



Advanced Market Report

Costa del Sol · Marbella · Sotogrande · Sevilla

Lynxton Heritage Estates

Data as at 9 September 2026

The Southern Spain Market in 2026

Three Simultaneous Dynamics

The market is not entering a phase of broad-based weakness, but rather one of **heightened dispersion and selectivity**: residential transaction volumes are moderating from exceptionally elevated bases; prices continue to appreciate with extraordinary differentials across micro-locations; and professional capital is increasing its exposure to hospitality, living, and alternative assets.

Lynxton's Conclusion

2026 favours less generic intermediation and more **capital advisory grounded in asset quality, micro-location, licensing, cash flow, and buyer profile**.

📄 **House View Q4 2026:** Market outlook positive yet bifurcated. Trophy assets, waterfront properties, prime hospitality, and products with demonstrated licensing and cash flow should continue to command liquidity and premium pricing.

KEY SIGNALS

Macroeconomic Reference Figures – H1 2026

Golden Triangle: 3,422 transactions H1

–20.7% year-on-year, yet weighted average closing price **+15.5% to €4,366/m²**. Transactions grew 9.7% from Q1 to Q2: a year-on-year deceleration, not sequential deterioration. *DM Properties / Knight Frank, 4 Sep 2026.*



Asking Prices at Historic Highs

August 2026: Marbella **€5,956/m²**, Benahavís €5,553, Estepona €4,961, Sotogrande €3,984, Málaga city centre €3,938. Estepona leads year-on-year growth at **+17.4%**. *Idealista, August 2026.*

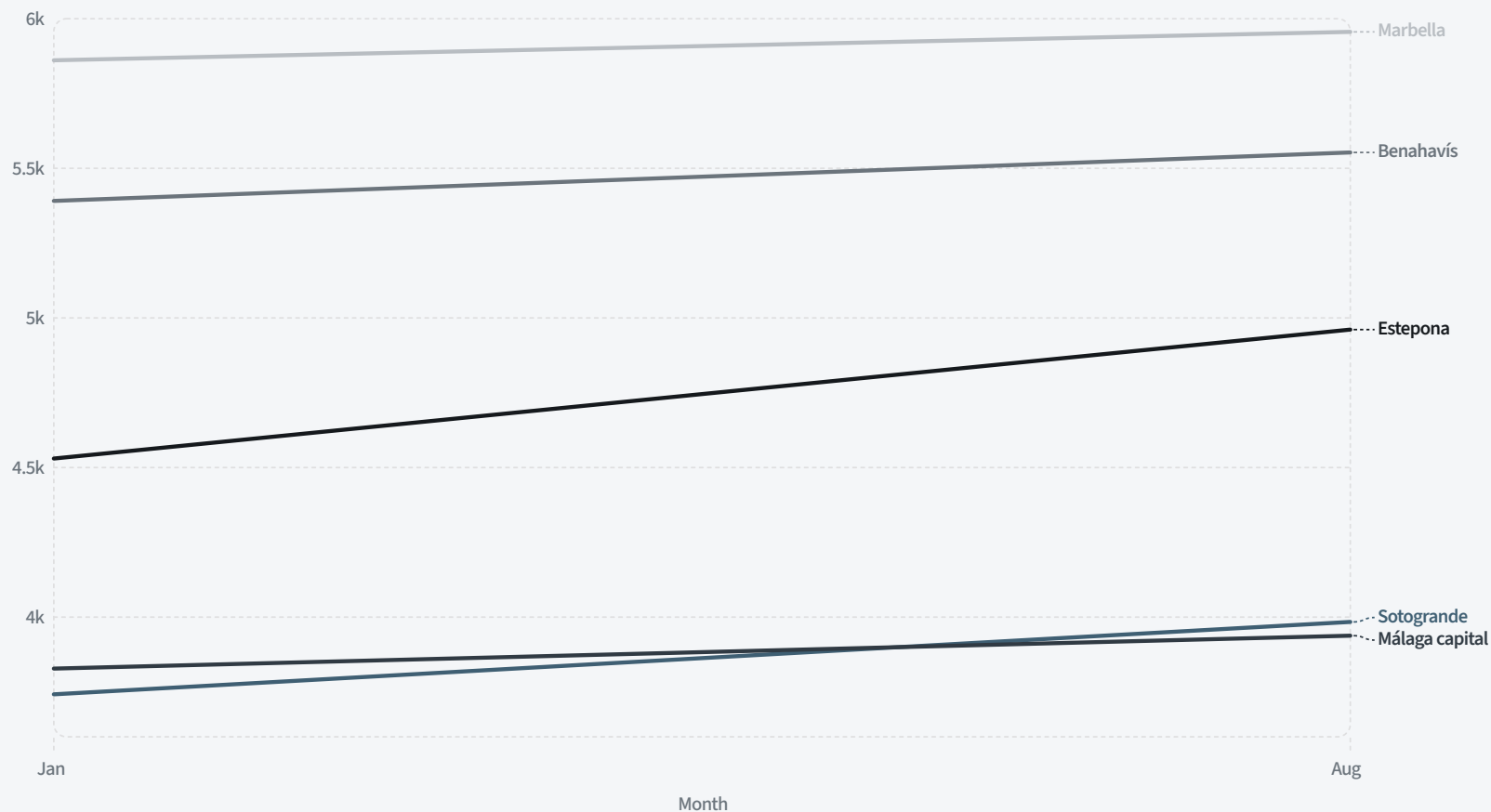


Spain: +€12,000M Real Estate Investment H1

+59% year-on-year, the strongest first half on record per CBRE. Living exceeded €4,500M and hotels €2,000M. Málaga attracted **€418M** versus €132M the prior year. *CBRE, 29 Jul 2026.*

Residential asking price by sub-market — 2026

Dominant signal for H1–H2 2026: **price resilience despite lower liquidity**. Market composition — greater prime concentration, product scarcity, international demand and cash purchasing capacity — continues to underpin values. *Idealista notes a methodological improvement from July 2026 onwards; to be used as a momentum indicator, not as a pure hedonic index.*



Source: Idealista, January and August 2026. Asking price values (€/m²); not appraisals nor effective closing prices. The January–August variation is a Lynxton calculation based on the published series.

Lynxton Market-by-Market Assessment

The divergence between lower transaction volumes and higher prices does not equate to a uniform appreciation in the value of each individual property. The composition of homes sold may materially alter the average. Micro-location and product quality are increasingly decisive factors, far outweighing municipal boundaries.

Submarket	Asking price Aug-26	Y/Y Var.	Jan-26	H1 volume signal	Lynxton Reading
Málaga capital	€3,938/m ²	+5.1%	€3,828	n/a comparable	Urbanisation of capital, residential scarcity and demand for permanent occupancy
Marbella	€5,956/m ²	+4.0%	€5,861	-21.8% y/y	Pricing remains firm, yet buyers are considerably more selective
Estepona	€4,961/m ²	+17.4%	€4,530	-18.6% y/y	More pronounced repricing and greater exposure to new-build stock
Benahavís	€5,553/m ²	+7.1%	€5,391	-22.6% y/y	Highly internationalised; thin market with a pronounced mix effect
Sotogrande	€3,984/m ²	+11.6%	€3,742	n/a homogeneous	Repricing concentrated in Costa/Marina areas; far from uniform across the estate

Asking prices: Idealista, August 2026. Golden Triangle transaction volumes: Portal Estadístico del Notariado, as analysed by DM Properties/Knight Frank, 4 September 2026.

Internal Dispersion: Marbella, Benahavís and Sotogrande

Underwriting based exclusively on "Marbella +x%" is insufficient. Micro-location and product type are the decisive factors. *Idealista, August 2026.*

Marbella — Districts Aug-26

Area	€/m²	Y/Y
Nagüeles–Golden Mile	€8,336	+5.9 %
Nueva Andalucía	€6,239	+5.7 %
Marbella Pueblo	€5,170	+4.1 %
Río Real–Los Monteros	€5,531	–5.3 %

Benahavís — Districts Aug-26

Area	€/m²	Y/Y
La Zagaleta	€8,040	–0.6%
El Madroñal	€7,876	+5.3%
La Quinta	€6,126	+9.5%

"Prime" does not automatically equate to maximum appreciation: liquidity and stock composition may dominate the annual figure.

Sotogrande — Micro-markets Aug-26

Area	€/m²	Y/Y
Costa	€4,344	+25.0 %
Puerto / La Marina	€4,305	+25.0 %
Alto (total)	€3,901	+4.0%
La Reserva	€4,830	+4.2%
Almenara	€4,182	+14.4 %
Valderrama	€3,514	–0.4%
San Roque Club	€2,972	–2.4%

📌 **Lynxton Strategy by Sotogrande Zone:** In Costa/Marina → scarcity, waterfront, replacement cost, international liquidity. In Alto → plot, architecture, views, golf, privacy and value for quality.

International demand and supply composition

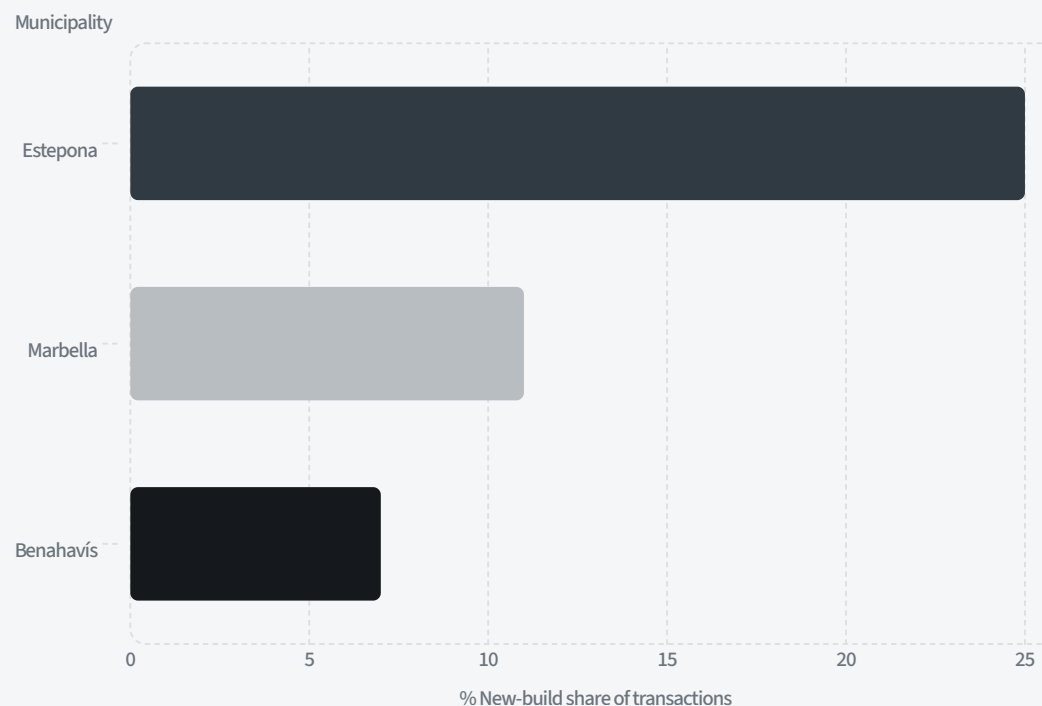
Foreign buyer — H1 2026

International demand constitutes a structural pillar of support for the Golden Triangle. Foreign nationals accounted for **≈61% in Marbella**, **68% in Estepona** and **85% in Benahavís**.

- **Marbella:** led by the United Kingdom, followed by Sweden, the Netherlands, Poland and Germany
- **Estepona:** the Netherlands, United Kingdom, Poland
- **Benahavís:** United Kingdom, Sweden, the Netherlands, Belgium and Germany

DM Properties / Portal Estadístico del Notariado, 4 Sep 2026.

Supply composition: % new-build share of recent transactions (last 12 months)



Estepona is increasingly operating as an **expansion market for prime Costa del Sol**; Marbella and Benahavís rely to a greater extent on the recycling of existing stock. *DM Properties / Knight Frank, 4 Sep 2026.*

Marbella: Highest ADR and RevPAR in Spain — July 2026

Hospitality is arguably the segment with the most compelling institutional case in southern Spain in 2026. *INE, 21 August 2026; AEHCOS, 1 September 2026.*

€416.2

ADR Marbella

Highest ADR among tourist destinations analysed by INE. Spain average: €156.9. Source: INE July 2026.

€339.4

RevPAR Marbella

Highest RevPAR nationwide. The RevPAR/ADR ratio implies monetisation of ~81.5% of available rooms. Lynxton calculation.

92.85%

Occupancy Prov. Málaga

August 2026, surpassing 92.15% recorded in August 2025. Marbella 92.4% · Málaga city 93.5%. Source: AEHCOS, Sep 2026.

88.6%

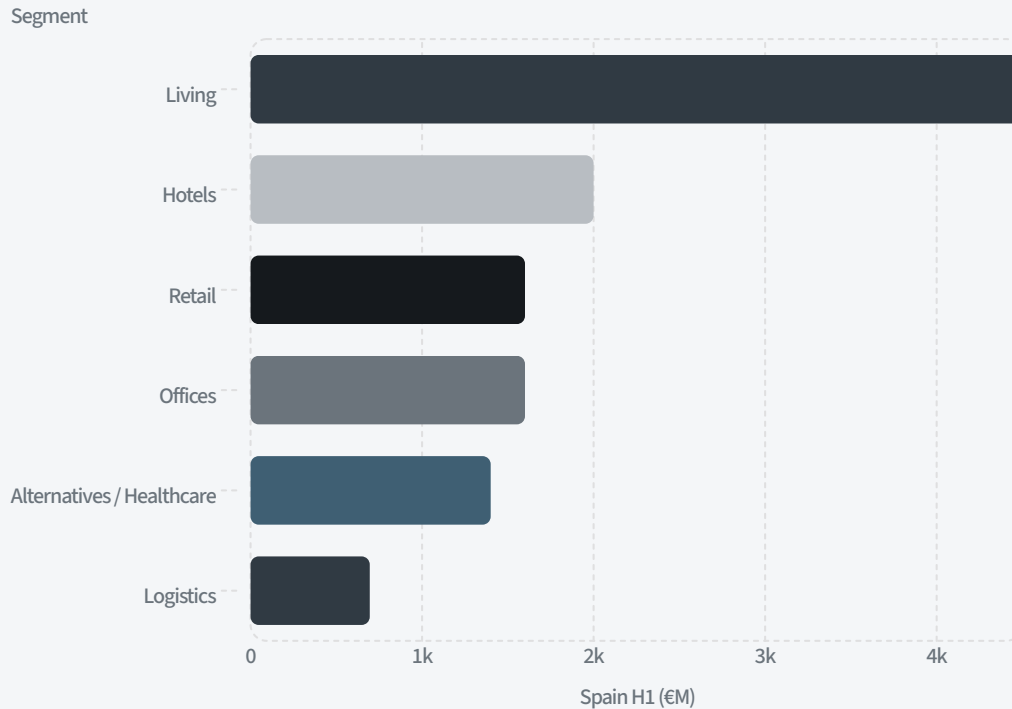
Sep Forecast Málaga

AEHCOS projection: Marbella 89.24%, Málaga city 91.2%. Continuity of demand beyond peak season. Figures are projections, not confirmed results.

Market / Period	Occupancy	ADR	RevPAR	Observation
Marbella · July 2026	n/a official	€416.2	€339.4	Highest ADR and RevPAR among INE tourist destinations
Prov. Málaga · Aug 2026	92.85%	n/a	n/a	Surpasses August 2025; source AEHCOS
Marbella · Aug 2026	92.4%	n/a	n/a	Exceptionally robust peak season
Málaga city · Aug 2026	93.5%	n/a	n/a	Strong urban demand
Spain · July 2026	71.1%	€156.9	€119.3	National benchmark INE

Real Estate Investment in Spain and Málaga — H1 2026

The national context is extraordinarily liquid. The concentration of capital in **living + hospitality** is directly relevant to Lynxton. *CBRE, 29 Jul 2026; CBRE Málaga, 30 Jul 2026; Colliers, 6 Jul 2026.*



Málaga: from €132M to €418M in a single year

The province attracted €418M in H1 2026 versus €132M in H1 2025 (+217%), accounting for **48% of total Andalusian real estate investment**, compared with 28% the previous year.

- **Hotels:** €232M (55% of provincial volume)
- **Living:** €169M (40%)
- Combined, both segments represent **≈96% of provincial investment**

Costa del Sol (Colliers): €435M in hotel investment H1

18% of total national hotel investment — second only to the Balearic Islands (€577M). Seville: €71M. *Direct comparison with the CBRE figure should be avoided owing to differences in scope and methodology.*

Total Spain H1 2026: +€12,000M (+59% y/y). CBRE.

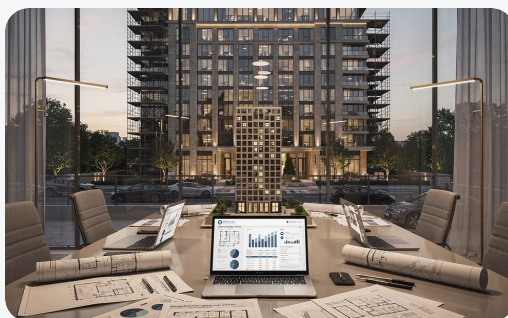
Buyer Capital Segmentation by Ticket Size

The observed composition of hotel capital (62% domestic, 82% single-asset, 30% private/family-office/SOCIMI) and the predominance of single-asset transactions define two clearly differentiated universes for Lynxton. *Colliers H1 2026. This segmentation constitutes a Lynxton commercial recommendation and does not represent formal institutional limits.*



€2M–€15M: Private & Patrimonial Capital

HNWI, small/mid-sized family office, patrimonial capital, investment club, local operator, MFO-SPV, small SOCIMI, regional hotel group. Product: small AT building, boutique hospitality, yielding residential. The teaser must include NOI, net yield, licence, capex, occupancy and operator.



€15M–€30M: Regional & Hotel Funds

Large family office/co-invest, regional fund, hotel chain, value-add manager. Product: hotel, conversion, living/hospitality platform. Requires business plan, capex, operator selection and IRR sensitivity analysis.



€30M+: Global Institutional Capital

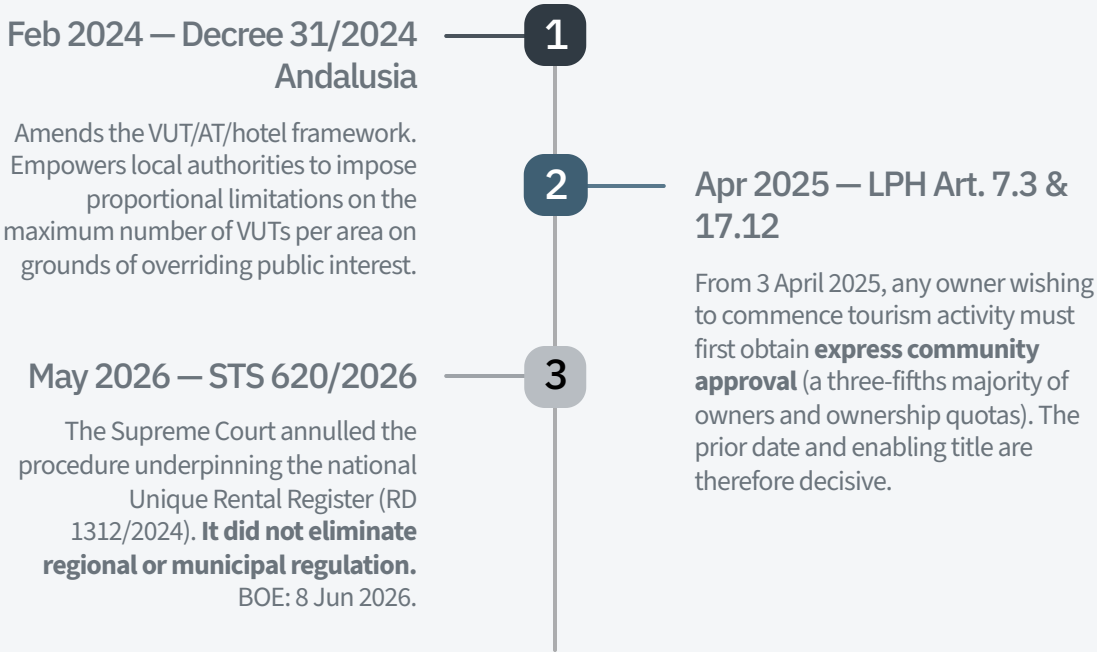
Institutional funds, global asset managers, PE/real assets, SOCIMIs, sovereign/insurance-backed capital. Product: institutional hospitality, portfolios, large living, development. Requires a full IC package, ESG/capex analysis, downside case, financing structure and exit universe.

📄 **Comparable — Seville:** A Valencian family office paid €6M for a 24-unit tourist apartment building of 1,485 m² on Calle Calatrava, Casco Antiguo (May 2023). The small hospitality ticket in Seville is consistent with Spanish family capital. *EjePrime, 17 May 2023.*

VUT/AT Regulatory Framework: Andalusia, Málaga and Seville

The legal availability of supply has become a value component in its own right. A property that can already demonstrate **tourism authorisation, planning compatibility, absence of community restrictions and an operating track record** possesses a scarcity attribute that a merely "convertible" building does not.

Key Regulatory Milestones



Current Municipal Restrictions

- Málaga city:** Areas where VUTs exceed 8% of the residential stock are closed to new registrations (43 affected districts). Regulation continues to evolve; verify against planning documentation current at the date of transaction.
- Seville:** Municipal threshold of 10% of residential stock per zone, with particular impact on the Casco Antiguo and Triana. Verification required on a plot-by-plot basis; press references do not substitute an official planning certificate.
- VUT stock Spain:** 45,176 units in Málaga (the leading province nationally). Málaga city: 8,288; Marbella: 6,987; Seville: 6,937. Experimental INE data, May 2026. 45,176 listings ≠ 45,176 transferable licences.
- Enforcement:** The 2026 Junta Programmed Inspection Plan (PIPA) encompasses regulatory compliance and action against unlicensed activity. An investment thesis cannot be predicated on weak enforcement.

Implications for Asset Narrative

Weak Narrative	Institutional Narrative
"12 apartments in Seville"	Income-producing hospitality asset with protected operating position
"Potential for hotel/apartments"	Planning probability + legal path + capex + stabilised EBITDA + contingency
"X% yield"	Contracted NOI + WAULT + downside + capex + exit liquidity

Risk Map Q4 2026

Market bifurcation demands precise identification of the predominant risk type within each asset and mandate. The risks set out below represent Lynxton inferences, not econometric forecasts.

Residential Liquidity

–20.7% in transactions H1 Golden Triangle. Monitor days on market, asking/closing discounts and comparable stock — not merely advertised €/m².

Overpricing and Mix Effect

Marbella: advertised price +1.6% Jan–Aug yet H1 transactional average +13.5%. Divergence is consistent with mix shift; do not extrapolate to the value of any specific villa.

Supply in Estepona

Greater weight of new-build (≈25% of transactions) + steeper price appreciation (+17.4% y/y). Monitor pipeline, absorption rates and inter-development competition through 2027–2028.

Dispersion in Sotogrande

+11.6% aggregate conceals Costa/Marina +25% vs. Alto +4%. San Roque Club and Valderrama marginally negative. Underwriting must be conducted by micro-market and asset typology.

Hospitality/VUT Regulatory Risk

The strategy of acquiring residential assets in anticipation of obtaining licences thereafter carries substantially elevated legal risk. Community approval, municipal restrictions and planning compatibility must be treated as conditions precedent to any acquisition.

Cap-Rate Complacency

+€12,000M deployed in Spain H1 may induce excessively compressed exit yields. Present exit cap rate sensitivity of at minimum ±50–100 bps. Ensure that no more than a minority portion of IRR is attributable to multiple expansion.

Q4 2026 Scenarios and Lynxton Commercial Priorities

Base Case — Positive Bifurcated Market

Firm pricing in prime segments, lower residential transaction volume, solid ADR/RevPAR in hospitality, and existing licences gaining relative value. Prioritise quality, verified yield and realistic pricing. Supported by sequential Q2 recovery, asking-price highs and robust capital flows.

Upside — Greater Liquidity and Extended Season

Increased international liquidity combined with lower financing costs. Extension of the hotel season and higher transaction volumes. Family office and institutional capital competing for whole buildings in Seville. Develop competitive processes and international buyer lists.

Downside — Bid-Ask Spread Widening and Regulation

Wider bid-ask spread and extended residential selling timelines. Normalisation of ADR and occupancy rates. Regulation reduces optionality in short-term rental licences. Acquire and dispose only where downside is protected in underwriting.

"Southern Spain is not one market. In 2026, capital is rewarding scarcity, legal certainty, operating income and micro-location — while increasingly penalising generic product and unrealistic pricing."

Key Capital & Hospitality Milestones — 2026

23 Apr 2026 — Metrovacesa / Santander Alternative Investment

Co-living joint venture: 347 units across Sevilla and Valencia; combined investment of €52.5M. 180 units in Sevilla, scheduled delivery 2029. A clear signal that Sevilla has firmly entered the radar of institutional capital in the living/hospitality hybrid segment. *Iberian Property, 1 Sep 2026.*

17 Jun 2026 — Líbere Confirms Sevilla in Flex-Living Expansion

180 units planned at Cruz del Campo. Flex-living and integrally managed buildings are consolidating in Sevilla the operational continuum between residential and hospitality.

8 Sep 2026 — Franklin Templeton / Clarion — Stoneshield

Acquisition of a majority stake in Stoneshield (≈\$9,000M under management, with exposure to real assets, hotels and residential). Closing expected Q4 2026. Global capital continues to broaden its footprint in Spain. *Cinco Días, 8 Sep 2026.*

May 2026 — Immobel & Fort Partners: Four Seasons Marbella

Progress on the acquisition of ≈90% of the land (≈€53M according to sector sources). Development comprising ≈105 hotel rooms, ≈40 apartments, 54 townhouses and 33 villas. Historically communicated total investment of ≈€740M. Figures as announced; to be treated as project reference, not audited capex. *Iberian Property, 2026; Colliers includes the land among the most notable hotel transactions of H1.*

4 Sep 2026 — GIC / Azora Reactivate Living Platform in Spain

Residential rental platform originally committed to ≈€1,500M for 8,000 units, including plans in Málaga. *Cinco Días, 4 Sep 2026.*

Bibliography and Methodological Notes

Source	Date / Data Point	Use in the Report
INE — Hotel Tourism Survey	21 Aug 2026 · July data	ADR, RevPAR, occupancy, origin markets, Marbella
INE — Tourist Dwellings	latest cut: May 2026	VUT stock; experimental statistics
CBRE — Figures Q2 2026 Spain	29 Jul 2026	Spain investment, sectors, investor mix
CBRE — Málaga	30 Jul 2026	€418M Málaga investment, hotels/living
Colliers — Hotel Investment H1 2026	6 Jul 2026	€2,460M hotel investment, Costa del Sol €435M, Seville €71M, buyer mix
DM Properties / Knight Frank	4 Sep 2026	Transaction volumes, achieved prices, foreign buyers, new development
Idealista — Málaga, Marbella, Estepona, Benahavís, Sotogrande	August 2026	Asking price €/m ² overall and by district
Vida Económica / AEHCOS	1 Sep 2026	Hotel occupancy August and September projection
Cadena SER Málaga	1 Sep 2026	Share of international tourism on the Costa del Sol (~60.5%)
Iberian Property — Four Seasons Marbella	2026	Land transaction and project configuration
Iberian Property — Metrovacesa/Santander	1 Sep 2026	Coliving Seville/Valencia €52.5M
EjePrime — Family office Seville	17 May 2023	Comparable: €6M tourist apartments, Calle Calatrava
BOJA — Decree 31/2024	2 Feb 2024	VUT/AT/hotel regulatory framework and municipal competencies
BOE — Consolidated Horizontal Property Act	in force Sep 2026	Community approval Art. 7.3 and three-fifths majority Art. 17.12
BOE — STS 620/2026 (Supreme Court)	ruling 19 May; BOE 8 Jun 2026	Annulment of the state procedure for the Unified Lettings Register
Junta de Andalucía — PIPA 2026	2026	Tourism inspection and supply monitoring
Cinco Días — GIC/Azora	4 Sep 2026	Institutional living capital, Málaga
Cinco Días — Franklin/Clarion/Stoneshield	8 Sep 2026	Real-assets capital and manager consolidation

 **Data limitations:** No homogeneous public series exists for H1 2026 transactions across the five municipalities under a single methodology. No homogeneous 2026 series of ADR/RevPAR exists at sub-market level. The "Sotogrande" figure from Idealista does not correspond to a standard municipal statistical unit. Any investment memorandum should additionally be supported by notarial and land-registry comparables from the specific micro-location. The January–August price variation from Idealista is a Lynxton calculation derived from the published series, not a hedonic index. The €871M of Andalusian H1 investment is a Lynxton calculation derived from the CBRE percentage, not a figure reported directly by CBRE.