

Logistics Snapshot

Q4 2023

The sector indicators are compiled quarterly from a detailed and exhaustive study prepared by experts in the Knight Frank Spain office and are based on real data and market trends.

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Quality comes first in the search for logistic spaces

- The need on the part of operators to expand their logistics spaces has been the main reason for the take-up recorded in 2023.

OCCUPIER MARKET

MADRID AND BARCELONA

Logistic take-up in Madrid during 2023 has been just over 865,000 sq m, representing a decrease of 15% when compared to the average take-up of the last 5 years.

This adjustment was within expectations as the year has experienced a situation of uncertainty. However, the anticipated recession has had a limited impact on the logistics sector due to new consumer purchasing habits and stable consumption levels.

On the supply side, approximately 840,000 sq m of new construction has been delivered to the market during 2023, representing a 15% increase compared to 2022. As a result, the availability rate has increased to around 7.3% at the end of December (6.5% in Q3 2023).

Rents have maintained the dynamics of previous years, with slight increases due to the continuous arrival of new quality space, also driven by construction cost increments since early 2022.

submarkets such as Illescas, San Fernando, or Torrejón have experiences positive rental growth.

Barcelona closes the year with approximately 540,000 sq m of logistics take-up, representing an adjustment of around 20% compared to the previous year. While this figure is in line with pre-pandemic years.

Madrid

Take up Q4 2023

169,000 sq m
(381,000 sq m Q4 2022)

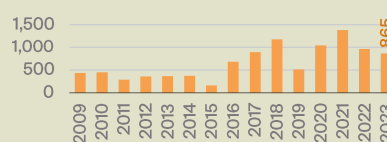
Top 3 occupancy deals Q4 2023

66,000 sq m | Madrid
Seur | Getafe

21,500 sq m | Madrid
Logifrio | Fuenlabrada

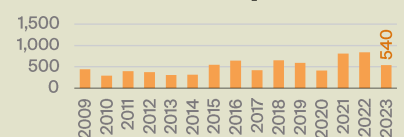
15,000 sq m | Madrid
Redur | Algete

Madrid take-up
2009 - 2023. Thousand sq m



Source: Knight Frank Research

Barcelona take-up
2009 - 2023. Thousand sq m



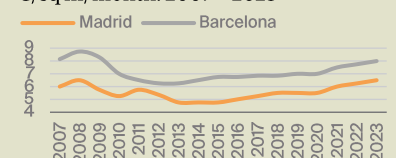
Source: Knight Frank Research

Average prime rents by rings

	MADRID	BARCELONA
1 st ring	5.25 - 6.50	6.50 - 10.00
2 nd ring	4.50 - 5.00	5.00 - 6.50
3 rd ring	3.75 - 4.15	4.00 - 4.75

Source: Knight Frank Research

Average prime rents
€/sq m/month. 2007 - 2023



Source: Knight Frank Research

INVESTMENT MARKET

SPAIN

The investment volume during the fourth quarter of the year has been around €440 million, while the total for the year amounts to nearly €1.5 billion, representing an adjustment of almost 35% compared to the previous year. The change in interest rate policies and the uncertain situation have put several investors in a wait-and-see mode, limiting investment activity throughout the year.

It is worth noting that during 2023, locations in secondary areas have accounted for the majority of the total investment, with over 40%, surpassing Barcelona or Madrid, which stand at 30% and 25% respectively. Prime yields in the main markets continue to rise, reaching 5.40% for Madrid (5.25% in Q3 2023) and 5.25% for Barcelona (5.15% in Q3 2023).

It is expected that investment activity will increase from mid-2024, as bond yields are projected to decrease at the beginning of the year. This will provide information to calibrate the new 'equilibrium yield,' helping unlock several purchasing processes.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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Spain

Investment volume Q4 2023

€440 M (€250 M Q4 2022)

Top 3 investment deals Q4 2023

€150* M | Figueres, Girona

Vendor: Eurofund & LCP | Purchaser: Amazon
Capital value: 890 €/sq m
Source: Capital Markets Knight Frank

€107 M | Tordera, Barcelona

Vend.: Kave Home | Purch.: Aquila Capital
Capital value: 1200 €/sq m
Source: Capital Markets Knight Frank

€40 M | S&L Fredigoni, Barcelona

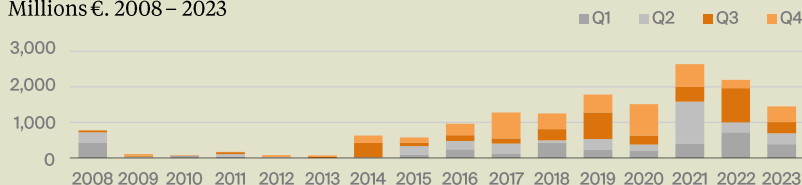
Vendor: Fredigoni | Purchaser: WP Carey
Capital value: 625 €/sq m
Source: Capital Markets Knight Frank

*Owner occupier. Not included in the investment volume.

► The most relevant transaction of the quarter has been the purchase by the German group Aquila Capital of a distribution center from Kave Home for over 100 million euros. The asset is located in Tordera and is planned to be expanded to 90,000 square meters. Kave Home has secured a long-term lease agreement and has freed up resources to support the expansion of its corporate headquarters in Sils (Girona).

Investment volume in Spain

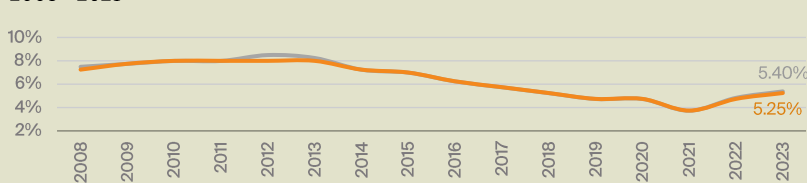
Millions €. 2008 – 2023



Source: Knight Frank Research

Prime yield

2008 – 2023



Source: Knight Frank Research

Europe prime yields | Q3 2023

Amsterdam	5.25%	↑
Berlin	4.60%	↑
Paris	4.50%	=
Dublin	5.00%	↑
Bruselas	4.90%	↑

Source: Knight Frank Research.