

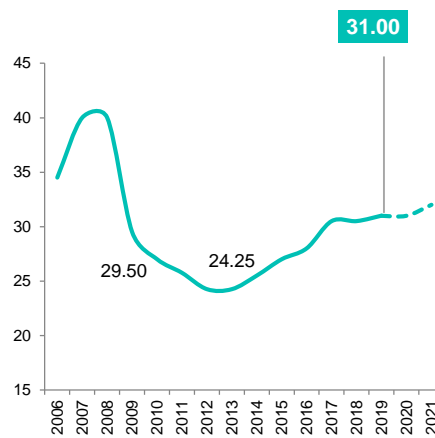
OFFICES SNAPSHOT

3rd QUARTER 2019

Madrid occupier market

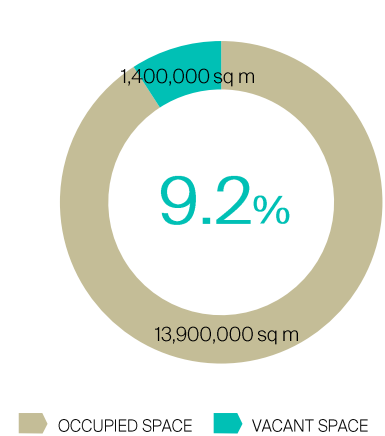
- Quarterly take-up has reached 145,000 sq m, more than the previous quarter. So far this year take-up has reached almost 455,000 sq m, only 2% less than the total take-up in 2018.
- Companies keep choosing the CBD to settle their offices. In the third quarter more than 40% of the take-up has been concentrated in this area.
- Over the 1.4M sq m of vacant office area, only 3% belongs to grade A buildings, which represent 0.25% of the total stock of offices in Madrid
- During the third quarter the main transaction was reported by Deloitte Group, taking up more than 6.000 sq m in the Torre Chamartin office park, property of Merlin Properties.
- The average prime rents have remained stable at €31 sq m per month, being the maximum of the quarter €37 sq m per month in CBD.

GRAPH1
Average prime rents evolution
Q3 2019



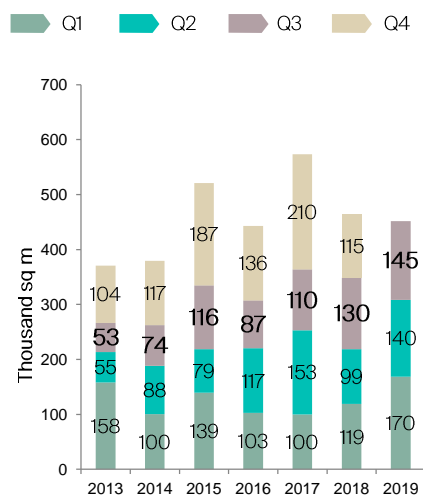
Source: Knight Frank Research

GRAPH 2
Vacancy rate
Q3 2019



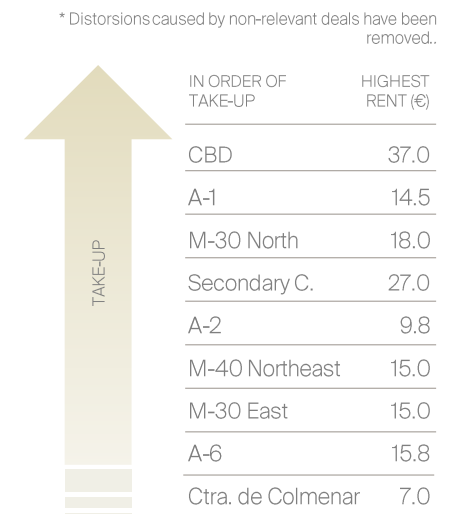
Source: Knight Frank Research

GRAPH3
Quarterly take-up evolution
2013 - Q3 2019



Source: Knight Frank Research

GRAPH4
Take-up and highest rents achieved
this year by submarket*. Q3 2019



Source: Knight Frank Research

GRAPH 5
TOP3 | Main occupier transactions
Q3 2019

DELOITTE

Dulce Chacón 55 | M-30 North

6,366 sq m

ARRIAGA ASOCIADOS

Obenque 4 | A-2 (Barajas - Eisenhower)

5,870 sq m

ORACLE

Pº Castellana 81 | CBD

5,352 sq m

QUARTERLY TAKE-UP MADRID | Q3

Q3 2017: 110,000 sq m Q3 2018: 130,000 sq m Q3 2019: 145,000 sq m

Investment market Madrid y Barcelona

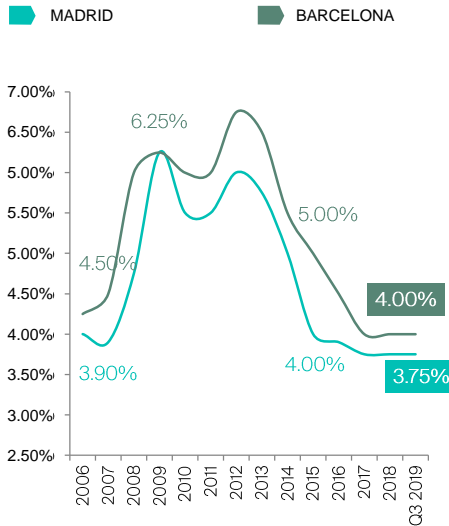
- The investment volume in the 3rd quarter closes with more than €810 M, overcoming the figure of €2,7 billion so far this year, 14% more than the total investment volume in 2018.

- During the first three quarters of the year, the investment volume in Madrid and Barcelona exceeds that of the same period of the previous year. The largest number of transactions are still carried out by pooled funds in both cities.

- The largest transaction in the quarter has been the sale of the Heritage Portfolio, by Oaktree Capital Management, comprised of 5 buildings, 4 in Madrid and the rest in Barcelona. The purchaser has been the JV Starwood/ Drago and according to Eje Prime the investment volume is estimated at €153 m.

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

GRAPH 6
Variation in prime yields
2006 - Q3 2019



Source: Knight Frank Research

GRAPH 7
European prime yields
Latest available data (Q2 2019)

	YIELD
Brussels	4.25%
London City	4.50%
Dublin	4.00%
London WE	3.75%
Amsterdam	3.00%
Frankfurt	3.00%
Berlin	2.75%
Paris	3.00%

Source: Knight Frank Research

GRAPH 8
TOP3 | Investment transactions
Q3 2019

PORFOLIO HERITAGE (BARCELONA Y MADRID)

VENDOR: OAKTREE Y FREO

PURCHASER: STARWOOD CAPITAL Y DRAGO

€ 153 m | € 1,950 sq m

Source: Eje Prime

FORMER PORFOLIO GENERALITAT (BARCELONA)

VENDOR: AXA REAL ESTATE

PURCHASER: KANAM GRUND

€ 100 m | € 4,670 sq m

Source: El Confidencial

TORRE TARRAGONA (BARCELONA)

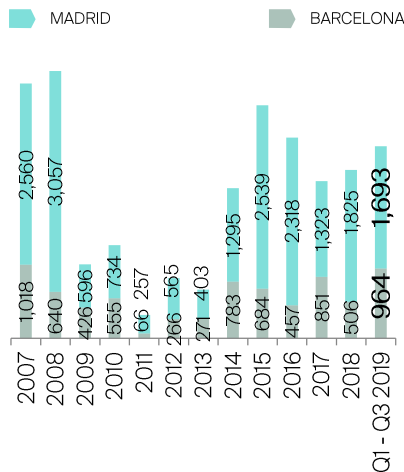
VENDOR: UBS

PURCHASER: BLACKSTONE

Approx. € 100 m | 5,520 sq m

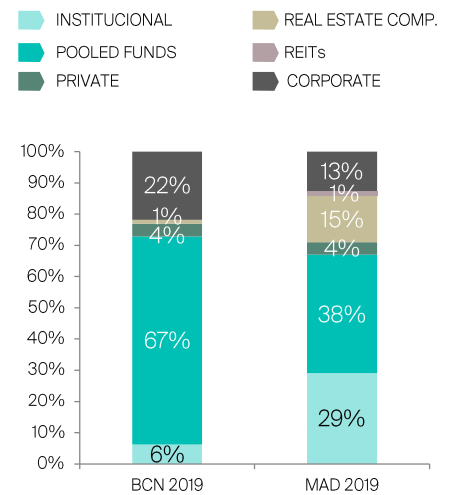
Source: Cinco Días

GRAPH 9
Investment volumen evolution
2007 - Q3 2019 (€M)



Source: Knight Frank Research

GRAPH 10
Investment by type of investor
Q1 - Q3 2019 (%)



Source: Knight Frank Research



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