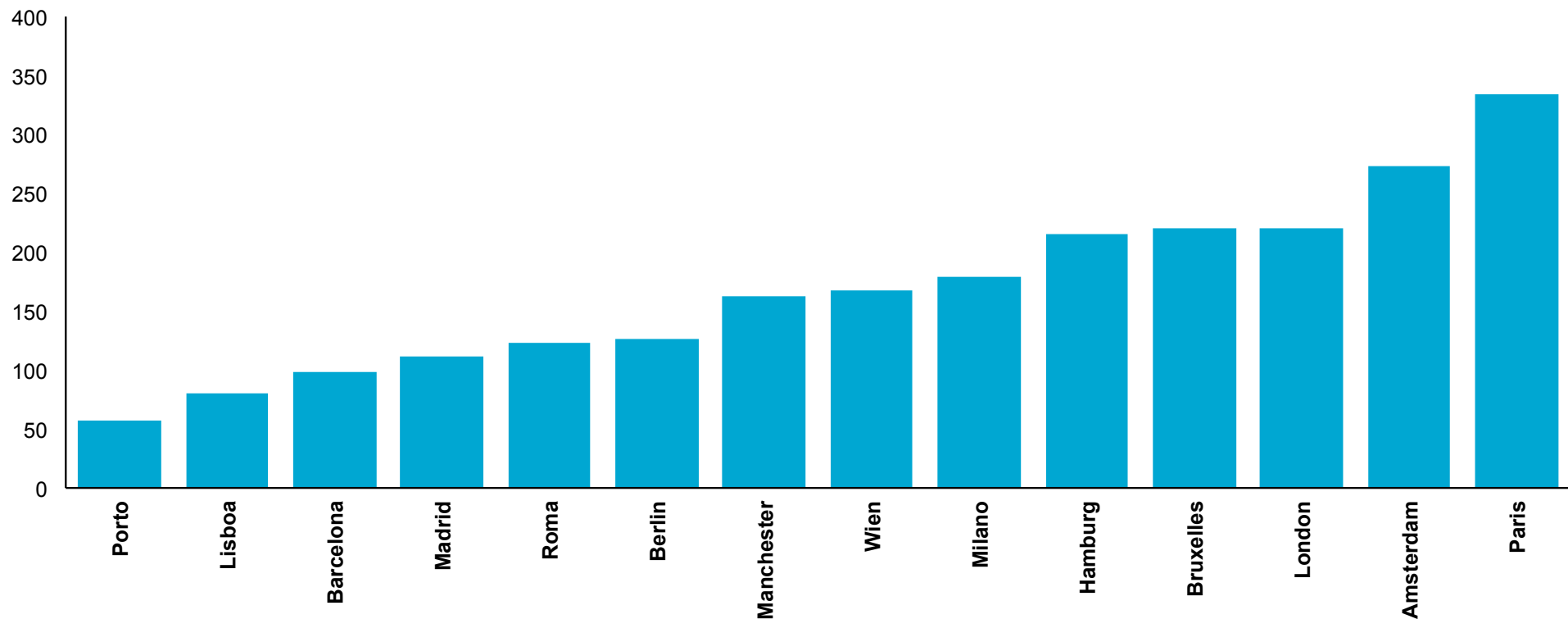


**Barcelona
London Day[®]**

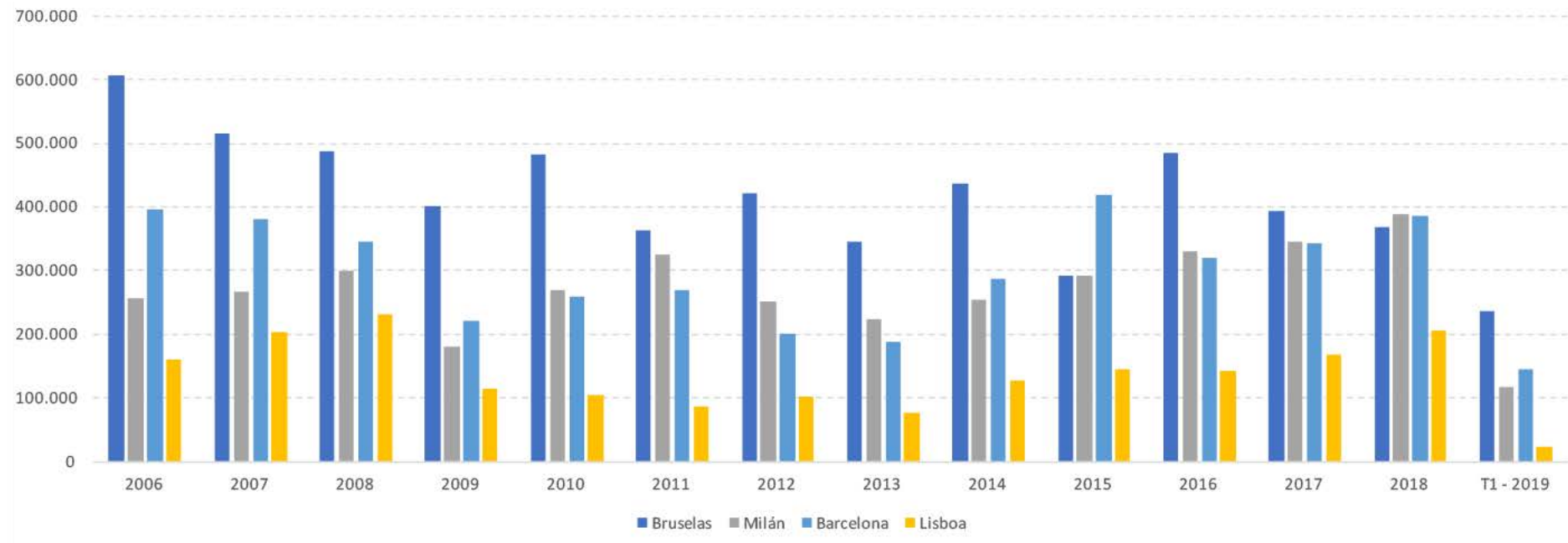
**Real Estate&Tourism:
Trends and Opportunities**

GDP per capita by regions ⁽¹⁾. Index



(1) The volume index of GDP per capita in Purchasing Power Standards (PPS) is expressed in relation to the European Union (EU28) average set to equal 100. If the index of a country is higher than 100, this country's level of GDP per head is higher than the EU average and vice versa. Basic figures are expressed in PPS, i.e. a common currency that eliminates the differences in price levels between countries allowing meaningful volume comparisons of GDP between countries. Please note that the index, calculated from PPS figures and expressed with respect to EU28 = 100, is intended for cross-country comparisons rather than for temporal comparisons

Annual office demand (in sqm)



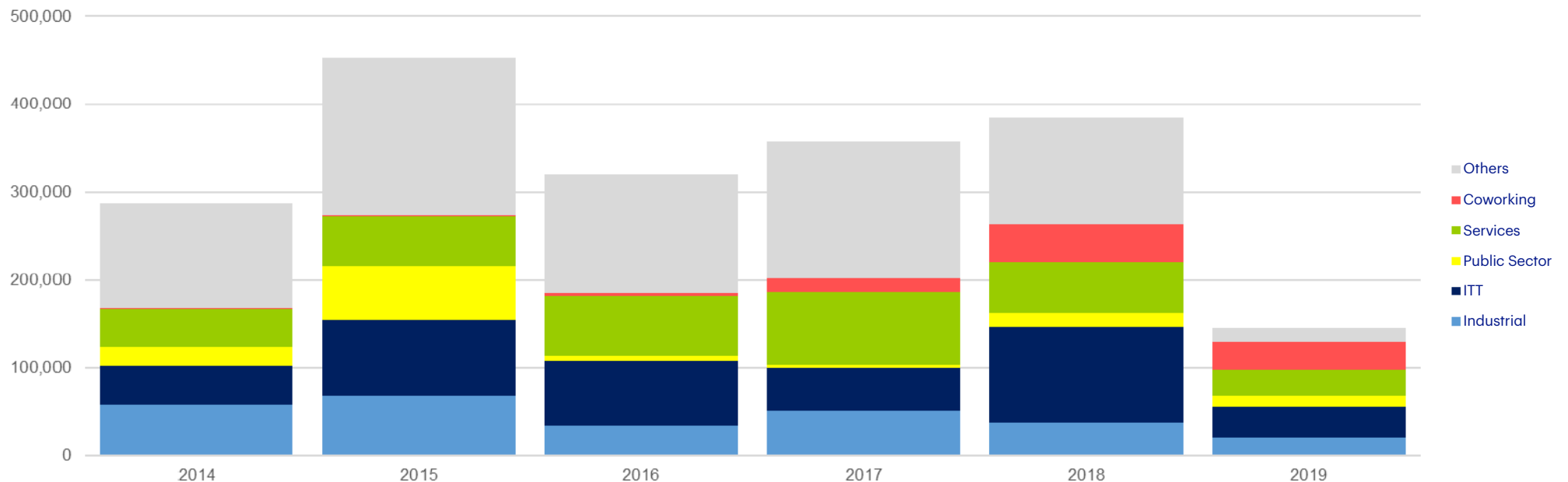
Office demand vs GDP evolution in Barcelona

- The take-up of 146,000 sq m during Q1 2019 represents not only the best record of the first quarters in the historical series, but also the largest quarterly volume in Barcelona



Office demand by sectors

- Growing demand from ITT companies and coworking and public sector within the industrial space demand declines



EMEA office market comparison

	€/m ² /per year	Prime yield (%)
London	1,379	3.50
Paris	810	3.00
Dublin	646	4.00
Milan	585	3.60
Frankfurt	480	3.15
Munich	468	3.20
Amsterdam	425	3.00
Berlin	408	2.90
Brussels	315	4.25
Barcelona	303	3.75

CBD rents are cheaper than in other cities, what is attractive for companies that want to be based in Barcelona

From an investor point of view, the prime yield is bigger than other cities

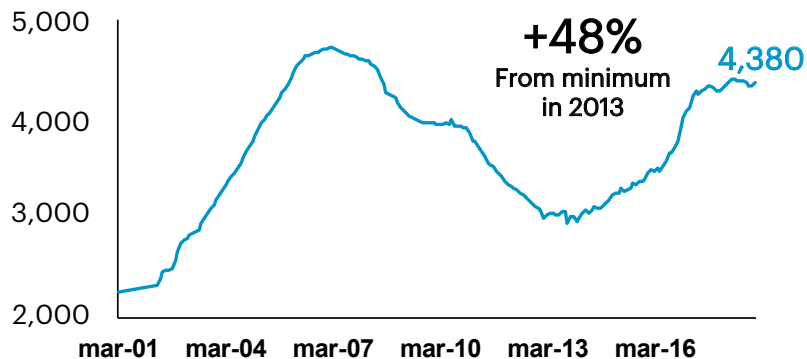
- Robust office demand (employment rate improving) and lack of grade A supply are pushing rental prices up. Due to positive performance, investments have increased by 29% in the Barcelona office market last year

Residential Sector

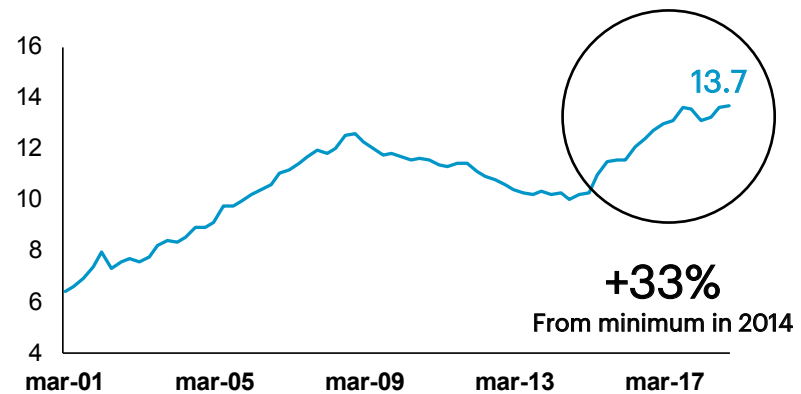
Housing market consolidates the recovery and enters into a more mature stage



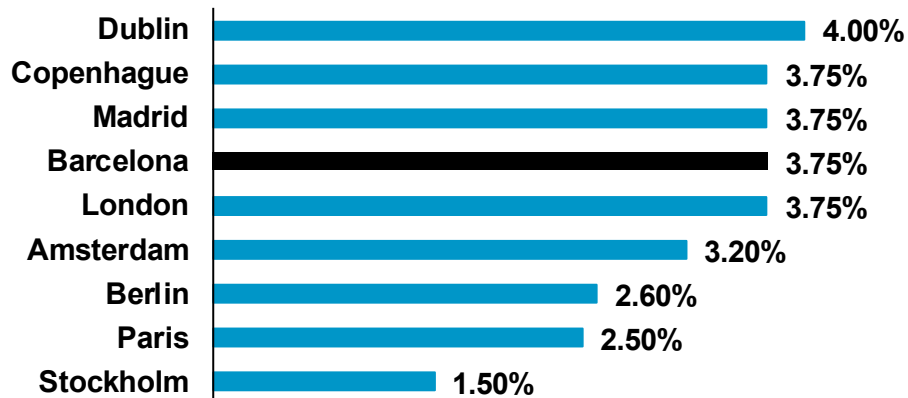
Property price in Barcelona city (1). €/m²



Residential rent in Barcelona city. €/m²/month

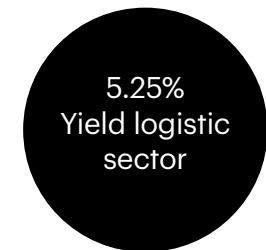
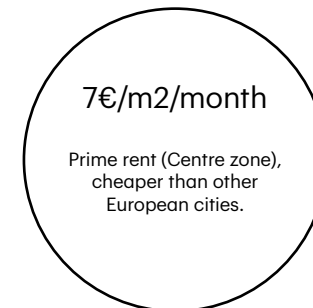
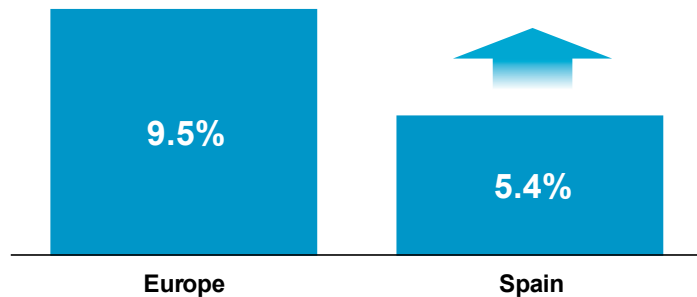


Net residential yields in European cities. 2018



- Real estate developers must assign 30% of building to social housing
- The regional administration is working to take actions to promote affordable rents
- Barcelona is the cheapest European city to live and work, according to the report "Tech cities in motion" of Savills. Residential rents and coworking costs are below other European cities as Amsterdam, London or Paris

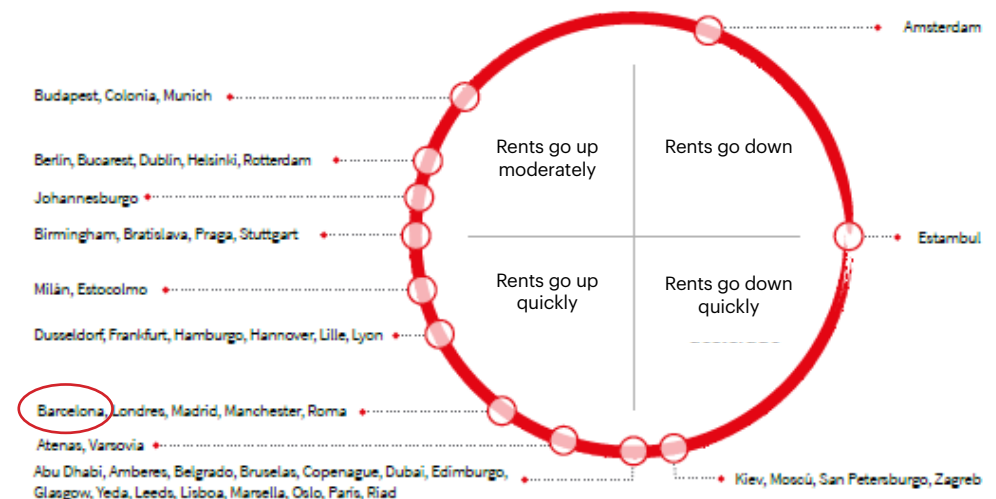
E-commerce sales as a percentage of total retail sales should move closer to the European rate. 2018



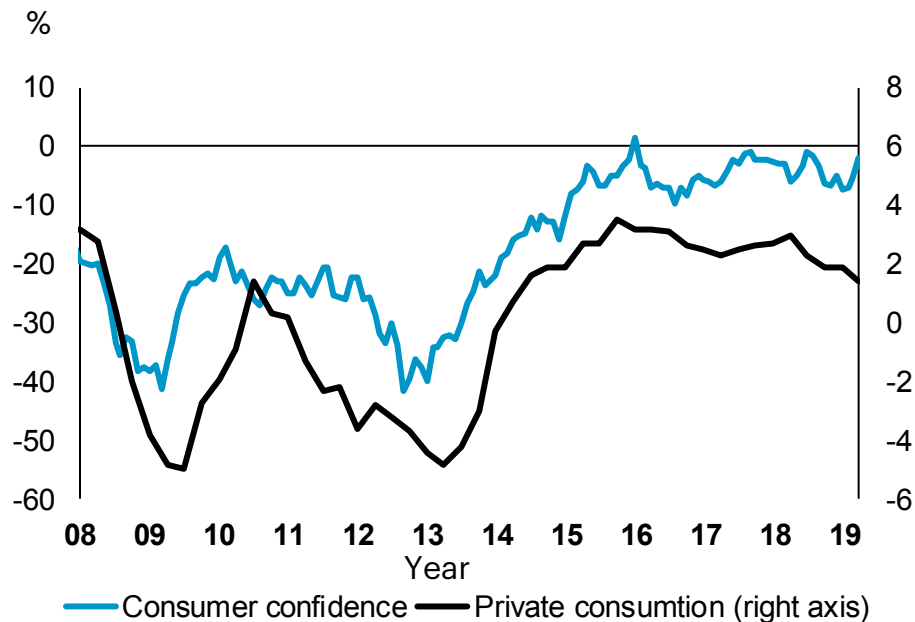
Strategic geographical position of Barcelona for present and future connections with Europe



Clock of European rents growth in logistic sector



Employment growth and salaries have driven the increase in household spending in Spain. index



5.25%

is the current yield for retail

5.4%

is the vacancy rate in 2018 in prime zone

- Barcelona is one of the key European shopping destinations. High street retail zones in Barcelona have increased demand to open flagship stores. There are still opportunities to bring some top brands into town.
- In Catalonia, the density of shopping centers in terms of population is lower than the rest of Spain and other European countries. Shopping centers are repositioning their offer in terms of proximity, services and client experience.

TOP 20 MOST EXPENSIVE LOCATIONS IN EMEA

1	London	New Bond Street
2	Paris	Avenue des Champs Élysées
3	Milan	Via Montenapoleone
4	Rome	Via Condotti
5	Zurich	Bahnhofstrasse
6	Venice	Calle San Moisè
7	Cannes	La Croisette
...
18	Barcelona	Portal de l'Àngel
19	Stuttgart	Königsstrasse
20	Madrid	Preciados

Portal de l'Àngel, exhibits a rent of 3,360 €/m²/year in 2018 according to Main Street Across the World. The ranking by Cushman & Wakefield places this location as the 18th most expensive shopping street in Europe

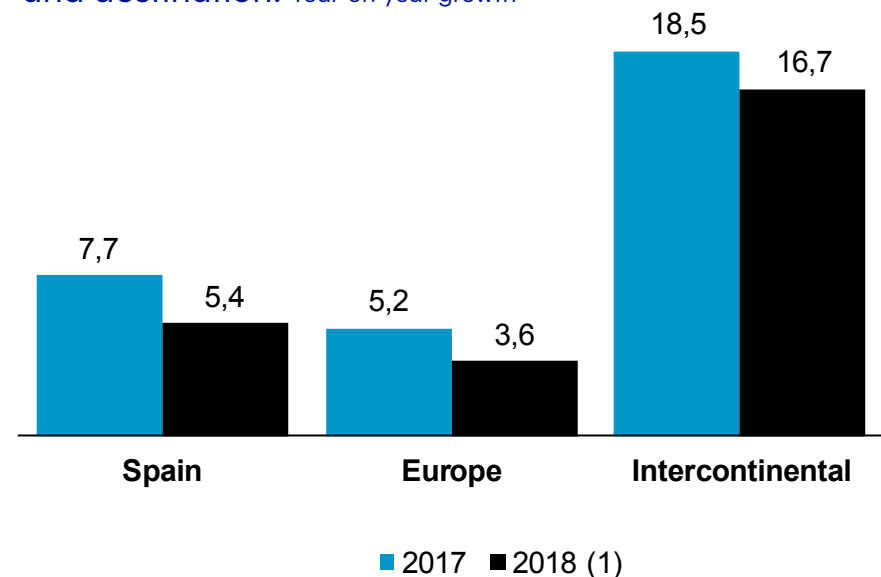
Tourism Sector: Trends and Opportunities

International tourism rankings. 2017

The Travel & Tourism Competitiveness Index	International arrivals	International receipts
1. Spain	1. France	1. United States
2. France	2. Spain	2. Spain
3. Germany	3. United States	3. France
4. Japan	4. China	4. Thailand
5. United Kingdom	5. Italy	5. United Kingdom

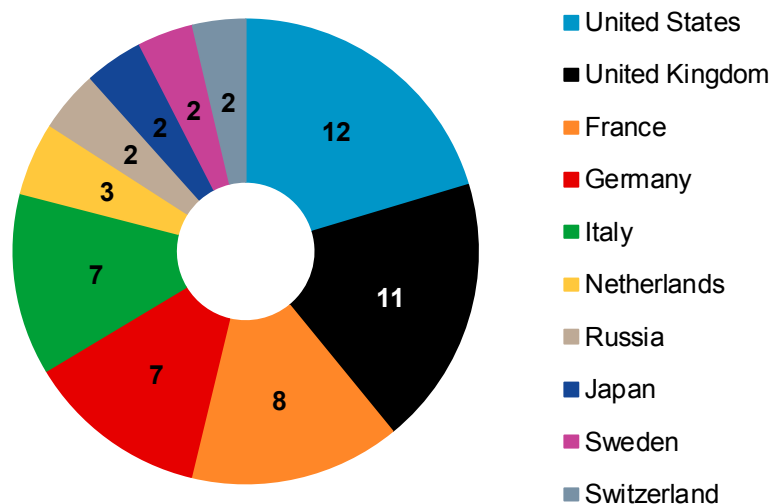
- Spain leads the global Tourism Competitiveness Index. The country stands out thanks to its tourism infrastructure and its cultural resources
- Spain received 83 million of tourists in 2018. Catalonia was the region with most international arrivals

Passenger traffic at Barcelona airport by flight origin and destination. Year-on-year growth



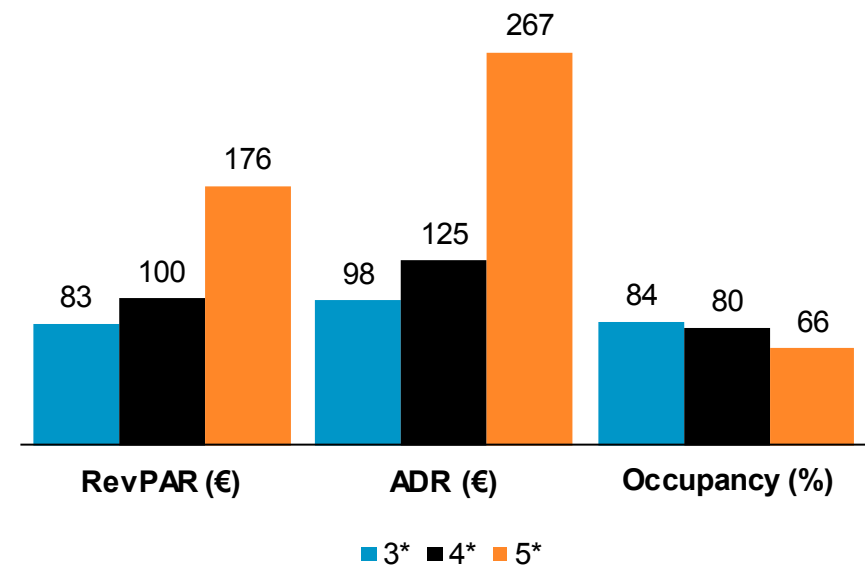
- In recent years, Barcelona-El Prat J.T. airport has undertaken a significant push to increase its intercontinental routes. In 2017 Barcelona's airport was the airport in Europe with the highest number of new intercontinental routes in Europe
- The Port of Barcelona is one of top cruise ports worldwide.

International tourist overnight stays in hotels in Barcelona, by nationality. 2017, % of total international tourist overnight stays



- In 2017, international tourists represented 85% of overnight stays in hotels in Barcelona and they showed a significant diversification across origins
- Barcelona is one of the top international congress cities (i.e. Mobile World Congress)

Hotel profitability indicators in Barcelona. 2018



- Barcelona is the urban destination with the highest RevPAR* in Spain. It also registers a larger RevPAR than other European cities like Berlin, Lisbon, Prague or Vienna.

* Revenue per Available Room

The sector is trying to spread the tourism benefits across the entire city and all seasons

Barcelona and the tourism market today: regulatory status

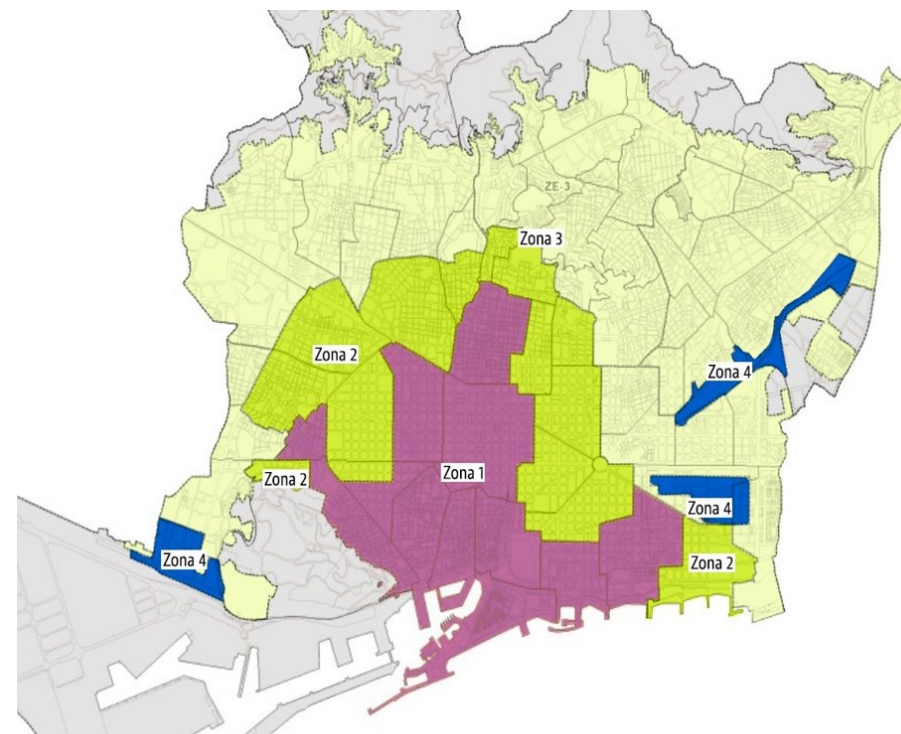


The Special Urban Plan for Tourist Accommodation (Moratoria Hotelera), which came into effect in 2017, regulates the establishment of tourist accommodation establishments in Barcelona.

it establishes different zones of action.

- Zone 1** Decrease is not possible to create new places and if an establishment closes down it cannot be replaced.
- Zone 2** Maintenance if an establishment is closed, another establishment can be opened with the same number of places. It does not admit the extension of existing establishments.
- Zone 3** Containment can be increased as long as the maximum density of spaces is not exceeded, which makes possible openings very difficult.
- Zone 4** Specific use planning.

A new crisis is expected with the imminent regulation by the Government of rooms for days in private homes



1

To alleviate the turistic pressure in some city areas with high tourist density

2

Citizens demand to give an answer to the worries and tension from residents towards tourists, facing touristic apartments frenetic growth

3

To find the balance between urban and diversification, to find a good fit for the touristic activity

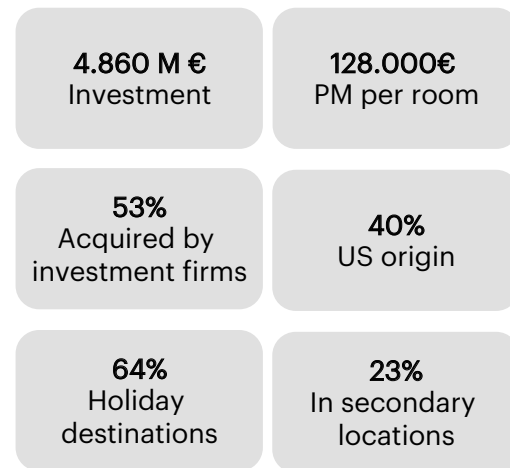
4

Right for housing. To guarantee the right for housing, rest, wellbeing and quality of space

Investors: sources of investment in the hotel sector in Spain

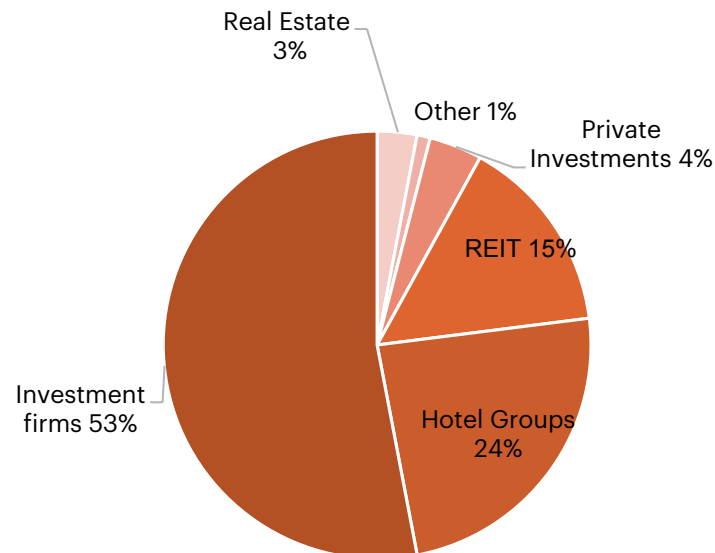


In 2018, hotels investment reached the record of €4,860m, which positions Spain as the first market in volume of hotel investment in continental Europe.

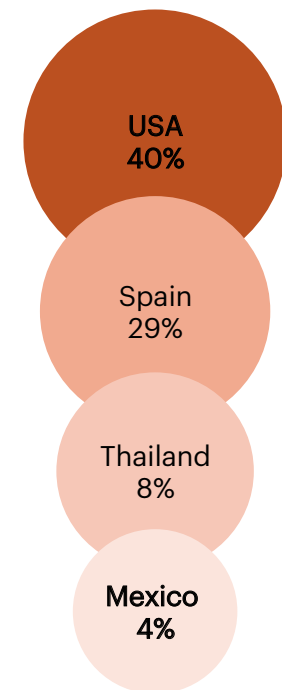


2018 –Another peak year

Investors by type



Funds per country of origin



Why Barcelona



Strategic location and market potential

- Strategic location: the capital of the Mediterranean sea.
- Market potential: Barcelona metropolitan area with circa 5M people, is the gate way to Southern Europe.
- Good international connections by sea, air and roads.
- Solid Infrastructure.
- Unique quality of life.

Competitiveness in costs

- Average salary level is in the lower to mid range among the most developed cities.
- Office and industrial rental prices are competitive, compared to other European cities.
- Housing is still cheaper than main European capitals.

Well positioned to generate and attract talent

- High quality education system with internationally ranked business schools: IESE and ESADE.
- The city is a talent magnet for internationals. 18.5% of the population are foreigners. The international talent attracted by the high quality standards and the interesting job offers, reinforced by the growing digital and tech ecosystem.

Tech, Digital and Knowledge Focus

- Diversified economy and traditionally very entrepreneurial.
- Growing startup hub: with 1,100 tech startups as the 5th European startup hub. In tech entrepreneurship, Barcelona is the 3rd most attractive city to set up a startup, after Berlin and London.

**Sources:**

- Eurostat
- JLL Deloitte
- Observatori Barcelona 2018 Report
- Barcelona Data Sheet 2018
- Cushman & Wakefield Data
- GDP Data Source: Oxford Economics

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