

Offices Snapshot



Q1 2025

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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Take-up in Madrid exceeds 136,000 sq m in the first quarter, above the quarterly average of the past two years

- After the dynamic absorption recorded in the Madrid office market in 2024, the first quarter of 2025 shows the same trend. Remote work is a complement to offices, not a substitute.

MADRID OCCUPIER MARKET

In the first quarter of the year, take-up recorded just over 136,360 sq m, more than 15% above the quarterly average of the past two years.

The hybrid model is becoming established as the preferred option for companies, highlighting the importance of having a workspace that fosters a sense of belonging and contributes to talent retention.

At the same time, it is observed that in-person presence continues to play a key role in productivity, with office

attendance levels approaching those of 2019.

Professional and consulting services, along with technology, continue to be the main sectors occupying office space, accounting for 25% and 15%, respectively.

The pharmaceutical industry has also gained importance this first quarter of the year, increasing its share of take-up from 9% in 2024 to 13%, with an average transaction size close to 2,000 sq m, compared to the overall market average of 1,400 sq m.

Madrid

Take up Q1 2025

136,360 sq m
(160,540 sq m Q1 2024)

Top 3 occupancy deals Q1 2025

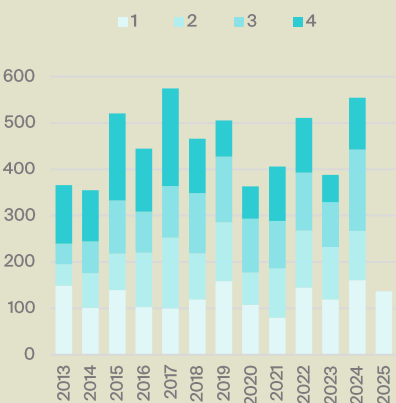
5,200 sq m
Palex | Polígono de Alcobendas
Letting

4,654 sq m
OHLA | Avda. Manoteras, 20
Letting

4,630 sq m
Confidential | P. de la Castellana, 36-38
Letting

Madrid quarterly take-up

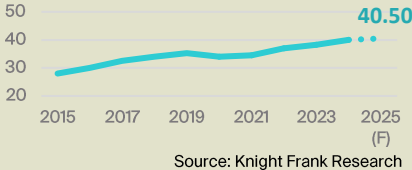
Thousands sq m



Source: Knight Frank Research

Prime rent Madrid

€/sq m/month



Source: Knight Frank Research

Vacancy rate Madrid*

Q1 2025



Source: Knight Frank Research.
*The historical series has been adjusted to reflect a more consolidated stock, in line with the sector.

% Take-up by surface area and maximum rent by macro zones. Q1 2025

IN ORDER OF TAKE-UP HIGHEST RENT (€)

CBD
34% of the take-up 43.5

Secondary Centre
8% of the take-up 26.5

Decentralised
44% of the take-up 23.0

Out of Town
14% of the take-up 16.0

INVESTMENT MARKET SPAIN

Investment in the office market in Spain this quarter was close to €255 million, with Madrid accounting for nearly 65% of the total.

Of the total national investment, nearly 35% has been in buildings primarily used as offices, while in Madrid the figure stands above 20%.

Throughout the year, a substantial increase in investment in office assets is expected during the 3rd and 4th quarters of 2025.

The return to a model with greater in-person presence in Spain, along with evidence of the productivity increase it brings to companies, will help reactivate asset turnover, thereby consolidating investment in the second half of the year.

Regarding the profile of the transactions, in recent months core-type processes have begun to be observed, which has led more conservative funds to reconsider good opportunities in the real estate market.

Prime yields in the two major capitals increased slightly in the first quarter, reaching 4.50% in Madrid and 4.75% in Barcelona.

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



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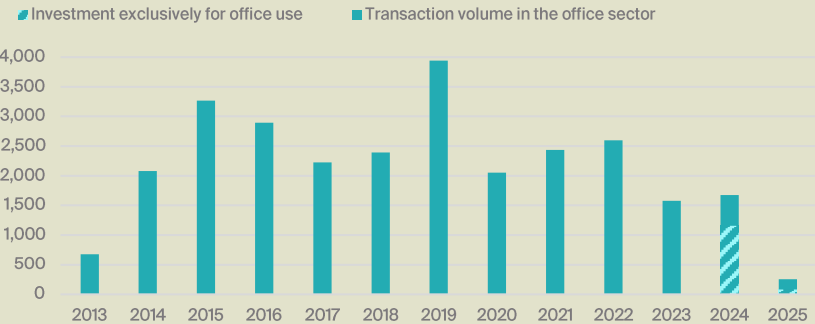


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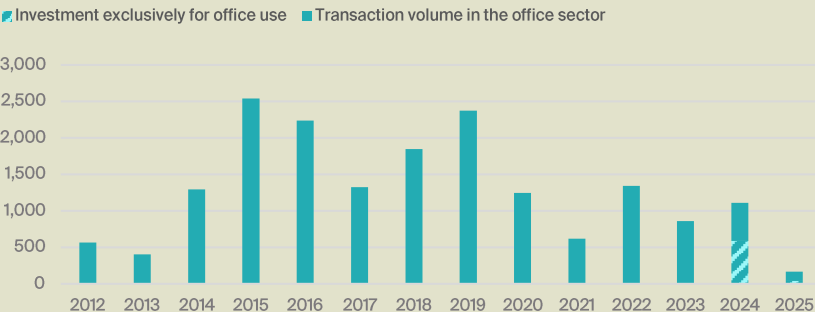
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Office investment in Spain*
€M



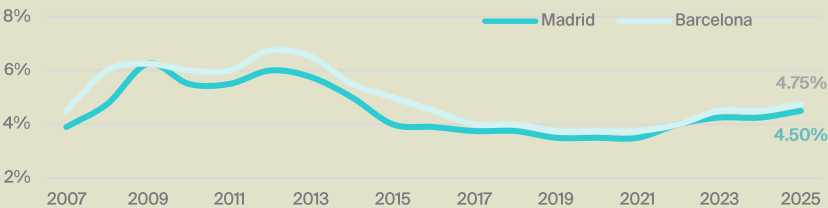
Source: Knight Frank Research
*Since 2024, the methodology will be changed to include office assets with use changes

Office investment in Madrid*
€M



Source: Knight Frank Research
*Since 2024, the methodology will be changed to include office assets with use changes

Variation in prime yields



Source: Knight Frank Research

Europe prime yields. Q1 2025

Amsterdam	4.60 %	=
Prague	5.25%	↓
Paris - CBD	4.15%	=
Brussels	5.25%	=
Berlin	4.90 %	=
Munich	4.30 %	=

Source: Knight Frank Research