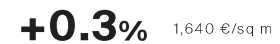


The sector indicators are compiled quarterly from a detailed and exhaustive study prepared by experts in the Knight Frank Madrid office and are based on real data and market trends.

Residential Snapshot

Q2 2020

SPAIN



Situation in Spain

The latest data available reveals the first effects of the COVID-19 crisis on Spain's economy. According to the data for the month of May, more than 18.6 million people registered in the Social Security, 15% more than the minimum registered of 2013.

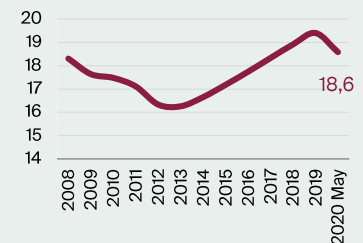
More than 100,000 mortgages were registered in the first months of the

year, representing an annual growth of 3%, although the forecast after the pandemic is that they will dip below 2019 levels, with about 250,000.

It is expected that the year will close with around 70,000 approval certificates, amounting to close to 35% less than that of the previous year, whilst final works certificates register at 15% more due to them being related to the approval certificates from approximately two years prior.

Affiliates of S. Security

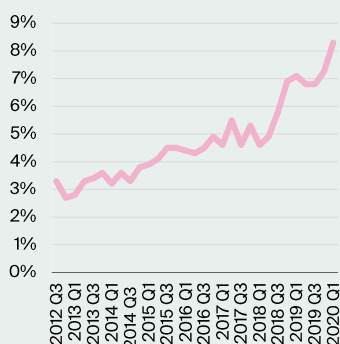
Million of people. 2004 - May 2020



Source: Ministry of Employment and Social Security

Intention of House Buying

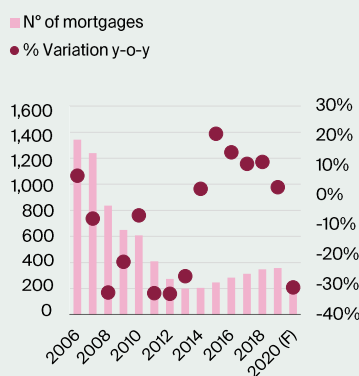
2013 - Q1 2020



Source: CIS

N° of mortgages

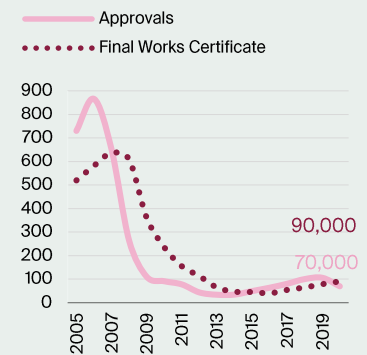
2006 - 2020 (F). Thousand



Source: Knight Frank Research e INE

Approvals and Final Works Certificates

2005 - 2020 (F). Thousand



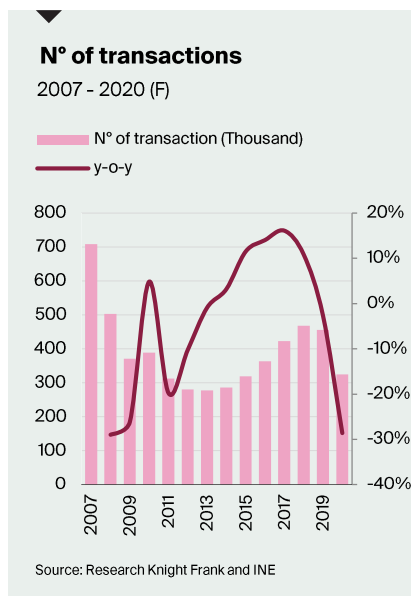
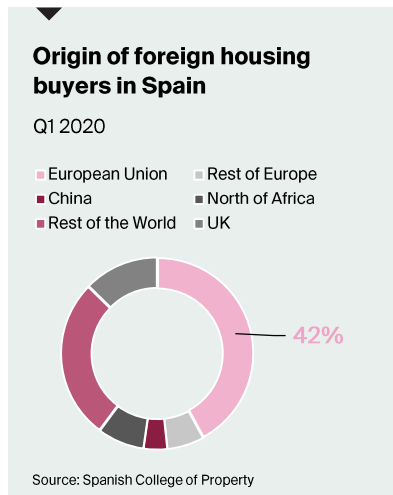
Source: Knight Frank Research / Ministry of Public Works

Prices and transactions in Spain

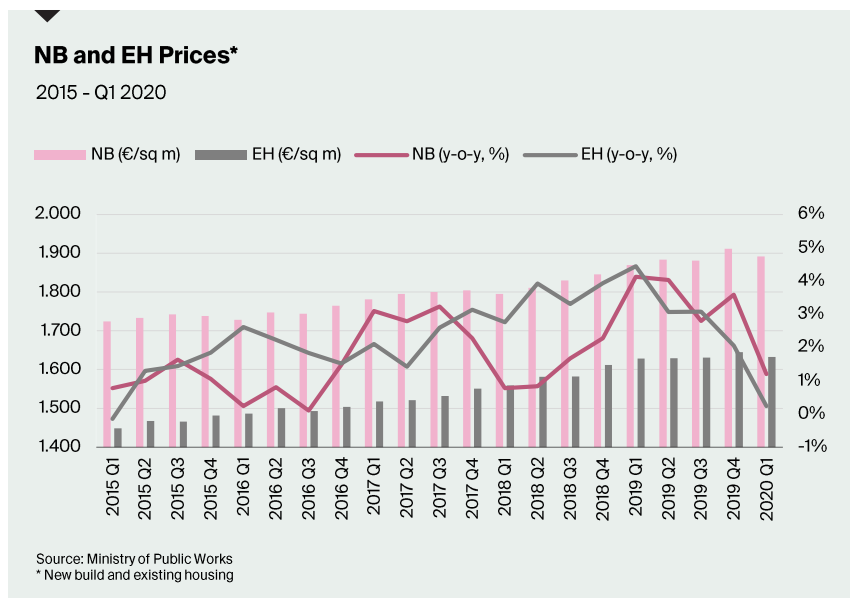
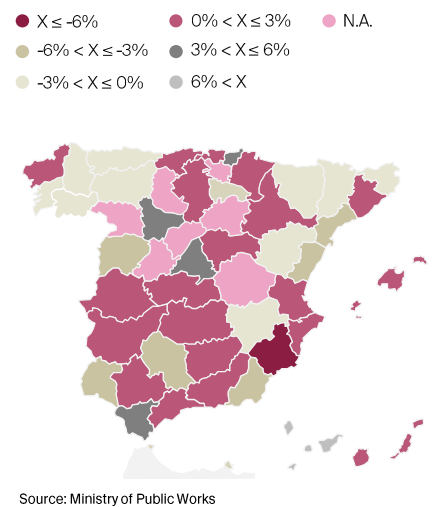
The first quarter closed with 115,000 housing transactions, this figure is expected to rise to 325,000, almost 30% less than in 2019.

Prices of new build properties have registered at almost 1,900 €/sq m, with an annual growth of 1,2% and the existing housing sits at 1,600 €/sq m, a 0.2% increase. The prices in the new build market for the first three months of the year are comparable to the same period of 2019. Prices in freehold properties are expected to experience a slight contraction in the coming months.

The proportion of foreign home buyers during the first quarter of the year represented 12% of total purchases and Europeans led with 42%.



NEW BUILD PRICES VARIATION BY PROVINCE. Q1 2019 - Q1 2020



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.

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