

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

Q3 2022

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	MADRID		
TAKE UP Q3 2020 - 2022	2020 115,000 sq m	2021 85,000 sq m	2022 130,000 sq m
TOP 3 DEALS 3 rd QUARTER	CONFIDENTIAL OMBÚ 4-16 14,100 sq m	CONFIDENTIAL ARAPILES 13 13,800 sq m	MCKINSEY & COMPANY MIGUEL ÁNGEL 23 7,300 sq m

Madrid Occupier Market

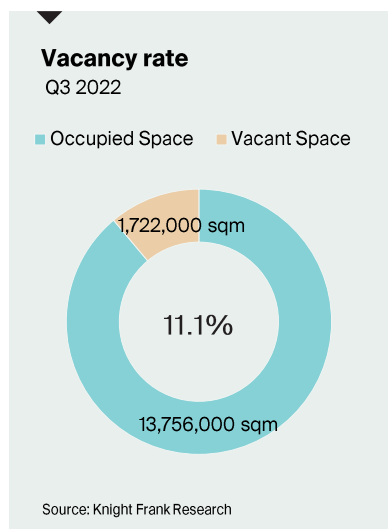
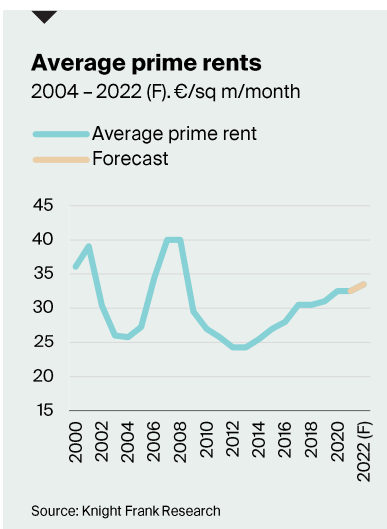
The third quarter of the year closed with a take up of around 130,000 sqm, which means 55% more than the same quarter last year. So far this year, the registered square meters amount to almost 385,000 sq m, 50% more than the first nine months of 2021, with a forecast for the end of the year of around 485,000 sq m registered.

During the third quarter the average

prime rent has increased slightly to €33.5/sq m/month.

As for the maximum rent a transaction has been signed for €43/ sq m/month in CBD zone and Paseo Castellana subzone.

Availability in Madrid is decreasing and in the third quarter of the year is 11.1% due to the good pace of absorption, especially in the CBD, although the availability of grade A buildings in this area is around 0.5% of the total office stock in Madrid.



TAKE-UP AND HIGHEST RENTS ACHIEVED BY SUBMARKET*. Q3 2022

IN ORDER OF TAKE-UP	HIGHEST RENT (€)
1. CBD	43.0
2. Secondary Centre	32.0
3. M-30 East	14.5
4. A2	12.5
5. A1	13.0
6. M-30 North	19.0
7. Colmenar Road	12.0
8. A6	17.5
9. M-40 Northeast	17.0
10. A5	9.3

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

Investment market Madrid and Barcelona

In the 3rd quarter, the investment made in Spain add up to around 1.1 billion euros, and if we analyze the total volume for the first nine months of the year, this amounts to almost 2.3 billion euros, which represents an increase of 35% compared to the same period in 2021.

Investments in the capital reached an amount closed to €475m at the end of the quarter, similar to the €445m in Barcelona. In the case of Madrid, investment volume was 180% higher than in the same period of 2021.

Propco's investors accounted for 65% of the total in Barcelona and Developers for 5% in Madrid.

Prime yields increased in Madrid and Barcelona and registered at 4%.

EUROPE PRIME YIELDS

LATEST AVAILABLE DATA | Q3 2022

LONDON CITY	4.25%
DUBLIN	4.00%
LONDON WE	3.50%
AMSTERDAM	3.85%
MILAN	3.20%
BERLIN	2.85%
PARIS	3.00%

Source: Knight Frank Research

TOP 3 DEALS

MADRID

P^o CASTELLANA 51
VENDOR: CAIXA BANK
PURCHASER: INMO CRITERIA
€238.5M 12,500€/sqm
Source: Idealista

BARCELONA

SEDE DE GLOVO (22@)
VENDOR: FREO
PURCHASER: GMP
€220M 5,800 €/sq m
Source: Brainsre

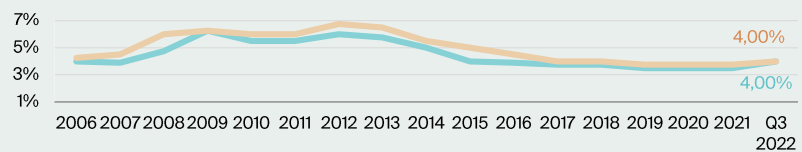
BILBAO

SEDE BBVA.
VENDOR: MUTUALIDAD ABOGACIA
PURCHASER: ARGIS
€150 M 7,000 €/sq m
Source: EjePrime

Among the most relevant transactions was the sale by Caixa Bank of their headquarter in Madrid to Inmo Criteria Patrimonio for €238.5M. Currently in the building, with approx. 30,000 sq m, hosts the headquarters of some of Grupo Caixa's companies like Fundación "La Caixa" and Criteria. Another highlights is GMP's purchase of Glovo headquarters for €220M to Freo.

Variation in prime yields

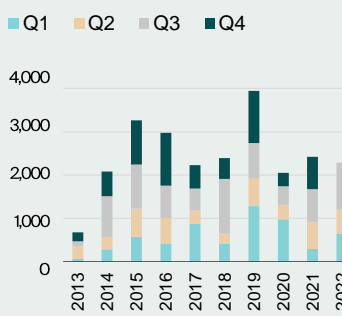
2006 - Q3 2022



Source: Knight Frank Research

Investment volume in Spain

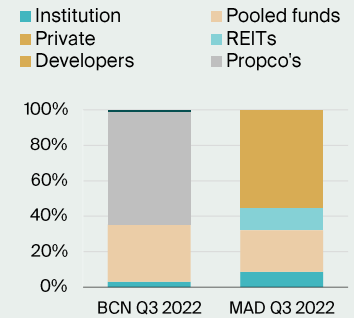
2013 - Q1 - Q3 2022 (M€)



Source: Knight Frank Research

Investment / type of investor

Q3 2022 (%)



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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