The Spanish economy continued to expand during the second quarter with growth of 0.7%.

Logistics space take-up in the second quarter was 34,230 sqm. It is lower than the quarterly average figure of recent years, but the total for the first six months of the year does not indicate a slowdown. At 186,510 sqm, logistics take-up represents an increase of 34% compared with the first half of 2015 (a record year).

The logistics hub A-2 is where most take-up was registered in the first half of the year, with 76.5% of the total space contracted and 12 of the 19 operations.

The available logistics supply was approximately 620,000 sqm of which only 10.7% are high quality warehouses. Space of intermediate quality is 32.7% of the total and the remaining 56.6%, are low-quality warehouses. The vacancy rate decreased from 9.5% to 9% and continues to fall.

The average rental price remains around 3.5 € / sqm / month, although the forecast is for gradual increase for the end of year. The maximum rent remains at 5.5 € / sqm / month.

Logistics assets yield suffers more pressure and prime yield reducing by half a percentage point from 7 to 6.5%. Logistics assets are attractive for different types of investor and new acquisitions in the coming months are expected.

Domestic demand remains the main driver of recovery and the good performance of consumption will continue to stimulate business activity. Strong demand for logistics product is expected as well as yields contraction. The Spanish labor market continues to recover and the latest employment figures show positive results. The forecast of positive GDP growth at 2.7% remains for this year, although it is likely to be revised upwards in the coming months.