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The Logistics Property Telescope

Investment & Financing Keys

Spain 2025

March 18th, 2025

EY Torre Azca, Madrid

Strategy and Transactions

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EXECUTIVE SUMMARY

1 Macro Outlook

Economic outlook is expected to improve, with demand stabilizing at pre- pandemic growth rates

- **GDP expected** growth: **+ 2.3% forecasted to 2025, according to OCDE, compared to a 3.0% growth in 2024.**
- **10.6% unemployment rate as of Q4 2024 expected to continue downturn trend outlook, from 11.8% rate in Q4 2023.**
- **Consumer confidence** raises **7 points in 2024**, from 77 to 85. **E-commerce sales grew by 8%** in 2024 and **the Purchasing Manager Index (PMI) remains well above 50 as of Jan 25, in line with 2024, unlike most countries in Central Europe,** consolidating manufacturing recovery.
- **Yield evolution is expected to remain stable in 2025,** despite financing costs decrease and government bond yields increase.

2 Supply & Demand

- **Take-up figures recovered from 2023 in the three main markets, reaching their 5y avg. take-up. Central Spain** showed an annual take-up (**1m sq.m, +25%** vs 2023), **Catalonia (640k, +16%), Valencia (329k, +3%)**
- **Take-up away from Madrid and Barcelona** keeps gaining weight over the total annual take-up **representing 37% in 2024 vs 26% in 2021. Secondary locations such as** Zaragoza accounted for 210k, Sevilla 94k, Malaga 70k Bilbao 40k, Alicante 30k or Murcia 70k sq.m.
- **Last mile delivery accounted for 40%** of overall take-Up, compared with 44% in 2023.
- **Vacancy increase in Central Spain from 7.9% to 10.3% given delivery of >750k sq.m and the high degree of relocation absorption.**
- However, in **Catalonia vacancy decreases from 5% to 4.7% and in Valencia from 2% down to below 1%** given lack of new product and resilient take up.
- **5.5m sqm of new supply projected for the next 3 years** is not feasible today.

3 Logistic Properties Investment Market

- **Logistics allocation within CRE has followed an unstoppable upward trend since 2014 from 15% to 34% share in 2024,** following **higher consumer levels (28% increase 2024 vs 2019)** and **transportation and warehousing revenue growth (40% increase). This has fuelled M&A of logistics operators and warehouse ownership concentration** race worldwide.
- **Global logistics investment remained flat in 2024 compared to 2023 amounting to €169bn.** Cross-border investment between America and Asia reduced, with Europe gaining weight as middle ground investment receptor (67% in 2024 vs 51% in 2015).
- **Investment in Europe grew 13% to €37bn. Spain share gained weight within Europe from 5% in 2023 to 11% in 2024 (€1.7bn)**
- **Transactions investment pipeline** in Spain expected to reach €1.7bn in 2025, aligned with investment volume in 2024.

4 Financing Activity

- **46% of debt granted in 2024 was by traditional banks actively lending yielding assets in dislocated regions.** However, still reluctant to provide financing on speculative developments in good locations of Madrid and Catalonia.
- **Alternative capital providers on the rise, expanding their share up to 31% of total debt granted in 2024,** open to secure 70% LTC/LTV senior loan facilities and Mezz/Pref Equity tranches (15% all-in).
- **International banks reduced their share to 22%**
- **C. €2.3bn debt expected to be requested in 2025,** including new supply and refinancings.

5 Key Performing Indicators

Key Indicators by location in 2024

	Madrid		Catalonia		Valencia	
	Rent	Cap.V.	Rent	Cap.V.	Rent	Cap.V.
Prime	*8.75*	*2,100*	*9.00*	*2,230*	*5.65*	*1,230*
1st Ring	*6.75*	*1,460*	*7.00*	*1,680*	*5.75*	*1,230*
2nd Ring	*5.50*	*1,290*	*5.50*	*1,200*	*4.25*	*820*
3rd Ring	*4.10*	*790*	*5.25*	*1,040*	*n.a*	*n.a*

Rent *(€/sqm/mth)* **Cap. Value** *(€/sqm)*

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For further information...

Request the Expanded Edition

Contents (+500 pages):

1. **Macro economic** overview related to the office segment
2. **European logistics** market performance
3. **Spanish logistics** market understanding
4. **Madrid / Barcelona supply and demand analysis**
    - **New supply**
    - **Vacancy**
    - **Rents**
    - **Take-up**
5. **Logistics investment share** and transactions pipeline in Spain
6. **Granular Logistic hubs analyzed** (+ 100 locations)
7. **Logistics financing market** main drivers
8. **Detail of most active players** and key **financial terms** offered
9. **Emerging trends** within the office segment
10. **Logistics key investment factors**

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