

The Savills logo, consisting of the word "savills" in a lowercase, sans-serif font, with the 's' in red and the rest in black, set against a yellow rectangular background.

savills

A high-angle, nighttime photograph of a cityscape, likely Madrid, Spain. The image shows a dense collection of buildings, with many windows illuminated, creating a vibrant pattern of lights. The sky is dark, and the overall atmosphere is one of a bustling urban environment at night. The image is framed by a white L-shaped border on the left and top.

SPOTLIGHT

REAL ESTATE INVESTMENT

SPAIN 2025

RESEARCH

KEY
STATS

c. €18BN

+25% YOY



512

DEALS
+8% YOY

53%

DOMESTIC VOLUME

Real Estate Investment

A Year of Cyclical Consolidation with Clear Signs of Structural Interest

Spain closed 2025 with investment volumes nearing €18bn, positioning the market as the third strongest year of the past decade. The 25% yoy increase confirms that the sector has entered a phase of sustained, structurally driven expansion. This growth is supported by a more favourable macroeconomic backdrop: contained inflation, neutral and stable real interest rates, and improved financing conditions. Comparisons with the three, five and ten year averages (+23%, +30% and +31%) reinforce the idea that the current cycle is not a temporary rebound but a normalisation process underpinned by solid fundamentals.

More liquid market

Market dynamism is also evident in the number of transactions, which exceeded the psychological threshold of 500 deals, with an increasingly prominent role for single

asset transactions (+22%), signalling greater granularity and depth in the market.

Larger Average Ticket Size

Average deal size increased across all formats, most notably in portfolio transactions (+48%), suggesting a strategic repositioning among large institutional owners. The distribution of activity by investment bracket shows a clear shift towards mid sized deals in the €20–€50m and €50–€100m ranges, which grew by 36% and 40% respectively. This trend reduces reliance on mega deals and supports a more liquid and diversified market.

Geographical Diversification

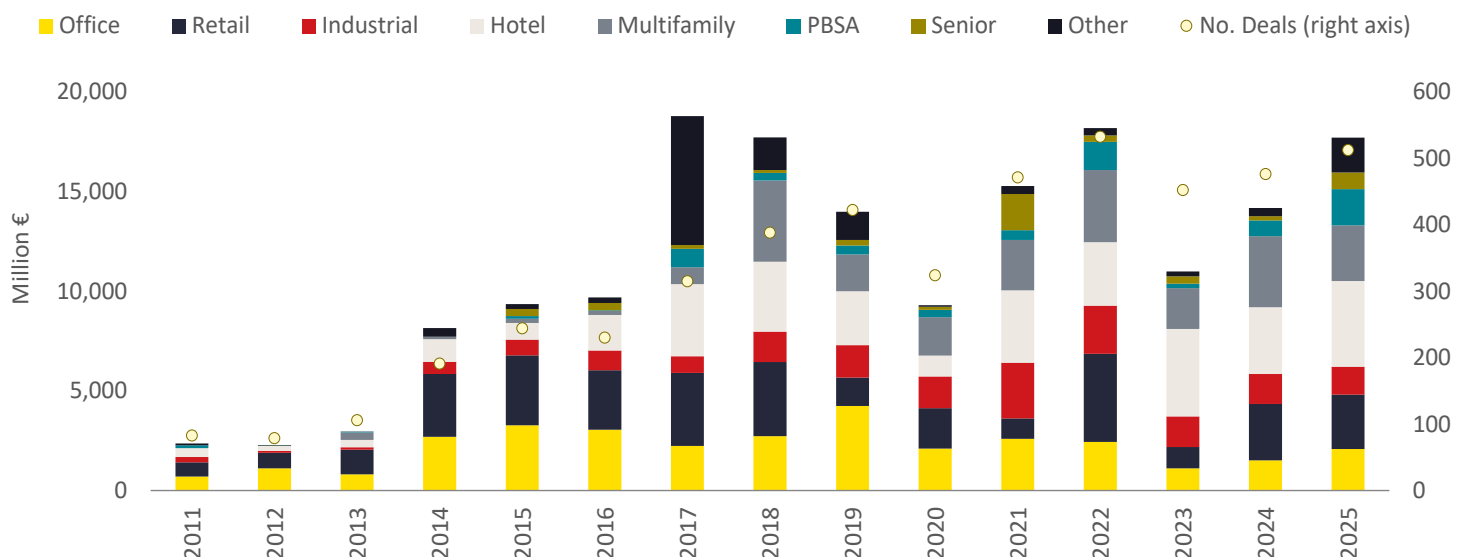
Madrid and Catalonia remain the leading investment hubs, although the capital is losing some share to other locations, particularly within the hotel, logistics and PBSA segments. This reflects investors'

growing search for higher returns and the increasing maturity of traditional prime markets. At the same time, Tier 2 and Tier 3 locations continue to gain weight, underscoring investor confidence in the liquidity and depth of the broader Spanish market.

International Capital Gains Traction

Domestic capital remains in the lead, representing 53% of total investment. Meanwhile, international investors—particularly European—are stepping up their activity across alternative and living segments. Also noteworthy is the renewed presence of institutional capital, highlighted by a significant increase in allocation from insurance companies within the Alternatives space, consistent with the global trend of reallocating capital towards real assets as a hedge against financial market volatility.

FIG. 1 REAL ESTATE INVESTMENT BY ASSET CLASS



Offices

Repricing Completed and Investor Confidence Returns

The office market is accelerating its recovery, once again exceeding €2bn in investment and progressively approaching the historical average of €2.2bn per year since 2010. The segment now accounts for 12% of total real estate investment—one percentage point more than in 2024—although still below the long term average of 24% recorded over the past fifteen years. Yoy performance confirms a clear shift in trend: investment volume increased by 37%, while the number of transactions rose by 10%, accompanied by an average ticket size once again surpassing €30m. This rebound reflects greater clarity in price formation and an improvement in perceived risk.

Return of Mega Deals

Mega deals (≥€100m) have re-emerged across portfolios, corporate stakes and single asset transactions, demonstrating that capital remains willing to commit at scale when assets meet the required standards.

Even so, analysis by investment bracket shows a more balanced market, with reduced dependence on large transactions. Deals below €5m declined both in volume and number, while those in the €50–€100m range doubled compared with 2024. In the €20–€50m bracket, the number of transactions

increased by 42% and total investment by 54%, signalling greater depth and diversification.

Madrid and Barcelona as Core Investment Hubs

From a geographical perspective, activity remains concentrated in Spain's two main business hubs. Madrid leads with nearly €1.35bn, representing around two thirds of total investment, while Barcelona reached €721m, accounting for 35%. Both cities recorded substantial improvements on the previous year: Madrid more than doubled its 2024 volume, and Barcelona grew by 41%. In terms of number of transactions, Madrid remains ahead; however, Barcelona outperforms in average ticket size—exceeding €40m compared with roughly €33m in Madrid—reflecting larger relative deal sizes.

Change of Use as an Additional Driver

In Madrid, change of use transactions have consolidated their role as an additional driver of activity. Although recorded within their destination asset classes, 15 office buildings were sold in 2025 for €461m for conversion purposes. Living formats—including unit by unit sales, flex living and coliving—dominate in areas with strong residential or corporate demand, while hotel use remains attractive in established tourist locations.



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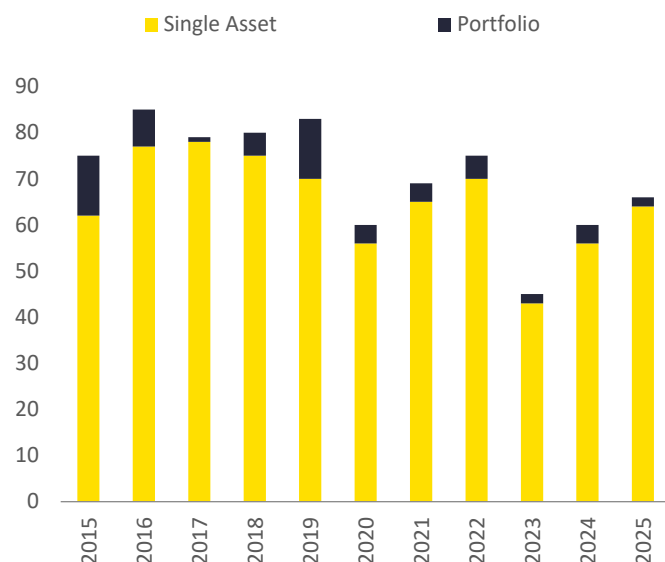
The market reclaims megadeals as it moves towards a more balanced investment structure

GEMA DE LA FUENTE

Institutional Investors Increase Their Market Share

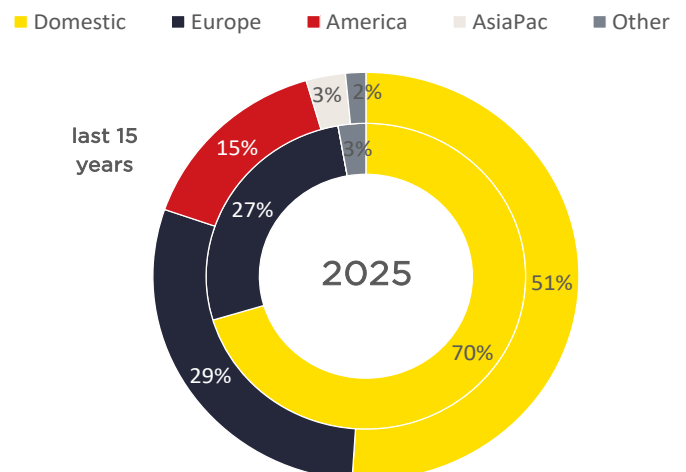
Domestic investors accounted for 70% of total volume, supported by prominent transactions such as Pontegadea's acquisition of D Garden in Barcelona, Colonial's investment in Deeplabs and Mapfre's two acquisitions in Madrid, one exceeding €100m. By investor profile, institutional capital continues to gain ground, reaching 60% of total investment (compared with 55% in 2024), driven by insurance companies, bank real estate divisions and an increasingly active Socimi sector. Investor confidence has improved significantly, although the market remains highly selective: beyond location, asset efficiency, ESG alignment and repositioning potential have become decisive factors.

FIG. 2 N. DEALS BY TYPE



Source: Savills Research

FIG. 3 INVESTMENT BY PURCHASER ORIGIN



Source: Savills Research



Retail

A Dynamic Market Underpinned by Robust Consumption and Record Tourism

The retail segment closed 2025 with investment volumes close to €2.7bn, consolidating its position as the third largest asset class in the Spanish real estate market, behind only Hotels and Residential, and accounting for 15% of total investment.

In an environment of greater selectivity among investors, retail continues to demonstrate its capacity for recovery and strategic repositioning.

Although investment volume recorded a modest 5% yoy decline, this comparison is distorted by Hines' corporate transaction involving the acquisition of 92% of Lar España, which represented roughly one quarter of total retail investment in 2024. Excluding this extraordinary deal, the market would have grown by 27%, reflecting a clearly expansive underlying trend.

Shopping Centres Lead Investment Activity

Shopping centres maintained their leading position, accounting for more than 50% of total retail investment, with €1.417bn deployed across 18 transactions (16 single asset). Five mega deals were recorded, and the average ticket size reached €202m, the second highest figure since 2019 and the strongest of the recent period when excluding the 2024 corporate transaction.

However, high street retail was the most dynamic segment: around €650m was transacted, representing 24% of total retail investment—ten percentage points more than in 2024—and posting nearly 60% yoy growth. This reflects the recovery of prime pitches and the repositioning of international brands.

Investor Profile

The origin of capital varies significantly by segment.

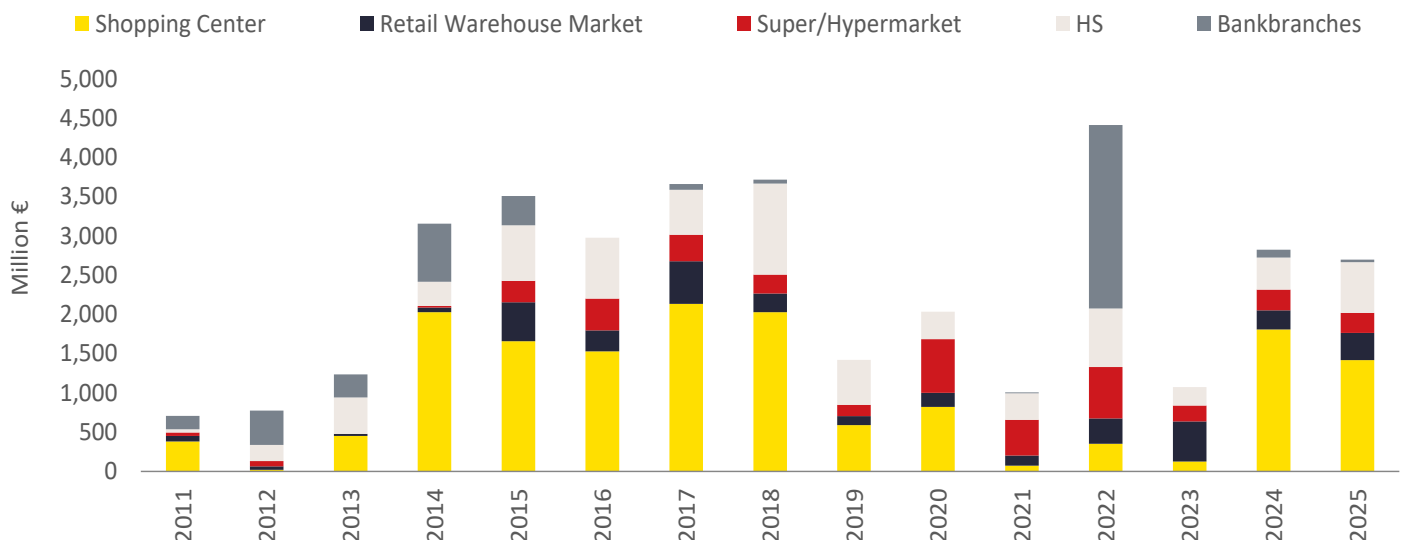
In high street retail, domestic private investors dominate, accounting for 57% of total investment, driven by appetite for core assets in prime locations.

In retail parks and medium box assets, European capital leads with 72%, with strong representation from French SCPIs, international funds and real estate companies.

In shopping centres, 70% of total volume comes from domestic capital, primarily through Socimis (almost 40%) and funds (23%), with private capital maintaining a selective presence.

In the supermarket segment, a private Mexican investor stands out, accounting for 54% of total investment, followed by a US fund (20%) and French SCPIs (14%), reflecting the defensive appeal and operational resilience of the asset class.

FIG. 4 INVESTMENT VOLUME BY TYPE OF ASSET



Source: Savills Research

Industrial

Strong Structural Demand, Limited Supply and Growing International Interest

The fundamentals underpinning demand for logistics space continue to show notable strength. The increasing sophistication of supply chains and the maturity of e commerce remain structural drivers, reinforcing the segment's appeal within core and core+ strategies.

Investor appetite remains firm, and the main constraint throughout the year has not been a lack of capital but the scarcity of high quality product. This limited supply slowed transactional activity, although the yoy adjustment was moderate, at around 6%.



Catalonia and Valencia Attract Investor Interest Amid Structural Pressures in Their Occupier Marketst

GEMA DE LA FUENTE

Total investment slightly exceeded €1.4bn, across 59 transactions, ten of which were portfolio deals comprising 37 assets.

The average ticket size reached nearly €24m, a 20% increase that brings it closer to the historical average and reflects the progressive normalisation of the market.

Market Depth and Transaction Dynamics

Analysis by investment bracket confirms a deeper, more balanced market. The €20–€50m range was the most active: in single asset deals, the number of transactions doubled (14 deals) and volume increased by 73%, reaching €425m. This demonstrates that activity does not rely solely on large transactions, but is supported by a solid mid market foundation.

The number of mega deals remained stable compared with 2024, with one single asset transaction and two portfolio deals, keeping overall volumes broadly consistent. Geographically, the Central Zone and Catalonia continued to account for roughly 75% of total investment, although

the market shows increasing territorial diversification. In terms of asset count, their combined share fell to around 60%.

Madrid has lost some relative prominence in both volume and number of assets, although it retains the highest average deal size—around 40% above the national average—reaffirming its prime positioning.

Valencia continues to consolidate its role as a strategic hub, already representing 10% of investment volume and 16% of transactions, driven by strong institutional demand.

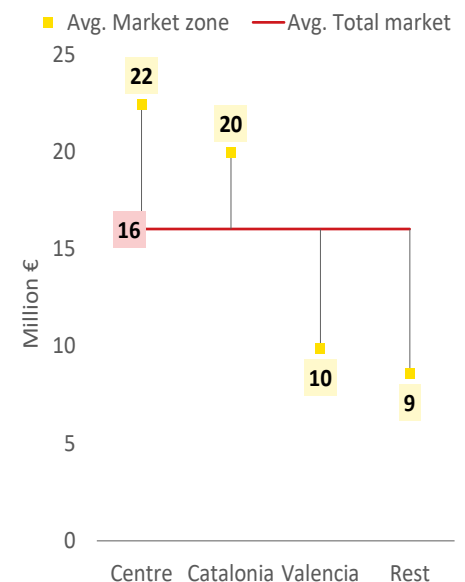
Tier 2 and Tier 3 markets now account for 26% of total volume, offering an attractive risk-return profile due to lower competition and opportunities for value creation through active asset management.

Capital Origin and Investor Profile

Cross border investors dominate the market, accounting for nearly three quarters of total investment. European capital leads with over €500m, with strong activity from French, UK and Swedish investors, alongside participation from Portugal, Germany and Switzerland. Asian capital showed strong momentum in 2025, investing close to €460m, primarily focused on portfolios in Tier 1 and Tier 2 markets, reinforcing its commitment to established logistics platforms.

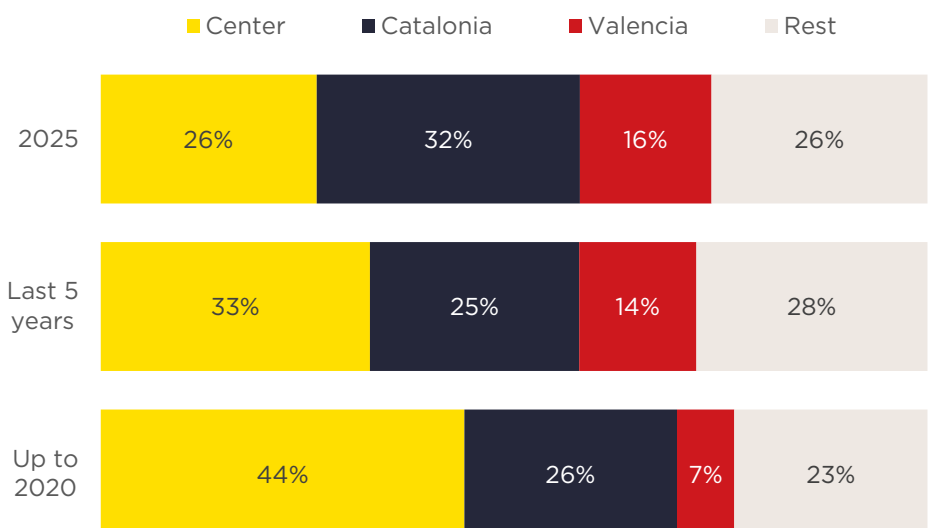
By investor profile, institutional capital continues to lead, representing 80% of total volume and targeting low risk product: efficient, sustainable assets in consolidated locations with strong covenants. In parallel, private investors are increasing their presence in smaller scale deals—around €5m—where they identify attractive risk adjusted returns.

FIG. 6 AVG. DEAL SIZE 2025 BY LOGISTIC HUB



Source: Savills Research

FIG. 5 NO. TRANSACTED ASSETS BY LOGISTICS HUB



Source: Savills Research

Hotel

Spain Consolidates Its European Leadership with a Historic Year

Spain has reinforced its position as a global tourism powerhouse, consolidating its status as the world's second most visited country—behind only France—according to data from the World Tourism Organization. Frontur figures confirm that 2025 marked the strongest year in the historical series, with 96.8m international visitors, 3% more than in 2024 and 20% above the pre Covid average. This structurally robust demand forms the main pillar of the hotel investment market.

Investment at Historic Highs

Against this backdrop, the hotel segment once again led Spain's real estate investment market in 2025, with close to €4.3bn transacted, equivalent to 24% of total national investment and representing the second highest figure on record. Investment volume grew 28% yoy, highlighting the resilience and sustained appeal of hotel assets. Market activity was also intense in transactional terms: 150 deals were completed (+27%), with a strong increase in single asset transactions, which

totalled 134 deals (+35%), demonstrating a deep, liquid market with high rotation.

By investor profile, hotel chains led the market with 41% of total volume, with domestic operators accounting for 95% of this figure. Funds represented 35%, with greater weight from international capital. Overall, around three out of every four euros invested originated from domestic capital, underscoring the strength of Spain's corporate landscape and its ability to drive expansion and repositioning strategies.

Holiday Segment as Primary Growth Engine

Holiday hotels continue to be the main driver of the market, accounting for 55% of total investment. Among coastal destinations, the archipelagos remain the strongest magnets for investors: The Canary Islands represent 38% of the holiday segment (21% of national total). The Balearic Islands account for 23% (13% of national total).

Andalusia completes the podium with 22% of holiday investment, with Málaga standing out as it captures more than half of the region's total.

Barcelona and Madrid Lead the Urban Segment

In the urban hotel segment, Barcelona and Madrid act as the main engines of investment activity, in that order. Barcelona concentrates 26% of urban investment and 12% of national volume, outperforming Madrid, which accounts for 17% of urban investment and 8% of the national total. Secondary cities are also gaining traction, supported by the rebound of domestic tourism and the revitalisation of the MICE segment (Meetings, Incentives, Conferences and Exhibitions)—characterised by lower seasonality and more stable revenue profiles. Within this group, Seville, Valencia and Málaga stand out, jointly representing 28% of urban investment.

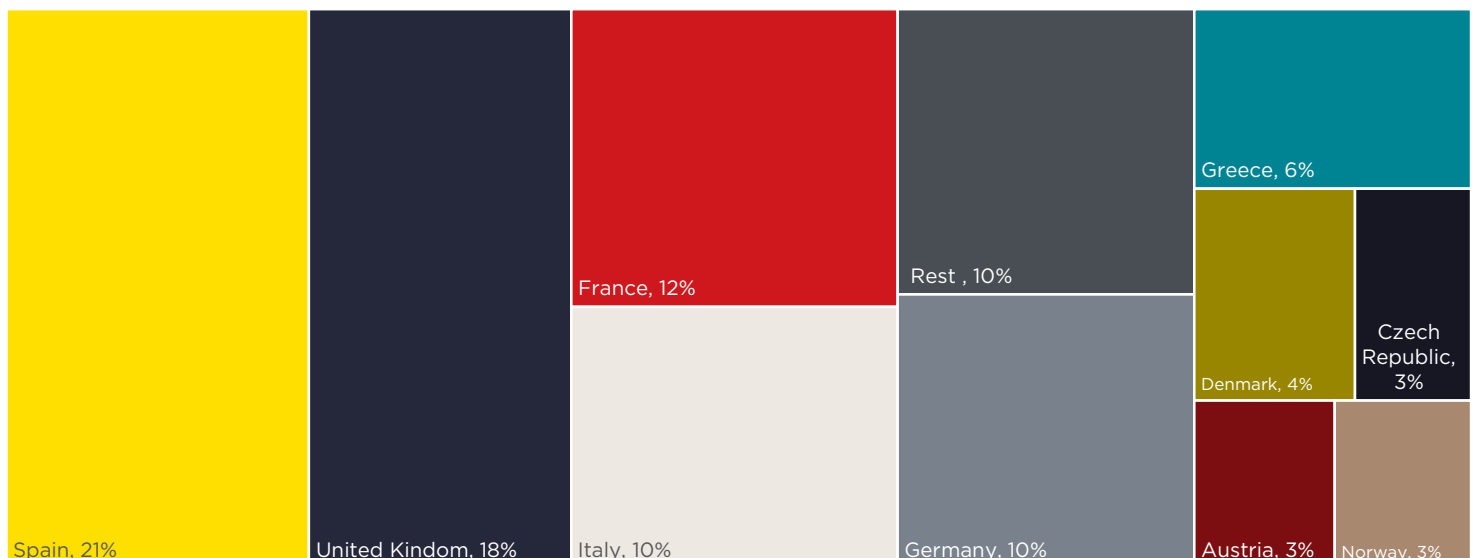
Selective Interest in Repositioning Opportunities

In terms of product profile, stabilised assets remain the most sought after, accounting for 72% of total investment, with 39% allocated to holiday hotels and 28% to urban hotels. Even so, the market retains selective appetite for value add and repositioning opportunities, provided there is clear potential for value creation and alignment with evolving demand trends.

Spain Leads the European Market

At a European level, Spain ranked first in hotel investment in 2025, capturing 30% of total volume, ahead of the UK, which recorded €3.7bn and a 26% share—a position it traditionally occupied. This leadership reinforces international perceptions of Spain as a priority destination for specialist hotel capital.

FIG. 7 EUROPEAN HOTEL INVESTMENT DISTRIBUTION - 2025



Source: Savills Research

Multifamily

Structural Imbalance Between Supply and Demand Sustains the Segment's Attractiveness

The residential market in Spain continues to exhibit solid structural fundamentals, supported by a persistent imbalance between rental housing supply and demand, particularly in the country's main urban centres. Demographic pressure, limited access to homeownership and the insufficient delivery of new rental stock continue to create a favourable environment for investors with a medium to long term outlook.

Annual Decline Driven by Lower Flex-Living Activity

In 2025, residential investment reached €2.72bn, representing a 24% yoy decline. This contraction is primarily explained by lower activity in the Flex segment, following the exceptional volume recorded in 2024—a year that set an all time record for this typology. The comparison therefore starts from an unusually demanding baseline.

By contrast, the multifamily segment demonstrated notably greater resilience, consolidating its position as the main driver of the market and recording 2.9% growth compared with the previous year. Performance was supported by investment in stabilised standing assets and Build to Rent (BTR) projects in advanced stages of execution, where greater operational visibility, imminent income generation and reduced development risk are particularly attractive in today's context of heightened investment discipline.

From a geographical perspective, Madrid continues to concentrate the majority of activity, accounting for 61.4% of national investment. The capital reinforces its position as Spain's primary institutional market, thanks to the depth of demand, scale, liquidity and strong absorption capacity it offers.

Barcelona retains second position with 10.3% of total investment, although with more moderate momentum due to regulatory constraints that are redirecting capital towards secondary markets.

Valencia is capitalising on its proximity to Barcelona and is progressively

strengthening its appeal, increasing its market share from 4.2% in 2024 to 6.1% in 2025, confirming rising interest in regional markets with solid demographic fundamentals and more competitive entry pricing.

Trends and Investor Strategies

A trend towards selective divestment of rental portfolios through privatisation strategies—selling units individually on the open market—is also beginning to consolidate. In certain contexts, this approach allows investors to capture higher per unit values than those achievable through block sales, particularly in an environment where demand for homeownership remains active, supported by demographic pressure and gradually improving financing conditions.

Overall, the residential market is undergoing a phase of greater selectivity and moderated investment volumes, driven by higher regulatory risk and by the opportunity to capture additional value via unit by unit sales in a context of limited for sale stock. Nonetheless, the segment's core structural fundamentals remain firmly intact, supported by a very high level of unmet rental demand—reinforcing its position as one of the strategic pillars for institutional capital in Spain.

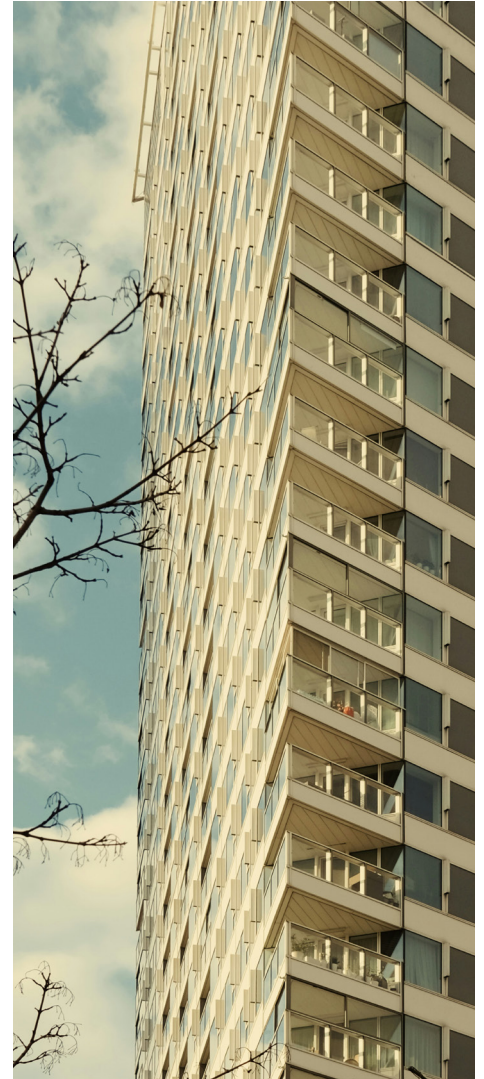
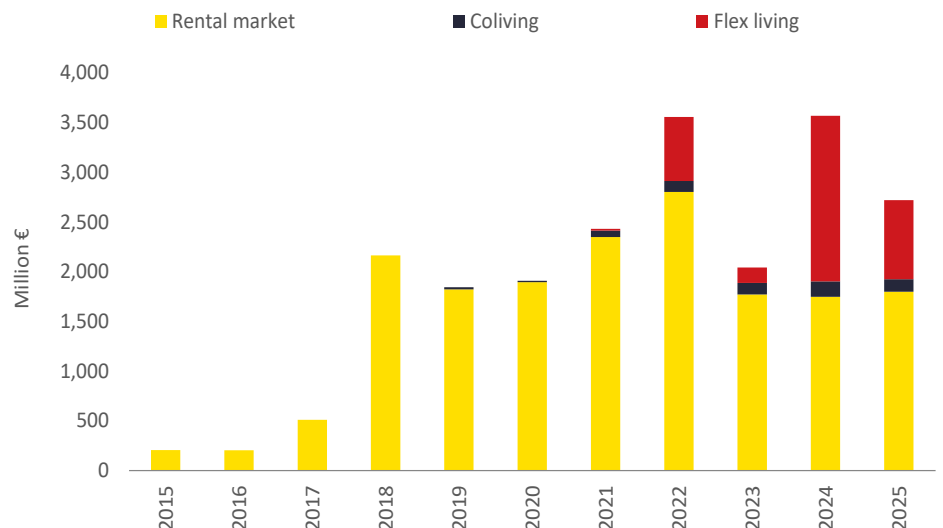


FIG. 8 INVESTMENT BY TYPE OF ASSET



Source: Savills Research

PBSA

Historic Record and Consolidation as a Strategic Asset Class

The Purpose-Built Student Accommodation (PBSA) segment reached an all time investment record in Spain in 2025, slightly exceeding €1.8bn. This figure is double the volume recorded in 2024 and represents 10% of total national real estate investment, firmly consolidating PBSA as one of the leading strategic asset classes within the living universe.

Growing Interest in Consolidated Portfolios

The corporate transaction involving Livensa Living—the largest of the year and of the entire historical series—acted as a major catalyst for investment volumes, as has been the case in previous years with large-scale structural deals. However, even excluding these exceptional transactions, the market shows clear signs of consolidation and expansion, with growing interest in stabilised assets and operational platforms with scale.

Within the European landscape, Spain ranks second in PBSA investment, behind only the United Kingdom, which recorded around €5bn. This positioning confirms the progressive maturity of the Spanish PBSA market and its ability to attract specialised global capital.

Spain's appeal is further reinforced by the Student Housing Investor Intentions Survey 2025, published by Bonard, which identifies Spain as the most promising PBSA market globally: 39% of international operators and investors name Spain as their top destination, ahead of Germany (34%) and Italy (30%).

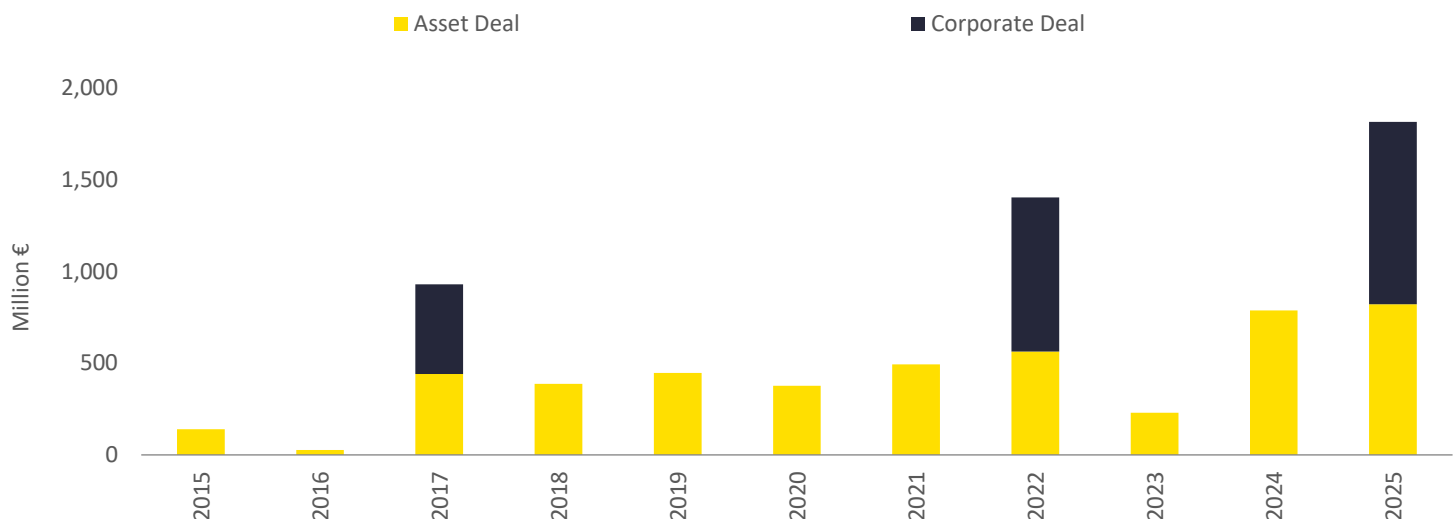
Dominance of International Institutional Capital

From a capital origin perspective, international institutional investors clearly dominate the market, relegating domestic participation to a residual 7%. This strong foreign presence is driven by a combination of solid structural fundamentals—sustained growth in student demand, a shortage of modern and professionally managed supply, and relatively attractive yields compared with other European core markets—together with the opportunity to build scalable platforms.

In summary, PBSA has moved beyond its status as an emerging niche to become a strategic pillar within Spain's living sector, offering sufficient scale, visibility of income streams and a risk-return profile that continues to attract global institutional capital.



FIG. 9 VOLUME BY TYPE OF DEAL



Source: Savills Research

Senior Care Homes

Nascent Market with Unstoppable Demand



Spain's current demographic structure—defined by a progressively ageing population and rising life expectancy—together with short and medium term forecasts, strongly supports the expansion of the senior living and care home industry. Added to this is the growing diversification of product, offering a broad spectrum of medicalisation levels based on dependency needs, enabling operators to tailor supply to increasingly segmented and demanding resident profiles.

Stabilised Assets Attract Capital

In 2025, the senior living and care home market reached investment volumes close to €850m. This figure was heavily influenced by the corporate transaction involving Vitalia, which accounted for more than 80% of annual volume. As in other segments, such large scale structural deals significantly shape the aggregated reading of the year.

However, when analysing direct investment in assets alone, the market shows a clearly positive trajectory. The number of transactions increased by 17%, reflecting the sector's growing dynamism and sustained investor interest in operational assets with long term leases and established operators.

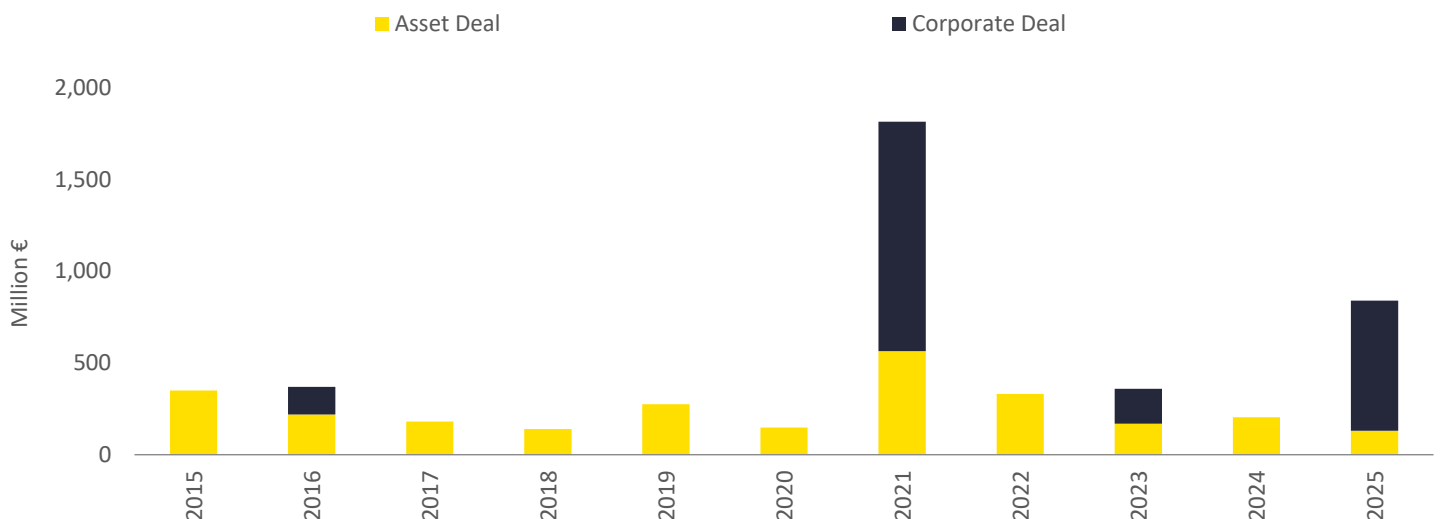
Regarding capital origin, the Vitalia deal—which involved participation from a US insurance company—partially distorts the annual picture. Nevertheless, excluding this outlier, domestic capital dominates, with a balanced split between institutional investors (52%, mainly funds and Socimis) and private investors (45%). This structure highlights the consolidation of the segment as an attractive option both for core strategies with stable income and for specialised private investors.

Activity Concentrated in Mid Sized Tickets

The average ticket size of transacted assets stands at around €10m. The most active bracket is the €10–€20m range, which accounts for 50% of single asset transactions and 63% of total investment volume. This pattern confirms that, beyond occasional corporate deals, the senior living market is primarily driven by mid sized assets suitable for integration into specialised platforms or portfolios.

Overall, the senior living segment is advancing in professionalisation, scale and institutional appeal, supported by the structural demographic fundamentals that reinforce its strategic positioning within the broader living universe.

FIG. 10 VOLUME BY TYPE OF DEAL



Source: Savills Research

Alternatives

Exponential Growth Driven by Data Centres, Education and Healthcare

The group of real estate segments traditionally considered as niche experienced a significant turning point in 2025. Taken together, they accounted for around 10% of total investment volume (close to €1.8bn), a share far above the 2%–3% average recorded over the past three and five years respectively. This quantitative leap is largely explained by the coincidence of several major corporate transactions, which have accelerated both the visibility and the strategic positioning of these assets within institutional portfolios.

Dynamism Across Emerging Segmentss

The strongest increases in activity were recorded in data centres, education and healthcare—precisely those areas that, beyond attracting capital through large-scale structural transactions, are exerting an increasingly significant influence not only on the real estate market but also on broader economic and social transformation.

In the case of data centres, their role is now structural within a fully digitalised economy. They are critical infrastructure for data security, management and storage, as well as for ensuring connectivity in an increasingly hyper connected environment. Spain is consolidating its position as one

of Europe's most attractive digital hubs, supported by its geostrategic location, improved international connectivity and a favourable regulatory framework. According to the GRI Institute, the country is experiencing a phase of notable dynamism in this segment, driven by exponential growth in digital demand and public policies that support the development of new technological infrastructure.

In education, the growing importance of professional reskilling, lifelong learning and the expansion of private education across all stages of the academic spectrum is having a direct impact on the real estate market.

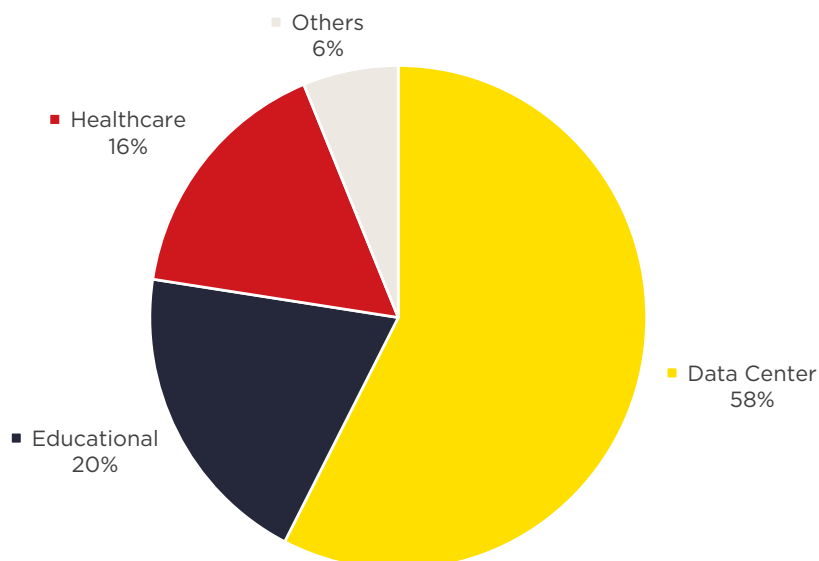
Institutional capital—funds, Socimis and insurance companies—is increasing exposure to a sector that combines operational stability with strong structural growth prospects. This is complemented by activity from educational institutions themselves, which in some cases opt to acquire their own premises as part of a long term asset ownership strategy.

Meanwhile, the private healthcare sector continues to strengthen its position. Clinics and hospitals not only play an essential role as providers of healthcare services

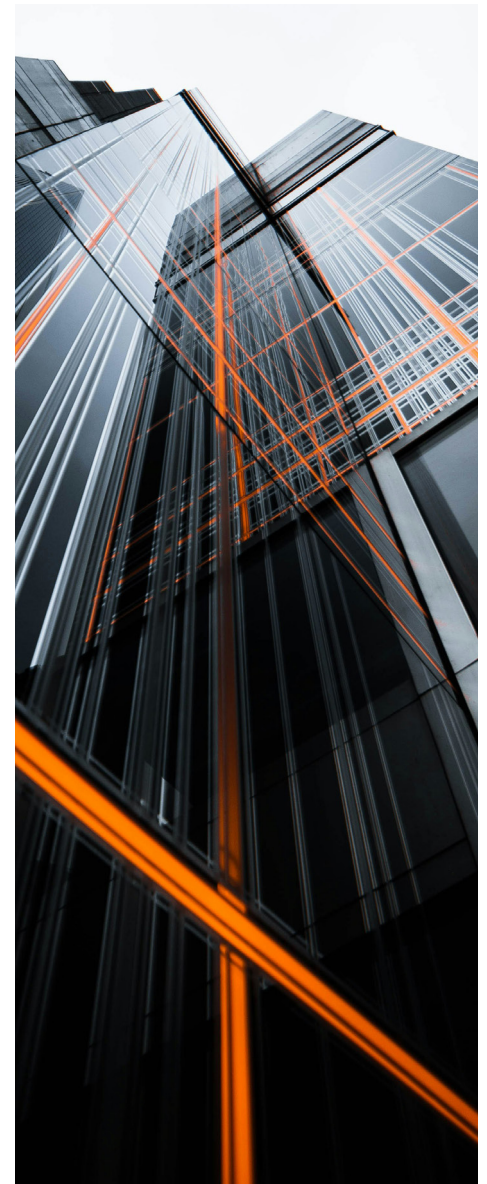
but also constitute strategic infrastructure and important economic drivers. Sustained sector growth, combined with demographic pressure and rising demand for healthcare services, is prompting greater investor interest—focused on modern, technologically advanced assets tailored to evolving care needs.

Overall, these alternative segments are moving beyond their former peripheral status to become structural components within real estate diversification strategies, attracting specialised capital and consolidating their role as key drivers of growth in the new cycle.

FIG. 11 VOLUME 2025 BY SEGMENT



Source: Savills Research



Yields

Yield Compression Will Rely Less on Financial Multiple Expansion and More on Asset Operational Performance



Prime yields stabilised in 2025 following the value adjustments recorded in earlier phases of the cycle. On average, the real estate market registered a slight adjustment of 12 basis points compared with year end 2024, within a context of progressive normalisation in investment activity and improved liquidity.

Spain Strengthens Its Competitiveness

However, the current macro financial environment introduces a framework fundamentally different from previous cycles. No further interest rate cuts are

anticipated from the European Central Bank, nor is there any observable compression in sovereign bond yields. This is a critical factor, as it structurally limits the scope for additional downward adjustment in real estate yields through purely financial channels.

In addition, real estate risk premia remain at historically compressed levels relative to long term averages. As a result, further material yield compression based solely on financial fundamentals cannot be expected. At this point in the cycle, the market shows a reasonable balance between risk and return.

Even so, Spain's relative attractiveness introduces an important differentiating factor. The country's lower sovereign risk premium, macroeconomic strength and robust demand dynamics across multiple segments continue to strengthen Spain's positioning on the radar of international capital. This additional inflow may increase competition for core and core+ assets, putting upward pressure on valuations for prime products, although not necessarily through broad based, technical yield compression.

Operational Performance as a Growth Driver

At a segment level, the most notable adjustment occurred in PBSA, where yields compressed by 35 basis points, in line with its strong investment momentum. Offices, shopping centres and senior living also recorded slight declines, while high street retail experienced a more moderate adjustment. Multifamily, hotels, retail parks and industrial remained broadly stable compared with the previous year, illustrating a phase of consolidation.

Looking ahead, the entry of new product into the market will be a key factor in sustaining investment activity. Its impact will vary: in markets with strong fundamentals and structurally constrained supply, pricing pressure is likely to persist; conversely, in segments where new supply exceeds absorption capacity, value adjustments and temporary yield softening may emerge.

A Return to Operational Fundamentals

Ultimately, the pace of value creation in Spanish real estate will depend less on financial multiple expansion and more on the operational performance of assets. The primary drivers of growth will come from occupier market dynamics—absorption, occupancy and, crucially, rental growth—together with active, selective management, rather than further yield compression.

FIG. 12 YIELDS 2025 BY ASSET CLASS



Source: Savills Research

Outlook

Spain Enters 2026–2028 with Solid Fundamentals and Strengthening International Appeal

Spain Enters 2026–2028 with Solid Fundamentals and Strengthening International Appeal

Spain is firmly positioned within the international landscape, and the real estate sector presents a favourable environment for investment. The macroeconomic outlook supports this trend: forecast GDP growth of around 2% annually over the next three years, stable interest rates with inflation under control, and more accessible financing conditions compared with previous periods. This backdrop enhances visibility and enables investors to structure strategies with greater certainty.

Selectivity and the Pursuit of Quality

In a market regaining momentum, investors will operate with a high degree of selectivity. The primary focus will be on core and core+ assets, where

tenant quality, location and liquidity remain decisive. However, value add and repositioning opportunities will also attract the attention of investors equipped with active management capabilities and a value creation mindset.

After several years of caution, a progressive return of international capital is expected. Spain continues to be a trusted market, supported by strong operational metrics across nearly all asset classes and expected rental growth in segments with pronounced supply–demand imbalances. In addition, Spanish real estate remains cheaper than in the rest of Europe, offering a more attractive risk adjusted return.

From a geographical perspective, Madrid and Catalonia will continue to concentrate the majority of investment. However, territorial diversification is expected to gain prominence to meet higher return expectations. Cities such as Valencia, Seville, Málaga and Bilbao are consolidating their appeal, as are other locations where, for specific asset classes, lower competition and more favourable entry pricing enable investors to capture superior yields

Sector Trends and New Growth Drivers

Across asset classes, the living sectors (multifamily, PBSA and senior living) are expected to remain the primary destination for investment, supported by strong structural demand and favourable demographic trends. However, the emerging trend of portfolio privatisation through unit by unit sales may temporarily weigh on investment levels in the residential segment.

The hotel and tourism-related sectors will continue to attract interest, capitalising on the excellent performance of the tourism industry and strong operating metrics. Investment levels could exceed the previous year if some of the portfolios currently on the market reach completion.

Offices are regaining relevance within investor strategies, driven by greater price clarity and improved risk perception. Rising rents, particularly in prime

segments, may encourage some landlords to rotate assets.



c.€18.5BN

EXPECTED IN 2026

+6% YOY

Retail shows resilient demand, especially in dominant shopping centres and convenience and grocery anchored assets. The sector's risk premium remains highly attractive, supported by the recovery in footfall and solid sales performance.

Meanwhile, the logistics sector continues to maintain strong investor interest despite geopolitical uncertainty and trade tensions, driven by its strategic role in the supply chain, rental growth, and structurally constrained supply in markets such as Barcelona and Valencia.

Among traditionally niche segments, data centres, hospitals and educational facilities—increasingly regarded as critical infrastructure—represent an attractive alternative for investors seeking defensive assets with stable cash flows and lower correlation with the traditional economic cycle.

Finally, ESG (Environmental, Social and Governance) criteria have consolidated their role as a central element in investment decision making. Beyond regulatory compliance, ESG is becoming a key differentiator in mature markets and a genuine driver of development in emerging segments, influencing both liquidity and value formation over the medium and long term.

TOP TAKEAWAYS

01

Investment will concentrate on core assets and markets with strong fundamentals and high structural demand

02

International capital will return progressively, attracted by rental growth and competitive risk-adjusted returns

03

Value creation will rely on active management, selective repositioning and organic income growth



“

The new real estate cycle will be driven less by financial multiples and more by rental growth, active management and strong demand in structurally constrained segments

ALEXIS POURCELOT





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