

CGL IM Financial Management Limited

Integrity, Collaboration and Commitment



Robust Economy with Resilient Logistics

Spain

Q2 2024

Market Outlook

Spain's economy ended the year on a high note, posting a 0.6% q-o-q uptick in Q4, culminating in a vibrant 2.5% annual GDP growth. This surge is primarily driven by strong household consumption and favorable foreign trade dynamics. The nation shrugged off investment sector wobbles, closing with a 0.6% y-o-y rise—optimistically set for a rebound thanks to public spending boosts and NGEU funds. The PMI indicators echo this upbeat narrative, with thriving in both manufacturing and service sector. Looking forward, Spain is set for a 1.7% growth in 2024, with expectations of further acceleration in 2025, in line with global economic recovery trends.

Spain's logistics market remains a beacon of resilience and growth. In 2023, despite a tempered investment sum of €1.5 billion, a remarkable 47% q-o-q surge in Q4 investment signaled enduring investor confidence. Leasing activity, though down 22% from its 2022 peak, rallied to 770,000 sqm in Q4, concluding 2023 with 1.87 million sqm. Despite slowing demand, key areas like Madrid and Barcelona maintained low vacancy rates, with rents rising 5% to 10% y-o-y in 2023. Emerging markets also excelled, recording growth in leasing activity and rents amid historically low vacancy rates. Anticipated declining interest rates and an economic rebound are expected to fuel continued growth in logistics market into 2024...

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