

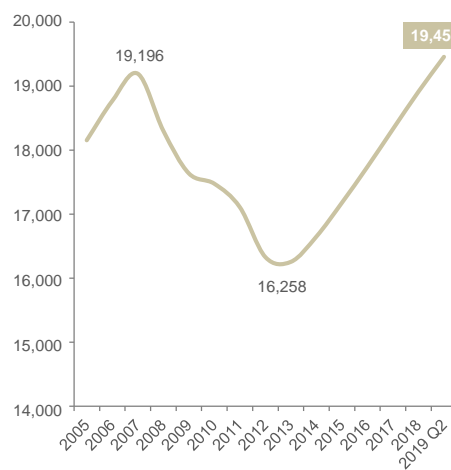
RESIDENTIAL SNAPSHOT

2nd QUARTER 2019

Situation in Spain

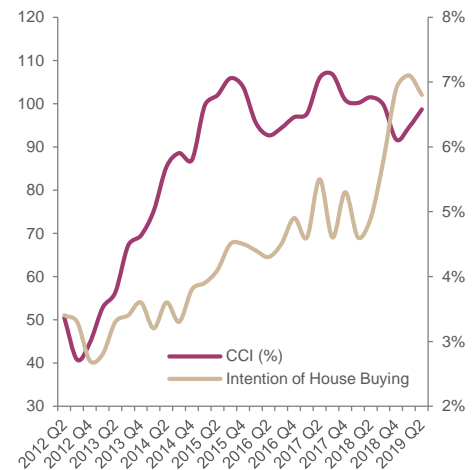
- In the second quarter of the year the Affiliates of Social Security reach 19.4 million exceeding historic maximum highs and the unemployment rate was 14.02%. The Consumer Confidence Index remains on the upside, reaching almost 99%.
- The effort to acquire a house increases minimally at 33.3%, as does the interest rate, which is in 2.2%. Household debt to close the quarter reduced to 64.2% due to the increase in GDP.
- The number of mortgages granted up until April have increased 12% compared to the same period in 2018, and the average price remains the same. The average term to pay a mortgage is under 24 years.
- It is expected that by the end of the year the number of licenses will increase, being able to reach 105,000 units, which will be the same as housing started, as predicted.

GRAPH 1
Affiliates of Social Security
000's of people. 2004 - Q2 2019



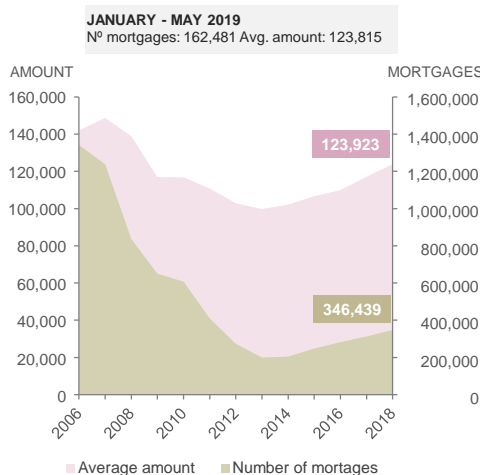
Source: Ministry of Employment and Social Security

GRAPH 2
CCI and Intention of House Buying
2012 - Q2 2019



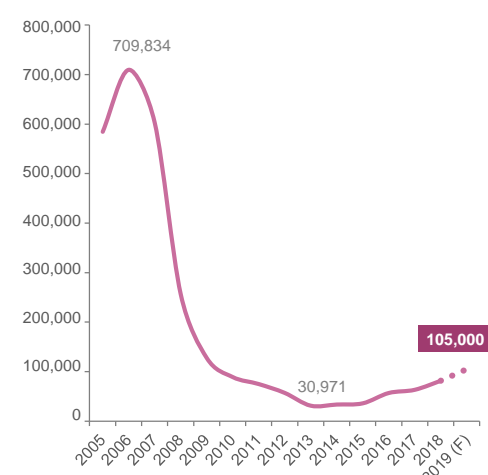
Source: CIS

GRAPH 3
Number of mortgages granted and average amount. 2005 - May 2019



Source: INE

GRAPH 4
Approvals
2005 - 2019 (F)



Source: Ministry of Public Works

GRAPH 5
% of household income spent on the mortgage 2006 - Jul 2019



Source: INE and Bank of Spain

STARTED AND COMPLETED HOUSES | 2018 - 2019 (F)

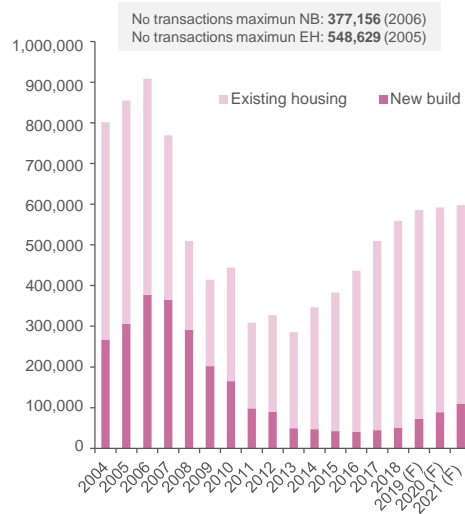
Started: **+30 %** (117,000 units approx)

Completed: **+26 %** (75,000 units approx)

Prices and transactions in Spain

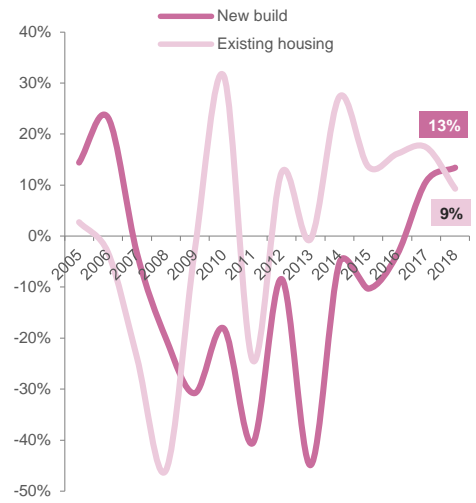
- The number of housing transactions during the first quarter has been 132,500. The vast majority being existing housing. It is expected that the new build transactions will increase in the next years as a consequence of the new projects.
- During the last year, the new build transactions grew by 13% compared to 9% of existing housing, due in large part to an updated offer of new homes.
- The housing prices continued to rise, emphasizing the increase in existing housing with a growth of 4.4% while in new construction it has been 4.1%.
- Of the total transactions of national and foreign buyers, almost 17% relating to the latter, highlighting the operations carried by foreign resident over non-residents.

GRAPH 6
New build and existing housing transactions. 2004 - 2021 (F)



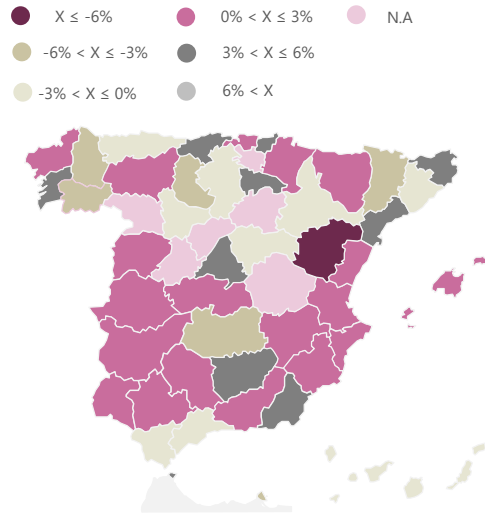
Source: Knight Frank Valuations Department based on Ministry of Public Works

GRAPH 7
New build and existing housing y-o-y variation. 2004 - 2018



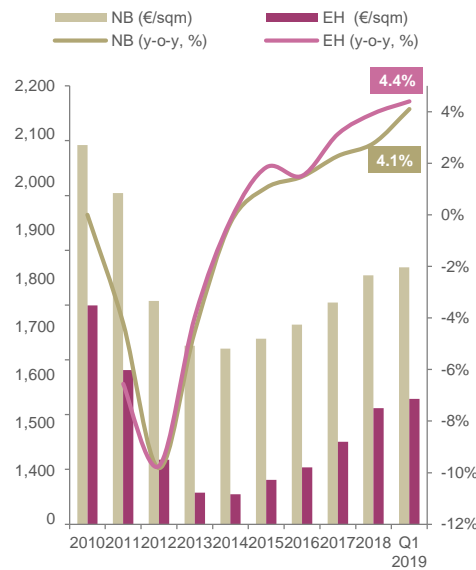
Source: Knight Frank Valuations Department based on Ministry of Public Works

GRAPH 8
New build prices variation by province. Q4 2018 - Q1 2019



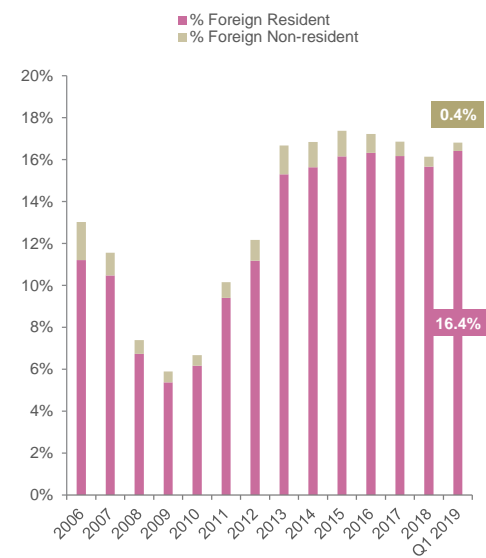
Source: Ministry of Public Works

GRAPH 9
New build (NB) and existing housing (EH) prices. 2010 - Q1 2019



Source: Ministry of Public Works

GRAPH 10
% Foreign buyer compared in the total number of purchases. 2006 - Q1 2019



Source: Knight Frank Valuations Department based on Ministry of Public Works



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