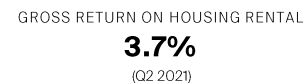
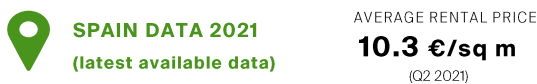
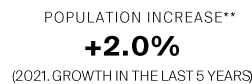


The sector indicators are compiled quarterly from a detailed and exhaustive study prepared by experts in the Knight Frank Spain office and are based on real data and market trends.

Private Rented Sector Snapshot

Q22021



* FMI. ** INE. Estimated growth at 1st January 2021 compared to 1st January 2016.

Situation in Spain

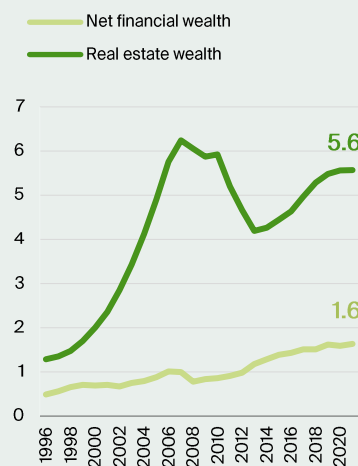
In July, the IMF lowered the growth forecast for Spain by two points for 2021, by 6.2%, but it did increase the forecast for 2022 by 1.1 point, standing at 5.8%. Spain continues to be the economy with the best growth forecast in the euro zone.

Household real estate wealth shows a positive trend since 2013, as of March 2021 it stood at almost €5.6 million. Net financial wealth continues to increase slightly over the years, standing at more than €1.6 million.

The effort used to assume the rent in Spanish households remained slightly lower in 2020 compared to the previous year, 38% of the average net annual income per household.

Households wealth

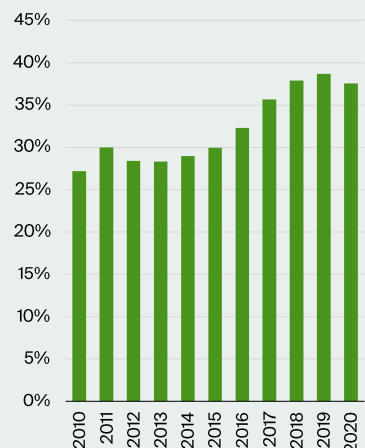
2001 - Mar 2021. Billions €



Source: Bank of Spain

Rental housing effort in Spain

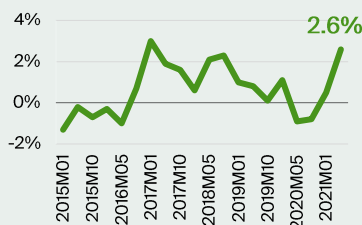
2010 - 2020 (%)



Source: INE

Spain CPI

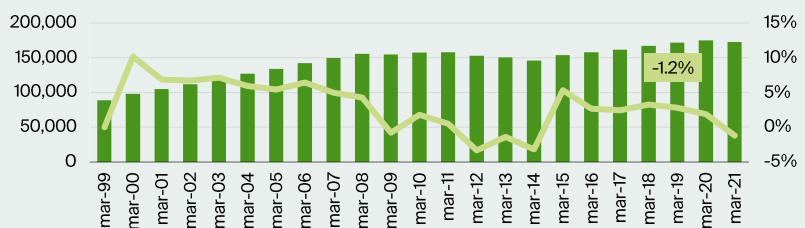
Y-o-y (%). 2016 - June 2021



Source: INE

Gross available household income* Spain

Mar 2001 - Mar 2021. € Million



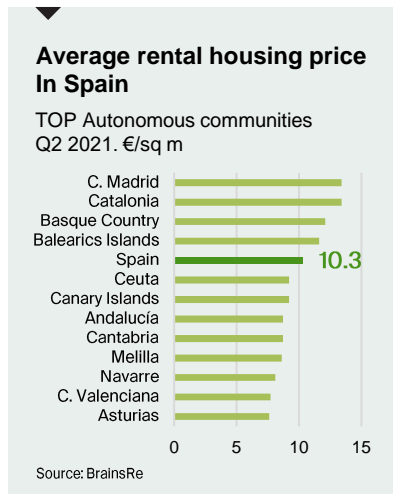
Source: Bank of Spain. Average Income

Transactions and prices in Spain

In 2nd quarter, the Communities with the highest rental prices were Madrid and Catalonia, with an average of € 13.4 / sq m, followed by the Basque Country. At the city level, it is Barcelona that surpasses the capital with € 15.9 / sq m compared to € 14.7 / sq m, which reflects the average rents in Madrid.

Despite the fact that both cities are above the national average (€ 10.3 / sq m), they suffered declines as a result of the sanitary crisis, although a remarkable recovery is beginning to be seen.

By number of bedrooms, the trend in the monthly price has been similar in all types, with a decline at the beginning of the pandemic and current stabilization.



TOP 3 DEALS

MADRID

2 LAND
 VENDOR: CONFIDENCIAL
 PURCHASER: NUVEEN Y KRONOS
€150 M 810 houses
 Source: Brainsre

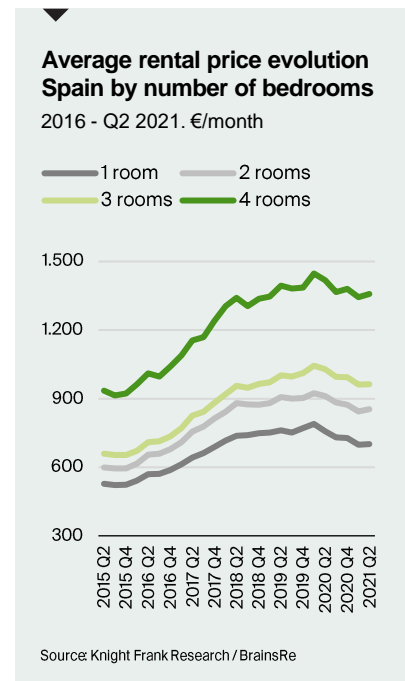
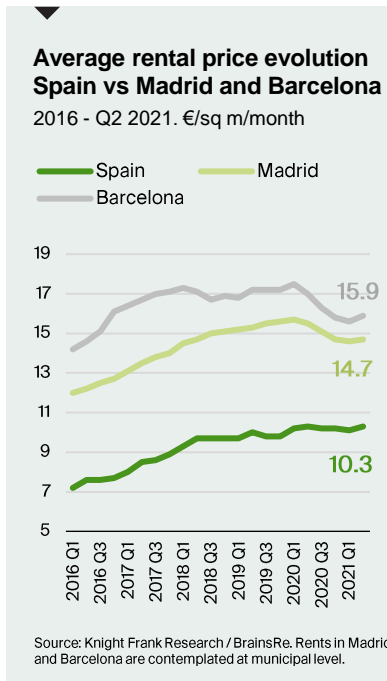
ALCOBENDAS, MADRID

LA MENINA PROJECT
 VENDOR: TWIN PEAKS
 PURCHASER: PATRIZIA
€39 M 112 houses
 Source: Eje Prime

CANTABRIA

SOCIAL RENTAL HOUSING
 VENDOR: SAREB
 PURCHASER: GOVERN. OF CANTABRIA
€3.2 M 37 houses
 Source: elDiario.es

The second quarter has closed with an investment in PRS close to € 200 M, having led the joint venture formed by Nuveen Real Estate and Kronos, Stay, one of the most relevant transactions, the acquisition of two plots of land in Madrid to build more than 800 rental housing units. They are expected to be completed in 2023. Another project to highlight during this period has been the purchase of a turnkey project by Patrizia from Twin Peaks in Alcobendas, which will add 112 housing units of 1 and 2-bedroom to the residential rental market. Also its delivery date will be in 2023.



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 data, this report is meant to provide market insights as we see them at this time but we wish to highlight the material uncertainty which may cause swift changes in the market. Please get in touch with our team if you would like to discuss in further detail or receive an update regarding market conditions.

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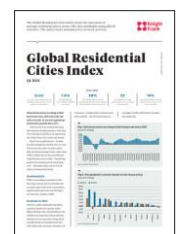
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Multihousing. 2020



Global Res. Cities Q1 2021

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