

# Snapshot PRS-BTR

Q1 2024

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.

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## The average rental price in Spain starts the year reaching a new record

- Households continue to improve their economic situation at the end of the year, as the trend of growth in both their net financial wealth and gross available income continues.

### SITUATION IN SPAIN

The Consumer Price Index (CPI) stood at 3.2% in the month of March, four tenths above the figure recorded in February. According to Bankinter's forecasts, it is expected that inflation in Spain will close the year at around 3.3%, while the estimate for 2025 would be 2.3%.

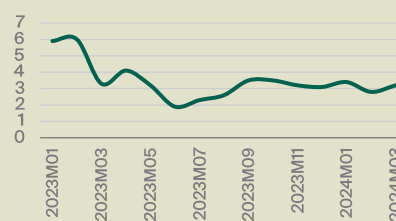
The net financial wealth of households continues to increase, having finished the year 2023 marking a new record, reaching 2.09 trillion euros, which represents a 9.3% increase compared to the previous year.

The gross available income of households has also closed the year 2023 with a historical figure, having recorded more than 250,000 billion euros, which is 10% higher compared to 2022.

The rental effort rate in Spain continues to increase slightly, reaching 33% during the fourth quarter. Among the provinces with a higher ratio, Málaga and the Balearic Islands stand out with around 50%, followed by Barcelona with 40%.

### Spain CPI

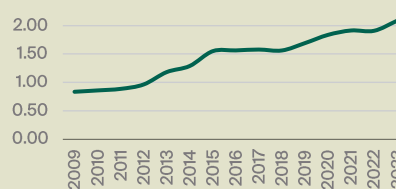
Y-o-y (%)



Source: INE

### Household's net financial wealth

Billions



Source: Banco de España

## Spain

Latest available data

**+2.0 %** y-o-y | GDP (Q4 2023)

**+10 %** y-o-y | Gross available household income (2023)

**33 %** Rent effort rate (Q4 2023)

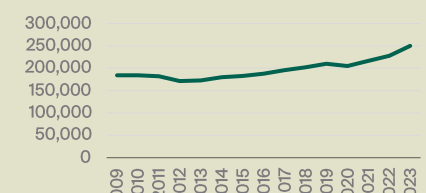
**12.7 €/sqm** Average rental Price (Mar 2024)

**3.4 %** Gross return on housing rental (Q4 2023)

Source: FMI / INE / Banco de España / Idealista

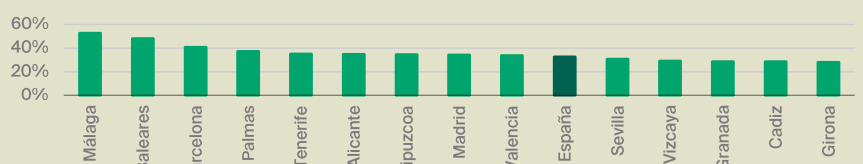
### Gross available household income

M€



Source: Banco de España

### Rent effort rate Q4 2023



Source: Idealista

## TRANSACTIONS AND PRICES IN SPAIN

The 1st quarter of the year starts with a lower transaction volume in this segment. In the 1st three months, the transaction volume amounts to around M240€, a figure that is slightly below the quarterly average of the last year (M294€). However, given the extensive potential that this sector continues to have in our country, it is expected that investors will resume activity in the coming months of the year.

The average rental price in Spain closed 2023 reaching a historic high for the third consecutive year. The year 2024 begins with the same trend, recording a new peak with an average price of 12.7 €/sq m during the month of May.

The potential of secondary cities continues to gain strength, as evidenced by how among the cities that have experienced the highest increases during March, Segovia continues to stand out with around 22%, followed by Valencia, with almost 20%. Madrid remains an opportunity, continuing to rank third with 17%.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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# Spain

Investment volumen Q1 2024

**€240 M** (€400 € Q1 2023)

Top 3 investment deals Q1 2024

**€63.5M** | Madrid

Vendor: Tempore | Purc.: Renta Corporacion  
Houses: 556  
Source: Brainsre

**€17.7M** | Madrid

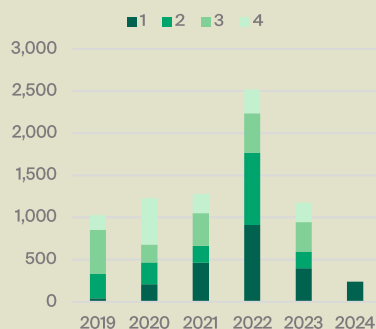
Vendor: BBVA | Purc.: Generalitat Cataluña  
Houses: 395  
Source: Idealista

**€6.2 M** | Tenerife

Vendor: Confidential | Purchaser: Hipoges  
Houses: 294  
Source: Brainsre

► Among the highlighted operations of the first quarter is the acquisition by the real estate company Renta Corporación of four buildings located in Madrid, three of them in Arganda del Rey, for its sociimi Vivenio. The assets belonged to Tempore, a vehicle created by Sareb to manage real estate assets, and the transaction price has been 63.5 million euros. The total number of homes amounts to 556.

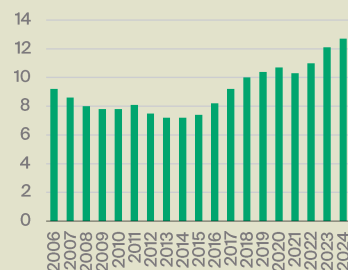
## PRS quarterly investment



Source: Knight Frank Research

## Average rental price

Spain, 2006-2024(mar). €/sq m



Source: Idealista

## Rental Price (y-o-y)

Top Cities. Mar 2024



Source: Idealista