

MARKET FUNDAMENTALS

	YoY change	12-month forecast
8.96% Vacancy rate	▼	▼
88,000 Take-up Q1 2026 (sq m)	▼	—
€43.50 Prime rent €/sq m/month	▲	▲

ECONOMIC INDICATORS

	YoY change	12-month forecast
2.8% Spain GDP	▲	—
8.0% Madrid Unemployment rate	▼	▼
10.8% Spain Unemployment rate	—	▼

Source: National Statistics Office & Moody's

ECONOMIC CONTEXT

Still marked by a degree of geopolitical and economic uncertainty, the Eurozone is beginning to show clearer signs of stabilisation following the opening of 2026. The latest estimates of the European Central Bank place inflation slightly below 2%, consolidating the softening begun in 2025 and approaching its medium-term target.

The Spanish economy continues to perform solidly after a strong end to 2025, placing it among the most dynamic in the region. Growth continues to be buttressed by buoyant consumer spending and investment, driven by improved employment and the roll-out of European funds. Current forecasts point to GDP growth of around 2.1%-2.3% for 2026.

The labour market continues to evolve favourably, with the unemployment rate stabilised at below 10% and a positive trend in terms of social security enrolment reflecting the resilience of the country's productive fabric.

2026 - FACING THE AVAILABILITY CHALLENGE

The figures for the first quarter of 2026 show us the pattern for the year and take-up expectations not exceeding 500,000 sq m. Everything points to similar figures to 2023, with a different context marked by the lack of real vacancies in certain sub-markets. The recovery the market's dynamism, together with the return of corporate deals (essential for take-up over the year and emerging sectors), have created an environment where immediately available space is found beyond the M30.

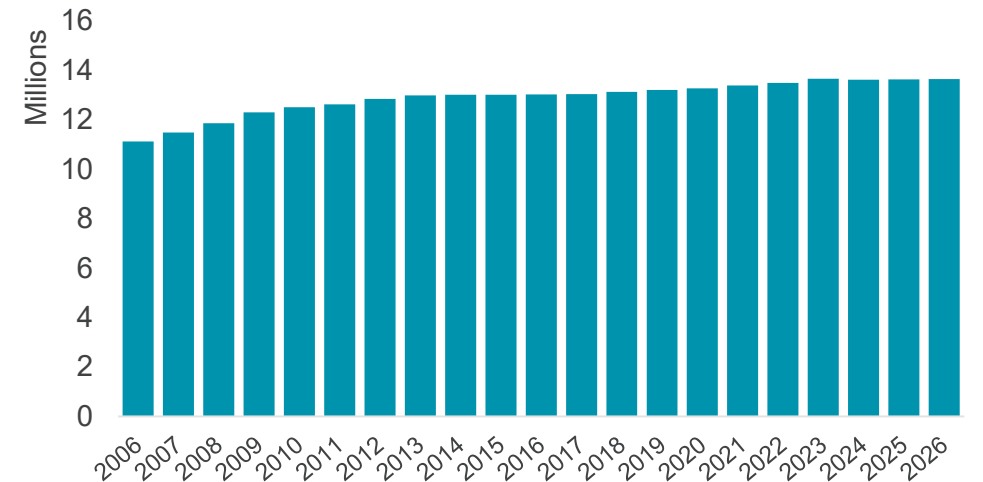
Between January and March, the figure for floor area transacted reached 88,000 sq m spread across 93 new contracts.

In terms of emerging sectors in recent years, the education and training sector continues to make its mark on the capital's take-up figures in 2026, with deals for prime locations, high specification buildings or potential to achieve these and an average floor area greater than the market standard. The first quarter of the year saw three major deals signed. These together exceeded 15,000 sq m, representing 17% of total take-up.

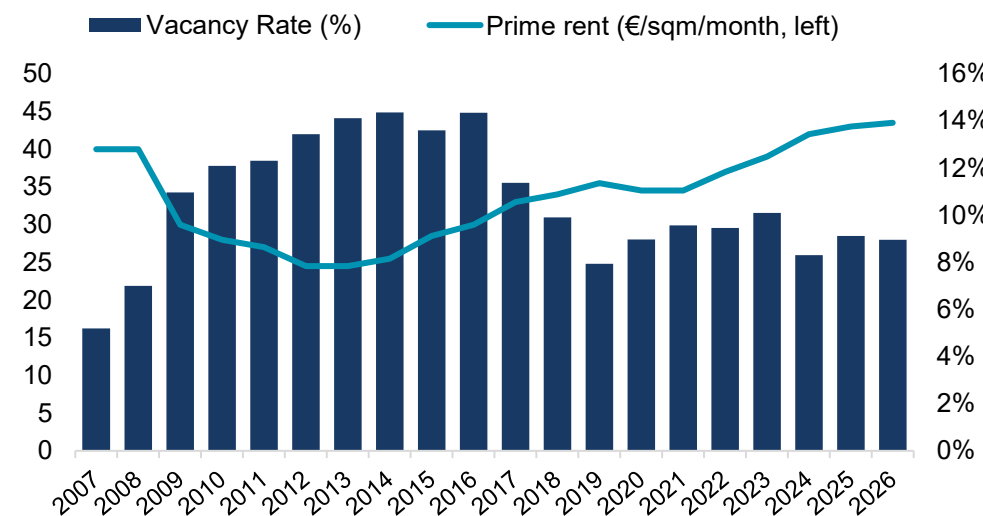
Demand continues to be driven by the search for quality and flexible assets, with A/B+ buildings accounting for close to 70% of transacted floorspace. Vacancy rates are falling on a quarterly basis owing to the high demand for this type of office space, breaking lows of below 1.5% in markets within the M30 ring-road.

Prime rents in the CBD closed the first quarter at €43.50/sq m/month, the trend for 2026 pointing upwards. Rents have also increased for some assets in certain sub-markets over the past 24 months, with a particular focus within the M30 ring road. Demand here has remained active and favoured buildings that meet the highest standards in terms of specifications and facilities. Meanwhile, rents have remained stable in other sub-markets where demand has not been as dynamic.

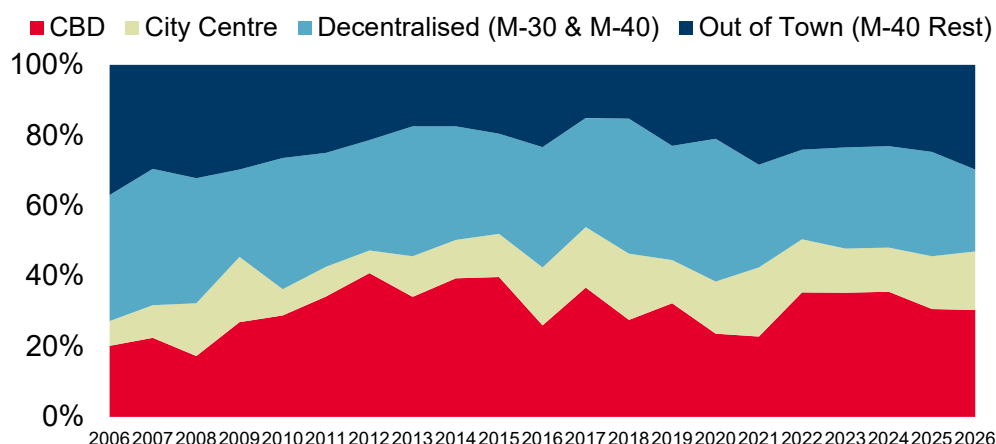
STOCK (sq m)



VACANCY RATE AND PRIME RENT



TAKE-UP BY SUB-MARKET (sq m)

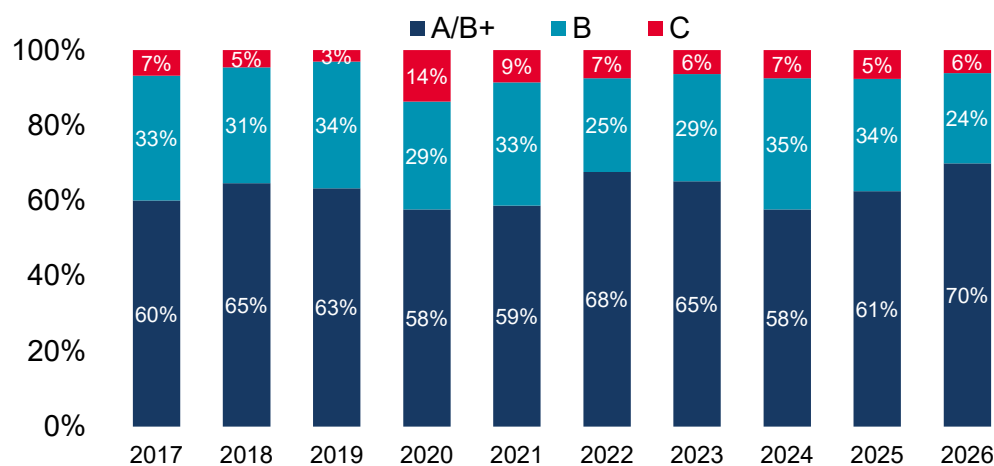


KEY YEAR FOR SUB-MARKETS BEYOND THE M30 RING ROAD

The vacancy rate remains stable at around 9%, trending downwards over the medium and long term. It is true that as we move away from the metropolitan area vacant floorspace continues to stagnate in some sub-markets. However, the rate has decreased in all sub-markets in comparison with 2023. Vacancies meanwhile remain less than 3% within the M-30. Many of the vacancies in the market come from land beyond the M-30.

High specification buildings continue see reductions in vacancies over consecutive quarters, with rates below 2% on average for A-rated buildings in Madrid. In addition, over the past 5 years there has been an increase in changes of office use. This has shrunk stock on a quarterly basis, especially with a move towards the living sector with more than 500,000 sq m in buildings in need of comprehensive refurbishment to be adapted to current market requirements.

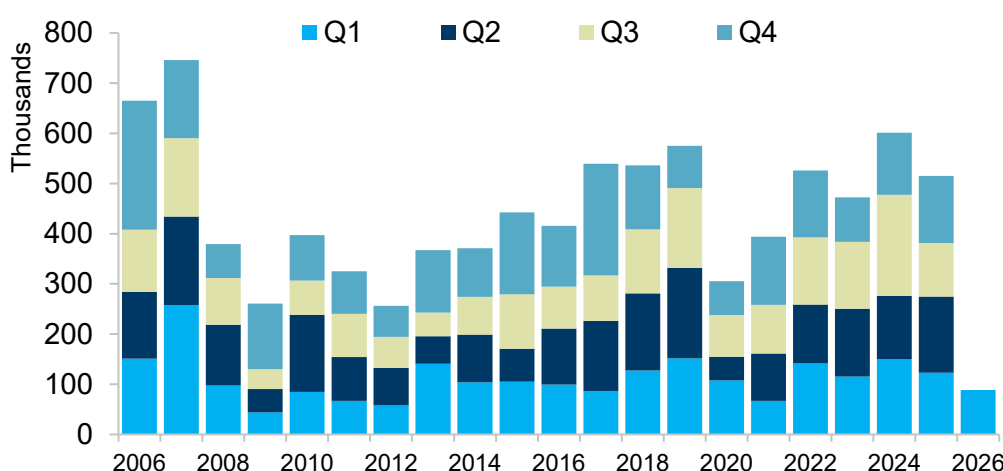
TAKE-UP ACCORDING TO GRADE



Although the floor area transacted over the first quarter of the year was evenly distributed regarding sub-market, in terms of the number of transactions demand has favoured the interior of the M30 with 57% of the deals struck. Following a period of recovery in take-up in both the Decentralised area and the Periphery, the beginning of 2026 is putting the brake on growth expectations for the close of year.. However, given the lack of vacancies for certain requirements in the CBD and City Centre, it is expected that areas beyond the M30 will be increasingly sought-after during 2026 and 2027. Data collected currently show that the area within the M30 ring road is starting to come under pressure with high demand compared to the degree of vacancies in the city centre. Despite the fact that in the second part of 2025 demand shifted towards areas beyond the M30, with quality services and communications, the figures have not materialised into solid growth across the board..

The CBD continued to lead in terms of the number of deals in the first quarter of 2026, accounting for 43% of new contracts (40) and 30% of the floorspace transacted. Following more than two years with the financial district leading the Madrid market, data since the third quarter of 2025 are beginning to reveal problems with a lack of space in certain areas.

OFFICE TAKE-UP (sq m)



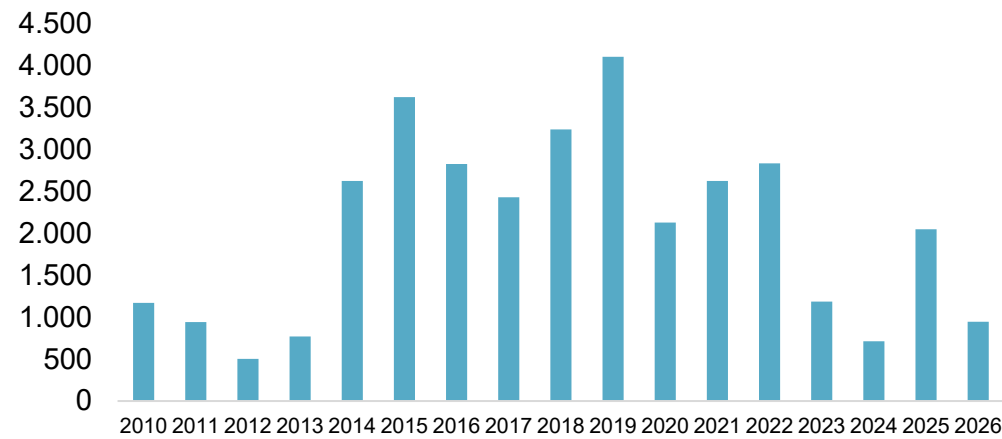
Having consolidated its growth in 2025, the decentralised area (the outer sub-market closest to the M30), closed the first quarter of the year with an annual downward adjustment of 38% in both transacted floor area and number of deals. Key to the stabilisation and future growth of this sub-market is the absorption of recently refurbished buildings such as Los Cubos, Parque Norte and the Josefa Valcárcel area, very close to the M30 ring road. Of note is Grupo Amir's rental in Sentia BP - Madbit and Sage Spain in Skylight - Manoteras. Between them, these account for 50% of the take-up for the decentralised area of Madrid.

The Out of town started the year with 26,000 sq m, a figure similar to the preceding year. Meanwhile, the city centre, excluding the CBD, grew by 25% thanks to high demand in Méndez Álvaro and, in particular, the rapid take-up of the Madnum project, with capacity for extensive floor areas. Of particular note this quarter was the acquisition of the newly refurbished Faro building.

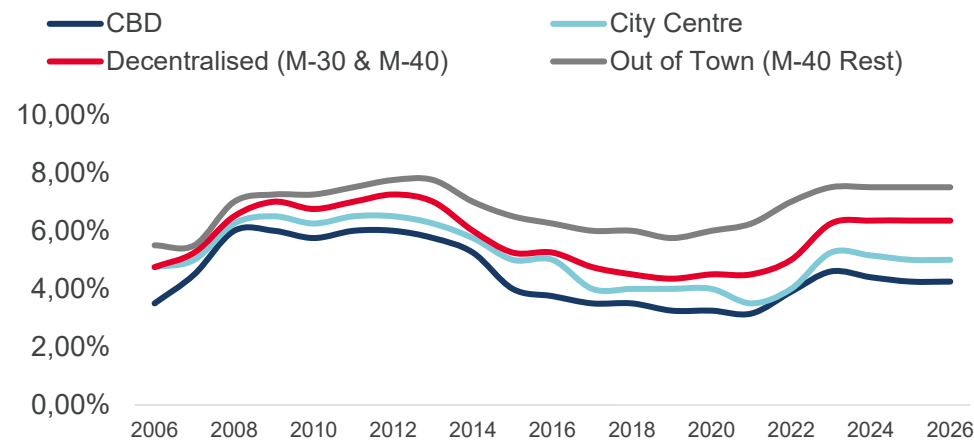
OUTLOOK

- Average take-up is expected to be between 460,000 sq m and 475,000 sq m during the period 2022 - 2025, with a focus on rental pressure growth driven by the scarcity of A-rated buildings. This is virtually non-existent within the M-30. However, the figures for each close of year far exceeded expectations.
- It was expected for the beginning of 2026 that the inertia brought about by the lack of supply within the M-30 would drive other office niches with decent connections and amenities that could meet the needs of current demand.
- For this year, it is essential to look at the data for the first six months. With active demand, it remains to be seen whether the area beyond the M30 will be able to consolidate new figures and reduce the level of vacancies in the face of the lack of real supply for the vast majority of requirements focused on the area within. This is already having an impact on the upward trend in rents, which are growing much faster than initially expected.

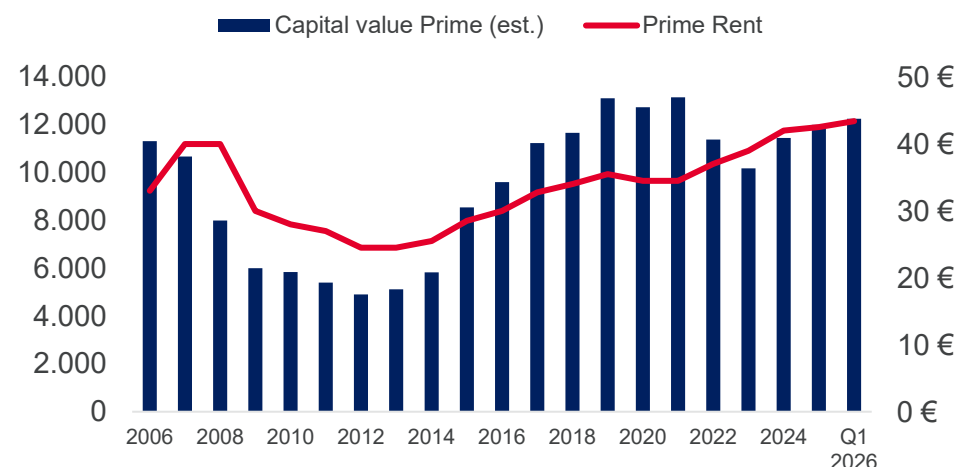
OFFICE INVESTMENT IN SPAIN (€M)



PRIME YIELDS



PRIME CAPITAL VALUES



INVESTMENT

Although it still faces significant structural challenges and geopolitical risks, the global economy has made moderately positive progress in recent months. The IMF forecasts stable global growth of 3.3% for 2025 and 2026, driven by sectors such as artificial intelligence, digitalisation and the fact that firms are adapting to international trade that is less stressed than in recent periods. Even so, the climate remains beset by uncertainty and the rise of protectionism, with the United States and China strengthening their trade strategies.

Within this context, the posture of the European Central Bank remains cautious. It decided to leave interest rates unchanged at its December 2025 meeting, the deposit facility rate remaining at 2%. At close to the 2% target, inflation is showing signs of stability thanks to moderating energy costs. This trend buttresses the ECB's decision and leads markets to anticipate rates remaining at similar levels for much of 2026. Aside from the trend in ECB rates, the persistent reluctance of 10-year sovereign bonds to correct downwards, with yields rising in most European markets, including Spain, continues to put upward pressure on discount rates and limits the possibility of further compression of yields in the office market.

In the domestic office segment, the total volume of aggregate investment in the first quarter of 2026 amounted to more than €900 million, €740 million more than the figure for the same period the preceding year. This strong growth is mainly due to the closure of major deals, including the Estel Building and Project Oria, which have had a significant impact on total investment.

Aggregate investment in Madrid amounted to around €400m in the first quarter of 2026. During this period, the closure of deals such as the sale of what will be the new Oria campus in Fuencarral and several acquisitions beyond the M30, such as the headquarters of Siemes Gamesa, Isla de Manoteras and the purchase in the CBD of Eloy Gonzalo 27, stand out. As was the case during 2025, domestic investment is driving the growth in figures while awaiting the arrival of international capital. The latter has yet to materialise.

Prime yields remained stable at 4.25% during the first quarter, due to dynamic take-up levels providing an increased degree of comfort and a greater appetite on the part of Core/Core+ investors for property acquisition deals involving stable cash-flows.

OUTLOOK

- In line with developments in Spain and in response to monetary normalisation and improved growth expectations, European sovereign bonds have seen a slight rebound in yields, especially for long maturities. By way of example, the German 10-year bond stands at around 2.87%, while the 30-year bond exceeds 3.40%.
- Although more stable than in previous years, the context is still highly conditioned by external factors such as global trade tensions, economic fragmentation and adjustments in supply chains. Having said that, the resilience of the European economy and the moderation of inflationary pressures suggest that financial markets are likely to evolve in a more balanced way over the coming months.
- Madrid, in turn, is positioned as one of the most attractive capitals in terms of investment. Changes of use have also been bringing in recurrent capital over the past 18 months, with deals that are more labour intensive but may achieve attractive returns for the investor.

MAIN INDICATORS

SUB-MARKET	STOCK (sq m)	VACANT (sq m)	VACANCY RATE	QUARTERLY TAKE-UP (sq m)	YTD TAKE-UP (sq m)	UNDER CONSTRUCTION (sq m)	PRIME RENT (€/sq m/month)	PRIME YIELD (%)
CBD	3,305,550	90,989	2.75%	26,872	26,872	-	43.50	4.25%
City Centre	2,306,597	75,306	3.26%	14,711	14,711	12,760	26.00	5.00%
Decentralised	3,429,915	463,460	13.51%	20,604	20,604	20,460	22.00	6.35%
Out of Town	4,603,521	592,888	12.88%	26,321	26,321	-	14.50	7.50%
TOTAL MADRID	13,645,583	1,222,643	8.96%	88,508	88,508	33,220		

*Rent levels correspond to asking rents

MAIN DEALS IN TERMS OF TAKE-UP Q1 2026

BUILDING	SUB-MARKET	TENANT	AREA (sq m)	TYPE*
Cerro de los Gamos Business Park	Out of Town	Education sector	8,500	Relocation - Expansion
Faro Building	City Centre	RENFE S.A	5,000	Relocation
Sentia Business Center	Decentralised	Grupo Amir Education Iberia	5,000	Relocation - Expansion

*Renewals not included in the demand statistics

MAIN INVESTMENT DEALS Q1 2026

ADDRESS	SUB-MARKET	BUYER	VENDOR	AREA (sq m)	PRICE (€m)
Project Oria	Decentralised	Atrea RE	Metrovacesa	48,000	200
Eloy Gonzalo 27	CBD	Private investor	Swiss life AM	6,300	Confidential
Manoteras 48	Decentralised	Edificia	BNP REIM	13,500	Confidential

BUILDINGS DELIVERED IN Q1 2026

BUILDING	SUB-MARKET	MAIN TENANT	AREA (sq m)	OWNER
InMadrid – MM21	City Centre	-	14,248	RevCap - BWRE
Elever	Decentralised	-	9,989	Grupo Insur
Dune	Decentralised	ICEX	12,842	Arima RE

ALFREDO COLLAR

Partner
Head of Office Agency, Spain
alfredo.collar@cushwake.com

VICTOR MANRIQUE

Research Analyst
Research & Insight Spain
victor.manrique@cushwake.com

MARTA ESCLAPÉS

Partner
Head of Research - Iberia
Research & Insight Spain
Marta.esclapes@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a world leader in commercial real estate services for occupiers and investors, with approximately 53,000 employees in more than 350 offices and around 60 countries. In 2025, the company declared revenue of \$10.3 billion in its core asset management, facilities, leasing, capital markets, valuation and other services. Rooted in the belief that Better Never Settles, the firm has also been awarded numerous accolades from the sector for its culture and commitment to diversity, equality and inclusion (DEI), as well as its approach to environmental, social and governance issues (ESG). For more information, visit www.cushmanwakefield.com.

Operating for over 35 years in Spain, Cushman & Wakefield covers the entire country. The head offices are located in Madrid (Edificio Beatriz, José Ortega y Gasset, 29, 6º) and Barcelona (Avenida Diagonal, 545, 7º), with a multidisciplinary team of more than 390 professionals. To learn more, visit [//www.cushmanwakefield.es](http://www.cushmanwakefield.es) or follow @CushWakeSPAIN on X.

©2026 Cushman & Wakefield. All rights reserved. The content of this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representation as to its accuracy.

ECONOMIC CONTEXT

The persistence of geopolitical conflicts, particularly the war in Ukraine and tensions in the Middle East, remains one of the main sources of risk to the global economy over the near term. Its potential impact is mainly transmitted through three conduits: energy prices, supply chain disruptions and deteriorating business and consumer confidence.

The Eurozone is starting to show clearer signs of stabilisation in the first quarter of 2026. The latest estimates of the European Central Bank place inflation slightly below 2%, consolidating the softening begun in 2025 and approaching its medium-term target.

The Spanish economy continues to perform solidly after a strong end to 2025, placing it among the most dynamic in the region. Growth continues to be buttressed by buoyant consumer spending and investment, driven by improved employment and the roll-out of European funds. Current forecasts point to GDP growth of around 2.1%-2.3% for 2026.

The labour market continues to evolve favourably, with the unemployment rate stabilised at below 10% and a positive trend in terms of social security enrolment reflecting the resilience of the country's productive fabric.

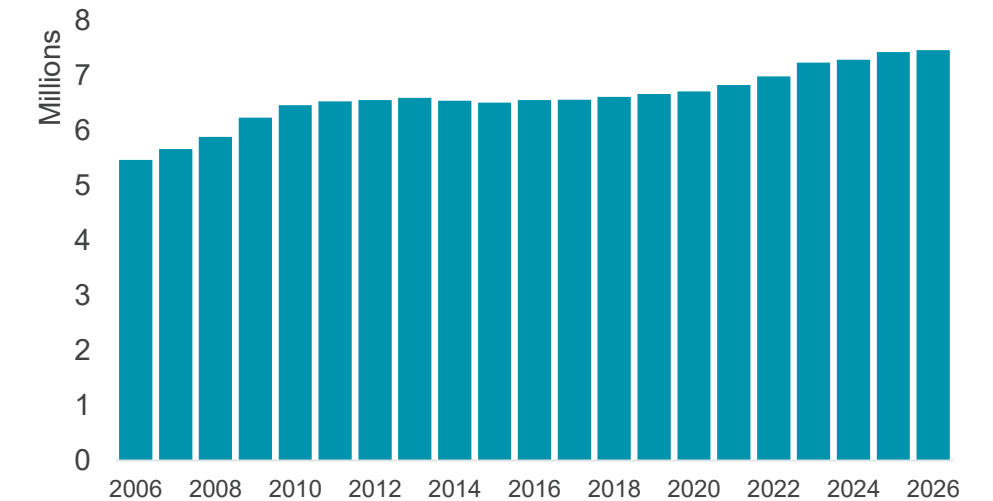
FALLING VACANCY RATES FURTHER POLARISING THE MARKET

Some 22,000 sq m of floorspace was delivered during Q1 2026, 12% of this with end-users in place. This limited delivery of projects with vacancies increases the competition for prime product and may lead to greater pressure on prime rents. This context reinforces the 'flight to quality' and the preference for well-established locations as the dominant demand criteria.

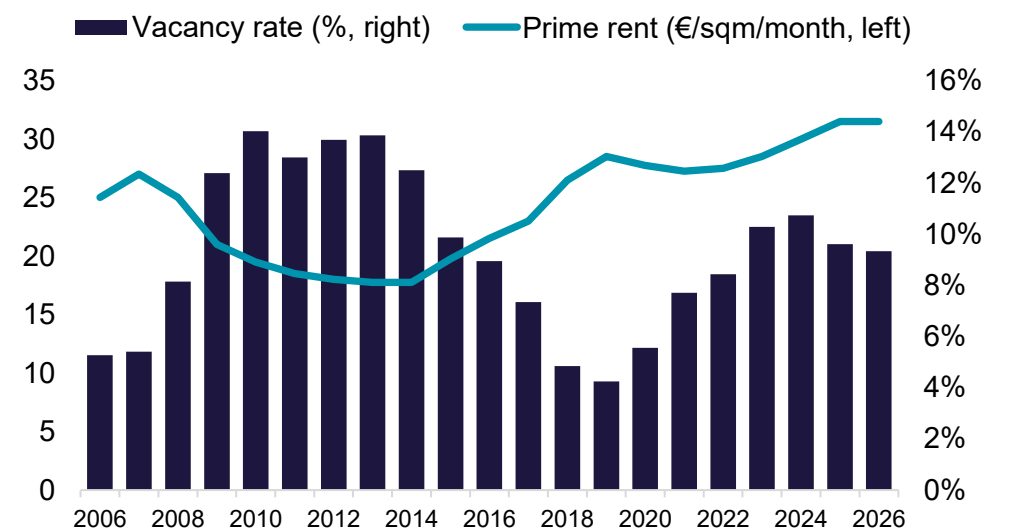
The vacancy rate stood at 9.3%, maintaining the downward trend observed in previous quarters. This fall reflects both the progressive take up of space and the slowdown in the delivery of new developments.

Delivery of 38,000 sq m is planned over the coming months of 2026, 75% of which is already committed. This will significantly limit the impact on vacancies. This figure confirms the sustained interest of businesses in established locations and quality projects, reinforcing the polarisation of the market towards prime assets.

STOCK (sq m)



VACANCY RATE AND PRIME RENT



MARKET FUNDAMENTALS

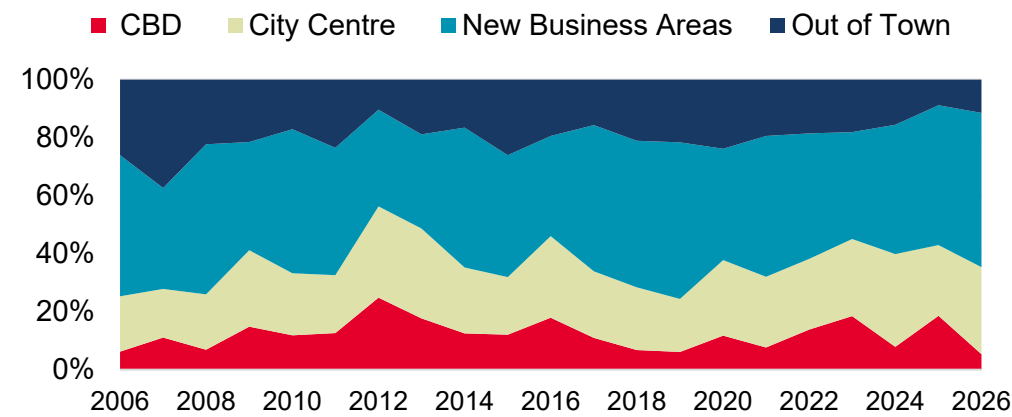
	YoY change	12-month forecast
9.33% Vacancy rate	▼	▼
94,000 Take-up Q1 (sq m)	▲	▲
€31.50 Prime rent €/sq m/month	▲	▲

ECONOMIC INDICATORS

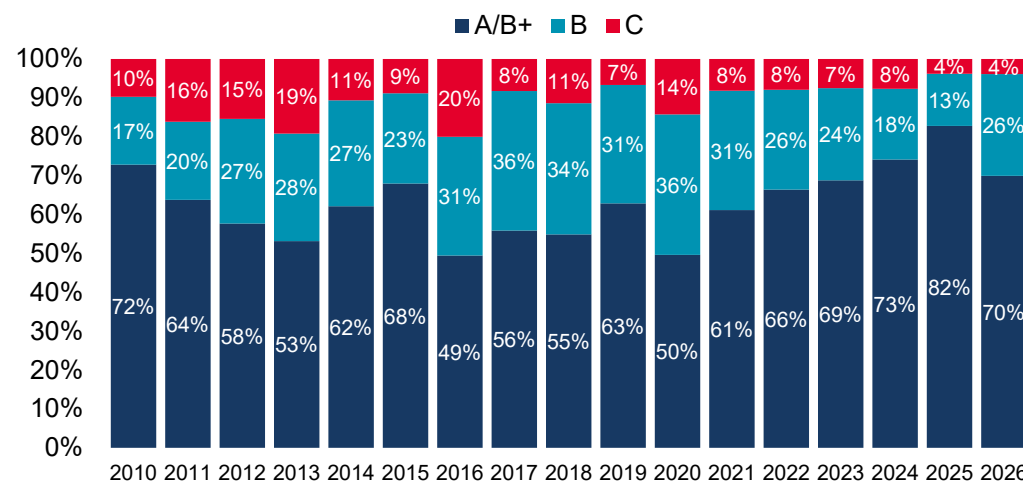
	YoY change	12-month forecast
2.8% Spain GDP	▼	▼
7.9% City of Barcelona Unemployment Rate	▼	▼
10.8% Spain Unemployment Rate	▼	▼

Source: National Statistics Office & Moody's

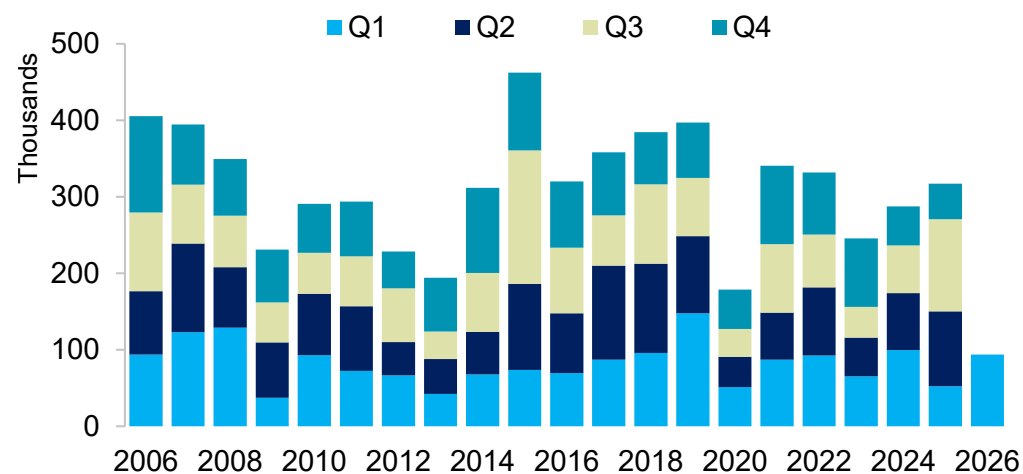
TAKE-UP BY SUB-MARKET (sq m)



TAKE-UP ACCORDING TO GRADE



OFFICE TAKE-UP (sq m)



DEMAND PRIORITISES LOCATION AND ASSET QUALITY

Office space take-up in Barcelona during the first quarter of 2026 reached 94,000 sq m, divided among 66 deals. This represents a +80% increase in floor area compared to the same period in 2025 and a +10% increase in the number of transactions. This figure reflects a clear recovery in demand, with a higher increase in the floor area than in the number of deals signalling higher average tickets and greater take-up capacity. Activity remains particularly focused on quality buildings that are of considerable interest to the market.

Two deals exceeding 10,000 sq m in the quarter stand out, explaining part of the jump in floor area and demonstrating the growing weight of large-scale movements. The first of these was the acquisition of half of the Bank of Spain's headquarters by the Generalitat de Catalunya; the second being the rental of the Inspire building in district 22@ by Sanofi.

Take-up was mainly centred upon the New Business Areas, accounting for 55% of total floor area. This was followed by the City Centre (30%), Periphery (10%) and the CBD (5%). With 45%, the New Business Areas also led in terms of the number of deals, followed by the City Centre (30%), the Periphery (18%) and the CBD (6%), confirming a sustained and diversified pattern of demand with structural protagonism along the growth axes. Shifting part of the interest from more traditional locations, 22@ in particular acts as a driving force in terms of vacancies, product modernity and alignment with current requirements.

Quality continues to be a decisive factor: this year, Some 70% of the floor area transacted corresponds to buildings rated A or B+, consolidating a polarisation towards better located assets with up-to-date specifications. This preference tends to exert more pressure on secondary products that must compete in terms of price, refurbishment or flexibility in order to maintain traction. In tandem, the bias towards quality reinforces the stability of prime buildings and accelerates the take-up of the best available options.

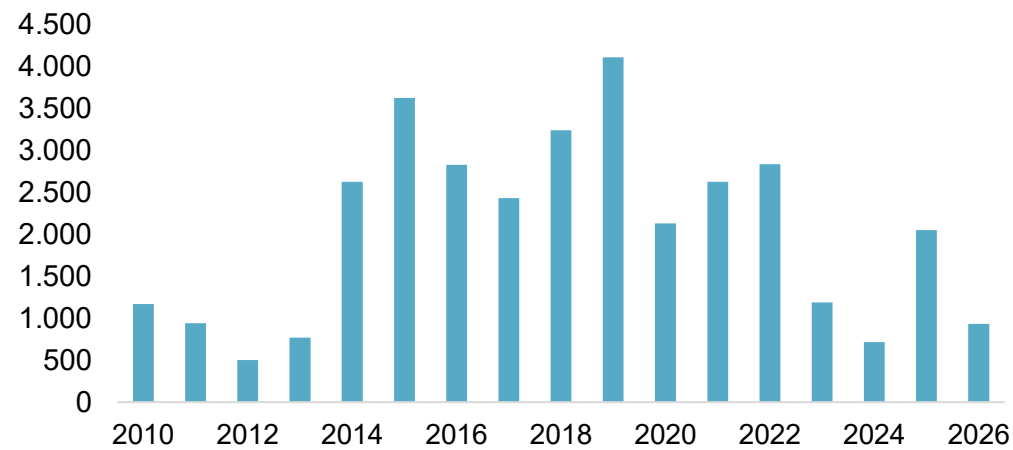
From a sectoral point of view, the quarter was marked by a 15,000 sq m deal by the pharmaceutical firm Sanofi in 22@, boosting the pharmaceutical sector to represent 22% of the total. This was closely followed by the tech (20%) and public (20%) sectors. Underpinned by deals of significant size, the sectoral composition reinforces the reading that occupiers prioritise competitive locations and efficient product, with 22@ as a natural platform for growth and consolidation.

Driven by the limited availability of high specification spaces in areas such as Paseo de Gracia and Diagonal, prime rents currently stand at €31.50/sq m/month. The combination of quality-oriented demand and limited supply keeps the pressure up on prime assets, with a greater likelihood of upward consolidation in the coming months. This context reinforces the gap with secondary product and boosts the importance of differentiation (location, sustainability and efficiency) as a lever to capture demand and sustain rent levels.

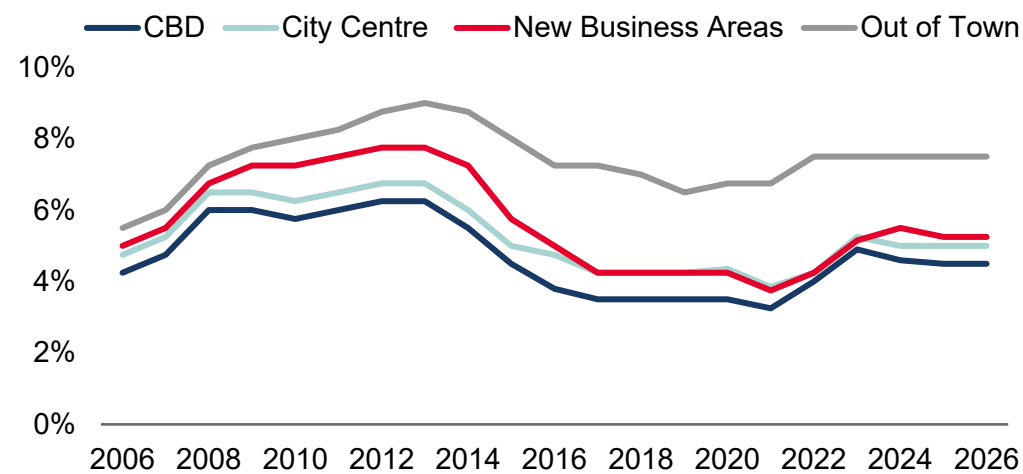
OUTLOOK

- Barcelona strengthens its status as southern Europe's main technology hub, underpinned by indicators that consolidate its leadership in innovation, entrepreneurship and talent attraction.
- According to the StartupBlink ranking, the city remains among the top 5 startup ecosystems in the European Union and, with growth of +40.4% over the previous year, has reached 33rd place worldwide. Catalonia has 2,285 startups (+9% year-on-year) and aims to reach 3,000 by 2030.

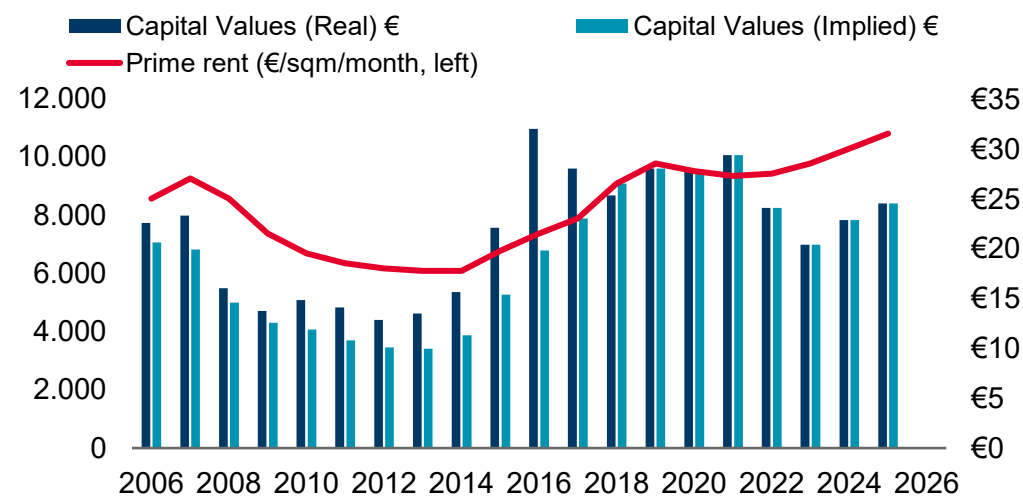
OFFICE INVESTMENT IN SPAIN



PRIME YIELDS



PRIME CAPITAL VALUES



INVESTMENT MARKET READJUSTMENT

Although it still faces significant structural challenges and geopolitical risks, the global economy has made moderately positive progress in recent months. The IMF forecasts stable global growth of 3.3% for 2025 and 2026, driven by sectors such as artificial intelligence, digitalisation and the fact that firms are adapting to international trade that is less stressed than in recent periods.

Even so, the climate remains beset by uncertainty and the rise of protectionism, with the United States and China strengthening their trade strategies.

Within this context, the posture of the European Central Bank remains cautious. It decided to leave interest rates unchanged at its December 2025 meeting, the deposit facility rate remaining at 2%. At close to the 2% target, inflation is showing signs of stability thanks to moderating energy costs. This trend buttresses the ECB's decision and leads markets to anticipate rates remaining at similar levels for much of 2026. Aside from the trend in ECB rates, the persistent reluctance of 10-year sovereign bonds to correct downwards, with yields rising in most European markets, including Spain, continues to put upward pressure on discount rates and limits the possibility of further compression of yields in the office market.

In the domestic office segment, the total volume of aggregate investment in the first quarter of 2026 amounted to more than €900 million, €740 million more than the figure for the same period the preceding year. This strong growth is mainly due to the closure of major deals, including the Estel Building, which had a significant impact on total investment.

Investment in Barcelona amounted to €495 million in the first quarter of the year, representing year-on-year growth of 760%. It should be noted that we are significantly above the levels recorded in Q1 2021 in terms of investment volumes, the annual change amounting to +75%.

The prime yield stood at 4.50%, stable compared to the previous quarter and showing a compression of 10 basis points compared to last year. These developments are evidence of growing interest on the part of core investors, particularly in assets with strong long-term cash flows in consolidated locations. Mid-tickets (up to €40 million) remain the most liquid, with a particular focus on efficient and well-positioned buildings. This is a very solid market segment, and when all investment criteria are met, transactions are consistently closed at yields below 5%.

OUTLOOK

- In line with developments in Spain and in response to monetary normalisation and improved growth expectations, European sovereign bonds have seen a slight rebound in yields, especially for long maturities. By way of example, the German 10-year bond stands at around 2.87%, while the 30-year bond exceeds 3.40%.
- Although more stable than in previous years, the context is still highly conditioned by external factors such as global trade tensions, economic fragmentation and adjustments in supply chains. Having said that, the resilience of the European economy and the moderation of inflationary pressures suggest that financial markets are likely to evolve in a more balanced way over the coming months.

MARKET STATISTICS

SUB-MARKET	STOCK (sq m)	VACANT (sq m)	VACANCY RATE	QUARTERLY TAKE-UP (sq m)	YTD TAKE-UP (sq m)	UNDER CONSTRUCTION (sq m)	PRIME RENT (€/sq m/month)	PRIME YIELD (%)
CBD	885,716	28,715	3.24%	5,001	5,001	-	€31.50	4.50%
City Centre	2,633,273	108,785	4.13%	28,201	28,201	94,073	€25.25	5.00%
New Business Areas	2,456,674	389,893	15.87%	49,964	49,964	91,405	€22.00	5.25%
Out of Town	1,444,604	164,842	11.41%	10,788	10,788	29,624	€12.00	7.50%
TOTAL BARCELONA	7,420,267	692,234	9.33%	93,954	93,954	215,102		

*The rent levels correspond to asking rents

MAIN DEALS IN Q1 2026

BUILDING	SUB-MARKET	TENANT	AREA (sq m)	TYPE*
Plaça de Catalunya 17	City Centre	Generalitat de Catalunya	13,000	Relocation
Carrer de Pamplona 60-66	New Business Areas	Sanofi Aventis	15,123	Relocation - Expansion
Greenvia Building	New Business Areas	Cosymbio Labs	6,353	Relocation

*Renewals not included in the demand statistics

MAIN INVESTMENT DEALS IN Q1 2026

ADDRESS	SUB-MARKET	BUYER	VENDOR	AREA (sq m)	PRICE (€m)
Estel Building	City Centre	InmoCaixa	Bain Capital, FREO	52,000	385
Torre Diagonal Mar	New Business Areas	Rentamar	Union Investment	22,000	90

BUILDINGS DELIVERED IN Q12026

BUILDING	SUB-MARKET	MAIN TENANT	AREA (sq m)	OWNER
Monument	City Centre	Skyscanner	13,700	InmoCaixa
Carrer del Milanesat 21-23	City Centre	Grupo Océano	3,753	Meridia Capital Partners
Nux	City Centre	-	2,021	Grupo Catalana Occidente

ALFREDO COLLAR

Partner

Head of Office Agency Spain

alfredo.collar@cushwake.com

NÚRIA CAMPS

Senior Analyst

Research & Insight Spain

nuria.camps@cushwake.com

MARTA ESCLAPÉS

Partner

Head of Research - Iberia

Research & Insight Spain

marta.esclapes@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a world leader in commercial real estate services for occupiers and investors, with approximately 53,000 employees in more than 350 offices and around 60 countries. In 2025, the company declared revenue of \$10.3 billion in its core asset management, facilities, leasing, capital markets, valuation and other services. Rooted in the belief that Better Never Settles, the firm has also been awarded numerous accolades from the sector for its culture and commitment to diversity, equality and inclusion (DEI), as well as its approach to environmental, social and governance issues (ESG). For more information, visit www.cushmanwakefield.com.

Operating for over 35 years in Spain, Cushman & Wakefield covers the entire country. The head offices are located in Madrid (Edificio Beatriz, José Ortega y Gasset, 29, 6º) and Barcelona (Avenida Diagonal, 545, 7º), with a multidisciplinary team of more than 390 professionals. To learn more, visit [//www.cushmanwakefield.es](http://www.cushmanwakefield.es) or follow @CushWakeSPAIN on X.

©2026 Cushman & Wakefield. All rights reserved. The content of this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representation as to its accuracy.