LOGISTICS BARCELONA — THIRD QUARTER 2017

RENTS TRENDING UPWARDS

The Spanish economy is continuing along the path of growth, reporting a quarterly increase of 0.7% during the third quarter of 2017. This amounts to two points below the figure for the previous quarter. The strength of consumer spending, together with growth in construction and the strong performance of exports, have enabled the economy to continue growing at a steady pace.

Take-up of logistics floorspace in Barcelona during the third quarter reached 77,100 m², some 31% less in comparison with the previous quarter and almost 50% below both take-up and the number of deals for the same period in 2016. This is due to more moderate activity during the months of July and August.

When compared in aggregate terms with the figure for take-up during the first three quarters of 2016, a fall of 10.5% is observed. Nevertheless, it must be borne in mind that during 2016 some very large-scale deals were struck (119,000 m² and 60,000 m² by Mango and Amazon respectively).

Take-up during this last quarter has been focused on zones furthest from the urban core of Barcelona, 50% of occupation occurring in the national arc. This is the case with the deal struck by Naeko which, with a volume of 20,000 m², represents the most significant transaction during the period. Even so, 27.6% of demand opted for the local arc. This is the case with Amazon, which signed for 9,300 m² in the zona franca area of the city, continuing its commitment to areas close to the urban core due to the conditions required by its business model, i.e. e-commerce, prioritising ease of access in order to reduce delivery times.

The strong level of logistics market activity is sustaining the upward trend in rental prices, rents in the most exclusive zones having risen to €6.30/m²/month, generating average rents of around €4.60/m²/month. Of particular note was the deal struck by Amazon in the Zona Franca at €7.60/m²/month, due to the low degree of land occupancy and the fact that it represents the most exclusive location on the market.

The volume of available floorspace continues to fall, the scarcity of logistics units exceeding 20,000 m² being particularly alarming. Nevertheless, it is anticipated that this will increase over the coming months as a consequence of future developments entering into the market and units which will become vacant within the near future.

The logistics sector remains of great interest to investors, the yield for PRIME logistics units being below 6%.

Take-up volume evolution and GDP

Vacancy rate evolution

Maximum and minimum rent evolution

Logistics rings Cataluña