

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

Logistics Snapshot

Q3 2020

MADRID LOGISTICS MARKET



TAKE UP Q1-Q3
2018 - 2020

Q1 - Q3 2018
635,000 sq m

Q1 - Q3 2019
425,000 sq m

Q1 - Q3 2020
700,000 sq m



TOP 3 DEALS
3rd QUARTER

CONFIDENTIAL
ILLESCAS, TOLEDO
200,000 sq m

DIA
ILLESCAS, TOLEDO
68,000 sq m

XPO LOGISTICS
TORIJA, GUADALAJARA
33,000 sq m

Occupier market

Madrid and Barcelona

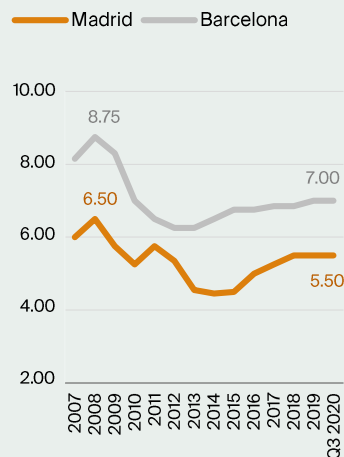
According to the latest available data, e-Commerce turnover reached €12.2 billion in Spain, almost 12% more than in the same period in 2019.

As of 3rd Quarter, 2020, take up in Madrid accounted for 420,000 sq m, more than 55% than that registered in the same period in 2019, and more than 65% cumulatively for the year. The letting of 200,000 sq m for a single operation in a “self-promotion” format stands out. In Barcelona, take up reached around 120,000 sq m, approximately 8% less than in 2019.

In these cities, prime rents have not changed significantly. The vacancy rate stands at 7% (Madrid) and 3.5% (Barcelona).

Prime rents evolution

€/sq m/month. 2007 - Q3 2020



Source: Knight Frank Research

AVERAGE PRIME RENTS BY RINGS

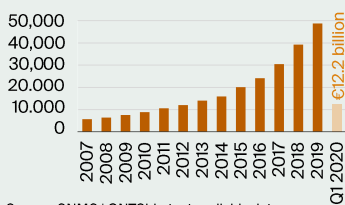
	MADRID	BARCELONA
1 st ring	4.50 – 5.50	5.50 – 7.00
2 nd ring	3.75 – 4.75	4.00 – 5.25
3 rd ring	2.90 – 3.50	2.50 – 3.75

Source: Knight Frank Research

The largest proportion of take up in Madrid has occurred in the 3rd ring, with more than 60% of the total figure. Specifically, Illescas (Toledo) has accounted for the highest amount of take up.

E-Commerce turnover

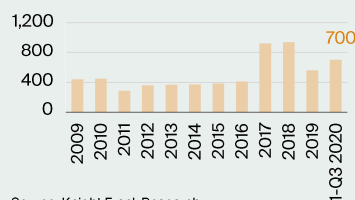
Spain. 2007 - Q1 2020



Source: CNMC | ONTSI. Latest available data.

Madrid take-up

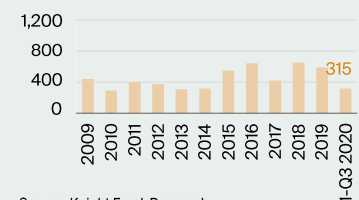
2009 - 2020 (Q1-Q3). Thousand sq m



Source: Knight Frank Research

Barcelona take-up

2009 - 2020 (Q1-Q3). Thousand sq m



Source: Knight Frank Research

Investment market

Spain

During 3rd Quarter of 2020, there was more than €250 M of logistics investment, around 45% more than in the second quarter, and registering around €640 M in Spain so far this year.

Despite recording a lower figure than in 2019, which was an unusual period, it is above average when compared to the last five years and a greater rebound is expected given the significant increase in activity seen in recent weeks and in transactions that are already in their final negotiations. In Q4 2020 we expect to witness moderate yield compression in both Madrid and Barcelona for prime transactions.

EUROPEAN PRIME YIELDS

LATEST AVAILABLE DATA | Q2 2020

BRUSSELS	4.75%
LONDON	4.25%
AMSTERDAM	4.10%
FRANKFURT	3.80%
BERLIN	4.00%
PARIS	4.00%
DUBLIN	5.25%

Source: Knight Frank Research

TOP 3 DEALS

MADRID, GETAFE

AMAZON LOGISTICS CENTRE

VENDOR: PATRIZIA IMMOBILIEN AG
PURCHASER: REAL IS

€86 M 1,480 €/sq m

Source: Logistics C. Markets Knight Frank

MADRID, MECO

PLATFORM MECO LOGISTICS

VENDOR: ICC
PURCHASER: DWS REAL ESTATE IBERIA

n.a.

Source: Cadena de Suministro

YELES, TOLEDO

PLATFORM MEDIA POST

VENDOR: N.D
PURCHASER: CLARION PARTNERS

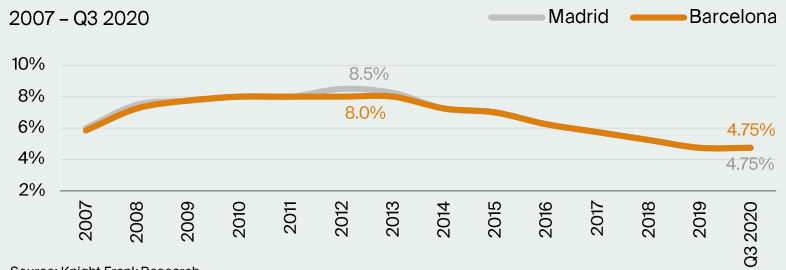
€20 M 538 €/sq m

Source: Logistics C. Markets Knight Frank

Real IS' acquisition of the Amazon sortation centre located in Los Gavilanes, Getafe, is the standout transaction of the quarter. The property was acquired off NPS/Patrizia for ca. €86 M and totals 58,000 sq m of lettable area. Another notable transactions of Q3 2020 was DWS taking full ownership of a 52,000 sq m distribution unit in Meco, Madrid, developed by ICC.

Prime yields

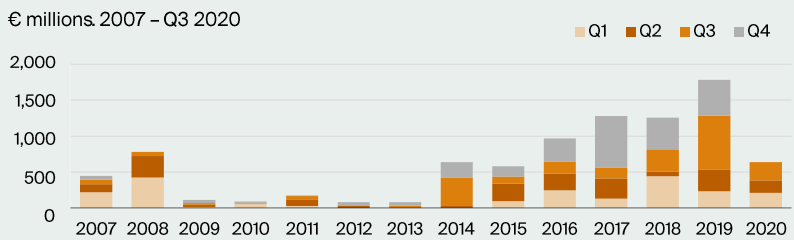
2007 - Q3 2020



Source: Knight Frank Research

Investment volume in Spain

€ millions. 2007 - Q3 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 data, this report is meant to provide market insights as we see them at this time but we wish to highlight the material uncertainty which may cause swift changes in the market. Please get in touch with our team if you would like to discuss in further detail or receive an update regarding market conditions.

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