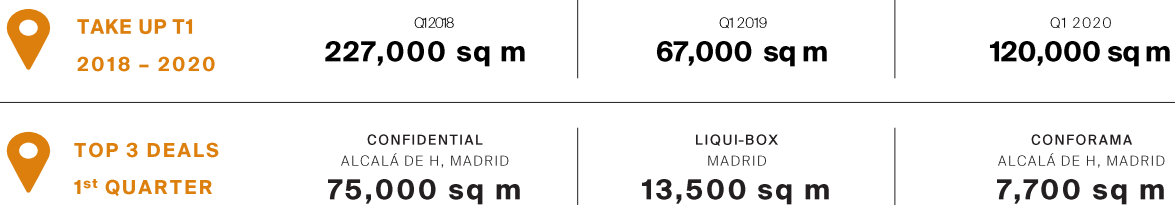


The sector indicators are compiled quarterly from a detailed and exhaustive study prepared by professional staff in the Knight Frank Madrid office and are based on real data and market trends.

Logistics Snapshot

Q1 2020

MADRID LOGISTICS MARKET



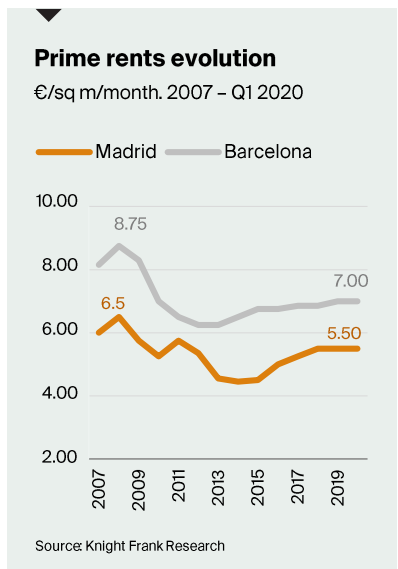
Occupier market

Madrid and Barcelona

The logistics sector is the undoubted beneficiary of the COVID-19 pandemic due to the significant expected uptick in demand for e-commerce activities.

In the first quarter take up reached approximately 120,000 sq m in Madrid, 80% more than the same period of 2019, and 105,000 sq m in Barcelona, 47% less than the previous year.

The prime rents remained stable in both Madrid and Barcelona in the first quarter of 2020, as did the vacancy rate as a number of projected development deliveries were delayed due to the COVID-19.

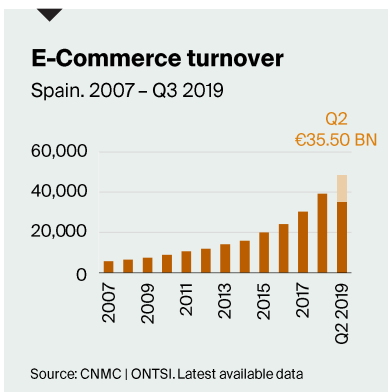


AVERAGE PRIME RENTS BY RINGS

	MADRID	BARCELONA
1 st ring	4.25 – 5.50	5.50 – 7.00
2 nd ring	3.50 – 4.75	4.00 – 5.25
3 rd ring	2.60 – 3.40	2.50 – 3.75

Source: Knight Frank Research

Spain has the highest percentage of people living in cities in Europe which will continue to drive demand for last-mile logistics units in cities across the country in the short-medium term.



Investment market Madrid and Barcelona

The investment volume for logistics in Spain in the 1st quarter of the year reached €210 million, exceeding the volume recorded in the same period in 2019.

Madrid represented €105 million, 26% more than the previous year continuing to be the city with the largest volume, followed by Barcelona, which represent more than 20% of the total investment.

The logistics sector is set to attract increased interest on the back of the COVID-19 pandemic as many investors look to increase their weightings to the sector.

Prime logistics yields remained stable in Q1 2020 due to the lack of core transaction completed.

EUROPEAN PRIME YIELDS

LATEST AVAILABLE DATA | Q4 2019

BRUSSELS	5.25%
LONDON	4.00%
AMSTERDAM	4.10%
FRANKFURT	3.90%
BERLIN	4.25%
PARIS	4.25%
DUBLIN	5.25%

Source: Knight Frank Research. Frankfurt yield Q3 2019

TOP 3 DEALS

MADRID

ALGETE LOGISTIC PORTFOLIO
VENDOR: REDUR
PURCHASER: BARINGS REAL ESTATE
€35 M €835 sq m

Source: Knight Frank Logistic C. Markets

MADRID

KONING PORTFOLIO
VENDOR: CBRE GI
PURCHASER: GRAMERCY (BLACKSTONE)
€30,5 M €540 sq m

Source: Knight Frank Logistic C. Market

BARCELONA

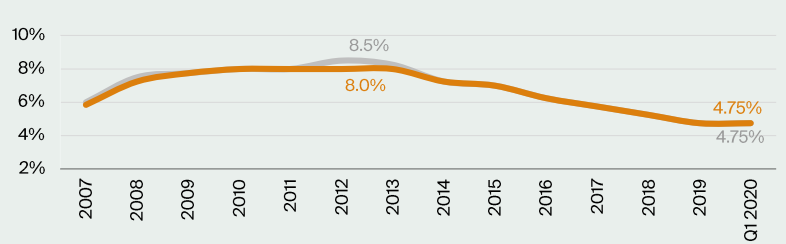
GRANOLLERS WAREHOUSE
VENDOR: PIMKIE
PURCHASER: PROLOGIS
€12 M €630 sq m

Source: EjePrime

The largest transaction of the quarter was Baring's acquisition of a sale and leaseback portfolio from Redur for ca. €35.5 million. The assets comprise a standard distribution unit of 30,000 sq m and a cross-dock unit of 12,000 sq m, both located in Algete, a 2nd ring location on the A-1 north of Madrid.

Prime yields

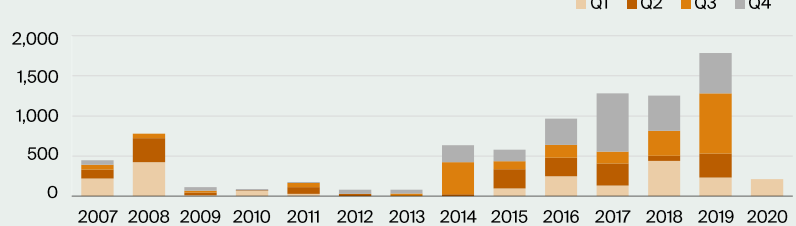
2007 – Q1 2020



Source: Knight Frank Research

Investment volume in Spain

€ millions. 2007 - T1 2020



Source: Knight Frank Research

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

Capital Markets

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