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**“ Insider view**

Check out our interview with Luis Manuel Albendea, Business Development Manager at OHLA, who highlights some of the trends of the real estate sector and shares with us valuable insights for the remainder of 2023.

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**Luis Manuel Albendea**  
Business Development Manager  
OHLA



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**1 Looking ahead to 2024, what are your predictions for the real estate sector, and how do you foresee it evolving in terms of market dynamics and deal opportunities?**

The forecasts for 2024 are promising after a year full of uncertainties. There will be a change in trends that clearly increases investment, recovering the levels of previous years. By the end of 2024, we expect that the recovery will be driven by the capacity of adaptation of financial entities and investors to the new scenario of rates, debt costs and returns.

After the latest announcement by the ECB about a 25 basis point (BP) rate increase, which seems to indicate that it will be the last, we estimate that investments will increase. This is because clearer rules will be established. Without these rules, it is difficult to position oneself in the market without knowing what the rate ceiling is. Making investment decisions becomes challenging due to this marked uncertainty.

Having more clarity will enable investors to position themselves better. However, there still will be an imbalance between supply and demand. There are not as many attractive assets available, so the supply may struggle to meet the demand at the desired prices.

Finally, the investment trend towards alternative assets is clear: while the expected returns are reducing in the main cities, the perspective is that opportunities will be sought in Tier 2 and Tier 3 cities or coastal regions, due in part to the relocation of work, the conflicts in the eastern part of Europe (Ukraine), and their consequent migratory movements, and the great attractiveness of Spain in terms of quality of life.

## **2 How have you navigated throughout 2023 challenges?**

There is no doubt that the most notable challenge has been economic and international uncertainty. It has been a complex year marked by the constant rise in rates, almost quarterly; rise in construction costs; almost double-digit inflation and a political situation in Spain that doesn't help. To overcome these challenges, our company has followed a strategy based on not so cyclical assets such as luxury (both tourist and residential), alternative "living" assets as well as logistics.

## **3 What advice would you offer your colleagues as a new year approaches?**

Trust in the great possibilities of our market, analyze opportunities with a global vision, and be creative in the articulation of operations.

## **4 How do you perceive your work impacting global or local prosperity?**

Our role as real estate developers is key to economic and social growth, both local and global. At OHLA Desarrollos we cover urban regeneration, soil decontamination, the promotion of social-health assets, tourism-hotel assets, including traditional housing real estate, both affordable and luxury. Centro Canalejas Madrid represents our flagship project when it comes to our impact on urban development and prosperity. This project has totally changed the area where it is located, and positively impacted the Spanish capital. We believe in the importance of local actors, as well as the environments in which our projects are located.