Catella: Positive outlook for Spanish real estate markets

The new Catella Market Tracker on the Spanish real estate markets was released today. The researchers come to the conclusion that Spanish property prices are likely to increase in 2017. The expected development is supported by a growing Spanish economy, increasing rents and a high level of interest in Spanish real estate investments among international investors.

The Spanish economy developed well in 2016 and GDP grew by 3.3%, well above the average GDP growth rate in the Eurozone of 1.7%. The Spanish economy is expected to continue to grow the coming years, and GDP growth of 2.5% is forecasted for 2017.

Commercial real estate rents in Spain increased in 2016. This rental increase is expected to continue during 2017, particularly in Madrid and Barcelona, where there is a lack of supply of high quality office and retail space.

In addition to a growing Spanish economy and increasing commercial real estate rents, the increase in Spanish real estate prices is being supported by a high level of interest in Spanish real estate among international investors. With its relatively strong growth compared to other European economies, Spain stand out as an attractive alternative for international real estate investors.

Pablo Carvajal, Head of Capital Markets at Catella, pointed out that "International funds are currently the most active buyers in the Spanish real estate market."

"Furthermore, some investors are speculating on a potential relocation of financial companies from London to Madrid as a result of the planned Brexit," says Dr. Thomas Beyerle, Head of Group Research at Catella.

The complete Catella Market Tracker Report "Real Estate Market Spain – 2016/2017" is available at catella.com/research.

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