

Logistics Snapshot

Q2 2024

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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Villaverde will boost last-mile logistics with its new projects, delivering 90,000 sq m in the 2nd quarter

► ICC-Angelo Gordon, Invesco, and Engel & Völkers are the main players developing the area, which has an industrial past, transforming it into one of the most sought-after logistics hubs due to its proximity to the final consumer in the city.

OCCUPIER MARKET

MADRID AND BARCELONA

In the first half of 2024, Madrid achieved almost 500,000 sq m in logistics leasing, with over 230,000 sq m leased in the second quarter.

The demand for high-quality warehouses continues, with the majority of transactions signed in Breeam or Leed certified warehouses.

Guadalajara, where almost 92,000 sq m were leased, saw two major deals of the quarter: Ontime, which rented 50,000 sq m in Chiloeches, and Grupo Total, with 18,000 sq m in Cabanillas del Campo.

Meanwhile, the 1st ring recorded the highest activity, with more than 70% of the total number of transactions.

During the 2nd quarter of the year, around 270,000 sq m of new space were delivered, of which 90,000 sq m are in Villaverde. Additionally, by 2025, another 170,000 sq m are expected to be added in this area, driving the development of last-mile logistics.

The availability rate of logistics space in the Madrid market stands at 9% as of the end of the 2nd quarter.

The prime rent remains stable, recorded at €6.50/sq m in Madrid, with a slight increase expected in the coming months.

In the Barcelona market, around 150,000 sq m of logistics rental space has been transacted, higher than the quarterly average of the previous year, closing the half-year with more than 240,000 sq m leased.

Its prime rent has increased slightly, reaching €8.15/sq m.

Madrid

Take up Q2 2024

232,000 sq m
(175,000 sq m Q2 2023)

Top 3 occupancy deals Q2 2024

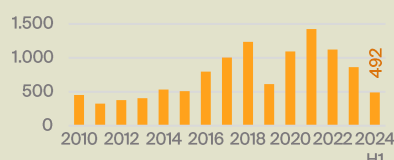
50,000 sq m | Guadalajara
Ontime | Chiloeches

27,300 sq m | Madrid
Arcese | Alcalá de Henares

18,150 sq m | Guadalajara
Grupo Total Neumáticos | C. del Campo

Madrid take-up

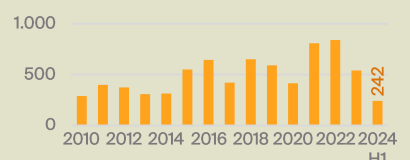
Thousands sq m



Source: Knight Frank Research

Barcelona take-up

Thousands sq m

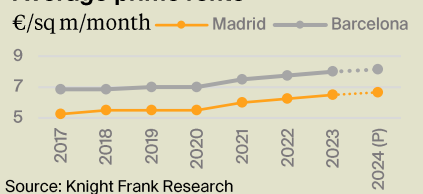


Source: Knight Frank Research

Average prime rents by rings

	MADRID	BARCELONA
1 st ring	5.25 – 6.50	6.50 – 8.15
2 nd ring	4.50 – 5.00	5.00 – 6.50
3 rd ring	3.75 – 4.15	4.00 – 4.75

Average prime rents



Source: Knight Frank Research

INVESTMENT MARKET

SPAIN

During the second quarter of the year, total investment registered nearly €300 M. The cumulative amount for the first half reached €500 M, however, there are currently more than €950 M in potential transactions in the market, with closings expected in

in locations outside Madrid and Barcelona, such as Valencia, where 25% of the total investment during this period was recorded, driven in part by its strong development activity. In this province, three of the six largest transactions of the half-year took place.

The Madrid market maintains high investment activity, accumulating nearly 40% during the first half of the year. This is due to the sale of a significant portfolio in the first quarter and the growing demand for high-quality warehouses, which this market is particularly focusing on.

As for prime yields, the market has witnessed the first yield compression in two and a half years as investor sentiment improves in light of robust take-up and interest rate cuts.

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



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Spain

Investment volume Q2 2024

€290 M (€335 M Q2 2023)

Top 3 investment deals Q2 2024

€68 M | Cheste, Valencia

Vendor: Blackstone | Purchaser: EQT Exeter
Capital value: 1.260 €/sq m
Source: Capital Markets Knight Frank

€41 M | Illescas, Toledo*

Vendor: Aquila Cap. | Purchaser: EQT Exeter
Capital value: 750 €/sq m
Source: Capital Markets Knight Frank

€31.5 M | Zigoitia, Álava*

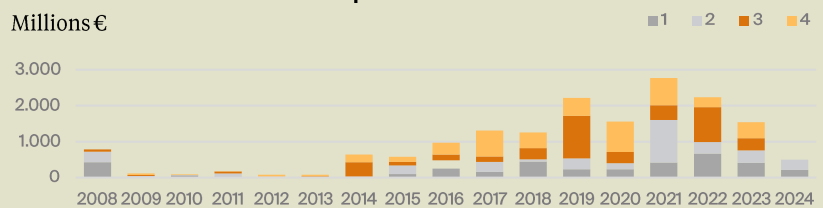
Vendor: Magna | Purchaser: P3 Log. Park
Capital value: 730 €/sq m
Source: Capital Markets Knight Frank

*Transactions intermediated by Knight Frank

► During the quarter, EQT Exeter stood out with the purchase of three logistics warehouses: one from Blackstone in Valencia for €68 M, and two from Aquila Capital in Toledo for €41 M. Both platforms have approximately 54,000 sq m of space. Additionally, P3 acquired a new logistics scheme via a forward funding format in Alava for €31.5M off Magna, where they will build the second-largest platform in the Basque Country, with more than 43,000 sq m.

Direct investment volume in Spain

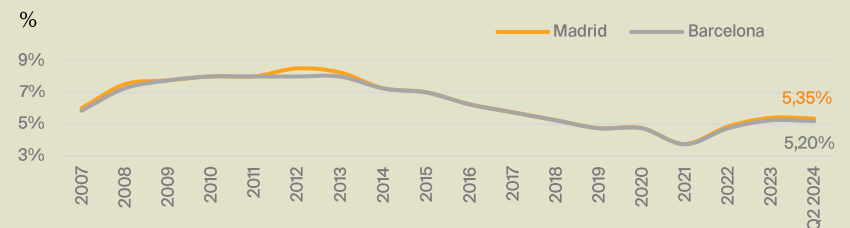
Millions €



Source: Knight Frank Research

Prime yield

%



Source: Knight Frank Research

Europe prime yields | Q2 2024

Prague	5.00%	=
Milan	5.50%	=
Paris	4.75%	=
Dublin	5.00%	=
Warsow	6.75%	=

Source: Knight Frank Research