

Mid-Year Market Analysis



European Real Estate Insights from H1 2024

Contents

European Overview	3
Austria	4
Czech Republic	5
Germany	6
Italy	7
Spain	8

European Overview

The sun is rising on Europe’s housing markets as inflation continues to decline. The immediate effects of the European Central Bank’s (ECB) interest rate hikes, which peaked at 4.5% in September 2023, have eased over the first half of the year. Buyers became accommodated to a ‘new normal’ of higher rates and were reassured as inflation rates went down. Although it is still too early to see the impacts of the ECB’s interest rate drop in June, there is a cautious optimism among buyers heading into the second half of 2024.

Low supply has kept the market buoyant and has contributed to a seller’s market in numerous European countries. Indeed, building permits in Q1 2024 were 4.6% lower than the first quarter of 2023. With no real signs of the continent’s construction lull picking up in the near future, there is likely to be a major impact on pricing in the coming months and years.

From January, consumer confidence has increased by 11% in H1 as consumers find their footing after a series of

economic shocks triggered by recent geopolitical tensions and events.¹

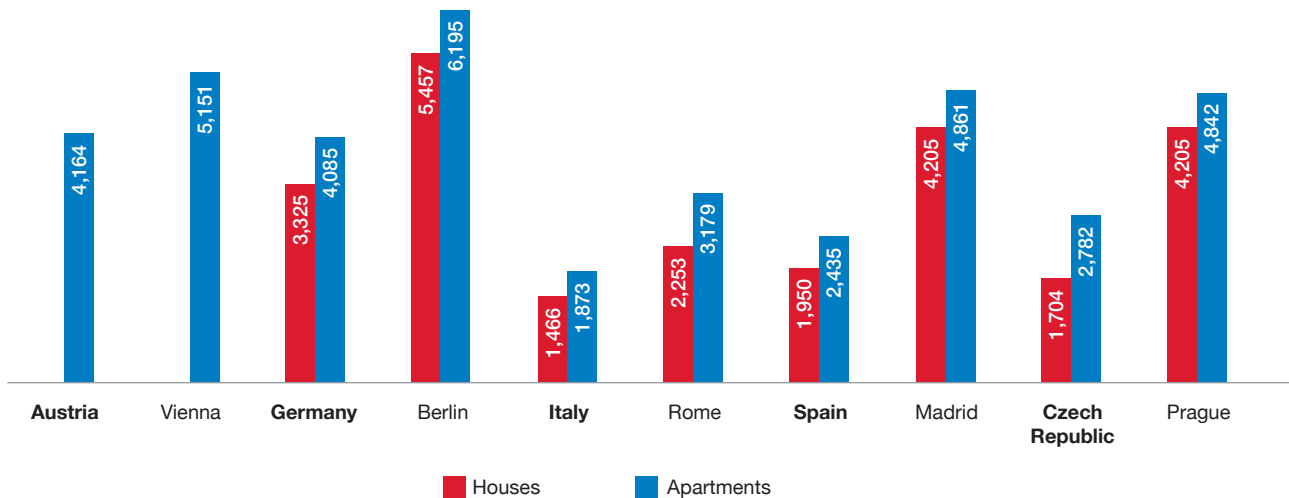
Simultaneously, economic growth is predicted to rise from 0.4% in 2023 to 0.8% by the end of 2024, with evidence of the Eurozone beginning to rebound and the expectation that ECB interest rates will be cut.² Whilst recovery is steady across Europe, this will differ between countries – for example, Germany is predicted to gradually recover from its 2023 recession³, but Italy is showing little to no change from 2023.⁴ With this in mind, real estate markets are expected to gradually regain their momentum of previous years and prices are expected to rise.

The analysis combines insights from our Regional Owners & Directors, providing valuable local perspectives, and data from the first two quarters of 2024. The data is compared specifically to the first half of 2023 to account for seasonal trends, offering a more accurate reflection of the current market conditions.



Michael Polzler
CEO of RE/MAX Europe

Average asking price per sqm (H1 2024)



¹ www.ycharts.com/indicators/europe_consumer_confidence_indicator#:~:text=Basic%20Info,N%2FA%20from%20last%20month.

² <https://www.euronews.com/business/2024/04/16/imf-outlook-eurozone-growth-set-to-rebound-but-inflation-at-risk-amid-middle-east-turmoil>

³ https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/germany/economic-forecast-germany_en

⁴ https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/italy/economic-forecast-italy_en

Austria

The market shifted in favour of buyers in H1 as the average asking prices per sqm for properties (houses and apartments) decreased by 1,1% on H1 last year, while the number of listings increased by 23.5%. Apartment sale prices saw an overall increase of 1.0%, while house prices experienced a decline of 5.9% during the first half of the year.

Average rental prices, meanwhile, increased in the first six months of 2024 compared to H1 2023 (Vienna 5,3%; Linz 3,3%; Graz 2,5%). This growth can be attributed to the strong demand in major cities as well as rental stock dropping by almost a quarter (24%) from H1 2023. Moreover, both inflation and stricter rules on mortgages have led to heightened interest in the rental market.

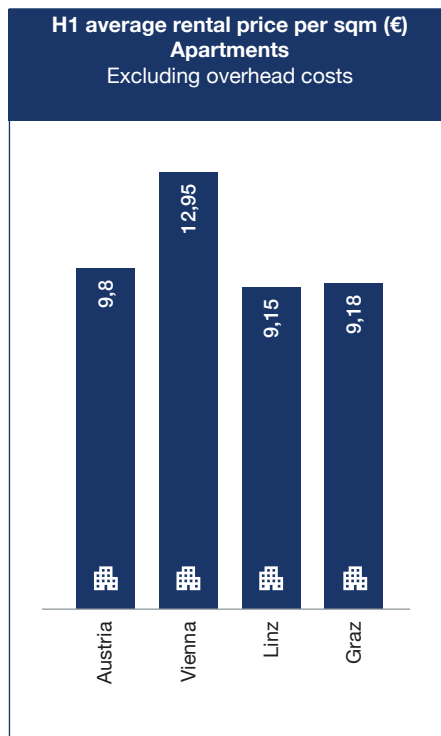
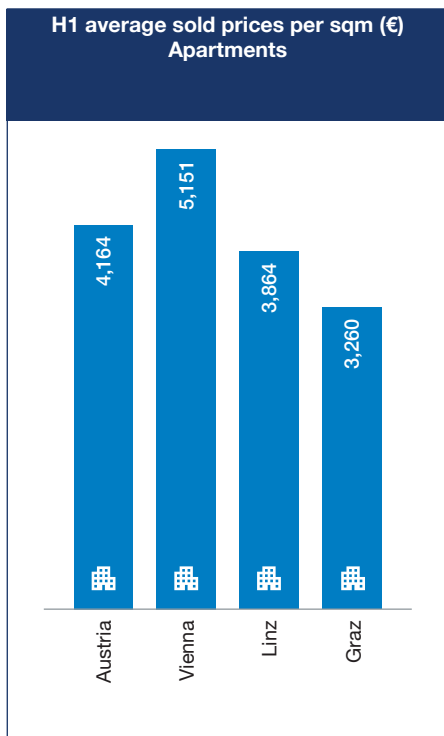
Vienna continues to dominate the Austrian real estate market, controlling one third of the country's property listings (sales and rental). While the capital remains one of the most expensive cities in Austria to buy property, it has experienced a 1.5% decrease in apartment sale prices and a 5.9% drop in house sale prices compared to the first half of 2023.



“Demand is slowly increasing in the Austrian market, with a jump in sellers entering the market. Buyers have nonetheless continued to exercise caution despite this increase in listings and a slight drop in interest rates.

The second half of the year, however, will bring reassurance to first-time buyers as main residences under €500,000 will be exempt from the fees for land registry and lien registration –however this will have only little effect on the market. To make an impact there must be reform to credit lending guidelines through a lower downpayment requirement and reduced or capped interest rates.”

Bernhard Reikersdorfer
Regional Owner of RE/MAX Austria



Austria		
Price change YoY (Sales Price)	-5,9%	+1,0%
Average size per sqm	68,1	
Average sold price	329,829	

Vienna		
Price change YoY (Sales Price)	-7,8%	-1,5%
Average size per sqm	63,9	
Average sold price	833,418	

Linz		
Price change YoY (Sales Price)	-11,5%	-5,6%
Average size per sqm	69	
Average sold price	595,616	

Graz		
Price change YoY (Sales Price)	-5,9%	-1,9%
Average size per sqm	63,8	
Average sold price	474,129	

Czech Republic

The average asking price per square metre among Czech houses rose in the first six months (4%) when looking at H1 in 2023. The most notable increase was in Prague, which saw a 7% rise in property prices for houses.

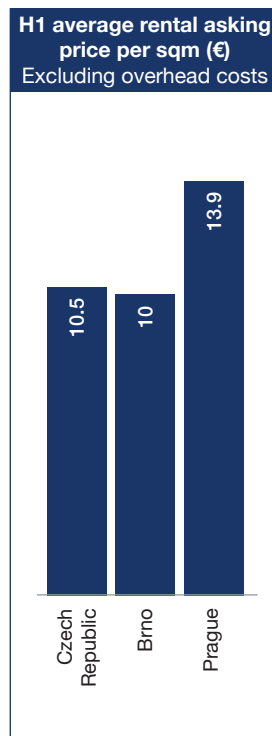
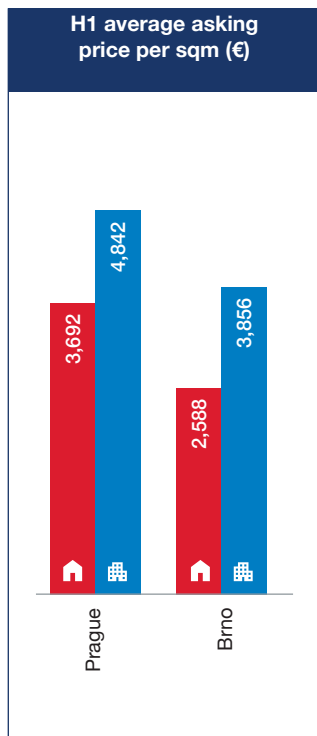
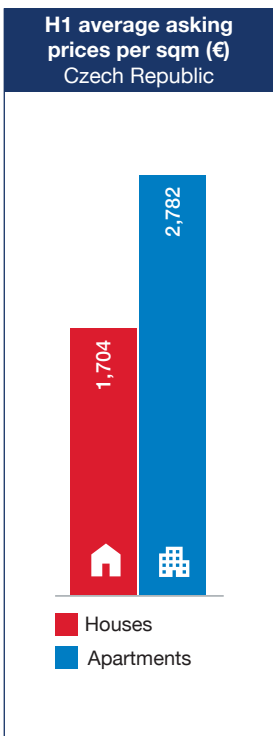
The average asking price per sqm for rentals has been steady between Q1 and Q2 this year, with the exception of apartments in Prague, where prices have increased by 2.7% between quarters.

Prague continues to be the main driver of the Czech Republic's real estate market, with nearly 40% of all transactions taking place in the capital. Demand in the capital continues in spite of the fact that its prices are often double the prices of elsewhere in the country, with the average price per sqm for older apartments in Prague being €4,500 per sqm, while new flats tend to exceed €6,000 per sqm.



“2024 so far has seen a significant uptick in demand as mortgage rates have come down, stabilising between 4% and 5%. The country’s continued recovery can largely be attributed to the fact that the level of inflation in the Czech Republic has significantly decreased, as have the prices of flats and houses. As a result, we’ve seen considerably more listings on the market, and a growth in transactions of around 20 per cent.”

Jan Hrubý
Regional Director of RE/MAX Czech Republic



Prague

	Houses	Apartments
Average size per sqm	212	70

Brno

	Houses	Apartments
Average size per sqm	198	68

Germany

Asking prices per sqm for properties across Germany have fallen by an average of 1.2% in H1 compared to H1 2023, with key cities like Berlin (-5.2%), Munich (-3.9%) and Hamburg (-3.4%) contributing substantially to this decline. Apartment prices per sqm across Germany have fallen the most, averaging a decline of -2.7%.

Average rental prices per sqm increased by 6.3% in the first six months of 2024 compared to the first six months of 2023. Berlin was the city with the highest increase in rent per sqm in H1 (9.6%), with increased rent for apartments (14.5%) contributing substantially to this growth.

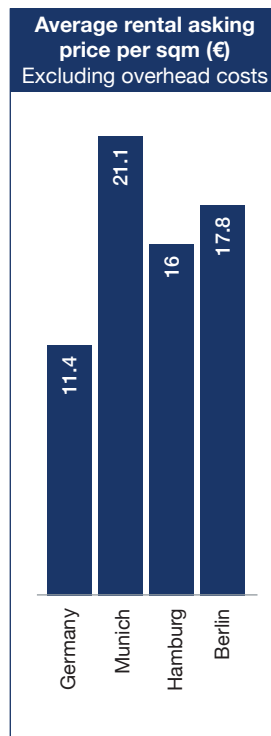
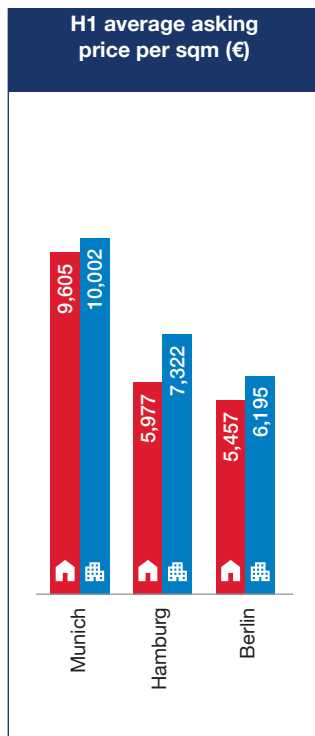
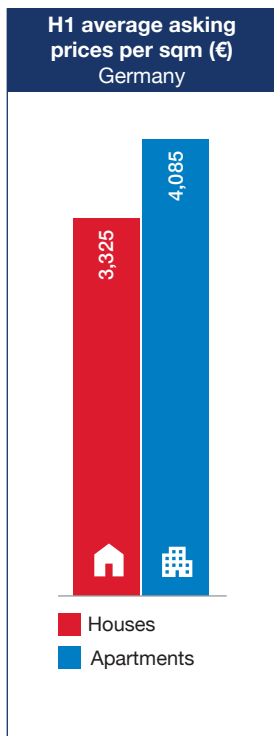
Munich, which is home to the highest property prices per sqm and second highest rental prices per sqm in Europe, saw a decline in average rent prices per sqm for apartments (-1.2%) despite the rest of Germany's growth (6.3%).



“The combination of falling house prices and high interest rates, coupled with high construction costs and slow activity in the sector, is creating challenges for both buyers and sellers.

We are, however, seeing signs of market stabilisation, as we move away from such drastic shifts in prices. This stabilization is likely to ease the downward pressure on prices, presenting buyers with an opportunity to enter the market more confidently in the second half of the year.”⁶

Samina Julevic
CEO at RE/MAX Germany



Munich		
	Houses	Apartments
Price change YoY	-5.90%	-6.20%
Average size per sqm	167	82

Hamburg		
	Houses	Apartments
Price change YoY	-6.20%	-0.89%
Average size per sqm	168	95

Berlin		
	Houses	Apartments
Price change YoY	-5.50%	-4.90%
Average size per sqm	181	90

Italy

Prices have remained largely unchanged on H1 last year, with asking prices per sqm increasing only 0.2%. Both houses (0.7%) and apartments (-0.3%) have shown very little change on the same period last year. Average asking prices (€1,669 per sqm) see Italy continue to have some of the cheapest property prices among Europe's major economies.

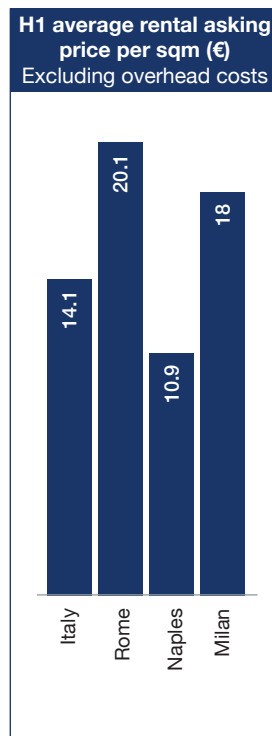
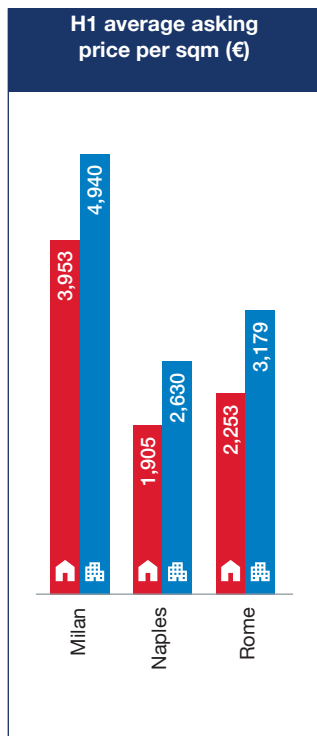
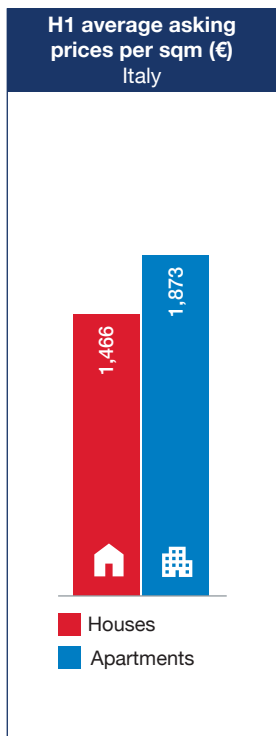
Rent prices, however, have increased significantly, up 7.6% compared to H1 2023. Growing demand for flexible rentals and short-term lets has contributed to this price growth, as they reduce numbers of traditional, long-term leases. This can be seen as apartment rental prices per sqm have gone up 10.2%, significantly more than houses (5.2%).

Rome's rent prices in particular have risen, increasing 4.7% in H1 on the same period last year, with prices for apartments (0.2%) growing considerably less than houses (10%).



“So far in 2024, there has been a noticeable increase in interest for larger properties. We’re also seeing a significant number of transactions from older homeowners, whose children have flown the nest, which has led to an increase in mortgage-free purchases. The number of transactions in the second half of the year will largely depend on whether interest rates are cut, and by how much, as well as whether Italian banks will continue to offer promotional deals to potential buyers, including young people, and those purchasing ‘green’ homes.”

Dario Castiglia
Regional Owner of RE/MAX Italy



Milan

	Houses	Apartments
Price change YoY	-0.47%	-0.82%
Average size per sqm	338	96

Naples

	Houses	Apartments
Price change YoY	-17.46%	3.33%
Average size per sqm	302	111

Rome

	Houses	Apartments
Price change YoY	+0.94%	-0.18%
Average size per sqm	275	104

Spain

Asking prices for Spanish **property per square metre (sqm) have increased considerably in the first half of 2024**, up 9.7% on H1 of 2023, and appear to be continuing on an upward trend, growing 1% from Q1 to Q2. Apartments (11.4%) are responsible for the large part of this growth, with prices rising substantially more than houses (7.6%).

Price growth in key cities Madrid (9.8%) and Barcelona (9%) has contributed to these figures, with **Madrid championing the fastest price growth in all of Europe.**

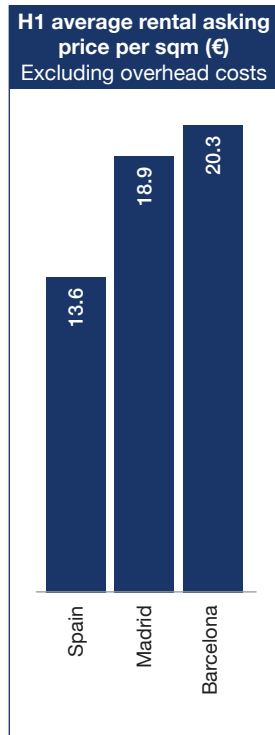
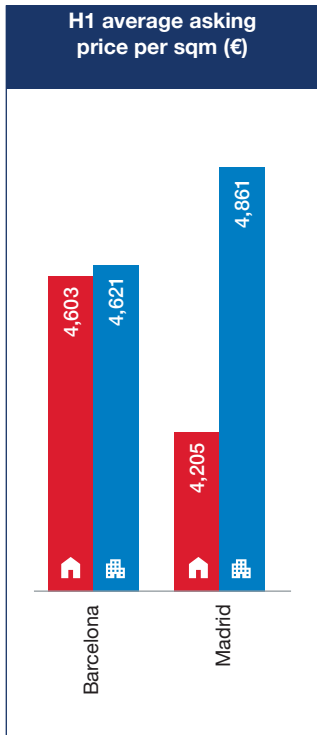
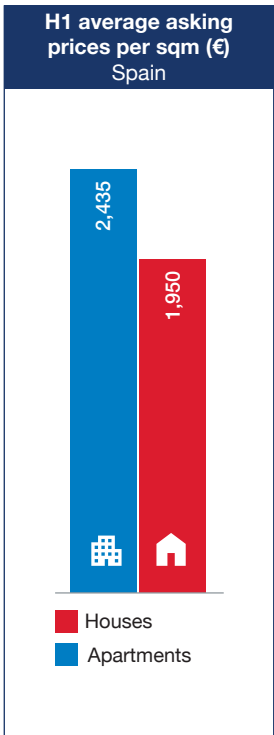
Rental prices have continued on their growth curve so far this year, rising a substantial 11.4% in H1 on the same period last year, seeing **rental asking prices in Spain grow at the fastest rate on the continent.**



“The demand from international buyers, particularly in big cities and coastal areas, is one of the reasons behind the growing property and rent prices. The biggest challenge being faced across the country is the shortage in stock, which is contributing to further price growth, and is impacting first-time buyers.

The shortage of supply does not mean that those who are able to buy should postpone in anticipation of interest rate drops, as price growth may outperform rate reduction.”

Jaime Suarez
Regional Director at RE/MAX Spain



Barcelona		
Price change YoY	+16.59%	+2.30%
Average size per sqm	324	106

Madrid		
Price change YoY	+12.13%	+7.95%
Average size per sqm	402	112

About this report

The Mid-Year Market Analysis report provides a snapshot of key real estate insights across a selection of European nations. As a six-month insights digest, this edition covers data insights from January to June 2024.

This document is compiled through a concise examination of the year so far and provides three key insights into specific housing markets in Europe, with commentary from RE/MAX Regional Owners, offering their local take on what the market changes mean for those in the market.

This edition of “Mid-Year Market Analysis” is supported by internal data from RE/MAX Europe, as well as external market data from Properbird – a real estate market professionals’ database that aggregates and centralises information available online. The provided insights are derived from comprehensive data across Europe.

Please Note: While RE/MAX Europe has compiled the information in this report diligently and to the best of its knowledge, RE/MAX Europe does not assume any liability for the accuracy of the information or for any damages resulting from the use of the information.

About RE/MAX Europe

The RE/MAX Europe franchise network is one of the largest in the industry. The brand is represented by over 30,000 real estate professionals across 2,400 offices in 40 countries throughout the continent. With more than 50 years of experience, RE/MAX has grown into a huge global brand. Never one to rest on its past successes, RE/MAX Europe continues to build on its history of innovation to transform the way real estate is bought and sold across the continent.

Contact us

RE/MAX Europe
PMSCS Real Estate Franchising Inc.
Alpenstraße 15
6302 Zug, Switzerland
E: marketing@remax.eu
W: remax.eu