



SPANISH MARKET UPDATE

Miami Global Real Estate Congress

with Tanne Crosby, Crosby&Millan

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AGENDA

- Introduction
- Overview and outlook for the Spanish market
- Investment opportunities in Spain
- Spanish investment in the South Florida market

ABOUT US



Crosby&Millan is a boutique consulting firm providing **legal representation** and comprehensive **real estate services** to foreigners investing in Spain.

We leverage extensive legal and financial consulting experience to help our clients navigate the Spanish real estate market and optimize their investments.

We specialize in working with American clients and are one of the only real estate firms in Spain founded on our American background and experience.

OVERVIEW & OUTLOOK FOR THE SPANISH MARKET

SPAIN AT A GLANCE

- Population of 48.3 million and about 3x the geographic area of Florida
- Divided into 17 autonomous regions and 2 autonomous cities, each with varying degrees of self-government
- Strategic location bridging Europe and Africa, with access to Mediterranean and Atlantic
- Established tourist destination with growing international appeal
- High quality of life with excellent healthcare, infrastructure, climate, and rich cultural heritage
- Economy shows resilience compared to other European countries



SPAIN'S HOUSING MARKET: CURRENT STATE & FUTURE OUTLOOK

DEMAND

- High and increasing...
- ...especially for high-quality properties
- Driven by increase in foreign buyers, decreasing interest rates, new digital nomad visa
- Continued shift to major cities and coasts

SUPPLY

- Significant supply shortage
- Driven by high construction costs, lack of land earmarked for development, shortage of skilled labor, and long permit processing times
- New home construction permits below historical averages and do not meet current needs
- Residential investment is below Eurozone average

PRICES

- Rising and likely to stay elevated
- Driven by constrained supply coupled with increasing demand
- Remain below peak levels just prior to the 2008 financial crisis
- Still represent considerable value in a global context

SPAIN'S HOUSING MARKET: EXPANSION PHASE?

Phase 2: Expansion

Have shifted from surplus to scarcity

Vacancy: declining

Construction: starts

Prices: increasing

Phase 1: Recovery

Slow climb out of a recession

Vacancy: high

Construction: none

Prices: low and no upward pressure

Spain: *“an undersupplied market struggling to meet the rapidly increasing demand from international buyers”*

Phase 3: Hypersupply

New supply satiates, then overbalances demand

Vacancy: increasing

Construction: continues

Prices: not yet falling

Phase 4: Recession

Excessive new supply continues to come online

Vacancy: increasing

Construction: none

Prices: downward pressure

LOCAL MARKETS: PURCHASE COMPARISON

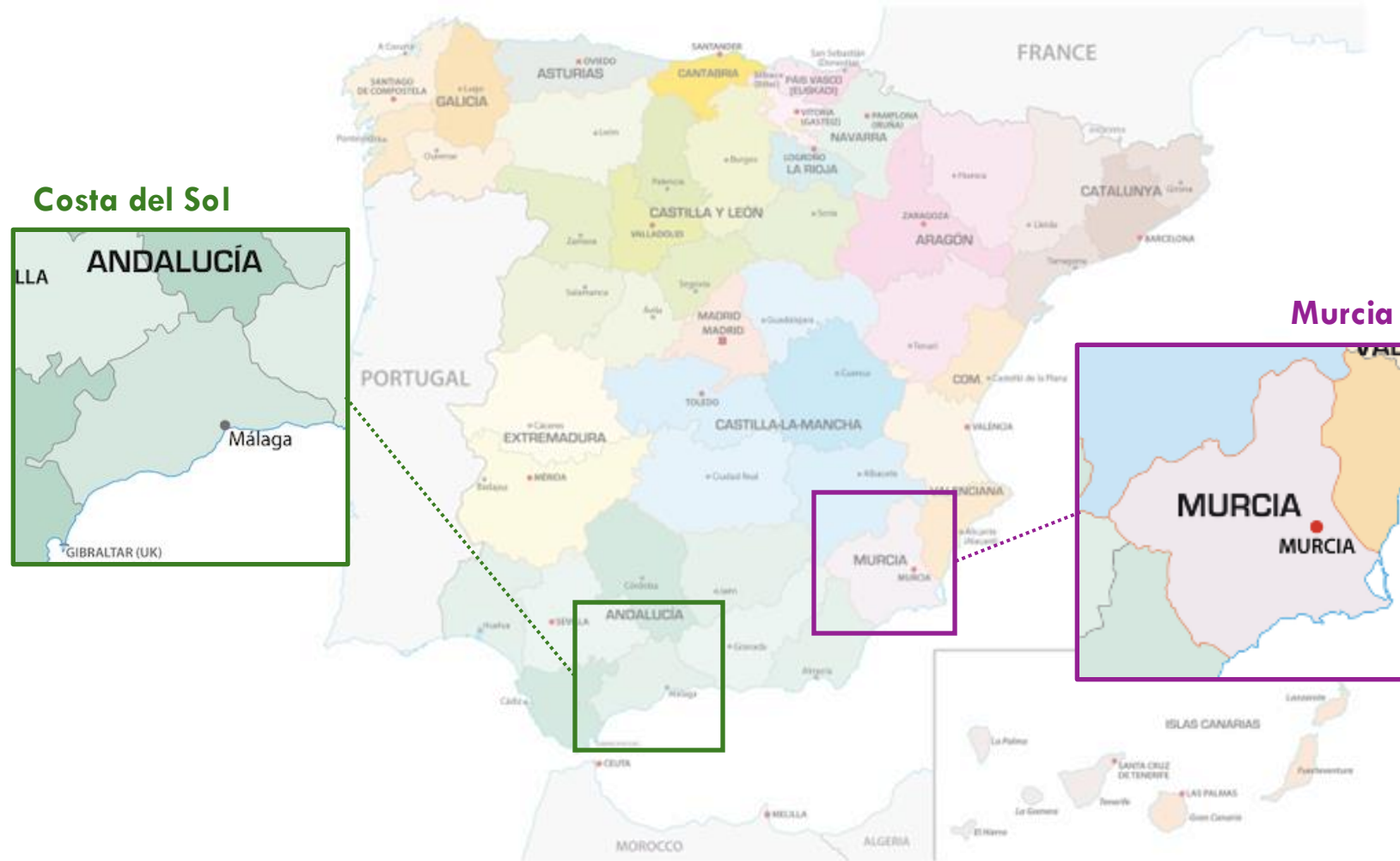
Illustrative Property Prices (000s €)

	Apartment just outside the center 2 bed / 1 bath ~90 m2	Apartment in the city center 2 bed / 1 bath ~90m2	Centrally located family home 4 bed / 2 bath ~250m2	Villa with amenities in prime location 6 bed / 4 bath ~500m2
Palma de Mallorca	300 - 400	350 - 500	700 - 1.000	1.500 - 3.500
Madrid	300 - 350	600 - 900	600 - 900	1.000 - 3.000
Málaga	250 - 300	350 - 450	500 - 700	1.000 - 1.500
Murcia	150 - 200	200 - 300	350 - 500	700 - 1.000

- The above shows roughly realistic price points for various property profiles
- Luxury sector represents a significant portion of the market but is not addressed here due to wide price variation

INVESTMENT OPPORTUNITIES IN SPAIN

PRIME INVESTMENT MARKETS



MURCIA: EMERGING RESIDENTIAL MARKET VALUE



Supporting factors:

- ✓ Growing international interest
- ✓ Prices low compared to similar coastal areas
- ✓ Infrastructure improvements and expanding local economy

Rental yields continue to increase:

- 1 5.5% during 2007 peak
- 2 6.3% during 2016 low point
- 3 7.7% in September 2024
- 4 Rent increases are more dramatic than sales price increases, suggesting the early phase of an upward cycle
- 5 Current prices remain 27% below peak levels

COSTA DEL SOL: DIGITAL NOMAD HUB

Two primary segments for investment:



1. Premium Co-Living Spaces

High-end services tailored to demanding international professionals

Notable example: Oceanika complex, Torremolinos (est. completion 2025)

Converted hotel with 180 apartments and amenities designed specifically for digital nomads, near the airport and high-speed rail station



2. Mixed-Use Spaces

Integrated communities where digital nomads can live and work

Notable example: Hotel Torre del Río project, Málaga (est. completion 2026)

360-room "flex living" hotel featuring workspaces, kitchenettes, coworking areas, gym, pool, and event spaces in an up-and-coming luxury area

SPANISH INVESTMENT IN SOUTH FLORIDA

SPANISH INVESTMENT IN SOUTH FLORIDA

- Spanish investment in South Florida real estate is tied to its business activity there
- Spain invests in Florida because of its strong technological base, widespread knowledge of the Spanish language, and extensive global links
- Spanish companies commonly establish a headquarters in south Florida to manage their Latin American business operations
 - Spain is the #1 foreign investor in Miami with more companies than any other overseas nation
 - 500+ companies and 5.500+ jobs
- Latest wave of Spanish investment is tech-focused, particularly in emerging sectors like cleantech
- Extensive business networks established between Spain and south Florida



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