LOGISTICS BARCELONA — FIRST QUARTER 2017

CONSTRUCTION MACHINERY COMES BACK ROARING

Economic activity in Spain continues to expand and Gross Domestic Product (GDP) during the first quarter of 2017 was similar to that of the previous 8 quarters, rising by some 0.8%. Domestic demand based on consumer spending continues to drive economic activity.

Gross take-up of logistics floorspace within the market of Barcelona and its area of influence amounted to 125,000 m² in the first quarter of 2017. Bearing in mind that take-up per quarter shows some degree of spread in terms of volume, the average take-up for the last 8 quarters (2015 and 2016) has been calculated instead (excluding the Mango transaction owing to its size ~ 119,000 m²). These last two years represent a period of recovery and the beginning of consolidation of the logistics sector in Barcelona. The quarterly average stands at around 130,000 m². In comparison with this benchmark, the volume transacted in the first quarter of 2017 reached the same level. Around 60% of occupancy at the beginning of the year came about in the national arc, whereas only 14% corresponded to the local arc. The low level of transaction activity in the local arc is to be expected given the lack of floor space available in this area.

Rental prices continue the trend of moderate quarter-on-quarter increases seen since the beginning of the recovery of the sector.

Capital market liquidity is still flowing towards real estate and the yield on prime assets continues to compress, falling to 5.9%.

E-commerce continues to represent a driver for the market and will shape future demand. E-commerce turnover in 2015 reached 20 billion Euro, exceeding the figure for 2014 by 26%. The sales figures for 2016 will undoubtedly be higher once again. This type of business requires certain types of facilities (cross-docking) and distance from the urban centre and ease of access of units represent key factors in meeting delivery times.

The vacancy rate fell during the first quarter, reaching 4.1%.

Faced with the lack of extensive floorspace and the strong performance of the market, operators are choosing to build their own units by means of turnkey developments. Construction sprung back into life at the beginning of last year and it is anticipated that 486,000 m² of bespoke projects will be handed over during the period 2016-2018.

Take-up volume evolution and GDP

Vacancy rate evolution

Maximum and minimum rent evolution

Logistics rings Cataluña

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