

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

Logistics Snapshot

Q2 2020

MADRID LOGISTICS MARKET

TAKE UP T2 2018 – 2020	Q2 2018	Q2 2019	Q2 2020
	222,000 sq m	88,000 sq m	165,000 sq m
TOP 3 DEALS 2 nd QUARTER	CONFIDENTIAL ALOVERA, GUADALAJARA	AMAZON LEGANÉS, MADRID	TXT FONTANAR, GUADALAJARA
	27,500 sq m	25,000 sq m	19,500 sq m

Occupier market

Madrid and Barcelona

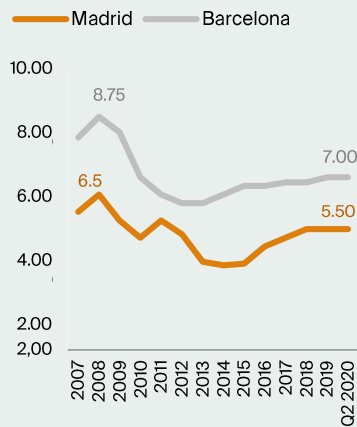
The logistics sector remains one of the most favorable despite the pandemic. Spanish e-Commerce continues to break records, according to the latest data published at the end of 2019, the turnover of e-commerce reached almost €49,000M, 25% more than in the previous year.

During the 2nd quarter of the year the take up in Madrid stands at around 165,000 sq m, 88% more than in the same period in 2019, and 90,000 sq m in Barcelona, with a decrease of 25%.

The prime rents remained stable in both Madrid and Barcelona, as did the vacancy rate, 6% and 3.5% respectively.

Prime rents evolution

€/sq m/month. 2007 – Q2 2020



Source: Knight Frank Research

AVERAGE PRIME RENTS BY RINGS

	MADRID	BARCELONA
1 st ring	4.25 – 5.50	5.50 – 7.00
2 nd ring	3.50 – 4.75	4.00 – 5.25
3 rd ring	2.60 – 3.40	2.50 – 3.75

Source: Knight Frank Research

During the first semester of the year, the highest volume of take up was seen in Madrid's second ring.

E-Commerce turnover

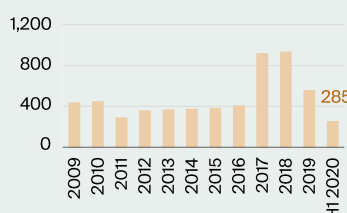
Spain. 2007 – 2019



Source: CNMC | ONTSI. Latest available data

Madrid take-up

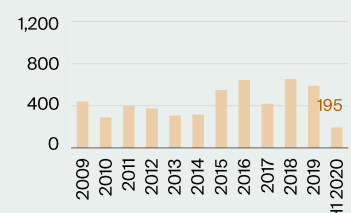
2009 – H1 2020. Thousand sq m



Source: Knight Frank Research

Barcelona take up

2009 – H1 2010. Thousand sq m



Source: Knight Frank Research

Investment market Madrid and Barcelona

The investment volume for logistics in Spain in the 2nd quarter of the year reached more than €170 million, accumulating almost €400 million so far this year.

Madrid has registered the highest volume of investment with around €120 million, which represents about 15% more than the previous quarter.

Covid-19 has resulted in new players looking to enter the logistics market as some reduce their allocations to other asset classes such as retail, offices and hospitality.

Prime logistics yields have remained stable in Q2 2020 at 4.75% in both Madrid and Barcelona. However, there a number of investment transactions set to close before the end of the year that will likely trade at a sharper yield.

EUROPEAN PRIME YIELDS

LATEST AVAILABLE DATA | Q1 2020

BRUSSELS	5.25%
LONDON	4.25%
AMSTERDAM	4.10%
FRANKFURT*	4.00%
BERLIN	4.25%
PARIS*	4.25%
DUBLIN	5.25%

Source: Knight Frank Research. *Yield Q4 2019

TOP 3 DEALS

TOLEDO, ILLESCAS

PLATFORM CENTRAL IBERUM
VENDOR: GOODMAN
PURCHASER: NUVEEN

€n.a M

Source: Eje Prime

MADRID

CORREDOR DE HENARES
VENDOR: AIRBUS Defense and Space
PURCHASER: HINES

€29.2 M €675 sq m

Source: Knight Frank Logistic C. Market

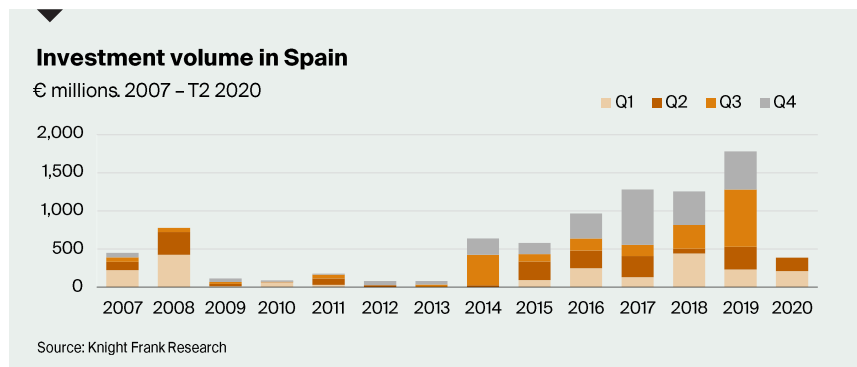
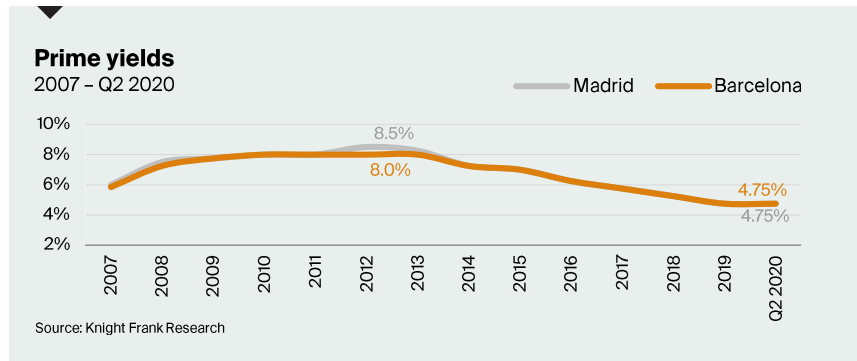
BARCELONA, ABRERA

PROVEEDORES SEAT PARK
VENDOR: LIBERBANK
PURCHASER: PATRIZIA INMOBILIEN

€26 M €525 sq m

Source: Expansión

Nuveen's acquisition of two Grade A logistics units in Illescas off Goodman has been the stand out transaction of the quarter in terms of lot size. The two buildings comprise a total lettable area of 66,300 sq m. The second largest transaction of the quarter comprised Hines Global Income Trust purchasing Airbus' mixed-use site in Madrid via a sale and leaseback for ca. €29.2M.



COVID-19: Across Europe and beyond, market activity is being impacted in all sectors due to the Novel Coronavirus (COVID-19) outbreak. As at the date of this report, we consider that we can attach less weight to previous market evidence for comparison purposes, in providing our opinions on the market. Given the unknown future impact that COVID-19 might have on the real estate market and limited recent comparable, this report it meant to provide market insights as we see them at this time but we wish to highlight the material uncertainty which we may cause swift changes in the market. Please get in touch with our teams if you would like to discuss in further detail or receive an update regarding market conditions.

Capital Markets

Alejandro Vega-Penichet
Director of Industrial & Logistics
+34 600 919 014

Alejandro.Vega-Penichet@es.knightfrank.com

Capital Markets

Adrián Romero-Amich
Head of Logistics Leasing
+34 600 919 015

Adrián.Romero-Amich@es.knightfrank.com

Capital Markets

James Cowper-Coles
Senior Surveyor
+34 600 919 105

James.Cowper-Coles@es.knightfrank.com

Research

Rosa Uriol
Head of Research
+34 600 919 114

Rosa.Uriol@es.knightfrank.com

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