

SPAIN LIVING INVESTOR SURVEY

APRIL 2026



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SPAIN'S RESIDENTIAL REAL ESTATE MARKET BENEFITS FROM STRONG ECONOMIC MOMENTUM, FAVORABLE DEMOGRAPHICS, AND SUSTAINED INVESTOR CONFIDENCE



01

INTRODUCTION

Supported by resilient economic growth and improving employment conditions, Spain's living sector enters 2026 with increasing momentum and robust investor conviction, reflecting stronger performance and the expanding institutional significance of residential assets.



FAVOURABLE MACROECONOMIC CONDITIONS AND DEMOGRAPHIC FUNDAMENTALS PROVIDE A SOLID INVESTMENT BACKDROP FOR SPAIN'S RESIDENTIAL REAL ESTATE MARKET

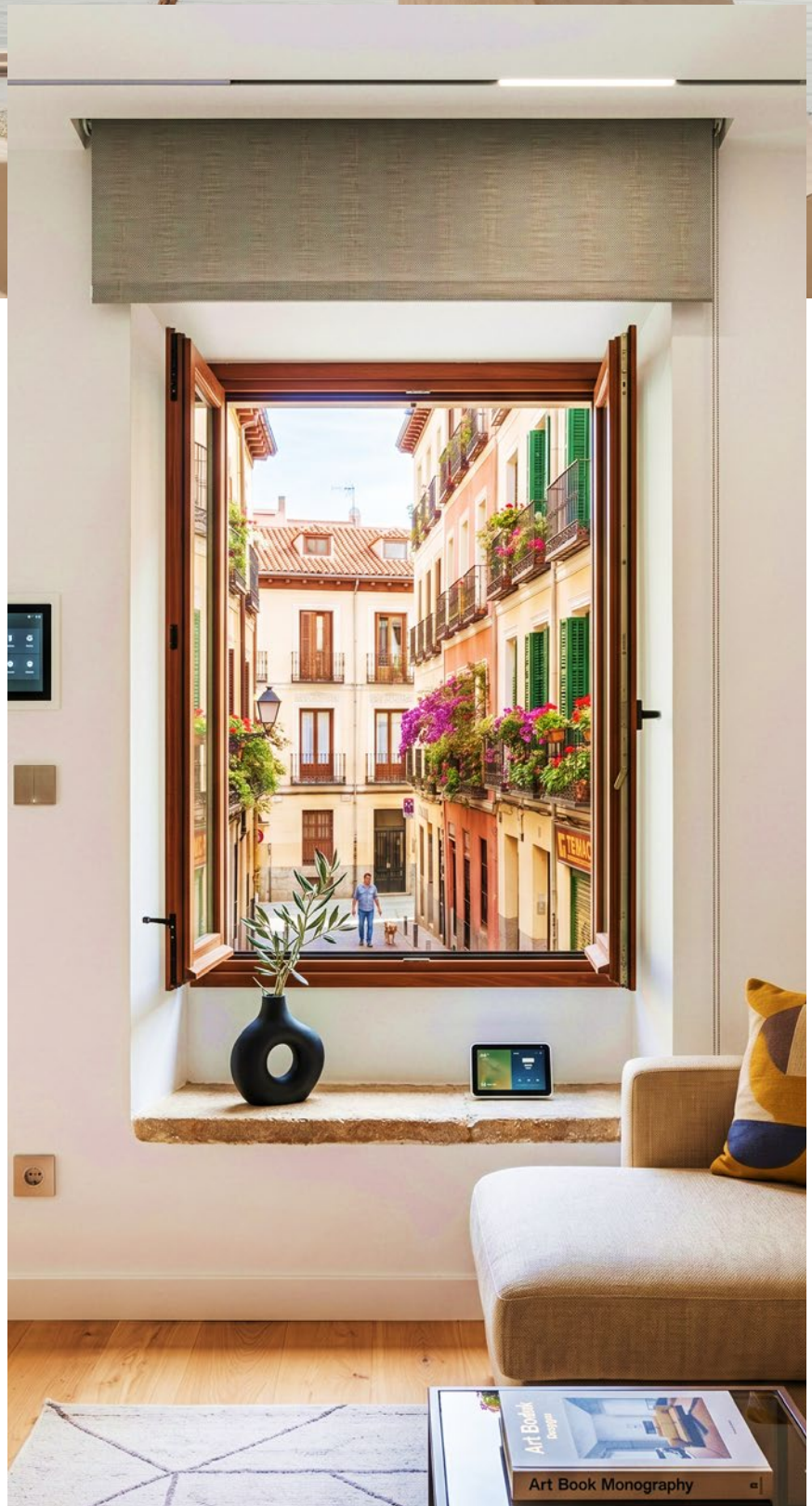
Spain's residential real estate sector continues to attract significant investor attention, underpinned by robust macroeconomic fundamentals and positive demographic trends. As of 2026, Spain's population stands at approximately 48.8 million, with a median age of 46.3 years and nearly 80% of residents living in urban areas. The country's economic resilience is evident: GDP growth is forecasted at 2.1% for 2026, outpacing the Eurozone average and positioning Spain as a regional growth leader. The unemployment rate is projected to fall below 10%, while inflation is expected to settle to around 3%—in line with European targets.

These demand-side dynamics are reinforced by structural supply constraints, notably the limited delivery of new residential stock and persistent bottlenecks within the planning system, which

continue to delay the release of land for development.

These favorable conditions, combined with a dynamic labor market and strong inward migration, provide a solid backdrop for real estate investment and shape the strategic priorities of both domestic and international investors.

This report presents the findings of our Living Investor Survey, focusing on investor sentiment, capital allocation, preferred segments, and market outlook for Spain. The analysis is enriched with macro and demographic data to provide a holistic view of the opportunities and challenges facing the sector. The survey was conducted before the current armed conflict began and reflects investor sentiment at that time.



02

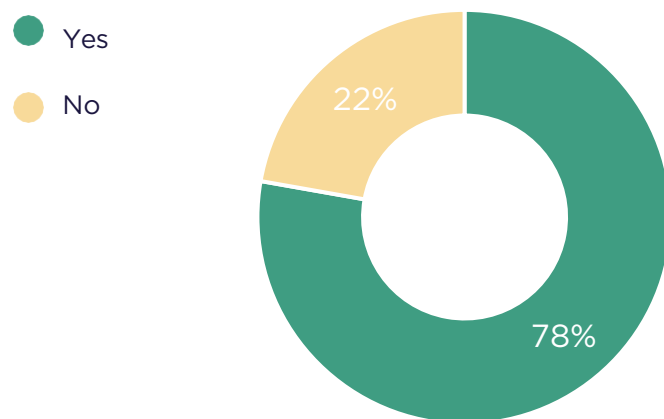
OPPORTUNITIES IN SPAIN



IT IS CLEAR FROM THE RESULTS OF OUR 2026 SURVEY THAT INVESTOR CONVICTION IN THE SPANISH LIVING MARKET REMAINS STRONG, REINFORCING THE SECTOR'S STATUS.

Survey respondents remain optimistic about Spain's living sector, with most planning to increase or maintain their exposure in 2026. The most frequently cited opportunity types are income producing assets and Value Add developments, reflecting a dual focus on core assets and value creation through development or repositioning.

CHART 1: % INTERESTED IN INVESTING IN SPAIN?



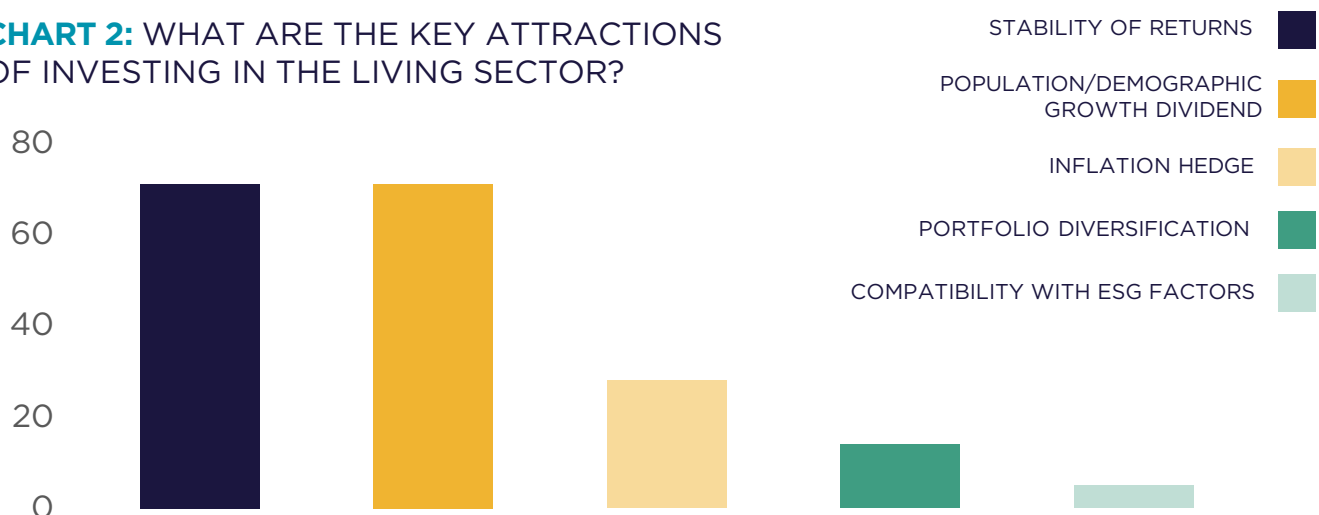
Source: Cushman & Wakefield, March 2026



This aligns with broader market trends: Spain’s real estate investment volumes exceeded €12,07 billion in 2025, a 15.6% year-on-year increase. The “Living” segment—encompassing rental housing, student accommodation, and senior living—remains a key destination for institutional capital, supported by strong demand fundamentals and a persistent supply-demand imbalance. Investment volumes in the living sector have surpassed €2,7bn in Spain (excluding M&A activity), underscoring the market’s attractiveness and the confidence investors have in its continued growth potential.

Macroeconomic tailwinds further support this outlook. Domestic demand, driven by private consumption and investment, is expected to be the main engine of growth in 2026. The deployment of European Recovery Funds (NGEU) will accelerate investment, particularly in housing and infrastructure. Risks remain—especially around global trade, geopolitical situation, regulatory changes, and the pace of new supply—but Spain’s relative outperformance continue to attract both local and international investors.

CHART 2: WHAT ARE THE KEY ATTRactions OF INVESTING IN THE LIVING SECTOR?



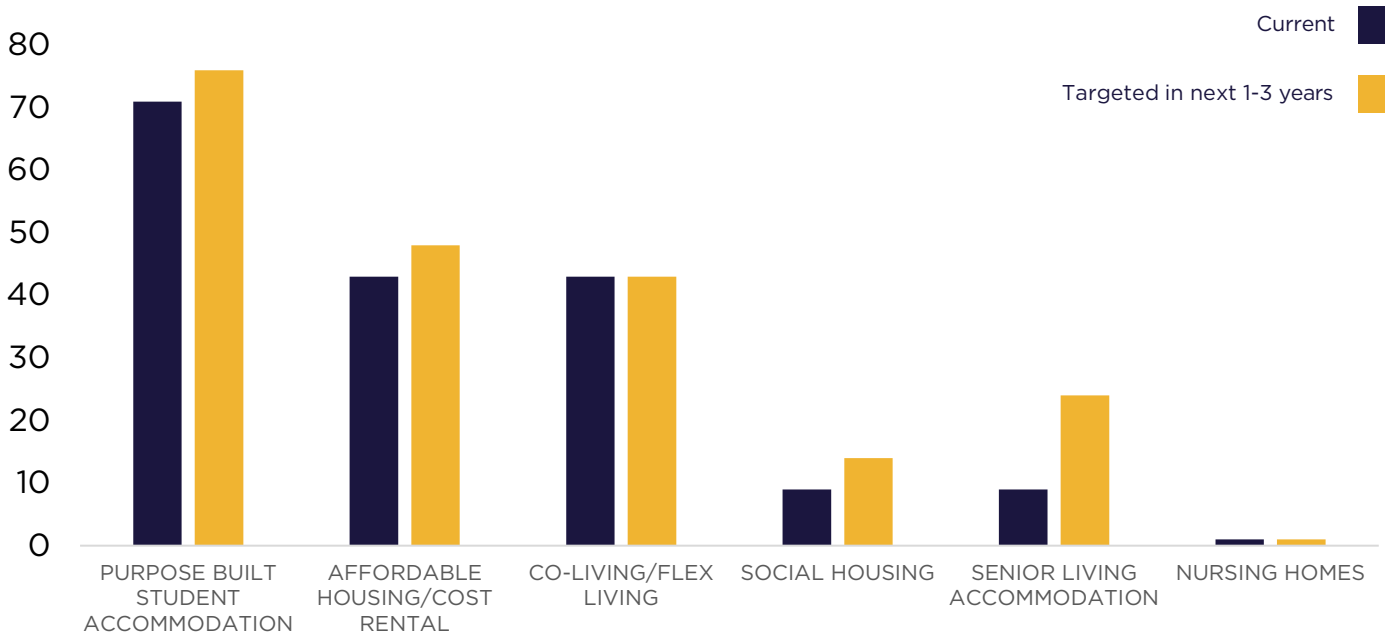
Source: Cushman & Wakefield, March 2026

03

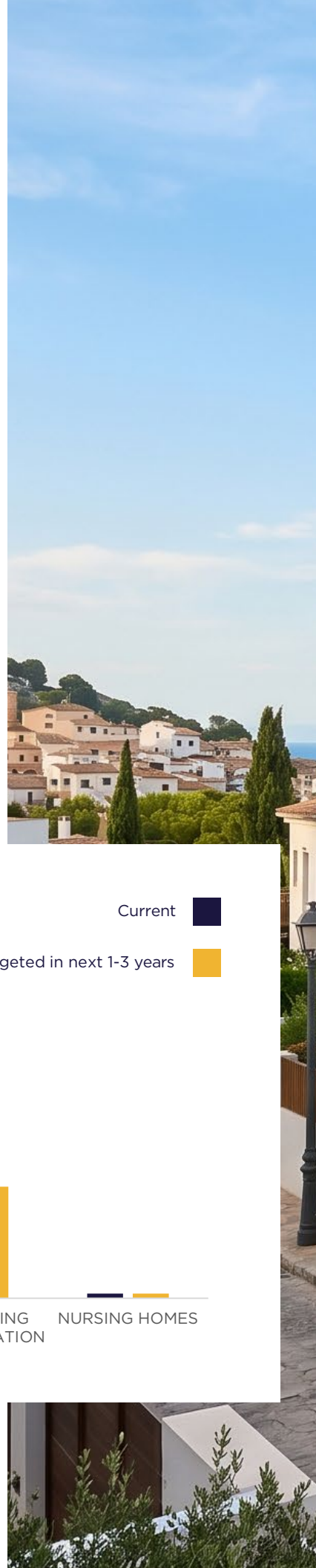
PREFERRED SEGMENTS IN SPAIN

Spain's macroeconomic environment continues to provide relative support for real estate investment, although decision-making is increasingly framed by heightened geopolitical risk and global market volatility. Economic growth remains resilient by Eurozone standards, inflation has eased, and interest rates appear closer to a stabilization phase, improving visibility but not eliminating financing risk. The labor market remains robust and inward migration continues to underpin demand; however, capital deployment has become more cautious. In this context, investment activity is increasingly focused on assets with defensive demand drivers, strong pricing power, and clear downside protection, reflecting a more risk-averse and selective investment environment.

CHART 3: WHICH SEGMENTS OF THE LIVING SECTOR ARE YOU CURRENTLY INVESTING IN AND WHICH ARE YOU TARGETING IN THE NEXT 1-3 YEARS?



Source: Cushman & Wakefield, March 2026





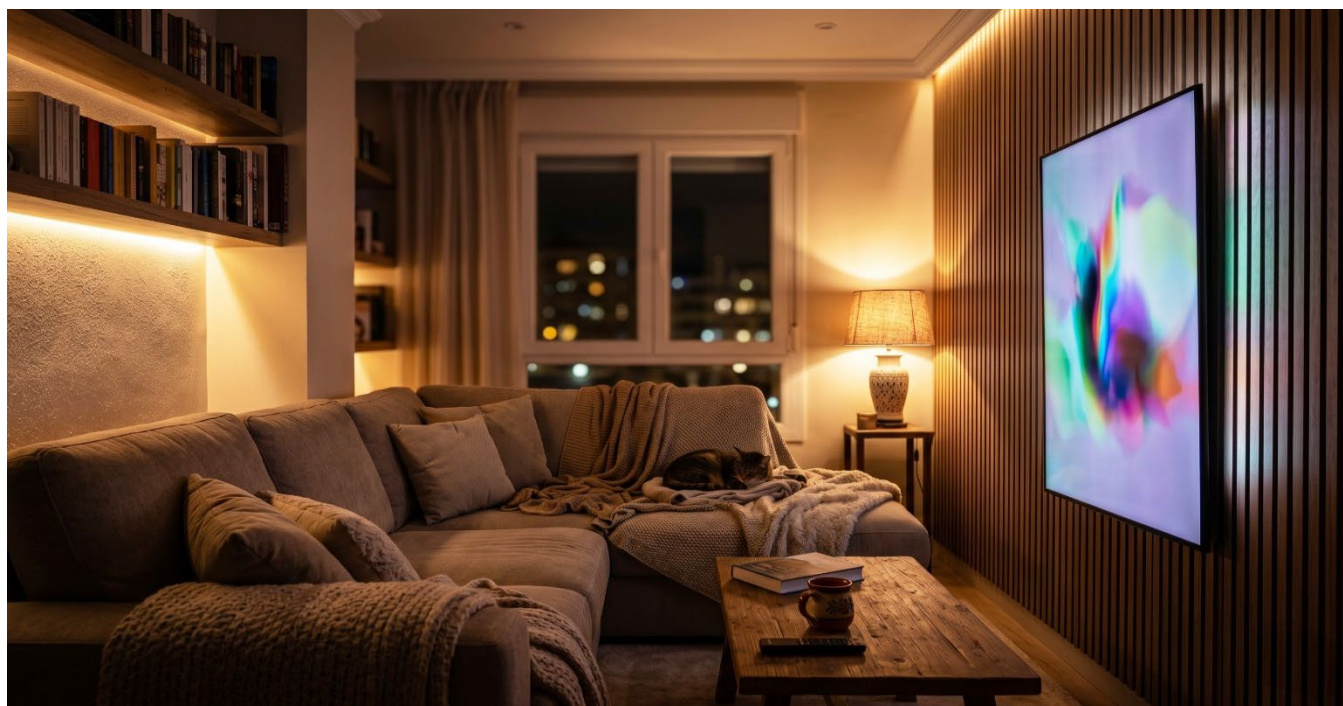
Capital deployment intentions are robust: a significant share of investors plan to allocate between €101–€200 million or more to the Spanish living sector over the next year, with some targeting above €201 million.

These preferences reflect underlying demographic and social trends. Spain's population is aging, with over 22% aged 65 or older, and household sizes are shrinking—projected to fall from 2.5 in 2024 to 2.32 by 2039. Urbanization remains high, with nearly 80% of the population living in cities. These dynamics drive demand for flexible, affordable, and professionally managed rental housing, as well as specialized accommodation for students and seniors

The supply-demand imbalance is particularly acute in the rental sector, where new construction has not kept pace with household formation. This scarcity supports capital value and rental growth, especially in attractive locations. Investors also highlight the importance of ESG factors, with sustainability and energy efficiency increasingly seen as essential for both asset performance and tenant attraction. While 90% of current targeting is concentrated in PBSA, BTR, Co living and Affordable Housing, more than half of

While 90% of current targeting is concentrated in PBSA, BTR, Co living and Affordable Housing, more than half of respondents (56%) indicate they are not planning to sell in 2026. Effective Supply in 2026 Is Concentrated in BTR and PBSA Excluding owners not planning to sell, the pool of potential transactions in 2026 is heavily skewed towards a limited number of segments. Build to Rent accounts for approximately 46% of potential sales, while PBSA represents a further 27%. These two segments therefore stand out as the most likely sources of deal flow in 2026, despite broader investor interest across the living spectrum.

Build to Rent shows the strongest alignment between investor interest and transaction potential, but we are seeing emerging trend of privatization of built to rent assets in strong performing BTS locations. This balance positions BTR as the most efficient segment for capturing transactions in 2026, particularly in a market characterized by low seller motivation and constrained supply.





SPAIN AMONG THE TOP THREE

Spain once again ranks among the top three preferred destinations for living investment in 2026 (see Table), reflecting its growing relevance within the European landscape. This comes alongside the continued dominance of the UK and Germany—together accounting for 66% of European living investment volumes last year—while Spain’s strong fundamentals and improving liquidity continue to reinforce its position among investors’ core target markets.





GEOGRAPHIC PREFERENCE

		2026 Ranking	2025 Ranking
GERMANY	▲	1	3
SPAIN	◀▶	2	2
UK	▼	3	1
IRELAND	▲	4	5
FRANCE	▼	5	4
ITALY	◀▶	6	6
PORTUGAL	◀▶	7	7
NORDICS	◀▶	8	8
BENELUX	◀▶	9	9
CEE	◀▶	10	10

Source: Cushman and Wakefield EMEA Living Investor Survey 2026



04

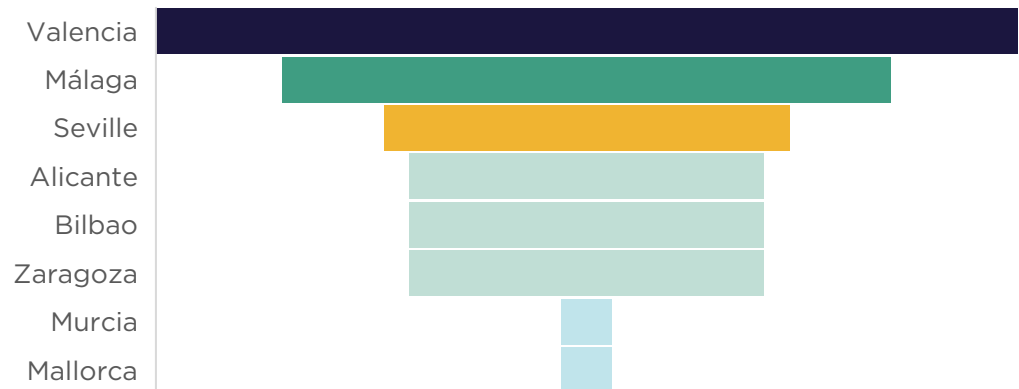
PREFERRED MARKETS IN SPAIN

WHILE MADRID AND BARCELONA REMAIN CORE INVESTMENT DESTINATIONS, INVESTORS ARE INCREASINGLY TARGETING SECONDARY CITIES WITH STRONG DEMOGRAPHIC AND ECONOMIC FUNDAMENTALS

The most frequently cited markets beyond the core cities are:

- VALENCIA
- MÁLAGA
- SEVILLE
- BILBAO
- ZARAGOZA

CHART 4: PREFERRED MARKETS BEYOND MADRID AND BARCELONA



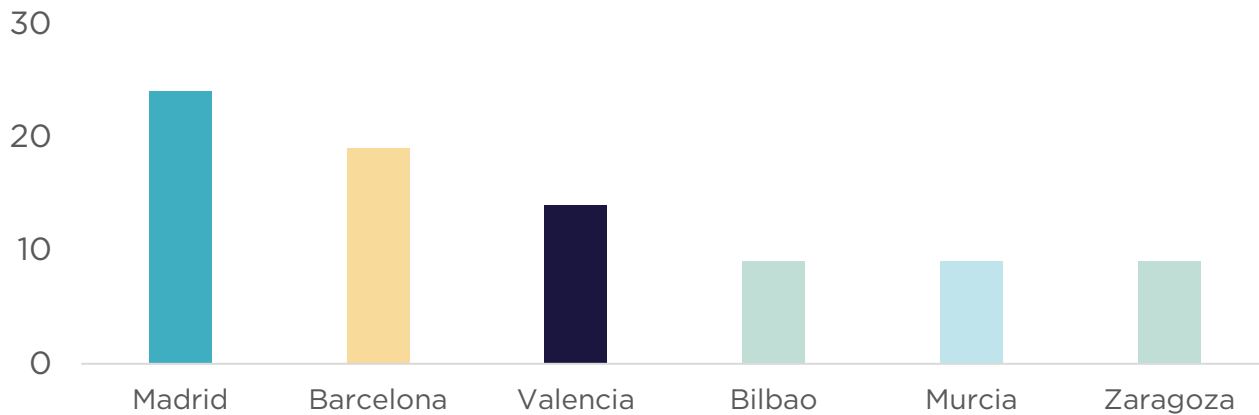
Source: Cushman & Wakefield, March 2026



These cities combine population growth, economic diversification, and improving infrastructure, making them attractive for both rental and development strategies. The rise of regional hotspots is also supported by Spain's ongoing urbanization and the spread of new employment and educational opportunities outside the traditional metropolitan centers.

28% of respondents report considering potential divestment in 2026, mainly focused on Madrid, Barcelona and Valencia

CHART 5: IF YOU PLAN TO SELL - WHERE ARE YOU LIKELY TO SELL? - %



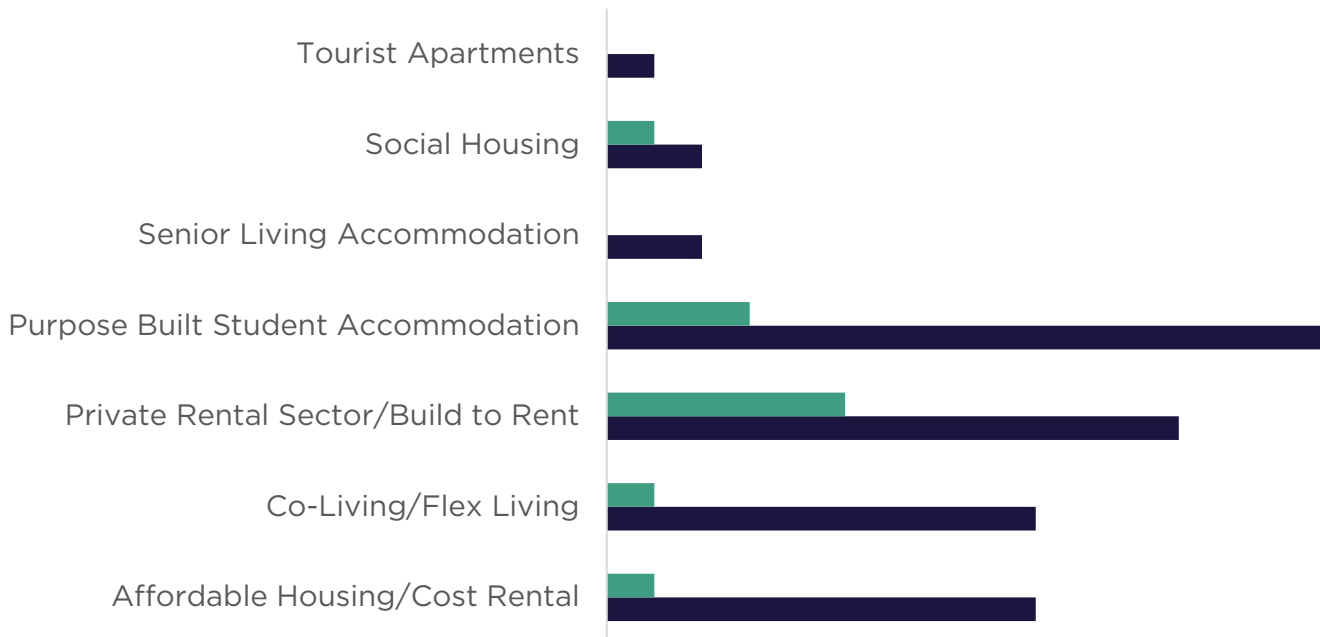
Source: Cushman & Wakefield, March 2026

The results of the Living Investor Survey for Spain highlight a clear preference for core and structurally supported living sectors. Purpose-Built Student Accommodation (PBSA) and the Private Rental Sector/Build to Rent (PRS/BTR) emerge as the most actively targeted segments, reflecting Spain's growing institutionalization of the residential investment market and the depth of demand in major urban areas. At the same time, these segments also appear among those more likely to be sold in 2026, suggesting ongoing portfolio rebalancing rather than a shift away from the sector.

More specialized asset classes, such as Affordable Housing/Cost Rental and Co-Living/Flex Living, continue to attract investor interest, although at a more measured pace. By contrast, senior living, social housing and tourist apartments remain relatively niche within the Spanish context. Overall, the findings point to a selective and increasingly sophisticated investment approach, combining long-term conviction in key living sectors with tactical divestment strategies specific to the Spanish market.

CHART 6: SEGMENTS TARGETING VS LIKELY TO SELL (2026)

Segments Targeting
 Segments Likely to Sell



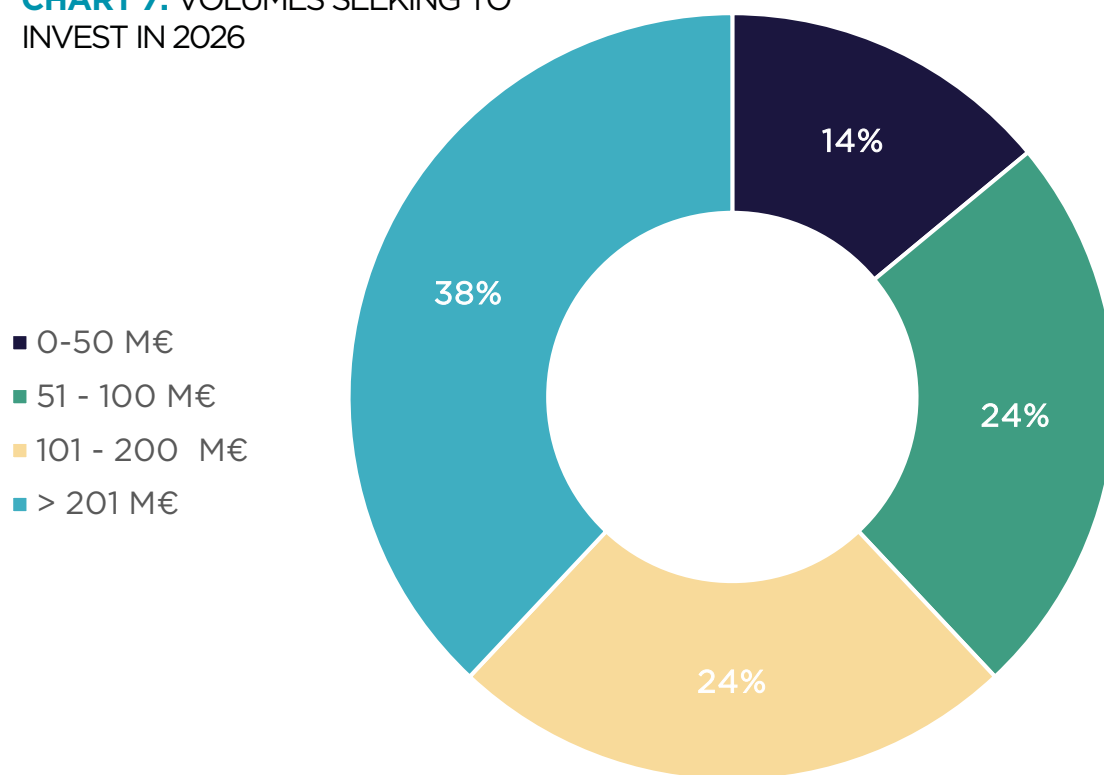


05

CAPITAL INVESTING INTENTIONS

AS PART OF THIS YEAR'S SURVEY, WE ALSO ASKED INVESTORS HOW MUCH CAPITAL ARE INVESTORS SEEKING TO INVEST IN THE ECTOR OVER THE NEXT YEAR.

CHART 7: VOLUMES SEEKING TO INVEST IN 2026



Survey results point to a strong appetite for capital deployment in the Spanish living sector over the next year, with a clear concentration of investment intentions in the higher capital bands. A significant share of respondents indicate plans to allocate more than €201 million, underscoring the presence of large-scale investors actively targeting Spain.

This is complemented by a solid pipeline of capital in the mid-range brackets (€101-€200 million and €51-€100 million), suggesting broad-based investment capacity across institutional profiles.

By contrast, smaller allocations of up to €50 million appear less prevalent, indicating that capital deployment strategies are increasingly weighted towards sizeable commitments. Overall, the distribution of intended investment volumes highlights a market characterized by substantial capital depth, with Spain positioned as a priority destination for large and medium-scale living sector investments

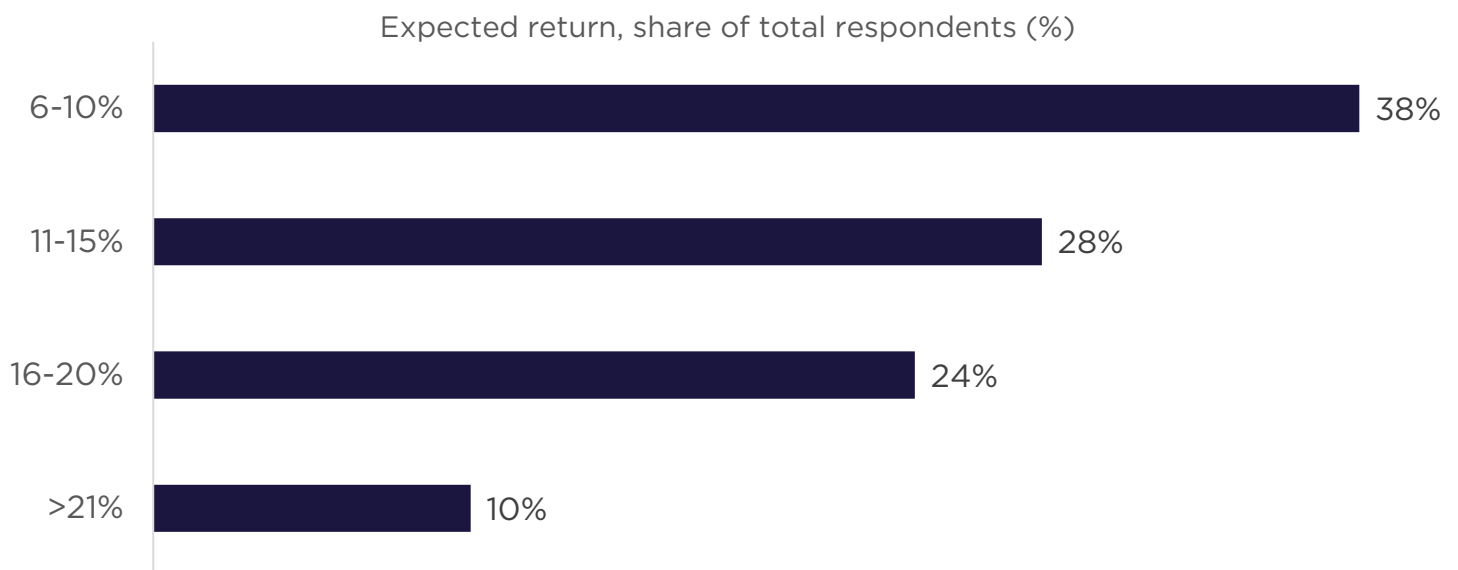


06

RETURN EXPECTATIONS

CORE+ AND VALUE ADD INVESTORS LEADING THE WAY WITH A STRONG RESURGENCE OF CORE BUYERS

CHART 8: WHAT UNLEVERED RETURN EXPECTATIONS (IRR) DO YOU HAVE FOR INVESTMENTS IN THE SPANISH LIVING SECTOR OVER THE NEXT FIVE YEARS?



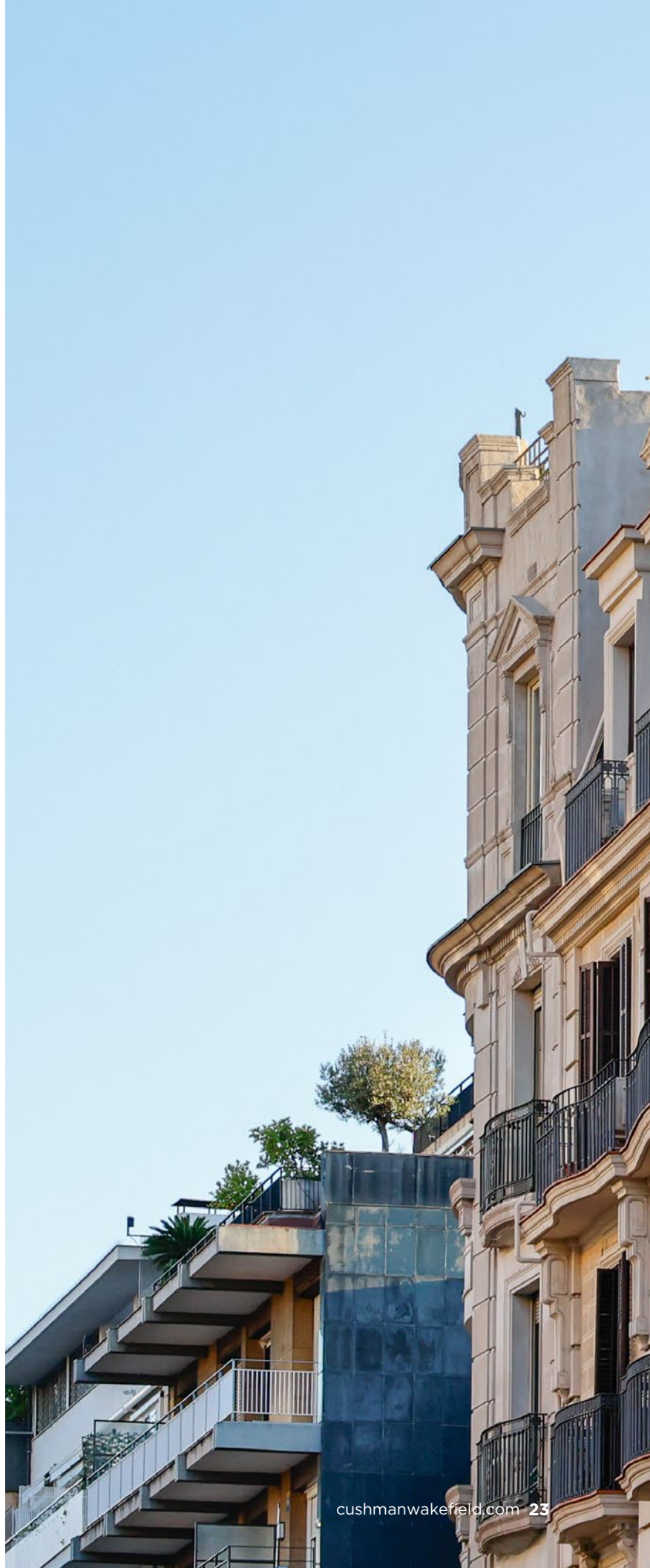
*Investors were polled between November 2025 and January 2026, prior to the outbreak of Middle East Hostilities

Source: Cushman & Wakefield, March 2026

Return expectations for Spanish living investments over the next five years are predominantly concentrated in the mid-range bands. The largest share of respondents expect unlevered IRRs of between 6% and 10%, indicating relatively conservative return assumptions aligned with core and core-plus investment strategies.

A substantial proportion of investors also target higher return thresholds, with expectations clustering in the 11-15% and 16-20% ranges. This suggests continued appetite for value-add and selective development strategies within the Spanish living sector, particularly in segments where rental growth and operational improvements can support enhanced returns.

By contrast, expectations above 21% represent a smaller share of responses, pointing to a more limited focus on opportunistic strategies. Overall, the distribution of expected returns reflects a balanced market outlook, combining defensive income-driven approaches with targeted risk-taking, and underlines the growing maturity and institutional appeal of the Spanish living sector.



07

LIVING RANKS TOP 1

AS PART OF THIS YEAR'S SURVEY, WE ALSO ASKED INVESTORS TO RANK THEIR INVESTMENT PRIORITY ACCORDING TO ASSET CLASS

The ranking of preferred investment sectors for 2025 highlights a clear hierarchy in investor priorities within the Spanish real estate market. Living assets emerge as the top investment priority by a wide margin, consistently positioned ahead of all other sectors. This reflects sustained investor conviction in residential-led strategies, supported by strong underlying demand fundamentals, structural supply constraints and increasing institutionalization across multiple living sub-segments. Hotels rank as the second most preferred sector, signaling renewed investor interest following the recovery of tourism activity and improved operating performance.

Logistics and industrial assets follow closely, reinforcing their role as a core component of diversified portfolios, although their positioning suggests a more selective approach compared with previous years. Offices and retail form a middle tier in the preference ranking, indicating continued investor engagement but with a more cautious and differentiated outlook, likely driven by asset quality, location and income resilience considerations. Finally, alternative or non-core sectors grouped under “Other” consistently rank lowest, underlining a preference for established and scalable asset classes over niche or less liquid strategies. Overall, the ranking points to a market increasingly centered on living-led investment, with capital gravitating towards sectors offering long-term income visibility and structural growth, while more cyclical or transitional asset classes are approached with greater selectivity.





AVERAGE INVESTMENT PRIORITY

BY ASSET CLASS

1

LIVING



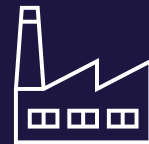
2

HOTEL



3

LOGISTICS/INDUSTRIAL



4

OFFICE



5

RETAIL



6

OTHER



Source: Cushman & Wakefield, March 2026



08

KEY TAKEAWAYS

Spain's living sector stands out as a strategic focus for EMEA capital, supported by strong macroeconomic fundamentals, favorable demographic trends, and a resilient real estate market. Investors are deploying significant capital, with a clear preference for PRS/BTR, PBSA, and affordable housing, and are increasingly looking beyond Madrid and Barcelona to dynamic secondary cities. The sector's outlook is underpinned by robust demand, supply constraints, and supportive policy measures, but success will depend on navigating regulatory risks, execution challenges, and evolving tenant preferences.



- **Macroeconomic strength:** Spain leads the Eurozone in growth, with GDP expected to expand by 2.1% in 2026, inflation settling closer to 3%, and unemployment falling below 10%.
- **Demographic drivers:** An aging, urbanized population and shrinking household sizes are reshaping housing demand, supporting the living sector's long-term prospects.
- **Investment focus:** Capital is concentrated in rental, student, and affordable segments, with growing interest in secondary cities.
- **Risks and opportunities:** Regulatory changes, supply shortages, and execution risks remain, but Spain's fundamentals and policy stability provide a strong foundation for continued investment.

SPAIN LIVING INVESTOR SURVEY

SPAIN 2026

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ABOUT CUSHMAN & WAKEFIELD

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