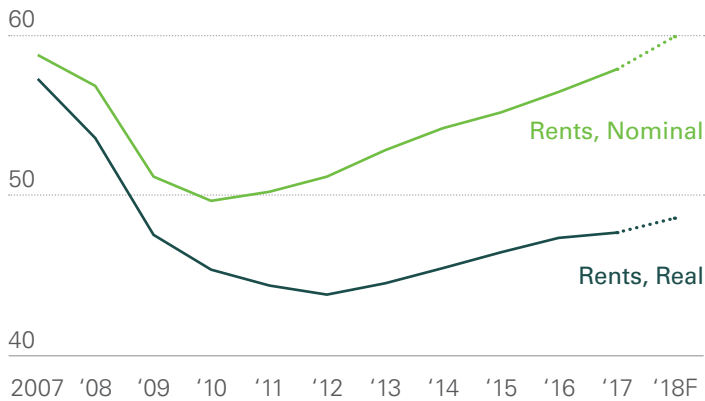


Rent Trends Insight Southern Europe

This insight summarizes key rent trends for logistics real estate in Europe. The full report “Logistics Rent Index” can be downloaded [here](#). Our methodology focuses on net effective rents, headline rents minus incentives, for modern-assets.

RENT GROWTH POISED TO CONTINUE

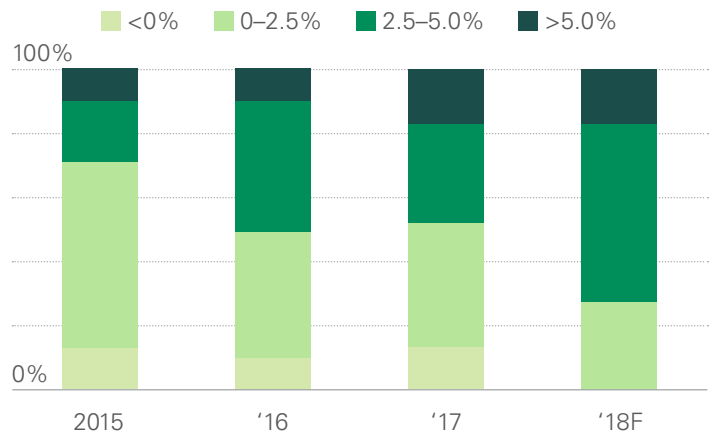
Net Effective Rental Rate, Europe (€/SQM/YR)



Market conditions are changing and rent growth is materializing.

RENT GROWTH HARMONIZING IN EUROPE

NER Growth Rates of European Markets (%)



Expectations for 2018 are strongest in a decade as more markets are expected to show above 2.5% rental growth. Based on growth rates of 41 submarkets.

3 MAIN DRIVERS OF RENT GROWTH IN 2018



1: Economic expansion
Positive economic drivers increasingly fuel demand.



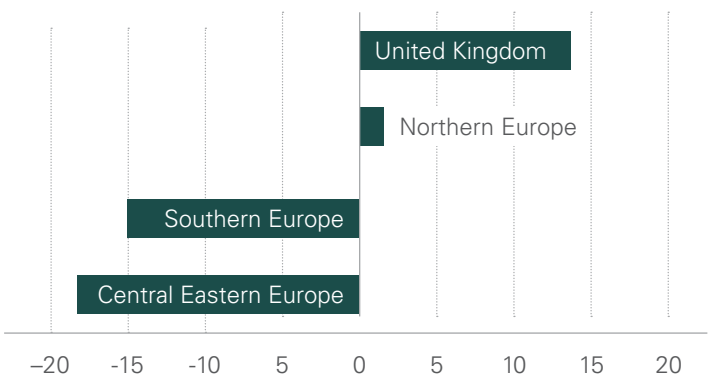
2: Strongest Market Fundamentals in a Decade
Market vacancies have fallen to their lowest point on record.



3: Rising Construction Costs
Construction and land costs are rising at multiples of inflation across Europe.

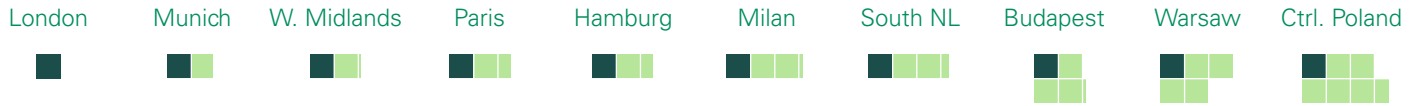
STILL SIGNIFICANT DIFFERENCE IN PERFORMANCE

Current (as of Dec. '17) vs. Prior Peak, Net Effective Rent (%)



Rent growth is harmonizing but there are still differences across the regions. Rents in the United Kingdom are 14% above their prior peak while in Central Eastern Europe its 18% below. A margin of 30%.

RENTAL RATE COMPARISON



Total space you could lease for 1 square meter in Europe's highest rental rate market, London Heathrow

TOP 3 RENTAL GROWTH MARKETS IN 2017

United Kingdom

- 1. South East
- 2. West Midlands
- 3. London

Northern Europe

- 1. Frankfurt-Rhein Neckar
- 2. Rotterdam
- 3. Bremen-Bremerhaven

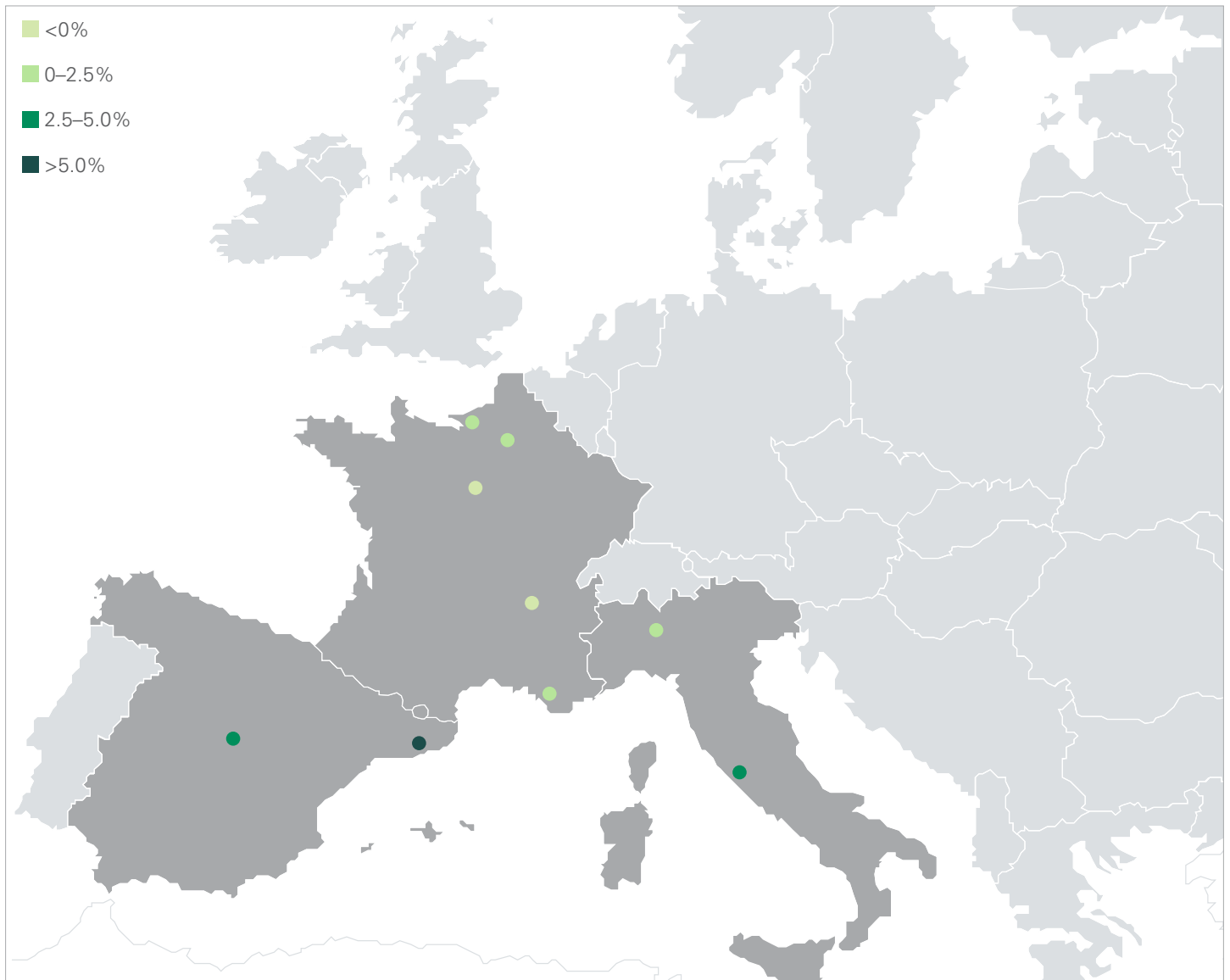
Southern Europe

- 1. Barcelona
- 2. Rome
- 3. Madrid

Central Eastern Europe

- 1. Budapest
- 2. Central Poland
- 3. West Poland

RENT GROWTH SOUTHERN EUROPE IN 2017



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