

MarketView

Madrid Office Snapshot

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Q4 2009

Available buildings

Goya 14



Available space (sqm) 2,266

Sauceda (Quintanapalla)



Available space (sqm) 3,697

Urbis Center 2 (Pozuelo)



Available space (sqm) 3,098

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Market Commentary

✓ Although gross take-up rose considerably in Q4, the yearly total of 311,691m² was still down 37% compared to 2008. The explanation behind the spike in fourth quarter results can be found mainly in the completion of a number of larger letting deals. However, these deals had been in negotiation since earlier in the year and do not represent a sudden spike in new demand. A better gauge of market sentiment is the fact that landlords are now more willing to negotiate conditions and prime rents fell by 27% over the course of the year. As yet, we cannot point to an improvement in market conditions.

✓ Industrial and energy companies, together with the professional services sector, were most active during Q4. In addition, the role played by the public administration was also significant, accounting for approximately 28,000 m² of take-up.

✓ Coupled with improved levels of take-up, a delay in the completion of some projects originally scheduled for 2009 interrupted the upward trend in vacancy rates. We expect pipeline supply to pick-up during 2010, but should remain below average. This in turn should lend further equilibrium to the market but is unlikely to be sufficient to provoke a recovery in the short term.

Market Activity

Zone	Stock (sqm)	Take-up (sqm)	Vacancy rate (% stock)	Future supply* (sqm)	Prime rent (€/sqm/month)
CBD	3.297.250	44.873	4,92%	136.339	29,50
Secondary City	2.417.250	33.830	4,06%	36.345	23,00
A-1	2.242.300	12.555	18,79%	174.888	16,50
A-2	2.124.100	30.290	11,92%	162.033	16,00
A-6	1.057.300	23.916	5,13%	79.921	14,50
Periphery	469.550	4.748	40,16%	60.606	10,00
Total Madrid	11.607.750	150.213	10,16%	650.132	29,50

*24 month pipeline

Key letting deals

✓ A 15,471 m² office building located at C/ Almagro 9 (CBD) was let to Cuatrecasas. The property, marketed exclusively by CBRE, will be the new HQ of the law firm.

✓ In a deal advised by CB Richard Ellis, Dia Supermarkets are to consolidate their offices in one location, the Tripark Building (José Echegaray 6, Las Rozas Business Park). This is one of the first LEED certified buildings in Spain.

✓ The aviation authority, AESA, let 9,500 m² in Avenida General Perón 40 in a deal advised by CB Richard Ellis.

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