RESEARCH

MARKET IN MINUTES

# Office Market: Madrid & Barcelona

Office – Research Spain – Q3 2026

savills

## KEY STATS

**2.7%**
GDP* SPAIN
Q3 2026 YOY

**4.9%**
CPI* SPAIN
Q3 2026 YOY

**10.18%**
UNEMPLOYMENT* SPAIN
Q3 2026

**107,513**
NET COMPANY INCORPORATIONS*
SEP 2025 - AUG 2026

** Source: INE*

# Office Employment Signals Emerging Trends

Madrid and Barcelona could jointly generate up to 139,000 new office-based jobs by 2029

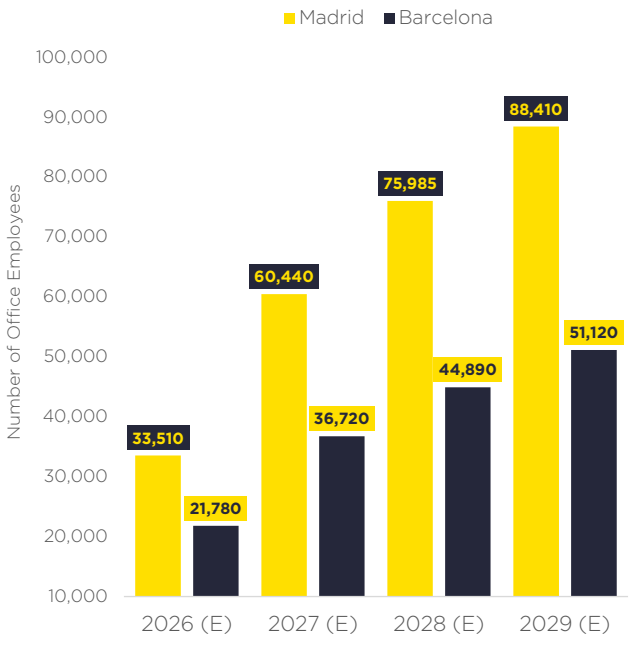
**An Expanding Office Employment Base**

Employment forecasts point to sustained growth in office-based employment in Madrid and Barcelona, reinforcing structural demand for office space.

**Assumptions:**

- **70% in-office attendance rate**, consistent with established hybrid working models.
- **14 sq m per workstation**, including shared and collaborative spaces.
- **Cumulative growth from 2025 to 2029**, based on Oxford Economics employment forecasts.

CUMULATIVE GROWTH IN THE NUMBER OF OFFICE WORKERS




**Source:** Savills Research / Oxford Economics

**+ 139,000**
**New Office-Based Jobs Over Four Years**

**Madrid**

**+ 88,000**
New Office Employees

**~ 61,600**
Workstations

**~ 866,000 sq m**
Potential Demand

**Barcelona**

**+ 51,000**
New Office Employees

**~ 35,700**
Workstations

**~ 500,000 sq m**
Potential Demand

**1.36 Million sq m of Potential Demand in MAD+BCN**

## Market Implications

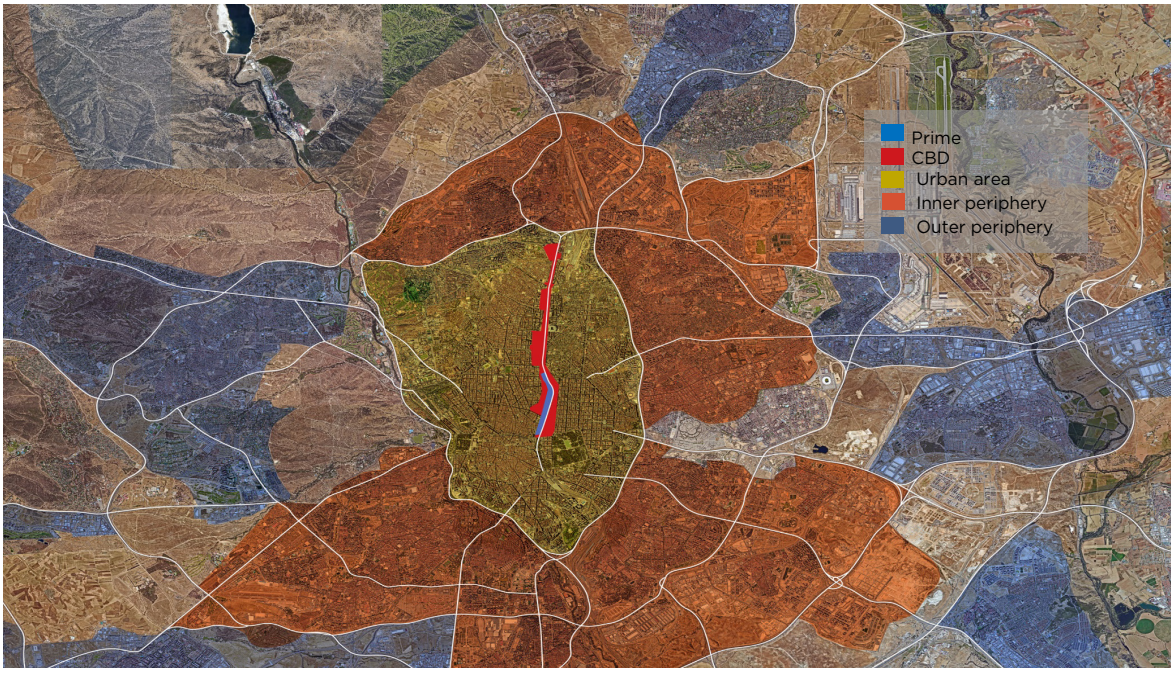
1. Potential office demand, estimated at 866,418 sq m in Madrid and 500,976 sq m in Barcelona, would represent 75% and 74% of currently available space, respectively. Even accounting for the entire speculative pipeline expected through 2029, these shares would stand at 61% and 39%, highlighting the potential for employment growth to absorb part of the future supply.

2. Employment growth will drive companies' office space requirements, but they may struggle to find suitable premises that meet their location and quality preferences.

   This mismatch could generate pent-up demand and encourage remote working and desk-sharing arrangements as a response to the lack of suitable alternatives.

# Madrid's office market picks up in Q3, lifting the year-end outlook

Following a more subdued first half, Madrid's office market recorded a strong Q3, bringing leasing activity back in line with annual expectations. With YTD take-up exceeding 350,000 sq m at the end of September, the market is well positioned for a positive close to 2026, despite persistent macroeconomic uncertainty.




## Office Market Main KPIs - Up to Q3 2026 - Madrid

| | Prime | CBD | Urban Area | Inner Periphery | Outer Periphery | TOTAL |
|---|---|---|---|---|---|---|
| Number of Operations | 27 | 51 | 101 | 121 | 95 | **395** |
| YoY Variation | ▲ 92.5% | ▲ 3.2% | ▲ 0.4% | ▲ 7.4% | ▲ 2.2% | **▲ 6.8%** |
| Take-up (sq m) | 20,175 | 38,685 | 87,369 | 125,747 | 78,462 | **350,439** |
| YoY Variation | ▼ 16.5% | ▼ 25.3% | ▼ 2.6% | ▼ 15.3% | ▲ 8.6% | **▼ 9.3%** |
| Vacancy Rate (%) | 1.35% | 1.50% | 2.88% | 11.79% | 11.28% | **8.01%** |
| YoY Variation | ▼ 0.94% | ▼ 0.79% | ▼ 0.42% | ▼ 1.57% | ▼ 0.78% | **▼ 0.95%** |
| Pipeline (sq m)** | 14,027 | 13,250 | 65,373 | 92,518 | - | **185,168** |

***October - December 2026 + 2027*

**Source:** Savills Research

> Nearly four out of every ten sq m leased in Madrid in 2026 were signed between July and September, offsetting much of the slowdown recorded in H1 and bringing the market closer to initial expectations. This acceleration coincides with a further increase in prime rents, which have reached €46.92/sq m/month, continuing to narrow the gap with European markets such as Milan and Frankfurt.
>
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**Prime Rent*** (€/sq m/month)
Var. vs Prime Rent 2025
& CAGR from 2022

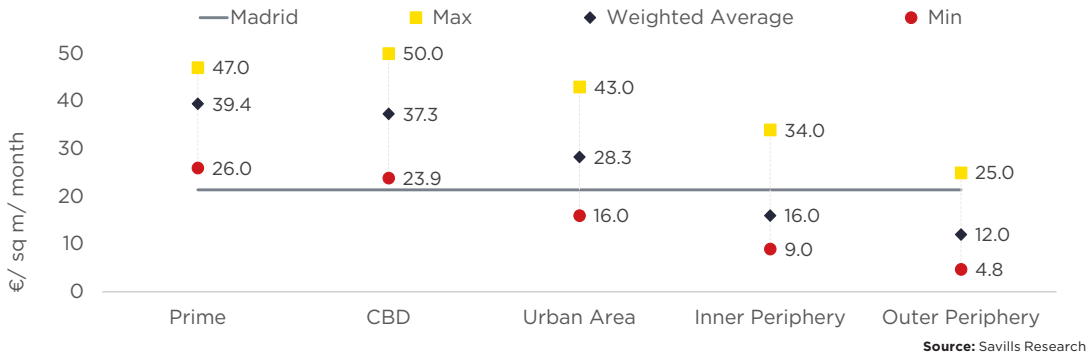
- **Prime CBD: 46.9**
  **Var.** ▲ 6.6%
  **CAGR** ▲ 5.3%
- **Urban Area: 35.3**
  **Var.** ▲ 1.6%
  **CAGR** ▲ 1.9%
- **Inner Periphery: 24.9**
  **Var.** ▲ 17.6%
  **CAGR** ▲ 9.5%
- **Outer Periphery: 17.4**
  **Var.** ▲ 1.9%
  **CAGR** ▲ 1.9%

**Prime Rent is calculated as the weighted average rent of the top 10% of leasing transactions by rental level on rolling year basis.*

**Weighted Average Closing Rent**
*(€/sq m/month)* Q1-Q3 2026
Var. vs 2025
CAGR from 2022

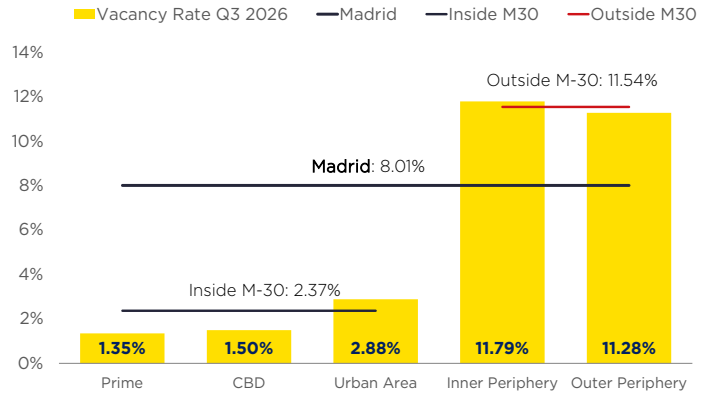
- **Prime: 39.4**
  **Var.** ▲ 0.2%
  **CAGR** ▲ 4.9%
- **CBD: 37.3**
  **Var.** ▲ 13.7%
  **CAGR** ▲ 4.5%
- **Urban Area: 28.3**
  **Var.** ▲ 15.7%
  **CAGR** ▲ 3.0%
- **Inner Periphery: 16.0**
  **Var.** ▲ 7.7%
  **CAGR** ▲ 3.2%
- **Outer Periphery: 12.0**
  **Var.** ▲ 24.4%
  **CAGR** ▲ 2.6%

# Rents by Major Zones




**Source:** Savills Research

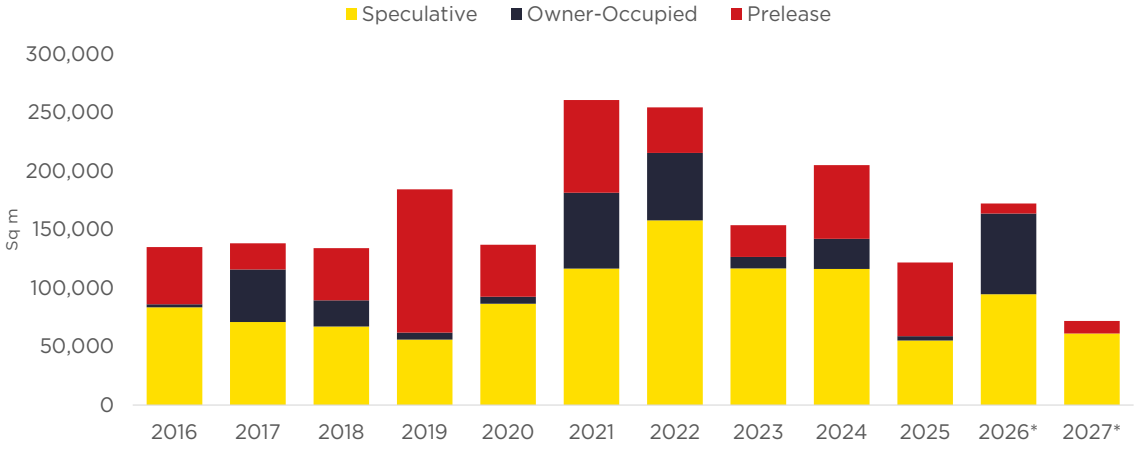
# Vacancy Rate Distribution




**Source:** Savills Research

| Stock Q3 2026 |
|---|
| **Prime:** 459,207 sq m |
| **CBD:** 1,540,073 sq m |
| **Urban Area:** 3,536,000 sq m |
| **Inner Periphery:** 4,521,355 sq m |
| **Outer Periphery:** 4,327,616 sq m |

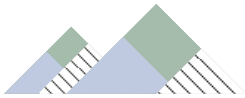
# Pipeline Evolution




**Soruce:** Savills Research / *Forecast



## Stock
## 14.38 mill. sq m



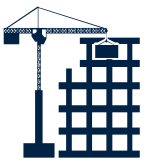
Madrid's office stock remains stable, with Pradillo 54 marking the latest new development delivered within the M-30 ring road.

## Available Office Space
## 1.15 mill sq m



Available office space stands at 1.15 million sq m, with 89% of vacant space concentrated outside the M-30 ring road, compared to just 11% within it.

## Average Deal Size
## 887 sq m



Average deal size rebounds to 887 sq m, although it remains 18.2% below 2025 levels due to a slowdown in larger transactions.

## Flex Office Take-up
## 11,054 sq m



Coworking operators have scaled back leasing activity in 2026 due to limited availability in the most sought-after locations, particularly in Prime and CBD areas.

# Investment and yields in Madrid's office market

Investment activity moderated over the summer period, although the strong performance recorded in H1 has kept year-to-date figures firmly in positive territory. By the end of September, office investment volume in Spain had reached approximately €2.01bn, up 26% YoY, across 42 transactions.

Madrid remained the country's leading investment destination, accounting for €1.13bn, equivalent to 56% of total volume and 57% of all transactions. Average deal size stood at approximately €47m, supported by two of the four transactions exceeding €100m completed so far this year. Beyond these landmark deals, however, increasing activity in the mid-market segment is particularly noteworthy, with six transactions ranging between €50m and €100m completed between January and September, compared with just three throughout 2024.

Madrid's appeal continues to be underpinned by strong occupational fundamentals, limited availability of high-quality office stock and positive rental growth prospects. These market dynamics are sustaining investor demand not only for stabilised assets but also for value-add opportunities through repositioning, refurbishment and development strategies.

By risk profile, investment volumes were relatively evenly distributed across Core, Core+ and Value-Add strategies, each accounting for around 30% of total turnover. Nevertheless, stabilised assets and properties requiring limited asset management continued to dominate transaction activity, representing almost 65% of the assets traded. At the same time, the level of activity in regeneration and development-led projects highlights growing investor confidence in Madrid's medium-term prospects.

While locations within the M-30 ring road remain the most sought-after due to supply constraints and strong rental growth expectations, a significant share of investment activity is now targeting peripheral submarkets.

Some 77% of the assets transacted were located either between the M-30 and M-40 ring roads or within the main business parks across the metropolitan area. As occupier demand continues to extend beyond Madrid's traditional core office districts, investors are increasingly taking positions in strategic peripheral locations, seeking to secure future Grade A product and capture the next phase of rental growth.

Domestic capital maintained its dominant position, accounting for 73% of total investment volume, although French and Portuguese investors were among the most active international buyers.

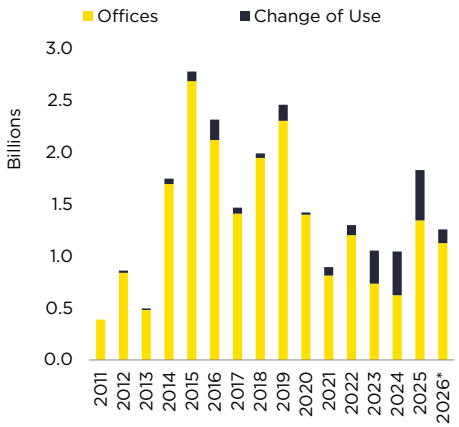
Despite the interest rate increase in September, Madrid's prime CBD office yield remained stable at 4.50%, supported by the limited availability of prime stock and continued rental growth expectations. Looking ahead, the macroeconomic backdrop is likely to support some outward yield adjustment, helping to offset higher financing costs while maintaining equilibrium between occupier and investment market fundamentals.

### Main investment transactions Q3 2026

| Asset | Zone | Buyer | Seller | Investment Strategy |
|---|---|---|---|---|
| P.E. Omega (5 ed.) | Outer Periphery | Square AM | Starwood | Core |
| La Sierra MBA | Inner Periphery | Insur | Cain + Freo | Core + |
| MB One * | Outer Periphery | IBA Capital | Grosvenor | VA |
| ODA 13 | Urban Area | Mutual médica de Catalunya | Perial | Core |

**Source:** Savills Research / * Advised by Savills

### Madrid office investment market



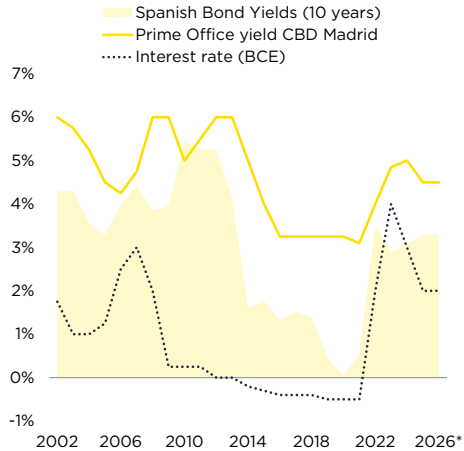

**Source** Savills Research / *up to Q3



56%

**OF NATIONAL INVESTMENT VOLUME IN MADRID**

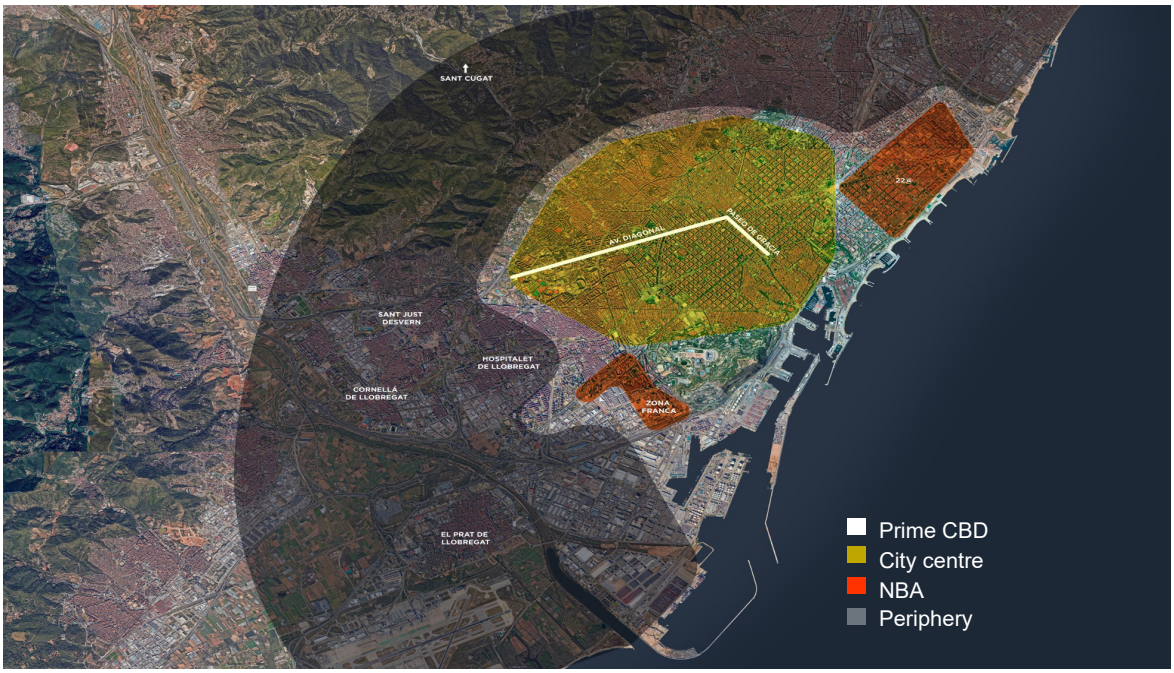
### Prime yields, bonds and risk premium




**Source** Savills Research / BdE / *Q3

# Barcelona maintains positive balance despite a softer Q3

Following a first half driven by several large size transactions, Barcelona's office market recorded a more moderate level of activity in Q3. YTD take-up reached nearly 247,000 sq m, marking the second-highest nine-month total since 2020. This solid performance supports a positive outlook for the remainder of 2026, with annual take-up on track to reach the 300,000 sq m target.



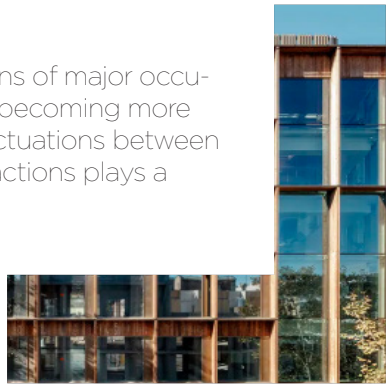

## Office Market Main KPIs - Up to Q3 2026 - Barcelona

| | Prime CBD | City Center | NBA | Periphery | TOTAL |
|---|---|---|---|---|---|
| Number of Operations | 22 | 90 | 80 | 43 | **235** |
| YoY Variation | ▼ 19.2% | ▼ 11.3% | ▲ 2.7% | ▲ 57.7% | ▲ **0.4%** |
| Take-up (sq m) | 15,856 | 60,426 | 91,180 | 79,326 | **246,789** |
| YoY Variation | ▼ 22.5% | ▼ 37.5% | ▼ 31.6% | ▲ 261.8% | ▼ **9.4%** |
| Vacancy Rate (%) | 2.17% | 4.85% | 18.33% | 13.32% | **9.98%** |
| YoY Variation | ▼ 1.05% | ▼ 0.26% | ▼ 1.10% | ▼ 0.78% | ▼ **0.67%** |
| Pipeline (sq m)* | - | 15,418 | 70,710 | 25,000 | **111,128** |

**October - December 2026 + 2027*

**Source:** Savills Research

> Barcelona's leasing activity is increasingly shaped by the decisions of major occupiers. With an average deal size of 1,049 sq m, transaction size is becoming more significant than the number of deals, leading to considerable fluctuations between quarters. Demand remains resilient, but the timing of large transactions plays a decisive role in overall market performance.
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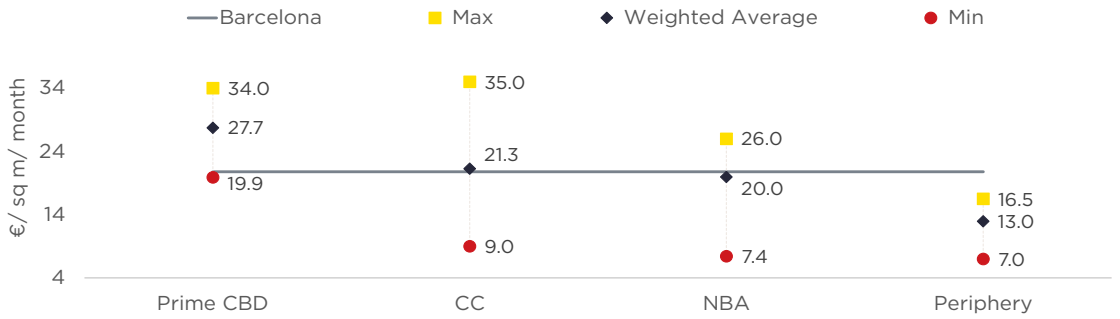
**Weighted Average Closing Rent**
*(€/sq m/month)* Q1-Q3 2026
Var. vs 2025
CAGR from 2022

- **Prime CBD: 27.7**
  Var. ▲ 9.2%
  CAGR ▲ 2.8%
- **City Center: 21.3**
  Var. ▲ 0.1%
  CAGR ▲ 5.8%
- **NBA: 20.0**
  Var. ▲ 0.7%
  CAGR ▲ 0.9%
- **Periphery: 13.0**
  Var. ▲ 13.0%
  CAGR ▲ 4.2%

**Max & Min Rents**
*(€/sq m/month)* **up to Q3**
by major zones

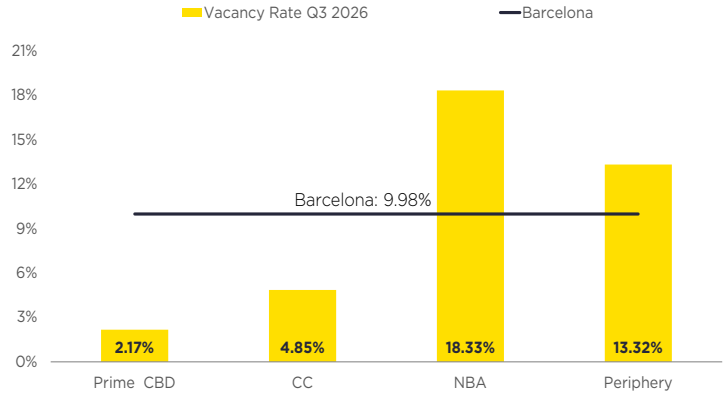
- **Prime CBD**
  **Max:** 34.0
  **Min:** 19.9
- **City Center**
  **Max:** 35.0
  **Min:** 9.0
- **NBA**
  **Max:** 26.0
  **Min:** 7.4
- **Periphery**
  **Max:** 16.5
  **Min:** 7.0

# Rents by Major Zones




**Source:** Savills Research

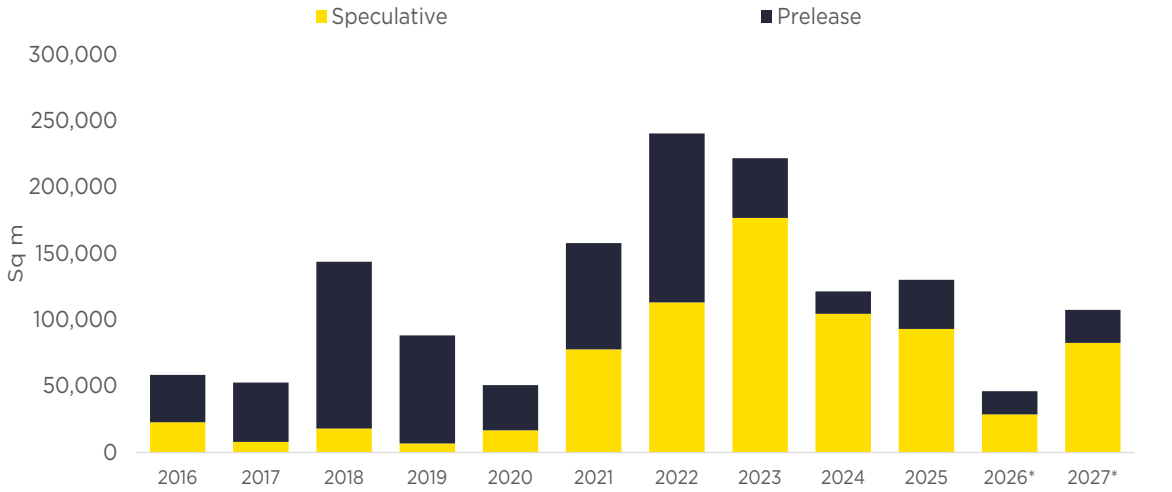
# Vacancy Rate Distribution




**Source:** Savills Research

| Stock Q3 2026 |
|---|
| **Prime CBD:** 834,600 sq m |
| **City Center:** 2,717,798 sq m |
| **NBA:** 1,909,364 sq m |
| **Periphery:** 1,346,479 sq m |

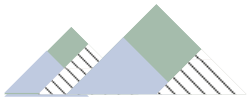
# Pipeline Evolution




**Source:** Savills Research / *Forecast



## Stock
## 6.80 mill. sq m



Barcelona's office stock remains stable at around 6.8 million sq m, with Llacuna, 15 and Ávila, 60 representing the main additions to stock.

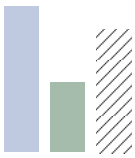
## Vacancy Rate
## 9.98%



The vacancy rate falls to 9.98%, dropping below the 10% threshold for the first time since 2022, when a significant share of the pre-pandemic development pipeline was delivered.

## 22@
## Concentrates 44% of the Pipeline*

***Oct - Dec 2026 +2027***



The 22@ district accounts for 44% of the development pipeline, reinforcing its position as Barcelona's main development hub, while the market continues to absorb the space delivered in recent years.

## 32%
## Take-up in Periphery



Barcelona's Periphery gains prominence, increasing its share of total office take-up from 8% in 2025 to 32% in 2026.

# Investment and yields in Barcelona's office market

The Barcelona office investment market recorded over €800m in transactions by September, accounting for almost 40% of total investment activity in Spain and already surpassing the full-year 2025 volume by 11%.

Part of this performance was driven by two landmark transactions (≥€100m) completed during H1, which accounted for approximately 60% of total turnover. However, underlying market activity also showed clear signs of improvement. Excluding these large-scale deals, the average deal size reached €26.4m, up 12% on 2025 levels, highlighting improved market liquidity and renewed investor appetite for mid-sized transactions.

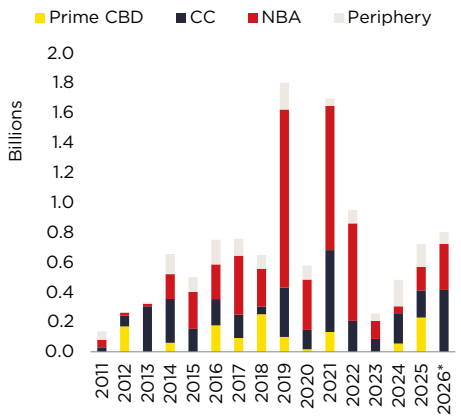
Investment activity remains firmly focused on defensive strategies. Core and Core+ assets accounted for 98% of total investment volume and 86% of assets traded, underlining investors' continued preference for high-quality buildings with strong occupational fundamentals and secure income streams. In contrast, Value-Add strategies represented just 2% of total volume, reflecting limited appetite for repositioning and redevelopment risk in the current market environment.

From a geographical perspective, City Centre captured the largest share of investment, attracting €415m (52% of total volume), largely driven by the sale of the Estel building. Meanwhile, the New Business Areas (NBA) accounted for €309m (38% of total investment) across six transactions, four of which were located within the 22@ district, reaffirming the area's appeal among investors seeking modern, future-proof office stock and exposure to improving occupational dynamics. The Periphery recorded a more modest performance, with €79m invested across four transactions, representing 10% of total turnover.

Although change-of-use transactions are not included within office investment statistics, this segment continues to gain traction. Planning restrictions within the city of Barcelona are redirecting this activity towards municipalities in the wider metropolitan area, where conversion strategies are emerging as an effective solution for obsolete office stock while simultaneously helping to address the shortage of residential and alternative living accommodation.

Strong occupier market fundamentals continue to support investor interest in the office sector. Prime CBD yields remain stable at 4.50%, underpinned by the scarcity of core product and sustained demand for best-in-class assets. While financing conditions are likely to result in some outward yield movement in the short term, any repricing is expected to be driven primarily by capital market dynamics rather than by any weakening in occupational market fundamentals.

**Barcelona office's investment market**

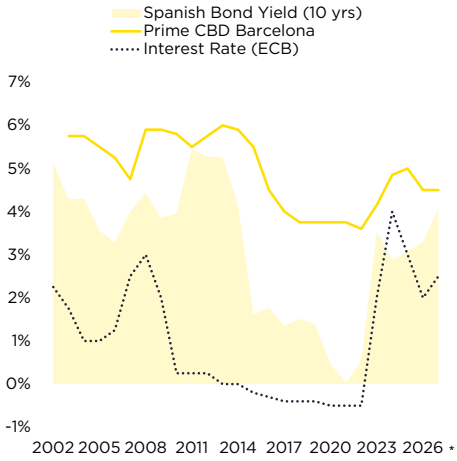



**Source** Savills Research / *Up to Q3

**40%**

**OF NATIONAL INVESTMENT VOLUME IN BARCELONA**

**Prime yields, bonds and risk premium**




**Source:** Savills Research / BdE / *Q3

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