

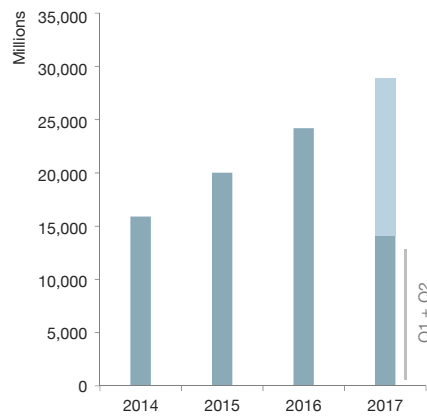
LOGISTICS SNAPSHOT

1st QUARTER 2018

OCCUPIER MARKET MADRID AND BARCELONA

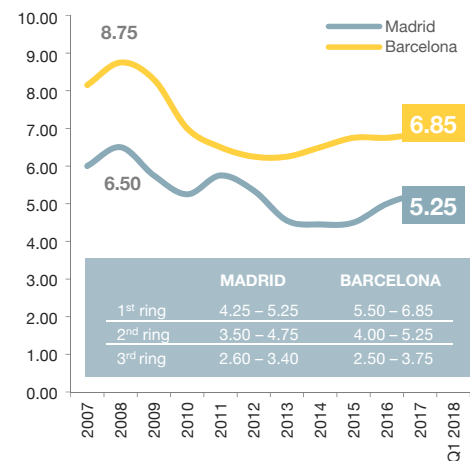
- Logistics take-up in Madrid reached almost 225,000 sq m in the first quarter of the year, 18% higher than the same period of the previous year. In Barcelona, take-up exceeded 180,000 sqm, a 44% increase versus the same period in 2017.
- Inversiones Montepino completed the two largest leasing transactions of the quarter, with the largest of them being 80,000 sqm signed by an e-Commerce operator.
- More than 60% of the take-up occurred in the third ring, continuing the upward trend of recent years.
- Prime rents remained stable both in Madrid and Barcelona, standing at € 5.25 sqm/month in the capital and € 6.85 sqm/month in Barcelona.

GRAPH 1
e-Commerce turnover
Spain



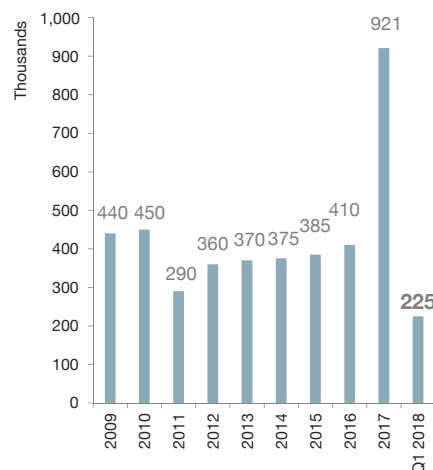
Source: CNMC | latest available data up to Q2 2017. 2017 year end data based on own estimation.

GRAPH 2
Variation in prime rents
€/sqm/month. 2007 - Q1 2018



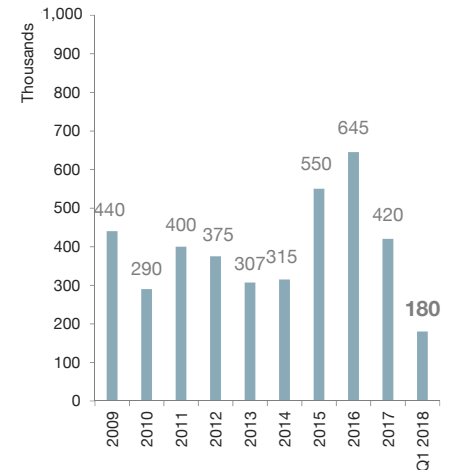
Source: Knight Frank Research

GRAPH 3
Take-up evolution
Madrid. 2009 - Q1 2018



Source: Knight Frank Research

GRAPH 4
Take-up evolution
Barcelona. 2009 - Q1 2018



Source: Knight Frank Research

GRAPH 5
TOP 3 | main occupier transactions
Madrid market. Q1 2018

E-COMMERCE OPERATOR | TOLEDO

80,000 sqm

LUIS SIMÕES | MARCHAMALO, GUADALAJARA

31,450 sqm

CONFIDENTIAL | ALOVERA, GUADALAJARA

17,750 sqm

VACANCY RATE

MADRID: 4.25%

BARCELONA: 3.5%

INVESTMENT MARKET

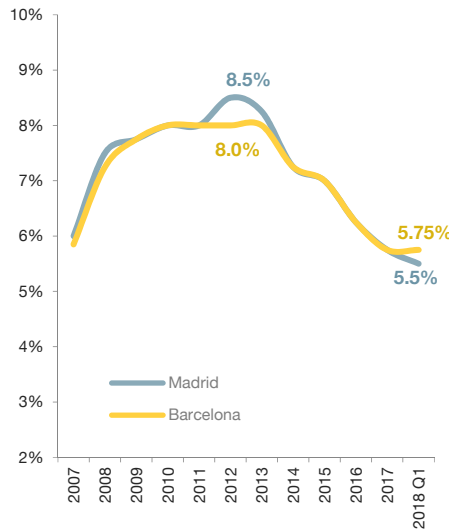
▪ Direct and indirect logistics investment in the first quarter of the year stood at c. 350 million euros.

▪ The continual lack of grade A logistics stock has resulted in developers and investors alike seeking new development opportunities. In Madrid, an estimated 2 million sqm of new development are expected to be built before the end of 2019.

▪ The lack of prime logistics stock available in the market continues to encourage investors to carry out forward funding and forward purchase transactions.

▪ Madrid's prime yield currently stands at 5.5% and that of Barcelona at 5.75%, still above other European cities and other investment alternatives.

GRAPH 6
Variation in prime yields
2007- Q1 2018



Source: Knight Frank Research

GRAPH 7
Prime yields in European cities
Latest available data

	YIELD
Brussels	5.50
London	4.00
Amsterdam	5.00
Frankfurt	4.50
Berlin	4.50
Paris	5.00
Dublin	5.25

Source: Knight Frank Research

GRAPH 8
TOP3 | investment transactions
Q1 2018

DIA LOGISTICS PLATFORMS (SALE & LEASEBACK) (SABADELL, MEJORADA DEL CAMPO & DOS HERMANAS)
VENDOR: DIA | PURCHASER: BLACKSTONE

€ 90 M | 818 €/sqm

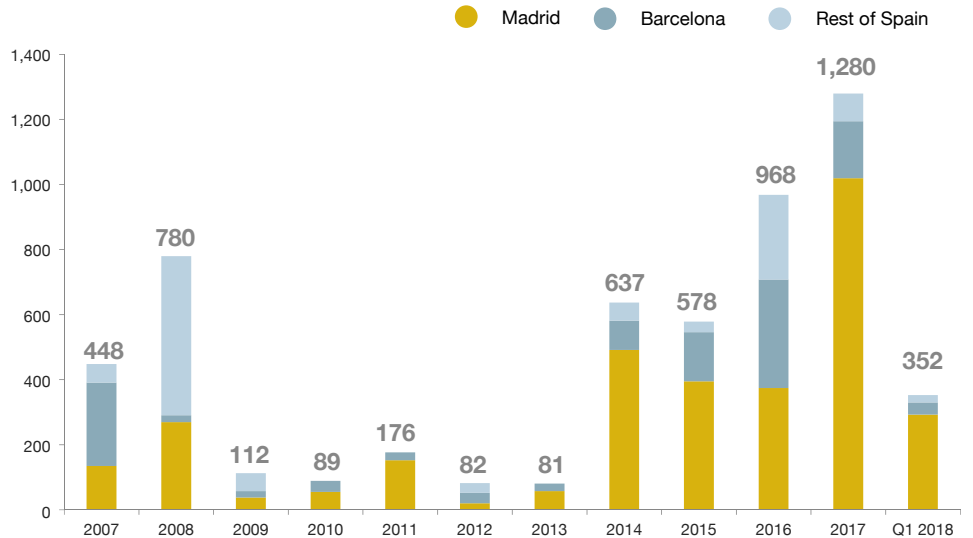
PAVASAL PROJECT (MADRID)
VENDOR: PAVASAL | PURCHASER: INVESCO

€ 80.3 M | 730 €/sqm

LOS GAVILANES DEVELOPMENT (GETAFE, MADRID)
VENDOR: GRUPO MCA | PURCHASER: PALM CAPITAL

€ 60.78 M | 715 €/sqm

GRAPH 9
Variation in investment volume
Millions of euros



Source: Knight Frank Research



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