Conversions reach their highest level in 2025, breaking records in both number and surface area

▲ 73
Changes of use

▲ 392,000
sqm initiated a transformation process

▼ 48%
Madrid's weight on the national total

▼ 823
M€ associated with the purchase of assets for change of use

Note: The KPIs show the data from 2025 and the arrows indicate the variation with respect to the previous year.

The transformation of buildings is gaining momentum as a key strategy to modernize the real estate stock and align it with new demand dynamics.

- 73 changes of use identified in 2025 in Spain (compared to 70 in 2024), representing more than 392,000 sqm of built area that has entered a transformation process over the past year. This growth confirms the market's increasing focus on solutions aimed at reactivating and optimising existing stock.
- 92% of the converted projects have Living and Hotels as their final use, in response to the pressure of tourist and residential demand in our country, while over half of the assets (55%) come from an original office use.
- € 823 million in transactions linked to changes of use in 2025, down 11% year-on-year, mainly due to the greater weight of secondary locations compared to Madrid.

Within hospitality-led conversions, a growing number of owners are choosing to reposition assets to enhance performance while retaining them in their portfolios. This strategy contrasts with residential-led conversions, where assets typically change hands as part of the development process.

Main changes of use in 2025

Building	City	Initial use	Final use	Final subuse	Surface (sqm)	Units	Date	Transaction
Avenida Doctor Marañón, 48	Málaga	Offices	Healthcare	Hospital	20,000	-	Q2	Yes
Paseo de Doce Estrellas, 5	Madrid	Offices	Living	Flex Living	11,546	250	Q1	Yes
Madroños, 31-33	Madrid	Offices	Living	BTS	10,807	-	Q4	Yes
Goya, 14	Madrid	Offices	Living	BTS	9,174	-	Q3	Yes
Maestro Mendiri, 2	Bilbao	Healthcare	Living	Student Housing	8,472	-	Q4	Yes
Plaza Nueva, 13	Sevilla	Offices	Hotel	-	6,800	65	Q1	Yes
Calle Feria, 153	Sevilla	Offices	Hotel	-	2,143	68	Q3	Yes
Carrera de San Jerónimo, 19	Madrid	Offices	Hotel	Tourist apartments	2,042	-	Q2	Yes

Source: CBRE Research

92% of conversions are destined for Living and Hotels

The conversion of assets continues to focus on segments with the highest demand pressure, in a context of residential and accommodation supply shortages. Of the 73 cases recorded in 2025, the Living sector led with 49%, driven both by residential promotions for sale, especially in the high-end segment, and by Flex Living and student housing projects. Hotel uses represented 42%, with a clear preference for premium assets and tourist apartments in central areas.

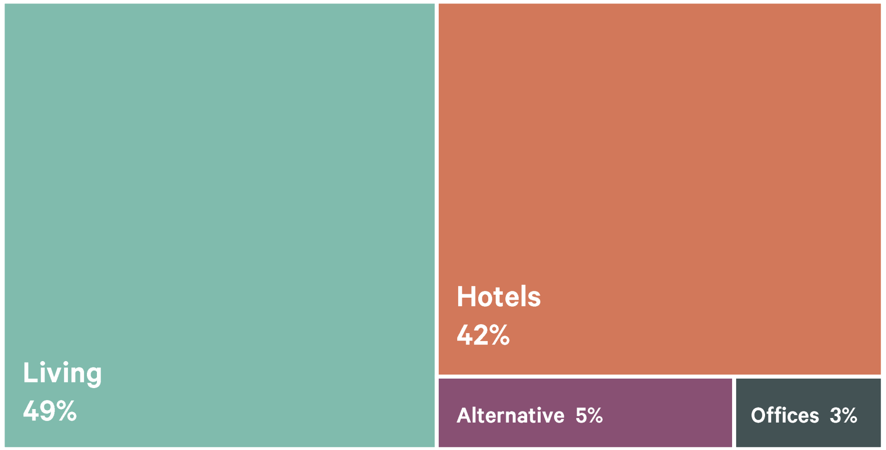
The origin of the assets follows a consistent pattern: offices accounted for 55% of cases, with nearly 240,000 sqm entering a conversion process. In addition, 12 conversions of alternative assets were identified, largely involving obsolete historic buildings — such as old cinemas, museums or wineries — which are finding a new lease of life through this strategy. Looking ahead, regulatory flexibility by public authorities will be a decisive factor in expanding the potential pipeline of conversions, facilitating project activation and accelerating the regeneration of the existing built environment.

Secondary locations are consolidating their position alongside Madrid as key hubs for conversions

Secondary locations accounted for 52% of the changes of use recorded in 2025 (38 cases), above the 48% achieved in Madrid (35 cases) and reflecting a more balanced geographic distribution. Andalusia led the activity outside the capital with 21 conversions, distributed mainly between Seville, Malaga, Cadiz and Granada, where the combination of tourist attraction, sustained residential demand and a mature stock with repositioning potential has driven a significant conversion activity. At a considerable distance followed the Basque Country (6 changes) and the Valencian Community (4 changes).

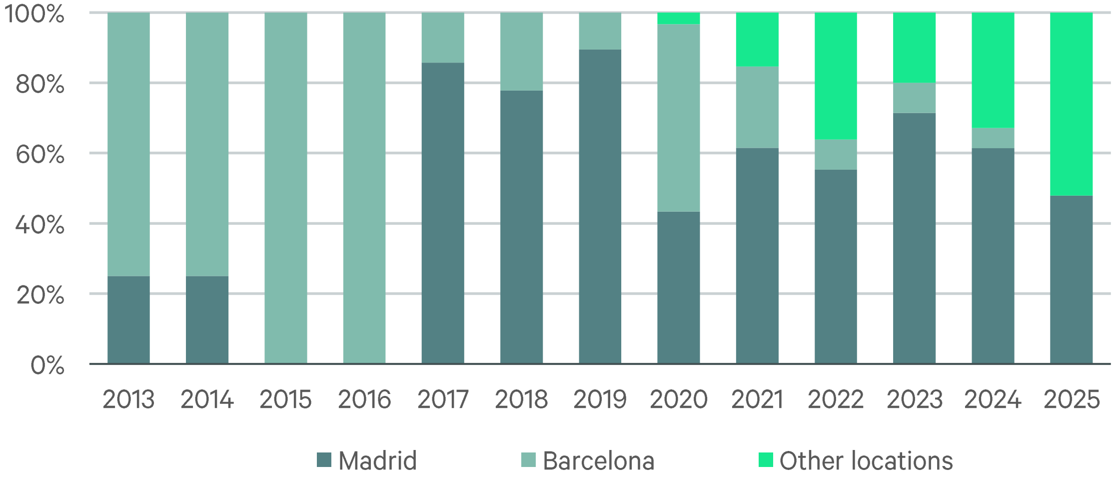
In Madrid, nearly 70% of the changes of use were concentrated within the M-30 ring road, particularly in the Centro and Chamartín districts, although peripheral areas continue to offer opportunities to revitalize areas that are losing momentum. In addition, a key difference was observed in the origin of the assets: 71% of the changes in Madrid came from office buildings, compared to 39% in secondary locations.

Number of conversions by end use of the asset (%), 2025



Source: CBRE Research

Evolution of changes of use by location (weight on total)



Source: CBRE Research

€ 823 million invested in change-of-use transactions in 2025

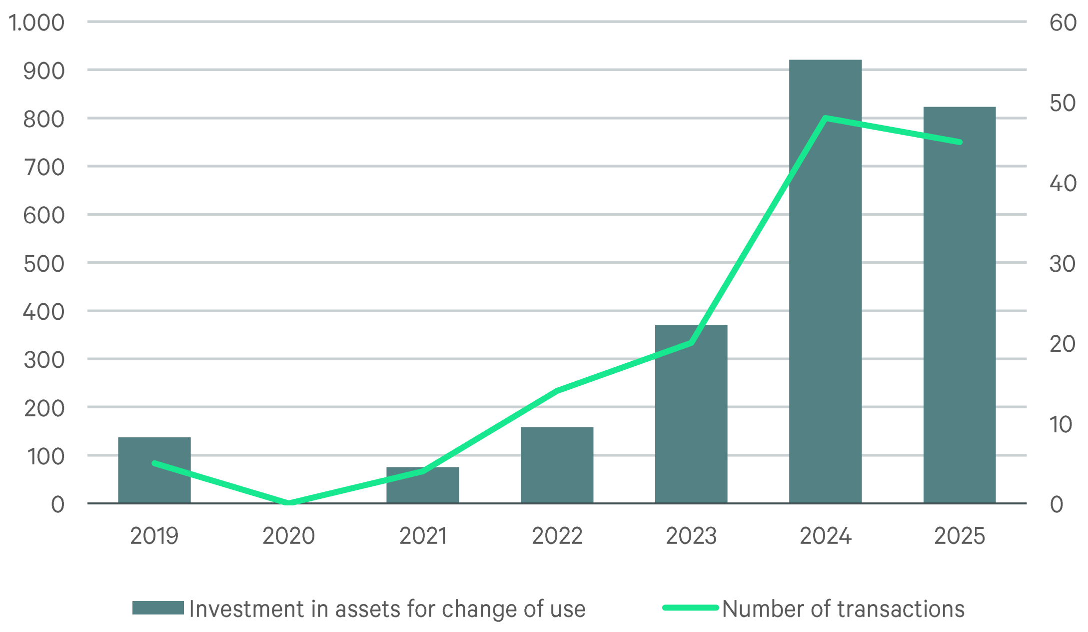
In 2025, 62% of change-of-use (45 out of 73) were linked to a real estate transaction, amounting to a total investment volume of €823 million, an 11% year-on-year decline. This decrease is largely explained by the higher share of deals in secondary markets, where transactional €/sqm levels are lower than in Madrid. Despite this, Madrid remained the primary focus for transactional conversions, accounting for 53% of deals (down from 69% in 2024) and 83% of total invested volume, equivalent to €689 million.

Average deal size also declined. While 2024 saw several large-scale transactions—such as María de Molina 50, exceeding €200 million—no transactions above €100 million were recorded in 2025, reinforcing the concentration of conversions in mid-sized assets and the mid-cap segment.

From an investor profile perspective, 56% of buyers were domestic, alongside notable participation from European capital—mainly from the UK and France—and Latin American investors, with a strong presence from Venezuela and Argentina.

Living assets consolidated their position as the dominant end use, accounting for 51% of transactions (23 deals), in line with the general market trends, where this sector remained the preferred investment target in both Spain and Europe. Offices continued to be the most common original use, representing 64% of transactional cases, a higher share than that observed in total conversions.

Evolution of investment in assets for change of use (€ Millions, no. of transactions)



Source: CBRE Research

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