



Spain - Institutional Framework

When considering an energy efficiency retrofit within your national housing market, a wide plethora of consideration needs to be made. Below, we list key findings to facilitate your analysis of the retrofit investment. More details and backgrounds can be found on the website www.rentalcal.eu.

Parameters for decision taking in Spain:

- The Spanish rental building stock is relative small in terms of total stock, and owned by municipal, individual and commercial housing companies. The largest share of rental dwelling units is owned by non-professional private landlords who only hold one or few apartments each. Those landlords manage their apartments quite differently than professional providers.
- As a consequence, the parameters which influence the decision making process of different actor types regarding investments into the energy performance of existing rental dwellings in Spain have been identified in this report. Then, actual values or ranges of values are assigned to the parameters to quantify or describe the current situation under which Spanish landlords operate.
- Very recently, from the GFC, the number of housing companies and REITs operating in rental market has increase, but there is no statistical evidence about their relevance yet.
- The analysis performed here contributes to a better understanding of different investor types' approach to making investment decisions in energy efficiency refurbishments, and also allow for comparative analyses of actor groups' characteristics in different European countries. Eventually, barriers and disincentives which impede investments in rental buildings' energy performance are analyzed and promising approaches to mitigate them are juxtaposed.

Types of investors and stakeholders in Spain:

- Spain has one of the largest homeownership-rates among Europe, and, in consequence, low rental units among the primary homes use. However, the rental market is asymmetric distributed as it is concentrated in big cities in which the share of rental is close to those in other European countries (around 20-22%). Most rental dwellings are owned by non-professional private landlords with one or few dwellings each and derive the main share of their income from other sources than rental income, thus they are categorized as non-professional private landlords. On the other hand, there are also private landlords who own much more dwelling units and derive large fractions of their income from rents but are few number. In this case, they normally are constituted in family-houses or family funds private companies. Those landlords spend much time on managing their dwelling stock and have huge competences in doing so
- Besides private landlords, a lower share of the residual Spanish rental dwelling stock are owned by private housing companies or Financial institutions like REITs.
- Municipalities also own around 4% of the total rental house but they use them for social purposes to cover housing needs, so out of the market instead they rent the houses, and less professional management.

Constellations for decision making in Spain:

- A large share of the rental dwellings in Spain are held in small-spatial ownership structures by landlords who don't have professional expertise in most of the aspects of an energy retrofit, the subsequent procedures and the calculation of the overall profitability. However, the existence of real estate professionals as regulated activity allow most of landlords to leave the rental management to them.
- When it comes to constellations of decision taking, the largest barriers and disincentives which keep owners of rental residential properties in Spain out from investments in the energetic quality of their properties. The existing of a compulsory regulation to improve energy qualification induce the real estate manager to introduce the improvement and manage it according to the mandatory rules, overpassing the barriers created by the low preparation of landlords to implement the novelty energy norms.
- Spanish statistics does not allow to identify the landlord of every unit. Last statistics (1991) identify 94% of total rental stock as owned by private-nonprofessional owners.