

Annual CPI

2.70 %

Spain GDP/Capita

32.1 mil

Spanish Population

49.32 mill.

INE Depend. Ratio

29.89%

Underlying Ann. CPI

2.40 %

Spanish Pop. +65 Yrs

10.19 mill.

Spanish Pop. +80 Yrs

3.03 mill.

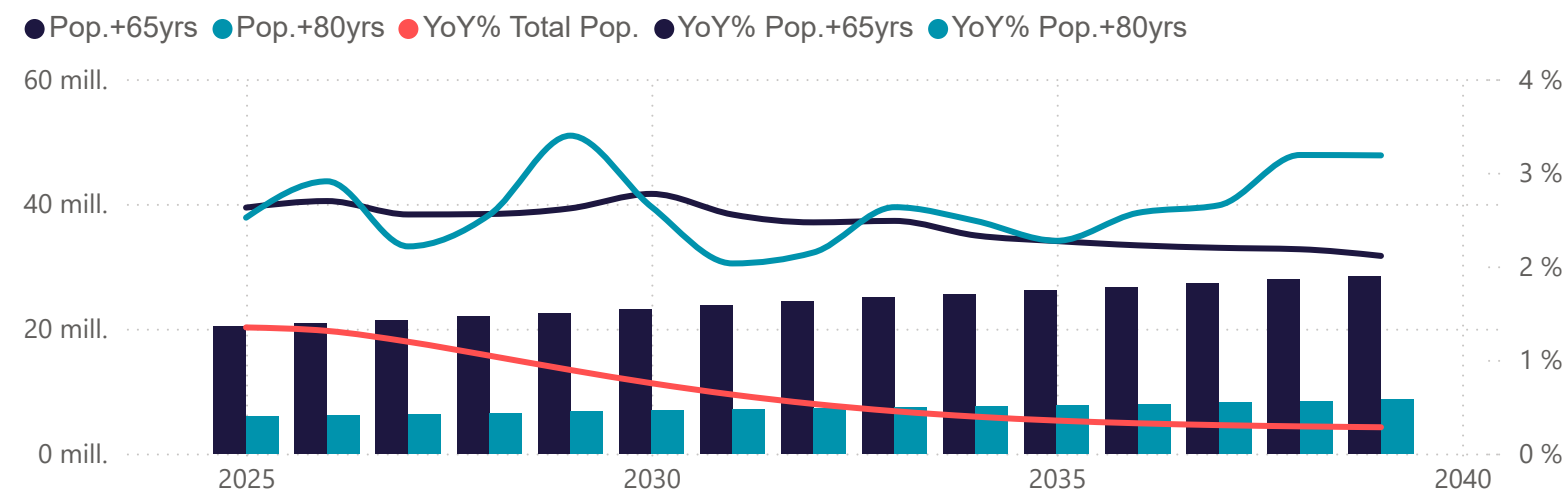
Spanish Prime Yield

5.4/5.5%

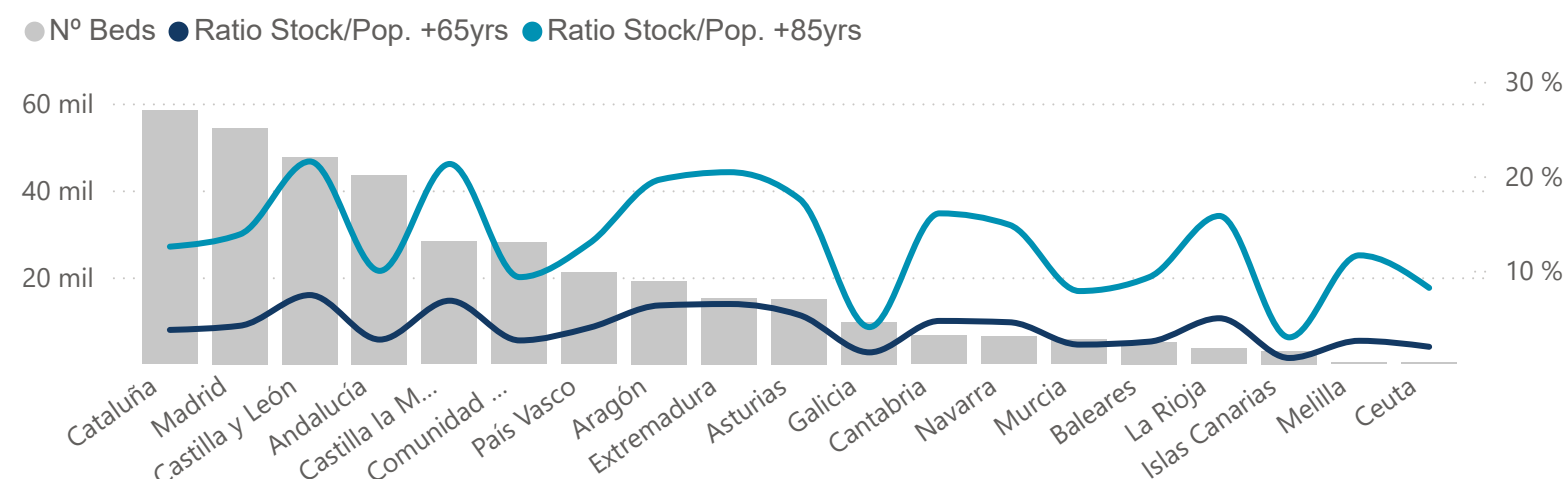
Market Context

- Strong fundamentals in Spain due to high average life expectancy and an ageing population, forecast to be the oldest in Europe by 2050. The home ownership ratio in Spain is 75% (as at 2025, down from 78% in 2014) which is above the European average. This provides a financing source for residents to fund their care into old age (often via a Reverse Mortgage);
- Lack of beds (more than 100,000 more beds to maintain an appropriate ratio compared with other European countries), obsolete stock and fragmented market with the potential for consolidation (the top 10 operators hold no more than 25% of total beds);
- Investment and development activity has been subdued, since 2023, due to higher costs of finance and increased construction costs, impacting on the ability to "forward fund".
- Operators are reporting positive occupancy data and fast ramp-up of new care homes, in part due to lack of new supply, as commented above. Tariffs are having to increase due to this increase in initial up-front cost as well as rising opex, driven by increased regulation, staff/patient ratios, a shorter working week and increased leave rights. Notwithstanding this, the market is responding positively with private patients paying higher tariffs.

Spanish Population Projection and Variation %YoY



Spanish Population Projection and Variation %YoY



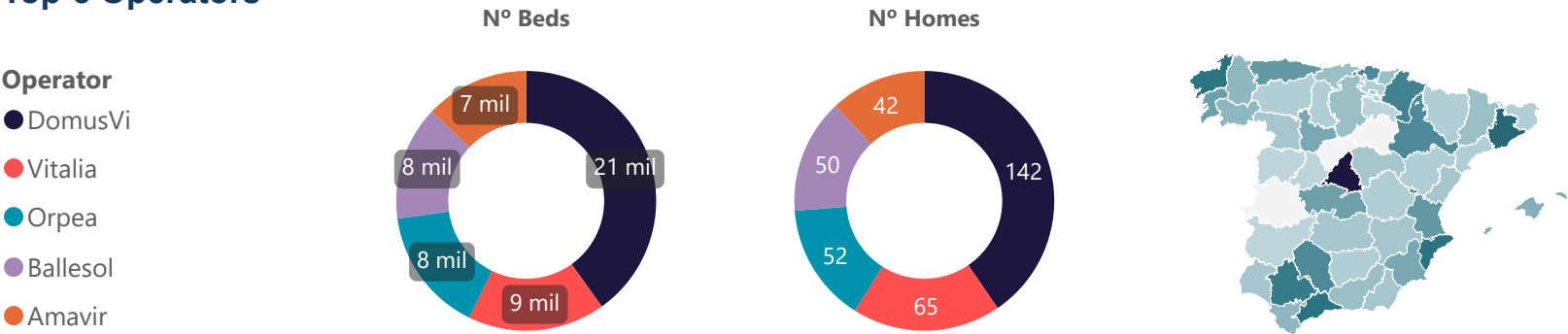
Demographic Evolution

- Spain enjoyed a baby boom during the 60's during which the Spanish birth rate amounted to more than twice its current rate of 7.74 births per 1000 people. Baby boomers who are currently in their 60/70s today account for 25% of the Spanish population.
- Spain's population doubled during the twentieth century, but the growth pattern was uneven due to significant internal migration from rural areas to industrial cities.
- In 2025, Spain's total population stands at 49,32 Mn representing a slight increase compared to the previous year. The fertility rate has fluctuated over the years; in 2024, the Total Fertility Rate (average number of children per woman) was 1.4 (+7.69% vs 2023).
- By 2050, Spain is projected to have the second-highest old-age dependency ratio among European countries. Additionally, as of 2025, Spain has the second-highest life expectancy in the European Union, at 84.25 years.

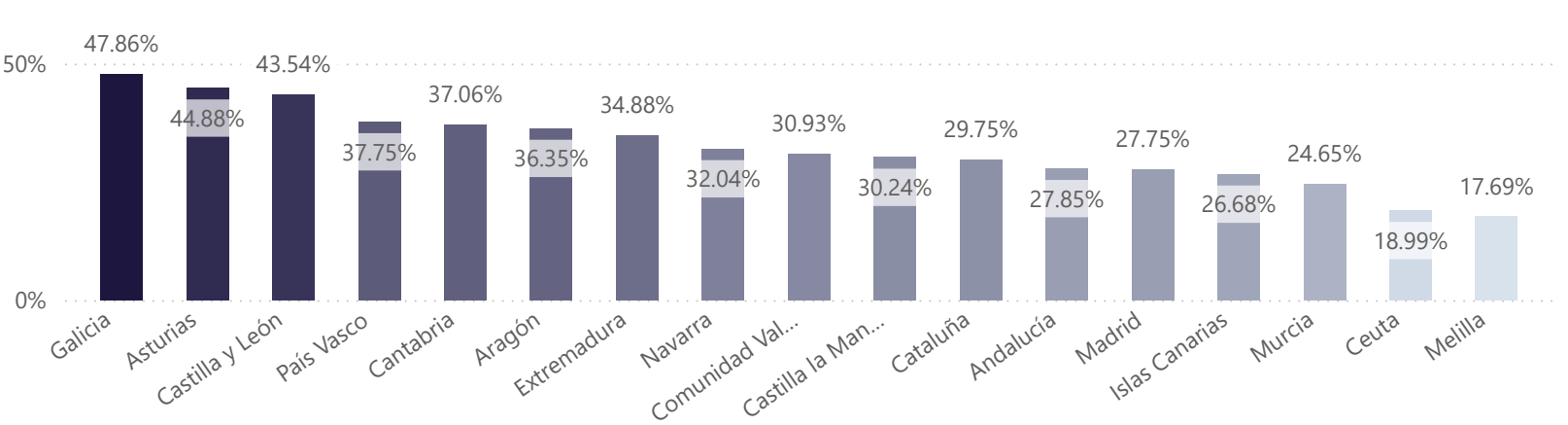
Operator Landscape

- According to the latest available data, Spain has c.6,000 nursing homes offering a total capacity of approximately 410,000 beds.
- There are plenty of operators in this highly competitive market, of which the top 8 operators are: DOMUS VI, ORPEA, VITALIA, AMAVIR, BALLE SOL, CLECE, COLISÉE and SANITAS which account for almost 25% of for-profit nursing home supply in Spain.
- The overriding trend is for operator expansion in Spain's major cities, Madrid and Barcelona, and along the Mediterranean Coast. These areas are the primary interest of operators, investors and developers, although certain more secondary cities with a strong local economy supporting purchasing power, are also attractive.
- Operators are investing in their facilities and have an appetite to expand into brand new properties delivering the highest sustainability standards and adapted to the latest tendencies (majority single rooms, cohabitation units, etc) and tailored to optimize operational expenses.
- The top 5 operators have a particularly strong presence in the areas shown with more intense shading in the map below, which remain the areas most sought after for expansion.

Top-5 Operators



Dependency Ratio - 2025

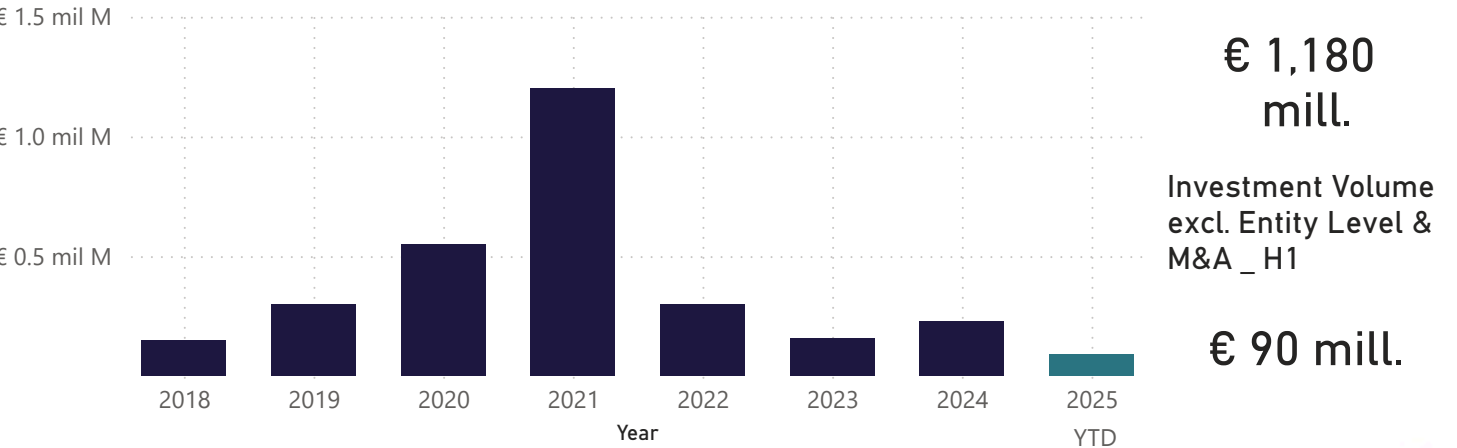


Investment Volume Evolution

- The large deal of 2024 was Romano Senior's acquisition of 11 assets from DomusVi (92€Mn), closed in a rapidly organized process to generate liquidity for the vendor. Aside from this deal, 2024 was a year of smaller transactions including Caser's acquisition of two residences operated by Novallar, Wellder's expansion with a newly built 136-bed asset in Badalona plus a 696-bed portfolio across Alicante and Pamplona, and Atland Voisin's purchase of four nursing homes from Korian (€25Mn).
- In 2025, the year began with a portfolio transaction by Lantus Group and three individual asset deals in Madrid. Also, Inversiones Saarema acquired *Sanitas Mirasierra* for **€24M**.
- During the second half of 2025, Spain's senior care and mental health market has been active in terms of M&A deals. At property level we have seen Bel Edad acquiring the *Residencia de Mayores de Sils* (Girona), Aedifica group acquiring the *Novaedat Mutxamel*, and other asset acquisitions in Catalonia and La Rioja, although all of these being smaller lot sizes ranging from **€3M to €7.5M** per asset. A standout transaction was **Neural's acquisition of the Mentalia portfolio** from DomusVi, comprising **57 centers** and serving over **14,000 patients annually**, with an estimated value of **€100M**. Additionally, **StepStone Group** finalized the acquisition of a **majority stake in Vitalia valued at €900M**, reinforcing its position as a leading operator in Spain's healthcare sector.
- Presently, with financing costs improving and the large institutional players less over-leveraged, we are starting to see more interest from these players in investment opportunities, as evidenced by Aedifica's purchase in Alicante.

Investment Volume (€Mn)

*land transactions not included



Prime Yield

- The prime yield for nursing homes is in the order of 5.40/5.50% for top cities/locations, providing high quality accommodation that is energy efficient with predominantly single-rooms, plus good track-record, a long fixed-period lease and with established operators of strong covenant. It is difficult for second-hand product to "tick all the boxes" hence transactions on older properties tend to close at higher yields, as much as 6.00% or above. However, brand new schemes with a top tier operator on a long lease and with a strong business plan are highly sought after and can achieve yields approaching prime.
- After 2-3 years of dominant activity on the part of more recent entrants to the Spanish market we expect to see a return of the more traditional players and it will be interesting to observe how the Madrid Region's "Plan Velocidad" sale process advances when it gets underway in the coming months.

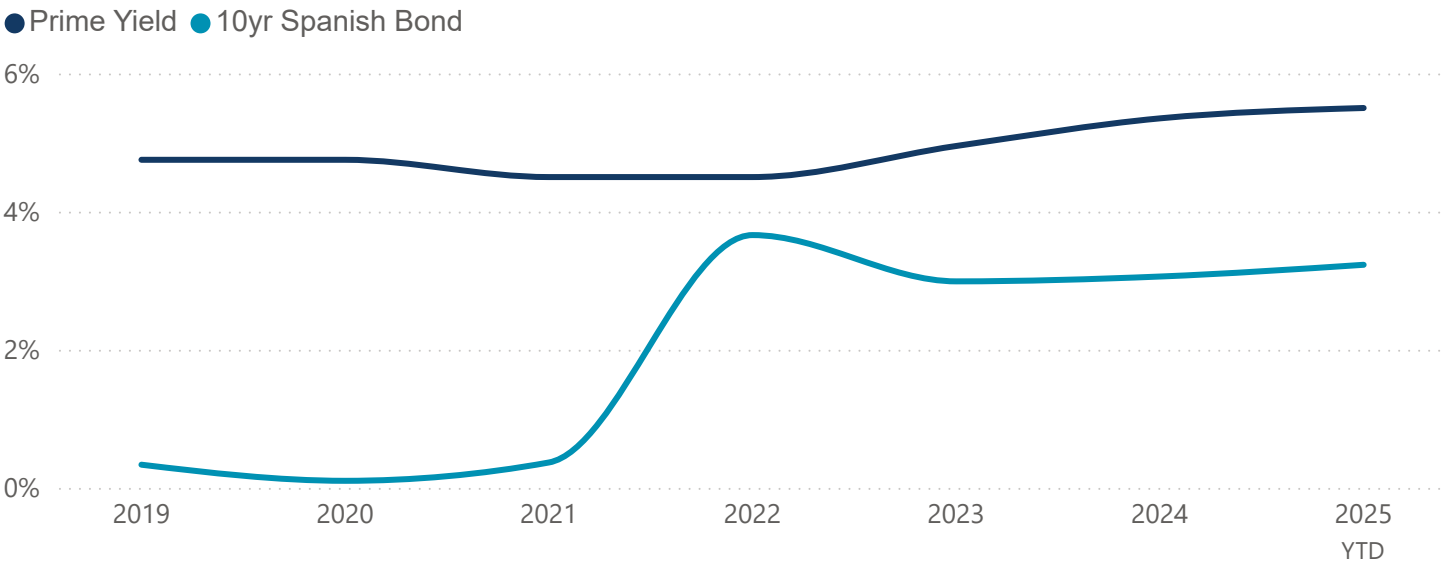
Transactional Trends

- 2024 began with interest rates and inflation high but under control. Activity during H1 focused on small investment volumes, which increased with DomusVi's portfolio sale & leaseback in H2 2024, followed by portfolio acquisitions made by Wellder (€54Mn) and Atland Voisin (€25Mn).
- 2025 started with a portfolio transaction (Lantus Group) and six single-asset transactions. At an entity-level, a notable transaction was the €100Mn acquisition of Mentalia by Peninsula Capital, which will be integrated with the Neural clinics group. Year to date, asset transfers have totaled approximately **€90 M**, due to lack of portfolio deals (see table below), although there has been M&A activity which will continue into 2026, in particular with the expected merger of Aedifica and Cofinimmo.

Transactions

YEAR	LOCATION	ASSET / PORTFOLIO	BUYER	SELLER	PRICE (€Mn)	NUMBER OF BEDS
2025 Q3	Alicante	Novaedat Mutxamel	Aedifica	Conf.	7.5	120
2025 Q3	Girona	Residencia de Mayores de Sils	Bel Edad	Conf.	5	80
2025 Q3	Toledo	Nuestra Señora del Socorro	Threestones Capital	Residencia Geriátrica Nuestra Señora del Socorro	Conf.	80
2025 Q2	Barcelona	Sant Quirze del Valles	Grupo Gran Vida	Proteccions Patrimonials Verge del Carmen	7	40
2025 Q2	Caceres	San Martin de Porres	Bel Edad	Conf.	4	58
2025 Q2	Tarragona	La Mimosa	L´Onada Serveis	Frisel Serveis	Conf.	29

Prime Yield vs 10yr Spanish Bond



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Annual CPI	Spain GDP/Capita	Spanish Population	Students Public Inst.
2.70 %	32.7 mil	49.32 mill.	1.17 mill.
Underlying Ann. CPI	Annual Variation GDP	Spanish Prime Yield	Students Private Inst.
2.40 %	2.80 %	4.40 %	265.4 mil

Market Context

Strong fundamentals in the student accommodation sector which is largely under-developed despite greater institutional presence in recent years, with current product being managed by small local investors, public entities and religious orders while the product under development is being managed by institutional investors.

General undersupply (provision rate of 7%) vs other European markets with a significant proportion of stock that is obsolete.

The market is highly fragmented with the top 10 platforms making up less than 45% of the total supply of student beds.

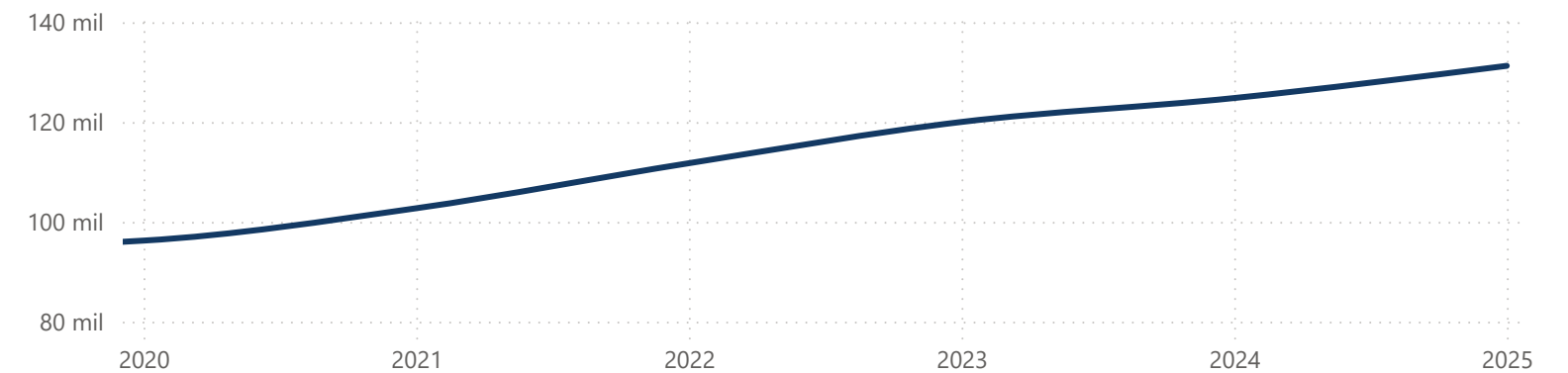
Strong investor appetite focused on greenfield/brownfield developments not only in Tier 1 cities but also in Tier 2 and "decentralized" locations.

Target Students/Trends

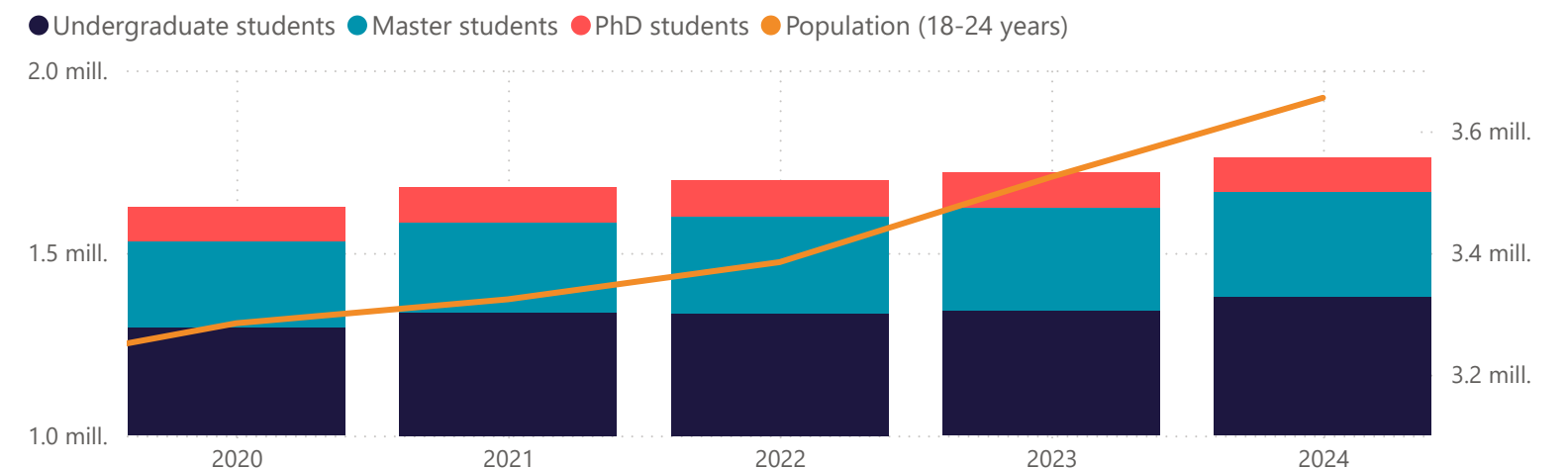
Significant increase in international students due to:

- 1) Affordability - the cost of living and education in Spain is still below that of most competing destinations;
- 2) Lifestyle - The temperate climate together with Spain's cultural offer (food, leisure, beaches, ski resorts, night life, etc.) makes Spain an attractive destination;
- 3) Education quality - There are 9 Universities within the "QS World's Top 500 World-Leading MBA Programs";
- 4) Spanish Language - There are historic / cultural links with LATAM.

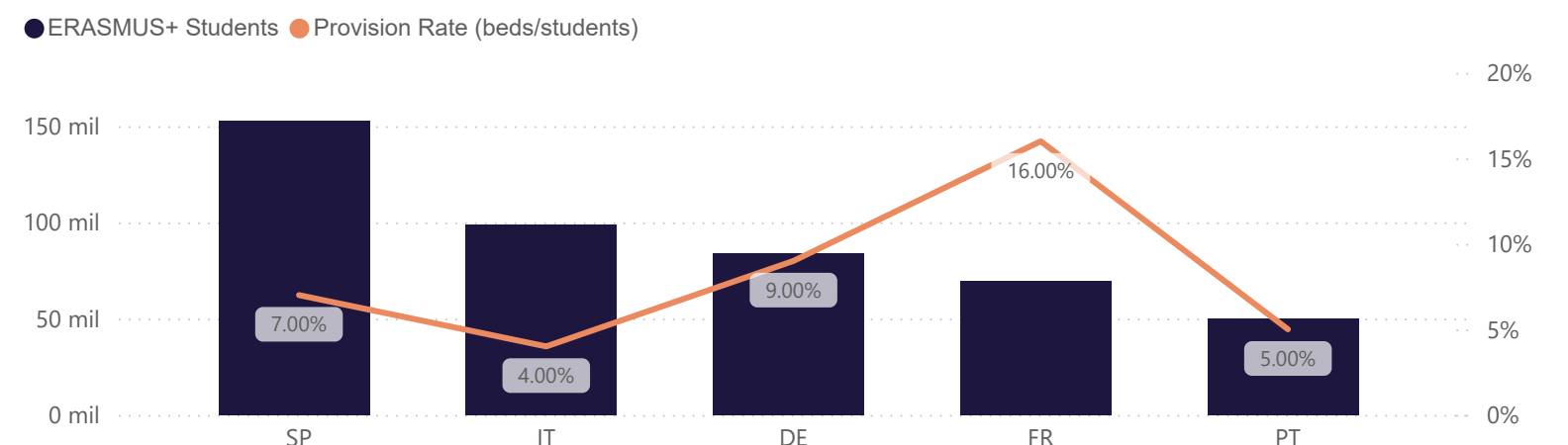
PBSA Stock Evolution



Students & Population Evolution



ERASMUS+ Students and Provision Rate



Operator Landscape

Top 5 operators manage around 40,000 beds, representing c. 38% of the total in the market.

Most operators continue with their expansion plans and they are progressively becoming more active in finding opportunities in new locations.

The top 5 operators have a particularly strong presence in the areas shown with more intense shading in the map below, being focused in Madrid, Barcelona and the coast, mainly in major student cities such as Granada and Valencia, Navarra & Salamanca.

The top 5 spots are in close contention, with a total pipeline of almost 20,000 beds. The operators with the biggest pipelines are not in the current top 5. There is currently a pipeline of more than 5.000 beds with no known operator agreement.

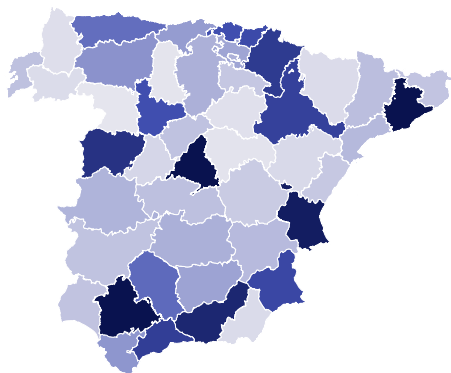
Top-5 Operators

- RESA
- MiCampus
- Yugo
- Nido / Livensa
- Xior

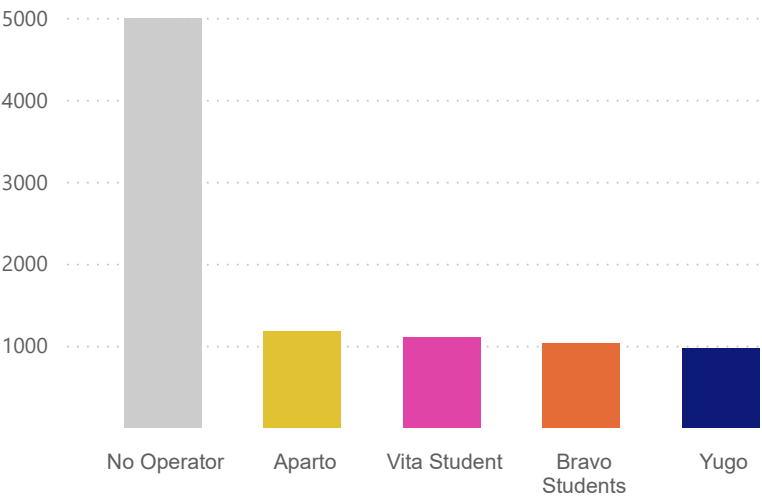
Stock 2023-24



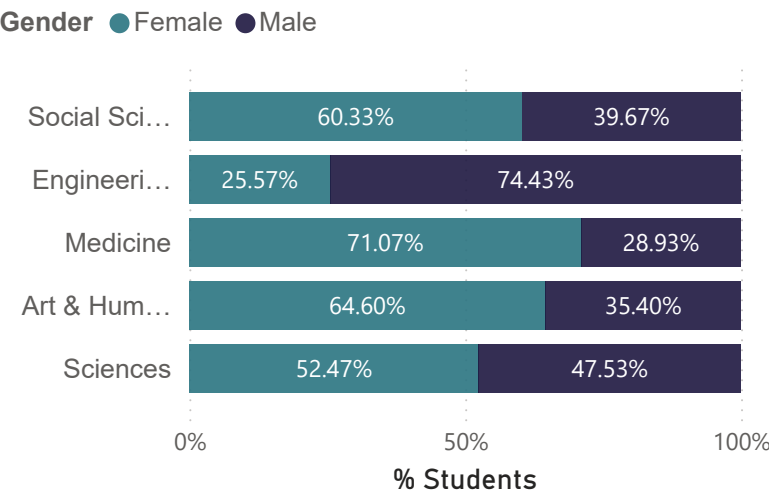
Stock 2024-25



Pipeline Beds



Student Gender per Area of Study



Investment Volume Evolution

Annual investment volume activity varies considerably depending on the transaction of large portfolios, often at entity level as part of an M&A deal, with changing ownership of the holding company.

In 2025 the big transaction has been Livensa Living, sold by Brookfield to CPPIB for €1.2bn. In our deal volume analysis we treat this as a property level deal (not M&A) as it was a 100% acquisition of the entire platform, to incorporate it within CPPIB's Nido portfolio. Also, as the 13 assets in the portfolio were in both Spain and Portugal we treat the deal volume at a level of €900mn, in agreement with other market analysts.

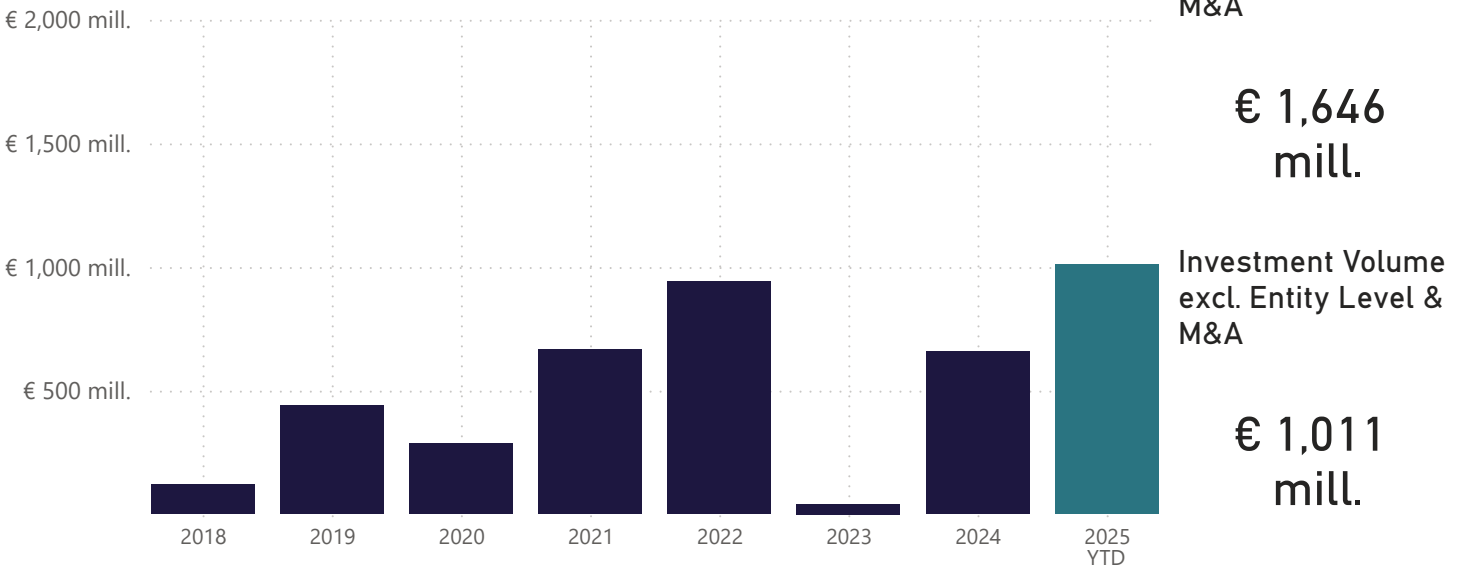
The other notable transactions of 2025 have been single-asset deals, predominantly involving the Ardian/Rockfield JV that has so far this year closed on two deals, one in Poblenou, a mixed-use (Office/PBSA) building of 347 beds, and a forward purchase of a 369-bed PBSA development in Terrassa.

In 2024, overall deal volume was low. Only one large portfolio was transacted, Azora's acquisition of EQT's platform of 12 residences for €450mn. The other transactions were: (1) Morgan Stanley acquiring two residences in Barcelona from VITA Student (€150mn); (2) Invesco acquiring "Residencia Les Roches" in Marbella from Dazeo (€25.3M).

We have to go back to 2021 and 2022 for the previous portfolio transactions, including: (1) XIOR from SPS (HUBR) at €85M; (2) Commerz Real in Barcelona at €100M; (3) RESA to PGGM at €800M; and (4) Patrizia's acquisition of two Student Hotel residences (€104M).

Investment Volume (€Mn)

**land transactions not included*



Prime Yield

In early 2022 yields in PBSA peaked at 4.25% in respect of good quality product in Madrid/Barcelona. Since then, they increased to 5% / 5.25%, however they are now compressing again, to 4.4% as of Q3 2025, which is not far from where they peaked. This demonstrates the resilience and attractiveness of this segment amongst investors today.

Although we do not refer to yields in the table of transactions below, we are of the view that investors targeting prime freehold student housing in Madrid and Barcelona, on the basis of a single-asset deal, would be prepared to accept initial returns on the best income-producing PBSA assets in the order of 4.40%. If it were a portfolio transaction then the price allocation to the best assets would probably be a little sharper than this level.

Transactional Activity

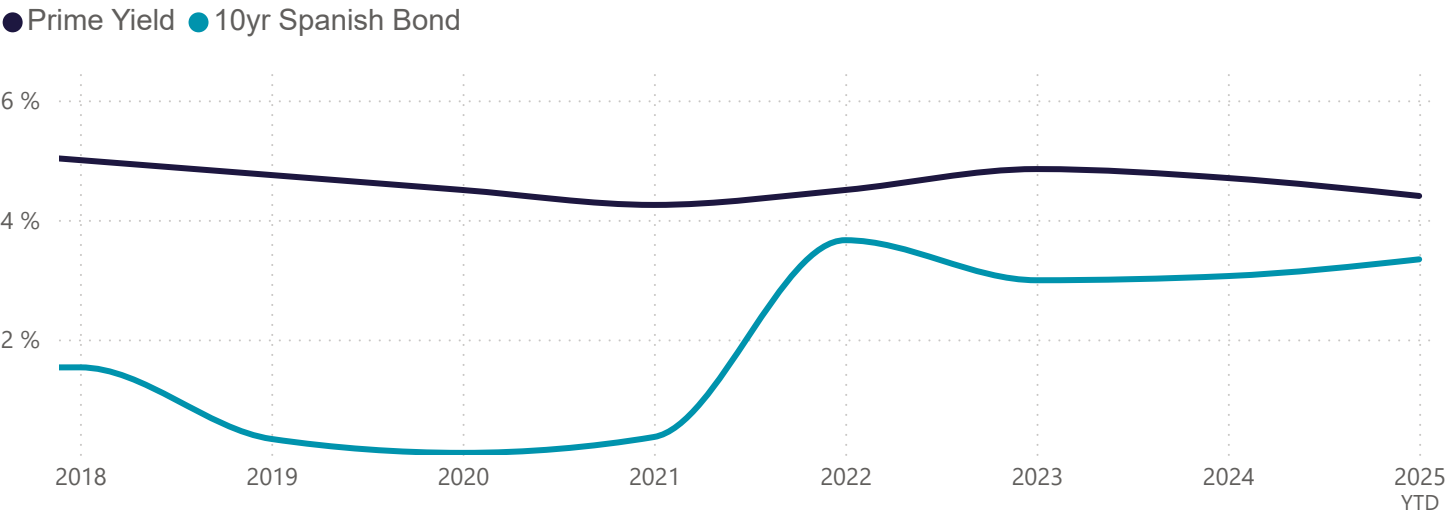
In previous years the high transaction volumes were mainly driven by portfolio deals, including the acquisition by PGGM of the RESA portfolio in 2022. High inflation and interest rates mid-2022 to mid-2024 limited portfolio transactional activity. In H2 2024, EQT sold a portfolio of 12 brand-new schemes to Azora for a reported price of €450Mn. In 2025, Brookfield closed the sale process of the Livensa Living portfolio to Nido Student (CPPIB), at an asking price of c.€1,200Mn. These transactions demonstrate the market appeal and strong liquidity of PBSA product and the competitive interest on the part of institutions to expand their PBSA footprint in Europe.

In respect of single-asset deals, Ardian/Rockfield purchased a turnkey development in Terrassa, Barcelona. The transaction was a price of close to 100k€ per bed, with operations commencing for the start of the 2025/26 Academic Year. This acquisition is part of a broader move by this investor to expand their portfolio in Spain and Europe..

Transactions

YEAR	ASSET / PORTFOLIO	BUYER	SELLER	Nº BEDS	PRICE (€Mn)	PRICE (€/BED)
2025 Q3	Turnkey in Terrassa	Ardian/Rockfield	Acciona	369	35.75	96,883
2025 Q2	Livensa Living Spain&Portugal Portfolio	CPP Investment Board	Brookfield Asset Management	~9000	1200	Conf.
2025 Q1	Aparto Cristóbal de Moura	Ardian/Rockfield	Henderson Park / Hines	347	Conf.	Conf.
2024 Q4	12 assets Nodis Portfolio	Azora	EQT & Moraval	4100	450	109,756
2024 Q3	Residencia Les Roches	Invesco	Dazeo	212	25.3	119,339
2024 Q1	VITA Poblenou and VITA Pedralbes	Morgan Stanley	Vita Group	642	150	233,644
2024 Q1	Youniq Barcleona	The Boost Society	Corestate Capital	265	35	132,075

Prime Yield vs 10yr Spanish Bond



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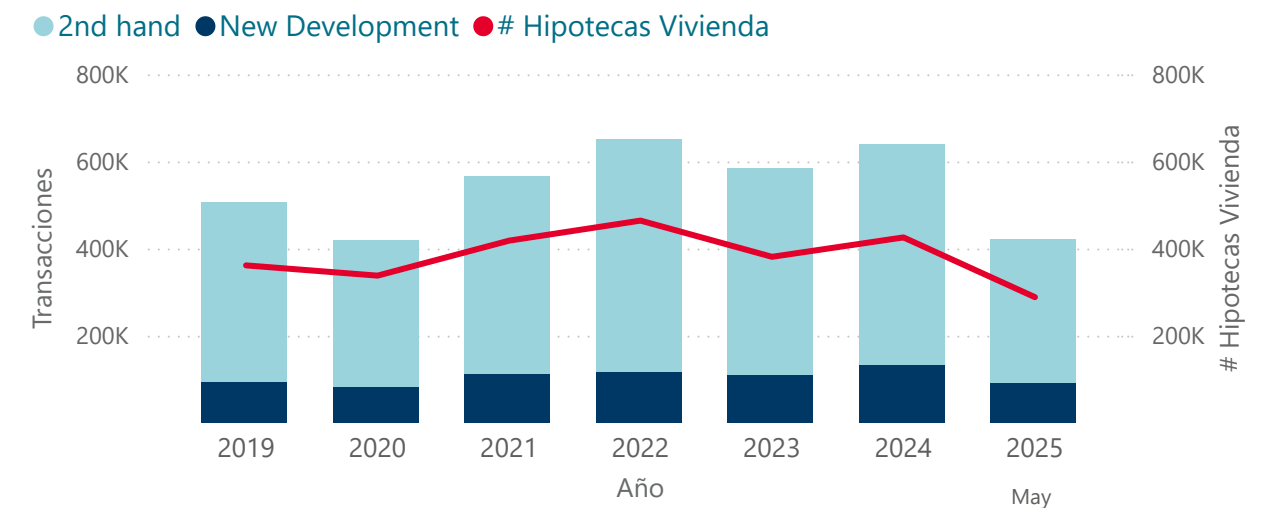
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Total Residential Transactions 2025 to July	YoY % Total Residential Transactions	PRS, BTR & FLEX Investment Volume H1 2025 €	YoY % PRS, BTR & FLEX Investment Volume
422K	18.76%	875M	52.00%
Prime City Centre Madrid Market Rent € sqm month	Prime City Centre BCN Market Rent € sqm month	Decentralized Madrid Market Rent € sqm month	Decentralized Barcelona Market Rent € sqm month
25.0	23.3	20.0	18.3
Prime City Centre Yield Madrid	Prime City Centre Yield Barcelona	Decentralized Yield Madrid	Decentralized Yield Barcelona
3.75%	3.95%	4.15%	4.25%

Market Context

- The number of housing transactions up to July 2025 reached 422,000, an 18.76% increase compared to the same period in 2024, reflecting strong demand driven by the significant decline in Euribor.
- Investment volumes in PRS, BTR, and Flex Living have increased notably in H1 2025 compared to the same period in 2024, with Flex Living maintaining strong momentum and a gradual improvement in BTR/PRS activity. Notwithstanding this, 2024 had a strong finish, so total 2025 activity should be similar to last year.
- The BTR delivery pace remains relatively solid, with over 8,000 units completed in 2024—in line with 2023—while Flex Living deliveries reached 6,000 units in 2024, representing growth of over 200%. This brings the total accumulated stock to approximately 25,500 BTR units and 11,900 Flex Living units (excluding public housing projects and considering only private capital).
- Despite this increase in stock and supply, given the high demand for product—which is also growing—BTR/PRS/FLEX rental prices continue their upward trend, rising by more than 10% year-on-year.
- In contrast to the sector's strong fundamentals, there has been an increase in residential rental market regulation. On the one hand, through the designation of stressed zones in several parts of Spain—particularly in Catalonia—which imposes rent controls; and on the other, through the introduction of the IRAV index for rent updates, designed to be more stable and lower than CPI, excluding energy costs.

Residential Transactions (New, 2nd Hand) & Mortgages Spain



Trends

- Increasing rental demand over recent years due to:
 - (1) Increased costs of purchase making it difficult for first-time buyers to enter the market and having to resort to renting;
 - (2) Less housing in development to constrain further price increases;
 - (3) Slowdown in salary increases and disposable household income, combined with relatively persistent inflation.
 - (4) Continuous decline in the number of people per household, especially since Covid.
- Restricted rental supply and continuous increase of market rents. The gap between demand and supply is likely to continue over the coming years, continuing to drive market rental growth.
- A strong tendency for more seasonal lettings (less than 1 year) to avoid the IRAV index that applies to all rental contracts signed after May 2023.

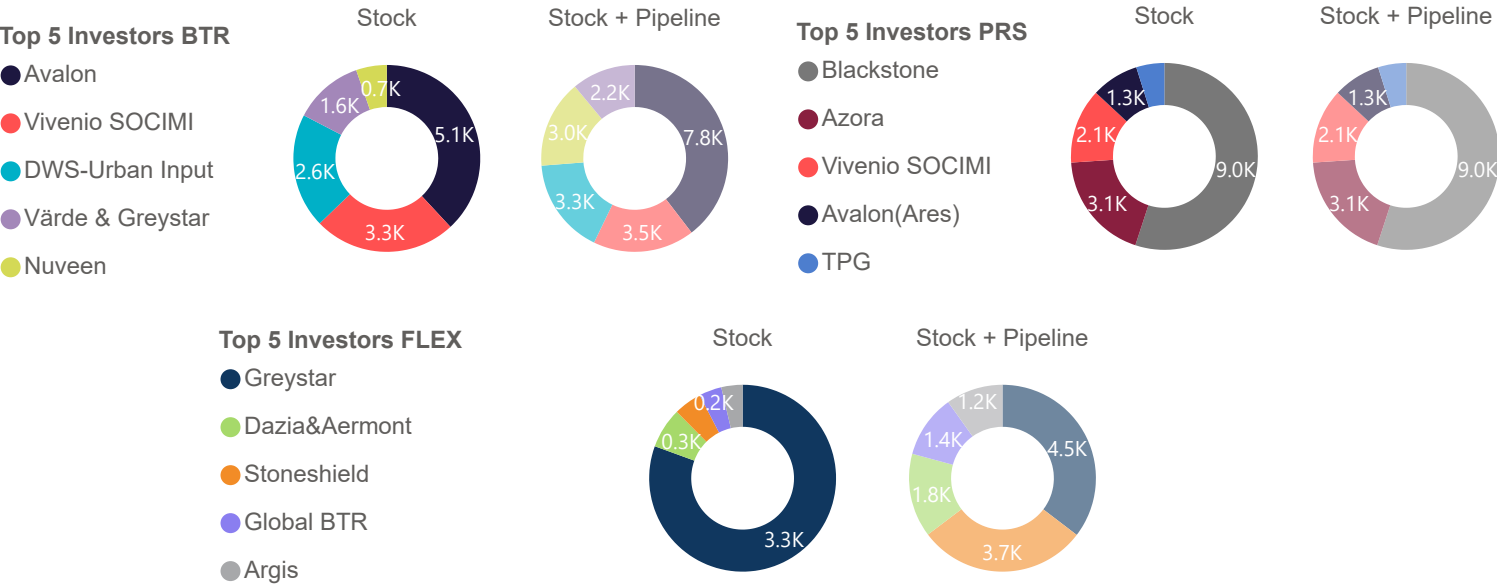
Stock and Pipeline

- Over recent years, institutional investment has driven rapid growth in the **BTR** sector adding significant stock each year in the order of 5-10,000 units annually. If we add this to the existing PRS stock of approximately 20,000 units the total PRS/BTR segment represents an important proportion of the real estate investment market.
- The most dominant investors, shown in the graphs to the right, hold significant market share, with the Top 10 accounting for 60% of the total market. Among them, Avalon is the current leader, holding a market share of 18%.
- **PRS** has remained stable, with stock consistently ranging between 20,000 and 20,600 units from 2017 to 2025. This sustained level reflects the sector's established and resilient presence in the rental market.
- Notwithstanding this, over the coming months we may see significant changes in ownership as some of these leading players look to exit their positions.
- Another important tendency is the **Flex Living** segment which has experienced steady growth, expanding from 2,000 units in 2021 to nearly 12,000 units in 2025. Stock tripled between 2022 and 2024, showing the dramatic growth of this asset class. A robust pipeline of 17,820 units brings total expected provision in the sector to nearly 30,000 units, signaling strong momentum and increasing investor interest.

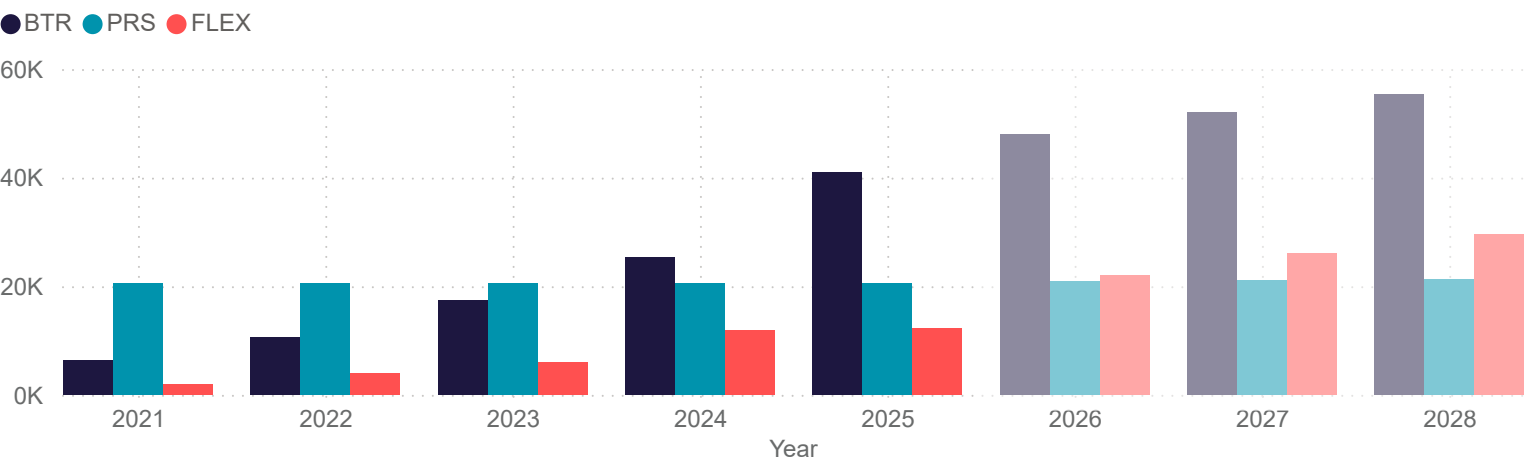
Investment Volume

- In Q3 2025, the **BTR/PRS** transactional market (including affordable housing) reached a cumulative volume of €656 million (€481 million in BTR and €175 million in PRS).
- The **Flex Living** segment continues to strengthen its position within the residential investment market, with a volume of €219 million year-to-date in 2025.
- The total accumulated investment volume up to Q3 2025 amounts to €875 million. However, the performance in the final part of the year will determine whether the total volume recorded in 2024 will be matched or surpassed.
- Finally, it is worth noting that sharp rental price increases in recent years have pushed affordability ratios to very high levels, especially in central Madrid and Barcelona. This has intensified pressure in these areas, where often only wealthy foreign residents can afford to live. Investment in multifamily (BTR & PRS) and Flex Living through public-private initiatives is undoubtedly the best approach to alleviating market tension.

Main Investors Share & Units

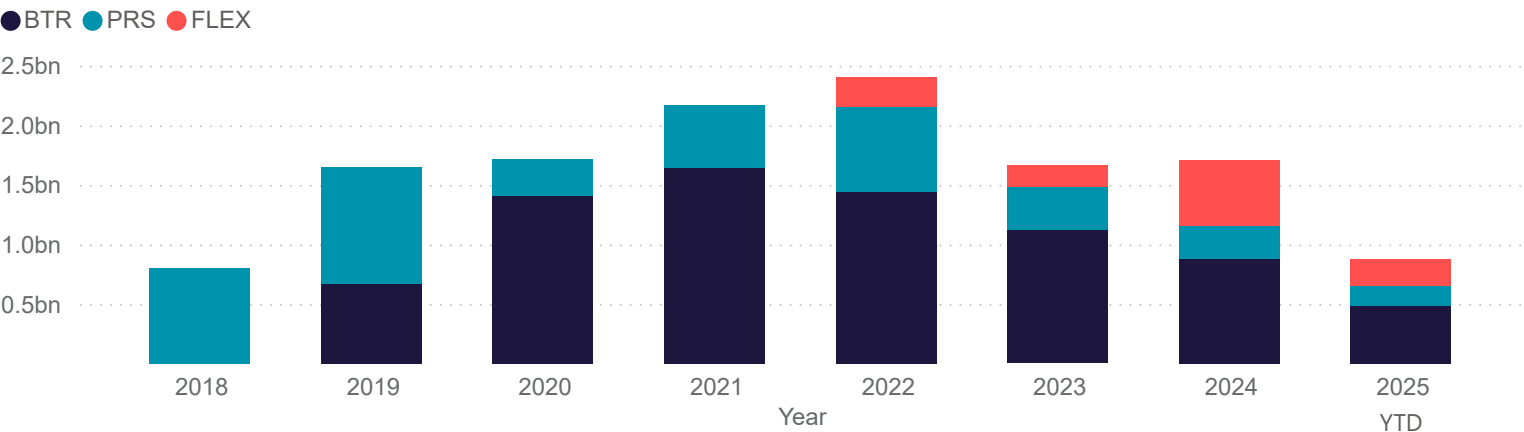


Stock Evolution and Forecast



Investment Volume (Bn€)

*land transactions not included



Prime Yields

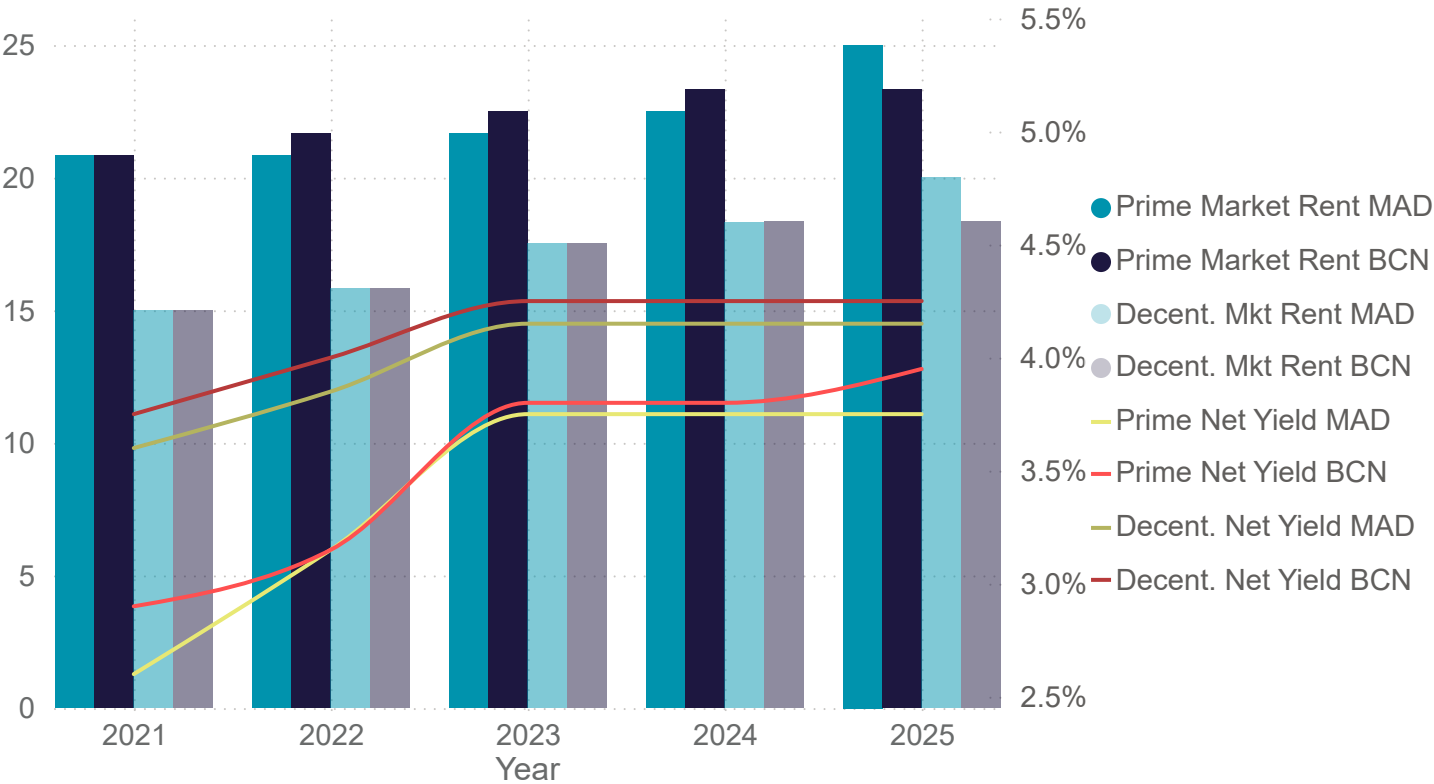
- The current net yield for established prime city center PRS is 3.75% in Madrid and 3.95% in Barcelona. For the best decentralized product the current yield is 4.15% in Madrid and 4.25% in Barcelona.
- The outlook for future yield evolution is currently stable although we will need to observe closely a number of importnat sale processes that are being launched to the market and the category of buyer that closes on these deals (see further comments below).

Transactional Activity

- In the first half of 2025, transactional activity has been steady, maintaining the same trend observed during 2024. The outlook for Q4 and next year is similar, possibly with increased volumes being achieved in the event of the successful sale processes being initiated by Ares, Blackstone/Fidere and Azora. In the case of Ares 50% of their portfolio (held freehold) is in advanced negotiations with the Healthcare of Ontario Pension Plan.
- The most notable transactions of Q3 2025 include: the purchase by Hines of 531 residential units in Cuatro Vientos (Madrid) from the Stay brand for €155 million; the sale by Tectum to Vivenio of 200 residential units in Villaverde for €50 million; the acquisition by Impar Capital from Telefónica to create 67 short- and medium-stay units in Madrid with an investment of €30 million; the acquisition of 480 affordable homes in Seville by Blue Coast Capital, managed by Bialto; and the sale by AP67 of two residential buildings in Leganés for €13 million;

YEAR	TPOLOGY	LOCATION - CITY	BUYER	SELLER	Nº OF UNITS	Price (€Mn)
2025 Q3	BTR	Madrid	Conf.	AP67	Conf.	13
2025 Q3	BTR VPO	Sevilla	Blue Coast Capital	BTR Hispalis	480	Conf.
2025 Q3	BTR	Madrid	Conf.	Hines	Conf.	160
2025 Q3	BTR	Madrid	Private Investor	MERLIN Properties	Conf.	32
2025 Q3	BTR	Madrid	Hines	Nuveen+Kronos	Conf.	155
2025 Q3	BTR	Madrid	Vivenio Residencial	Tectum	Conf.	17,98
2025 Q3	BTR	Madrid	Vivenio Residencial	Tectum	Conf.	31,8
2025 Q3	Short Stay	Madrid	Impar Capital	Telefónica	67	Conf.

PRS/BTR Prime Net Yields and Market Rents



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