

The sector indicators are compiled quarterly from a detailed and exhaustive study prepared by professional staff in the Knight Frank Madrid office and are based on real data and market trends.

# Private Rented Sector Snapshot

Q12020



**SPAIN DATA**  
2019

POPULATION INCREASE  
**+0.6%**

HOUSEHOLD INCREASE  
**+0.4%**

RENTAL TENURE REGIME  
**23.9%**



**SPAIN DATA**  
2020

AVERAGE RENTAL PRICE  
**11.2 €/sq m**

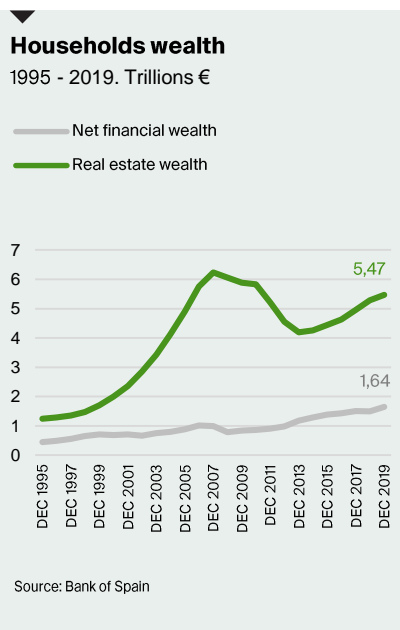
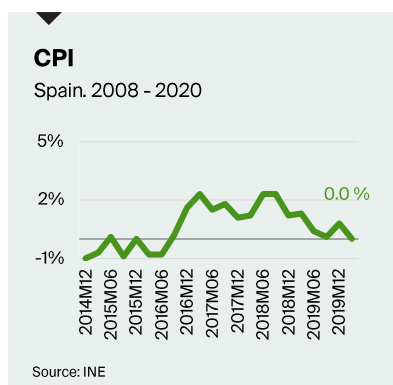
INVESTMENT VOLUME (RCA)  
**€ 3.3 bn**

RETURN ON ALTERNATIVE INVESTMENT  
**3.8%**

## Situation in Spain

Spain is in an abnormal economic situation due to the COVID-19 pandemic. The annual rate of the general Consumer Price Index (CPI) as of March 2020 stands at 0.0%, 70 percent lower than that registered in February and the lowest recorded since August 2016.

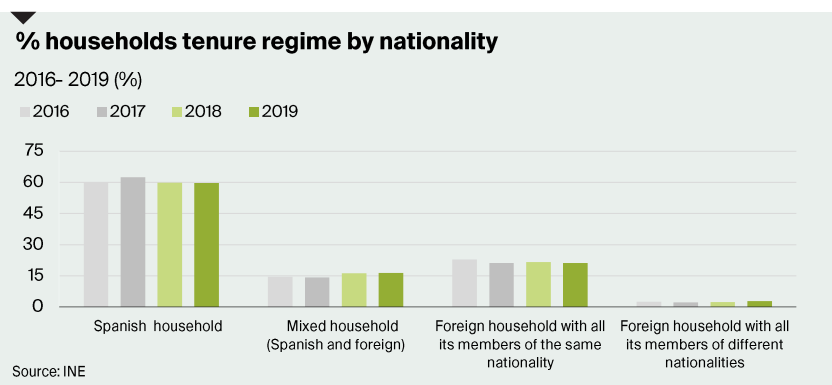
According to the latest available data, the percentage of homes living in rented properties in the European Union is around 30%. The figure for Spain is slightly lower at 24%, after a small increase during 2019 compared to 2018 (taking into account the sum of rents at market price and below and rent-free premises).



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**At the end of 2019, and since 2013, there is an upward trend in the wealth of Spanish households, both real estate and financial, the latter proceeding from savings in deposits, investment funds, pension plans and shares on the Stock Market.**

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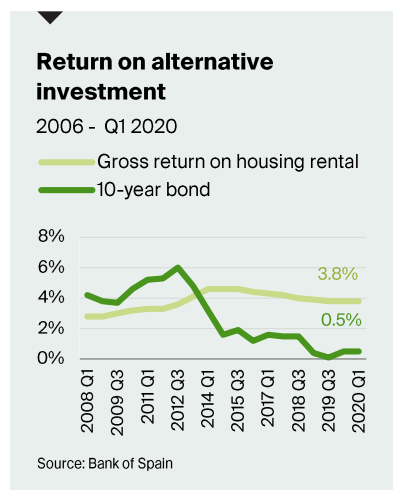


## Prices and transactions in Spain

Although both transactions and prices may be affected in the short-medium term after COVID-19, gross profitability in housing in Spain will continue to be one of the most competitive for investors. During the first quarter of the year it remained at 3.8%, still well above other alternative investments.

The average rental price starts the year with a record high of € 11.2 / sq m, which is 2.7% more than the previous year.

The annual variation in the price of rental housing has been 1.4% in both Madrid and Barcelona.



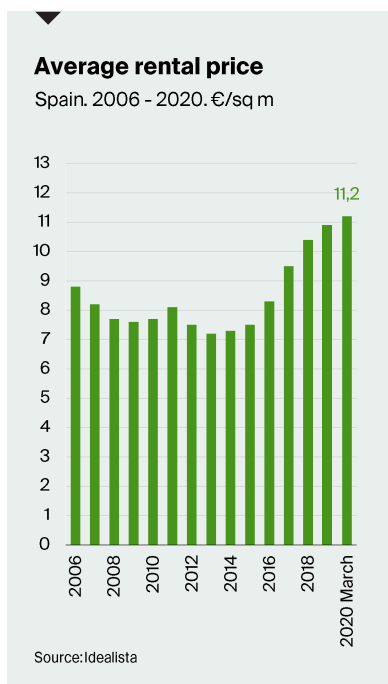
## TOP 3 DEALS

**MURCIA**  
VELDEMORO  
VENDOR: CONFIDENTIAL  
PURCHASER: CATELLA  
**€25m** 191 houses  
Source: Idealista

**MADRID**  
VENDOR: CONFIDENTIAL  
PURCHASER: ELIX VINTAGE  
**€12.4m** N/D houses  
Source: Ejeprime

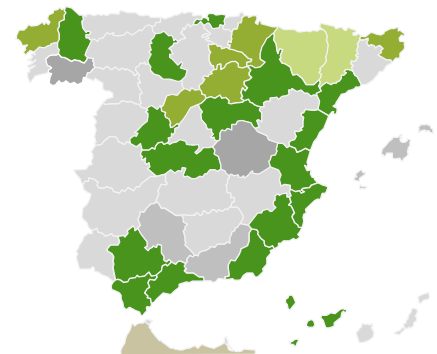
**MADRID**  
2 BUILDINGS  
VENDOR: CONFIDENTIAL  
PURCHASER: ELIX VINTAGE  
**€10.8m** N/D houses  
Source: Idealista

One of the biggest deals of the quarter was the purchase from Catella of 2 buildings in Valdemoro as build-to-rent in 2018 for an investment volume of €25 m. The buildings have a combined area of almost 15,000 sq m, distributed in a development of 191 homes with their respective storage rooms and parking, in addition to large common areas. .



## SPAIN. VARIATION OF RENT PRICES Y-O-Y Q1 2019 VS Q1 2020

● X ≤ 0%    ● 0% < X ≤ 5%    ● 5% < X ≤ 10%  
● 10% < X ≤ 15%    ● > 15%



Source: Knight Frank Research and Idealista

**COVID-19:** Across Europe and beyond, market activity is being impacted in all sectors due to the Novel Coronavirus (COVID-19) outbreak. As at the date of this report, we consider that we can attach less weight to previous market evidence for comparison purposes, in providing our opinions on the market. Given the unknown future impact that COVID-19 might have on the real estate market and limited recent comparable, this report it meant to provide market insights as we see them at this time but we wish to highlight the material uncertainty which we may cause swift changes in the market. Please get in touch with our teams if you would like to discuss in further detail or receive an update regarding market conditions.

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