The Art of LIVING IN SPAIN

ALTAONA

MURCIA MARKET STUDY

PRODUCED BY TAOLIS RESEARCH & ANALYTICS, JULY 2025

Murcia: The Smart Investor’s Blind Spot

THE PROBLEM

For years, international real estate funds have focused almost exclusively on Madrid, Barcelona, Valencia, and Marbella.

This has led to market saturation, higher entry prices, and diminishing returns. Despite shifting consumer preferences and infrastructure upgrades elsewhere, investor behaviour remains locked in habit, not data.

THE OPPORTUNITY

Murcia offers many of the qualities investors seek : strong economic fundamentals, urban stability, and lifestyle appeal but at a fraction of the cost.

It combines safety, mobility, growth sectors, and liveability with untapped real estate potential. Importantly, it remains underpriced and overlooked, making it ideal for early movers.

THIS STUDY SHOWS

Backed by official data, this comparative analysis demonstrates that Murcia performs as well or better than the top 4 cities in:

- *Crime & Safety: Lower rates, higher citizen satisfaction*
- *Economic Performance:Competitive GDP growth and sector diversification*
- *Infrastructure & Connectivity: Modern transport links without congestion*
- *Legal Environment: Streamlined processes and planning flexibility*

Murcia’s Market Edge in Three Numbers

CAPITAL FLOWS LAG

- *Madrid and Barcelona capture most institutional investment despite slowing yields, leaving undervalued high-growth markets like Murcia overlooked.*

TOP-TIER YIELDS

- *At 7.19%, Murcia outperforms all major Spanish hubs, offering stable income at far lower entry prices.*

FASTEST PRICE GROWTH

- *Murcia leads Spain with 20.5% YoY growth, driven by low saturation and rising demand.*

Investment Momentum Doesn’t Equal Market Logic

INSIGHT

In 2023, Madrid and Barcelona captured nearly 50% of all institutional real estate investment in Spain (CBRE), despite signs of saturation, yield compression, and regulatory pressure.

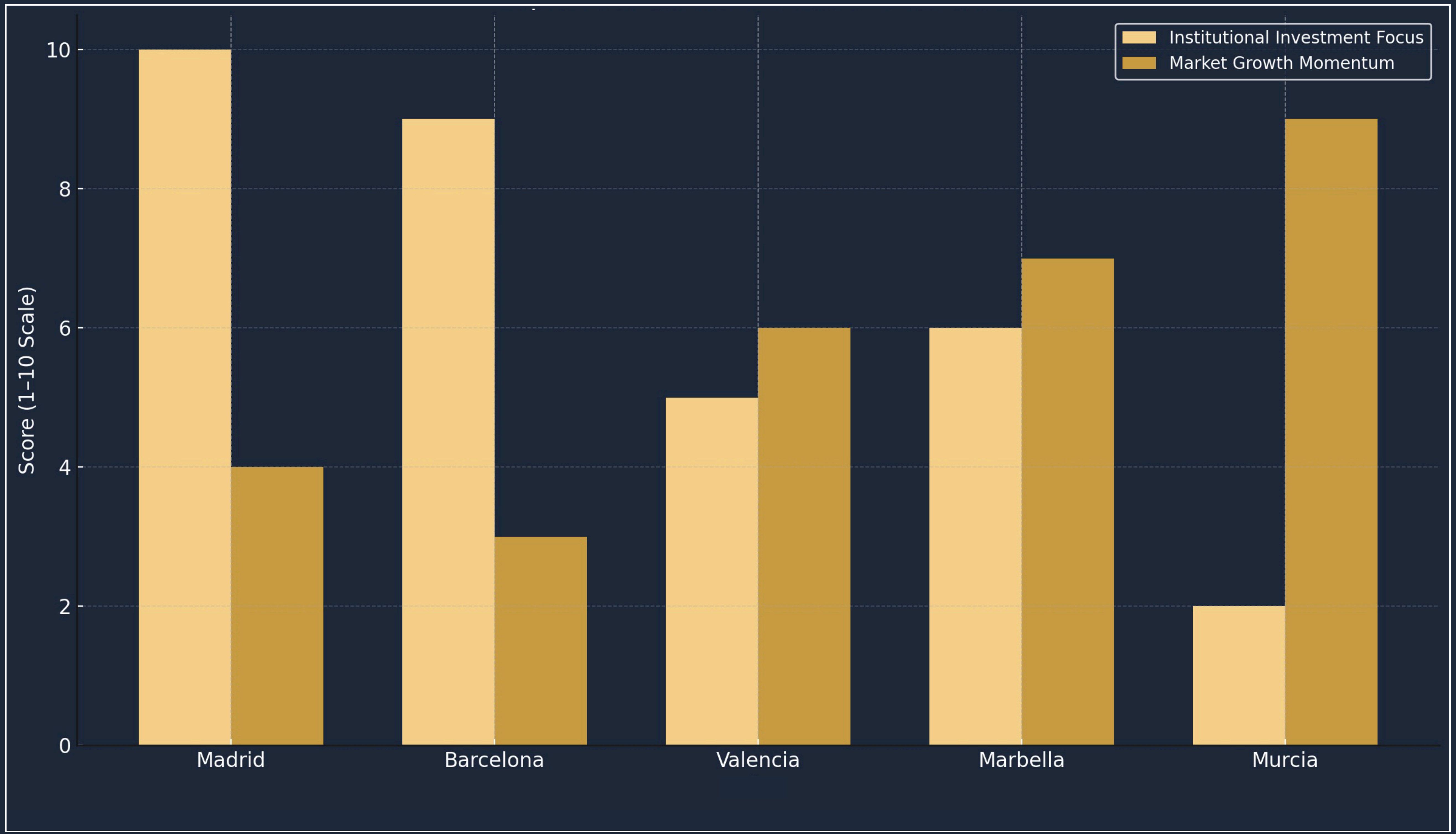
In contrast, Murcia registered a 21% year-on-year increase in home sales in Q1 2025 the highest in Spain and a 17.2% increase in transactions in June alone (INE, CBS AGE, Cadena SER).

Yet Murcia remains absent from national investment reports revealing a clear disconnect between capital momentum and market logic.

OUTCOME

This mismatch opens a rare window for strategic investment. Murcia combines strong organic demand growth with low institutional competition, affordable entry prices, and rising local purchasing power.

Investors who act now can secure exposure in a high-growth, underfunded market capturing yield and appreciation before large funds redirect their attention.



Sources: CBRE Q4 2024 Spain Report; CBS AGE; SpotBlue; PureLiving Marbella; Cadena SER Murcia;

Returns Where It Still Makes Sense to Buy

INSIGHT

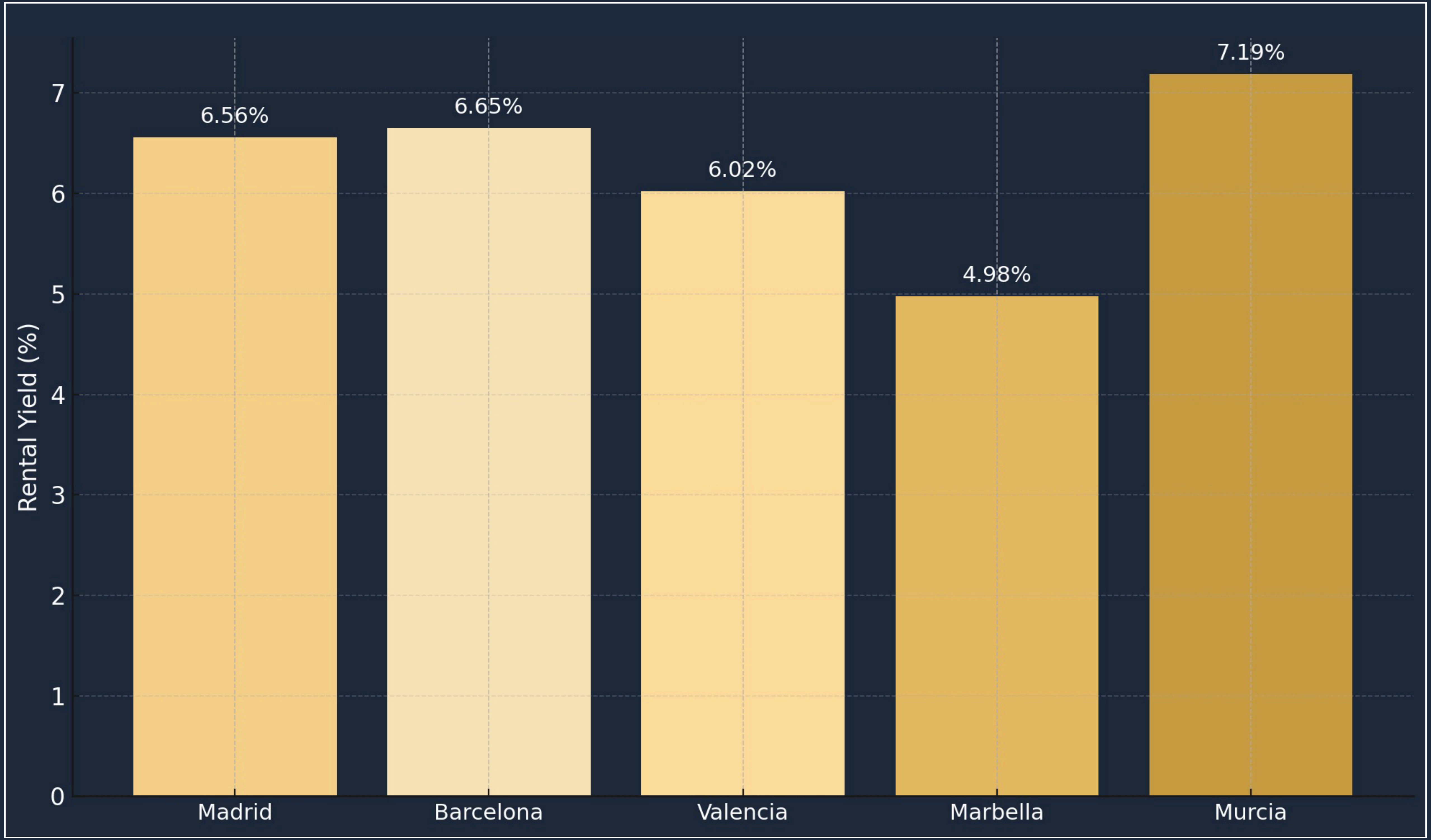
In 2024, Murcia leads all five benchmark cities with a 7.19% gross rental yield, outperforming Madrid (6.56%), Barcelona (6.65%),Valencia (6.02%) and Marbella (4.98%), all cities with significantly higher entry prices and lower long-term upside.

This confirms Murcia's position as one of the best-performing income markets in Spain, offering stable cash flow in a market still largely overlooked by institutional capital.

OUTCOME

Investors looking for high-yield, high-potential locations will find Murcia offers the strongest income-to-price ratio in Spain today.

While major cities face saturation and regulatory tightening, Murcia remains accessible, profitable, and on the rise, a rare opportunity for early-movers to secure long-term return.



Source: Best Yield Finder

Residential Price Growth: Murcia Surges Ahead

INSIGHT

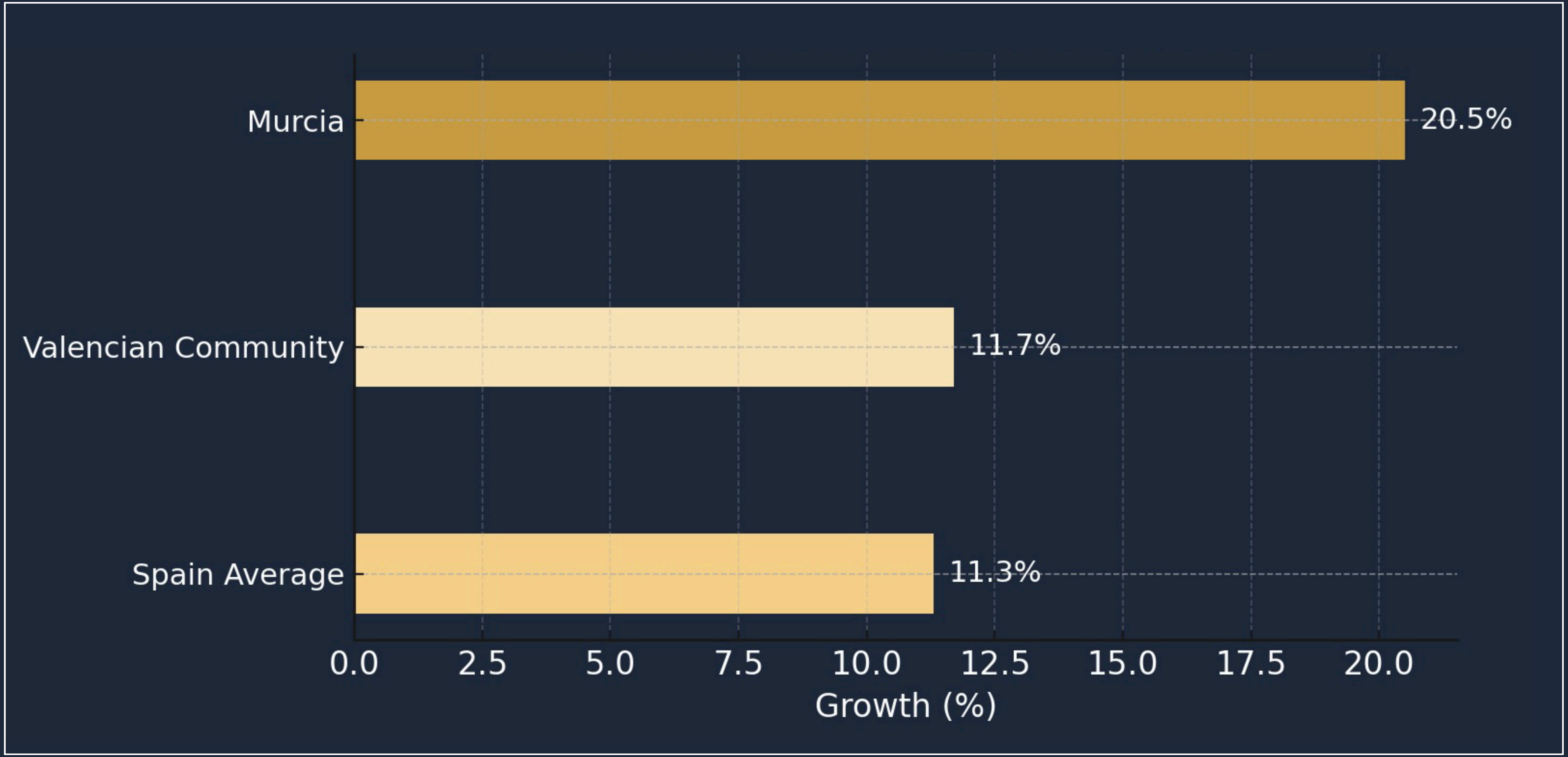
In 2024, Murcia's residential property prices surged +20.5%, nearly double the national average (+11.3%) and far ahead of other high-growth regions like the Valencian Community (+11.7%).

This exceptional appreciation signals strong buyer demand, limited supply, and growing recognition of Murcia's investment potential despite lower institutional attention compared to Spain's main markets.

OUTCOME

Murcia's outsized price growth positions it as an early-stage, high-upside market.

Investors who enter now can capture value before prices align with other Spanish growth hubs, locking in both appreciation and rental yield advantages as demand accelerates.



Sources: Cadena SER, Global Property Guide

Economic Performance: Comparable Strength, Better Value

INSIGHT

Murcia offers a unique investment profile: while GDP per capita (€25,887) trails Madrid and Barcelona, it is nearly on par with Valencia (€26,453) and well above Marbella (€23,218).

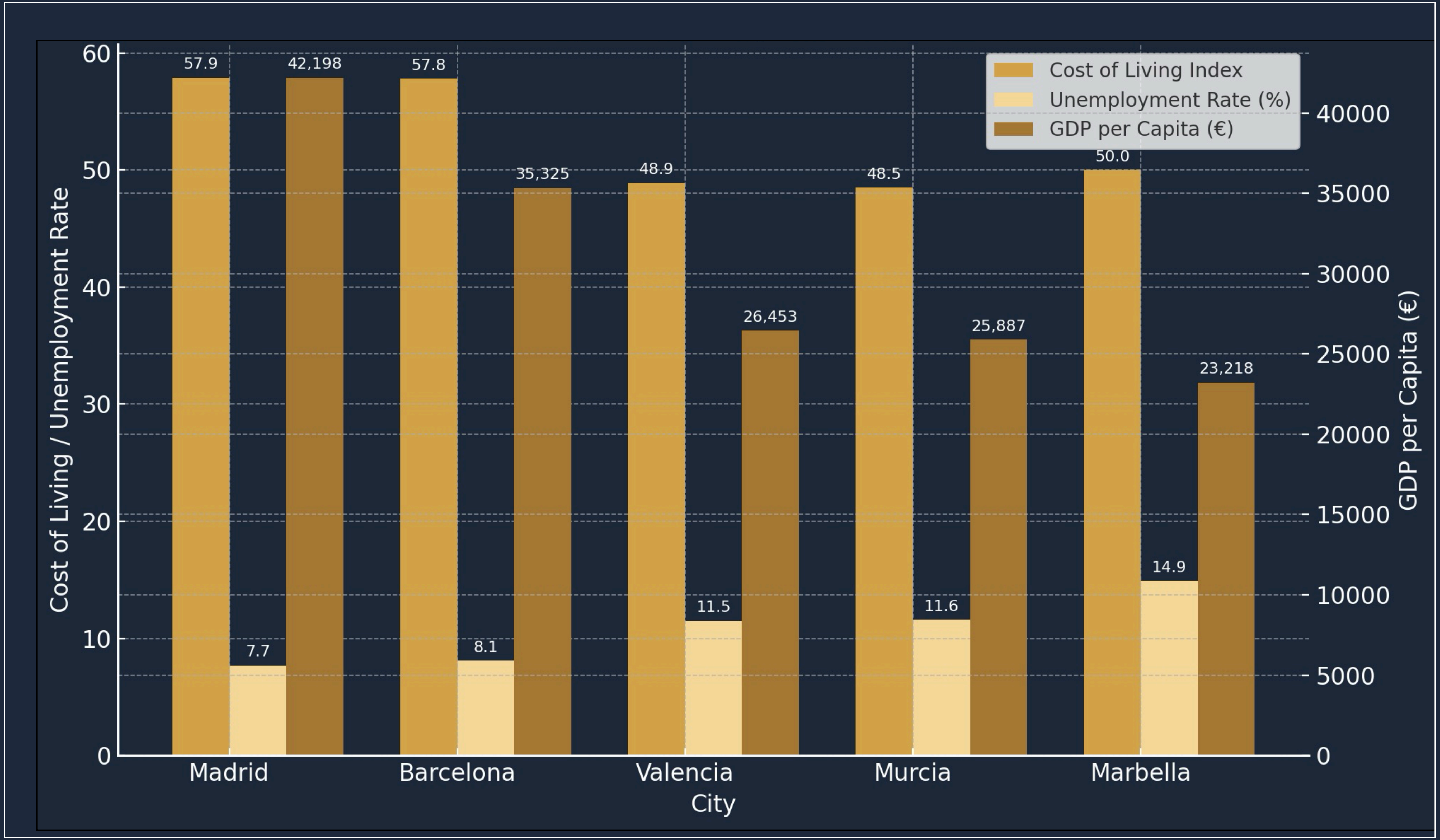
More importantly, Murcia combines this economic stability with one of Spain's lowest cost-of-living indexes (48.5) almost 10% lower than Madrid and Barcelona enabling higher purchasing power for residents and more competitive operating costs for investors.

Although unemployment (11.6%) is slightly higher than in Madrid (7.7%) and Barcelona (8.1%), it is in line with Valencia (11.5%) and below Marbella's region (14.9%)

OUTCOME

For investors, Murcia's combination of affordability, competitive GDP per capita, and moderate unemployment creates a high-potential environment for real estate.

Lower living costs reduce wage pressure and operational expenses, while economic parity with Valencia signals untapped growth allowing early movers to secure prime assets before market saturation drives prices upward.



Sources: ; Numbeo, Instituto Nacional de Estadistica

Murcia's Low Regulatory Barriers Outperform Spain's Restricted Markets

INSIGHT

Murcia stands out among Spain's top investment markets for its regulatory stability. While Barcelona is enforcing a complete short-term rental phase-out by 2028 and Málaga has imposed a three-year moratorium in saturated areas, Murcia operates without such high-impact restrictions.

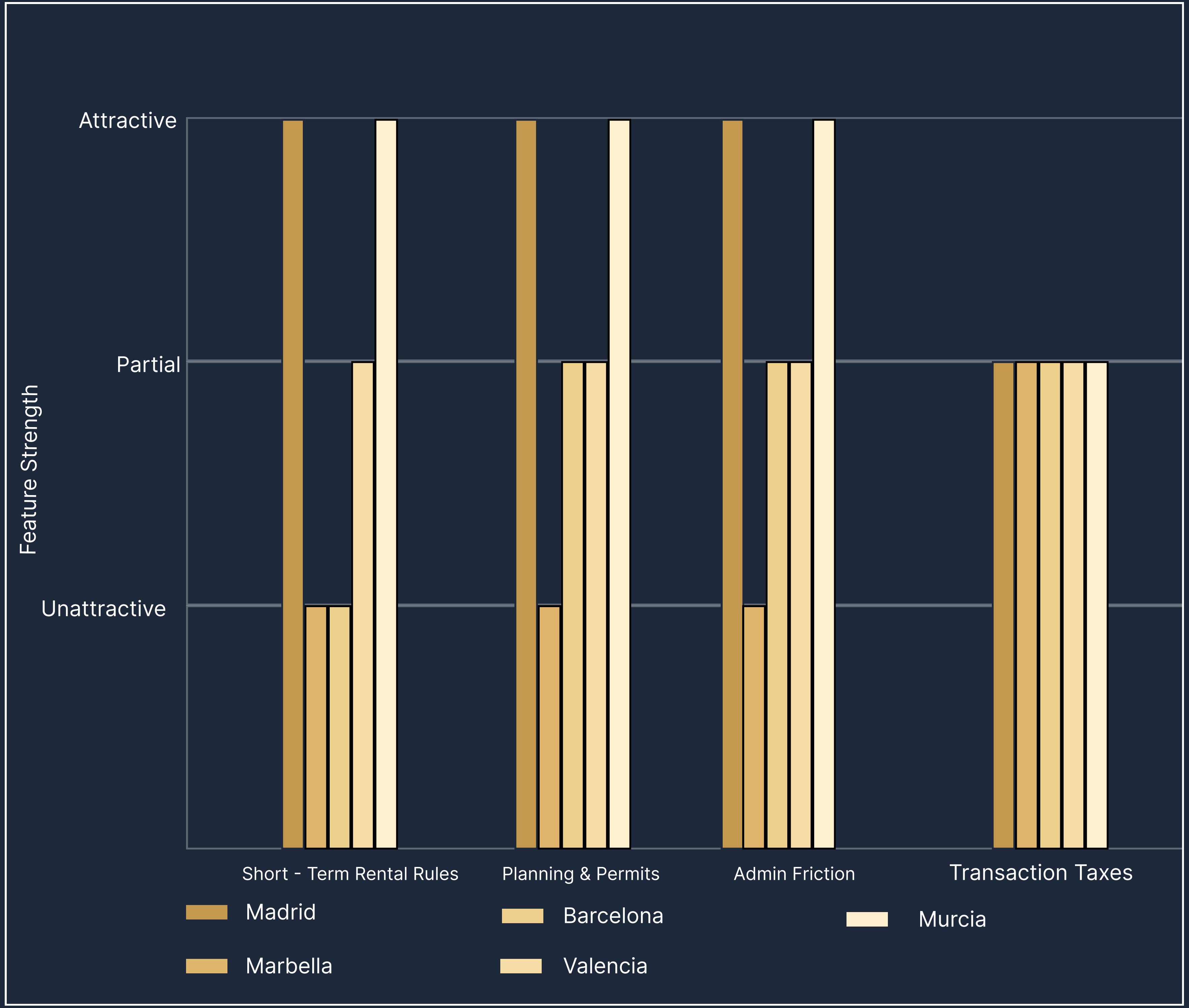
Valencia's new 2024 decree has tightened licensing and compliance for tourist rentals, and Madrid, despite its streamlined permitting, still faces high saturation and competition. Murcia combines predictable licensing, standard planning procedures, and lower administrative friction, making it easier for investors to navigate approvals, adapt assets, and maintain compliance without sudden policy shifts.

OUTCOME

For investors, this environment translates into lower execution risk and greater operational agility. The absence of restrictive measures means projects in Murcia can move from acquisition to revenue faster, with fewer regulatory surprises that can undermine projected returns.

This stability also supports long-term investment strategies, as assets are less likely to be impacted by sudden policy reversals, moratoria, or zoning changes creating a secure environment for both yield-driven and value-add opportunities.

Market Entry Attractiveness by Regulatory Feature – Spain 2024



Sources: Comunidad Autónoma de la Región de Murcia (2024); Ayuntamiento de Madrid (2025); Ajuntament de Barcelona (2024); Generalitat Valenciana (2024); Ayuntamiento de Málaga (2024); Comunidad de Madrid (2023);

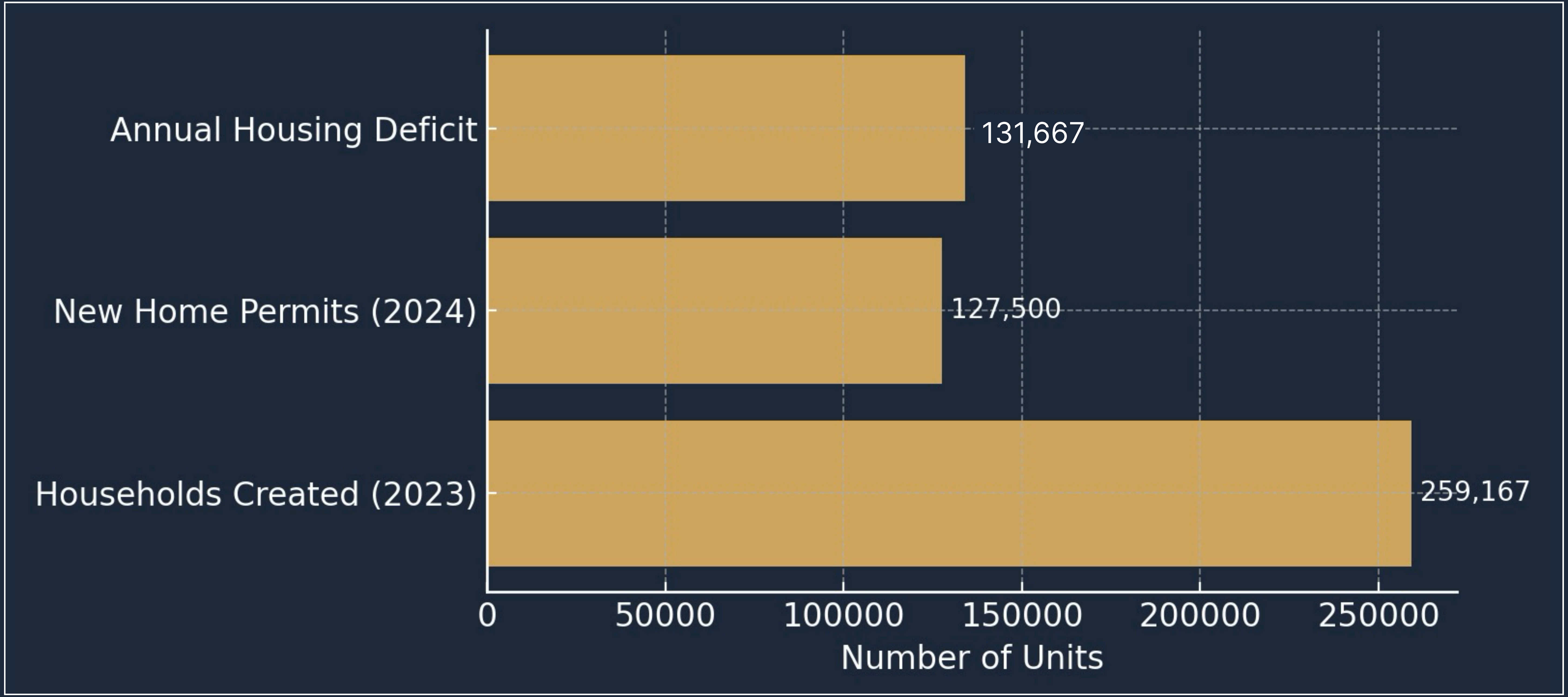
National Housing Deficit Creates Opportunity for Murcia

INSIGHT Spain’s housing pipeline is falling short, with only 127,500 new home permits issued in 2024 against 259,167 new households formed in 2023.

This 131,667-unit annual deficit signals sustained demand and structural undersupply, a dynamic that will continue to push prices upward, especially in regions with available land and development capacity like Murcia.

OUTCOME Spain’s housing shortage creates a favourable environment for developers and investors, with consistent demand, fast absorption rates, and limited competition from oversupplied markets.

Murcia, still in its growth phase, offers a strategic advantage allowing projects to benefit from both the national supply gap and the region’s lower entry costs.



Tourism on the Rise: Murcia Accelerating While Big Hubs Slow

INSIGHT

Spain's largest tourism hubs are entering a phase of maturity, with growth slowing and market saturation becoming evident. Madrid saw visitor numbers rise by just 1.8% in 2024, averaging only 2.7% annual growth over the past decade. Barcelona recorded modest 5% growth in tourist arrivals, while hotel overnight stays declined by 1.3% during the summer peak season despite high occupancy levels.

In sharp contrast, Murcia remains in an acceleration phase, with foreign tourist arrivals increasing by 18.6% in 2024 nearly four times faster than Barcelona and hotel overnight stays growing between 7% and 9%.

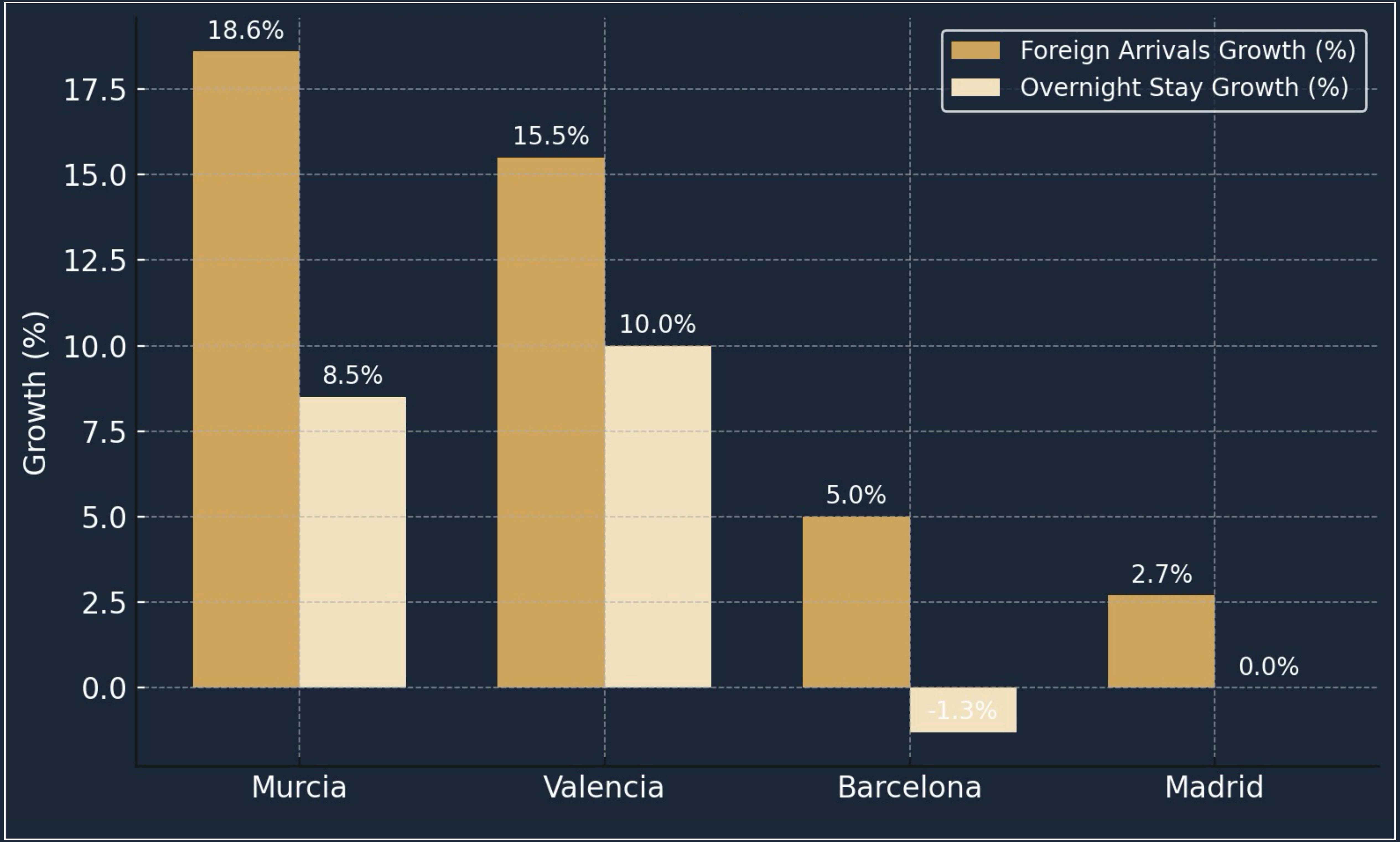
This momentum is supported by a remarkable 94% repeat visitor rate, signalling strong loyalty, alongside a 15% increase in hotel capacity in a single year. Despite this expansion, demand for accommodation continues to outpace supply, indicating a clear gap in the market.

OUTCOME

Murcia's rapid growth, high visitor retention, and undersupplied accommodation market position it as one of Spain's most compelling tourism investment opportunities.

While Madrid and Barcelona are stabilising into mature markets with limited upside, Murcia offers investors entry into a destination that is still scaling at double-digit rates and has significant headroom for future development before reaching saturation.

Tourism Growth Comparison



Sources: Cadena SER (2025), Euro Weekly News (2024), El País (2025), INE (2024), Road Genius (2025), HVS (2024), Travel & Tour World (2025)

Murcia´s Competitive Edge

ECONOMIC PERFORMANCE: COMPARABLE STRENGTH, BETTER VALUE

- *Affordability edge: Cost-of-Living Index Murcia 48.5 vs Madrid 57.9 / Barcelona 57.8 → stronger purchasing power at entry.*
- *Solid labor trend: Unemployment converging with Valencia (~11.6% vs 11.5%) and improving YoY.*
- *Result: Similar macro performance to bigger hubs, but meaningfully lower operating & acquisition costs, supporting higher net yields.*

LOW REGULATORY BARRIERS VS. RESTRICTED MARKETS

- *Murcia: No short-term-rental ban, predictable bureaucracy, typical taxes.*
- *Peers: Barcelona moving to full STR ban by 2028; Málaga/Marbella use local moratoria; Valencia tightened rules in 2024.*
- *Result: Lower approval risk & faster execution in Murcia compared with Spain's most constrained markets.*

HOUSING SUPPLY GAP = STRUCTURAL TAILWIND

- *Spain formed ~259k households (2023) but issued only ~127.5k new-home permits (2024).*
- *That's a ~131k annual deficit, compounding under-supply nationwide.*
- *Implication for Murcia: room to absorb unmet demand; tight supply supports price appreciation and resilient rental yields.*