

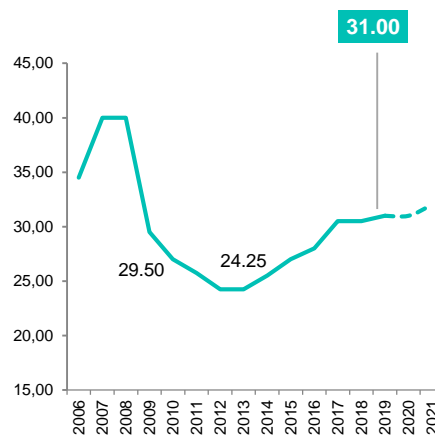
OFFICES SNAPSHOT

2nd QUARTER 2019

Madrid occupier market

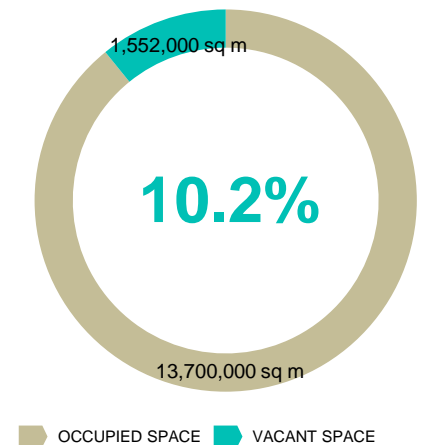
- In the 2nd quarter of the year take-up has reached to 140,000 sq m, of which 310,000 sq m closed by half-year, 40% more than the same period in 2018. Q1 2019 on aggregate includes the purchase of Acciona HQ for own use.
- CBD has been the area with the largest share over the quarter, at around 40%.
- +1.5 M sq m of vacancy rate, only 4% belongs to grade A buildings, this which represents 0.4% of the total offices stock in Madrid.
- Main transaction reported by Banco Santander, taking up 16,000 sq m in Josefa Valcarcel st., next to its headquarters, to relocate part of its staff.
- The average prime rents increases to €31 sq m per month, being the maximum of the quarter €35 sq m per month in CBD.

GRAPH 1
Average prime rents evolution
Q2 2019



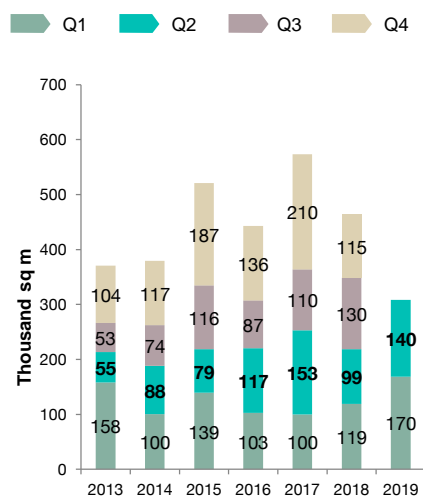
Source: Knight Frank Research

GRAPH 2
Vacancy rate
Q2 2019



Source: Knight Frank Research

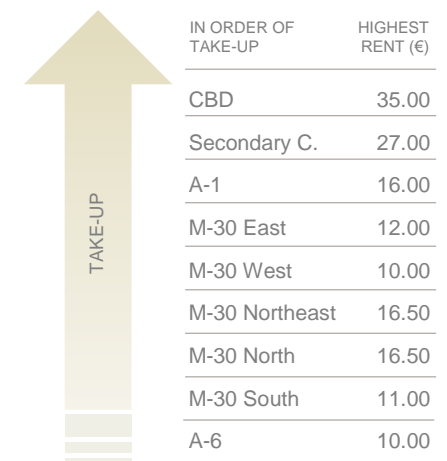
GRAPH 3
Quarterly take-up evolution
2013 – Q2 2019



Source: Knight Frank Research

GRAPH 4
Take-up and highest rents achieved
this year by submarket*. Q2 2019

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



Source: Knight Frank Research

GRAPH 5
TOP3 | Main occupier transactions
Q2 2019

BANCO SANTANDER

Josefa Valcarcel 26-30 | M-30 East

16,200 sq m

CETELEM

Pº Virgen del Puerta 55 | Secondary Centre

13,670 sq m

MASMOVIL

Av. Bruselas 38 | A-1 (Arroyo de la Vega)

13,440 sq m

QUARTERLY TAKE-UP MADRID | Q2

Q2 2017: 153,500 sq m Q2 2018: 99,500 sq m Q2 2019: 140,000 sq m

Investment market Madrid and Barcelona

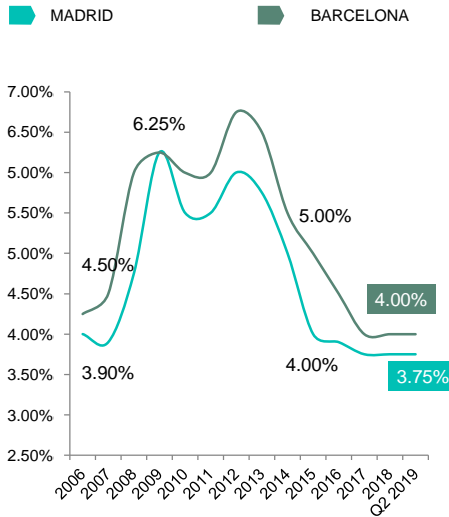
- The investment volume in the 2nd quarter closes with almost €650 M, more than twice the figure reached over the same quarter in the previous year. First-half 2019 ends at about €2,000 M, approaching closing figures for previous years.

- The US investor ranks 1st as for most active in Spain so far this year, with nearly €600 M. However, the largest number of transactions are still carried out by the Spanish with 33%.

- The purchase by Grupo Emperador of the Telefonica headquarters in the 22@ district (Barcelona) for €150 M has been the biggest transaction in the quarter. The largest deal in Madrid has been the sale of la Moraleja Building One for €80 M by Blackstone to Grosvenor.

- Prime yields remain stable at low levels around 3.75% in Madrid and 4% in Barcelona.

GRAPH 6
Variation in prime yields
2006 – Q2 2019



Source: Knight Frank Research

GRAPH 7
European prime yields
Latest available data

	YIELD
Bruselas	4.25%
London City	4.25%
Dublin	4.00%
London WE	3.50%
Amsterdam	3.25%
Frankfurt	3.10%
Berlin	2.75%
Paris	3.00%

Source: Knight Frank Research

GRAPH 8
TOP 3 | Investment transactions
Q2 2019

SEDE TELEFONICA (BARCELONA)

VENDOR: TELEFONICA

PURCHASER: GRUPO EMPERADOR

€150 m | €4,412 sq m

TORRE AUDITORI (BARCELONA)

VENDOR: IBERDROLA

PURCHASER: ABERDEEN STANDARD

€98 m | €4,260 sq m

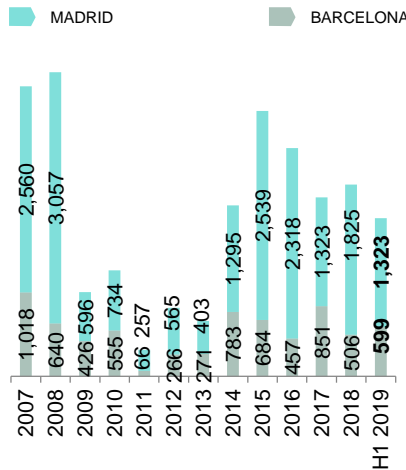
MORALEJA BUILDING ONE (MADRID)

VENDOR: BLACKSTONE

PURCHASER: GROSVENOR

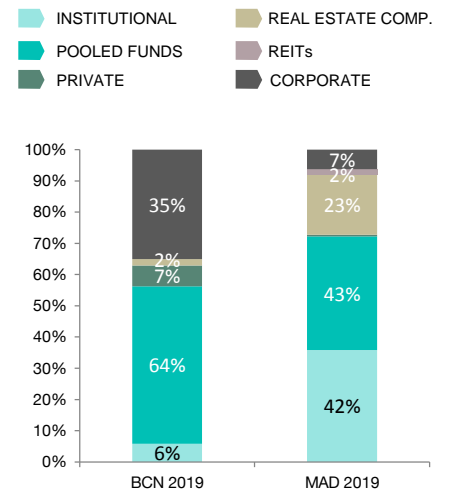
€80 m | €3,540 sq m

GRAPH 9
Investment volume evolution
2007 - H1 2019 (€M)



Source: Knight Frank Research

GRAPH 10
Investment by type of investor
Q2 2019 (%)



Source: Knight Frank Research



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