

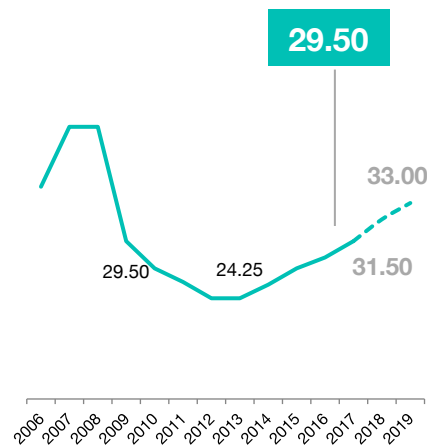
OFFICES SNAPSHOT

3rd QUARTER 2017

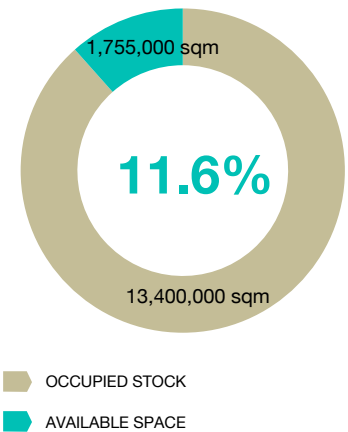
OCCUPIER MARKET

- Prime rents continue to trend upwards standing at €29.5 per sqm/month. It could easily be reached €30 per sqm/month by the end of the year.
- Available office space in Madrid suffers a slight decrease with respect to the 2nd quarter of the year with the vacancy rate standing at 11.6%.
- During Q3 2017, office take-up reaches almost 360,000 sqm, estimated to reach 500,000 sqm by the end of the year
- The highest rent in CBD area has reached €38 per sqm/month in the third quarter of the 2017.

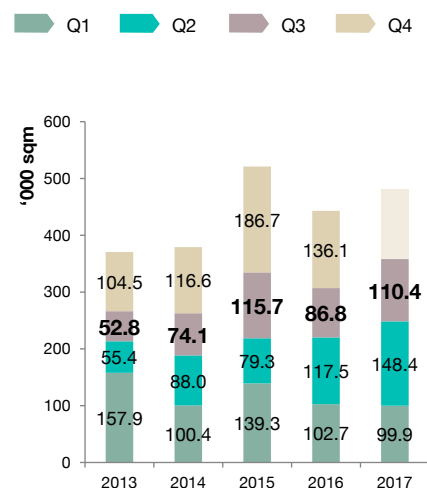
GRAPH 1
Variation in prime rents
Q3 2017



GRAPH 2
Vacancy rate
Q3 2017



GRAPH 3
Quarterly take-up performance
2013 - Q3 2017



GRAPH 4
Take-up and maximum by area*
Q1-Q3 2017

ORDERED BY TAKE-UP	MAX RENT (Q3)
CBD	38.00
M-30 East	12.00
Secondary C.	19.00
M-30 North	14.50
A-1	16.00
M-40 North-East	16.50
A-2	11.70
A-6	14.00

*Skewing caused by non-relevant deals has been removed.

GRAPH 5
TOP3 | main occupier transactions
Q3 2017

MAPFRE SOR ÁNGELA DE LA CRUZ 6 | CBD

6,731 sqm

IE VELÁZQUEZ 130 | CBD

6,310 sqm

WEWORK CASTELLANA 43 | CBD

5,455 sqm

QUARTERLY TAKE-UP PERFORMANCE MADRID | 2017

Q1: 99,900 sqm

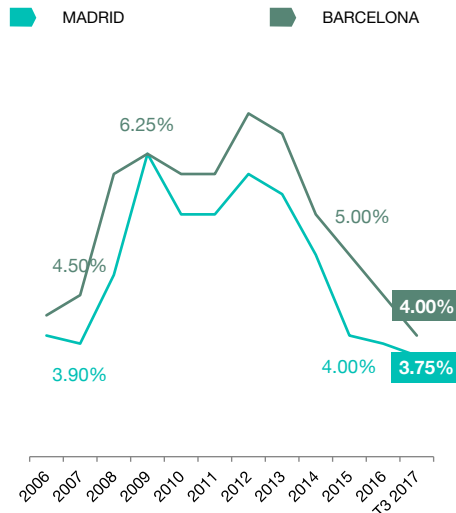
Q2: 148,400 sqm

Q3: 110,400 sqm

INVESTMENT MARKET MADRID AND BARCELONA

- During the first three quarters of 2017, investment in offices in Madrid reached €928 million and €705 million in Barcelona.
- So far this year, investment funds have emerged as the main players in the office investment market, accounting for 25.5% office investment in Barcelona and 42.4% in Madrid.
- SOCIMs are expected to be one of the most active sellers by the end of the year. Specifically, the sale of Hispania's office portfolio will be one of the year's biggest deals.
- The heightened pressure to buy on the part of the investors, coupled with the lack of product, has kept yields at low levels: 3.75% in the best buildings in Madrid and 4% in Barcelona.

GRAPH 6
Variation in prime yields
2006-Q3 2017



GRAPH 7
Prime yields in European cities
Q2 2017*

	YIELD (Q2)
Brussels	4.75
London City	4.25
Amsterdam	4.00
Frankfurt	3.80
London WE	3.50
Berlin	3.25
Paris	3.00
Dublin	3.00

*Latest data available.

GRAPH 8
TOP3 | investment transactions
Q3 2017

COMPLEJO LUXA

VENDOR: 1810 CAPITAL INVESTMENTS, GRUPO CASTELVI Y STONEWEG
PURCHASER: GRUPO CATALANA OCCIDENTE

€ 90 M | 5,483 €/sqm

FONTANELLA 8

VENDOR: AVIGNON CAPITAL
PURCHASER: CBRE GI

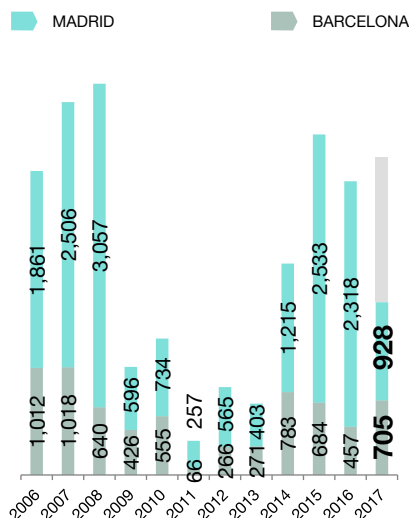
€ 64.7 M | 7,962 €/sqm

CARRERA DE SAN JERÓNIMO 15

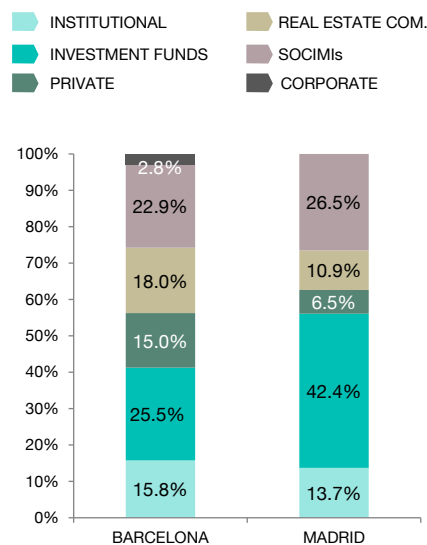
VENDOR: MUTUA MADRILEÑA
PURCHASER: REMER INVESTMENT

€ 60 M | 8,413 €/sqm

GRAPH 9
Variation in investment volume
Millions of euros



GRAPH 10
Investment volume by type of investor. Q1 - Q3 2017



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