

YoY change 12-month forecast

€3.592 bn
Total Volume Q1 2022



€267m
Retail Volume Q1 2022



€862m
Office Volume Q1 2022



€154m
Logistics Volume Q1 2022



Spain closes the first quarter with volumes some 30% above the average for the previous five years

The quarter closed with an aggregate figure of €3.6 billion in terms of investment deals in Spain, some 30% above the first-quarter averages recorded over the past five years. Investment figures have bounced back, mainly within the Madrid office sector. The take-up of offices by end users has also grown considerably in comparison with the same period the previous year, by some 6.5% in the case of Barcelona and 90% with respect to Madrid. Office attendance has been growing and businesses are now back in decision-making mode, beginning to define their new working model based on the three Es, Environment-Experience-Efficiency.

Investor appetite for Prime properties spreading to decentralised sub-markets

Investment during the first quarter of 2022 was led mainly by the hotel (30%), residential (28%) and office (22%) sectors. The investor profile is in line with that which dominated the market prior to Covid-19 and overseas buyers continue to corner some 91% of investment, a number of deals that had been in negotiation now coming to fruition. Transactions amounting to more than €400m were closed in Madrid's office market. For its part, and having registered record figures in 2021, Barcelona produced an aggregate of €90m, with 22@ being the sub-market enjoying the highest level of activity. Property profile plays a key role in Madrid (within the M-30 ring road) and it remains difficult to find Core-type product for sale. Nevertheless, there are investment opportunities corresponding to a Value Add profile and on a smaller scale, and these continue to be studied by investors. The more than 30 deals currently underway, consisting of both structured and off-market processes in both cities, point to the healthy appetite to invest in offices in Spain. The potential investment in this sector enables us to predict a significant increase over the volumes recorded last year.

2022 could set a new record for the logistics sector. Logistics product in key locations around Madrid remains a target for leading international funds. The yields for these types of assets continue to shrink and this trend will persist throughout the year, there being a strong appetite for this sector at any stage of development. Particularly notable this quarter was the acquisition by Mirastar of five logistics assets in Spain, located in Barcelona, Tarragona and Madrid (53,000 sq m in total). E-commerce remains the main driver for the logistics sector and occupiers/investors' need for quality assets continues to encourage the development of new stock. The appetite for logistics transcends larger markets such as Madrid and Barcelona and it has become common to see deals in markets such as Malaga, Seville, Valencia and the Basque country.

With respect to retail, 2021 saw activity focused on the sale of supermarket portfolios, reaching 267 million Euro during this first quarter. Of particular note was the acquisition of a shopping centre in Almería (Torrecárdenas). The improvement in footfall and total sales recorded in shopping centres and stores will be mirrored by increased activity in the sector. The interest in acquiring assets based on food retailing, shopping centres and retail parks will continue throughout 2022.

Yields largely unchanged

No significant changes in prime yields were recorded between January and March. The exception to this was the logistics sector, where yields continue to undergo compression due to pressure from the sales processes regarding some specific assets. Prime yields in the logistics sector stand at around 3.75%. Within the office sector, the prime yield for more exclusive areas in Madrid and Barcelona remains at around 3.15%. The absence of transactions within the CBD has entailed a certain degree of pressure on yields in markets acting as an alternative to the CBD, such as 22@ in Barcelona and areas like Méndez Álvaro in Madrid. With respect to High Street retail, yields remain at 3.50% and no significant changes have been recorded in recent months.

ECONOMIC INDICATORS - SPAIN

4.51%
Annual change in GDP



13.48%
Unemployment rate

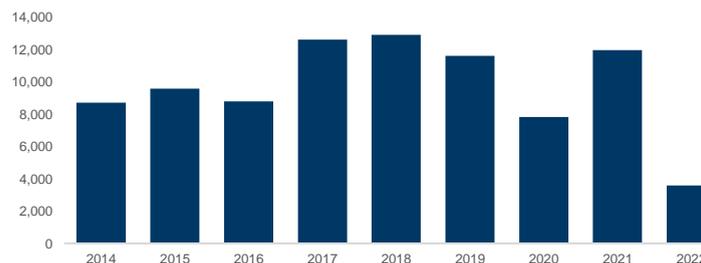


1.44%
Spanish 10-yr bond yield



Source: INE, Moody's

TOTAL INVESTMENT (€m)



Source: Cushman & Wakefield Research & Insight and Real Capital Analytics

TOTAL INVESTMENT BY SECTOR (€m)



Source: Cushman & Wakefield Research & Insight and Real Capital Analytics

MARKET BEAT

SPAIN

Investment Q1 2022



MAIN DEALS Q1 2022

NAME/ADDRESS	TYPE	BUYER	VENDOR	TOTAL sq m/ UNIT	SALE PRICE (€m)	LOCATION
Portfolio – AMB	Residential	Patrizia	BeCorp	2,000	600	Barcelona and Surroundings
Torre Bizkaia	Offices	Beraunberri	Angelo Gordon and Talus Real Estate	22,531	280	Bilbao
Condesa de Venadito, 1	Offices	Inmocaixa	GMP	20,805	80	Madrid
Pallars, 193	Offices	Macquarie	Starwood Capital	12,596	65	Barcelona
Ribera del Xúquer SC	Retail	Global Armórica	CBRE IM	81,000	45	Valencia
Áncora, 40*	Offices	Deka	Blue Coast Capital	7,294	Confidential	Madrid
Goya, 36*	Offices	Yukon Capital	WeWork Investros + Excem	3,541	Confidential	Madrid
José Echegaray, 1 – Las Rozas*	Offices	Novaxis	ING	3,094	Confidential	Madrid

Source: Real Capital Analytics/ Cushman & Wakefield
*Advised on by Cushman & Wakefield

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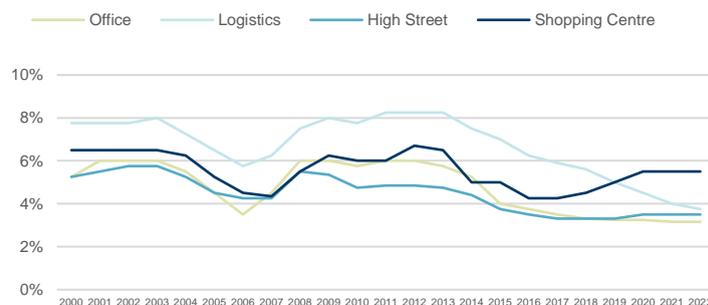
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TREND IN PRIME YIELD



Source: Cushman & Wakefield Research & Insight

TOTAL ACQUISITIONS BY CAPITAL ORIGIN €m



Source: Cushman & Wakefield Research & Insight and Real Capital Analytics

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