

Logistics Snapshot

Q1 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.

knightfrank.com/research

Barcelona is advancing towards double-digit rents at an unstoppable rate

- The prime average rent shows sustained growth in Madrid and Barcelona, a consequence of the rise in construction and financing costs, coupled with low availability of quality products.

OCCUPIER MARKET MADRID AND BARCELONA

The take-up in Madrid during the first quarter stood at around 225,000 sq m, a 15% decrease compared to the same period in 2022, although it represents a 250% increase compared to pre-pandemic levels.

Vacancy rate at the end of the first quarter were 6.1%, but for grade A

assets, this figure drops significantly to around 2.8%. This reflects the high demand for new developments.

Barcelona has started the year in strong fashion, with around 225,000 sq m of take-up. Continued upward pressure on rents, has resulted in rents of €10/sq m/month in super prime areas such as El Prat and Sant Boi.

Madrid

Take up Q1 2023

225,000 sq m
(257,000 sq m Q1 2022)

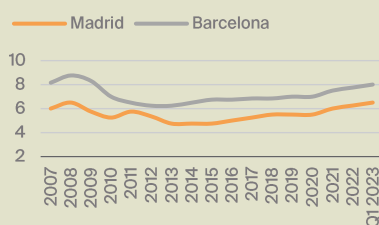
Top 3 occupancy deals Q1 2023

42,700 sq m | Toledo
Suardiaz | Illesca

39,000 sq m | Toledo
Suardiaz | Seseña

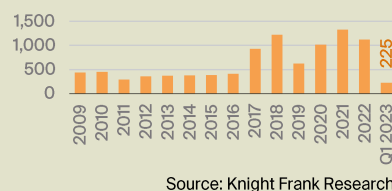
19,000 sq m | Madrid
Primafrío | Pinto

Average prime rents
€/sq m/month. 2007 – Q1 2023



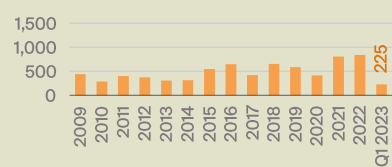
Source: Knight Frank Research

Madrid take-up
2009 - Q1 2023. Thousand sq m



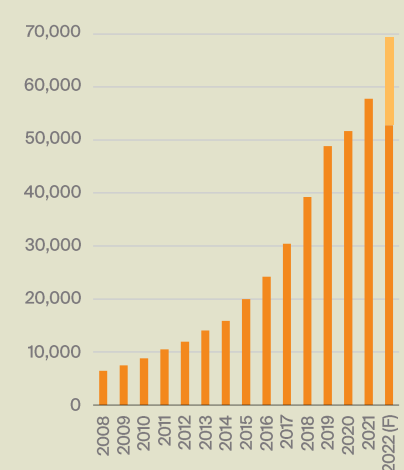
Source: Knight Frank Research

Barcelona take-up
2009 - Q1 2023. Thousand sq m



Source: Knight Frank Research

Ecommerce volume
2008 - 2022 (F). M€



Source: Knight Frank Research/CNMC

Average prime rents by rings

	MADRID	BARCELONA
1 st ring	5.25 – 6.50	6.00 – 8.00
2 nd ring	4.50 – 5.00	4.75 – 6.00
3 rd ring	3.75 – 4.15	4.00 – 4.50

Source: Knight Frank Research

INVESTMENT MARKET

SPAIN

The investment volume recorded in the first quarter of the year was around 322 million euros, representing a 35% increase compared to the previous quarter.

Secondary markets are increasingly offering more attractive investment opportunities and gaining ground. Evidence is portrayed by the focus of investors on the Valencian and Basque Country markets, accounting for 22% and ca. 15%, respectively. Barcelona has also accounted for 20% of total investment.

In terms of the source of Spanish investment, North American capital has contributed to more than 35% of the overall figure.

Prime yields in Spain's most prominent cities continues to rise, reaching 4.95% in Barcelona and 5% in Madrid.

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



Commercial

Jorge Sena | Partner, Head of Commercial
+34 600 919 004
jorge.sena@es.knightfrank.com



Leasing and Development

Adrián Romero-Amich |
Director Leasing and Development Logistics
+34 600 919 125
adrian.romero-amich@es.knightfrank.com



Capital Markets

James Cowper-Coles |
Director Capital Markets Logistics
+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

Spain

Investment volume Q1 2023

€322 M (723 M€ Q1 2022)

Top 3 investment deals Q1 2023

€73 M | País Vasco & Cantabria

Vendor: Uvesco | Purchaser: Angelo Gordon
Capital value: 955 €/sq m

Source: Capital Markets Knight Frank

€35 M | Barcelona

Vendor: Scannell | Purchaser: LaSalle
Capital value: 1.600 €/sq m

Source: Capital Markets Knight Frank

€33.5 M | Valencia

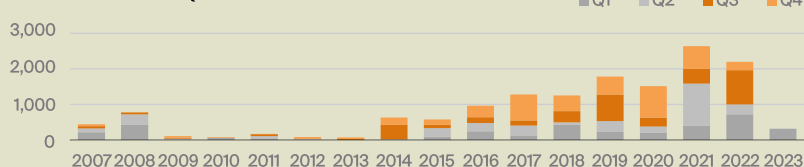
Vendor: Inurban | Purchaser: Talus
Capital value: 750€/sq m

Source: Capital Markets Knight Frank

- The most notable transaction of the quarter WAS Uvesco's sale of three logistics warehouses to the American investment fund Angelo Gordon, for just over 73 million euros. The deal was completed as part of a Sale & Leaseback, meaning the vendor will remain a tenant for 20 years. The assets are located in the Basque Country (Guipúzcoa) and Cantabria.

Investment volume in Spain

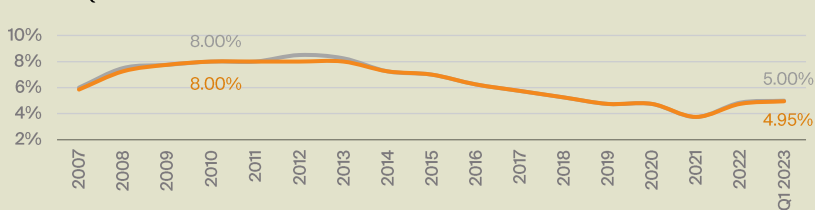
Millions €. 2008 – Q1 2023



Source: Knight Frank Research

Prime yield

2008 – Q1 2023



Source: Knight Frank Research

Europe prime yields. Q1 2023

Londres	5.00%	=
Amsterdam	4.85%	↑
Frankfurt*	3.80%	↓
Berlin	3.95%	↓
Paris	4.25%	=
Dublin	4.75%	=

Source: Knight Frank Research.* Q4 2022. Amsterdam y Frankfurt gross yield.