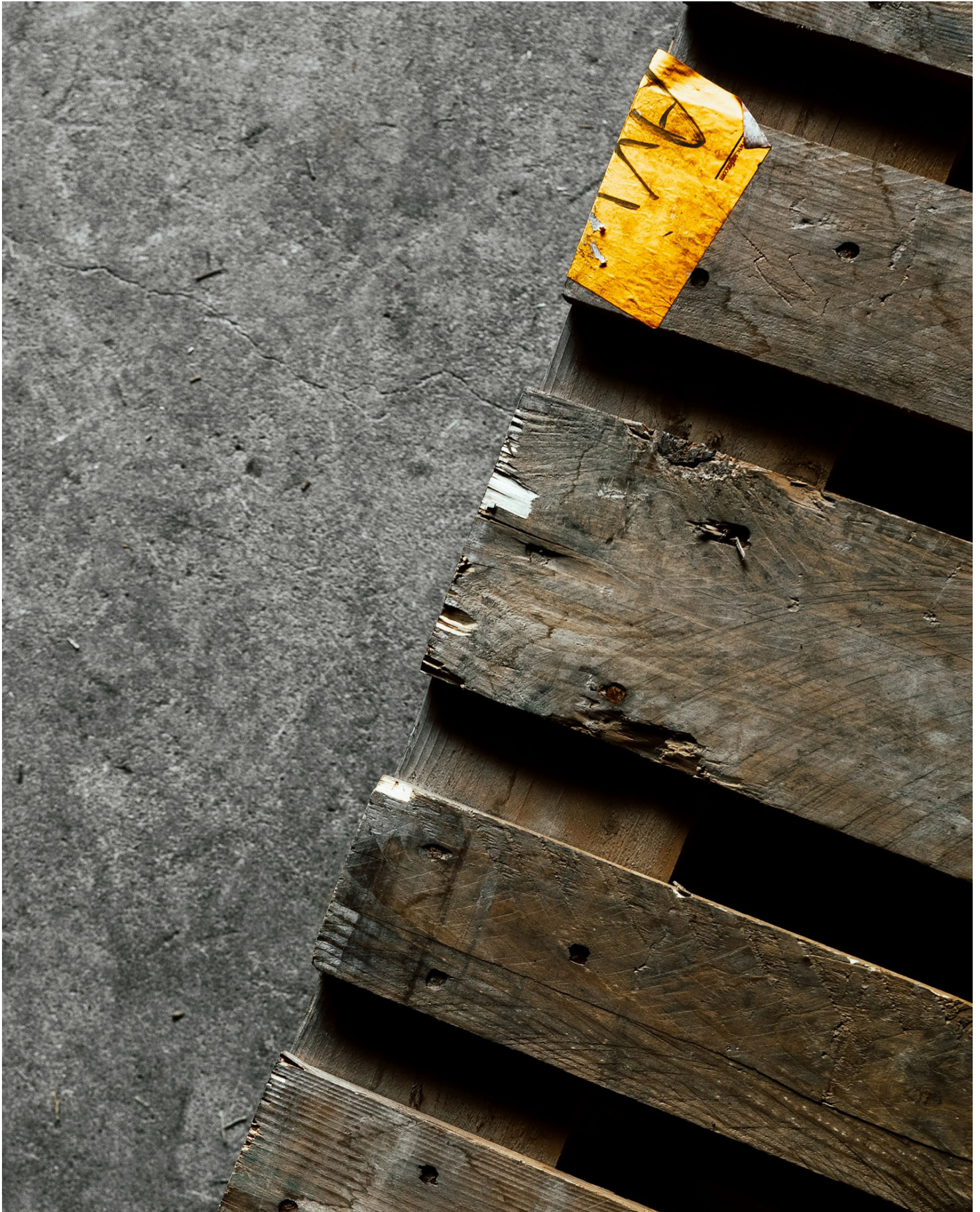


Logistics Market



Madrid

Take-up and demand

The Madrid logistics market recorded its third-best performance in history, once again exceeding a million square metres of gross take-up. Quarterly leasing activity remained highly stable throughout the year, with figures ranging between 270,000 and 295,000 sq m.

Compared to previous periods, the market grew by 10% year-on-year, 64% above pre-COVID levels, and remained broadly in line with the five-year average, just 3% below.

In terms of deals, overall, 97 agreements were recorded, marking an all-time high, surpassing the 92 deals closed in both 2021 and 2022. Q4 alone accounted for 35 deals, significantly boosting the market and far exceeding the 26 deals recorded in Q2 2021.

Activity levels increased by 37% year-on-year, 72% compared to pre-COVID figures, and 18% over the five-year average.

The higher growth in deal number count to total take-up impacted the average deal size, which stood at approximately 11,000 sq m (compared to 13,600 sq m in 2023 and 13,300 sq m over the last five years).

Geographical distribution of activity

The distribution of activity across different zones follows its usual pattern in the third tier, which accounted for nearly 60% of total take-up and 26% of all deals. However, the other tiers saw variations in their typical levels, both in terms of space leased and the number of deals closed.

Urban logistics, concentrated in the central zone, continues to gain market share. In 2024, it recorded just over 105,000 sq m across 20 deals, representing 20% of total annual take-up and 10% of all deals (compared to 7% and 6%, respectively, over the past five years).

The first tier has been impacted by this increased central activity, reducing its market share to 27% (down from 31% historically). This shift has narrowed the gap in average deal size between the two tiers.

Over the past five years, the difference in average deal size has been just over 800 sq m, whereas historically, it was closer to 1,200 sq m.

Looking at specific areas, Corredor del Henares and the South Zone continue to dominate, accounting for 96% of take-up and 97% of total deals. However, the South Zone is steadily gaining market share, representing 49% of space transacted and 55% of deals closed in 2024.

When compared to historical data, the South Zone's growth almost exactly mirrors a proportional decline in the Corredor del Henares' market share. This shift highlights the South Zone's rising importance in the development landscape, with 80% of new supply being concentrated in this market zone.

Rents

Prime rent for high-quality, state-of-the-art logistics warehouses in top locations has maintained its upward trajectory of recent years, reaching €6.15/sq m/month in Q4 2024 (+3% year-on-year). Meanwhile, the highest rent for a standard distribution centre remains at approximately €7/sq m/month, recorded for an inner-city warehouse.

The average closing rent, based on recorded rental deals, reached €5.30/sq m/month—a year-on-year increase of 2.9%.

Although most of the activity was concentrated in the South Zone, rents remained stable there, at €5.36/sq m/month, while the Corredor del Henares, which reached €5.20/sq m/month, experienced a year-on-year increase of 4.5%.

Stock and current supply

Following the delivery of just over 130,000 sq m in Q4, total stock in the logistics market now stands at 13.8 million square metres, with a vacancy rate of 10.9%—indicating that 1.5 million square meters are immediately available.

The South Zone, which has seen significant growth in demand, also holds the majority of supply, accounting for 57% of the market's total, which has pushed its vacancy rate to 14%. The absorption of supply is not keeping

pace with the arrival of new space on the market. Of the total new space delivered across the South Zone in 2024 (841,000 sq m), just 43% entered the market already occupied.

Corredor del Henares, with an available 522,000 sq m, has seen a reduction in vacancy of 25,500 sq m since the beginning of the year, bringing its vacancy rate down to 7.5%.

Among the top five municipalities with the highest availability (each with over 100,000 sq m), three are located in the South Zone (Villaverde, Pinto and Casarrubios del Monte), while one is situated in Corredor del Henares (Alovera).

Future supply

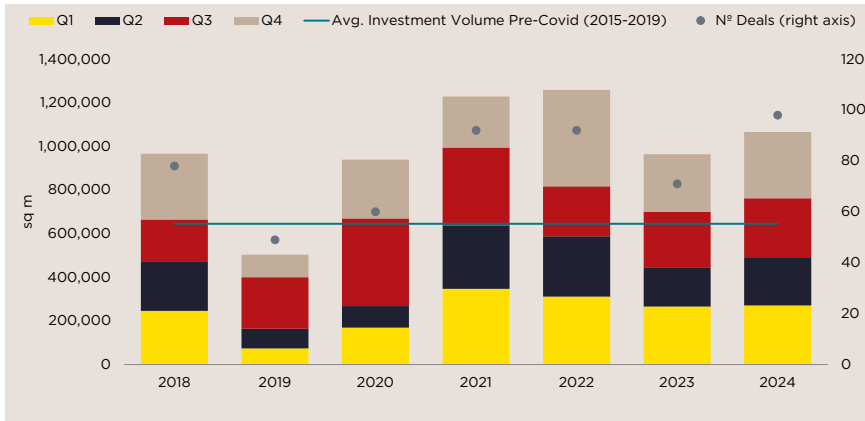
In 2025, approximately 890,000 sq m of new space is expected to enter the market, with 58% already pre-leased.

As is typical, much of this pre-leased space comprises large assets (42,000 sq m on average), with seven out of the 12 occupied warehouses exceeding 40,000 sq m.

In 2025, the distribution across the main logistics hubs of the projected new supply will return to more balanced levels, with the South Zone delivering even less than Corredor del Henares (with 427,000 sq m and 450,000 sq m respectively).

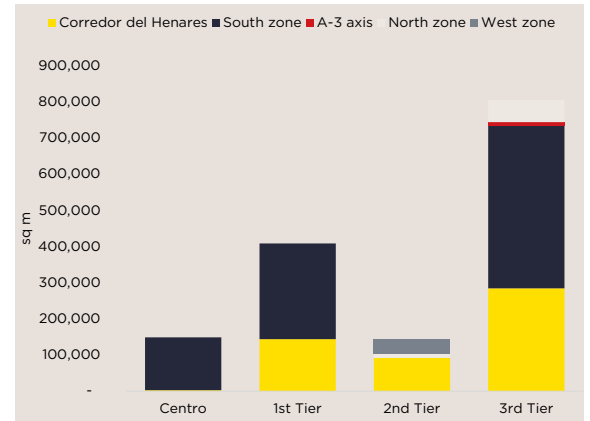
In terms of volume, two major projects spanning approximately 80,000 sq m are set to be completed—one in Torija and the other in Ontígola. Both locations are in the third tier, with one situated in the Corredor del Henares and the other in the South Zone.

Fig. 1 - Take-up and deals evolution
by quarter

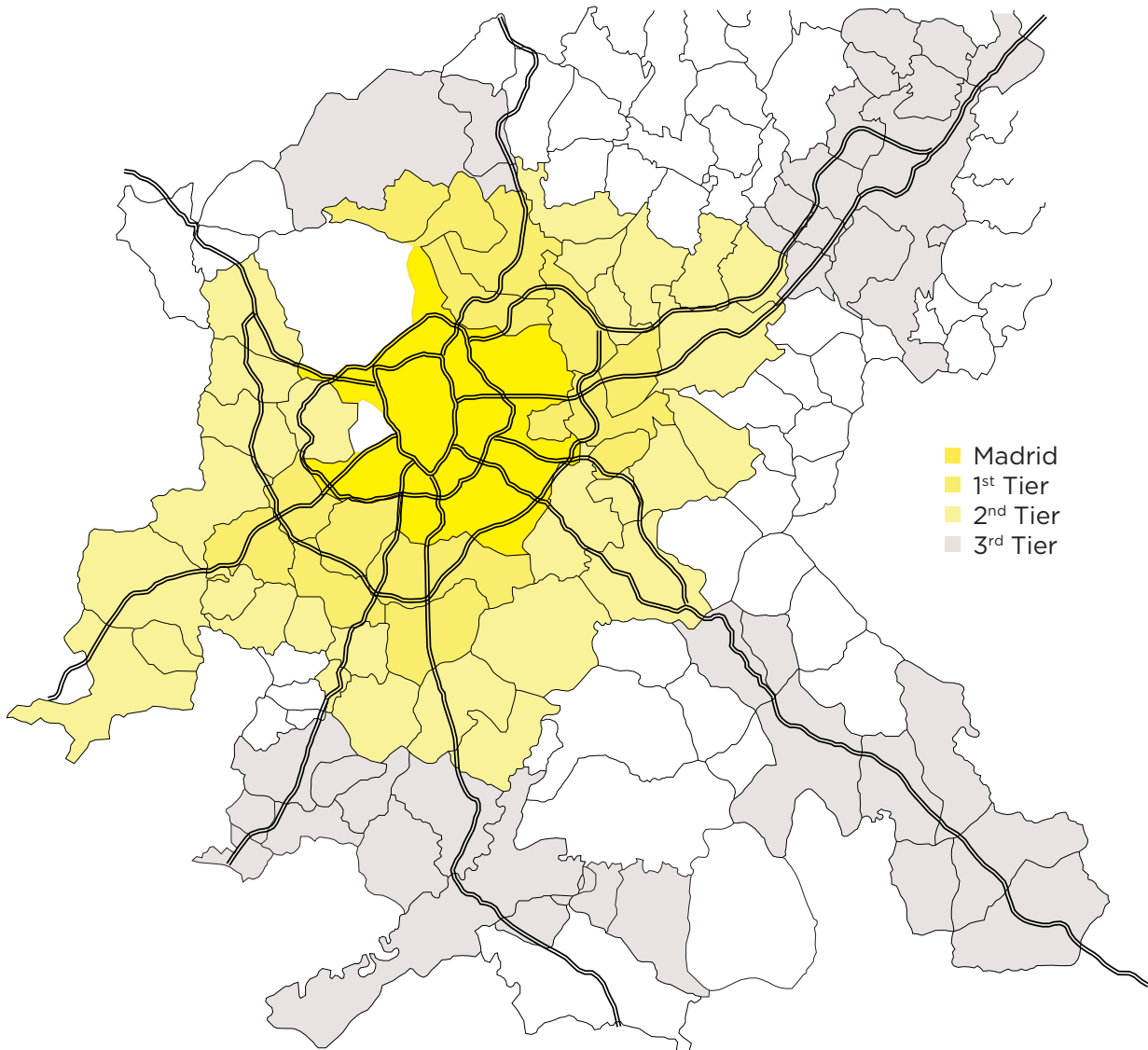


Source: Savills Research

Fig. 2 - Stock Q4 2024
by tier and area



Source: Savills Research



Barcelona

Take-up and demand

Despite the subdued start to the year, when the inertia of the second half of 2023 carried over into early 2024, the year closed at almost 720,000 sq m of gross take-up, a figure greatly boosted by the figures recorded in Q3 and Q4, which accounted for 66% of the annual total.

The comparison with the modest volume for 2023 (504,000 sq m), reflected a growth of 42%. However, when compared to the five-year average, the growth is a more moderate 6%.

The number of deals reached a record high of 68, with Q4 contributing 23 deals—the most in a single quarter in the past decade.

The average deal size rose to 10,600 sq m, marking a 15% increase from 2023 and aligning with both pre-pandemic levels and the five-year average.

In terms of deal size distribution, deals in the 5,000 to 10,000 sq m range were the most common in 2024, nearly doubling year-on-year to 24 deals and representing 35% of the total. This was followed by deals

in the 10,000 to 15,000 sq m range, which accounted for 25%. Both segments gained market share, while deals below 5,000 sq m declined in both the number of deals and market share.

The limited availability of immediately occupiable space continues to drive pre-leasing and self-development activity. This trend has grown exponentially in recent years: in 2019, such activity accounted for just 1% of the total, whereas in 2024, it comprised over a third of the market.

Moreover, the average size of pre-leased and self-developed spaces was 40% larger than that of the rest of the market (13,400 sq m vs. 9,600 sq m).

Geographical distribution of activity

As in previous years, the first tier remained the focal point of market activity, accounting for 39% of total take-up and 46% of all deals. This concentration influenced the average deal size, which stood at approximately 9,000 sq m—lower than in the outer tiers, where the average exceeded 10,000 sq m, peaking at 14,700 sq m in the third tier.

The year's largest deal—a 58,600 sq m lease in El Prat de Llobregat—had a significant impact on the Central Zone's average deal size. Excluding this outlier, the average contracted space in the most urban areas would have been 5,300 sq m.

Vallès Occidental and Vallès Oriental, both within the first tier, accounted for 31% of total take-up and 34% of deals.

Rents

At the end of 2024, prime rents for state-of-the-art logistics warehouses in the best locations reached €8.75/sq m/month, marking a 3% increase compared to Q4 2023.

The highest recorded rent slightly exceeded €10/sq m/month, with two deals at this level—both involving parcel delivery companies, reflecting the growing demand for urban and last-mile logistics.

The average closing rent, based on all recorded rental deals, reached €6.10/sq m/month, representing a year-on-year increase of 3.4%.

Stock and current supply

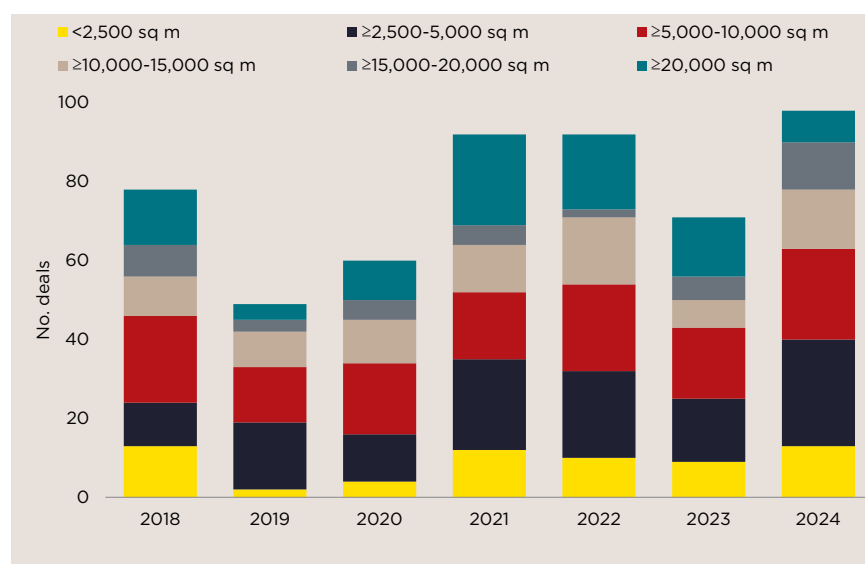
The market remains constrained by a limited supply of available space. By the end of 2024, the availability rate stood at 4.16%, with 460,000 sq m vacant out of a total stock of 11 million sq m. This represents a slight decrease of 0.1 percentage points from the previous quarter and 0.5 percentage points compared to Q4 2023.

Supply shortages are most pronounced in the Central Zone and the 1st tier, where vacancy rates range between just 1% and 2%.

In the 2nd tier, approximately 115,000 sq m of available space accounts for 25% of total vacancies, resulting in a 7% vacancy rate. Meanwhile, the 3rd tier, with just over 245,000 sq m on the market (54% of total availability), recorded a vacancy rate of 9.5%.

Despite greater availability in the 2nd and 3rd tiers, these areas also saw significant pre-leasing activity and self-development projects, representing 47% of total leasing volume and 61% of this type of agreement.

Fig. 3 - Deals by unit size



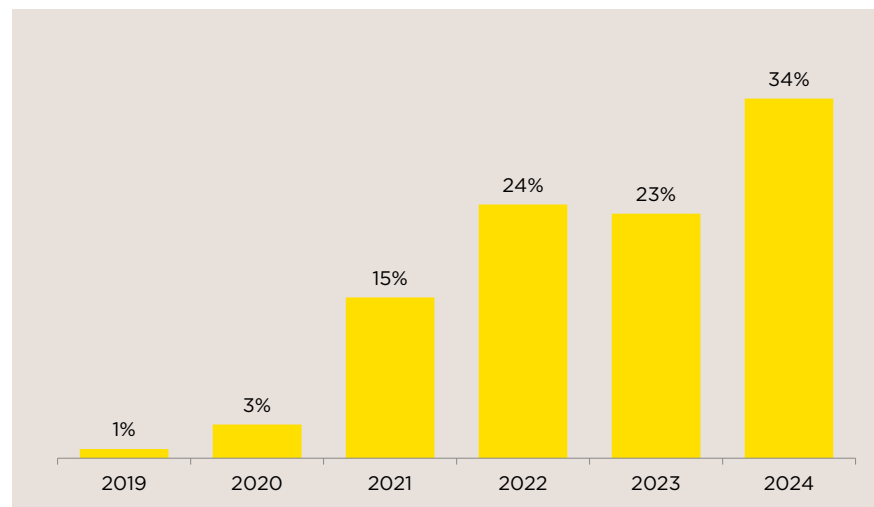
Source: Savills Research

Future supply

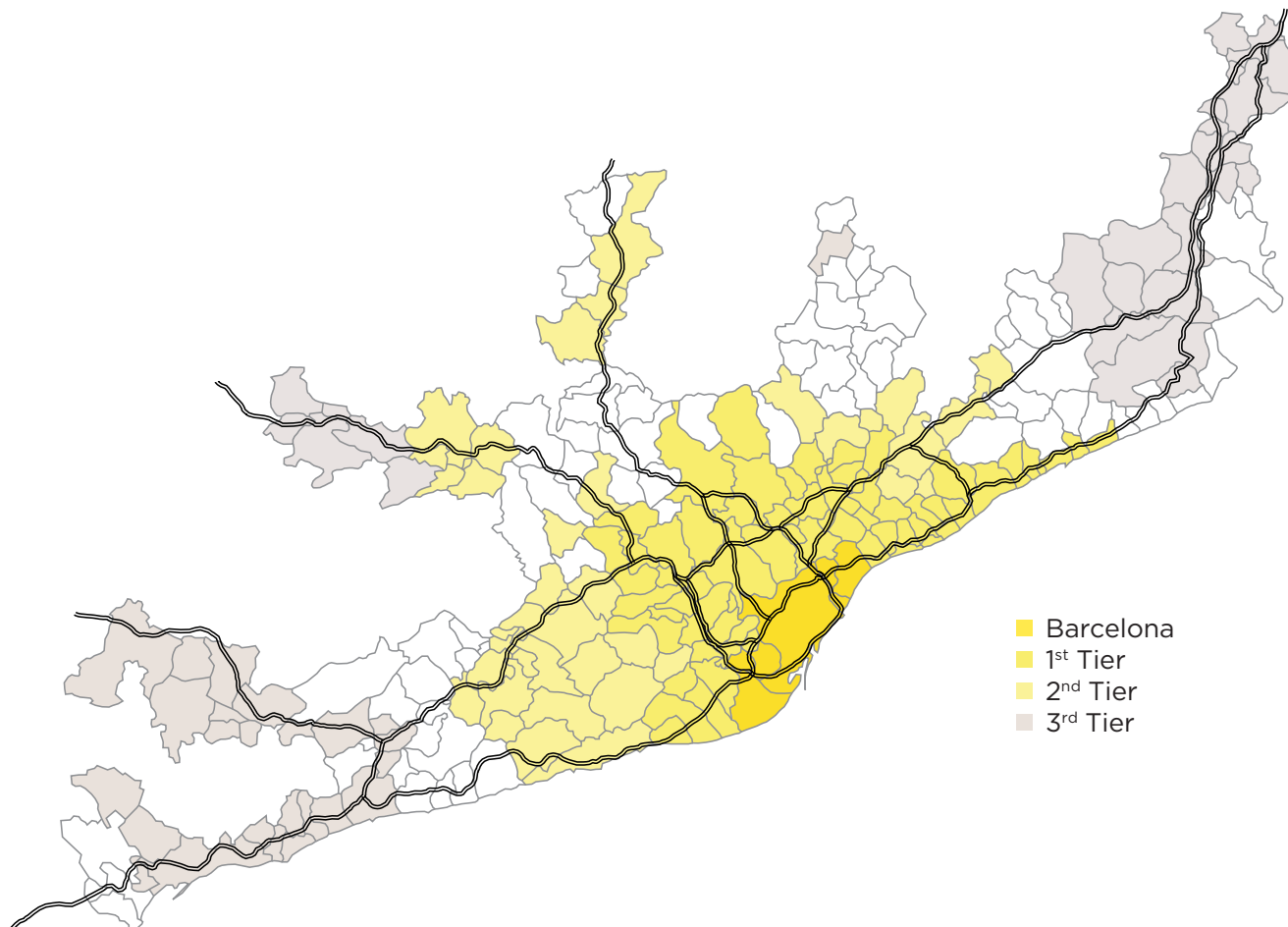
In 2025, approximately 373,000 sq m of new space is expected to be delivered—around 50,000 sq m less than in 2024, reflecting an 11% decline in new development.

Currently, 70% of this upcoming supply (261,000 sq m) remains available, which will not be sufficient to ease market constraints. However, as the year progresses, a portion of this space is likely to be pre-leased, particularly given that most projects are concentrated in Vallès Occidental and Vallès Oriental—two of the most sought-after areas, with low vacancy rates.

Fig. 4 - Pre-lets deals and self-promotion projects
% of the total take-up



Source: Savills Research



Valencia

Take-up and demand

Valencia's logistics market gained momentum towards the end of the year. After a slow start, with just 30,000 sq m transacted, activity accelerated significantly in Q4, reaching 136,600 sq m of take-up recorded. This brought the total annual volume to 377,700 sq m—an increase of 7% year-on-year. This figure slightly exceeds the average of recent years by 11% and more than doubles the pre-pandemic level.

The limited availability of land is the primary constraint on the market. Despite this, 51 deals were recorded, in line with 2023 (+2%) and the five-year average (+5%).

As seen in the Catalonia market, the lack of immediately available space has been mitigated through self-development projects and pre-leasing agreements, which accounted for 32% of total take-up in 2024.

The average deal size across the entire market reached 7,400 sq m in 2024, reflecting a 5% year-on-year increase and a 6% rise compared to the five-year average. However, an analysis of the take-up of under-construction spaces (self-developments and pre-leasing) highlights the mismatch between available supply and a significant portion of market demand.

The average size of pre-leased and self-developed spaces stood at 13,300 sq m (compared to 13,700 sq m in 2023), whereas deals in the rest of the market averaged 6,140 sq m (up from 5,900 sq m in 2023).

In terms of deal-size distribution, the 5,000 to 10,000 sq m range was the most active in 2024, accounting for 35% of market share (18 deals), followed by the 2,500 to 5,000 sq m range with 27% (14 deals). Notably, deals under 2,000 sq m saw a sharp decline, dropping to 18% of total deals—a decrease of 12 percentage points from the previous year and 6 percentage points compared to the five-year average.

Geographical distribution of activity

Tier one areas remain the focal point of logistics activity in Valencia, accounting for the majority of both take-up and the number of deals (78% and 86%, respectively).

Ribarroja, located in the central area of the 1st tier, continues to be the main hub of logistics activity, capturing 31% of total space take-up and 47% of all deals. The average deal size in this area was just over 4,000 sq m, though two deals exceeded 10,000 sq m, both involving logistics operators.

Among the five largest deals (≥20,000 sq m), one took place in Valencia city centre (a self-development project), three in the 1st tier (Albuixec, Cheste, and Loriguilla), and one in Almussafes (2nd Tier).

Rents

Prime rents in Valencia remain stable at €5.50/sq m/month, despite ongoing supply constraints putting upward pressure on prices.

The average closing rent across all recorded deals increased by nearly 50 cents to €4.70/sq m/month, representing a 11% rise compared to 2023.

The highest rental values have been recorded in new-build projects in the first tier and decline with distance from the city centre.

Stock and current supply

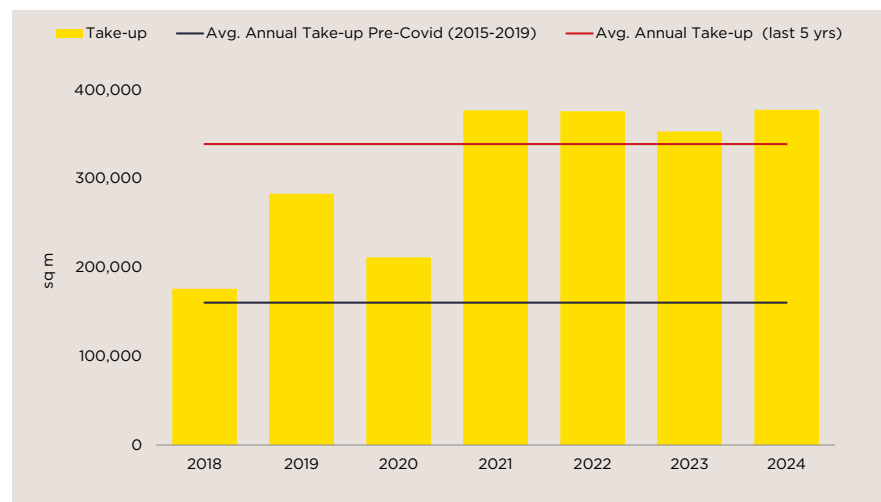
With the addition of 80,000 sq m in Q4, Valencia's logistics stock has reached 4.84 million sq m, edging closer to the symbolic five-million mark.

Ribarroja remains the market's focal point, accounting for 1.36 million sq m of logistics space. However, less than 20% of this stock was developed after 2010. The scarcity of land ready for new development has driven expansion into other municipalities such as Sagunto, Cheste, Paterna and Picassent, which have collectively accounted for nearly 50% of newly added supply since 2020.

On the supply side, logistics space availability continues to decline at a rapid pace. By the end of Q4, Valencia had just 30,000 sq m of vacant space—60,000 sq m less than in Q3—bringing the availability rate to below 1%.

Currently, vacant logistics supply is concentrated in three municipalities: Almussafes, Picanya, and Ribarroja.

Fig. 5 - Take-up evolution



Source: Savills Research

Future supply

In 2025, nearly 350,000 sq m of new logistics space is expected to enter the market—approximately 100,000 sq m more than in 2024, representing a 40% increase. At present, only 30% of this upcoming stock (100,000 sq m) has been pre-committed through self-development or pre-letting pre-let agreements, leaving 250,000 sq m available, which will significantly boost supply.

The largest project, spanning 75,000 sq m, is located in Loriguilla (1st tier of the Central Zone). Additionally, two more developments of 16,000 sq m and 26,000 sq m will be delivered in the same area, making Loriguilla the leading development hub of the market, with a total of 116,600 sq m.

Meanwhile, new projects in prime locations along the A-7, such as Moncada (41,000 sq m) and Silla (nearly 32,000 sq m), will provide logistics operators with additional market options.

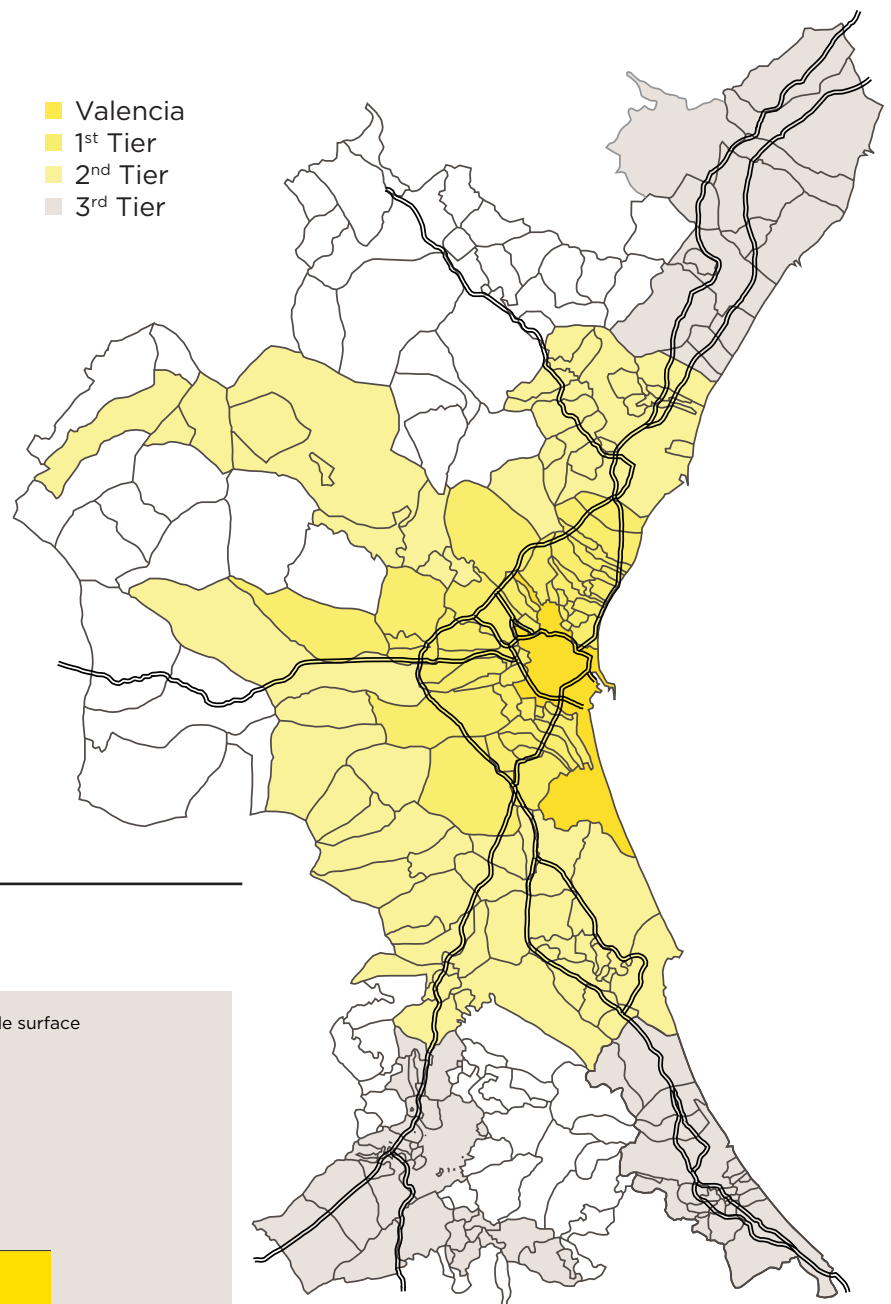
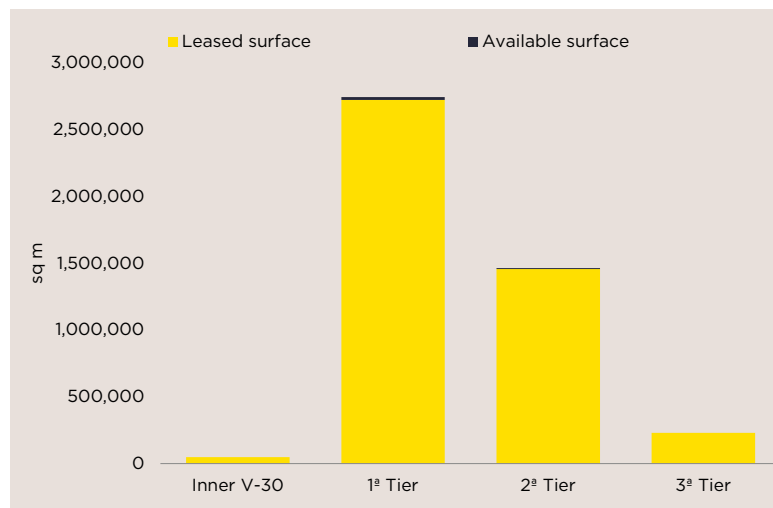


Fig. 6 - Logistics stock Q4 2024
by tier and availability



Source: Savills Research



Investment market

Investment in the logistics market steadily gained momentum throughout 2024, closing the year at nearly €1.5 billion, just 3% below the 2023 total.

Q4 saw the strongest performance of the year, with €510 million transacted, marking a 14% quarter-on-quarter increase.

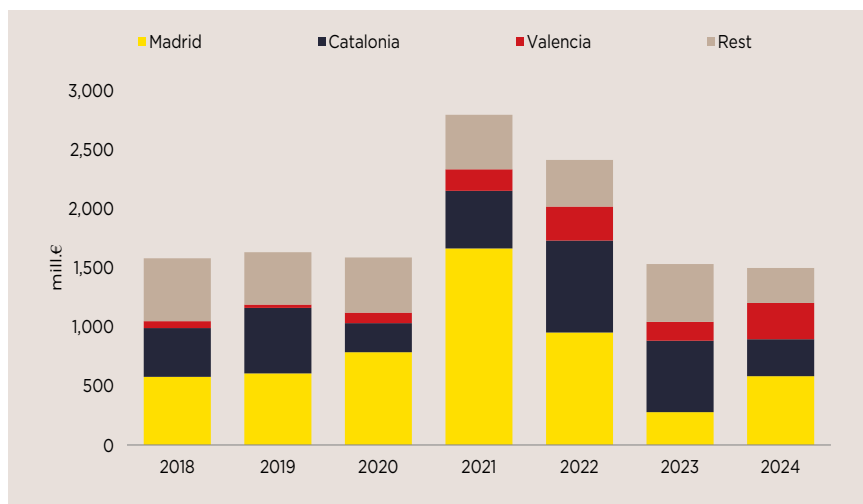
Despite this gradual recovery, a shortage of available assets remains the primary

challenge, as supply continues to fall short of demand.

However, more sales processes are gradually emerging, helping to unlock parts of the market. According to the latest Investor Sentiment Survey, which gathered insights from international investors with over €800 billion in assets under management (AUM), the supply shortage has dropped from the top industry challenge in 2024 to third place in 2025.

The average transaction volume per deal increased modestly by 5% in 2024. However, single-asset deals declined by 16%, while portfolio transactions grew both in number and total volume. Despite this, the average portfolio deal size remained at around €50 million, unchanged from 2023 and still well below the €100 million+ levels of 2021 and 2022, when multiple portfolio megadeals (>€100 million) took place.

Fig. 7 - Logistics investment market by location



Source: Savills Research

In the regional breakdown, the Central Region (Madrid and the bordering provinces of Castilla-La Mancha) captured 40% of total investment (consistent with its 43% share over the past decade), followed by Catalonia, which attracted 21% (a sharp decline from 39% in 2023 and below its 10-year average of 26%). The Valencian region continued to gain significance in an increasingly fragmented market. In 2024, it captured 21% of total investment (>€300 million)—nearly double its 2023 share (11%) and well above its 10-year average (8%). The rest of Spain, which accounted for 285 million, saw its share of total investment in the country decline to 19% of total investment, a notable drop from 32% in 2023 and its 10-year average of 23%.

While international investors have reduced their share across the broader real estate investment market to 50%, they remain dominant in the logistics sector, accounting for nearly 80% of total investment in 2024.



Since June, when interest rate cuts began, core funds have shown increased interest in the Spanish market.

Yields

Unlike other real estate segments, the European Central Bank's (ECB) interest rate cuts since June 2024 have already begun to impact prime yields in the logistics market.

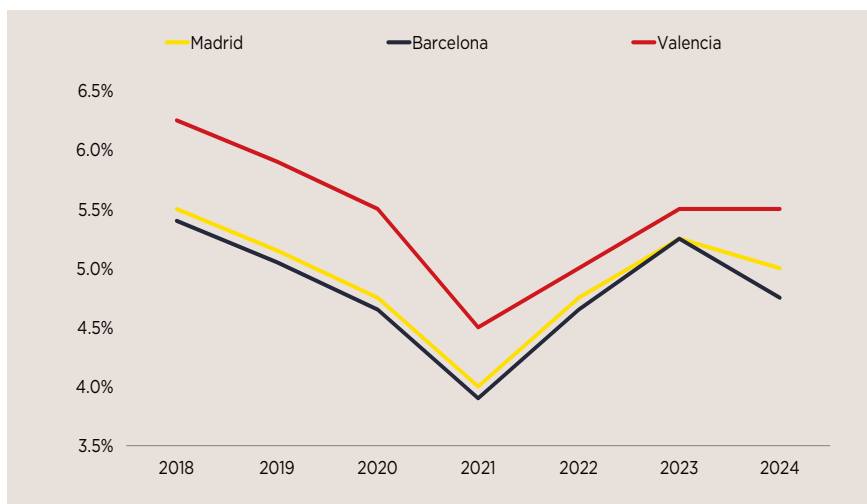
By the end of Q4 2024, prime yields stood at 5.0% in Madrid and 4.75% in Barcelona, reflecting a 25-basis-point (bps) compression in both markets compared to the previous quarter. Notably, among traditional tertiary

real estate segments, only logistics in Madrid and Barcelona and hospitality in Madrid have entered the yield compression phase.

On a year-on-year basis, Madrid saw a 25-bps adjustment, while Barcelona experienced a 50-bps decline.

Looking ahead, with expectations of further monetary policy adjustments, yields are likely to continue compressing, which could serve as a catalyst to bring more assets to market.

Fig. 8- Prime Yields* evolution



Source: Savills Research / *gross

Outlook

The socioeconomic environment and short-term forecasts provide a positive outlook for the evolution of key occupier markets. Active demand suggests that take-up levels in 2025 will align with the five-year average. In markets where supply is under the greatest strain, the lack of availability will continue to be addressed through pre-let agreements and turn-key solutions.

There has been increased activity from occupiers across various production sectors. However, the real impact of the new trade policies introduced by the White House on the industrial sector remains to be seen.

With interest rate cuts, we anticipate short-term yield compression, which should prompt more selling activity. The entry of core and core+ assets is expected, attracting more conservative investors.

For buyers, lower borrowing costs mean more favourable financing conditions.

All signs point to 2025 as a year of renewed growth and momentum in the logistics investment market.

Yield compression will encourage potential sellers, many of whom are already spotting—or are on the verge of spotting—the ideal window to bring assets to market, helping to restore balance between supply and demand.

According to the Savills Investor Sentiment Survey, Big Box Logistics and Urban Logistics are the top segments where major players plan to allocate capital.

The same survey places Spain as the leading investment destination, up from fourth place in 2024.



Savills Research

We carry out a thorough and objective analysis of the real estate market in order to provide our clients with accurate information on the current situation in all sectors, helping them make the right decisions at each moment.

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