At a glance - Q2 2018

LOGISTIC MARKET BARCELONA

TAKE-UP ABOVE EXPECTATIONS

Spain continues to grow at a good pace. The economy is still immersed in a process of consolidated growth, and the annual variation of GDP in the second quarter of the year has been around 0.6%. This rate is one tenth lower than that registered in the first quarter of the year. This growth, driven by economic fundamentals, has had as main pillar the domestic demand and the stability of public demand. The labor market continues to expand, the unemployment rate decreases to 15.28%, having reduced 1.94 points in the last year. For 2018 the growth forecast is maintained at 2.8% and 2.5% in 2019.

The take-up of 199,208 sqm of logistics floorspace in Barcelona during the second quarter of 2018 broke records and is the best second quarter since 2007. The aggregate for the half year amounts to 385,098 sqm, representing an increase of 63% in comparison with the first half of 2017. This is above the average for the last three years by some 40%.

54% of total occupancy was centred on the Regional Arc, where more than half of the deals for the quarter were signed along with many of the largest transactions. Among others, stand out the signature of 48,314 sqm by Vente Privée, being the most important operation of the quarter. 32% of the demand has opted for the national arc, where it stands out 28,000 sqm in Barberá del Vallés. 14% of logistic take-up has been done in the local arc.

The volume of vacant floorspace continued to fall during the second quarter due to dynamic take-up and the lack of deliveries. The vacancy rate stands at 2.4% and it is envisaged that this will continue to fall.

Rental prices also mirror this dynamism. The prime rent remains at €6.50/sqm/month, the same level as the previous quarter, having increased 3% since the close of 2017. The average rents for the three logistics arcs (local, national and regional) exhibited a slight increase of 2% over Q2 2017, standing at €4.60/sqm/month during the first half of 2018. The force of logistics take-up points towards increases in rents over the coming quarters.

It is anticipated that around 60,000 sqm of logistics warehouses will be delivered by the close of 2018. Developers see the prospect of new developments as viable, even in the case of speculative projects. Projects are being given the green light because of the scarcity of product, the outlook for rental improvements and the growth in business activity.

With dynamic take-up and vacancy levels at all-time lows, plus some new supply coming to the market, it is a promising scenario for investors. Investment funds see a good opportunity in this situation and are acquiring land for the development of new warehouses.

Direct investment in logistics warehouses in Spain has not been very dynamic during the second quarter. However, the accumulated volume of the first semester is close to 400 million euros, which makes us optimistic towards the end of the year. Investors, in the absence of supply of rented product, are betting on project developments and new investment products. The Prime Yield stands at 5.85% in Madrid and Barcelona.

Moreover, e-commerce continues to grow at an annual rate of 20% in sales volumes, with a consequent impact on the logistics sector. Sales through omni-channel sources will continue to introduce changes and improvements in supply chain efficiency. Both drivers, the lack of vacant floorspace and the need for warehouses with the specifications necessary to support Internet based sales, will lead to an increase of stock with quality product on offer.
### AT A GLANCE - LOGISTICS BARCELONA - JULY 2018

**INVESTMENT VOLUME**

![Investment Volume Bar Chart]

**Logistic Investment** 390  
**Total Investment** 4,858

### YIELDS

- Office  
- Logistic  
- 10-year bond (IRR)  
- EURIBOR (12 months)  
- Retail High Street

**Prime Yield**  
- Logistic 5.85%  
- Office 3.25%  
- High Street 3.00%

### MAIN OPERATIONS OF THE QUARTER

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Zone</th>
<th>Logistic ring</th>
<th>Population</th>
<th>Type</th>
<th>Surface</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>Baix Penedés</td>
<td>3- National</td>
<td>Santa Oliva</td>
<td>Leasing</td>
<td>48,314 sqm</td>
</tr>
<tr>
<td>Q2</td>
<td>Vallés Occidental</td>
<td>2- Regional</td>
<td>Barberá del Vallés</td>
<td>Leasing</td>
<td>28,000 sqm</td>
</tr>
<tr>
<td>Q2</td>
<td>Vallés Oriental</td>
<td>2- Regional</td>
<td>Granollers</td>
<td>Sale</td>
<td>25,000 sqm</td>
</tr>
<tr>
<td>Q2</td>
<td>Baix Llobregat</td>
<td>1- Local</td>
<td>El Prat de Llobregat</td>
<td>Leasing</td>
<td>25,000 sqm</td>
</tr>
<tr>
<td>Q2</td>
<td>Baix Llobregat</td>
<td>2- Regional</td>
<td>Sant Esteve Sesrovires</td>
<td>Sale</td>
<td>20,500 sqm</td>
</tr>
</tbody>
</table>
6 BUSINESS LINES
in Europe
A 360° vision

CONTACTS

Jean Bernar Gaudiin
Head of Logistics & Industrial
Tel.: +34 914 549 900
jean-bernard.gaudiin@realestate.bnpparibas

David Alonso Fadrique
Head of Research
Tel.: +34 914 549 900
david.alonso-fadrique@realestate.bnpparibas

Daniela Capote
Research analyst
Tel.: +34 914 549 900
daniela.capote@bnpparibas.com

Leopoldo Guzmán
Research analyst
Tel.: +34 914 549 900
leopoldo.guzman@bnpparibas.com