

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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Snapshot Residential Investment PRS - BTR

Q32022

SPAIN DATA 2022
y-o-y (latest available data)

GDP
+6.8%
(Q2 2022)

POPULATION INCREASE
+0.3%
(FORECAST 2022-2026)

HOUSING WEALTH (HOUSEHOLDS)
+8.0%
(JUN 2022)

SPAIN DATA 2022
(latest available data)

AVERAGE RENTAL PRICE
11.2 €/sq m
(SEP. 2022)

INVESTMENT VOLUME PRS
€2,235 M
(Q1 - Q3 2022)

GROSS RETURN ON HOUSING RENTAL
+5.2%
(JUN 2022)

Sources: FMI / INE / Bank of Spain / Idealista.

Situation in Spain

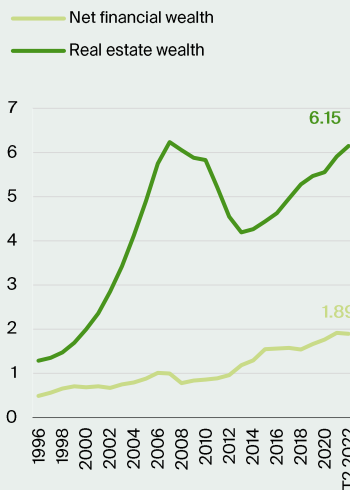
CPI growth continues to register very high values, although the increase in September was somewhat lower and fell below double digits, almost 9%. According to Funcas forecasts, the expected increase for December will be 8.6% and for 2023 will be almost 5%.

Household real estate wealth is at ten-year highs. In July, it stood at more than 6 billion, 8% higher than in the same period of the previous year.

The Spanish rental population continues to approach the European average, having reached 24.2% in 2021, almost 2 percentage points higher than the percentage in 2013.

Household's wealth

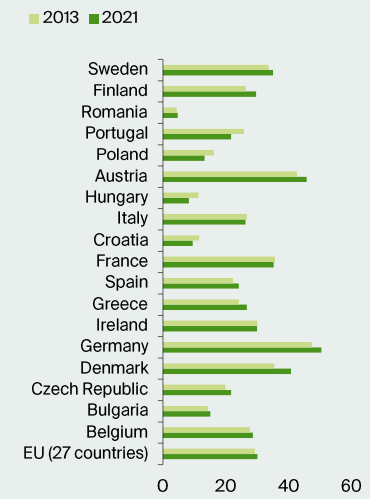
2005 - Q2 2022. Billions €



Source: Bank of Spain

% rental population

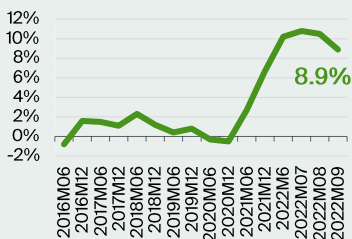
Europa. 2021



Source: Eurostat

Spain CPI

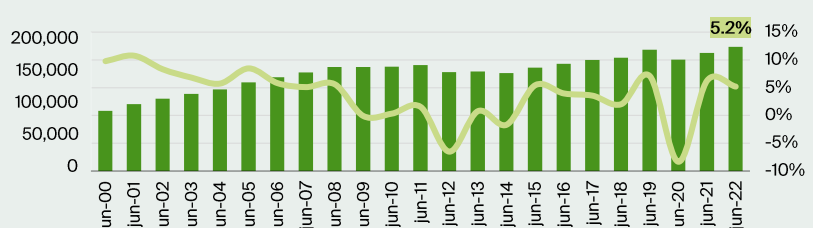
Y-o-y (%). 2016 - Sep 2022



Source: INE

Gross available household income* Spain

June 2000 - June 2022. € Million



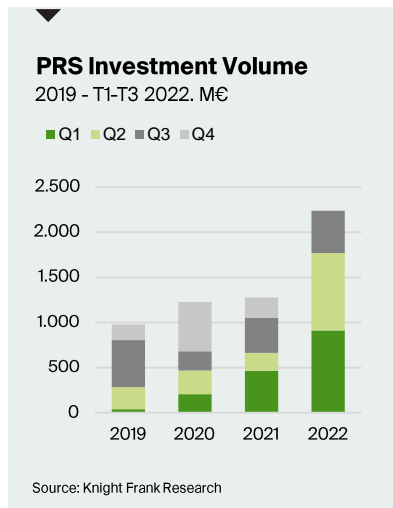
Source: Bank of Spain. Average Income

Transactions and prices in Spain

During the third quarter, the investment volume reached almost €470 million, 20% more than in the same period of the previous year. The cumulative figure has already far exceeded the figure recorded in recent years, reaching a volume of more than €2.2 billion.

Turnkey projects account for more than 50% of the total volume so far this year.

The average rental price stood at 11.2 €/m² in September. Among the provinces that have experienced a more pronounced rise in rental prices are Malaga, Girona, Alicante and Valencia.



TOP 3 DEALS

MADRID AND BARCELONA

2 LANDS
VENDOR: CONFIDENTIAL
PURCHASER: KRONOS
€128 M 534 houses
Source: EjePrime

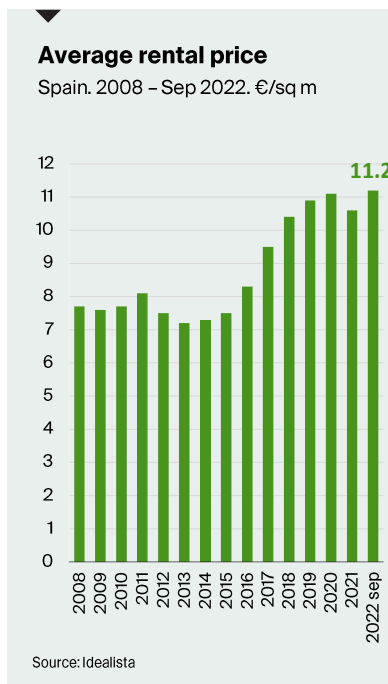
BARCELONA

BADALONA PROYECT
VENDOR: CULMIA
PURCHASER: CBRE IM
€100 M 200 houses
Source: EjePrime

BARCELONA

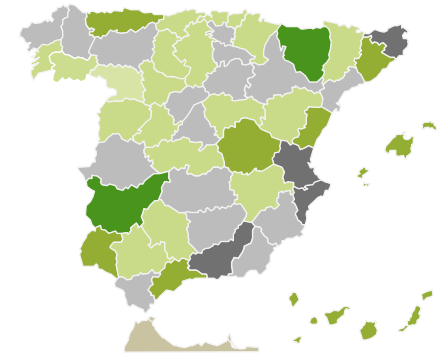
LA MARINA PROYECT
VENDOR: CULMIA
PURCHASER: CBRE IM
€100* M 366 houses
Source: BrainsRe/ *Estimated price

The most relevant transaction during the third quarter of the year was the purchase of two plots of land by the Kronos and Nuveen developers, who will invest 128 million in both, one located in Alcalá de Henares (Madrid) with 332 rental housing units and the other located in Sant Pere de Ribes (Barcelona) with 302 units. It also highlighted the purchase by CBRE IM of a package of more than 200 homes from the developer Culmia for a value of more than €100 million and located in the Barcelona municipality of Badalona.



SPAIN Y-O-Y IN THE PRICE OF RENTAL HOUSING (Sep 2021 vs Sep 2022)

● X < -5% ● 0% < X ≤ 5% ● 5% < X ≤ 10%
● 10 < X ≤ 15% ● X > 15% ● n.d



Source: Knight Frank Research e Idealista

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.

Recent publications

Residential

Carlos Zamora
Partner, Head of Residential
+34 600 919 041
Carlos.Zamora@es.knightfrank.com

Capital Markets

Elaine Beachill
Director of BTR, Retail & Hospitality
+34 600 919 016
Elaine.Beachill@es.knightfrank.com

Research

Rosa Uriol
Head of Research
+34 600 919 114
Rosa.Uriol@es.knightfrank.com



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