

PRS-BTR Snapshot

Q3 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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Rental prices continue to reach historically high levels, with an annual growth rate of 10.2%

- Households evolve positively, enjoying an improvement in their economic situation. Their net financial wealth and gross disposable income are increasing, much like a long-distance race where everyone advances successfully.

SITUATION IN SPAIN

The leading indicator of the CPI has moderated its growth in September, recording a reduction of eight tenths compared to the August fact.

With this decline, the annual rate of change stands at 1.5%, marking the most contained behaviour of the year to date.

Net financial wealth continues its upward trend, reaching nearly 2.30 trillion euros, which represents a 7.88% increase compared to the same period last year.

Gross disposable income experiences accelerated growth in the latest recorded period, exceeding 250 billion euros. This increase of 8.7% compared to June 2023 reflects an increase in the purchasing power of households.

The rental effort rate in Spain rises slightly by 36% in the second quarter. Málaga, Baleares and Barcelona have the highest rates, above the national average and exceeding 40%. Meanwhile, the home purchase effort rate averages 23% across Spain.

Spain

Latest available data

+6.2 % y-o-y | GDP (Q2 2024)

+8.7 % y-o-y | Gross available household income (Jun 2024 vs Jun 2023)

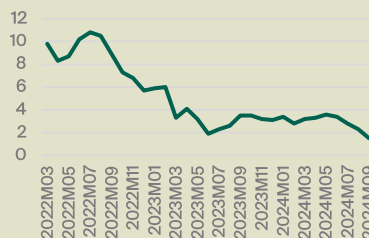
36 % Rent effort rate (Q2 2024)

13 €/sq Average rental Price (Sept 2024)

3.3 % Gross return on housing rental (Q3 2024)

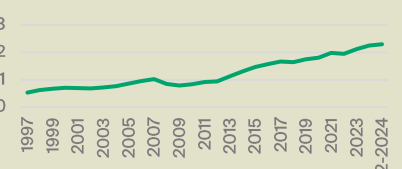
Source: Banco de España / Idealista / INE

Spain CPI
Y-o-y (%)



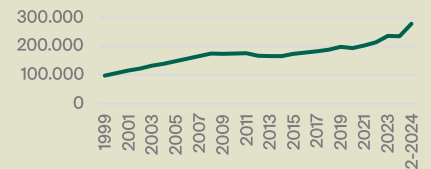
Source: INE

Household's net financial wealth
Billions. June



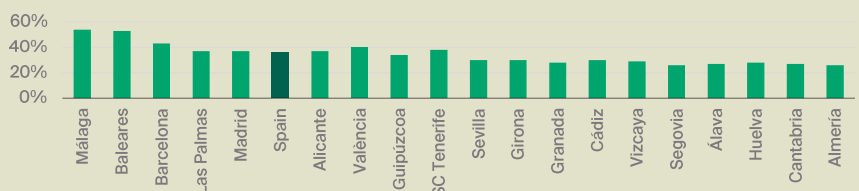
Source: Banco de España

Renta disponible bruta hogares
M€. June



Source: Banco de España

Rent effort rate
Q2 2024



Source: Idealista

TRANSACTIONS AND PRICES IN SPAIN

The third quarter of the year ended with a transacted volume of €260.5 million (a figure slightly lower than the investment in Q3 2023, which was €371 million), bringing the total for 2024 to nearly €500 million. However, it is expected that investors will resume activity in the final months of the year.

The average rental price in September stands at €13.0/m², representing 10.2% more than in September of the previous year, indicating a continuing upward trend.

In overall numbers, rental price variations by cities continue to show increases of around 10-15%. Palma ranks first with nearly a 20% increase. Madrid, in annual terms, keeps a variation of more than 15%.

However, the potential of secondary cities continues to gain importance; Ávila, Valencia, and A Coruña lead the increase compared to other secondary cities, reaching a 15% positive variation compared to September of the previous year.

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 Q3 2024

€260.5 M (€371 M Q3 2023)

Top 3 investment deals Q3 2024

€60 M* | Guadalajara

Vendor: Neinor Homes | Purc.: Ares Manag.
Houses: 337

Source: Brainsre. *Estimated by Property Web.

€55.6 M | Madrid

Vendor: N.D. | Purc.: Comunidad de Madrid
Houses: 225

Source: Brainsre

€29 M | Parla, Madrid

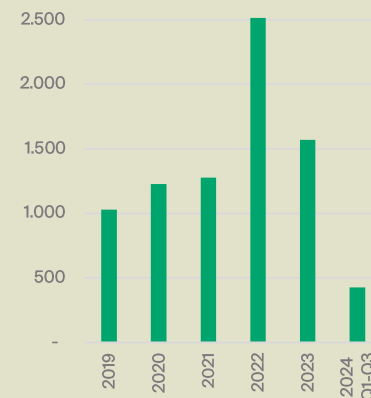
Vendor: Neinor Homes | Purc.: Round Hill
Houses: 147

Source: Eje Prime

► During this period, Ares Management's acquisition of three buildings in Guadalajara stands out, with a figure close to €60 million. On the other hand, the Community of Madrid has purchased a total of 225 homes for social rental in the region for €55.6 million. Additionally, Round Hill has acquired three buildings with a total of 147 homes from Neinor Homes for €29 million. It is also worth highlighting the purchase by Aviva and Layetana Living from Gestilar of a project intended to build 331 homes in the town of Palma.

PRS-BTR Investment

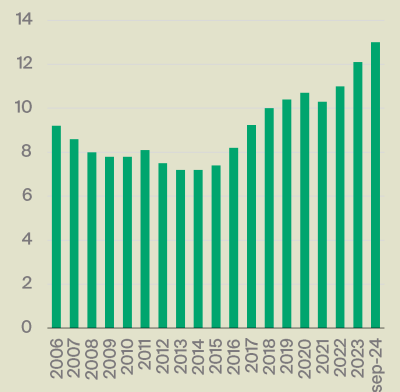
M€



Source: Knight Frank

Average rental price

Spain 2006-2024 (sept). €/sq m



Source: Idealista

Rental Price (y-o-y)

Top cities. Sept 2024



Source: Idealista