

# 2023 Real Estate Market Outlook

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ESPAÑA

CBRE





Macro

MACROECONOMICS

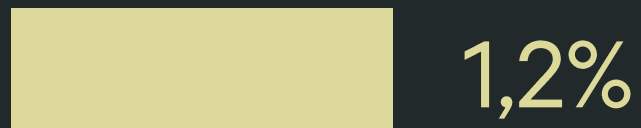
Global shocks have dampened the 2023 economic scenario

**Spain:**  
2023 GDP growth forecasts

Jan-22



Jan-23



# An undoubtably challenging start to 2023...



Escalation  
of Geopolitical  
risk



Surge in  
energy prices



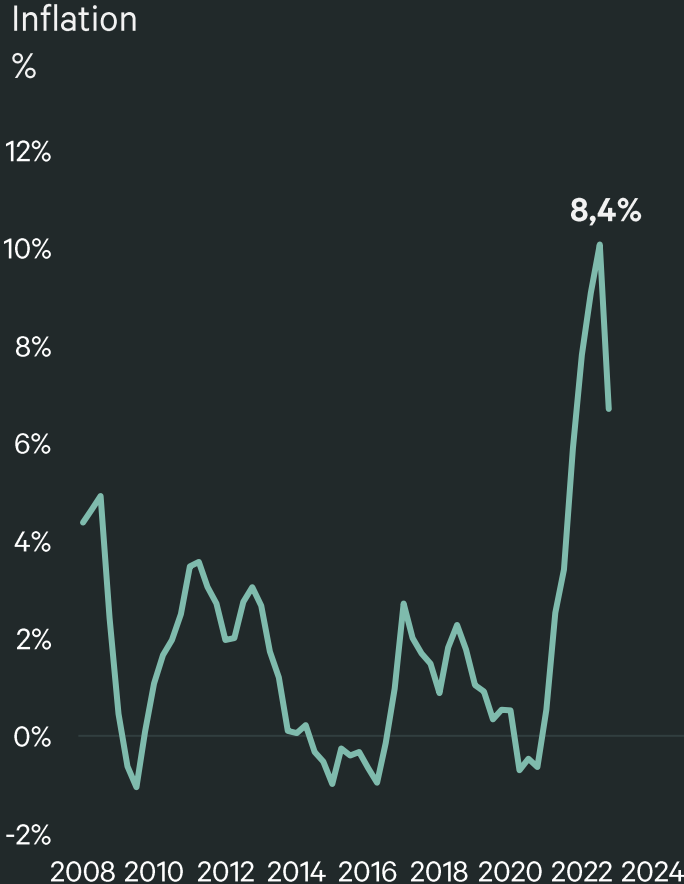
Aggressive  
monetary policy  
tightening



Slowdown of  
the Chinese  
economy

MACROECONOMICS

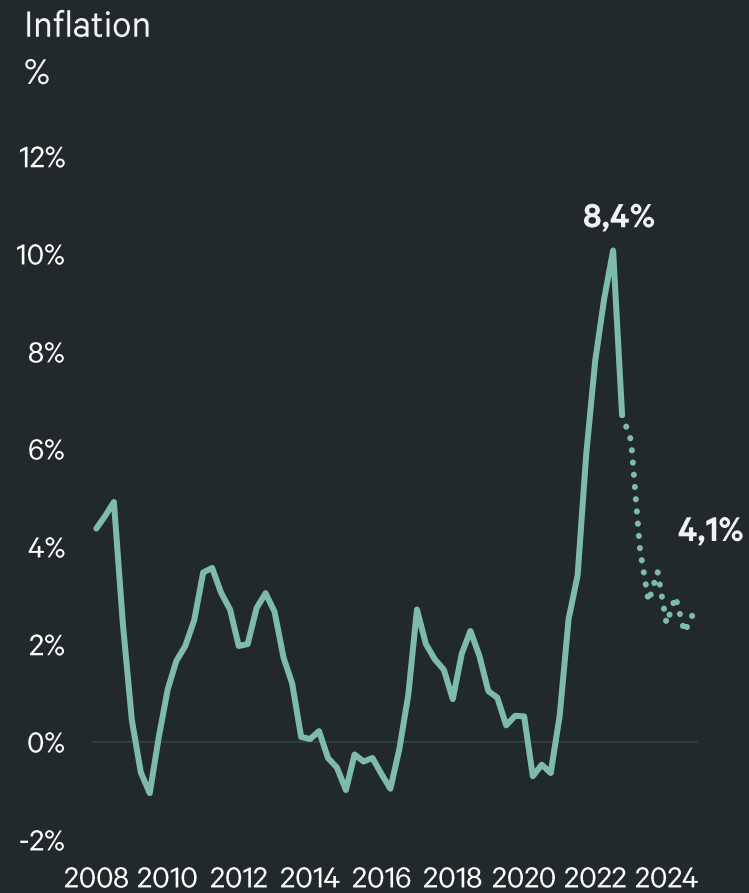
... but clouds will begin to break this year



Source: CBRE House View

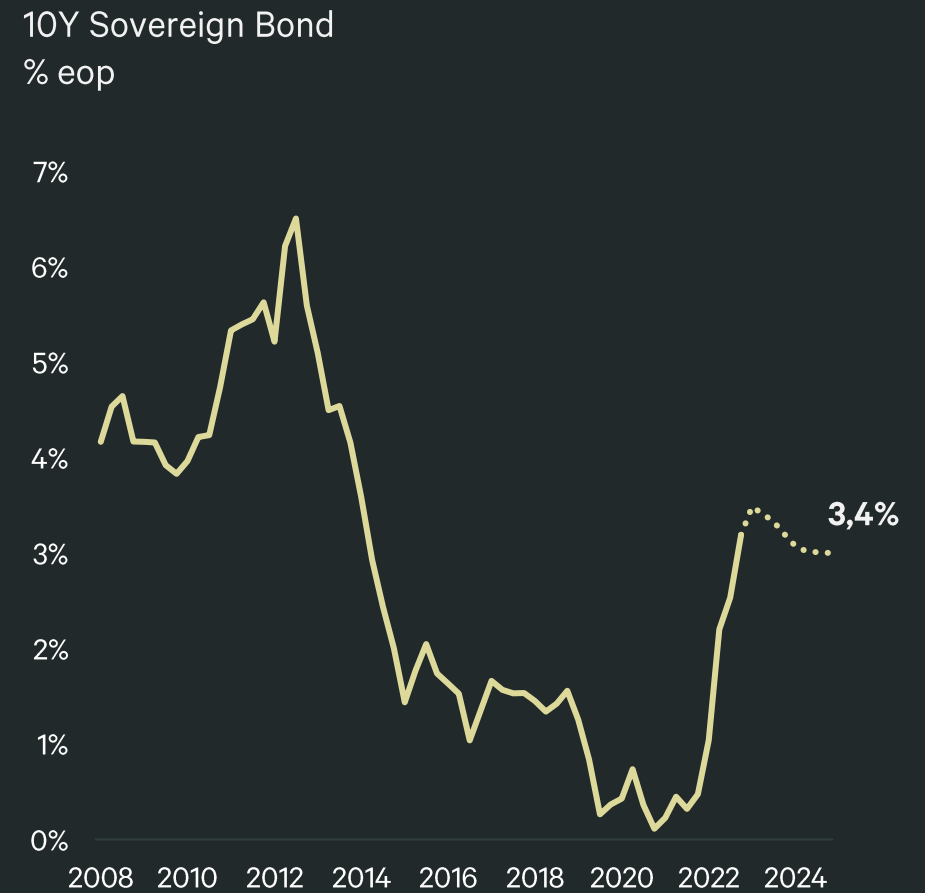
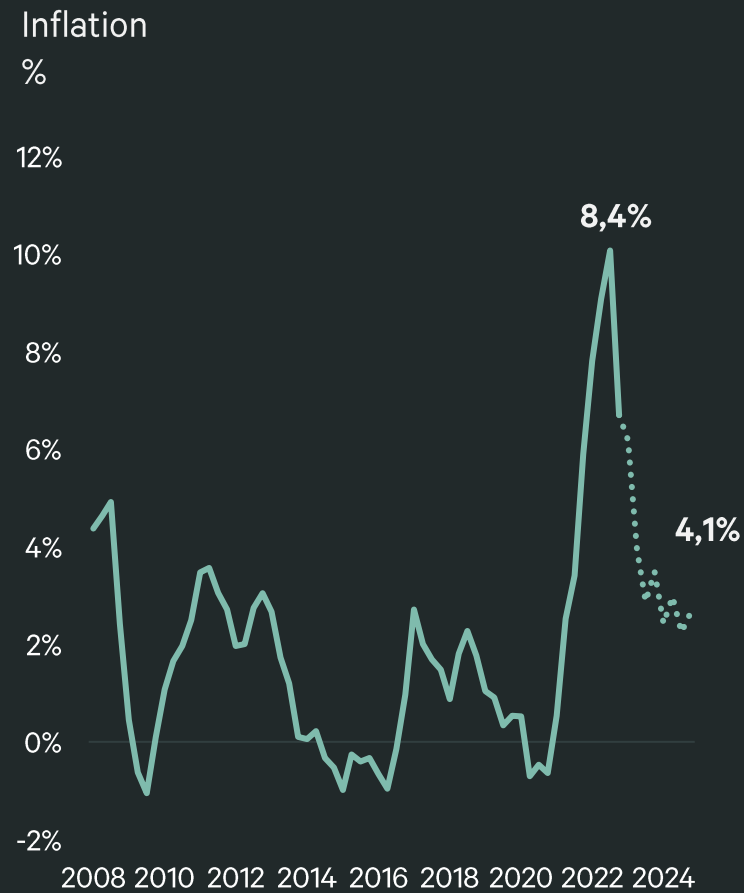
MACROECONOMICS

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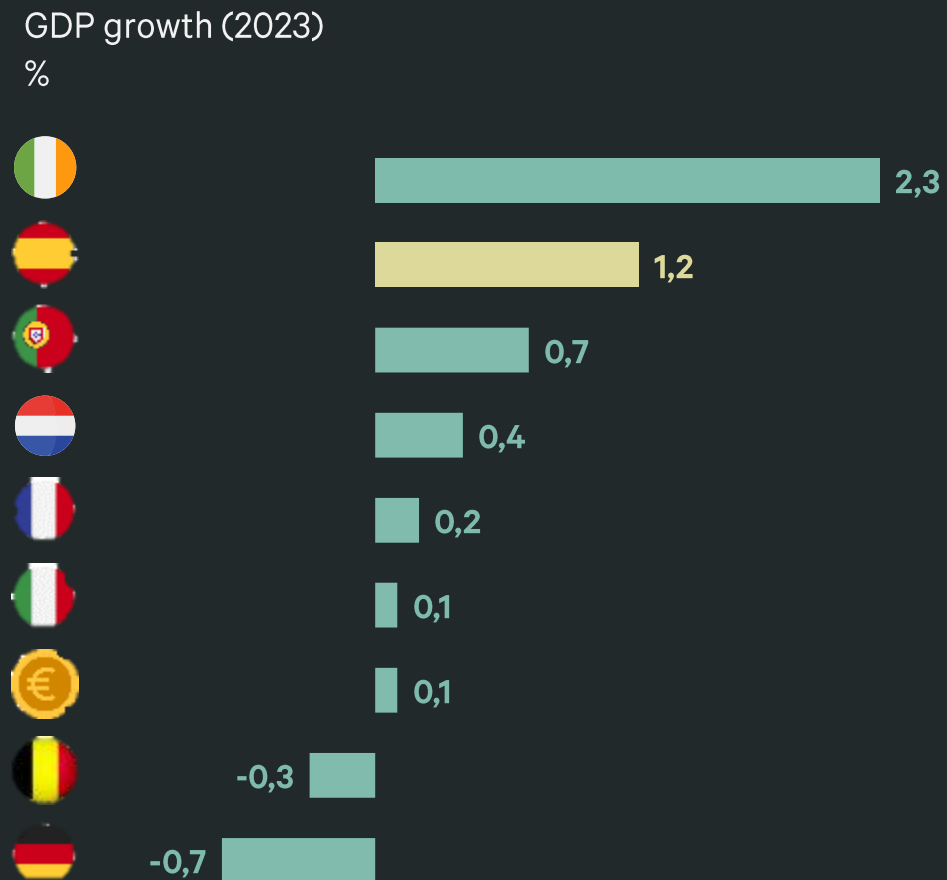


Source: CBRE House View

... but clouds will begin to break this year



# Spain strengthens its recovery



Labour market resilience



Tourism recovery



Deployment of NGEU funds



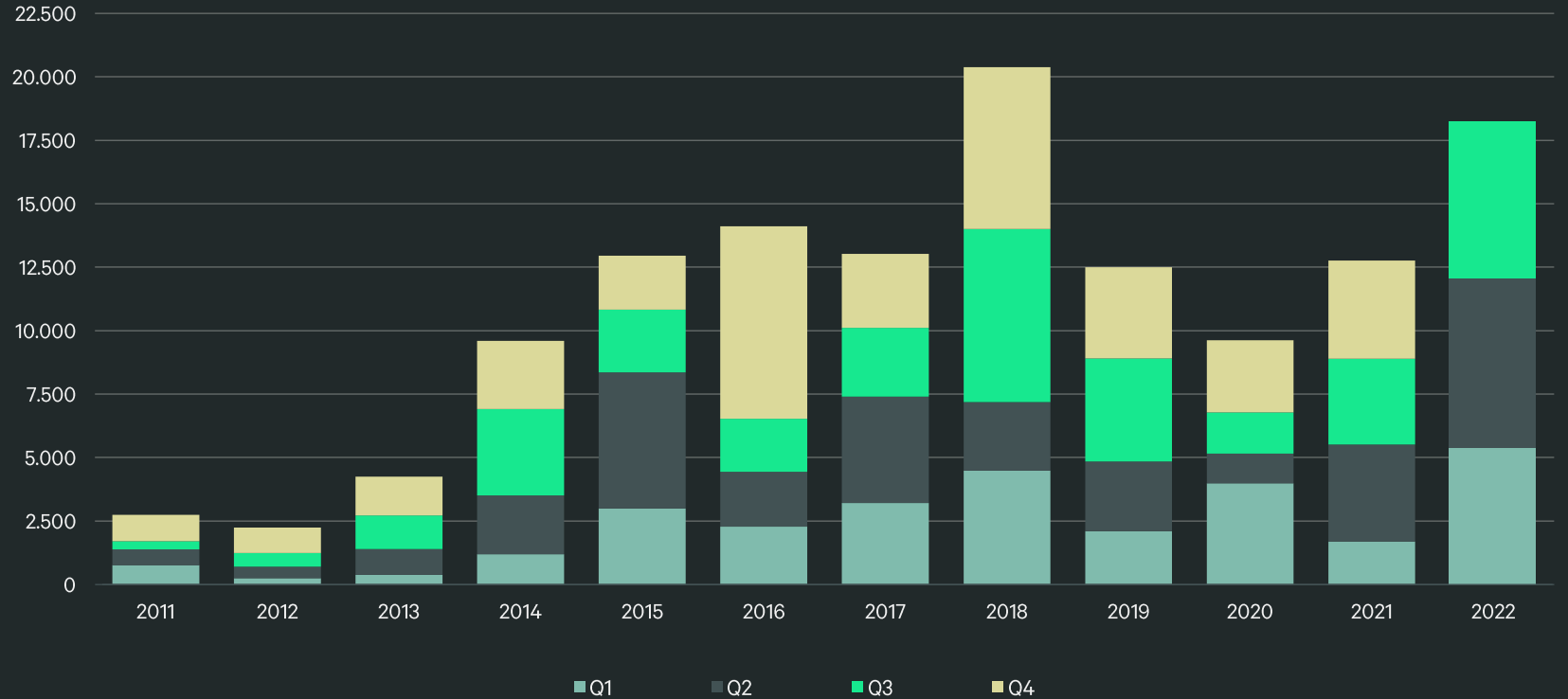


Real Estate  
Investment

INVESTMENT

Q1 to Q3 proved strong

Investment volume in Spain by quarter (€ million)



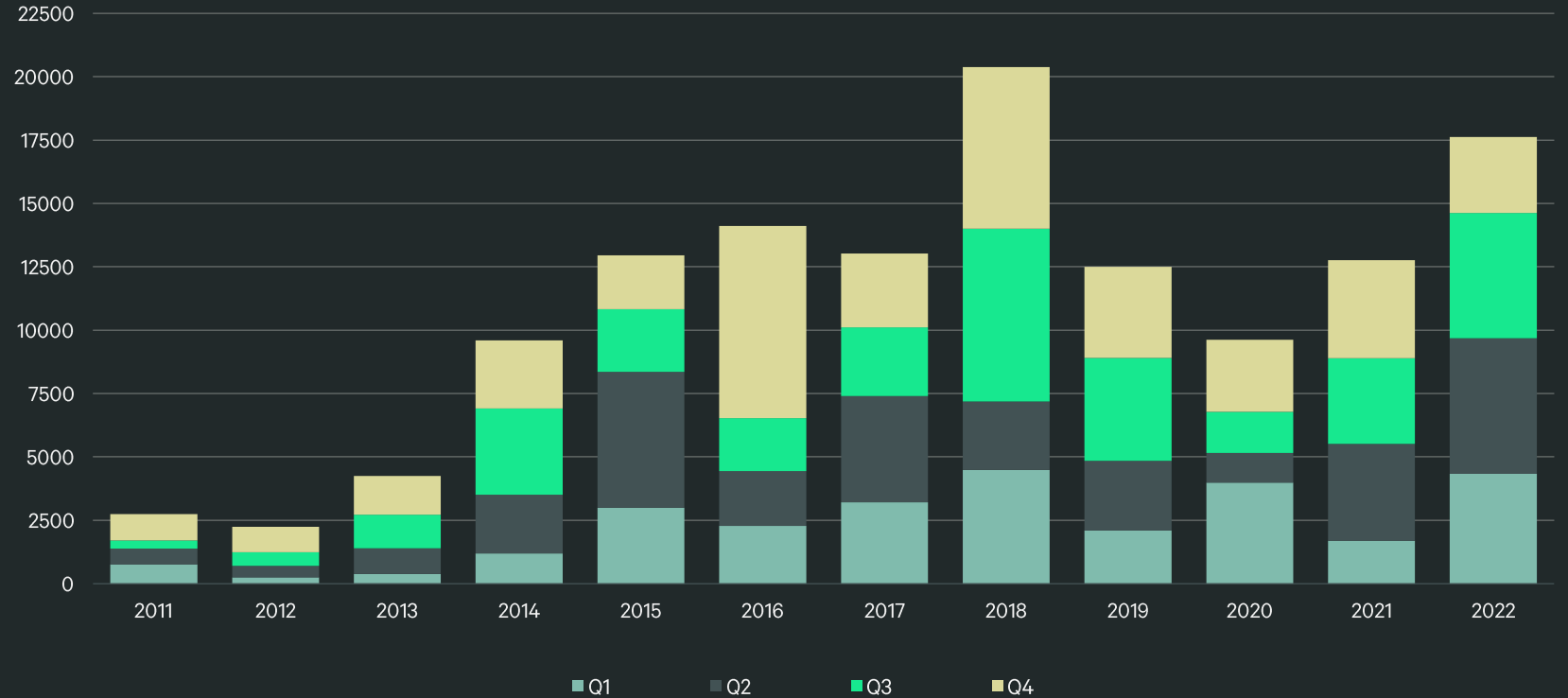
Source: CBRE Research & CBRE Data Science

INVESTMENT

Whereas Q4 very weak...

...also in Spain

Investment volume in Spain by quarter (€ million)

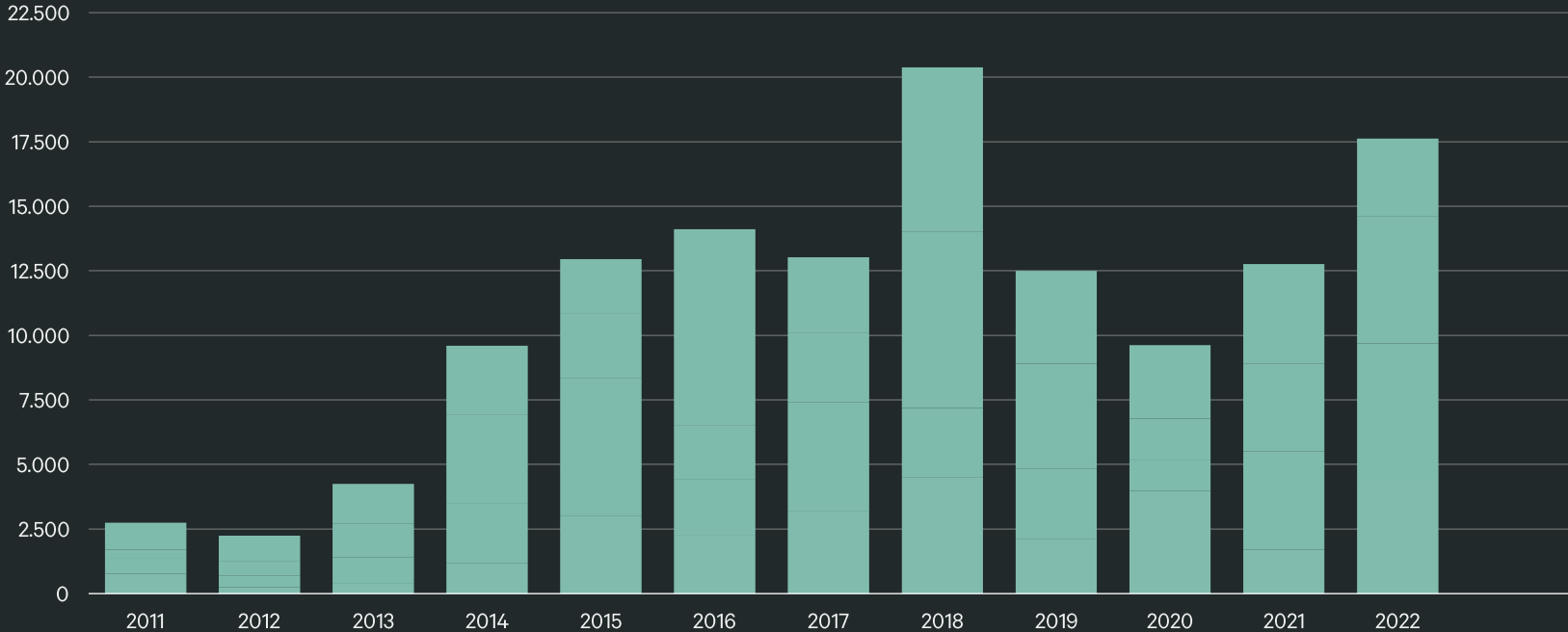


Source: CBRE Research & CBRE Data Science

INVESTMENT

# What will happen in 2023?

Investment volume in Spain by year (€ million)



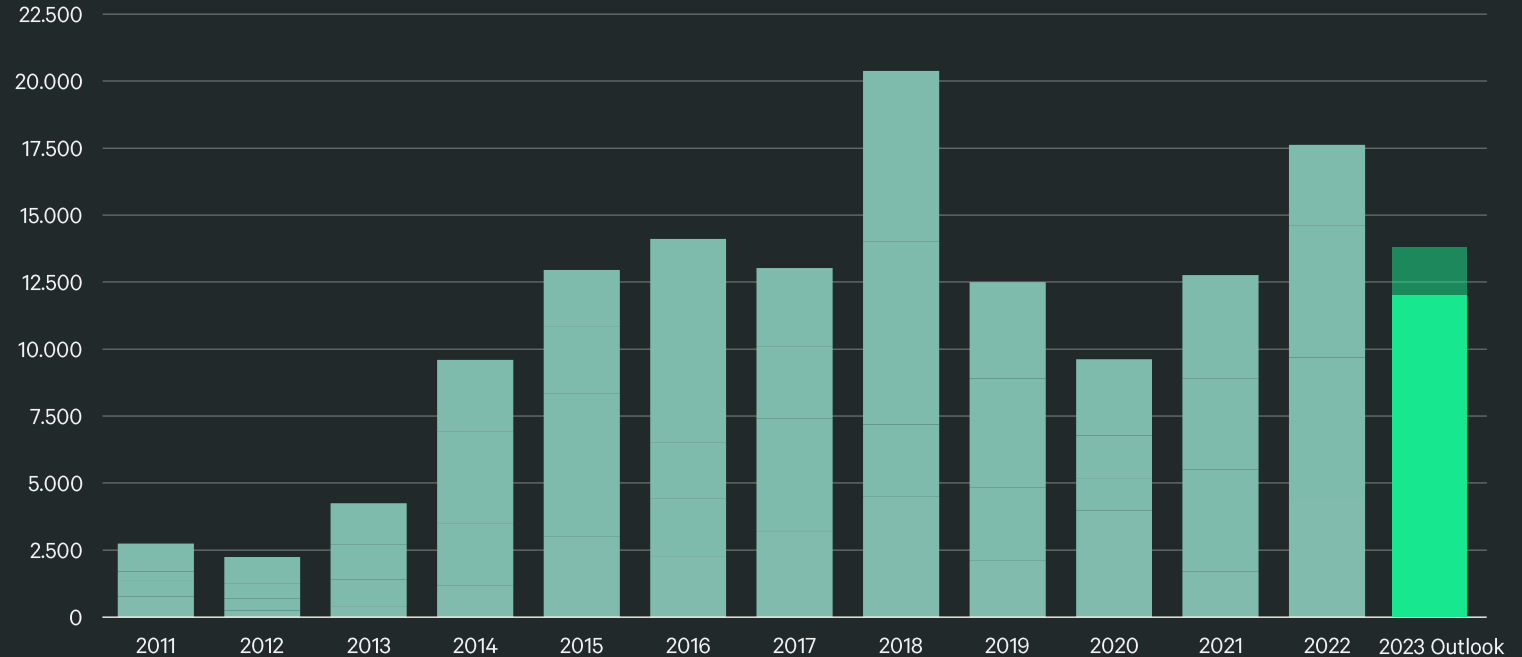
Source: CBRE Research & CBRE Data Science

INVESTMENT

What will happen  
in 2023?

20% to  
30%  
adjustment

Investment volume in Spain  
by year (€ million)

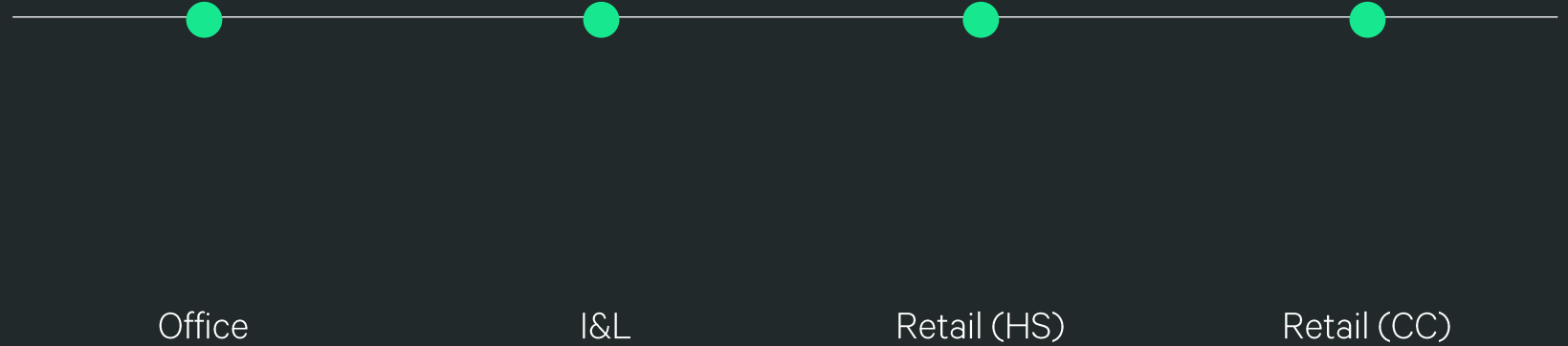


Source: CBRE Research & CBRE Data Science

INVESTMENT

# ...and with Prime Yields?

**Yields evolution**  
By product (pb)

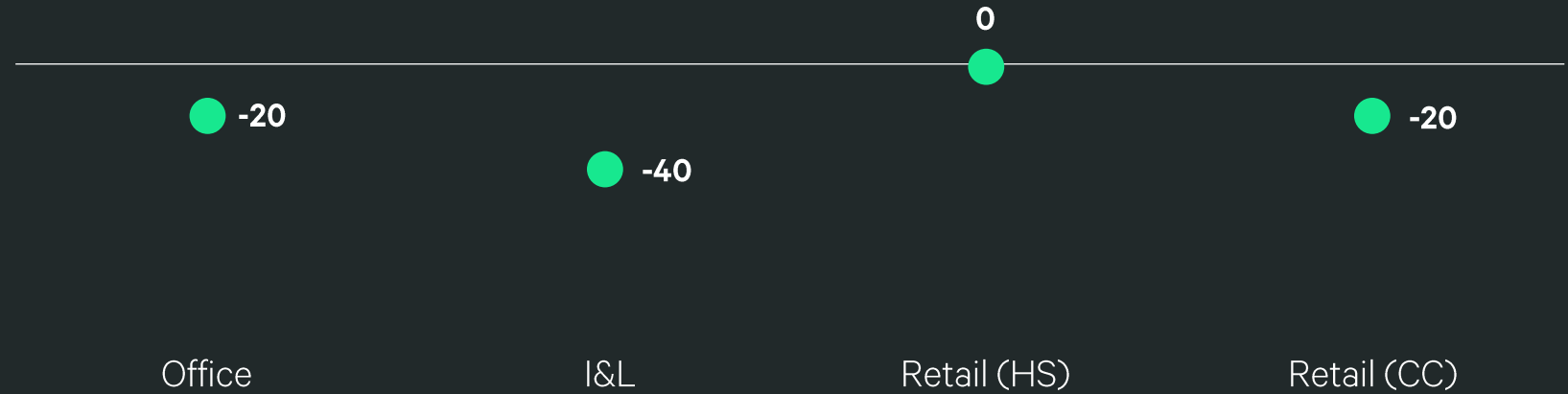


INVESTMENT

# ...and with Prime Yields?

Forecast  
Q4 2021

**Yields evolution**  
By product (pb)



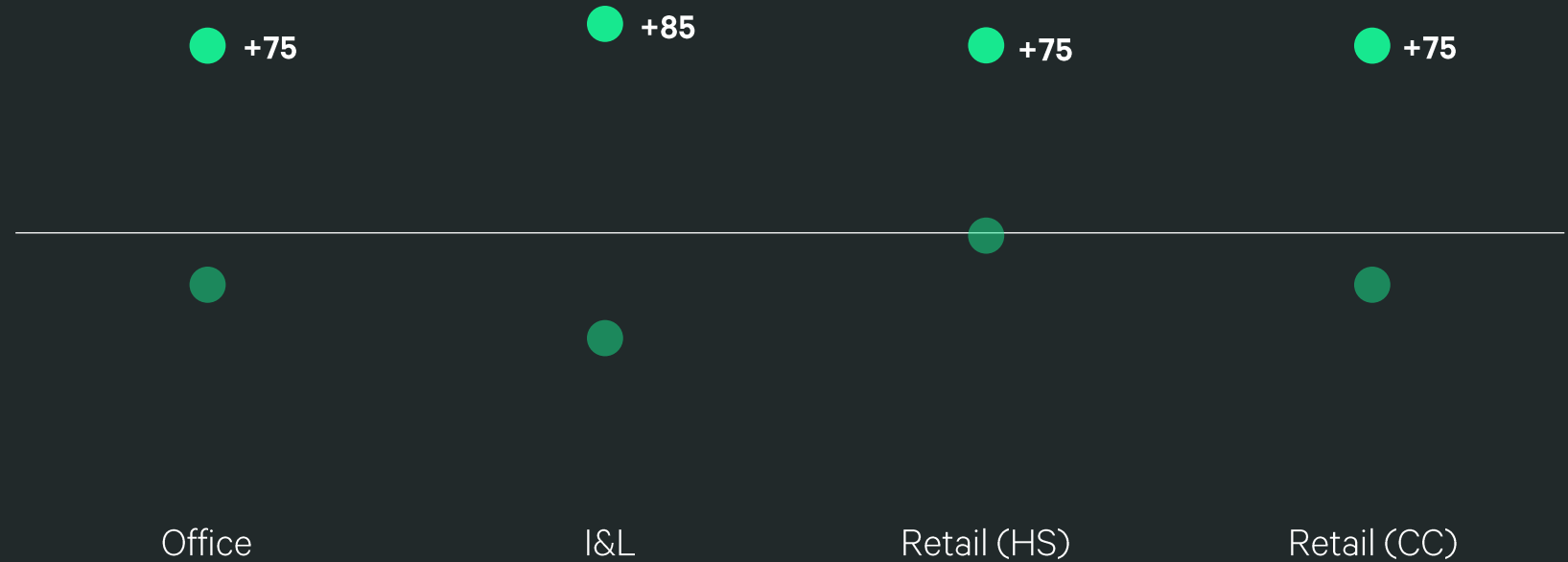
Source: CBRE Research & CBRE Data Science

INVESTMENT

# ...and with Prime Yields?

Real  
2022

**Yields evolution**  
By product (pb)



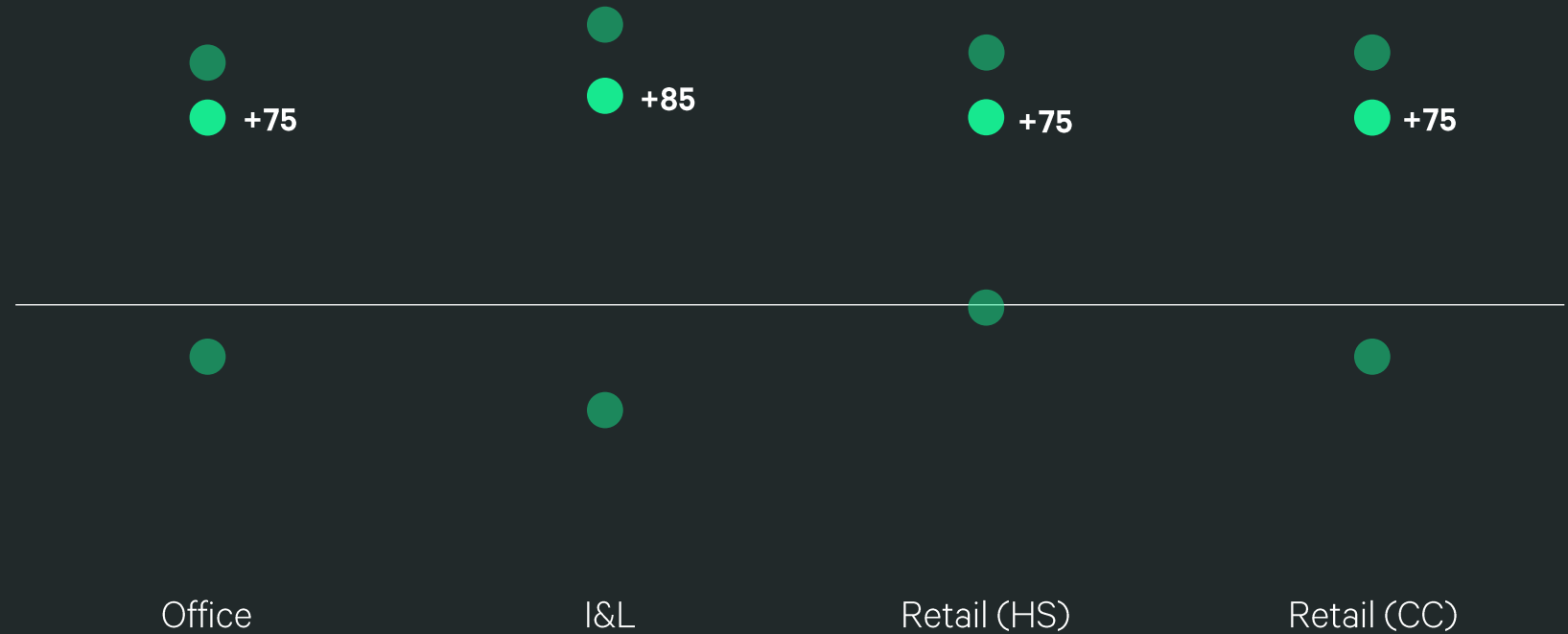


INVESTMENT

# ...and with Prime Yields?

Max. forecast  
2023

**Yields evolution**  
By product (pb)



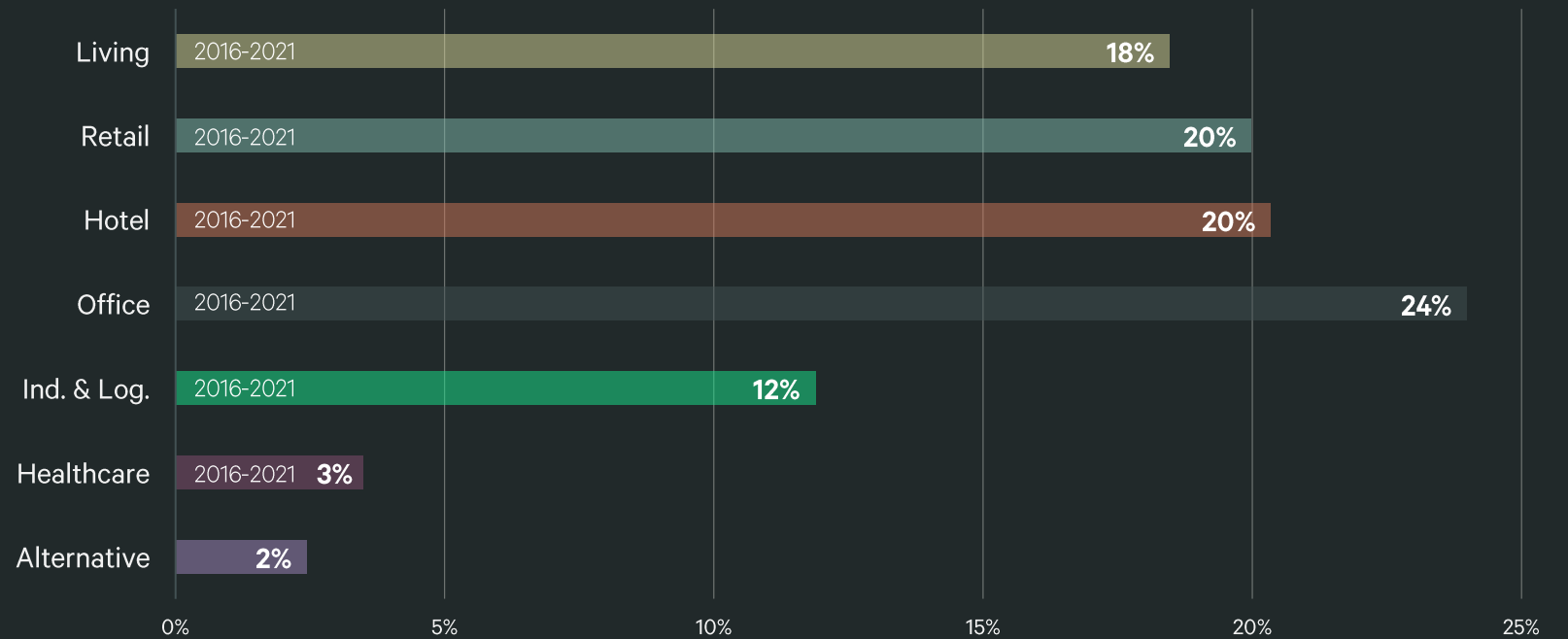
INVESTMENT



INVESTMENT

# Consolidation of the change of trend in the sectors

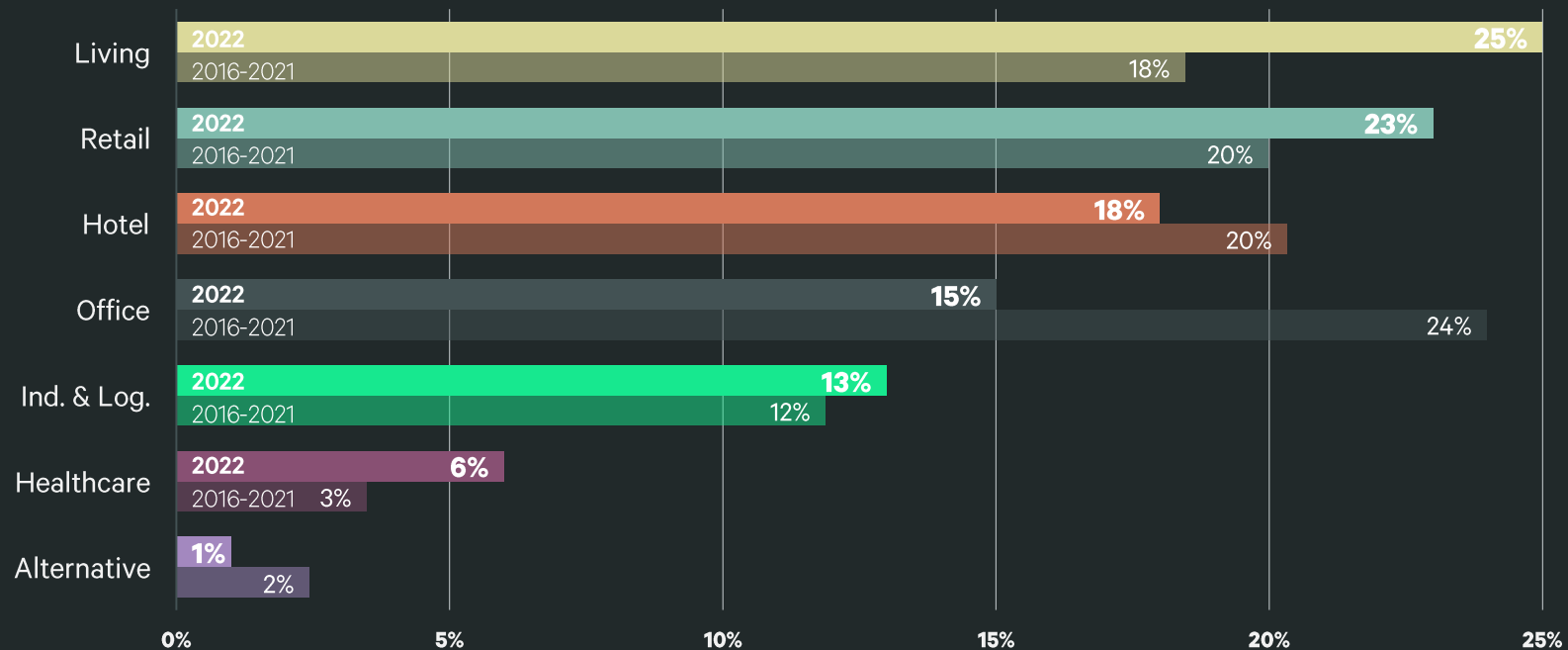
Weight by sector in invested volume in Spain  
2016-2021 average



INVESTMENT

# Consolidation of the change of trend in the sectors

Weight by sector in invested volume in Spain  
2022 vs 2016-2021 average



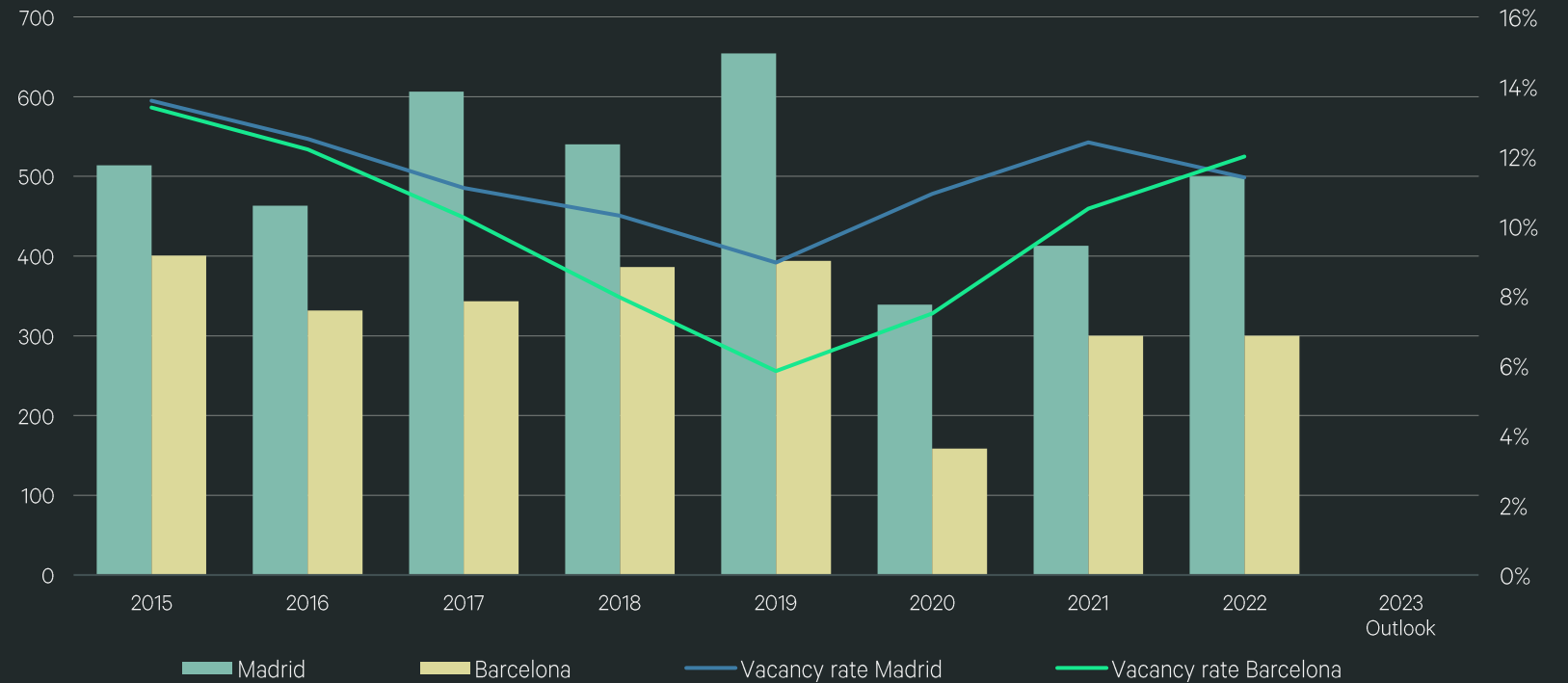


Offices

# What will happen in 2023?

## Take-Up & Vacancy Rate

Madrid and Barcelona (thousand sqm, right and %, left)



Source: CBRE Research & CBRE Data Science

# What will happen in 2023?

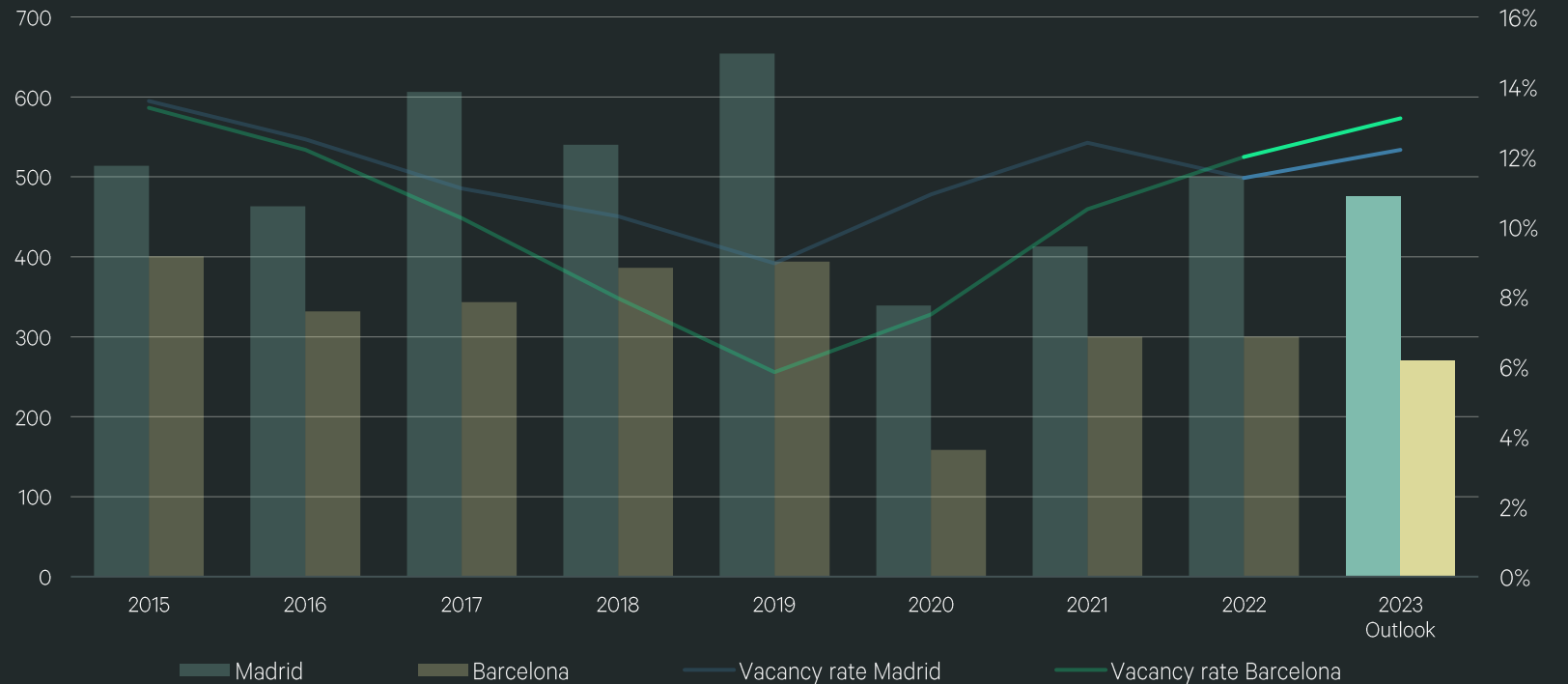
-5%

Madrid

-10%

Barcelona

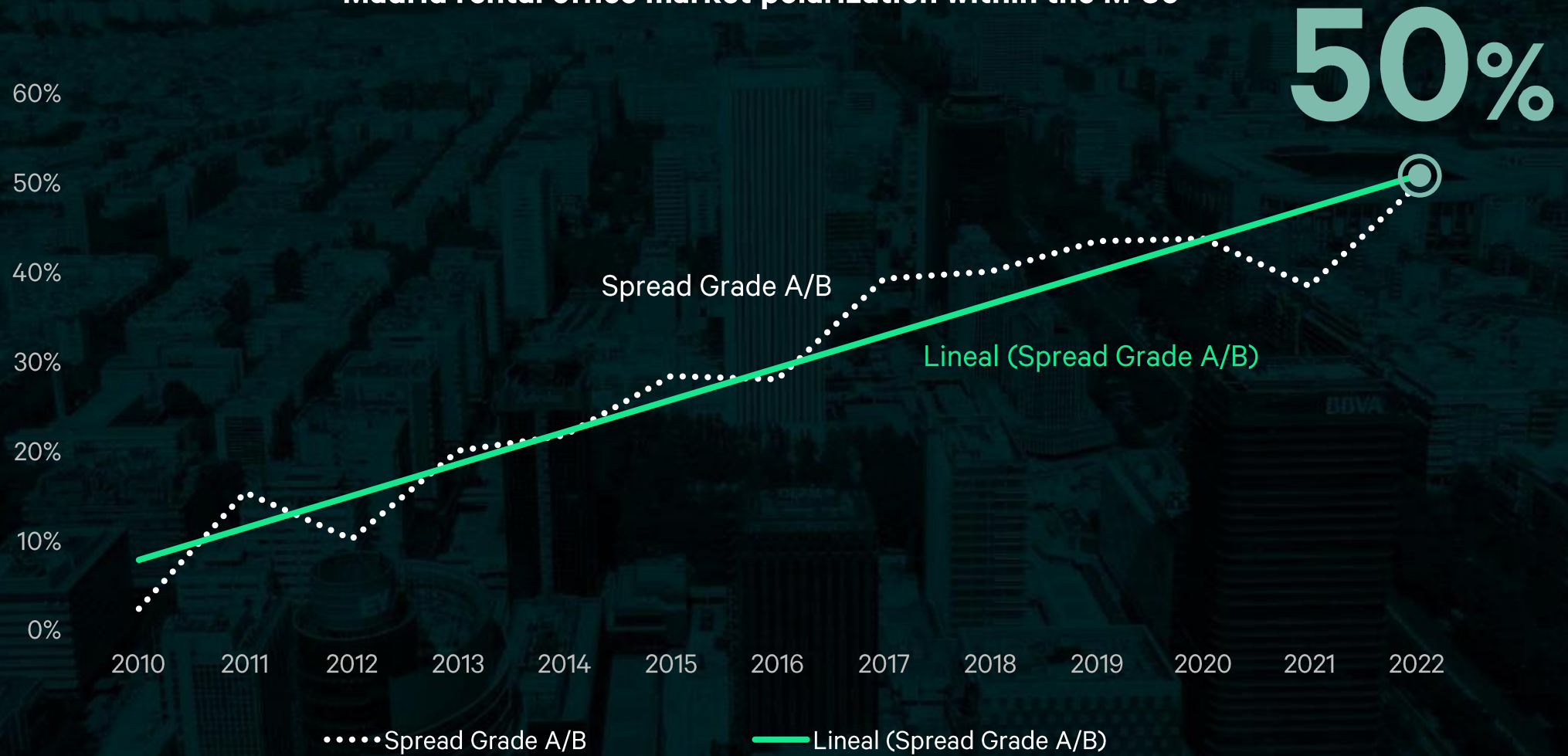
### Take-Up & Vacancy Rate Madrid and Barcelona (thousand sqm, right and %, left)



Source: CBRE Research & CBRE Data Science



## Madrid rental office market polarization within the M-30





OFFICES

# Flex penetration rate

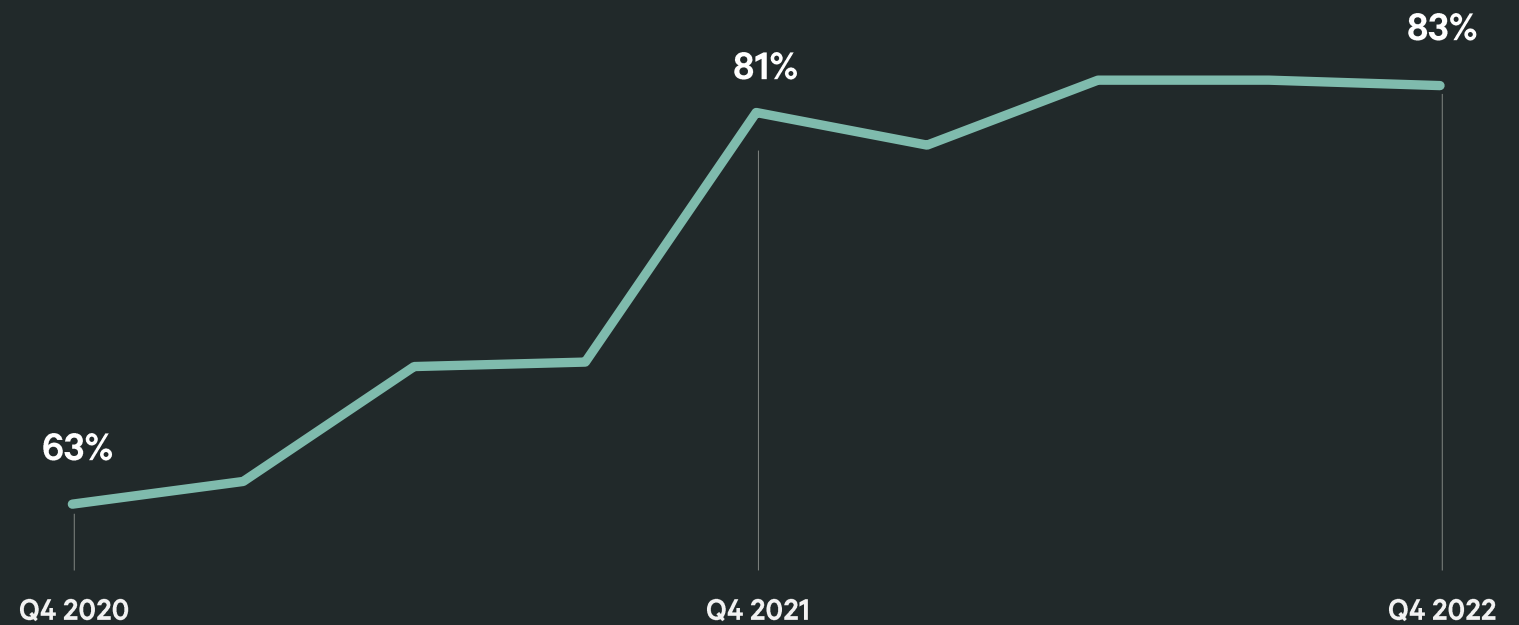
1,9%

Madrid  
+30 bps vs 2021

3,3%

Barcelona  
+60 bps vs 2021

## Occupation levels in Flex Centres average for Madrid and Barcelona (%)



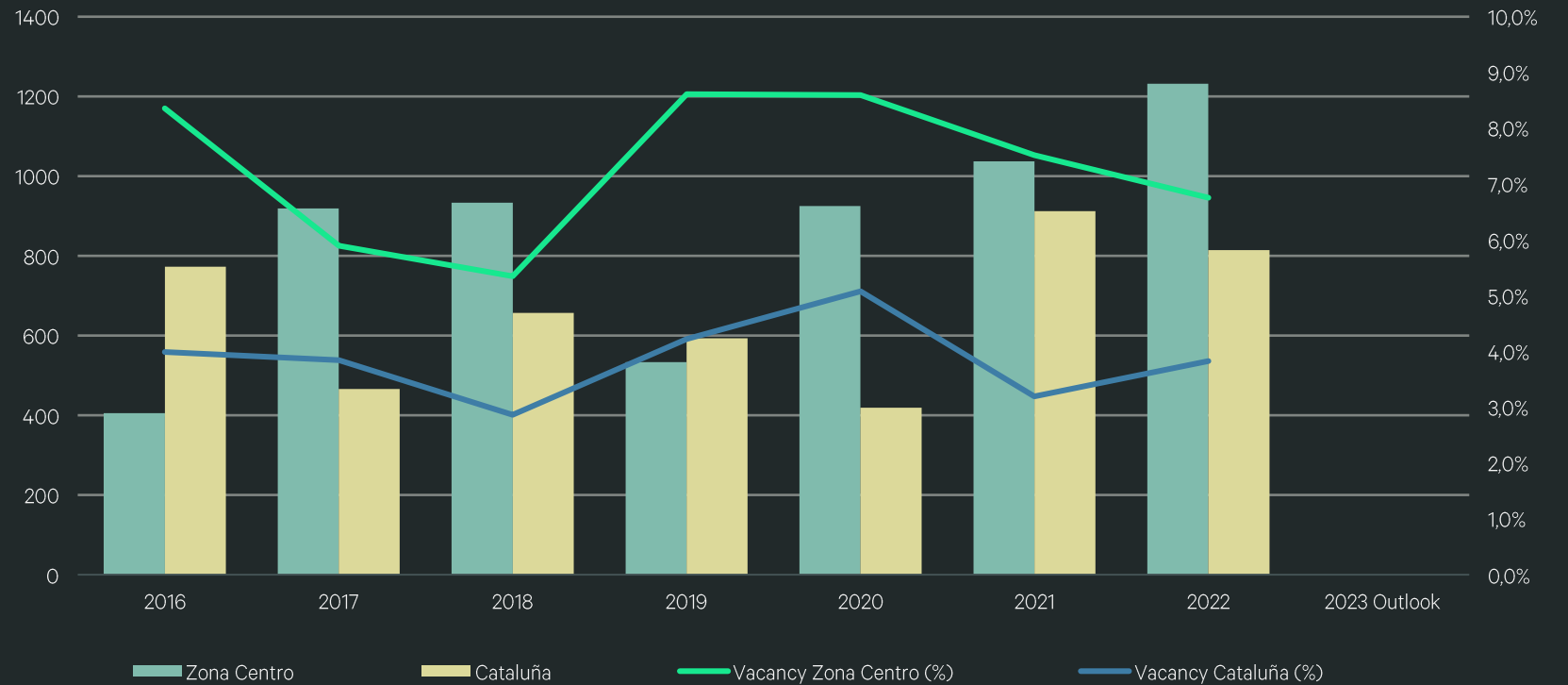
Source: CBRE Research & CBRE Flex Operator Survey



Industrial  
& Logistics

# What will happen in 2023?

### Take-Up y Vacancy Rate (Thousand sqm & %) Central Area & Catalonia



Source: CBRE Research & CBRE Data Science

# What will happen in 2023?

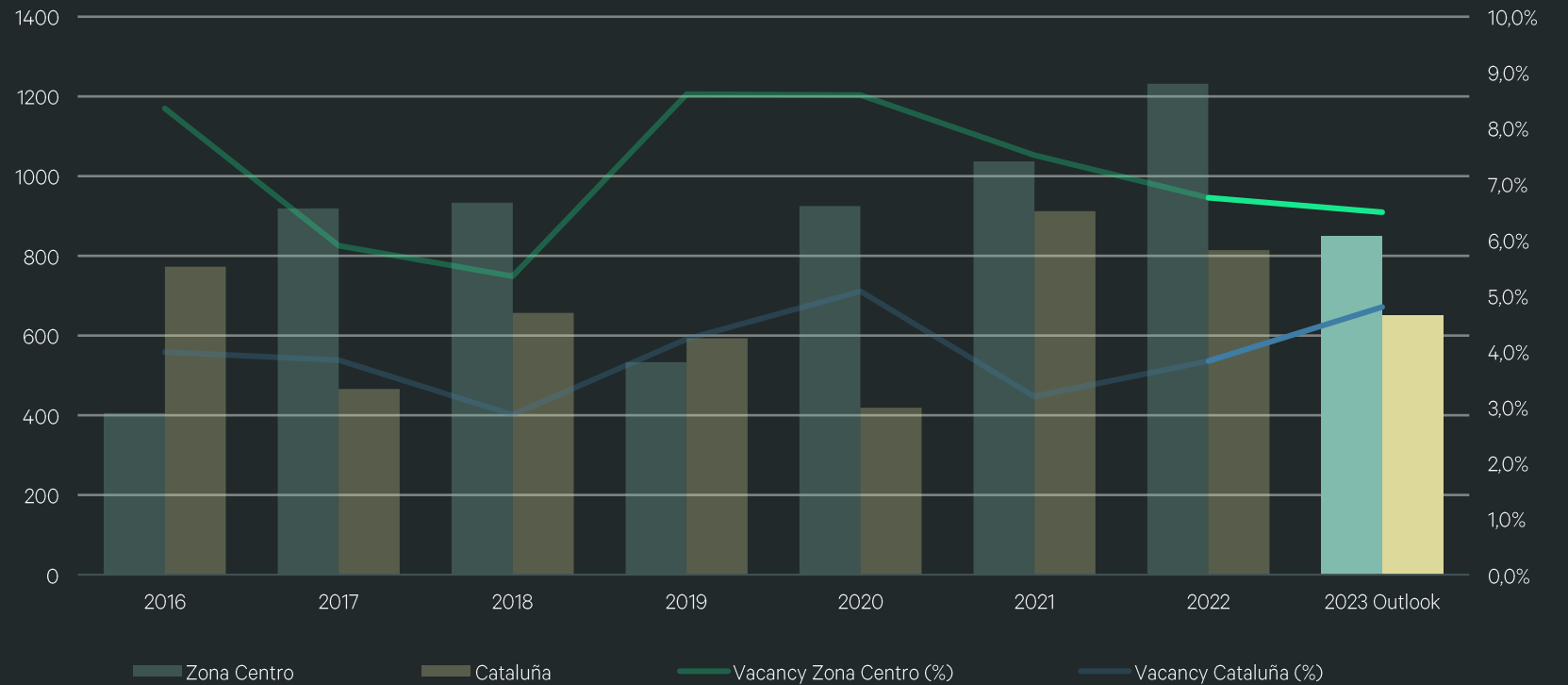
-30%

Centra Area

-20%

Catalonia

### Take-Up y Vacancy Rate (Thousand sqm & %) Central Area & Catalonia



Source: CBRE Research & CBRE Data Science

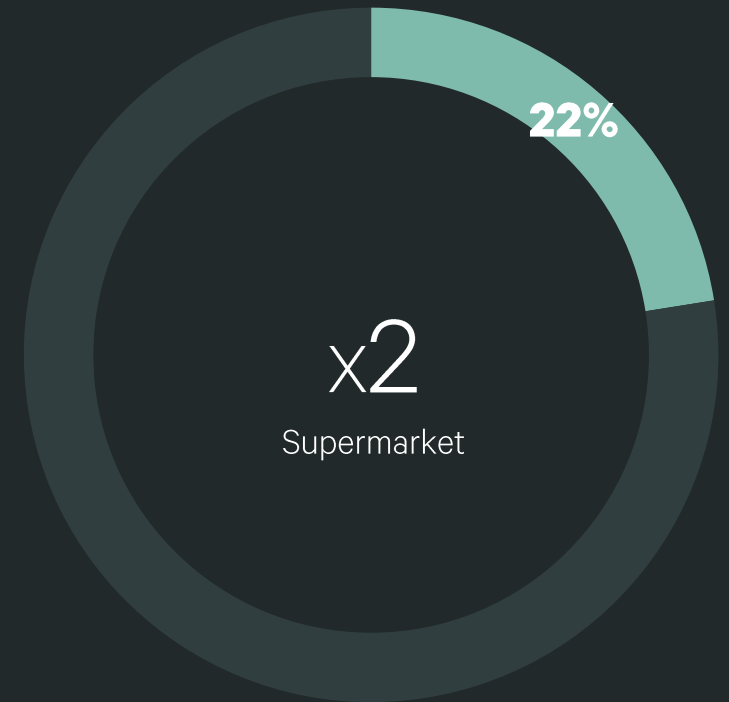
# Non-specialised operators at the forefront of demand

- 1°**  
3PL
- 2°**  
Supermarket
- 3°**  
Transport & Distribution
- 4°**  
Fashion

**Take-up Fashion vs Others**  
(% of total) 2022 vs 2017-2021



**Take-up Supermarket vs Others**  
(% of total) 2022 vs 2017-2021







Retail

# What will happen in 2023?

Forecast retail sales YoY variation 2018 – 2019 | Spain & Eurozone | 2015=100



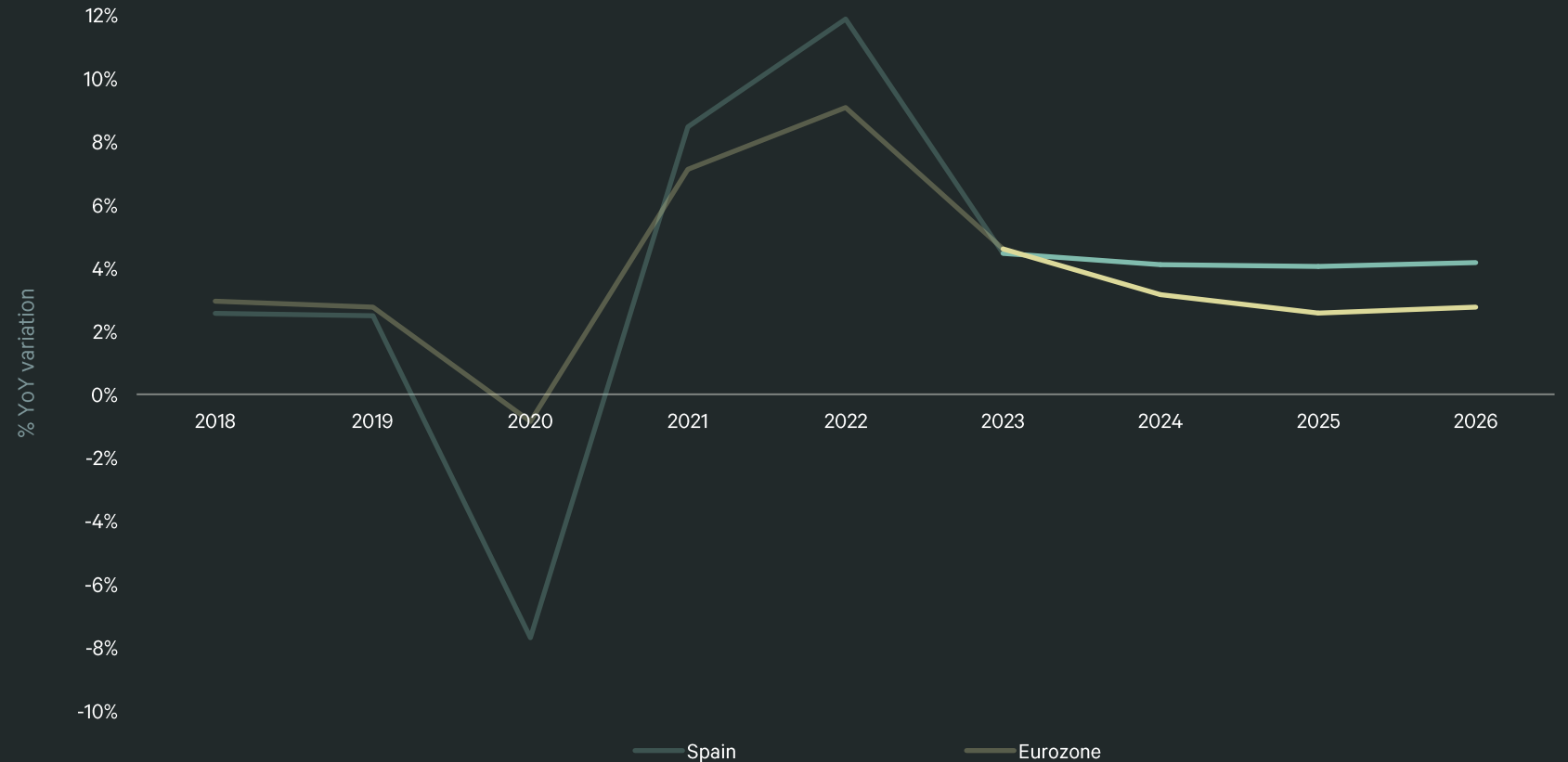
Source: Oxford Economics, Cbre Research

# What will happen in 2023?

# +4.5%

Increase of sales are expected to continue to growth until 2026

Forecast retail sales YoY variation 2018 – 2019 | Spain & Eurozone | 2015=100



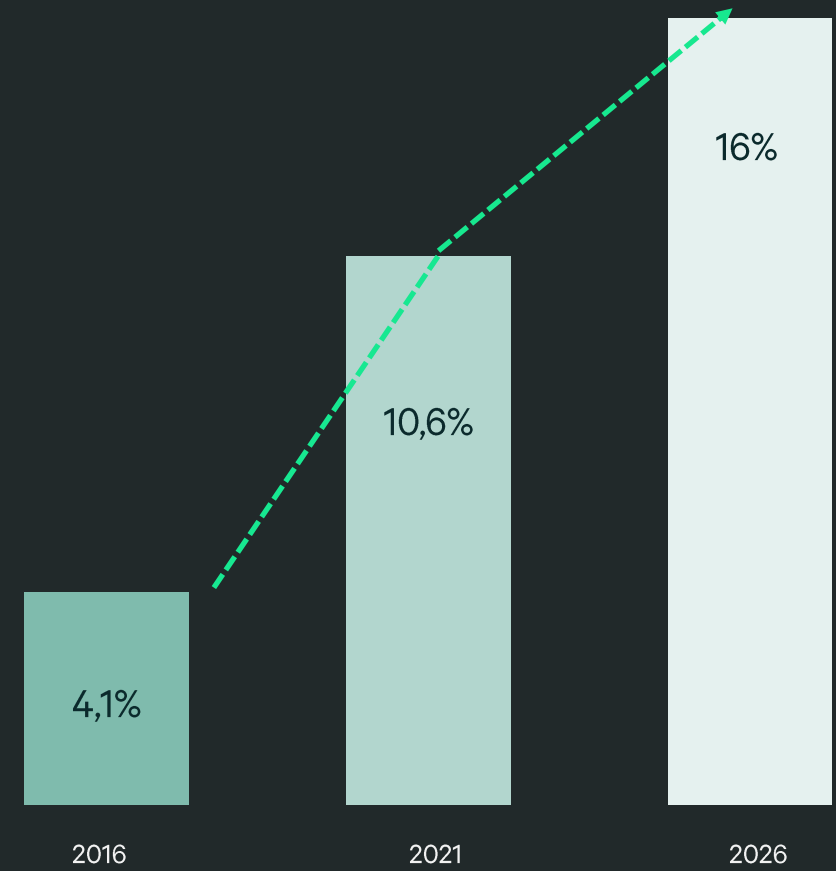
Source: Oxford Economics, Cbre Research



# The future is hybrid

# 84%

Of total sales will be  
**offline**





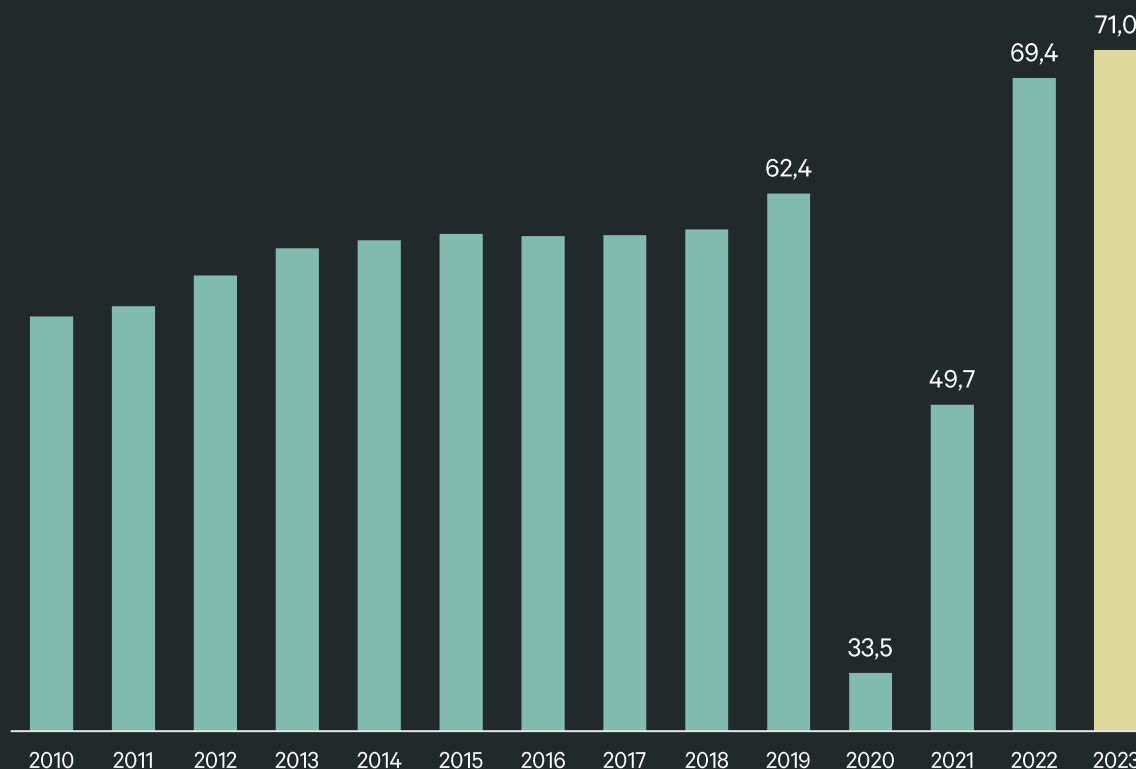
Hotels

HOTELS

Travelers come back... but they are different

Revenues per Available Room (ReVPAR)

euros



Source: Oxford Economics, Cbre Research

#Travelers

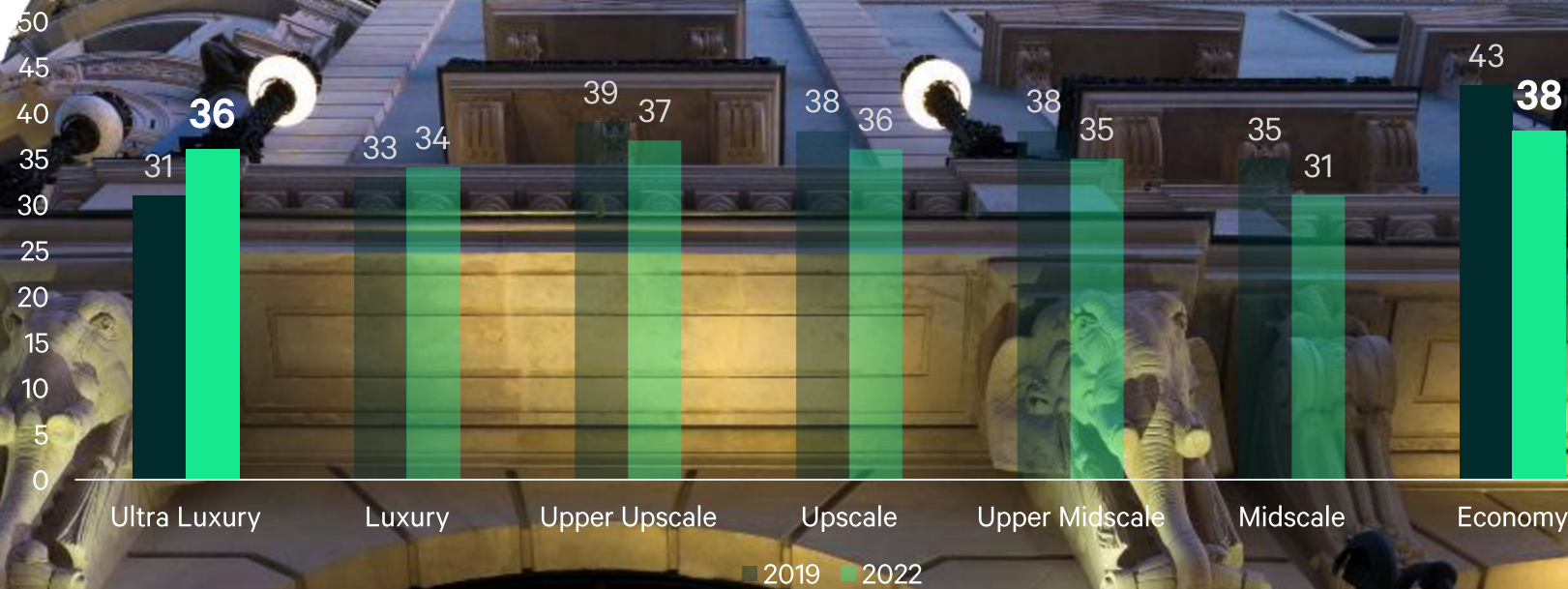
108M

in 2019

110M

in 2023

## Hotel % Gross Operating Profit Margin - Europe







Living

LIVING

Limited  
slowdown  
phase in 2023



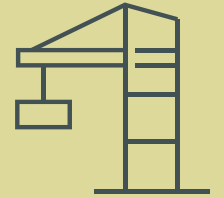
-29%

Housing demand



+1,4%

Housing price



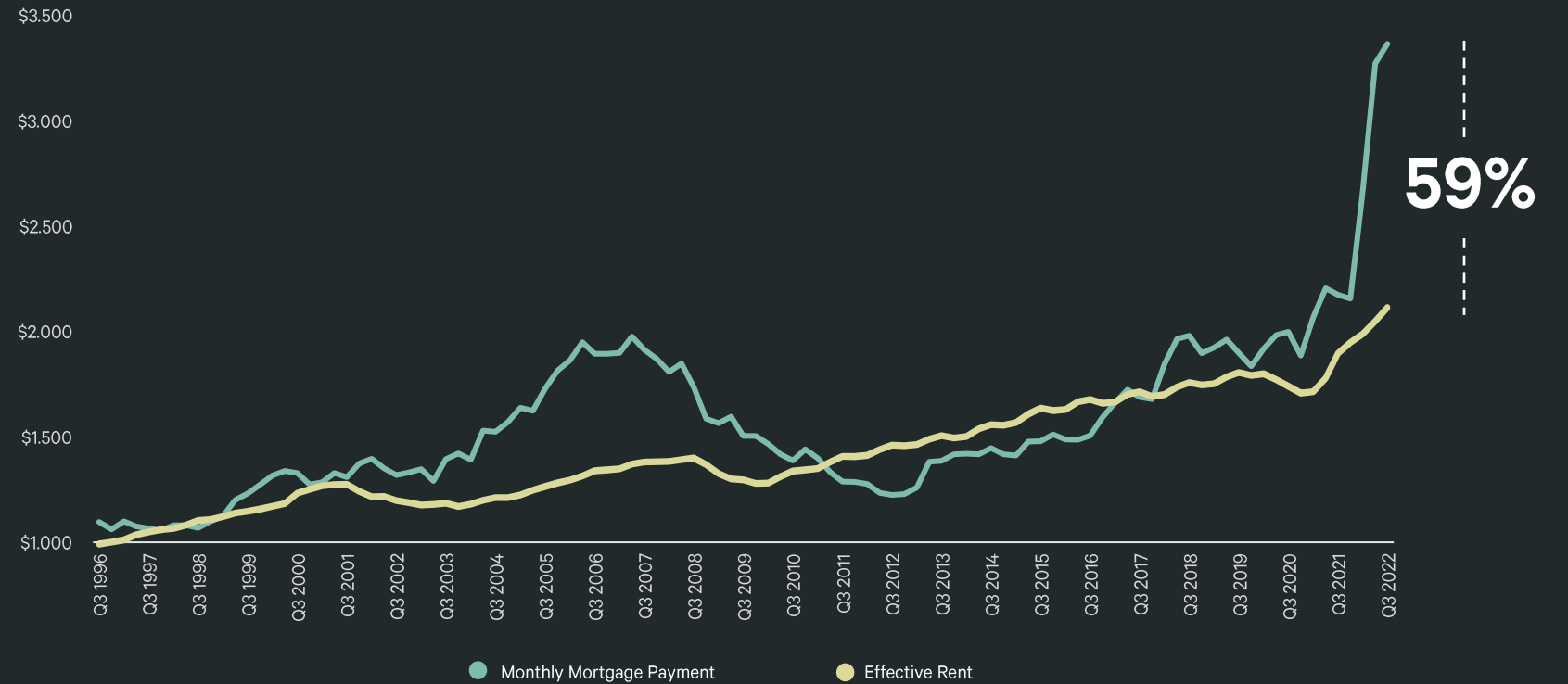
+105k

Building permits

LIVING

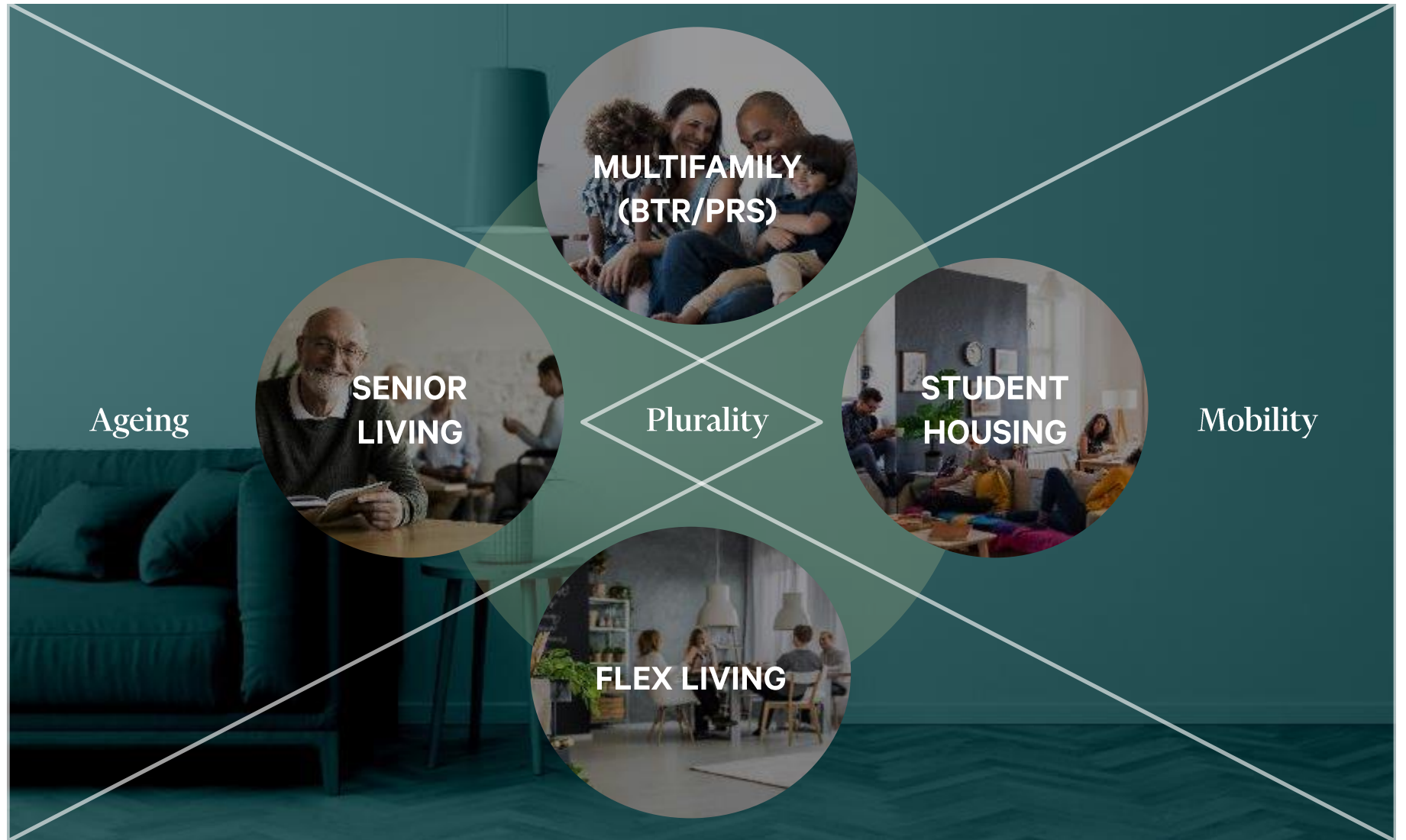
# Increasing gap between the cost of homeownership and renting

**Cost of ownership vs. cost of rental**  
In USA. By quarter (\$)



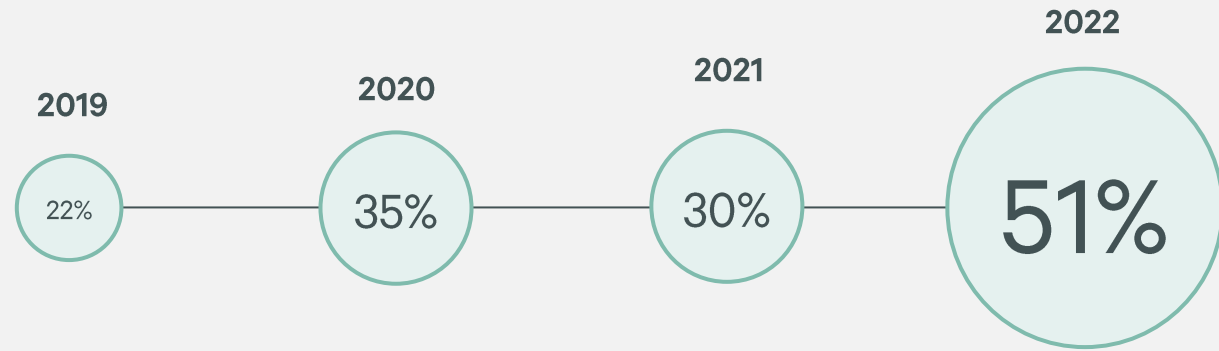
Source: Data Science based on data from INE.

# What does the Living sector include?

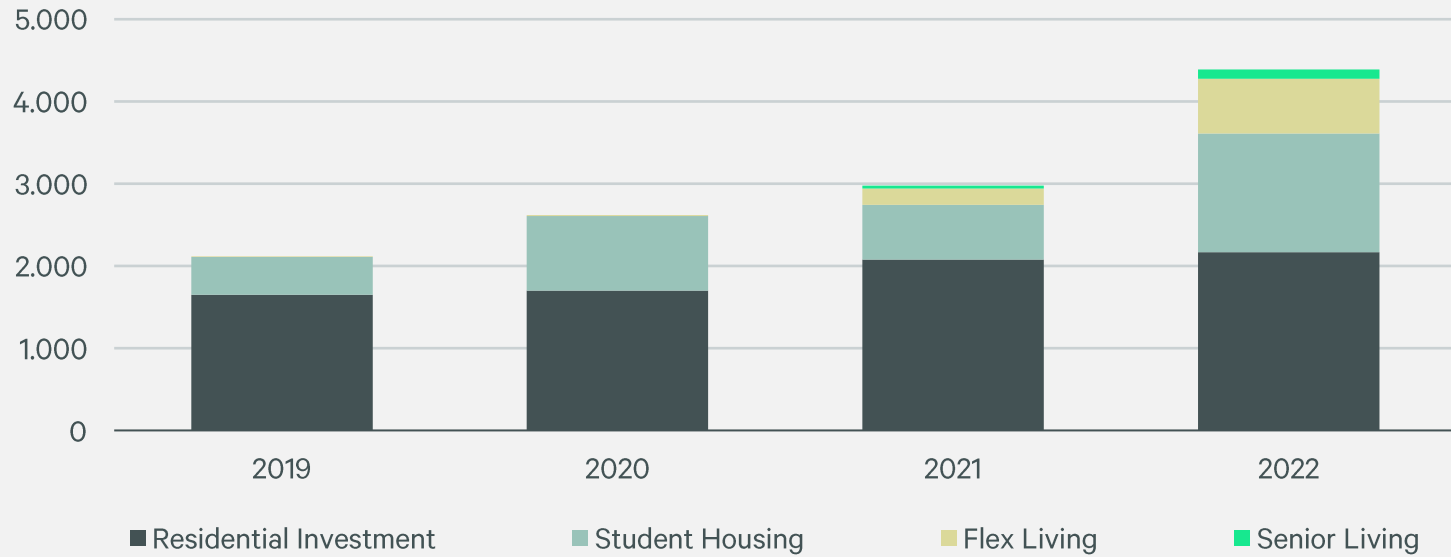




# Living's less traditional products gain traction



Evolution of investment volumes in Living (in millions €)



Fuente: CBRE Research

Student Housing



Flex Living




Rental Housing



HOTELISATION – EXPERIENCE – COMMUNITY

Senior Living





Education

Healthcare

Data  
Centers

Sports

Infrastructure

Life

Sciences



Healthcare

Student Housing

Co-Living

Senior Living

Agribusiness

Life Sciences

Education

Sports

Data Centers

Total investment in 2022





Life Sciences

2023

Real Estate

Market

Outlook

España

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