

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

Q12022

RETAIL NEW OPENINGS



MADRID

WOW
Gran Vía 18
5,500 sq m

NIKE
Gran Vía 32
1,630 sq m

DOCKERS
Fuencarral 11
230 sq m



REST OF SPAIN

DRUNI
Valencia
500 sq m

ALVARO MORENO
Zaragoza
440 sq m

WEBER
Barcelona
300 sq m

Situation in Spain

According to the International Monetary Fund (IMF), the Spanish GDP closed the 2021 year with a growth of 5.1%. For this year, the Spanish economy is forecast to grow by 4.8% and by 2023 by 3.3%, the highest growth forecast among the advanced economies.

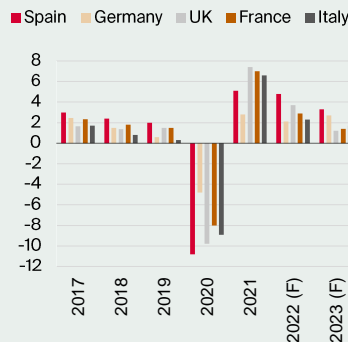
The ICC stood at almost 54 points in March 2022, down 36 points from February due to the Russia-Ukraine conflict, inflation and the energy crisis.

This confidence is reflected in the sales data of the fashion trade in our country, which in January, had an annual growth of almost 35%, while in March the figure is still positive but lower at almost 12% due to the aforementioned.

Ecommerce in the fashion sector reflects positive data with a slight increase in sales in 2021 compared to the previous year, and it is expected that this trend will continue in the following years, thus consolidating the good figures for online sales in the sector.

European comparative GDP

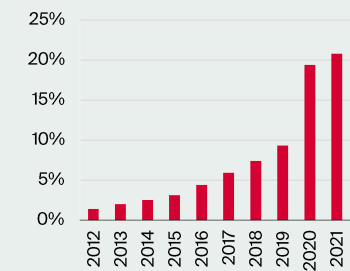
2017 - 2023 (forecast). %



Source: FMI

Ecommerce over total fashion sales

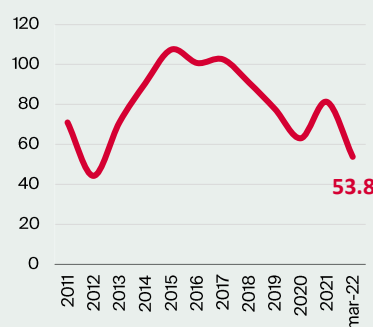
Spain. 2012-2021. %



Source: Kantar / World Panel Division

Consumer Confidence Index

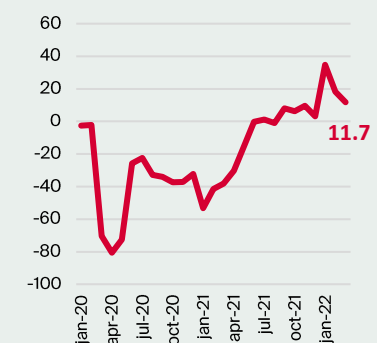
2011 - Mar 2022



Source: CIS

Fashion retail sales in Spain

March 2020-March 2022. Y-o-y. %



Source: Acotex. *March, April and May 2021, comparison with 2019

Retail investment in Spain

The first quarter of the year has recorded an investment volume of over €300m. Certain landlords, having established their assets post Covid-19, are demonstrating sales and leasing figures in line with 2019. Divestment possibilities are being explored although in many cases this is off-market for the time being.

This quarter the main players were Shopping Centres with almost 70%, as well as Hypermarkets with the sale of two Eroski hypermarkets in the Basque Country.

Prime yields remained stable in the first quarter of the year. Investors have been focusing on logistics and residential, as yields are increasingly compressed, which has increased their interest in retail assets due to their profitability.



TOP 3 DEALS Q1 2022

ALMERIA

TORRECÁRDENAS SC
VENDOR: BOGARIS
PURCHASER: LIGHTHOUSE
€172 M 2,820 €/sq m

Source: RevistaCentros Comerciales

MADRID

SERRANO 32
VENDOR: NOZAR
PURCHASER: YUKON CAPITAL
€25 M 50,000 €/sq m

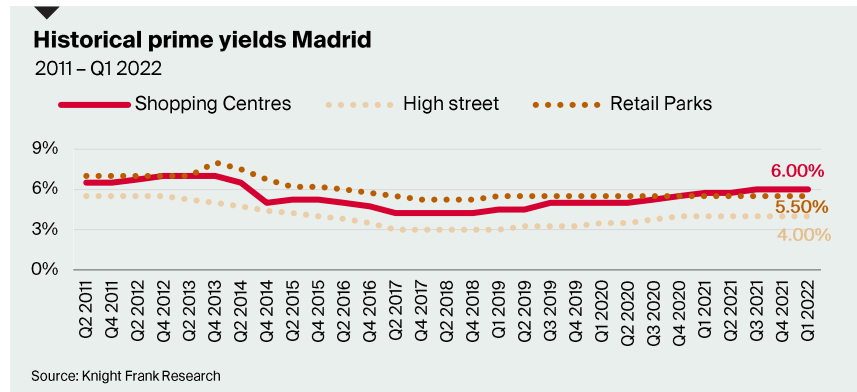
Source: EjePrime

VALENCIA

JUAN DE AUSTRIA 4
VENDOR: INMOFAM 99
PURCHASER: N.A
€8.5 M 2.125 €/sq m

Source: EjePrime

Among the most significant transactions during the first quarter of the year was the purchase of the Torrecárdenas Shopping Centre in Almería for 172 million euros by the South African fund Lighthouse from Bogaris, whose offer includes operators such as Zara, Primark, Mercadona, etc. Another relevant transaction was the sale by the Yukon Capital fund of the asset at Calle Serrano 32 in Madrid for 25 million euros.



EUROPEAN PRIME YIELDS

LATEST AVAILABLE DATA Q4 2021	SHOPPING CENTRE	RETAIL PARK	HIGH STREET
FRANKFURT	n.a	n.a	=3.45
LONDON	n.a	n.a	=3.50
BERLIN	=4.25	=4.15	=3.00
DUBLIN	=5.50	=5.75	=4.75
PARIS	↑4.50	=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.

Retail

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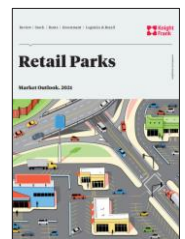
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