

Report on Residential Property Prices in Spain

Q1
2017



MitulaGroup^o

4	0. Introduction
6	1. Report Considerations
8	2. Executive Summary
10	3. Residential Property for Sale
	3.1 Average Residential Property Prices (Supply)
	3.2 User Searches
28	4. Residential Property Rental
	4.1 Average Residential Property Prices (Supply)
	4.2 User Searches
46	5. User Profile
	5.1 User Population Analysis
	5.2 Devices Used to Access our Search Engines
	5.3 Analysis of Searches from Outside Spain
52	6. Sale vs. Rental Comparative Analysis
	6.1 Gross Profit and P/E Ratio
	6.2 PRD (House Price to Household Income Ratio)
58	7. The Quarter in Figures
66	8. About Mitula Group
68	9. Methodology

0. Introduction

This document presented by Mitula Group is the second Quarterly Report on Residential Property Prices in Spain and covers the first quarter of 2017. The aim is to provide a major reference point for the Spanish property market and help understand its complexities and changes. The report is based on a rigorous methodology and is the most comprehensive and complex report of its kind currently available in Spain.

The report has been divided into three main sections – sale, rental, and a comparative analysis of sale versus rental – a section which is unique among reports of this kind in Spain.

1. Report Considerations

The residential property market is a complex and constantly evolving sector. In Spain it is also one of the major drivers of our economy¹ as well as a very important factor for all of us at some point in our lives. Through this report and subsequent ones to be released regularly, Mitula Group aims to put its extensive database at the disposal of the public and the media as a mirror reflecting the current state of the market.

This report provides accurate and detailed information on the differences in residential property prices and their evolution over time while identifying and anticipating trends and market cycles. To achieve this, the Mitula Group report is based on a rigorous methodology which takes into consideration not only absolute figures but also other official indicators that can help readers understand the complexity of the market and its players.

To generate more insights we have mixed our own data with data from third parties to provide more layers to the information. For example the PRD (house price to household income ratio), which is used to calculate the number of years of household income required to pay for a home.

We therefore trust that the present report will not only be a useful and informative document but also a reference that can be used regularly to dispel doubts or answer questions on the property market and its players.

¹ According to data from Spain's National Statistics Institute (INE) for 2015, the construction industry accounts for 5.02% of Spain's GDP.

2. Executive Summary

Sale

Sale prices of residential properties in Spain for the first quarter of the year remained essentially stable in overall terms as a result of opposing trends in the various regional markets. Prices rose in ten regions while another seven saw prices fall.

Overall, prices in Spain showed a slight (-0.29%) change from 1,481 €/m² in January to 1,473 €/m² in March.

By regions (Autonomous Communities), La Rioja (3.08 %), The Balearic Islands (2.67%) and the Region of Murcia (1.60%) showed the largest property price rises, while the largest drops were recorded in Euskadi (-2.41%), Catalonia (-1.60%) and the Community of Madrid (-1.20%)

Rental

Scant supply of apartments to let and the rise in demand contributed to a surge in prices in the first quarter of the year. Other causes likely include tourism pressure in some areas and the gentrification of certain districts, especially in the town centres and heritage quarters of major cities.

The average home rental price in Spain in overall terms stood at 680 € per month in March, up by 3.69% over the first quarter and by 3.01% over the last six months.

The regions showing the largest quarterly price rises were Navarra (18.50%), The Balearic Islands (11.97%) and The Canary Islands (8.25%). In the latter two, holiday rentals could be one of the factors driving the significant price increase in rental prices.

Gross profit²

Another aspect to be considered in the current property market is the buy-to-let sector. The cities offering the best profitability in terms of buy-to-let properties are Barcelona (6.54%), Madrid (5.47%) and Palma (5.33%).

² Gross profit: Obtained by dividing the annual rental income from a property over the sale price. This is expressed in % terms.

3. Residential Property for Sale

3.1 Average Residential Property Prices (Supply Side)

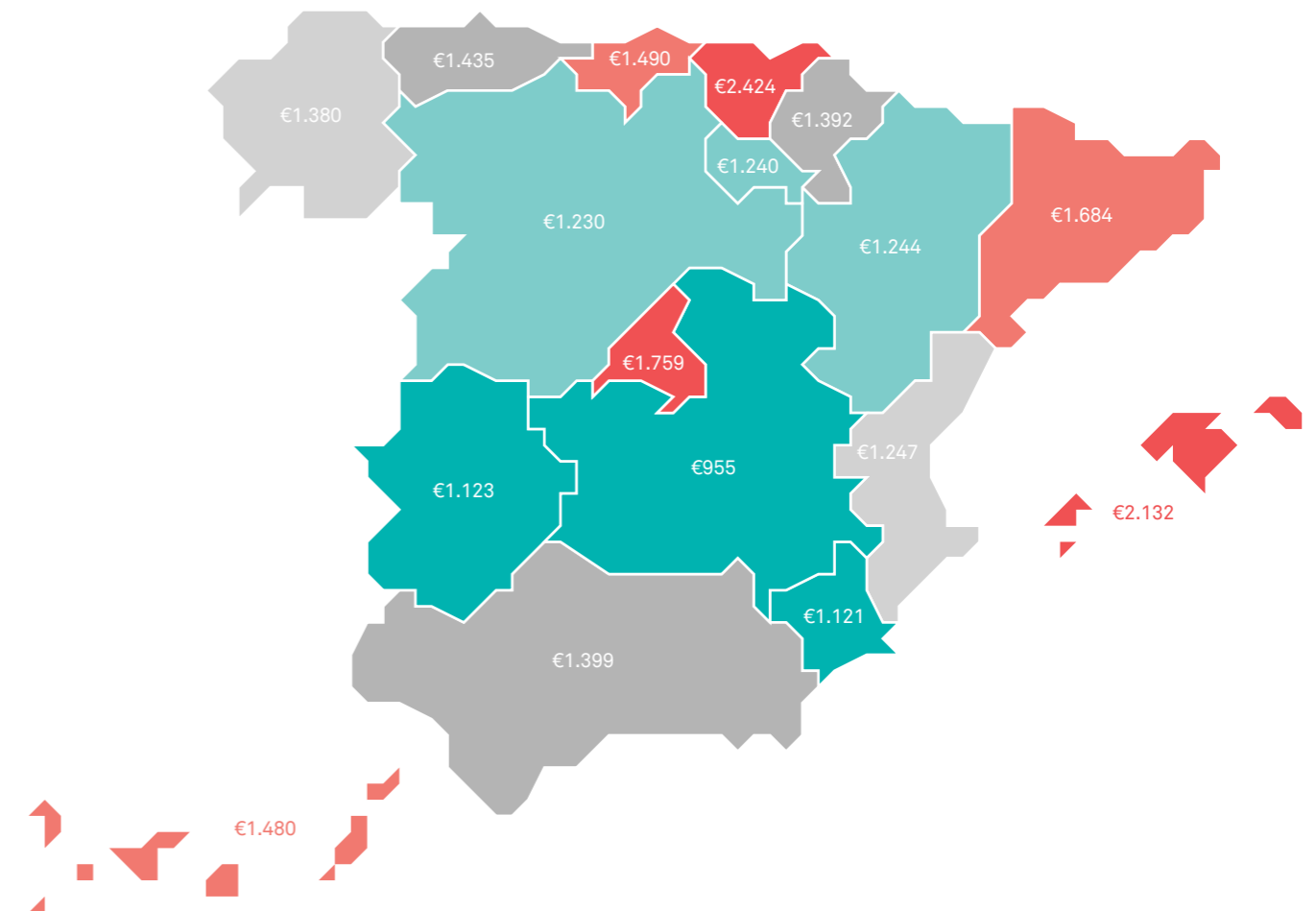
The Mitula Group Report on Residential Property Prices in Spain measured the average price at 1,473 €/m² in March. This figure represents a minor drop over the past three months (-0.29%) and over the past six months it also showed a slight price fall (-0.21%).

This stability in the average residential property price is the result of opposing trends in different autonomous communities. In some respects we see a two-speed Spain, where 10 autonomous communities saw price increases in the past quarter, while another seven communities registered price drops over the same period

Average price in Autonomous Communities

During the first quarter of the year, Spain's various autonomous communities have shown different trends. Almost half of them saw the average price rise, notably La Rioja (3.08%), The Balearics (2.67%) and Murcia (1.60%) with the highest increases.

Average Price in € per m² by Autonomous Community (March 2017)



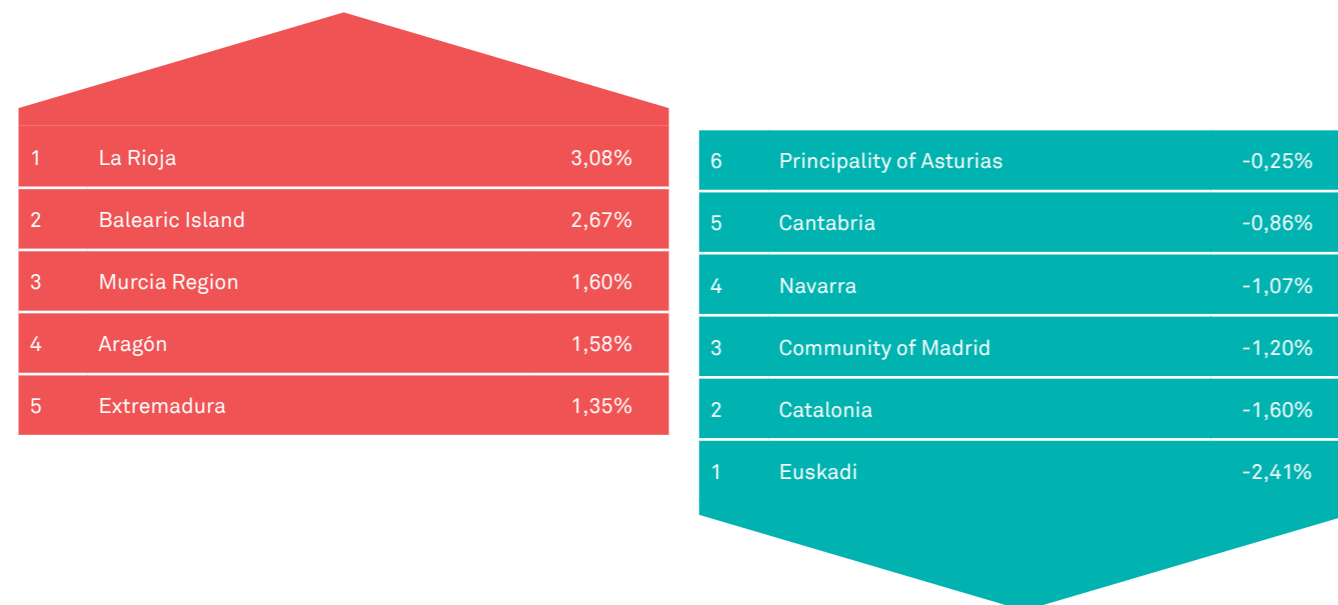
The case of The Balearics is particularly significant since, in addition to being among the regions with the largest price increases over the quarter (also on a six-month basis, at 3.07%); it is also Spain's second most expensive region. The average price in The Balearic Islands stood at 2,132 €/m² in March, a 1,711 euro difference compared to the cheapest region – Castilla La Mancha – where the average price for the same month was 955€.

Only Euskadi showed a higher average price than The Balearics, at 2,424 €/m².

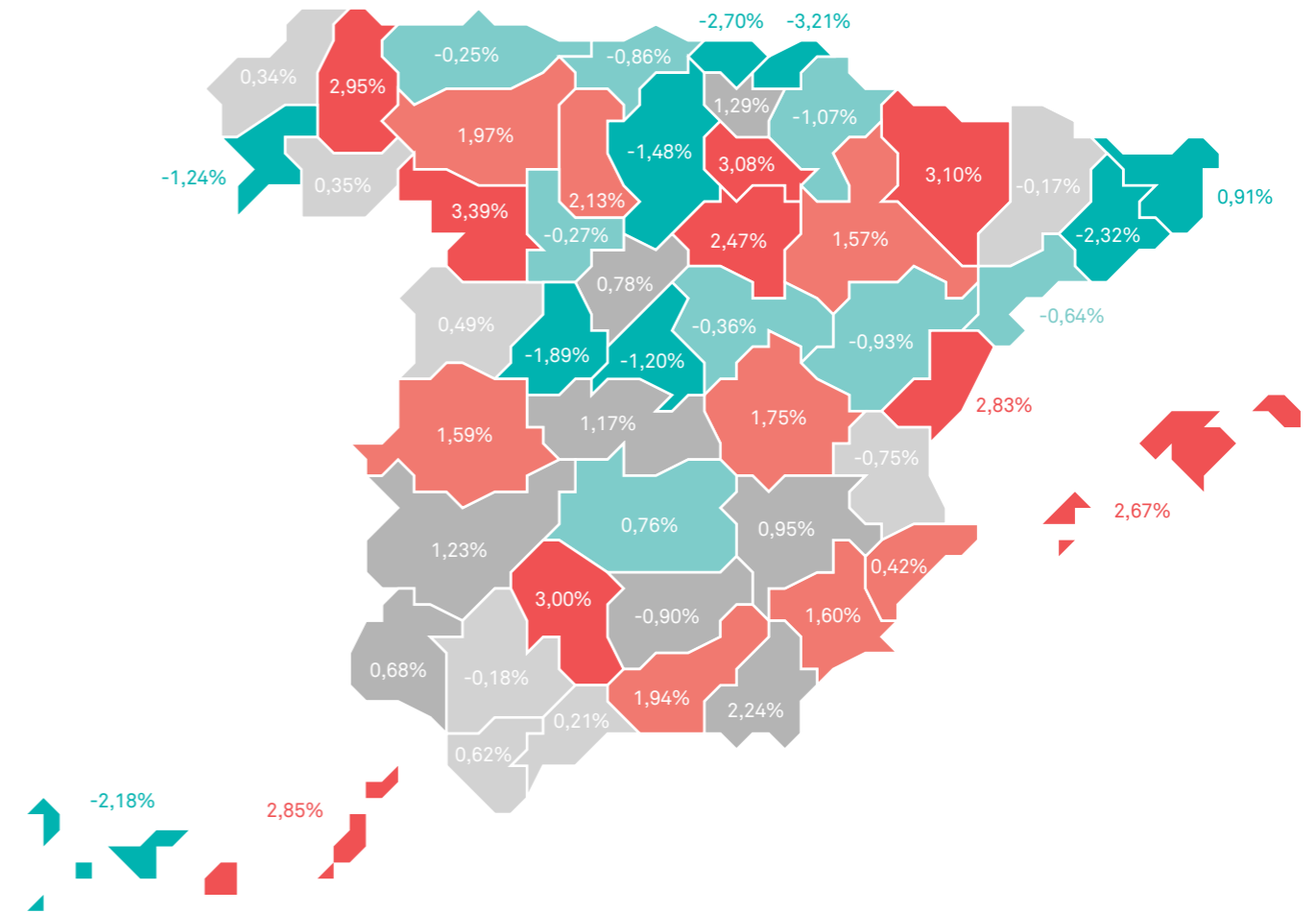
However, Euskadi is also the autonomous community showing the greatest quarterly (-2.41 %) and six-monthly (-2.25%) drop in residential property prices. Other significant price falls took place in Catalonia, (-1.60%) and the Community of Madrid (-1.20%) during the first quarter of 2017.

Curiously, these are three of the autonomous regions with the highest prices. Thus, despite the price drops during the quarter, they are still among the most expensive areas in Spain.

Quarterly Change in Residential Property Prices



Percentage Quarterly Change in Average Residential Property Prices (March 2017)



Average Price by Province

According to the Mitula Group Report on Residential Property Prices in Spain, prices rose in 31 provinces in the first quarter of the year, while 19 saw their prices drop in the quarter.

However, this difference in trends is not a recent one. Over the past six months prices increased in 34 provinces compared to price decreases in 16 others.

The provinces showing the steepest price rises during the first quarter of 2017 were Zamora (3.39%), Huesca (3.10%) and La Rioja (3.08%).

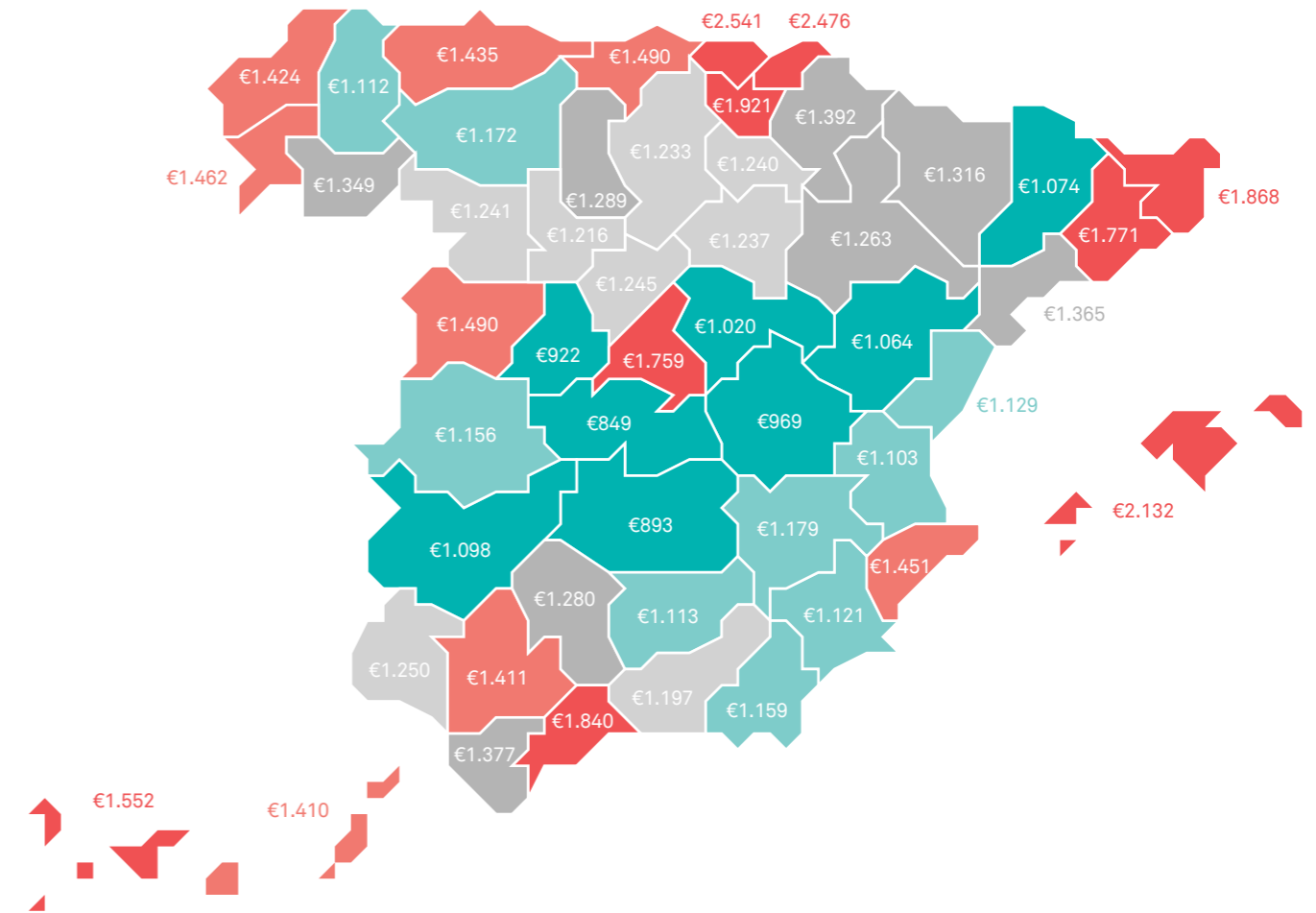
In all these provinces, the price rise exceeded 3%, the highest level in the first quarter of 2017.

On the other hand, the steepest quarterly drops were seen in the Basque provinces of Gipuzkoa (-3.21%) and Bizkaia (-2.85%), as well as in Barcelona (-2.32%). As seen earlier with the autonomous communities, these provinces despite

registering the largest price decreases in quarterly and six-monthly terms are the ones that started with the highest prices. So despite the fall in price, they are still among the most expensive provinces in Spain.

Province	€ m ²	Province	Monthly Change	Province	Quarterly Change
Bizkaia	€2.541	Ciudad Real	2,78%	Zamora	3,39%
Gipuzkoa	€2.476	La Rioja	2,62%	Huesca	3,10%
Balearic Islands	€2.132	Lugo	2,57%	La Rioja	3,08%
Araba/Alava	€1.921	Soria	2,43%	Córdoba	3,00%
Girona	€1.868	Zamora	2,31%	Lugo	2,95%
Málaga	€1.840	Córdoba	2,18%	Las Palmas	2,85%
Barcelona	€1.771	Almería	2,16%	Castellón/Castelló	2,83%
Community of Madrid	€1.759	Huesca	1,99%	Balearic Islands	2,67%
Tenerife	€1.552	Toledo	1,85%	Soria	2,47%
Salamanca	€1.490	Granada	1,79%	Almería	2,24%
Lugo	€1.112	Las Palmas	-0,37%	Teruel	-0,93%
València	€1.103	Community of Madrid	-0,39%	Navarra	-1,07%
Badajoz	€1.098	Orense	-0,43%	Community of Madrid	-1,20%
Lleida	€1.074	Principality of Asturias	-0,74%	Pontevedra	-1,24%
Teruel	€1.064	Pontevedra	-0,89%	Burgos	-1,48%
Guadalajara	€1.020	Bizkaia	-1,25%	Ávila	-1,89%
Cuenca	€969	Cantabria	-1,68%	Tenerife	-2,18%
Ávila	€922	Barcelona	-1,88%	Barcelona	-2,32%
Ciudad Real	€893	Navarra	-2,45%	Bizkaia	-2,70%
Toledo	€849	Gipuzkoa	-2,82%	Gipuzkoa	-3,21%

Average Price in € per m² by Province (March 2017)



Bizkaia ranks highest in terms of price among Spanish provinces (at 2,541 €/m²) followed by Gipuzkoa (2,476 €/m²) and the Balearic Islands (2,132 €/m²), while Barcelona takes the seventh place in the ranking (1,771 €/m²).

The provinces with the lowest residential property prices are Toledo (849 €/m²), Ciudad Real (893 €/m²) and Ávila (922 €/m²).

Average Prices in Province Capitals

As for provincial capitals, prices rose in 34 of them in the first quarter of the year while 14 capitals saw their prices drop in that same period. Only in two of them, Lleida and Segovia, did prices remain stable during the first quarter.

Over the past half year 29 Spanish provincial capitals saw their prices rise, while prices fell in another 21.

The provincial capitals with the steepest quarterly rises include Castellón de la Plana (5.16%), the only one where prices rose by more than 5%, Huesca (4.86%) and Toledo (4.55%).

The biggest quarterly price drops were in Barcelona (-8.30%), Bilbao/Bilbo (-3.20%) and Santander (-2.35%).

In terms of price per square metre, the most expensive cities in Spain are San Sebastian/Donostia (at €3,228/m² in March), followed by Bilbao/Bilbo (€2,720/m²), Madrid (€2,253/m²) and Barcelona (€2,220/m²).

The provinces with the lowest residential property prices are Toledo (849 €/m²), Ciudad Real (893 €/m²) and Ávila (922 €/m²).

The national picture then is of very differing regional prices with the gap between the most expensive area (San Sebastián) and the most affordable (Ávila) standing at 2,197 €/m².

The most expensive cities in Spain are San Sebastian, Bilbao, Madrid and Barcelona

Province	€ m ²	Province	Monthly Change	Province	Quarterly Change
Donostia	€3.228	Toledo	6,28%	Castellón de la Plana	5,16%
Bilbao/Bilbo	€2.720	Castellón de la Plana	4,01%	Huesca	4,86%
Madrid	€2.253	León	3,56%	Toledo	4,55%
Barcelona	€2.220	Lugo	3,00%	Palma	4,40%
Palma	€2.181	Albacete	2,66%	León	4,36%
Vitoria	€2.037	Soria	2,58%	Palencia	4,11%
Girona	€1.881	Logroño	2,56%	Albacete	3,22%
Málaga	€1.865	Palma	2,54%	Cuenca	3,13%
A Coruña	€1.813	Palencia	2,35%	Soria	2,90%
Pamplona	€1.812	Ciudad Real	2,33%	Lugo	2,58%
Guadalajara	€1.186	Orense	-0,14%	Valladolid	-0,89%
Almería	€1.180	Madrid	-0,31%	Burgos	-0,90%
Murcia	€1.165	Pamplona	-0,55%	Madrid	-1,23%
Huelva	€1.151	Burgos	-0,63%	Girona	-1,36%
Castellón de la Plana	€1.142	Teruel	-1,05%	Donostia	-1,59%
Cuenca	€1.119	Bilbao/Bilbo	-1,20%	Tarragona	-2,10%
Lleida	€1.106	Donostia	-1,47%	Pontevedra	-2,21%
Ciudad Real	€1.100	Pontevedra	-2,99%	Santander	-2,35%
Toledo	€1.033	Santander	-3,13%	Bilbao/Bilbo	-3,20%
Ávila	€1.031	Barcelona	-5,17%	Barcelona	-8,30%

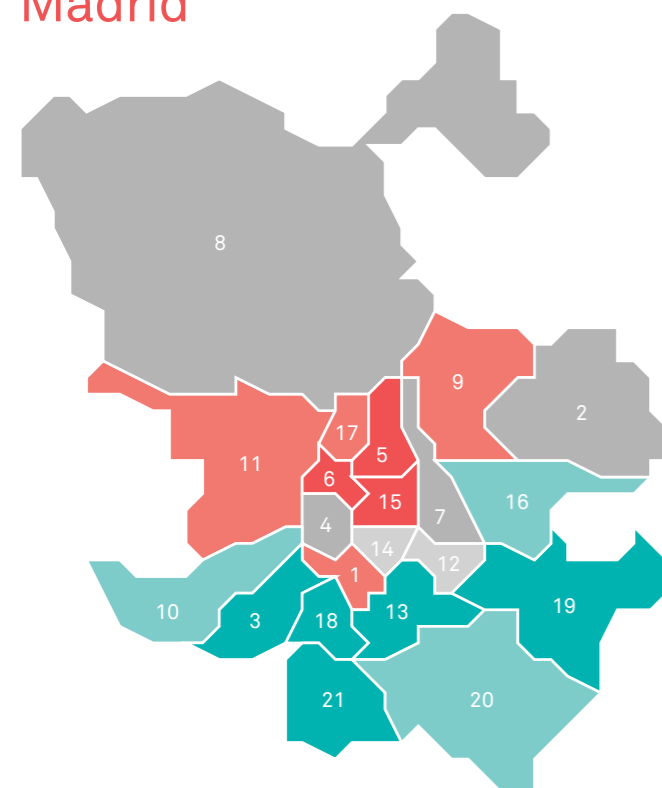
Major Cities

Understanding the behaviour of the Spanish property market sometimes calls for focusing on some of the country's major cities. Therefore, the Mitula Group on Residential Property Prices in Spain also goes into a detailed study of cities like Madrid, Barcelona, Valencia, Zaragoza, Bilbao/Bilbo and Sevilla. In general we can say that a combination

of greater demand and tight supply in these major cities has led to considerably higher prices in some of the more central districts or prime areas where figures are markedly above the average for provincial capitals.

Change in the Average Price per m2 in Each District vs. City Average (March 2017)

Madrid

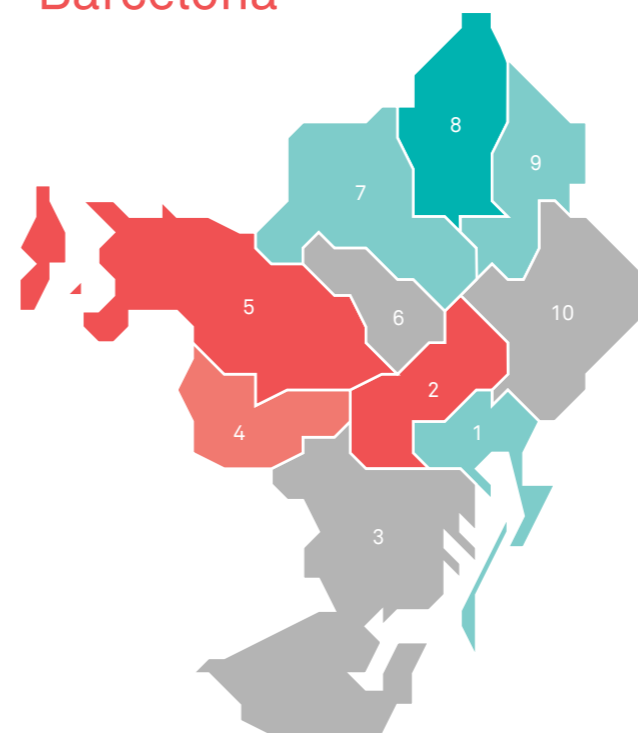


In the case of **Madrid** for instance, it is worth noting that the more central districts with the highest initial prices were the ones showing the greatest difference against the city average in March. The greatest percentage differences are to be found in Chamberí (52.9%), Chamartín (46.29%) and Salamanca (45.23%), which show quarterly and half-yearly price rises.

- | | |
|------------------------|-------------------------|
| 1. Arganzuela | 12. Moratalaz |
| 2. Barajas | 13. Puente De Vallecas |
| 3. Carabanchel | 14. Retiro |
| 4. Centro | 15. Salamanca |
| 5. Chamartin | 16. San Blas-Canillejas |
| 6. Chamberi | 17. Tetuan |
| 7. Ciudad Lineal | 18. Usera |
| 8. Fuencarral-El Pardo | 19. Vicalvaro |
| 9. Hortaleza | 20. Villa De Vallecas |
| 10. Latina | 21. Villaverde |
| 11. Moncloa-Aravaca | |



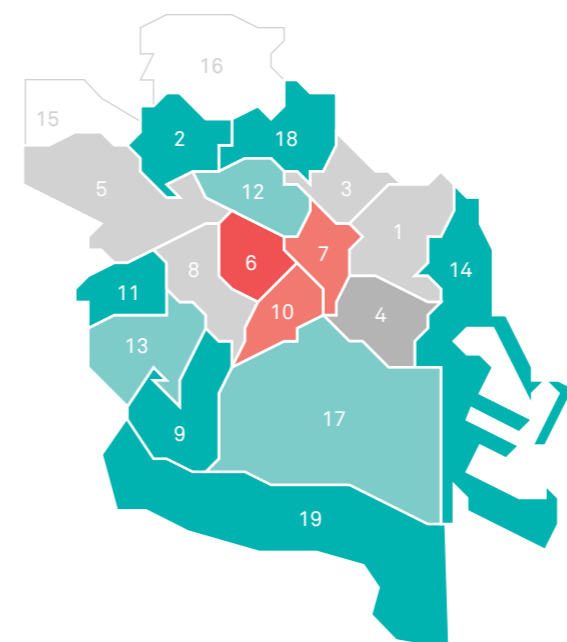
Barcelona



Barcelona also saw its highest-priced districts rise away from the average price for the city as a whole. For example, Sarrià-Sant Gervasi, where property was already expensive, showed a 64.32% difference compared to the city average in March. Another traditionally expensive area, Eixample, shows a 62.66% percentage difference in price. The third-ranking district in terms of price differential is Les Corts (45%), another prime area in Catalonia's capital city.

- | | |
|------------------------|-------------------|
| 1. Ciutat Vella | 6. Gracia |
| 2. Eixample | 7. Horta-Guinardó |
| 3. Sants-Montjuïc | 8. Nou Barris |
| 4. Les Corts | 9. Sant Andreu |
| 5. Sarrià-Sant Gervasi | 10. Sant Martí |

Valencia



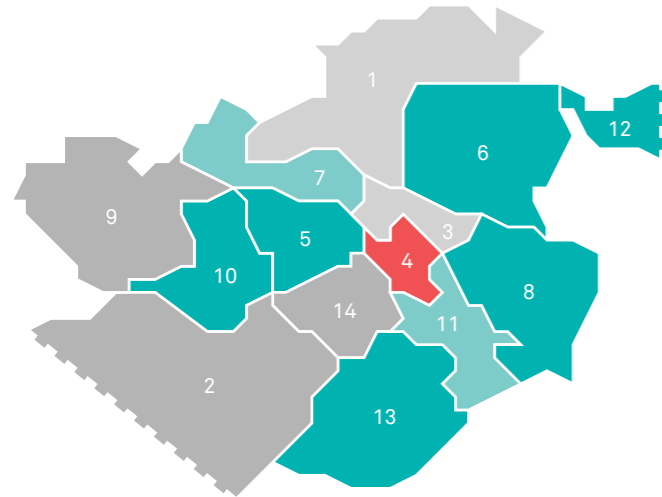
As for **Valencia**, the figures are also quite clear. Ciutat Vella showed the greatest difference with respect to the city average at 77%, followed by other traditionally expensive districts including L'Eixample (59.03 %) and El Pla del Real (58.25%), with percentage differences above 50% in March.

- | | |
|--------------------|----------------------|
| 1. Algirós | 12. la Saïdia |
| 2. Benicalap | 13. Patraix |
| 3. Benimaclet | 14. Poblats Marítims |
| 4. Camins al Grau | 15. Pobles de l'Oest |
| 5. Campanar | 16. Pobles del Nord |
| 6. Ciutat Vella | 17. Quatre Carreres |
| 7. El Pla del Real | 18. Rascanya |
| 8. Extramurs | 19. Pobles del Sud |
| 9. Jesús | |
| 10. Eixample | |
| 11. l'Olivereta | |

Shown in white are those districts for which the sample size was insufficient to ensure a representative sample of residential property prices in the area.

Zaragoza

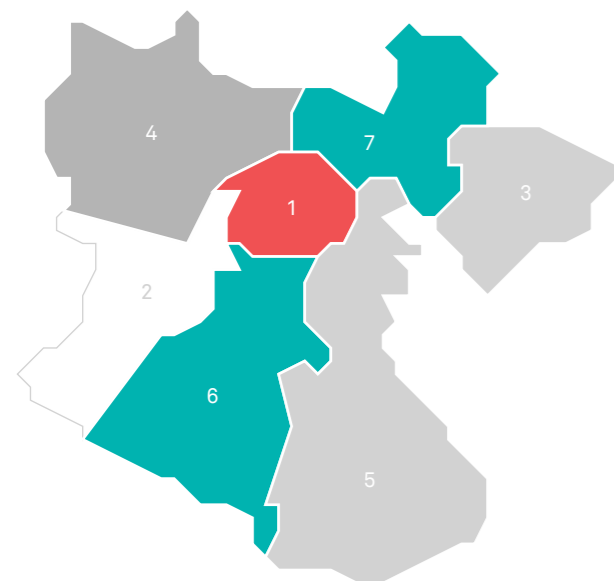
Zaragoza also followed the trend seen in other large capital cities, with a 75.79% difference between the Centro district and the average for Aragón's capital city. Other areas above the average with differences under 25% include Casablanca (22.64%) and Universidad (19.05%).



- | | |
|-----------------------|------------------------|
| 1. Actur-Rey Fernando | 8. Las Fuentes |
| 2. Casablanca | 9. Miralbueno |
| 3. Casco Histórico | 10. Oliver-Valdefierro |
| 4. Centro | 11. San José |
| 5. Delicias | 12. Santa Isabel |
| 6. El Rabal | 13. Torrero-La Paz |
| 7. La Almozara | 14. Universidad |

Bilbao

In **Bilbao/Bilbo**, Abando is the district where the difference is greatest between the city average and the district average at 26.29%. It's also the only district with a price difference exceeding 10% against the city average.

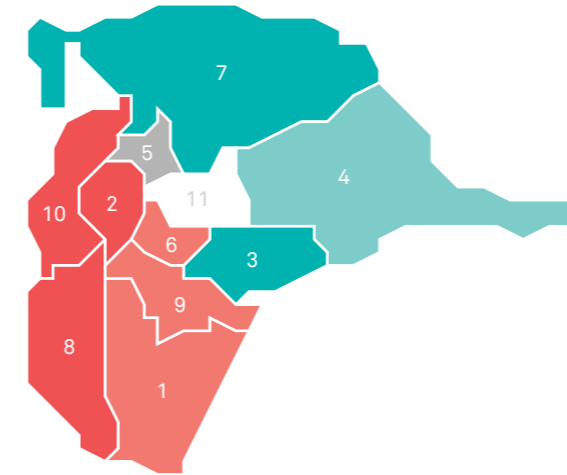


1. Abando
2. Basurto/Zorroza
3. Begoña
4. Deusto
5. Ibaiondo
6. Rekalde
7. Uribarri



Sevilla

In **Sevilla**, the last of the major cities considered, the district showing the highest price differential is Casco Antiguo (43.04% versus the city average), followed by Remedios (35.09%) and Nervión (27.09%).



- | | |
|--------------------------------|-----------------------------|
| 1. Bellavista - La Palmera | 7. Norte |
| 2. Casto Antiguo | 8. Remedios |
| 3. Cerro - Amate | 9. Sur |
| 4. Este - Alcosa - Torreblanca | 10. Triana |
| 5. Macarena | 11. San Pablo - Santa Justa |
| 6. Nervión | |

Shown in white are those districts for which the sample size was insufficient to ensure a representative sample of residential property prices in the area.

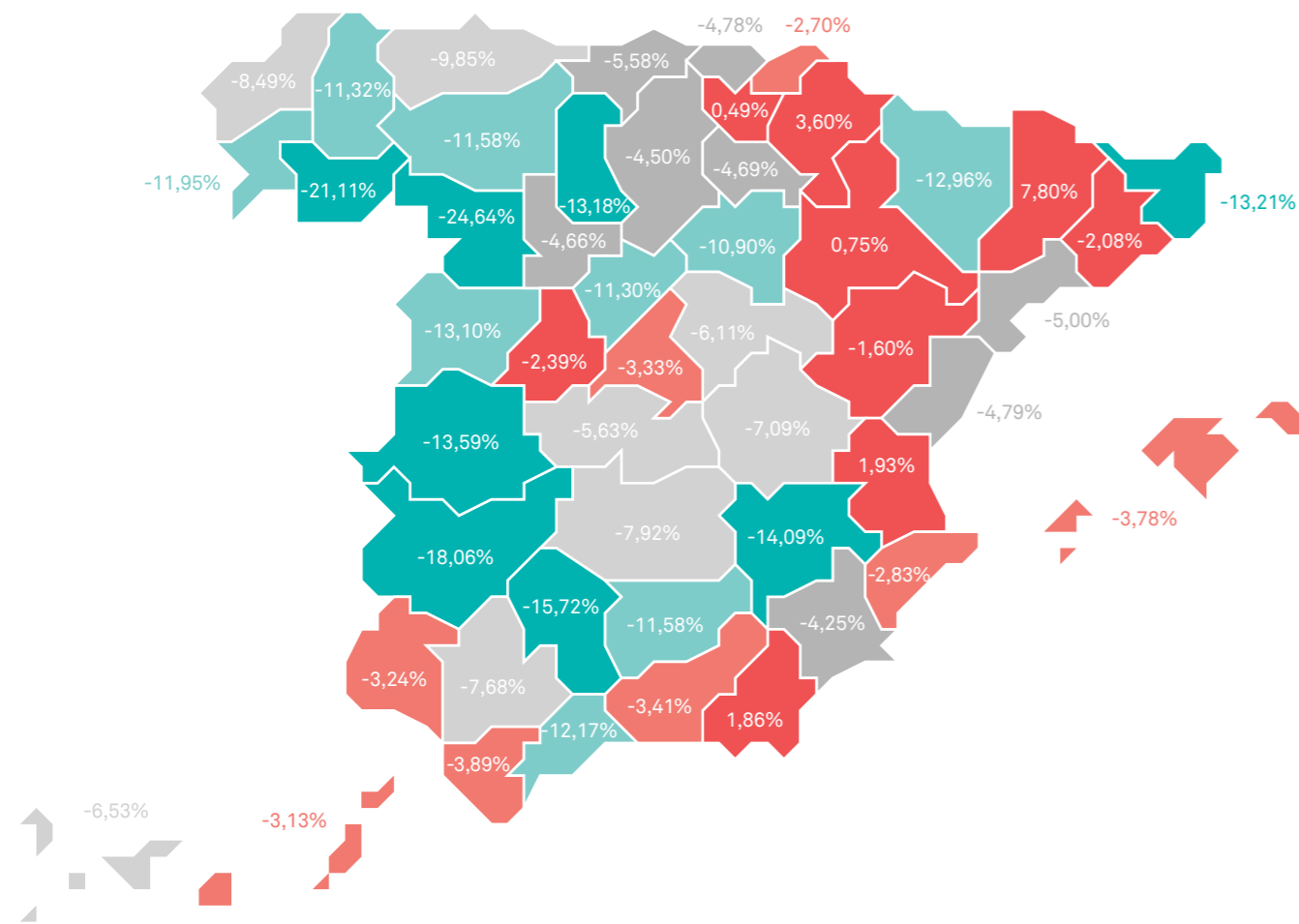
3.2 User Searches

Average residential property prices (searches)

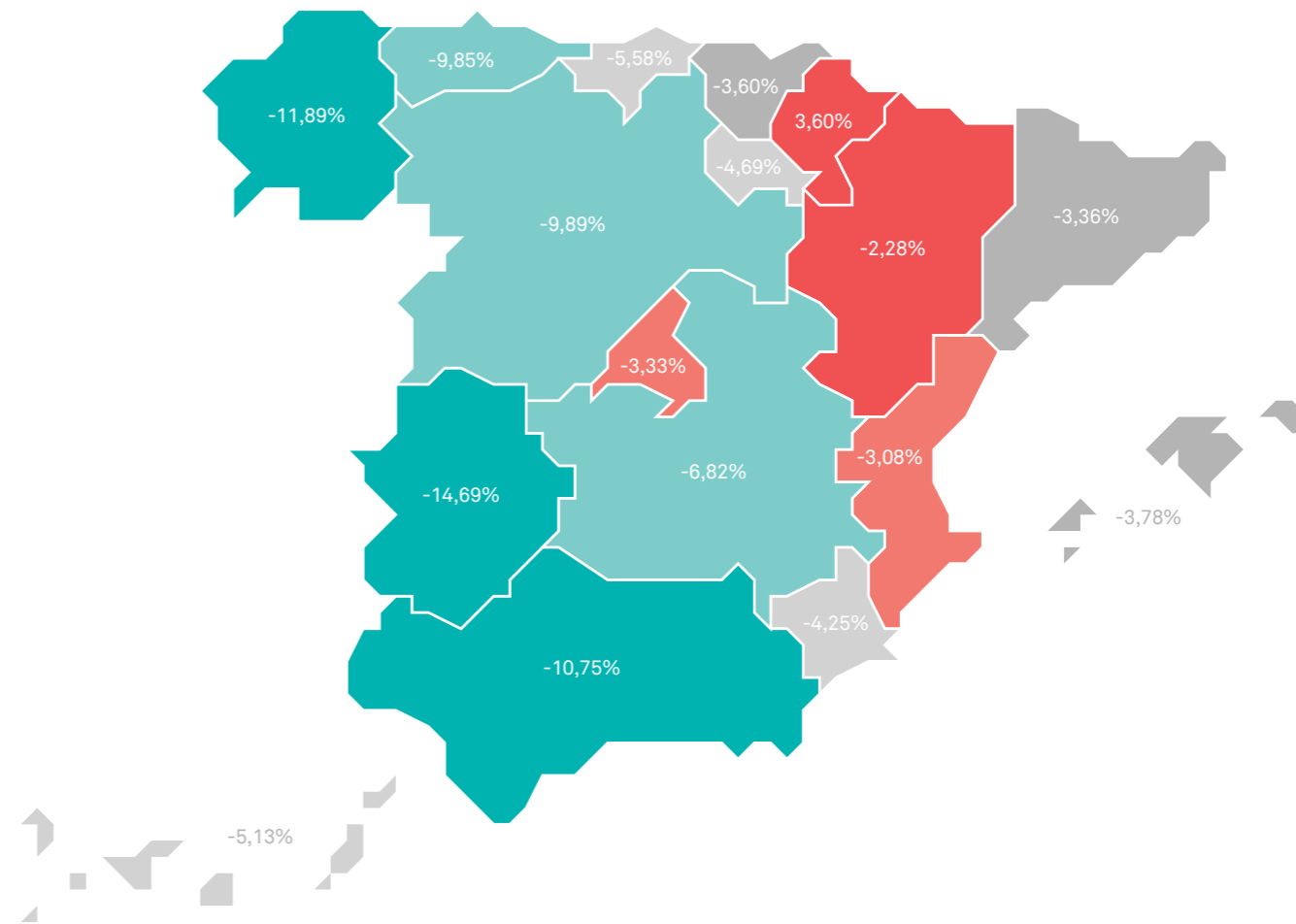
To provide more comprehensive information, the Mitula Group Report on Residential Property Prices cross-references the prices in listings (supply) with the prices selected by users in their searches (demand). The result reflects the difference between market prices and the expectations of potential buyers.

This difference stood at a country-wide average of -3.82% in March. During that month the average price selected in user searches was 1,417 €/m², while the average sale prices advertised stood at 1,473 €/m².

Difference between Average Price per m² Selected in Searches vs. Prices Asking (March 2017)



Difference between Average Price per m² Selected in Searches vs. Asking Prices (March 2017)



Demand has gradually adjusted, pointing to a rise in purchasing power

The difference, however, has gradually decreased since November 2016. Despite a slight rise in supply-side prices, the demand price has adjusted (from 1,382€ in November 2016 to 1,417 in March), which would indicate an increase in Spaniards' purchasing power.

In November, the gap between supply-side prices and searched-for prices on average for Spain as a whole was -6.46%. By the end of 2016 it stood at

-5.31% and gradually fell over the first months of 2017 to -3.82% in March.

Average Prices by Autonomous Community (Searches)

The autonomous communities showing the greatest differences in March between the selling price and the price sought by buyers are Extremadura (-14.69%), Galicia (-11.89%) and Andalusia (-10.75%). According to this data, these are the

three autonomous communities where the greatest level of negotiation would be required in order to close real estate transactions.

The autonomous communities with the smallest difference between supply and demand prices were Aragón (-2.28%), Community of Valencia (-3.08%) and Community of Madrid (-3.33%).

In actual price terms, the autonomous communities with the highest purchasing power in March were Euskadi (2,337 €/m²), The Balearic Islands (2,051 €/m²) and the Community of Madrid (1,700 €/m²), while those where buyers were willing (or able) to invest less in buying a home were Castilla la Mancha (890 €/m²), Extremadura (984 €/m²) and Murcia (1,073 €/m²).

Average Prices by Province (Searches)

By province, Zamora (-26.64%), Orense (-21.11%) and Badajoz (-18.06%) stood out as the areas in Spain with the widest gap between supply prices and searched-for prices.

At the other end of the spectrum, the provinces with the closest buying and selling positions were Teruel (-1.60%), Barcelona (-2.08%) and Ávila (-2.39%).

In actual price terms, the provinces where buyers were willing to pay more in March were the Basque provinces of Bizkaia (2,419 €/m²) and Gipuzkoa (2,409 €/m²), as well as The Balearic Islands (2,051 €/m²).

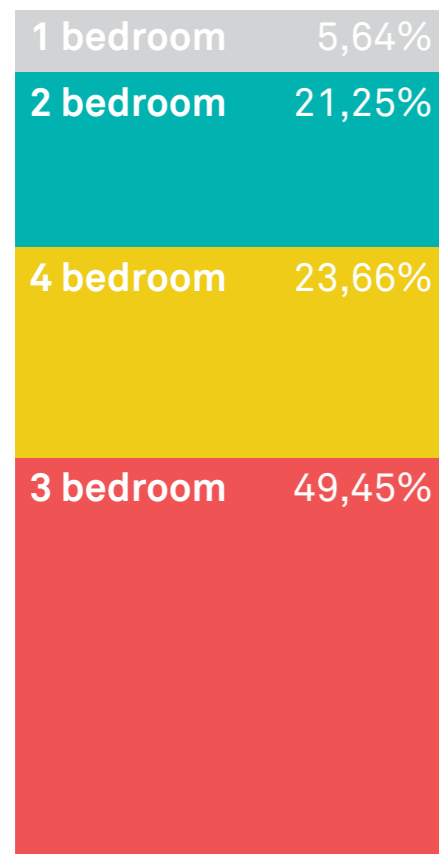
On the other hand, the provinces of Toledo (801 €/m²), Ciudad Real (822 €/m²) and Avila (900 €/m²) showed the lowest searcher target prices.

Property Type

The Mitula Group Report on Residential Property Prices in Spain also aims to provide information on the preferences among Spaniards as regards type of dwelling.

Based on the advertisements visited by our users, we have determined that apartments are the most sought-after type of dwelling in Spain (41.81%), followed by houses (25.02%) and basic/holiday apartments as the third option with the greatest

Most Sought-After Type of Apartment



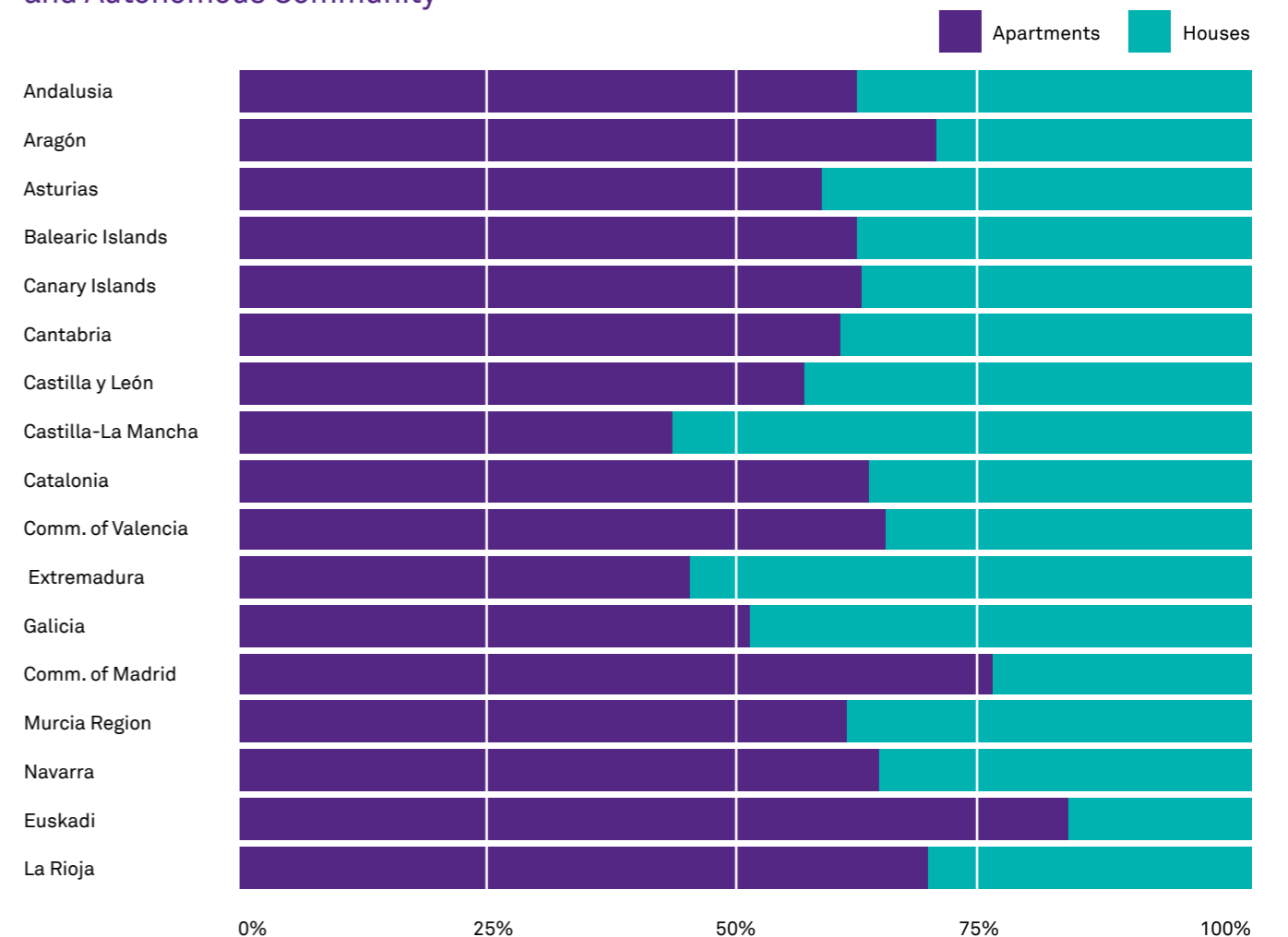
14.88%) which overtook detached houses (13.59%), as the third most popular choice.

As for the type of apartment, 3-bedroom is the most popular across Spain accounting for virtually half the total number of searches (49.45%), while the other half is split between 4-bedroom (23.66%), 2-bedroom (21.25%) and single-bedroom apartments (5.64%).

Autonomous Communities

In most Autonomous Communities, an apartment is the first choice among prospective buyers. Euskadi (82.17%), the Community of Madrid (74.45%) and Aragón (68.76%) are the regions where this preference is most prevalent with more than half of all searches being for apartments.

Searches by Type of Dwelling and Autonomous Community



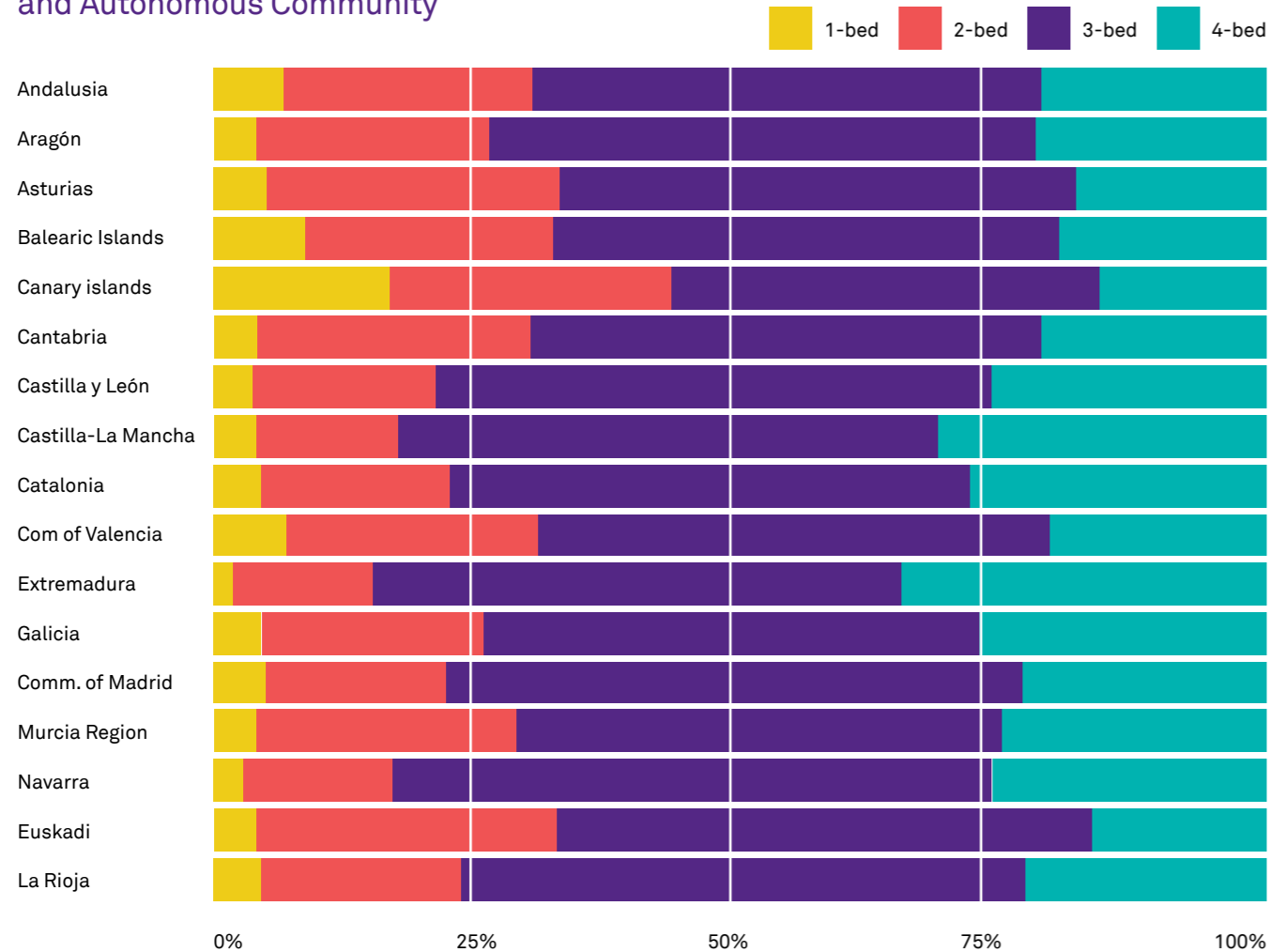
In terms of type of apartment, three-bedroom apartments are the clear winners across Spain. In some autonomous communities, including Navarra (57.26%), the Community of Madrid (54.59%) and La Rioja (53.52%), this type of property accounted for over fifty per cent of searches for apartments in the first quarter of 2017.

Four-bedroom apartments are the second most favoured option among Spaniards. In autonomous communities like Extremadura (34.76%) and

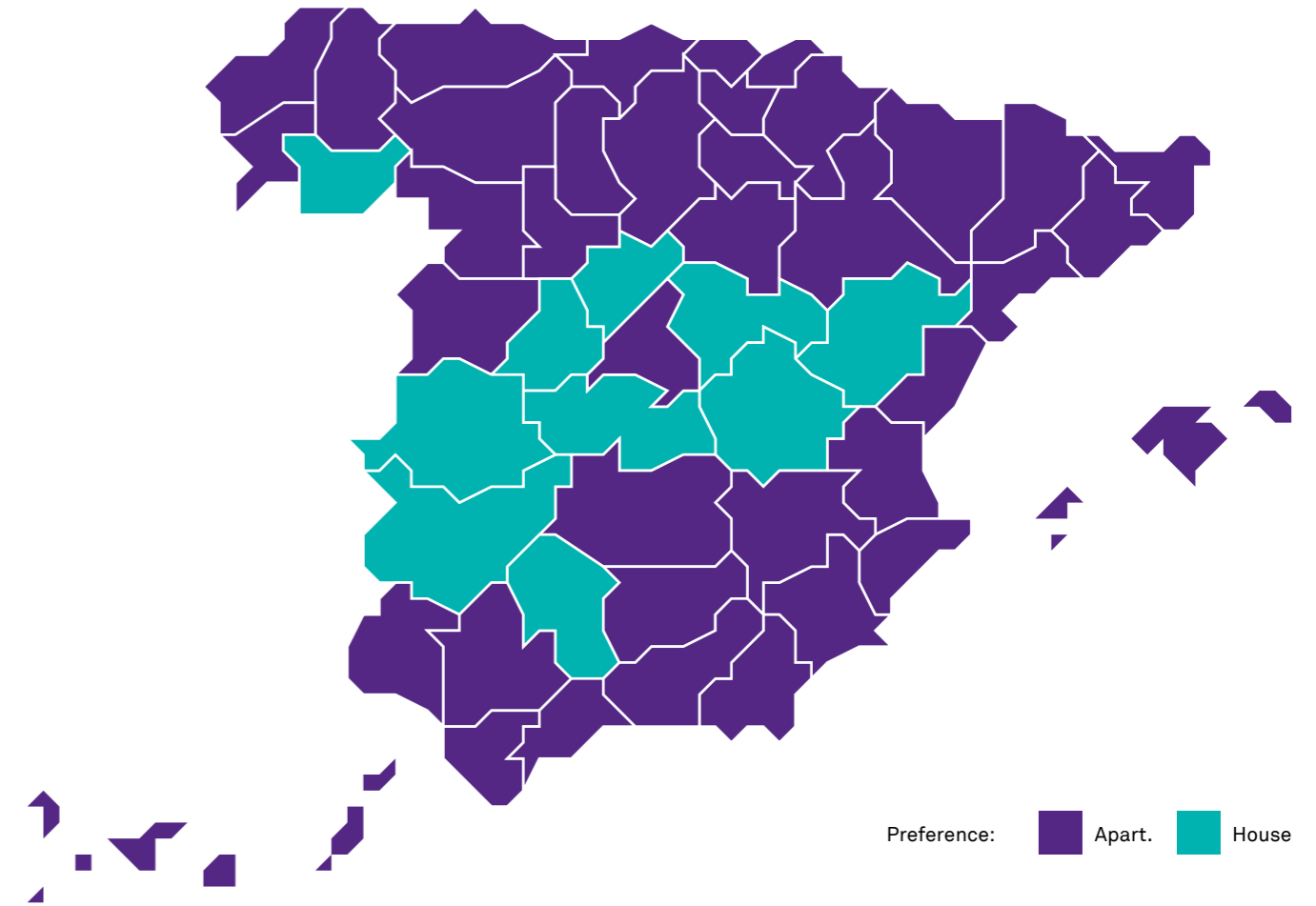
Castilla la Mancha (31.46%), indicating considerable interest in this type of property.

One-bedroom apartments are the least popular option across Spain. Only the Canary Islands showed a somewhat greater interest in small apartments, accounting for 16.65% of total searches. In the other autonomous communities searches for one-bedroom apartments were below 5% of the total.

Searches by Number of Bedrooms and Autonomous Community



Preferred Type of Dwelling by Province (March 2017)



Provinces

At a provincial level, apartments are the most popular option in virtually all Spanish provinces. Only in five of them are houses the favoured option, namely Guadalajara (62.48%), Orense (53.81%), Segovia (63.69%), Teruel (58.25%) and Toledo (70.94%).

Basic/holiday apartments are the third most popular option (after standard apartments and houses). Overall though, the percentage of searches is higher in provinces with a lot of tourism such as Tenerife where basic/holiday apartments account for 27.52% of searches, Málaga (25.18%). Castellon (21.72%), Almeria (21.19%) and Tarragona (20.51%).

4. Residential Property Rental

4.1 Average Rent Prices (Supply)

Average rent prices stood at 680 per month in March, according to the Mitula Group Report on Residential Property Prices in Spain, up by 3.69% from the previous quarter. The half-yearly increase was slightly lower at 3.01%.

Renting a three-bedroom apartment (the preferred choice in Spain) cost 695€ on average for the country as a whole, while a two-bedroom apartment (the second most sought-after type of apartment) stood at 612€.

The tight supply of apartments to let and the increase in demand due to holiday rentals as well as the difficulty in owning a home are among the likely factors explaining this rise in rent prices in the first quarter of 2017.

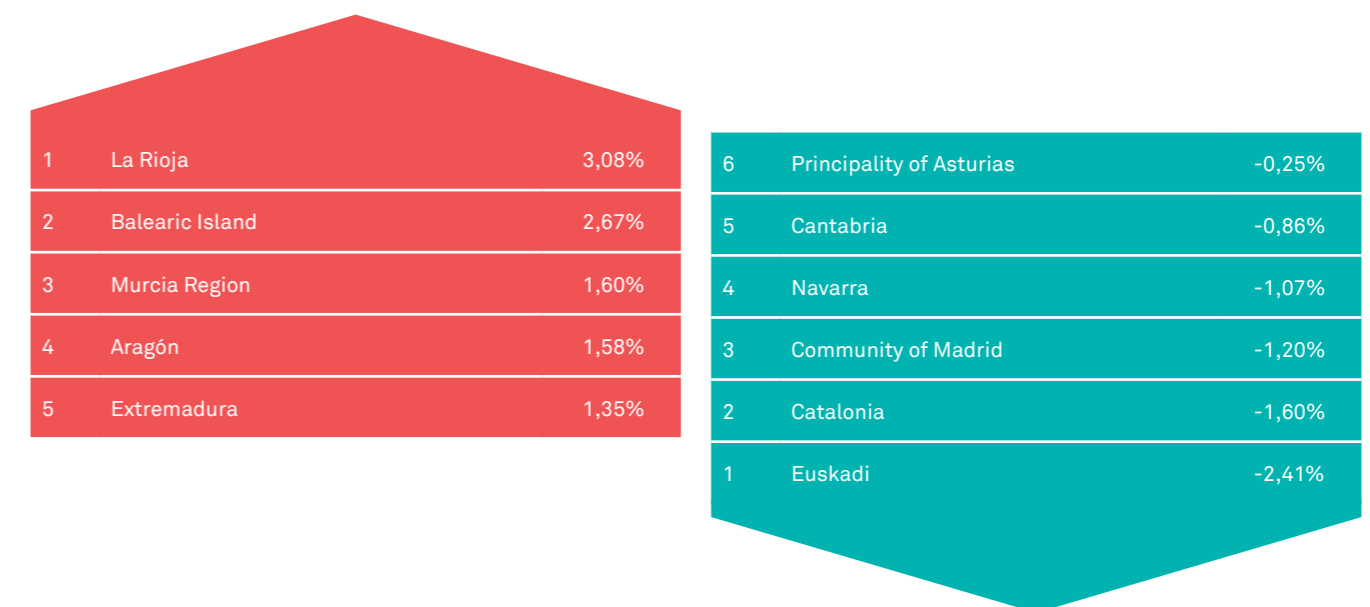
Average Price by Autonomous Community

Once again it could be said that there is a two-speed Spain, with 11 autonomous communities where rent prices rose in the first quarter of 2017 while rent prices fell in another 6 regions.

The regions showing the greatest quarterly rises were Navarra (18.50%), The Balearic Islands (11.97%) and The Canary Islands (8.25%). In the latter two, holiday rentals are likely one of the key drivers of the significant rise in residential property rent prices.

On the other hand, communities with the largest price drops during the first three months of 2017 were La Rioja (-11.62%), Asturias (-6.45%) and the Community of Valencia (-1.10%).

Quarterly Change in Rent Prices



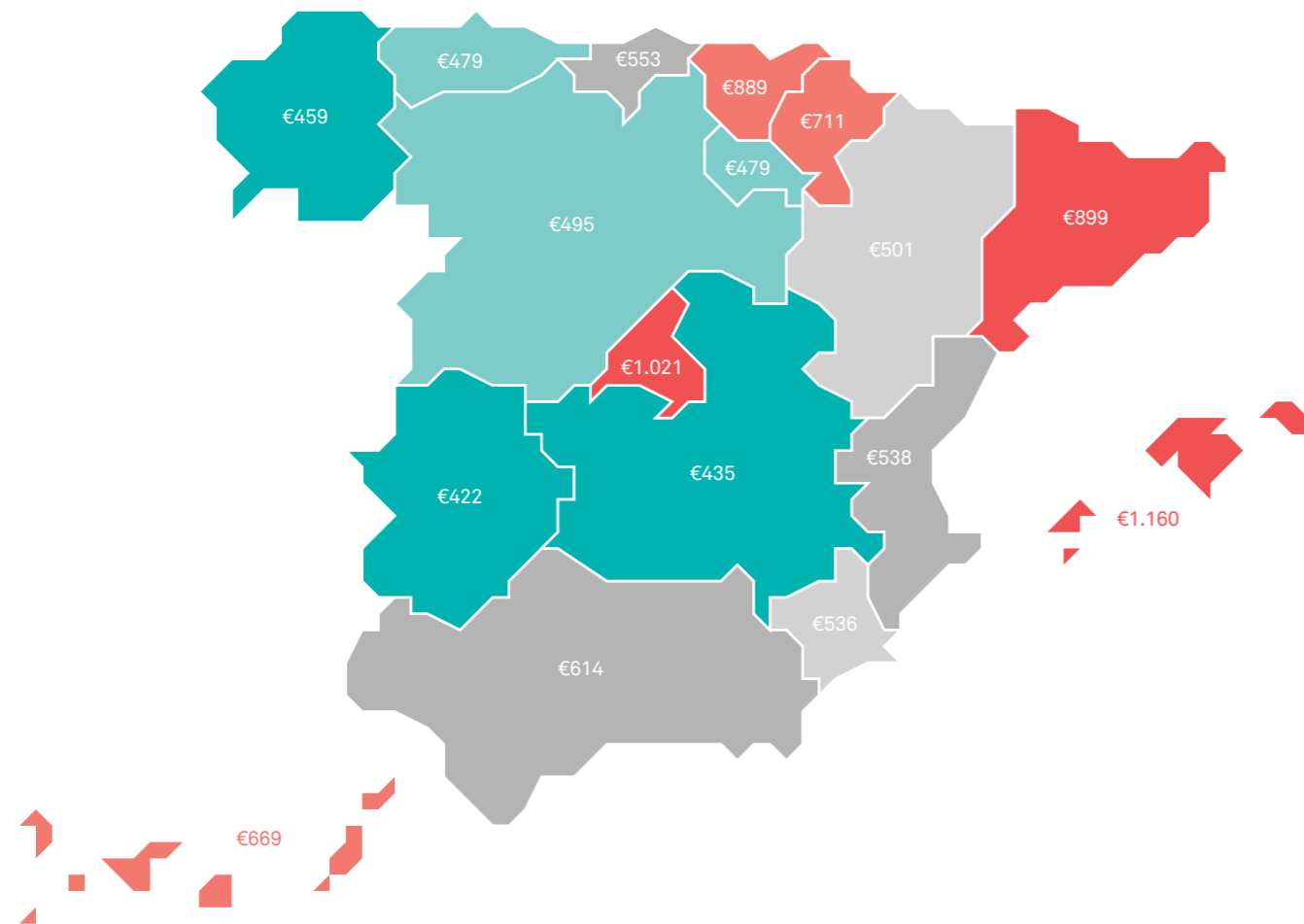
In actual price terms, one would expect to pay the highest rents in Euskadi (averaging 10.55 €/m2), the Community of Madrid (10.17 €/m2) and The Balearic Islands (9.96 €/m2).

Extremadura (4.66 €/m2), Castilla la Mancha (4.76 €/m2) and the Community of Valencia (5.26 €/m2) had the lowest rents in the first quarter of 2017.

In terms of the type of apartment, the Balearic Islands (1,242€), the Community of Madrid (1,050€) and Catalonia (917€) are the communities where a three-bedroom apartment (the most popular across Spain) would fetch the highest rents.

On the other hand, Extremadura (415€), Castilla la Mancha (445€) and Galicia (458€) are the autonomous communities in which renting a three-bedroom apartment would be most economical.

Average Rent Price in Euros by Autonomous Community (March 2017)



Rent Prices by Autonomous Community and Number of Bedrooms (March 2017)

Región	1-bedroom	2-bedroom	3-bedroom	4-bedroom
Spain	€519	€612	€695	€892
Región	1-bedroom	2-bedroom	3-bedroom	4-bedroom
Andalusia	€445	€564	€624	€817
Aragón	€388	€460	€530	€606
Principality of Asturias	€400	€450	€513	€661
Balearic Island	€793	€947	€1.242	€1.557
Canary Islands	€550	€616	€731	€912
Cantabria	€489	€452	€604	€857
Castilla y León	€406	€447	€495	€602
Castilla-La Mancha	€316	€401	€445	€562
Catalonia	€648	€787	€917	€1.168
Community of Valencia	€436	€498	€546	€634
Extremadura	€320	€381	€415	€494
Galicia	€390	€443	€458	€543
Community of Madrid	€705	€896	€1.050	€1.690
Murcia Region	€436	€479	€588	€656
Navarra	€572	€549	€688	€846
Euskadi	€716	€815	€885	€1.304
La Rioja	€389	€426	€505	€649

Average Price by Province

Navarra (18.50%), The Balearic Islands (11.97%) and Tenerife (11.67%) rank highest in terms of quarterly rent increases.

The largest quarterly drops on the other hand, were seen in La Rioja (-11.62%), Castellón (-11.56%) and Asturias (-6.45%).

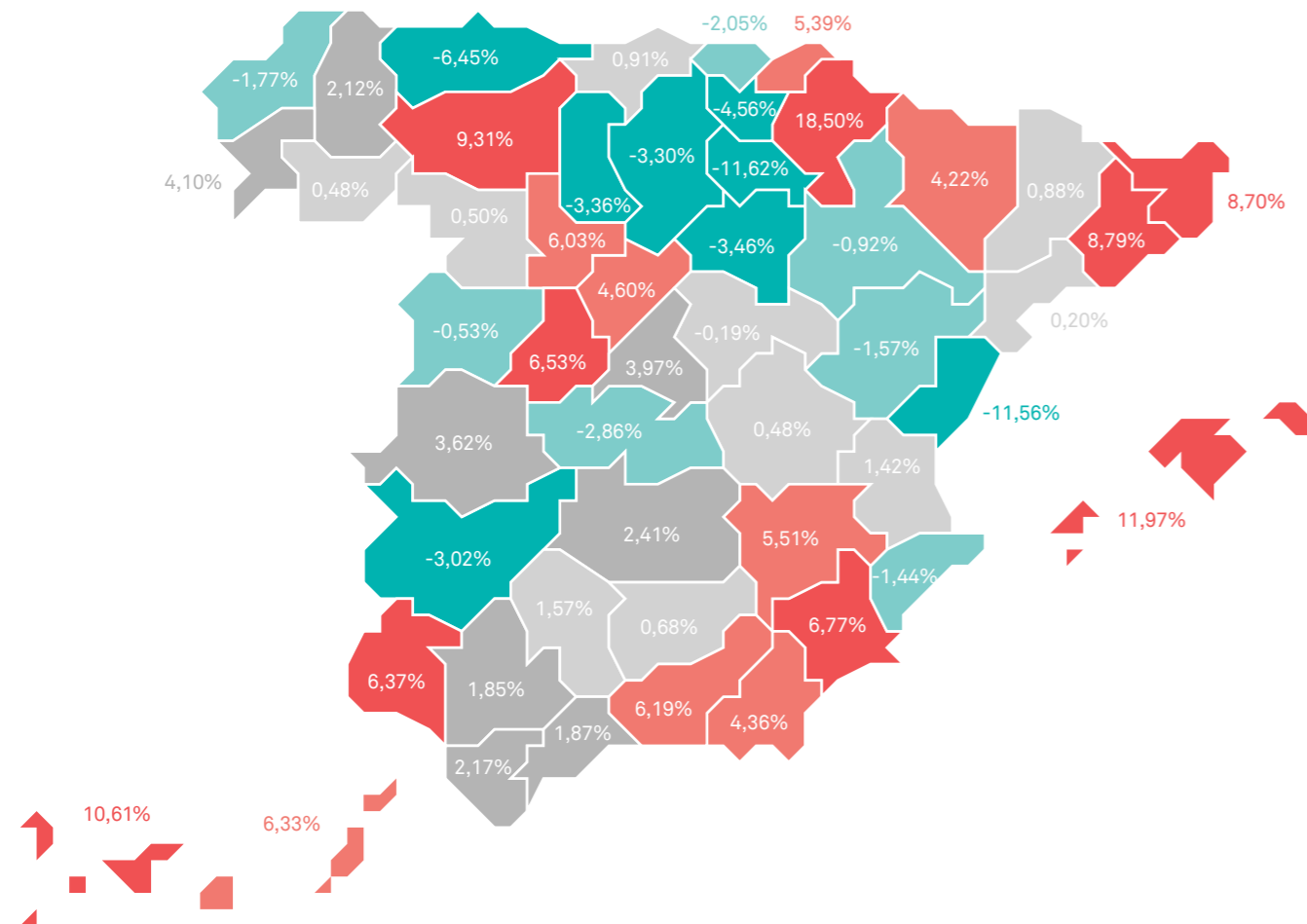
The case of the Balearic Islands is particularly noteworthy as it ranks second among the provinces with the largest rent increases and it is the second most expensive in Spain for tenants.

Renting an apartment or a house in the Balearic Islands would cost on average 1,160€. Next down the line are Spain's two largest cities: Barcelona (1,164€) and Madrid (1,021€). In the latter two cities high demand and tight supply have contributed to soaring prices.

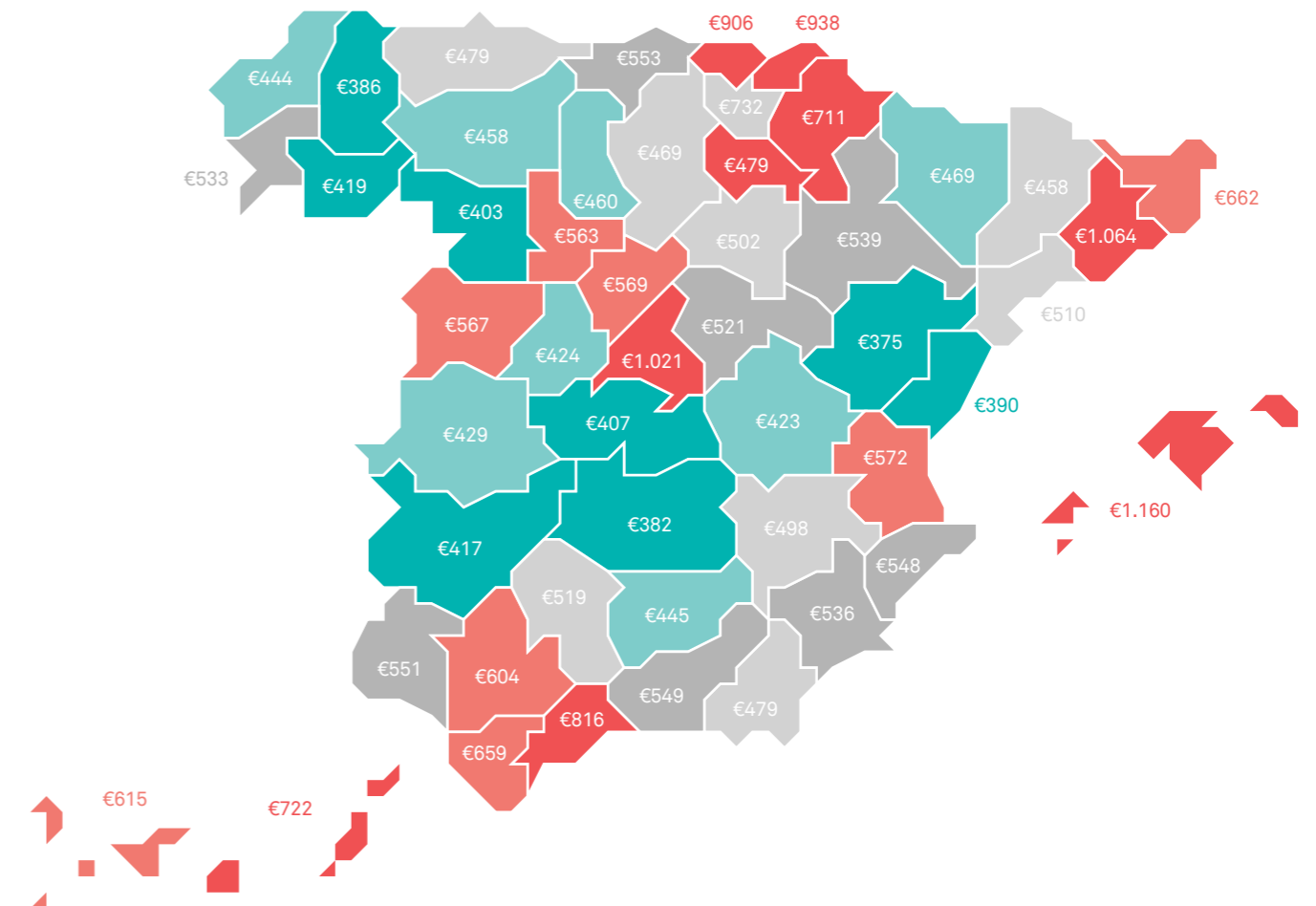
(On the other hand, Teruel (375€), Ciudad Real (382€) and Lugo (386€) are the cheapest to rent in.

The Balearic Islands is the province where a three-bedroom apartment would fetch the highest rent (1,242€), followed by Barcelona (1,062€) and

Percentage Change in Average Rent Prices (March 2017)



Average Rent Prices in Euros by Province (March 2017)



Madrid (1,050€). These three provinces showed a particularly significant price increase for all types of apartment. For example, the rent for a one-bedroom apartment averages around 800€ in all three (834 € in Barcelona, 793 in the Balearic Islands and 705 in Madrid).

The rent price spread across Spain's provinces is so wide that the difference between the Balearic Islands (1,160€), the most expensive province, and Teruel (375€), the most economical, is 785€ per month.

Province	Euros	Province	Quarterly Change	Province	Six-Monthly Change
Balearic Island	€1.160	Navarra	18,50%	Navarra	18,11%
Barcelona	€1.064	Balearic Island	11,97%	Balearic Island	12,73%
Community of Madrid	€1.021	Tenerife	10,61%	Girona	10,33%
Gipuzkoa	€938	León	9,31%	Almería	8,13%
Bizkaia	€906	Barcelona	8,79%	Segovia	7,36%
Málaga	€816	Girona	8,70%	Tenerife	6,40%
Araba/Alava	€732	Murcia	6,77%	Barcelona	6,40%
Las Palmas	€722	Ávila	6,53%	Murcia Region	6,35%
Navarra	€711	Huelva	6,37%	Las Palmas	6,18%
Girona	€662	Las Palmas	6,33%	Granada	5,98%
Ávila	€424	Bizkaia	-2,05%	Alacant	-2,66%
Cuenca	€423	Toledo	-2,86%	Sevilla	-2,89%
Orense	€419	Badajoz	-3,02%	Ciudad Real	-3,54%
Badajoz	€417	Burgos	-3,30%	Lleida	-3,78%
Toledo	€407	Palencia	-3,36%	Teruel	-4,09%
Zamora	€403	Soria	-3,46%	Araba/Alava	-4,56%
Castelló	€390	Araba/Alava	-4,56%	Badajoz	-4,58%
Lugo	€386	Asturias	-6,45%	Asturias	-5,71%
Ciudad Real	€382	Castellón/Castelló	-11,56%	Castellón/Castelló	-6,02%
Teruel	€375	La Rioja	-11,62%	La Rioja	-9,11%

Prices by Province Capital

With the Spanish provincial capitals, again we find great differences in the rental markets.

The provincial capitals that saw the greatest price changes in the first quarter of 2017 were Palma (13.69%), Santa Cruz de Tenerife (11.68%) and Ávila (11.11%). All of them showed increases in excess of 10%, presumably due in the former two cases to the surge in tourism and holiday rentals.

On the other hand, provinces where rent prices fell most in the first quarter of the year include Logroño (-12.79%), Tarragona (-8.01%) and Gran Canaria (-5.62%).

The first place in the price ranking of provincial capitals is taken by Barcelona, where rent prices average 1,361, an extremely high figure only comparable to the prices paid in Palma (1,254€) and Madrid (1.234€). Tight supply, together with high

Province	Euros	Province	Quarterly Change	Province	Six-Monthly Change
Barcelona	€1.361	Palma	13,69 %	Segovia	11,90 %
Palma	€1.254	Tenerife	11,68 %	Pontevedra	10,78 %
Madrid	€1.234	Ávila	11,11 %	Santander	10,29 %
Donostia	€1.129	Ciudad Real	10,22 %	Tenerife	9,48 %
Bilbao/Bilbo	€997	Caceres	10,09 %	Cadiz	8,11 %
Pamplona	€795	Girona	8,59 %	Girona	8,09 %
Vitoria	€759	Murcia	6,53 %	Murcia	7,90 %
Málaga	€726	Almería	6,46 %	Ávila	7,55 %
Sevilla	€723	León	6,01 %	Granada	7,29 %
Cadiz	€720	Pontevedra	5,76 %	Caceres	7,14 %
Toledo	€477	A Coruña	-2,31 %	Burgos	-3,04 %
Castellón De La Plana	€475	Salamanca	-2,80 %	Palencia	-3,09 %
Ávila	€470	Cuenca	-2,98 %	Málaga	-3,33 %
Palencia	€470	Valencia	-3,29 %	Valencia	-3,86 %
Ciudad Real	€442	Guadalajara	-3,85 %	Guadalajara	-4,73 %
Cuenca	€423	Burgos	-4,78 %	Vitoria	-5,01 %
Orense	€422	Vitoria	-5,01 %	Oviedo	-5,58 %
Zamora	€399	Tarragona	-7,85 %	Gran Canaria	-5,62 %
Lugo	€394	Oviedo	-10,56 %	Tarragona	-8,01 %
Teruel	€383	Logroño	-16,55 %	Logroño	-12,79 %

demand, holiday rentals and the gentrification of certain districts are the likely causes behind these high prices.

Rent prices for all property types are consistently high in these capital cities. A one-bedroom apartment in Barcelona would be rented for an average of 1,038 €, 876 € in Palma and 796€ in Madrid.

Two-bedroom apartments exceed 1,000€ in all three cities, while those with three-bedrooms are above the 1,250 mark.

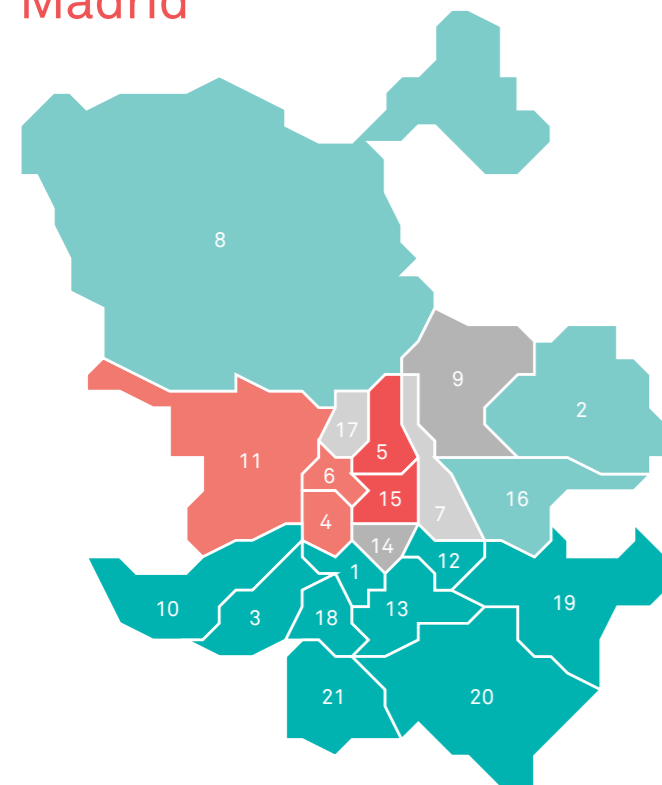
On the other hand, much smaller provincial capitals in the interior have the lowest prices. The most economical provincial capitals are Teruel (383€), Lugo (394€) and Zamora (399€).

Major Cities

Rents in Spain's major cities often show the same trend as in the sale segment, with prices rising most in the most expensive districts. On the other hand, the most economical districts show the smallest difference versus the average price for the city.

Change in Residential Property Rent Prices by District vs. City Average (March 2017)

Madrid

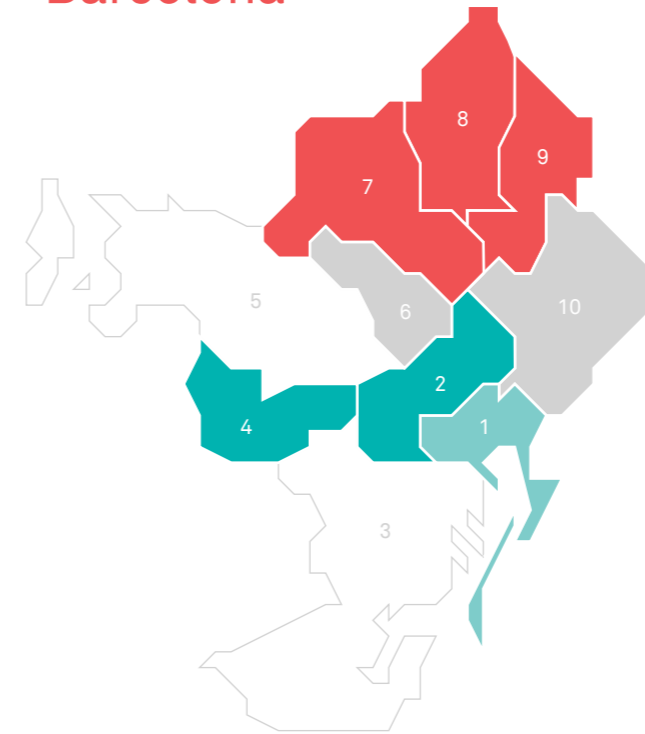


In **Madrid**, the districts where prices are rising much faster than the city average are Salamanca (48.95%), Chamberí (28.53%) and Chamartín (31.44%). These are the more central districts, with the highest prices in the first place. On the other hand, the areas where price increases are furthest below the city average are those located on the southeast of the capital, including Villaverde (-42.79%), Villa de Vallecas (-35.01%) and Vicálvaro (-39.71%).

- | | |
|------------------------|-------------------------|
| 1. Arganzuela | 12. Moratalaz |
| 2. Barajas | 13. Puente De Vallecas |
| 3. Carabanchel | 14. Retiro |
| 4. Centro | 15. Salamanca |
| 5. Chamartin | 16. San Blas-Canillejas |
| 6. Chamberi | 17. Tetuan |
| 7. Ciudad Lineal | 18. Usera |
| 8. Fuencarral-El Pardo | 19. Vicalvaro |
| 9. Hortaleza | 20. Villa De Vallecas |
| 10. Latina | 21. Villaverde |
| 11. Moncloa-Aravaca | |



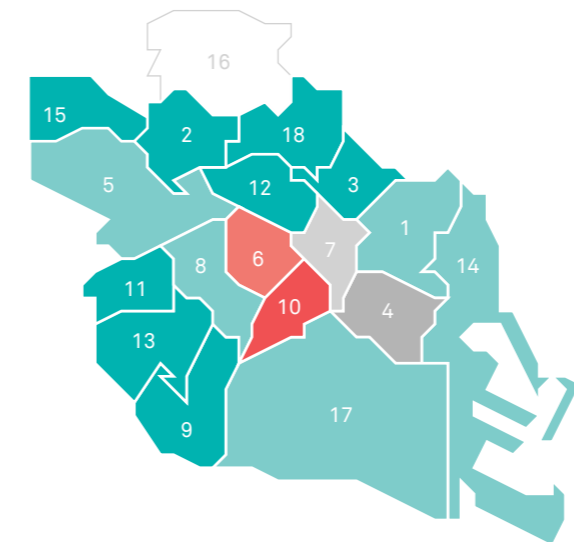
Barcelona



In **Barcelona**, the district with the highest prices when compared with the average price for the city as a whole is Les Corts (25.94%), followed by two exceptionally expensive areas: l'Eixample (24.32%) and Ciutat Vella (13.52%), the latter being one of the most central areas with one of the highest number of tourists in the city and which has also undergone gentrification. The peripheral districts of Horta Guinardó (-36.52%) and Nou Barris (-36.00%) are the areas where prices are farthest below the average figure for Barcelona.

- | | |
|------------------------|-------------------|
| 1. Ciutat Vella | 6. Gracia |
| 2. Eixample | 7. Horta-Guinardó |
| 3. Sants-Montjuïc | 8. Nou Barris |
| 4. Les Corts | 9. Sant Andreu |
| 5. Sarrià-Sant Gervasi | 10. Sant Martí |

Valencia

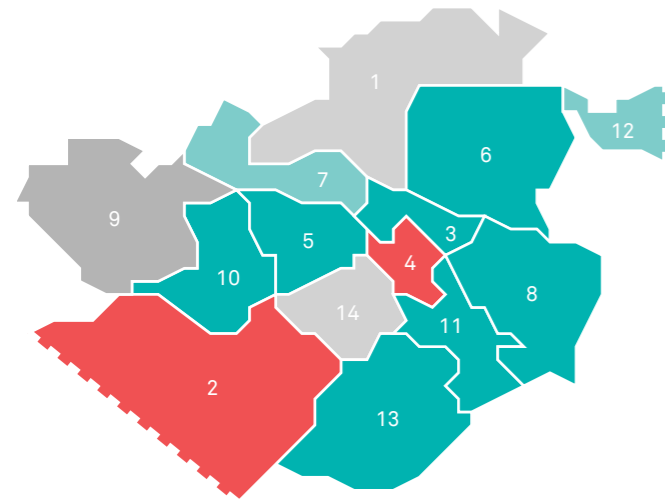


In **Valencia** there is a marked difference in prices. L'example (71.10%) has become one of the city's most expensive areas due to price rises in neighbourhoods like Ruzafa and Pla del Remei. Other areas where prices have soared are Ciutat Vella (46.37%) and Camins al Grau (30.14%). Rascanya, however, shows the largest (negative) difference against the city average at almost -20%, followed by La Saïdia (-15.61%) and Jesús (-14.53%).

- | | |
|--------------------|----------------------|
| 1. Algirós | 12. la Saïdia |
| 2. Benicalap | 13. Patraix |
| 3. Benimaclet | 14. Poblats Marítims |
| 4. Camins al Grau | 15. Pobles de l'Oest |
| 5. Campanar | 16. Pobles del Nord |
| 6. Ciutat Vella | 17. Quatre Carreres |
| 7. El Pla del Real | 18. Rascanya |
| 8. Extramurs | |
| 9. Jesús | |
| 10. Eixample | |
| 11. l'Olivereta | |

Shown in white are those districts for which the sample size was insufficient to provide a representative sample of residential property prices in the area.

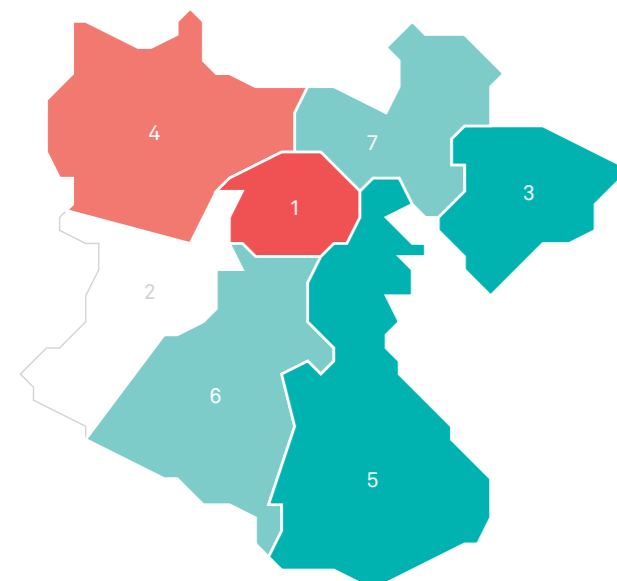
Zaragoza



In **Zaragoza** the Casablanca district showed the largest price rise in the first quarter of the year, 64.96% above the city average, followed by Centro (30.66%) and Actur-Rey Fernando (13.32%). The areas of Aragón's capital with the lowest prices were Torrero-La Paz (-24.64%) and Oliver-Valdefierro (-18.98%).

- | | |
|-----------------------|------------------------|
| 1. Actur-Rey Fernando | 8. Las Fuentes |
| 2. Casablanca | 9. Miralbueno |
| 3. Casco Histórico | 10. Oliver-Valdefierro |
| 4. Centro | 11. San José |
| 5. Delicias | 12. Santa Isabel |
| 6. El Rabal | 13. Torrero-La Paz |
| 7. La Almozara | 14. Universidad |

Bilbao

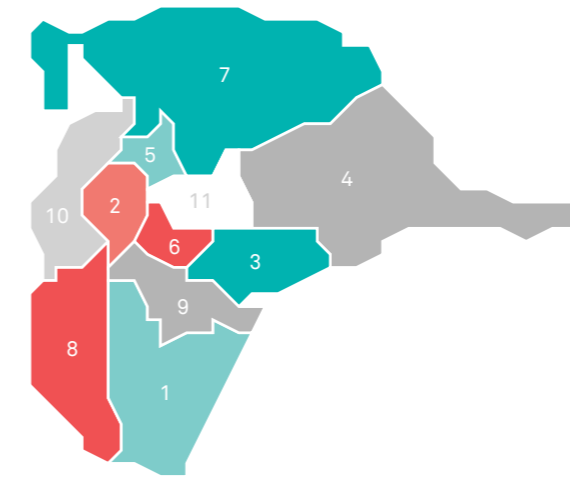


In **Bilbao/Bilbo**, rent price changes in the first quarter of 2017 did not show such marked differences with respect to the city average. Abando is the district where prices rose most above the city average (3.81%), while Begoña (-21.56%) showed the largest negative difference in price trends.

- | |
|--------------------|
| 1. Abando |
| 2. Basurto/Zorroza |
| 3. Begoña |
| 4. Deusto |
| 5. Ibaiondo |
| 6. Rekalde |
| 7. Uribarri |



Sevilla



Lastly, **Sevilla** exhibited a trend similar to that seen in other major cities. Central districts and traditionally more expensive areas show the largest difference above the city average. These include Remedios (23.37%), Nervión (20.33%) and Casco Antiguo (10.93%). At the low end of the table we find Norte (-27.80%) and Cerro-Amate (-23.65%), both more distant from the city centre.

- | | |
|--------------------------------|-----------------------------|
| 1. Bellavista - La Palmera | 7. Norte |
| 2. Casto Antiguo | 8. Remedios |
| 3. Cerro - Amate | 9. Sur |
| 4. Este - Alcosa - Torreblanca | 10. Triana |
| 5. Macarena | 11. San Pablo - Santa Justa |
| 6. Nervión | |

Shown in white are those districts for which the sample size was insufficient to provide a representative sample of residential property prices.

4.2 User Searches

Average Rent Prices (Searches)

In order to provide more comprehensive information, the Mitula Group Report on Residential Property Prices cross-references the prices in listings (supply) with the prices selected by users in their searches (demand). To do so, it draws from a source of more than 10 million listings, from which our data and statistics team extracts a representative sample of the Spanish market with over 420,000 listings.

The difference between the two (supply-side prices and demand-side prices) provides an indication of the purchasing power of potential tenants and the bargaining capacity of the owners, among other things.

In March, the difference between supply rent prices and the rent that prospective tenants were willing to pay was -2.94% for Spain as a whole. Potential tenants were prepared to pay an average 660 € in rent, while the average rent asked by owners averaged 680€.

This difference has shown a gradual adjustment since November 2016 when it stood at -8.35%. Since then however, the gap between tenants and landlords progressively narrowed to reach the current -2.94%.

By Autonomous Communities

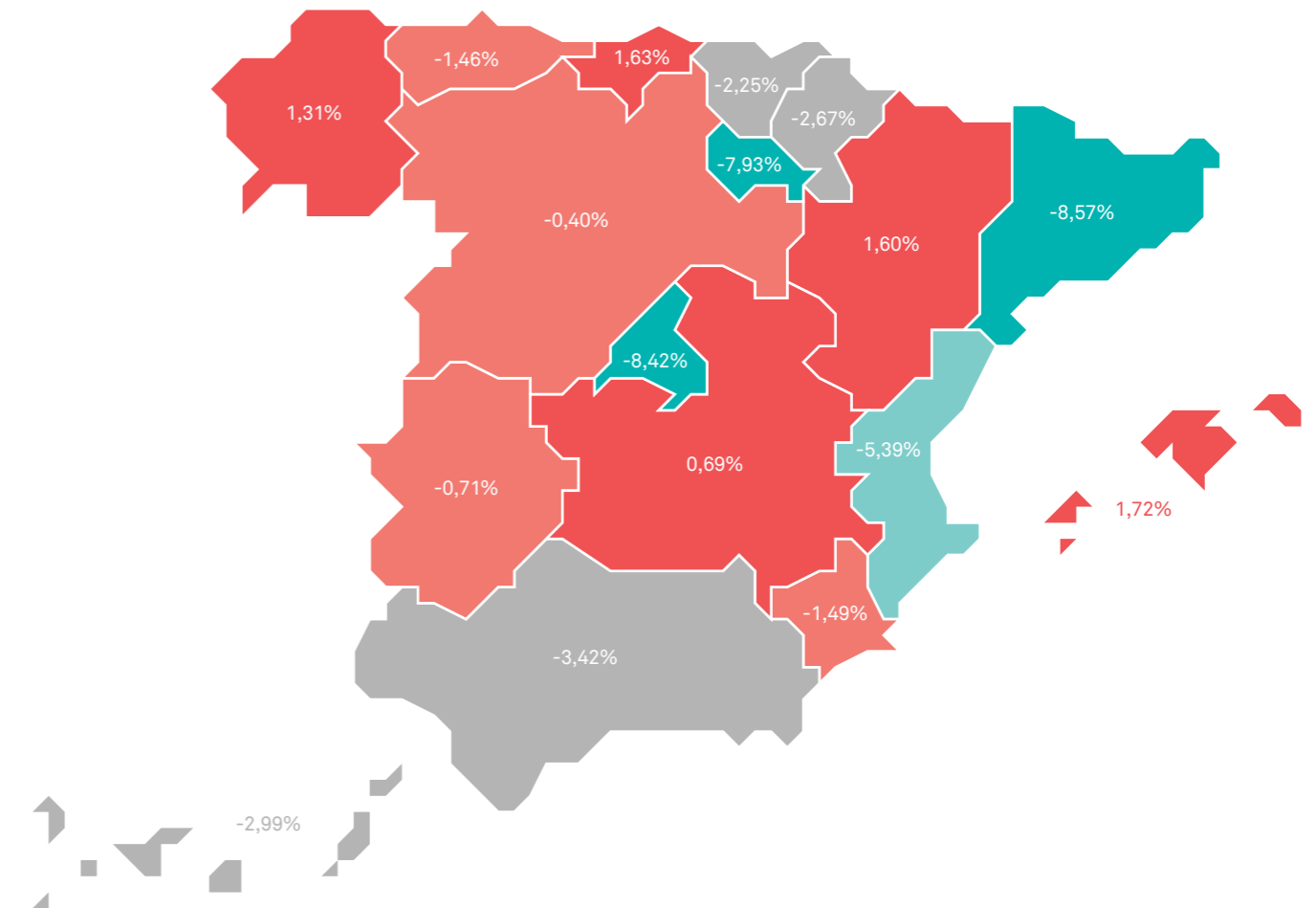
The autonomous communities showing the greatest differences between offered and preferred rent prices are Catalonia (-8.57%), the Community of Madrid (-8.42%) and La Rioja (-7.93%).

On the other hand, the areas where the gap was smallest were Castillay León (-0.40%) Extremadura (-0.71%) and Asturias (-1.46%). These could be said to be the areas showing the best alignment between supply and demand.

The communities where potential tenants are prepared to pay the highest rents are the Balearic Islands (1,180€), the Community of Madrid (935€) and Euskadi (869€).

The regions with the lowest purchasing power as of March 2017 were Extremadura (419€), Castilla la Mancha (438 €) and La Rioja (441€).

Difference between Average Preferred Rent Price Selected in Searches and Average Rent Asked (March 2017)



By Province

Málaga (-9.44%), Barcelona (-8.93%) and Madrid (-8.53%) were the areas with the widest gaps in March between supply-side prices and the rent prices sought by potential tenants.

On the other end of the scale, provinces with the narrowest gaps included Badajoz (0%), León (-0.44%) and Soria (-1.20%).

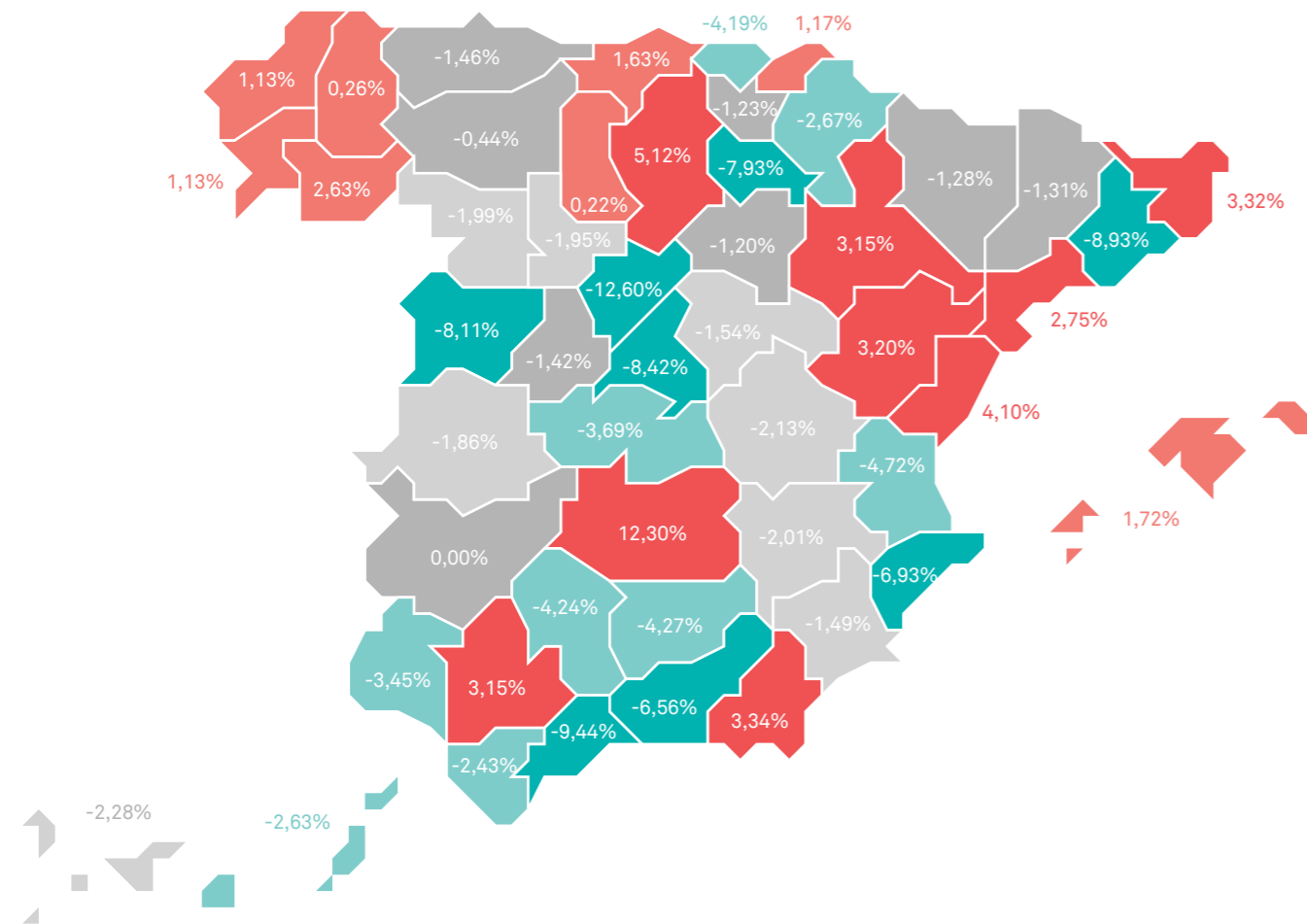
It is worth highlighting that for property rental the supply and demand positions are closer and the gap is narrower than for the sales market.

This different behaviour might be explained by the tighter prices offered and lower negotiating capacity on either side.

The provinces where prospective tenants were prepared to pay the highest rents in March were The Balearic Islands (1,180€), Barcelona (969€), and Gipuzkoa (949€).

Conversely the provinces of Lugo (387€), Teruel (387€) and Toledo (392€) are where the prices expected by tenants are at the lowest.

Difference between Average Preferred Rent Price Selected in Searches and Average Rent Asked (March 2017)



Type of Dwelling

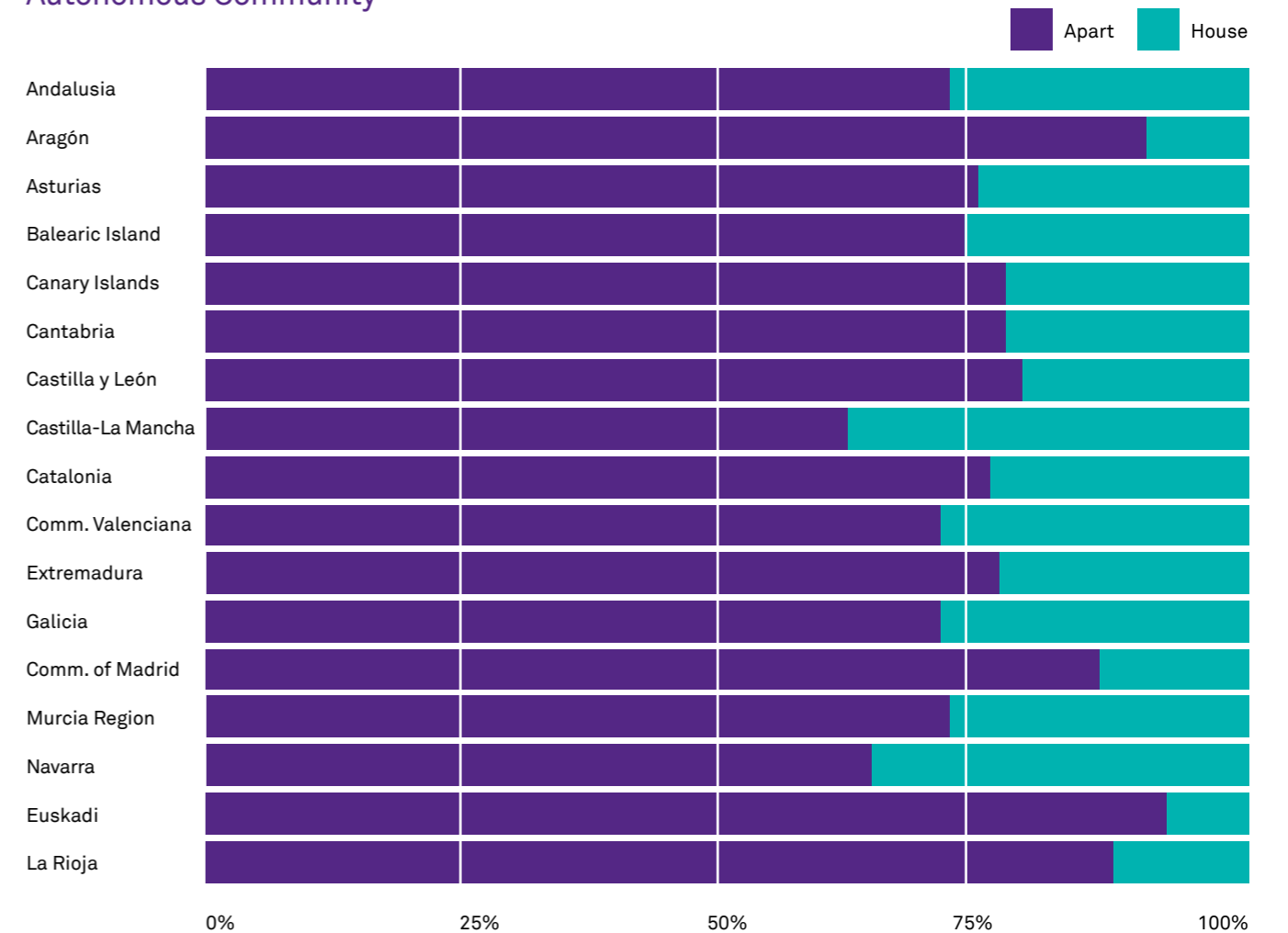
As in the case of the sales market, apartments are the most sought-after type of home to rent (58.33%). Houses take second place (18.35%) followed by small/apartments as the third-ranking option in user searches during the first quarter of 2017 (14.39%).

In terms of the size of apartment, three-bedroom apartments are clearly the most popular across Spain, accounting for almost half the total number

of searches (44.11%). Two-bedroom apartments take second place (29.07%), unlike in the sales market where larger (4-bedroom apartments) came second.

Third position is taken by four-bedroom apartments (15.23%), followed by one-bedroom apartments (11.59%) in fourth.

Searches by Property Type and Autonomous Community



Autonomous Communities

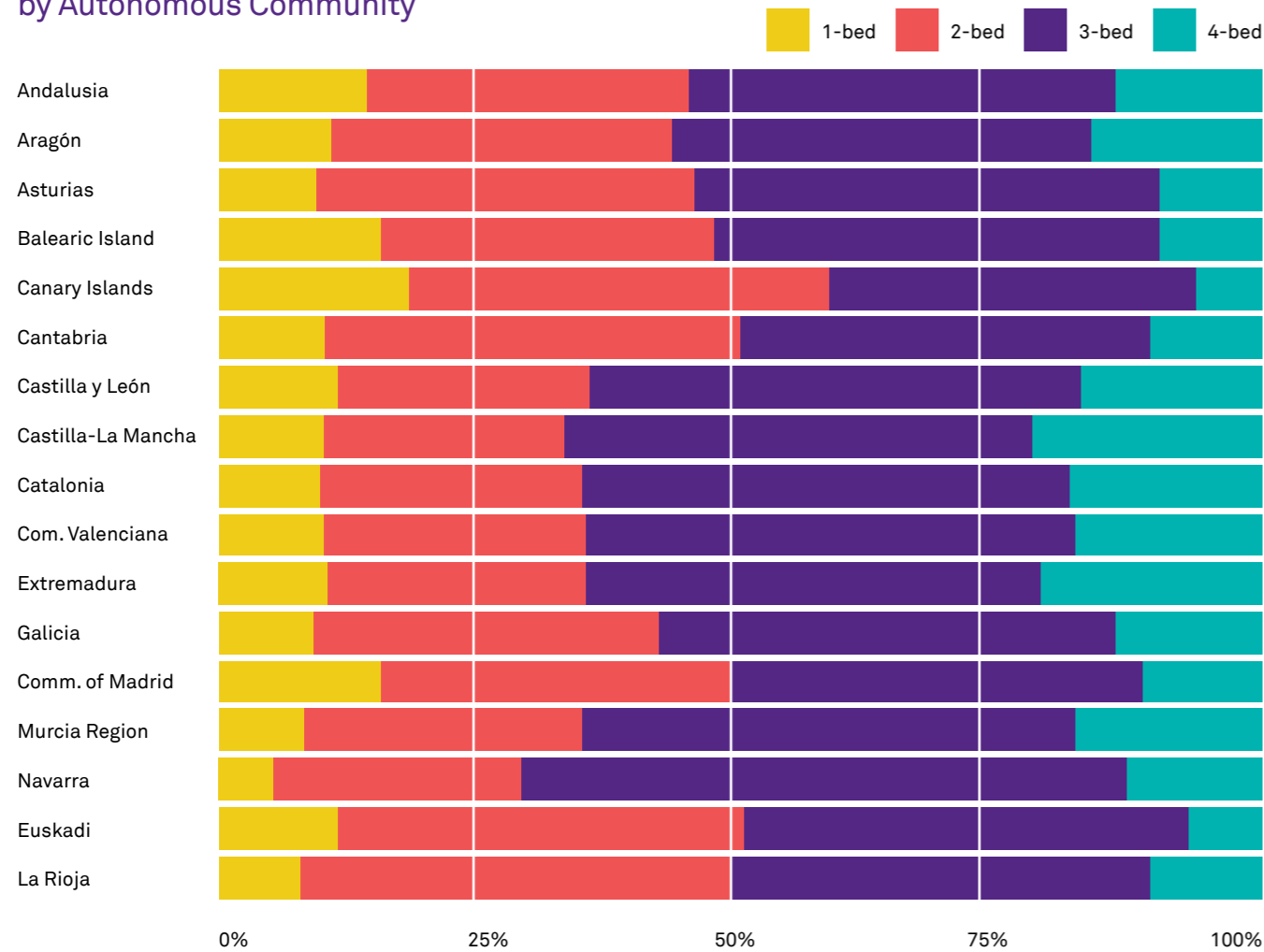
In most Autonomous Communities, apartments are the preferred option when looking for a home to rent. Euskadi (94.52%), Aragón (90.37%) and Navarra (90.13%) are the autonomous communities where this preference is most prevalent, with nine out of every ten searches focusing on apartments rather than houses.

In terms of type of apartment, although three-bedroom ones are the clear winner in Spain as a whole, there are some exceptions. In certain autonomous communities such as La Rioja and the Canary Islands two-bedroom and three-bedroom apartments are virtually neck-and-neck. In La Rioja, two-bedroom apartments account for 41.51% of total searches with 40.33% for the Canary Islands.

Provinces

Apartments are also the preferred option across virtually all of Spain. One of the most notable examples is Gipuzkoa, where searches for apartments account for 98.14%, of the total, versus 1.86% for houses. Navarra is another province with an overwhelming preference for apartments (90.13% versus 9.87%).

Searches by Number of Bedrooms and by Autonomous Community



5. User Profile

5.1 User Demographic Analysis

The profile of the typical user looking for a home on Mitula Group sites is a young person (between 25 and 44) primarily using a smartphone. In terms of the countries that users conduct their searches from, Romania, Italy and Sweden showed the highest growth in the past quarter, while the United Kingdom, France and Germany are the countries where there is the greatest interest in finding a home in Spain through Mitula Group.

Age

The age groups generating the highest activity during the first quarter of 2017 were the 25-34 segment (accounting for 26.98% of the total) and the 35-44 bracket, the latter being the most active, accounting for over one third (35.02%) of total searches on our sites during the first three months of the year.

Next is the 45-54 (17.62% of visits) and 55-64 (12.98%) age groups.

Young people aged 18 to 24 and the over 65s showed the least interest in looking for a home, with the figure below 5% in both cases (3.74% and 3.66%, respectively).

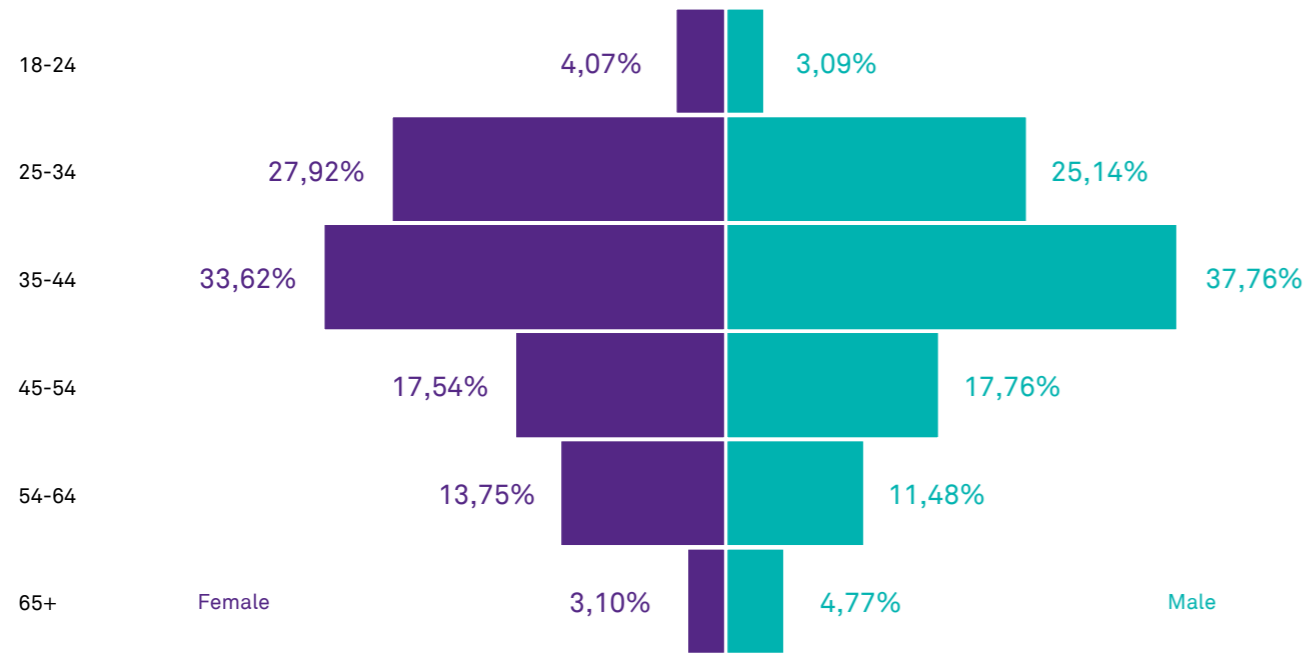
It is worth noting however, that people above the 65 year age mark were the group showing the highest quarterly (3%) and half-monthly (9%) growth rates.

In terms of distribution by gender, women lead the way. While men aged 35-44 (the most numerous age segment) accounted for 51% of the total, women in the same age bracket accounted for 55% of total searches by female users.

Change in Number of Sessions by Age Segment

	3Q2016	4Q2016	1Q2017	Quarterly Change	Half-Yearly Change
18-24	5,22%	3,89%	3,74%	-4%	-28%
25-34	28,31%	26,65%	26,98%	1%	-5%
35-44	33,14%	34,46%	35,02%	2%	6%
45-54	17,73%	18,09%	17,62%	-3%	-1%
55-64	12,25%	13,35%	12,98%	-3%	6%
65+	3,35%	3,55%	3,66%	3%	9%

Population Pyramid



5.2 Devices Used to Access our Search Engines

Looking at the type of device used to search for a property, smartphones are clearly the favoured option for Mitula Group users.

Smartphones were used in 6 out of every 10 visits (60.93%) to Mitula Group sites during the first quarter of 2017. Desktop accounted for 29.04% and tablets for 10.03%.

The data also suggests that the prevalence of smartphones is a growing trend. The use of smartphones to look for a home via Mitula Group grew by 3.97% in the last quarter and by 3.68% in the last half-year period.

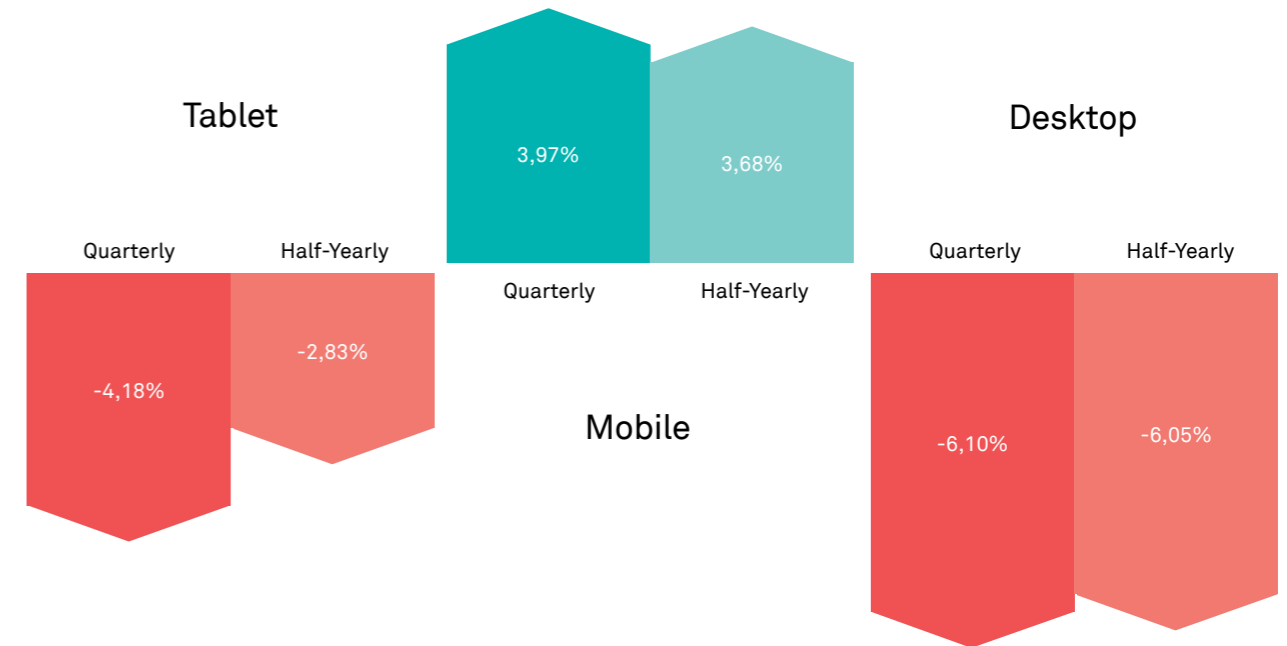
On the other hand, the use of other devices dropped over the past six months. Desktop computers saw the strongest fall, at -6.10% over the last quarter and -6.05% in half-yearly terms.

The drop in tablet use levelled off, with a quarterly change of -4.18% and a half-yearly variation of -2.83%.

Trend in Distribution by Device

Users	Access Device		
	Tablet	Mobile	Desktop
1Q2017	10.03%	60.93%	29.04%
4Q2016	10.46%	58.61%	31.93%
3Q2016	10.32%	58.77%	30.91%

Visits to mitula.es by Device



5.3 Analysis of Searches from Outside Spain

The origin of users looking for residential properties in Spain is another aspect that can help us understand the behaviour of the property market especially in terms of foreign investment. Romania (51.30%), Italy (12.54%) and Sweden (11.67%) are

the countries that showed the greatest quarterly changes.

On the other hand, the United Kingdom, France and Germany were the top-ranking countries in

Distribution of Logins by Country of Origin (top 20)

	2016T3	2016T4	2017T1	Quarterly Change	Variación semestral
United Kingdom	13,29%	14,54%	14,75%	1,47%	11,00%
France	12,30%	12,14%	11,37%	-6,38%	-7,85%
Germany	7,01%	7,07%	6,90%	-2,45%	-1,65%
U.S.	6,41%	7,15%	6,69%	-6,43%	4,47%
Italy	5,37%	5,39%	6,06%	12,54%	13,00%
Argentina	4,51%	4,59%	4,68%	2,15%	3,84%
Belgium	3,53%	3,85%	3,90%	1,29%	10,54%
Switzerland	3,48%	3,58%	3,85%	7,49%	10,70%
México	3,76%	3,73%	3,76%	0,69%	-0,13%
The Netherlands	3,63%	3,21%	3,31%	3,20%	-8,76%
Colombia	2,72%	2,63%	2,68%	1,70%	-1,61%
Venezuela	2,90%	2,55%	2,41%	-5,60%	-16,82%
Sweden	1,69%	1,73%	1,93%	11,67%	14,13%
Portugal	2,42%	1,95%	1,92%	-1,36%	-20,62%
Andorra	1,42%	1,79%	1,80%	0,64%	26,33%
Romania	1,13%	1,06%	1,60%	51,30%	41,36%
Chile	1,69%	1,79%	1,51%	-15,69%	-10,71%
Brazil	1,22%	1,33%	1,38%	3,85%	12,93%
Morocco	1,65%	1,48%	1,32%	-11,24%	-20,34%
Peru	1,50%	1,54%	1,14%	-25,54%	-23,46%

terms of demand. Visits from the United Kingdom went from 13.29% of the total in the third quarter of 2016 to 14.75% in the first three months of the year, representing an 11% half-yearly change. France (-7.85%) and Germany (-1.65%), despite negative half-monthly changes, continue to be the second and third countries showing the most interest in a residential property in Spain.

The case of the U.S. is particularly significant. The interest of Americans in finding property in Spain grew during the fourth quarter of 2016 (coinciding with the U.S. presidential election in November). Visits from users in the United States went from

6.41% in the third quarter of 2016 to 7.15% in the fourth quarter, when the polling took place.

This “Trump effect”, resulting in a 4.47% half-yearly increase, seems to have lost steam in the first quarter of 2017. However interest in residential properties in Spain on the part of U.S. based users still remains above the levels recorded prior to the election.

Countries with the Greatest Rises and Falls

	Quarterly Change		Half-Yearly Change
Rumanía	51,30%	Rumanía	41,36%
Italia	12,54%	Italia	26,33%
Suecia	11,67%	Suecia	14,13%
Suiza	7,49%	Suiza	13,00%
Brasil	3,85%	Brasil	12,93%
Francia	-6,38%	Chile	-10,71%
EEUU	-6,43%	Venezuela	-16,82%
Marruecos	-11,24%	Marruecos	-20,34%
Chile	-15,69%	Portugal	-20,62%
Perú	-25,54%	Perú	-23,46%

6. Sale vs. Rental Comparative Analysis

Is it better to buy or to rent? That is a recurring question when looking for a property. However, the answer tends not to be simple and depends on a great many factors. Therefore, the Mitula Group Report on Residential Property Prices aims to shed light on this difficult issue.

Buying a residential property to rent is an option that has gained considerable appeal over the past year due to the increase in profitability, significantly exceeding that of other investment options such as Treasury Bonds or the stock market. Hence, there are a growing number of buyers acquiring properties in order to rent them.

The autonomous communities offering the highest gross profit rates are the Community of Madrid (5.24%), Catalonia (5.14%) and Navarra (5.07%). The Region of Murcia (5.03%) and the Balearic Islands (4.73%) are also among the Top Five in terms of profitability.

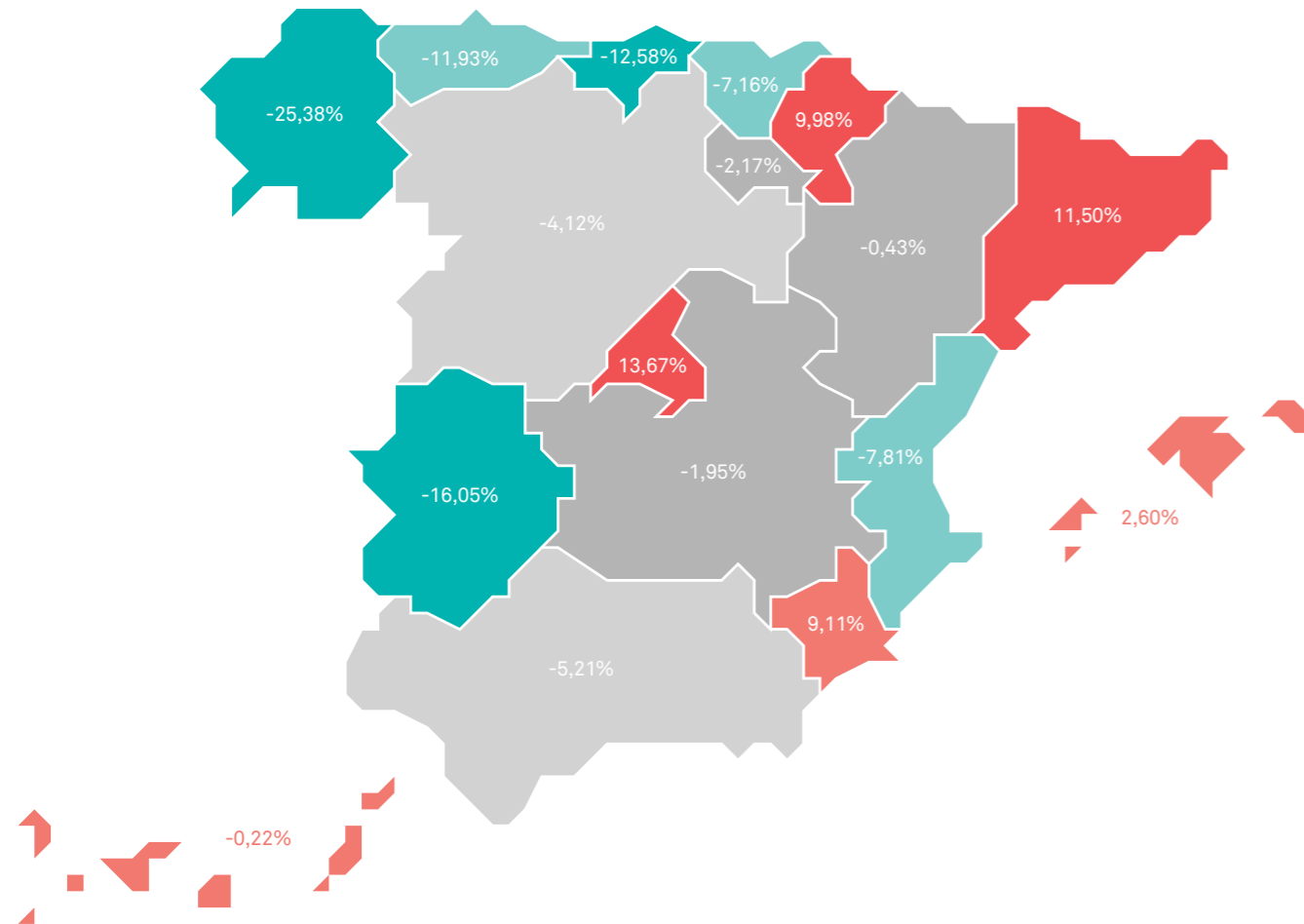
The provinces offering the highest gross profit rates are Barcelona, Madrid and Las Palmas, with return rates in the region of 5% in all three cases.

The cities where buying an apartment to rent is most profitable are Barcelona (6.54%), Madrid (5.47%) and Palma (5.33%).

Province	3Q2016	4:2016	1Q2017
Average interest rate of mortgage loans exceeding 3 years for purchasing a property with unregulated price	1,92%	1,87%	1,88% (1)
Interbank reference rate (Euribor 1 year)	-0,057	-0,080	-0,106 (2)
Spain: P/E Ratio (years)	22,24	22,43	21,69
Spain: PRD (years)	6,75	6,76	6,78
Spain: Gross Return Rate	4,50%	4,46%	4,61%

(1) & (2). Latest published figure Feb2017

Gross Return by Autonomous Community vs. Average for Spain (1Q2017)



Top 5 Most and Least Attractive Areas (Gross Return Rate - March 2017)

Autonomous Communities Rate	Gross Return (March 2017)	Provinces	Gross Return Rate (March 2017)	Province Capitals	Gross Return Rate (March 2017)
Community of Madrid	5,24%	Barcelona	5,64%	Barcelona	6,54%
Catalonia	5,14%	Madrid	5,24%	Madrid	5,47%
Navarra	5,07%	Las Palmas	5,18%	Palma	5,33%
Murcia Region	5,03%	Navarra	5,07%	Ávila	5,31%
Balearic Islands	4,73%	Ávila	5,03%	Almeria	5,30%
Community of Valencia	4,25%	Alicante	3,72%	Donostia	3,58%
Principality of Asturias	4,06%	Pontevedra	3,56%	Zamora	3,54%
Cantabria	4,03%	Girona	3,44%	Teruel	3,32%
Extremadura	3,87%	A Coruña	3,28%	A Coruña	3,25%
Galicia	3,44%	Orense	3,23%	Orense	3,20%

Another factor that needs to be considered before deciding to buy a property to rent is the P/E (Price to Earnings) ratio, which will give us an indication of the number of years it will take to recoup the investment in a property to rent. The higher the P/E ratio, the more expensive the apartment and the less profitable the investment.

As for the provincial picture Orense (30.96), A Coruña (30.53) and Girona (29.10) are the places where it takes longest to pay off an apartment with the rent received. Barcelona (17.74), Madrid (19.09) and Las Palmas (19.29) on the other hand are the regions with the best value for money in the buy-to-let sector.

The autonomous communities with the highest P/E ratios are Galicia (29.08 years), Extremadura (25.87 years) and Cantabria (24.82 years), while the regions in which it would take the shortest time to recoup an investment are Madrid (10.09), Catalonia (19.45) and Navarra (19.72).

By cities, the highest P/E ratios are to be found in (31.27), A Coruña (30.78) and Teruel (30.09), while the lowest are in Barcelona (15.28), Madrid (18.28) and Palma (18.77).

PRD

Another aspect that needs to be considered before making the decision to buy a property is the impact of the investment on the household's finances.

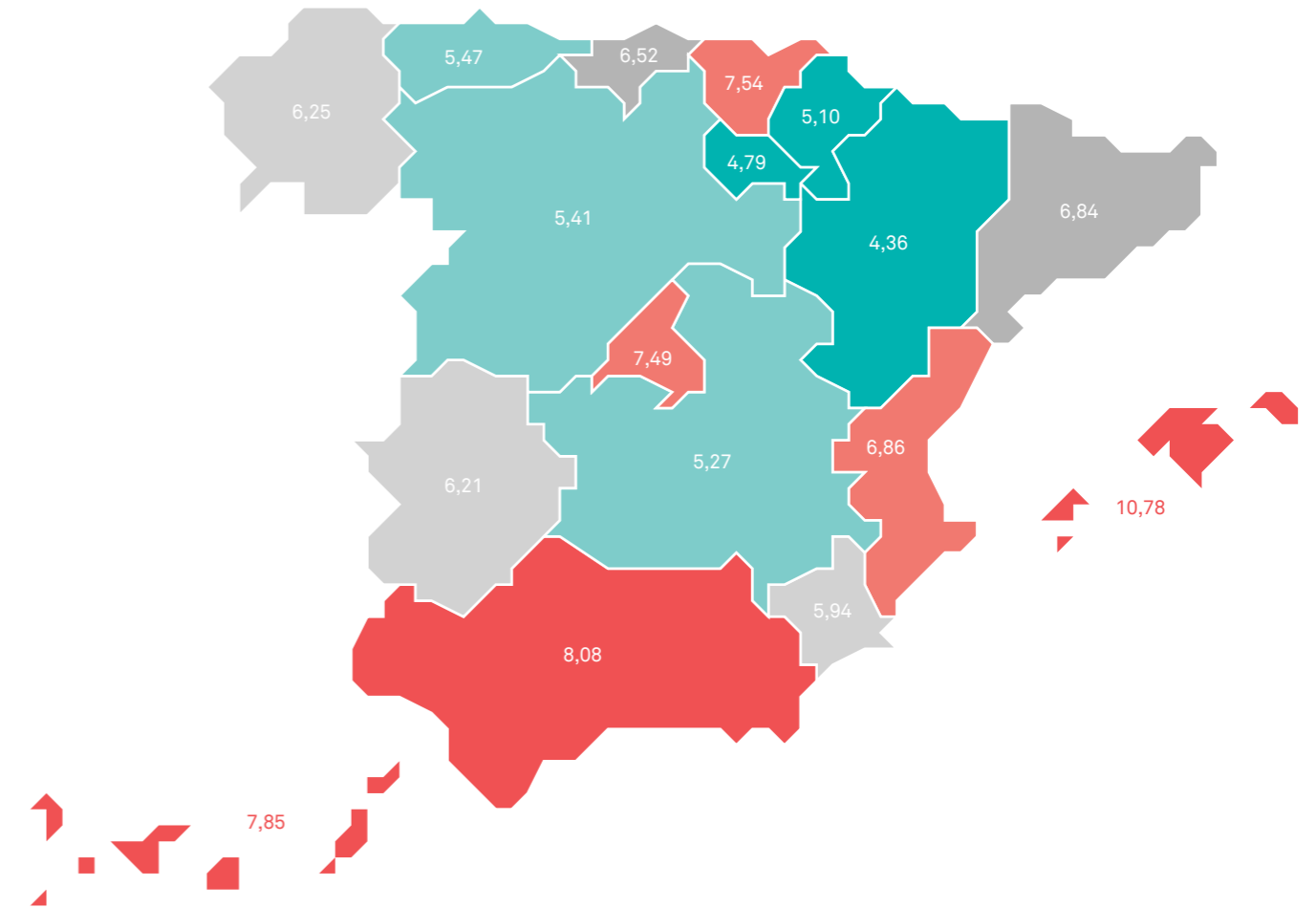
The PRD metric (ratio of property price to household income) is an indicator of the average number of years that a household would take to pay for an apartment or house using the entire household income.

The autonomous community with the highest PRD is the Balearic Islands (10.78 years), an area where the unemployment rate stands at 13.80% and where the seasonality of jobs is very high. On the Balearic Islands the number of years required to pay for a home using the entire household income increased by 2.67% in the past quarter and by 3.07% in the past half year.

Top 5 Most and Least Attractive Areas (P/E Ratio, March 2017)

Autonomous Communities	P/E Ratio (March 2017)	Provinces	P/E Ratio (March 2017)	Capitales de Provincias	P/E Ratio (March 2017)
Galicia	29,08	Orense	30,96	Orense	31,27
Extremadura	25,87	A Coruña	30,53	A Coruña	30,78
Cantabria	24,82	Girona	29,10	Teruel	30,09
Principality of Asturias	24,64	Pontevedra	28,06	Zamora	28,23
Community of Valencia	23,52	Alicante	26,91	Lugo	27,95
Balearic Islands	21,12	Ávila	19,87	Almeria	18,86
Murcia Region	19,90	Navarra	19,72	Ávila	18,85
Navarra	19,72	Las Palmas	19,29	Palma	18,77
Catalonia	19,45	Madrid	19,09	Madrid	18,28
Community of Madrid	19,09	Barcelona	17,74	Barcelona	15,28

PRD by Autonomous Community (March 2017)



The second autonomous community where it takes longest to pay for a house or apartment is the Canary Islands (7.85 years), one of the Spanish regions with the highest unemployment (24.90%) and a labour market that is highly influenced by the seasonality of the tourism industry. In the Canary Islands the PRD grew by 0.19% in the first quarter of 2017 and by 2.77% in half-yearly terms. Aragón (4.36 years), La Rioja (4.79 years) and Castilla la Mancha (5.27 years) are the Spanish autonomous communities where it takes the least years to pay for an apartment or house.

7. The Quarter in Figures (Sale)

Level	Región	Oct 16 (€/m2)	Nov 16 (€/m2)	Dec '16 (€/m2)	Jan 17 (€/m2)	Feb 17 (€/m2)	Mar 17 (€/m2)	Monthly Change	Quarterly Change	6 Monthly Change
COUNTRY	SPAIN	€1.476	€1.477	€1.478	€1.481	€1.469	€1.473	0,32%	-0,29%	-0,21%
REGION	ANDALUSIA	€1.394	€1.386	€1.390	€1.392	€1.391	€1.399	0,60%	0,68%	0,39%
Province	Almeria	€1.123	€1.135	€1.134	€1.140	€1.135	€1.159	2,16%	2,24%	3,24%
Capital	Almeria	€1.210	€1.176	€1.184	€1.190	€1.167	€1.180	1,11%	-0,34%	-2,48%
Province	Cadiz	€1.384	€1.360	€1.368	€1.376	€1.380	€1.377	-0,25%	0,62%	-0,54%
Capital	Cadiz	€1.622	€1.548	€1.553	€1.570	€1.555	€1.585	1,93%	2,06%	-2,28%
Province	Córdoba	€1.247	€1.241	€1.243	€1.244	€1.253	€1.280	2,18%	3,00%	2,67%
Capital	Córdoba	€1.385	€1.362	€1.369	€1.374	€1.380	€1.396	1,16%	1,97%	0,79%
Province	Granada	€1.186	€1.175	€1.174	€1.179	€1.176	€1.197	1,79%	1,94%	0,91%
Capital	Granada	€1.400	€1.373	€1.381	€1.391	€1.366	€1.384	1,32%	0,22%	-1,14%
Province	Huelva	€1.268	€1.251	€1.242	€1.236	€1.247	€1.250	0,24%	0,68%	-1,38%
Capital	Huelva	€1.168	€1.141	€1.141	€1.127	€1.145	€1.151	0,52%	0,88%	-1,46%
Province	Jaén	€1.115	€1.126	€1.123	€1.121	€1.107	€1.113	0,58%	-0,90%	-0,19%
Capital	Jaén	€1.235	€1.217	€1.201	€1.207	€1.202	€1.208	0,50%	0,58%	-2,19%
Province	Málaga	€1.851	€1.826	€1.836	€1.843	€1.838	€1.840	0,11%	0,21%	-0,60%
Capital	Málaga	€1.886	€1.837	€1.864	€1.851	€1.857	€1.865	0,43%	0,05%	-1,11%
Province	Sevilla	€1.398	€1.410	€1.414	€1.410	€1.409	€1.411	0,14%	-0,18%	0,96%
Capital	Sevilla	€1.683	€1.690	€1.691	€1.698	€1.698	€1.724	1,53%	1,95%	2,44%
REGION	ARAGÓN	€1.223	€1.228	€1.225	€1.231	€1.235	€1.244	0,74%	1,58%	1,74%
Province	Huesca	€1.315	€1.269	€1.276	€1.308	€1.290	€1.316	1,99%	3,10%	0,04%
Capital	Huesca	€1.203	€1.286	€1.194	€1.243	€1.230	€1.252	1,79%	4,86%	4,07%
Province	Teruel	€1.049	€1.073	€1.074	€1.053	€1.063	€1.064	0,13%	-0,93%	1,43%
Capital	Teruel	€1.196	€1.216	€1.229	€1.197	€1.239	€1.226	-1,05%	-0,24%	2,51%
Province	Zaragoza	€1.233	€1.249	€1.243	€1.247	€1.257	€1.263	0,46%	1,57%	2,39%
Capital	Zaragoza	€1.384	€1.375	€1.368	€1.382	€1.392	€1.396	0,29%	2,05%	0,87%
REGION	ASTURIAS	€1.440	€1.451	€1.439	€1.447	€1.446	€1.435	-0,74%	-0,25%	-0,32%
Province	Asturias	€1.440	€1.451	€1.439	€1.447	€1.446	€1.435	-0,74%	-0,25%	-0,32%
Capital	Oviedo	€1.558	€1.548	€1.553	€1.557	€1.538	€1.549	0,72%	-0,26%	-0,58%
REGION	BALEARIC ISLANDS	€2.068	€2.083	€2.076	€2.104	€2.103	€2.132	1,36%	2,67%	3,07%
Province	Balearic Islands	€2.068	€2.083	€2.076	€2.104	€2.103	€2.132	1,36%	2,67%	3,07%
Capital	Palma	€2.132	€2.102	€2.089	€2.112	€2.127	€2.181	2,54%	4,40%	2,30%
REGION	CANARY ISLANDS	€1.440	€1.469	€1.477	€1.471	€1.482	€1.480	-0,13%	0,19%	2,77%
Province	Las Palmas	€1.389	€1.362	€1.371	€1.375	€1.415	€1.410	-0,37%	2,85%	1,52%
Capital	Gran Canaria	€1.443	€1.405	€1.421	€1.414	€1.440	€1.454	0,97%	2,32%	0,76%
Province	Tenerife	€1.493	€1.580	€1.587	€1.571	€1.551	€1.552	0,11%	-2,18%	3,98%
Capital	Santa Cruz de Tenerife	€1.441	€1.428	€1.417	€1.416	€1.410	€1.418	0,57%	0,07%	-1,60%
REGION	CANTABRIA	€1.503	€1.519	€1.503	€1.511	€1.516	€1.490	-1,68%	-0,86%	-0,86%
Province	Cantabria	€1.503	€1.519	€1.503	€1.511	€1.516	€1.490	-1,68%	-0,86%	-0,86%
Capital	Santander	€1.734	€1.775	€1.746	€1.750	€1.760	€1.705	-3,13%	-2,35%	-1,67%
REGION	CASTILLA Y LEÓN	€1.218	€1.220	€1.222	€1.222	€1.219	€1.230	0,85%	0,62%	0,95%
Province	Ávila	€912	€928	€940	€936	€922	€922	-0,02%	-1,89%	1,12%
Capital	Ávila	€1.025	€1.034	€1.040	€1.044	€1.025	€1.031	0,59%	-0,87%	0,59%

Level	Region	Oct 16 (€/m2)	Nov 16 (€/m2)	Dec '16 (€/m2)	Jan 17 (€/m2)	Feb 17 (€/m2)	Mar 17 (€/m2)	Monthly Change	Quarterly Change	6 Monthly Change
Province	Burgos	€1.232	€1.243	€1.251	€1.235	€1.229	€1.233	0,30%	-1,48%	0,04%
Capital	Burgos	€1.408	€1.433	€1.442	€1.420	€1.438	€1.429	-0,63%	-0,90%	1,49%
Province	León	€1.149	€1.145	€1.149	€1.149	€1.156	€1.172	1,33%	1,97%	1,97%
Capital	León	€1.312	€1.270	€1.283	€1.280	€1.293	€1.339	3,56%	4,36%	2,06%
Province	Palencia	€1.263	€1.280	€1.262	€1.296	€1.288	€1.289	0,04%	2,13%	2,05%
Capital	Palencia	€1.349	€1.364	€1.338	€1.376	€1.361	€1.393	2,35%	4,11%	3,26%
Province	Salamanca	€1.450	€1.487	€1.483	€1.480	€1.487	€1.490	0,24%	0,49%	2,78%
Capital	Salamanca	€1.705	€1.695	€1.686	€1.693	€1.709	€1.707	-0,12%	1,25%	0,12%
Province	Segovia	€1.246	€1.242	€1.235	€1.266	€1.234	€1.245	0,88%	0,78%	-0,11%
Capital	Segovia	€1.503	€1.460	€1.466	€1.473	€1.439	€1.466	1,88%	0,00%	-2,46%
Province	Soria	€1.226	€1.207	€1.207	€1.208	€1.207	€1.237	2,43%	2,47%	0,88%
Capital	Soria	€1.324	€1.312	€1.312	€1.320	€1.316	€1.350	2,58%	2,90%	1,96%
Province	Valladolid	€1.240	€1.213	€1.219	€1.210	€1.204	€1.216	1,00%	-0,27%	-1,96%
Capital	Valladolid	€1.369	€1.333	€1.347	€1.341	€1.312	€1.335	1,75%	-0,89%	-2,48%
Province	Zamora	€1.206	€1.202	€1.200	€1.196	€1.213	€1.241	2,31%	3,39%	2,87%
Capital	Zamora	€1.312	€1.301	€1.307	€1.298	€1.306	€1.334	2,14%	2,07%	1,68%
REGION	CASTILLA-LA MANCHA	€945	€946	€947	€951	€939	€955	1,67%	0,86%	1,07%
Province	Albacete	€1.186	€1.164	€1.168	€1.172	€1.167	€1.179	1,02%	0,95%	-0,58%
Capital	Albacete	€1.306	€1.284	€1.273	€1.275	€1.280	€1.314	2,66%	3,22%	0,61%
Province	Ciudad Real	€883	€880	€886	€877	€869	€893	2,78%	0,76%	1,10%
Capital	Ciudad Real	€1.116	€1.071	€1.086	€1.077	€1.075	€1.100	2,33%	1,29%	-1,43%
Province	Cuenca	€943	€951	€952	€949	€960	€969	0,91%	1,75%	2,72%
Capital	Cuenca	€1.103	€1.081	€1.085	€1.080	€1.098	€1.119	1,91%	3,13%	1,45%
Province	Guadalajara	€1.016	€1.036	€1.024	€1.032	€1.007	€1.020	1,35%	-0,36%	0,42%
Capital	Guadalajara	€1.175	€1.174	€1.170	€1.160	€1.164	€1.186	1,89%	1,37%	0,94%
Province	Toledo	€834	€838	€839	€854	€833	€849	1,85%	1,17%	1,78%
Capital	Toledo	€1.010	€980	€988	€1.019	€972	€1.033	6,28%	4,55%	2,28%
REGION	CATALONIA	€1.716	€1.714	€1.711	€1.704	€1.702	€1.684	-1,10%	-1,60%	-1,89%
Province	Barcelona	€1.820	€1.818	€1.813	€1.807	€1.805	€1.771	-1,88%	-2,32%	-2,70%
Capital	Barcelona	€2.312	€2.428	€2.421	€2.330	€2.341	€2.220	-5,17%	-8,30%	-3,98%
Province	Girona	€1.870	€1.848	€1.851	€1.833	€1.848	€1.868	1,10%	0,91%	-0,12%
Capital	Girona	€1.862	€1.861	€1.907	€1.894	€1.880	€1.881	0,05%	-1,36%	1,02%
Province	Lleida	€1.072	€1.074	€1.076	€1.078	€1.070	€1.074	0,37%	-0,17%	0,21%
Capital	Lleida	€1.159	€1.102	€1.106	€1.105	€1.106	€1.106	0,00%	0,00%	-4,57%
Province	Tarragona	€1.360	€1.374	€1.374	€1.369	€1.356	€1.365	0,71%	-0,64%	0,39%
Capital	Tarragona	€1.368	€1.357	€1.379	€1.345	€1.332	€1.350	1,35%	-2,10%	-1,32%
REGION	COMM. OF VALENCIA	€1.231	€1.242	€1.245	€1.241	€1.244	€1.247	0,31%	0,20%	1,33%
Province	Alicante/Alicante	€1.431	€1.444	€1.445	€1.440	€1.456	€1.451	-0,36%	0,42%	1,40%
Capital	Alicante	€1.415	€1.398	€1.398	€1.391	€1.398	€1.404	0,43%	0,43%	-0,78%
Province	Castellón/Castelló	€1.084	€1.093	€1.098	€1.106	€1.115	€1.129	1,25%	2,83%	4,16%
Capital	Castellón De La Plana	€1.115	€1.085	€1.086	€1.091	€1.098	€1.142	4,01%	5,16%	2,42%
Province	Valencia/València	€1.099	€1.108	€1.111	€1.106	€1.094	€1.103	0,80%	-0,75%	0,34%

Level	Region	Oct 16 (€/m2)	Nov 16 (€/m2)	Dec '16 (€/m2)	Jan 17 (€/m2)	Feb 17 (€/m2)	Mar 17 (€/m2)	Monthly Change	Quarterly Change	6 Monthly Change
Capital	Valencia	€1.266	€1.263	€1.262	€1.262	€1.252	€1.279	2,16%	1,35%	1,03%
REGION	EXTREMADURA	€1.108	€1.105	€1.108	€1.114	€1.107	€1.123	1,44%	1,35%	1,35%
Province	Badajoz	€1.084	€1.083	€1.085	€1.092	€1.081	€1.098	1,61%	1,23%	1,32%
Capital	Badajoz	€1.223	€1.206	€1.213	€1.220	€1.213	€1.241	2,31%	2,31%	1,47%
Province	Cáceres	€1.140	€1.136	€1.138	€1.143	€1.142	€1.156	1,21%	1,59%	1,41%
Capital	Cáceres	€1.301	€1.263	€1.269	€1.265	€1.271	€1.292	1,65%	1,81%	-0,69%
REGION	GALICIA	€1.380	€1.386	€1.379	€1.384	€1.377	€1.380	0,25%	0,08%	0,01%
Province	Coruña (A)	€1.412	€1.433	€1.419	€1.422	€1.413	€1.424	0,78%	0,34%	0,84%
Capital	A Coruña	€1.784	€1.832	€1.794	€1.813	€1.807	€1.813	0,33%	1,06%	1,63%
Province	Lugo	€1.092	€1.087	€1.080	€1.069	€1.084	€1.112	2,57%	2,95%	1,82%
Capital	Lugo	€1.243	€1.238	€1.239	€1.215	€1.234	€1.271	3,00%	2,58%	2,25%
Province	Orense	€1.346	€1.343	€1.344	€1.340	€1.355	€1.349	-0,43%	0,35%	0,20%
Capital	Orense	€1.464	€1.458	€1.452	€1.458	€1.474	€1.472	-0,14%	1,38%	0,55%
Province	Pontevedra	€1.487	€1.484	€1.480	€1.500	€1.475	€1.462	-0,89%	-1,24%	-1,70%
Capital	Pontevedra	€1.526	€1.500	€1.494	€1.505	€1.506	€1.461	-2,99%	-2,21%	-4,26%
REGION	COMMUNITY OF MADRID	€1.785	€1.783	€1.780	€1.775	€1.765	€1.759	-0,39%	-1,20%	-1,48%
Province	Community of Madrid	€1.785	€1.783	€1.780	€1.775	€1.765	€1.759	-0,39%	-1,20%	-1,48%
Capital	Madrid	€2.270	€2.282	€2.281	€2.261	€2.260	€2.253	-0,31%	-1,23%	-0,75%
REGION	MURCIA REGION	€1.115	€1.107	€1.103	€1.109	€1.108	€1.121	1,17%	1,60%	0,51%
Province	Murcia Region	€1.115	€1.107	€1.103	€1.109	€1.108	€1.121	1,17%	1,60%	0,51%
Capital	Murcia	€1.160	€1.134	€1.136	€1.128	€1.143	€1.165	1,92%	2,55%	0,43%
REGION	NAVARRA	€1.424	€1.397	€1.407	€1.415	€1.427	€1.392	-2,45%	-1,07%	-2,25%
Province	Navarra	€1.424	€1.397	€1.407	€1.415	€1.427	€1.392	-2,45%	-1,07%	-2,25%
Capital	Pamplona	€1.790	€1.802	€1.807	€1.789	€1.822	€1.812	-0,55%	0,28%	1,23%
REGION	EUSKADI	€2.480	€2.470	€2.484	€2.478	€2.462	€2.424	-1,54%	-2,41%	-2,25%
Province	Araba/Alava	€1.830	€1.885	€1.896	€1.902	€1.908	€1.921	0,66%	1,29%	4,95%
Capital	Vitoria	€2.012	€1.974	€2.000	€2.002	€2.012	€2.037	1,24%	1,85%	1,24%
Province	Bizkaia	€2.615	€2.601	€2.611	€2.609	€2.573	€2.541	-1,25%	-2,70%	-2,85%
Capital	Bilbao	€2.805	€2.795	€2.810	€2.806	€2.753	€2.720	-1,20%	-3,20%	-3,03%
Province	Gipuzkoa	€2.571	€2.536	€2.558	€2.541	€2.548	€2.476	-2,82%	-3,21%	-3,70%
Capital	Donostia-san Sebastián	€3.295	€3.233	€3.280	€3.251	€3.276	€3.228	-1,47%	-1,59%	-2,03%
REGION	LA RIOJA	€1.218	€1.193	€1.203	€1.201	€1.208	€1.240	2,62%	3,08%	1,82%
Province	La Rioja	€1.218	€1.193	€1.203	€1.201	€1.208	€1.240	2,62%	3,08%	1,82%
Capital	Logroño	€1.398	€1.348	€1.343	€1.349	€1.328	€1.362	2,56%	1,41%	-2,58%

7. The Quarter in Figures (Rental)

Level	Region	€/ m2	precio	1 hab	2 hab	3 hab	4 hab	Quarterly Change	Variación semestral
Country	SPAIN	€7,14	€680	€519	€612	€695	€892	3,69%	3,01%
REGION	ANDALUSIA	€6,14	€614	€445	€564	€624	€817	2,85%	2,33%
Province	Almeria	€5,08	€479	€386	€425	€482	€705	4,36%	8,13%
Capital	Almeria	€4,87	€544	€433	€450	€500	€818	6,46%	1,12%
Province	Cadiz	€6,47	€659	€466	€533	€691	€1.025	2,17%	3,29%
Capital	Cadiz	€7,30	€720	€583	€484	€896	€1.050	-1,10%	8,11%
Province	Córdoba	€5,81	€519	€450	€539	€490	€663	1,57%	1,96%
Capital	Córdoba	€6,16	€599	€472	€656	€574	€728	4,90%	4,54%
Province	Granada	€5,89	€549	€423	€519	€556	€776	6,19%	5,98%
Capital	Granada	€6,29	€618	€450	€587	€715	€784	0,82%	7,29%
Province	Huelva	€6,05	€551	€417	€500	€548	€739	6,37%	2,80%
Capital	Huelva	€5,75	€503	€444	€509	€490	€621	-1,57%	-1,37%
Province	Jaén	€4,80	€445	€340	€433	€445	€523	0,68%	1,83%
Capital	Jaén	€4,78	€493	€408	€486	€471	€566	1,44%	0,41%
Province	Málaga	€7,25	€816	€446	€769	€926	€1.082	1,87%	2,64%
Capital	Málaga	€6,84	€726	€427	€1.009	€692	€861	-0,68%	-3,33%
Province	Sevilla	€6,11	€604	€519	€523	€573	€766	1,85%	-2,89%
Capital	Sevilla	€7,30	€723	€581	€698	€668	€1.015	3,43%	-1,77%
REGION	ARAGÓN	€6,35	€501	€388	€460	€530	€606	-0,20%	0,60%
Province	Huesca	€6,32	€469	€414	€445	€493	€525	4,22%	4,92%
Capital	Huesca	€6,70	€480	€350	€475	€550		2,13%	1,91%
Province	Teruel	€4,49	€375	€279	€376	€360	€454	-1,57%	-4,09%
Capital	Teruel	€4,20	€383	€295	€368	€323	€468	2,13%	-1,29%
Province	Zaragoza	€6,77	€539	€410	€479	€576	€669	-0,92%	0,19%
Capital	Zaragoza	€6,61	€548	€399	€483	€609	€658	-1,26%	-0,90%
REGION	ASTURIAS	€6,52	€479	€400	€450	€513	€661	-6,45%	-5,71%
Province	Asturias	€6,52	€479	€400	€450	€513	€661	-6,45%	-5,71%
Capital	Oviedo	€6,28	€491	€408	€451	€551	€635	-10,56%	-5,58%
REGION	BALEARIC ISLANDS	€9,96	€1.160	€793	€947	€1.242	€1.557	11,97%	12,73%
Province	Balearic Islands	€9,96	€1.160	€793	€947	€1.242	€1.557	11,97%	12,73%
Capital	Palma	€10,19	€1.254	€876	€1.019	€1.290	€1.710	13,69%	5,29%
REGION	CANARY ISLANDS	€7,42	€669	€550	€616	€731	€912	8,25%	6,19%
Province	Las Palmas	€7,71	€722	€555	€621	€794	€1.115	6,33%	6,18%
Capital	Gran Canaria	€7,48	€688	€567	€667	€788	€602	-1,29%	-5,62%
Province	Tenerife	€7,13	€615	€545	€610	€660	€679	10,61%	6,40%
Capital	Santa Cruz de Tenerife	€6,48	€612	€515	€577	€669	€719	11,68%	9,48%
REGION	CANTABRIA	€6,33	€553	€489	€452	€604	€857	0,91%	2,60%
Province	Cantabria	€6,33	€553	€489	€452	€604	€857	0,91%	2,60%
Capital	Santander	€6,78	€675	€642	€525	€687	€1.010	2,12%	10,29%
REGION	CASTILLA Y LEÓN	€5,45	€495	€406	€447	€495	€602	2,70%	2,48%
Province	Ávila	€4,12	€424	€200	€318	€452	€478	6,53%	2,91%

Level	Region	€/ m2	Rent	1 bed	2 bed	3 bed	4 bed	Quarterly	6-Monthly Change
Change	6-Monthly Change	€5,49	€469	€390	€451	€460	€599	-3,30%	0,64%
Capital	Burgos	€5,80	€478	€412	€472	€496	€564	-4,78%	-3,04%
Province	León	€4,80	€458	€370	€422	€441	€554	9,31%	4,09%
Capital	León	€4,58	€494	€399	€419	€502	€649	6,01%	3,13%
Province	Palencia	€5,62	€460	€403	€460	€475	€471	-3,36%	-2,34%
Capital	Palencia	€5,48	€470	€403	€509	€469	€471	-0,63%	-3,09%
Province	Salamanca	€6,46	€567	€457	€505	€554	€679	-0,53%	0,00%
Capital	Salamanca	€6,46	€590	€457	€567	€571	€720	-2,80%	-2,64%
Province	Segovia	€6,16	€569	€364	€453	€673	€925	4,60%	7,36%
Capital	Segovia	€6,19	€630	€420	€466	€747	€925	2,27%	11,90%
Province	Soria	€5,20	€502		€486	€505	€525	-3,46%	0,60%
Capital	Soria	€5,00	€517		€508	€513	€600	-1,34%	3,61%
Province	Valladolid	€6,24	€563	€490	€515	€561	€663	6,03%	5,04%
Capital	Valladolid	€6,29	€592	€494	€568	€593	€680	4,78%	3,86%
Province	Zamora	€4,50	€403	€320	€383	€402	€505	0,50%	1,51%
Capital	Zamora	€4,18	€399	€343	€383	€405	€458	-1,24%	-0,99%
REGION	CASTILLA-LA MANCHA	€4,76	€435	€316	€401	€445	€562	0,69%	-0,46%
Province	Albacete	€5,15	€498	€428	€441	€520	€534	5,51%	2,89%
Capital	Albacete	€4,96	€510	€428	€461	€531	€544	2,62%	-0,20%
Province	Ciudad Real	€4,43	€382	€276	€348	€363	€562	2,41%	-3,54%
Capital	Ciudad Real	€4,42	€442	€309	€392	€396	€663	10,22%	1,61%
Province	Cuenca	€4,92	€423	€339	€375	€442	€509	0,48%	-0,24%
Capital	Cuenca	€4,68	€423	€320	€450	€455	€466	-2,98%	-1,40%
Province	Guadalajara	€5,59	€521	€405	€497	€523	€706	-0,19%	0,39%
Capital	Guadalajara	€5,70	€524	€435	€522	€531	€800	-3,85%	-4,73%
Province	Toledo	€4,38	€407	€295	€377	€412	€570	-2,86%	-1,21%
Capital	Toledo	€5,05	€477	€326	€421	€483	€730	0,63%	-0,21%
REGION	CATALONIA	€9,50	€899	€648	€787	€917	€1.168	7,79%	5,89%
Province	Barcelona	€10,96	€1.064	€834	€945	€1.062	€1.333	8,79%	6,40%
Capital	Barcelona	€13,19	€1.361	€1.038	€1.248	€1.317	€1.769	4,13%	5,26%
Province	Girona	€7,16	€662	€413	€591	€686	€847	8,70%	10,33%
Capital	Girona	€6,71	€695	€513	€597	€704	€868	8,59%	8,09%
Province	Lleida	€5,69	€458	€352	€421	€501	€537	0,88%	-3,78%
Capital	Lleida	€5,68	€510	€384	€486	€531	€601	-1,16%	-1,35%
Province	Tarragona	€6,25	€510	€365	€439	€565	€692	0,20%	-0,58%
Capital	Tarragona	€6,35	€505	€340	€478	€529	€754	-7,85%	-8,01%
REGION	COMMUN. OF VALENCIA	€5,26	€538	€436	€498	€546	€634	-1,10%	-1,28%
Province	Alicante	€5,36	€548	€465	€506	€571	€638	-1,44%	-2,66%
Capital	Alicante	€5,24	€614	€515	€560	€658	€693	0,66%	-1,44%
Province	Castelló	€4,74	€390	€290	€362	€422	€494	-11,56%	-6,02%
Capital	Castellón De La Plana	€4,83	€475	€367	€443	€462	€590	0,42%	4,63%

Level	Region	€/ m2	Rent	1 bed	2 bed	3 bed	4 bed	Quarterly	6-Monthly Change
Province	Valencia	€5,32	€572	€467	€556	€557	€651	1,42%	0,88%
Capital	Valencia	€5,60	€647	€540	€642	€621	€741	-3,29%	-3,86%
REGION	EXTREMADURA	€4,66	€422	€320	€381	€415	€494	-0,24%	-1,63%
Province	Badajoz	€4,68	€417	€346	€394	€383	€524	-3,02%	-4,58%
Capital	Badajoz	€5,02	€481	€353	€435	€428	€614	4,34%	2,78%
Province	Caceres	€4,64	€429	€274	€359	€463	€467	3,62%	2,63%
Capital	Caceres	€4,57	€480		€373	€490	€502	10,09%	7,14%
REGION	GALICIA	€5,40	€459	€390	€443	€458	€543	1,10%	2,68%
Province	A Coruña	€5,31	€444	€352	€422	€446	€593	-1,77%	1,14%
Capital	A Coruña	€5,43	€508	€436	€514	€497	€583	-2,31%	0,79%
Province	Lugo	€4,20	€386	€305	€378	€369	€424	2,12%	1,85%
Capital	Lugo	€3,98	€394	€380	€381	€398	€399	-1,99%	-1,75%
Province	Orense	€4,78	€419	€395	€400	€431	€440	0,48%	0,48%
Capital	Orense	€4,51	€422	€395	€411	€437	€423	-0,24%	0,96%
Province	Pontevedra	€6,40	€533	€420	€511	€574	€651	4,10%	5,96%
Capital	Pontevedra	€6,06	€514	€468	€468	€583	€550	5,76%	10,78%
REGION	COMMUN. OF MADRID	€10,17	€1.021	€705	€896	€1.050	€1.690	3,97%	2,61%
Province	Madrid	€10,17	€1.021	€705	€896	€1.050	€1.690	3,97%	2,61%
Capital	Madrid	€11,59	€1.234	€796	€1.094	€1.277	€2.220	1,90%	0,57%
REGION	MURCIA REGION	€5,66	€536	€436	€479	€588	€656	6,77%	6,35%
Province	Murcia	€5,66	€536	€436	€479	€588	€656	6,77%	6,35%
Capital	Murcia	€5,68	€587	€478	€555	€653	€679	6,53%	7,90%
REGION	NAVARRA	€6,50	€711	€572	€549	€688	€846	18,50%	18,11%
Province	Navarra	€6,50	€711	€572	€549	€688	€846	18,50%	18,11%
Capital	Pamplona	€7,00	€795	€590	€552	€766	€893	3,65%	5,86%
REGION	EUSKADI	€10,55	€889	€716	€815	€885	€1.304	-0,89%	0,34%
Province	Araba/Alava	€8,03	€732	€1.000	€690	€704	€853	-4,56%	-4,56%
Capital	Vitoria Bizkaia	€8,38	€759	€1.000	€709	€760	€831	-5,01%	-5,01%
Province	Bilbao/Bilbo	€10,77	€906	€722	€846	€890	€1.390	-2,05%	0,55%
Capital	Gipuzkoa	€11,15	€997	€726	€857	€1.007	€1.450	-0,30%	5,28%
Province	Donostia	€11,40	€938	€669	€829	€952	€1.594	5,39%	2,29%
Capital	LA RIOJA	€12,50	€1.129	€783	€940	€1.186	€1.733	5,51%	3,29%
REGION	RIOJA (LA)	€5,67	€479	€389	€426	€505	€649	-11,62%	-9,11%
Province	Logroño	€5,67	€479	€389	€426	€505	€649	-11,62%	-9,11%
Capital	Logroño	€5,14	€484		€416	€435	€850	-16,55%	-12,79%

8. About Mitula Group

Mitula Group is a world leading classified advertisement vertical search engine operator. With a portfolio of more than 100 websites in 51 countries and in 19 languages. It compiles and classifies more than 250 million aggregated advertisements from over 13,000 online sources, using advanced technology to provide reliable, relevant and straightforward results for very complex and dispersed searches. Mitula Group manages its websites through 5 main brands: 'Mitula', 'Nestoria', 'Nuroa', 'DotProperty' and 'Fashiola'.

From a source of over 10 million advertisements, our data and statistics unit applies information cleansing methods to ensure suitable quality standards, and extracts a representative sample of the Spanish market of more than 420,000 advertisements for analysis.

Leading Players in the
Aggregation of Classified
Advertisements

9. Methodology

Scope and Universe

Private and professional residential property listings published on the Mitula Group portals and listed as “for sale” in Spain. These consist of basic/holiday apartments, attics, studios, apartments, houses, detached houses, duplexes, lofts and triplexes, excluding other formats from reliable advertisement providers.

Sampling Method and Sample Size

All valid listings are selected maintaining the proportion of total built homes per province estimated by Spain’s Ministry of Public Works. The sample size will be recalculated at any time to maintain the distribution of properties in the sample per province in line with the total number of existing properties. The sample size in our reports exceeds 400,000 correctly placed listings for the report on the trend in property sale prices.

This same process is repeated for the analysis of the trend in rent prices, adding additional filters to adjust to the general type of dwelling in demand.

Quality of Data

The Mitula Group data department guarantees the quality of the data. As part of the report preparation process the necessary procedures have been carried out to validate the advertisement data, applying quality filters in addition to developing a methodology for selecting the most representative sample at all times.

The quality filters applied include algorithms to identify and discard duplicate listings, properties with incorrect geolocation, and statistical procedures to eliminate anomalous sale prices or property surface area data. A double filtering process is carried out under the following rules.

First filter:

- Surface area between 20 and 350 m².
- Price per unit surface area between 400 and 6,000 € per m².

Second filter:

- For each province, a further statistical test is carried out to eliminate any extreme values that might still be present after applying the first basic filter.

For rental property an additional filter is applied – number of bedrooms. All properties with 1, 2, 3 and 4 bedrooms are included.

Metrics and Definitions

Basic/Holiday Apartment (Apartamento): *def.* Small, more basic apartment usually comprising 1-2 rooms, kitchen and bathroom.

Attic (Ático): *def.* Top floor of a building, usually recessed and sometimes comprising a roof terrace.

House (Casa): *def.* Building with one or a small number of floors intended for use as a single family home as opposed to an apartment.

Detached House (Chalet): *def.* . Building with one or few floors, with garden, specifically intended for use as a single family home and not attached physically to another dwelling.

P/E Ratio: *metric.* The stock market concept of the P/E (Price-to-Earnings Ratio) is applied to properties. This ratio indicates the number of years of rental that an investor would need in order to recoup the sum invested in the purchase of the property if the earnings per share were constant, dividing the sale price by the rent price. The most frequent unit of measurement is years, although it can also be expressed in months.

Apartment: *def.* Dwelling in a vertical building, generally comprising 3 or more bedrooms, kitchen and two bathrooms.

PRD: *metric.* Ratio of property price to household income (Bank of Spain), used to calculate the number of years required to pay for a home using the entire household income. The unit of measurement is years.

Gross Return Rate: *metric.* The result of dividing the annual rental income obtained from a property by its sale price. The unit of measure is %.

External Data Sources

Household Income: obtained from INE (National Statistics Institute) data through its living conditions survey (2003 Base)⁴.

Unemployment Rate: obtained from the last economically active population survey (EPA⁵) published by the INE.

Euribor (1 year) – Average bank lending rate: Obtained from the Bank of Spain's⁶ bank customer portal.

4. [Living Conditions Survey \(2003 Base\)](#). INE (latest data, 2015).

5. [Economically active population survey](#). INE (latest data, 4Q2016).

6. [Banking customer portal](#): Bank of Spain.

MitulaGroup^o

Media Contact Person
Montse Torres
media@mitulagroup.com

Data and Information Department
insights@mitulagroup.com

Advertising
advertising@mitulagroup.com