BBVA Research

July 2026

Outlook and Electricity in the Real Estate Sector

Key Messages. Forecasts

Despite favorable demand conditions, sales are expected to fall by 7.3% in 2026 and post a slight increase of 0.6% in 2027

Interest rates will remain relatively low. Immigration will continue to support household creation. Employment growth and real wage gains will support household income growth. Purchases by foreign buyers will remain significant, partly owing to geopolitical uncertainty.

Supply constraints will continue to limit transaction growth.

Housing permits will grow by 10.1% in 2026 and 12.6% in 2027

This is expected to bring investment in residential construction to 5.7% of GDP in 2026 and 6.0% of GDP in 2027.

Housing starts will reach 153,000 in 2026 and 170,000 in 2027, compared with 139,000 in 2025. This will increase supply.

Housing output will remain below the number of households created in both years (223,000 and 217,000 respectively), so the housing deficit will continue to widen.

The imbalance between supply and demand will continue to feed through to prices, which will rise by 12.0% in 2026 and 5.7% in 2027

Persistent international trade tensions pose an additional risk by increasing uncertainty over construction costs.

Other factors, such as labor shortages and weak productivity growth, will continue to exert upward pressure on prices.

The State Plan represents progress, but it will not correct the housing deficit on its own

Notable features include the larger budget allocation, the structural shift toward a permanent public housing stock, and measures to promote industrialized construction, land development and market transparency, which could support construction over the medium term.

However, resources remain insufficient to correct the housing deficit, and the Plan's effectiveness will depend on institutional coordination and the capacity to mobilize private investment.

Key Messages. Electricity and Housing

More than 80,000 planned homes depend on the construction of new electricity infrastructure

The electricity grid is saturated: it cannot absorb or transmit the available electricity without additional interventions. As a result, 88% of distribution nodes have less than 1 MW of available capacity

Regulation over the past decade constrained grid development in favor of financial balance and still makes it difficult today to meet the increase in demand for access.
Housing is currently considered strategic when capacity is allocated.

Grid expansion for large urban developments can take 5 to 8 years

The electricity grid is not flexible; it requires planning and investment several years in advance.
Uncertainty over connection timelines complicates the planning and financing of developments.

This is becoming a bottleneck for housing construction. However, it does not currently appear to be the main factor constraining construction[1].

Electricity demand could grow by around 45% through 2030

Residential demand will have to share limited grid capacity with new sources of electricity demand from industry, transport and data centers, intensifying competition for access and making it essential to accelerate grid investment.

Thus, amid the economy's increasing electrification, investment in electricity grids is an economic growth policy.

Measures in the electricity sector would help stimulate residential construction

Several measures should begin to be implemented. Accelerate investment in electricity grids and anticipate development needs. Improve coordination between urban planning and electricity-grid planning. Improve the allocation of available capacity (unlocking unused capacity as soon as possible). Promote storage and system flexibility.

1 See: BBVA (2024). Reasons Behind the Limited Housing Supply; BBVA (2025). Labor Shortages in the Construction Sector; BBVA (2025). Real Estate Watch. November 2025; BBVA (2026). Outlook and Profitability in the Real Estate Sector. March 2026

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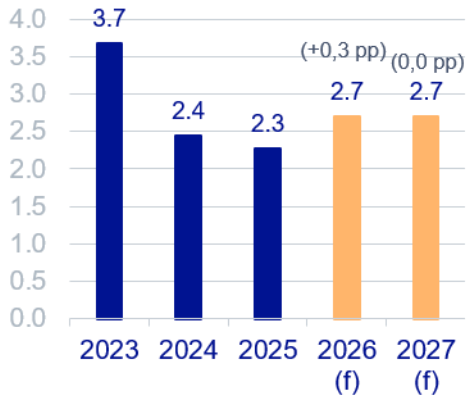
1. Spain's Residential Market

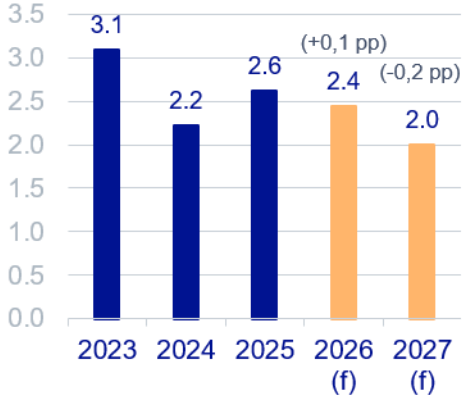
Forecasts 2026-2027

Housing demand will continue to be underpinned by favorable fundamentals

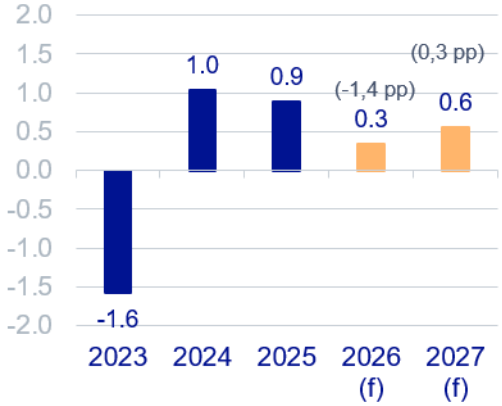
12-MONTH EURIBOR* (%)



EPA (LABOR FORCE SURVEY) EMPLOYMENT (%, Y/Y)



REAL COMPENSATION PER EMPLOYEE (%, Y/Y)

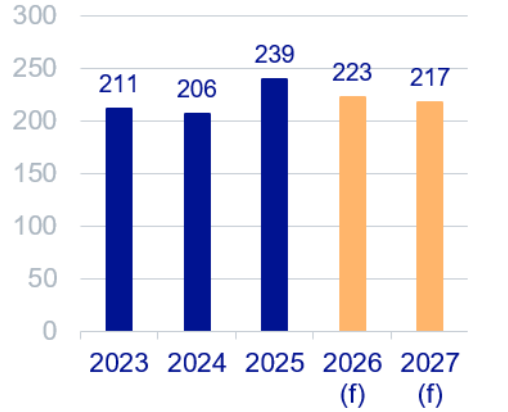


*End of period.
Source: BBVA Research based on BdE, MTES, EPA and INE.

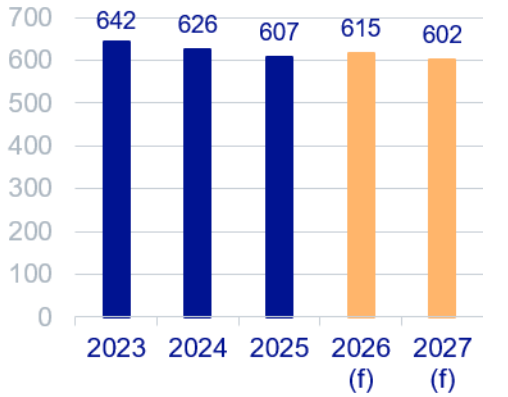
Interest rates will remain relatively low and will continue to support access to credit. Although employment will continue to grow, its slower momentum and the moderate recovery in real wages will temper some of the support for housing demand.

Housing demand will continue to be underpinned by favorable fundamentals

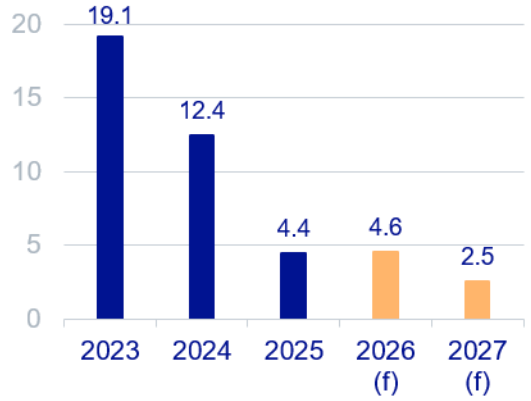
HOUSEHOLD CREATION
(THOUSANDS OF HOUSEHOLDS)



NET MIGRATION
(THOUSANDS OF PEOPLE)



FINAL CONSUMPTION EXPENDITURE BY NON-RESIDENTS IN SPAIN (%, Y/Y)



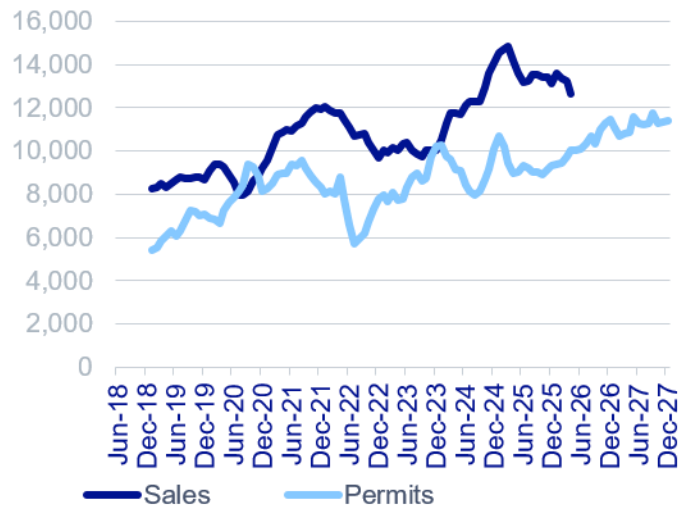
Source: BBVA Research based on INE

Household creation will maintain strong momentum, supported by robust migration flows. In addition, the strong performance of non-resident spending will be consistent with foreign demand that will remain significant for the residential market.

Limited output will continue to constrain new-home sales

- New-home sales are closely related to housing starts (new-build housing permits). **Historical evidence shows that approximately 25 months elapse between the start of construction on a home and the registration of its sale.**
- **New housing output will remain insufficient to meet demand.** Although permits remain on an upward path, the volume of housing starts in recent years limits the capacity to increase sales in the short term.
- **The recent increase in permits will gradually improve supply,** but its effect will take time to feed through to sales.

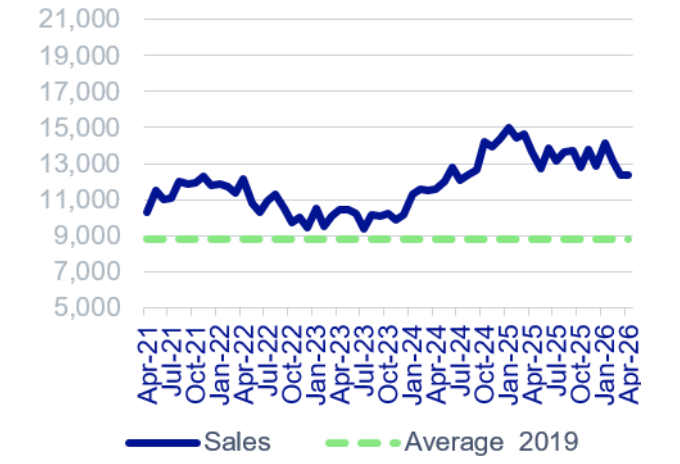
NEW-HOME SALES AND PERMITS
(SALES IN MONTH T; PERMITS AT T-25, HOMES, SEASONALLY AND CALENDAR-ADJUSTED)



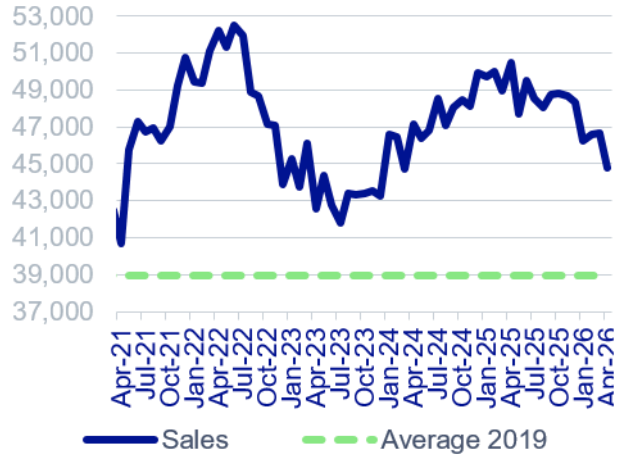
Source: BBVA Research based on CIEN and MITMA

Housing sales have slowed since the beginning of 2026

SPAIN: NEW-HOME SALES
(SA DATA)



SPAIN: EXISTING-HOME SALES
(SA DATA)

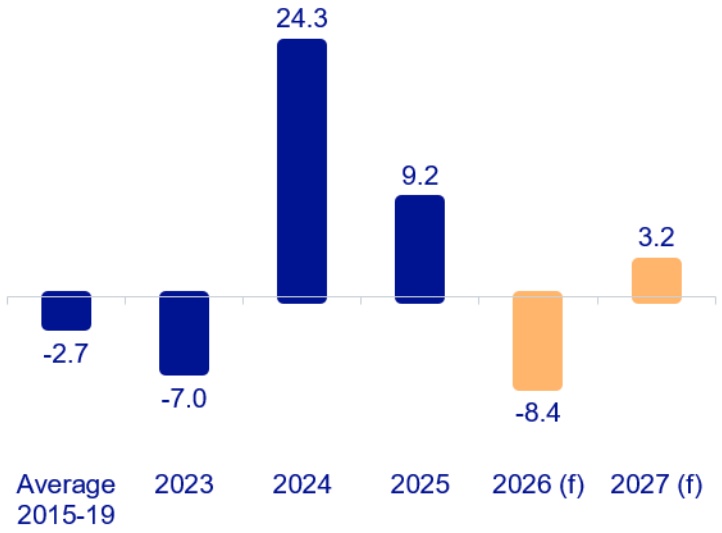


Source: BBVA Research based on CIEN Source: BBVA Research based on CIEN

The slowdown affects both new and existing homes, although transaction volumes remain above pre-pandemic levels. Limited housing supply and high prices explain the loss of momentum, despite the solid demand fundamentals.

The supply shortage will reduce new-home sales in 2026

NEW-HOME SALES
(YEAR-ON-YEAR CHANGE, %)



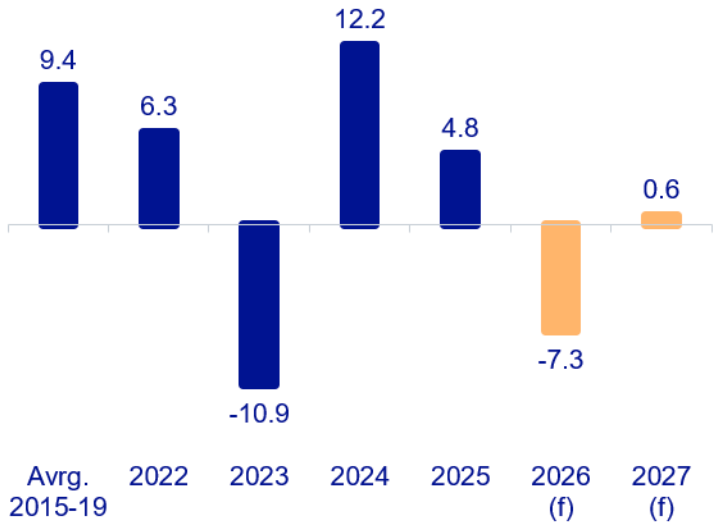
- Following a weaker-than-expected performance in the first four months of the year, **new-home sales are expected to fall by 8.4% in 2026.**
- The **shortage of available properties** will limit the market's capacity to respond to demand that will remain high.
- **As new housing output increases, sales are expected to return to growth in 2027 (around 3%),** although they will remain constrained by the shortage of available properties.

Source: BBVA Research based on CIEN and MITMA

The 2026 sales forecast is revised downward, although activity will remain high

- Sales performance during the **first months of the year has been weaker than expected, prompting a revision to the 2026 forecast.**
- Although **international trade instability is expected** to ease, the sharp **increase in prices**, which could price part of demand out of the market, and **the limited availability of homes** justify a moderation in sales.
- The forecast for 2026 is revised to -7.3%. Even so, **sales will remain at historically high levels** and in 2027 would stand slightly above 700,000 transactions.

HOME SALES
(YEAR-ON-YEAR CHANGE, %)

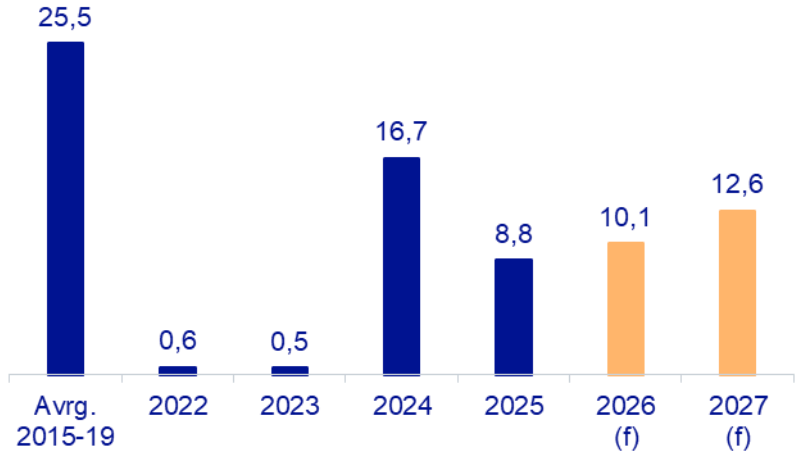


(f): Forecast.
Source: BBVA Research based on CIEN and MIVAU

No major changes to permit forecasts: the pace of construction remains insufficient to meet demand

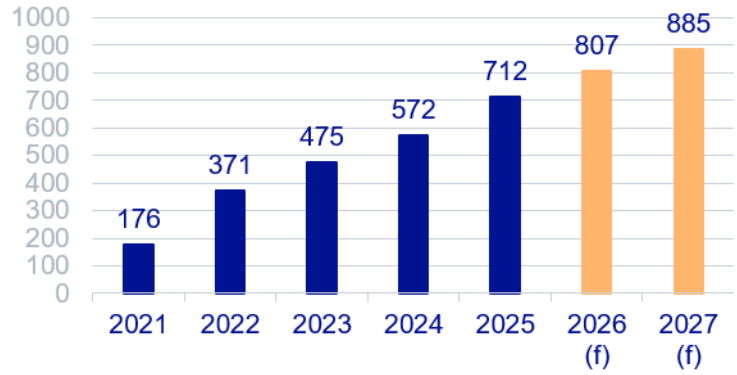
- **Public authorities have stepped up initiatives to increase housing supply.** These include the State Housing Plan 2026-2030 and various reforms aimed at streamlining urban planning processes, such as those in Madrid.
- **Measures approved previously** with similar aims still **do not appear to be having a significant impact** on the market.
- The same factors continue to constrain output: a **shortage of development-ready land**, **labor shortages, regulatory uncertainty,** the **complexity of urban planning processes** and the **sector's low profitability**.
- Despite the expected growth**, the pace of output will remain at around 160,000 homes per year**, clearly below the needs arising from household creation.

NEW-BUILD HOUSING PERMITS
(YEAR-ON-YEAR CHANGE, %)



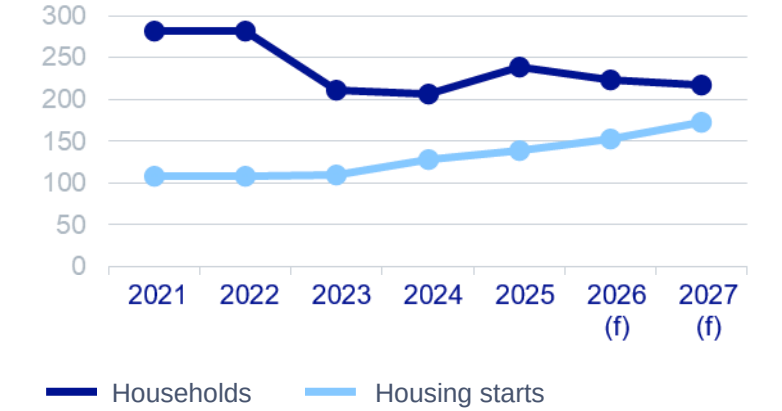
The housing deficit will continue to widen and will be concentrated in the main demand areas

HOUSING DEFICIT IN SPAIN
(THOUSANDS OF HOMES)



Source: BBVA Research based on INE and MITMA

HOUSEHOLDS CREATED AND HOUSING STARTS.
(THOUSANDS)

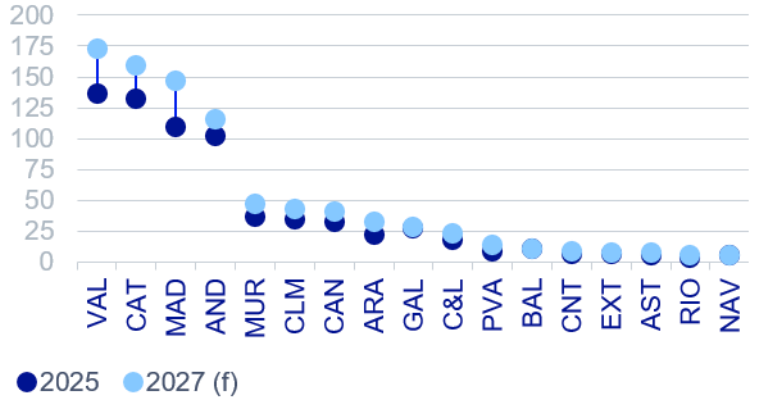


Source: BBVA Research based on INE and MITMA

INE forecasts point to the creation of around 220,000 households per year in 2026 and 2027, below the 2021-2025 average (246,000). Even so, the pace of construction will have met the needs of only 47% of the new households created between 2021 and 2027.

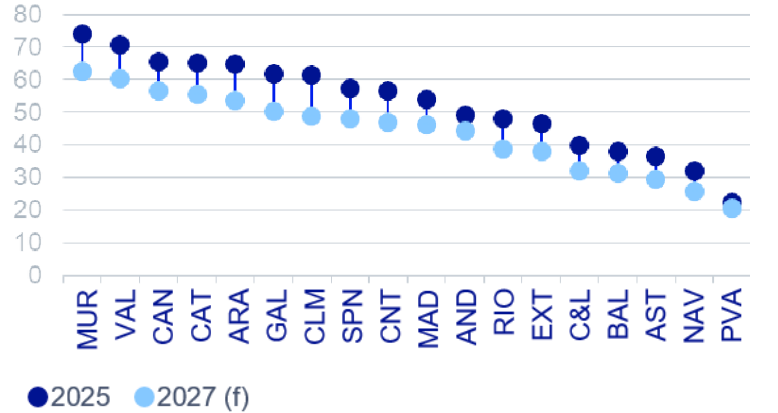
The severity of the housing deficit varies considerably across autonomous communities

HOUSING DEFICIT BY AUTONOMOUS COMMUNITY
(CHANGE IN THE NUMBER OF HOMES BETWEEN 2025 AND 2027)



Source: BBVA Research based on INE and MITMA

ACCUMULATED HOUSING DEFICIT BY AUTONOMOUS COMMUNITY SINCE 2021
(% OF HOUSEHOLDS CREATED)

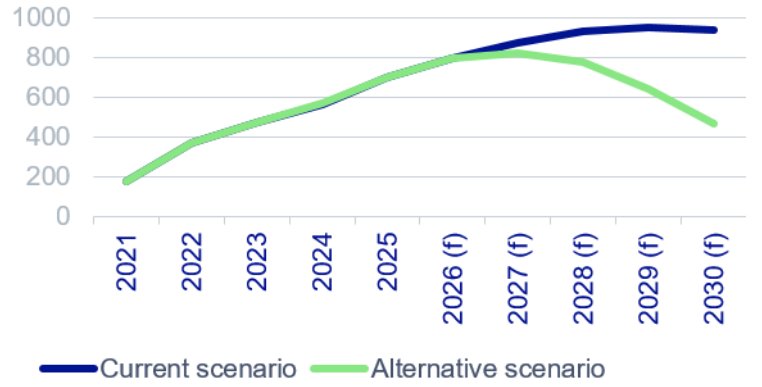


Source: BBVA Research based on INE and MITMA

The autonomous communities with the highest household creation account for the largest housing deficits. However, although the relative imbalance will ease in most regions, it will remain high. On average, homes completed between 2021 and 2027 will cover only 52% of the households created.

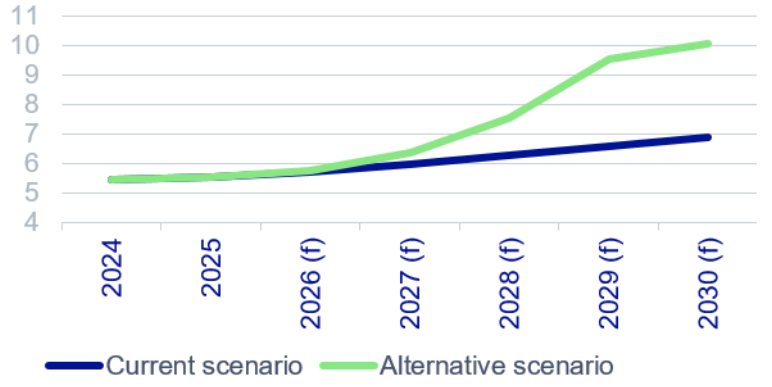
Reducing the deficit requires substantial increases in housing investment

HOUSING DEFICIT IN SPAIN
(THOUSANDS OF HOMES)



Alternative scenario: required to halve the housing deficit by 2030. Source: BBVA Research based on INE and MITMA

HOUSING INVESTMENT
(% OF REAL GDP)

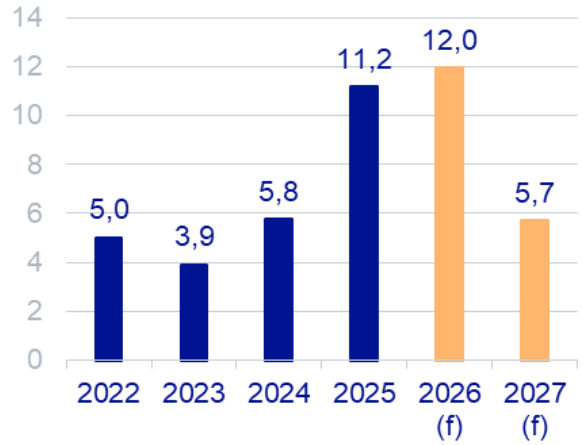


Alternative scenario: required to halve the housing deficit by 2030. Source: BBVA Research based on INE and MITMA

Reducing the deficit requires a step change in residential investment and the removal of the main bottlenecks constraining output. To halve the housing shortage, residential investment would need to approach 10% of GDP in 2030.

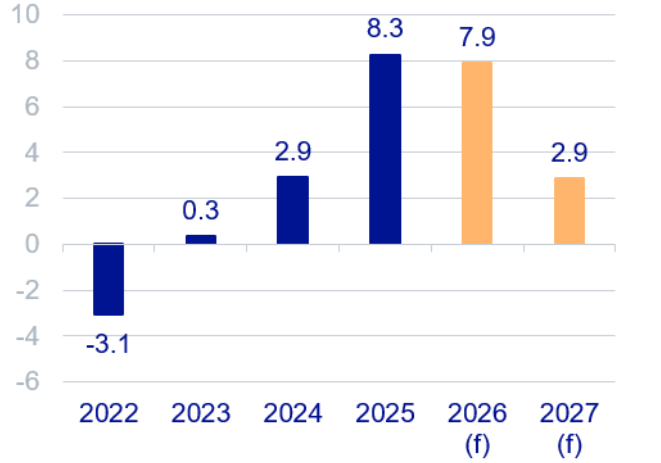
The imbalance between supply and demand will continue to put pressure on prices

HOUSE PRICES IN NOMINAL TERMS
(YEAR-ON-YEAR GROWTH, %)



(f): Forecast.
Source: BBVA Research based on MIVAU

HOUSE PRICES IN REAL TERMS
(YEAR-ON-YEAR GROWTH, %)

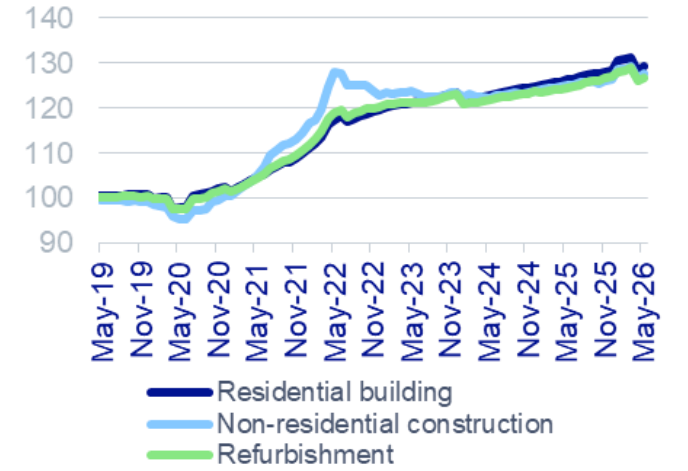


(f): Forecast.
Source: BBVA Research based on MIVAU

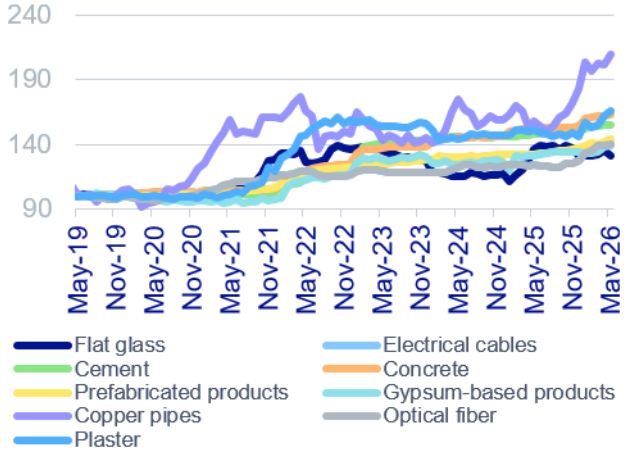
The volume of home sales will remain high and continue to face a significant shortage of available properties. In this context, the market will continue to adjust through higher prices, which will once again rise at high rates in 2026 and 2027.

Trade tensions add pressure to construction costs

CONSTRUCTION SECTOR COST INDEX
(JAN-19 = 100)



CONSTRUCTION MATERIALS PRICE INDEX
(JAN-19 = 100)



Source: BBVA Research based on MITMA Source: BBVA Research based on MITMA

Although the baseline scenario continues to envisage an increase in residential output, a renewed episode of rising material costs could undermine the viability of some projects and delay the supply response.

State Housing Plan 2026-2030: Progress and Limitations

Positive Aspects

Greater budgetary ambition, with central government funding of EUR 7 billion and co-financing by the autonomous communities.

A structural shift toward a permanent public housing stock, prioritizing affordable rental housing and strengthening public-private collaboration.

Positive measures to improve industrialized construction, land development and market transparency, which could support construction over the medium term.

- Grants **to finance land development**.
- The use of **industrialized construction techniques** is encouraged.
- Incentives **to bring vacant homes** onto the market.
- Strengthen **public-private collaboration**.
- A **guarantee facility** designed to cover potential payment defaults.

Limitations

Resources remain insufficient to correct a housing deficit of 700,000 units in 2025: the Plan would enable approximately 45,000-70,000 homes to be built over four years, a gradual and limited impact.

The increase in output relies mainly on **public development and the mobilization of the existing public housing stock**, whose impact will be slow and relatively limited.

It does not address the main supply bottlenecks: a shortage of development-ready land, lengthy urban planning timelines, labor shortages and regulatory uncertainty. A decisive commitment to reduce land conversion timelines, which can exceed 15 years, is lacking.

The Plan's effectiveness will depend on **coordination among public authorities** and on incentives being attractive enough **to mobilize private investment.**

The Plan improves the design of housing policy, but its macroeconomic impact is likely to be limited because it does not remove the main bottlenecks constraining residential supply.

Regional reforms reflect a shift toward supply-side policies, although their effects will be gradual

Main Lines of Action

Urban Planning Simplification

- Shorter processing times for planning procedures.
- Simplify procedures for granting permits.
- Widespread use of responsible declarations.
- Digitalization and standardization of procedures.

Partner Entities

- Establish urban planning entities to review projects.
- Partner entities to expedite permits.
- Technical certification prior to the granting of permits.

Public-Private Collaboration

- Transfer of public land through surface rights.
- Public-private co-investment.
- Build-to-Rent programs.
- Joint development of subsidized housing projects.

Land Mobilization

- Increased buildable area.
- Changes of use.
- Early servicing of development areas.
- Greater flexibility in urban planning standards.

Main Initiatives Approved and Announced between March and July 2026

Law 2/2026 (June-26) of the Community of Madrid.

- Greater buildable area.
- Streamlined procedures.
- Changes of use.
- Public-private collaboration.

Draft Law on the Simplification of Urban Planning and Environmental Procedures (July 2026) in Catalonia.

- Urban planning simplification.
- Shorter timelines.
- Partner entities.

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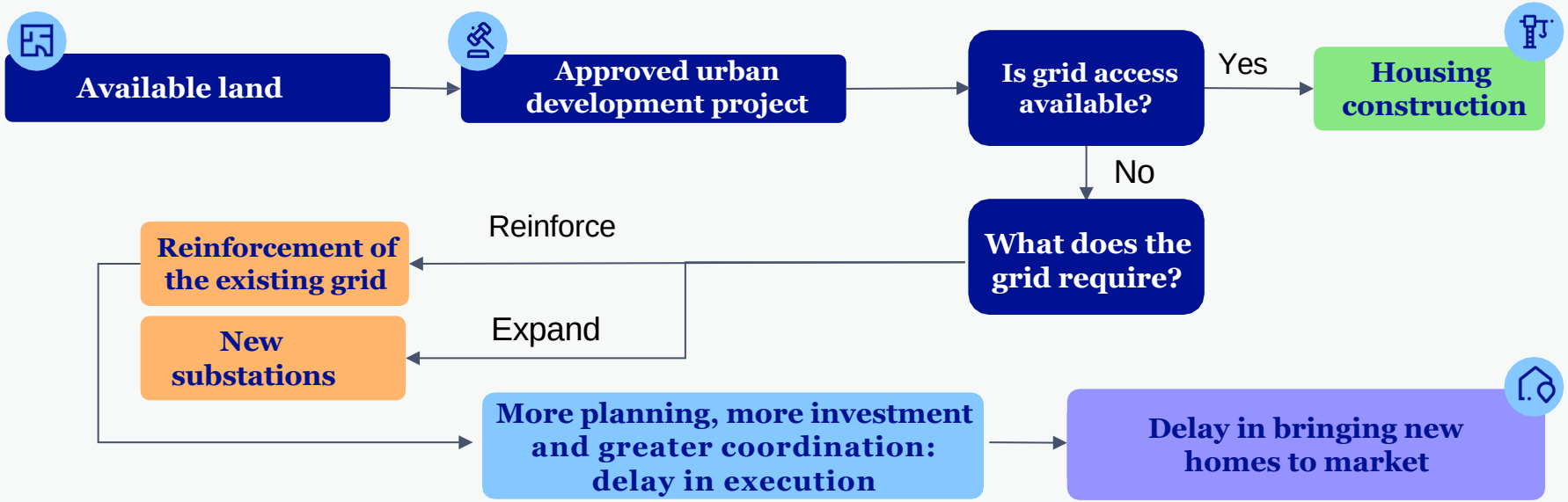
2. The Role of Electricity in Residential Construction

The electricity grid: another bottleneck for residential construction

A lack of electricity capacity delays housing construction



Without sufficient electricity grid capacity, the infrastructure must be reinforced or expanded, which can delay the implementation of real estate developments and postpone the arrival of homes on the market.

Electricity access problems are already affecting developments in different geographical areas

Community of Madrid

Situation
An identified risk exists: more than 80,000 planned homes depend on the construction of new electricity infrastructure.

Consequence
The commissioning of new substations and grid reinforcements determines the implementation schedule.

Source: SIMA (2026)

Vélez-Málaga

Situation
The existing grid constrains the development of more than 4,000 homes.

Consequence
The construction of a new substation is necessary to unlock residential growth.

Source: Vélez-Málaga City Council (2025)

Estepona

Situation
A total of 72 completed homes remained without an electricity supply.

Consequence
The homes could not be handed over despite being fully completed.

Source: Estepona City Council (2026)

Aragón

Situation
Completed developments had to wait between 3 and 4 months to obtain an electricity supply.

Consequence
The delays generated significant financing costs for the developments.

Source: Cadena SER Aragón (2026)

The lack of electricity access is already constraining residential projects in different parts of Spain, as shown by several examples reported in the press in recent months.

What does it mean for the electricity grid to be saturated?

Why It Occurs

More renewables. Renewable generation is growing faster than the grid's capacity to transmit and integrate it

More electrification. Housing, industry, mobility and data centers are demanding increasing amounts of electricity.

Insufficient grid capacity. Investment in transmission and distribution does not always advance at the same pace as demand.

Limited storage capacity. Some of the energy generated cannot be stored for use when the grid has available headroom.

How It Is

Curtailment or unused energy. Some of the available electricity cannot be integrated into the grid.

Technical constraints. The system must alter generation to prevent overloads and stability problems.

Balancing services. REE is intervening increasingly often to balance supply and demand and maintain the security of the system.

Redispatching. Generation is reduced in some areas and increased in others to relieve congestion.

Consequences

Rising costs. Congestion requires increasingly frequent intervention to maintain a degree of stability.

Project delays. Limited grid headroom and allocation problems make new connections more difficult and delay investment.

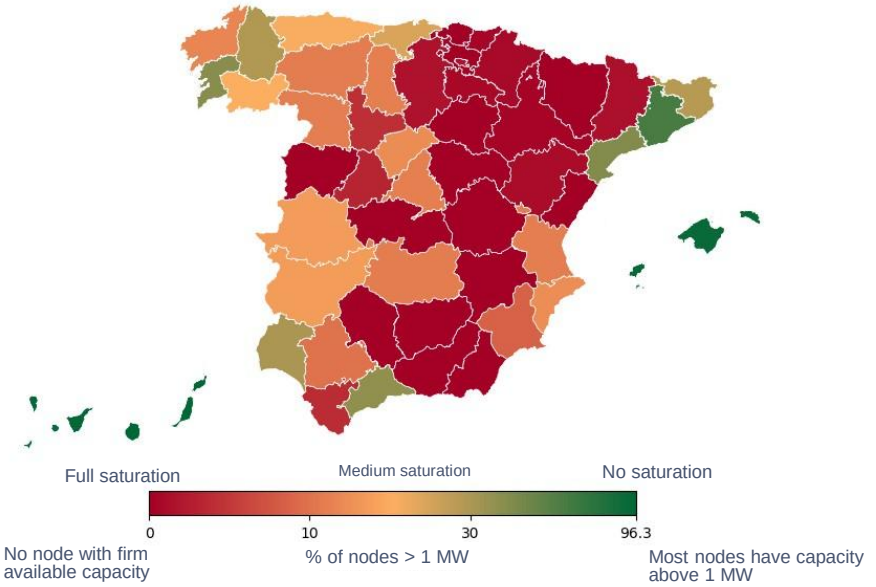
Need for new investment. The grid must be expanded and reinforced to absorb the growing electricity demand.

Lower efficiency. Some of the available electricity is not used, and the system operates in a less efficient manner.

The grid cannot absorb or transmit the available electricity without additional interventions. Saturation is not observed directly, but through the costs and interventions required to keep the grid operating.

Capacity at most distribution nodes is very limited

SATURATION OF ELECTRICITY DISTRIBUTION GRID NODES
(% OF GRID NODES WITH FIRM AVAILABLE CAPACITY ABOVE 1 MW IN EACH PROVINCE. Q4 2025)



- The rapid deployment of renewable energy, the expansion of distributed generation and ambitious electrification targets **have substantially increased Spain's electricity generation capacity.**
- However, **grid expansion has not advanced at the same pace.**
- **Electricity grid congestion and insufficient storage** caused Spain to waste 1.4% of its renewable energy in 20241.
- **A total of 88% of electricity distribution grid nodes have capacity below 1 MW,** limiting the connection of new demand or generation projects of a certain size.

For the purposes of this analysis, nodes with more than 1 MW available are considered to have effective capacity for new developments. Lower capacities are interpreted as insufficient to connect new medium-sized residential projects and are therefore treated as situations of saturation from an economic and urban planning perspective.

Source: BBVA Research based on information from electricity distribution companies.
(1) Transmission Capacities for Cross-Zonal Trade of Electricity and Congestion Management in the EU 2025 Monitoring Report. ACER. Sept. 2025.

Allocation problems: capacity may be committed and unavailable for new projects

How electricity capacity is committed

Capacity is reserved for specific projects

- Access application
- ↓
- Connection point assessment
- ↓
- Granting of permit
- ↓
- Reservation of grid access
- ↓
- Project development (milestones and deadlines)

Evolution of the regulation of grid access and investment

The 2013 reform (Law 24/2013) slowed the pace of grid investment

- It established a remuneration framework aimed at ensuring the system's financial sustainability, with limits on remunerated investment in transmission and distribution.
- In a context of low electricity demand, this contributed to a more moderate expansion of the grid, which now makes it difficult to meet the increase in demand for access.

Since 2020 (Royal Decree 1183/2020), capacity hoarding has become more difficult

- To prevent capacity hoarding, milestones, deadlines and financial guarantees were introduced to retain access permits.
- Projects that fail to meet the milestones release capacity for new developments.

Royal Decree-Law 7/2026 reinforces a more strategic allocation of capacity*

- Strategic projects, such as housing and industry, are prioritized.
- It introduces greater intervention in capacity allocation and enables more strategic grid management.
- The effectiveness of allocation will depend on objective criteria, transparency and the speed of regulatory implementation.

*Note: several measures depend on subsequent regulatory implementation, adding uncertainty about their scope and effectiveness.

- This applies, among other measures, to flexible access (pending definition by the CNMC), the operational details of access prioritization and possible capacity windows, the full regulation of Renewable Acceleration Zones and their procedures, the social excellence standard, and the development of energy communities.
- There is a risk of administrative discretion in applying prioritization, especially in the category of “strategic projects,” whose definition and classification criteria are largely deferred to subsequent implementing rules or case-by-case decisions (through committees or government agreements). This could generate uncertainty for investors unless objective and transparent criteria are specified.

Grid expansion in large urban developments can take 5 to 8 years

Key elements	Investment cost	When is it done?
Electricity planning. REE transmission grid planning or investment plans of distribution companies **Administrative authorizations** **Environmental assessment.** Impacts and objections that can block projects. **Land.** Acquisition/expropriation **Construction**	**Transmission.** Regulated investment included in central government planning (REE) **Distribution.** It is carried out by distribution companies, although developers may also bear part of it. In large projects, they may finance part of the grid or bring forward the investment.	Ideally, it is done in **parallel with urban development.** **It often proceeds more slowly** and arrives late because of **insufficient planning,** as the grid is planned at the national level and is not always aligned with urban planning. In addition, **environmental permits** are slow and uncertain, and **extensive coordination** among different public authorities is required. It can become **a bottleneck in project development.**

The electricity grid is not flexible; it requires planning and investment several years in advance. Uncertainty over connection timelines complicates the planning and financing of developments.

Congestion can cause a problem of an electrical nature to acquire an economic dimension

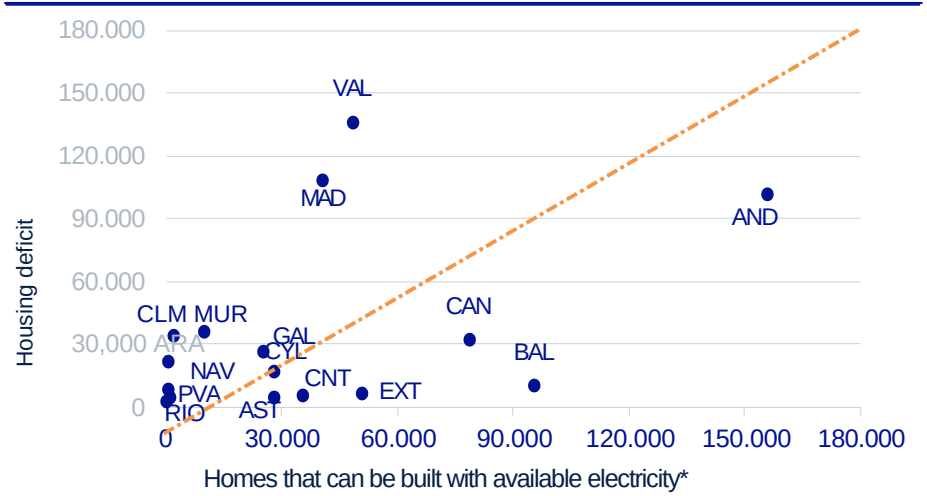
Structural Constraint	Economic Mechanism	Economic Impact
The grid shifts from an intermediate input to a limiting factor Saturated distribution grid. Insufficient capacity at many nodes. Mismatch between electricity demand and grid expansion.	**Investment is blocked** Infrastructure supply constraint. Supply rationing. Inefficient capital allocation, which may prevent some viable projects from being implemented.	**Housing** – Lower supply. – Delays and pressure on prices. **Industry** – Cancellation or relocation of projects. – Difficulty electrifying processes. **Growth** – Lower capital accumulation. – Negative impact on potential GDP and productivity.

Investment in electricity grids is an economic growth policy

Electricity capacity could become a new constraint on reducing the housing deficit

- Spain accumulated a housing deficit of around 700,000 units between 2021 and 2025, distributed unevenly across the country.
- **A lack of electricity grid access capacity may be an additional bottleneck for construction, on top of those** already known.
- In some provinces, insufficient electricity capacity may hinder efforts to address the **existing housing shortage**.
- In many provinces, the construction of new homes must be accompanied **by investment to increase electricity capacity and transmission.**

HOUSING DEFICIT IN SPAIN AND HOMES THAT CAN BE BUILT WITH EXISTING ELECTRICITY CAPACITY
(NUMBER OF HOMES)



Homes that can be built assuming that households consume 31.5% of the total electricity available in Spain (according to Eurostat) and each household connects at a capacity of 5 kW.
Catalonia has more electricity capacity because it is a major, historically well-developed urban and industrial hub. It has required more electricity infrastructure and has a more developed grid than the average (more substations and a more extensive grid). It is also close to generation sources (the Ascó and Vandellòs nuclear power plants and renewable generation). The connection with France also reinforces the transmission grid. Thus, the housing deficit stands at 130,000 homes, while the available electricity would allow just over 1 million units to be built.
Source: BBVA Research based on MIVAU, MITMA, INE and electricity distribution companies' demand maps

The viability of planned developments depends on the construction of new infrastructure. Examples

Planned homes	Housing deficit	Electricity grid constraint
The land available in the **Community of Madrid** for the next five years could accommodate **126,000 homes.**	Between 2021 and 2025, the Community of Madrid accumulated a **deficit of around 110,000 homes.**	Under the exercise's assumptions*, **firm available capacity would be equivalent to supplying around 40,000 homes.**
Large developments totaling around **20,000 homes** are planned in the **province of Valencia.**	Between 2021 and 2025, the province of Valencia accumulated a **deficit of around 60,000 homes.**	Under the exercise's assumptions, **firm available capacity would be equivalent to supplying around 35,000 homes.**

* Homes that can be built assuming that households consume 31.5% of the total electricity available in Spain (according to Eurostat) and each household connects at a capacity of 5 kW. Source: BBVA Research based on MIVAU, MITMA, INE and electricity distribution companies' demand maps

The simultaneous electrification of the entire economy will exacerbate the problem of grid congestion

Households

Household electrification will progressively increase electricity demand. Replacing fossil fuels with heat pumps and electric climate-control systems, together with the growing penetration of electric vehicles, will increase the power required per home.

- Greater use of heat pumps and electric climate-control systems.
- Domestic charging of electric vehicles.
- Progressive increase in power demand per household.

Industry

The energy transition requires fossil fuels to be replaced by electricity in numerous industrial processes. This will significantly increase electricity demand in certain industrial hubs.

- **Sagunto (Valencia):** Volkswagen gigafactory.
- **Basque Country and Navarre:** industrial electrification.
- **Catalonia and Aragón:** industrial corridors.

Transport

Transport will be one of the main drivers of electricity demand growth over the coming decades. The electrification of private vehicles, fleets and heavy-duty transport will require new infrastructure and additional capacity.

- Expansion of the charging network.
- Electrification of commercial fleets.
- Future development of electric heavy-duty transport.

Data Centers

Data centers are among the most electricity-intensive uses. Although they account for part of future demand, some individual projects may require as much power as entire municipalities.

- Aragón, Madrid and Barcelona account for a large share of the projects.
- Announced project pipeline exceeding 14,000 MW.
- Some individual projects exceed 100 MW.

Electricity demand could increase by 45% through 2030, intensifying pressure on the grid

According to the AELEC report (2025), estimated demand in 2030 will be between 33% and 54% higher than in 2025, reaching between 305.8 and 360.5 TWh. This is in line with the National Integrated Energy and Climate Plan (PNIEC), which estimates demand at 329.6 TWh. By 2035, the increase would be between 64% and 105% (377.5–479.5 TWh).

Thus, to meet projected demand, investment is expected to increase significantly and reach between EUR 4.5 billion and EUR 6.3 billion in 2030.

Residential

- The expansion of heat pumps, aerothermal systems and electric vehicles will increase households' electricity connection requirements.
- Electricity demand could grow by between 8.9% and 15.0% by 2030 compared with 2025, when consumption stands at between 90.3 and 92.0 TWh.
- This increase will entail a rise in power of between 7.0% and 8.8% compared with 2025 levels.

Industry

- Replacing fossil fuels with heat pumps, electric boilers and thermal storage systems will drive the electrification of industry, especially in low- and medium-temperature applications.
- Electricity demand is estimated to increase by between 17.9 % and 22.4% in 2030 compared with 2025, rising from around 93 TWh in 2025 to around 112 TWh in 2030.
- This represents an increase in installed capacity in 2030 of between 26.8% and 31.3% compared with 2025.

Four measures to prevent the grid from holding back residential development

Accelerate investment in electricity grids and anticipate development needs

Increase investment in distribution and transmission.

Plan the grid on the basis of future needs, not only current demand.

Reinforce substations and nodes expected to face the greatest residential pressure.

Grid expansion must keep pace with, or even precede, urban growth

Improve coordination between urban planning and electricity-grid planning

Integrate electricity requirements into urban planning.

Improve coordination among municipalities, distribution companies and REE.

Shorten administrative processing times and the assessment of environmental requirements.

Electricity and urban planning must advance together

Improve the allocation of available capacity

Reduce blockages of unused capacity.

Strengthen transparency regarding effectively available capacity. More information facilitates investment.

Assess risk at the system level, not only on a project-by-project basis.

Favor viable projects with greater economic and social impact.

Grid access should favor viable and strategic projects

Promote storage and system flexibility

Increase energy storage capacity, but not as a substitute for grid expansion.

More flexible demand management, adapting part of consumption to times and areas where the grid has more available headroom.

Digitalization and modernization of the grid.

A more flexible grid reduces congestion and improves utilization

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