

Barcelona

Investment market



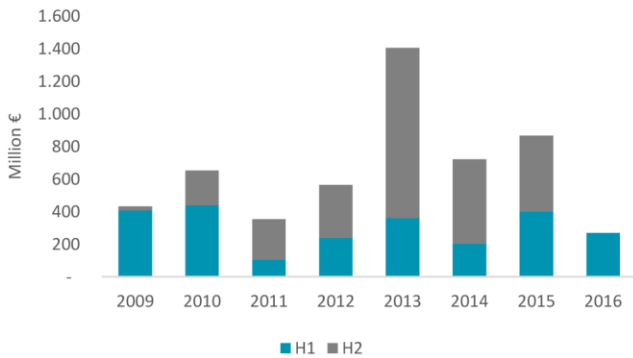
Barcelona is the second most important market in the Spanish property sector, after Madrid. On average, Barcelona has attracted circa 16% of the total investment volume in Spain in recent years.

Both 2012 and 2013 were strong years for Barcelona in terms of relative investment volume compared to Spain as a whole – more than 30% of total property investment in the country was in Barcelona. In the following years, Barcelona’s investment share fell to below 10%.

Over the first half of 2016 Barcelona has received €270 million of investment in property, comprising 8% of total investment in Spain.

This decrease is mainly due to the lack of major deals in Barcelona in recent years. The largest deal in Barcelona since 2014 had a lot size of €170 million, whereas the largest deal in Madrid had an investment volume of €630 million.

Investment Volumes Barcelona - By semester

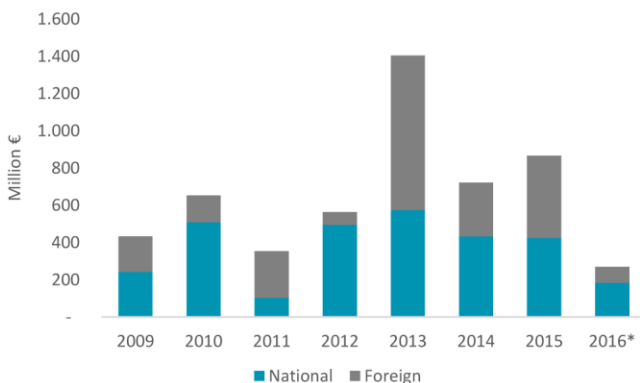


In recent years the share of foreign capital in the Barcelona investment market has been lower than both Madrid and the Spanish average, at 40%.

In the first half of 2016 foreign investment in Barcelona has decreased slightly, representing only 30% of the total investment volume in Barcelona.

The fact that the top three deals in the city this year were made by local investors explains this decrease, however this is also a positive sign, demonstrating good liquidity amongst local players.

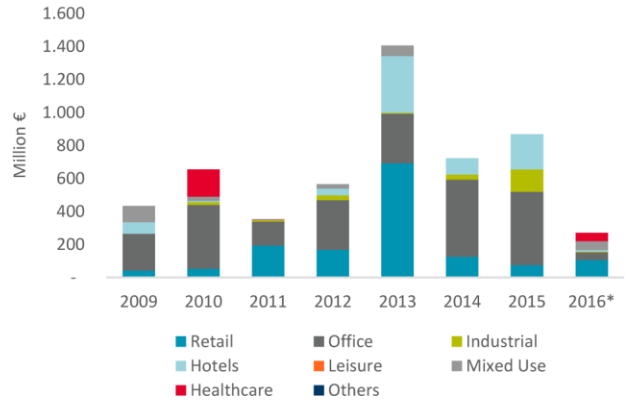
Investment Volumes Barcelona - By source of capital



Investment flows into property in Barcelona are mainly allocated into the office and retail asset classes, with offices being the leading asset class. On average, these asset classes represent 45% and 28% respectively of the total investment volume in Barcelona.

The city’s strong tourism sector also attracts a considerable amount of investment to Barcelona. Hotels comprise 15% of total investment in property in Barcelona.

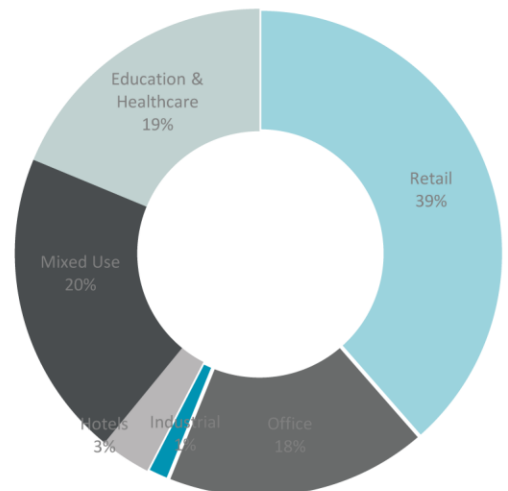
Investment Volumes Barcelona - By property sector



Investment during the first half of 2016 was somewhat atypical, with the largest share of capital being allocated to the retail sector (39%), and with only 18% of the investment volume relating to office properties.

Education and Healthcare investment in 2016 had an unusually high share (19%) of total investment volume, mainly due to the sale of the Sagrada Familia Clinic.

Investment Volumes Barcelona 2016*



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