

Annual comparison    12 month forecast

**10.5%**  
Vacancy rate



**62,423**  
Take-up (sq m)



**34.0**  
Prime Rent (€/sq m/month)



**ECONOMIC INDICATORS - SPAIN**  
Q4 2020

YoY change

**-10.8%**  
Annual change GDP



**15.6%**  
Unemployment rate



**12.5%**  
Unemployment rate - Madrid



Source: Moody's

**Demand remains active**

This first quarter of 2021 has seen the closure of 52 deals, representing an increase of 21% in comparison with the average for the 3 quarters during the pandemic (April-December, 2020). Although the average floor area per deal has fallen, businesses are beginning to unfreeze their movement and strategy plans.

Take-up during the first three months of the year reached approximately 62,500 sq m, some 38% below the figure for the same quarter in 2020. In terms of sectors of business activity, training represented almost 25% of take-up for the quarter. The largest deal amounted to 7,215 sq m, corresponding to a property in the Méndez Álvaro sub-market and consisting of a comprehensively refurbished building recently brought onto the market. This backs up the trend seen over recent quarters, of businesses emphasising the quality of buildings.

**Construction activity continues to grow.**

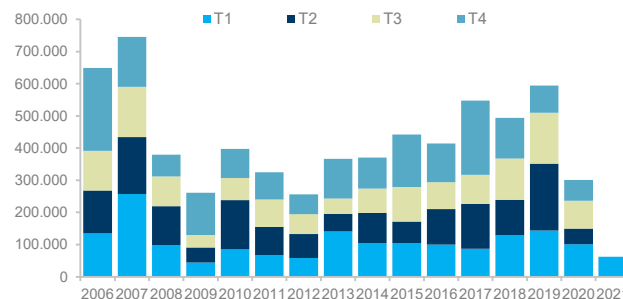
Available floorspace increased slightly this quarter, taking the vacancy rate to some 10.5%, a level similar to that of 2018. The vacancy rate is currently higher in the Outskirts and Decentralised sub-markets, at 16% and 12% respectively. At 4%, the City Centre is showing the lowest vacancy rate in Madrid.

Construction continues apace and ever more developers are signing up to the comprehensive refurbishment of buildings for subsequent letting as office space. Counting both new buildings and refurbishments, the first quarter of 2021 saw the delivery of 21,500 sq m, 34% of which was pre-let.

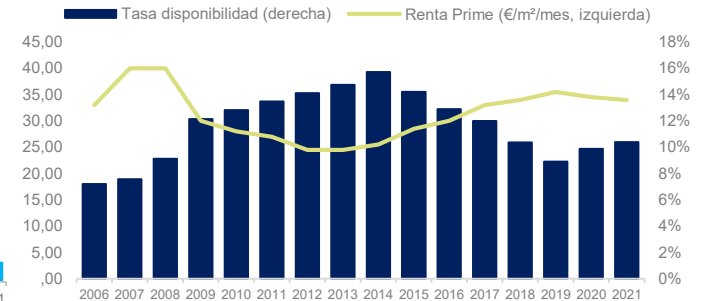
**Rents continue to soften**

At €34/sqm/month, the benchmark prime rent continued to head south, shrinking by 4% in comparison with the same period the previous year and by some 1.4% with respect to the close of 2020. In terms of sub-markets, the reduction in the City Centre amounted to -1%, whereas the Decentralised zone and Outskirts saw falls of -3% and -4% respectively. Take-up incentives such as increased free-rent periods indicate greater flexibility on the part of landlords.

**OFFICE TAKE-UP (sq m)**



**VACANCY RATE AND PRIME RENT**



### MARKET DATA

SUB-MARKET	STOCK sq m	VACANT (sq m)	VACANCY RATE	QUARTERLY TAKE-UP (sq m)	YTD TAKE-UP (sq m)	UNDER CONSTRUCTION 2021-2023 (sq m)	PRIME RENT (€/sq m/month)	PRIME YIELD*
CBD	3,121,094	180,900	5.8%	12,342	12,342	138,845	34.0	3.25%
City Centre	2,255,771	93,456	4.1%	15,335	15,335	3,872	21.8	4.00%
Decentralised	3,908,650	474,600	12.1%	19,410	19,410	233,931	17.0	4.50%
Out of Town	3,950,547	636,540	16.1%	15,336	15,336	75,815	12.5	6.00%
<b>TOTAL</b>	<b>13,236,063</b>	<b>1,385,496</b>	<b>10.5%</b>	<b>62,423</b>	<b>62,423</b>	<b>452,463</b>		

\*The rent levels correspond to asking rents

### MAIN LEASE DEALS Q1 2021

BUILDING	SUB-MARKET	TENANT	sq m	TYPE*
Calle del Áncora, 40	City Centre	Just Eat Spain	7,215	Relocation with expansion
Calle de García Martín, 21	Out of Town	Proeduca	5,472	Relocation with downsizing
Calle de Julián Camarillo, 4	Decentralised	Ilerna On Line	5,162	Relocation with expansion
Calle de Albarracín, 34	Decentralised	Linkia	3,313	Neutral relocation

\*Renewals not included in the demand statistics

### MAIN SALES Q1 2021

BUILDING	SUB-MARKET	VENDOR / BUYER	SIZE (sq m)	PRICE (€m)
Calle del Cidro, 7	Out of Town	Confidential	3,884	541

### BUILDINGS DELIVERED Q1 2021

BUILDING	SUB-MARKET	MAIN TENANT	SIZE (sq m)	OWNER
Av. de Manoteras, 12	Decentralised	-	14,284	Onix Capital Partners
Calle Áncora, 40	City Centre	Just Eat Spain	7,215	BWRE / UK & European

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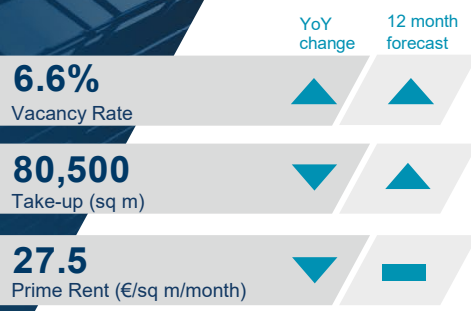
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# MARKETBEAT BARCELONA



Offices Q1 2021



## First quarter gets off to a start with solid figures for occupancy

With a total of 60 deals, take up in Barcelona reached around 81,000 sq m, some 60% above the figure for the same quarter the preceding year. In annualised terms, Barcelona achieved a figure of 208,000 sq m transacted between April 1, 2020 and March 31, 2021. The average deal for the first quarter amounted to 1,300 sq m, an increase of some 20% in comparison with the average over the past 5 years.

In terms of areas, 22@ remains the most sought-after destination, cornering 22% of take-up for the quarter.

With respect to sectors, service businesses, the public sector and ITT firms played the leading roles in terms of the demand for office space in Barcelona, representing some 50% of the total transacted.

The forecast for the close of 2021 points towards a rise in take-up driven by the release of the straitjacket imposed by the pandemic and the recovery of economic activity.

## New developments continue apace

The vacancy rate continues to trend upwards within the new market context, going from 5.6% at the close of 2020 to 6.6% at the end of March 2021. This amounts to 440,000 sq m vacant within the regional capital.

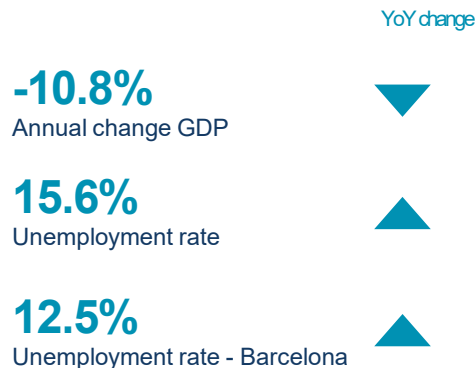
A number of comprehensive refurbishments were delivered during the first three months of the year, particularly within 22@. Noteworthy among these was the Pujades Tower, with more than 10,000 sq m of office space.

In terms of future supply, new projects remain in the pipeline. Some 400,000 sq m is currently under construction and earmarked for delivery before January 2023. The delivery of a total of some 214,000 sq m to the Barcelona market is anticipated by the end of 2021 itself. Part of this future supply already has end users, some 22% of the buildings under construction being committed.

## Maximum rents continue to soften

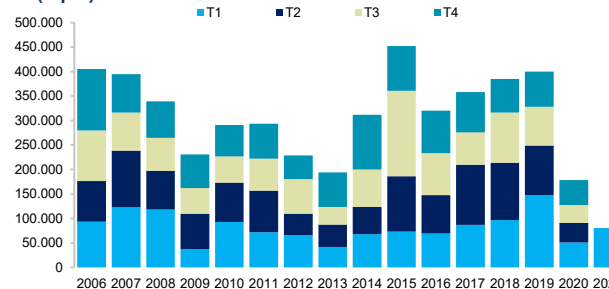
The dip in the benchmark prime rent continued up to the close of the quarter, standing at €27.50/sq m/month. This represents a softening of some 4% of the price corresponding to the same period the previous year. The falls in rent in comparison with the close of 2020 are minimal, although flexibility on the part of landlords is noted and this assistance is reflected in terms of the number of free rent months.

## ECONOMIC INDICATORS - SPAIN Q4 2020

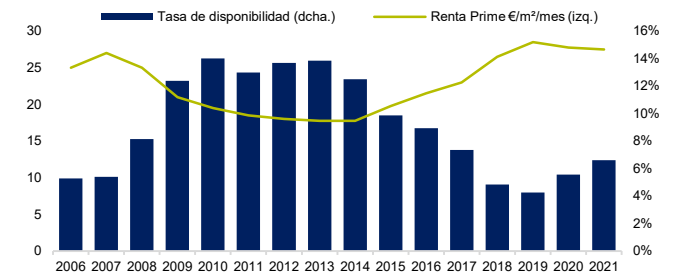


Source: Moody's

## DEMAND FOR FLOORSPACE (sq m)



## OVERALL VACANCY AND PRIME RENT





# MARKETBEAT BARCELONA

Offices Q1 2021



## MARKET STATISTICS

SUB-MARKET	STOCK (sq m)	VACANCY RATE (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	899,963	40,289	4.5%	7,211	7,211	8,120	27.50	3.50%
City Centre	2,628,971	71,609	2.7%	26,595	26,595	8,265	22.25	4.35%
New Business Areas	1,878,158	170,445	9.1%	28,686	28,686	358,974	23.75	4.15%
Out of Town	1,325,480	162,903	12.3%	17,972	17,972	14,155	11.75	6.75%
<b>BARCELONA</b>	<b>6,732,572</b>	<b>445,246</b>	<b>6.6%</b>	<b>80,463</b>	<b>80,463</b>	<b>389,514</b>		

\*Asking rent

## MAIN LEASE DEALS Q1 2021

BUILDING	SUB-MARKET	TENANT	AREA (sq m)	TYPE*
Tànger, 36	New Business Areas	Amazon	8,400	Expansion
Urgell, 176	City Centre	CATI (Clinical Advance Technologies Institute)	8,000	New Business
Rambla de la Marina, 450-454	Out of Town	Confidential	7,500	Relocation
Joan Miró, 19-21	New Business Areas	TDCX	1,450	New Business

## MAIN PROJECTS/REFURBISHMENTS DELIVERED IN 2021

BUILDING	SUB-MARKET	MAIN TENANT	AREA (sq m)	OWNER
Torre Pujades	New Business Areas	-	10,200	InmoCaixa
Diagonal, 525	PG/Diagonal	Naturgy	5,900	Inmobiliaria Colonial
Passeig de Gràcia, 2-4	PG/Diagonal	Confidential	7,600	Seguros Catalana Occidente

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