



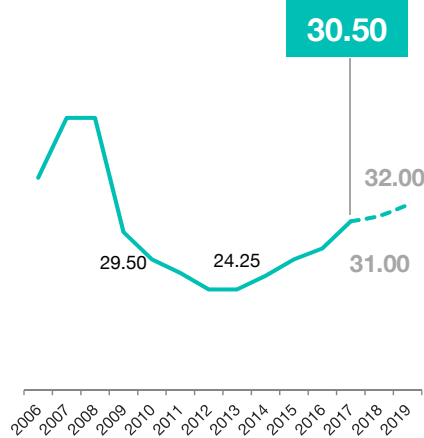
# OFFICES SNAPSHOT

1<sup>st</sup> QUARTER 2018

## MADRID OCCUPIER MARKET

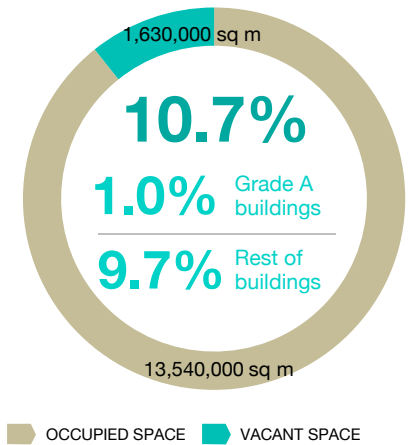
- During Q1 2018, office take-up reached 119,000 sq m, up 19% compared to the same period of the previous year. The continued strong performance of the economy means another year of record take-up is expected.
- The M-30 North submarket contributed the largest share of take-up, 36% of the total, and it was in this area where the largest deal of the quarter took place, Everis in the former headquarters of Axa, in Fuente de la Mora 1.
- Vacancy rate remains at 10.7%, 1% in grade A buildings and 9.7% in the rest.
- Prime rents remained at € 30.5 / sqm / month, expected to arise to € 31 / sqm / month by the end of the year.

GRAPH 1  
Prime rent evolution  
Q1 2018



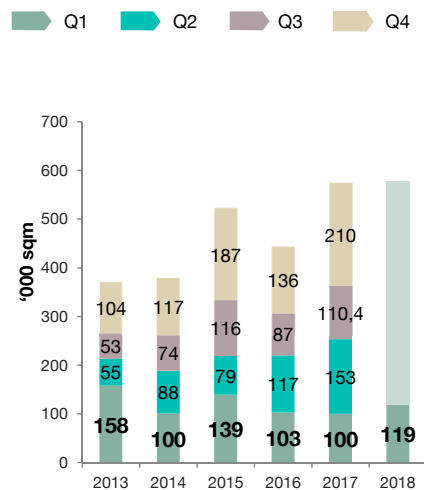
Source: Knight Frank Research

GRAPH 2  
Vacancy rate  
Q1 2018



Source: Knight Frank Research

GRAPH 3  
Quarterly take-up performance  
2013 - 2018



Source: Knight Frank Research

GRAPH 4  
Take-up and maximum rents  
by submarket\*. Q1 2018

\* Distorsions caused by non-relevant deals have been removed.

ORDERED BY TAKE-UP	MAX RENT(Q1)
M-30 North	13.80
CBD	34.00
Secondary C.	25.00
M-40 North-East	17.00
A-1	14.50
M-30 East	14.00
M-30 South	11.00
A-2	12.00
A-6	15.00

Source: Knight Frank Research

GRAPH 5  
TOP3 | main occupier transactions  
Q1 2018

**EVERIS SPAIN**  
FUENTE DE LA MORA 1 | M-30 NORTH

27,280 sqm

**AVORIS REINVENTING TRAVEL**  
VIA DE LOS POBLADOS | M-40 NORTH-EAST

9,300 sqm

**ALL FUNDS BANK**  
PADRES DOMINICOS 7 | M-30 NORTH

6,150 sqm

### QUARTERLY TAKE-UP PERFORMANCE MADRID | Q1

2016 Q1: 103,000 sqm    2017 Q1: 100,000 sqm    2018 Q1: 119,000 sqm

# INVESTMENT MARKET MADRID AND BARCELONA

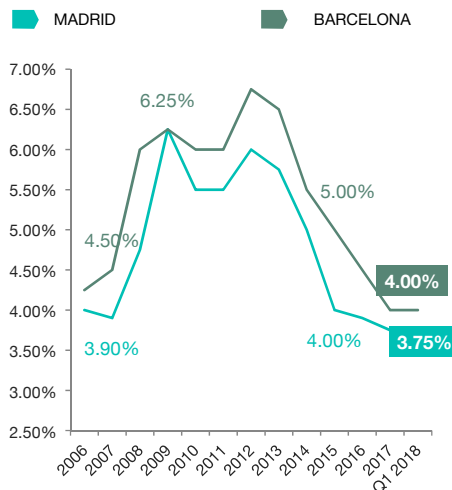
- Investment in offices in the first quarter of the year stood at over 275 million euros.

- In terms of investor profile, SOCIMIs were the principal buyers of the quarter in both Madrid and Barcelona and are expected to continue rotating assets throughout 2018.

- The merger between Axiare and Colonial, which was recently approved by its board of directors, will most likely place non-strategic assets on the market.

- Prime yields remain at unprecedented low levels and are expected to compress further this year.

GRAPH 6  
Variation in prime yields  
2006-2018 Q1



Source: Knight Frank Research

GRAPH 7  
European prime yields  
Latest available data

	YIELD
Brussels	4.50
London City	4.25
Amsterdam	3.60
Frankfurt	3.25
London WE	3.50
Berlin	3.10
Paris	3.00
Dublin	4.00

Source: Knight Frank Research

GRAPH 8  
TOP3 | investment transactions  
Q1 2018

## PARTENÓN 4 - 6. EGEO BUILDING

VENDOR: LAR ESPAÑA

PURCHASER: COLONIAL

79,3 m | 4,344 €/sqm

## TITÁN 4 - 8. TITÁN TOWER

VENDOR: CAJA ESPAÑA-DUERO

PURCHASER: UBS REAL ESTATE

53 m | 4,943 €/sqm

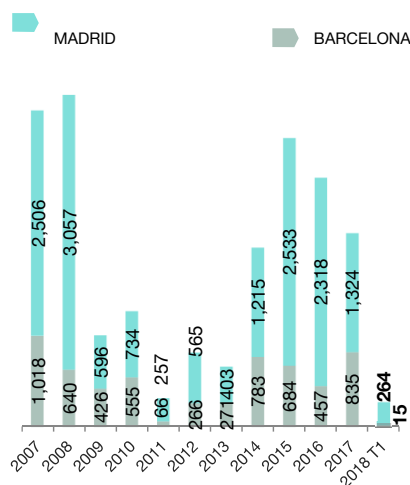
## CAMINO DE SANTIAGO 40

VENDOR: GRUPO INSUR

PRUCHASER: AEW EUROPE

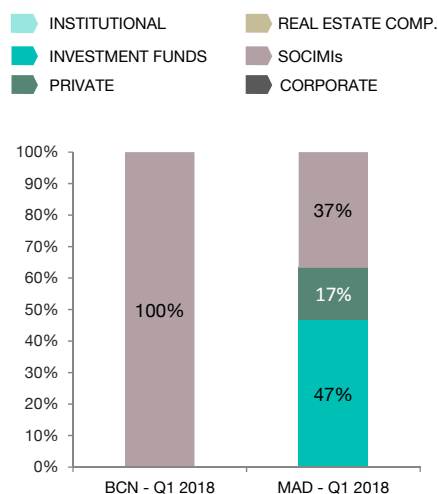
43 m | 1,535 €/sqm

GRAPH 9  
Investment volumen evolution  
Millions of euros



Source: Knight Frank Research

GRAPH 10  
Investment by type of investor  
Q1 2018



Source: Knight Frank Research



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