

Media update: Fourth Quarter and Full Year 2022 Activity

We're pleased to share our fourth quarter 2022 activity, full year operating performance and Prologis Logistics Rent Index for 2022 for Prologis Europe. This summary includes operating performance highlights and insights into select milestones and achievements..

Quote from Ben Bannatyne President, Prologis Europe:

"2022 was a record-breaking year for us. Our milestone acquisitions across major European cities throughout the year allow us to provide our customers with the premium real estate and Essentials solutions they have come to expect from us where they need it most.



We continue to focus on our customers and the partnership they need to grow their business. Our position of financial strength and innovative solutions, particularly within the energy business, help us stay ahead of the fast-evolving needs of our customers."

Operating Performance – Fourth Quarter and Full Year 2022 (Europe):

Total portfolio:	22.3 million square metres*
Q4 new and renewal deals:**	<ul style="list-style-type: none"> • 622,416 square metres total leased • 154,961 square metres new leases • 467,455 square metres renewals
Q4 rent change:	+18%***
Full year occupancy:	98.7%
Full year 2022 leasing activity:	<ul style="list-style-type: none"> • 3,451,415 square metres total leased • 849,493 square metres new leases • 2,601,922 square metres renewals

*includes operating, development, held for sale, other and VAA/VAC

** as of 31 December 2022

*** based on lease start date

Leasing highlights:

- **28,660 square metres** at Prologis Park Grolsheim DC1, Germany.
- **6,566 square metres** at Prologis Park Budapest-Harbor DC11, Hungary.
- **5,736 square metres** at Prologis Park San Fernando DC2, Spain.

Capital Deployment – Fourth Quarter and Full Year 2022:

Development Starts:

There have been 5 new starts in the fourth quarter, comprising a total net rentable area of 68,004 square metres in the Czech Republic, Poland, Slovakia, Italy and Sweden. There were three notable build-to-suits covering 35,396 square metres which are already 100% leased and two speculative developments totalling 32,608 square metres in direct response to growing customer demand.

There have been 31 development starts in 2022, comprising a total net rentable area of 747,673 square metres. Of this, 10 were built-to-suits, covering 159,370 square metres which are 100% leased and 21 speculative developments totalling 588,303 square metres.

Acquisitions and Dispositions:

In the fourth quarter 2022, Prologis Europe acquired a 14,280-square-metre property in Madrid, Spain and our land acquisitions total 521,079 square metres in Italy, Spain, UK, Poland and Germany. The company disposed of one building in Germany totalling 3,561 square metres and 2 land parcels in UK and Slovakia, totalling 255,982 square metres.

This brings the year's acquisitions to a total of 165 buildings across 1,636,677 square metres and 21 land parcels totalling 1,311,980 square metres across Europe. In 2022 we disposed of 4 buildings with a total 82,758 square metres and 6 land parcels totalling 677,644 square metres.

Additional insight from Ben Bannatyne, president, Prologis Europe:

In 2022, we have augmented our portfolio through substantial acquisitions and new development deliveries across the 12 markets in Europe adding a record 1,636,677 square metres to the portfolio. This puts us in an even better position to fulfil the growing demand of our customers for premium space, especially in high barrier, high-growth markets.

While adhering to our capital deployment and operational strategies, we continue to innovate beyond the traditional commercial real estate offering. The Prologis Essentials platform now delivers the next generation of solutions to address some of the critical challenges our customers face in operations, energy & sustainability, mobility and workforce.

With the performance of the fourth quarter of 2022 and the Rent Index data, we are cautiously optimistic going into 2023. We continue to work with our customers and our teams on the grounds to overcome the challenges that go along with the ongoing restructuring of global supply chains.

Insight from Eva van der Pluijm-Kok, vice president, Research & Strategy, Prologis Europe:

Based on the data in our 2022 [Prologis Logistics Rent Index](#), we expect cyclical demand to soften over 2023, given inflation and its repercussions on steeply rising costs for construction and raw material as well as the energy crisis from the ongoing Ukraine-Russia conflict. Still, demand for logistics real estate, particularly in urban zones, remains very high across Europe.

In 2022 European rents grew at a record pace, rising 15% year-over-year with 2022 year-end vacancy just above the record low at 2.6% for the market. For Prologis the 2022 year-end vacancy is even lower at 1.3%. Development slowed in 2022 and lower completions are expected to coincide with the softer demand, allowing only a moderate rise in vacancy.

Our customers continue to prioritise flexibility over lean inventory levels. Structural demand factors—including the build out of e-fulfillment capabilities, nearshoring and inventory growth—coupled with regulatory barriers restricting space expansion have driven businesses to make swift decisions to secure much-needed space in prime locations, which are expected to remain undersupplied.

Download the press images [here](#)

Additional Resources/Insights:

- Research: [2023 Prologis Logistics Rent Index](#)
- Research: [Strong Demand Sends True Months of Supply to New Low](#)
- Research: [Future Flow of Goods, updated Nov 22, 2022](#)
- [2021-2022 Prologis ESG Sustainability Report](#)
- Prologis is the #1 real estate investment trust (REIT) on the [2022 Global 100 Most Sustainable Corporations in the World](#) list.
- Press release: [Prologis reports strong fourth quarter and full year 2022 earnings](#)
- Press release: [Prologis expands urban infill portfolio in seven European countries following acquisition of Crossbay's initial assets](#)
- [Prologis Groundbreakers 2022](#)

Should you like to interview Ben Bannatyne or Eva van der Pluijm-Kok, discuss any aspect of this announcement or require more information, please do not hesitate to contact us.

Further questions and interview requests?

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