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Our commitment to housing affordability



Neinor
H O M E S

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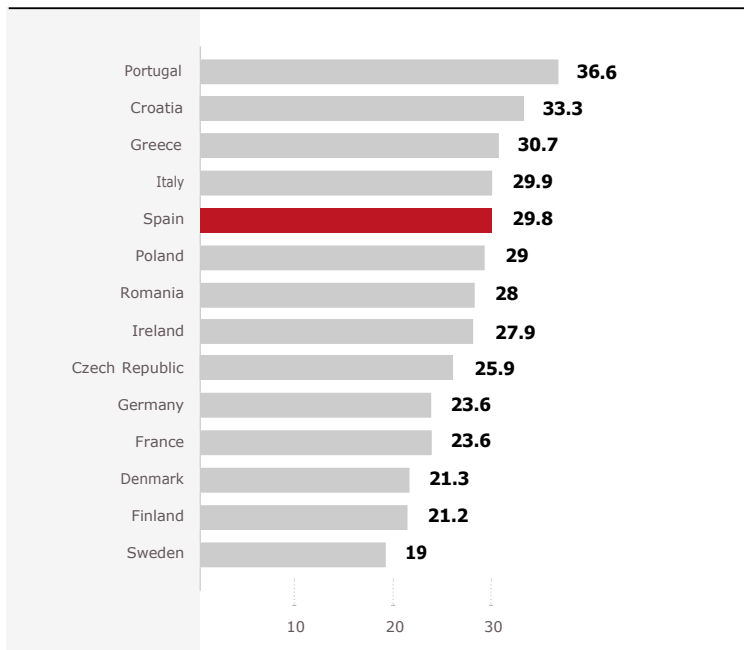
Spain's housing problem

In Spain, one of the biggest social problems is financial accessibility to housing.

This problem affects young people in particular, but also other groups and collectives, and is directly related to the country's employment problem.

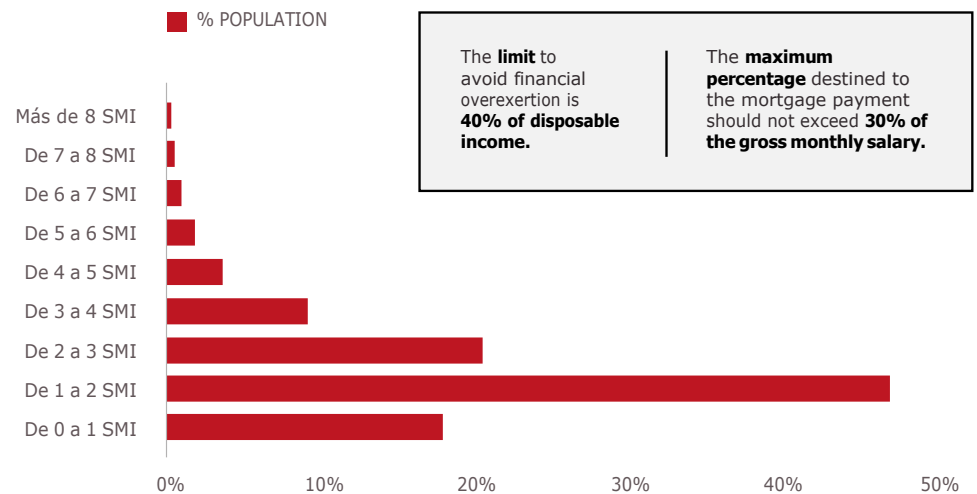
According to Eurostat 2021 data, young Spaniards begin to live independently on average at 29.8 years of age, partly due to the difficulty of accessing housing.

AVERAGE AGE OF YOUNG PEOPLE LEAVING THE PARENTAL HOUSEHOLD



Renting is a more affordable alternative for households with limited budgets and is more common among those with incomes below 60% of median income.

WORKERS AS A FUNCTION OF THEIR ANNUAL INCOME IN RELATION TO THE MINIMUM INTERPROFESSIONAL WAGE



Committed to housing affordability

Neinor Homes, aware that the problem of accessibility to housing in Spain is directly related to the country's labor problem and the lack of economic resources of a segment of the population, in 2021 sought a formula to try to mitigate it.

To this end, it developed 3 business lines focused on the construction of accessible and affordable housing, for which it has continued to invest in 2022 and which it has expanded to 4 business lines, consolidating them both internally and externally.

2021	2022
<ul style="list-style-type: none"> ✓ Neinor Essential ✓ Public-private partnership ✓ Rental * 	<ul style="list-style-type: none"> ✓ Unsubsidised housing ✓ Subsidised housing ✓ Public-private partnership ✓ Rental *

Also in the 2021 financial year, Neinor Homes included in the Social Dimension of its 2022-2025 Strategic Sustainability Plan a line of action with 3 milestones, **whose KPIs/objectives/ratios have been fully met in the 2022 financial year.**



SUBSIDISED HOUSING

Promote the construction of social housing for sale (subsidised housing).

(10% of houses in execution per year of this type)



PUBLIC-PRIVATE PARTNERSHIP

Encourage and promote public-private agreements for the development and construction of social rental housing.

(10% of houses in execution per year of this type)



AFFORDABLE HOUSING

Incorporate a new line of housing with more affordable prices than those offered on the market in well-connected locations and with quality services.

(10% of houses in execution per year of this type)

* The incorporation of Rental in the business is considered a measure that favors housing accessibility because, for similar assets and areas, the rental price is more affordable than the repayment price of a 30-year mortgage loan. See analysis in our [Social Impact Measurement Report](#).

What form does our commitment take?

As for the 4 business lines focused on the construction of accessible and affordable housing:



UNSUBSIDISED HOUSING

Neinor Homes is currently the developer with the **highest number of affordable housing** units delivered.

✓ 562 homes delivered in 2022 from the Neinor Essential product line:

- Unsubsidised housing at affordable prices (under €200,000)
- First real estate developer to bring the quality and services it offers to a wider public, irrespective of their economic situation.

✓ 542 homes under construction and 124 homes in the project phase:

- Aimed at groups with difficulties in accessing unsubsidised housing.
- Objective: to fulfil the commitment to the acquisition of quality housing at affordable prices, so that everyone can have a decent and comfortable home.



SUBSIDISED HOUSING

Neinor Homes has demonstrated **its commitment to the construction of homes for groups with difficulties in accessing housing** through its subsidised housing development business line.

✓ 204 subsidised housing units delivered in 2022, both official subsidised (VPO) and public subsidised (VPT) housing.

✓ 1,126 subsidised housing units in various stages of production:

- 460 homes are already under construction.



**PUBLIC-PRIVATE
PARTNERSHIP**

Neinor Homes has carried out a public-private partnership with **Cevasa and Habitage Metrópolis Barcelona (HMB)**.

✓ 2022: work started on the agreement to build 4,500 social rental homes in Barcelona and its metropolitan area:

- Launch of the first phase: 692 homes spread over 8 developments, which are at various stages of design or awaiting planning permission.

✓ Early 2023: a licence will be sought for one of these developments, with 112 homes, and work will begin on the analysis of the project for phase 2.

With this agreement Neinor Homes:

- Is fully aware that increasing financial accessibility to housing, one of its main objectives, requires cooperation with public administrations.
- Demonstrates its commitment to inclusion and the construction of affordable housing for all segments of the population.



RENTAL

Neinor Homes has demonstrated **a strong presence in the rental market.**

Real estate platform that covers the entire value chain in the rental of homes:

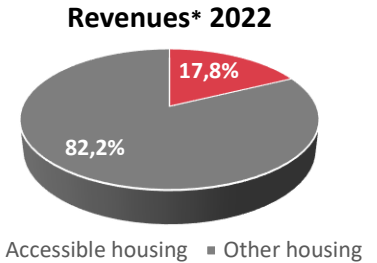
- ✓ It manages third-party rental housing: around 4,000 assets.
- ✓ It manages the rental of its own portfolio of new homes: around 4,000 units in the management and execution phase:

- In 2022, portfolio of 542 homes under management with 96% occupancy.
- In December 2022 it increased to 800 under management with the completion of Sky Rental Homes and Buenavista Rental Homes developments.
- Around 900 homes are expected to be delivered in 2023, and the remaining 2,300 homes (in the design and construction phase) will be delivered between 2024 and 2026.

✓ It has a team to manage the rental of properties sold to Family Offices.

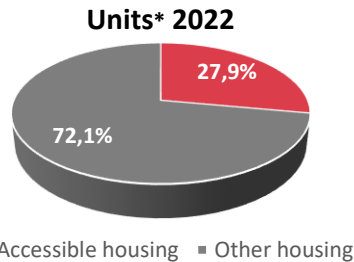
Our commitment in figures

- ✓ 766 affordable housing units delivered in 2022: 562 unsubsidised + 204 subsidised.
 - They accounted for revenues of €136 million.
 - The average selling price per property was 154 thousand €.



Vs. 2021

- ✓ 10.2% more affordable housing delivered → 766 units in 2022 vs. 695 in 2021
- ✓ 21.6 % more revenue from this type of housing → 136 M€ in 2022 vs. 111,8 M€ in 2021
- ✓ Percentage increase over:
 - Total sales (units) → 27.9 % in 2022 vs. 24.1 % in 2021
 - Total revenues → 17.8 % in 2022 vs. 12.7 % in 2021



➤ Results of the **Social Impact Report** carried out in 2022 in a pioneering manner by Neinor Homes:



In 2021, a total of 3,167 unsubsidised homes were delivered, 7.1% of the new construction supply in the areas where Neinor Homes operates



In 2021, 464 subsidised housing units were built, 5.9% of the total number of subsidised housing units built in Neinor Homes' areas of operation that year.



This housing arrangement gives access to premium housing to 20% more of the population.

Business lines focused on the construction of affordable and accessible housing have led to greater accessibility to housing.

* The difference between the percentage of total revenue and total units is due to the low sales price.