

# Logistics Snapshot

Q3 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 Madrid occupational market showcases further resilience with robust levels of take-up in Q3

- The capital city and its surrounding areaS has recorded a take-up of around 300,000 square meters during the third quarter of the year, which represents a 50% increase compared to the same period of the previous year.

### OCCUPIER MARKET MADRID AND BARCELONA

The accumulated take-up in Madrid so far this year has reached nearly 700,000 sq m. The levels of take-up recorded thus far are in line with the forecasts from the beginning of 2023, where a slight slowdown was expected compared to the year 2022.

It is expected total take-up levels to reach ca. 1,000,000 sq m by the end of the year, which reflects the strength of this market that continues to be immersed in the adaptation to the new consumer buying habits.

On the supply side, approximately 311,000 sq m of new developments were delivered to the market in the third quarter of 2023. As a result, the vacancy rate has increased slightly, reaching 6.4% (5.7% in Q2 2023). As for high-quality Grade A assets, the availability rate is 4.2% (3.20% in Q2 2023).

The prime average rent in the Madrid market remains at €6.50/sqm/month, although some

submarkets such as Illescas, San Fernando, or Torrejón have experiences positive rental growth.

Barcelona has recorded 66,500 sq m of take-up this quarter. The year-to-date total take-up levels stand over 390,000 sq m, which is 30% less than in the same period in 2022, nevertheless, take-up level in this market has been mostly shaped by the low vacancy rate of around 3.00%.

## Madrid

Take up Q3 2023

**300,000 sq m**  
(210,000 sq m Q3 2022)

Top 3 occupancy deals Q3 2023

**50,000 sq m** | Toledo  
Ontime | Noblejas

**38,100 sq m** | Guadalajara  
Taisa Logistics | Cabanillas del Campo

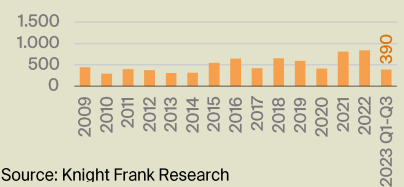
**31,500 sq m** | Madrid  
Havi Logistics | San Fernando

**Madrid take-up**  
2009 - Q1-Q3 2023. Thousand sq m



Source: Knight Frank Research

**Barcelona take-up**  
2009 - Q1-Q3 2023. Thousand sq m



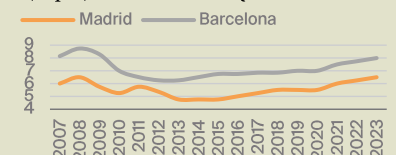
Source: Knight Frank Research

### 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

**Average prime rents**  
€/sq m/month. 2007 - Q3 2023



Source: Knight Frank Research

## INVESTMENT MARKET

### SPAIN

The investment volume during the third quarter of the year has been ca. 280 million euros, while the year-to-date total volume accounts to over 900 million euros, which represents nearly 20% of the total investment in Spain\*. At the same time, the 900 million euros represent a decrease of almost 55% (compared to Q1-Q3 2022), mainly due to the lack of large portfolio transactions.

During this last quarter, secondary markets have represented the majority of the volume with 45% of the total investment, while Madrid and Barcelona account for approximately 30% and 20%, respectively.

Prime yields in the major markets continue to rise to adapt to the new interest rate environment. In Madrid, the Prime yield stands at 5.25% (5.00% in Q2 2023), and in Barcelona, it is 5.15% (5.00% in Q2 2023).

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 Q3 2023

**€280 M** (€960 M Q3 2022)

Top 3 investment deals Q3 2023

**€65.8 M** | Several locations

Vendor: Mileway | Purchaser: AB Sagax  
Capital value: 715 €/sq m

Source: Capital Markets Knight Frank

**€50 M** | Murcia

Vend.: Panattoni | Purch.: Hansainvest  
Capital value: 1.030 €/sq m

Source: Capital Markets Knight Frank

**€28 M** | San Fernando de Henares, Madrid

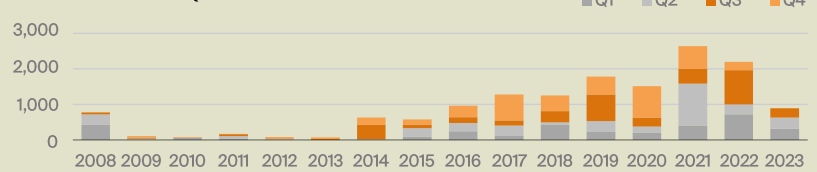
Vendor: Barral | Purchaser: Hines  
Capital value: n.a €/sq m

Source: Capital Markets Knight Frank

► The most significant acquisition of the quarter was the purchase by the Swedish company AB Sagax from Mileway of a portfolio of 19 warehouses located in different municipalities across the country, with an investment volume of around 66 million euros. Also noteworthy is the sale by Panattoni of a logistics park in Murcia consisting of 46,000 square meters distributed across two warehouses and leased on a long-term basis to the logistics service provider Alfil Logistics.

### Investment volume in Spain

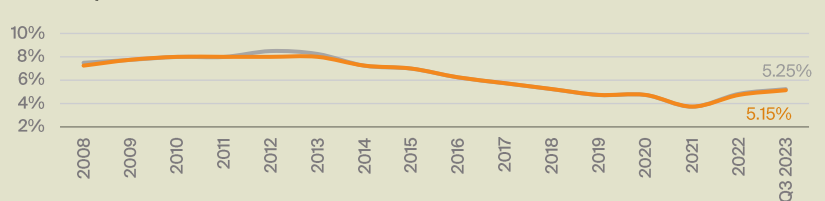
Millions €. 2008 – Q3 2023



Source: Knight Frank Research

### Prime yield

2008 – Q3 2023



Source: Knight Frank Research

### Europe prime yields | Q2 2023

London	4.75%	=
Amsterdam**	5.00%	↑
Berlin	4.04%	↑
Paris	4.50%	↑
Dublin	4.75%	=
Bruselas	4.60%	=

Source: Knight Frank Research.  
\*net gross

\*\* Included Logistic, office, retail, PRS and hotels