

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.

Logistics Snapshot

Q1 2021

MADRID LOGISTICS MARKET

TAKE UP 2019 - 2021	T1 2019	T1 2020	T1 2021
	67,000 sq m	120,000 sq m	446,000 sq m
TOP 3 DEALS 1st QUARTER	CARRERAS ILLESCAS, TOLEDO	DVS CABANILLAS DEL CAMPO, GUADALAJARA	KINOKO - TIENDA ANIMAL ONTÍGOLA, TOLEDO
	86,000 sq m	50,000 sq m	49,000 sq m

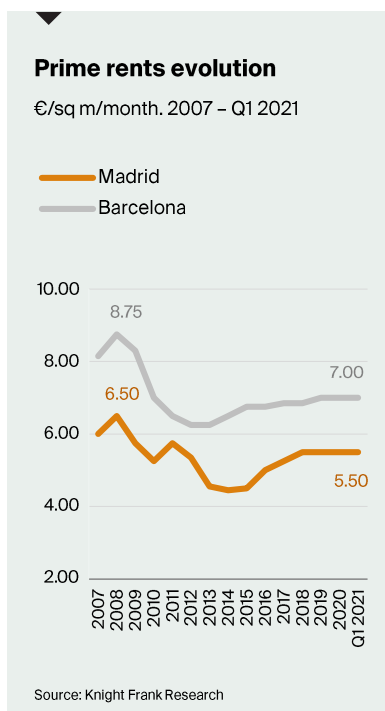
Occupier market

Madrid and Barcelona

The Madrid market has started the year with record breaking figures with more than 446,000 sq m registered in Q1 alone. This figure is well above averages from other years and 270% more than Q1 2020. This figure has also grown exponentially in Barcelona with some 250,000 sq m being signed. This represents an increase of more than 130% compared to the same period last year.

The availability rate remains stable at around 7% (Madrid) and 3% (Barcelona).

E-Commerce recorded more than €37 billion in the year to Q3 2020, 5% more than in the same period of 2019.

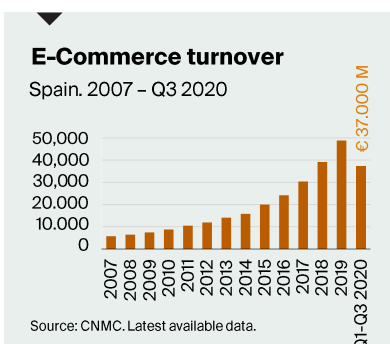


AVERAGE PRIME RENTS BY RINGS

	MADRID	BARCELONA
1 st ring	4.50 – 6.50	5.50 – 7.00
2 nd ring	3.75 – 4.75	4.00 – 5.25
3 rd ring	2.90 – 3.60	2.50 – 3.75

Source: Knight Frank Research

The first months of Q1 2021 saw the need to improve Spain's logistics platform stock. Storm Filomena revealed the age and obsolete nature of certain facilities



Investment market Spain

The Logistics investment market has also got off to a very strong start in Q1 2021 having closed at around €410 M, up more than 90% compared to Q1 2020.

This figure is not far off 2018's figure where record values were recorded for the last decade.

Barcelona led investment with more than 50% of the total volume, followed by Madrid, with almost 30%. Zaragoza also stood out during the quarter, consolidating its position as an important logistics market, where investment exceeded €50m (almost 12%).

The investment interest that the sector continues to generate has caused yields in Madrid and Barcelona to lower and stand at 4.50% in both markets.

EUROPEAN PRIME YIELDS

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BRUSSELS	4.75%
LONDON	4.00%
AMSTERDAM	3.80%
FRANKFURT	3.50%
BERLIN	3.50%
PARIS	3.90%
DUBLIN	4.50%

Source: Knight Frank Research

TOP 3 DEALS

GERONA

AMAZON LOGISTIC CENTER
VENDOR: LCP
PURCHASER: CONFIDENTIAL
€164 M 990 €/sq m

Source: Logistics C. Markets Knight Frank

ILLESCAS, TOLEDO

LOGISTICS PLATFORM
VENDOR: AQUILA CAPITAL
PURCHASER: AZA IM
€60 M 880 €/sq m

Source: Logistics C. Markets Knight Frank

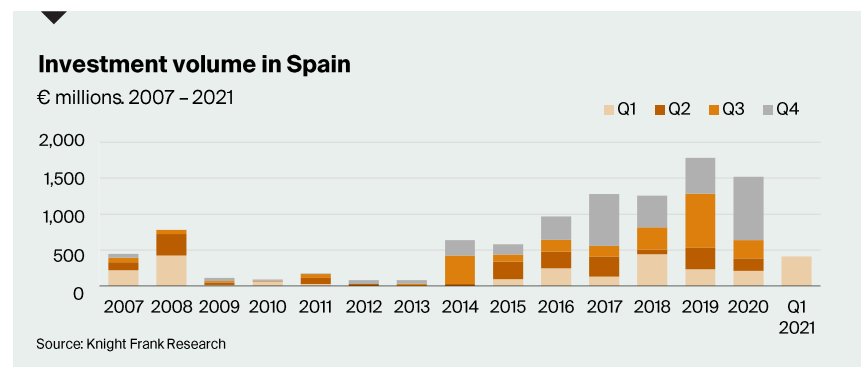
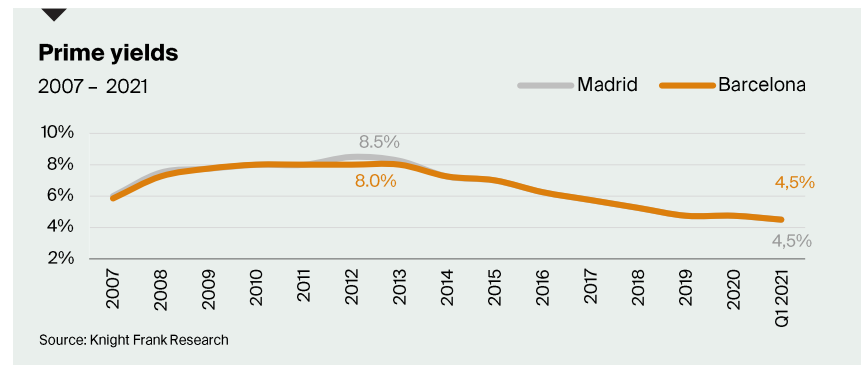
MALPICA, ZARAGOZA

LOGISTIC PLATFORM
VENDOR: ESTESA
PURCHASER: TRISTAN / KEFREN
€27,8 M 430 €/sq m

Source: Logistics C. Markets Knight Frank

The year began with one of the most significant transactions of recent months, Logistics Capital Partners (LCP) sale of Amazon's logistics megaproject in Gerona for €164 million.

With a surface area of more than 165,000 m² spread over four automated floors, it will be one of the most significant hubs in Spain.



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 data, this report is meant to provide market insights as we see them at this time but we wish to highlight the material uncertainty which may cause swift changes in the market. Please get in touch with our team if you would like to discuss in further detail or receive an update regarding market conditions.

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