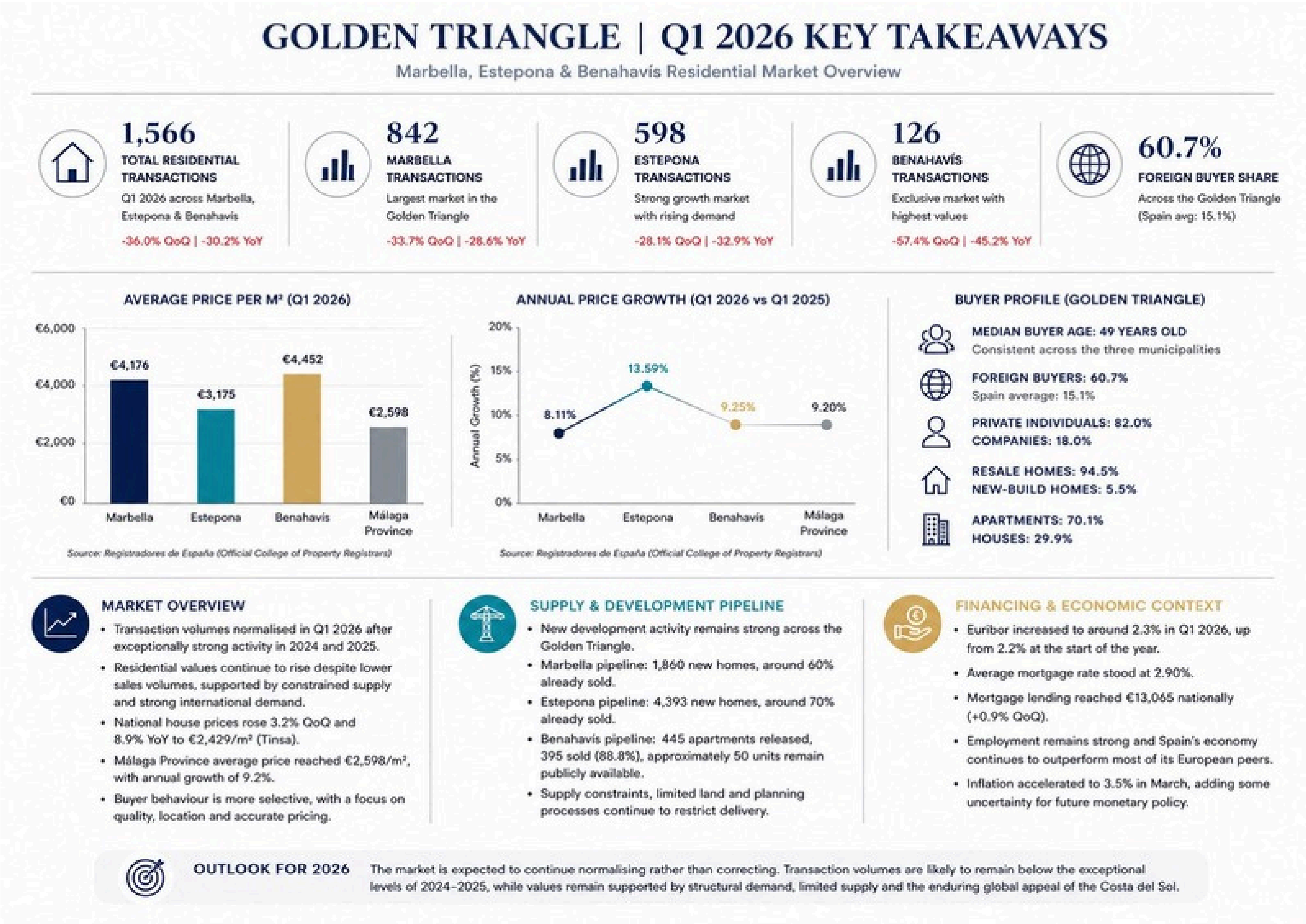
The latest official government data from the Ministry of Housing (SERPAVI) provides the most accurate picture of completed tenancy agreements through 2024, while current market figures from Idealista reflect advertised asking rents during Q2 2026. Although these datasets measure different stages of the rental market, comparing completed tenancy agreements with current asking rents illustrates the strength of rental growth over the past 12 to 18 months. With available stock remaining exceptionally limited, many well-priced properties are now achieving rents at or very close to their advertised asking levels.

Marbella continues to command the highest rental values within the Golden Triangle. Official contract data for 2024 recorded a median rent of approximately €9.6/m², while current asking rents have increased to around €20.6/m², representing growth of approximately 114%. Benahavís recorded official median rents of approximately €10.8/m², with current asking prices averaging €20.1/m², an increase of around 87%. Estepona continues to offer comparatively better value, although rental growth has been equally impressive, with official median rents of around €8.4/m² compared with current asking levels of approximately €17.2/m², an increase of roughly 106%.

The strength of the rental market continues to be supported by several structural demand drivers. International professionals relocating to the Costa del Sol, digital nomads, employees of multinational companies, families moving to access international schools and prospective purchasers choosing to rent before buying all continue to compete for a limited pool of available homes. At the same time, the supply of long-term rental properties has remained constrained as many owners continue to favour short-term holiday rentals where permitted or have withdrawn properties from the market following increasing regulatory changes.

Rising rents, limited new rental supply and consistently strong tenant demand continue to underpin attractive rental yields across the region. While transaction volumes in the sales market have moderated during Q1 2026, the rental market continues to demonstrate the significant imbalance between housing supply and demand, reinforcing the long-term investment case for high quality residential property throughout Marbella, Estepona and Benahavís.





Sources:

- Official data from the Spanish Land Registry (Registradores de España) and Notary records (Consejo General del Notariado)
- Registradores de España | official municipal housing transaction statistics, including new-build and resale sales.
- Instituto Nacional de Estadística (INE) | demographic and foreign buyer purchase data
- Ministry of Housing and Urban Agenda (SERPAVI) | official residential tenancy data. Idealista – residential asking prices and asking rents.
- Consejo General del Notariado | municipal and postcode-level transaction values, buyer profiles, property characteristics and purchaser demographics.

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