



Madrid Market Report

2026

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Introduction

All property buyers need reliable statistics to help them make informed decisions about their purchases, even more so if they are buying somewhere they don't know very well, perhaps don't speak the language and aren't familiar with the legal system. But getting reliable facts and figures together hasn't always been easy to achieve in Spain. In part, that's because there is no one single source and the multiple providers are not all looking at the same thing. The Notaries count when a transaction is completed by signing in front of a notary and, in respect of the overseas market, provide half-yearly breakdowns by nationality, regions and prices per square metre. The Property Registries provide the same breakdowns monthly but count when a property transfer is inscribed, which might be, and often is, weeks or even months after the signing. As a result, the results from the Registries can differ from the Notaries by as much as 25%. And finally, the Ministry of Transport, Mobility & Urban Agenda (MITMA) produce quarterly statistics which mirror those from the Notaries but don't give nationality breakdowns, they just count foreigners as a block. I found it hard to make sense of the figures and I doubt many buyers from overseas had the knowledge, or patience, to unscramble everything.

However, in 2025 the Notaries made a big change and launched a portal giving rolling monthly returns at all levels of the market, the regional, provincial and municipal so, for the first time we can see how many foreigners are buying property in individual provinces and municipalities. We haven't be able to do that previously, foreign buyers were only split by nationality at the regional level. It's a big improvement and a real help in analysing where the property market is right now.

When looking at the property market in Madrid It is important to recognise we are analysing more than one thing. One name, but three meanings. Madrid is an autonomous region, it's also a province and finally it's the city itself. The region, the Comunidad de Madrid, occupies 8,022km² and has a population of approximately 6.8m while the city of Madrid, situated roughly at the geographical centre of the region, covers 604km². Just over half of the region's population live in the city, around 3.5m. And now, with these new statistics from the Notaries we can see just how many foreigners are buying at the municipal level, in the city centre itself, something we've not been able to do before.

The Numbers

During the last twelve months the statistics show that at both the regional and municipal levels the property market in Madrid was down in terms of transaction numbers - approximately 5% in each case. The total number of transactions in the Comunidad de Madrid were 83,504, equating to 11.5% of Spain's property market while the city saw 42,577 purchases, 5.9% of the national market, and 51% of the regional market. However, in both sectors prices were up strongly - 12.8% in the region and 15.6% in the city.

In previous years, statistics about who was buying were limited to splitting domestic and foreign buyers at the regional level while we knew nothing about where overseas buyers came from and in what numbers - it was guesswork and anecdotal, no detailed data was recorded at the municipal level. And not just in Madrid and other

cities, that was the case for all municipalities, large and small. That's all changed now the Notaries are publishing nationality breakdowns at the municipal level for the first time.

Overseas Buyers

During the last twelve months the total of foreign buyers in the Madrid region was 10,855, up just 2.5% on the previous year and representing 13% of the region's market. Whereas the breakdown of overseas buyers into resident and non-resident across the whole Spanish market shows 57% are resident buyers, in the Comunidad de Madrid 88% are resident foreigners and only 12% non-resident. I think we can assume the majority of foreign buyers in the region are living and working there.

In the city, foreign buyers accounted for 14.43% of the 42,577 purchases recorded, that's 6,143. And we can now see the top five nationalities in that group: Italians (907), Chinese (796), French (470), US (366), and Mexicans (314). These five nationalities took 52% of the foreign market, with the US and Mexican buyers split roughly 50/50 between resident and non-residents. In the case of the first three, almost all were buying as residents.

There is a considerable difference between what foreign property buyers spend on average compared with the average spend per square metre in the domestic sector. In 2025 the average pm² across Spain was €1,886 up 6.9%, but overseas buyers spent an average of €2,417, approximately 28% more than domestic buyers. Meanwhile, the average price pm² in the Madrid region in 2025 was way above both those figures, coming in at €3,425 pm², and €4,857pm² in the city, although there is no data specific to overseas buyers. In terms of what they are buying, we can assume it's not new-build property of which there is very little stock coming through, reflecting the nationwide issue of lack of supply. The regional market split for 2025 was 91.94% resale against 8.06% new-build while in the city 94.6% of transactions were resales and only 5.4% new-build.

Overseas Buyers & The Luxury Market

According to a recent report by PwC and the Urban Land Institute (ULI), Madrid is ranked as the second most attractive European city for real estate investment, solidifying its position as the leader in Spain's luxury housing market.

There are reports of prices up to €25,000 per square metre in some exclusive developments and currently, there are around 30 high-end new-build projects under construction. In addition more than 100 classic buildings are undergoing renovation in the city's prime districts.

In common with many of Europe's historic city centres, Madrid is a collection of neighbourhoods, *barrios*, each with a distinct character, ranging from smart and sophisticated to trendy and bohemian, and throughout the city visitors and residents enjoy some of the best and safest street life anywhere in the world. Chamberí and Salamanca, Malasaña, Las Letras, Chueca and La Latina exemplify the diversity of Madrid's centrally located *barrios*, offering a range of lifestyles and property prices.

New-build properties the city remain in short supply, with only 5.4% market share in 2025, highly sought after. Developers are focusing on modern, energy-efficient homes that cater to both local buyers and international investors. Meanwhile, the resale market remains competitive, particularly in central districts where demand is outstripping supply.

Madrid's property market closed 2025 on a high note, underpinned by broad-based growth across both the region and the city itself and the expectation is for this to continue in 2026. With strong transaction numbers, increasing foreign interest, and rising property values, the city remains one of Europe's top real estate investment destinations. The outlook for 2026 suggests continued expansion, particularly in the high-end sector, as Madrid attracts international capital seeking stability and quality living. ©Barbara Wood