



CGL IM Financial Management Limited

Integrity, Collaboration and Commitment



Momentum Holds as Economy and Logistics Expand

Spain

Q2 2025

Market Outlook

Spain's economy grew 3.3% y-o-y in Q4 2024, lifting full-year growth to 3.2%, far above the EU average of 1.0%. Growth was driven by robust private consumption, surging 3.7% y-o-y, a dynamic 4.5% rebound in investment, and steady public spending supported by strategic EU fund deployment. The labor market remained robust, with employment rising and unemployment dropping to 10.61%, the lowest since 2008. Inflation rose to 3.0% in early 2025 due to energy and housing costs, but is expected to ease to 2.5% by year-end and 1.7% in 2026. Investment is gathering pace, supported by EU funding under the 2021–2027 framework. Net exports slightly weighed on growth as imports outpaced exports. Tourism remained a key growth driver, supported by rising international arrivals and spending. Looking ahead, GDP is forecast to grow 2.7% in 2025, fueled by resilient consumption, a strong labor market, and continued investment momentum.

Spain's logistics real estate market closed 2024 on a high note, with rebound in both leasing activity and investment. Leasing volume accelerated in Q4, reaching 715,000 sqm, bringing the annual total to 2.1 million sqm, up 12% y-o-y, driven by strong demand from 3PLs, retailers, and e-commerce operators. Logistics remained a top asset class in 2024, with investment totaling €1.64 billion, up 21% y-o-y, and foreign investors accounting for 80% of the volume. Prime rents continued to rise amid limited availability, while vacancy rates declined across all three core markets, with Madrid at 9.6%, Catalonia at 6.0%, and Valencia falling below 2% due to persistent supply shortages. Supported by sound fundamentals and tailwinds such as e-commerce expansion, nearshoring, and economic recovery, Spain's logistics sector is well-positioned to sustain growth into 2025...

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