The best quarter for ten years in terms of both take-up and the number of transactions

The vacancy rate fell for the fifth consecutive quarter (14.2%)
NO DEVELOPMENTS TO MEET DEMAND

The vacancy rate has continued its fall for a fifth consecutive quarter and stands at 14.2% (Q3 2014: 15.9%). With a drop of 3 percentage points since the third quarter of 2014 (from 9.5% to 6.4%), the CBD is the zone with strongest reduction. No deliveries will be made in what remains of the year and it is not anticipated that any new buildings will come onto the market until 2017. It is likely that owners of stately buildings in Barcelona’s centre will consider refurbishment, given the reduction in availability and the rise in rents. The pre-let taken out by the Regional Council, occupying 2 existing buildings and involving the construction of a turnkey project on the remaining space, is a clear reflection of the lack of large floorspace.

RENTS CONTINUE RISING GENTLY

The scarcity of well located, quality supply is the main reason behind prime rent standing at the highest level seen for the last 5 years. The average rent has increased 19% in comparison with the same quarter in 2014. Strong take-up since the beginning of the year is leading to an increase in rents in annual terms in all zones, from the CBD to the Outskirts.

OUTLOOK

GDP growth forecast remains at 3.2% for 2015 and 2.5% for 2016. BNP Paribas Real Estate expects that demand for office space will remain active in 2016. The estimate for total take-up for 2015 has been revised upwards and it is anticipated that the year will close with around 365,000 m² transacted. The scarcity of supply in office space during the coming 15 months will continue to push rents upward.