

CGL IM Financial Management Limited

Integrity, Collaboration and Commitment



Economy Rages on and Resilient Logistics

Spain

Q3 2024

Market Outlook

Spain stands out as a bright spot amid Eurozone gloom, registering a GDP increase of 0.8% q-o-q and 2.5% y-o-y in Q1 2024. This growth is fueled by robust private consumption, strategic investments buoyed by EU funds, and a notably strong performance in service exports. The labor market maintains its vigor with the unemployment rate holding steady at a historic low of 12.3%. Strong wage increases and rising disposable income are poised to further enhance household consumption in the coming years. Meanwhile, inflation, which ticked up to 3.6% in May, is projected to taper off gradually. Both manufacturing and service sector PMIs have advanced further into expansion territory, setting the stage for sustained growth. With these dynamics, Spain is well-positioned to achieve a GDP growth of 1.9%-2.1% in 2024, stabilizing at 2.1% in 2025.

In Q1 2024, Spain's logistics market demonstrated resilience with a take-up of 505,000 sqm, led by Madrid, which experienced a 5% y-o-y growth and reached 232,000 sqm. Despite the new supply, vacancy rates remained low across major hubs, with Madrid at 8.5%, Barcelona at 7.5%, and Valencia at 2.1%. Investment in logistics reached €376 million, capturing 17% of the total CRE investment volume, highlighting investors' confidence and the continued appeal of logistics assets. Prime rents stabilized in Madrid and Valencia, while Barcelona saw remarkable growth. Looking forward, the market is poised for sustained growth, driven by robust fundamentals, anticipated interest rate cuts, and the ongoing expansion of e-commerce and reshoring trends...

Subscribe to get the full report by emailing us

your name, company and job title at:

cglimresearch@cglim.com