

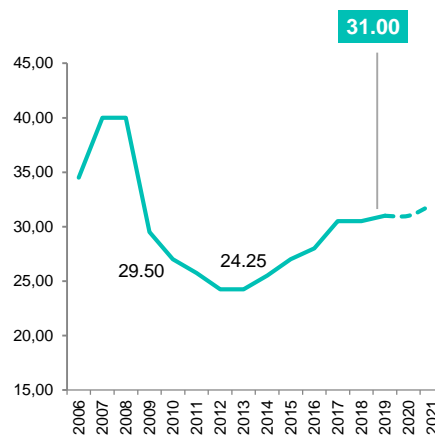
# OFFICES SNAPSHOT

2<sup>nd</sup> QUARTER 2019

## Madrid occupier market

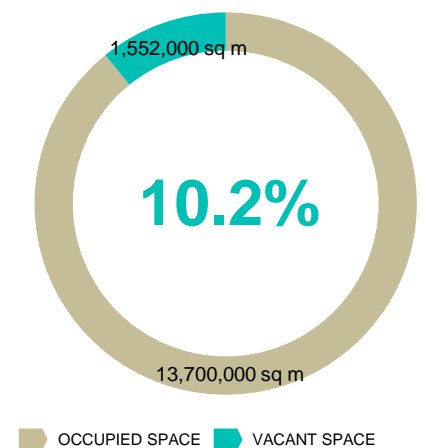
- In the 2<sup>nd</sup> quarter of the year take-up has reached to 140,000 sq m, of which 310,000 sq m closed by half-year, 40% more than the same period in 2018. Q1 2019 on aggregate includes the purchase of Acciona HQ for own use.
- CBD has been the area with the largest share over the quarter, at around 40%.
- +1.5 M sq m of vacancy rate, only 4% belongs to grade A buildings, this which represents 0.4% of the total offices stock in Madrid.
- Main transaction reported by Banco Santander, taking up 16,000 sq m in Josefa Valcarcel st., next to its headquarters, to relocate part of its staff.
- The average prime rents increases to €31 sq m per month, being the maximum of the quarter €35 sq m per month in CBD.

GRAPH 1  
Average prime rents evolution  
Q2 2019



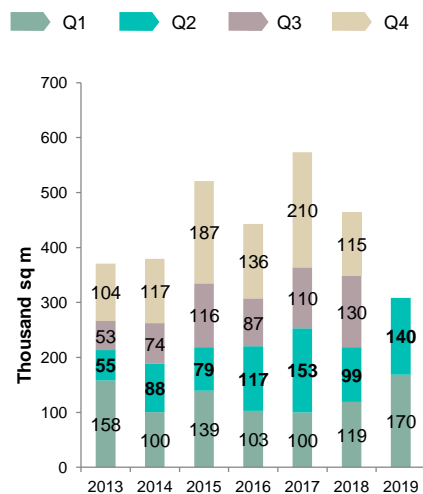
Source: Knight Frank Research

GRAPH 2  
Vacancy rate  
Q2 2019



Source: Knight Frank Research

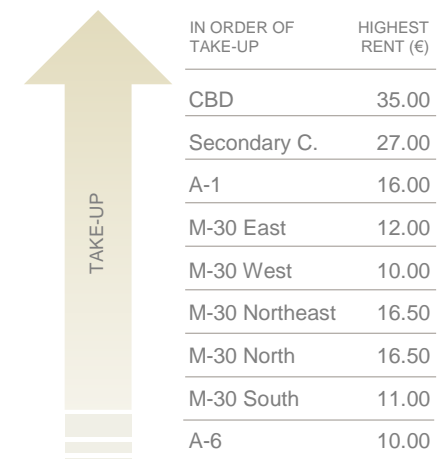
GRAPH 3  
Quarterly take-up evolution  
2013 – Q2 2019



Source: Knight Frank Research

GRAPH 4  
Take-up and highest rents achieved  
this year by submarket\*. Q2 2019

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



Source: Knight Frank Research

GRAPH 5  
TOP3 | Main occupier transactions  
Q2 2019

### BANCO SANTANDER

Josefa Valcarcel 26-30 | M-30 East

16,200 sq m

### CETELEM

Pº Virgen del Puerta 55 | Secondary Centre

13,670 sq m

### MASMOVIL

Av. Bruselas 38 | A-1 (Arroyo de la Vega)

13,440 sq m

### QUARTERLY TAKE-UP MADRID | Q2

Q2 2017: 153,500 sq m Q2 2018: 99,500 sq m Q2 2019: 140,000 sq m

# Investment market Madrid and Barcelona

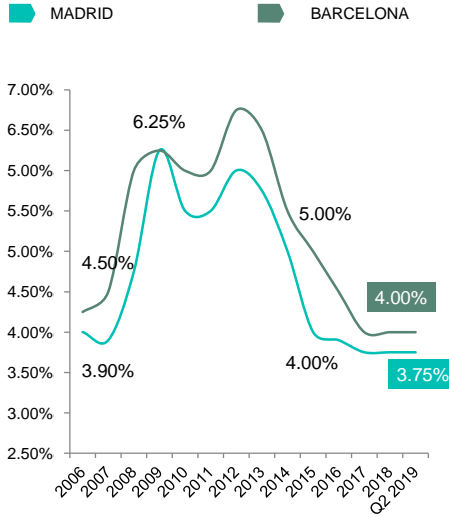
- The investment volume in the 2<sup>nd</sup> quarter closes with almost €650 M, more than twice the figure reached over the same quarter in the previous year. First-half 2019 ends at about €2,000 M, approaching closing figures for previous years.

- The US investor ranks 1<sup>st</sup> as for most active in Spain so far this year, with nearly €600 M. However, the largest number of transactions are still carried out by the Spanish with 33%.

- The purchase by Grupo Emperador of the Telefonica headquarters in the 22@ district (Barcelona) for €150 M has been the biggest transaction in the quarter. The largest deal in Madrid has been the sale of la Moraleja Building One for €80 M by Blackstone to Grosvenor.

- Prime yields remain stable at low levels around 3.75% in Madrid and 4% in Barcelona.

GRAPH 6  
Variation in prime yields  
2006 – Q2 2019



Source: Knight Frank Research

GRAPH 7  
European prime yields  
Latest available data

	YIELD
Brussels	4.25%
London City	4.25%
Dublin	4.00%
London WE	3.50%
Amsterdam	3.25%
Frankfurt	3.10%
Berlin	2.75%
Paris	3.00%

Source: Knight Frank Research

GRAPH 8  
TOP 3 | Investment transactions  
Q2 2019

## SEDE TELEFONICA (BARCELONA)

VENDOR: TELEFONICA

PURCHASER: GRUPO EMPERADOR

€150 m | €4,412 sq m

## TORRE AUDITORI (BARCELONA)

VENDOR: IBERDROLA

PURCHASER: ABERDEEN STANDARD

€98 m | €4,260 sq m

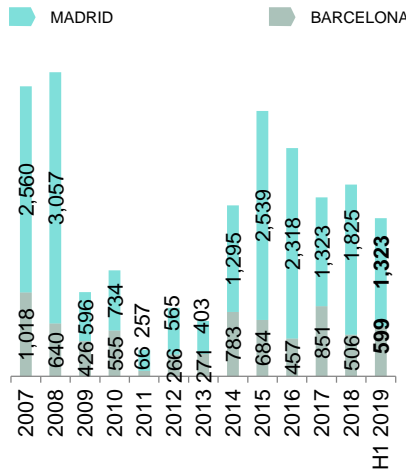
## MORALEJA BUILDING ONE (MADRID)

VENDOR: BLACKSTONE

PURCHASER: GROSVENOR

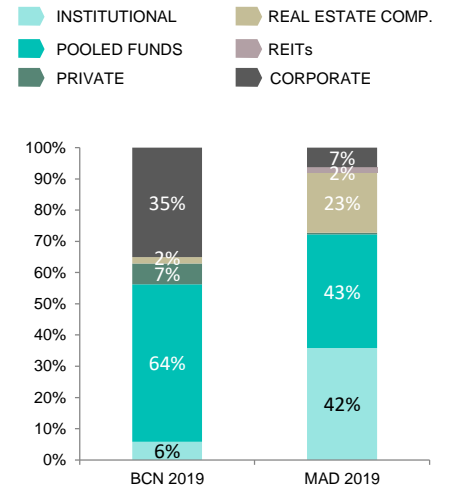
€80 m | €3,540 sq m

GRAPH 9  
Investment volume evolution  
2007 - H1 2019 (€M)



Source: Knight Frank Research

GRAPH 10  
Investment by type of investor  
Q2 2019 (%)



Source: Knight Frank Research



## RESEARCH

**Jorge Sena**  
Partner  
Head of Commercial  
[Jorge.Sena@es.knightfrank.com](mailto:Jorge.Sena@es.knightfrank.com)  
+34 600 919004

**Raúl Vicente**  
Associate  
Head of Office Agency  
[Raul.Vicente@es.knightfrank.com](mailto:Raul.Vicente@es.knightfrank.com)  
+34 600 919023

**Rosa Uriol**  
Head of Research  
[Rosa.Uriol@es.knightfrank.com](mailto:Rosa.Uriol@es.knightfrank.com)  
+34 600 919114

## Important notice © Knight Frank España, S.A.U. 2019

This report is published for general information only and is not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank España, S.A.U. for any loss or damage resultant from any use of, reliance or reference to the contents of this document.

As a general report, this material does not necessarily represent the view of Knight Frank España S.A.U. in relation to particular properties or projects. Reproduction of this report in whole or part is not permitted without prior written approval of Knight Frank España S.A.U. to the form and content within which it appears. Knight Frank España is a limited liability partnership registered in the Mercantile Register of Madrid with Tax ID No. (CIF) A-79122552. Our registered office is located at Suero de Quiñones 34, 28002 Madrid.