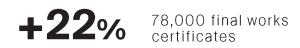


The sector indicators are compiled quarterly from a detailed and exhaustive study prepared by professional staff in the Knight Frank Madrid office and are based on real data and market trends.

Residential Snapshot

Q12020

SPAIN



Situation in Spain

Due to the current situation caused by COVID-19 the Spanish Economy is in a moment of uncertainty, although it is expected to make a recovery in the short - medium term.

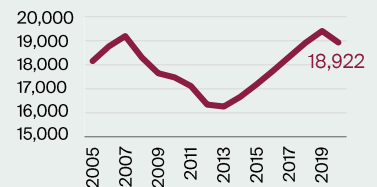
The first quarter of 2020 closed with around 19 million affiliates of Social

Security, above the minimum registered of 2013. The intention to purchase a home continue increased registered at 8.3%.

The year closed with a total of almost 360,000 mortgages lent, with an annual growth of almost 3%. Both the approvals and the final works certificates closed the year with an increase of 5.5% and 22% respectively, compared to the previous year.

Affiliates of S. Security

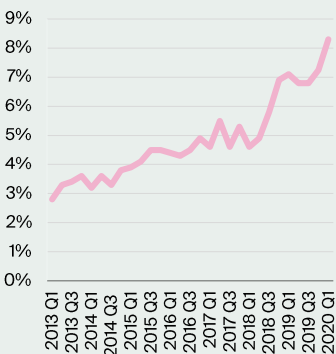
000' of people. 2005 - Q1 2020



Source: Ministry of Employment and Social Security

Intention of House Buying

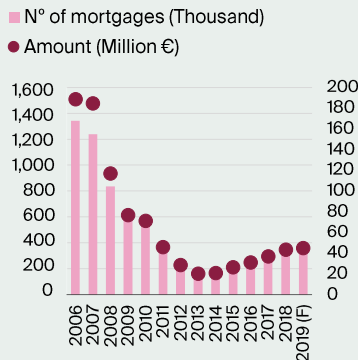
2013 - Q1 2020



Source: CIS

N° of mortgages and amount in Spain

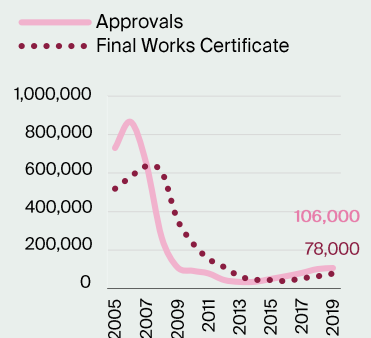
2006 - 2019 (F)



Source: INE

Approvals and Final Works Certificates

2005 - 2019 (F)



Source: Knight Frank Valuation Department based on Ministry of Public Works

Prices and transactions in Spain

The year closed with a total of almost 545,000 housing transactions, of which 10% corresponds to new housing.

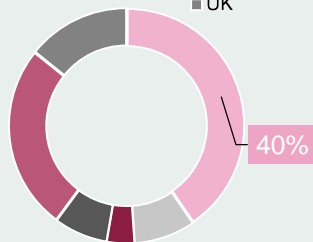
During the last quarter of 2019 the new build price exceeded 1.900 €/sq m and the existing housing 1.600 €/sq m. New build sales registered an annual increase of 3.6%, compared to an increase of 2.1% in existing housing. A price contraction is expected during 2020 due to the current health crisis that is affecting the residential market.

Almost 13% of buyers are international, of which 40% are from EU member countries.

Origin of foreign housing buyers in Spain

Q4 2019

- European Union
- Rest of Europe
- China
- North of Africa
- Rest of the World
- UK

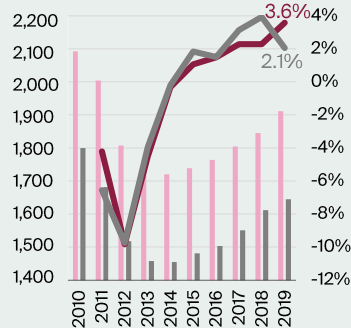


Source: Spanish College of Property

NB and EH prices*

2010 - 2019

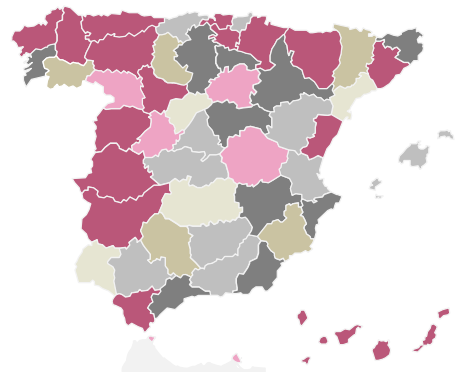
- NB (€/sq m)
- EH (€/sq m)
- NB (y-o-y, %)
- EH (y-o-y, %)



Source: Ministry of Public Works
*New build and existing housing

NEW BUILD PRICES VARIATION BY PROVINCE. Q4 2018 - Q4 2019

- $X \leq -6\%$
- $-6\% < X \leq -3\%$
- $-3\% < X \leq 0\%$
- $0\% < X \leq 3\%$
- $3\% < X \leq 6\%$
- $6\% < X$
- N.A.

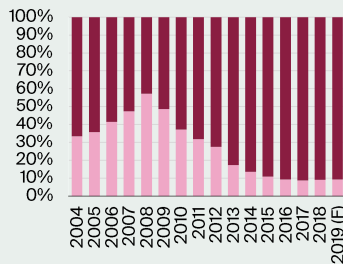


Source: Ministry of Public Works

% NB and EH transactions of the total

2004 - 2021 (F). %

- Existing housing
- New build

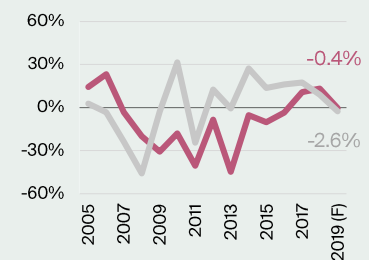


Source: Knight Frank Valuation Department based on Ministry of Public Works

NB and EH y-o-y variation

2004 - 2019 (F)

- New build
- Existing housing



Source: Knight Frank Valuation Department based on Ministry of Public Works

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 is 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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