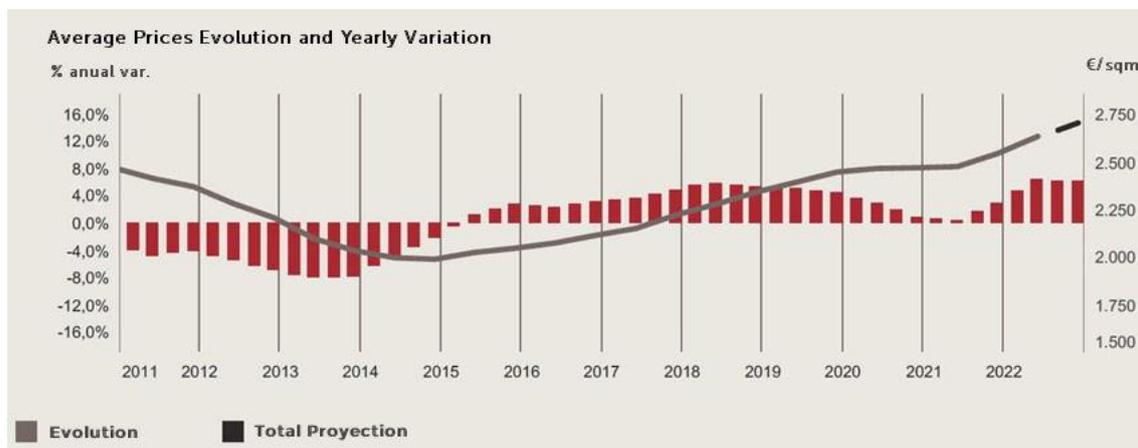


# Residential Real Estate Trends Report by ST

Sociedad de Tasación publishes the Residential Real Estate Report with prices of new housing in Spain

## Price of new homes grow 6,4% during the last twelve months



Average Prices Evolution of New Housing in Spain and Yearly variations

- The average Price of a new home in Spain reaches 2.641 €/sqm in June 2022, after a six-monthly variation of +3.5% and an annual variation of +6.4%
- All the autonomous communities register annual increases that range between 3.6% in La Rioja and +8% in the Balearic Islands.
- The cost of construction of new buildings reached €1,111/sqm in the second quarter of the year, which represents an increase of 7.7% compared to the same period of 2021
- ST Real Estate Confidence Index reaches 54,8 points over 100 during the second quarter of 2022 (+7,2 points more in the last twelve months), being the highest level during the last two years

Madrid, June 30th 2022.- [Sociedad de Tasación](#) publishes a new edition of the Residential Real Estate Trends Report that includes the evolution of both the prices of new housing during the first half of 2022, as well as other indicators corresponding to the second quarter of 2022. The study concludes that the price of new housing continues its upward trend in all the autonomous communities, in a context of great

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dynamism in the market (increase in housing transactions and mortgage lending), inflationary pressure and increase in construction costs.

**Juan Fernández-Aceytuno, CEO of Sociedad de Tasación, explains that “the price of new housing has accelerated its growth in the first half of 2022, registering an increase of 6.4% in June compared to the figure twelve months ago.. This increase is taking place in a generalized way in the 17 autonomous communities, and would be determined fundamentally by the shortage of supply, the anticipation of purchases due to a possible increase in interest rates and the impact of the investment market.**

## **[Access here the Residential Real Estate Trends Report](#)**

The information used to prepare the study comes from data of new housing that has been captured by the network of ST appraisers and that is also used to carry out the valuations. The field study and the analysis of the data has been carried out in the months of May and June 2022, and the values of more than 45,000 homes corresponding to more than 3,200 residential developments have been taken into account.

The data is processed through a rigorous standardization procedure based on homogeneous criteria (measurements, consideration of annexes...) and possible transaction values are obtained by deducting possible discounts or commissions through a purchase simulation procedure. The information included in each file contains 60 parameters, used in determining the average values in different territorial areas.

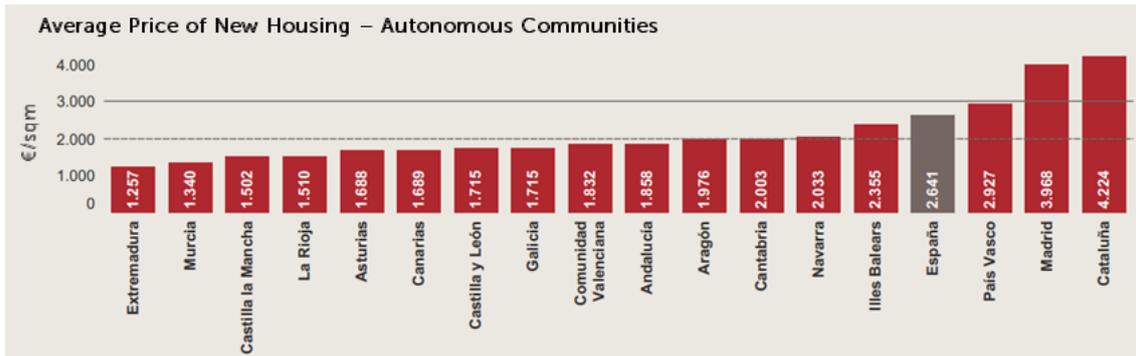
## **The price of new housing grows 6.4% in one year to €2,641/sqm**

The Real Estate Sector Trends Report detects that the average price of new housing as a whole has accelerated after experiencing a year-on-year increase of 6.4% to stand at €2,641/sqm in June 2022. The six-monthly variation is at its time at +3.5%. The price of housing thus maintains a general upward trend throughout the national territory. However, although the price of new housing continues to grow, the data recorded in mid-2022 is still far from the average values of the 2007-2008 period, when they were close to €3,000/sqm.

With the exception of the autonomous cities of Ceuta and Melilla, in which annual increases are registered below the national average of all regions has experienced annual increases that range between the 3.6% reached in La Rioja and the 8.2% registered in the Balearic Islands, the latter being the only community experiencing annual growth above 8%. It is closely followed by Madrid with an annual variation of +7.8%. On the other hand, La Rioja and Extremadura are the only two autonomous regions with year-on-year increases of less than 4%. In the rest of the autonomous communities there has been increases that range between 4% and 6.5%.

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Between January and June, the increase in house prices has also been generalized in all the autonomous communities. The increases in the Balearic Islands (4.6%) and Madrid (4.4%) stand out especially. At the opposite extreme, La Rioja shows an increase of 1.7%.



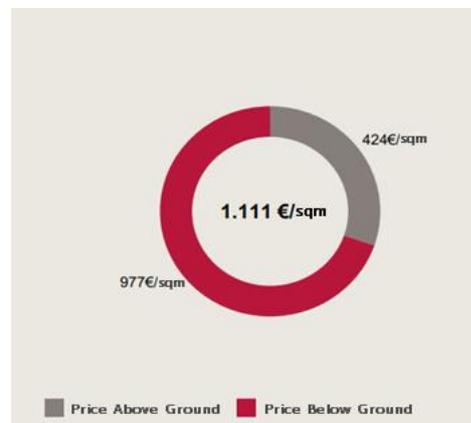
Average Price of new housing – Autonomous Communities



By capitals, Barcelona (€4,765/sqm) continues to register the highest average price at the national level, followed by Madrid (€3,968/sqm) and San Sebastián (€3,903/sqm) in June 2022. On the contrary, Badajoz (€1,264/sqm), Cáceres (€1,247/sqm) and Ciudad Real (€1,246/sqm) have the lowest average price.

## Construction costs increase 7,7% during the last twelve months

The construction cost of new construction reached €1,111/sqm in June 2022, which represents a year-on-year increase of 7.7% compared to a year ago. This indicator has also experienced a slight increase of half a percentage point during the second quarter of the year, compared to the previous one. On the other hand, the ratio of construction above ground has stood at €977/sqm, while that of below ground reaches €424/sqm.



Construction Cost Index and Yearly Variation



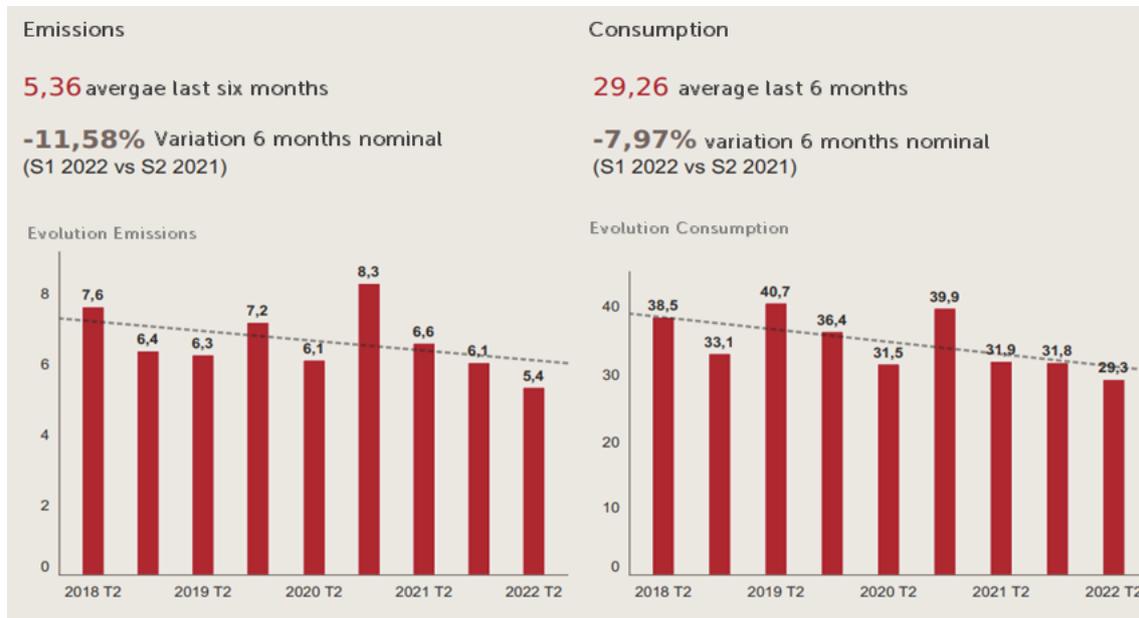
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The Report shows how 8% of the works monitored by ST Consultores have experienced increases in the construction budget. In fact, the developers surveyed by Sociedad de Tasación confirm that the construction budget has increased by an average of 3.27%, and is directly related to the increase in raw materials in recent months.

This indicator is prepared by **ST Consultores Inmobiliarios** based on the new construction developments that it monitors. Therefore, it does not include renovation actions. The Index is obtained after dividing the contract budget of each monitored development by the area built above ground. This module covers open block works, single-family developments and infill buildings.

## Half of the works started this year, with an "A" label in emissions and consumption

The Trends Report also includes a study on energy efficiency in the construction of new housing prepared by **ST Consultores Inmobiliarios** based on the developments it monitors. This index offers an average of consumption and emissions file based on the energy certificate of each monitored project, and is obtained by weighting according to the number of units and their impact with respect to the total. In addition, the indicator incorporates a comparison between the letter of emissions and consumption achieved between the works started in 2020, 2021 and 2022.



Statistics of emissions and consumption in new construction

Thus, the analysis detects that nearly half of the new-built developments launched this year have obtained an "A" energy rating in terms of emissions and consumption during 2022, reaching shares of

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50% and 45%, respectively. In fact, the number of works started this year that have received an "A" or "B" label in emissions and consumption increased by 96% and 95%, respectively, almost all of the new developments that are in the process of building.

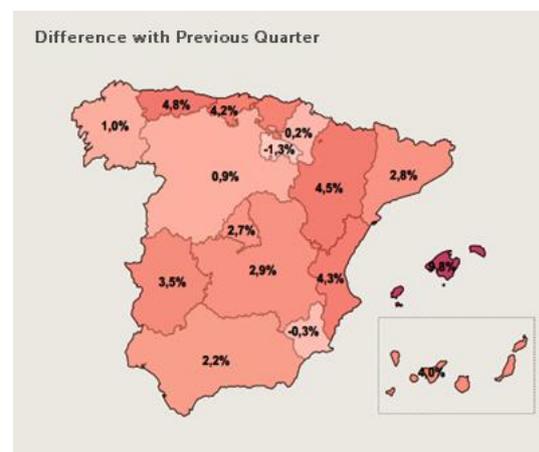
This situation occurs in a context in which 81% of the current Spanish real estate stock has an energy consumption rating of "E", "F" or "G"; a trend that translates in reverse if we focus on new housing after 2016, where 95% of homes have a rating equal to or greater than a "C". The requirements of the new building codes allow new housing to be placed in a greener position, reducing both energy consumption and CO2 emissions into the atmosphere.

Finally, the average consumption during these last six months has been established at 29.26 kWg/sqm/year, which represents a decrease of -7.97% compared to the second half of 2021. In parallel, emissions have been at 5.36 kg CO2/sqm/year during the same period of time, after registering a notable drop of -11.58% during the last semester.

## ST Confidence Index reaches the highest value in two years

**ST Confidence Index has reached 54.8 points out of 100 during the second quarter of 2022, the highest value in the last two years.** This is the fourth consecutive quarter in which this indicator is above 50 points, the indicative limit of a balanced situation. This is also the sixth consecutive quarter that the Real Estate Confidence Index has increased, after registering its lowest value in the third quarter of 2020 (40.8 points), thus maintaining an upward trend that has been accentuating since the second quarter of 2021

Historical Evolution by Autonomous Community			
	2022 T2	2022 T1	2021 T4
Andalucía	55,5	54,3	54,1
Aragón	54,4	52,1	52,4
Asturias	56,1	53,5	52,9
Canarias	54,2	52,1	51,5
Cantabria	55,3	53,1	52,4
Castilla la Mancha	51,8	50,3	50,0
Castilla y León	48,6	48,2	48,1
Cataluña	54,3	52,8	52,9
Comunidad Valenciana	56,6	54,2	54,7
España	54,8	53,2	53,1
Extremadura	50,7	49,0	50,0
Galicia	52,1	51,6	53,1
Illes Balears	61,2	55,7	54,4
La Rioja	52,9	53,6	53,6
Madrid	56,6	55,1	55,3
Navarra	53,7	53,6	54,5
País Vasco	56,9	54,7	53,0
Región de Murcia	53,8	53,9	52,2



ST Confidence Index Evolution – Autonomous Communities

Specifically, the Confidence Index has risen 1.6 points compared to the first quarter of the year and 7.2 points compared to the same period of the previous year. The results of the second quarter, and their improvement compared to the previous quarter, confirm an upward trend in this indicator thanks to the dynamism of real estate and mortgage activity, already observed since 2021, and coincides with the expansive phase of the cycle in which we we find.

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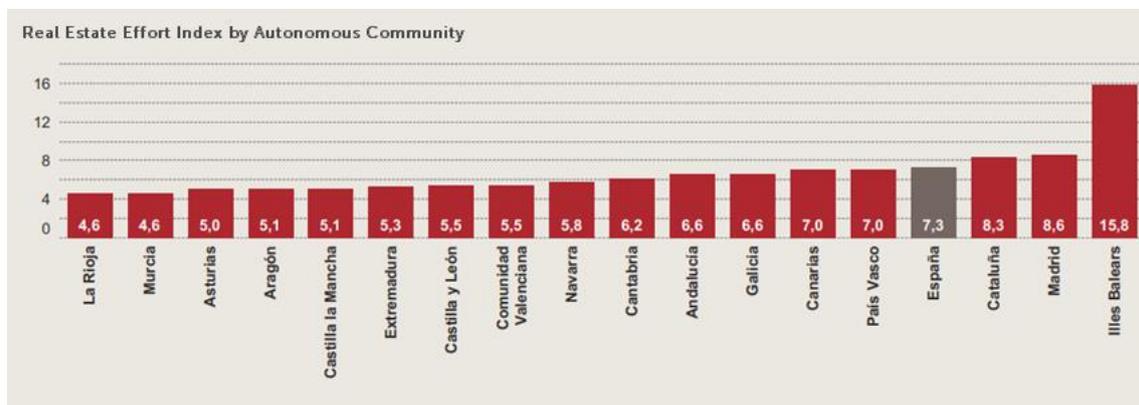
By autonomous communities, the study detects a significant improvement in most of the regions of Spain, with the exception of the autonomous communities of La Rioja and Murcia, where slight quarterly decreases of 0.7 and 0.1 points, respectively, were recorded. On the other hand, despite continuing to grow, Castilla y León remains the only autonomous community below the break-even point (48.6 points).

In general terms, the results of this first half of the year indicate that the evolution of the activity and sales prices will continue to be favorable, although these estimates could be altered by the current scenario of macroeconomic and geopolitical uncertainty.

The basic survey to obtain the Real Estate Confidence Index was carried out between June 9 and June 20th, 2022. It gathers the opinion of more than 700 professionals on economic-real estate aspects of the areas where they carry out their professional activity.

## An average of 7.3 years of full salary to acquire a home in Spain

The **ST Real Estate Effort Index**, whose indicator measures the number of years of full salary that an average citizen needs to allocate for the purchase of an average-type home, has experienced a slight increase of one tenth during the second quarter of 2022 to stand at 7.3 years of full salary necessary for buyers to purchase a home. In fact, despite this slight rise, this index continues to record values that are relatively lower than those recorded in 2021.



Real Estate Effort Index by Autonomous Community

By Autonomous Community, increases are observed in 11 of the 17, with Aragón and Extremadura registering the largest increases in quarterly effort, with growth of two tenths in both cases. Thus, the differences between communities range from the 8.6 years that a citizen in the Community of Madrid must allocate for the purchase of a home to the 4.6 years in La Rioja and/or Murcia. On the other hand, in six communities the index remains unchanged. The Balearic Islands continue to register values well above the national average, since a citizen needs 15.8 years of full salary to be able to acquire a home in this community.

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**ST Sociedad de Tasación** is an independent company expert in appraisals of all types of assets, especially real estate assets. Created in 1982, it was the first real estate valuation company created in Spain, it has carried out more than three million appraisals with an appraised value of more than two billion euros. It is a leader in the generation of real estate information and statistics, creating in 1985 the first housing price index published in Spain. The companies of the Sociedad de Tasación Group offer a wide variety of services in the real estate field: appraisals for the mortgage market (ECO), RICS appraisals, AVM, appraisals by statistical models, Sustainability Reports, Portfolio Valuations, Energy Certifications, Urban Planning Consulting, Project Monitoring and IT developments applied to the real estate sector. The Group has a presence throughout the national territory through its 23 delegations, more than 330 employees and more than 900 independent professionals (architects and engineers). More information at [www.st-tasacion.es](http://www.st-tasacion.es)

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