

Snapshot PRS-BTR

Q2 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 continues to reach historic highs

- Households continue to perform well, improving their economic situation at the beginning of the year, with a trend of growth in their net financial wealth and gross disposable income.

SITUATION IN SPAIN

The CPI stood at 3.4% in June, two-tenths of a percentage point below the figure recorded in May. According to Bankinter's forecasts, inflation in Spain is expected to end the year at around 3.4%, while the estimate for 2025 is projected to be 2.3%.

Households' net financial wealth starts the year setting a new record, reaching 2.15 trillion euros, which represents a 10% increase compared to the same period last year.

Households' gross available income has also started the year with significant growth, amounting to around 230 billion euros, which is an 8% increase compared to the same period in 2023.

The rental effort rate in Spain continues to increase slightly, reaching just over 34% during the first quarter of the year. Among the provinces with higher rates, Málaga stands out with over 50% and the Balearic Islands with around 46%.

Spain

Latest available data

+2.5 % y-o-y | GDP (Q1 2024)

+8 % y-o-y | Gross available household income (Mar 2024 vs Mar 2023)

34 % Rent effort rate (Q1 2024)

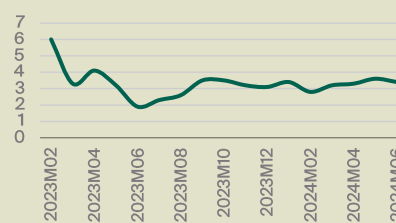
13.4 €/sqm Average rental Price (Jun 2024)

3.4 % Gross return on housing rental (Q2 2024)

Source: FMI / INE / Banco de España / Idealista

Spain CPI

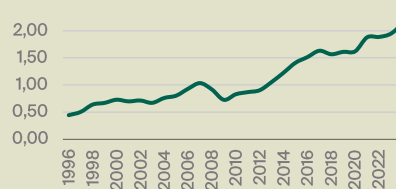
Y-o-y (%)



Source: INE

Household's net financial wealth

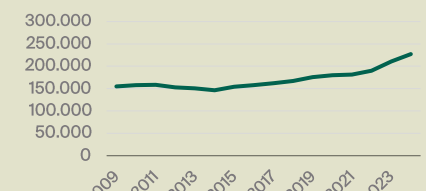
Billions. March



Source: Banco de España

Gross available household income

M€. March

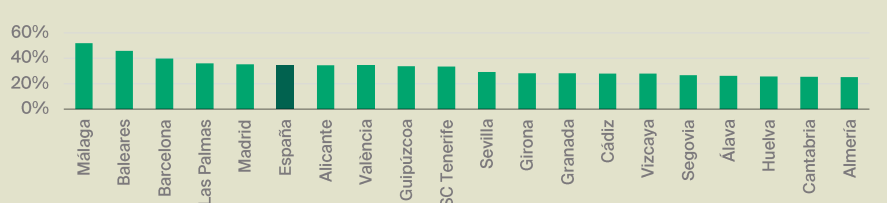


Source: Banco de España

Rent effort rate

Q1 2024

Fuente: Idealista



TRANSACTIONS AND PRICES IN SPAIN

The second quarter of the year begins with a transaction volume of around 150 million euros. The total for the first half of the year amounts to approximately 385 million euros, which is below the semiannual average of recent years. However, given the significant potential that this sector still holds in our country, it is expected that investors will resume activity in the coming months.

The average price continues to set records month after month, reaching 13.4 €/m² in June, which represents a 13.2% increase compared to June of the previous year.

The potential of secondary cities continues to gain strength, as evidenced by the fact that among the cities with the greatest increase during June are Valencia and Cáceres, with around a 20% increase. They are followed by Santa Cruz de Tenerife and Madrid, with approximately an 18% increase, respectively.

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 H1 2024

€385 M (€595 € H1 2023)

Top 3 investment deals Q2 2024

€140M* | Madrid

Vendor: Greystar | Purc. : Savills IM

Houses: 455

Source: Brainsre * Estimated prices

€4.4M | Various

Vendor: Confidential | Purc. : TuTechō

Houses: n.a.

Source: Brainsre

€3.4 M | Madrid

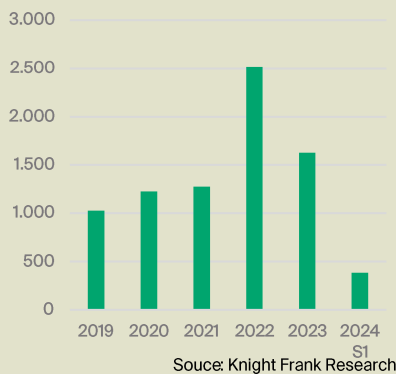
Vendor: Confidential | Purchaser: Inhome PP

Houses: 4

Source: Brainsre

► Among the notable transactions of the second quarter is the acquisition by Savills IM of the large BTR project in Méndez Álvaro, previously owned by Greystar. The residential project comprises 13 floors and will feature 455 apartments for rent. The building is strategically located in the Arganzuela district, just a 15-minute walk from Atocha station.

PRS Investment



Average rental price

Spain, 2006-2024(jun), €/sq m



Rental Price (y-o-y)

Top Cities, Jun 2024

