

8.79%

Vacancy Rate

YoY change
12 month forecast



67,700

Take-up (sq m)



27.25

Prime Rent (€/sq m/month)



Quality remains the priority requirement

This first nine months of 2022 have seen the take-up of office floorspace in Barcelona grow to around 254,000 sq m in around 250 transactions. This figure is around the average for the past 5 years and some 9% greater than that for the same period in 2021. Take-up in Barcelona amounted to 91,000 sq m this third quarter, representing a fall of 24% on the same period the previous year. In terms of location, the new business areas and city centre remain the most sought-after by companies. This is to the detriment of peripheral areas, with some 71% of demand being focused on the aforementioned. 68% of requirements were met by class A/B+ buildings, exceeding the peak of a total of 63% recorded in 2019. With respect to sectors, services businesses, ITT and industrial firms played the leading roles in terms of the demand for office space in Barcelona, representing some 55% of the total transacted. Noteworthy among the main transactions during the third quarter were the pre-letting of 7,000 sq m by Puig at no.34 on the Plaça Europa and the Uriach deal in Sant Cugat Green, the two amounting to more than 10,000 sq m let.

Construction activity remains energetic

On the supply side, deliveries of speculative new or refurbished buildings continue to drive the vacancy rate up, now at around 8.8%. Some 120,000 sq m have been delivered this quarter, of which half already have users. A number of comprehensive refurbishments were delivered during the first nine months of the year, particularly within 22@. It is important to point out the delivery of no.125 Selva de Mar, with almost 31,000 sq m of new grade A office floorspace in district 22@. The building was delivered pre-let by the French multinational Webhelp, which will occupy 70% of the building. In spite of the delay in the deliveries of the buildings due to current circumstances, Barcelona anticipates around 300,000 sq m of offices prior to December 2023, of which 22% is already committed.

Stable prime rents over the past year

The benchmark prime rent at the close of the quarter has remained stable over the past year, standing at €27.25/sq m/month. In terms of sub-zone, rent rises have been recorded in the city centre, reaching €23.25. Average closing rents followed the same trend, remaining at €16.70/sq m/month. This figure is some 3% above that recorded for the same period the preceding year. It is expected that rents will fall slightly by the close of year and beginning of 2023 due to the delivery of new offerings, though performance will vary according to each sub-market.

ECONOMIC INDICATORS - SPAIN

YoY change

6.80%

Annual change in GDP



12.48%

Unemployment rate - Spain



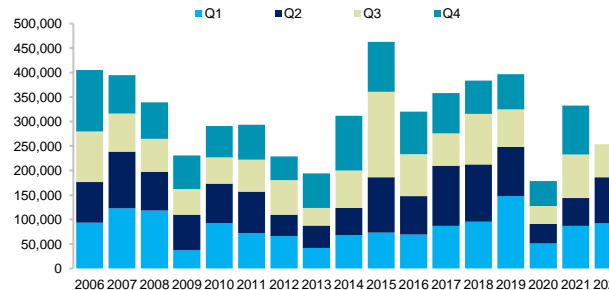
7.13%

Unemployment rate - Barcelona

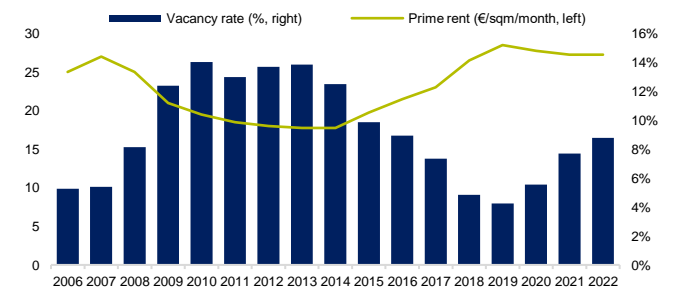


Source: National Statistics Institute

DEMAND FOR FLOORSPACE (sq m)



OVERALL VACANCY AND PRIME RENT



MARKETBEAT BARCELONA

Offices Q3 2022



MARKET STATISTICS

SUB-MARKET	STOCK (sq m)	VACANT (sq m)	OVERALL VACANCY RATE	TAKE-UP CURRENT Q (sq m)	ANNUAL TAKE-UP (sq m)	UNDER CONSTRUCTION (sq m)	PRIME RENT (€/sq m/month)	PRIME YIELD
PG/Diagonal	879,952	43,154	4.9%	6,743	24,195	20,045	27.25	3.75%
City Centre	2,552,115	87,343	3.4%	13,622	66,044	110,695	23.25	4.00%
New Business Areas	2,130,771	303,423	14.2%	34,482	109,986	282,751	23.00	4.00%
Periphery	1,352,978	173,879	12.9%	12,759	53,438	0	10.75	7.25%
BARCELONA	6,915,816	607,799	8.79%	67,606	253,662	413,491		

*Asking rent

MAIN LEASE DEALS Q3 2022

BUILDING	SUB-MARKET	TENANT	AREA (sq m)	TYPE*
Plaça d'Europa, 34	New Business Areas	Puig	7,153	Relocation - Expansion
Avinguda de la Generalitat, 163-167	Periphery	Uriach	3,600	Relocation
Pau Claris, 89-91	City Centre	Confidential	3,089	New Business
Selva de Mar, 125	New Business Areas	Webhelp	2,235	Expansion
Tànger, 98	New Business Areas	Semrush	1,836	Relocation

MAIN PROJECTS/REFURBISHMENTS DELIVERED IN 2022

BUILDING	SUB-MARKET	MAIN TENANT	AREA (sq m)	PROPRIETOR
Selva de Mar, 125	New Business Areas	Webhelp	30,920	Tristan Capital Partners & Acciona Inmobiliaria
Pere IV, 313-339 - "La Escocesa"	New Business Areas	T-Systems	24,605	Meridia Capital
Marroc, 33-51 - "One Parc Central"	New Business Areas	IMCD	21,138	DWS
Almogàvers, 154-164	New Business Areas	TravelPerk	9,418	HausInvest (Commerz Real)

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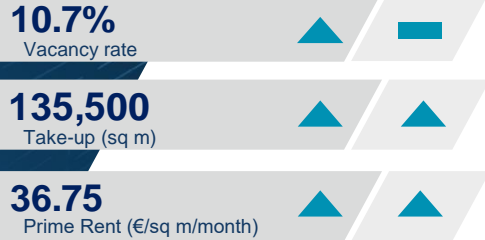
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In Spain, where Cushman & Wakefield has over 30 years of experience, the company's business covers the entire Spanish geography. The headquarters are located in Madrid (Beatriz Building, Jose Ortega y Gasset, 29, 6º) and Barcelona (Passeig de Gràcia, 56, 7º). To learn more, please visit [/www.cushmanwakefield.es](http://www.cushmanwakefield.es) or follow us [@CushWakeSPAIN](https://twitter.com/CushWakeSPAIN) on Twitter.

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Annual comparison 12-month forecast



Office take-up remains strong

The first 9 months of 2022 have accumulated a total of 384,000 m² of office space in the Madrid market and the number of lettings has been 308 contracts signed, which shows that the activity has remained robust in recent months in the office sector. In this way, in the first three quarters of the year, the levels both in surface area and in number of operations, have been reached for all 2021.

In the third quarter of 2022 take-up was 135,500 sq m.

By areas, CBD has been the most demanded, with the 35% of take-up so far this year. As for the distribution of space take-up inside and outside the M-30, the distribution has been similar, with 52% in CBD and City Centre and 48% in Decentralized and Periphery.

Companies continue to focus on quality buildings: A and B+ buildings represents the 65% of the absorption, in line with the recent years where close to 70% of demand has chosen high or very high-quality buildings. As examples, the three most significant transactions by size signed in the third quarter of 2022 have been made in recently refurbished buildings: Ombú 4-16, Arapiles 13 and Miguel Ángel 23.

Construction activity continues to grow

This quarter, almost 20,000 sq m of quality floorspace was added to the market (7,600 sq m as result of comprehensive refurbishments and 11,350 sq m corresponding to new construction). Construction activity is still active and around 74,000 sq m more will be delivered before the end of the year. Around 300,000 sq m are expected to be delivered during 2023.

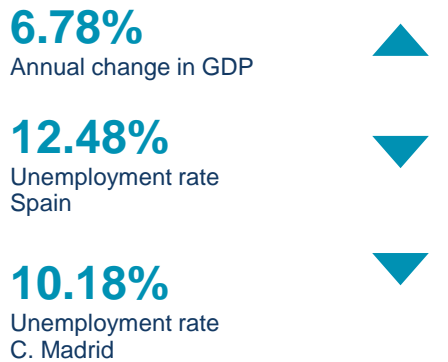
The vacancy rate, after several quarters of consecutive increases, decrease from 11.2% at the end of June to 10.7% at the end of the third quarter.

Slight increase in Prime Rent

During the third quarter of 2022, prime rents has shown a slight upward trend, reaching 36.75 €/sq m/month.

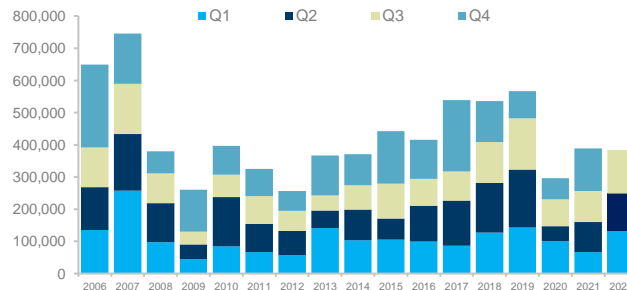
The clear preference of companies to locate in quality buildings is the main catalyst for this upward trend in prime rents.

ECONOMIC INDICATORS – SPAIN Q1 2022

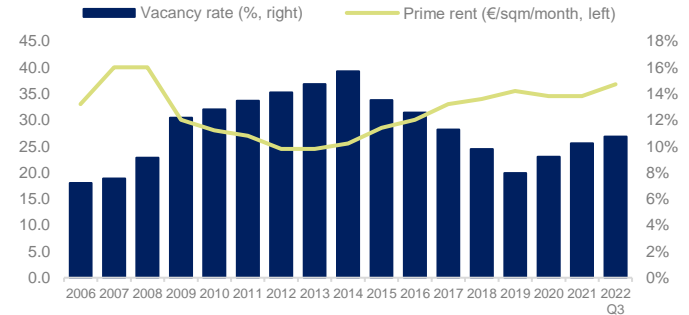


Source: Moody's

OFFICE TAKE-UP (sq m)



VACANCY RATE AND PRIME RENT



MARKETBEAT MADRID

Offices Q3 2022



MARKET DATA

SUB-MARKET	STOCK (sq m)	VACANT (sq m)	VACANCY RATE	QUARTERLY TAKE-UP (sq m)	YTD TAKE-UP (sq m)	UNDER CONSTRUCTION 2022-2023 (sq m)	PRIME RENT (€/sq m/month)	PRIME YIELD*
CBD	3,190,268	221,707	6.95%	35,826	135,144	76,066	36.75	3.65%
City Centre	2,228,514	99,263	4.45%	42,314	64,733	41,643	22.00	3.75%
Decentralised	3,884,773	448,978	11.56%	28,909	102,412	236,648	18.00	4.75%
Out of town	4,042,456	663,923	16.42%	28,424	81,750	28,214	12.75	6.75%
TOTAL	13,346,011	1,433,871	10.7%	135,473	384,039	382,571		

*The rent levels correspond to asking rents

MAIN LEASE DEALS Q3 2022

BUILDING	SUB-MARKET	TENANT	sq m
Calle del Ombú, 1	City Centre	EA Sports	14,075
Calle de Arapiles, 13	City Centre	Universidad Alfonso X el Sabio	13,814
Calle de Miguel Ángel, 23	CBD	McKinsey	7,322
Calle de Ramírez de Arellano, 21	Decentralised	QUIRON SALUD	7,108
Calle de Julián Camarillo, 31	Decentralised	WORLDLINE	4,627

*Renewals not included in the demand statistics

BUILDINGS DELIVERED Q3 2022

BUILDING	SUB-MARKET	MAIN TENANT	SIZE (sq m)	OWNER
Calle del Ombú, 1	Decentralised	EA Sports	11,328	Acciona
Calle de Julian Camarillo, 21	Decentralised	-	7,558	Marathon Asset Mgmt

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