

Real Estate Investment

savills

Spain - Q1 2026

KEY STATS

6,200
MILL.€
+58% YOY

140
DEALS
+13% YOY

44.3
MILL.€ AVG. TICKET
+38% YOY

62%
SINGLE ASSETS
+9PP YOY

Spain returns to record levels

Macroeconomic Environment

The Spanish economy is currently experiencing a phase of robust expansion, underpinned by a number of favourable macroeconomic indicators.

GDP growth remains above the European average, reflecting resilient domestic demand and solid performance across the services and industrial sectors. The labour market is at historic highs, with record employment levels and an employment rate that continues to support household income stability.

Private consumption data also point to positive momentum, driven by improving employment conditions, population growth, and increased consumer confidence.

In parallel, Spain continues to strengthen its position as one of the world's leading tourism hubs, posting strong figures both in international arrivals and tourism revenues, which remain a key driver of overall economic activity.

Forecasts suggest that this growth trend will continue over the coming quarters, albeit at a more moderate pace, within a context of monetary normalisation and greater macroeconomic stability.

Real Estate Market

The favourable macroeconomic backdrop, together with strong operating performance and healthy demand

across the various real estate segments, continues to keep investment activity in an expansionary phase.

The year 2026 has started with solid growth in real estate investment. Total transaction volume in Q1 2026 reached just over €6.2bn., representing a 56% year-on-year increase and marking the highest quarterly level since Q3 2018, when volumes exceeded €7.0bn.

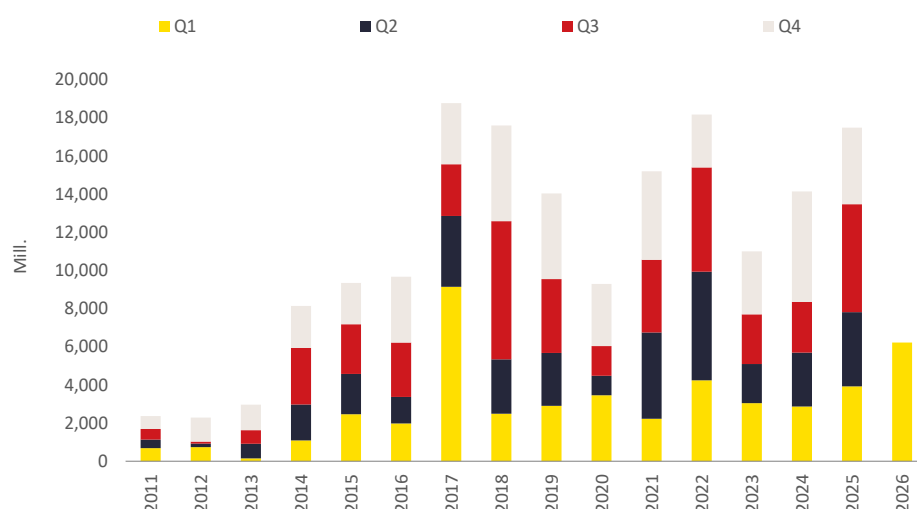
Large-scale transactions (those above €100m.) have returned to the market. Between January and March, 18 such

deals were recorded, compared to just four in Q1 2025.

In terms of total deal count, the 140 transactions identified represent a 13% increase year-on-year. Of these, 87 deals (62%) involved single assets, highlighting an increasingly granular investment market.

The average ticket size (€44.3m.) rose by an average of 38%, driven primarily by the segments in which mega-deals were recorded: offices, retail, hotels, multifamily and senior homes.

FIG. 1 REAL ESTATE INVESTMENT BY QUARTER



Source: Savills Research

Drivers of investment

Segments offering rental growth potential in inflationary environments and characterised by limited stock take the lead

Multifamily, retail and offices on the podium

The multifamily segment emerged as the primary driver of investment in Q1 2026. With a transaction volume of €1.74bn., it accounted for 28% of total real estate investment.

Strong structural demand for housing continues to place the living sector firmly within the investment strategies of institutional investors targeting the Spanish market.

The retail sector has recovered investor interest and ranked second. The €1.30bn. transacted represented 23% of total real estate investment, reflecting a year-on-year increase of 44%.

This momentum was largely driven by the return of shopping centres to the investment spotlight, which accounted for 70% of total retail transaction volume.

The podium is completed by the office market, which recorded €900m. in transactions, supported by investment in assets that meet current occupier quality requirements, as well as repositioning strategies.

Commitment to the sector was underscored by the acquisition of a new development in Madrid's decentralised northern office submarket. The trend towards change-of-use strategies remains present in the market and is now extending to peripheral municipalities around Barcelona.

Return of international capital

The breadth of the Spanish real estate market—both in terms of product diversification and the depth of demand across segments—continues to support the return of cross-border capital. This environment enhances visibility and comfort for international investors, who are once again positioning themselves actively in the market.

Cross-border capital now accounts for 53% of total investment volume and clearly dominates the more specialised segments—exceeding 85% in all cases—such as residential, senior living and alternative assets, with healthcare real estate playing a particularly prominent role.

With a somewhat more moderate, yet still highly significant presence (ranging between 55% and 65%), international capital is also well represented in student housing and logistics real estate.

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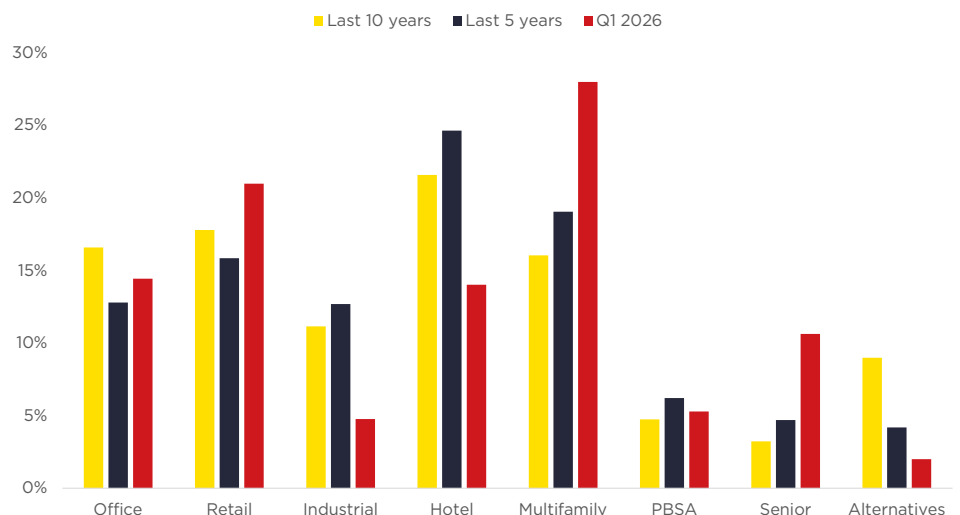
The Spanish real estate market enters 2026 from a position of strength, with mega-deals returning to the fore and growing institutional interest across both core and alternative sectors

By contrast, domestic capital is gaining prominence in the retail and office markets, supported by its stronger presence in large-scale transactions.

In this context, Castellana Properties SOCIMI completed three shopping centre acquisitions, all exceeding €100m., while the top five office transactions were executed by different profiles of domestic capital, including a banking institution, a fund and several private investors.



FIG. 2 INVESTMENT BREAKDOWN BY ASSET CLASS



Source: Savills Research



Spain has transitioned from being an opportunity-driven market to a strategic destination for institutional capital. Major international players now view it as a core platform within their European portfolios, supported by its capacity to absorb large volumes of capital and to offer genuine, sustained liquidity. The increasing breadth of the market—driven by the consolidation of asset classes that until recently were considered alternative—together with growing geographical diversification beyond Madrid and Barcelona, further reinforces Spain's position as a mature, deep and attractive market for long-term investment strategies.

GEMA DE LA FUENTE



Institutional investor drive market activity

By investor profile, institutional capital continues to lead market activity, accounting for just over 70% of total investment volume. That said, the breakdown by investment vehicle reflects greater diversification, with a notable increase in the share of REITs compared to previous years.

By sector, funds play a particularly dominant role in the residential capital, where they account for 85% of total investment. REITs, meanwhile, lead activity in both the senior living and industrial segments, each with market shares exceeding 60%.

In addition, the growing presence of private capital is noteworthy. Its continued upward trend in activity is helping to reinforce both the depth and the granularity of the market.

Yield stability

Real estate yields remained stable across all segments in Q1 2026. Neither the current international geopolitical environment nor the recent uptick in global uncertainty has, so far, had a material impact on yields, which remain unchanged from year-end 2025 levels.

In this context, the conflict in the Middle East has not translated into any deterioration in the fundamentals of the Spanish real estate market, which continues to be underpinned by strong operating performance, high liquidity levels and sustained institutional investor interest.

That said, the future evolution of yields will depend on two key factors: developments on the international geopolitical front and, more importantly, monetary policy. Any additional interest

rate hikes by the ECB could introduce upward pressure on yields over the coming quarters



Stable yields amid geopolitical and monetary caution

ALEXIS POURCELOT



FIG. 3 INVESTMENT ACTIVITY SUMMARY - Q1 2026

	Investment activity				Geographical distribution		Capital origin	Buyer's profile		
	No. deals	Inv. Vol. (mill. €)		Breakdown	Madrid (%)	Barcelona (%)	International (%)	Institutional (%)	Private investor (%)	Operator (%)
Office	15	897	▲	14%	46%	53%	7%	68%	28%	0%
Retail	23	1,306	▲	21%	52%	14%	44%	79%	17%	0%
Industrial	20	275	▼	4%	56%	24%	64%	91%	5%	0%
Hotel	31	886	▲	14%	11%	13%	12%	33%	37%	28%
Multifamily	34	1,739	▲	28%	74%	0%	85%	87%	1%	0%
PBSA	8	328	▲	5%	14%	19%	57%	38%	0%	0%
Senior	6	660	▲	11%	11%	4%	90%	90%	4%	0%
Alternatives	3	124	▼	2%	0%	3%	97%	0%	3%	97%
Total	140	6,216	▲		44%	15%	53%	71%	14%	6%

Source: Savills Research



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