



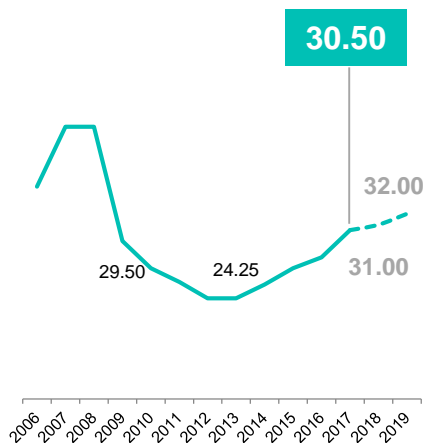
OFFICES SNAPSHOT

Q3 2018

MADRID OCCUPIER MARKET

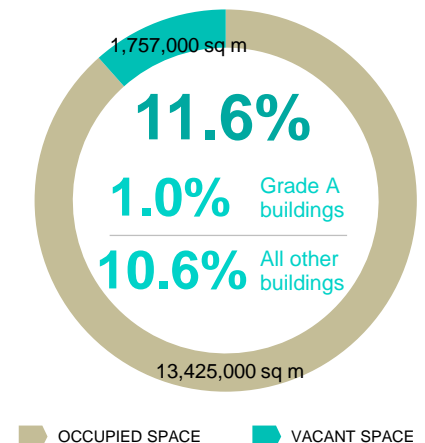
- Quarterly take-up reached 130,000 sq m in the third quarter, 18% higher than the same period the previous year. In total take-up has reached almost 350,000 sq m in the first nine months of this year.
- CBD recorded the largest share of office take-up in the quarter, at 34%. However, 52% of the office space acquired in the first three quarters of this year has been outside of the M-30 ring road, similar to the trend in 2016.
- Coworking companies have acquired 10,000 sq m for occupation this quarter. Over the year, they have accounted for 7% of total office take-up.
- Prime rents have remained at €30.50 sq m/month, softening the upward trend seen at the beginning of the year.

GRAPH 1
Prime rents
Q3 2018 (€/sq m/month)



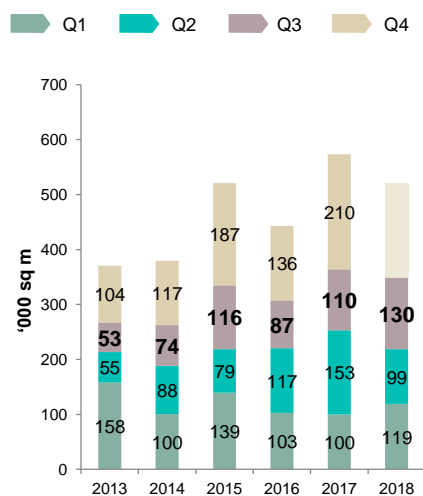
Source: Knight Frank Research

GRAPH 2
Vacancy rate
Q3 2018



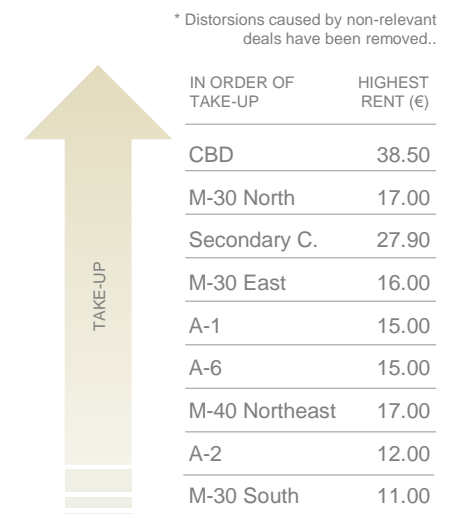
Source: Knight Frank Research

GRAPH 3
Quarterly take-up
2013 - 2018



Source: Knight Frank Research

GRAPH 4
Take-up and highest rents achieved this year by submarket*. Q1 - Q3 2018



Source: Knight Frank Research

GRAPH 5
TOP3 | Main occupier transactions
Q3 2018

SCHNEIDER ELECTRIC

TENERIFE 4 - 6 | A1

9,496 sq m

CAPGEMINI

PUERTO DE SOMPORT 1. OXXEO | M-30 NORTE

9,365 sq m

SECURITAS

PRIÉGOLA 2 | A6

9,000 sq m

QUARTERLY TAKE-UP IN MADRID | Q3

Q3 2016: 87,000 sq m | Q3 2017: 110,000 sq m | Q3 2018: 130,000 sq m

THE INVESTMENT MARKET IN MADRID AND BARCELONA

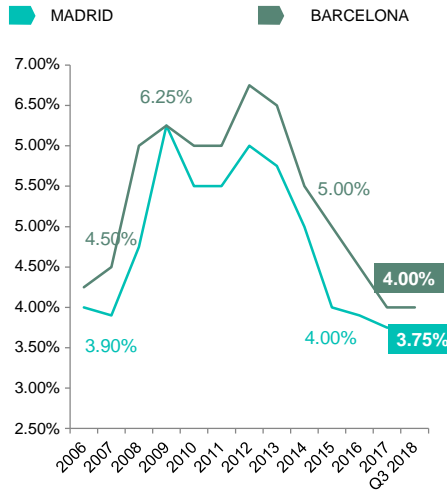
- After a restrained first half, in the third quarter offices investment reached c. €1.2 billion, more than double that of the same period the previous year.

- So far this year, investment in offices has totalled c. €1.85 billion, up 12% compared to the same period last year.

- The largest deal of the year to date has been the sale of the Colonial portfolio, the assets acquired by Tristan Capital & Savills IM for €280 million, combined with the purchase of Alcalá 30-32 by Real IS and the agreement with Catalana Occidente to execute their project in Méndez Álvaro. This disposal process created the Colonial portfolio which is worth €440 million.

- Blackstone, a very active player in the Spanish market this quarter, has chosen to invest in Barcelona with the acquisition of the Planeta headquarters for €210 million.

GRAPH 6
Variation in prime yields
2006 – Q3 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	3.35
Frankfurt	3.25
Berlin	3.00
Paris	3.00

Source: Knight Frank Research

GRAPH 8
TOP3 | Investment transactions
Q3 2018

COLONIAL PORTFOLIO (MADRID)

VENDOR: COLONIAL

PURCHASER: TRISTAN CAPITAL & SAVILLS IM

€280 m | €3,615 per sq m

DIAGONAL 662-664 (BARCELONA)

VENDOR: INVERSIONES HEMISFERIO

PURCHASER: BLACKSTONE

€210 m | €7,778 per sq m

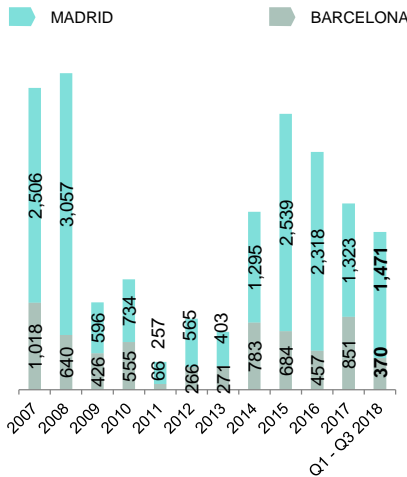
FUENTE DE LA MORA 1A & B (MADRID)

VENDOR: AXA REAL ESTATE

PURCHASER: ZAMBAL SOCIMI

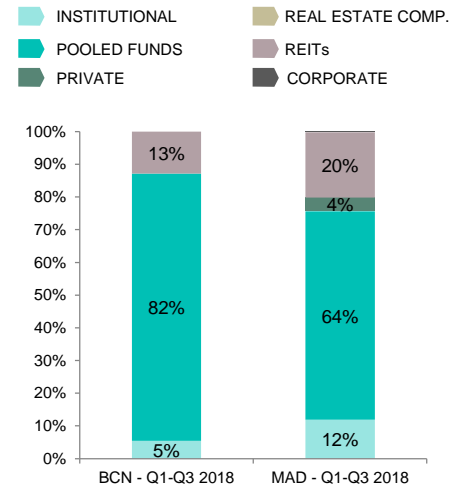
€148 m | €3,667 per sq m

GRAPH 9
Investment volumes
2007 – Q3 2018 (€m)



Source: Knight Frank Research

GRAPH 10
Investment by type of investor
Q1 - Q3 2018. %.



Source: Knight Frank Research



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