

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.



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Snapshot Residential Investment PRS - BTR

Q2 2022

SPAIN DATA 2022
y-o-y (latest available data)

GDP
+4.0%
(FORECAST 2022)

POPULATION INCREASE
+0.3%
(FORECAST 2022-2026)

HOUSING WEALTH (HOUSEHOLDS)
+5.9%
(MAR 2022)

SPAIN DATA 2022
(latest available data)

AVERAGE RENTAL PRICE
11.2 €/sq m
(JUNE 2022)

INVESTMENT VOLUME PRS
€1,770 M
86% PRS (H1 2022) 14% BTR

GROSS RETURN ON HOUSING RENTAL
+3.7%
(Q4 2021)

Sources: FMI / INE / Bank of Spain / Idealista.

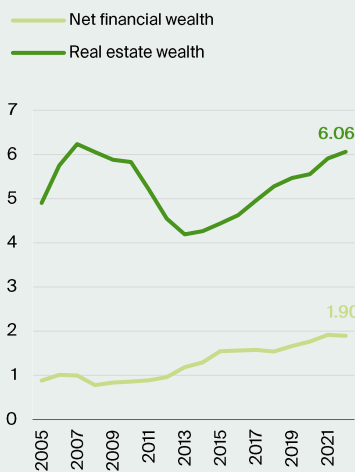
Situation in Spain

The International Monetary Fund (IMF) has once again cut its GDP estimates, lowering the forecast for 2022 by 0.8 points and 1.3 points for 2023. Despite this, Spain will be the European country with the highest growth.

The effort used to pay rent in Spanish households remained slightly lower in 2021 compared to the previous year, at 36% of the average annual net income per household. The CPI is soaring, so a greater effort is foreseeable in the coming months.

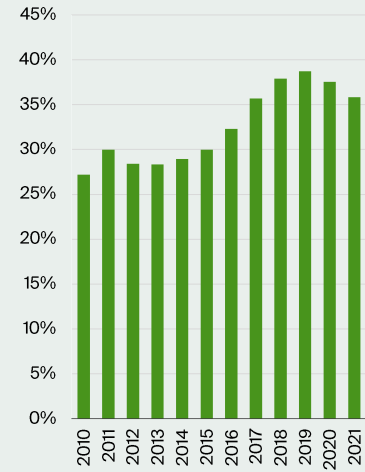
Household real estate wealth has shown a positive trend since 2013, standing at more than €6 trillion as of June 2022.

Household's wealth
2005 - Q1 2022. Billions €



Source: Bank of Spain

Effort to rent Spain
2010 - 2021. %



Source: Knight Frank Research, INE e Idealista

Spain CPI

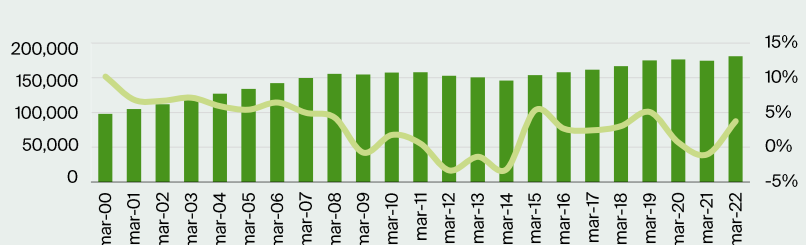
Y-o-y (%). 2016 - Junio 2022



Source: INE

Gross available household income* Spain

March 2000 - March 2022. € Million



Source: Bank of Spain. Average Income

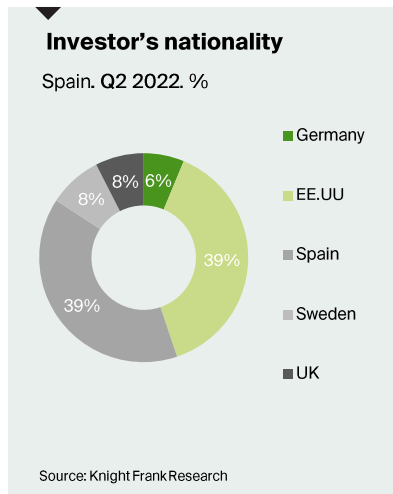
Transactions and prices in Spain

During the 2nd quarter, investment reached almost €860m and so far, this year almost €1,770m, which is around 170% higher than the first half of the previous year. The year is expected to end with record figures.

According to the nationality of the buyer it is the nationals and within the internationals it is the USA who led with about 40% of the total investment in the quarter.

The average rental price in Spain stands at 11.2 €/m².

By number of bedrooms, the quarterly price trend has been similar in all typologies, with around 15% y-o-y growth.



TOP 3 DEALS

MADRID

PRS PORTFOLIO
VENDOR: BLACKSTONE
PURCHASER: AXA REAL ESTATE

€285 M 740 houses
Source: BrainsRE

VALENCIA

2 RESIDENTIAL BUILDINGS
VENDOR: AQ ACENTOR
PURCHASER: CATELLA

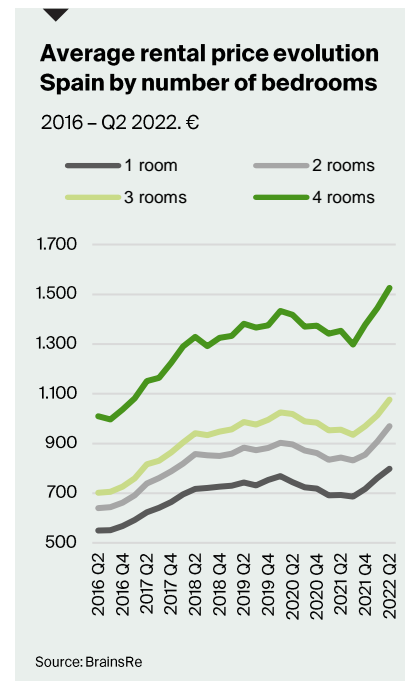
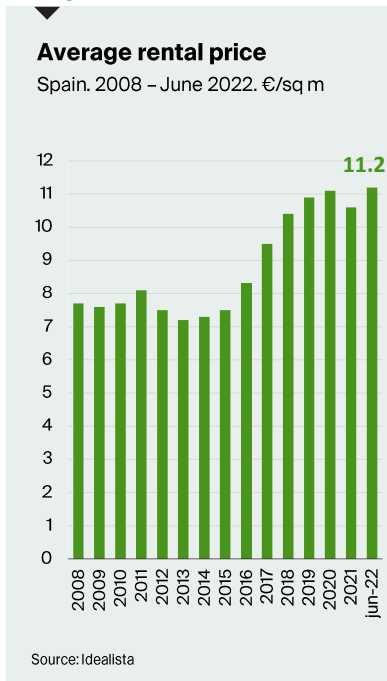
€66 M 281 houses
Source: Belbex

MADRID

5 RESIDENTIAL BUILDINGS
VENDOR: AMENABAR
PURCHASER: AVALON

€60 M 300 houses
Source: BrainsRE

The most significant transaction during the second quarter of the year was the sale of a portfolio in Madrid, comprising six residential buildings with 740 units, by Spanish insurer AXA Real Estate to the Blackstone fund for €285 million. The buildings are in the districts of Méndez Álvaro, Sanchinarro, Alameda de Osuna, San Sebastián de los Reyes, Boadilla and Majadahonda. Another important transaction is the acquisition of 2 properties in Valencia for €66 million by Catella. And the sale of 5 turnkey residential assets in the Vallecas neighbourhood in Madrid by the English Avalon for €60 million.



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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Global Res. Cities Q1 2022

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