

# Asset Folio - Marbella Market Insight 2025

01/01/2025

Marbella Real Estate News



Asset Folio - Marbella Market Insight 2025

## Marbella's Luxury Property Market Evolution

Marbella's residential real estate landscape has undergone a significant transformation since the post-pandemic surge, reinforcing its reputation as an ultra-luxury destination. High-end developments, world-class dining, upscale retail, and premier events have positioned Marbella among the world's elite resort cities.

## A Premier Year-Round Destination

Once known primarily as a holiday retreat, Marbella has evolved into a permanent residence for affluent individuals and families. Its status as a top-tier residential resort has been further validated by international accolades. In 2024, European Best Destinations recognized Marbella as the Best Overall Destination, underscoring its global prestige. Additionally, the town was awarded 11 Blue Flags for its beaches, the highest number in Andalucía.

## **A Flourishing Cosmopolitan Hub**

As of early 2024, Marbella's population stands at 165,871, comprising residents from over 150 nationalities. An influx of 100,000 seasonal visitors during the winter months and threefold that in summer enhances its dynamic and diverse community. Beyond financial affluence, Marbella offers a rich multicultural environment, appealing to remote professionals, retirees, and investors alike.

## **A Thriving Tourism Industry**

Marbella's premium tourism sector plays a pivotal role in driving real estate demand. Spain welcomed 88 million tourists in 2024, with continued growth in 2025. The Costa del Sol achieved record-breaking numbers, with a 9.4% rise in visitors in 2023 and an 18% increase in early 2024. Interest from tourists in the US, Canada, and the Middle East is growing.

## **Unprecedented Real Estate Growth**

Marbella's property market has experienced remarkable expansion, with demand for expansive, modern villas leading the luxury segment. Sales in 2024 surpassed pre-pandemic levels by 20%. Less than 10% of luxury property transactions exceeding €2 million involve financing, demonstrating strong liquidity in the market. Property values have climbed by over 10% year-on-year, reaching an average price of €4,800/m<sup>2</sup>.

## **Trends in the Rental Market**

Long-term rentals remain highly sought after, with rental prices rising across all categories. The short-term rental market continues to thrive, though new regulations from the Junta de Andalucía, alongside internal pressures, have introduced stricter compliance measures for tourist accommodations. Marbella currently has approximately 8,000 registered tourist properties, ranking it fourth in Spain for short-term rental offerings, reflecting the strong demand for both short and long-term stays.

## **Economic Growth and Investment Climate**

Marbella's local economy is flourishing, with record-low unemployment, over 85,000 contributors to Social Security, and a notable rise in self-employed professionals. The 2024 city budget has grown by 10% to €373 million, propelled by increased real estate transactions and construction activity. Real estate investments are projected to reach €800 million, reflecting sustained market confidence.

## **Urban Development and Infrastructure Expansion**

Marbella's General Urban Plan (PGOM), slated for final approval in 2025, aims to expand urban land while prioritizing sustainable growth. A much-needed clarity and one that will undoubtedly create more interest through clarity.

## **Commitment to Sustainability and Water Security**

Following water restrictions in early 2024, Marbella has enhanced its desalination capacity, rehabilitated municipal wells, and drilled four new wells to secure a sustainable water supply. The La Concepción reservoir now holds more water than in 2023, alleviating immediate concerns.

## **Strengthening Public Security**

Marbella has reinforced its police force to over 400 officers, introduced elite security units, and installed hundreds of surveillance cameras. Additionally, a new police station in San Pedro is under construction. As a result, crime rates in 2023 declined by 6.3% compared to the previous year.

## **Outlook: Marbella's Continued Market Strength**

Marbella's real estate sector is experiencing sustained growth, driven by escalating demand, constrained supply, and

unwavering international investor confidence. Property prices remain competitive compared to other luxury markets, further attracting affluent buyers globally. With ongoing investments in infrastructure, environmental sustainability, and tourism, Marbella is solidifying its position as Europe's premier luxury real estate and lifestyle destination.