

# Offices Snapshot

Q1 2024

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.

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## The leasing of offices in the first months of the year grows significantly

- The office sector has started the year with significant growth, as office leasing during the first quarter of the year has been above the average of the last five years.

### MADRID OCCUPIER MARKET

During the first quarter of 2024, the take-up registered around 157,000 sq m, which is 30% more than the average for the same period over the last five years (122,000 sq m). It is worth noting that large-scale operations have been seen again, not only in the most prime areas but also in the decentralized area. Four operations exceeding 8,000 sq m have been signed, totaling more than 55,000 sq m.

Users continue to favor high-quality buildings as 70% of the take-up corresponds to grade A and B+ buildings. This level of activity is expected to continue throughout the year, and by the end of 2024, the volume is expected to exceed that of the previous year, reaching over 430,000 m<sup>2</sup>. The prime rent has slightly increased to 38.35 €/m<sup>2</sup>/month, and it is expected to continue rising in the coming months due to the limited availability in the CBD.

## Madrid

Take-up Q1 2024

**157,000 sq m**  
(120,000 sq m Q1 2023)

Top 3 occupancy deals Q1 2024

**20,300 sq m**  
Garrigues Abogados | C/Génova 2

**16,000 sq m**  
Siemens | C/ Puerto de Somport 10-18

**9,900 sq m**  
Merck Sharp & Done | C/ Josefa Valcárcel 42

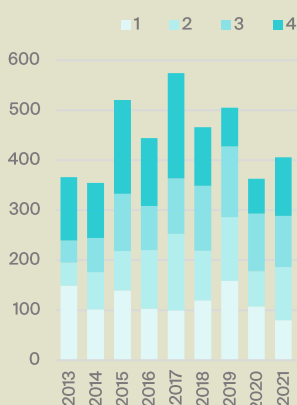
### Take-up and highest rents

Achieved by submarket\*. Q1 2024

IN ORDER OF TAKE-UP	HIGHEST RENT (€)
<b>CBD</b>	
36% of the take-up	45.0
<b>Secondary Centre</b>	
12% of the take-up	30.0
<b>Descentralised</b>	
25% of the take-up	22.0
<b>Out of Town</b>	
27% of the take-up	14.5

### Madrid quarterly take up

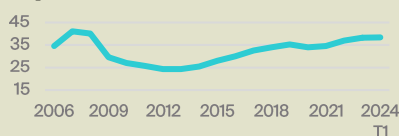
Thousands sq m



Source: Knight Frank Research

### Average prime rent

€/sq m/month

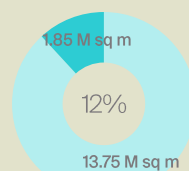


Source: Knight Frank Research

### Vacancy rate Madrid

Q1 2024

Occupied space  
Vacant space



Source: Knight Frank Research

## MERCADO DE INVERSIÓN MADRID Y BARCELONA

The volume of direct investment started the year by recording around 140 million euros for Spain during the first quarter, a figure that is far from the average recorded in the same period over the previous five years (755M€) and represents about 10% of the investment in the real estate sector\*.

Investor activity in the office sector continues at a slow pace, awaiting the next moves in monetary policy which, according to forecasts, are expected to show some declines in the second half of the year.

On the other hand, investors are also expected to take into account the positive momentum in the absorption segment that the Madrid market is projected to experience during the upcoming year.

Prime yields have remained stable during the beginning of the year both in Madrid and Barcelona, standing at 4.25% and 4.50%, respectively.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



### Capital Markets

Bernardo Gómez-Arroyo,  
Director/Head of Offices  
+34 600 919 162  
[bernardo.gomez@es.knightfrank.com](mailto:bernardo.gomez@es.knightfrank.com)



### Agency Office

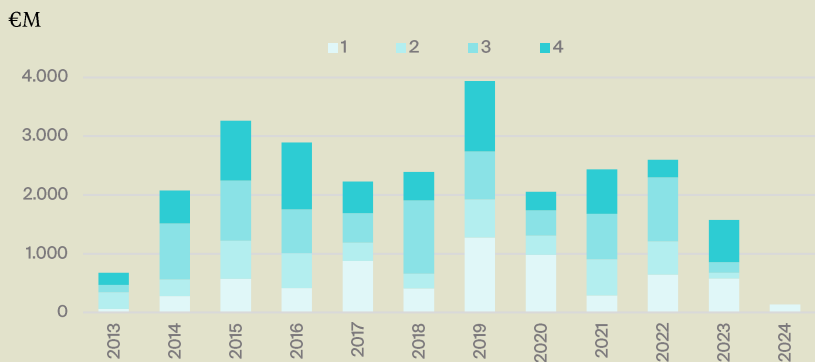
Raúl Vicente Associate, Head of Office Agency  
+34 600 919 023  
[raul.vicente@es.knightfrank.com](mailto:raul.vicente@es.knightfrank.com)



### Research

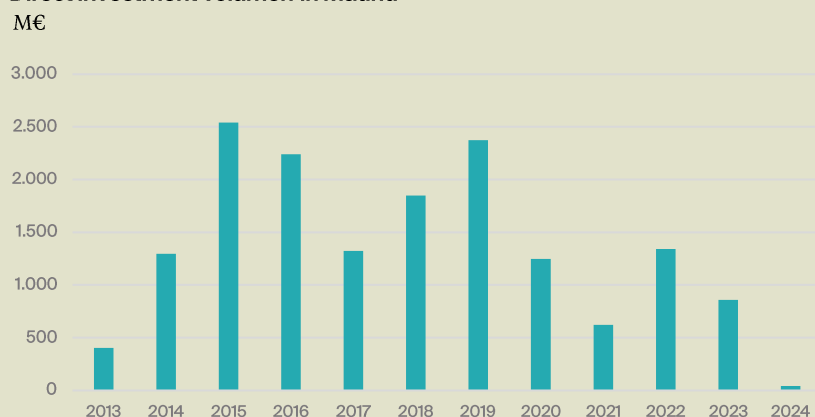
Daniel Caprarin  
Head of Research, Marketing & PR  
+34 600 919 087  
[Daniel.caprarin@es.knightfrank.com](mailto:Daniel.caprarin@es.knightfrank.com)

### Direct investment volumen in Spain



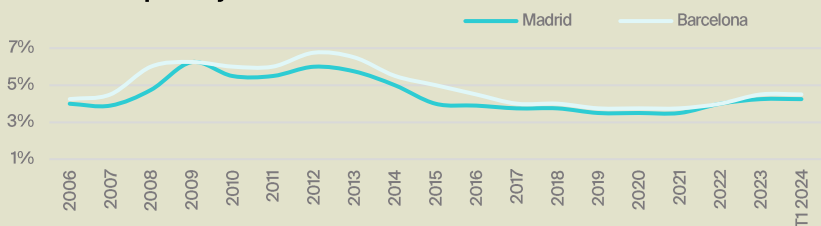
Source: Knight Frank Research

### Direct investment volumen in Madrid



Source: Knight Frank Research

### Variation in prime yields



Source: Knight Frank Research

### Europe prime yields. Q4 2023

Amsterdam	5.25%	=
Praga	5.50%	↑
Paris - CBD	4.25%	↑
Brussels	4.90%	=
Vienna	5.00%	↑
Milan	4.25%	↑

Source: Knight Frank Research

\* The sectors of offices, retail, logistics, hotels, and living are taken into account.