

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.

Residential Snapshot

Q2 2021

SPAIN



Approvals and Final works certificates
Q1 2020 / Q1 2021

-1% 23,800 approvals

-1% 19,900 final works certificates



Transactions and prices
Q1 2020 / Q1 2021

+2% 118,500 N° of transactions

-0.9% 1,625 €/sq m (free housing)

Situation in Spain

The country's economic growth is reflected in the latest GDP data, where in the 2nd quarter, the y-o-y variation was close to 20%, a recovery is expected to continue in the coming months.

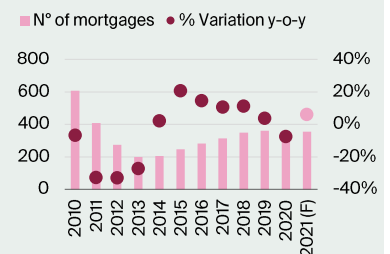
The n° of people affiliated to the S. Security has also increased (19.3 M people in June), around 4% more than in the same month of 2020.

The n° of mortgages has gradually increased, with an estimated 355,000 registrations at year-end, almost 6% more than in 2020 and very close to 2019.

Considering the data for the 1st quarter, building permits it is expected that they will gradually increase, reaching 95,000 permits by the end of the year, around 11% more than in 2020. The building completion certificates is expected an increase of nearly 5%, reaching 90,000 by the end of the year.

N° of mortgages

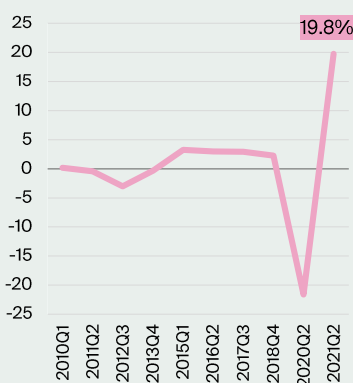
2010 - 2021 (F). Thousand



Source: Knight Frank Research and INE

GDP Evolution

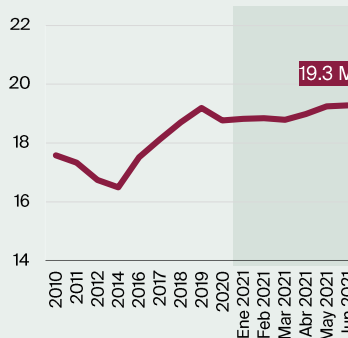
2010 - Q2 2021. y-o-y (%)



Source: INE

Affiliates of Social Security

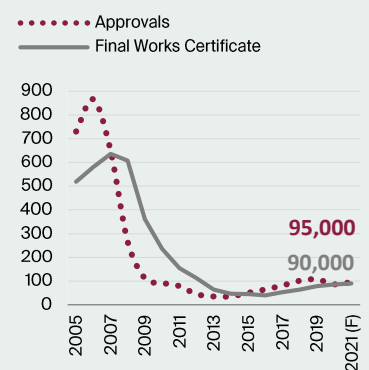
2010 - June 2021. 000's of people



Source: Ministry of Employment

Approvals and Final Works Certificates

2005 - 2021 (F). Thousand



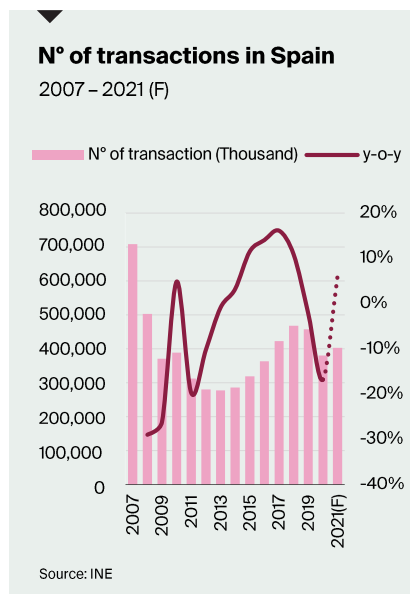
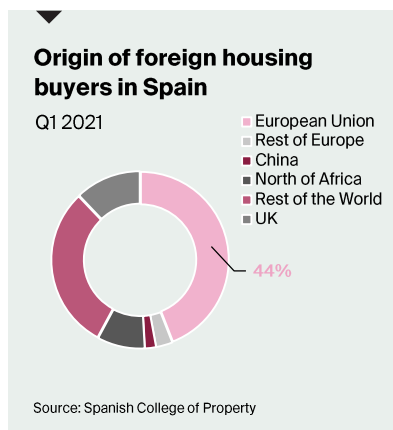
Source: Knight Frank Research / Ministry of P. Works

Prices and transactions in Spain

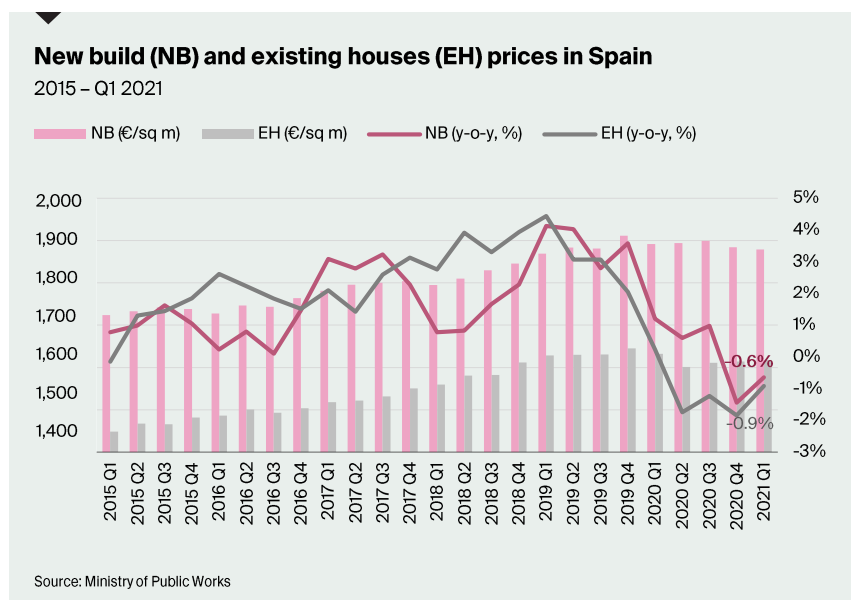
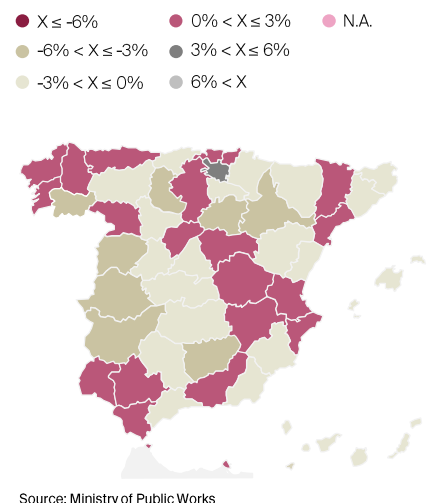
The good performance in the n^o of transactions during the initial months of 2021 makes it possible to foresee an optimistic closing of the year with around 400,000 transactions (around +6% than the previous year).

Free housing price at a national level is starting to stabilize and during the 1st quarter hardly any movement has been registered (annual variation of -0.9%). The new-build average prices stood at almost 1,880 €/sq m and existing housing at around 1,620 €/sq m, being still slightly lower than in the same period of the previous year.

Regarding buyers, nationals increased slightly (+90% in Q1 2021 compared to 88% in Q1 2020). Regarding the international, Europeans continue to lead, with the French, Germans and Belgians being the most representative.



NEW BUILD PRICES VARIATION BY PROVINCE. Q1 2020 – Q1 2021



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.

Residential

Carlos Zamora
Partner, Head of Residential
+34 600 919 041
Carlos.Zamora@es.knightfrank.com

Research

Rosa Uriol
Head of Research
+34 600 919 114
Rosa.Uriol@es.knightfrank.com

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