

CGL IM Financial Management Limited

Integrity, Collaboration and Commitment

CGLIM

Maintained 0.3% GDP Growth with €298M in Logistics Investments

Spain

Q1 2024

Market Outlook

In Q3 2023, Spain's economy demonstrated resilience, achieving modest GDP growth of 0.3% q-o-q and 1.8% y-o-y, driven by household and public consumption, despite a decrease in exports and investment. Inflation in Spain continued to cool, reaching 3.5% y-o-y in October, and the unemployment rate also fell. Although the industrial sector remained stagnant, the tourism and service sectors continued to drive economic growth. For 2024, the economy is expected to maintain a moderate expansion of 1.4% - 2%, fueled by domestic consumption, the easing of inflation, and support from EU funds.

Spain's logistics market has undergone considerable professionalization in recent years. In Madrid, the total stock has reached 13.2 million sqm, while in Catalonia, stands at 8.2 million sqm. Madrid saw a Q3 demand surge, capturing 77% of Spain's total lease activity during the same quarter. Despite a slight increase in overall vacancy rates, prime rental rates in urban areas maintained moderate growth, indicating a consistent demand for quality spaces. The market outlook remains positive, bolstered by e-commerce and nearshoring trends, amidst expectations of declining inflation, interest rate cuts, and economic growth...

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cglimresearch@cglim.com