Aquila Capital

PART 2

SOUTHERN EUROPEAN LOGISTICS REAL ESTATE MARKET

DYNAMIC AND CATCH-UP EFFECTS

Executive summary

- A temporal shift in the economic cycle compared to Western Europe leads to current and forecast higher growth rates in Southern Europe.
- Structural reforms are having an impact and strengthening sustainable, long-term positive economic development.
- Drivers of the logistics sector are developing in the same way as in Western Europe, but more dynamically as a result of catch-up effects.
- The resulting real increase in capacity is clearly evident in national rental markets.
- Positive developments are leading to a sustained rise in investor demand, which is clearly reflected in investment markets.
- A parallel development to Western European core markets can be seen very clearly but is at an earlier stage in the cycle.
- While Western Europe is losing momentum, Southern Europe remains dynamic at a high level and thus offers opportunities with significantly higher growth potential under almost identical fundamental conditions.

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1. Economic framework

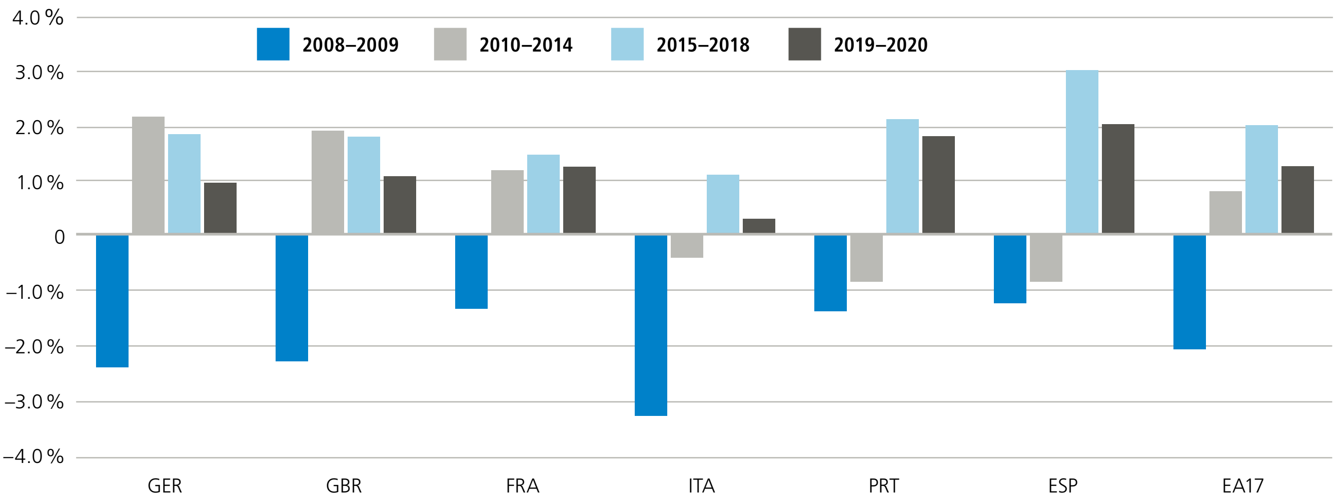
In Part 1, the relationships within the logistics sector were explained on an aggregated level. The expansion of logistics services and applicable fields was traced back to the relevant drivers and their respective characteristics in this context. This approach has shown that fundamental developments accompany the growth of the sector and that additional impulses are generated by intensifying interactions. The development of the industry and in particular its effects on the real estate markets were presented on an aggregated level. In addition, however, it also became clear that the European Union and the Eurozone are characterised by a high degree of heterogeneity between the member states. Taking these results and central differences into account a specific analysis will be carried out with a focus on the southern European countries of Spain, Portugal and Italy. Regarding trends and causal relationships derived from Part 1, their specific characteristics in comparison with the European average and other countries are shown in order to assess the opportunities from a strategic point of view. This also takes into account the opportunity/risk allocation within this region.

The global financial crisis that began in 2008 led to revelation and intensification of historically grown structural deficits, especially in southern European countries. The growth models in Southern Europe focused on the expansion of domestic demand, which led to an expansion of industries producing non-tradable goods (e.g. real estate). The construction sector in particular developed into a growth driver, pushed by both public and private investment, which was accompanied by expansive lending and the associated rise in debt. Additionally, wage developments were decoupled from productivity, as a result of which price competitiveness and thus the export economy deteriorated significantly. The external shock caused by the financial crisis and global recession led to the collapse of the system and was reinforced all the more at corporate level by the high rigidity of labour markets.

Independent from the Southern European peculiarities described above, the financial crisis led to a global recession, the simultaneous effect of which – as shown in Figure 1, illustrated by the yellow bar – led to an initial homogenisation of economic cycles. In order to limit economic losses, there was virtually no alternative to an expansion of government spending financed by corresponding new borrowing. However, this development – combined with structural deficits (especially in Southern Europe) and a global loss of confidence – cast doubt on the sustainability of this new indebtedness. The subsequent valuation on capital markets led to a drifting apart of interest rates, which put considerable pressure on countries in Southern Europe. Only the intervention of the European Central Bank and the historic speech by Mario Draghi, in which he made clear that the ECB would do "(..)whatever it takes to preserve the euro(..)"[2], calmed the extremely tense situation.

While Western European core countries (including Germany, France and UK) returned to growth relatively quickly, as shown in Figure 1 for the period 2010–2014, the recession continued in Southern Europe. In this context, however, extensive structural reforms were initiated in the crisis countries in order to correct the lack of responsiveness of wages and prices and the misallocation of resources in the nontradable goods sector. These structural reforms, which were implemented to a considerable extent, had a corresponding effect

Figure 1: Annual growth rates of economies within specific time periods[1]



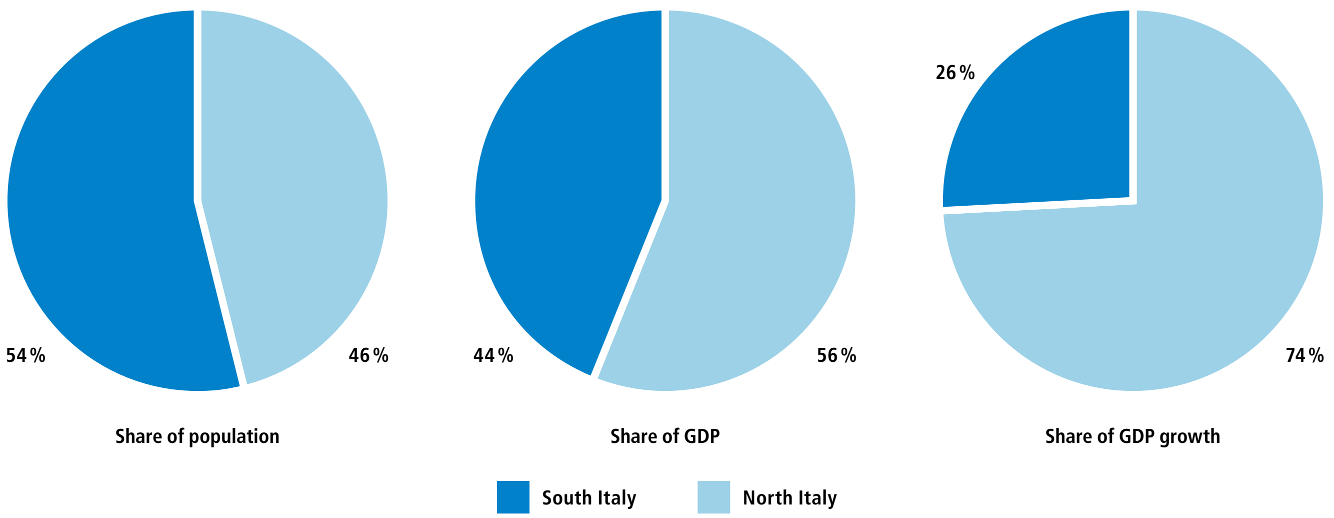
[1] *OECD (2019)*
[2] *Mario Draghi, 26.07.2012*

and strengthened the competitive situation of the southern European states in the long term.[3] The consequences can again be clearly seen in Figure 1. In the period from 2015 onwards, Portugal and Spain recorded growth rates well above the average, while Germany and Great Britain, for example, lost momentum. Portugal and Spain also show sustained higher growth potential in the forecast. Only Italy is less dynamic and, in view of a more mature and considerably larger economy, lags significantly behind Portugal and Spain in this respect. On the one hand, this is due to the fact that Italy did not claim the European rescue package and was therefore less subject to the "reform constraint". On the other hand, however, it should be noted that Italy is characterised by considerable geographic heterogeneity within its territory. The differences in performance, productivity and growth between northern and southern Italy influence the national average but require a differentiated analysis.

Figure 2 illustrates that with less than half of the population, northern Italy generates 56 % of GDP and is responsible for 3/4 of national growth. In the period 2015-2017, an annual growth rate of 2.5 % was registered for the north of Italy, as defined here.[4] Accordingly, taking these conditions into account, Figure 1 would show an analogous positive development of growth for northern Italy, which is between the values of Portugal and Spain and thus also well above the mean value of the Eurozone.

The results show that the market correction and, in certain fields, the market shake-out, although painful, effectively eliminated undesirable structural developments. Structural reforms based on this show the desired effects by improving the competitive situation by increasing the flexibility of wages and prices, reducing heterogeneity within the monetary union and thus showing significantly improved growth and employment perspectives.[5] The delayed onset of economic recovery compared to Western European core countries decouples economic cycles within the currency union, thus offering potential for diversification and growth.

Figure 2: Heterogeneity Northern- and Southern-Italy (2017)[6]



[4] *Eurostat (2019)*
[5] *IW Köln (2015)*
[6] *Eurostat (2019) / Northern Italy: northern NUTS 2 regions down to and including Liguria (Genoa) and Emilia-Romagna (Bologna) I Southern Italy: southern NUTS 2 regions as of and including Tuscany (Florence) and Marche (Ancona)*

2. Development of drivers

In view of the severe crisis and the relatively recent economic upswing, the following section takes a close look at the conditions under which the economic recovery is taking place. The developments in Southern Europe will be analysed taking into account the indicators defined in Chapter 1 as fundamental drivers of expansion in the logistics segment. The research focuses on the question of whether the economic upswing follows the same parameters that we were able to observe overall in Europe, but especially in the Western European core markets. Following Part 1 of this report, the characteristics of these parameters will continue to have a significant and lasting impact on the expansion and the importance of the logistics sector. Furthermore, with a specific view to the respective real estate markets, on the basis of economic developments, diversification and return potentials are estimated and compared to the Western European markets.

2.1 Globalisation

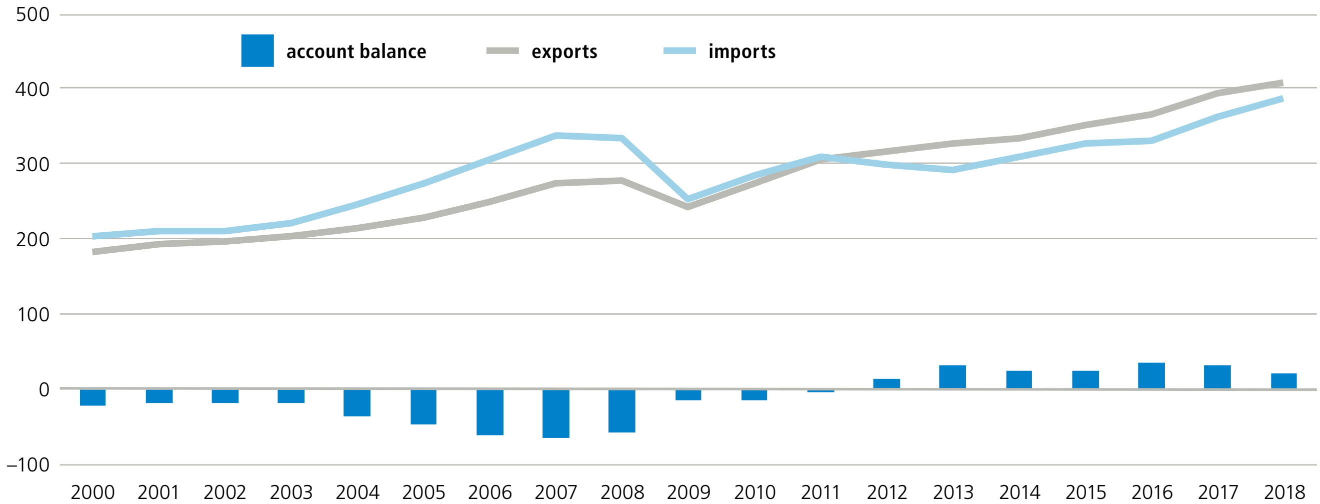
Globalisation is of central importance for the demand for logistics services due to international trade, which also includes preliminary products from vertical production chains. In particular, trade in goods, which triggers cross-border deliveries, has a direct influence on demand for transport.

However, before considering the total trade in goods, which results from the sum of exports and imports, the foreign trade situation of the countries concerned must be analysed in more detail, since sustainability and perspective are of specific importance for long-term investment decisions. In particular, the differences between the current situation and the precrisis period can be clearly seen in the analysis of Spanish and Portuguese foreign trade. Figure 3 shows the course over time using Spain as an example. The situation in Italy and Portugal is relatively similar to this, with the difference that volatility in Italy is lower due to a more balanced current account. Apart from this, the countries show a simultaneous development in terms of characteristics and effects.

Figure 3 illustrates the effects of the expansion of the non-tradable goods sector (especially the construction sector) from the beginning of the millennium to the crisis in 2008. Import requirements of growing Southern European economies were financed by constant current account deficits, which increased until 2007. After the outbreak of the crisis, an improvement in current account balance was bought at the expense of a shrinking economy in order to limit net foreign positions. From 2012, however, in conjunction with the structural reforms, a continuous improvement can be seen resulting in current account surpluses. Since both exports and imports grow from 2013 – i.e. imports will not be simply substituted – the restoration of competitiveness in conjunction with increased export capacity becomes clear. Following these stable basic prerequisites, a comparison can be made with Western European markets.

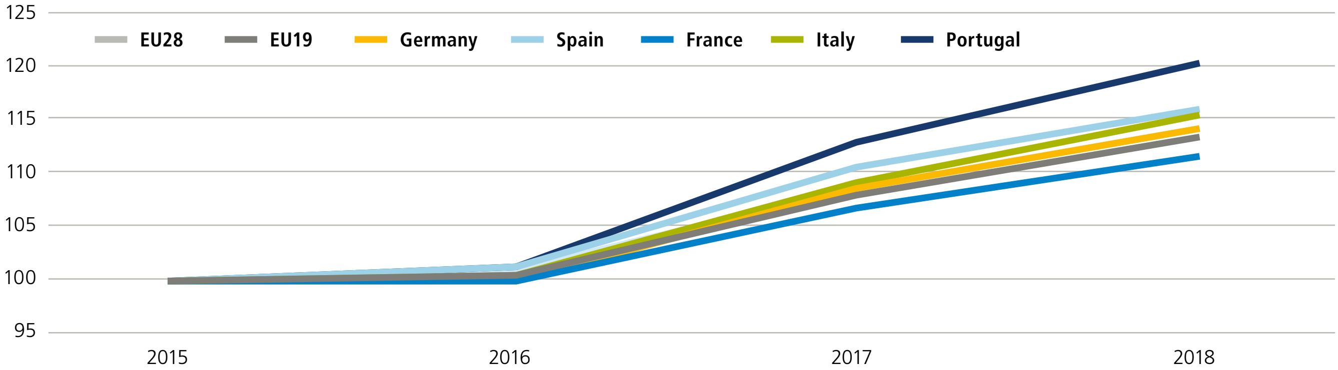
As in Europe as a whole, all three countries show a dynamic increase in merchandise trade which clearly exceeds GDP growth and the difference continues to increase (cf. Part 1, Figure 2).[7] A direct comparison with the rest of Europe reveals another special feature.

Figure 3: External trade Spain (in bn. EUR)[8]



[7] *OECD (2019)*
[8] *Eurostat (2019)*

Figure 4: Index merchandise trade (2015=100)[9]



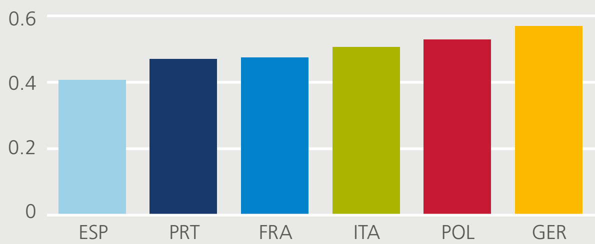
As seen above in line with the onset of economic activity in 2015-2018 (cf. Figure 1), growth in external trade in goods is significantly above average in the southern European countries of Spain (+5 % p.a.) and especially Portugal (+6.4 % p.a.). This development suggests that the same effects occur in Southern Europe as in Western Europe, but somewhat later, based on the time lag between economic cycles. Growth in Italy (+4.3 %) corresponds to that of Germany and is thus slightly below the European Union average (+4.5 %). But the already mentioned differences between North and South have to be taken into account and, in contrast to Portugal and Spain, foreign trade is less subject to structural changes.

In summary, under the heading of globalisation, foreign trade developed similarly to Western Europe. With regard to the higher growth rates in the south, it can be clearly seen that they are characterised by catch-up effects[10] due to the later economic recovery. As a result, similar positive effects on the logistics sector can be expected.

BOX 1

In addition to higher growth, the broad diversification of Southern European merchandise ex-ports across the various sectors should also be emphasised. Using the Gini coefficient,[11] Figure 5 shows the advantages over other European countries.

Figure 5: Gini coefficient as a distribution measure of exports by industry in 2018[12]



[9] Eurostat (2019)

[10] Catch-up effects are particularly evident in Portugal. Portugals external trade was extremely affected because of the poor condition of its main trade partner Spain. Accordingly Portugals recovery registers the highest growth rates.

[11] Distribution measure (GK=0 means absolute equal distribution, i.e. all sectors have the same share in merchan-dise exports / GK=1 means absolute unequal distribution, i.e. one sector is responsible for all merchandise ex-ports)

[12] Eurostat (2019)

2.2 E-Commerce

In line with the approach to globalisation, the starting point for the development of online sales must be analysed before comparison with Europe in order to distinguish sustainable long-term effects from short-term effects. The basis for retail sales and thus also for online sales is disposable income and the resulting private consumption. High private indebtedness due to mortgage loans from the pre-crisis period combined with a sharp rise in unemployment in/after the crisis does not seem to be an optimal starting position.

However, Chart 7 clearly shows that structural reforms, in line with economic recovery, also lead to significant improvements in the labour market. Italy has the lowest employment volatility in the euro area, due to very restrictive job protection laws. In Portugal and Spain, which had the largest job losses, extended flexibility and positive economic conditions are leading to the most dynamic increase in employment in the monetary union. In this context, there has also been a significant decline in the private debt burden, the reduction of which is again most dynamic in Portugal and Spain. While Italy traditionally has the lowest level of private debt in the Eurozone, Portugal and Spain have almost reached the average level after record levels, which are mainly attributable to property financing from the pre-crisis period. Both developments are interlinked and have a correspondingly positive impact on disposable incomes. This gives the most important growth driver, private consumption, sustained positive impetus. As a result, the growth potential for retail sales will rise to a high level, from which online trading should also benefit significantly.

Following the global trend, online-sales in Southern Europe also register significantly higher growth rates than the overall market. In line with the economic recovery, online sales show the growth potential resulting from catch-up effects. Starting from 2016, including the forecast for 2019, Spain, Portugal and Italy register the highest growth rates. While online revenues in Southern European countries are growing between 17 % (Portugal) and 20 % (Spain, Italy), Western European core markets such as Germany (+10 % p.a.) and the UK (+11 % p.a.) have already lost momentum.[13] The remarkable growth rates show a high negative correlation between market share and sales growth, which is typical of catch-up processes.

Figure 7: Index of employment (2013=100)[14]

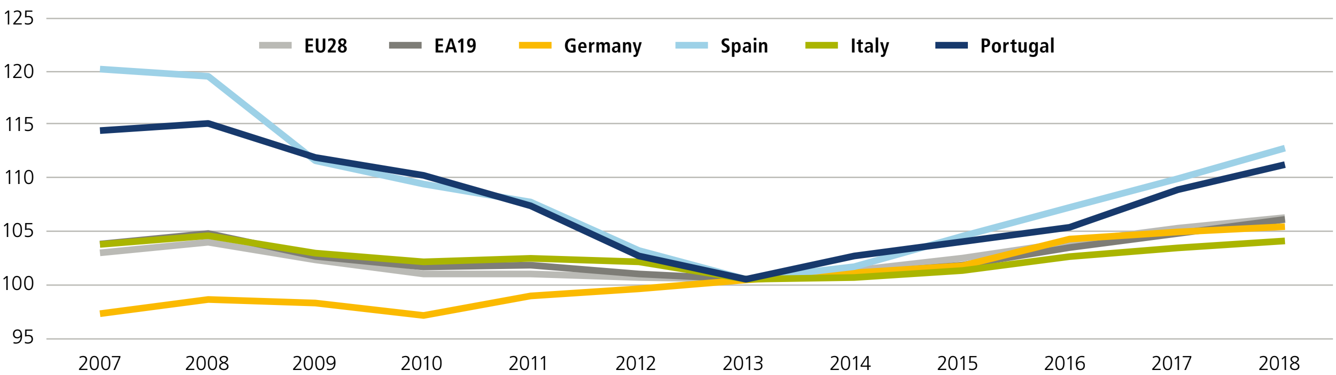
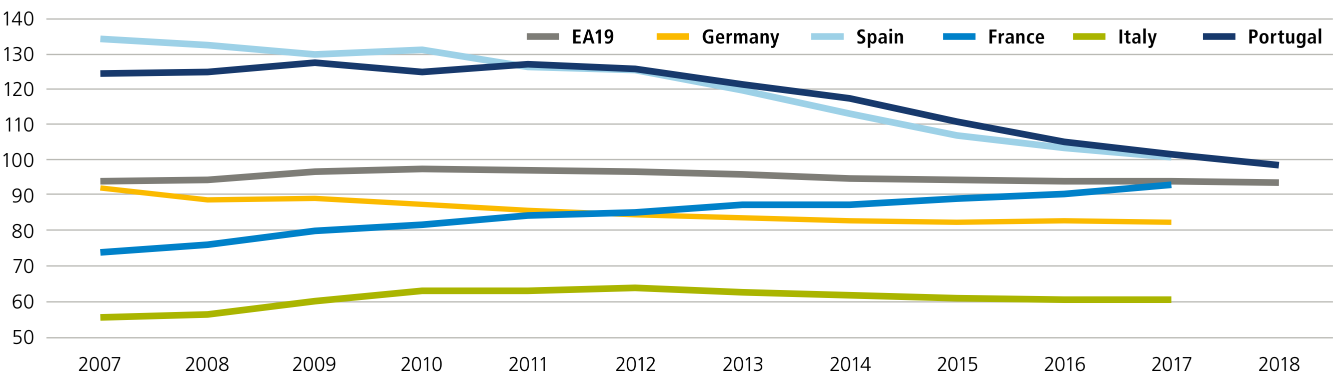


Figure 8: Gross debt-to-income ratio of private households (in %)[15]



[13] E-commerce Foundation (2019)
[14] Eurostat (2019).
[15] Eurostat (2019)

Figure 9: Market share E-Commerce 2017 and expected growth 2019-2023[16]

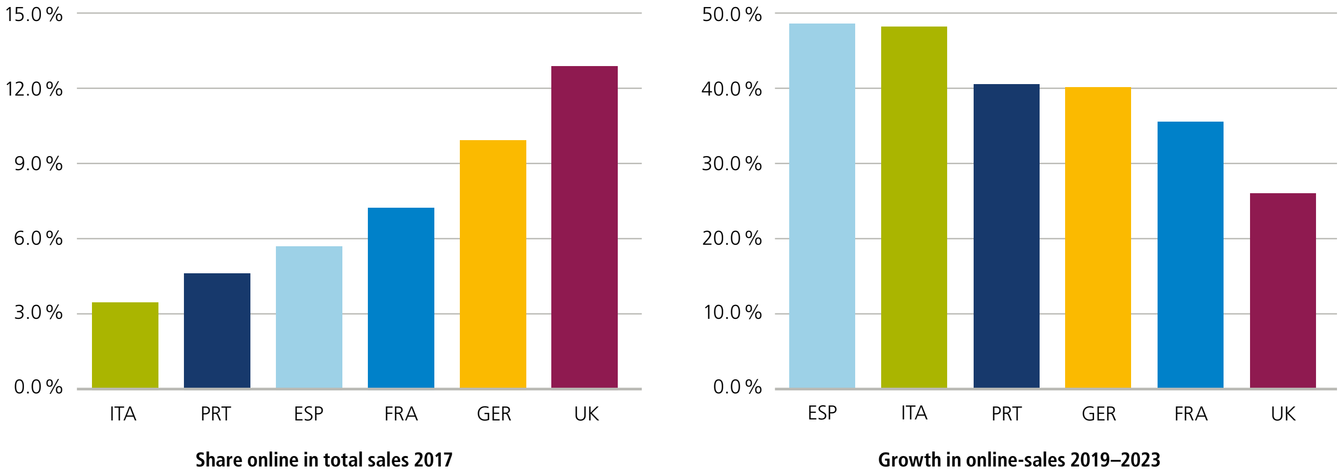


Figure 9 illustrates this relationship very clearly. The comparatively low market share in Southern Europe leads to persistently high growth forecasts. In line with the space requirements of online retailers explained in Part 1, a resulting high demand for suitable logistics properties is to be expected.

BOX 2[17]

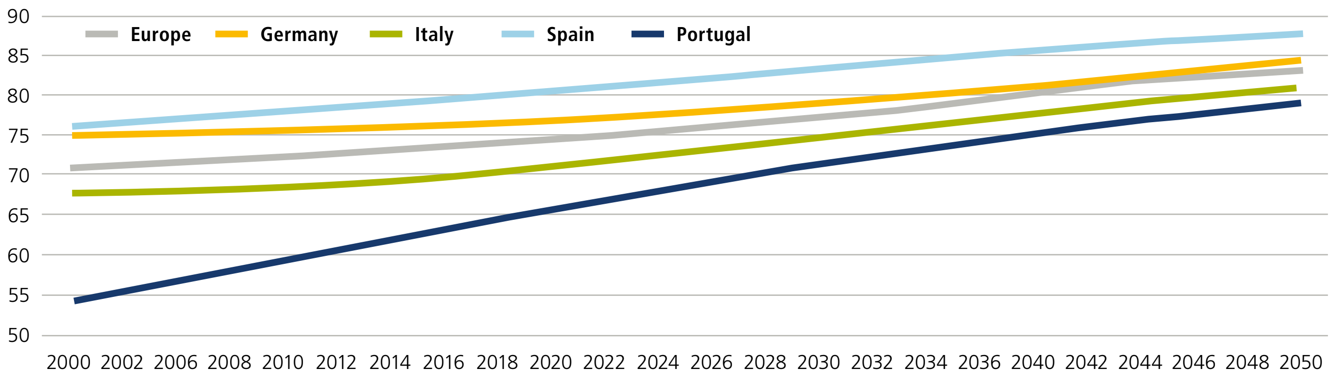
The Chinese counterpart to Amazon, Alibaba, chooses the Spanish capital Madrid for its first Eu-ropean showroom. The head of its Iberian business explains the choice on the one hand by strong growth in the number of customers in the Spanish market and on the other hand, the online giant considers Spain as the gateway to Europe.

2.3 Urbanisation

In particular, the growth of online trade is presenting logistics companies with increasing challenges in terms of delivery. Bottlenecks in the infrastructure, as well as increasing customer requirements with the focus on ever-shorter delivery times (e.g. same-day-delivery), make fulfillment more difficult, especially in urban areas. While large logistics spaces show predominantly longer distances from the centres for several reasons, rental activities with corresponding proximity to the respective centre are increasingly being recorded in the smaller segment (cf. Part 1, Figure 4).

Figure 10 shows that the trend towards urban lifestyles continues in the long term and optimal solutions are still needed. This development also shows, using Portugal as an example, the dynamising impact of catch-up effects, as the highest growth rate can be recorded from the lowest share. From today's point of view, it is therefore of great importance to secure appropriate locations and thereby generate time and competitive advantages.

Figure 10: Share of population living in cities (in %; Forecast as of 2019)[18]



[16] Statista (2019)
[17] Ecommercenews.eu (2019)
[18] Worldbank (2019)

2.4 Supply chain

Changing supply chains are central to meeting the challenges. In this elementary component, in which logistics processes are organised and coordinated, the described influences meet. As in the whole of Europe, all fundamental drivers in Southern Europe – which have recently become more dynamic than the total market, in line with the economic situation – show the same direction of effect. Due to the multifaceted influences and their mutual complementarity and strengthening, comprehensive capacity expansions are necessary. The increasing integration of vertical and horizontal supply chains across national borders supports economic integration within the European Union. In order to support market-driven convergence, which is one of the main objectives of the European Commission, infrastructure projects contributing to the improvement of cross-border links will be financially supported.

Figure 11: Project TEN-T Core Network Corridors[19]

Core Network Corridors	Connected Countries
Scandinavian-Mediterranean	FI, SE, DK, DE, AT, IT
North Sea-Baltic	NL, DE, BE, PL
North Sea-Mediterranean	UK, BE, FR
Baltic-Adriatic	PL, CZ, HR, IT
Orient/East-Med	DE, AT, HU, EL
Rhine-Alpine	NL, DE, FR, IT
Atlantic	DE, FR, ES, PT
Rhine-Danube	DE, AT, CZ, HU
Mediterranean	ES, FR, IT, HR, HU

[19] *Europäische Kommission (2019) / Trans European Network-Transport (TEN-T)*

Figure 11 shows the nine defined core network corridors which are to be completed by 2030. The expansion is aimed at all modes of transport, i.e. road, rail, air and water. The Atlantic corridor, which focuses on a high-speed rail line (already under construction), will significantly improve the connection between the Iberian Peninsula and France and Germany. Lisbon, in particular, will benefit from this expansion. While Madrid is connected to two corridors by its central location, northern Italy even passes through four of the defined routes. The construction project with the highest priority also concerns Italy, whose connection to the north is limited by the natural barrier of the Alps and represents a bottleneck. The longest railway tunnel in the world, the Brenner Base Tunnel, is already under construction to strengthen this north-south link. This includes a railway line that crosses under the Alps and thus offers a much faster and cheaper alternative for the highly frequented and constantly increasing freight axis.

BOX 3[20]

According to the Tyrolean provincial government, 2.4 million lorries crossed the Brenner Pass in 2018, about 100,000 more than in 2017. In order to shift the steadily growing freight traffic from road to rail and accelerate passenger traffic, Austria and Italy have been building the 64-kilometer Brenner Base Tunnel with the help of the EU since 2008. It is scheduled to go into operation in 2028.

In addition to land-based connections, the focus will also be on strengthening sea routes under the name of "Motorways of the Sea",[21] which will increase the importance of southern European Mediterranean ports. In addition to the trans-European importance of the ports, China is also showing increasing interest in the Mediterranean ports as part of the mega-project "New Silk Road". By using these ports (for example in Italy) they could significantly shorten the transport route to Europe. A more detailed consideration of this development and the increasing importance of emission costs is given in Part 3.

[20] *Süddeutsche Zeitung (2019)*
[21] *BMVI (2019)*

3. Rental market

As in Western Europe, fundamental developments are also having an effect on the rental markets in Spain, Portugal and Italy. The corresponding changes require additional capacities and lead to hitherto unknown highs in take-up and historic lows in vacancy rates on rental markets. The net absorption to be derived from these developments (cf. Part 1, Chapter 4, Page 8) also clearly shows a real capacity expansion of the logistics sector in Southern Europe.

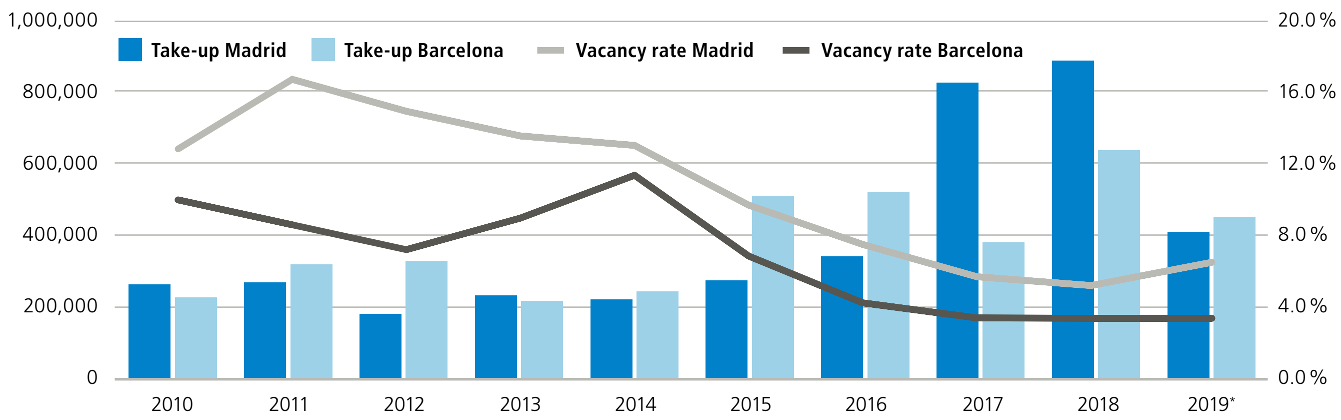
3.1 Spain (Figure 12)

In 2018, the Spanish logistics letting market broke all records. Both Madrid and Barcelona recorded historically high take-up and a historically low vacancy rate. Take-up has risen continuously since 2015 in line with economic developments. A look at the vacancy rate shows that net absorption is also high until 2018. In Madrid, the lower take-up in 2019 falls back to a weaker first half-year, which suffered from low supply (similar to Barcelona) as the remaining vacancies mostly do not meet modern standards. In the third quarter, Madrid recorded a take-up of 75 % higher[22] than in the first half of the year, thus responding positively to the increased supply as expected. For Madrid, a slightly increasing vacancy rate was recorded in 2019, which can be attributed to highly speculative completions that coincided over time. However, this is only a temporary effect, not a structural one. Aquila Research and BNP Research agree that space will be absorbed by the market within the next 16 months. Nevertheless, the dynamic rental growth stabilised initially but should continue from 2020.

3.2 Portugal (Figure 13)

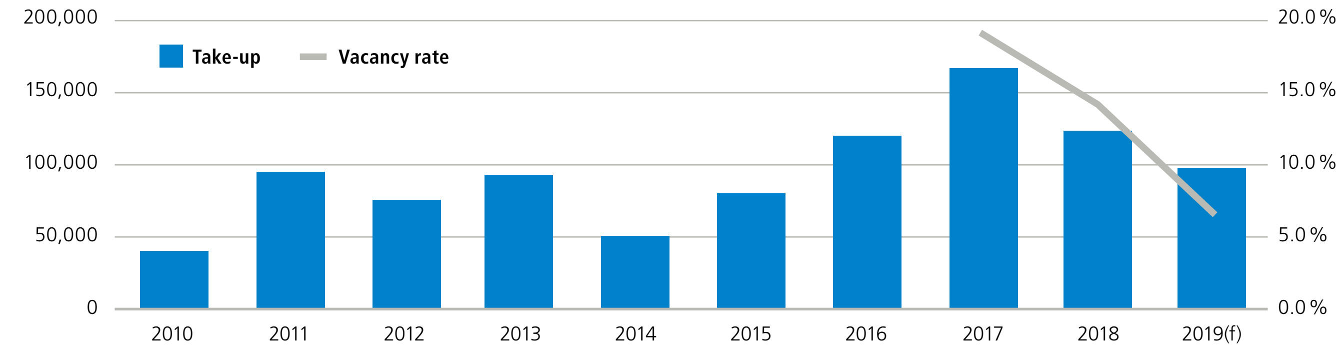
Also in Portugal there has been a significant increase from 2015, in line with economic development. However, the market is suffering greatly from a lack of supply, as there are virtually no project developments. The enormous reduction in vacancies from just under 20 % to 6.5 % is an extremely clear indicator of demand. The remaining vacancy rate is negligible as it is in urgent need of renovation or does not meet modern standards. Due to a lack of appropriate space, top rents are also stagnating. The absence of new contracts prevents the rent increase from being realised. Accordingly, the growth potential in the market is very high. For these reasons, Lisbon is rated as the most interesting real estate market in 2019.[23]

Figure 12: Take-up (in sqm) and vacancy rate (in %)[24]



*as of Q3/2019

Figure 13: Take-up (in sqm) and vacancy rate (in %) in Lisbon[25]



[22] Knight Frank (2019)
[23] PWC (2019)
[24] BNP (2019)
[25] CBRE (2019)

3.3 Italy (Figure 14)

In line with the Spanish and Portuguese markets, Italy is showing enormous growth in letting activity and net absorption. The decline in 2018 can be attributed to low supply. Despite completions of more than 1 million m² by 2020, there is no easing in the situation because 80 % of this space has already been pre-let.

3.4 Summary

The situation in the letting markets clearly reflects the effect of the fundamentals discussed and shows a similar reaction to the structural and social changes as Western Europe. Particularly evident is the temporal correspondence to the start of economic recovery. In line with the shift in economic cycles compared to Western Europe, Southern Europe is also at an earlier stage within the property cycle and thus keeps the growth potential, which is characterised by catch-up effects, at a high level.

The rental development shown in Figure 15 highlights striking differences to the development in Western Europe based on several reasons explained below (cf. Part 1, Chapter 4).

1. The economy was hit harder by the much longer and more severe recession following the global financial crisis.

2. The rigidity of the labour markets led to much greater losses on the corporate side.

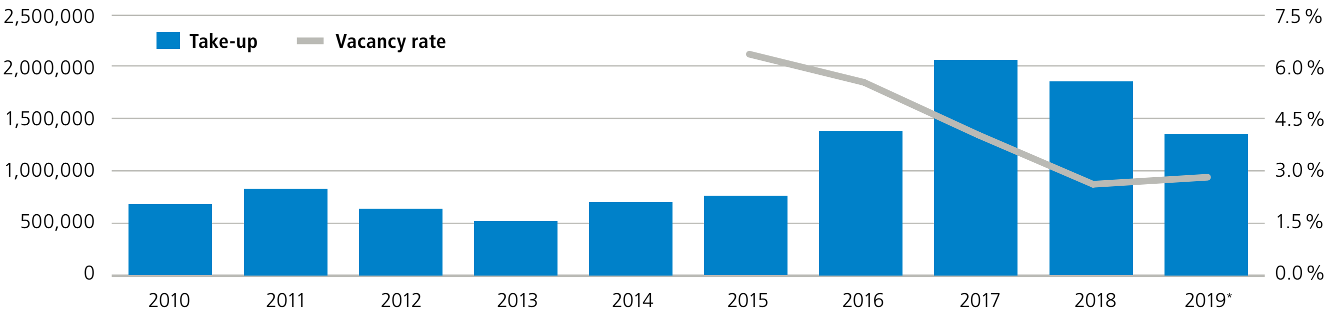
3. The high logistics rents in 2008 were significantly influenced by extremely high land prices in Spain, which resulted from extremely restrictive approval policies.

4. The enormously positive development in retail rents is attributable on the one hand to very strong growth in the tourism segment, which benefited from lower wages and numerous crises (e.g. in Turkey). On the other hand, the pressure from online trading was considerably lower due to the still low market share.

Items 1 and 2 were extensively reformed. With regard to item 3, the permit policy has opened up considerably, which, among other things, makes rental growth more sustainable as it is now attributable to fundamental structural change and is not significantly determined by land prices. Under point 4, the pressure will continue to increase and, in view of the developments described above, the substitution of retail shops by logistics space will continue.

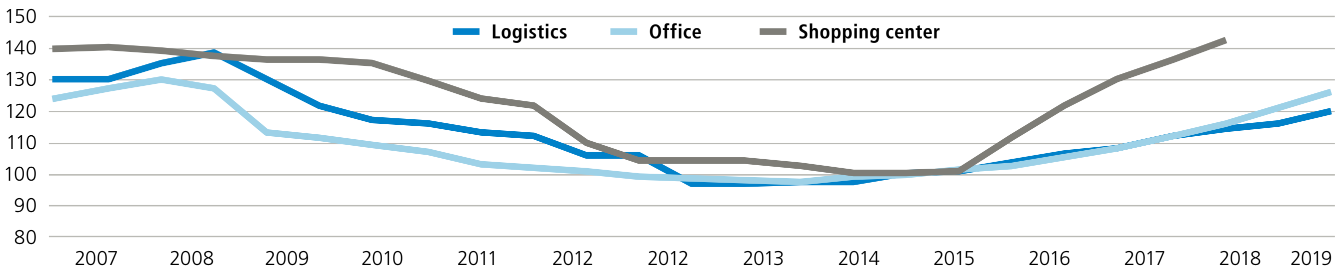
In line with developments in the letting market, competition for space will continue to intensify. Accordingly, this means that rental growth is expected to continue which will further show a higher dynamic than in Western Europe due to catch-up effects.

Figure 14: Take-up (in sqm) and vacancy rate (in %) in Italy[26]



*as of Q3/2019

Figure 15: Index of average rental development by type of use* (2015=100)[27]



*covered markets: Madrid, Barcelona, Lisbon, Milan

[26] CBRE (2019)
[27] Colliers/Bloomberg (2019); BNP (2019); Aquila Research (2019)

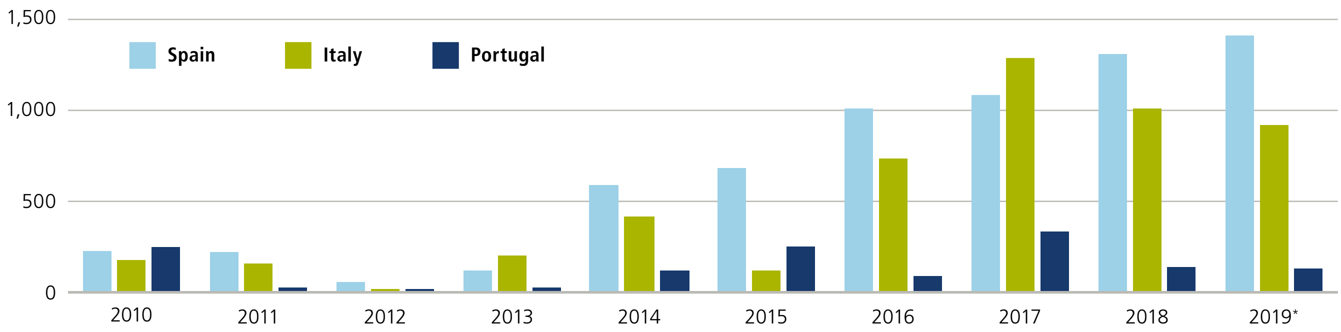
4. Investment market

As a result of uncertainties and the deep recession following the global financial crisis, the investment market in Southern Europe came to an almost complete standstill. With the onset of the economic recovery, investor interest returned, while Western European markets were already showing historically low prime yields by 2015.

Spain, in particular, is showing steady growth in transaction volumes in the logistics real estate market as a result of the comprehensive reform process and the resulting positive development. Dynamic rental growth, attractive returns and a general increase in acceptance of the logistics properties led to an increase in transaction volumes. Due to virtually no construction activity in the crisis years the supply was very limited and therefore suggests continuing growth. In contrast to Spain, transaction volume in Italy is much more volatile. This is due on the one hand to the shortage on the supply side and on the other hand to the recurring uncertainties in the past with regard to the banking sector and the enormous government debt. In particular, the 2018 elections, which were accompanied by a very populist election campaign, increased insecurity. Given the pressure exerted by the capital markets on the banking sector and the state budget, coupled with polarising but unrealistic campaign issues, it is extremely unlikely that the situation will actually deteriorate. After the break-up of the coalition and the subsequent formation of a new government, political uncertainty can be expected to calm down and investor's interest to rise again. Developments in Portugal are suffering from a lack of construction activity. Investment demand as well as the demand for space are at extremely high levels but cannot be realised without completions. Accordingly, Portugal currently has the highest growth potential. However, this requires new projects in order to be realised.

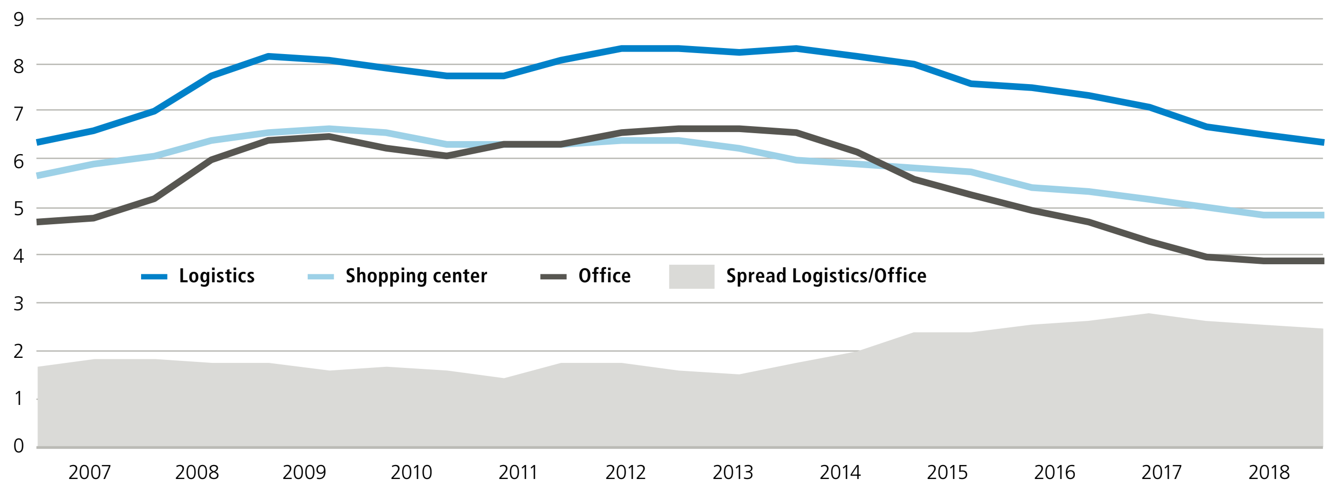
High and continuously rising investor demand results in a corresponding yield compression, as can be seen in Figure 17.

Figure 16: Logistics transaction volume in Southern Europe (in m. EUR)[28]



*12-month rolling average (as of: Q2/2019)

Figure 17: Development of average prime yields by type of use in Southern Europe* (in %)[29]



*covered markets: Madrid, Barcelona, Lisbon, Milan

[28] BNP (2019)
[29] Colliers/Bloomberg (2019)

This development illustrates the difference to Western Europe (see Part 1, Figure 7). Looking at the Western European core markets, the highest prime yields were recorded at the end of 2009, triggered by the global financial crisis. From this point on, a continuous compression in yields was observed, although the risk premium over office properties (spread, yellow space) initially rose, as developments in the office segment were much more dynamic. In 2015, the prime yield for logistics real estate fell below the historic low of 2007. With the flattening of the compression in the office segment, which began close to the 3 % mark in 2017, the risk premium also reached a historic low in 2018, which is justified by the fundamental data.

Exactly this course is also illustrated in Figure 17. The difference lies only in the temporal shift, which has already been described in detail in this paper. Thus, the highest yield level, which continued to rise during the sovereign debt crisis, was recorded in 2012. Analogous to Western Europe, the risk premium over office properties rose despite the continuous decline in prime yields from then on, as investors in Southern Europe initially preferred proven asset classes. The historically lowest yield from 2007 was undercut for the first time in 2018 and the reduction of the resulting high spread to the office segment is only slowly beginning. According to the latest market developments, this trend is continuing, as the dynamics of logistics yields, with the exception of Portugal – due to the special situation (no supply) – clearly exceed those of the office segment. In Madrid and Barcelona, the yield compression, in comparison Q2/2019 to Q2/2018, exceeds that of the office market by 25 bps and 50 bps respectively in the logistics segment.[30] In Milan and Rome, the risk premium decreases by 25 bps each in the same period.[31] Only in Lisbon is there currently no change in prime yields due to no new construction,[32] which means that it is highly probable that the high potential can be reinforced by catch-up effects.

5. Conclusion

The deep recession in Southern Europe has led to a shift in the economic cycle, which is now spreading to the real estate market. As a result, the Southern European countries of Spain, Italy and Portugal show a significant difference to the homogeneous development of Western Europe as a result of the global financial crisis. Based on far-reaching structural reforms, Southern Europe has a solid foundation in terms of economic development. The subsequent economic recovery is characterised by significantly higher growth rates, which are also reflected in the development of the defined drivers. Similar to the Western European core markets we can see real capacity expansion within the logistics sector, particularly taking into account the net absorption. Due to the different positions in the cycle, the higher growth rates are reinforced by catch-up effects. Southern European markets follow the analogous development to that observed in Western Europe, but offers opportunities with significantly higher dynamics and sustained high growth potential due to the time lag.

[30] *Cushman&Wakefield (2019)*
[31] *Cushman&Wakefield (2019)*
[32] *Cushman&Wakefield (2019)*

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