



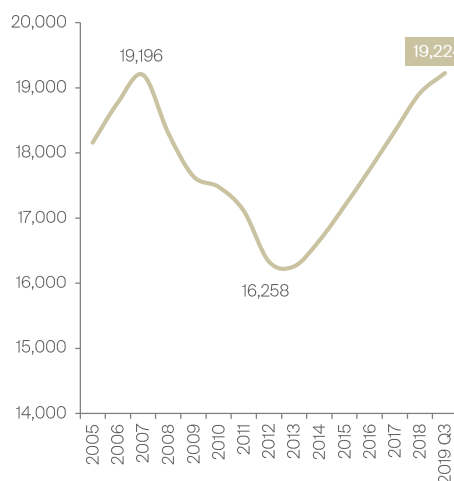
RESIDENCIAL SNAPSHOT

3rd QUARTER 2019

Situation in Spain

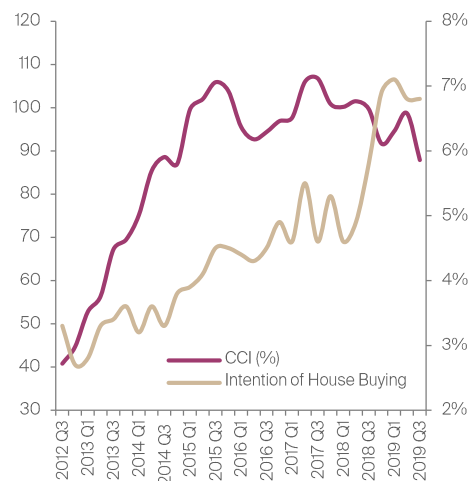
- The third quarter of the year closed with 19,220 million of people affiliates of Social Security, exceeding the historic maximum in 2007. The unemployment rate continued to reduce, reaching 13.92%.
- The Consumer Confidence Index has reached 81 points, as a consequence of political and economic uncertainty. The intention to purchase a home is maintaining a positive level, reaching up to date 6.8%.
- It is expected that approvals and final works certificates close the year with more moderate data but still exceeding the data of the previous year, at 9% and at 15% more, respectively.
- The number of mortgages until August exceeded 246,000, at 6% more than the same period in 2018. It is expected by the year end a figure higher than the previous year but more moderate.

GRAPH1
Affiliates of Social Security
000's of people. 2004 - Q3 2019



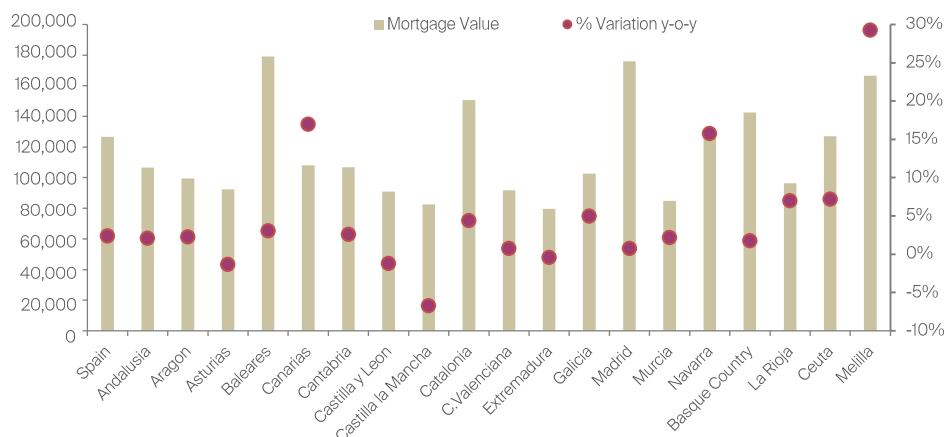
Source: Ministry of Employment and Social Security

GRAPH2
CCI and Intention of House Buying
2012 - Q3 2019



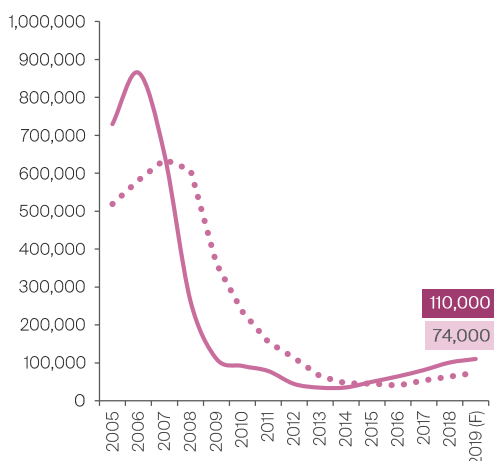
Source: CIS

GRAPH3
Average mortgage value by region
2019 (F)



Source: Knight Frank Valuation Department based on INE and Spanish College of Property

GRAPH4
Approvals and Final Works Certificates.
2005 - 2019 (F)



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

STARTED AND COMPLETED HOUSES | 2018 - 2019 (F)

Started: +30 % (117,000 units approx)

Completed: +26 % (75,000 units approx)

Prices and transactions in Spain

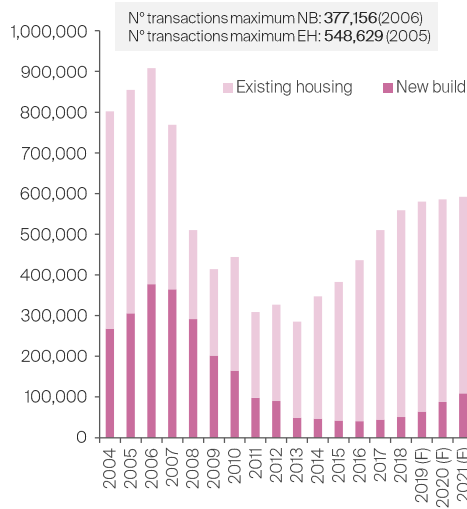
- The number of housing transactions during the first semester has been more than 275,000, the vast majority being existing housing.

- During 2018 the existing housing transactions only remained at 8% of the maximum of 2005 while the new build transaction has been at 87% of the levels reached in 2006.

- The moderation in the increase in prices of new build and existing housing reflects the beginning of a period of consolidation of the residential market.

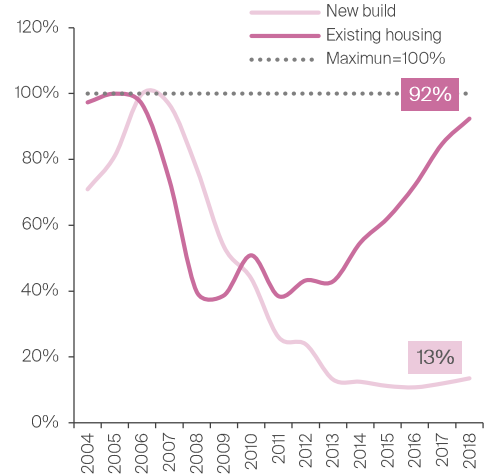
- Regarding the origin of foreign buyers in our country, those belonging to the European Union predominate, highlighting in annual terms the rise of France by 9% and in the opposite case of the United Kingdom a decline by -11%, caused by the uncertainty of Brexit.

GRAPH5
New build and existing housing transactions. 2004 - 2021 (F)



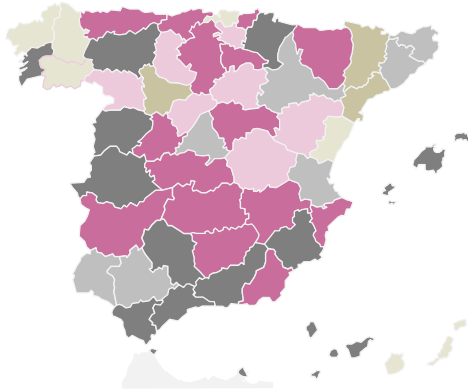
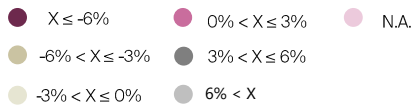
Source: Knight Frank Valuation Department based on Ministry of Public Works

GRAPH6
Number of transactions compared to the peak. 2004 - 2018



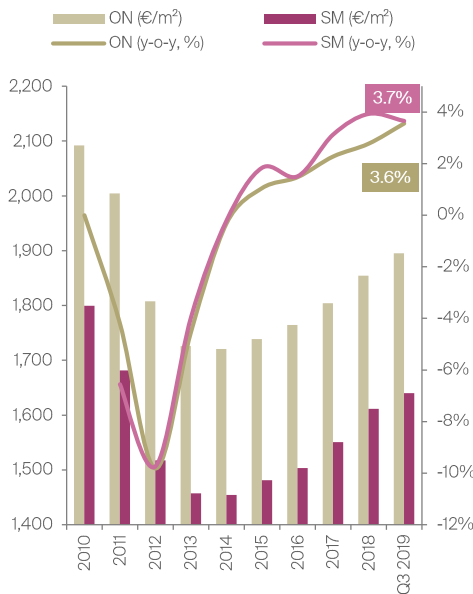
Source: Knight Frank Valuation Department based on Ministry of Public Works

GRAPH7
New build prices variation by province. Q2 2018 - Q2 2019



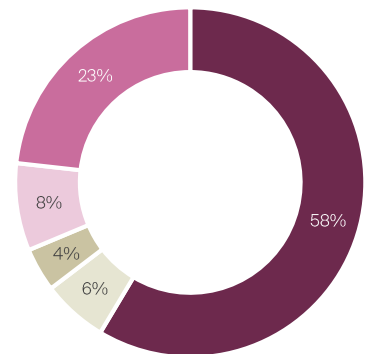
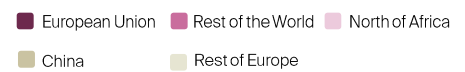
Source: Ministry of Public Works

GRAPH8
New build (NB) and existing housing (EH) prices. 2010 - Q3 2019



Source: Ministry of Public Works

GRAPH9
Origin of foreign housing buyers in Spain. 2019



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



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