

# Barcelona Office Market



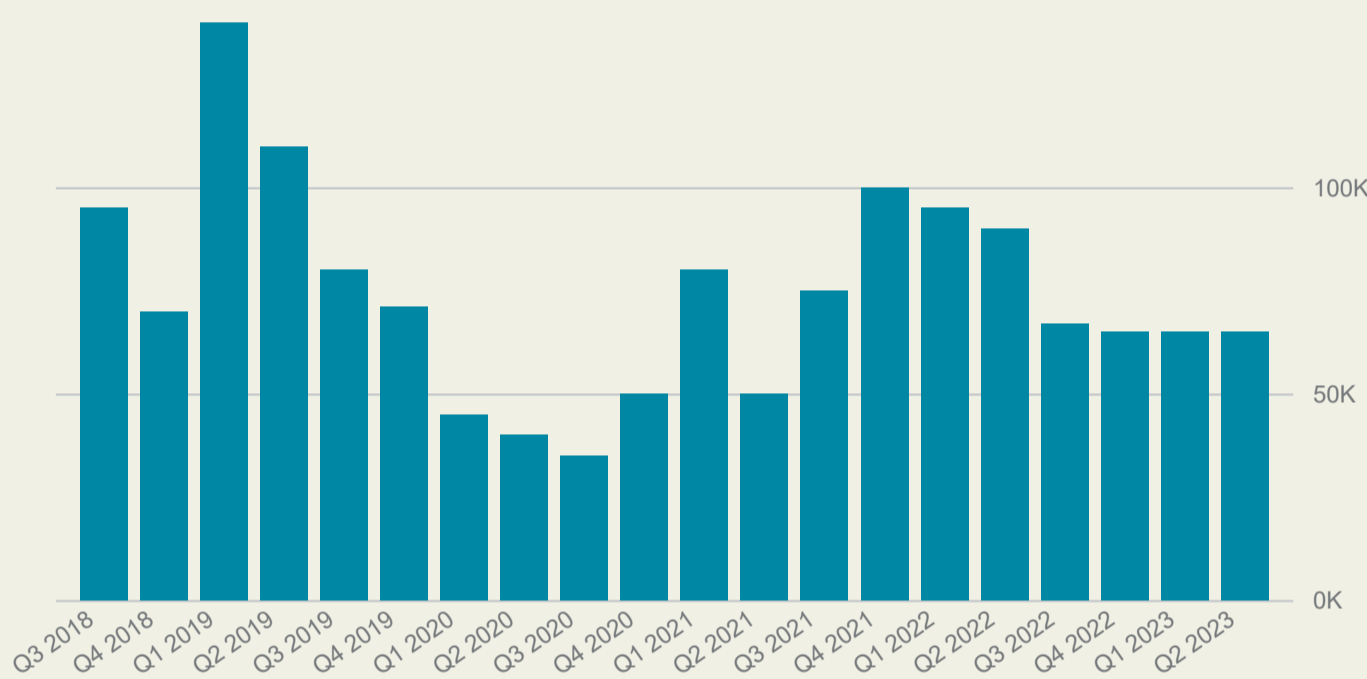
Q2 2023

Updated quarterly, our dashboards provide a concise synopsis of occupier activity in Europe's markets.

[knightfrank.com/research](https://knightfrank.com/research)

## Take up

Over the last 5 years, square metres



Source: Knight Frank Research

## OCCUPIER MARKET KEY FIGURES

**65,000** SQM

Take up

**€ 336** PSQM

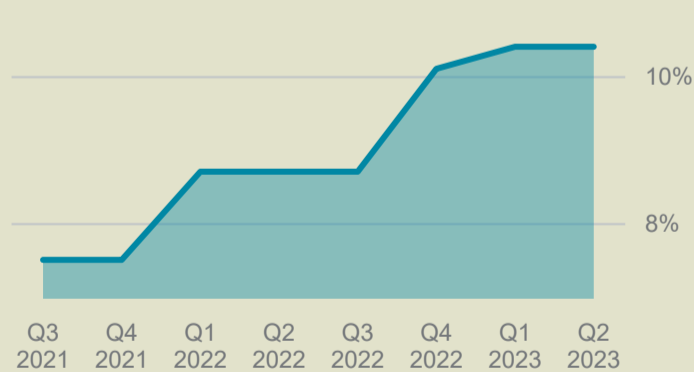
Prime Rent

**10.4%**

Vacancy Rate

## Vacancy Rate

Measured in percentage terms



Source: Knight Frank Research

## OCCUPIER HEADLINES

In the second quarter of 2023, the Barcelona office market recorded 65,000 sqm of take up, bringing the total for H1 2023 to 130,000 sqm. This represents a 30% decrease from the take up volume in H1 2022, and is 23% below the five-year H1 average.

Two notable deals signed in Q2 included Travelperk for 9,417 sqm, and Social Point for 4,900 sqm.

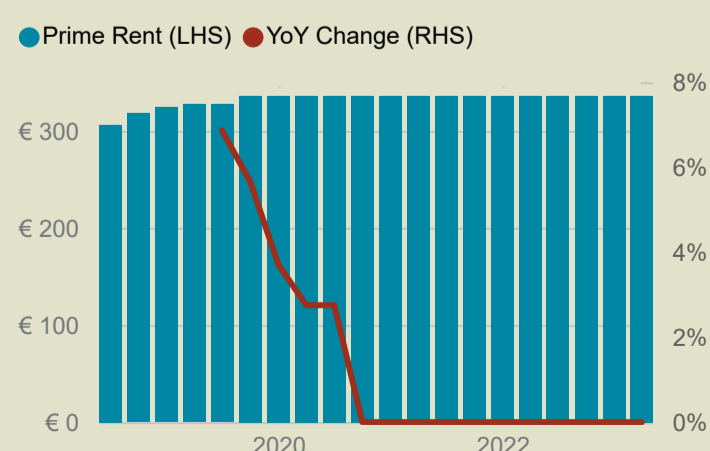
There are approximately 6.6 million sqm of office stock in the Barcelona market, and a further 600,000 sqm of new supply are expected to be added to the market during 2023 and 2024. The districts of 22@, La Fira, and the rest of the 'New Business Area' are to be the main areas of office development in the city.

The vacancy rate has remained unchanged since Q1 2023 at 10.4%. This represents a 20% increase in the vacancy rate year-on-year, largely due to the addition of new stock to the market of 203,240 sqm in 2022, the volume of which surpasses the current leasing demand.

Prime rents have also held firm at €336 psqm per annum, a level unchanged for the last few years. Rents are expected to rise moderately in coming quarters, and market favourability currently tipped towards the tenants may balance as a result.

## Prime Rent

Rents and the year-on-year change, Euros per square metre

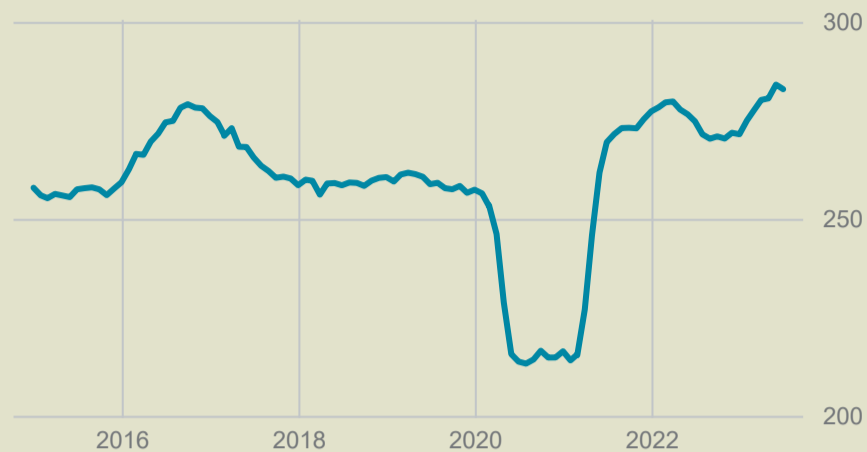


Source: Knight Frank Research

## ECONOMIC INDICATORS

### New Businesses in Spain

12-month Rolling Average



Source: Spanish National Statistics Institute (INE)

After a slump in new business starts during the pandemic in Spain, activity returned to pre-COVID normals in 2021 and peaked in the first half of 2022. Levels have recently slumped again due to a challenging economic environment, but the pace still remains similar to that seen prior to the pandemic.

### Employment Expectations in the Service Sector in Spain

Over the next 3 months, %



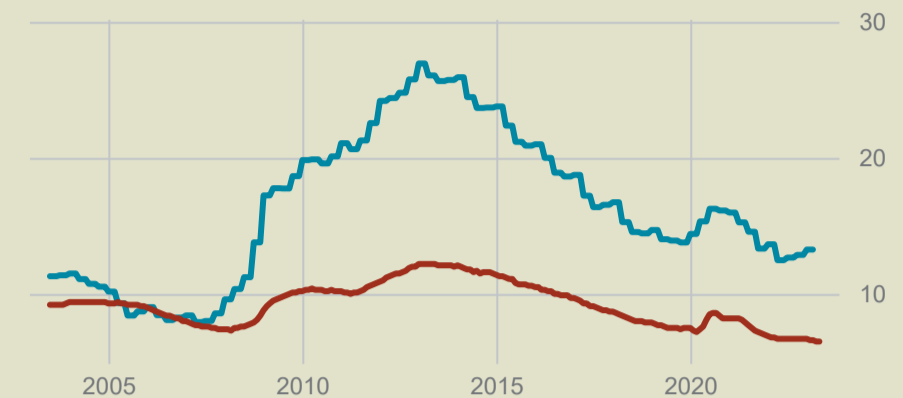
Source: European Commission (DG ECFIN)

Service sector employment expectations for the next 3 months in Spain continued to improve in Q1 2023, and remain in positive territory.

### Unemployment Rate in Spain

vs Euro Area, as a Percent of Civilian Labour Force, %

Spain Euro Area

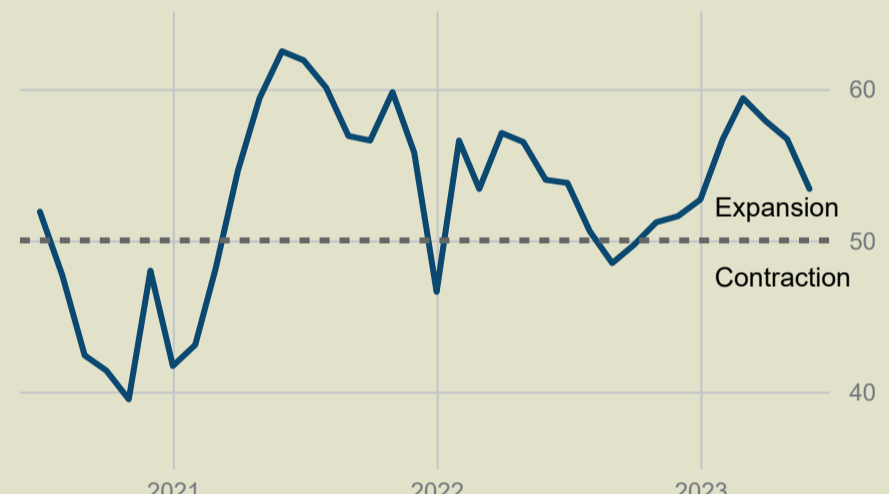


Source: Eurostat/ Spanish National Statistics Institute (INE)

Employment growth will be moderate in 2023 given that the unemployment rate is close to historic lows. And while the labour market conditions have recovered well from peak unemployment in 2013 at 27%, structural joblessness in Spain remains high and is expected to weigh on consumption and welfare costs over the medium term.

### Services PMI in Spain

Services PMI for the last 5 years, Index



Source: S&P Global

The service sector PMI in Spain rose to 59.4 in March 2023 from 56.7 in February, surpassing market expectations. This is its highest level since November 2021 as demand for services rose significantly, both domestically and from abroad.

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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