

The sector indicators are compiled quarterly from a detailed and exhaustive study prepared by experts in the Knight Frank Spain office and are based on real data and market trends.

Retail Snapshot

Q2 2021

RETAIL NEW OPENINGS



MADRID

BIGG FIT
Maria de Molina 28
557 sq m

GALLAFO & VO
P° Habana 19
150 sq m

PARFOIS
Goya 83
120 sq m



REST OF SPAIN

PRIMARK
Bilbao
4,550 sq m

EMPORIO ARMANI
Barcelona
400 sq m

MINISIO
Pamplona
250 sq m

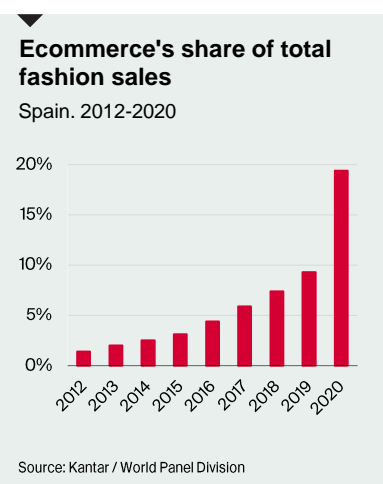
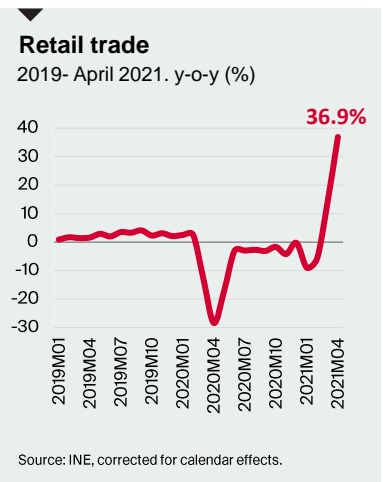
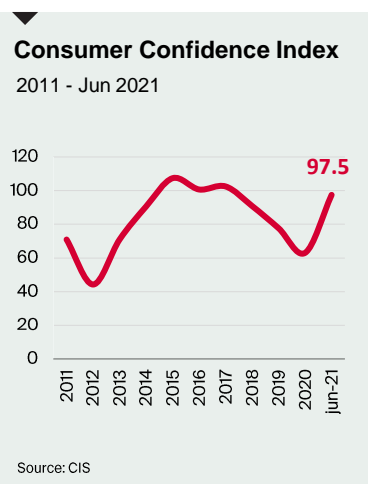
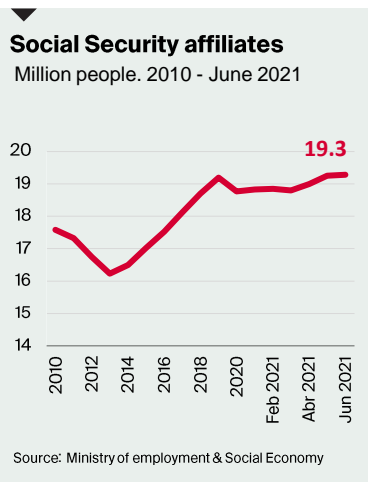
Situation in Spain

The country's economic recovery is expected to arrive in the second half of 2021. However, data such as Social Security registrations are very positive, with 19.28 million people registered in June, which is above the average of previous years.

After almost a year with negative values for retail turnover, a recovery has started to be seen in April, increasing by almost 37% compared to the same period of the previous year.

Consumer confidence stood at more than 97 points in June, a considerable improvement since these figures had not been reached for some years.

E-commerce has been one of the sectors most strengthened by the situation caused by the health crisis, proof of which is the growth experienced by one of the most important retail segments, fashion, which has gone from representing just 9% of total sales in 2019 to almost 20% in 2020.

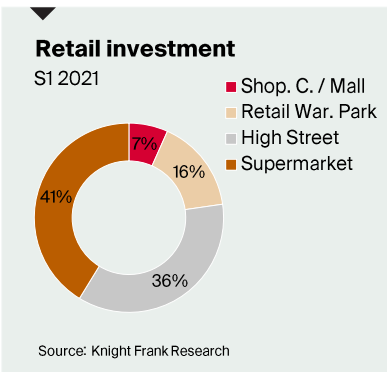


Retail investment in Spain

The volume of investment closed the first half of the year at more than €690m, almost 30% less than in the same period last year. However, investment in the second quarter reached almost €300m, up more than 40% compared to the same period last year when the pandemic began.

In terms of the most prominent sectors, supermarkets continue to be one of the most important focuses for investors because of their large role in the pandemic, accounting for around 40% of the half-year total. This was closely followed by high street, which accounted for just over 35%.

The prime yields of the different sectors analysed remained stable in the second quarter.



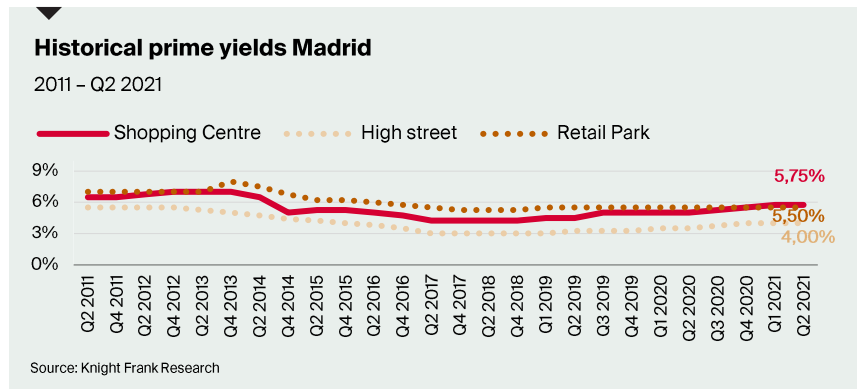
TOP 3 DEALS

VARIOUS
27 SUPERMARKETS
VENDOR: MERCADONA
PURCHASER: MDSR INVESTMENTS
€100 M N.A €/sq m
Source: Brainsre

MALLORCA
IKEA
VENDOR: N.A
PURCHASER: SAGAX
€50 M 3,200 €/sq m
Source: ElInmobiliariomes a mes

MADRID
SERRANO 36
VENDOR: DECOR II PROYECTOS INM.
PURCHASER: TANDER SOCIMI
€40 M N.A €/sq m
Source: Ejeprime

One of the most significant transactions of the quarter was the sale as a sale & leaseback of a portfolio of 27 supermarkets by Mercadona. The buyer was the Israeli fund MDSR, which paid more than 100 million euros for them. Also, the purchase by the Swedish real estate company Sagax of the property occupied by Ikea in Palma de Mallorca, for 50 million euros and with a 25-year lease.



EUROPEAN PRIME YIELDS

LATEST AVAILABLE DATA Q1 2021	SHOPPING CENTRE	RETAIL PARK	HIGH STREET
	BRUSSELS	↑ 5.25	↓ 6.25
LONDON	n.a	n.a	↑ 3.50
BERLIN	↑ 4.25	↓ 4.50	↑ 3.00
DUBLIN	↑ 5.25	= 5.75	= 4.50
PARIS	= 4.25	= 5.25	= 3.00

Source: Knight Frank Research

COVID-19: Across Europe and beyond, market activity is being impacted in all sectors due to the Novel Coronavirus (COVID-19) outbreak. As at the date of this report, we consider that we can attach less weight to previous market evidence for comparison purposes, in providing our opinions on the market. Given the unknown future impact that COVID-19 might have on the real estate market and limited recent comparable data, this report is meant to provide market insights as we see them at this time but we wish to highlight the material uncertainty which may cause swift changes in the market. Please get in touch with our team if you would like to discuss in further detail or receive an update regarding market conditions.

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