

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

Q4 2021

	MADRID		
TAKE UP Q4 2019 - 2021	2019 80,000 sq m	2020 70,000 sq m	2021 104,000 sq m
TOP 3 DEALS 4th QUARTER	SEGIPSA VIRGEN DEL PUERTO 55 13,800 sq m	INDRA AVENIDA DE CASTILLA 2 7,300 sq m	ARVAL SERVICE ANABEL SEGURA 14 6,700 sq m

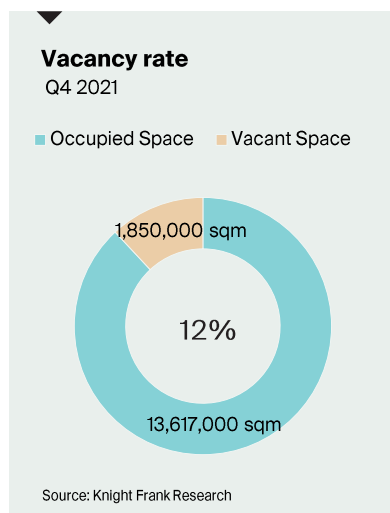
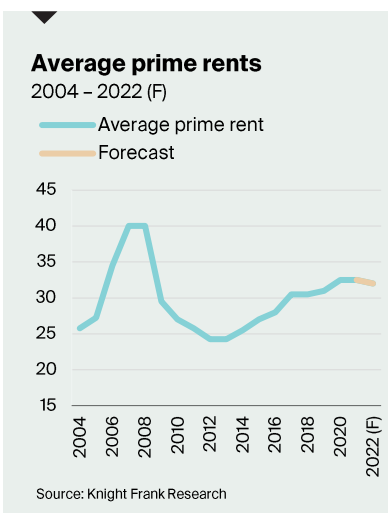
Madrid Occupier Market

The 4th quarter of the year has recorded a take-up of around 104,000 sq m, which represents almost 50% more than the same period in 2020. The cumulative figure for the year was around 360,000 sq m, exceeding the figure achieved during the previous year by around 3%, showing a slight recovery in the sector. This trend is expected to continue in the first

months of next year.

The average prime rent closed the year stable at €32.5/sqm/month. The maximum rent reached was €36/ sq m/month, in a transaction signed in the CBD, in the Salamanca neighbourhood.

Availability increases slightly to 12%, an adjustment is expected in the coming months due to the expected increase in demand. The availability of grade A (CBD) buildings stands at around 0.5% of the total office stock.



TAKE-UP AND HIGHEST RENTS ACHIEVED BY SUBMARKET*. Q4 2021

IN ORDER OF TAKE-UP	HIGHEST RENT (€)
1. CBD	36.0
2. Secondary Centre	25.5
3. M-40 Northeast	19.0
4. M-30 North	16.5
5. A6	17.0
6. A2	13.3
7. M-30 East	15.8
8. A1	13.0
9. Colmenar Road	9.0

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

Investment market Madrid and Barcelona

This quarter closed with an investment of more than €745m in Spain, 135% more than in the same period in 2020. In terms of the total figure for the year, the investment volume has been around €2.5bn, which is almost 20% more than in 2020, giving a glimpse of the expected start of the sector's recovery.

Investment in the office sector in Barcelona reached 365m€ in the quarter and reached a record for the whole year with €1.6bn, compared to €310m in the capital for the quarter and €620m for the whole of 2021.

In Madrid and Barcelona, investment funds accounted for 70% and 40% of buyers, respectively.

EUROPE PRIME YIELDS

LATEST AVAILABLE DATA | Q3 2021

BRUSSELS	3.70%
LONDON CITY	4.00%
DUBLIN	4.00%
LONDON WE	3.50%
AMSTERDAM	3.25%
FRANKFURT	2.75%
BERLIN	2.65%
PARIS	2.75%

Source: Knight Frank Research

TOP 3 DEALS

BARCELONA

ESTEL BUILDING
VENDOR: SUNRICH
PURCHASER: FREQ

€120 M 3,000 €/sq m
Source: Ejeprime

BARCELONA

TORRE SABADELL
VENDOR: BANCO SABADELL
PURCHASER: HINES

€90M 7,600 €/sq m
Source: Brainsre

BARCELONA

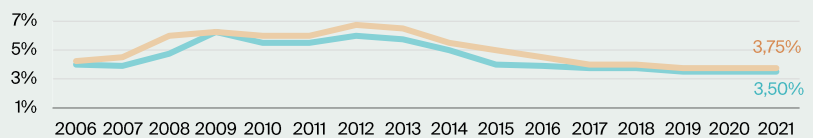
C/ TANGER 66
VENDOR: UK & EUROPEAN INVEST.
PURCHASER: BNP PARIBAS

€48 M 7.200 €/sq m
Source: Brainsre

During the last quarter, Freq, in partnership with Bain Capital, acquired the Estel building in Barcelona's Eixample district for 120 million euros. The building will be refurbished and its 40,000 sq m will be converted from residential to office use. Another important transaction was the purchase by Hines of the Sabadell Tower, located on Avenida Diagonal in Barcelona, for €90

Variation in prime yields

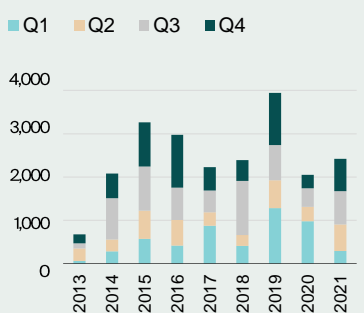
2006 - 2021



Source: Knight Frank Research

Investment volume in Spain

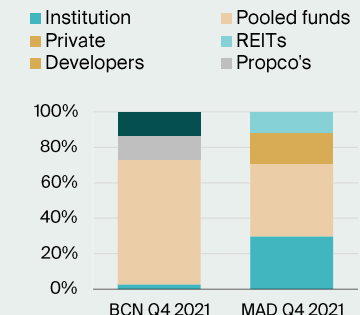
2013 - 2021 (M€)



Source: Knight Frank Research

Investment / type of investor

Q4 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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