

# Logistics Snapshot

Q2 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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## The occupancy market shows resilience and anticipates a positive third quarter

- There are several leasing transactions under negotiation in the Madrid market, which will soon add up to around 260,000 sq m across 10 deals. New developments are still on the rise, with over 110,000 sq m recently added in Illescas.

### OCCUPIER MARKET MADRID AND BARCELONA

Leasing activity in Madrid reached 175,000 sq m of take up in the 2<sup>nd</sup> quarter, resulting in a cumulative take up of 400,000 sq m so far this year. However, it is expected that the year-end figure will not deviate significantly from the historical average.

The vacancy rate in Madrid stands at 5.7%, while for Grade A

assets, it reaches 3.20%, which has experienced a slight increase compared to the previous quarter. This increase is due to the fact that the main logistics developers are focusing their attention on new developments due to their high demand.

Barcelona has closed the quarter with 100,000 sq m, reaching 325,000 sq m in the accumulated for the 1<sup>st</sup> half of the year, representing a y-o-y adjustment of slightly over 16% in the first six months.

## Madrid

Take up Q2 2023

**175,000 sq m**  
(287,000 sq m Q2 2022)

Top 3 occupancy deals Q1 2023

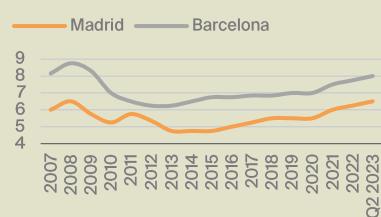
**62,200 sq m | Guadalajara**  
Factor 5 | Alovera and Azuqueca de Henares

**24,500 sq m | Toledo**  
Logisfashion | Ontígola

**18,050 sq m | Madrid**  
Lausan (AAG) | Torrejón de Ardoz<sup>(1)</sup>

### Average prime rents

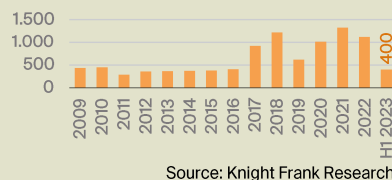
€/sq m/month. 2007 - Q2 2023



Source: Knight Frank Research

### Madrid take-up

2009 - H1 2023. Thousand sq m



Source: Knight Frank Research

### Percentage of online shoppers in the last three months

2011 - 2022. %



Source: Knight Frank Research | INE  
\*\*Percentage over persons aged 16-74 years

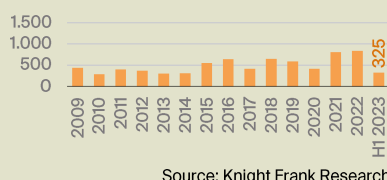
### Average prime rents by rings

	MADRID	BARCELONA
1 <sup>st</sup> ring	5.25 - 6.50	6.00 - 8.00
2 <sup>nd</sup> ring	4.50 - 5.00	4.75 - 6.00
3 <sup>rd</sup> ring	3.75 - 4.15	4.00 - 4.50

Source: Knight Frank Research

### Barcelona take-up

2009 - H1 2023. Thousand sq m



Source: Knight Frank Research

<sup>(1)</sup> Transaction intermediated by Knight Frank.

## INVESTMENT MARKET

### SPAIN

While the investment volume in the first semester has been lower than the same period last year - mainly due to the lack of large portfolio deals - the investment volume during the second quarter has reached 300 million euros. This increase represents a little over 5% compared to the same quarter of 2022.

Secondary markets continue to have a significant weight, representing approximately 50% of the total investment volume during the quarter, compared to 35% in Madrid and 18% in Barcelona.

The strong demand for logistics assets remains very evident, despite investors facing a higher risk environment due to the rise in interest rates. This situation impacting prime yields, which continue to increase, reaching 5.15% in Madrid and 5% in Barcelona.

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](mailto: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](mailto: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](mailto:James.Cowper-coles@es.knightfrank.com)



#### Research

Rosa Uriol | Head of Research  
+34 600 919 114  
[rosa.uriol@es.knightfrank.com](mailto:rosa.uriol@es.knightfrank.com)

# Spain

Investment volume Q2 2023

**€305 M** (€280 M Q2 2022)

Top 3 investment deals Q2 2023

**€150 M** | Several locations

Vendor: VGP | Purchaser: Pimco (Allianz)

Capital value: 1,000 €/sq m

Source: Capital Markets Knight Frank

**€47.5 M** | Alcalá de Henares, Madrid

Vendor: Pavasal | Purch.: Boreal and C. Fairview

Capital value: 875 €/sq m

Source: Capital Markets Knight Frank

**€18.5 M** | Villadangos del Páramo, León<sup>(2)</sup>

Vendor: Abrdn | Purchaser: Iroko Zen

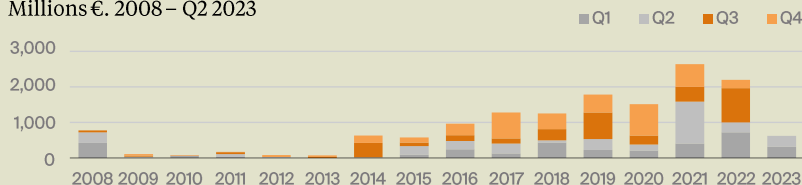
Capital value: 570 €/sq m

Source: Capital Markets Knight Frank

► The acquisition of a European portfolio of eleven assets by Pimco (Allianz), through Aurora, the joint venture with VGP, stands out as the most significant deal. Out of these assets, seven are located in Spain, in Madrid, Barcelona, Zaragoza, Seville, and Valencia, with a total GLA of 160,000 sq m. The total value of the European portfolio exceeds 250 million euros, of which 150 million euros correspond to the assets located in Spain.

### Investment volume in Spain

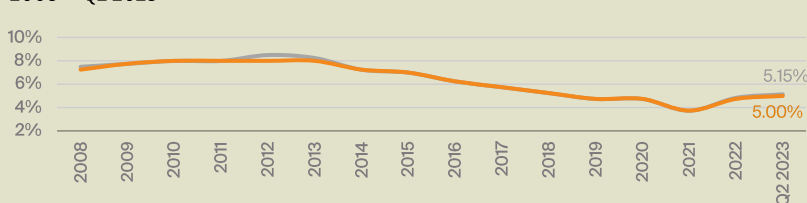
Millions €. 2008 – Q2 2023



Source: Knight Frank Research

### Prime yield

2008 – Q2 2023



Source: Knight Frank Research

### Europe prime yields | Q2 2023

London**	5.00%	=
Amsterdam	5.00%	↑
Frankfurt*	3.80%	↓
Berlin	4.04%	↑
Paris**	4.25%	=
Dublin	4.75%	=

Source: Knight Frank Research.\*Q4 2022.\*\* Q1 2023.  
Amsterdam and Frankfurt gross yield.

<sup>(2)</sup> Transaction intermediated by Knight Frank.