

PRS-BTR Snapshot

Q2 2025

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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Rental prices in Spain continue to rise: as of July 2025, prices are 11% higher than in 2024

- The increase in real housing prices shows a heterogeneous pattern, with the strongest upward pressures concentrated in urban areas with strong demographic attraction and high levels of tourism activity.

SITUATION IN SPAIN

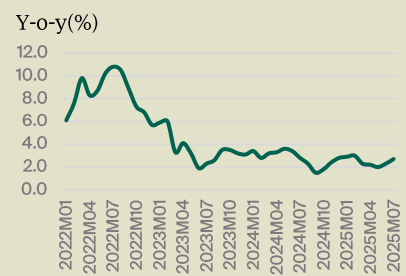
Pressure on housing prices is driven, among other factors, by the accumulated housing deficit in recent years. This deficit stems from the imbalance between supply and demand. Although the supply of new housing has increased slightly in recent years, it does not offset growing demand.

Between 2022 and 2024, Spain's population grew by nearly 1,000,000 people, almost 80% of whom were of foreign origin.

The shortage of housing shows significant geographical disparities. The largest increases in real housing prices are observed in regions with stronger economic and tourism growth.

The rental effort rate in Spain in Q2 2025 stands at 38%, two percentage points higher than in the previous quarter. The provinces of Málaga, the Balearic Islands, Barcelona, and Valencia continue to record the highest rates, exceeding the national average and surpassing 40%.

Spain CPI



Household's net financial wealth



Spain

Latest available data

+2.8 % y-o-y | GDP (Q2 2025)

+5.1 % y-o-y | Gross available household income (Mar 2025 vs Mar 2024)

38 % Rent Effort Rate (Q2 2025)

14.6 €/sq m Average rental Price (Jul 2025)

3.2 % Gross return on housing rental(Q2 2025)

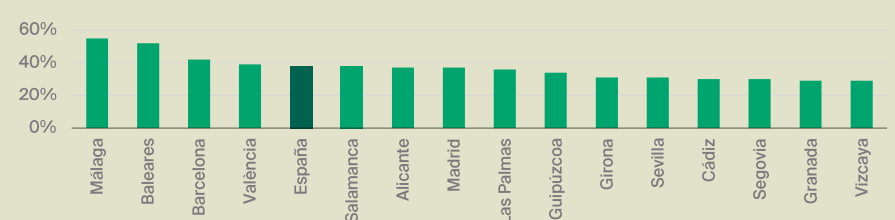
Sources: Banco de España / Idealista / INE

Gross available household income



Rent effort rate

Top provinces. Q2 2025



TRANSACTIONS
AND PRICES IN SPAIN

The investment volume in the second quarter of the year amounted to €122 million, bringing the total transaction volume for the first half of the year to more than €300 million.

In June, the average rental price in Spain reached €14.6 per sqm, representing a 9% increase compared to the same period in the previous year. This confirms the continuation of the upward trend that has been strengthening in recent years.

On a broader level, the average rental price in Spain has followed this same rising trajectory since 2021, although with a dynamic and heterogeneous evolution depending on the region. Cities located close to the Madrid area, such as Segovia and Zamora, stand out with annual variations in June exceeding 20%. Ávila ranks third with a 15% increase, while Tarragona, Guadalajara, and the remaining provinces show more moderate growth, remaining below 14%.

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 in Q2 2025

€122 M (€298 M Q2 2024)

Top 3 operaciones de inversión Q2 2025

€50 M | Madrid

Vendor: DWS | Purchaser: Vivenio
Houses: 180

Source: Expansión

€27.3 M | Portfolio, Varias Ubicaciones

Vendor: Neinor Homes | Purchaser: 1810 Capital Investment
Houses: 128

Source: Brainsre

€25 M | Portfolio, Various locations

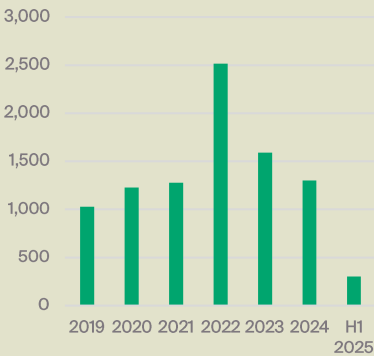
Vendor: Neinor Homes | Purchaser: Round Hill Capital
Houses: 123

Source: EjePrime

Among the most relevant transactions of the second quarter is Vivenio's acquisition, which exceeded €50 million for a total of 180 residential units in Madrid, previously owned by DWS. Also notable is 1810 Capital's purchase of three rental buildings in different coastal locations in Spain, comprising around 128 units. Finally, Round Hill Capital completed acquisitions in Guadalajara and Seville with an investment of nearly €25 million.

PRS-BTR

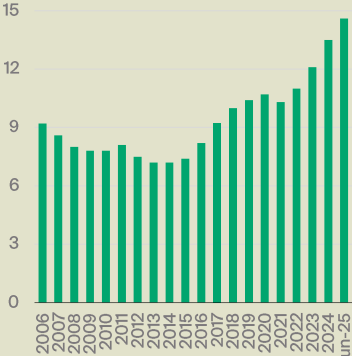
€ M



Source: Knight Frank

Average rental price

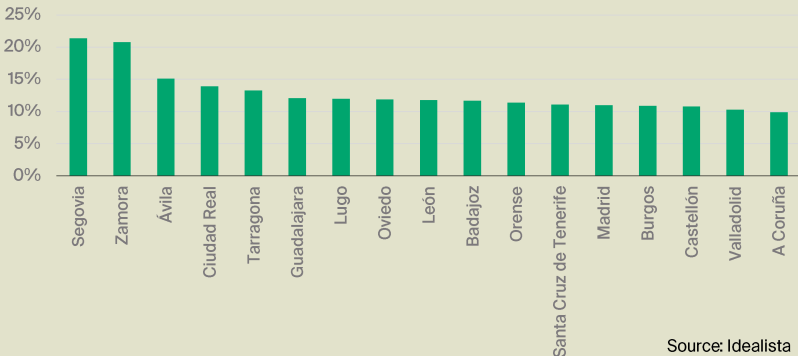
Spain €/sq m



Source: Idealista

Rental Price (y-o-y)

Top cities. Jun 2025



Source: Idealista