

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.

# Private Rented Sector Snapshot

Q12021

**SPAIN DATA 2020**  
y-o-y (latest available data)

GDP  
**+6.4%**  
(IMF FORECAST 2021)

POPULATION INCREASE  
**+0.56%**  
(INE FORECAST 2021)

GROSS AVAILABLE INCOME (HOUSEHOLDS)  
**1.5%**  
(DEC 2021)

**SPAIN DATA 2020**  
(latest available data)

AVERAGE RENTAL PRICE  
**10.8 €/sq m**  
(March 2021)

INVESTMENT VOLUME PRS  
**€ 560 M**  
(Q1 2021)

GROSS RETURN ON HOUSING RENTAL  
**3.7%**  
(Q1 2021)

## Situation in Spain

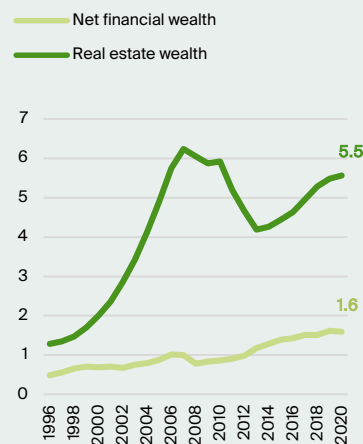
Spanish GDP close 2020 at -11% due to the COVID-19 situation, although the IMF has raised the growth forecast for 2021 to 6.4%, leading the global recovery.

The number of rental households has continued to grow in recent years, reaching 24% in 2020, which is 3 points higher than in 2014.

Household property financial wealth continues to increase continuing the trend since 2014, and even with the current health crisis, growth in 2020 was 1.5% compared to 2019.

### Households wealth

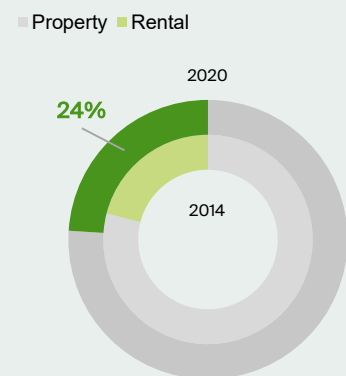
Dec 1996 - Dec 2020. Billions €



Source: Bank of Spain

### No. of household by tenure status

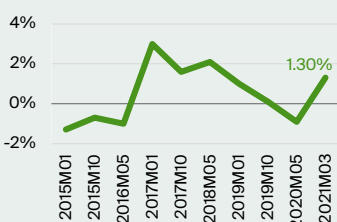
2014 - 2020 (%)



Source: INE

### Spain CPI

Y-o-y (%). 2015 - March 2021



Source: INE

### Gross available household income

Dec 2000 - Dec 2020. € Million



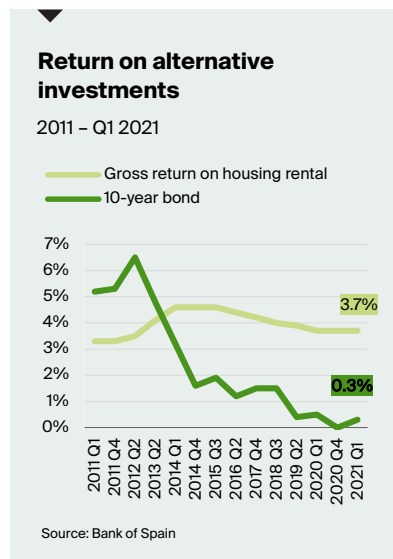
Source: Bank of Spain

## Transactions and prices in Spain

Real estate yields in Spain continue to attract investors. Specifically, the gross return on rental housing stands at 3.7%, a value well above that of other alternative investments.

According to the latest available data, the average rental price stood at 10.8 €/sq m in March, -3.8% compared to the same period last year.

Among the regions with the sharpest price decreases were Madrid, the Balearic Islands and some provinces of Catalonia, with decreases of more than 5%.



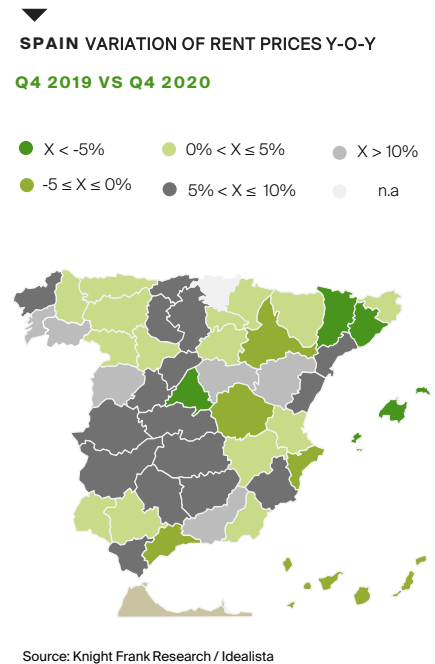
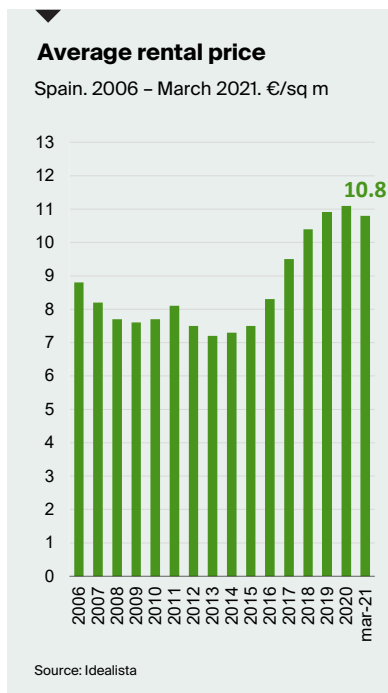
## TOP 3 DEALS

**VARIOUS**  
5 PROJECTS  
VENDOR: AEDAS  
PURCHASER: LAR GROUP  
**€120 M** 655 houses  
Source: Observatorio inmobiliario

**BARCELONA**  
3 BUILDINGS  
VENDOR: CULMIA  
PURCHASER: DWS  
**€80 M** 210 houses  
Source: Brainsre

**MADRID AND MURCIA**  
LAND FOR 2 PROYECT  
VENDOR: CONFIDENTIAL  
PURCHASER: TEN BRINKE  
**€65 M** 376 houses  
Source: El inmobiliario mes a mes

Among the most significant transactions in the first quarter of 2021 is the agreement signed between the platform created by Grupo Lar and Primonial with Aedas Home, for the purchase of five turnkey projects with an investment amounting to 120 million euros. The locations are spread between Madrid, Barcelona and Valencia and include a total of 655 units, all designed for the rental market, which will be delivered from 2022 and will be aimed at the medium income market.



**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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## Recent publications



Res. Investment Survey. 2020



Global Res. Cities Q2 2020

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