



 ARTEMIS

Real Estate Investment

Liberating your savings

Why invest in Spanish RE with Artemis Assets

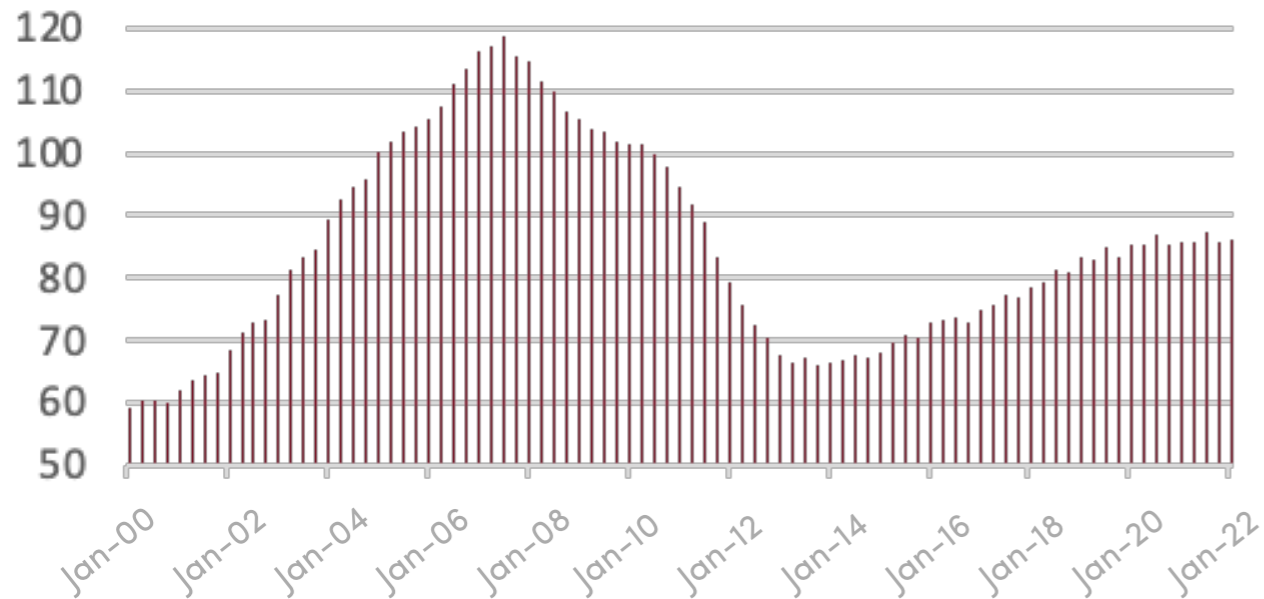
Key facts about the Real Estate sector in Spain

- The Spanish RE market is very liquid, with approx. 674,000 transactions taking place in 2021, a number that has been growing consistently since 2013.
- House prices are on average very affordable, in 1Q22 the average price was 1734€/m², with significant differences registered between different regions and between the major urban centers and the countryside.
- Refurbishment prices are also very reasonable, helped by lower labor costs and high quality locally produced material, standing at an average cost of 500€/m².
- Spain benefits from demographic tailwinds, especially in the major urban centers. Immigration is up thanks to a mix of digital nomads, pensioners seeking a better climate, students seeking good education, and working age adults from both developed and developing countries.



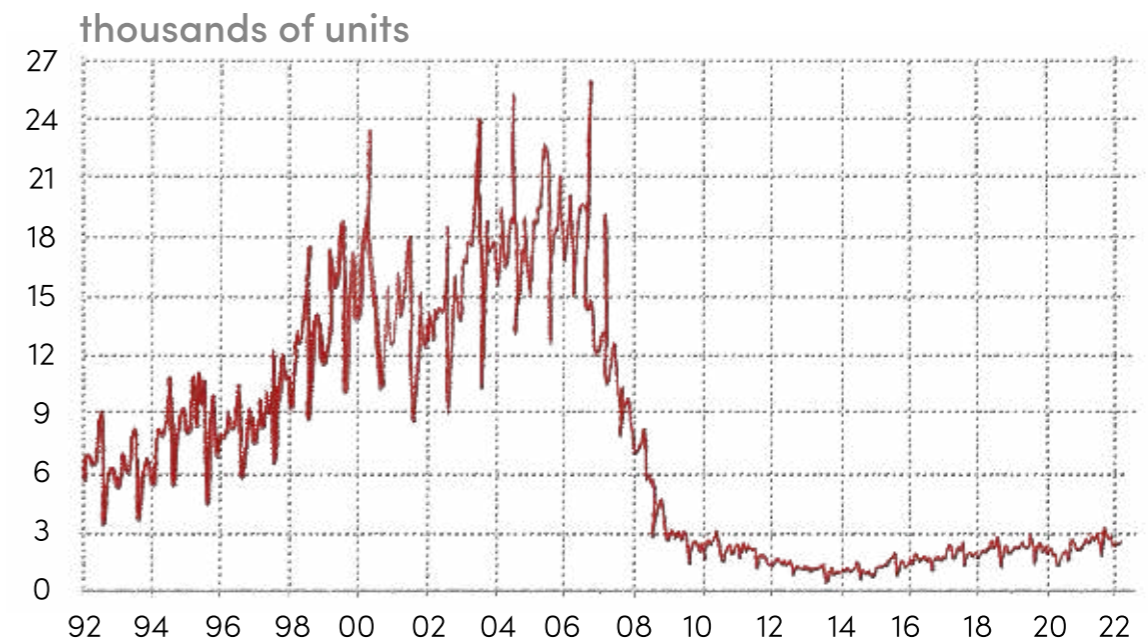
Real Estate price history in Spain (1)

RE prices index
(basis 2010=100)



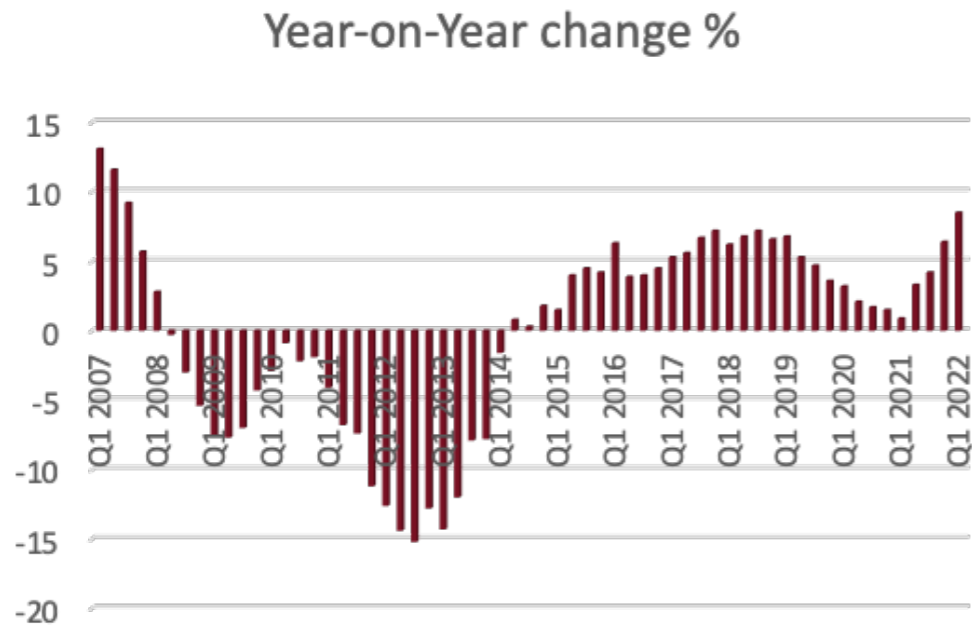
The current upward trend is healthy, as RE prices are rising but they are still very far from their 2008 peak.

Residential building permits

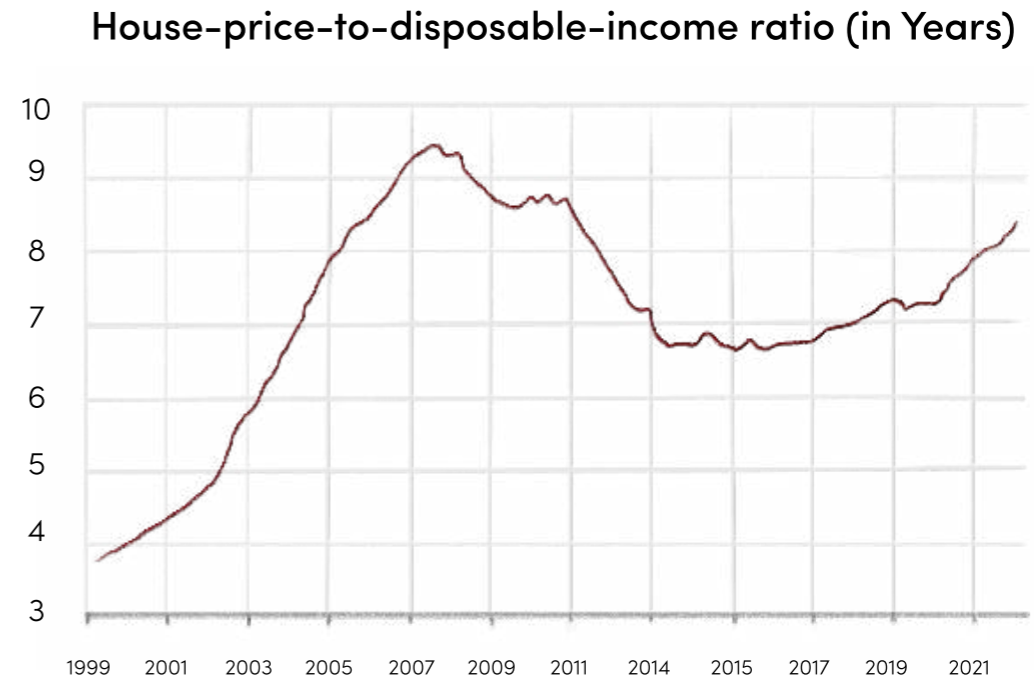


There is an imbalance between supply and demand for housing, reflected in the collapse of building permits granted since 2007.

Real Estate price history in Spain (2)



Housing prices are now increasing again, after a brief period during the Covid19 pandemic when they were stable. However, we are still far from the overheated pre-2008 market.



Housing remains affordable for the majority of Spanish citizens, taking into account that GDP has tripled since the end of 1990s.

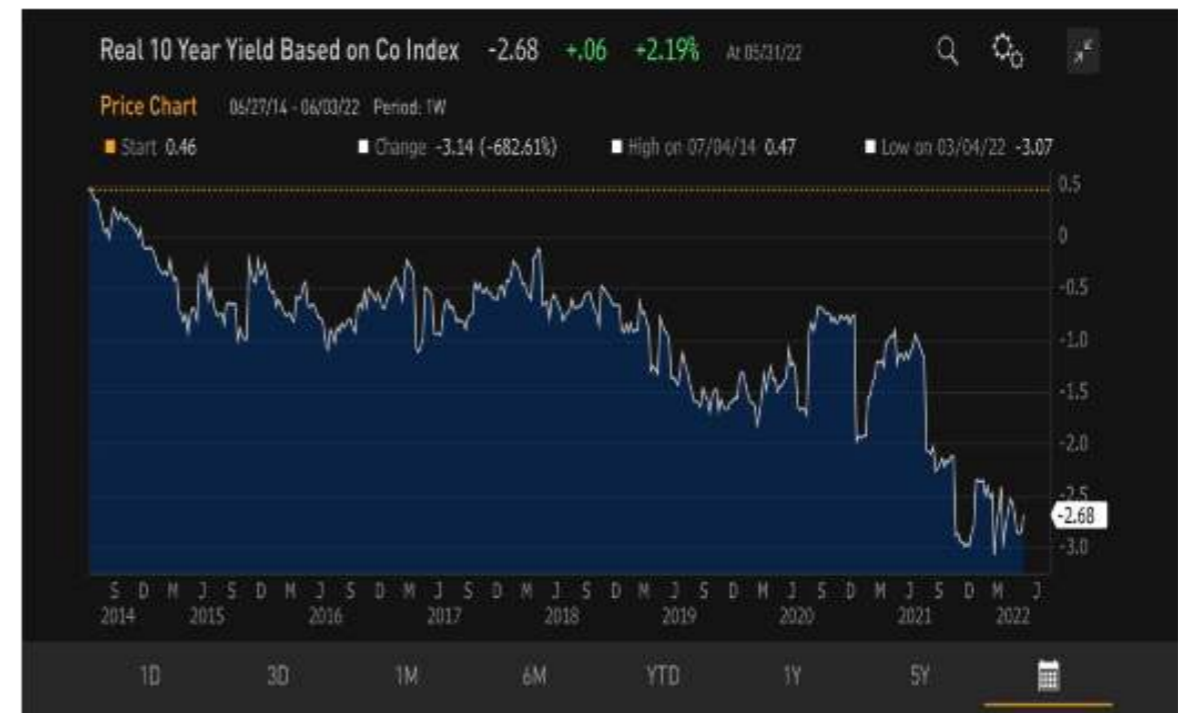
Spain offers northern rates and southern yields

-The real interest rates in Spain remain negative (interest rate minus inflation)! This is hugely beneficial for investors, as rental income and house prices go up faster than mortgage payments. Spanish banks offer loans at floating rates at Euribor+1.5% or +2% or fixed rates at ~3%.

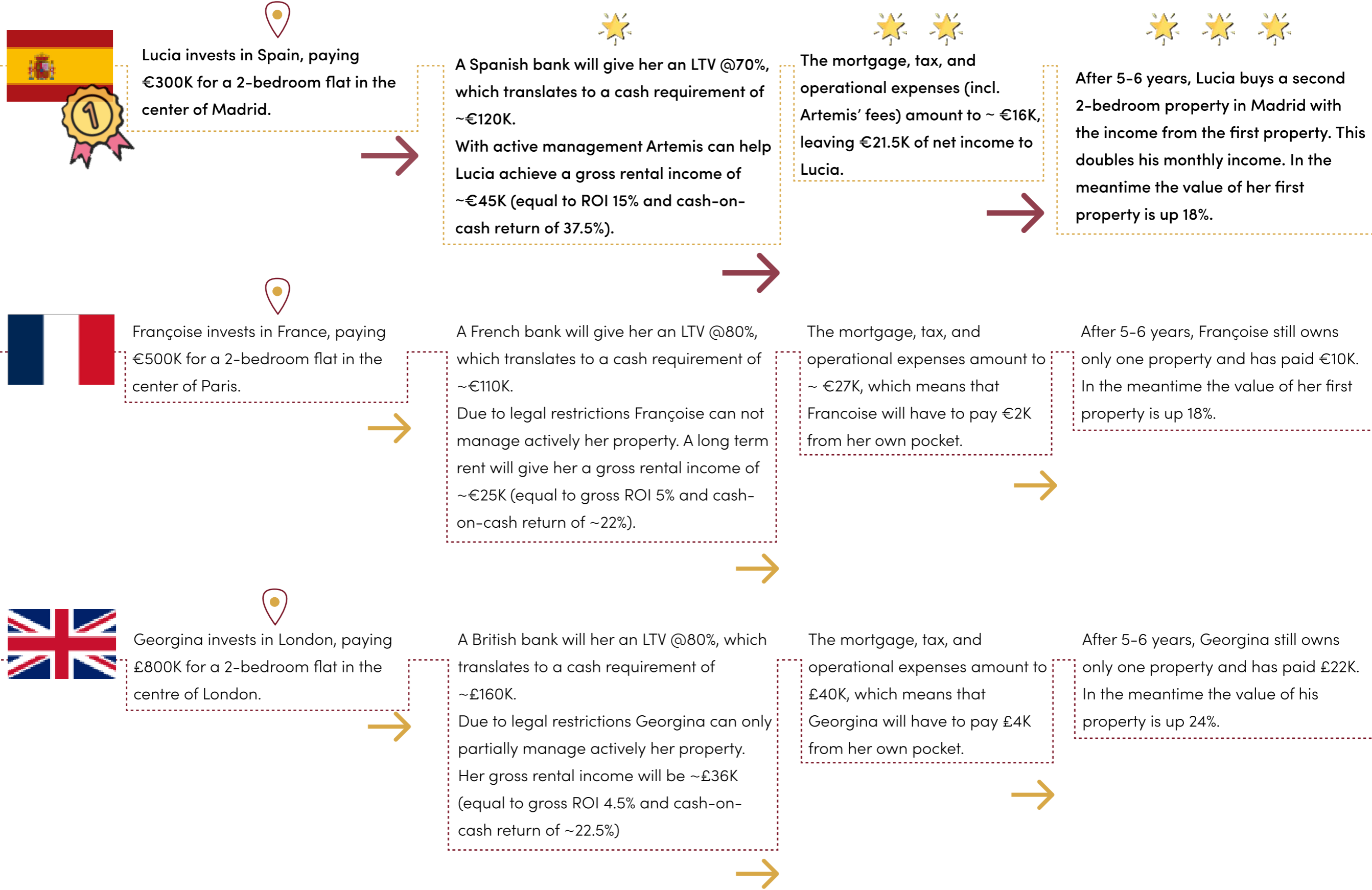
-Since the 2008 crisis Spanish banks have implemented stricter criteria to whom they give a mortgage and have restricted the number of mortgages significantly, although mortgage numbers have been growing again since 2021.

-They have also lowered their Loan-To-Value ratios, to avoid another real estate bubble. At the moment the average LTV is 60-70%, which means that an investor has to contribute 30%-40% of the property value in cash. While the rational choice would be to lever up as much as possible, the benefit of this policy is that it prevents the market from overheating and crushing.

-It is easy for foreigners to obtain an identity card (NIE), open a bank account, and obtain a mortgage from the main Spanish banks. Artemis will guide investors throughout that process



In the race for returns, the clear winner is Spain



Assumptions: The examples above assume 3% inflation and interest rates for the Eurozone and 4% inflation and interest rates for the UK.

Mortgage duration 20 years. The prices for rental and sales have been taken from Idealista.com (Madrid), Paruvendu.com (Paris), and Foxtons (London). Legislation as of August 2022 in Paris (rent cap, Airbnb block) and London (Airbnb period limit). Effective tax on rental income 10%.



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**Reach out to kickstart
your project:**

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