

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 2022

SPAIN



Approvals and Final works certificates*
Q1 2021 / Q1 2022

+19% 28,330 approvals

+2% 20,230 final works certificates



Transactions and prices*
Q1 2021 / Q1 2022

+29% 152,400 N° of transactions

+6.7% 1,734 €/sq m (free housing)

Situation in Spain

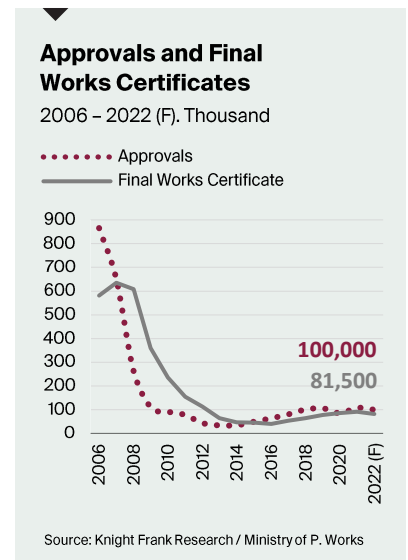
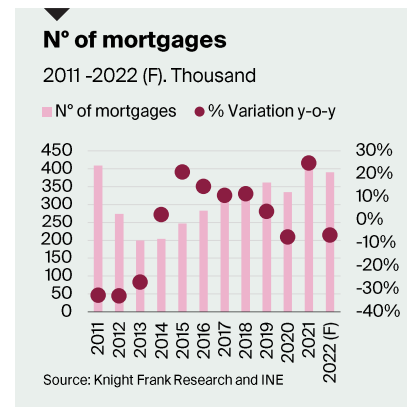
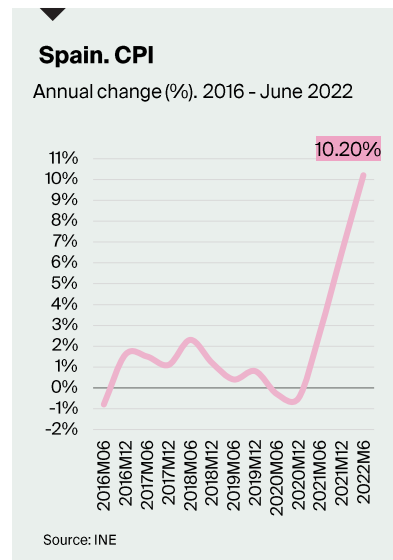
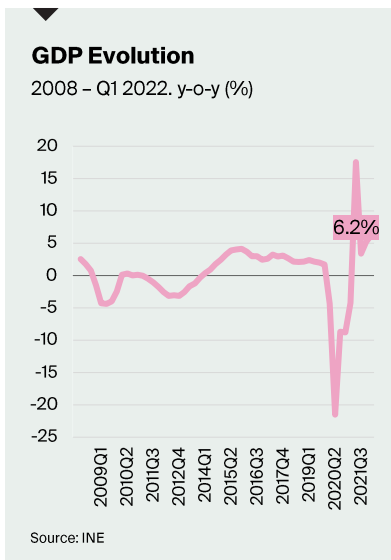
The country's economic growth is reflected in the latest GDP data, where in the 1st quarter of 2022, the y-o-y variation was close to 6%, it is expected that due to the current economic situation, the expected growth will not be reached. The CPI is soaring and continues to be a brake on the Spanish economy, which has caused all economic studies to go in line to compress the

forecasts for the evolution of GDP.

The number of mortgages has started the year with almost 120,000, an annual growth of more than 20%, although the forecast is that it will end below the year 2021, with almost 390,000, due to the rise in interest rates.

Approvals are expected to close the year at around 100,000, 8% less than the previous year, while completion certificates, being related to approvals approved approximately two years earlier, will register 10% less than in 2021.

*Source: Ministry of P. Works / INE

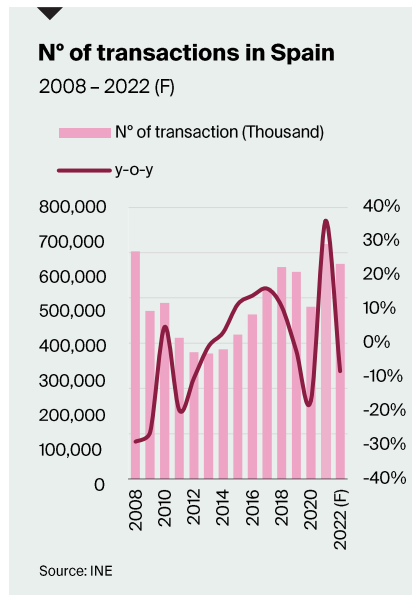
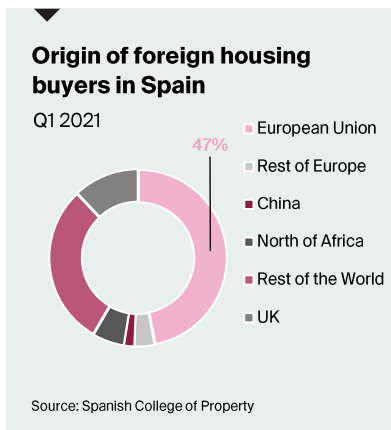


Prices and transactions in Spain

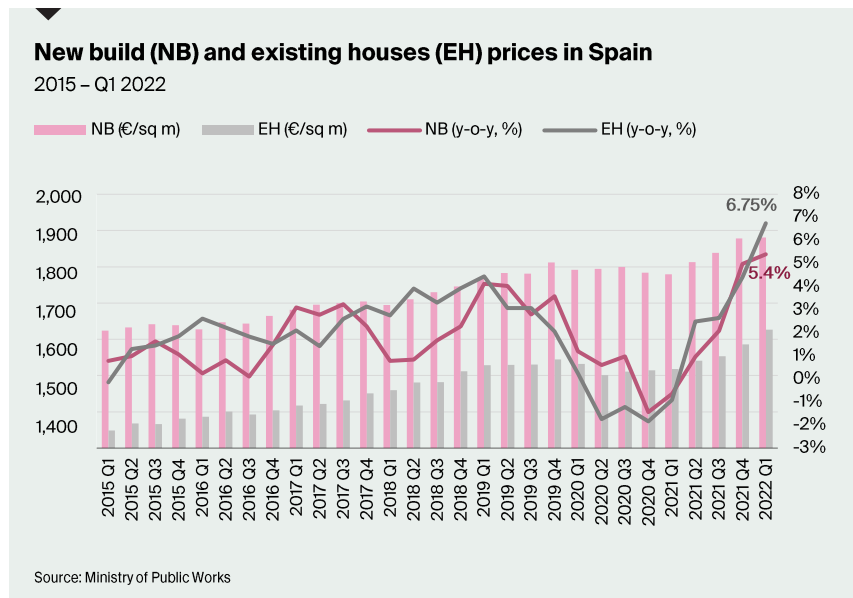
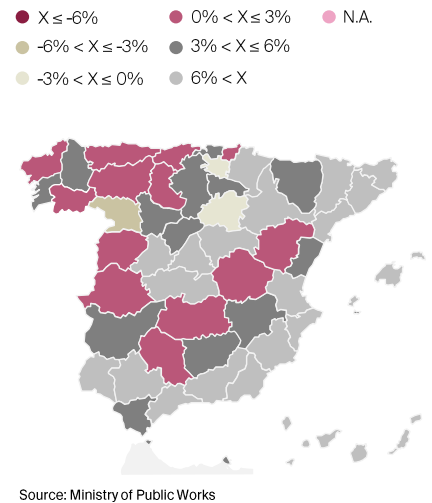
In the first quarter of the year, more than 150,000 units of free housing were transacted, and by the end of the year, the figure is expected to reach 475,000, 8% less than in 2021.

The price of free housing in Spain during the 1st quarter of 2022 has increased by almost 7% year-on-year, around 1,735 €/sq m. By provinces, Tarragona, Gerona and the Balearic Islands have seen the greatest variation (between 10% and 11%). In new-build, the average price has reached 1,980 €/sq m, an increase of 5.5%, although these increases are expected to slow down due to the economic context. Existing housing it stands at around 1,726 €/sq m, a year-on-year increase of 6.7%.

The origin of homebuyers in Spain continues to be led by Europeans with almost 50%.



NEW BUILD PRICES VARIATION BY PROVINCE. Q1 2021 – Q1 2022



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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