

One in three family offices in Spain will be facing a generational shift over the next ten years

- ***The study ‘Discovering to the Spanish family office’, drawn up by OpenWealth and finReg360, offers an in-depth and updated view of the reality, challenges and opportunities of family offices in Spain.***
- ***75% of families are en route to professionalise the management of their assets: the ecosystem of family offices in Spain remains in its early stages.***
- ***Succession planning, diversification of investments and cyber-security are a few of the great challenges faced by Spanish family offices.***

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35% of *family offices* in Spain will be facing a generational shift over the next ten years, a fact that requires making progress in so far as the implementation of an adequate succession planning to ensure long-term continuity and success for these companies. This is one of the conclusions reached by the study “Discovering to the Spanish family office” drawn up by OpenWealth, the *multifamily office* of CaixaBank Group, and finReg360, a leading firm in Spain within the fields of regulation, consultancy and financial taxation.

The study, based on the information received from interviews conducted with 40 family groups during 2024, offers an updated view of *family offices* in Spain, analysing their organisational and governance models, investment structure and main challenges.

The study aims to diagnose some of Spain's largest family estates, describing their size, structure and organisation; their sources of wealth and the composition of their investment portfolios; the various wealth management models implemented by these companies; and the challenges they face in terms of managing and preserving their assets. The study also includes the vision of various experts in key aspects such as cyber-security, risk management and taxation, with the aim of contributing a complementary and practical perspective relating to critical aspects for wealth management.

For **Marta Alonso**, Managing Director of OpenWealth, “with this study, in addition to offering an in-depth view of the sector, we also aim to provide a guide which can help families to identify their current point in the evolution of their assets -from early stages to more mature phases- and which strategies they can opt for to ensure the growth and continuity for generations to come”.

Furthermore, **Fernando Alonso** and **Jorge Ferrer**, partners at finReg360, have emphasised that “the family offices will be facing significant challenges, such as succession planning, achieving a more professional management and strengthening their governance, all of which will be decisive in preserving their family legacies”.

The report shows a growing and young ecosystem of *family offices*, in which the succession planning is the key concern (40% of families surveyed consider this to be a critical challenge, and 18% consider it to be highly relevant): 52% of families has not yet faced the challenge of succession; and 35% expects a generational shift over the next 10 years.

The experts underline that the continuity of family wealth depends on an effective succession planning and on the degree of preparation of the following generation in terms of taking over business management. Hence, advancing towards a greater degree of professionalisation has become a strategic priority.

However, the findings of the study reflect an ecosystem that remains somewhat incipient and in which the mechanisms that *family offices* have on hand for governing their investments and family matters are still in the early stages of development. According to the study, 75% of the *family offices* are currently in the early stages or have not yet formalised a specific structure for implementing the professional management of their assets -with 6.6% currently ongoing, and 66.8% barely in the early stages-.

The study also describes the different ways in which the families have organised themselves for managing their assets: *Single Family Office* (SFO), exclusively overseeing the assets and requirements of the family, the *Multi Family Office* (MFO), also allowing to spread the expenses and investment required; and *Embedded Family Office* (EFO), which optimise the managerial resources available and allocated to family businesses for overseeing the wealth surpluses that are generated. Among the different options, the choice is closely related to the family's volume of assets due to the scalability of the resources linked to the office in terms of the overseen wealth. While the SFO is the most common choice from families with a greater volume of assets -families with more than 100 million euros-, those with assets below 100 million euros usually opt for the MFO or EFO options.

How do the *family offices* in Spain invest?

The report reflects a balanced distribution of investments carried out by *family offices*. According to the data extracted, Spanish families invest in real estate, representing 24% of their investment portfolios invested in this sector, considerably above the 18% of other European families.

As a future trend, these families expect to increase their exposure to the equity markets, to real estate assets and to *private equity* vehicles at the expenses of fixed income positions, probably anticipating the decrease in interest rates that is expected for the near future. Across sectors, the expectation is to see an increase in their exposure to the technological, health and energy sectors.

Wealth and tax planning is also an important factor when it comes to family offices choosing their investments, as they invest in cultural activities (36% of families), in R&D activities (38%), non-profit or patronage activities (52%) and life insurances (19%).

Another investment characteristic that is reflected from the analysis is that many families tend to opt for financial leveraging when acquiring the assets held in their portfolios and, thus, optimising the return on their capital, most of which use direct financing models using real estate or financial collateral.

A crucial role in the country's economic growth

The study concludes that *family offices* play a relevant and positive role for economic and social development in Spain, thanks to stimulus they have on patronage, the business fabric and on innovation.

Thus, these families play an active role in the social sphere, helping to support cultural preservation, educational innovation and medical advances. They also foster employment, alternative financing and entrepreneurial competitiveness. And finally, through their support to 'startups', new technologies, and cultural preservation, they foster sustainable growth and innovation, helping to adapt the economy to our global environment.

About OpenWealth

OpenWealth is the CaixaBank subsidiary dedicated to providing independent wealth consultancy services for UHNW clients (ultra high net worth clients). With almost €9 billion in assets managed, it is the largest asset consultancy firm for high net worth individuals and the largest *multifamily*

office service in Spain. The subsidiary currently has a portfolio of more than 50 clients, 22 employees (14 in *front desk*) and five specialised centres in Spain.

OpenWealth, as an independent company, will offer a holistic service that comprehensively meets the customers' needs, from the process of strategically allocating assets and providing consolidated information to searching for national and international providers when specific services are required. As a result, companies outside the CaixaBank Group will also be able to provide advisory, discretionary portfolio management, RTO and custody services.

About finReg360

finReg360, founded in June 2016, is a professional services firm that specialises in regulatory advisory and consultancy services, exclusively focusing on financial services. In barely nine years since its inception, this firm has positioned itself as the market leader in Spain, consolidating a highly specialised team of more than 70 professionals, all of whom have an average experience spanning over 10 years.

Via its five main lines of business – Financial Regulation, Strategy and Operations, Financial Taxation, Data Protection and New Technologies – the firm provides services to more than 1,000 clients, both national and international, that operate in key sectors such as banking, security markets, insurances, as well as large non-financial corporations that seek to develop new lines of business in the financial sphere.