5 keys to the Spanish real estate sector in 2024

It’s no longer just location, location, location in real estate. Investors need to make decisions based on quality, use and sustainability.

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Every industry needs to keep innovating, and real estate is no exception. In 2024, with real estate in a state of flux, the best investors will be those who are flexible and can adapt to

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change. The 10th edition of the Real Estate Industry Meeting, organized by IESE Industry Meetings, highlighted a few other trends and suggestions for the years ahead:

1. The end of location

Though location is considered the biggest driving force behind property value, increasingly there are two other fundamentals: use and timing. Other variables, such as asset management and sustainability, are also of growing importance.

2. The importance of optimizing cash flow

Market uncertainty about interest rates continues. To keep your head above water in a context of high interest rates and unfavorable yields, focus on cash flow.

3. Student residences, health facilities, logistics warehouses

Assets like these show great potential for growth in the coming years. In the U.S., for example, demand for logistics warehouses is expected to grow to cover the equivalent of 2 square meters per inhabitant.

4. Focusing on the entire value chain

To achieve returns similar to what investing in property alone would previously have brought in, investors now need to be involved in everything from asset valuation to asset management. For more and more real estate companies, activity no longer revolves only around acquiring assets, but also operating them.

5. Investment in real estate

Real estate overall promises growth in the years to come, with the main question being which market segment to focus on. Though investment volume was low in 2023, so far 2024 has been excellent for hotels and a good year for rental housing.

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