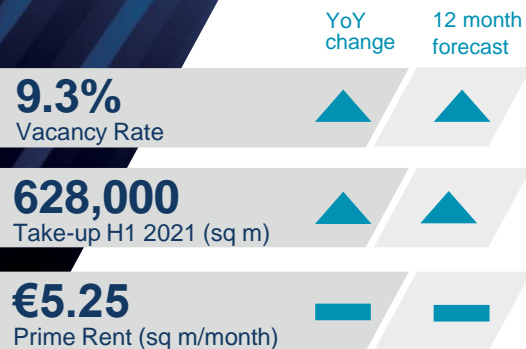


# MARKETBEAT

# MADRID

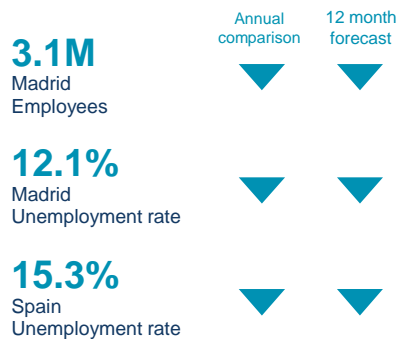


Industrial – Q2 2021



Net Asking Rent

## ECONOMIC INDICATORS June 2021



Source: National Statistics Institute

## The pandemic as a driver

The business volumes corresponding to e-commerce during the second quarter of 2020 (the first quarter impacted by the beginning of the pandemic and the strictest lockdown) showed an increase of 90% in the sale of goods through online channels in comparison with the same quarter in 2019. This enormous rise was due to restrictions on mobility and the fact that, following the imposition of a state of alert, bricks and mortar stores only began to gradually open as of the second half of May 2020.

With the majority of stores and shopping centres open (though under significant restrictions on capacity), online shopping remained highly significant during the third quarter of 2020, showing an increase of 56% in comparison with the third quarter of 2019. This behaviour illustrates the fact that consumers have acquired significant experience in the acquisition of goods through the Internet during the pandemic, leading to a portion of shopping remaining online.

The most recent published data shows that the basket of goods sold online in the fourth quarter of 2020 was 62% larger than that for the same quarter the previous year.

## Space absorption in record level

Thanks to this push from e-commerce, some 282,200 sq m of logistics floorspace was transacted during the second quarter of the year. Logistics take-up reached record levels during the first half of 2021, amounting to a total of 628,000 sq m.

The entire surface absorbed in the first six months of 2021 has been located in the main logistics axes of the Madrid market: 53% in the Henares Corridor (Axis A-2) and 47% in the South Corridor (Axis A-4 + A-42).

The aggregate number of deals for the year-to-date is 31, of which 14 were signed during the months April-June 2021.

With strong demand and operators focusing on quality product, activity on the part of the logistics warehouse construction sector is buoyant.

Currently there are 756,000 sqm of logistics space that is being built and whose delivery is expected before the end of 2023. Almost half of this volume is already pre-letted.

The availability rate was around 9.3% at the end of June 2021, which represents around 920,000 sq m of available logistics area (485,000 sq m are of A quality). With a demand focused on quality, the amount of floor space available of grade A together with the new surface that will be delivered in 2021, will be able to be comfortably absorbed by the dynamics of the market and it is not expected that there will be downward tensions in rents.

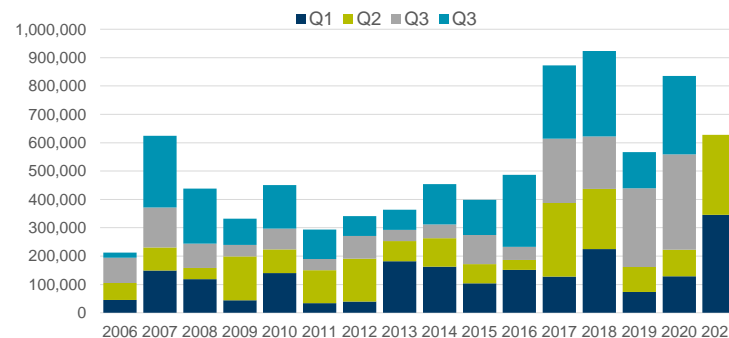
## Stable prime rents and compression of prime yields

Prime rent has remained stable at €5.25/sq m/month. Although space absorption has been robust, the level of supply available in the market remove pressure on rental prices.

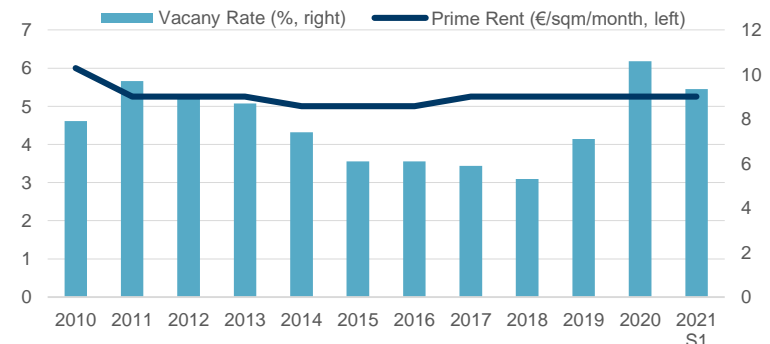
Investment in logistics assets reached €1.425 billion during the first half of 2021. It is, however, important to take into account the fact that the sale of Montepino's logistics portfolio amounted to around €900m.

Prime yields have continued to undergo compression since the beginning of the pandemic, closing the second quarter of the year at 4.15% in comparison with a figure of 5.00% at the close of 2019. Investors continue to have a healthy appetite for the acquisition of logistics assets, whether completed or under development. It is anticipated that yields will continue to suffer compression up to the close of year.

## FLOORSPACE DEMAND by quarter (sq m)



## OVERALL VACANCY AND PRIME RENT



# MARKETBEAT MADRID

Industrial – Q2 2020



## MARKET DATA

SUB-MARKET	STOCK (sq m)	VACANT (sq m)	OVERALL VACANCY RATE	TAKE-UP CURRENT Q (sq m)	Aggregate TAKE-UP (sq m)	UNDER CONSTRUCTION (sq m)	PRIME RENT (€/sq m/month)	PRIME YIELD*
Ring 1	2,663,477	400,618	15.0%	123,837	235,900	308,865	5,3	4.15%
Ring 2	2,837,527	307,191	10.8%	17,005	51,535	16,652	4,2	5.30%
Ring 3	4,328,076	269,959	6.2%	141,341	339,838	430,430	3,5	5.50%
<b>TOTALS</b>	<b>9,829,081</b>	<b>977,767</b>	<b>9.3%</b>	<b>282,183</b>	<b>627,273</b>	<b>755,947</b>		

\*Asking rent with full service

## MAIN LEASE DEALS Q2 2021

Location	Ring / Highway	Tenant	AREA (sq m)	TYPE*
Cabanillas del Campo	3 / A-2	Logista	47,000	BTS
Cabanillas del Campo	3 / A-2	DSV	44,653	BTS
San Fernando de Henares	1 / A-2	Confidencial	29,846	Extension

\*Renewals not included in the take-up figures

## MAIN ACQUISITION DEALS 2021

PROPERTY	Ring / Highway	VENDOR / BUYER	AREA (sq m)	PRICE (€m)
Spain portfolio	-	Bankinter / Montepino	-	900 (aprox.)
Spain portfolio	-	DREAM Industrial / Clarion	91,785	78
Zaragoza	-	UBS / Trajano	72,627	58

## MAIN DEVELOPMENTS DELIVERED IN 2021

PROPERTY	Ring / Highway	MAIN OPERATOR	AREA (sq m)	OWNER
Azuqueca de Henares	3 / A-2	Carrefour	98,757	Merlin Properties
Alcalá de Henares	2 / A-2	-	52,000	Delin Capital

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### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a global leader in real estate services that offers exceptional value by putting into practice ideas for occupiers and owners within the property sector. Cushman & Wakefield is one of the largest real estate services firms, with more than 53,000 employees in approximately 400 offices and 60 countries. In 2019, the company posted revenue of \$8.8 billion in property services, facility and project management, lease deals, capital markets, valuations and other services.

With more than 30 years' experience in Spain, Cushman & Wakefield covers the entire country. The head offices are located in Madrid (Edificio Beatriz, José Ortega y Gasset, 29, 6º) and Barcelona (Passeig de Gràcia, 56, 7º), with a multidisciplinary team of more than 300 professionals. For further information, please visit [/www.cushmanwakefield.es](https://www.cushmanwakefield.es) or follow

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YoY  
change12 month  
forecast**3.1%**

Vacancy Rate

**256,000**

Take-up Q2 2021 (sq m)

**€ 7.25**

Prime Rent (sq m/month)

**ECONOMIC INDICATORS - SPAIN**

June 2021

YoY change

**+5.9%**

Annual change GDP

**15.6%**

Unemployment rate

**12.6%**

Unemployment rate - Barcelona



Source: Moody's

**The pandemic as a driver**

The business volumes corresponding to e-commerce during the second quarter of 2020 (the first quarter impacted by the beginning of the pandemic and the strictest lockdown) showed an increase of 90% in the sale of goods through online channels in comparison with the same quarter in 2019. This enormous rise was due to restrictions on mobility and the fact that, following the imposition of a state of alert, bricks and mortar stores only began to gradually open as of the second half of May 2020.

With the majority of stores and shopping centres open (though under significant restrictions on capacity), online shopping remained highly significant during the third quarter of 2020, showing an increase of 56% in comparison with the third quarter of 2019. This behaviour illustrates the fact that consumers have acquired significant experience in the acquisition of goods through the Internet during the pandemic, leading to a portion of shopping remaining online.

The most recent published data shows that the basket of goods sold online in the fourth quarter of 2020 was 62% larger than that for the same quarter the previous year.

**Take-up at an all-time high**

Thanks to this push from e-commerce, some 136,900 sq m of logistics floorspace was transacted during the second quarter of the year. Logistics take-up reached record levels during the first half of 2021, amounting to a total of 393,100 sq m.

A good slice of the logistics floorspace transacted over the first six months was located in Barcelona's third logistics ring, cornering almost 60% of the total. This increase in share is due to the future 140,000 sq m development that Amazon will pursue on the Far-Vilamallà estate (Girona).

The aggregate number of deals for the year-to-date is 31, of which 14 were signed during the months April-June 2021.

With strong demand and operators focusing on quality product, activity on the part of the logistics warehouse construction sector is buoyant. Up to the close of 2021 it is anticipated that some 470,000 sq m of new logistics floorspace will be delivered to the market. Some 75% of this volume is already pre-let. Moreover, there are plots of ready-to-build land suitable for new logistics warehouses as soon as a tenant is found under either a pre-letting or turnkey formula.

The vacancy rate in the logistics market of Barcelona and its catchment area continues to trend downwards, standing at around 2.5% at the close of June 2021.

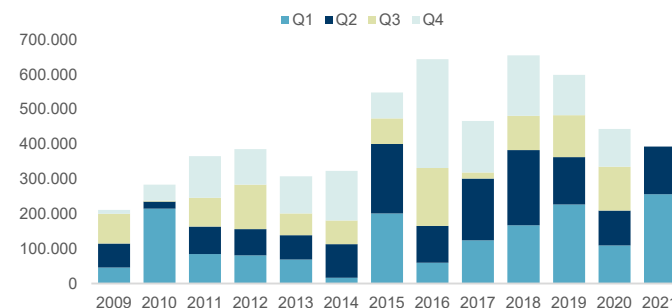
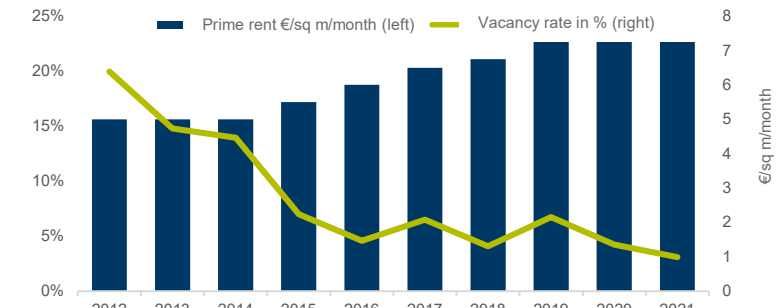
**Stable prime rents and increased compression of prime yields**

Prime rent has remained stable at €7.25/sq m/month since reaching an all-time high at the end of 2019. This is not the same case with respect to rents in the 1<sup>st</sup>, where a slight increase in rents has been detected in the case of new build projects. This is due in part to a rise in land values and to ever-increasing construction costs.

Investment in logistics assets reached €1.425 billion during the first half of 2021. It is, however, important to take into account the fact that the sale of Montepino's logistics portfolio amounted to around €900m.

Prime yields have continued to undergo compression since the beginning of the pandemic, closing the second quarter of the year at 4.15% in comparison with a figure of 5.00% at the close of 2019. Investors continue to have a healthy appetite for the acquisition of logistics assets, whether completed or under development.

It is anticipated that yields will continue to suffer compression up to the close of year.

**FLOORSPACE DEMAND BY QUARTER (sq m)****OVERALL VACANCY AND PRIME RENT (€/sq m/month)**

# MARKETBEAT BARCELONA

Industrial Q2 2021



## MARKET STATISTICS

SUB-MARKET	STOCK (sq m)	VACANT (sq m)	OVERALL VACANCY RATE	TAKE-UP CURRENT Q (sq m)	TAKE-UP YTD (sq m)	UNDER CONSTRUCTION (sq m)	PRIME RENT (€/sq m/month)	PRIME YIELD*
Prime	1,315,424	23,101	1.8%	29,827	58,156	100,825	7.25	4,15%
Ring 1	2,050,099	13,454	0.7%	24,600	44,450	185,116	6.50	5,00%
Ring 2	2,283,374	120,736	5.3%	35,486	64,620	12,800	5.75	5,50%
Ring 3	1,739,470	73,842	4.2%	46,974	225,846	190,500	4.75	5,75%
<b>TOTALS</b>	<b>7,388,367</b>	<b>231,133</b>	<b>3.1%</b>	<b>136,887</b>	<b>393,072</b>	<b>489,241</b>		

\*Asking rent with full service

## MAIN LEASE DEALS Q2 2021

Location	Ring / Highway	OPERATOR	AREA (sq m)	TYPE
Les Planes	3 / AP-7	ID Logistics	34,000	-
Can Oller	1 / AP-7	Amazon	20,000	-
Pratenc	Prime / Prime	Makro	14,232	-

## MAIN PROJECTS DELIVERED IN 2021

PROPERTY	Ring / Highway	MAIN OPERATOR	AREA (sq m)	LANDLORD
El Prat de Llobregat	Prime / AP-7	MAKRO	13,228	Crossbay
Castellbisbal	1 / AP-7	-	13,289	Confidential
Ripollet	1 / AP-7	Roland;Rajapack	3,530	Clapé

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