

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

Q3 2021



**SPAIN DATA 2021**  
y-o-y (latest available data)

GDP\*  
**+5.7%**  
(FORECAST 2021)

POPULATION INCREASE\*\*  
**+0.6%**  
(FORECAST 2022)

GROSS AVAILABLE INCOME (HOUSEHOLDS)  
**+3.3%**  
(JUN 2021)



**SPAIN DATA 2021**  
(latest available data)

AVERAGE RENTAL PRICE  
**10.5 €/sq m**  
(Q3 2021)

INVESTMENT VOLUME PRS  
**€390 M**  
(Q3 2021)

GROSS RETURN ON HOUSING RENTAL  
**3.7%**  
(Q2 2021)

\* FMI. \*\* INE.

## Situation in Spain

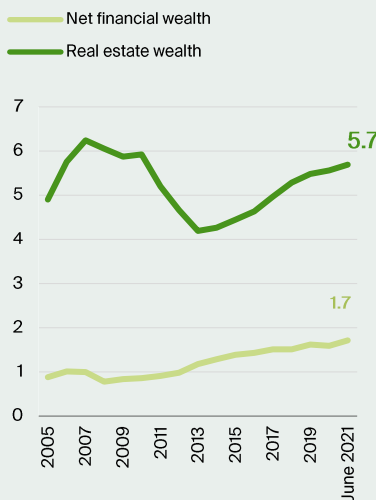
In October, the IMF has lowered its 2021 growth forecast for Spain by half a percent to 5.7%, but increased the forecast for 2022 to 6.4%, which places it at the forefront of the world's main powers, being well above the average expected in advanced economies.

According to the latest data, household real estate wealth continues to rise (€5.7 B), which is the highest figure since 2011, and this trend is expected to continue over the coming months. Net financial wealth continues to grow, standing at over €1.7 billion.

The percentage of the population spending +40% of its income to renting in the country stood at 36% at the end of 2020 compared to 48% in 2014.

### Household's wealth

2005 - June 2021. Billions €

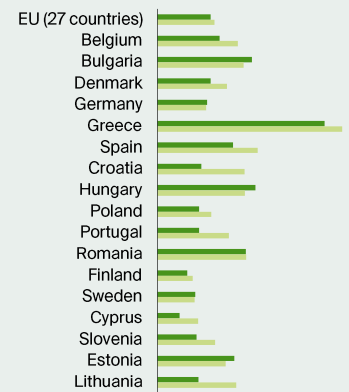


Source: Bank of Spain

### % population spending >40% of income on rent

Europe

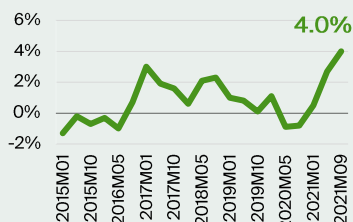
■ 2020 ■ 2014



Source: Eurostat, Housing Cost Burden

### Spain CPI

Y-o-y (%). 2015 - Sept 2021



Source: INE

### Gross available household income\* Spain

June 2001 - June 2021. € Million



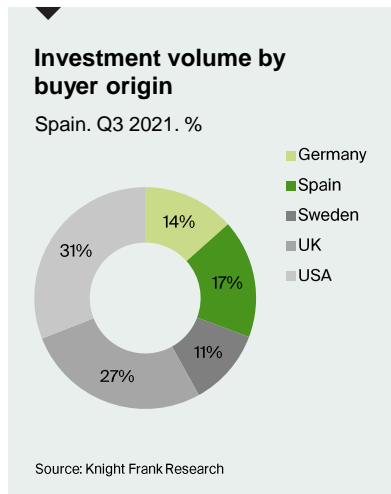
Source: Bank of Spain, Average Income

## Transactions and prices in Spain

Investment in PRS during the quarter almost reached to €400 million, with the USA being the country of origin of the investor with the highest volume, more than 30%, followed by the UK, Sweden, Spain and lastly, Germany.

The gross rental yield 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.

According to the latest available data, the average rental price stood at 10.5 €/sq m in September, -1.4% compared to the previous quarter.



## TOP 3 DEALS

### MADRID

**MÉNDEZ ÁLVARO PROJECT**  
 VENDOR: ACCIONA  
 PURCHASER: GREYSTAR  
**€120 M** 455 houses  
 Source: Brainsre

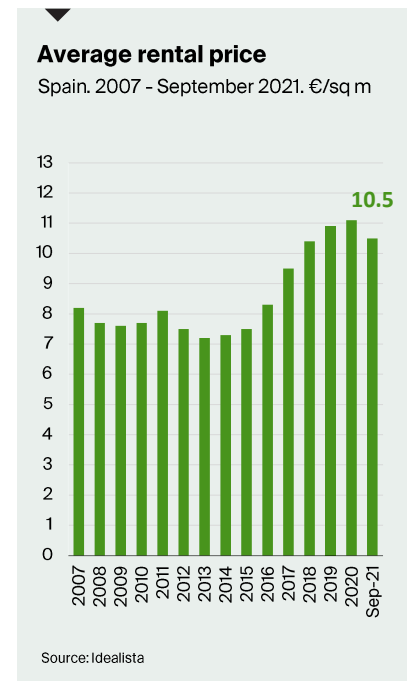
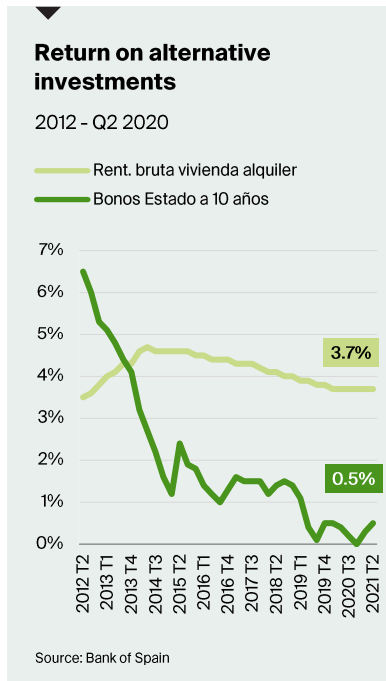
### MADRID

**2 BUILDINGS MADRID CENTRE**  
 VENDOR: DAZEO  
 PURCHASER: ABERDEEN  
**€55 M** 150 houses  
 Source: ElEconomista

### BARCELONA

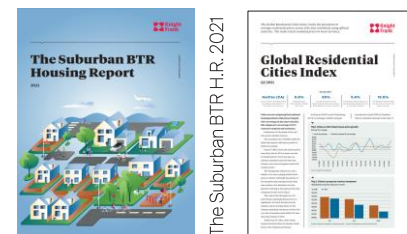
**2 DEVELOPMENTS BARCELONA**  
 VENDOR: N.A  
 PURCHASER: PATRIZIA AG  
**€52 M** 128 houses  
 Source: EjePrime

One of the most significant transactions of the quarter was the acquisition by Greystar fund of the Adif project in Méndez Álvaro (Madrid), from the Acciona Inmobiliaria, to build 455 rental homes. The transaction amounts to €120m and the homes are expected to be completed in 2024. Another project of note was the €55m purchase of two turnkey residential projects by Aberdeen from Dazeo, the joint venture between Dazia and Eurazeo, in the centre of Madrid, which will total around 150 apartments.



**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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