ERA EUROPE MARKET SURVEY

LEADERS IN RESIDENTIAL REAL ESTATE

2024 / 2025

An in depth look at the residential housing market in Europe with perspectives for the future.

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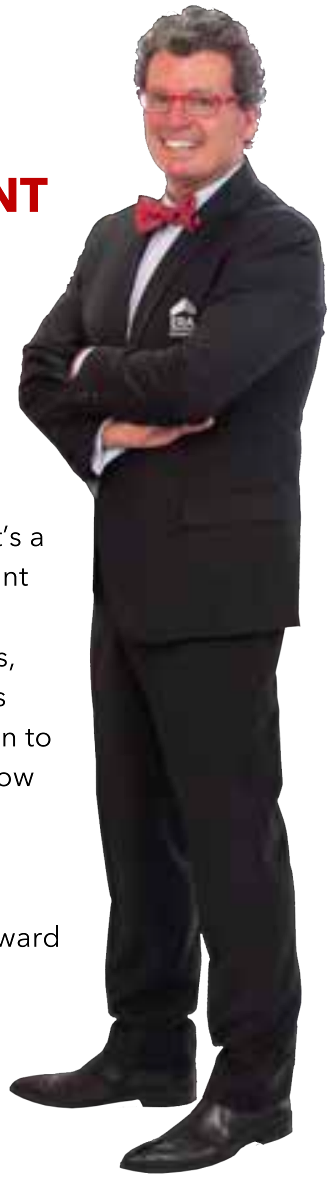
A MESSAGE FROM THE PRESIDENT OF ERA EUROPE

"Well informed clients make better decisions!"



Buying or selling a home is more than just a transaction—it's a life milestone, often representing one of the most significant financial and emotional decisions a person will ever make.
In a world of evolving economic dynamics, shifting policies, and changing lifestyle priorities, having a trusted advisor is more essential than ever. That's why we make it our mission to stay ahead—by listening, learning, and sharing what we know with clarity and purpose.

This market report is one of the many ways we fulfill that promise: delivering insights that help our clients move forward with trust and confidence.

François Gagnon
ERA Europe President

INTRODUCTION

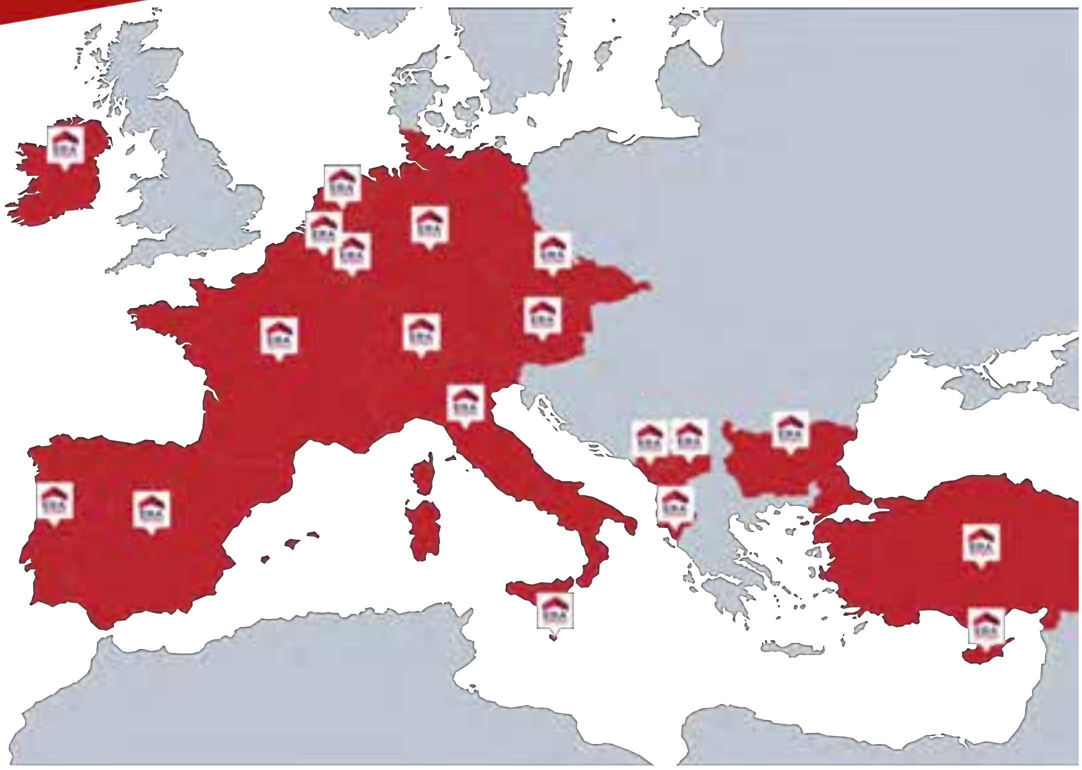
ERA Europe, together with our European Master Franchise Owners, is pleased to present the ERA Europe Market Survey 2024/2025. This report compiles residential real estate statistics from a wide range of trusted sources, including national statistical offices, banking and mortgage institutions, and local industry experts. Equally important, the analysis is supported with the on-the-ground expertise of ERA Country Masters, whose insights offer vital operational context behind the data.

Comparing figures across countries presents challenges, particularly given the variation in data availability and quality. While efforts are underway to harmonize data collection across Europe, we are not there yet. The professional acumen of ERA Masters helps bridge this gap, enabling a more complete and accurate understanding of market trends.

Founded in 1971 in the United States, ERA Real Estate is one of the world's largest real estate franchise networks. With over 43,000 professionals in more than 2,300 offices across 37 countries, ERA has a strong global footprint. In Europe, ERA Real Estate operates in 20 countries through 1,100 agencies. Known for its pioneering spirit, ERA was the first U.S. residential real estate brand to expand internationally. François Gagnon serves as President of both ERA Europe and ERA France. This report covers the European countries where ERA is active. To learn more, visit www.eraeurope.com.

Transparency is essential to delivering optimal outcomes for our clients—buyers and sellers of residential real estate. Reliable market knowledge empowers smarter decisions and builds trust. By sharing this comprehensive, locally informed market report, we aim to strengthen that trust and elevate the 'ERA experience.' This report underscores the dynamism of Europe's residential property landscape and celebrates the diversity of the markets in which we operate.
At ERA Europe, we remain committed to professional excellence, integrity, and long-term relationships with our clients.

Kathy Auclair
ERA Europe Master Franchise Development



EUROPEAN RESIDENTIAL MARKET OVERVIEW 2024 –OUTLOOK 2025

The European residential real estate market in 2024 showed both resilience and divergence across member states.

Analyzing the EU housing landscape remains complex, given the divergent economic and cultural conditions, regulatory environments, and buyer behaviors that vary widely between countries.

Nevertheless, in 2024 most countries experienced a notable rebound, with rising transaction volumes and renewed buyer confidence following the subdued conditions of 2022–2023. Among the 19 countries surveyed in the ERA EMS report, 16 recorded stable or increased sales activity, with particularly strong recoveries in Germany, Czech Republic, Belgium, Portugal, and Bulgaria.

Common Themes Across the Region:

- Persistent demand vs. limited supply, especially in urban zones
- A growing focus on energy efficiency and sustainable housing
- Financing relief via falling interest rates, though access remains uneven
- Increased use of digital tools to improve the buyer/seller experience, with varied adoption across markets

Trends:
Return of Buyers: Improved interest rate conditions, wage indexation, and tax incentives drew buyers back into the market, particularly in the second half of the year.
First-Time Buyer Activity: Increased in several regions, especially where government initiatives targeted affordability and access for younger households. Diverging Price Trends: Most EMS countries saw moderate price increases (2–9%), while Portugal and Bulgaria posted double-digit growth. France and Austria were exceptions, showing minor price declines tied to longer selling times and stricter credit conditions.
Slowing New Construction: High costs, regulatory delays, and material constraints continued to suppress supply growth, making inventory a key pressure point across the continent.
Efficiency-Driven Demand: Homes with strong energy performance sold faster and at a premium—particularly in Belgium, Germany, and the Netherlands—as regulatory incentives and buyer preferences aligned.
Foreign Buyer Influence: Cross-border demand remained strong, especially in lifestyle-driven markets like Spain, Malta, Montenegro, and Portugal. However, scrutiny around foreign ownership (e.g., Spain, Cyprus) could shift these dynamics in the future.
Digital and Decentralized Habits: Buyers increasingly relied on virtual tools, remote transactions, and detailed performance data. Secondary cities and inland regions gained appeal thanks to post-pandemic lifestyle shifts and improving infrastructure.
Pan-European Perspective:
While ERA Europe continues to expand, not every market is covered in this edition. It is important to note that trends across all European economies reinforce the EMS findings. The United Kingdom posted a modest recovery in 2024, with transactions up 3–5%. The Nordic region saw a 24–25% rebound in residential sales, while Poland experienced a surge in foreign buyer activity. Though Romania's full-year figures remain partial, signs point to sustained demand. Together, these markets confirm 2024 as a turning point year for residential real estate across Europe.

Looking Ahead to 2025:
The outlook is broadly optimistic. Transactions are expected to continue rising, with moderate price growth anticipated in most regions. Market activity will likely be driven by more stable interest rates, healthy demand, green incentives, and accelerating use of digital platforms.

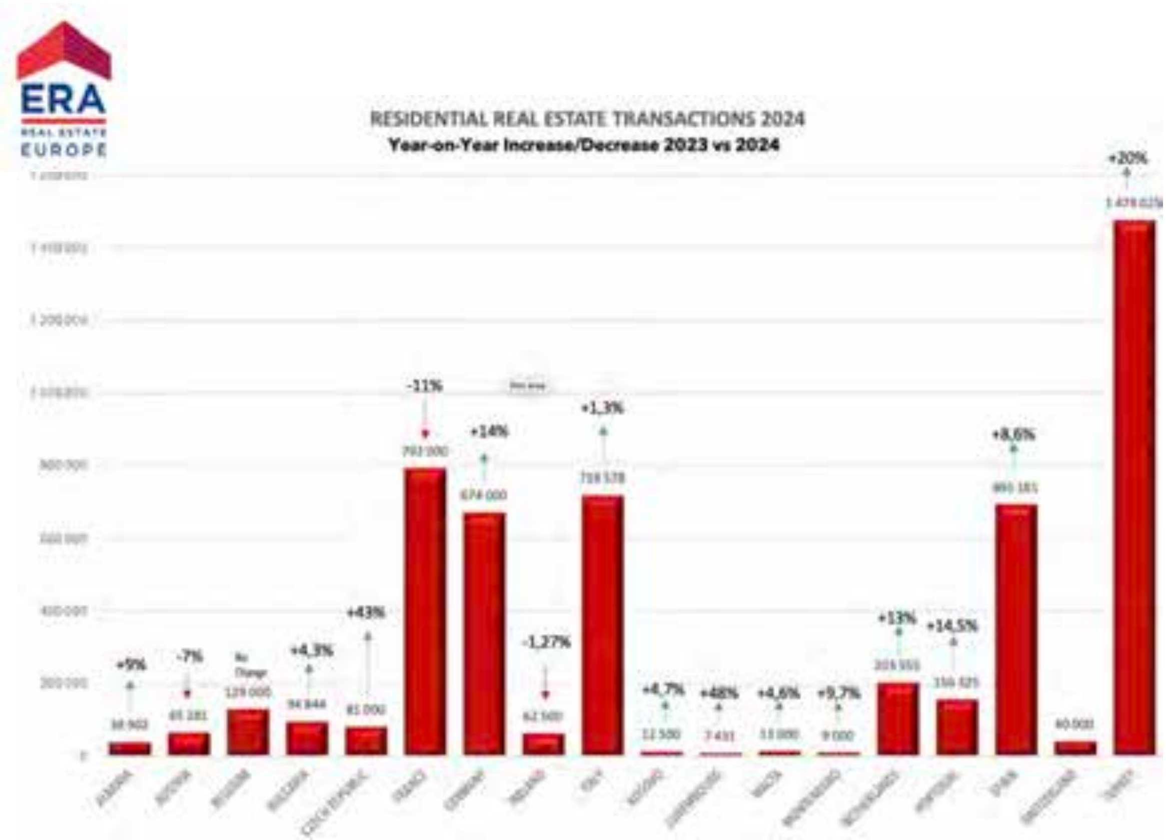
Challenges persist: housing affordability, available housing supply, and uneven access to credit remain major concerns. Addressing these issues will require persistent governmental policy and regulatory reforms. Inflation and emerging geopolitical risks are on the horizon, yet the foundations for continued growth in 2025 appear solid.

SNAPSHOT OF THE EU HOUSING MARKET

The European Union is home to approximately 448 million people across 27 member states, making it the third-largest population bloc in the world after China and India. The EU contains an estimated 250 million dwellings, of which roughly 70% are owner-occupied, highlighting Europe's strong tradition of homeownership. With diverse economic conditions, legal frameworks, and housing stock ranging from centuries-old urban centers to new suburban property developments, the EU housing market is one of the world's most mature and complex.

As a whole, it represents a multi-trillion-euro sector that continues to evolve in response to demographic shifts, political dynamics, and changing patterns of work and mobility. In a nutshell:

- ~250 million dwellings in the EU
- 448 million residents across 27 countries
- 70% average homeownership rate (varies: ~50% in Germany, ~90% in Romania)
- New dwellings built per year: ~1.4 million (Eurostat, 2023)
- EU accounts for ~6% of global population but over 25% of global residential stock value
- ~85% of EU homes built before 2000 (renovation and energy efficiency are key priorities)
- €9+ trillion in residential real estate value across the EU (ECB/Eurostat estimate)
- ~20% of population over age 65 (driving demand for accessible and downsized housing)
- Urban population: ~75% of EU residents live in cities or towns
- Vacancy rates: vary widely; <2% in tight markets like the Netherlands, >10% in parts of southern or eastern Europe (refers to homes unoccupied and available for sale or rent. Low vacancy rates = upward pressure on prices).



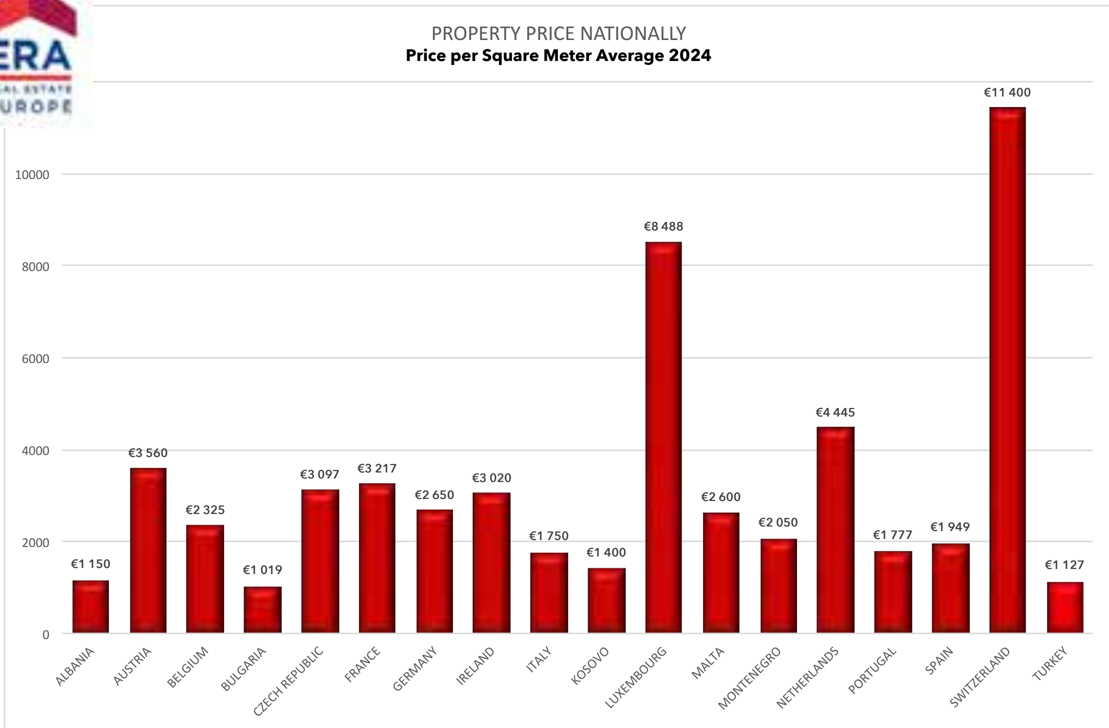
Residential Real Estate Transactions

2024 was a broadly positive year for residential real estate sales across Europe, with only a few exceptions. Most countries in our survey reported an increase in the number of residential transactions compared to 2023. Notable exceptions include France, Austria, and Ireland which experienced year-on-year declines of 11%, 7,1% and 1,27%, respectively.

The most significant increases were seen in Luxembourg (+48%), Czech Republic (+43%), Portugal (+14,5%), and Albania (+12.3%). These surges were driven by a combination of factors including lower interest rates, pent-up demand from cautious buyers during the previous downturn, improved consumer confidence, and in some cases, government incentives. In markets like the Czech Republic, the fear of rising prices also spurred buyer urgency.

Looking ahead to 2025, nearly all countries are projecting an upward trend in residential transactions. Portugal anticipates a double-digit increase, with forecasts in the range of +10%, reflecting continued momentum in demand and improving financing conditions. In contrast, Ireland expects a further decline in transaction volumes, largely attributed to the ongoing shortage of housing supply, which continues to constrain market activity despite underlying demand.

For deeper insights and market-specific drivers behind these trends, please refer to the individual country reports.



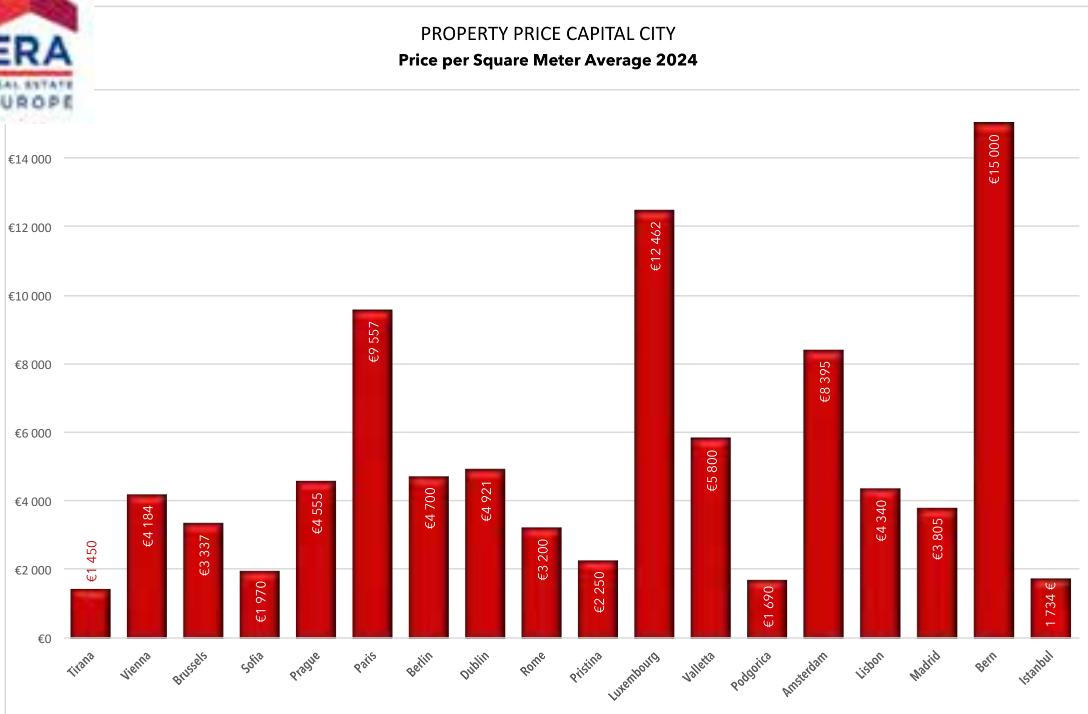
Residential Real Estate Prices Nationally 2024

Housing prices on a national level in 2024 reveal substantial disparities between urban centers versus the broader regional market. Capital cities can command premiums exceeding 2 to 3 times national averages – as seen in France (€9,557/m² vs. €3,217) Switzerland (€11,400/m² vs. €3,805 nationally) or Luxembourg (€12,642/m² vs. €8,488) – national price levels remain comparatively moderate across much of Europe.

While some buyers have recently sought greater affordability and lifestyle change in secondary cities and rural areas, overall demand continues to be concentrated in urban centers, reinforcing the upward pressure on urban housing prices and contributing to a widening price gap between capital cities versus national averages.

Despite these differences, nearly all countries surveyed anticipate further modest increases in national housing prices in 2025, reflecting steady demand, constrained supply, consumer confidence and anticipate easing of borrowing costs. The only exception is Luxembourg, where the market is expected to stabilize following a period of elevated price growth.

For precise national price data and local insights, consult the individual country reports.



Residential Real Estate Price Capital City 2024

European capital cities exhibit a wide spectrum of residential property values. On average, 75% of the EU population resides in urban areas, and this share has been steadily increasing across most countries – a trend that continues to exert persistent upward pressure on housing prices.

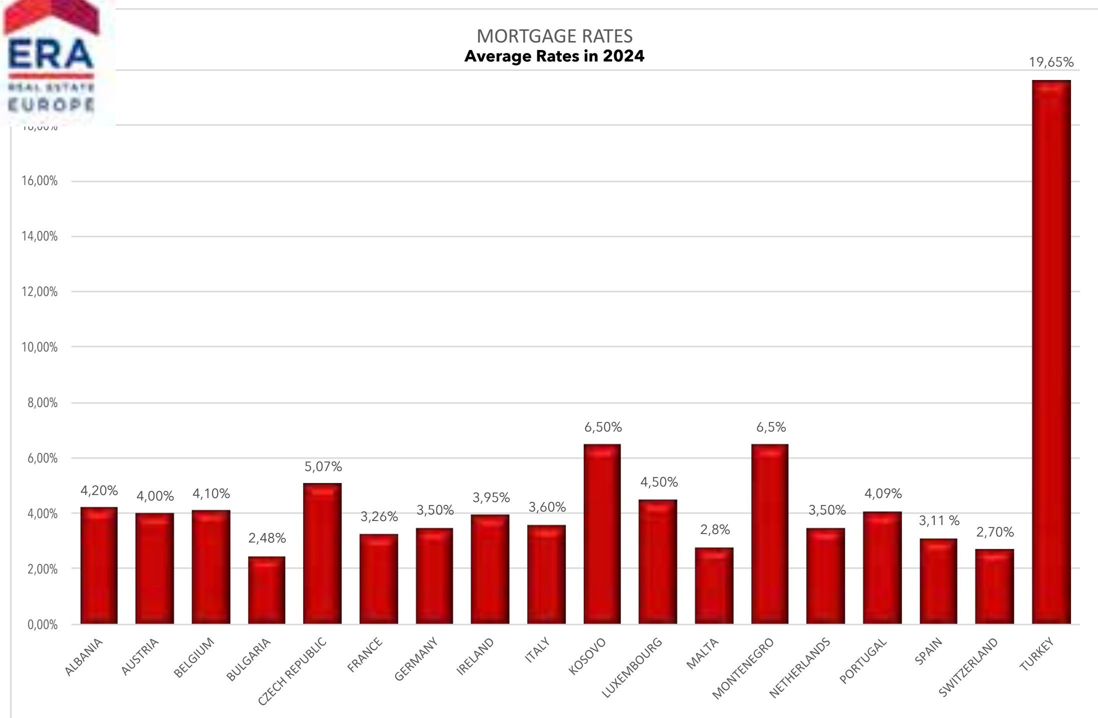
At the upper end, Bern/Zurich recorded the highest average at €15,000/m², followed by Luxembourg City at €12,642/m² and Paris at €9,557/m².

Mid-range prices were observed in capitals such as Lisbon (€5,800/m²), Rome (€4,700/m²), Madrid (€4,921/m²), and Amsterdam (€4,340/m²), reflecting established, dynamic urban markets that continue to offer relative affordability.

At the more accessible end of the scale, average prices in Tirana (€1,450/m²), Pristina (€1,690/m²), and Sofia (€1,970/m²) confirm Southeast Europe's position as an emerging market region, offering some of the most affordable city living and worthy investment potential.

Looking ahead to 2025, most countries anticipate continued upward pressure on capital city prices, driven by resilient demand, limited housing supply, and declining mortgage rates. The exception is Luxembourg City, where prices are expected to stabilize or decline slightly, reflecting a cooling-off period after a phase of elevated values.

For detailed price developments and drivers for national prices, please refer to the individual country reports.



Residential Real Estate Mortgage Rates 2024

Mortgage conditions across Europe in 2024 were generally favorable yet reveal significant disparities not only in interest rates but also in loan structures and the prevalence of mortgage usage itself. Both fixed and variable rates are typically offered, sometimes a combination of both. Fixed mortgage rates ranged from 2,48% in Bulgaria and Switzerland to over 5% in the Czech Republic, with Turkey standing out at an exceptional 19,65%, reflecting a high-inflation environment.

Equally important are the loan terms, which vary widely – from just 5 to 10 years in countries like Czech Republic, Ireland, Germany, to 20–30 years in France, Italy, Kosovo, Malta, and Portugal. These variations directly affect affordability and monthly payment levels, shaping how easily buyers can enter the market.

Notably, the use of mortgages to finance home purchases also varies greatly. In countries like Turkey less than 10% of buyers take out a mortgage, and to a lesser extent Italy and Bulgaria, the share of buyers using mortgage financing remains relatively low. This often due to tight credit access, cultural factors, or reliance on family support. By contrast, in markets like the Netherlands, France, Austria, and Germany, mortgage financing is the dominant mechanism for home purchases.

Looking ahead to 2025, nearly all countries surveyed forecast stable or declining interest rates, which will improve affordability and stimulate demand. The direction of mortgage rates remains a key factor influencing buyer confidence, eligibility, and overall residential market activity.

For details on specific loan structures for each market, please refer to the individual country reports.

ALBANIA

KEY FIGURES IN A SNAPSHOT

Metric	Value
Transactions (2024)	38,200 (+7% YOY)
Avg. National Price (2024)	€77,625 (€1,150/m²) (+9% YOY)
Tirana Avg. Price (2024)	€97,875 (€1,450/m²)
Mortgage Rate (2024)	4,2% (25-year loan)

INSIGHTS

Strong urban demand: Driven by internal migration, especially to Tirana and Durres

Tourism and diaspora-fueled coastal growth: Seaside locations are growing hubs for investment and lifestyle purchases

Infrastructure improvements and digital permitting have streamlined property developments, though regulatory challenges remain

Sustainability gaining ground: Increasing buyer preference for energy-efficient, modern, and well-located homes

Digital transformation: Widespread use of virtual tours and online platforms, especially by foreign buyers

Outlook 2025: Continued moderate price growth, with the coastal segment outperforming; increasing market sophistication and international interest expected in 2025

Residential Property Trends

The Albanian real estate market in 2024 demonstrated resilience and steady growth in the residential sector.

Transactions closed are estimated at 38,200 reflecting a 7% increase over the previous year *(ASHK State Cadastre agency*). Almost two thirds of sales occurred in the region of Tirana. Foreigner buyers represent a growing share of sales and average about 12% of all transactions. Sales are expected to continue an upward trajectory thanks to infrastructure improvements and more efficient real estate registration laws (N°38/2024) aimed at clarifying ownership rights, increasing transparency and to align better with European Union standards; this in hopes of Albania's eventual EU accession.

Property prices continued an upward trend, driven by rising domestic demand, growing interest from the Albanian diaspora, and an uptick in tourism-linked investments along the coast. In 2024 prices increased on average by 9%.

Tirana remains the dominant hub for residential real estate, representing the largest share of national transactions. Average prices in Tirana now range from €800–€1,200/m² in outer areas to €1,500–€2,500/m² in the city center. Top-tier projects in prime zones can reach €3,800/m². Demand is strongest in mixed-use developments with residential units above ground-floor commercial spaces.

Coastal cities such as Durrës, Vlora, Saranda, and Shëngjin are key hotspots for second-home buyers, tourists, and diaspora investors. Seaside apartments typically range from €600–€1,200/m². The Himara region has gained attention for its unspoiled beauty and relatively affordable properties.

The volume of construction permits has remained strong following the government's shift to digital permitting. While new supply has increased, it still struggles to keep pace with demand, especially in tourism zones and urban centers.
Right now, most mortgage rates in Albania float between 3,5% and 6% annually, depending on one's profile and the bank's policies. Fixed rates are rare—most banks offer variable rates linked to the EURIBOR or LIBOR plus a margin. Loan to values can be up to 85% for a first home; with a maximum loan term is 30 years.

Buyer and Seller Behavior

Internal migration remains a powerful driver of housing demand in urban areas, particularly in Tirana and Durres. The buyer profile is diverse:

- Albanian nationals continue to dominate the market.
- Diaspora buyers (from Italy, Greece, Germany, the U.S., and the UK) are increasingly active, especially in the second-home and investment segments.
- Kosovar and North Macedonian buyers remain influential in both tourism and residential sectors.

- A growing number of buyers from Nordic countries, Germany, and Central Europe are entering the market, especially in coastal regions.

Purchasing behavior is increasingly driven by lifestyle considerations—buyers are looking for energy-efficient buildings, modern amenities, and proximity to services. Financing remains limited, as many purchases are cash-based, but the mortgage sector is slowly expanding. Digital platforms and virtual tours are now common, particularly among foreign buyers transacting remotely.

Governmental Impact

The Albanian government has prioritized infrastructure improvements and administrative reforms that support real estate growth. EU candidacy and continued efforts toward accession have improved investor confidence. E-permitting systems have reduced construction delays, and fiscal incentives for tourism-related investment remain in place.

However, zoning and transparency concerns persist, and more needs to be done to ensure regulatory predictability and protect buyers. The absence of a fully functioning property register in some regions still poses risks.

Outlook for 2025

The Albanian residential real estate market is expected to remain dynamic in 2025. Key growth drivers include:

- Continued urbanization and internal migration
- Steady investment from the Albanian diaspora and foreign buyers
- Rising interest in sustainable, energy-efficient properties
- Further digitalization of sales and property marketing

Price growth is likely to continue, albeit at a moderate pace (forecast: 3–5% in Tirana and major coastal areas), as affordability pressures mount. Coastal regions are expected to outperform due to rising tourism and second-home demand.

ERA Albania anticipates a more competitive, better-regulated, and increasingly internationalized housing market. With improved infrastructure and Albania's strategic progress toward EU membership, the residential sector remains one of the most promising in Southeast Europe.

AUSTRIA

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	65,281 (↓7,1% YOY)
Avg. National Price	€266,900 (€3,560/m^2)
Vienna Avg. Price	€313,800 (€4,184/m^2)
3 Month Euribor	2,504% (March 2025)

INSIGHTS

Price Stability: Declines driven mainly by Vienna; rest of Austria stable.

Transactions: Significant negative affect on sales due to rising interest rates.

Credit Pressure: KIM regulation continues to curb demand.

Buyer Trends: Market now favors buyers; high-end and energy-efficient homes hold appeal.

Outlook: Cautious optimism for H2 2025 pending regulatory shifts and ECB policy.

Residential Trends

According to the Austrian National Bank, real estate prices in Austria have experienced a slight average decline over the past four quarters. However, this overall trend is primarily driven by a price decrease in Vienna. Excluding Vienna, prices remained essentially stable between Q4 2023 and Q4 2024, indicating a more localized correction rather than a nationwide decline. Transactions declined following rising interest rates and restrictive government regulations on loan to value ratios.

Residential Property Prices

As of early 2025, the average national residential property price in Austria stands at €266,900, translating to an average of €3,560 per square meter. These figures reflect a housing market that, while still elevated by European standards, has shown signs of stabilization after years of sustained growth (source: user-provided data).

In comparison, Vienna, the capital and largest urban market, commands significantly higher prices. The average property price in Vienna is currently €313,800, with an average price per square meter of €4,184. This reflects the continued appeal of the capital due to its strong infrastructure, job market, and quality of life.

Vienna's premium—approximately 18% above the national average—highlights the capital's magnetic pull for both domestic and foreign buyers. This price gap is consistent with trends observed in other European capitals, where demand remains strong despite economic headwinds such as interest rate fluctuations or inflationary pressures.

The national average of €3,560/m² suggests that regional cities and rural areas remain significantly more affordable, offering potential opportunities for buyers seeking value outside of the capital. Notably, these areas may also attract remote workers or investors targeting rental yields in secondary cities.
Despite the overall moderation in prices, the Austrian market remains resilient, supported by tight housing supply, a stable economy, and Austria's continued ranking among the most livable countries in the world.

Housing Transactions

Transaction volumes have dropped significantly, largely due to rising interest rates and the continued enforcement of the KIM Regulation *(Kreditinstitute-Immobilienfinanzierungsmaßnahmen-Verordnung)*. This regulation limits the loan-to-value ratio to 90%, caps monthly repayments at 40% of household income, restricts loan terms to 35 years, and requires a minimum of 20% equity.

In 2024, the number of completed residential property sale contracts in Austria fell to 65,281, representing a 7,1% decline from the previous year *(Compass Group via*

Immomedien). This figure best reflects the volume of genuine market transactions, excluding broader registry activities such as mortgages and share deals.

Although the regulation is set to expire in June 2025, Austria's Financial Market Authority (FMA) has issued strong guidance encouraging banks to maintain these standards. Critics argue that this rigidity continues to suppress market recovery, and many hope the FMA will revise the criteria in favor of broader economic and consumer interests.

Listing Inventory

The number of properties on the market has increased due to financing challenges faced by middle- and lower-income buyers, many of whom have shifted toward renting. By contrast, higher-income buyers are relatively unaffected and are using this period to take their time and evaluate options. This has led to more selective purchasing behavior, with buyers often rejecting properties in favor of potentially more attractive or better-priced alternatives.

Buyer and Seller Behavior

Buyer behavior is undergoing a clear shift. Young families and first-time buyers are increasingly priced out of the ownership market and turning instead to rentals or lower-priced property segments. Meanwhile, demand for high-end real estate remains, though the absence of Russian buyers—once a key demographic—is being felt, particularly in tourist hotspots like Vienna, Salzburg, and Tyrol.

The market has transitioned from a seller's market to a buyer's market, with buyers now holding more negotiation power. New-build properties continue to attract strong interest, while energy-efficient renovations in existing homes are becoming a priority. Features like modern heating systems are now considered essential, with their absence significantly affecting property values.

The pandemic-induced shift toward rural living has slowed, but suburban areas remain popular, as price gaps between urban and rural properties widen.

Mortgage Loans

From 2018 to 2021, residential mortgage growth in Austria ranged between 4,4% and 6,5%, peaking at 7,12% in early 2022. Since then, loan volumes have declined steadily due to the strict application of the KIM Ordinance.

However, recent changes in monetary policy are beginning to improve borrowing conditions. The European Central Bank has cut its key rates multiple times between June 2024 and March 2025, bringing the 3-month Euribor down to 2,504% as of March 5, 2025. *(The 3-month Euribor interest rate is the interest rate at which a selection of European banks lend one another funds denominated in euros whereby the loans have a maturity of 3 months).*

This was made possible by a significant drop in Eurozone inflation, which fell to 2.4% in February 2025, offering some optimism for borrowers and market activity.

Influence of Technology

Digital solutions introduced during the pandemic—such as virtual property tours—have remained in use, although in-person viewings remain essential for final purchase decisions. Meanwhile, artificial intelligence (AI) is beginning to reshape the real estate industry, especially in areas like text generation, marketing, and technical analysis. This shift is expected to transform both how agents work and how buyers engage with the market in the coming years.

Government Impact

A new federal government took office on March 3, 2025, with a primary focus on budget restructuring amid concerns over a potential EU deficit procedure. Pandemic-era relief was distributed broadly, and this has placed heavy pressure on Austria's fiscal health.

As inflation continues to impact sectors including construction, trade, and industry, policymakers face the challenge of balancing necessary austerity with the need for economic stimulation. Most experts do not anticipate a meaningful economic recovery before 2026.

Outlook for 2025

There are early signs of recovery in the Austrian housing market. Data from the Austrian National Bank's loan agreement barometer for Q1 2025 shows a modest increase in new purchase agreements, contributing to improved sentiment.

While this momentum is encouraging, broader market stabilization will depend on continued interest rate reductions, improved credit access, and flexibility in financial regulations. The Austrian market remains cautious but holds potential for renewed growth in the mid-term.

BELGIUM

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	~129,000 (≈ same as 2023)
Avg. Price (Detached Home)	€370,000 (+0,5%)
Avg. Price (Apartment)	€243,000 (+1,7%)
Avg. Selling Time	113 days (↑9,7% YOY)
Buyer Age Profile	Avg. 38 years; ~30% under age 30
20-Year Fixed Mortgage Rate	Peaked ~4%, dropped to 3,5–3,8% by year-end
Q1 2025 Sales Growth	↑16% (Belgium), ↑20% (Flanders)

INSIGHTS

Market Momentum: After a slow Q1, 2024 sales rebounded to match 2023 levels; Q1 2025 already shows strong growth.

Regional Disparity: Prices rose in Flanders (+2,5%) and Brussels (+1,4%), but fell in Wallonia (-0.8%).

Buyer Behavior: Affordability improved with falling mortgage rates and tax incentives; energy-efficient, move-in-ready homes are preferred.

Seller Trends: Sellers became more realistic; minor negotiations are now common, replacing the overbidding seen in 2021–2022.

Energy Standards: EPC ratings significantly impact pricing—B-label homes fetch up to 33% more than F-label

Government Support: Lower registration fees and relaxed renovation rules in Flanders encourage activity; targeted investment in affordable housing also planned

Outlook 2025: Stable price growth (~3% forecast), supported by lower interest rates, tax incentives, and limited new construction. Market expected to remain active yet balanced.

Residential Real Estate Trends 2024

Market activity recovered during 2024: after a weak first quarter, sales picked up to about the same level as 2023. The housing supply increased slightly, with a longer average selling time of 113 days at the end of 2024 - an increase of 9,7% compared to 103 days in 2023; and up from 85 days in 2022 or a 21% YOY increase. This gradual lengthening in selling times reflects a cooling in the Belgian housing market influenced by factors such as rising interest rates and economic uncertainties. This also indicates more choice and negotiating room for buyers.

Prices

The Belgian housing market saw a modest price increase of +0,5% for houses or €370,000 average price for a detached home: and +1,7% for apartments or €243,000 average price in 2024.
Regionally, prices developed differently: Flanders (+2,5%), Brussels (+1,4%) and Wallonia (-0,8%).

BELGIUM	2022	2023	2024	% evolution	% evolution
	(Y)	(Y)	(Y)	2023 (Y)/ 2022(Y)	2024 (Y)/ 2023(Y)
Houses with 2 or 3 outside walls (attached + semi-detached houses)	€255,00	€260,00	€260,00	2%	0.0%
Houses with 4 outside walls or more (detached houses)	€360,00	€368,00	€370,00	+2.2%	+0.5%
Apartments	€230,00	€239,00	€243,00	+3.9%	+1.7%
Median price (euro)					

Source: Statbel

Residential Transactions

Belgium's total residential property transactions recorded in 2024, were a total 129,000 residential property closings.
In 2023 units closed totaled 128,182, (a 14,9% decline from the record high of 150,735 units in 2022).

The near identical number of residential closing during the past two years affirmed sustained demand and an optimistic trend following the significant drop observed in 2022. The first quarter of 2025 has already confirmed a 15,7% increase in sales over the same period in 2024.

Regional Distribution of Residential Property Transactions

The Flemish region of Belgium, has by far, the largest number of home sales.
Distribution of home sales by region is approximately as follows:

- Flemish Region: approximately 64% of total transactions)
- Walloon Region: approximately 27%
- Brussels-Capital Region: approximately 9%

With total transactions for 2024 at approximately 129,000. Applying the same regional proportions result in closings distributed as follows:

- Flemish Region: ~82,560 transactions
- Walloon Region: ~34,830 transactions
- Brussels-Capital Region: ~11,610 transactions

Transactions for 2025 are expected to continue an upward trend. Declining mortgage rates, wage indexation, and tax incentives such as reduced registration fees (in Flanders from 3% to 2% and Wallonia from 12,5% to 3%) for primary residences, are just a few factors driving property purchases.

(Sources StatBel, KBC Economics)

Buyer and Seller Behavior Trends

In Belgium, the buyer audience remained largely unchanged, with nearly 30% of home buyers being under the age of 30 in both 2023 and 2024. Especially in Flanders, first-time buyers benefited from improved affordability. Overall Belgium the average buyer is 38 years old.

After a cautious stance, early in 2024, demand revived as soon as interest rates began to decline mid-year. The improved affordability from falling mortgage rates enabled buyers to borrow more for the same monthly payment, leading to a significant increase in transactions in the second quarter.

Energy efficiency and maintenance condition became even more important in 2024. In Belgium, the EPC (Energy Performance Certificate) label had a greater price impact: according to the ERA Barometer, a property with a B label is on average 33% more expensive than a comparable one with an F label. Energy-guzzling homes are only sold at a significant discount, given the renovation costs.

Buyers prefer move-in ready, well-insulated homes or immediately budget for renovations. COVID-related preferences such as outdoor space and home office remained important, but without extreme price differences. Urban apartments with limited terraces found buyers more easily due to the return to the office, while families still seek gardens and larger living spaces in suburban communities. Sellers in Belgium became more realistic in their price expectations. Homes in 2024 were mostly sold at asking price or with minor negotiations, in contrast to the 2021-2022 period.

Owners with low mortgage rates often held on to their homes to avoid more expensive new loans. At the same time, more energy-guzzling homes came on the market due to stricter renovation requirements.

Mortgage Market and Financing

During the year, the 20-year fixed rate peaked around 4%, dropping to 3,5-3,8% by the end of 2024. Buyers could borrow more due to falling rates, while government initiatives such as additional budget for the Flemish housing loan and expansion of the housing guarantee stimulated home ownership.

Government Influence in 2024

Flanders reduced the registration rights for acquiring a sole and single-family home from 3% to 2% starting January 2025. This follows earlier reductions (10% to 6% in 2018, to 3% in 2020).

At the same time, the rights for real estate traders increased from 4% to 6% to limit speculation. Previous reductions had increased house prices by around 3%.

Flanders relaxed the renovation requirement from 2023: buyers of homes with EPC label E or F now have 6 years instead of 5 years to renovate to label D.
The planned further tightening (label C by 2028, B by 2035, A by 2045) was scrapped, lowering the threshold for purchasing energy-guzzling homes.
For new construction, accelerated depreciation was introduced: 6% over 6 years on new homes (max €250,000). The government is allocating €480 million to purchase 800 homes for affordable rentals, and nearly €1 billion for new social and affordable housing.

Outlook for 2025

The Belgian housing market is showing positive signals for 2025. Realtors report 20% more transactions in Q1 2025 in the Flanders region and 16% in Belgium overall during Q1 2025. Single-family homes experienced an 8% price increase in Q12025, while apartment rose by 3% (FlandersNews.be).

ING Bank forecasts an average house price increase of ~3% in 2025. Economists expect moderate growth due to higher buying activity and controlled inflation (expected ~1.5%).

Declining interest rates and reduced registration taxes are stimulating the market as buyers are saving thousands of euros on a home purchase.

The relaxation of the Flemish renovation requirement makes homes with lower EPC labels more attractive, which could lead to smoother sales of older homes.
The declining number of building permits in 2023 may lead to less new construction supply in 2025, further supporting prices of existing homes.

Excessive price growth remains unlikely due to moderate economic growth and limited wage increases compared to real estate prices.

Sellers can expect more interest and shorter selling times, but overbidding like in 2021 is not expected to return massively. Realistic prices and quality remain essential in this more balanced market.

SOURCES
KBC Brussels, Notaire Belgium, VRT News Belgium

BULGARIA

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	94,840 (↑ 5,5% YOY))
Avg. Annual Price Increase (2024)	~+18%
Market Cycle Phase	4th consecutive year of price & activity growth
Euro Adoption Target	January 1, 2026
Interest Rates	Stable, low (resistant to ECB trends)

INSIGHTS

Market Defies EU Trend: Bulgaria diverged from EU-wide cooling, reaching a historic high in transactions and price acceleration.

Income-Driven Demand: Strong real and nominal income growth has supported solvent demand, especially in urban and high-end segments.

Stable Financing Environment: Interest rates remained low due to the country's currency board and banking structure, preserving affordability.

Inflation Hedge Behavior: Real estate served as a refuge of value, attracting savings amid high inflation and limited investment alternatives.

Eurozone Anticipation: Expectation of Euro accession fueled "pre-emptive" buying behavior, especially in major cities.

Momentum and Anticipation: 2025 likely to sustain high demand, spurred by confidence and the perceived need to act before market conditions change particularly the urgency to act ahead of euro adoption.

Market Peak Expected: 2025 could in general represent a high point in the residential sector, driven by emotional and strategic buying ahead of EU accession in January 2026.

Dynamics of the housing market

In 2024, Bulgaria entered its fourth consecutive year of an upward market cycle, which began after the COVID-19 pandemic. The number of registered real estate transactions reached 94,840 or +5,5% YOY and marking the highest level recorded in the country's modern economic history and exceeding the average levels of the pre-pandemic years by approximately 40%.

This heightened market activity was accompanied by a significant acceleration in the rate of price growth. Preliminary estimates suggest that the average annual increase in housing prices in 2024 amounted to approximately 18%, with an unusually intense price dynamic within a single calendar year—uncharacteristic for previous market cycles.

Key Macro- and Microeconomic Drivers

- A sustained and accelerating growth in household disposable income, observed in both nominal and real terms. The improvement in income levels has created a solid base of solvent demand, particularly in the first-home segment and in the higher price brackets in major cities.

- Relatively low and stable interest rates on mortgage loans. Unlike the Eurozone countries, where ECB policy led to a sharp rise in borrowing costs, interest rates in Bulgaria remained largely inert to inflationary pressures. This is due to the limited effectiveness of the monetary policy transmission mechanism under the currency board arrangement and the specific structure of the Bulgarian banking sector.

- The high inflation observed in previous years also played a major role in redirecting household savings toward assets with more stable real value. In this context, residential property was perceived as a hedge against monetary depreciation—particularly given the stability of borrowing costs. This type of "inflation-motivated demand" was especially pronounced among households with accumulated deposits and limited access to alternative investment instruments.

- Housing demand in Bulgaria in 2024 was further stimulated by expectations regarding the country's upcoming accession to the Eurozone. This prospect is seen by many market participants as a catalyst for future price growth—especially in the capital and economically dynamic regions. The anticipated change in monetary regime has triggered behavioral patterns typical for transitional phases, including the accelerated execution of investment intentions aimed at "getting ahead" of potential additional price pressures. Bulgaria's accession to the Eurozone would alter both the transmission of interest rate policy and the long-term dynamics of housing prices and credit.

In summary, the Bulgarian housing market in 2024 is characterized by a high degree of sustained demand, intense market activity, and accelerated price dynamics—placing it in clear contrast with average EU trends.

Market Outlook for 2025

Given the current market environment and prevailing behavioral attitudes, there is a high probability that Bulgaria's housing market will continue along an upward trajectory in 2025, driven by:

- Persistently positive expectations regarding future price movements;
- Stable and relatively low mortgage interest rates;
- Continued growth in household income—both nominal and real.

Within this context, market activity is expected to remain elevated, and behavioral mechanisms—including the "expectations effect" and "fear of missing out" (FOMO)—will likely continue to fuel demand, even as some of the fundamental drivers begin to wane.

The year 2025 may be interpreted as a culmination point in the current market cycle, as it brings together three critical factors:

1. Heightened expectations for future price increases, especially related to Eurozone accession;

2. Pre-emptive positioning by market participants through purchases ahead of potential price acceleration;

3. Potential end of the cycle marked by a structural turning point—the official adoption of the euro on January 1, 2026.

This political and economic shift carries not only technical but also symbolic weight for the market: it represents the finalization of a long-anticipated process and may trigger a realignment of market expectations, a shift in monetary policy transmission, and a change in participants' investment logic.

CYPRUS

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	23,900 (↓3% YoY – Republic of Cyprus)
Total Transaction Value (2024)	€5.71 billion (record high)
Price Growth (Q3 2024)	+7% nationally; Paphos +12%, Famagusta +11%
Rent Trends (Q4 2024)	Apartments +1,5%; Houses -0,8%
Foreign Buyer Share (Larnaca)	68,4%
Domestic Buyer Share (2024)	63% of transactions (↑10% YoY)

INSIGHTS

Resilient High-Value Market: Despite a dip in transaction volume, 2024 saw record-high transaction value, driven by luxury and high-end segments.

Regional Divergence: Price and rent trends vary—Paphos and Famagusta lead in growth, while Limassol saw rental declines across both housing types.

Foreign Buyer Dominance: In cities like Larnaca, nearly 7 in 10 buyers were foreign nationals. At the same time, domestic buyer participation rose, particularly in Limassol and Paphos.

Luxury & Residency Demand: Energy-efficient homes, permanent residency-eligible properties, and premium developments remain in high demand.

Government Reforms: 'Housing My Future' policy aims to expand affordability and supply through incentives and regulatory easing—e.g., reduced apartment size requirements.

Legal Risk in the North: The Republic of Cyprus stepped up enforcement against unauthorized sales in the Turkish-controlled north, posing legal risks to investors.

Outlook 2025: Stability expected, with continued strong interest from local and international buyers. Policy support may temper price rises, though geopolitical and legal uncertainties remain a factor.

Introduction
Cyprus, an island nation with a population of approximately 1.2 million, remains divided between the internationally recognized Republic of Cyprus in the south and the Turkish-controlled northern region. The southern part benefits from European Union membership and continues to attract tourists and investors, particularly from the UK. In contrast, the north offers more affordable housing options, appealing to value-driven investors.

While property prices in the north are nearly 50% lower than in the south, the potential for price appreciation exists, especially if prospects for reunification improve. However, recent legal actions by the Republic of Cyprus against unauthorized property sales in the north have introduced new risks for investors.

Transitions & Market Activity
In 2024, Cyprus recorded 23,900 property transactions, a slight 3% decrease from the previous year. Despite the dip in volume, the total transaction value reached a record €5.71 billion, indicating sustained demand, particularly in high-value segments. Nicosia experienced a 4% increase in transaction volume, while coastal cities like Limassol maintained dominance in transaction value, accounting for 44% of the total.

The number of property transactions cited in this report for 2024 reflects only activity within the Republic of Cyprus, which is the EU-recognized southern part of the island. While the northern region also maintains an active property market, consistent and independently verified transaction data is not currently available. While precise transaction data remains opaque, we can report that foreign investment remains a notable factor, though overall market activity was subdued in 2024. This trend reflected changes in recent tax regulations, other regulatory measures to increase transparency and broader economic conditions.

Prices & Rental Trends
- As of Q3 2024, residential property prices increased by approximately 7% year-on-year, with notable growth in Paphos (12%) and Famagusta (11%).
- In Q4 2024, apartment rents saw a moderate 1,5% year-on-year increase, while house rents decreased by 0,8%.
- Limassol experienced declines in both apartment (-4,1%) and house (-4,0%) rents, whereas Paphos saw a 10% increase in apartment rents.

Buyer Tendencies
- Foreign nationals accounted for a significant portion of property purchases, with 68,4% in certain cities like Larnaca.
- Sales to Cypriot buyers increased by 10% in 2024, comprising 63% of total transactions. Notable increases were observed in Limassol (29%) and Paphos (10%).

- There is a growing demand for luxury properties, sustainable and energy-efficient homes, and properties qualifying for permanent residency programs.

Government Influence

- The government launched the 'Housing My Future' plan, aiming to increase housing availability and affordability, particularly for young people and families.
- Measures include financial assistance and land provision for eligible individuals.
- To boost housing supply, the government reduced the minimum allowable apartment size by 15% in designated zones and proposed abolishing mandatory apartment type quotas in tourist areas.
- The Republic of Cyprus intensified legal actions against unauthorized property sales in the north, leading to prosecutions of foreign nationals involved in illegal transactions.

Outlook for 2025

The Cyprus real estate market is expected to maintain stability in 2025, with continued interest from both domestic and foreign buyers. Government initiatives aimed at increasing housing supply and affordability may help moderate price growth. However, legal complexities in the north and global economic factors could influence market dynamics.

CZECH REPUBLIC

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	81,000 (↑43% YOY)
Avg. Price (National, Dec 2024)	€3,097/m² (↑ from €2,800 in Jan)
Avg. Price (Prague, Dec 2024)	€4,555/m²; Avg. price surpassed €300,000
Price Change (2024)	+10,7% (↑ from -1,1% in 2023)
Avg. Days on Market (2024)	54 days (↓ from 76 days in 2023)
Mortgage Rate (March 2025)	4,68% (↓ from 5,81% in 2023)
New Mortgage Volume (2024)	CZK 228 billion (↑83% YOY)

INSIGHTS

Strong Rebound: Market bounced back sharply in 2024 after a stagnant 2023, led by improved mortgage conditions and demand recovery.

Prague Breaks Records: Capital city leads growth, reaching all-time highs in both price per square meter and average property value.

Mortgage Recovery: Easing interest rates and relaxed CNB lending rules sparked 83% growth in new mortgage volumes.

Tight Supply: Low housing completions and permits constrained inventory, intensifying upward pressure on prices.

Buyer Profile: Young families and end-users dominated activity; cautious return of investors in urban hubs due to rental demand.

Efficiency in Demand: Preference grew for energy-efficient homes and modern amenities, especially in urban centers.

Outlook 2025: Moderated price growth (3–6%) expected, but affordability risks persist unless housing supply improves.

Residential Property Trends

The Czech residential real estate market experienced a strong rebound in 2024 after a previous period of stagnation caused by weakened buyer demand, which was driven by the energy crisis, an ongoing war conflict within Europe and associated rise in interest rates. After declining by around 1,1% in 2023, property prices rise by an average of 10,7% in 2024. This recovery reflected renewed buyer confidence, improving mortgage conditions, and persistent housing demand. During 2024 alone, property prices nationally increased from €2,800 per square meter in January to €3,097 per square meter in December and in Prague from €3,097 to €4,555. The average property price in Prague reached an all-time high in 2024, breaking the €300,000 mark.

Transactions

Transaction volume showed a significant rebound in 2024, with 81,000 residential sales recorded—up 43% from the same period in 2023. This marked a notable recovery compared to the 59,000 sales reported in 2023, though still below the 2018 high of over 100,000 closings.

The surge was driven by several factors: a modest decrease in mortgage interest rates following a period of tight monetary policy, greater optimism about future economic stability, and buyers re-entering the market after postponing purchases in previous years. The anticipation of further price increases and limited housing availability also pushed buyers to act decisively.

Inventory remained tight as new housing completions and permits declined for a second consecutive year, contributing to price pressure and reinforcing a seller's market.

Buyer and Seller Behavior

In 2018, the Czech Republic experienced historically low mortgage interest rates, with 10-year fixed-rate mortgages averaging around 2,3%. This favorable lending environment contributed to a surge in property transactions, exceeding 100,000 for the year. However, by 2023, rates had escalated significantly, reaching an average of 5,81%, driven by the Czech National Bank's (CNB) efforts to combat inflation through a stringent monetary policy. This tightening led to a contraction in mortgage origination and a slowdown in the housing market.

In response to easing inflationary pressures and a stabilizing economy, the CNB initiated a series of rate cuts starting in late 2023. Consequently, average mortgage rates began to decline, falling to 5,07% by the end of 2024, with further reductions observed into early 2025, where rates reached 4,68% in March. This downward trend revitalized the mortgage market, leading to an 83% year-on-year increase in new mortgage volumes, totaling CZK 228 billion in 2024. The improved affordability and renewed buyer confidence have been pivotal in the housing market's recovery.

2024 saw increased activity among end-users and owner-occupiers, particularly young families and professionals taking advantage of easing loan conditions. Investor participation remained cautious, though interest grew in Prague and Brno due to rental demand and price momentum.

The Czech National Bank also relaxed some lending regulations, such as removing the DSTI and DTI limits, improving loan accessibility.

Buyers showed greater interest in energy-efficient properties and modern amenities. While most transactions remained traditional and in-person, digital engagement—such as remote consultations and 3D viewings—grew modestly, particularly among overseas Czech buyers or expatriates.

Government Impact

Regulatory changes by the Czech National Bank were pivotal in shaping the market. The removal of the DSTI limit in late 2023 and the DTI limit in 2024 eased loan qualification hurdles. LTV limits remained in place (80% standard, 90% for buyers under 36).

There were no major new housing policy initiatives from the government in 2024, though rising concerns over affordability and supply bottlenecks led to increased calls for planning reform and densification strategies.

Outlook for 2025

ERA Czech Republic expects the residential market to remain active in 2025, with price growth projected to moderate slightly to 3 – 6%. Urban centers like Prague, Brno, and Plzeň are likely to lead in both price growth and transaction volume.

Interest in high-quality, energy-efficient housing will continue to rise. The main challenge remains limited new supply, particularly in high-demand regions. A more stable mortgage market and sustained economic recovery should help support ongoing momentum, though affordability constraints could reemerge if supply does not improve.

Average time on market dropped from 76 days in 2023 to just 54 days by the end of 2024 — a clear sign of renewed demand.

FRANCE

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024 est.)	<800,000 (↓~11% YOY)
Avg. Price Change (Houses)	-3,8%
Avg. Price Change (Apartments)	-0,8%
Paris Avg. Price (2024)	€9,557/m² (↓4.7%)
Paris Transactions	↑3,2%
Mortgage Rate (20-year, Dec 2023)	4,26% (falling in 2024, <3% expected in 2025)
Inflation Rate (Dec 2024)	1,3% (expected 1,5% in 2025)
Investor Share of Buyers	16% (↓ from 30,6% in 2022)

INSIGHTS

Market Rebound in Sight: A challenging first half of 2024 gave way to gradual recovery as mortgage rates declined and inflation eased.

Price Correction Underway: National home prices fell modestly; Paris saw a -4,7% drop but also a rebound in sales.

Regional Variance: Growth in regions like Nouvelle-Aquitaine and Occitanie contrasts with declines in Brittany and Grand Est.

Buyers Shift: Second-time buyers (53%) dominated with more capital; first-time buyers (31%) struggled with access to credit.

Investor Retreat: Regulatory and fiscal pressure continued to push investors out of the market.

Longer Negotiations: 90% of transactions now involve price negotiation; sales timelines have lengthened.

2025 Outlook: ERA anticipates ~850,000 transactions, improved affordability, and a healthier balance between supply and demand.

Government Signals: Structural reforms expected in 2025, including expanded PTZ loans and renovation incentives, may boost confidence.

Market Performance and Recovery
As forecasted in January 2024, the annual volume of existing home sales remained below 800,000 transactions. The first half of 2024 proved difficult for the real estate profession, primarily due to the sharp rise in mortgage interest rates, which peaked in December 2023.

Although mortgage rates began to decline gradually from the start of 2024, the positive impact of this shift was not clearly felt until the second half of the year. This trend gained further momentum in the fourth quarter, supported by decreasing inflation and lower borrowing costs.

Due to the delayed effect of credit market dynamics, the deterioration in lending conditions—marked by an average 20-year rate of 4,26% at the end of 2023—had immediate repercussions early in the year. However, the modest but sustained recovery in transaction volumes since then suggests that the market is on a clear path to rebound in 2025.

Prices Adjust Downward
The drop in sales volumes helped rebuild inventory levels, which contributed to a decline in property prices. As of early 2025, the 12-month average price drop was:
- Houses -3,8%
- Apartments -0,8%

These averages vary considerably depending on location, energy performance, and local demand characteristics.

Sales Rebound in the Capital
In Paris, prices fell by an average of -4,7%, reaching €9,557 per m² over the past year. However, significant disparities remain between arrondissements and property conditions. Simultaneously, this price adjustment led to a +3,2% increase in transactions within the capital.

Market Adjustment in Île-de-France
The correction extended to the Île-de-France region, which had seen strong growth in the post-COVID era. Average prices declined by -3.8% over the past 12 months, although with wide variance across departments:

Yvelines:	- 6,4%
Val d'Oise:	+ 5,2%
Val de Marne:	+ 4,5%
Hauts de Seine:	- 0,3% (nearly stable)

Regional Activity Mostly Positive
Market activity was uneven across France but generally trended upward:

Nouvelle Aquitaine:	+9,6%
Occitanie:	+8,3%
PACA:	+4,2%
Bourgogne Franche Comté:	+3,2%

Hauts de France:	+0,2%
Auvergne, Rhône, Alpes:	-0,5%
Grand Est:	-1,3%
Brittany:	-9,0%

Longer Sales Timelines
Credit constraints, stricter energy standards, and pricing mismatches have made negotiations more complex, leading to longer transaction timelines. Today, 9 out of 10 transactions involve price negotiation.

Buyer Behavior in a Shifting Market
In 2024, second-time buyers dominated the market, accounting for 53% of transactions. With more purchasing power and larger down payments, they tended to seek move-in-ready homes to avoid renovation burdens.

First-time buyers—typically younger—faced significant financing challenges and made up only 31% of all transactions.

Investor participation continued to decline:
- 2022: 30,6%
- 2023: 19%
- 2024: 16%

This trend is attributed to stricter regulations and increased fiscal pressure.

Outlook for 2025
After two particularly challenging years marked by a significant drop in transaction volume, agency closures, and financial strain on professionals, the outlook for 2025 is improving.

Adjustments by market players, combined with the stabilization of interest rates and renewed buyer confidence, set the stage for a more dynamic recovery. ERA anticipates a return to approximately 850,000 transactions, in line with historical market norms.

With inflation under control at 1,3% in December 2024, and expected to rise modestly to 1,5% in 2025, mortgage rates for 20-year loans are projected to fall below 3%. This should improve purchasing power and stimulate a gradual recovery in activity.

The rebound is supported by several factors:
- Better price alignment with household budgets
- Gradual easing of credit conditions
- Emerging supply-demand equilibrium

Agencies that navigated the recent turbulence by strengthening their expertise and resilience are well positioned to benefit from the recovery.

Thus, 2025 is expected to be a pivotal year, offering opportunities for market recovery and a return to a more fluid and sustainable dynamic.

Government Announcements

Recent statements by François Bayrou on housing policy suggest structural measures may be coming in 2025:

- Expansion of the Zero-Interest Loan (PTZ)
- Greater focus on energy-efficient renovations
- Enhanced support for first-time buyers

These initiatives are likely to send positive signals to the market, helping reignite demand.

"This situation, combined with anticipated government incentives, should create a favorable environment for a market rebound. We expect the number of transactions in 2025 to increase, potentially reaching or even exceeding 850,000 sales." ***— Éric Allouche, Executive Director, ERA Immobilier***

GERMANY

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	~674,000 (↑14% YOY from 591,800 in 2023)
Avg. Price (2024, National)	€280,000 (~€2,650/m²)
Avg. Price (Berlin)	€480,000 (~€4,700/m²)
Peak-to-2024 Price Decline	-5% to -7% (since 2022/2023)
Q1 2025 Transactions Growth	↑30% vs. Q1 2024
Avg. Days on Market (2024)	~120 days
Mortgage Rates (early 2025)	3,6%–4,0% (↑ from 1,2% in 2018)
Forecast Price Growth (2025)	~3%

INSIGHTS

Urban Surge: Berlin and Hamburg led transaction growth in Q1 2025; urban and suburban zones outperformed national averages.

Recovery in Motion: After a 29% drop in 2023, transactions rebounded by 14% in 2024, with signs of further growth in early 2025.

Affordability Shift: Buyers are avoiding city-center premiums and opting for more spacious, suburban properties with better value.

Buyer Hesitancy: First-time buyers and investors are cautious due to tighter lending and uncertain yields; foreign interest remains but tempered.

Digital Integration: Virtual tours are now common in early-stage buying, though personal contact remains essential for final decisions.

Government Factors: Regulation on heating systems and rent control has contributed to market uncertainty and investor conservatism.

Energy Focus: Demand is shifting to sustainable and renovation-friendly homes; KfW incentives are supporting eco-upgrades.

Outlook 2025: Moderate price growth (~3%) expected. Market stability hinges on interest rates, regulatory clarity, and energy policy implementation.

Residential Property Trends

The German residential market is characterized by strong buyer demand but limited supply. Building completions fell to around 210,000 units in 2024, down from 245,000 in 2023 exacerbating the supply situation. In 2025 transactions, firmly increased - up already by 30% in Q1 2025 compared to same period in 2024 *(GREIX index)*. Berlin and Hamburg lead in transaction volume Q1 2025 with Dusseldorf a distant 3rd. *(JLL research)* Property prices in Q1 2025 have inched upward by 4,3% nationally. Demand is growing in urban/suburban regions pushing price rises here higher than the national average. This despite a slight upward tic in mortgage rates. Buyers are shunning price premiums demanded for costlier central city locations, however, opting to buy outside the premium zones.

Prices

Following a period of rapid growth, the market saw a moderate correction in 2024. The current average purchase price year end 2024 stands at approximately €280,000 nationwide, and around €480,000 in the capital city of Berlin. Average prices per square meter are currently about €2,650 nationally and €4,700 in Berlin. This represents a decline of around 5–7% from the market peak in 2022/2023.

Berlin offers a wide range of housing options depending on location and property type, with average prices ranging from €4,300 to €5,750 per square meter. In prime areas, new-build homes can exceed €8,000 per square meter.

Transactions

In 2024, the German property market showed signs of stabilization following a sharp decline in activity in 2023, when transactions dropped by 29%. A total of 591,800 residential properties were sold in 2023. While final figures for 2024 are not yet confirmed, current estimates suggest approximately 674,000 transactions—a 14% increase year over year. Residential real estate remains the strongest performing asset class within the German property market, followed by logistics, retail, and office sectors.

The average time a property remains on the market has continued to increase in recent years, reaching approximately 120 days in 2024.

Buyer and Seller Behavior

First-time buyers are acting more cautiously due to higher financing costs and stricter lending requirements. Move-up buyers are increasingly postponing their plans, and investors have become more reserved, citing pressures on rental yields and regulatory uncertainty. Foreign buyers continue to value Germany's market stability but are approaching purchases more cautiously.

Demand remains strong in locations offering good infrastructure, larger spaces, and home office suitability. While the rural exodus has slowed, there is growing interest in suburban areas. Mortgage interest rates have risen from around 1,2% in 2018 to between 3,6% and 4,0% in early 2025. Lending conditions have tightened accordingly.

Digitalization continues to reshape the buying process. Virtual viewings have become standard in the early stages, although personal interactions remain essential for finalizing transactions.

Government Impact
A number of new regulatory initiatives have shaped the market over the past two years. These include new KfW funding schemes to support energy-efficient renovations, expanded rent control laws, and attempts to simplify construction permits—though implementation has been slow.

Political uncertainty also looms large. At the time of this analysis (Q2 2025), it remained unclear whether the '*Heating Act*'—mandating the phase-out of oil and gas heating systems—would be repealed. This has created volatility, particularly around the valuation and demand for older properties.

Altogether, these changes have contributed to investor caution, limited new construction activity, and made older, less renovated homes more appealing under certain regulatory scenarios.

Outlook for 2025
After a period of consolidation, prices are expected to stabilize, with a modest recovery possible if interest rates ease. Transaction activity is anticipated to rebound slightly under improved financing conditions. Energy-efficient and sustainable properties are expected to lead demand. Industry experts are anticipating a 3% increase in residential prices, on average in 2025.

While new construction is likely to remain sluggish, existing homes with renovation potential will continue to attract buyers. Flexible living spaces and modernization efforts will be key market drivers.

ERA Germany views 2025 as a pivotal year. Buyers and sellers will need to adapt to a new interest rate and price environment. Agents who combine digital tools with personalized guidance will be best positioned for success in this evolving market.

IRELAND

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	~62,500 (↓1,27% YOY)
National RPPI (2024)	+8,7% YOY
Median Price (National, 2024)	€355,000 (~€3,020/m²)
Avg. Price (Dublin, Q4 2024)	€442,909 (~€4,921/m²)
Avg. Price Paid (Dublin, Oct 2024)	€603,453 (↑11.3% YOY)
Median Mortgage Rate (Dec 2024)	3,95%
Property Inventory Change (YOY)	-15% (lowest since 2007)

INSIGHTS

Strong Price Growth: National property prices rose 8,7% in 2024, accelerating from 4,4% in 2023; Dublin led with double-digit increases.

Transaction Decline: Sales dipped slightly (~1,27%) due to chronic housing shortages and shrinking second-hand inventory.

Inventory Crisis: Listings fell to historic lows, pushing prices higher and shortening sales cycles in high-demand zones.

Buyer Trends: Owner-occupiers dominated; investors pulled back. Most demand driven by primary housing need rather than investment motives.

Financing Landscape: Fixed-rate mortgages (3–5 years) remained standard; average rates dropped slightly but lending conditions stayed stable.

Government Role: No major new initiatives in 2024; long-term supply and affordability challenges persist despite construction targets.

Outlook 2025: Continued upward pressure on prices, with forecast growth moderating to ~4%. Homes closing on average 9% above asking in Q1 2025.

The Irish residential property market experienced significant price growth in 2024, with the national Residential Property Price Index (RPPI) increasing by 8,7% year-on-year to December. This growth reflects a continuation of the upward trend observed in previous years.

Transactions

Despite rising prices, the volume of housing transactions declined. A total of 62,500 residential property purchases are estimated for 2024, representing a 1,27% decrease compared to 2023 when 63,300 residential transactions closed. This reduction is largely attributed to a persistent shortage of housing supply, which has been a longstanding issue in the market.

The inventory of available properties also decreased, with the number of second-hand homes for sale nationwide dropping by 15% year-on-year, reaching the lowest level recorded since 2007. This scarcity has led to properties selling more quickly and at higher prices, particularly in high-demand areas.

Prices

Looking ahead, property prices are expected to continue rising in 2025, albeit at a more moderate pace. The Times reports that estate agents predict an average price increase of 7% for the year, as supply constraints persist despite ongoing construction efforts (source: The Times).

The median price of a residential property nationwide reached €355,000, up from €327,500 in 2023 (source: Irish Times). In Dublin, the average listed home price was reported at €442,909 in the final quarter of 2024, reflecting a 9% annual increase (source: The Journal). The CSO also reported that the average price paid for a home in Dublin in October 2024 was €603,453, up from €542,271 a year earlier (source: Irish Times).

In 2024, Ireland's residential property market experienced notable price growth, driven by persistent supply shortages and robust demand. According to the Central Statistics Office (CSO), the national Residential Property Price Index (RPPI) increased by 8,7% year-on-year to December 2024, marking a significant acceleration compared to the previous year's growth rate of 4,4% (source: Irish Times).

Using the national average dwelling size, we can estimate the price per square meter as follows:

- National Average Price: €355,000
- National Average Size: 117.6 m²
- Price per m²: €355,000 / 117.6 m² ≈ €3,020/m²

(The Irish Times, Central Statistics Office)

For Dublin, assuming an average dwelling size of approximately 90 m²:

- Dublin Average Price: €442,909
- Estimated Dublin Average Size: 90 m²
- Price per m²: €442,909 / 90 m² ≈ €4,921/m²

(BPFI Housing Market Monitor)

Buyer and Seller Behavior – 2024

The market in 2024 was predominantly driven by owner-occupiers, with a noticeable decrease in investor activity. Demand from buyers remained strong, leading to quick sales across various property types.

Buyer preferences remained relatively stable, with no significant shifts towards urban or rural areas. The primary motivation for buyers continued to be the need for a home, rather than investment or lifestyle changes.

Mortgage interest rates experienced a slight decrease, with the median rate on bank-held mortgages at 3.95% as of December 2024. While this reduction provided some relief, access to mortgage loans remained consistent, with no major changes in lending criteria.

In Ireland, the typical mortgage structure involves a fixed interest rate for an initial term of 3 to 5 years, after which the loan usually reverts to a variable rate unless the borrower arranges a new fixed-rate agreement. The cited median interest rate of 3,95% (as of December 2024) most commonly applies to these short-term fixed-rate products, which remain the dominant choice in the Irish market due to their initial affordability and flexibility. The total repayment period (loan term), however, generally spans 20 to 30 years, with first-time buyers often opting for the maximum term (up to 35 years) to minimize monthly repayments. Longer fixed-rate options (e.g., 10–20 years) are available but represent a smaller share of the market due to higher costs and limited lender offerings.

Technological advancements in property transactions saw limited adoption, with most buyers still preferring in-person viewings. Virtual tours and online interactions were primarily utilized by overseas buyers or in the initial stages of property searches.

Government Impact – 2024

There were no significant new government initiatives affecting the real estate sector in 2024. Existing policies continued to support the market, but challenges such as housing supply shortages and affordability persisted.

The government's focus remained on addressing these issues through long-term strategies, including increasing housing construction targets and supporting first-time buyers.

Outlook for 2025

Looking ahead to 2025, the Irish residential property market is expected to continue its upward trajectory in terms of prices, driven by sustained demand and limited supply. Currently in Q1 of 2025 homes are closing on average at 9% above asking price. Single digit price growth is expected to continue throughout the year and to settle at around 4%. The lack of available housing is anticipated to remain a critical issue, potentially exacerbating affordability challenges for buyers.

While mortgage interest rates may experience further slight decreases, the overall accessibility to financing is expected to remain stable. The government's ongoing efforts to increase housing supply and support buyers will be crucial in shaping the market's direction in the coming year.

ITALY

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	719,578 (↑1,3% YOY)
Avg. Price Growth (2024)	+3% national average
Avg. Price (National)	€1,750/m² (~€141,750 for 81 m²)
Avg. Price (Rome)	€3,200/m² (~€253,440)
Avg. Price (Milan)	€4,900/m² (~€367,500)
Mortgage Interest Rate (2024)	3,6% (↓ from 2023)
Mortgage Use in Home Purchases	~39% (283,000 of 719,578 transactions)
Avg. Monthly Mortgage Instalment	~€677
Affordability Index (2024)	12,7% (↑ vs. historical avg. of 9,6%)

INSIGHTS

Resilient Growth: Transaction and price growth continued in 2024, driven by demand in urban centers and improving affordability.

Regional Disparities: Rome and Milan remain high-value markets; smaller regions like Abruzzo and Molise saw strongest transaction growth.

Financing Gap: Italy remains an outlier in Europe with low mortgage usage (~39% vs. EU average of 60–70%), due to conservative lending and high share of cash buyers.

Affordability Rebounds: Lower interest rates helped affordability recover in 2024 after prior erosion from ECB hikes.

Buyer Shift: Wealthier buyers favored eco-friendly, high-spec homes; younger and lower-income groups faced growing access barriers.

Post-Pandemic Preferences: Larger homes, outdoor space, and remote-work adaptability remained key drivers; suburban and rural interest increased modestly.

Tech-Driven Change: Virtual tours, online negotiations, and digital documentation gained traction—especially with international and relocation buyers.

Policy Environment: Scaled-back *Superbonus* and new green building rules shaped renovation and construction activity. Cost pressures impacted smaller developers.

2025 Outlook: Price growth expected to moderate (2–3%). Continued demand for sustainable homes and digital innovation will drive the market forward.

In 2024, growth was observed in both property transactions (+1,3%) and residential property prices (+3%) year-on-year, continuing a moderate upward trend observed over the past five years. Annual price growth has consistently ranged between 2% and 4%, particularly in major urban centers such as Milan, Rome, and Florence, where demand remains strong. In contrast, suburban and less urbanized regions experienced more modest growth, typically between 1% and 2%, reflecting regional disparities in demand and economic conditions.

Transactions

The residential market recorded 719,578 transactions in 2024 (+1,3%). This marks a recovery of the positive volume trend underway since 2014, which had been interrupted only by the contraction in 2023 and the sharp decline in 2020 (-7,7%) caused by the pandemic crisis.

In 2024, the increase in home sales was most pronounced in the South, with a 2,6% rise, while the North-East and Central regions saw growth of around 1,5%. In the North-West and on the Islands, volumes remained similar to 2023 levels. Lombardy confirmed its position as the region with the highest number of transactions in 2024 (over 151,000); however, Abruzzo recorded the highest growth rate (+9,2%), followed by Friuli-Venezia Giulia (+6,4%) and Molise (+6%). Among the major cities, Genoa led with a 3% increase, followed by Rome (+2%), Turin (+1,6%), and Bologna (+1,4%).

Prices

According to the most recent transaction-based data from Nomisma and ISTAT, the average price per square meter of residential property sold in Italy in 2024 was approximately €1,750 nationally. In major urban markets, sold prices were significantly higher: approximately €3,200 per m² in central Rome and around €4,900 per m² in Milan.

Average residential property sizes are estimated at 81 m² nationally, 79.2 m² in Rome, and 75 m² in Milan. This translates to the following estimated average individual transaction values:

Nationally: 81 m² × €1,750/m² = **€141,750**
Rome: 79.2 m² × €3,200/m² = **€253,440**
Milan: 75 m² × €4,900/m² = **€367,500**

These figures, based on actual sold prices, confirm the significant regional disparities in Italy's residential real estate market. They also show that while national average prices remain moderate, demand-driven urban hubs like Rome and Milan continue to command high valuations, especially for centrally located or high-specification properties. *(Sources: Nomisma 2024, ISTAT 2024)*

Price Trends for 2025

In early 2025, Italy's residential property market is showing signs of continued modest growth in prices, following the stabilization seen in late 2024. Nationally, listing prices have been trending upward, surpassing €2,100 per m², while transaction prices remain closer to €1,750–1,800 per m². Milan continues to lead the national market in pricing, with average sold prices approaching €5,000 per m² and listing prices exceeding €5,500, supported by sustained demand and limited supply in central districts. Rome is experiencing a more stable price environment, with sold prices holding around €3,200 per m² and listings just under €3,600. At the national level, steady demand and gradually declining mortgage rates have supported modest price increases, particularly in well-connected urban and suburban areas. Overall, the 2025 outlook suggests mild appreciation in major cities and stability in most other regions, with ongoing regional disparities likely to persist.

Buyer and Seller Behavior

The Italian residential real estate market in 2024 reflected a shift in both buyer demographics and preferences. There was a notable increase in high-end purchasers seeking luxury properties with features such as terraces, private gardens, smart home systems, and eco-friendly technology. These buyers, often less dependent on financing, were more resilient to rising interest rates.

Conversely, first-time homebuyers, especially younger individuals and lower-income households, faced growing barriers to entry due to stricter lending conditions and reduced affordability. Access to mortgage loans became more restricted in 2024, as banks implemented tighter credit assessments and issued fewer loans, particularly to riskier borrowers.

Mortgages

In 2024, over 283,000 home purchases in Italy were made using a mortgage loan. The total capital financed for home purchases amounted to over 38 billion euros, around 3 billion more than in 2023 (+8,1%). The average initial interest rate applied to mortgages for home purchases decreased by 0,69 % compared to 2023, settling at 3,6%. The average mortgage term remained stable at approximately 25.3 years, consistent across the country's regions, while the average monthly instalment stood at around €677 Euros.

The most common structure involved a fixed rate for the first 10 to 15 years, followed by an optional variable rate. This structure has been increasingly preferred by buyers seeking long-term stability amid rising rate uncertainty.

Italy vs Europe Mortgage Comparison

Approximately 39% of home purchases in Italy in 2024 were financed with a mortgage, based on the volume of mortgage-backed transactions relative to total residential sales (283,000 of 719,578). This is notably low compared to other major European markets.

For example, Spain, France, and Belgium typically report mortgage penetration rates between 60% and 70%. Despite the declining trend in interest rates during 2024—averaging around 3,6%—the use of a mortgage remained comparatively low. The country's traditionally conservative lending culture, higher proportion of cash buyers, and structural barriers to credit access may contribute to a lower reliance on mortgage financing compared to EU peers. Across the European Union, the average share of mortgaged purchases tends to hover around 60–70%, making Italy an outlier in this context, especially for a mature real estate market.
(Sources: Agenzia delle Entrate, Bank of Italy 2024)

Affordability
Conditions for accessing homeownership continue to remain favorable in a historical context, with the affordability index remaining positive and at high levels both nationally and across individual regions. More specifically, during 2024 the affordability index, which had weakened during 2022–2023 due to interest rate hikes by the ECB, began to improve again, reaching 12,7%. This compares to a historical average index value of 9,6% over the 2004–2024 period. This improvement was solely driven by the reduction in residential mortgage interest rates, which more than offset the rising price trend of homes observed in the second half of 2024. During 2024, residential mortgage interest rates began to fall again, in anticipation of and in line with the reversal of central bank monetary policy, halting the upward trend that began in 2022. Trends observed in the first three months of 2025 show a further improvement in the affordability index, again driven by the reduction in mortgage interest rates.

Buyer preferences
Buyer preferences continued to evolve post-pandemic. There was a strong trend toward larger homes with private outdoor space and dedicated home office areas, reflecting the ongoing influence of remote and hybrid work models. Energy efficiency and sustainability also emerged as core decision factors, with buyers actively seeking homes equipped with solar panels, heat pumps, and thermal insulation upgrades.

In terms of geography, a modest but growing shift from city centers to rural and suburban areas was observed. Small towns and semi-rural locations offering detached homes and garden apartments attracted increased interest due to more space and greater affordability.

Technology played a transformative role in property transactions. Virtual tours, digital documentation, and online negotiations became more widespread, especially appealing to international buyers, investors, and relocation clients. These tools accelerated transaction timelines and reduced barriers for non-local purchasers.

Government Impact

In 2024, the Italian government maintained several policy initiatives aimed at stimulating residential development and improving energy efficiency. Chief among these was a revised version of the '*Superbonus* 110%' scheme, which previously allowed homeowners to deduct 110% of energy renovation costs from their taxes. While the program remained in place in a reduced form, scaled-back benefits and stricter eligibility criteria led to a noticeable decline in uptake, cooling enthusiasm for large-scale renovation projects.

Alongside the *Superbonus*, the government continued to offer tax credits for home renovations and energy upgrades, contributing to steady—if reduced—demand for improvements such as thermal insulation, solar panels, and high-efficiency heating systems. These incentives supported the broader goal of energy-efficient housing stock, though the temporary nature and inconsistent implementation of fiscal support limited their long-term impact.

The regulatory environment also evolved, with new building standards and energy-efficiency requirements introduced to align with EU climate objectives. While these changes have encouraged urban regeneration and sustainable development, they have also increased construction costs, particularly affecting smaller developers and rural projects.

Outlook for 2025

Market forecasts for 2025 remain relatively optimistic, with residential property prices projected to increase moderately by approximately 2–3%. Demand is expected to be sustained by a continued preference for spacious, sustainable housing, particularly among urban professionals, remote workers, and environmentally conscious buyers. However, the overall performance of the housing market will remain closely tied to broader economic conditions, including GDP growth, fiscal policy, and the trajectory of interest rates.

Interest rates are expected to stabilize or moderately decrease—as the European Central Bank continues to adjust monetary policy to combat inflation. Should rates begin to decline later in the year, this should stimulate transaction volumes, particularly among first-time buyers and households with constrained budgets. Meanwhile, the digitalization of the real estate sector is expected to accelerate. Tools such as virtual property tours, AI-driven search platforms, and digital contract processing will become increasingly integral to the transaction process. Real estate professionals who embrace technology-driven services and offer personalized, data-informed advice will be well-positioned to outperform in a shifting, client-centric marketplace.

KOSOVO

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	~12,500 (↑ 4,17% YOY)
Avg. Price (National 2024)	~€1,400/m^2
Avg. Price (Pristina 2024)	>€2,250/m^2 High end
Population (Jan 2025)	~1.6 million (↓0,7% YOY)
Urbanization Rate	50% (↑ from 38% a decade ago)
Foreign Buyer Share	~10–15% (mainly Turkey, Ukraine, Russia, China)
Mortgage Rate (Jan 2025)	6,01% (↑ from 5,87% in Dec 2024)

INSIGHTS

Urban Market Growth: Pristina leads price growth amid strong demand, constrained supply, and rapid urban migration.

Diaspora Influence: Returning diaspora and foreign buyers drive mid-to-high-end sales, while locals focus on affordability.

Shifting Buyer Behavior: Young professionals and first-time buyers seek compact, well-located homes with efficient layouts.

Affordability Pressure: Rising prices outpace income growth, increasing segmentation in the market.

Infrastructure Modernization: World Bank-supported REGIP project aims to improve property registration and transparency.

Digital Tools Rising: Online property searches and consultations are growing, though legal formalities still require in-person closure.

Government Reform Efforts: While social housing is underdeveloped, planning and regulatory reforms are under way.

2025 Outlook: Prices expected to rise further; modernization and transparency gains could improve market confidence, but affordability will remain a major constraint.

As of January 2025, Kosovo's population was estimated at 1,602,515 indicating a 0,7% decline. This due primarily to outward migration to western Europe and a general decreasing berth rates. The housing market has seen a surge in prices, especially in urban centers like Pristina, where demand is driven by both local buyers and the diaspora. Foreign investors, including those from Turkey, Ukraine, Russia, and China, contribute to approximately 10–15% of property purchases.

Politically, Kosovo continues to navigate complex dynamics, with ongoing tensions in Serb-majority municipalities and stalled progress in the EU-facilitated dialogue with Serbia. These factors, combined with internal political fragmentation, pose challenges to Kosovo's international recognition and EU accession efforts.

Residential Property Trends

Home Prices: Prices have continued to rise, particularly in Pristina, where some zones now exceed €2,250 per m² or about €162,000 for a home in the capital city This growth reflects strong urban demand and a shortage of new affordable housing. Nationally prices are estimated at €1 400 per m² or about €100,800 for a home.

Housing Transactions: While detailed transaction volumes are not published regularly, demand remains solid, especially among younger buyers and diaspora returning for investment purposes. Sales are estimated at 12,500 in 2024 a 4,17% increase over the prior year.

Buyer/Seller Behavioral Trends

Shift in Buyer Profiles: First-time buyers and young professionals dominate the local demand, while diaspora also plays a growing role in mid- to high-end purchases.

Increase in Buyers: There is steady interest, but price increases have made affordability a key constraint for locals.

Buyer Preferences: Preference is shifting toward more affordable units, efficient layouts, and locations near employment zones. Buyers are more cautious, avoiding riskier or high-investment purchases.

Population movement is shifting toward urban living with 50% now residing in urban areas whereas a decade ago it was only 38%. Urban centers like Pristina remain the primary magnet for both jobs and housing.

Mortgage Loans: Lending rates increased slightly from 5,87% in Dec 2024 to 6,01% in Jan 2025.

Tech and Client Interactions: Digital tools are increasingly being used for property searches and consultations, though most transactions are still finalized in person due to legal and banking infrastructure.

Government Impact

New Initiatives: The Real Estate and Geospatial Infrastructure Project (REGIP), backed by the World Bank, is helping modernize property registration, transparency, and transaction tracking.

Sector Support: Though social housing remains underdeveloped, reforms are in progress to improve planning, registration, and market trustworthiness.

Outlook for 2025

Property prices are expected to continue rising, especially in Pristina, where demand remains strong. However, challenges persist. Many local buyers may struggle to afford newly built homes, as prices are often set with its wealthier diaspora or foreign investors in mind. This creates a gap between what's being built and what most residents can afford. The government is working to improve property registration and transparency, with support from international organizations like the World Bank. These reforms could gradually strengthen trust in the market and encourage increased investment in the residential market.

LUXEMBOURG

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	7,431 (↑48% YOY from 5,000 in 2023)
Avg. Price (National, 2024)	€8,488/m² (↓5,1% YOY)
Avg. Price (Luxembourg City)	€12,462/m² (↓1,4% YOY)
Avg. Mortgage Rate (10-year, 2024)	4,5% (↓ from 4,7% in 2023)
Total Transaction Volume (2024)	€5.4 billion (↑44% from €3.7 billion in 2023)
Avg. Home Price (National)	~€1,103,440 (130 m² avg. size)
Avg. Home Price (Capital)	~€1,059,270 (85 m² avg. size)

INSIGHTS

Volume-Led Recovery: Transaction volumes surged nearly 50% in 2024, but prices continued to decline—suggesting activity rebound without inflationary pressure.

Interest Rate Stabilization: Declining mortgage rates and expanded tax deductions supported demand and affordability.

High-Value Market: Luxembourg remains one of the EU's most expensive housing markets, driven by wealth, land scarcity, and strict building regulation.

Government Incentives: Measures like the increased mortgage interest deduction and the "Bëllegen Akt" tax credit (€40,000) boosted activity.

Structural Challenges: Despite the rebound, supply shortages, high construction costs, and affordability constraints remain critical issues.

Q1 2025 Slowdown: Early signs point to cooling after a rush of late-2024 activity, suggesting temporary effects from fiscal stimulus.

Outlook 2025: Price stabilization likely; removal of tax incentives post-June 2025 may lead to softer demand unless structural reforms take hold.

Residential Property Trends

Residential activity took a dramatic shift upward in 2024 in Luxembourg when both transactions and prices significantly increased after a historic trough in 2023. Transactions increased by 48% and volume by 44%. The average cost of a mortgage also moderately declined to 4,5% in 2024 from 4,7% in 2023 for a 10-year mortgage.

The Grand Duchy of Luxembourg, is one of Europe's smallest countries, covering just 2,586 km², with a population of approximately 672,000. The nation's economic strength is evident in its GDP per capita, which stood at $125,000 in 2024, making it the highest in the European Union and significantly surpassing the EU average. This wealth, coupled with a high quality of life, contributes to a strong demand for housing.

This market is characterized by high property prices, particularly in urban areas like Luxembourg City. The limited land availability, combined with stringent construction regulations, has led to a constrained housing supply, further driving up prices. In recent years, the government has implemented measures to address housing affordability, including investments in affordable housing projects and incentives for sustainable construction. However, challenges remain, especially in balancing economic growth with housing accessibility.

Pricing

In 2024, Luxembourg's residential real estate market experienced a significant rebound in activity. The total financial volume of residential transactions increased by 44%, rising from €3.7 billion in 2023 to €5.4 billion in 2024. This surge was primarily driven by a substantial increase in the number of transactions, rather than a rise in average property prices.

Despite the heightened market activity, average property prices continued to decline during the same period:

- National Average: The average price per square meter for properties across Luxembourg was €8,488 or a €1,103,440 average sales price for an average property of 130 square meters in 2024, marking a 5,1% decrease from €8,946 in 2023.
- Luxembourg City: In the capital, the average price per square meter stood at €12,462 in 2024, or €1,059,270 for an 85-square meter residence, and reflecting a 1,4% YOY decline.

Therefore, the increased financial volume in 2024 was a result of more transactions occurring, even though the average price per property decreased. This indicates a market recovery in terms of activity levels, but not necessarily in terms of price growth.

These figures highlight the nuanced price dynamics in 2024 and early 2025, where increased transaction volumes did not correspond with rising property prices. The data suggests a market in recovery, with activity levels improving while prices adjust to changing economic realities.

Transactions

2024 was a welcomed turning point, with a total of 7,431 residential properties sold, marking a significant 48% increase over 2023 with only 5,000 closings. The difficulties in 2023 were attributed to factors such as rising interest rates and economic uncertainties. The 2024 recovery was driven by stabilizing interest rates, government incentives, and increased buyer confidence. Yet, property sales are still off peak market of 11,000 closing recorded in both 2017 & 2019.

Mortgage Market

In 2024, average mortgage rates in Luxembourg were approximately 4,5% for 10-year fixed terms, slightly lower than the average rate of 4,7 % in 2023. To alleviate the burden on borrowers, the government increased the tax-deductible ceiling for mortgage interest from €3,000 to €4,000 for the first five years. Additionally, projections indicate that mortgage rates are expected to decline further in 2025, with variable rates falling below 4% and fixed rates under 3,4%, enhancing affordability for prospective buyers.

Outlook for 2025

The Luxembourg real estate market exhibits a cautiously optimistic outlook for 2025. While transactions rebounding at the end of 2024 was positive, early indicators suggest that this was a temporary effect. In in Q1 2025 both transactions and loan volumes have slowed signaling a calming of the market and a preference for saving over taking on major financial obligations.

While housing has benefited from stimulus measures, fundamental challenges persist such as housing shortages, high construction costs, and affordability issues. Notably, tax benefits, including the *"Bëllegen Akt"* tax credit of up to €40,000 for purchasing a primary residence, will continue until June 30, 2025. This is likely to cause a rush in transactions in Q2, as buyers and investors aim to take advantage of these incentives before the deadline.

Price stabilization is also anticipated. Some experts foresee an increase in existing home prices with further interest rate cuts. Others predict a slight decline due to reduced demand after the removal of fiscal incentives.

In summary, we believe Luxembourg's housing market in 2025 while fragile, is poised for steadiness, balancing temporary stimulus effects with ongoing structural challenges such as supply shortages. The continuation of government incentives until mid-2025 may bolster the market in the short term, but long-term sustainability will depend on addressing fundamental issues affecting housing accessibility and affordability.

MALTA

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	~13,000 (↑4,6% YOY)
RPPI Growth (2024)	+5,2% (↑ above EU average)
Avg. Property Price (National)	€270,000+ (~€2,700–€3,000/m²)
Avg. Price (Sliema/Swieqi)	€370,000+ (~€3,700+/m²)
First-Time Buyer Share	~28%
Foreign Buyer Share	~20–21% (UK, Germany, Sweden, South Africa)
Avg. Mortgage Rate (2024)	~2,8%

INSIGHTS

Steady Growth: Malta's market outpaced EU averages in 2024, with solid transaction growth and a 5,2% rise in the RPPI *(Residential Property Price Index*).

Mid-Market Pressure: Inventory shortages in the €250K – €400K range fueled competitive bidding and price tension.

Location Shift: More buyers gravitated toward affordable areas like Marsaxlokk, Żabbar, and Gozo, seeking value and space.

Foreign Demand: International buyers remained key, especially in lifestyle-driven markets like Sliema and Gżira.

Digital Adoption: Online tools gained traction — 40% of first contact and negotiations now start digitally; virtual tours and e-signatures more common.

Government Support: Stamp duty exemptions, equity-sharing, and green renovation grants supported first-time and eco-conscious buyers.

Sustainability Focus: Energy performance now mandatory in listings; green features increasingly drive purchase decisions.

2025 Outlook: Modest price increases (3 – 5%) expected; Gozo and south-central zones will lead growth. Planning reform and infrastructure upgrades will be crucial to long-term balance.

Residential Property Trends

The Maltese residential real estate market remained resilient in 2024, with a 5,2% annual increase in the Residential Property Price Index (RPPI), surpassing both the EU and euro area averages. Approximately 13,000 residential transactions were completed, marking a 4,6% increase year-on-year. National average property prices exceeded €270,000, and in high-demand areas like Sliema and Swieqi, average prices reached €370,000. More affordable areas such as Marsaxlokk, Żabbar, and Xagħra in Gozo gained popularity due to their relative affordability. Inventory shortages were notable in the €250,000–€400,000 price range, driving competitive bidding and price pressure in mid-market segments.

Prices

The national average residential property price in Malta exceeded €270,000, with premium areas such as Sliema and Swieqi averaging close to €370,000. More budget-friendly locations like Marsaxlokk, Żabbar, and Xagħra (Gozo) drew increased demand. Based on an average dwelling size of approximately 100 m², the estimated national price per square meter is around €2,700 – €3,000, rising to €3,700+ in prime areas.

Buyer and Seller Behavior

First-time buyers, comprising around 28% of all transactions, faced affordability challenges despite supportive government schemes. Many opted for smaller properties or relocated to more affordable areas like Gozo. Foreign buyers made up 20–21% of sales, primarily from the UK, Germany, Sweden, and South Africa. Upsizing locals, especially families, targeted homes priced between €350,000–€500,000.

The mortgage market remained stable, with average rates around 2,8%. Banks enforced stricter lending criteria, but financing remained accessible for qualified borrowers.

Technology played a growing role in property transactions, with approximately 40% of initial viewings and negotiations now beginning online. While end-to-end digital transactions remain uncommon, tools like virtual tours and e-signatures are increasingly used, especially among foreign buyers and relocation clients.

Government Impact

Government initiatives included continued stamp duty exemptions and equity-sharing schemes to support first-time buyers. Sustainability grants of up to €10,000 were offered for green renovations, and energy performance certificates became mandatory in listings.

Digital upgrades to the Planning Authority portal improved application transparency and investor confidence. Enforcement of real estate licensing laws increased, enhancing professionalism in the industry. The Nomad Residence

Permit and permanent residency options spurred rental demand and investment in key rental hubs like Sliema and Gżira.

Outlook for 2025

ERA Malta anticipates modest price growth of 3–5% in 2025, particularly in Gozo and select central and southern regions. High-end urban markets may stabilize as they reach maturity. Foreign lifestyle buyers and digital nomads will remain key demand drivers.

Buyers are expected to become more discerning, prioritizing energy efficiency and outdoor space. Supply limitations remain a central concern, with planning reforms and smart densification seen as crucial to market balance.

Ongoing collaboration between industry and government will be vital in addressing long-term supply constraints. Targeted planning reforms, investment in sustainable infrastructure, and continued support for first-time buyers will shape the resilience and inclusivity of Malta's real estate landscape in the years ahead.

MONTENEGRO

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024 est)	9,000 (+9,7% YOY)
Population (2024)	~626,100
Property Price Growth (2024)	+20,8% (National Avg.)
Price Growth (Podgorica)	+11%
Price Growth (Coastal Regions)	+18%
Foreign Investment (Q1 2024)	€113.5 million (↑21% YOY)
Mortgage Rate (End 2024)	6,5% (↓ slightly)
Real Estate Tax (under €150K)	3% (adjusted threshold in 2024)

INSIGHTS

Surging Prices: Montenegro saw one of the sharpest increases in property values in Europe, led by strong foreign demand and limited supply.

Foreign Buyer Boom: Significant investment influx from Turkey, Serbia, U.S., and Germany is reshaping the market; Russia remains active.

Coastal Demand: Luxury homes and energy-efficient units in coastal regions are highly sought after, particularly in Budva and Bar.

Inventory Constraints: Supply is tight in high-demand areas due to limited new construction and accelerated sales.

Digital Transactions: Virtual showings and remote purchases have increased, particularly among international clients.

Policy Incentives: Government continues to back the sector with investor residency programs and tax relief on lower-priced homes.

2025 Outlook: Stabilization expected with steady foreign interest. EU accession prospects remain a long-term driver, especially for the capital and coastline.

Overview
Montenegro, with an estimated population of 626,102 in 2024, continues to attract significant foreign investment in its real estate sector. In the first quarter of 2024 alone, foreign nationals invested €113.5 million in Montenegrin real estate, marking a 21% increase compared to the same period in the previous year. Notably, Russian buyers have historically been prominent in the market, particularly favoring coastal cities like Budva and Bar. However, recent trends indicate a diversification of foreign investors, with increasing interest from countries such as Serbia, Turkey, the United States, and Germany. Politically, Montenegro has faced challenges, including intra-coalition conflicts and external pressures, particularly from Serbia and Russia, which have complicated its aspirations for European Union membership.

Residential Property Trends 2024
- Home Prices: Montenegro experienced a significant increase in property prices, with a national average growth of 20,8% year-on-year. Podgorica rose by 11%, coastal regions by 18%.
- Housing Transactions: The number of transactions, estimated at 9,000 in 2024 is a 9,7% YOY increase, driven largely by foreign investment and expectations of EU accession.
- Property Listing Inventory: Inventory has tightened, particularly in coastal and high-demand areas due to foreign demand and limited new construction.

Buyer/Seller Behavioral Trends 2024
- Shift in Buyer Profiles: A strong influx of foreign buyers, especially from Turkey, was noted. These investors seek stability and value.
- Increase in Buyers: Yes – especially foreign and second-home buyers.
- Buyer Preferences: High demand for coastal luxury properties and energy-efficient units.
- Urban to Rural Movement: No significant rural shift.

Mortgage Loans: Lending rates slightly decreased to 6.5% by end 2024.

Tech and Client Interactions: Increase in virtual showings and transactions, especially for international buyers.

Government Impact
New Regulations: In 2024, Montenegro amended the Real Estate Turnover Tax Law, applying the 3% rate only to properties below €150,000.
Support for the Sector: The government promotes real estate via investment migration programs like Citizenship by Investment.

Outlook for 2025
The market is expected to stabilize with continued foreign interest. EU membership prospects may support investment and growth. Coastal and capital city regions will likely continue outperforming inland areas.

NETHERLANDS

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	203,555 (↑13% YOY)
Avg. Price (National, 2024)	€473,811 (~€4,445/m²)
Avg. Price (Amsterdam, 2024)	€707,000 (~€8,395/m²)
Mortgage Rate (10-year, 2024)	3,5% (↓ from 4,3% in 2023)
Homes Selling Above Asking	~66%
New Building Permits (2024)	34,000 (↓ below 45-50K needed)
Social Rental Sales Share (2024)	~20% of all transactions

INSIGHTS

Transaction Growth: Sales rose by 13%, fueled by a wave of sales from the social housing stock ("*uitpondingen*"), now making up 20% of total deals.

Inventory Boosted, But Still Tight: Listings grew 15%, yet demand continues to outpace supply, especially for larger homes.

Price Stability with Long-Term Growth: Slight 1,8% decline in Q1 2025 (seasonal), but prices remain ~10% higher YOY, signaling continued upward pressure.

Financing Accessible: Mortgage rates declined to 3.5%; strong borrower profiles and government-backed incentives sustain loan access.

High Mortgage Penetration: 61% of homeowners carry mortgage debt—highest in the EU—due to favorable tax policies and borrowing incentives.

Buyer Trends: Two-thirds of homes sell above asking; first-time buyers benefit from apartment supply, while families face limited options.

New-Build Bottlenecks: Development stalled by environmental regulations; only 34,000 permits issued vs. 45K–50K target.

Outlook 2025: Market remains active but constrained; price moderation possible in high-supply zones, while long-term structural imbalance continues without reform.

Residential Property Trends
Transactions close in 2024 were 203,555, an increase of 13% year-on-year, largely driven by a notable rise in the sale of former socialized rental properties (*uitpondingen*), which now account for approximately 20% of all sales. This influx has significantly boosted listing inventory—particularly among apartments—leading to a 15% increase in total housing supply compared to the previous year. Despite this improvement in stock, the market remains structurally tight, with demand still exceeding supply.

Prices
At the end of 2024, the average national property price was €473,811, with an average price per square meter of €4,445. In the capital city of Amsterdam, prices reached an average of €707,000 or €8,395 per square meter. These figures reflect a significant increase from 2018 levels, underscoring long-term price growth across the country. In the first quarter of 2025, average home prices recorded a modest quarterly decline of 1,8%, consistent with seasonal expectations. On an annual basis, however, prices remained nearly 10% higher, confirming a continued upward trajectory.

Mortgages and Financing
Average mortgage interest rates stood at 3,5% at the end of 2024, typically fixed for a 10-year term. This marks a decrease from the 4,3% rate observed in 2023. Despite stricter borrowing standards, financing remained accessible for well-qualified borrowers, especially amid rising wages and supportive bank conditions. The Dutch population has the highest percentage of mortgage debt in Europe with 61% of homeowners having mortgage loan. Mortgage debt is so high because the government incentives making it attractive to borrow money for a home.

Buyer and Seller Behavior
Buyer activity remained robust across all segments, with approximately two-thirds of homes selling above the asking price, highlighting ongoing competitive pressure. First-time buyers and budget-conscious purchasers are benefiting from increased availability of affordable apartments, while families seeking larger homes continue to face challenges due to limited supply.

Purchasing behavior has shifted in favor of affordability and certainty. Many buyers are avoiding new-build projects, discouraged by long construction timelines and high interim costs. Regional market dynamics are evolving as well: the eastern provinces have emerged as highly competitive, while western regions are seeing a rise in new listings.

Access to mortgage financing has remained stable, supported by relatively steady interest rates and rising wages. However, concerns over future rate increases persist. Although not always explicitly reported, technology is playing a growing role in facilitating faster transactions, even as the majority of client interactions still occur face-to-face.

Government Impact

There were no major new government initiatives introduced in Q1 2025 to support the housing sector. In fact, existing regulatory constraints, particularly related to nitrogen emissions, continue to impede new housing development.

While the number of new project registrations increased, actual building permits issued in 2024 totaled only 34,000—well below the annual target of 45,000–50,000 required to meet demand. Stricter regulations have also reduced investor interest in rental housing, resulting in a shift of many planned projects from rental to private ownership—a development that changes market dynamics but does little to address the underlying structural housing shortage.

Outlook for 2025

The Dutch residential market is expected to remain active yet under pressure in the coming months. The volume of homes for sale is likely to grow further, driven by continued 'socialized rental property' activity. While prices may stabilize or correct slightly in areas with a high proportion of these sales, long-term price pressure remains upward.

The new-build segment is under particular strain, with supply concentrated in small urban apartments, while larger family homes remain scarce. Without significant policy reforms to improve building conditions and permit issuance, the market risks growing more imbalanced—both in terms of affordability and housing diversity—despite its current momentum.

PORTUGAL

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	156,325 (↑14,5% YOY)
Transaction Volume (2024)	€33.8 billion (↑20,8% YOY)
Avg. Price (Lisbon)	€362,040 (€4 340/m^2)
Avg. Price (North)	€181,080 (€1 777/ m^2)
Housing Price Index (2024)	↑9,1% (Existing homes: +9,7%; New: +7,5%)
New Homes Completed (2024)	24,639 (↑4,2% YOY)
Foreign Buyer Share (Mortgages)	Brazilians: 38%; Angolans: 5%; EU buyers: 4% ea.

INSIGHTS

Record-Breaking Year: 2024 marked Portugal's strongest year ever for residential transactions and volume, led by both new and resale homes.

Strong Regional Growth: The North led in transaction count, while Lisbon dominated in value, comprising 32,2% of national volume.

Pricing Acceleration: Prices rose sharply (+9,1% annually), especially in Q4 (+11.6% quarterly), with existing homes outperforming new builds.

Youth-Driven Demand: Under-35 domestic buyers led activity, supported by public guarantees and tax exemptions under the "Building Portugal" strategy.

Foreign Interest Remains: Despite the end of the Golden Visa program, Brazilian, Angolan, and EU buyers continued to invest, particularly in mortgage-backed purchases.

Inventory Recovery: New completions reached their highest level since 2011, with the North responsible for nearly 44% of all new units.

Policy Impact: Public support programs expanded market access, while streamlined construction permits improved development pipelines.

Outlook 2025: Market expected to remain dynamic; demand for sustainable, energy-efficient housing will rise. Affordability in Lisbon and coastal zones remains a challenge.

Residential Property Trends
The Portuguese residential real estate market experienced a record-breaking year in 2024. A total of 156,325 property transactions were registered, marking a 14,5% increase over the previous year. Total transaction volume reached €33.8 billion, a 20,8% year-on-year increase, setting a new all-time high.

Both new and existing homes contributed to this growth:
- Existing homes: 124,445 units sold (+14,8%), totaling €24.4 billion (+21,1%)
- New homes: 31,880 units sold (+13,4%), totaling €9.4 billion

Regionally, the North recorded the highest number of transactions (46,361), followed by Greater Lisbon (30,162). Lisbon alone accounted for 32,2% of total market value, with an average property price of €362,040, compared to €181,080 in the North.

Pricing and Inventory
Strong demand pushed prices steadily upward. According to Statistics Portugal (INE), the Housing Price Index (IPHab) registered an annual increase of 9,1%, with existing homes rising by 9.7% and new homes by 7,5%. Q4 2024 marked the steepest quarterly rise since mid-2022 at +11,6%.

Inventory also improved. A total of 24,639 new housing units were completed in 2024, representing a 4,2% annual increase—the highest volume since 2011. The North accounted for 43,7% of all completions, followed by the Center, Greater Lisbon, Setúbal Peninsula, and the West and Tagus Valley.

Buyer Trends
Domestic buyers remained the primary market force, with younger buyers under 35 driving much of the growth, thanks to supportive fiscal measures. Despite the termination of the Golden Visa program, foreign buyers remained active:
- Brazilian nationals: 38% of foreign mortgage approvals
- Angolans: 5%
- British, Italian, and French buyers: 4% each

  (Source: Bank of Portugal)

Government Impact
The mid-year launch of the "Building Portugal" housing strategy was a major policy development. Key elements included:
- Tax exemptions for housing purchases
- A Public Guarantee Program covering 15% of the down payment for first-time buyers

These policies significantly encouraged younger buyers and boosted market activity, particularly in Q3 and Q4. In addition, an uptick in new construction permits and streamlined licensing processes began to ease structural bottlenecks.

Outlook for 2025
The Portuguese housing market is expected to remain dynamic and resilient in 2025. Price growth is forecast to continue, especially in peripheral zones and the luxury segment. Buyer behavior will increasingly favor sustainability, energy efficiency, and digitalized transaction pathways.

A more stable pricing environment is anticipated, driven by steady demand from both domestic and international buyers. However, housing affordability will remain a key challenge in Lisbon and coastal regions, requiring sustained public-private cooperation to ensure supply aligns with demand.

SPAIN

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	695,161 (↑8,6% YOY)
Price Growth (2024)	At historic highs; ↑ year-on-year
Avg. Price Madrid (2024)	€364,045 (€3 805/m²)
Avg. Price National (2024)	€208,000 (€1 949/m²)
Inventory	Significantly down due to limited new development
Avg. Price Trend	Rising across both urban and inland areas
Financing	Accessible, competitive; rates expected to stabilize

INSIGHTS

Market Momentum: Housing prices in 2024 reached levels unseen since before the subprime crisis, with strong upward momentum forecast to continue into 2025.

Demand vs. Supply Imbalance: Robust demand—driven by locals and foreign buyers—meets restricted supply, pushing prices higher.

Foreign Buyer Demand: Coastal regions and Madrid remain magnets for international investors; inland areas gain popularity for lifestyle buyers.

Regulatory Bottlenecks: Bureaucratic hurdles, high land costs, and construction delays are constraining new housing supply.

Digital Shift: Virtual tours and digital transactions are reshaping buyer behavior; non-visitation purchases are on the rise.

Mortgage Landscape: Spanish banks remain competitive, offering attractive terms to residents and foreign buyers alike.

Policy Headwinds: Rental regulation, squatter protection laws, and debate over foreign buyer restrictions may hinder investment.

Outlook 2025: Continued price growth and rising transaction volumes expected; policy shifts and interest rate changes could influence market trajectory.

Residential Property Trends

The Spanish real estate market in 2024 has demonstrated a solid recovery, with housing prices reaching levels not seen since before the subprime crisis. Prices have hit historic highs and continue on an upward trajectory that experts anticipate will persist into 2025, suggesting the current cycle is far from peaking (*local industry analysis, 2024*).

Transaction volumes have increased compared to 2023, supported by a broadly stable and healthy global economic environment. In 2024 a total of 695,161 transactions closed, an 8,6% YOY increase. Spain's political and social stability remains a strong draw for both domestic and especially foreign buyers, contributing to market confidence.

One of the most prominent challenges in 2024 has been the significant decline in available housing inventory. This is largely due to the prolonged stagnation in new housing development, attributed to bureaucratic hurdles, high land prices, and rising construction costs. These barriers have made many regions less attractive for developers *(Spanish Construction Federation, 2024).*

The result is a growing mismatch between strong demand and limited supply, which is fueling further price increases. Demand is driven both by a rising resident population and continued solid interest from foreign buyers. This dynamic creates a competitive market environment with mounting pressure on prices and affordability.

In conclusion, Spain's residential property market in 2024 is defined by robust demand, constrained supply, and rising prices. While this signals a healthy sector, structural challenges in construction and regulation may shape future dynamics significantly.

Buyer and Seller Behavioral Trends

Spain remains one of Europe's most dynamic and competitive property markets. The deeply rooted cultural aspiration for homeownership among Spaniards is now complemented by sustained international demand, especially from those seeking second homes or permanent relocation.

Coastal regions—particularly along the Mediterranean from Andalusia to Catalonia—continue to attract the majority of foreign interest. Madrid, too, is experiencing renewed momentum, confirming its position as a strategic European hub for both investment and culture.

Interestingly, inland areas are seeing growing interest, particularly from individuals seeking lifestyle changes. These areas offer more affordable pricing, access to nature, and improved quality of life. Such regions are increasingly appealing for both domestic and foreign buyers looking for tranquility and potential value appreciation.

Mortgage financing remains accessible and competitive. Spanish banks are offering attractive terms, in part due to fierce competition in the sector. Financing options are expanding for both residents and non-resident buyers *(Banco de España, 2024)*.

Technology continues to transform buyer behavior. High-quality digital property presentations, virtual tours, and comprehensive area information are now essential. Buyers increasingly rely on digital resources and trusted intermediaries to make informed decisions, often without needing a physical visit. This shift could further boost digital-first transactions in coming years.

Government Impact

A significant constraint on housing development remains Spain's complex regulatory environment. The diversity of laws across autonomous regions and at the national level—alongside EU regulations—creates delays in land development and licensing. Industry stakeholders continue to push for regulatory streamlining to meet demand *(Real Estate Developers Association of Spain, 2024)*.

Recent government policies have negatively impacted the rental market, particularly through laws perceived to protect delinquent tenants at the expense of landlords. Although the rate of squatters and rental arrears is relatively low, it remains a concern. Private insurers and legal instruments offer some mitigation, but regulatory uncertainty is discouraging investment in rental housing.

Debate continues over potential restrictions on foreign homebuyers. While limiting purchases by non-EU nationals without residency status is being considered, EU regulations prevent member state citizens from being restricted. Moreover, Spain has phased out its 'golden visa' program, which previously granted residency rights through real estate investment.

Outlook for 2025

The outlook for 2025 remains optimistic. Demand continues to be strong from both current residents and international buyers. Many investors are acting preemptively, anticipating further price increases. This pressure is likely to lead to continued growth in transaction volumes.

Regional governments are attempting to accelerate housing development through streamlined planning and permitting processes, which could begin to ease supply constraints in the medium term. However, measures aimed at curbing foreign demand may hinder this progress if not carefully balanced.

Interest rates are expected to stabilize or decline modestly, making financing more accessible and encouraging further market activity. In such an environment, Spain's real estate sector is well positioned for continued expansion.

Nonetheless, policy developments and global economic fluctuations must be closely monitored, as they could impact both supply and demand dynamics in unpredictable ways.

Sources: *Banco de España (2024), Spanish Construction Federation (2024), Real Estate Developers Association of Spain (2024), local market intelligence and ERA Spain network.*

SWITZERLAND

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	~40,000 (no change YOY)
Avg. National Price	CHF 1.2 million (€1.24M) or CHF 8,300/m² (€8,550/m²)
Avg. Price (Canton of Bern)	CHF 1.0–1.1 million (€1.03–€1.13M) or CHF 7,000/m² (€7,210/m²)
Mortgage rates (2024)	~2,3% -2,7%
10-Year Fixed Mortgage Rate (Mar 2025)	~1,92% (top offers as low as 1,52%)

INSIGHTS

Steady Growth: Property prices continued rising modestly in 2024, with urban centers holding strong and no major corrections forecast.

Financing Boost: Mortgage rates dropped significantly due to Swiss National Bank cuts; borrowing conditions improved despite strict equity and affordability checks.

Buyer Profile: Market driven by existing homeowners and cautious investors; first-time buyers constrained by affordability hurdles.

Regulatory Climate: Lex Koller and Lex Weber continue to restrict foreign ownership and second-home expansion, ensuring supply limits and local focus.

Sustainability Preference: Energy efficiency and sustainable construction are top buyer priorities, especially under expanding Minergie-aligned incentives.

Digital Adoption: Virtual tours are now standard; however, in-person viewings still key to final decisions.

Outlook 2025: Prices expected to rise moderately by 1–3%. High demand and low financing rates will sustain market momentum, particularly in energy-efficient resale segments.

Residential Property Trends

The Swiss residential property market continued its upward trajectory in 2024, although at a slower pace compared to the boom years of 2018–2022.
The national average purchase price for single-family homes reached approximately CHF 1.2 million (approx. €1.24 million). In the Canton of Bern, prices averaged between CHF 1.0 and 1.1 million (approx. €1.03–€1.13 million). Price per square meter stood at CHF 8,300 nationally (approx. €8,550) and about CHF 7,000 in Bern (approx. €7,210) (sources: Wüest Partner, PlanRadar, RealAdvisor).

Since 2018, house prices have increased by approximately 15–20%. After a period of stable development in 2022/2023, a slight price increase was observed again at the end of 2024.

Transaction Volume

Approximately 40,000 transactions closed in 2024. A slight decrease from the 2021 peak. However, an increase over 2023 thanks to more favorable interest rates. Because of the culture emphasis on privacy for housing deals, the fragmentation of the country into federal cantons, and decentralized data collection, precise numbers are difficult to obtain in this market.

Supply Development

The supply of listed properties expanded significantly in 2023 and remained stable into 2024.

The average marketing period for a house has moderately increased to around 76 days, up from approximately 60 days during the peak years. Despite the greater supply, demand remained robust, preventing significant price corrections.

Buyer and Seller Behavioral Trends

In Switzerland, first-time buyers remain active in the market but continue to face significant challenges due to high property prices and increasingly strict mortgage lending criteria. Existing homeowners represent a dominant segment of buyers, often leveraging capital gains from previous property sales to either upgrade to larger homes or downsize to more manageable residences. Investors, meanwhile, are becoming increasingly selective, with a clear preference for prime locations and energy-efficient properties. Foreign buyers play only a limited role in the market, constrained by the regulatory restrictions imposed by the Lex Koller law.

Demand Shifts

Energy efficiency, sustainable construction, outdoor space, and home office solutions are increasingly decisive purchase criteria. While there is a shift toward suburban areas, there is no widespread exodus from urban centers.

Financing Situation

In 2024, Swiss mortgage interest rates experienced a notable decline, driven by a series of interest rate cuts by the Swiss National Bank (SNB). Mortgage rates fell between 2,3% and 2,7% in 2024.

By March 2025, the SNB's key policy rate had been reduced to 0,25%. This monetary easing led to decreased borrowing costs across various mortgage products.

For 10-year fixed-rate mortgages, average interest rates fell to approximately 1,92% by the end of March 2025, with top offers negotiated as low as 1,52%. Shorter-term fixed-rate mortgages also saw reductions, with 5-year terms averaging around 1,63% and some offers as low as 1,24%. SARON-based mortgages became more attractive, with rates ranging between 0,7% and 1,2%. Banks maintained stringent lending criteria, typically requiring a minimum of 20% equity from borrowers. Additionally, affordability assessments were conducted using an imputed interest rate of approximately 5% to ensure borrowers could manage potential future rate increases.

Looking ahead, the mortgage market is expected to remain favorable for borrowers. Comparis forecasts suggest that benchmark interest rates for 10-year fixed-rate mortgages will range between 1,45% and 1,65% by mid-2025, while 5-year terms are anticipated to fall between 1,30% and 1,45%. These projections are based on expectations of continued low inflation and potential further rate cuts by the SNB.

Digitalization

Virtual property tours have become standard in the initial viewing stages.
While sales processes are increasingly digitalized, in-person property visits remain essential for final decisions.

Governmental Impact

New Regulatory Initiatives 2023/2024 include:

- Support programs for energy-efficient renovations, particularly those aligned with Minergie standards, have been expanded.
- Strict second-home restrictions (Lex Weber) remain, although limited increases in replacement construction are now permitted in tourist regions.
- Planning and construction policy continues to emphasize densification and sustainable development, without major legislative shifts.

Political Context

Discussions regarding potential tightening of Lex Koller regulations reflect continued political sensitivity toward foreign property ownership.
Overall, the regulatory environment supports market stability but constrains new housing supply.

Outlook for 2025

Switzerland's residential real estate market in 2025 is expected to remain stable, with property prices forecast to rise moderately by 1–3% (sources: Wüest Partner, UBS). No widespread price corrections are anticipated, as high demand continues to meet constrained supply, particularly in urban and high-demand regions. Transaction activity is likely to hold steady or increase slightly, supported by improved financing conditions and sustained buyer interest. The resale market remains robust, while new construction remains limited due to elevated building costs and regulatory hurdles. Demand will remain particularly strong for sustainable and energy-efficient homes, fueled by ongoing demographic growth and urbanization.

ERA Switzerland views 2025 as a year defined by stability and selective growth. Agents who grasp the importatnt role sustainability plays in home sales, embrace digital innovation, and personalized service will be best positioned to succeed in a competitive yet opportunity-rich environment.

ERA Switzerland concludes: "Sustainability, digital innovation, and personalized advice will shape tomorrow's real estate success – ERA remains the trusted partner at your side."

Sources:

- *Wüest Partner Immo-Monitoring 2024*
- *UBS Swiss Real Estate Focus 2024*
- *PlanRadar Switzerland 2024*
- *RealAdvisor Property Insights 2024*
- *Swiss National Bank (SNB)*
- *Swiss Federal Statistical Office (BFS)*
- *Swiss Federal Office for Housing (BWO)*

TURKEY

KEY FIGURES IN A SNAPSHOT

Metric	Value
Residential Transactions (2024)	1,478,025 homes sold (+20% YoY)
Avg. National Price	€1,127/m²
Avg. Istanbul Price	€1,734/m²
Avg. National Property Price	~€117,208 (104 m² avg size)
Avg. Istanbul Property Price	~€169,932 (98 m² avg size)
Mortgage-Financed Share	~10% of sales
Mortgage Interest Rates (2024)	17%–24%
Real Price Change (Istanbul, 2024)	-8,8% (inflation-adjusted)

INSIGHTS

Market Recovery: 2024 marked a rebound in transaction volume after a weak 2023, yet sales reflect a return to average long-term levels rather than a surge.

Price Trends: Nominal prices rose sharply, but real values declined due to inflation—highlighting Turkey's dual challenge of high demand and macroeconomic instability.

Istanbul Leads: Remains Turkey's most expensive market; however, buyers are downsizing and developers are adapting by reducing unit sizes.

Cash Dominates: Over 90% of home sales were cash-based due to high interest rates and limited mortgage accessibility.

Foreign Demand Weakens: Investment shifted away to markets like Dubai. Domestic demand—especially for personal use—now drives activity.

Financing Barriers: Mortgage adoption remains low, shaped by inflation, high rates, and cultural skepticism toward long-term debt.

Government Reforms: New agent certification measures were introduced, but enforcement gaps and inconsistent policy hinder sector transparency.

Outlook 2025: Stable prices expected; transaction growth may return in Q4 2025 if inflation eases. Urban markets like Istanbul may lead modest gains amid structural financing and regulatory challenges.

Market

While not a member of the European Union, Turkey remains one of the region's most dynamic and strategically important residential real estate markets. Positioned at the crossroads of Europe and Asia, the country benefits from a large population base, a young demographic profile, and a long-standing cultural emphasis on property ownership. Despite economic volatility and regulatory challenges, Turkey's housing sector has shown notable resilience and adaptability, supported by strong domestic demand and a deep-rooted real estate tradition.

Transactions

In 2024, a total of 1,478,025 residential properties were sold in Turkey, representing a 20% increase compared to the previous year. However, this growth reflects a return to average transaction levels following a weak 2023. Over the past five years, Turkey has averaged approximately 1.4 million home sales annually. Improved expectations regarding inflation and interest rates helped revive demand, although the number of property listings remained stable as many sellers anticipated further price appreciation.

Prices

In 2024, Turkey's residential property market experienced strong nominal price growth, though these gains were largely offset by inflation. According to the *Central Bank of the Republic of Türkiye (CBRT*), the national Residential Property Price Index increased by 29,43% year-on-year, following an 83,14% surge in 2023. Istanbul remained the country's most expensive real estate market, with average residential prices reaching €1,734 per square meter in 2024. However, after adjusting for inflation, real house prices in the city declined by 8,8% year-on-year. Nationally, the average price per square meter was approximately €1,127, reflecting similar trends: continued nominal appreciation coupled with a 7,2% decline in inflation-adjusted values. These figures highlight the dual pressures facing Turkey's housing sector—structurally high demand and rising costs, alongside persistent inflation.

Dwelling Sizes and Estimated Property Values – 2024

In 2024, the average residential property size in Turkey was approximately 104 square meters, reflecting a gradual decrease from over 130 square meters in the early 2000's. This reduction is attributed to factors such as urban transformation, rising construction costs, and changing household dynamics.

In Istanbul, the average dwelling size stood at around 98 square meters, slightly below the national average.

Based on these average sizes and the previously reported average prices per square meter:

Nationally:

- Average price per square meter: €1,127
- Average dwelling size: 104 m²
- Estimated average property price: €117,208
-

Istanbul:

- Average price per square meter: €1,734
- Average dwelling size: 98 m²
- Estimated average property price: €169,932

These figures provide a general overview; actual property prices can vary significantly based on location, property type, and other factors.

Buyer and Seller Behavior – 2024

In 2024, the Turkish residential property market saw a shift in buyer motivation from investment toward personal use. While the share of first-hand property sales and mortgage-financed transactions remained steady, foreign investment declined significantly as buyers turned to emerging markets like Dubai.

With rising construction costs and reduced purchasing power, buyers increasingly opted for smaller homes. Developers responded by increasing unit counts and reducing average unit size. Reverse migration from major cities also began to emerge. Mortgage-financed transactions made up only 10% of total sales—down from around 40% in previous years—due to high borrowing costs and restrictions from public banks. Digitalization remains underdeveloped, with virtual tours rarely used in practice.

Mortgage Market and Financing – 2024

Mortgaged home sales in 2024 decreased by 10,8% compared to the previous year, reaching 158,486 mortgages closed.

Turkey's mortgage market remains relatively underdeveloped compared to most European countries, both in terms of loan accessibility and cultural adoption. As of 2024, mortgage interest rates remained high, with average rates ranging between 17% and 24% depending on the lender and loan term. Although slightly lower than the record highs of 2018—when average rates reached 19,8%—current levels continue to deter many would-be borrowers.

As a result, mortgage-financed property transactions accounted for approximately 10% of total residential sales in 2024, a sharp decline from the historical average of around 40% seen in earlier years. The overwhelming majority of purchases—approximately 90%—were completed in cash, reflecting both the limited affordability of mortgage loans and a cultural preference for debt-free transactions.

Contributing factors include:

- High inflation and currency instability, which make fixed-rate borrowing less appealing;
- Public bank restrictions on housing loans;
- Low trust in long-term financial obligations, particularly among older generations;

- A housing market traditionally used as a store of value, often transacted through accumulated savings or familial wealth transfers.

Until inflation stabilizes and interest rates decline, Turkey's mortgage system is expected to remain a secondary financing tool rather than a mainstream market driver.

Government Impact – 2024

The Turkish government introduced new legal measures in 2024 to support certified real estate professionals. These reforms aim to formalize the sector by backing agents with proper training, registration, and official compliance. However, loopholes and populist policy decisions continue to hinder full professionalization. Establishing a truly stable and transparent system will require several more years of consistent regulatory effort.

Outlook for 2025

The outlook for Turkey's residential real estate market in 2025 is moderately stable. Transaction levels are expected to remain flat through the first three quarters, with a potential increase in activity during the fourth quarter as inflation and interest rate expectations improve. Prices anticipated to remain stable, slight increases expected in higher demand urban regions particularly Istanbul. Demand fundamentals remain strong, but challenges around financing, supply, and regulatory enforcement continue to shape the pace of growth.

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ERA Europe Market Survey

RESULTS 2024 - TRENDS 2025

	Albania	Austria	Belgium	Bulgaria	Czech Rep	France	Germany	Ireland	Italy	Kosovo	Luxembourg	Malta	Montenegro	Netherlands	Portugal	Spain	Swiss	Turkey
2024 Transactions YOY%	38,902 **↑12,3%**	65,281 **↓7,1%**	129,000 No change	94,840 **↑5,5%**	81,000 **↑43%**	792,000 **↓11%**	674,000 **↑14%**	62,500 **↓1,27%**	719,578 **↑1,3%**	12,500 **↑4,17%**	7,431 **↑48%**	13,000 **↑4,6%**	9,000 **↑9,7%**	203,555 **↑13%**	156,325 **↑14,5%**	695,161 **↑8,6%**	40,000 **NA**	1,478,025 **↑20%**
2025 Trend	Upward ↑	No Change	Upward ↑	Upward ↑ +6%	Upward ↑	Upward↑ +7%	Upward ↑	Further ↓	Upward ↑	Slight ↑	Slight ↑	Upward ↑	Slight ↑	Upward ↑	Upward ↑ +10%	Upward ↑ +3%	No Change	No Change
2024 Price Capital City	€97 875 €1 450	€313,800 €4 184	€400 000 €3 337	€145 784 €1 970	€300,000 €4 555	€440 000 €9 557	€480,000 €4 700	$442 909 €4 921	€253,440 €3 200	€162,000 €2 250	€1,060,000 €12 642	€370,000 €5 800	€129,285 €1 690	€707,000 €8 395	€362,040 €4 340	€364,045 €3 805	€1,600,000 €15 000	€169,932 €1 734
2025 Trend	Upward ↑	Upward ↑	Upward ↑	Upward ↑ 6%	Upward ↑	Upward ↑	Upward ↑	Upward ↑	Upward ↑	Stable/ Upward ↑	Downward ↓	Upward ↑	Slight ↑	Slight ↑	Upward ↑ 2%	Upward ↑	Stable/ Slight ↑	Stable/ Slight ↑
2024 Price National	€77,625 €1 150	€266,900 €3 560	€280,000 €2 325	€74,438 €1 019	€176,580 €3 097	€233,444 €3 217	€280,000 €2 650	€355,000 €3 020	€141,750 €1 750	€100,800 €1 400	€1,103,440 €8 488	€270,000 €2 600	€156;825 €2 050	€473,811 €4 445	€225,018 €1 777	€208,000 €1 949	€1,400,000 €11 400	€117,208 €1 127
2025 Trend	Upward ↑	Upward ↑	Upward ↑	Upward ↑ 3,5%	Upward ↑	Upward ↑	Slight ↑	Upward ↑	Upward ↑ 2-3%	Slight ↑	Slight↓	Upward ↑	Upward ↑	Upward ↑	Upward ↑ 3%	Upward ↑	Upward ↑	Slight ↑
2024 Mortgage Rates	4,2%	4,0%	4,10%	2,48%	5,07%	3,26%	3,5%	3,95%	3,6%	6,5%	4,5%	2,8%	6,5%	3,50%	4,09%	3,11%	2,7 %	19,65%
2025 Trend	Upward ↑	Down ↓	Slight↓	Stable	Slight↓	Down ↓	Slight ↑	Slight↓	Slight↓	Stable	Slight↓	No Change	Slight↓	No Change	Down ↓	Down ↓	Slight↓	Upward ↑
2024 Days on Market	75	180	113	85	54	98	110	90	90-120	95	NA	105	100	30	210	75	60	NA
2025 Trend	Further ↓	Stable	Stable	Stable	Stable	Down ↓	Stable	Slight↓	Stable	Further ↓	NA	Slight↓	Further ↓	Stable	Stable	Slight↓	Stable	NA