

Living - Spain



Key Performance Indicators (Q2 2025)

Housing for sale market¹ Investment market

House transactions 184,000 Sold houses Q1 2025 Change YoY: +15%	Housing Price index (General) 12.2% House price variation (Q1 25) vs. 6.3% Q1 24	New-build permits 36,000 Units Q1 2025 Change YoY: +19%
Effort rate 33.5% To buy a house Change YoY: - 1.9 p.p	Rental households 26.5% CBRE FORECAST: 29.0% rental households in 2030	Change YoY Average rent² 10% Average rental Price €/sqm/month
Prime Yield Multifamily (PRS)* 3.80% Change vs Q1 25: +0 p.p	Prime Yield Student Housing 4.75% Change vs Q1 25: +0 p.p	Prime Yield Flex Living** 4.30% Change vs Q1 25: +0 p.p

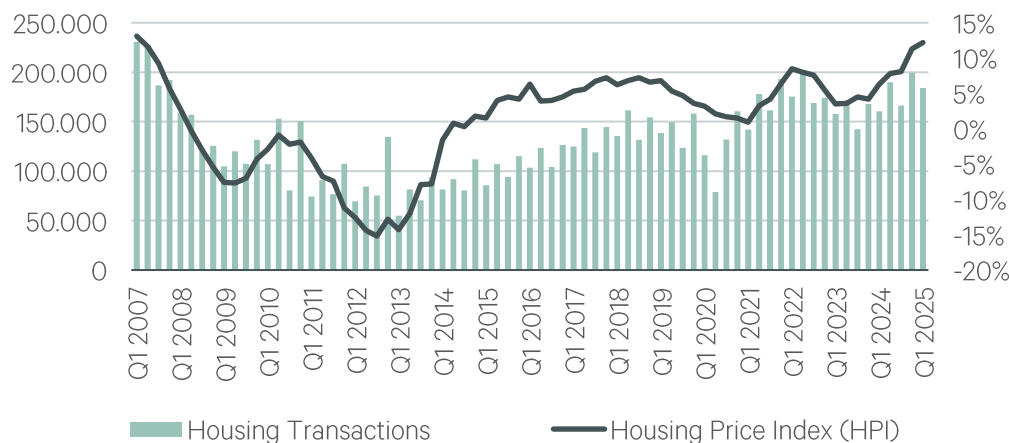
The difficulty of **access to housing** continues to be one of the main concerns of the Spanish real estate market. In this context, the mortgage market mirrors the current situation: in the first three months of the year, the highest number and value of mortgages in more than a decade were recorded (120,000 mortgages equivalent to almost €19 billion). Despite the upturn in mortgages, the effort rate remains high (33.5% nationwide), reflecting the pressure that access to financing still exerts on a significant proportion of households and, in many cases, encouraging a shift in demand towards renting.

The **housing market (BTS)** experienced significant growth at the beginning of 2025, with demand increasing by 19% in the first quarter (184,000 homes sold), in line with the last few months of the previous year. This strong start is underpinned by a favourable macroeconomic environment, with sustained GDP growth, historically high employment levels and greater participation of young people in economic activity. In response to this booming demand, housing prices rose by 12.2% year-on-year, with the second-hand segment (12.3%) outperforming new-builds (12.2%), both approaching the highs reached in 2007. Despite the shortage of supply, which remains one of the main challenges for the sector, especially in urban and tourist areas, there has been a slight improvement in development activity, with a year-on-year increase of 19% in new-build permits (36,000 units).

Prime residential yields* remained at 3.8% in Madrid and 4.0% in Barcelona at the end of Q2, with stability expected for the coming months. Flex Living maintains a 50 bps difference with respect to Multifamily for coliving assets (residential land) and 100-125 bps for those on tertiary land. Meanwhile, student housing continue their downward trend, with prime yields expected to reach 4.5% in the second half of the year in Madrid and Barcelona, a drop of 25 bps compared to the end of June.

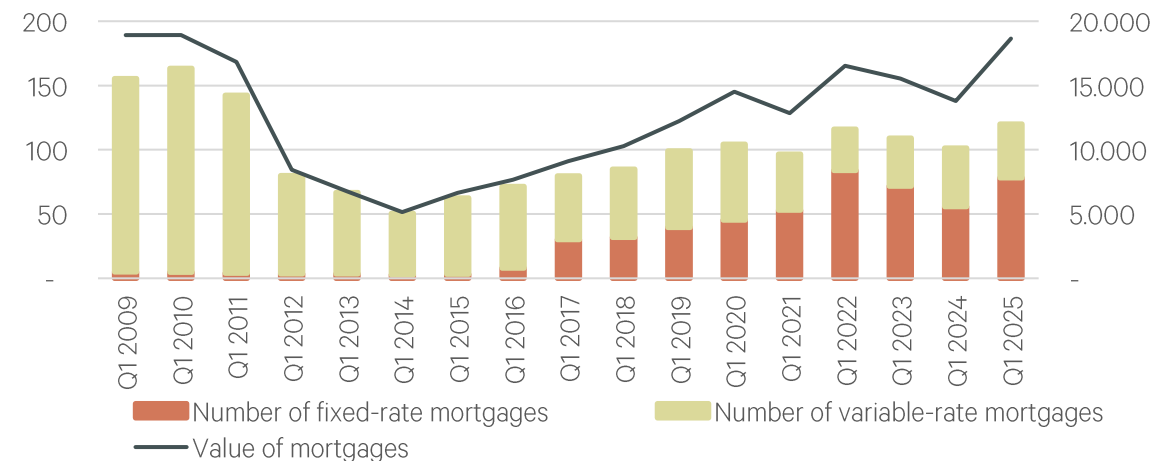
Housing transactions in Spain vs. Housing Price Index (HPI).

Source: CBRE Research based on Ministry of Transport, Mobility and Urban Agenda and INE.



Number of mortgages by rate type (in thousands, left) and total amount of mortgages (in millions, right).

Source: CBRE Research based on INE.



CBRE RESEARCH

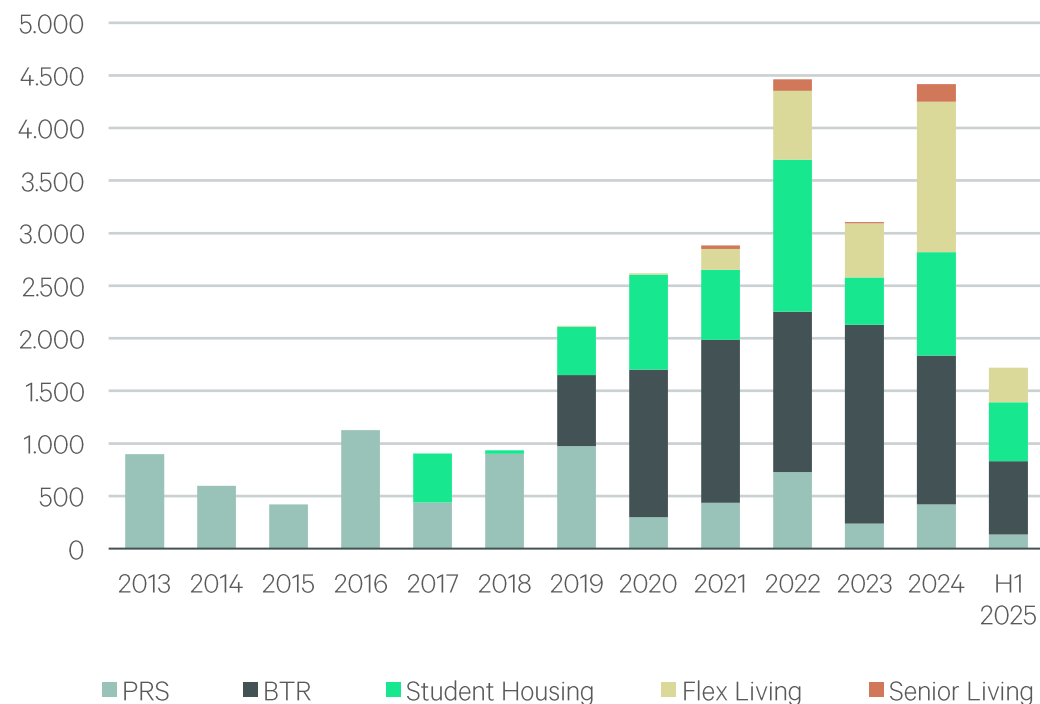
*Yield refers to stabilized assets (operational and leased); while BTR (forward purchase or forward funding structure) has an average upward spread of between 25-50 bps due to development and operational risk.

**Yield refers to coliving assets (residential land), adding around 50-75 bps more for those of tertiary land.

¹Housing for sale indicators are updated with the latest available public data (Q1 2025)

²Change in average rent-asking Price web portals (Q2 2025 vs. Q2 2024)

Living investment volumes (€ Million). Source: CBRE Research



The **Living sector** maintained its position as the main investment asset in Spain during the first half of the year, reaching a transaction volume of over €1.72 billion, accounting for 23% of total investment. This figure marks the second-best result for the first half of the year in the entire historical series, only behind 2022, and represents a 14% increase compared to last year. Madrid reaffirmed its position as the preferred destination for investors, attracting 40% of the capital allocated to Living, followed by Valencia and Barcelona (with 9% each).

The **Multifamily** segment totalled €831 million in the first half of the year (€697 million BTR and €134 million PRS) and accounted for 48% of the total transacted in Living. Institutional investors continue to focus their strategy on affordable housing, which attracted 72% of investment in the Multifamily segment and 35% of the total Living sector. By location, Madrid was the main destination for investment in rental housing, but significant transactions were also recorded in other cities such as Zaragoza, Malaga and Seville.

Student housing accounted for 32% of total Living investment up to June, with nearly €560 millions transacted. Investment activity showed broad geographical coverage, with dynamism in markets such as Barcelona and Valencia.

Investment in **Flex Living** reached €330 million across twelve transactions, mainly in Madrid. Two dynamics stand out: on the one hand, growing interest in the development of new projects on tertiary land in suburban areas, favoured by its availability and more competitive prices; and on the other, the start of transactions on assets that are already operational and stabilised, a signalling a shift towards a phase of maturity for the sector.

Senior Living did not record any transaction activity until June, but the demographic outlook in our country points to a gradual revitalisation of the segment in the coming quarters.

Contacts

Patricia García de Ponga
 Head of Living
 CBRE Spain
 patricia.garciadeponga@cbre.com

Miriam Goicoechea
 Head of Research
 CBRE Spain
 miriam.goicoechea@cbre.com

Laura Peláez
 Associate Director
 Research CBRE
 laura.pelaez@cbre.com

© Copyright 2025. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

