Local Markets

Q4 2017

Regions, Provinces and capitals

QUATERLY Report

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1 CONTENTS

This report aims to provide a snapshot of the residential property market situation based on price changes using information from Tinsa valuations together with other financial and market activity indicators.

The report includes the changes in market values of properties in each region, province and provincial capital in Spain. These changes are shown in a set of price series known as Tinsa IMIE Local Markets.

The indices, available for consultation online using the Interactive IMIE tool on the Tinsa website, have greater local detail than those in the Tinsa IMIE Large Markets, whose general index and five area indices represent much larger geographical areas. Another important difference between the two comes in their publication frequency. While the Tinsa IMIE Local Markets comes out on a quarterly basis, Tinsa IMIE Large Markets is published every month.

As regards everything else, all information comes from the same data base. The series share the same methodology and are therefore comparable. Quarterly data for the general index is obtained from the average of the corresponding monthly figures.

In this report, Spain's largest cities (Madrid, Barcelona, Valencia, Seville and Zaragoza) are analysed at district level. Among other information relevant to activity in the residential property sector, we provide themed maps that represent on a predefined scale square metre prices in each district and their year-on-year change.

Complementing the information about prices, the report offers additional interesting information for market analysis such as mortgages, affordability and average sales times.

The content of the report is divided into five large sections:

1 · Executive summary

2 · Price analysis

- General maps for regions, provinces and provincial capitals with their corresponding year-on-year change in property prices, shown by varying shades in colour depending on the rate of increase or decrease. Accompanying the maps are tables showing the latest average square metre price for each area, the year-on-year change, cumulative value since prices reached their peak, cumulative value so far this year (the difference between the last quarter in the previous year and the current quarter) and price changes in the same period of the previous year. *Source: Tinsa.*
- Maps of districts in the five largest cities in Spain (Madrid, Barcelona, Valencia, Seville and Zaragoza) with the year-on-year price change in each, shown varying shades in colour depending on the rate of increase or decrease. Accompanying the maps is a table with the latest average square metre price in each district and the year-on-year change. *Source: Tinsa.*

3 · Financial indicators

- A map of the provinces showing the average size of mortgage, indicated by shade of colour depending on the amount. This is accompanied by a regional and provincial table. *Source: Spanish National Statistical Institute (INE).*
- A map of the provinces showing annual mortgage payments, indicated by shade of color depending on the amount. This is accompanied by a regional and provincial table. *Source: Registrars Association, INE and own.*
- A map of the provinces showing affordability, measured as a percentage of gross annual salary needed to pay the first year of a mortgage. The percentage of affordability is indicated by shade of colour depending on the amount. This is accompanied by a regional and provincial table plus affordability maps in the districts of Spain's five largest cities. *Source: Tinsa.*

4 · Activity indicators

- Liquidity map for each province showing the average time it takes to sell a property. It is accompanied by a table for the regions, provinces and five largest cities. *Source: Tinsa.*
- Graphics showing the number of sales and building licences per 10,000 properties (provincial supply). *Source: Spanish Development Ministry (Ministerio de Fomento).*

5 · Short methodology summary on how the indices are constructed.

2 EXECUTIVE SUMMARY

In Q4 2017, the average price for property in Spain (new-build and resale) reached €1,264 per square metre (m^2), up 4.2% on the same period in 2016, according to provisional figures in the Tinsa IMIE Local Markets index. The data shows a moderate growth in prices generally, although there continue to be significant differences between regions moving at different paces.

The year-on-year changes in prices registered in Q4 is higher than the 3.8% in Q3, the 2.7% in Q2 and the 1.8% in Q1. The average fall in prices in Spain from their peak in 2007 stands at 38.3%. The end of 2017 was characterized by an end to price increases in Catalonia and particularly in Barcelona where average values went down by 1.7% between Q3 and Q4.

Regions

Navarra, with a year-on-year increase of 15.3% and the Comunidad de Madrid with a 15.1% rise, stand out as the regions where property prices went up the most, ahead of Catalonia (up 8.9%) and the Balearic Islands (up 7.5%). Just two regions registered price drops over the last year: Castilla-La Mancha (down 6.1%) and Extremadura (down 2.2%), together with the Basque Country where the general trend is of stabilisation (prices fell by 0.1%).

The Comunidad de Madrid continues to have the most expensive average prices (€2,082 per m^2), followed by the Balearic Islands (€2,023 per m^2), the Basque Country (€1,992 per m^2) and Catalonia (€1,770 per m^2). Castilla-La Mancha takes over from Extremadura as the cheapest region with an average price of €751 per m^2.

The largest differences between peak prices in 2007 are found in Castilla-La Mancha (down 54.7%), followed by La Rioja (down 53.5%) and Aragon (down 50.1%). At the opposite extreme, the least differences between the highest point of the property cycle and now are in the Balearic Islands (down 25.9%), Extremadura (down 31.1%) and Galicia (down 32.3%).

Price statistics for this quarter are not available in Ceuta and Melilla since they are not representative.

Provinces

The previously mentioned Navarra and Madrid are the only provinces with year-on-year price rises in excess of 10% in Q4 2017, ahead of Barcelona (up 9.5%), Huelva (up 7.9%) and the Balearic Islands (up 7.5%). Making up the group of provinces with increases over 5% are Granada (up 5.8%), Alava* (up 5.5%) and Santa Cruz de Tenerife and Soria (both up 5.4%).

A total of 19 provinces (excluding Ceuta and Melilla whose price statistics are not available) have seen a reduction in average prices over the last year. The province of Cuenca* leads year-on-year decreases with a drop of 7%, followed by Ciudad Real (down 6.7%) and Lugo* (down 6.3%).

Guipuzcoa* continues to be the province with the highest average price (€2,233 per m^2), widening the gap with the Comunidad de Madrid (€2,082 per m^2). For their part, the Balearic Islands (€2,023 per m^2) beat Barcelona (€2,006 per m^2) in Q4 as the third most expensive province. At the other extreme, Ciudad Real (€667 per m^2) and Toledo (€703 per m^2) stand out with the lowest average prices.

In eight provinces, average prices have fallen over 50% since 2007. The highest differences are found in Toledo (down 57.2%), Guadalajara (down 56.9%), and La Rioja and Zaragoza (both down 53.5%). The difference between peak prices is less than 30% in the provinces of Ourense* (down 20.8%), the Balearic Islands (down 25.9%), Caceres (down 29.2%) and Santa Cruz de Tenerife (down 29.3%).

Provincial capitals

Uncertainty has cost the residential market in the city of Barcelona where average prices went down 1.7% between Q3 and Q4, to reach €3,129 per m^2. Price adjustment was most noticeable in the districts of Ciutat Vella and Les Corts where average prices went down by 5.8% and 5.5% respectively between the two quarters.

(*) provisional figures

The slowdown at the end of the year means that Barcelona, where prices rose by 20.6% in Q3 compared to the same period in 2016, had a more moderate year-on-year increase of 14.8%. This continues to be, however, the second highest year-on-year increase among Spain's provincial capitals, behind just Madrid (up 17.1%) and ahead of Palma de Mallorca (up 13.7%).

The districts of Sants-Möntjuic and Sant Martí, both in Barcelona, were the areas where property prices rose the most over the last year, up 26.5% and 24% respectively. Other districts with notable increases in comparison with the previous year were Central Madrid where values went up by 21.1% and Nou Barris (Barcelona) where average prices rose by 18%.

When compared with Q3, price adjustments stand out in the Barcelona districts of Ciutat Vella (down 5.8%), Les Corts (down 5.5%) and Sarrià-Sant Gervasi (down 1.1%), all with square metre prices above the city average. However, despite the slowdown at the end of the year, the annual balance shows year-on-year price increases of 14% in Ciutat Vella, 0.2% in Les Corts and 9.4% in Sarrià-Sant Gervasi.

The Salamanca district in Madrid (€4,466 per m²) is in Q4 the most expensive, ahead of Sarrià-Sant Gervasi in Barcelona (€4,261 per m²). El Eixample (€3,849 per m²) is also less expensive than Chamberí and Central Madrid, where average prices exceed €4,000 per m², and Chamartín (€3,976 per m²).

The city of San Sebastián takes over from Barcelona in Q4 and ranks yet again as the most expensive provincial capital with €3,231 per m², followed by Barcelona (€3,129 per m²) and Madrid (€2,601 per m²). The cheapest values per m² in Q4 were found in Castellón (€848 per m²), Avila (€907 per m²) and Ciudad Real (€923 per m²).

As well as Madrid, Barcelona and Palma de Mallorca, a further ten provincial capitals registered year-on-year price rises in Q4 of over 5%, led by Pamplona*, whose 12.5% increase made it the fourth capital to reach double-digit growth. Other cities with notable rises in average values were Burgos (up 8.8%), Vitoria* (up 8.2%), Soria* (up 7.3%), Santa Cruz de Tenerife (up 6.7%) and San Sebastián* (up 6.1%).

As for decreases in prices, up to 19 provincial capitals still had prices in Q4 that were below last year's. Year-on-year decreases were led by Ciudad Real (down 12.6%), followed by Caceres (down 9.7%) and Guadalajara (down 8.4%). Oviedo*, Palencia* and Cuenca* also registered price drops in excess of 5% over the last year.

Guadalajara is the provincial capital with the highest difference between peak prices (down 60%), ahead of Logroño, where the adjustment stood at 58.9% and Zaragoza with a decrease of 57.6% over the last ten years. Property in a further 12 provincial capitals has fallen by over half its value since 2007.

Price statistics for this quarter are not available in Ceuta, Melilla, Lugo and Toledo since they are not representative.

Average sale time (liquidity)

The increase in sales at national level combined with a decrease in property supply explains the drop in average sale time (liquidity), which was 8.6 months in Spain in Q4, down from 9.1 months in the previous quarter.

Madrid stood out as the fastest sales market among large provincial capitals with a reduction in average selling time from 3.2 to 2.8 months. In Zaragoza (5.3 months), Seville (6.1 months) and Valencia (7.9 months) it took less time in Q4 to find a buyer than in Q3. Barcelona is the only large provincial capital where the selling time went up from 3.4 months in Q3 to 4.3 months during the last quarter of the year.

The provinces where it takes least time to sell (excluding Ceuta and Melilla) are Madrid (4 months), Las Palmas (5.5 months), Santa Cruz de Tenerife (5.7 months), Navarra (6.5 months) and Zaragoza and Guipuzcoa (both with 6.6 months). It still takes over a year to find a buyer in 14 provinces with the longest timescales in Cantabria (16 months), Ourense (15.6 months) and Segovia (15.4 months).

(*) provisional figures

Affordability

Affordability, taken as the percentage of gross earnings used to pay for the first year of a loan on new mortgages taken out during the quarter, went down by 0.1% in Q3 (latest data available) to 16.7%. This calculation is made using average mortgage data published by the Spanish Institute of Statistics (INE) and gross household earnings.

There was a significant drop in affordability in the Balearic Islands where 22.3% of earnings is needed to buy a home, the highest percentage in all Spanish provinces. Next came Malaga with 21.7% and the province of Barcelona with 17.6%. In Barcelona city, 25.8% of household earnings are required, 2% more than in Madrid.

At district level, the least affordability is found in Sarrià-Sant Gervasi (Barcelona), where the first year of mortgage payments equals 42.2% of household earnings in the area, followed by Moncloa-Aravaca and Salamanca in Madrid with over 39%.

At the other extreme, Soria and Teruel (both with 12.6%) and Castellón (13.2%) lead the group of the provinces with the lowest financial commitment necessary for the first year of mortgage payments.

Average mortgage and monthly payments

Monthly mortgage payments for new loans taken out in the quarter reached €530 for an average mortgage of €114,507, according to figures from the INE. In Badajoz, Caceres and Jaen provinces, the average loan is below €75,000. The highest average mortgages are found in the province of Madrid (€160,062), the Balearic Islands (€153,117) and Barcelona (€145,848).

While in Badajoz, Caceres, Cuenca and Jaen provinces mortgage payments come in at less than €350 a month, in the Balearic Islands they reach €755 a month and in Barcelona province €689, €14 higher than in Madrid.

Sales and building licences

Looking at sales figures and the number of new-build licences and comparing them with the number of properties in Spain allows us to identify the most dynamic markets in proportion to their size. The average in Spain over the last year was 20.2 sales and 2.8 licences per 1,000 existing properties.

Malaga province with 34.3 sales in the last year for every 1,000 existing properties had the busiest market in the country, followed by the Balearic Islands (30.5 sales) and Alicante (30.2 sales). This dynamic scenario contrasts with the very low sales activity in Ourense (6.6 properties sold per 1,000 existing), Teruel (9.8 sales) and Zamora (9.9 sales).

In terms of new-build licences, the Comunidad de Madrid stands out with 5.8 licences per 1,000 existing properties over the last year, followed by Guipuzcoa (4.7 licences) and Malaga province (3.9 licences). Building activity continues to be anecdotal in the provinces of Tarragona and Lugo, with 0.6 y 0.8 licences per 1,000 existing properties respectively.

(*) provisional figures

3 PRICES CHANGES

SPAIN Q4 2017

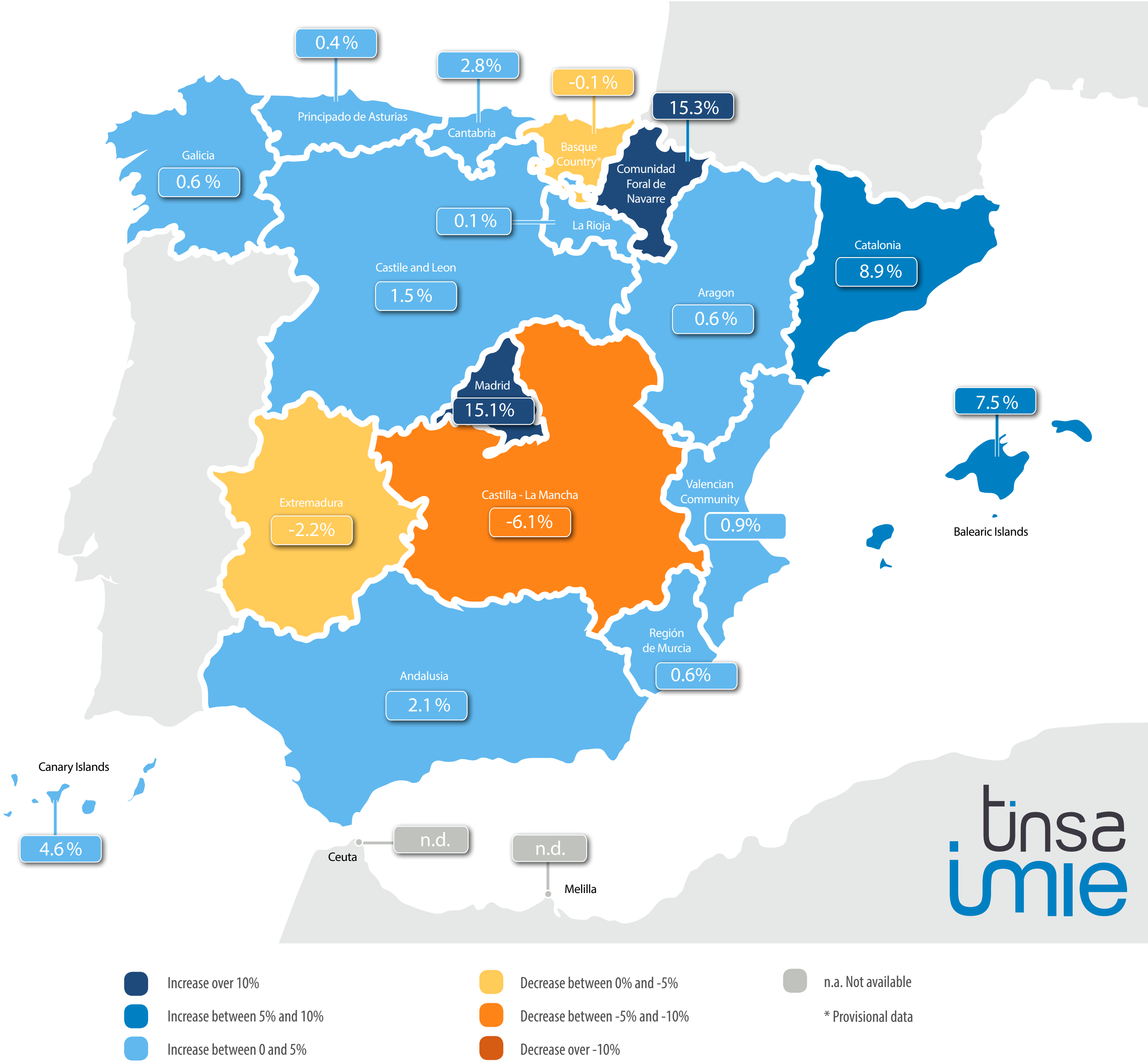
(National average)

	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Year-on-year change *	4.2%	3.8%	2.7%	1.8%
Change since peak *	-38.3%			
Average price Q4 *	1,264 €/m²			

*provisional data.

REGIONS

Year-on-year change in average prices



See previous IMIE Local Markets trends (index and €/m² prices) and make your own graphs at **https://www.tinsa.es/precio-vivienda**

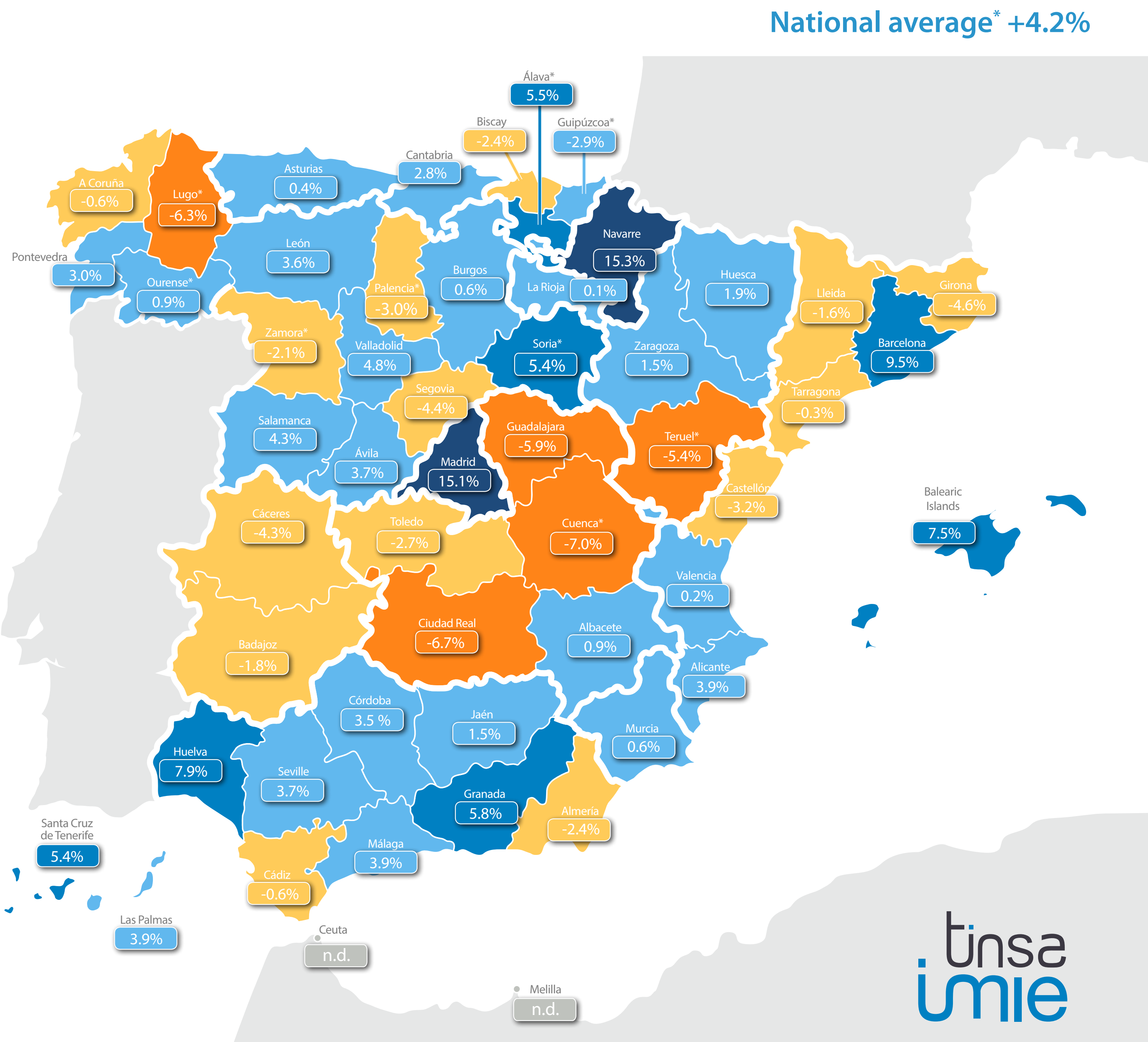
REGIONS
Year-on-year change in average prices

	Price Q4 2017	Year-on-year change	Change since peak	Cumulative change Q4 2017	Cumulative change Q4 2016
Andalusia	1,155 €/m²	2.1%	-41.0%	2.1%	2.0%
Aragon	1,018 €/m²	0.6%	-50.1%	0.6%	-0.9%
Asturias	1,123 €/m²	0.4%	-37.1%	0.4%	-1.3%
Balearic Islands	2,023 €/m²	7.5%	-25.9%	7.5%	-3.1%
Canary Islands	1,239 €/m²	4.6%	-35.2%	4.6%	2.8%
Cantabria	1,251 €/m²	2.8%	-40.1%	2.8%	2.1%
Castile and Leon	961 €/m²	1.5%	-41.8%	1.5%	-3.8%
Castilla-La Mancha	751 €/m²	-6.1%	-54.7%	-6.1%	1.5%
Catalonia	1,770 €/m²	8.9%	-39.6%	8.9%	7.2%
Valencian Community	989 €/m²	0.9%	-47.7%	0.9%	0.3%
Extremadura	766 €/m²	-2.2%	-31.1%	-2.2%	1.1%
Galicia	1,065 €/m²	0.6%	-32.3%	0.6%	1.8%
Community of Madrid	2,082 €/m²	15.1%	-34.5%	15.1%	5.2%
Region of Murcia	916 €/m²	0.6%	-47.4%	0.6%	-4.8%
Navarre	1,117 €/m²	15.3%	-44.1%	15.3%	-1.9%
*Basque Country	1,992 €/m²	-0.1%	-37.7%	-0.1%	2.8%
Rioja (La)	837 €/m²	0.1%	-53.5%	0.1%	1.6%
**Ceuta	n.d.	n.d.	n.d.	n.d.	n.d.
**Melilla	n.d.	n.d.	n.d.	n.d.	n.d.

Increase over 10%
Increase between 5% and 10%
Increase between 0 and 5%
Decrease between 0% and -5%
Decrease between -5% and -10%
Decrease over -10%
Decrease over national average
Decrease below national average
**n.a. Not available
* Provisional data

PROVINCES

Year-on-year change in average prices



Increase over 10%

Increase between 5% and 10%

Increase between 0 and 5%

Decrease between 0% and -5%

Decrease between -5% and -10%

Decrease over -10%

n.a. Not available

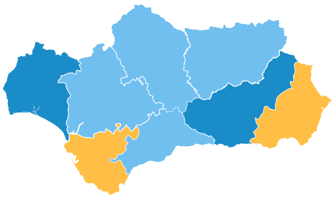
* Provisional data

See previous IMIE Local Markets trends (index and €/m² prices) and make your own graphs at **https://www.tinsa.es/precio-vivienda**

PROVINCES

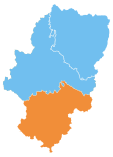
Year-on-year change in average prices

ANDALUSIA



	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Almería	941 €/m²	-2.4%	-50.8%	-2.4%	5.2%
Cádiz	1,257 €/m²	-0.6%	-39.5%	-0.6%	2.2%
Córdoba	947 €/m²	3.5%	-43.2%	3.5%	-2.8%
Granada	1,009 €/m²	5.8%	-35.8%	5.8%	-1.1%
Huelva	1,114 €/m²	7.9%	-47.5%	7.9%	-6.9%
Jaén	789 €/m²	1.5%	-36.3%	1.5%	0.0%
Málaga	1,456 €/m²	3.9%	-42.6%	3.9%	6.6%
Seville	1,226 €/m²	3.7%	-40.3%	3.7%	-1.0%

ARAGON



Huesca	1,008 €/m²	1.9%	-41.0%	1.9%	3.8%
*Teruel	739 €/m²	-5.4%	-31.3%	-5.4%	-1.0%
Zaragoza	1,056 €/m²	1.5%	-53.5%	1.5%	-3.7%

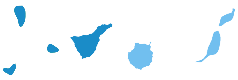
ASTURIAS (PRINCIPADO DE)

Asturias (Principado de)	1,123 €/m²	0.4%	-37.1%	0.4%	-1.3%

BALEARES (ISLAS) / BALEARS (ILLES)

Baleares (Islas)	2,023 €/m²	7.5%	-25.9%	7.5%	-3.1%

CANARIAS (ISLAS)

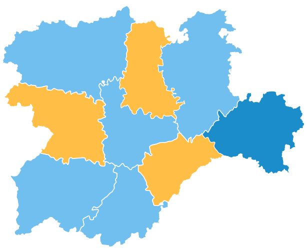


Palmas (Las)	1,248 €/m²	3.9%	-40.1%	3.9%	2.0%
Santa Cruz de Tenerife	1,226 €/m²	5.4%	-29.3%	5.4%	4.2%

CANTABRIA

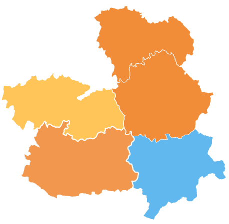
Cantabria	1,251 €/m²	2,8%	-40,1%	2,8%	-2,1%

CASTILE AND LEON



Ávila	794 €/m²	3.7%	-48.3%	3.7%	-1.6%
Burgos	1,018 €/m²	0.6%	-45.9%	0.6%	0.5%
León	812 €/m²	3.6%	-34.3%	3.6%	-5.1%
*Palencia	959 €/m²	-3.0%	-34.9%	-3.0%	5.9%
Salamanca	1,162 €/m²	4.3%	-35.5%	4.3%	-3.1%
Segovia	947 €/m²	-4.4%	-47.3%	-4.4%	-4.0%
*Soria	921 €/m²	5.4%	-35.7%	5.4%	-7.7%
Valladolid	1,026 €/m²	4.8%	-41.1%	4.8%	-4.5%
*Zamora	881 €/m²	-2.1%	-31.5%	-2.1%	2.4%

CASTILLA LA MANCHA



Albacete	845 €/m²	0.9%	-43.6%	0.9%	-1.6%
Ciudad Real	667 €/m²	-6.7%	-42.1%	-6.7%	-0.7%
*Cuenca	712 €/m²	-7.0%	-48.9%	-7.0%	4.1%
Guadalajara	906 €/m²	-5.9%	-56.9%	-5.9%	2.7%
Toledo	703 €/m²	-2.7%	-57.2%	-2.7%	0.2%

Increase over 10%
Increase between 5% and 10%
Increase between 0 and 5%
Decrease between 0% and -5%
Decrease between -5% and -10%
Decrease over -10%
Decrease over national average
Decrease below national average
**n.a. Not available
* Provisional data

PROVINCES

Year-on-year change in average prices

CATALONIA

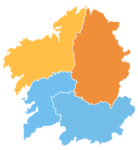
	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Barcelona	2,006 €/m²	9.5%	-38.8%	9.5%	8.4%
Gerona/Girona	1,364 €/m²	-4.6%	-49.0%	-4.6%	0.1%
Lérida/Lleida	843 €/m²	-1.6%	-51.4%	-1.6%	-6.5%
Tarragona	1,128 €/m²	-0.3%	-52.1%	-0.3%	2.1%

VALENCIAN COMMUNITY

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Alicante/Alacant	1,120 €/m²	3.9%	-43.4%	3.9%	-2.6%
Castellón/Castellón	871 €/m²	-3.2%	-51.4%	-3.2%	-3.3%
Valencia/València	940 €/m²	0.2%	-49.3%	0.2%	3.1%

EXTREMADURA

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Badajoz	789 €/m²	-1.8%	-32.8%	-1.8%	2.3%
Cáceres	737 €/m²	-4.3%	-29.2%	-4.3%	-0.6%



GALICIA

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Coruña (La)/Coruña (A)	1,108 €/m²	-0.6%	-31.8%	-0.6%	1.1%
*Lugo	744 €/m²	-6.3%	-36.6%	-6.3%	3.1%
*Orense/Ourense	885 €/m²	0.9%	-20.8%	0.9%	-4.1%
Pontevedra	1,149 €/m²	3.0%	-30.8%	3.0%	3.0%

MADRID (COMUNIDAD DE)

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Madrid	2,082 €/m²	15.1%	-34.5%	15.1%	5.2%

MURCIA (REGIÓN DE)

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Murcia	916 €/m²	0.6%	-47.4%	0.6%	-4.8%

NAVARRE

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Navarre	1,117 €/m²	15.3%	-44.1%	15.3%	-1.9%

BASQUE COUNTRY

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
*Álava/Araba	1,577 €/m²	5.5%	-41.5%	5.5%	6.6%
*Guipúzcoa/Guipúzkoa	2,233 €/m²	2.9%	-33.9%	2.9%	2.9%
Biscay/Bizkaia	1,948 €/m²	-2.4%	-41.6%	-2.4%	2.2%

RIOJA (LA)

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Rioja (La)	837 €/m²	0.1%	-53.5%	0.1%	1.6%

CEUTA

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
**Ceuta	n.d.	n.d.	n.d.	n.d.	n.d.

MELILLA

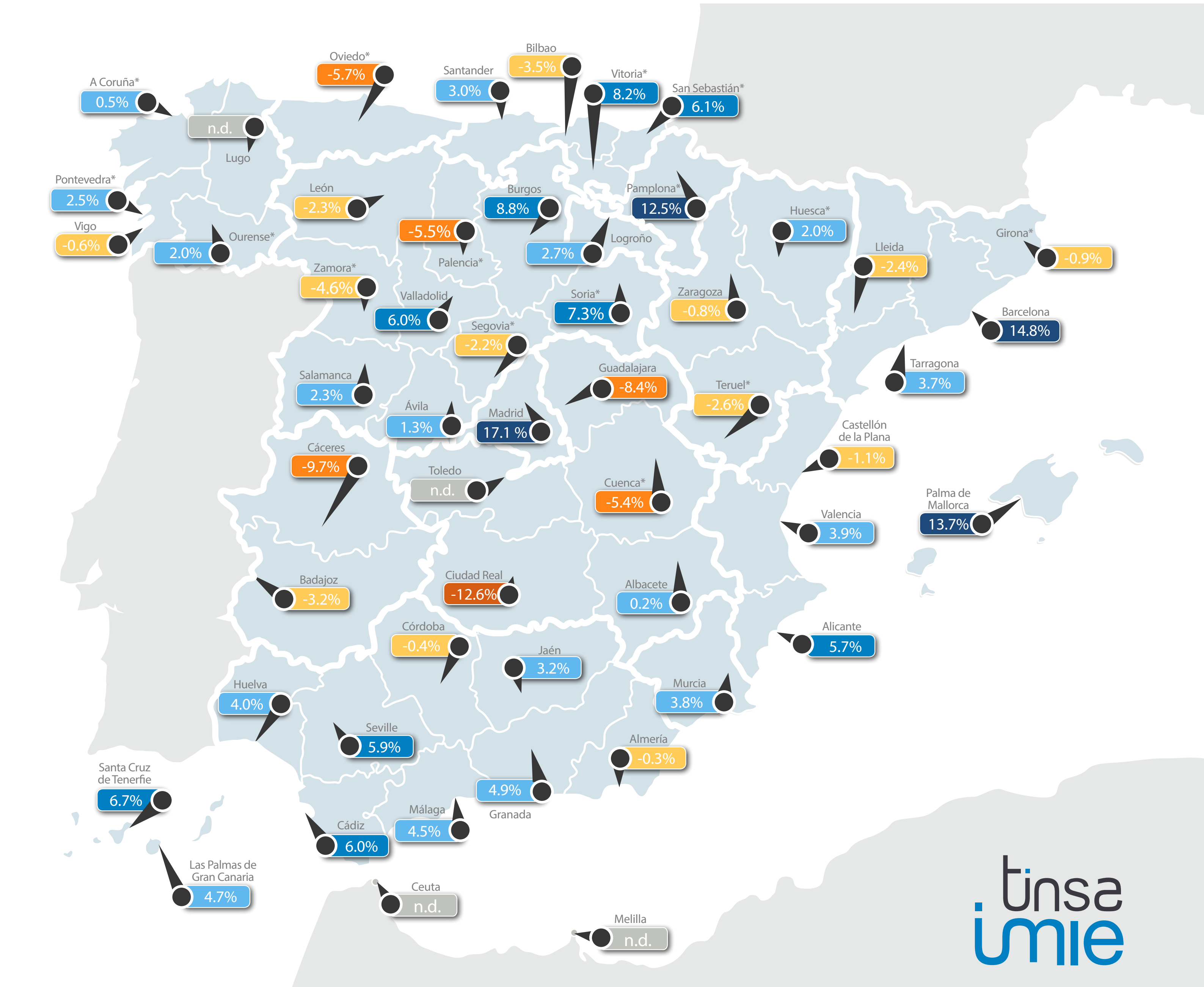
	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
**Melilla	n.d.	n.d.	n.d.	n.d.	n.d.

Increase over 10% | Decrease between 0% and -5% | Decrease over national average
Increase between 5% and 10% | Decrease between -5% and -10% | Decrease below national average
Increase between 0 and 5% | Decrease over -10% | **n.a. Not available | * Provisional data

CAPITALS

Year-on-year change in average prices

National average* +4.2%



Vigo has been included because it is considered as representative as the provincial capital

- Increase over 10%
- Increase between 5% and 10%
- Increase between 0 and 5%
- Decrease between 0% and -5%
- Decrease between -5% and -10%
- Decrease over -10%
- n.a. Not available

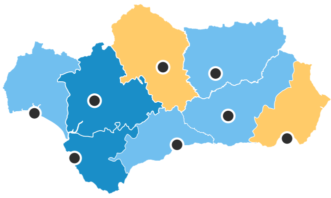
* Provisional data

See previous IMIE Local Markets trends (index and €/m² prices) and make your own graphs at **https://www.tinsa.es/precio-vivienda**

CAPITALS

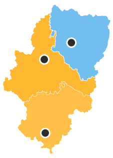
Year-on-year change in average prices

ANDALUSIA



	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Almería	1,074 €/m²	-0.3%	-49.3%	-0.3%	3.2%
Cádiz	1,938 €/m²	6.0%	-35.3%	6.0%	1.1%
Córdoba	1,229 €/m²	-0.4%	-46.8%	-0.4%	-0.5%
Granada	1,400 €/m²	4.9%	-42.6%	4.9%	-3.5%
Huelva	1,021 €/m²	4.0%	-50.3%	4.0%	0.3%
Jaén	1,133 €/m²	3.2%	-39.8%	3.2%	-1.0%
Málaga	1,414 €/m²	4.5%	-41.5%	4.5%	1.3%
Seville	1,513 €/m²	5.9%	-42.7%	5.9%	-1.8%

ARAGON

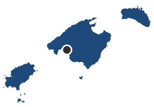


	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
*Huesca	1,054 €/m²	2.0%	-47.1%	2.0%	0.2%
*Teruel	1,067 €/m²	-2.6%	-39.7%	-2.6%	2.0%
Zaragoza	1,189 €/m²	-0.8%	-57.6%	-0.8%	0.4%

ASTURIAS (PRINCIPADO DE)

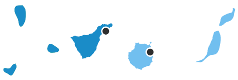
	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
*Oviedo	1,173 €/m²	-5.7%	-41.4%	-5.7%	-0.8%

BALEARES (ISLAS)/BALEARS (ILLES)



	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Palma de Mallorca	1,840 €/m²	13.7%	-31.1%	13.7%	-2.8%

CANARIAS (ISLAS)

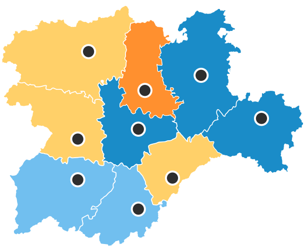


	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Palmas (Las)	1,353 €/m²	4.7%	-34.4%	4.7%	2.6%
Santa Cruz de Tenerife	1,217 €/m²	6.7%	-30.0%	6.7%	5.7%

CANTABRIA

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Santander	1,577 €/m²	3.0%	-39.8%	3.0%	-1.9%

CASTILE AND LEON



	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Ávila	907 €/m²	1.3%	-54.2%	1.3%	-1.6%
Burgos	1,270 €/m²	8.8%	-46.0%	8.8%	-4.2%
León	1,039 €/m²	-2.3%	-40.1%	-2.3%	-2.7%
*Palencia	1,088 €/m²	-5.5%	-39.1%	-5.5%	4.4%
Salamanca	1,440 €/m²	2.3%	-39.8%	2.3%	1.1%
*Segovia	1,217 €/m²	-2.2%	-51.1%	-2.2%	-4.7%
*Soria	1,096 €/m²	7.3%	-39.0%	7.3%	-8.3%
Valladolid	1,151 €/m²	6.0%	-46.0%	6.0%	-4.7%
*Zamora	1,002 €/m²	-4.6%	-36.2%	-4.6%	-1.8%

CASTILLA LA MANCHA

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Albacete	993 €/m²	0.2%	-53.2%	0.2%	-7.3%
Ciudad Real	923 €/m²	-12.6%	-55.1%	-12.6%	1.4%
*Cuenca	951 €/m²	-5.4%	-52.2%	-5.4%	0.6%
Guadalajara	1,044 €/m²	-8.4%	-60.0%	-8.4%	2.6%
**Toledo	n.d.	n.d.	n.d.	n.d.	n.d.

- Increase over 10%
- Increase between 5% and 10%
- Increase between 0 and 5%
- Decrease between 0% and -5%
- Decrease between -5% and -10%
- Decrease over -10%
- Decrease over national average
- Decrease below national average
- **n.a. Not available
- * Provisional data

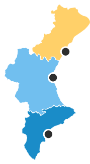
CAPITALS

Year-on-year change in average prices

CATALONIA

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Barcelona	3,129 €/m²	14.8%	-29.5%	14.8%	7.6%
*Gerona/Girona	1,477 €/m²	-0.9%	-51.2%	-0.9%	-1.1%
Lérida/Lleida	933 €/m²	-2.4%	-56.0%	-2.4%	-4.8%
Tarragona	1,151 €/m²	3.7%	-54.7%	3.7%	-3.1%

VALENCIAN COMMUNITY

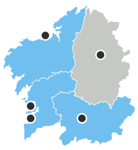


	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Alicante/Alacant	1,183 €/m²	5.7%	-39.6%	5.7%	0.1%
Castellón/Castellón	848 €/m²	-1.1%	-55.1%	-1.1%	4.1%
Valencia/València	1,196 €/m²	3.9%	-50.2%	3.9%	4.7%

EXTREMADURA

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Badajoz	1,044 €/m²	-3.2%	-43.8%	-3.2%	-2.4%
Cáceres	1,005 €/m²	-9.7%	-37.4%	-9.7%	3.7%

GALICIA



	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
*Coruña (La)/Coruña (A)	1,516 €/m²	0.5%	-31.9%	0.5%	1.7%
**Lugo	n.d.	n.d.	n.d.	n.d.	n.d.
*Orense/Ourense	1,086 €/m²	2.0%	-25.1%	2.0%	-4.0%
*Pontevedra	1,184 €/m²	2.5%	-30.5%	2.5%	-1.9%
Vigo	1,273 €/m²	-0.6%	-38.8%	-0.6%	-1.6%

MADRID (COMUNIDAD DE)

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Madrid	2,601 €/m²	17.1%	-34.6%	17.1%	3.2%

MURCIA (REGIÓN DE)

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Murcia	1,016 €/m²	3.8%	-42.9%	3.8%	-7.4%

NAVARRE

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
*Pamplona	1,438 €/m²	12.5%	-49.0%	12.5%	-6.1%

BASQUE COUNTRY

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
*Vitoria/Gasteiz	1,668 €/m²	8.2%	-44.2%	8.2%	3.3%
*San Sebatián/Donostia	3,231 €/m²	6.1%	-28.1%	6.1%	8.7%
Bilbao/Bilbo	2,087 €/m²	-3.5%	-43.9%	-3.5%	4.5%

LA RIOJA

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
Logroño	997 €/m²	2.7%	-58.9%	2.7%	-0.2%

CEUTA

	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
**Ceuta	n.d.	n.d.	n.d.	n.d.	n.d.

MELILLA

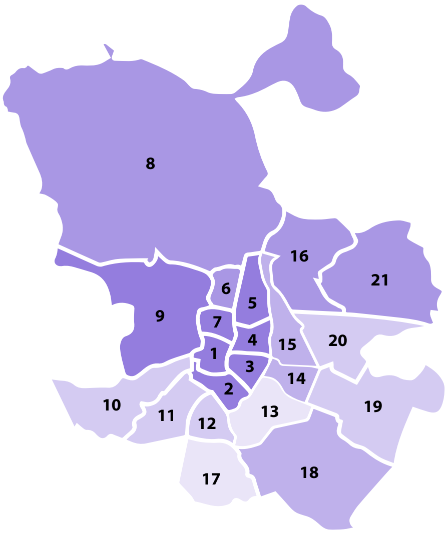
	Price Q4 2017	Year-on-year change	Change since peak	C.C. Q4 2017	C.C. Q4 2016
**Melilla	n.d.	n.d.	n.d.	n.d.	n.d.

Increase over 10%
Increase between 0 and 5%
Increase between 0 and 5%
Decrease between 0% and -5%
Decrease between -5% and -10%
Decrease over -10%
Decrease over national average
Decrease below national average
**n.a. Not available
*provisional data

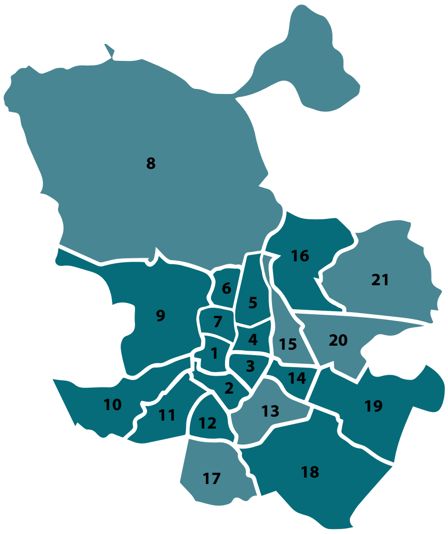
PRICE CHANGES IN THE FIVE LARGEST CITIES

MADRID

AVERAGE PRICE (€/m²)
City average: **2,601 €/m²**



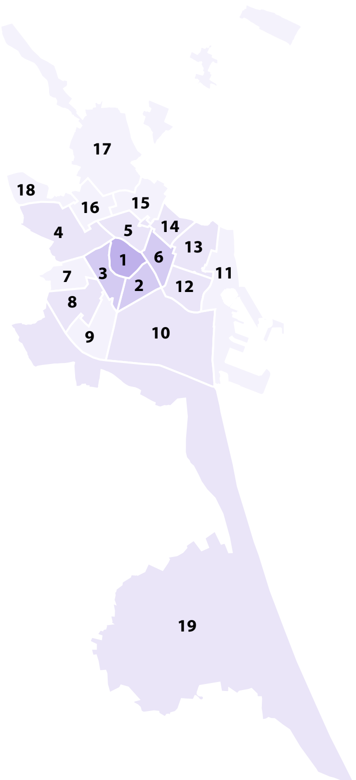
YEAR-ON-YEAR CHANGE (%)
City average: **17.1%**



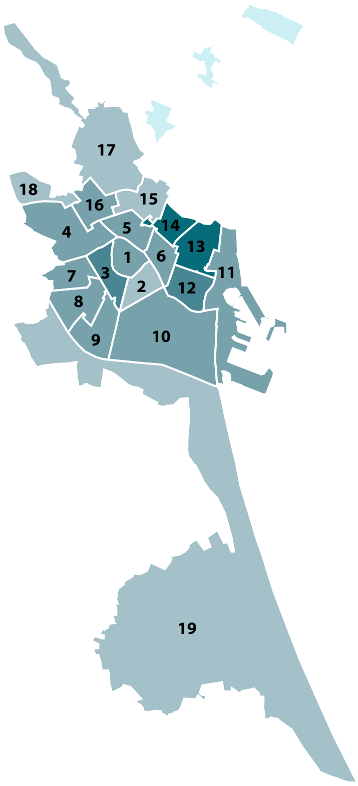
	District	€/m²	Year-on-year %
1	Centro	4,027	21.1%
2	Arganzuela	3,213	15.6%
3	Retiro	3,619	17.6%
4	Salamanca	4,466	17.6%
5	Chamartín	3,976	14.8%
6	Tetuán	2,860	11.2%
7	Chamberí	4,049	11.7%
8	Fuencarral-El Pardo	2,819	10.0%
9	Moncloa-Aravaca	3,255	11.9%
10	Latina	1,904	17.1%
11	Carabanchel	1,747	16.2%
12	Usera	1,640	13.2%
13	Puente de Vallecas	1,451	7.4%
14	Moratalaz	2,071	15.9%
15	Ciudad Lineal	2,333	6.9%
16	Hortaleza	2,776	10.4%
17	Villaverde	1,292	9.2%
18	Villa de Vallecas	2,022	15.2%
19	Vicálvaro	1,788	14.4%
20	San Blas	1,973	5.3%
21	Barajas	2,598	7.8%

VALENCIA

AVERAGE PRICE (€/m²)
City average: **1,196 €/m²**



YEAR-ON-YEAR CHANGE (%)
City average: **3.9%**

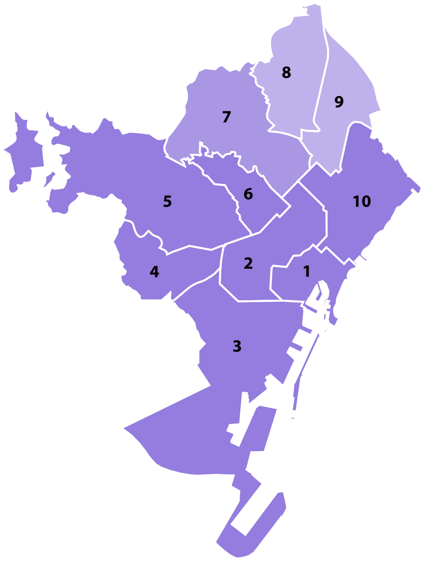


	District	€/m²	Year-on-year %
1	Ciutat Vella	2,004	2.1%
2	L'Eixample	1,992	-0.5%
3	Extramurs	1,519	6.8%
4	Campanar	1,393	4.1%
5	La Saïdia	1,044	1.7%
6	El Pla del Real	1,766	0.9%
7	L'Olivereta	910	2.8%
8	Patraix	1,028	0.0%
9	Jesús	930	0.4%
10	Quatre Carreres	1,186	2.8%
11	Poblats Marítims	996	3.6%
12	Camins al Grau	1,332	7.5%
13	Algirós	1,391	11.1%
14	Benimaclet	1,283	12.6%
15	Rascanya	940	-3.7%
16	Benicalap	974	0.3%
17	Poblados del Norte	892	-1.3%
18	Poblados del Oeste	760	-2.2%
19	Poblados del Sur	1,037	-4.2%

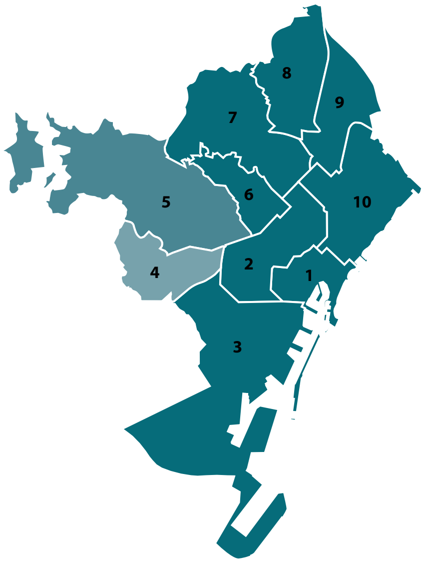
Average price (€/m²)	Year-on-year change
0 — 1,000	Less than -10%
1,000 — 1,500	-10% — -5%
1,500 — 2,000	-5% — 0%
2,000 — 2,500	0% — 5%
2,500 — 3,000	5% — 10%
More than 3,000	More than 10%

BARCELONA

AVERAGE PRICE (€/m²)
City average: **3,129 €/m²**



YEAR-ON-YEAR CHANGE (%)
City average: **14.8%**

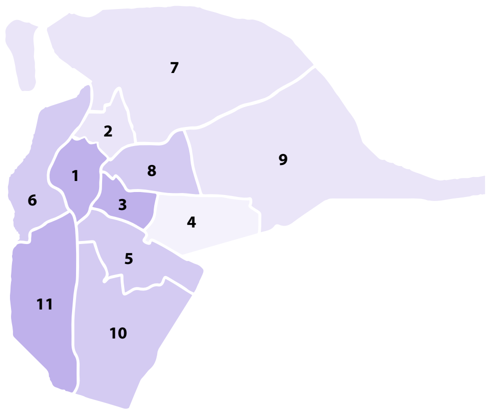


0 — 1,000	Less than -10%
1,000 — 1,500	-10% — -5%
1,500 — 2,000	-5% — 0%
2,000 — 2,500	0% — 5%
2,500 — 3,000	5% — 10%
More than 3,000	More than 10%

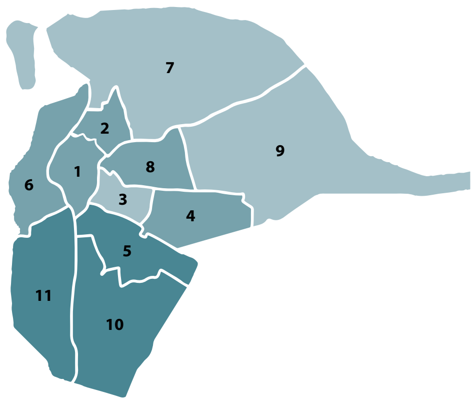
	District	€/m²	Year-on-year %
1	Ciutat Vella	3,394	14.0%
2	Eixample	3,849	13.9%
3	Sants-Montjuïc	3,045	26.5%
4	Les Corts	3,617	0.2%
5	Sarrià-Sant Gervasi	4,261	9.4%
6	Gràcia	3,555	12.8%
7	Horta Guinardó	2,578	12.0%
8	Nou Barris	2,247	18.0%
9	Sant Andreu	2,470	13.9%
10	Sant Martí	3,205	24.0%

SEVILLE

AVERAGE PRICE (€/m²)
City average: **1,513 €/m²**



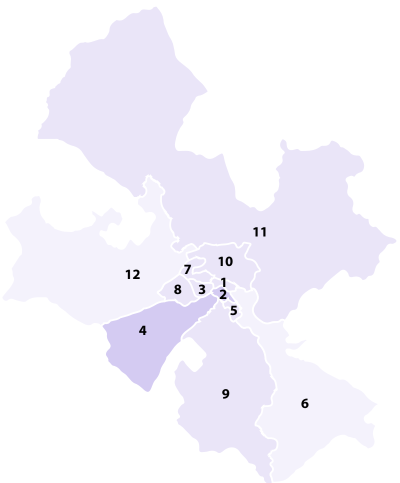
YEAR-ON-YEAR CHANGE (%)
City average: **5.9%**



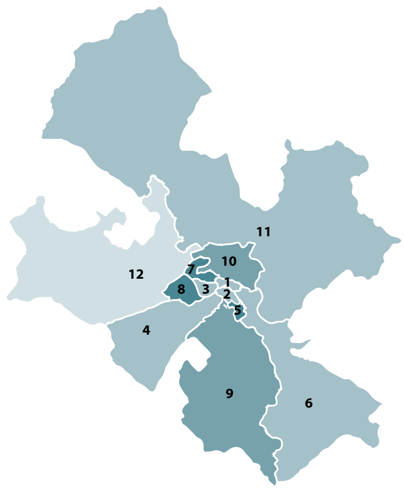
	District	€/m²	Year-on-year %
1	Casco Antiguo	2,407	4.0%
2	Macarena	1,256	4.9%
3	Nervión	2,021	-0.8%
4	Cerro - Amate	953	0.6%
5	Sur	1,621	7.0%
6	Triana	1,829	1.1%
7	Norte	1,073	-3.2%
8	San Pablo - Santa Justa	1,566	3.3%
9	Este - Alcosa - Torreblanca	1,188	-3.4%
10	Bellavista - La Palmera	1,602	9.0%
11	Los Remedios	2,100	5.5%

ZARAGOZA

AVERAGE PRICE (€/m²)
City average: **1,189 €/m²**



YEAR-ON-YEAR CHANGE (%)
City average: **-0.8%**



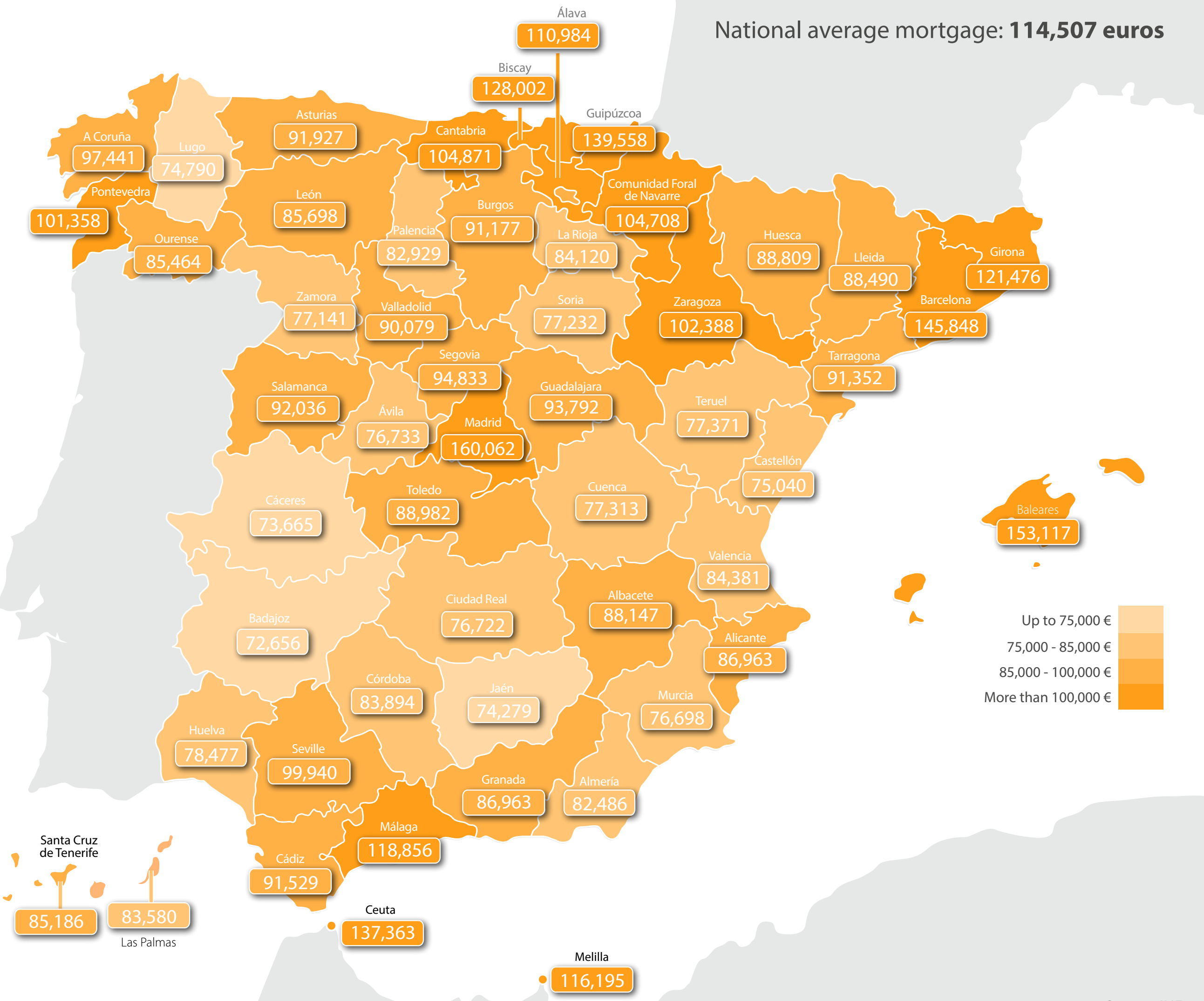
	District	€/m²	Year-on-year %
1	Casco Histórico	1,249	-1.3%
2	Centro	1,668	-1.4%
3	Delicias	1,024	-3.7%
4	Universidad	1,572	-2.4%
5	San José	1,230	9.6%
6	Las Fuentes	904	-2.3%
7	La Almozara	1,208	6.4%
8	Oliver - Valdefierro	1,337	5.7%
9	Torrero-La Paz	1,048	0.5%
10	Margen Izquierda	1,307	2.5%
11	Barrios rurales del norte	1,059	-0.3%
12	Barrios rurales del oeste	872	-7.0%

4 FINANCIAL INDICATORS

AVERAGE MORTGAGE

Average mortgage loan amount approved in Q3 2017. In euros.

National average mortgage: **114,507 euros**



Source: INE

REGIONS	Average mortgage (in euros)
Extremadura	72,978
Murcia (Región de)	76,698
Rioja (La)	84,120
Canarias (Islas)	84,365
Valencian Community	84,456
Castilla-La Mancha	86,847
Castile and Leon	87,736
Asturias (Principado de)	91,927
Galicia	95,689
Andalusia	97,034
Aragon	99,128
Navarre (C, Foral de)	104,708
Cantabria	104,871
Melilla	116,195
Basque Country	129,098
Catalonia	135,434
Ceuta	137,363
Baleares (Islas)	153,117
Madrid (Comunidad de)	160,062

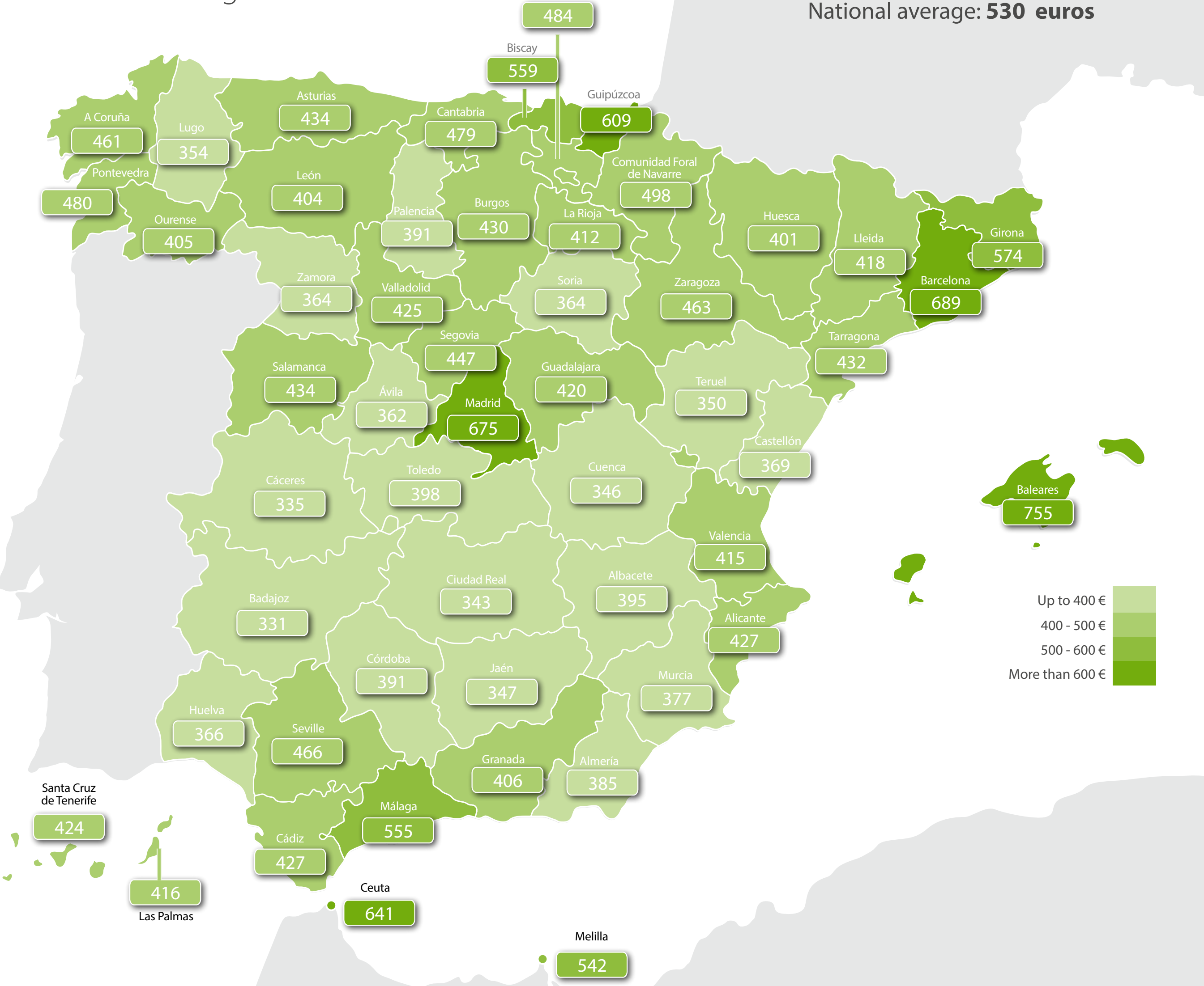
PROVINCES	Average mortgage (in euros)
Badajoz	72,656
Cáceres	73,665
Jaén	74,279
Lugo	74,790
Castellón	75,040
Murcia	76,698
Ciudad Real	76,722
Ávila	76,733
Zamora	77,141
Soria	77,232
Cuenca	77,313
Teruel	77,371
Huelva	78,477
Almería	82,486
Palencia	82,929
Palmas (Las)	83,580
Córdoba	83,894

PROVINCES	Average mortgage (in euros)
Rioja (La)	84,120
Valencia	84,381
Santa Cruz Tenerife	85,186
Orense	85,464
León	85,698
Alicante	86,963
Granada	86,963
Albacete	88,147
Lleida	88,490
Huesca	88,809
Toledo	88,982
Valladolid	90,079
Burgos	91,177
Tarragona	91,352
Cádiz	91,529
Asturias	91,927
Salamanca	92,036

PROVINCES	Average mortgage (in euros)
Guadalajara	93,792
Segovia	94,833
Coruña (A)	97,441
Seville	99,940
Pontevedra	101,358
Zaragoza	102,388
Navarre	104,708
Cantabria	104,871
Álava	110,984
Melilla	116,195
Málaga	118,856
Girona	121,476
Biscay	128,002
Ceuta	137,363
Guipúzcoa	139,558
Barcelona	145,848
Baleares (Islas)	153,117
Madrid	160,062

AVERAGE MORTGAGE PAYMENT

Monthly payment made by a mortgage holder, according to the current average cost. In euros.



Source: Registrars Association, INE and own.

REGIONS	Average mortgage payment (in Euros)
Extremadura	332
Murcia (Región de)	377
Castilla-La Mancha	389
Rioja (La)	412
Castile and Leon	414
Valencian Community	415
Canarias (Islas)	419
Asturias (Principado de)	434
Aragon	448
Andalusia	453
Galicia	453
Cantabria	479
Navarre (C, Foral de)	498
Melilla	542
Basque Country	564
Catalonia	640
Ceuta	641
Madrid (Comunidad de)	675
Baleares (Islas)	755

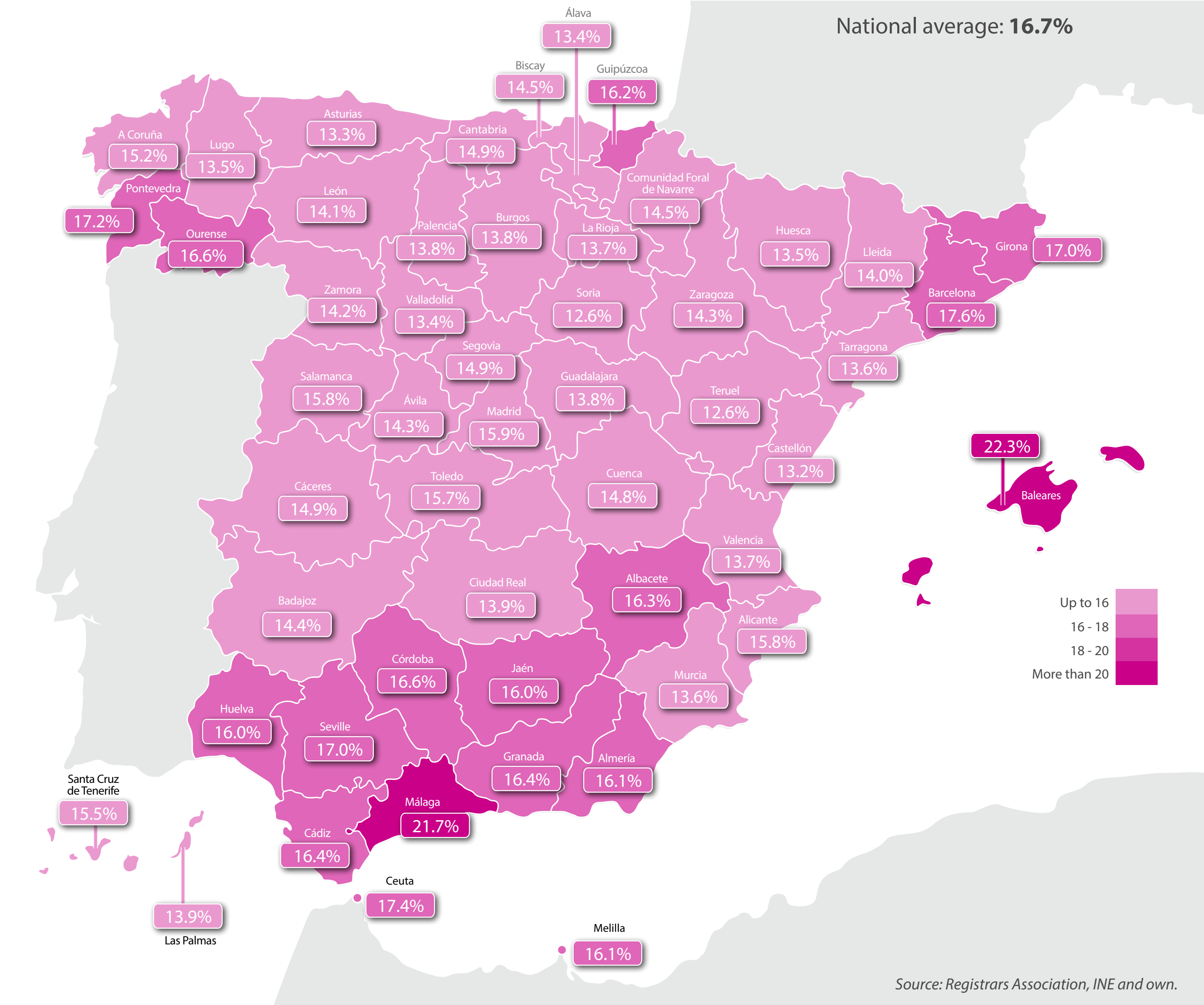
PROVINCES	Average mortgage payment (in Euros)
Badajoz	331
Cáceres	335
Ciudad Real	343
Cuenca	346
Jaén	347
Teruel	350
Lugo	354
Ávila	362
Zamora	364
Soria	364
Huelva	366
Castellón	369
Murcia	377
Almería	385
Palencia	391
Córdoba	391
Albacete	395

PROVINCES	Average mortgage payment (in Euros)
Toledo	398
Huesca	401
León	404
Orense	405
Granada	406
Rioja (La)	412
Valencia	415
Palmas (Las)	416
Lleida	418
Guadalajara	420
Santa Cruz Tenerife	424
Valladolid	425
Cádiz	427
Alicante	427
Burgos	430
Tarragona	432
Asturias	434

PROVINCES	Average mortgage payment (in Euros)
Salamanca	434
Segovia	447
Coruña (A)	461
Zaragoza	463
Seville	466
Cantabria	479
Pontevedra	480
Álava	484
Navarre	498
Melilla	542
Málaga	555
Biscay	559
Girona	574
Guipúzcoa	609
Ceuta	641
Madrid	675
Barcelona	689
Baleares (Islas)	755

AFFORDABILITY

Percentage of income used to pay first year of mortgage. In euros.



REGIONS	Affordability
Asturias (Principado de)	13.3
Murcia (Región de)	13.6
Rioja (La)	13.7
Castile and Leon	14.2
Aragon	14.2
Valencian Community	14.4
Navarre (C, Foral de)	14.5
Extremadura	14.6
Canarias (Islas)	14.7
Cantabria	14.9
Basque Country	15.0
Castilla-La Mancha	15.3
Madrid (Comunidad de)	15.9
Galicia	16.0
Melilla	16.1
Catalonia	17.1
Ceuta	17.4
Andalusia	18.0
Baleares (Islas)	22.3

PROVINCES	Affordability
Soria	12.6
Teruel	12.6
Castellón	13.2
Asturias	13.3
Álava	13.4
Valladolid	13.4
Lugo	13.5
Huesca	13.5
Tarragona	13.6
Murcia	13.6
Rioja (La)	13.7
Valencia	13.7
Burgos	13.8
Palencia	13.8
Guadalajara	13.8
Ciudad Real	13.9
Palmas (Las)	13.9

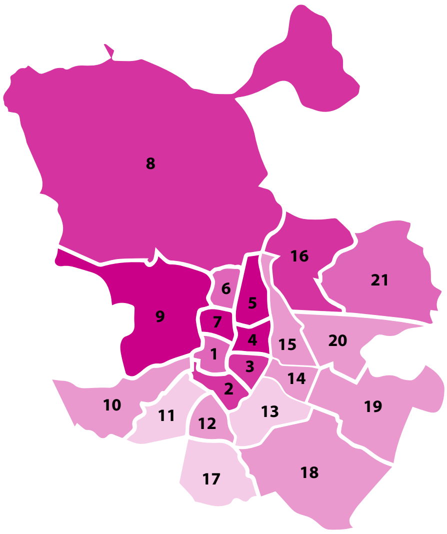
PROVINCES	Affordability
Lleida	14.0
León	14.1
Zamora	14.2
Ávila	14.3
Zaragoza	14.3
Badajoz	14.4
Biscay	14.5
Navarre	14.5
Cuenca	14.8
Cantabria	14.9
Segovia	14.9
Cáceres	14.9
Coruña (A)	15.2
Santa Cruz Tenerife	15.5
Toledo	15.7
Salamanca	15.8
Alicante	15.8

PROVINCES	Affordability
Madrid	15.9
Huelva	16.0
Jaén	16.0
Almería	16.1
Melilla	16.1
Guipúzcoa	16.2
Albacete	16.3
Cádiz	16.4
Granada	16.4
Orense	16.6
Córdoba	16.6
Girona	17.0
Seville	17.0
Pontevedra	17.2
Ceuta	17.4
Barcelona	17.6
Málaga	21.7
Baleares (Islas)	22.3

AFFORDABILITY IN THE FIVE LARGEST CITIES

MADRID

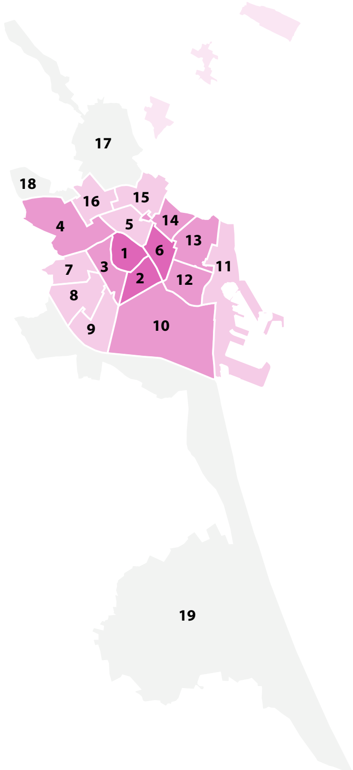
City average: **23.8%**



District		Affordability
1	Centro	24.2%
2	Arganzuela	25.1%
3	Retiro	29.1%
4	Salamanca	39.2%
5	Chamartín	36.7%
6	Tetuán	22.2%
7	Chamberí	31.8%
8	Fuencarral-El Pardo	27.0%
9	Moncloa-Aravaca	39.7%
10	Latina	15.7%
11	Carabanchel	14.2%
12	Usera	15.4%
13	Puente de Vallecas	12.0%
14	Moratalaz	16.7%
15	Ciudad Lineal	19.5%
16	Hortaleza	28.9%
17	Villaverde	12.4%
18	Villa de Vallecas	16.6%
19	Vicálvaro	15.5%
20	San Blas	18.7%
21	Barajas	23.2%

VALENCIA

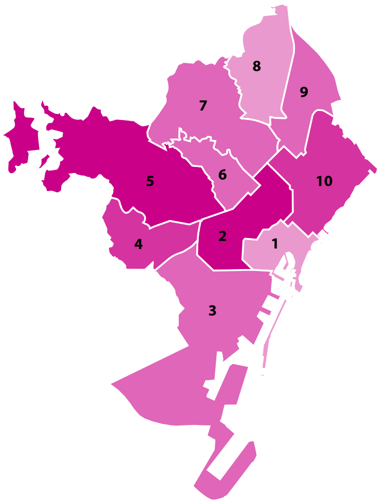
City average: **16.5%**



District		Affordability
1	Ciutat Vella	23.6%
2	L'Eixample	24.9%
3	Extramurs	17.7%
4	Campanar	17.9%
5	La Saïdia	13.4%
6	El Pla del Real	21.3%
7	L'Olivereta	12.1%
8	Patraix	14.1%
9	Jesús	11.8%
10	Quatre Carreres	16.2%
11	Poblats Marítims	12.8%
12	Camins al Grau	18.7%
13	Algirós	16.2%
14	Benimaclet	15.9%
15	Rascanya	14.3%
16	Benicalap	13.2%
17	Poblados del Norte	
18	Poblados del Oeste	
19	Poblados del Sur	

BARCELONA

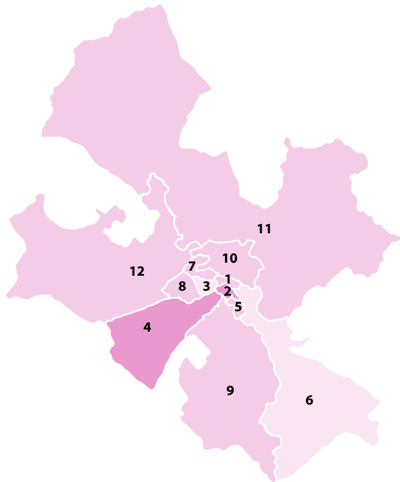
City average: **25.8%**



District		Affordability
1	Ciutat Vella	18.6%
2	L'Eixample	30.7%
3	Sants-Montjuïc	22.0%
4	Les Corts	29.6%
5	Sarrià-Sant Gervasi	42.4%
6	Gràcia	22.7%
7	Horta Guinardó	20.2%
8	Nou Barris	18.9%
9	Sant Andreu	20.2%
10	Sant Martí	25.2%

ZARAGOZA

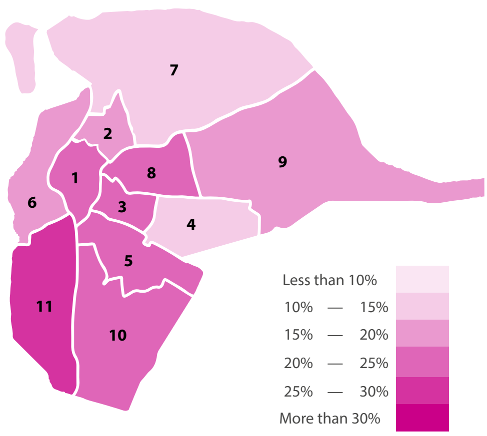
City average: **12.1%**



District		Affordability
1	Casco Histórico	11.3%
2	Centro	15.9%
3	Delicias	9.4%
4	Universidad	16.5%
5	San José	12.0%
6	Las Fuentes	8.3%
7	La Almozara	10.7%
8	Oliver - Valdefierro	13.5%
9	Torrero-La Paz	10.6%
10	Margen Izquierda	11.4%
11	Barrios rurales del norte	10.9%
12	Barrios rurales del oeste	10.4%

SEVILLE

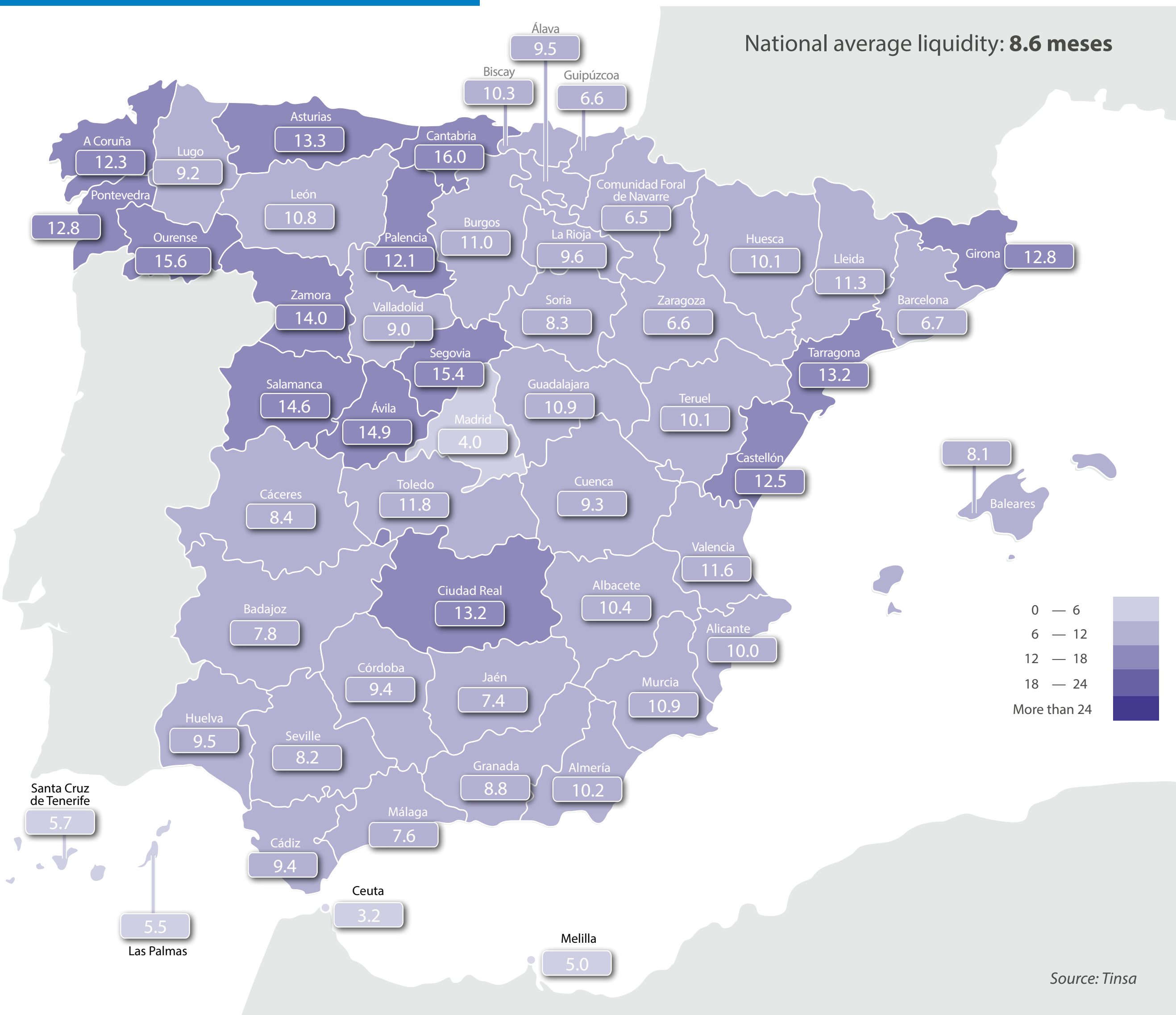
City average: **19.4%**



District		Affordability
1	Casco Antiguo	22.3%
2	Macarena	15.2%
3	Nervión	22.5%
4	Cerro - Amate	13.4%
5	Sur	22.5%
6	Triana	18.8%
7	Norte	12.2%
8	San Pablo - Santa Justa	23.1%
9	Este-Alcosa-Torreblanca	15.3%
10	Bellavista - La Palmera	20.8%
11	Los Remedios	25.8%

5 MARKET ACTIVITY INDICATORS

LIQUIDITY MAP: MONTHS TAKEN TO SELL A PROPERTY



Source: Tinsa

REGIONS	Selling time (in months)
Canarias	5.6
Aragon	7.6
Extremadura	8.0
Andalucia	8.5
Catalonia	8.6
Pais Vasco	9.0
Valencian Community	10.9
Castilla - La Mancha	11.5
Castilla y Leon	11.8
Galicia	12.3

5 LARGEST CITIES	Selling time (in months)
Madrid	2.8
Barcelona	4.3
Zaragoza	5.3
Seville	6.1
Valencia	7.9

PROVINCES	Selling time (in months)
Ceuta	3.2
Madrid	4.0
Melilla	5.0
Palmas (Las)	5.5
Santa Cruz de Tenerife	5.7
Navarre	6.5
Zaragoza	6.6
Guipúzcoa	6.6
Barcelona	6.7
Jaén	7.4
Málaga	7.6
Badajoz	7.8
Baleares (Islas)	8.1
Seville	8.2
Soria	8.3
Cáceres	8.4
Granada	8.8

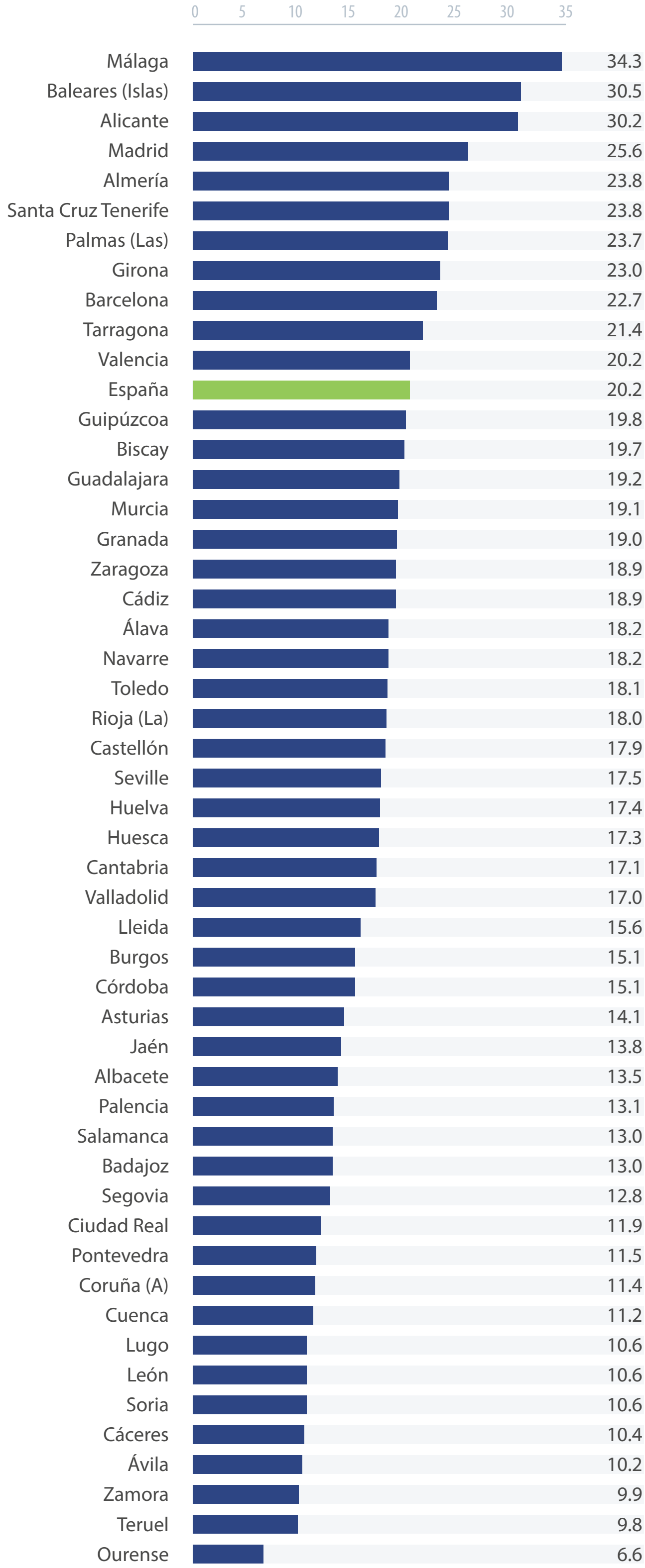
PROVINCES	Selling time (in months)
Valladolid	9.0
Lugo	9.2
Cuenca	9.3
Cádiz	9.4
Córdoba	9.4
Huelva	9.5
Álava	9.5
Rioja (La)	9.6
Alicante	10.0
Huesca	10.1
Teruel	10.1
Almería	10.2
Biscay	10.3
Albacete	10.4
León	10.8
Murcia	10.9
Guadalajara	10.9
Burgos	11.0

PROVINCES	Selling time (in months)
Lleida	11.3
Valencia	11.6
Toledo	11.8
Palencia	12.1
Coruña (A)	12.3
Castellón	12.5
Pontevedra	12.8
Girona	12.8
Tarragona	13.2
Ciudad Real	13.2
Asturias	13.3
Zamora	14.0
Salamanca	14.6
Ávila	14.9
Segovia	15.4
Orense	15.6
Cantabria	16.0

DEVELOPMENT ACTIVITY & RELATIVE SALES

Sales against current supply

Sales (year-to-date*) per 1,000 properties available in each province.

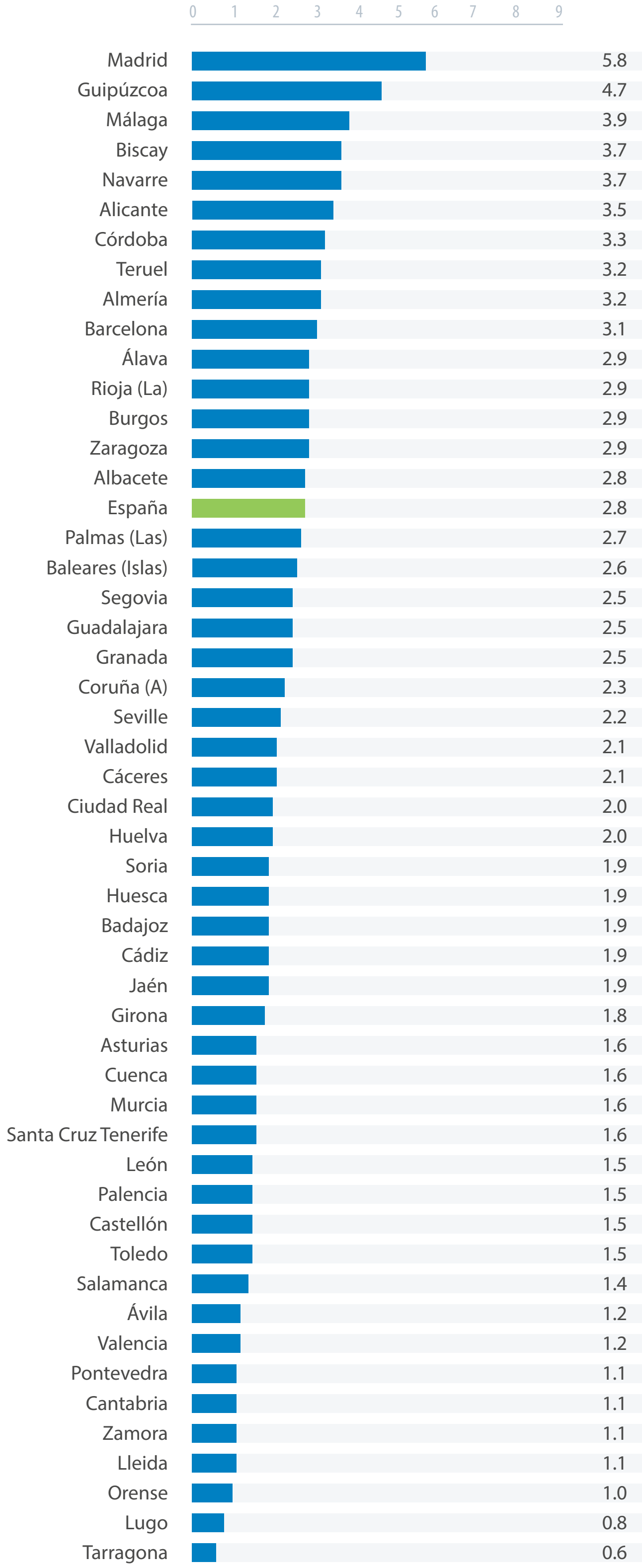


**Sales over the last four quarters, Q2 2016 to Q1 2017*

Source: Ministry of Develoment

Building licences against current supply

Building licences over the last year-to-date* per 1,000 properties available in each province.



**Building licences approved over the last four quarters, Q2 2016 to Q1 2017*

Source: Ministry of Develoment

6 METHODOLOGY

The IMIE Local Markets series are compiled using information from Tinsa data bases, which, with almost 6 million valuations, represent more than 25% of the total carried out in Spain. They are easily the largest data bases in the sector. Data is collected on a daily basis by a group of more than 1,300 qualified professionals (architects and technical architects) throughout the entire Spanish market. The thoroughness behind this data collection stands well ahead that of other sources, fed by non-expert staff.

Valuations are carried out in accordance with Bank of Spain regulations as set out in the ECO/805/2003. Valuation reports are completed using a computer program, developed specifically for Tinsa, which allows the data included in the reports to be strictly collected and consolidated, thus facilitating its later use in a similar and recurring basis. Each report received is subject to comprehensive quality control carried out by a team of over 80 professionals with wide experience in the type of property valued, before it is sent to the client.

The calculation methods are similar to those used in the IMIE General and Large Markets. Their main characteristics are as follows:

- Variable measurement: price per square metre of built property.
- Frequency: quarterly.
- Area: Spain.
- Sample: all property valuations carried out by Tinsa using the comparison method and for mortgage purposes.

As regards product classification, this has been done using two main characteristics of the property: location and type. Regarding location, each provincial market has been zoned by area according to, firstly, the division of urban areas depending on the size of its population (number of inhabitants) and the influence on some of them by their proximity to other main population centres (areas of influence). Areas closely linked to the second home market (coastal, mountain, island and similar) have also been considered as well as those in rural settings, whose market is smaller and less volatile. Here, we have endeavoured to maintain local administrative divisions as far as possible.

Regarding property type, products have been divided according to the type of property (single-family home or apartment), the state of the properties (which implicitly includes age and refurbishments) and their functionality (mainly based on the number of bedrooms).

The interaction of both classifications leads to the different segments in each local market, also known as base groups. Each has its own weight within a province, which is estimated from the number of valuations carried out in the same group over the last year. The weighted aggregate of the base groups in each province makes up the provincial index. The provincial weighted aggregate makes up the index for each region.

* Some provincial capitals and provinces have less market activity and data supplied is therefore provisional. It becomes definitive as the time series is consolidated. Capitals generally affected are A Coruña, Cuenca, Girona, Huesca, Lugo, Ourense, Oviedo, Palencia, Pamplona, Pontevedra, San Sebastián, Segovia, Soria, Teruel, Toledo, Vitoria and Zamora. Provinces with provisional data this quarter are Alava, Cuenca, Guipuzcoa, Lugo, Ourense, Palencia, Soria, Teruel and Zamora. Ceuta, Melilla and the Basque Country also have provisional figures.

** The set and changes for the provincial capitals of Lugo and Toledo are not available for this quarter neither are those for Ceuta and Melilla.

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