

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.

Private Rented Sector Snapshot

Q42021



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

Situation in Spain

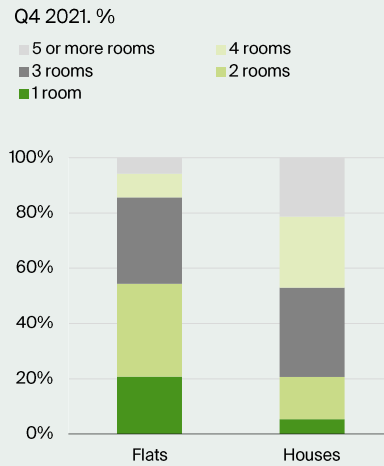
The Spanish economy closed the year with GDP growth of 4.6%. The forecasts of the International Monetary Fund (IMF) place Spain as one of the economies with the best prognosis within the Eurozone, thus, a growth of 5.8% is predicted for the year 2022.

Of the total supply of rental housing in Spain, 2-bedroom flats and 3-bedroom detached houses are the most widely available with nearly 30%.

The real estate wealth of Spanish households continues its upward trend.

At the same time, net financial wealth continues to grow, standing at more than 1.7 trillion euros.

Supply by rooms in rental houses in Spain



Source: Brainsre

Household's wealth

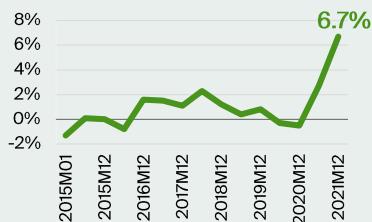
Sept 2001 - Sept 2021. Billions €



Source: Bank of Spain

Spain CPI

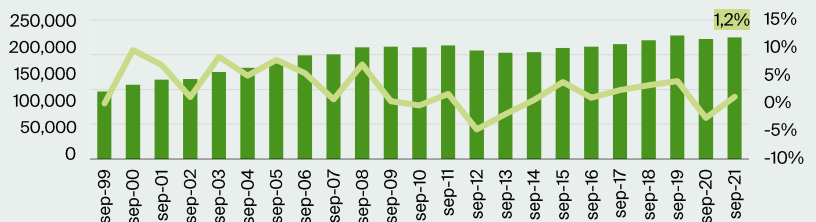
Y-o-y (%). 2015 - 2021



Source: INE

Gross available household income* Spain

September 2001 - September 2021. € Million



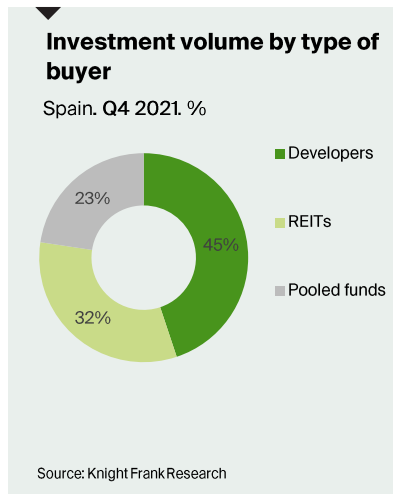
Source: Bank of Spain. Average Income

Transactions and prices in Spain

The total investment volume will reach almost €1.3 billion in 2021, a figure 4% higher than in 2020. By type of buyer, developers account for 45% of the total investment volume, REITs, 32% and investment funds 23% of the total.

The gross return on rental housing, according to the Bank of Spain, continues to stand at 3.7% for the third quarter, at higher levels than other alternative investments.

Although the average rental price in Spain is 10.6 €/sq m, several cities continue to register increases, such as Barcelona with an annual variation of 3.1%.



TOP 3 DEALS

BARCELONA

DEVELOPMENT BARCELONA
 VENDOR: BARCINO PROPERTY
 PURCHASER: HOME RENTAL CAPITAL

€7 M 17 houses

Source: Brainsre

MADRID

JUSTICIA PROJECT
 VENDOR: N.A
 PURCHASER: HOME RENTAL CAPITAL

€4.6 M 14 houses

Source: Eje Prime

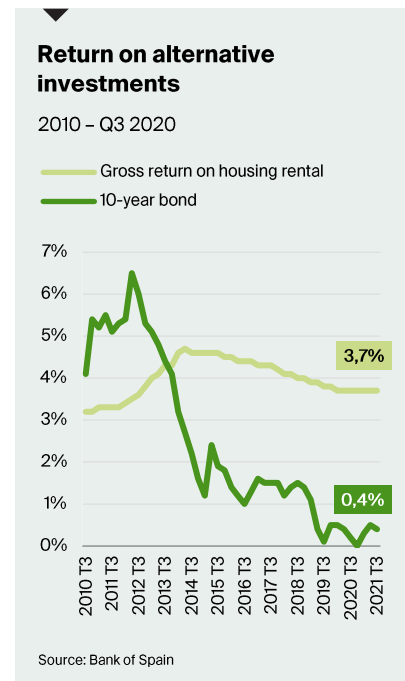
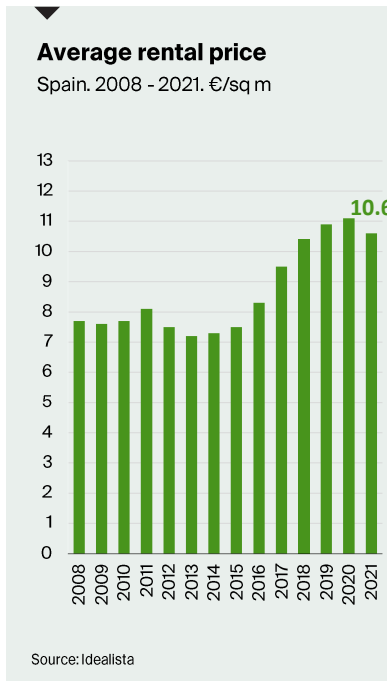
MADRID

2 ASSETS
 VENDOR: N.A
 PURCHASER: GAVARI PROPERTIES

€1.7 M 24 houses

Source: Belbex

Home Rental Capital, dedicated to the acquisition and refurbishment of real estate assets, has signed 2 of the most significant transactions of the quarter. The 1st transaction was closed with Barcino Property for €7M in Barcelona with a total of 17 properties that will become part of Home Rental Capital's portfolio. The 2nd was signed in Madrid for €4.6M and adds 14 properties to the assets under management of the Spanish sociimi. Another of the most significant transactions of the quarter was the acquisition of 2 properties for €1.7M by Gavari Properties in Madrid.



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.

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