

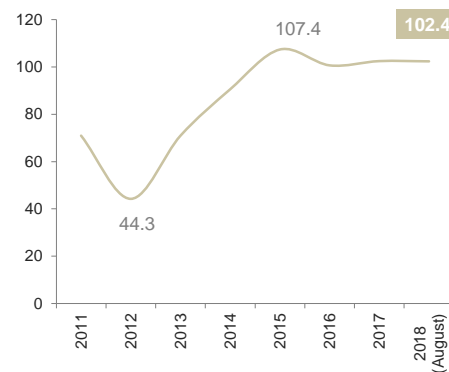
# RETAIL SNAPSHOT

Q3 2018

## SITUATION IN SPAIN

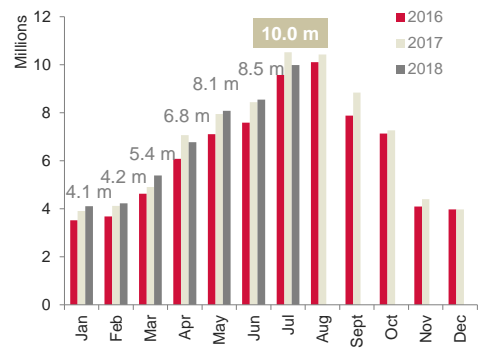
- Unemployment in Spain continues to fall, with the unemployment rate standing at 15.28%, 11.66% less than the 2013 peak.
- Retail trade remains stable, at the same levels seen at the end of 2017. A slight upward trend can be expected for the remainder of this year, thus contributing to the growth forecasts for the Spanish economy.
- Shopping centres are evolving with more creative designs, continuing to improve and reinforce their leisure supply. Their integration with new technologies and other elements that go beyond retail make these spaces more attractive, improving customers' shopping experience.
- The food and beverage supply is also improving and is an element of differentiation for shopping centres. The restaurants are embracing the trend towards local and healthy food.

GRAPH 1  
**Consumer confidence index**  
2011 - 2018



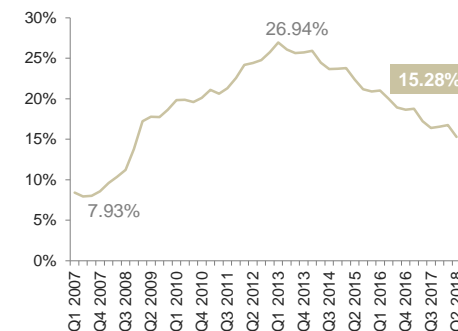
Source: CIS

GRAPH 2  
**International tourists**  
2016 - 2018



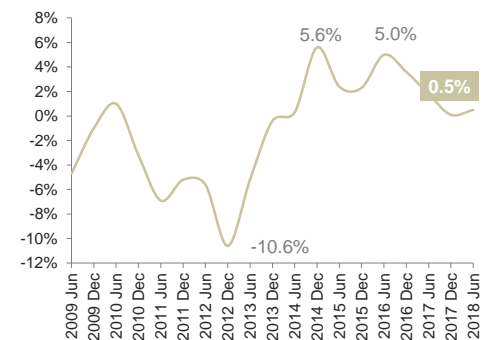
Source: INE | IET

GRAPH 3  
**Unemployment rate**  
2007 - 2018



Source: INE

GRAPH 4  
**Retail trade.** Turnover index without service stations. Y-o-y (%)



Source: INE

GRAPH 5  
**Shopping centres opening soon**  
2019



**OPEN SKY**  
Madrid  
GLA: 85,000 sq m  
Spring 2019



**TORRE VILLAGE**  
Zaragoza  
GLA: 57,000 sq m  
Spring 2019



**LAGOH**  
Sevilla  
GLA: 100,000 sq m  
Spring 2019



**LA GALERÍA DE CANALEJAS**  
Madrid  
GLA: 15,000 sq m  
Autumn 2019

# RETAIL INVESTMENT IN SPAIN

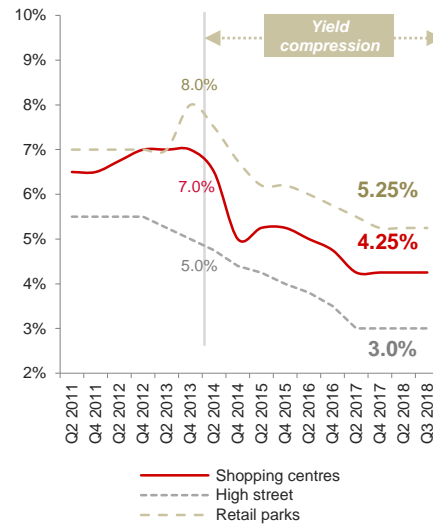
- Retail investment in the first three quarters of the year surpassed €1,500 million, with some portfolio acquisitions still pending, to be completed in the last quarter of the year.

- Portfolio transactions represent a large part of the investment activity taking place in the third quarter. Confirming the importance of this type of transaction to this year's total investment.

- Sale & leasebacks are one of the biggest trends of the year in retail investment. Inditex, Makro and El Corte Inglés have all chosen this process to obtain funds that they will reinvest in their primary business.

- The sale of the Unibail Rodamco portfolio for €489 million has been the largest disposal so far this year in the shopping centre sector.

GRAPH6  
**Historical prime yields**  
2011 - 2018



Source: Knight Frank Research

GRAPH7  
**European prime yields**  
Latest available data

|           | SHOPPING CENTRES | RETAIL PARKS | HIGH STREET |
|-----------|------------------|--------------|-------------|
| Brussels  | = 4.25           | ↓ 5.00       | = 3.50      |
| London    | ↑ 4.50           | ↓ 4.00       | ↑ 3.15      |
| Amsterdam | = 4.75           | ↑ 6.00       | ↑ 3.50      |
| Frankfurt | ↑ 4.00           | = 5.00       | = 3.60      |
| Berlin    | = 3.75           | = 5.00       | ↑ 3.00      |
| Paris     | ↑ 4.25           | ↑ 5.00       | = 2.75      |
| Dublin    | = 4.50           | = 5.25       | = 3.50      |

Source: Knight Frank Research

GRAPH8  
**TOP 3 | Investment transactions**  
Q3 2018

## PORTFOLIO UNIBAIL RODAMCO

VENDOR: UNIBAIL RODAMCO  
PURCHASER: CASTELLANA PROPERTIES

€489 m | 121,000 sq m

## RETAIL UNITS EL CORTE INGLÉS

VENDOR: EL CORTE INGLÉS  
PURCHASER: CORPFIN CAPITAL

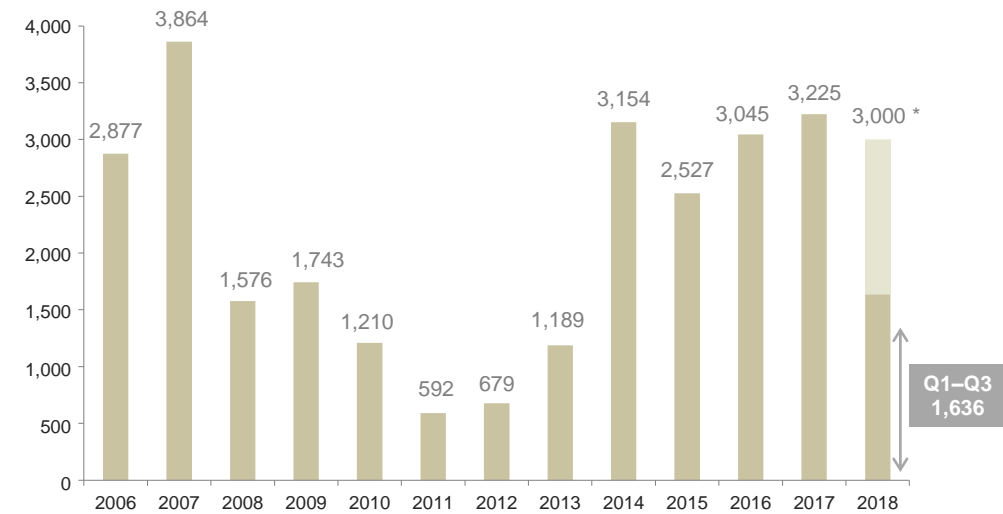
€100 m | 16,900 sq m

## PORTFOLIO MAKRO (SALE & LEASEBACK)

VENDOR: MAKRO  
PURCHASER: LASALLE

€45 m | 18,000 sq m

GRAPH9  
**Historical retail investment**  
2006 – 2018 (€m)



Source: Knight Frank Research

High street not included  
\* Year-end estimation based on our view of the market performance



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