

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.

Logistics Snapshot

Q4 2020

MADRID LOGISTICS MARKET



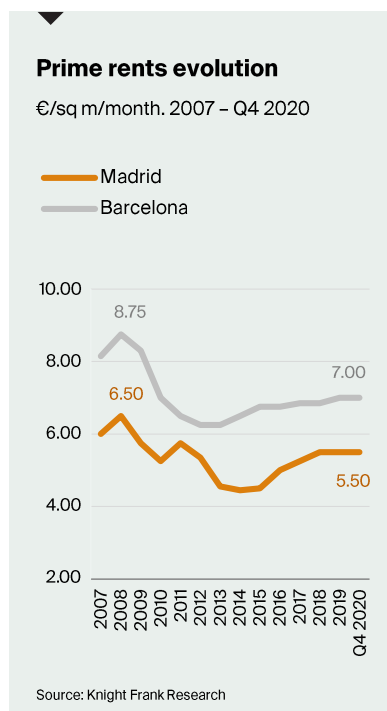
Occupier market

Madrid and Barcelona

E-Commerce registered around € 24,300 M in Spain during the 1st semester of 2020, 6% more than in the same period of 2019. The clothing sector has led during the 2nd quarter.

During the last quarter in Madrid, take up maintained an excellent rhythm and closes with more than 270,000 sq m, close to double that registered in the 4th quarter of 2019, and more than 74% cumulatively for the year, which closed with more than 970,000 sq m. In 2020 in Barcelona take up reached around 415,000 sq m, a decrease of 30% compared to the previous year.

The vacancy rate stands at 7% (Madrid) and drops slightly to 3% in Barcelona.

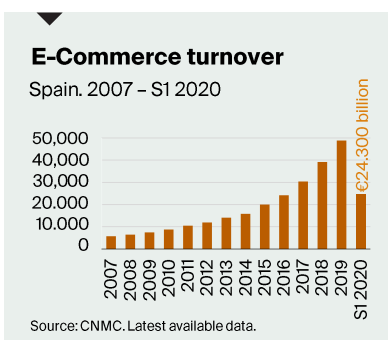


AVERAGE PRIME RENTS BY RINGS

	MADRID	BARCELONA
1 st ring	4.50 - 6.50	5.50 - 7.00
2 nd ring	3.75 - 4.75	4.00 - 5.25
3 rd ring	2.90 - 3.60	2.50 - 3.75

Source: Knight Frank Research

Prime rents have not change significantly. Although the last mile effect causes a slight increase in the 1st and 3rd ring in Madrid.



Investment market

Spain

The year closed with very positive figures, having exceeded € 880 M in the last quarter, more than 75% compared to the same period in 2019, and a record figure if we compare it with the last five years.

The total annual investment is also above that registered in recent years, except for 2019, having reached more than € 1,500 M in the total for 2020. In Madrid, the annual investment is close to € 840 M, similar to the previous year, and in Barcelona around € 320 M, around 25% less than in 2019 but above the average of recent years.

For the moment, the yields in Madrid and Barcelona remain stable.

EUROPEAN PRIME YIELDS

LATEST AVAILABLE DATA | Q3 2020

BRUSSELS	4.75%
LONDON	4.25%
AMSTERDAM	4.10%
FRANKFURT	3.65%
BERLIN	3.75%
PARIS	4.00%
DUBLIN	4.75%

Source: Knight Frank Research

TOP 3 DEALS

MADRID, ALCALÁ DE HENARES

AMAZON LOGISTICS CENTRE

VENDOR: PATRIZIA IMMOBILIEN AG
PURCHASER: PANEUROPEAN INVESTMENT FUND

€112,3 M 1,500 €/sq m

Source: Logistics C. Markets Knight Frank

TARRAGONA, BARCELONA Y SEVILLA

LOGISTICS PORTFOLIO

VENDOR: PROLOGIS
PURCHASER: CLARION PARTNERS

€86 M 640 €/sq m

Source: Logistics C. Markets Knight Frank

MADRID, BARCELONA

EUROPEAN PORTFOLIO

VENDOR: VGP
PURCHASER: ALLIANZ

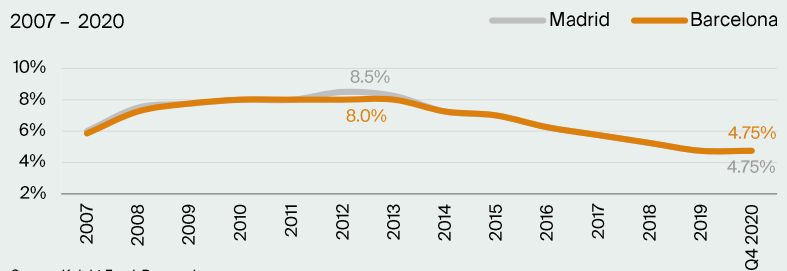
€70 M N.D €/sq m

Source: Logistics C. Markets Knight Frank

The largest transaction of 2020 closed in the last quarter of the year, which was the sale of a logistics warehouse in Alcalá de Henares and is let to the giant Amazon.. Patrizia sells this platform to a fund managed by the same company. Prologis and Clarion Partners lead another of the major deals of the quarter, a portfolio made up of five assets with more than 130,000 sq m.

Prime yields

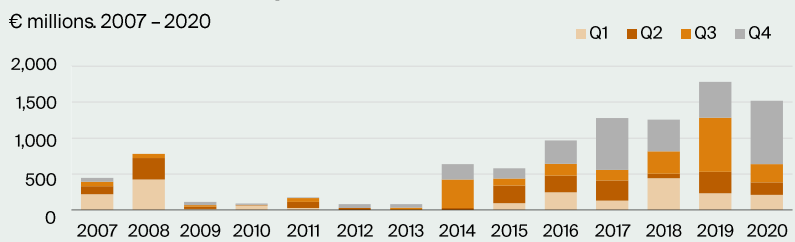
2007 - 2020



Source: Knight Frank Research

Investment volume in Spain

€ millions. 2007 - 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.

Capital Markets

Alejandro Vega-Penichet
Director of Industrial & Logistics
+34 600 919 014

Alejandro.Vega-Penichet@es.knightfrank.com

Capital Markets

Adrián Romero-Amich
Head of Logistics Leasing
+34 600 919 015

Adrián.Romero-Amich@es.knightfrank.com

Capital Markets

James Cowper-Coles
Associate, Logistics Capital Markets
+34 600 919 105

James.Cowper-Coles@es.knightfrank.com

Research

Rosa Uriol
Head of Research
+34 600 919 114

Rosa.Uriol@es.knightfrank.com

Recent Publications



The Data Centre: Q3 2020



Active Capital: 2020

Knight Frank Research Reports are available at
spanish: knightfrank.es/investigacion-de-mercados y en
english: knightfrank.com/research



Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs.

Important notice© Knight Frank España, S.A.U. 2020. This report is published for general information only and is not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank España, S.A.U. for any loss or damage resultant from any use of, reliance or reference to the contents of this document.

As a general report, this material does not necessarily represent the view of Knight Frank España S.A.U. in relation to particular properties or projects. Reproduction of this report in whole or part is not permitted without prior written approval of Knight Frank España S.A.U. to the form and content within which it appears. Knight Frank España is a limited liability partnership registered in the Mercantile Register of Madrid with Tax ID No. (CIF) A-79122552. Our registered office is located at Suero de Quiñones 34, 28002 Madrid.