

MarketView

Barcelona Offices Snapshot

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Q2 2011

Key Indicators

	Adjustments between	
	Q1 11	Q2 11
Gross Take-Up	↑	↑
Vacancy	↑	↓
Rents	↓	=
Yields	↓	=
Projects	=	=

Q2 2011 Highlights

- Gross take-up fell by 11% compared to the first half of 2010.
- Reactivation in the CBD, with 59% more contracts signed compared to 2010.
- Market rents are more flexible in order to sign lease agreements.

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Market Commentary

✓ There has been slightly less activity in the first half of this year, than the first half of 2010. Gross take-up in these first 6 months reached 115,300 sqm, 11.31% less than last year.

✓ A total of 140 transactions were closed in the first half of the year, of which 85% were for less than 1,000 sqm in size and we would highlight the large amount of demand for office space of less than 500 sqm, which made up 43% of the total.

✓ The prime office rent in Barcelona remains the same as in the previous quarter, at 19 €/sqm/month. The most active areas have been the Central Business District (CBD) and the New Business Areas such as Plaza Europa and 22@.

✓ We have seen an increase in activity in the prime area (CBD) over the first half of the year, with 59% more office space being contracted compared to last year in the same area. This could be due to the increase in available space, which was previously non-existent and the decrease in rents compared to the initial rent of 25 €/sqm/month. At the same time, we continue to see the trend to be for companies to move away from the city centre and move to the new areas and even out to the periphery areas around the city.

✓ Over the second quarter we have seen movements such as: the sale of a 10,000 sqm office building in the City Centre to the Barcelona Town Hall, the relocation of Kraft to L'illa Diagonal and the relocation of Omron to 22@.

✓ Over the first half of 2011, Barcelona's office stock increased by approximately 54,558 sqm, of which 31% was pre-let. 59,438 sqm of new stock is forecast for 2011, of which 70% is speculative. The number of projects in the pipeline for the coming years has progressively been revised downwards due to the recession and uncertainty, it is likely that this will continue to be the case until vacancy rates fall.

Market Activity in Q2 2011

Zone	Stock (sqm)	Take-up (sqm)	Vacancy (% stock)	Future supply* (sqm)	Prime rent (€/sqm/month)
CBD	809,699	9,750	10.02%	-	19.00
City Centre	2,477,023	13,298	7.20%	2,000	15.50
NBA	1,073,903	28,679	23.66%	34,880	15.00
Periphery	1,193,848	3,287	25.40%	-	11.50
TOTAL	5,554,473	55,014	14.71%	36,880	19.00

*Future Supply 2011-12

Notable transactions

✓ Orangina Schweppes, advised by CB Richard Ellis, has taken a total of 1,162 sqm office space, in its relocation to L'illa, in the CBD.

✓ DAS seguros, advised by CB Richard Ellis, has taken a total of 1,332 sqm of office space, in its relocation to Torre Realia, in the NBA Plaza Europa.

✓ CB Richard Ellis has advised Nutrition & Sante Iberia on its relocation to a 1,100 sqm office in the periphery area of the city in San Cugat.

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