



## The District 2025 wraps up with 14,537 delegates and affordable housing at the heart of the debate

Southern Europe's leading real estate event unveiled its closing insights, highlighting the macro-trends that will shape capital flows and investment strategies in the coming months

**Positioning affordable housing as a strategic national infrastructure, the rise of flex-living, and the growing potential of data centers emerged as key opportunities set to drive investment into 2026**

**Barcelona, October 3, 2025.**— [The District 2025](#), southern Europe's leading real estate event, closed this Thursday with **14,537 delegates in attendance** —14% more than last year— from **37 countries**, and an economic impact of **more than €35 million**. Over three days, stakeholders from across the property value chain heard first-hand the macro-trends shared by 432 experts. Drawing on these perspectives, the summit presented its own conclusions through its chairman, **Juan Velayos**, who laid them out in nine points:

### 1. Affordable housing: a priority in Europe

The most prominent theme at The District 2025 was the urgent need to **promote affordable housing across Europe**. The continent faces a shortage of homes, with annual demand at 2.3 million units while only 1.4 million are being built—one of the sector's greatest concerns. As Elena Campelo, Head of the Urban Development Division at the European Investment Bank, emphasized, *"housing is Europe's next essential infrastructure."* In the same vein, Velayos noted that *"housing must be treated as strategic national infrastructure, so it is perceived as an essential service with proper planning and secure investment."*

Investment in affordable residential projects is emerging as a key growth area despite challenges such as slow permitting and fragmented regulation. Capital has accepted returns of around 10% to account for development risk in this asset class, underscoring its importance from both an economic and social standpoint.

### 2. Living: more innovation and specialization

The real estate market continues to adapt to evolving user needs, with several key trends in the **living** segment. **Flex-living** has emerged as one of the fastest-increasing areas amid scarce residential land, offering adaptable solutions that match modern lifestyles. By contrast, while **Build-to-Rent (BTR)** initially attracted significant investment, overly stringent regulation has limited many of its options.

**Build-to-Sell (BTS)** remains solid, with sales prices rising, though perceived to be near their peak. In **student housing**, the asset is consolidated with strong demand and long-term growth opportunities. Experts also pointed to heightened demand in **Senior Living** and **Senior Care**, driven by an aging population.

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### 3. Alternative financing: the evolution of real estate credit

Alternative financing took center stage at The District 2025, with momentum set to continue as investors seek more flexible and faster options in an uncertain macro environment. Today, in high-potential countries like Spain, **alternative financing represents between 15% and 20% of the national financial landscape**, with expectations it could double by 2030. Preferred **Equity structures**—allowing higher leverage and more flexible loan terms—are among the favored models. Non-traditional sources including private credit and private equity are projected to gain further ground in Southern Europe, converging toward levels seen in more mature markets like the UK and the US.

### 4. Data centers: more capacity required

The Mediterranean region continues to gain favor with investors due to its strategic role as a gateway to Europe. To meet the growth of **hyperscalers** and **artificial intelligence**, in the case of Spain, for example, the nation must increase its data center capacity from 0.4 GW to 1.3 GW by 2030, implying investment of more than €11 billion. The main bottlenecks to expanding capability now are **permitting** and **access to the power grid**.

### 5. Hospitality: operational excellence and smart repositioning

Europe's hotel market remains robust after three years of exceptional development, fueled by strong international tourism, especially from new markets such as Asia, and a rising focus on personalized guest experiences. As ADR levels stabilize in Southern Europe, the key to standing out, according to leading voices, is **operational excellence and intelligent asset repositioning**. Supply remains constrained owing to zoning restrictions, moratoria, rising costs, and new rules on short-term rentals, which are limiting the ability to add new inventory to the market.

### 6. Office transformation: flexibility and adaptability

The office market—particularly in Southern Europe—remains resilient, with increasing focus on **secondary stock that needs consolidation and refurbishment** to absorb oversupply and generate returns. At The District 2025, top voices noted that low vacancy (3%–4%) and corporate return-to-office are driving rent growth, with hospitality-style offices leasing faster and requiring limited capex. Conversions of **secondary offices to residential, hotels, and flex-living** are **gaining traction**, while shrinking supply and ESG compliance are tightening the market and pushing up yields.

### 7. Logistics and reindustrialization

**Logistics remains one of the most attractive assets for investors**, supported by strong space demand driven by e-commerce. However, Europe's reindustrialization is creating new logistical challenges as infrastructure must adapt to emerging technological and supply needs. Experts agreed that the evolution of distribution networks will be critical to the success of reindustrialization across the continent.



## 8. Local investment: key to the market's future

**Regional partners are essential for project execution**, as platforms now require both management capability and local know-how. The OpCo/PropCo model—separating property ownership from business operations—has become established, with capital backing not only buildings but also the income-generating activity within them, diversifying risk and enhancing returns.

The District 2025 also highlighted the importance of M&A activity, roll-ups, and strategic alliances between managers and investors—both at large-platform scale and among specialists with operational expertise—who are adapting their economics to new market conditions.

## 9. AI is transforming Real Estate

Artificial intelligence is rapidly reshaping the sector, with particular impact on **asset management and risk analysis**. AI is enabling faster, more efficient, data-driven decision-making, revolutionizing how assets are managed and risks anticipated. In the coming years, AI is expected not only to optimize real-estate operations but also to drive revenue growth and cost reductions.

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**About The District 2025 (September 30 - October 1-2, Fira Barcelona Gran Via):** is the largest European event dedicated to Real Estate from the capital perspective. The summit has a Hospitality area and a content program in The District World Summit 2025, the global reference congress on capital structures, which has 5 auditoriums. It is the main meeting forum where the different Real Estate agents who are looking for opportunities and new real estate projects meet with the aim of designing the future of the sector in Europe. The District is an event organized by NEBEXT - Next Business Exhibitions.

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