Multifamily Snapshot

Knight Frank

Q3 2026

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.

knightframk.com/research

Multifamily investment reached nearly €3.25 billion by the end of September, driven by major metropolitan areas.

- Although rental prices are beginning to show some signs of stabilisation, the market remains under significant pressure, with year-on-year growth exceeding 5.5% and a housing cost burden rate of around 39% nationwide.

SPAIN OVERVIEW

The Spanish economy continues to follow a solid growth trajectory. According to the Bank of Spain, Spanish GDP is expected to grow by 2.6% in 2026.

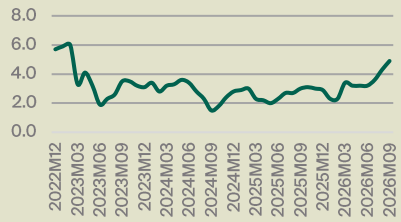
As of September, the Government has approved two new Royal Decree-Laws on housing, which are still awaiting parliamentary ratification. If enacted, these measures would further increase regulatory intervention in the rental market, potentially raising perceived uncertainty among landlords and investors, reducing incentives to expand available housing supply, and contributing, in the medium term, to additional upward pressure on rents for new leases, particularly in the most constrained markets.

According to Funcas forecasts, inflation is expected to average 3.7% in 2026.

In Spain, the average rental price stood at €15.1/sqm in September, remaining broadly in line with the levels recorded at the end of the second quarter and posting year-on-year growth of more than 5.5%.

Spain CPI

Y-o-y (%)



Source: INE

Spain

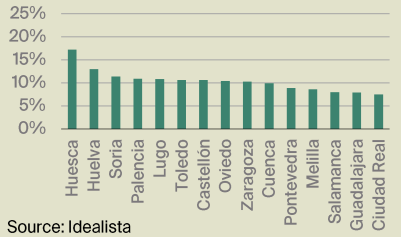
Latest available data

+2.6%	y-o-y | GDP (Forecast 2026)
4.9%	CPI | September (2026)
39.0%	Rent effort rate (Q2 2026)
15.1 €/sq m	Average rental Price (Q3 2026)
2.8%	Gross rental yield (Q3 2026)

Sources: Bank of Spain / Idealista / INE

Rental Price y-o-y

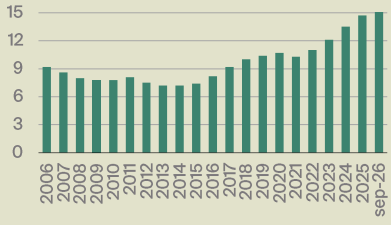
Top cities. Sep 2026



Source: Idealista

Average rental price

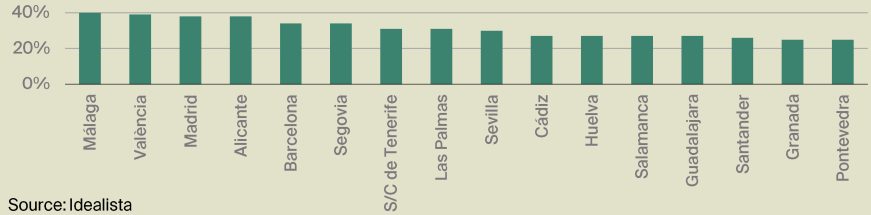
€/sq m. Spain



Source: Idealista

Rent effort rate

Top provinces. Q2 2026



Source: Idealista

INVESTMENT IN SPAIN

Investment volume in the multifamily sector reached nearly €610 million during the third quarter, more than 20% above the average quarterly volume recorded since 2024.

With close to €3.25 billion transacted, the first nine months of 2026 represent a record-breaking period for the sector, with almost 40% of the total investment allocated to affordable housing.

From a regional perspective, Madrid accounted for approximately 80% of total investment during the first three quarters of the year, followed by Barcelona, which captured around 15–20% of the total volume. This distribution highlights the attractiveness of major metropolitan areas, where population density, economic activity, and potential housing demand are most concentrated.

The Spanish rental market continues to be shaped by a structural imbalance between supply and demand, intensified by household formation and population growth. However, during the third quarter, early signs of rental price stabilisation began to emerge across the market, following the sharp increases recorded in previous periods.

One of the indicators that best reflects this imbalance is the accumulated housing deficit, calculated as the difference between household formation and the number of homes completed each year. This deficit is expected to exceed 880,000 homes by the end of 2026, highlighting the inadequacy of supply to meet existing demand in Spain.

Prime multifamily yields remained stable during the third quarter, standing at 4.0%.

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



Daniel Caprarin
Head of Market Intelligence & Research
+34 600 919 087
Daniel.caprarin@es.knightfrank.com

Spain

Investment volume in Q3 2026

€610 M (€335 M Q3 2025)

Top 3 investment deals in Q3 2026

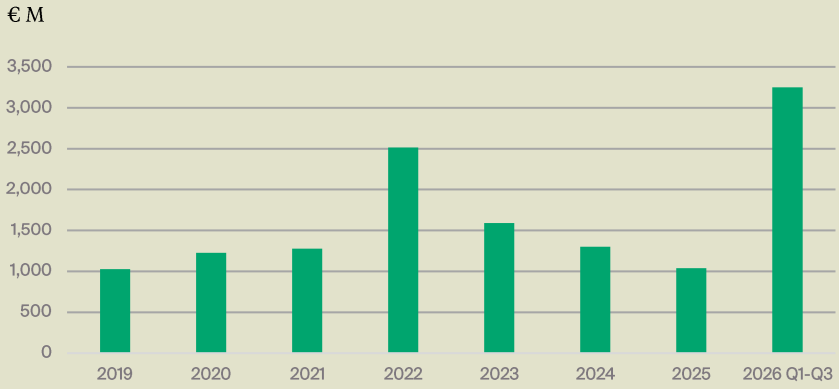
€ Conf. M | Barcelona
Vendor Patrizia | Purchaser: Azora
Houses 1,200
Source: Knight Frank Capital Markets

€ Conf. M | Valencia, Quart de Poblet
Vendor : Corebridge | Purchaser: CBRE IM
Houses: 147
Source : Eje Prime

€28.5 M | Madrid
Vendor : Confidential | Purchaser: Resydenza
Houses: 45
Source : Eje Prime

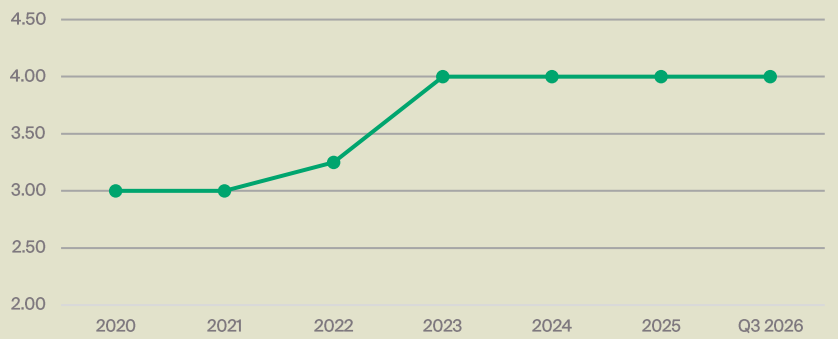
- Among the most significant transactions of the third quarter was the sale by Patrizia of a portfolio comprising 1,200 residential units in Barcelona and its metropolitan area.
In Valencia, CBRE IM acquired more than 145 residential units from Corebridge Financial in a fully leased asset.
Meanwhile, Resydenza (Pryconsa Group), the listed residential investment company, completed the acquisition of 45 residential units in Madrid for €28.5 million.

Investment volume PRS-BTR



Source: Knight Frank Research

Prime Yield Evolution (%)



Fuente: Knight Frank Research

© Knight Frank España, S.A.U. 2026. This report is published for information purposes only and should not be relied upon as such. While the utmost care has been taken in the preparation of the information, analysis, opinions and forecasts contained herein, Knight Frank España, S.A.U. accepts no responsibility for any loss or damage arising from the use of, reliance upon, or reference to the contents of this document. It should be noted that, as a general market report, this document does not necessarily reflect the views of Knight Frank España, S.A.U. regarding any specific project or property. No part of this report may be reproduced, in whole or in part, without the prior written consent of Knight Frank España, S.A.U. concerning both the form and content in which it is presented. Knight Frank España is a single-member public limited company (Sociedad Anónima Unipersonal) registered with the Madrid Commercial Registry under Tax Identification Number (C.I.F.) A-79122552. Our registered office is located at 34 Suero de Quiñones Street, 28002 Madrid, Spain.