



# Trends & Opportunities

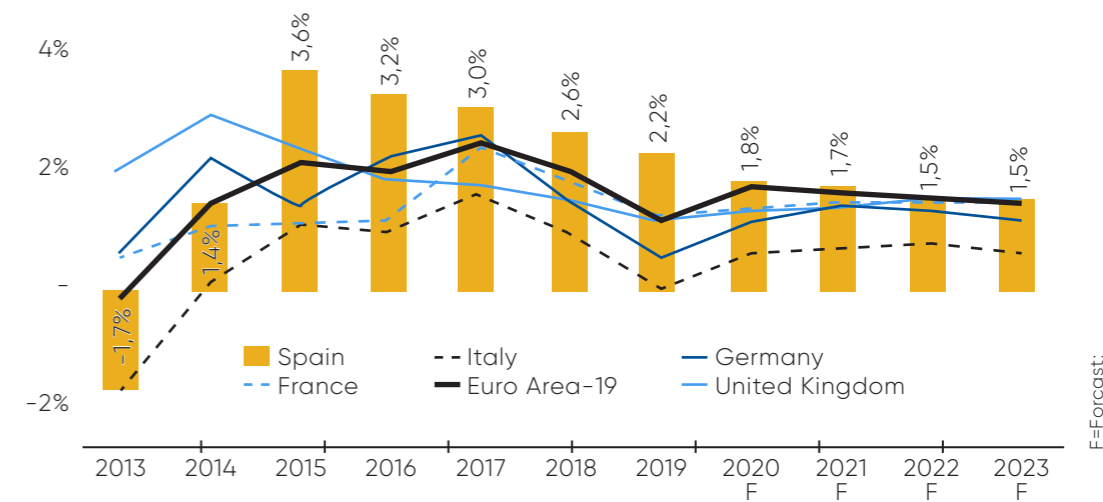
IN SPANISH  
REAL ESTATE



# Spanish Economy

RECOVERED &  
ROBUST

SPAIN VS EUROPE GDP HISTORICAL EVOLUTION AND FORECAST



- / 2019 has seen solid economic growth in the Spanish Market. Despite being slightly lower than in the previous years, it's ahead of the rest of the surrounding European countries.
- / Spain consolidates its 6<sup>th</sup> year of consecutive growth, with +2.0 % during 2019.
- / It is expected that the Spanish GDP will continue to grow in the coming years, with +1.8 % expected for 2020.

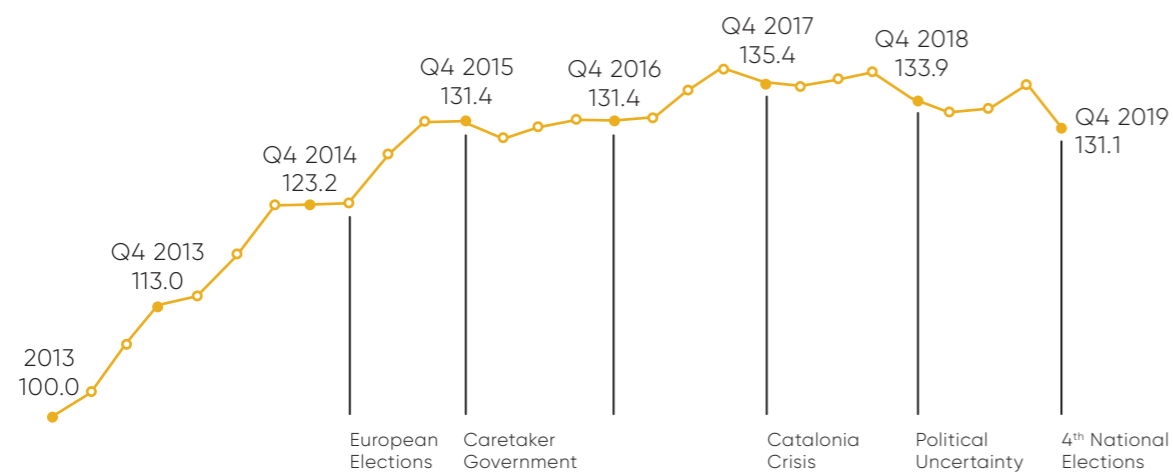
**CORESTATE**  
Capital Group



# Spanish Business Confidence

IS VERY POSITIVE

BUSINESS CONFIDENCE INDEX (%)

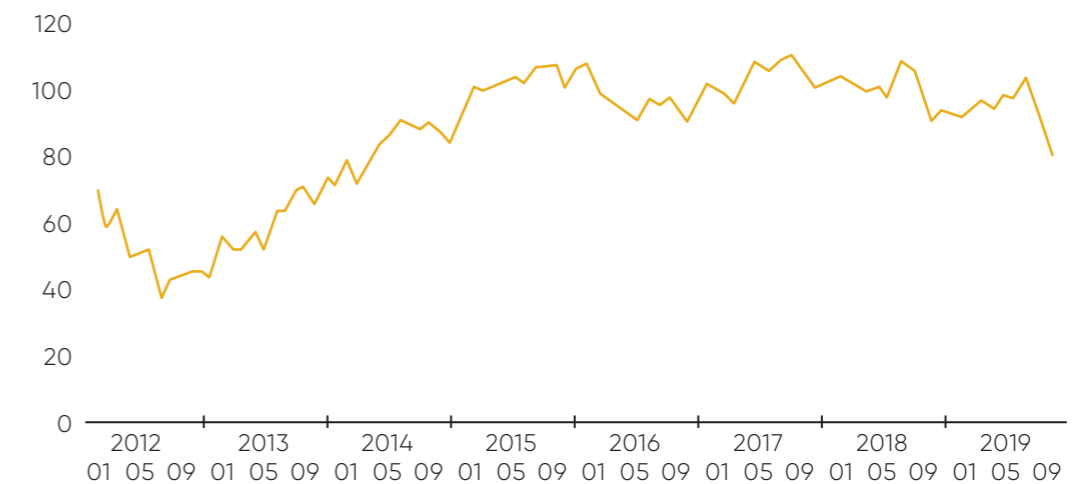


- / Business Confidence Index remains above pre-crisis levels despite the difficulties regarding forming a new government, the Catalanian crisis and the slowdown of the Worldwide economy.
- / The Business Confidence Indicator in Spain fell by 2.9% in the fourth quarter of 2019, caused by the 4<sup>th</sup> national political elections.

# Spanish Consumers

ALSO VERY POSITIVE

CONSUMER CONFIDENCE INDEX



- / Unemployment rate continues to decrease, standing at 13.80% at the end of 2019, slightly below Spain's structural unemployment rate which stands at 16% (Source: Bank of Spain).
- / It is important to consider that there is an important submerged economy which accounts for part of these employments.

# Spanish Unemployment Rate

CONTINUES TO IMPROVE

	SPAIN	MADRID	BARCELONA	SEVILLA	VALENCIA	PAMPLONA	ZARAGOZA	SALAMANCA	MALAGA
2012	24,80%	19,30%	24,00%	32,60%	27,40%	17,20%	20,10%	21,40%	35,50%
2013	26,10%	20,50%	21,40%	35,30%	25,40%	16,40%	20,90%	23,00%	36,20%
2014	24,40%	18,00%	19,50%	31,40%	22,20%	14,90%	18,90%	21,30%	30,90%
2015	22,10%	16,50%	17,20%	29,10%	20,80%	13,50%	15,30%	15,80%	27,00%
2016	19,60%	14,60%	14,70%	27,00%	20,20%	10,00%	14,00%	16,20%	25,00%
2017	17,20%	13,80%	12,10%	22,40%	16,40%	9,60%	12,10%	12,40%	20,70%
2018	15,30%	11,50%	11,30%	20,90%	13,20%	10,00%	11,60%	12,20%	16,60%
2019	13,80%	10,00%	10,50%	20,70%	12,90%	9,00%	10,10%	13,00%	17,75%

/ Unemployment has been continuously improving over the past few years. Particularly in key cities, levels are back at very positive levels and seem to continue to improve further



# Spanish Tourism

REMAINS A KEY DRIVER OF THE ECONOMY

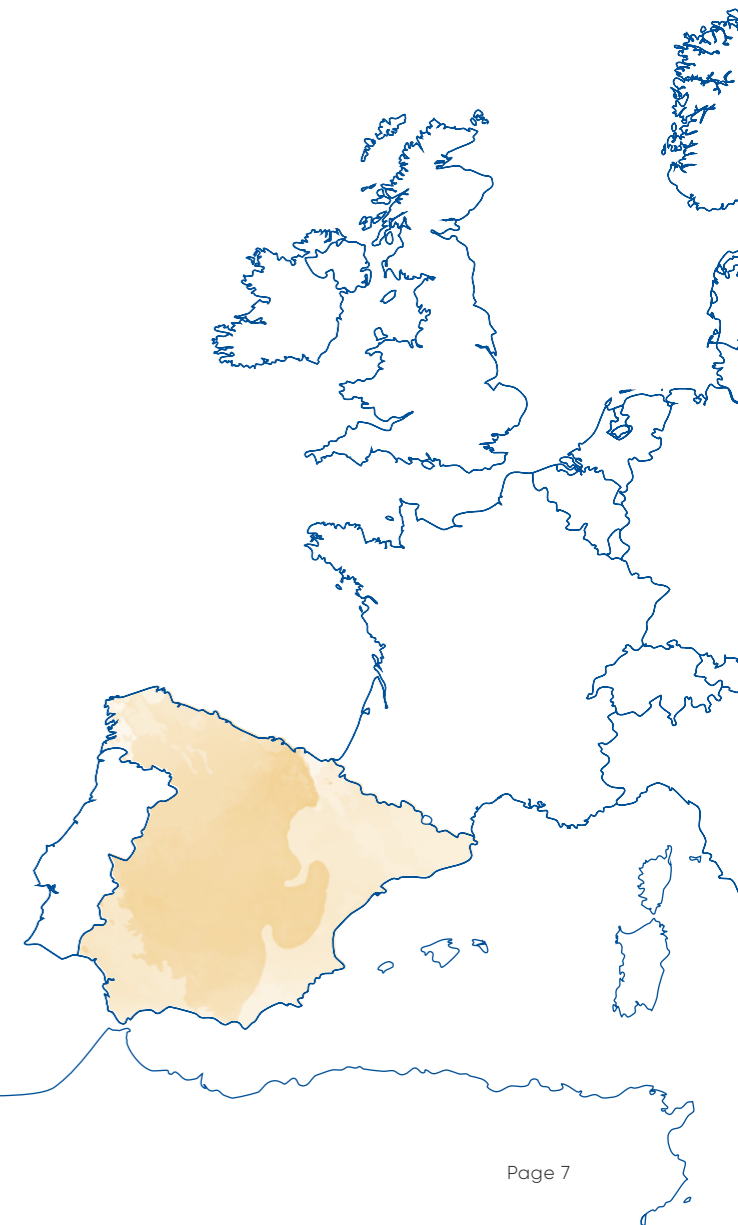
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SPAIN IS THE

*world's 2<sup>nd</sup> largest travel destination*

BY BOTH INTERNATIONAL TOURIST ARRIVALS AND EARNINGS.

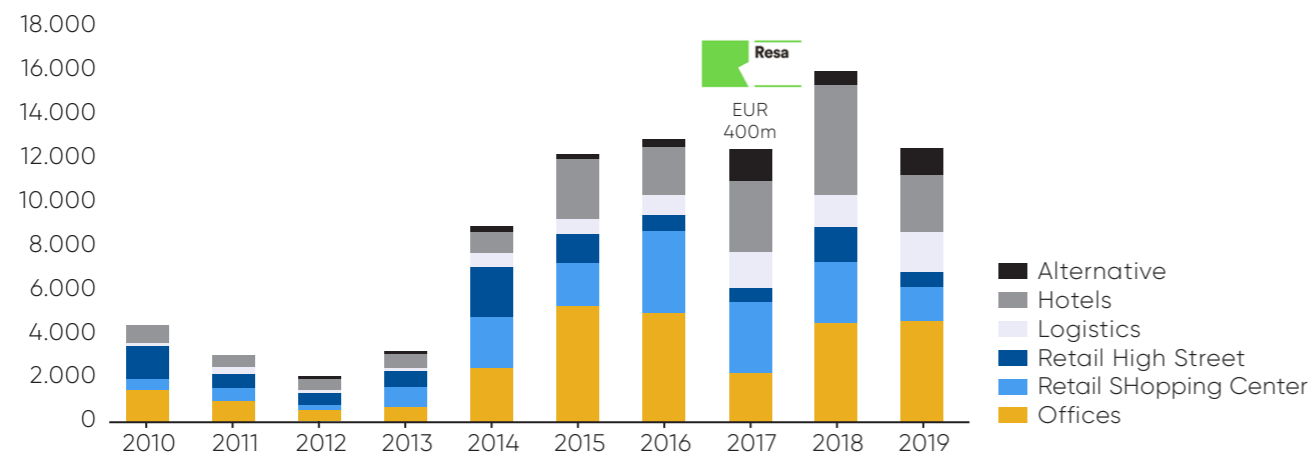
- / The tourism industry is a core sector for the region's domestic economy, representing c. 11.8% of the GDP and 12.3% of the total employment.
- / International tourism arrivals set another record for the 7<sup>th</sup> straight year reaching 83.7m. However, arrivals growth rate has also shown a slight downfall with only +1.1% growth over 2018 data.
- / Total spending by tourists visiting Spain reached all times high with c.€92bn, increasing by 2.8% when compared to the previous year.



# Spanish Real Estate Markets

HAVE STABILIZED

REAL ESTATE INVESTMENTS BY SECTOR (EURT)

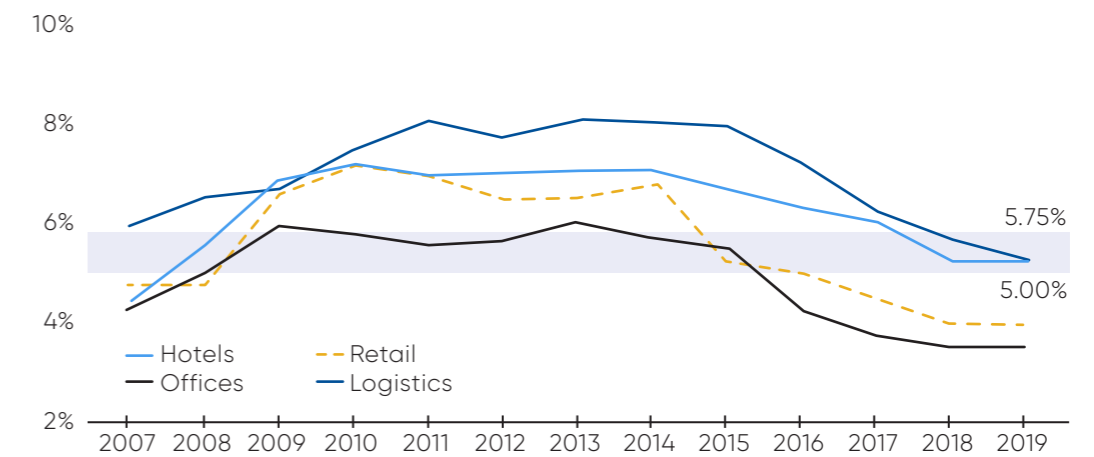


/ The Spanish Real Estate Market has experienced a solid growth during 2019, surpassing EUR 12,000 million, and more than EUR 1,000 in alternative investments. Furthermore, it reached its historical maximum during 2018, helped by several portfolio deals (specially hotels).

# Spanish Market Yields

DEMONSTRATE VERY LOW VOLATILITY

HISTORICAL PRIME YIELD EVOLUTION (%)



/ Spanish yields show remarkable robustness during stress times such as the financial crisis  
 / Whilst there is slight room for further compression, yields are stabilizing.  
 / We assume that Spain will continue to offer competitive yields and capital values vs the rest of Europe.

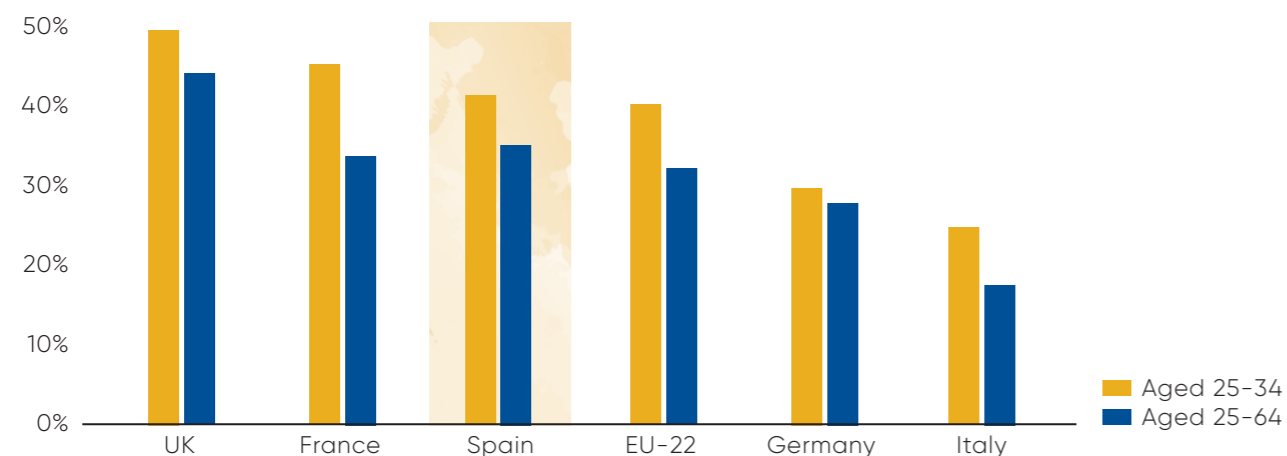


*Microliving  
in Spain*

# Spanish Student Population

ABOVE EU AVERAGE

POPULATION WITH HIGHER EDUCATION (%)

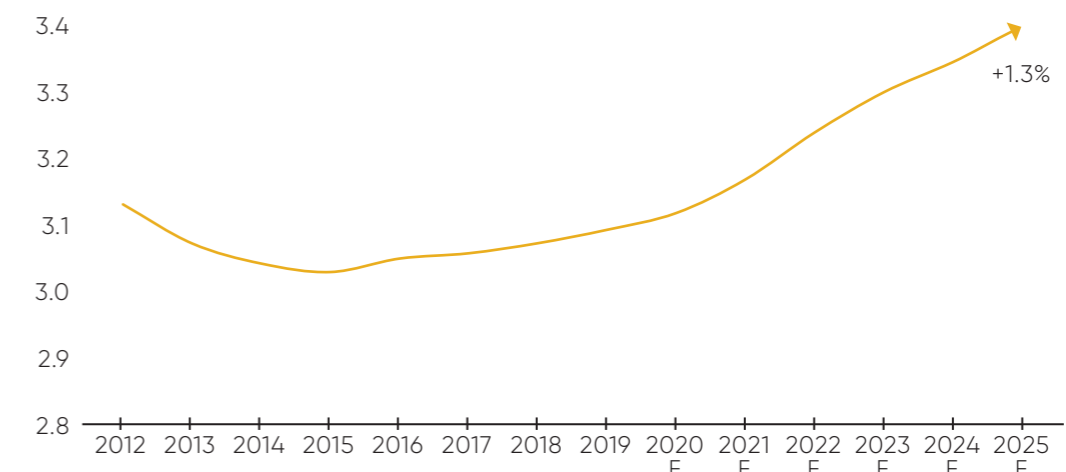


- / According to the population in Higher Education, it is shown that Spain has more students than the 22 European Union country average, and is surpassing other major countries like Germany.
- / Furthermore, it is noticeable that people from 25 to 34 years are more likely to be in Higher Education, with 41% of the total population, against the 35% of the latter group.

# Spanish Student Population

GROWTH DRIVES FURTHER DEMAND

FORECAST OF 18-24 YRS POPULATION IN MIO



- / According to INE's report, the number of people ranging from 18 to 24 years is expected to grow in the coming years and proving the strength of the student accommodation market.

# Spanish Student Bed Demand

IS SIGNIFICANT

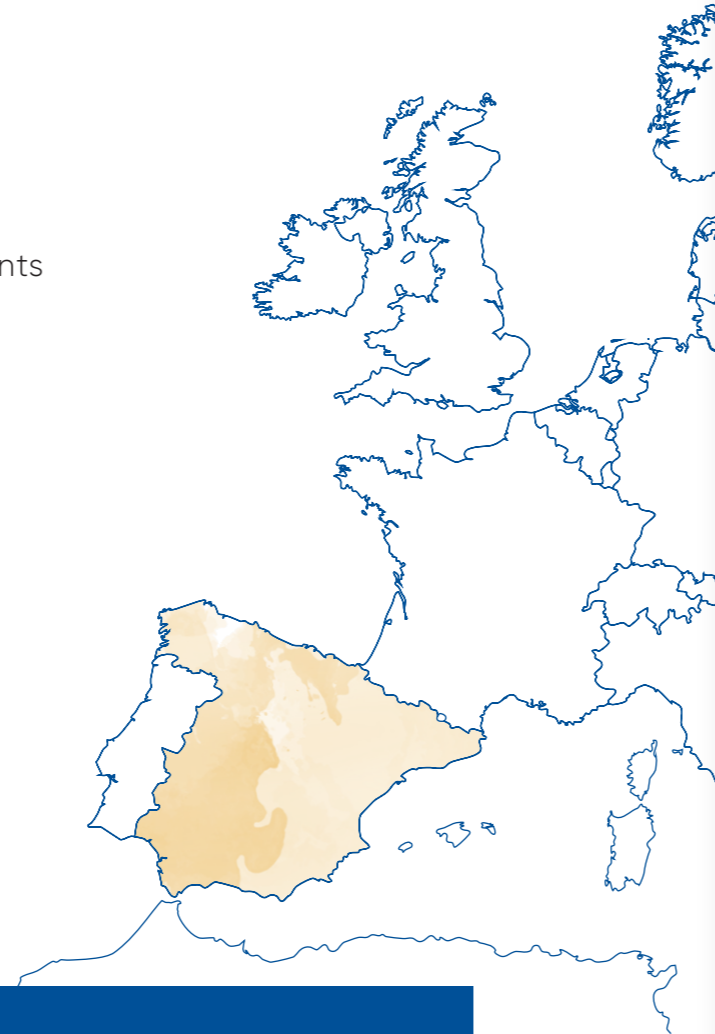
CURRENT SUPPLY DOES NOT MATCH DEMAND OF RELOCATED STUDENTS

332,354 / Displaced Domestic Students

110,167 / International Students

48,595 / Erasmus

491,116 / Total relocated students



- / Spain is one of the top global destinations for international and Erasmus students, given its climate, culture, language and economy
- / There is a significant student bed shortfall at a 6% provision rate, amounting to c. 397,000 in total

# Spanish Student Bed Shortage

COUNTRY COMPARISON

KEY STUDENT MARKET FACTS BY COUNTRY

	SPAIN	FRANCE	UK	NETHERLANDS	GERMANY	EUROPEAN UNION
Number of beds	91,000	365,000	550,000	113,000	290,000	
Students Enrolled	1.6m	2.4m	2.3m	0.7m	2.7m	
<b>Students per Bed</b>	<b>17.2</b>	<b>6.5</b>	<b>4.2</b>	<b>6.2</b>	<b>9.3</b>	<b>7.0</b>
International Students (%)	9%	10%	18%	11%	12%	





# Several Student Hubs

HAVE EVEN HIGHER DEMAND

SPANISH AND EUROPEAN STUDENT HOUSING OVERVIEW,  
KEY STUDENT MARKET FACTS BY CITY

	MADRID	BARCELONA	VALENCIA	SEVILLA	GRANADA	BILBAO
Students	300,300	171,800	105,400	76,200	54,500	37,500
Student Home Beds	18,000	9,200	3,300	3,000	2,700	1,200
Students per Bed	16	17	32	25	20	32
Average Monthly Room Rate (EUR)*	800	713	570	521	460	542

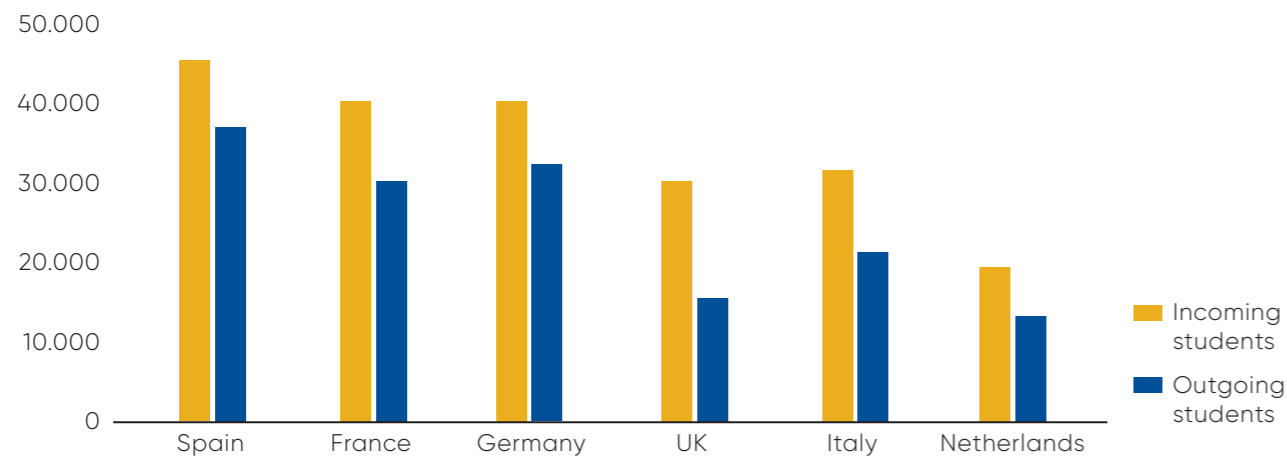
\* Average Price per room including utilities, 10% VAT and excluding catering



# Spanish Student Bed Demand

ANTICIPATED TO GROW FURTHER

## EUROPEAN RANKING IN TERMS OF ERASMUS STUDENTS



## SPANISH AND EUROPEAN STUDENT HOUSING OVERVIEW

- / Bed's shortfall has not been covered yet, although the total number of students has not ceased to grow since 2010, showing the great potential of the Spanish market.
- / Spain has a bed/student rate of only 6%, compared to other countries such as France or UK, with 15% or 24%, respectively.
- / These figures show the need for new investments, as Spain is the preferred destination for Erasmus students.

## NUMBER OF STUDENTS INCREASE PER CATEGORY IN THE LAST YEAR

**+11.1%** / Undergrad.

**+4.9%** / Master's

**+11.6%** / PhD



# Spain Features

SOME OF THE WORLDS MOST RENOWNED TOP SCHOOLS



## EIGHT SPANISH UNIVERSITIES IN THE TOP 300 UNIVERSITIES (2019)

# 165  UNIVERSITAT DE BARCELONA

# 212  UNIVERSIDAD COMPLUTENSE MADRID

# 188  UAB  
Universitat Autònoma de Barcelona

# 245  Universidad de Navarra

# 192  UAM  
UNIVERSIDAD AUTÓNOMA DE MADRID

# 285  upf.  
Universitat Pompeu Fabra Barcelona

# 198  Universidad Carlos III de Madrid

# 298  UPC  
UNIVERSITAT POLITÈCNICA DE CATALUNYA BARCELONATECH

## SPANISH BUSINESS SCHOOLS IN MBA RANKING (2019)

# 4 / European # 8 / Global  ie business school

# 6 / European # 13 / Global  IESE  
Business School University of Navarra

# 7 / European # 18 / Global  ESADE  
Business School

## SPANISH UNIVERSITY SYSTEM

- / The Spanish University System has experienced a notable growth, amounting to 82 universities as at 2019, of which the majority are public (50 Vs 32).
- / Universities are highly concentrated in five Autonomous Communities.
- / Three Spanish cities are amongst the leading European urban destinations for international students according to the QS Best Student Cities 2019 ranking. The ranking takes into account factors such as student diversity, facilities attractiveness, fees affordability and business activity.



Source: QS University Ranking

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