



OFFICES SNAPSHOT

Q4 2018

MADRID OCCUPIER MARKET

- After record numbers seen in the Q4 2017 take-up owing to administrative operations, quarterly take-up reached around 115,000 sq m, closing the year at approximately 463,000 sq m.
- The secondary centre registered the largest share of the quarter, at approximately 35%. However the year ended with a repeat of the 2016 trend, with 52% of the acquired office space taking place outside the M-30.
- Two of the three largest occupier transactions took place in the secondary centre, exemplified by Catalana Occidente's acquisition of 21,500 sq m, for the site at Méndez Álvaro 2.
- Prime rents have remained at €30.50 sq m/month, rising to a maximum of €38.50 sq m/month for the most sought-after areas of the CBD.

GRAPH 5
TOP3 | Main occupier transactions
Q4 2018

CATALANA OCCIDENTE
MÉNDEZ ÁLVARO 2 | SECONDARY CENTRE

21,500 sq m

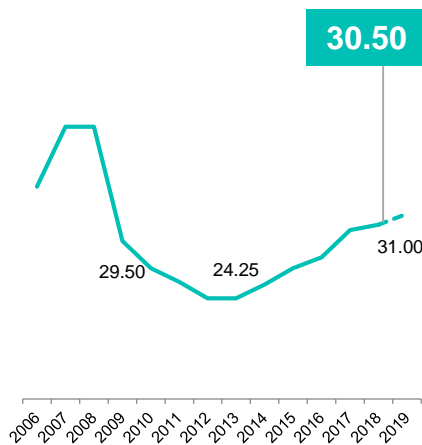
SACYR
CONDESA DE VENADITO 7 | M-30 EAST

7,973 sq m

REPSOL
GENERAL LACY 23 | SECONDARY CENTRE

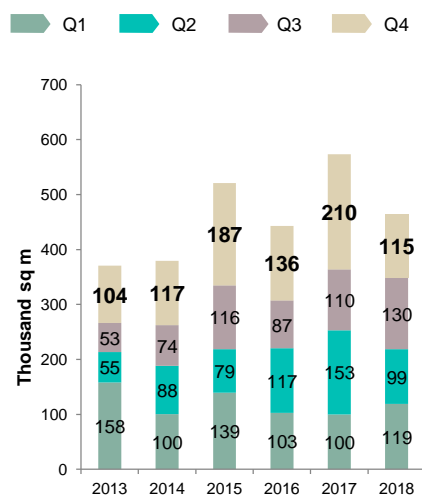
7,000 sq m

GRAPH 1
Prime rents
Q4 2018



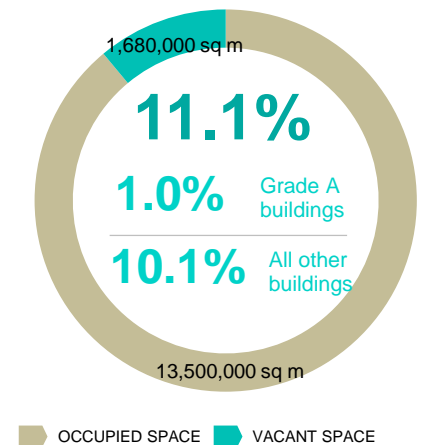
Source: Knight Frank Research

GRAPH 3
Quarterly take-up
2013 - 2018



Source: Knight Frank Research

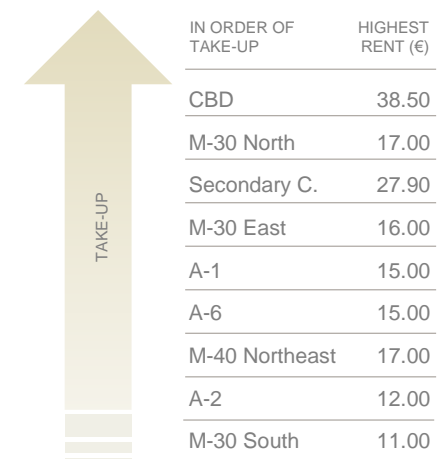
GRAPH 2
Vacancy rate
Q4 2018



Source: Knight Frank Research

GRAPH 4
Take-up and highest rents achieved this year by submarket*. Q1 – Q4 2018

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



Source: Knight Frank Research

QUARTERLY TAKE-UP MADRID | Q4

Q4 2016: 136,000 sq m Q4 2017: 210,000 sq m Q4 2018: 115,000 sq m

INVESTMENT MARKET MADRID AND BARCELONA

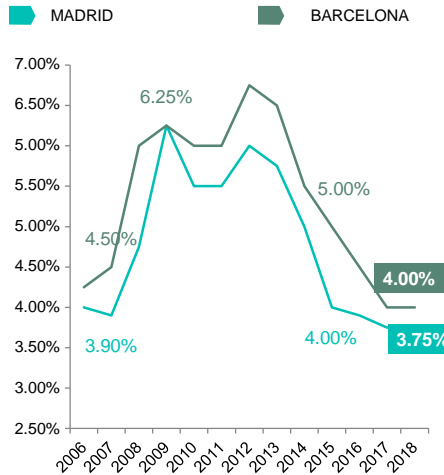
- The year ended on a positive note, with office investment in Madrid and Barcelona totalling c. €2.4 billion, a figure 6.7% higher than the previous year.

- The bulk of office investment continues to be concentrated in Madrid, which ended the year 38% higher than 2017 totals, with an investment volume of approximately €1.83 billion.

- The largest deal of the quarter has been the sale of five buildings within an office complex in Barcelona, headquarters of Nestlé in Spain since the 1970s. The sale of €87 million was made by Merida Capital to Korean asset management firm IGIS.

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

GRAPH 6
Variation in prime yields
2006 – Q4 2018



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	3.50%
Frankfurt	3.10%
Berlin	3.00%
Paris	3.00%

Source: Knight Frank Research

GRAPH 8
TOP3 | Investment transactions
Q4 2018

SEDE NESTLE (BARCELONA)

VENDOR: MERIDIA CAPITAL
PURCHASER: IGIS ASSET MANAGEMENT

€87 m | €3,151 sq m

ALBARRACIN 31 (MADRID)

VENDOR: ACCIONA
PURCHASER: IBA CAPITAL PARTNERS

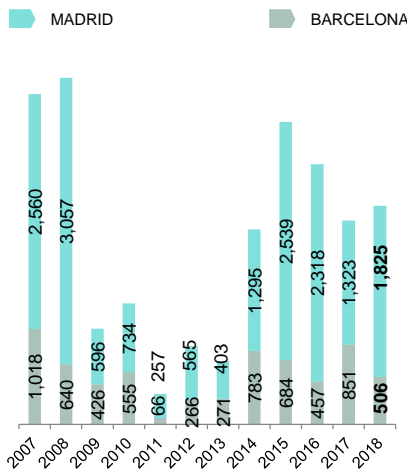
€50 m | €2,600 sq m

VELAZQUEZ 94 (MADRID)

VENDOR: HEREDEROS DE DARWIN
PURCHASER: CASER

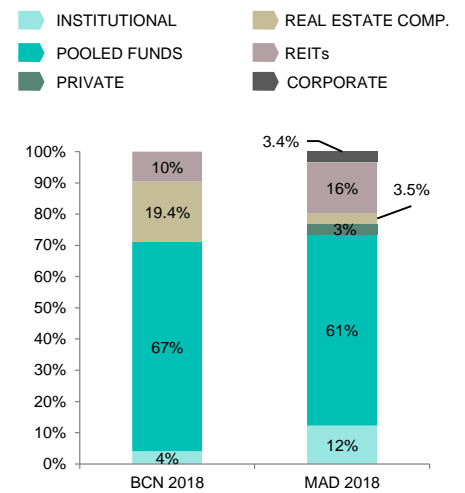
€46,8 m | €5,460 sq m

GRAPH 9
Investment volumes
2007 – 2018.(€m).



Source: Knight Frank Research

GRAPH 10
Investment by type of investor
2018. %.



Source: Knight Frank Research



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