

MADRID

Key Investment Trends

2017 registered record figures in terms of direct investment in commercial real estate. 2018 is expected to follow similar trends for retail and logistics however lower figures for office due to the lack of product.

Investor appetite is balanced between Core, Core Plus and Value Add profile opportunities.

Capital levels and pressure to invest remain at record highs.

Student housing, residential and co-living sectors compete on a level with all CRE sectors. Logistics continues to attract extremely high demand levels from all investor profiles

Market Position – Ranked by Yield

EMEA Rank	City	All sector Yield (%)	12 mth basis point change
3	Hamburg	3.54	23
4	Frankfurt	3.56	-28
5	Berlin	3.58	-15
6	Munich	3.63	-7
7	Vienna	3.70	-16
8	Madrid	3.71	-41
9	Amsterdam	3.72	-55
10	Stuttgart	3.79	-22
11	Dusseldorf	3.90	-43
12	Dublin	4.05	-21

Note: Lowest scoring yield ranks highest.

Yield Outlook

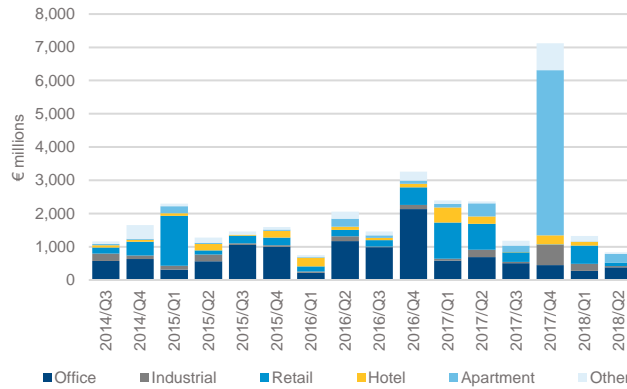


Sectors to watch out for in the next 12M

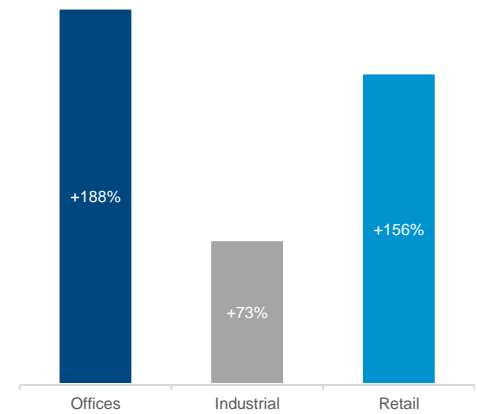


Source: Colliers International, Real Capital Analytics, Oxford Economics.

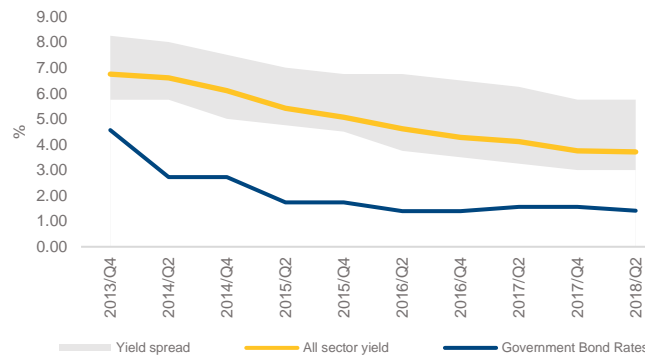
Quarterly investment volumes by sector (City & catchment)



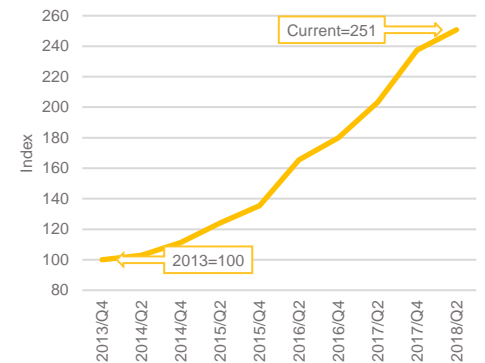
5yr cap. value growth – by sector



All sector yields vs. bond rates



All sector cap. value index

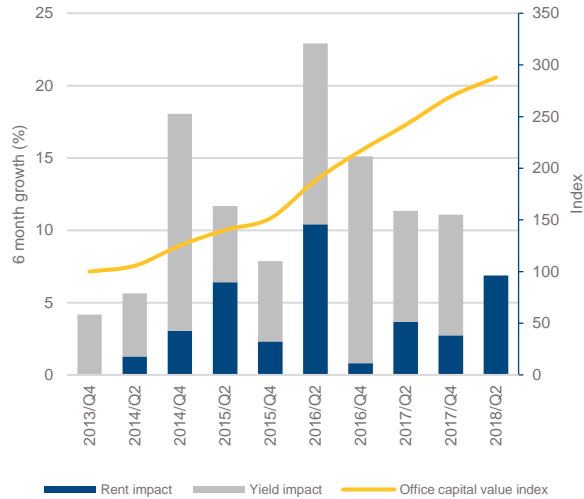


Neil Livingstone
 Managing Director | Capital Markets
 +34 91 088 36 00
Neil.Livingstone@colliers.com

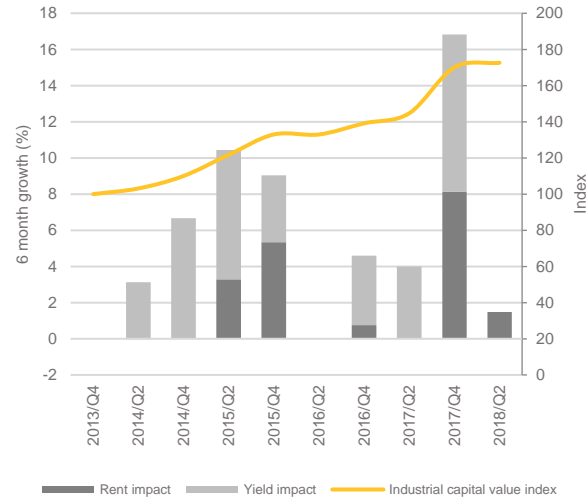
“The Madrid investment market witnessed record demand during 2017 and is forecast to continue and exceed this tone for 2018 across all sectors. The office market remains very tight due lack of product availability. There is a question mark over the whole retail sector as a result of the rise of the e-commerce, however logistics occupier activity has increased as a result. The living sector (student housing, co living, residential) is extremely active and international investors are seeking strong footholds.”

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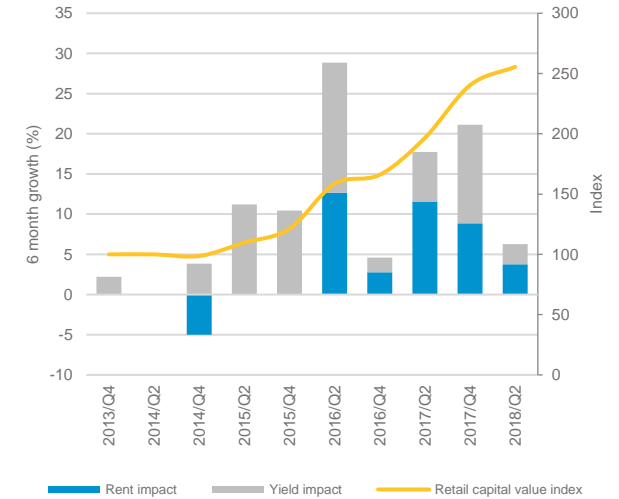
Cap. value index - rent/yield impact: Office



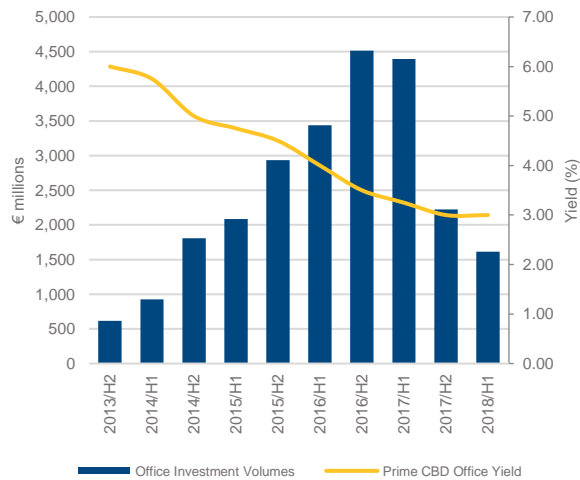
Cap. value index - rent/yield impact: Industrial



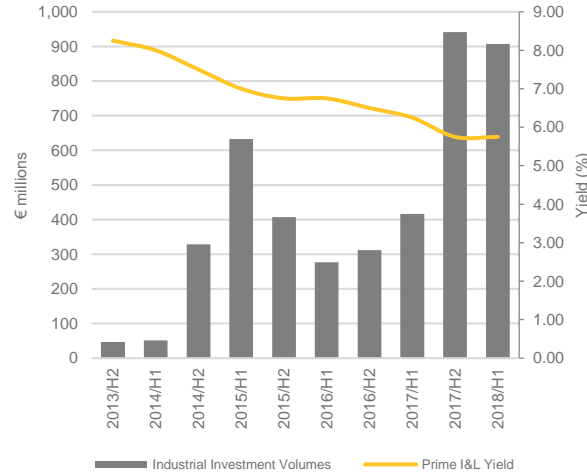
Cap. value index - rent/yield impact: Retail



Yields and 12M rolling investment volumes: Office



Yields and 12M rolling investment volumes: Industrial



Yields and 12M rolling investment volumes: Retail

