

MarketView

Madrid Office Snapshot

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Q3 2009

Available buildings

Mar de Cristal



Available space (m ²)	Consult
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Rent (€/m ² /month)	Consult
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Velázquez 47



Available space (m ²)	900
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Rent (€/m ² /month)	Consult
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Paseo de la Castellana 55



Available space (m ²)	2.914
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Rent (€/m ² /month)	Consult
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Market Commentary

✓ Once again, as has been the tone in recent quarters, office demand is at levels similar to those seen at the start of the 90's. Gross take-up during Q3 reached 54.750m², a drop of 11,7% on the previous quarter. Although the year-on-year decline has decelerated, the situation clearly still gives cause for some concern.

✓ However, there is interest from occupiers to take advantage of current market conditions and obtain quality office space at cheaper rents. Those companies fortunate enough not to be unduly troubled by the current economic climate are conscious of the fact that the rise in vacancy and subsequent drop in rents has presented some interesting opportunities. Areas that were previously too expensive are now within range.

✓ Despite the aforementioned, many occupiers are slow in making a final decision on office space. Some companies are awaiting a further drop in rents before committing themselves. Higher vacancy rates have so far pushed prime rents down to 27,20 euros/m²/month, representing a discount of 27% from the peak of the market in 2008.

Market Activity

Zone	Stock (m ²)	Take-up (m ²)	Vacancy rate (% stock)	Future supply* (m ²)	Prime rent (€/m ² /month)
CBD	3.297.250	17.181	5,27%	214.150	29,50
Secondary City	2.417.250	4.476	5,21%	31.400	23,00
A-1	2.225.000	18.035	17,08%	139.125	17,50
A-2	2.120.600	2.390	12,92%	174.600	16,50
A-6	1.057.300	9.826	6,41%	64.600	15,00
Periphery	469.550	2.841	40,91%	45.000	11,00
Total Madrid	11.586.950	54.750	10,48%	668.875	29,50

*24 month pipeline

Key letting deals

✓ Ambers & Co., advised by CB Richard Ellis, has let 496 m² in Serrano 26. The tenant is an important corporate finance advisory firms, providing services related to mergers and acquisitions, partnerships, financial consulting and debt restructuring.

✓ CB Richard Ellis has advised on the letting of office space in San Máximo 3-9, owned by Inbisa. The tenants are Qualibérica (457 m²), dedicated to construction management, and Tecsidel (785 m²), active in the field of information system integration.

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