

The sector indicators are compiled quarterly from a detailed and exhaustive study prepared by experts in the Knight Frank Spain office and are based on real data and market trends.

# Offices Snapshot

Q12021

	MADRID		
TAKE UP Q1 2019 - 2021	2019 <b>168,000 sq m</b>	2020 <b>90,000 sq m</b>	2021 <b>70,000 sq m</b>
TOP 3 DEALS 1st QUARTER	JUST EAT SPAIN ÁNCORA 40 <b>7,200 sq m</b>	ILERNA ON LINE JULIÁN CAMARILLO 4 <b>5,200 sq m</b>	JUSTICE DEPARTMENT CIDRO 7 <b>3,900 sq m</b>

## Madrid Occupier Market

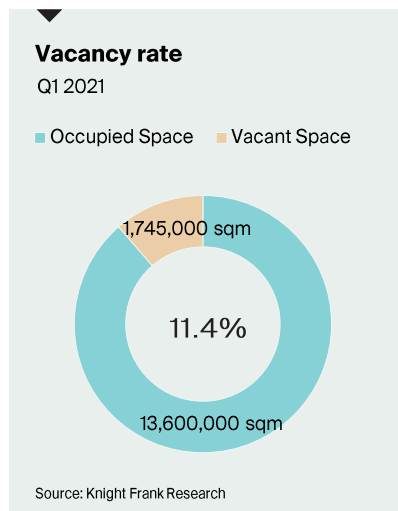
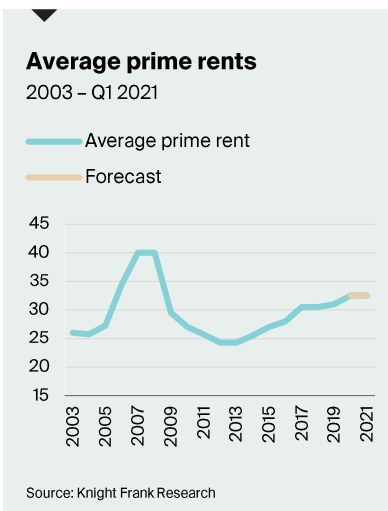
The year starts with a similar level of take-up to the last quarter of 2020, around 70,000 sqm. It is expected that thanks to the vaccination roll out and the improving situation, the return to offices will continue and the sector will start to recover.

No changes have been seen in prime rent levels, remaining at at €32.5/sq m/month on average.

However, a slight decline is expected over the year. The maximum rent reached was 34 €/sq m/month, corresponding to a rental at Genova 27<sup>th</sup> street.

Availability in Madrid fell slightly to 11.4%, mainly due to the creation of new companies or expansions of space by existing companies, which is around 50% of the take-up in the quarter.

The percentage of Grade A buildings (in CBD) remains close to 0.6% of Madrid's office stock.



### TAKE-UP AND HIGHEST RENTS ACHIEVED BY SUBMARKET\*. Q1 2021

IN ORDER OF TAKE-UP	HIGHEST RENT (€)
1. CBD	34.0
2. M-30 East	21.5
3. M-30 North	14.5
4. Secondary Centre	23.0
5. A1	13.4
6. M-30 South	N.A
7. A6	15.0
8. M-30 West	9.0
9. A2	N.A
10. A5	10.0

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

## Investment market

### Madrid and Barcelona

During the first quarter, investment in Spain was almost €300m, and although there has been a decrease compared to 2020, the figures are still more positive than in the worst years of the previous crisis. During this period, the investment in Barcelona stands out, which represents more than 65% of the total with almost €200m, compared to 25% in Madrid.

In Barcelona, institutional investors dominated with more than 95%. In Madrid, Socimis dominated with almost 60% of the investment.

Prime yields remained stable at 3.75% in Barcelona and 3.50% in Madrid.

#### EUROPE PRIME YIELDS

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BRUSSELS	3.90%
LONDON CITY	4.00%
DUBLIN	4.00%
LONDON WE	3.50%
AMSTERDAM	3.50%
FRANKFURT	2.75%
BERLIN	2.75%
PARIS	2.75%

Source: Knight Frank Research

## TOP 3 DEALS

#### BARCELONA

**ONE PARC CENTRAL**  
 VENDOR: VÄRDE PARTNERS  
 PURCHASER: DWS R.E IBERIA  
**€128 M** 5,000 €/sq m  
 Source: Ejeprime

#### BARCELONA

**AV. DIAGONAL 123**  
 VENDOR: BFO (BERNAT FAMILY)  
 PURCHASER: METROPOLIS  
**€55 M** 5,500 €/sq m  
 Source: Brainse

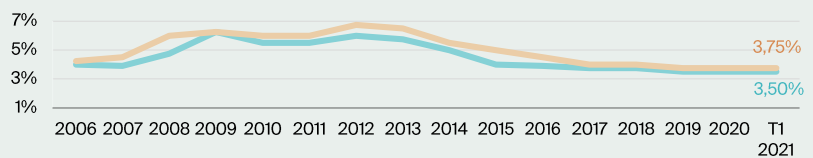
#### MADRID

**LAS ROZAS**  
 VENDOR: NAROPA CAPITAL  
 PURCHASER: ZAMBAL  
**€36.5 M** 3.500 €/sq m  
 Source: Idealista

The largest operation in the first quarter of the year has been DWS's purchase of the One Parc Central office tower in 22@ in Barcelona from Värde Partners, a turnkey project to be delivered in the third quarter of 2022. The price of the transaction has been closed for an amount of 128 million euros.

#### Variation in prime yields

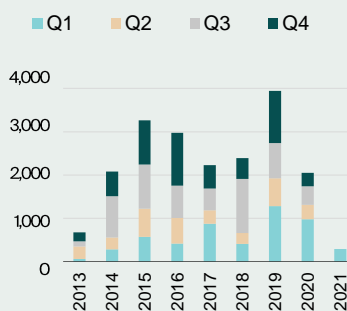
2006 - Q1 2021



Source: Knight Frank Research

#### Investment volume in Spain

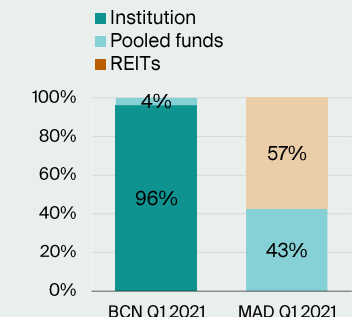
2013 - Q1 2021 (M€)



Source: Knight Frank Research

#### Investment / type of investor

T1 2021 (%)



Source: Knight Frank Research

**COVID-19:** Across Europe and beyond, market activity is being impacted in all sectors due to the Novel Coronavirus (COVID-19) outbreak. As at the date of this report, we consider that we can attach less weight to previous market evidence for comparison purposes, in providing our opinions on the market. Given the unknown future impact that COVID-19 might have on the real estate market and limited recent comparable data, this report is meant to provide market insights as we see them at this time but we wish to highlight the material uncertainty which may cause swift changes in the market. Please get in touch with our team if you would like to discuss in further detail or receive an update regarding market conditions.

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