At a glance - Q2 2019

LOGISTIC MARKET VALENCIA

STRONG DEMAND PUSHES THE VACANCY RATE TO A NEW LOW

The Spanish economy continued to expand during the second quarter of the year. GDP growth compared to the previous quarter is between 0.6% and 0.7% supported by domestic demand. With this quarter, the economy marks 23 quarters of expansion in activity. It also highlights the greater dynamism of exports registered in recent months, plus the continued boost to labor markets from the service sector. The number of people in employment increased by 211,800 people in May with the number of unemployed falling by 84,100 people. The forecast for the end of the year is that the unemployment rate will be around 14%. Inflation remains low and while the CPI will be at 1% at the end of 2019.

The letting of logistic space in the Valencia market reached 65,900 sqm in Q2 2019, distributed across four deals. This brings the H1 figure to 184,148 sqm and means Q1 remains the historic high. The most important operation of this quarter was the signing of a 53,000 sqm turnkey logistics platform in Cheste. The other three deals occurred in Ribarroja.

The vacancy rate continues to decrease, reaching 2.20%, a new low. Most built vacant space is concentrated in Ribarroja, Torrente and Loriguilla. There are potential projects in other locations such as Cheste, Sagunto, Picassent, Quart de Poblet and Masalavés.

The maximum rents are stable at € 4.5 / sqm / month in Almussafes and Ribarroja, while minimum rents are increasing again.

Development is ongoing with a 40,000 sqm facility added to stock in Loriguilla. We anticipate delivery of platforms with a total area of 77,975 sqm during the next 18 months; 37% of this is already pre-let.
### AT A GLANCE - LOGISTICS VALENCIA - Q2 2019

#### Total real estate investment in Spain

- **H1 - 2019** — €5 Billion
- **Logistics Investment**
  - **Q2 - 2019** — €500 M

---

### Investment Volume in Spain

![Investment Volume Graph](image)

### Valencia Logistics Map

![Logistics Map](image)

### Yields

<table>
<thead>
<tr>
<th>Sector</th>
<th>Yield (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail High Street</td>
<td>4.00%</td>
</tr>
<tr>
<td>Office</td>
<td>5.00%</td>
</tr>
<tr>
<td>Logistics</td>
<td>6.00%</td>
</tr>
</tbody>
</table>

---

### Main Deals in Q2 2019

<table>
<thead>
<tr>
<th>Q</th>
<th>Tenant</th>
<th>Zone</th>
<th>Location</th>
<th>Type</th>
<th>Floor Area (sq m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>JYSK</td>
<td>Center</td>
<td>Cheste</td>
<td>Turn key</td>
<td>53,000</td>
</tr>
<tr>
<td>2</td>
<td>GLS</td>
<td>Center</td>
<td>Rbarroja</td>
<td>Lease</td>
<td>6,400</td>
</tr>
<tr>
<td>2</td>
<td>CONFIDENTIAL</td>
<td>Center</td>
<td>Rbarroja</td>
<td>Sale</td>
<td>4,300</td>
</tr>
</tbody>
</table>
BUSINESS LINES in Europe
A 360° vision

CONTACTOS

Jean Bernard Gaudin
Director Nacional Industrial y Logística
Tel.: +34 914 549 900
jean-bernard.gaudin@realestate.bnparibas

Joaquín Ivars
Director Levante
Tel.: +34 933 012 010
joaquin.ivars@realestate.bnparibas

Sandrine Carrierie
Director Valencia Industrial y Logística
Tel.: +34 933 012 010
sandrine.carriere.bnparibas.com

David Alonso Fadrique
Director de Research
Tel.: +34 914 549 900
david.alonso-fadrique@realestate.bnparibas

Daniela Capote
Analista de Research
Tel.: +34 914 549 900
daniela.capote@bnparibas.com

Leopoldo Guzmán
Analista de Research
Tel.: +34 914 549 900
leopoldo.guz.man@bnparibas.com

PROPERTY DEVELOPMENT | TRANSACTION | CONSULTING | VALUATION | PROPERTY MANAGEMENT | INVESTMENT MANAGEMENT

Real Estate for a changing world