MARKETBEAT
MADRID
OFFICES Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YoY change	12-month forecast
8.40% Vacancy rate	▼	▬
101,000 Take-up Q2 2026 (sq m)	▼	▬
€44.00 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

The global economy continues to operate in an environment of high geopolitical uncertainty. Coupled with trade tensions and volatility in energy markets, ongoing conflicts in Ukraine and the Middle East continue to shape the short-term economic outlook. Against this backdrop, the European Central Bank has revised its forecasts upwards and, in June, put the average inflation rate for the Eurozone at 3.0% for 2026. Growth expectations have meanwhile been revised downwards to 0.8%.

Buttressed by a strong labour market and a gradual recovery in investment, the European economy nevertheless continues to show resilience. Driven by domestic demand, tourism and investment, Spain continues to stand out among the region's leading economies with GDP growth forecast at 2.8 per cent in 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 provided an indication of how the year would pan out and suggested that take-up would not exceed 500,000 sq m. Based on the figures for the second quarter, everything points to us seeing figures similar to those of 2023 (460,000 sq m), albeit in a different context characterised by a 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.

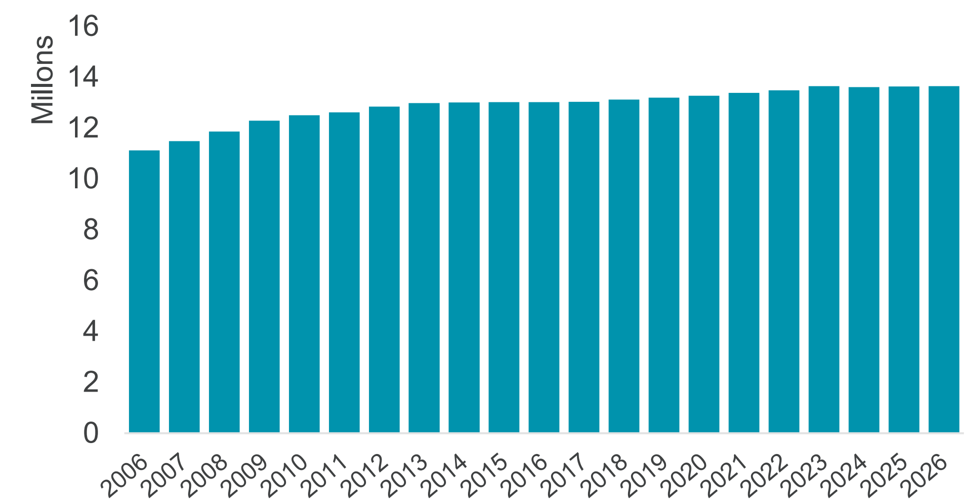
Between April and June, the figure for floor area transacted reached 101,000 sq m spread across 105 new contracts. These figures mean that, at the close of the first half of the year, there were 198 deals totalling 189,000 sq m, 30% below the figure for the same period in 2025.

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 high specification buildings or potential to achieve these and an average floor area greater than the market standard. The first half of the year saw seven deals signed. These together exceeded 15,800 sq m, representing 10% of total take-up.

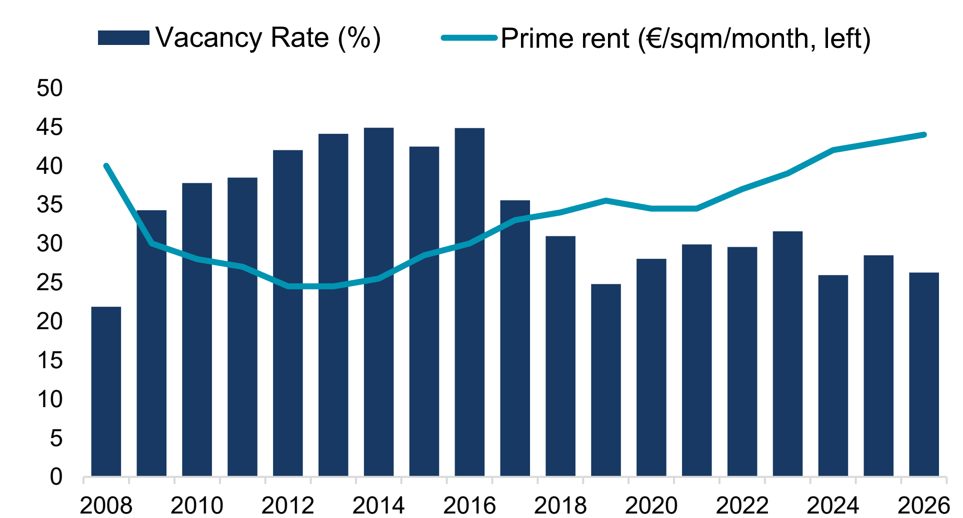
Demand continues to be driven by the search for quality and flexible assets, with A/B+ buildings accounting for a share ofclose to 70% of transacted floorspace. Vacancy rates are falling on a quarterly basis owing to the high demand for this type of office space, breaking lows of below 1.5% in markets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

Prime rents in the CBD closed the second quarter at €44.00/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.

STOCK (sq m)

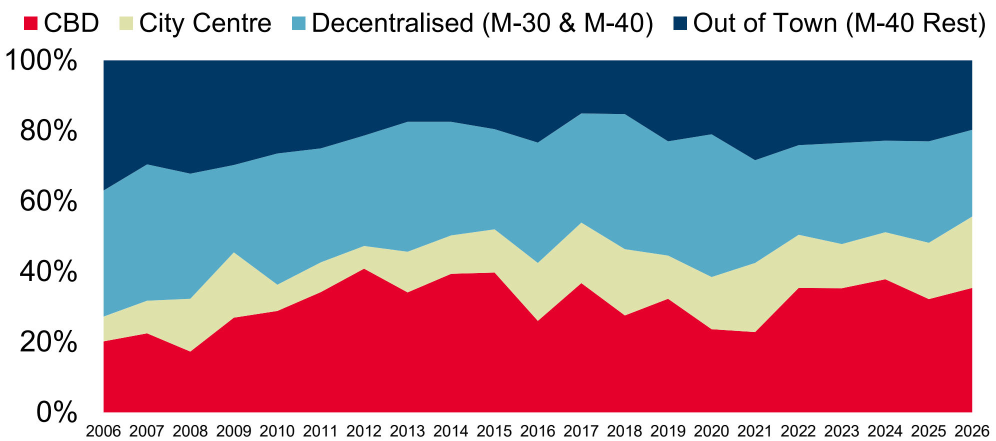


VACANCY RATE AND PRIME RENT

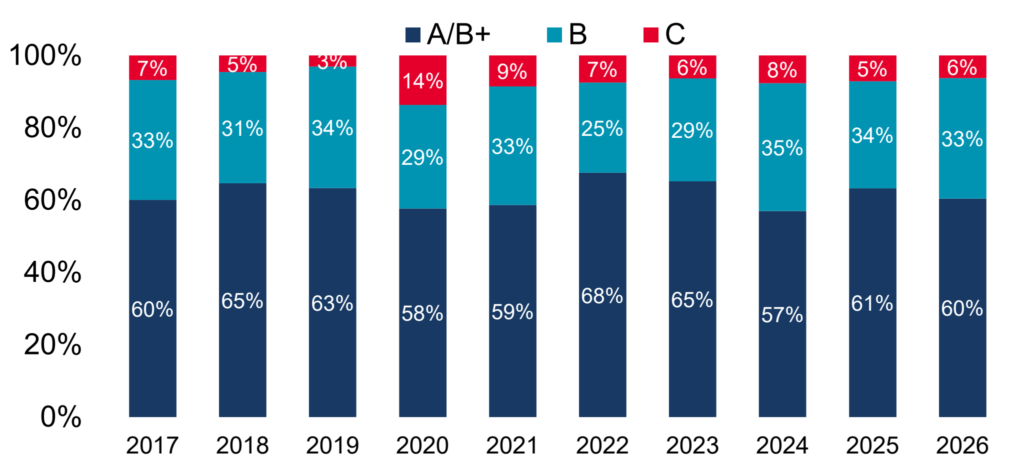


KEY YEAR FOR SUB-MARKETS BEYOND THE M30 RING ROAD

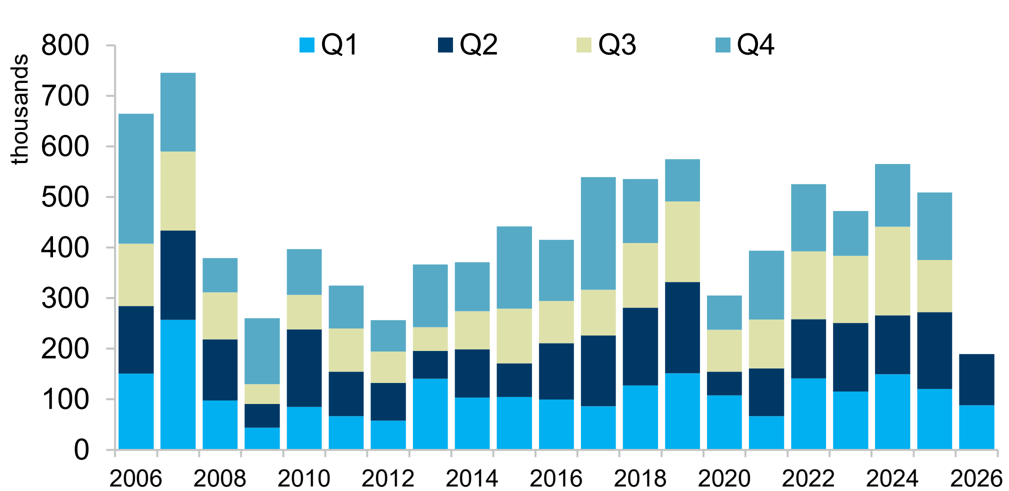
TAKE-UP BY SUB-MARKET (sq m)



TAKE-UP ACCORDING TO GRADE



OFFICE TAKE-UP (sq m)



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.

When analysing the first-half figures, despite a more balanced distribution of market activity than in 2025, when the CBD and City Centre accounted for 66% of total take-up, demand continued to favour locations within the M-30 ring road, representing 57% of both signed transactions and total take-up. However, given the lack of vacancies for certain requirements in the CBD and City Centre, it is expected that areas beyond the M30 will increasingly corner a greater share of demand during the second half of 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 scarcity of vacancies.

The CBD continues to lead in terms of the number of deals in 2026, accounting for 40% of new contracts (79) and 35% of the floorspace let. Despite the lack of vacancy, it has recorded the highest take-up since 2024 and established itself as the capital's most sought-after sub-market.

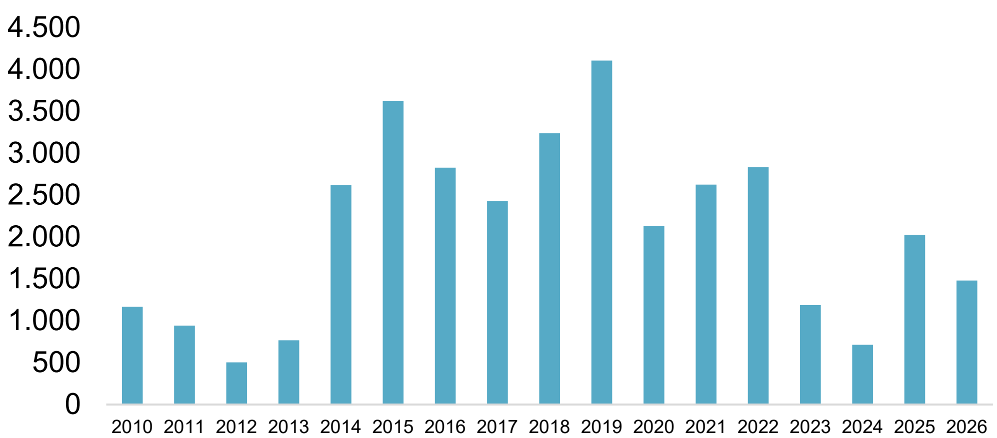
The Decentralised area recorded 46,000 sq m of take-up across 45 transactions, down 40% in terms of leased space and 25% in the number of new contracts compared with the same period last year. Key to the stabilisation and future growth of this sub-market is the absorption of recently refurbished buildings 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 closed the first part of the year with a figure of 37,000 sq m, some 47% below that for the same period in 2025. Meanwhile, the city centre, excluding the CBD, grew by 35% thanks to high demand in Méndez Álvaro, with capacity for extensive floor areas. These figures highlight the strong Corebound trend in the current market.

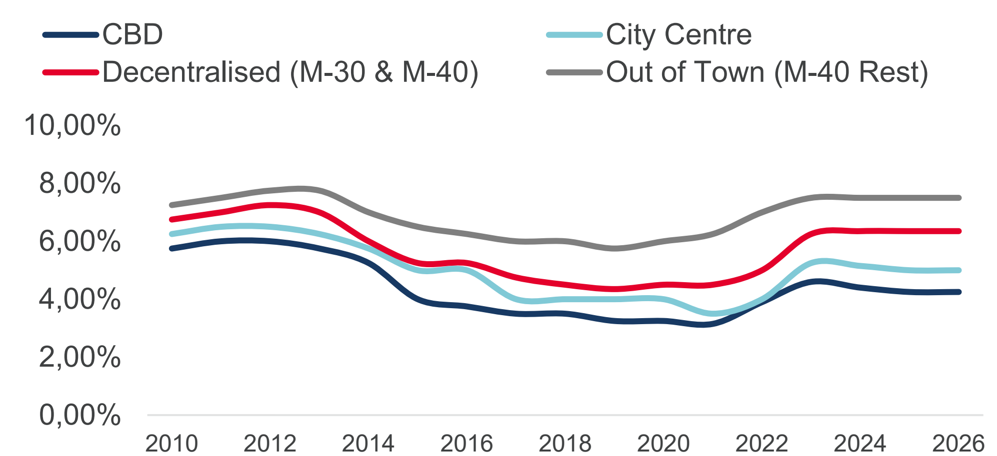
OUTLOOK

- 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. Nevertheless, with half of the year now over, the Corebound effect in Madrid continues to grow.
- With the data for the first six months, 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 the ring road. This is already having an impact on the upward trend in rents, which are growing much faster than initially anticipated.

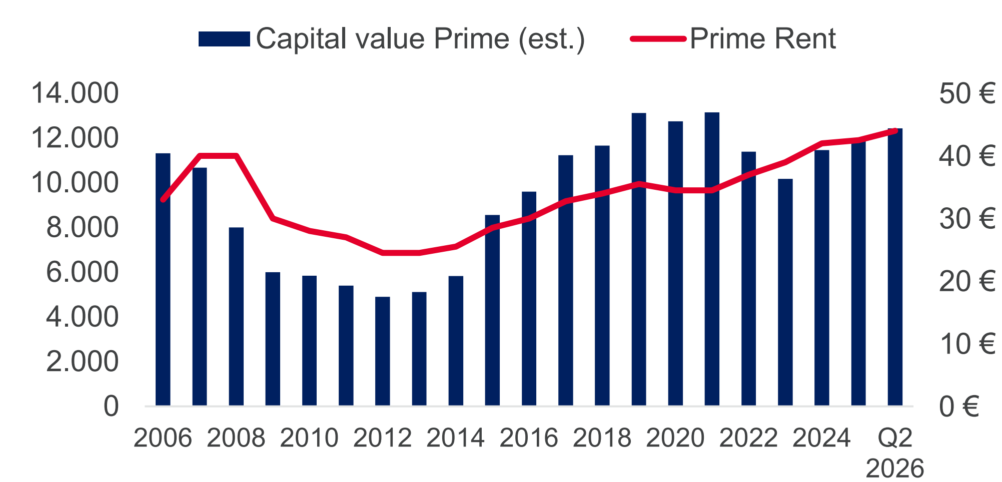
OFFICE INVESTMENT IN SPAIN (€M)



PRIME YIELDS



PRIME CAPITAL VALUES



INVESTMENT

The global economy has continued to operate against a backdrop of high geopolitical uncertainty during the first half of 2026. Coupled with trade tensions and volatility in the energy markets, ongoing conflicts in the Middle East and Ukraine continue to shape the international economic outlook. Against this backdrop and underpinned by the resilience of major economies and the momentum of investment in technology and artificial intelligence, the International Monetary Fund forecasts global growth of around 3% for 2026.

The risks, however, remain skewed to the downside, leading companies and investors to remain cautious. In the Eurozone, the European Central Bank is maintaining a cautious stance in the face of inflation trends and, following several months of stability, raised the deposit facility rate to 2.25% in June. Financial conditions remain relatively favourable despite this and economic activity continues to show resilience.

Buoyed by strong domestic demand, investment and a robust labour market, Spain continues to stand out amongst major European economies. However, the resilience of long-term sovereign bonds and a more challenging financial climate continue to limit the potential for further compression of prime yields in the commercial property market.

In the office sector nationwide, total aggregate investment during the first half of 2026 amounted to more than €1.4 billion, figures similar to those for the same period in 2025. In point of fact, the recovery in office investment began during the second quarter of the preceding year. Twelve months on, growth has gradually consolidated, underpinned by the completion of major deals. These include the Estel Building and the Oria Project, which have had a significant impact on total investment, along with landmark buildings such as Los Cubos, Torre RBA and Two Parc Central.

Aggregate investment in Madrid amounted to around €700m in the at the close of the second 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 Siemens Gamesa, Puerto de Somport 21 -23 and the acquisition in the CBD of Eloy Gonzalo 27 or Tucuman in Campo de las Naciones. 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% over the year to date, 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 3%, 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.

MADRID
OFFICES Q2 2026

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	3,305,764	69,555	2.10%	40,104	66,976	-	44.00	4.25%
City Centre	2,304,055	53,563	2.32%	23,674	38,385	12,760	27.50	5.00%
Decentralised	3,421,188	439,986	12.86%	26,079	46,683	22,434	22.50	6.35%
Out of Town	4,567,314	579,129	12.58%	11,167	37,488	-	14.50	7.50%
TOTAL MADRID	**13,598,321**	**1,149,233**	**8.40%**	**101,023**	**189,531**	**33,220**		

**Rent levels correspond to asking rents*

MAIN DEALS IN TERMS OF TAKE-UP Q2 2026

BUILDING	SUB-MARKET	TENANT	AREA (sq m)	TYPE*
General Martínez Campos 30	CBD	Education sector	7,700	Relocation - Expansion
Hermosilla 3	CBD	Legal sector	6,200	Relocation - Expansion
Alcalá 61	CBD	Forvis Mazars	4,800	-

**Renewals not included in the demand statistics*

MAIN INVESTMENT DEALS Q2 2026

ADDRESS	SUB-MARKET	BUYER	VENDOR	AREA (sq m)	PRICE (€m)
Albacete 5	Decentralised	Atrea RE	Henderson Park	19,600	Confidential
Puerto Somport 21-23	Decentralised	GMP	Tishman	20,000	85
María Curie 17-19	Out of Town	Square AM	Alantra	18,000	40

BUILDINGS DELIVERED IN 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

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A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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MARKETBEAT
BARCELONA
OFFICES Q2 2026

MARKET FUNDAMENTALS

	YoY change	12-month forecast
9.31% Vacancy rate	▼	▼
100,600 Take-up Q2 (sq m)	▲	▲
€31.75 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

ECONOMIC CONTEXT

The global economy continues to operate in an environment of high geopolitical uncertainty. Coupled with trade tensions and volatility in energy markets, ongoing conflicts in Ukraine and the Middle East continue to shape the short-term economic outlook. Against this backdrop, the European Central Bank has revised its forecasts upwards and, in June, put the average inflation rate for the Eurozone at 3.0% for 2026. Growth expectations have meanwhile been revised downwards to 0.8%.

Buttressed by a strong labour market and a gradual recovery in investment, the European economy nevertheless continues to show resilience. Driven by domestic demand, tourism and investment, Spain continues to stand out among the region's leading economies with GDP growth forecast at 2.8 per cent in 2026.

The labour market continues to show strength, with an unemployment rate of 10.8% in Spain and 7.9% in Barcelona. In tandem and despite still high interest rates, the financial environment remains stable, providing favourable foundations for the property market during the second half of the year.

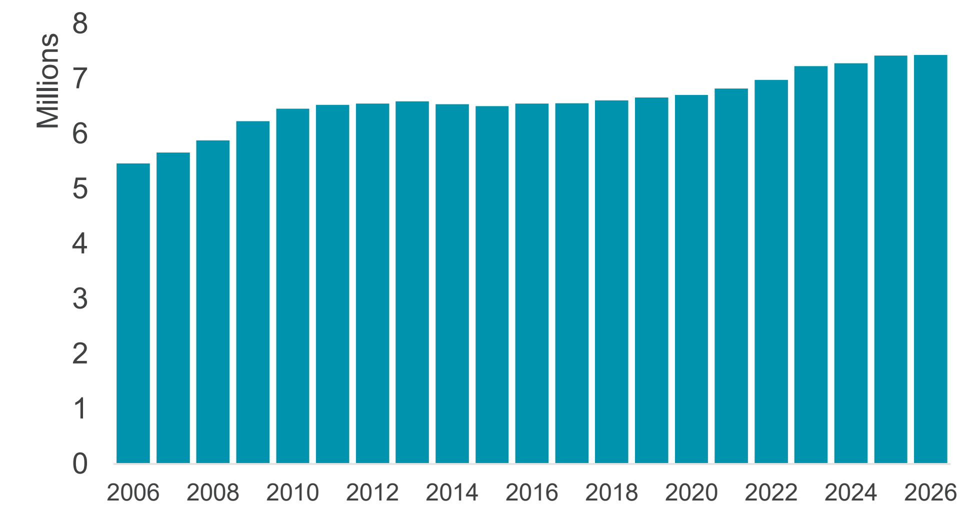
FALLING VACANCY RATES FURTHER POLARISING THE MARKET

Some 50,000 sq m of floorspace was delivered during H1 2026, 90% 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 maximum rents. This context reinforces the 'flight to quality' and the preference for well-established locations as the dominant demand criteria.

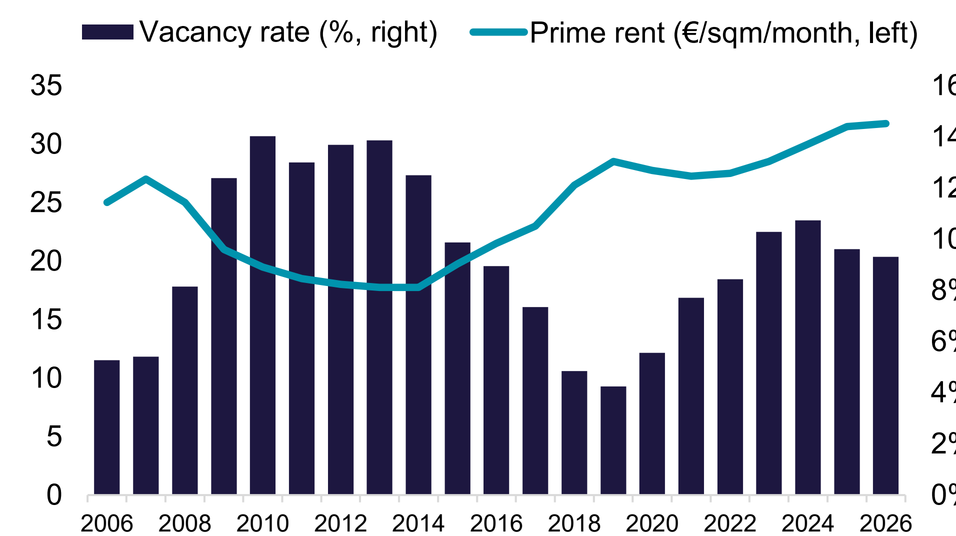
The vacancy rate stood at 9.31%, maintaining the downward trend observed in previous quarters. This fall reflects both the progressive take up of space and the slowdown in the delivery of new developments.

Delivery of 9,000 sq m is planned over the coming months of 2026, all 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.

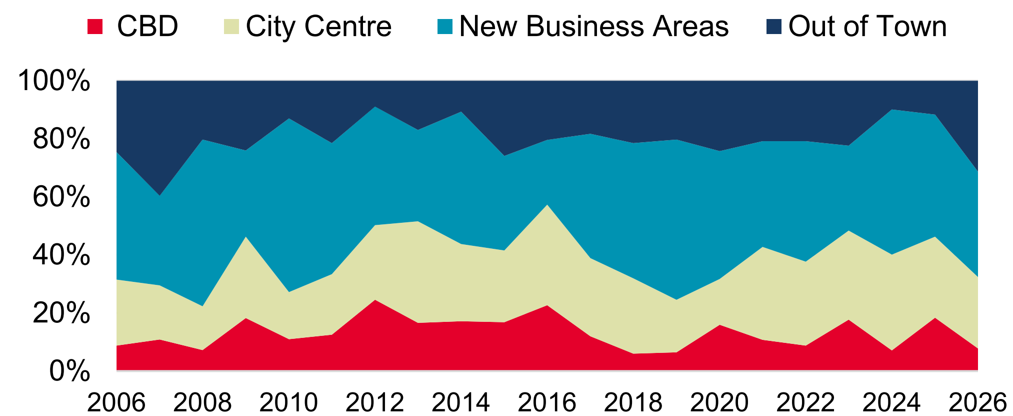
STOCK (sq m)



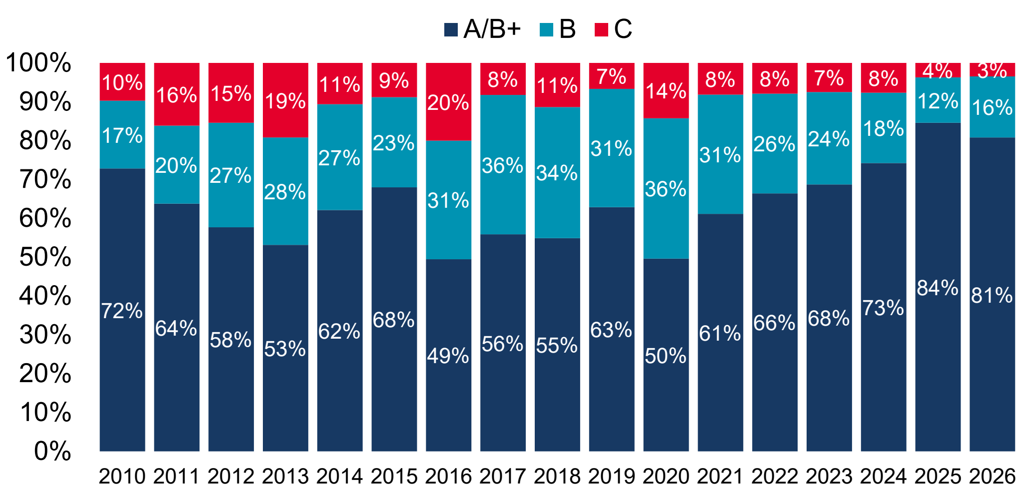
VACANCY RATE AND PRIME RENT



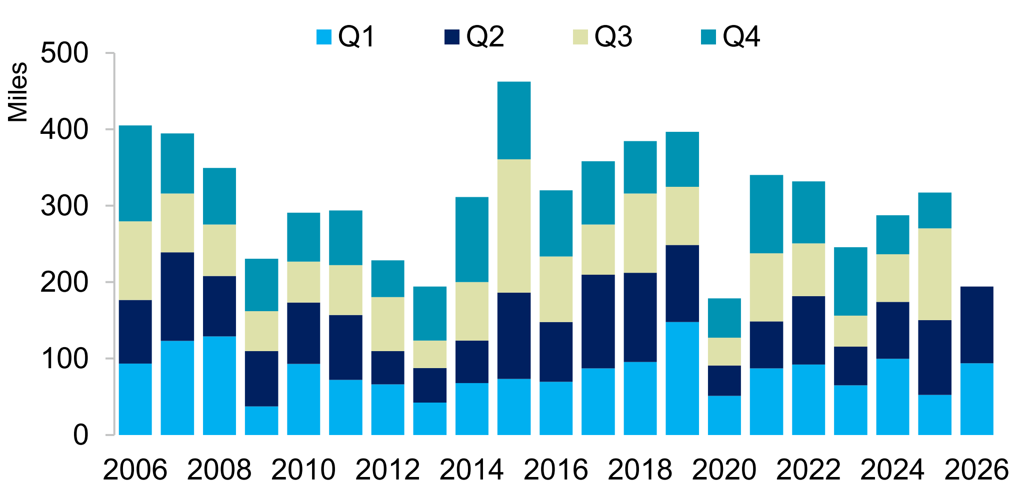
TAKE-UP BY SUB-MARKET (sq m)



TAKE-UP ACCORDING TO GRADE



OFFICE TAKE-UP (sq m)



DEMAND PRIORITISES LOCATION AND ASSET QUALITY

Office take-up in Barcelona during the second quarter of 2026 reached 100,600 sq m, spread across 86 deals. This represents a stabilisation in floorspace transacted compared with the same period in 2025 and a 20% increase in the number of deals. Worth particular mention is Inditex's planned development of a corporate and creative macrocomplex in Sant Adrià del Besòs, comprising an estimated 30,000 sq m of office space. This has significantly boosted the figures recorded during the quarter. Together with the increase in the number of transactions, the stability of take-up points to active and diversified demand, albeit with more modest average floor areas.

The New Business Areas and the City Centre continue to account for a significant proportion of activity, each representing around 30% of the transactions recorded during the six-month period. The momentum shown by the Periphery is, however, particularly noteworthy, with take-up levels improving significantly on the preceding year. This confirms a gradual recovery in demand in these markets. This trend reflects a market that is more diversified both geographically and by sector, with a less concentrated distribution of activities than in previous years. Although district 22@ retains its position as the main focus of requirements thanks to the availability of modern premises tailored to tenants' current needs, the growing interest in other areas points towards a broadening of the location options valued by businesses.

In qualitative terms, some 80% of the floor area transacted during the first half of 2026 corresponded to buildings rated A or B+, consolidating a polarisation towards better located assets with up-to-date specifications. This preference exerts 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.

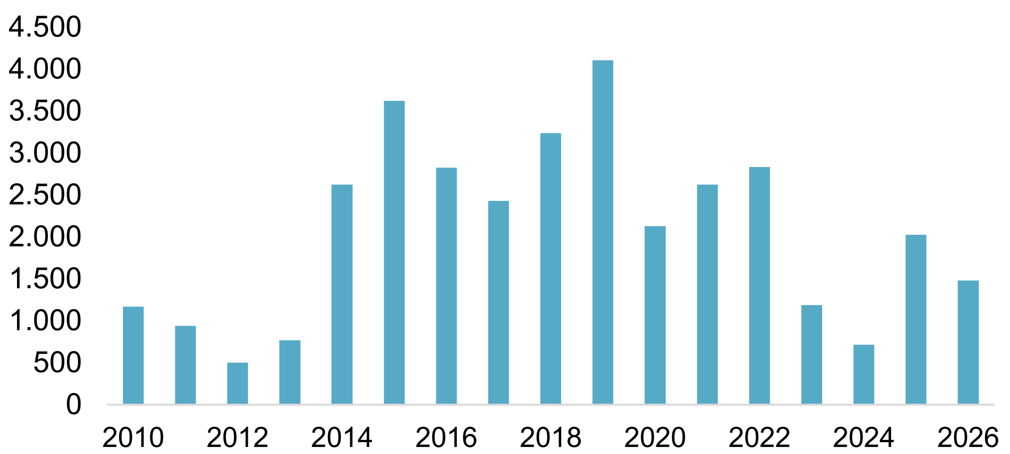
From a sectoral perspective and excluding Inditex's one-off deal, demand continues to show a more diversified mix over this quarter, led by the professional and technology sectors. This breakdown confirms the dynamism of knowledge-intensive activities that continue to drive much of the demand for high-quality office space in Barcelona.

Driven by the limited availability of high specification spaces in areas such as Paseo de Gracia and Diagonal, prime rents currently stand at €31.75/sq m/month. The combination of demand for higher-quality assets and a limited supply of prime space is keeping up pressure on rents, widening the gap with secondary product and maintaining upward pressure on prime rents.

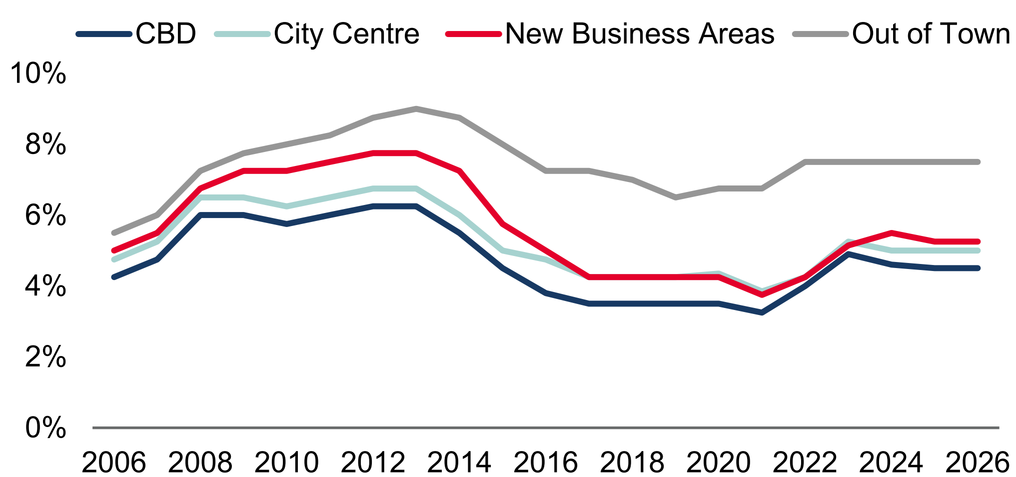
OUTLOOK

- Against a backdrop of a shortage of high-quality space and upward pressure on rents, particularly in the CBD where the availability of A-rated product was practically non-existent, forecasts for the period 2023–2025 pointed to annual take-up of between 250,000 sq m and 300,000 sq m. Demand proved remarkably resilient however, whilst the take-up figures recorded at the end of each financial year consistently exceeded initial expectations.
- Looking ahead to 2026 and beyond, it was anticipated that supply constraints in the CBD and the City Centre would encourage a gradual diversification of demand towards other established markets capable of offering modern spaces, good transport links and a wide range of amenities. Recent developments confirm this trend, with activity becoming increasingly spread across different areas of the city and demand becoming less concentrated in the traditionally dominant markets.

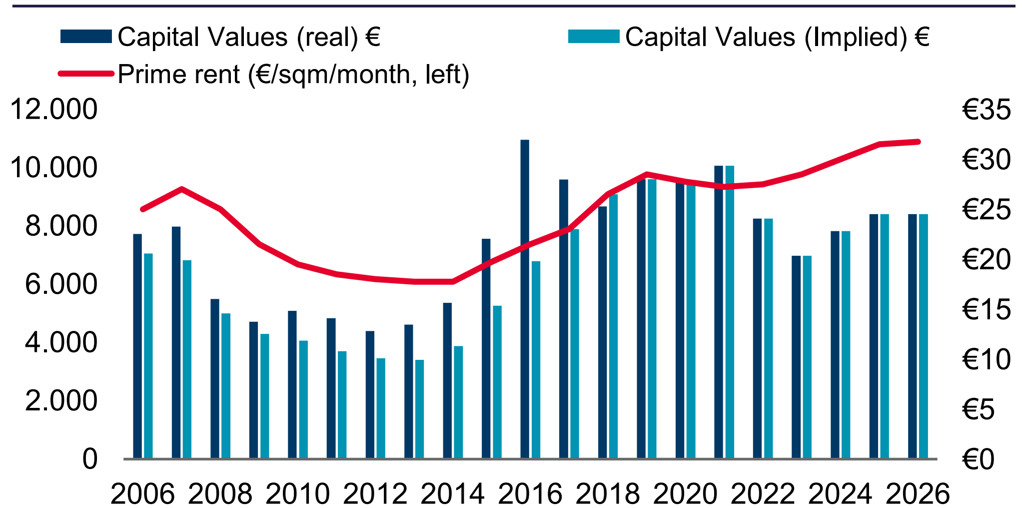
OFFICE INVESTMENT IN SPAIN



PRIME YIELDS



PRIME CAPITAL VALUES



INVESTMENT MARKET READJUSTMENT

The global economy has continued to operate against a backdrop of high geopolitical uncertainty during the first half of 2026. Coupled with trade tensions and volatility in the energy markets, ongoing conflicts in the Middle East and Ukraine continue to shape the international economic outlook. Against this backdrop and underpinned by the resilience of major economies and the momentum of investment in technology and artificial intelligence, the International Monetary Fund forecasts global growth of around 3% for 2026.

The risks, however, remain skewed to the downside, leading companies and investors to remain cautious. In the Eurozone, the European Central Bank is maintaining a cautious stance in the face of inflation trends and, following several months of stability, raised the deposit facility rate to 2.25% in June. Financial conditions remain relatively favourable despite this and economic activity continues to show resilience.

Buoyed by strong domestic demand, investment and a robust labour market, Spain continues to stand out amongst major European economies. However, the resilience of long-term sovereign bonds and a more challenging financial climate continue to limit the potential for further compression of prime yields in the commercial property market.

Aggregate investment in the office sector during the first half of 2026 reached €1.5 billion at a national level, 43% higher than the figure recorded for the same period the preceding year. This growth is largely attributable to the conclusion of high-value deals, notably the acquisition of the Estel Building.

Investment totalled €709m in Barcelona in the first half of the year, amounting to a year-on-year increase of 70%.
Similarly, the floorspace transacted was 35% higher than the levels recorded in the first half of 2021, reflecting a sustained recovery in investment activity.

The prime yield remains at 4.50%, unchanged from the previous quarter and the same period last year. This stability reflects the balance between strong investor interest in high-quality core assets and a financial climate that continues to limit further yield compression.
Intermediate-sized deals of up to €40m remain the most liquid on the market, particularly for energy-efficient and well-positioned buildings. Demand in this segment continues to focus on assets with established locations, high technical specifications and stable cash flows.

OUTLOOK

- European sovereign bonds continued to see a moderate rise in yields during the second quarter of 2026, particularly for longer maturities. This reflects a slightly more favourable growth outlook and greater caution amongst investors regarding inflation trends. By way of example, the German 10-year bond stands at around 3.1%, while the 30-year bond yield exceeds 3.6%.
- Although inflation in the Eurozone remains close to the European Central Bank's targets, the economic climate continues to be shaped by geopolitical uncertainty, international trade tensions and volatility in the energy markets. Nevertheless, the strength of the labour market, the moderation of inflationary pressures and more stable financial conditions point to an orderly market trend during the second half of the year.

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	30,104	3.40%	10,329	15,141	4,188	€31.75	4.50%
City Centre	2,653,711	106,200	4.00%	19,560	47,760	104,501	€25.50	5.00%
New Business Areas	2,475,205	409,067	16.53%	20,775	70,739	79,915	€22.00	5.25%
Periphery	1,431,202	147,956	10.34%	49,951	60,738	34,312	€12.50	7.50%
TOTAL BARCELONA	**7,445,834**	**693,326**	**9.31%**	**100,614**	**194,379**	**164,477**		

**The rent levels correspond to asking rents*

MAIN DEALS Q2 2026

BUILDING	SUB-MARKET	TENANT	AREA (sq m)	TYPE*
Carrer de la Torrassa 84, Sant Adrià De Besòs	Periphery	Inditex	30,000**	New development
Campus Esplugues	Periphery	Fundació Privada Universitat Abat Oliba Ceu	8,458	Relocation - Expansion
Carrer de Bori i Fontestà 25	City Centre	Confidential	4,000	Relocation - Neutral
Álaba, 111	New Business Areas	Sage	2,466	Expansion

**Renewals not included in the demand statistics*

*** Estimated floorspace corresponding to offices*

MAIN INVESTMENT DEALS IN Q2 2026

ADDRESS	SUB-MARKET	BUYER	VENDOR	AREA (sq m)	PRICE (€m)
Diagonal 189	New Business Areas	Icyesa	RBA Publishing	20,000	100
Carrer de Bilbao, 128	New Business Areas	Tishman Speyer, Freo	Värde Partners	23,400	68
WTCAP Building 1	New Business Areas	Square Asset Management	UBS	15,000	Confidential

BUILDINGS DELIVERED IN Q2 2026

BUILDING	SUB-MARKET	MAIN TENANT	AREA (sq m)	OWNER
Nocco	New Business Areas	-	4,855	Patrizia
Carrer Pamplona, 60	New Business Areas	Sanofi Aventis	4,156	KKH Property Investors
Carrer de la Llacuna 15-17	New Business Areas	Agartha Real Estate, One Capital Partners	2,634	Agartha Real Estate, One Capital Partners

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