



Hidden pearls of the south

As the fifth largest residential market in Europe, Spain is still facing the phenomenon that the bulk of international investors focus on the metropolitan areas of Madrid and Barcelona. In many other Spanish cities the lack of available BTR apartments is dramatic. It would therefore be worthwhile to take a look at some of these hidden pearls in the south.

Albacete is the capital of the province by the same name. It is the economic headquarters of the autonomous community Castilla-La Mancha. With its 175,000 inhabitants, the city boasts five major commercial areas in the immediate outskirts for tens of thousands of employees. In addition, Airbus runs a manufacturing and maintenance plant for the Eurocopter and the capacity and staff will most likely be doubled over the next few years. A NATO air force base has stationed some 3,000 soldiers on the outskirts of the city. A great deal

more has been planned, such as major international high-tech companies and mega-players in international logistics. Last, but not least, the impressive project of a puerto seco (dry harbour) as a logistics platform, will be subsidized by the government of Castilla-La Mancha with an investment of EUR 50 million. In three years' time more than 100,000 grain containers will travel by train from the railway station in Albacete to its destination in Valencia. Albacete's railway station also accommodates the AVE high-speed train, making it is easy to



reach destinations like Madrid in the time that it takes to play a game of football.

As there is no supply of new BTR residential apartments in Albacete the demand is increasing – especially employees from international companies who need support in new projects from experienced local developers and construction companies. Construction quality is at least on a par with comparable buildings in the Netherlands or in Germany that have sustainable ESG features such as external sun protection, heating insulation, solar power plants and heat pumps. Investors can benefit from a “fair” price per square metre which leaves room for revaluation, especially in relation to future rent increases, which are very likely due to the high and increasing demand.

The University of Granada has 17 faculties and more than 88,000 students. It is the second largest university city in Spain, just behind Madrid and ahead of Barcelona and Seville. With its more than 235,000 inhabitants, Granada has transformed over the last two decades into a modern and highly liveable city by upgrading its infrastructure such as metro, tram and an impressive university campus adjacent to the core of the city. The ancient city itself has been pedestrianised and the surroundings in the middle of the mountains are as beautiful as the inner city with its historical sites and new

green areas. The only thing lacking in this lively city is living space and especially affordable accommodations for students. Nowadays, it is almost impossible to find accommodations, especially for the many international students. Granada is one of the most attractive student cities for the more than 5,000 international students who follow the Erasmus programme every year. The short supply is most evident in the housing sector in the sub-segments Student Housing and Vivienda Protegida (social housing). Development and construction activities in Granada are about to start in both sub-segments. The quality of social housing buildings and apartments in Spain are generally far better than in any other country in Europe.

Seville is the capital of Andalusia, which is the region with the highest growth potential in respect of the BTR market. According to the municipality of Seville, more than 15,000 families are currently in search of an affordable apartment in Seville. Due to the shortage of inner-city plots, Seville’s growth strategy is far more dedicated to the surrounding communities in the province of Seville. Because of this, villages like Dos Hermanas developed into towns of more than 100,000 inhabitants, which caused huge problems on access roads, as the infrastructure has remained more or less the same as 20 years ago; designated for the 688,000 inhabitants of Seville, but not for the 1.95 million inhabitants of the province of Seville.





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Primevest is dedicated to finding affordable housing investments and is therefore extremely happy that we were able to acquire a project in the city of Seville comprising 125 apartments for ordinary Spanish families. Although rent levels will be affordable, the attractive residential complex provides lots of space between the buildings. It has two swimming pools, a common clubhouse, children's playground, paddle areas, a football field and basketball court. The complex will border along a park which will be created by the municipality. Tenants will be able to move into the apartments by December 2022.



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