

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

# Private Rented Sector Snapshot

Q2 2020

**SPAIN DATA 2020**  
y-o-y (latest available data)

PIB  
**-4.1%**  
(T2 2020)

POPULATION INCREASE  
**+0.8%**  
(January 2020)

GROSS AVAILABLE INCOME (HOUSEHOLDS)  
**+1.2%**  
(Q1 2020)

**SPAIN DATA 2020**  
(latest available data)

AVERAGE RENTAL PRICE  
**11.3 €/sq m**  
(July 2020)

INVESTMENT VOLUME (RCA)  
**€427 M**  
(H1 2020)

RETURN ON ALTERNATIVE INVESTMENT  
**3.7%**  
(Q2 2020)

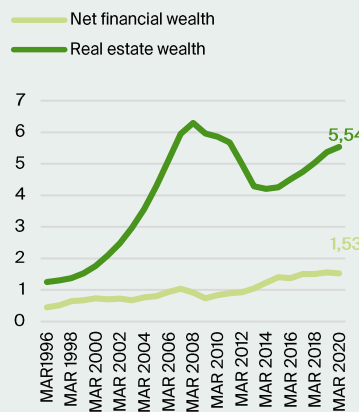
## Situation in Spain

The latest data published reflects the first effects of the COVID-19 pandemic in Spain. The annual rate of the general Consumer Price Index (CPI) in the month of June fell to -0.3%, the lowest figure since the third quarter of 2016.

The most recent data reveals how the household tenure regime in Spain has evolved since 2014. Whilst the tenure regime for owned property has remained stable, the highest growth is observed in the rental market, having risen to 24% (including social housing and rental below market).

### Household wealth

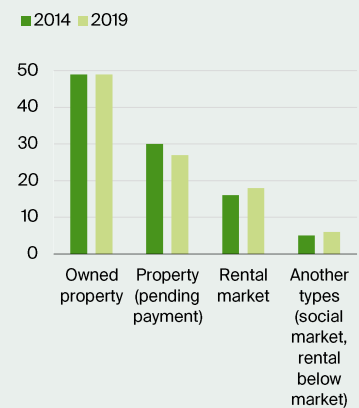
2015 - Mar 2020. Billions €



Source: Bank of Spain

### N° of household tenure regime

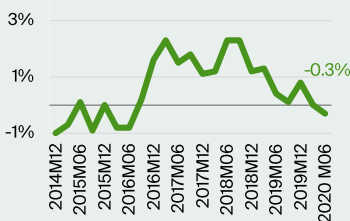
2014 - 2019 (%)



Source: INE

### CPI

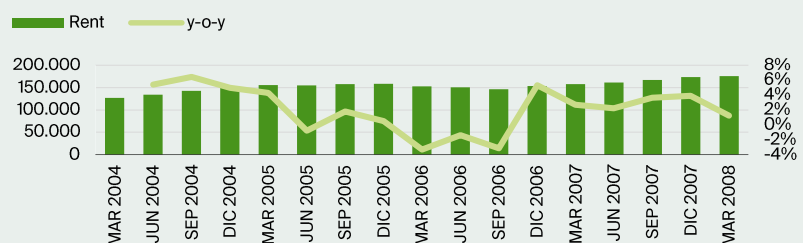
Spain. 2014 - June 2020



Source: INE

### Gross available income households

2004 - 2020



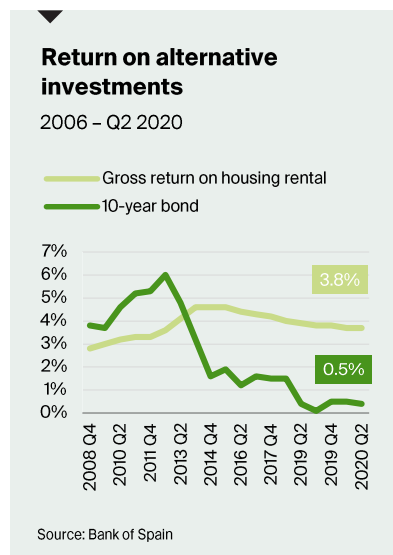
Source: Bank of Spain

## Prices and transactions in Spain

Despite the current health crisis, the gross return on rental housing continues to be one of the most competitive for investors, standing at 3.7% during the second quarter of the year, well above other alternative investments.

The average rental price continues to increase, standing at €11.3 /sq m, which is 3.6% more than in the same period of the previous year.

The price of rental housing in most of the provinces has increased compared to 2019. In the case of Madrid the growth has been 2.6%.



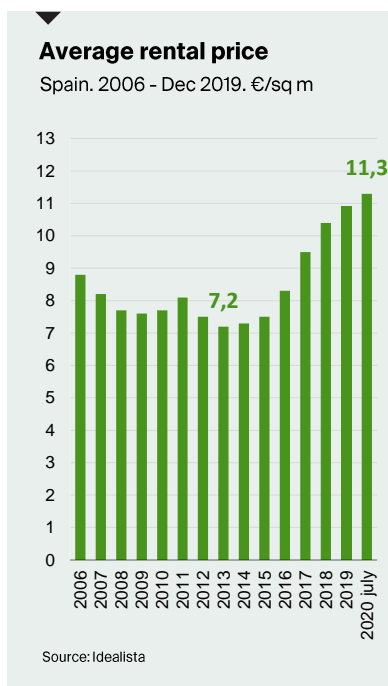
## TOP 3 DEALS

**MADRID**  
**VIARIOS**  
VENDOR: TECTUM R.E.  
PURCHASER: AXA IM R.E.  
**€150 M** 919 houses  
Source: ElConfidencial

**MADRID**  
**2 BUILDINGS**  
VENDOR: VITALQUILER  
PURCHASER: CATELLA  
**€51 M** 500 houses  
Source: Ejeprime

**MADRID**  
**VALLECAS**  
VENDOR: DOMO ACTIVOS  
PURCHASER: CATELLA  
**€25,5 M** 80 houses  
Source: Ejeprime

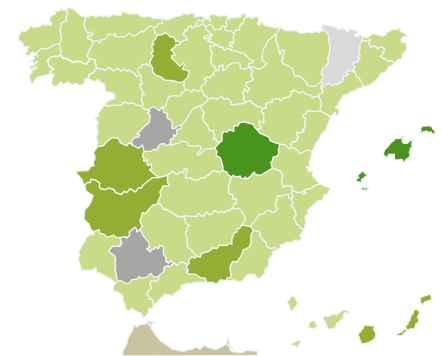
During this quarter, the largest build-to-rent operation so far in Spain has been signed, both in terms of investment volume and number of homes. Axa has purchased from Tectum a portfolio of around 1.000 houses for the sum of 150 million. They are located in various areas of Madrid at affordable prices, some finished and others still under construction.



## SPAIN. VARIATION OF RENT PRICES Y-O-Y

### Q2 2019 VS Q2 2020

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



Source: Knight Frank Research e 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.

## Recent publications



Covid-19, June 2020 Spain



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