CaixaBank Research forecasts a slight moderation in the Spanish real estate market in 2027

- **Property sales are expected to fall to 655,000 transactions, while house price growth is predicted to slow to 7.2%. This is against a backdrop of high demand and insufficient supply**

- **While residential supply is gaining momentum, particularly in the social housing sector, the cumulative shortfall stands at around 816,000 homes**

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Following two years of strong growth, the Spanish property market is entering a more mature phase of the cycle. According to the latest CaixaBank Research real estate report, residential activity remains at historically high levels, although the latest indicators show signs of moderation, which are more evident in sales than in prices.

The strong performance of the Spanish economy continues to support the sector. CaixaBank Research forecasts GDP growth by 2.6% in 2026 and 2% in 2027. The strength of the labour market, rising household incomes, and the projected creation of around 200,000 households annually until 2030 will continue to support demand, despite deteriorating accessibility and tightening financial conditions.

Sales are moderating

In the 12 months to August 2026, around 700,000 property sales were recorded, close to the 2025 highs. However, between January and August, transactions fell by 2.3% year-on-year, with declines of 1.8% and 2.5% in the new-build and second-hand sectors, respectively.

The slowdown is more pronounced among foreign buyers. Their transactions fell by 12.6% year-on-year in the first half of 2026, with the decline reaching 17% among non-residents. The sharpest falls were concentrated in coastal provinces such as the Balearic Islands, Alicante and Málaga.

CaixaBank Research forecasts a decline in property sales from 711,000 transactions in 2025 to approximately 685,000 in 2026 (a 3.7% decrease) and a further decline of 4.4% to 655,000 in 2027. Despite this normalisation, activity will remain high in historical terms.

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Supply is increasing, but does not meet demand

Planning permission for new-build properties reached 147,700 units in the 12 months to June 2026, 12.4% more than a year earlier. As for social housing, 11,270 units were completed in the first half of the year (double the figure from a year earlier) and around 14,000 were started – a 70% increase.

However, new supply remains insufficient to absorb the growth in the number of households. The cumulative shortfall between 2021 and the second quarter of 2026 is estimated at around 816,000 homes. CaixaBank Research forecasts that planning permission for new builds will reach 150,000 units in 2026 and 165,000 in 2027.

Accelerating the pace of construction to close this gap will require overcoming the main obstacles to construction, including labour shortages, administrative delays and the availability of developable land, as well as ensuring that new housing is located where it is needed most.

Prices will continue to rise, but at a slower pace

House prices rose by 12.2% year-on-year in the second quarter of 2026, compared with 12.9% in the previous quarter. The increase was 7.4% for new-build homes and 12.9% for second-hand homes.

This rise in prices, which outstripped the growth in household income, has exacerbated problems with access to housing. The Bank of Spain's affordability ratio rose from 6.8 years' income at the end of 2019 to 8.4 years in the second quarter of 2026.

For the coming quarters, CaixaBank Research anticipates that prices will continue to rise due to insufficient supply, although they will do so at a more moderate pace because of the maturity of the cycle, deteriorating accessibility, and more restrictive financial conditions. Its scenario envisages that house price growth will slow from rates above 12% in 2026 to 7.2% in 2027.

About CaixaBank Research

CaixaBank Research is CaixaBank's research service. Its team of economists produces reports on the economy and financial markets, with the aim of generating rigorous economic analysis and making it accessible to the wider public.

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