

Retail Snapshot

Q1 2023

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.

knightfrank.es/research

The retail turnover grows annually at a rate close to 10%

- The GDP forecasts for Spain have increased by four tenths, expecting a GDP of 1.5% for 2023, a data that could be reflected positively in consumption results over the next few months.

SITUATION IN SPAIN

The retail turnover starts the year with positive figures, having recorded an annual growth of 8.8% during March. Consumer confidence has reached 67.4 points, which is 4.1 points lower than the previous month, but if compared to the same period in 2022, the figure has increased by 13.6 points.

Regarding the number of international tourists during 2022, the figure reached over 63 million, surpassing the numbers of the last two years and only 15% less than in 2019.

It is worth noting that according to current forecasts, Spain could achieve a new record of tourists in 2023.

Spain

Madrid

Top 3 recent openings Q1 2023

1.000 sq m | Pull & Bear | Gran Vía 32

935 sq m | Kave Home | Orense 2

400 sq m | Ginos | Gran Vía 63

Barcelona

Top 3 recent opening Q1 2023

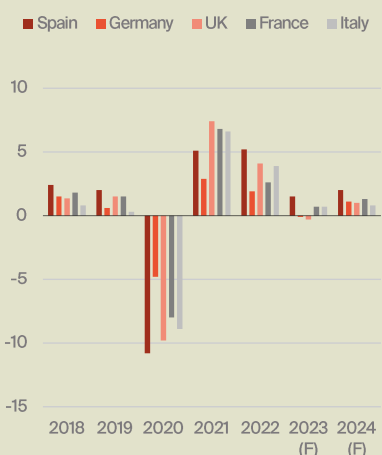
2.000 sq m | Lefties | Portal de L'Angel 20-22

100 sq m | Scalpers | Av. Diagonal 594

60 sq m | Nude Project | Canada 37

European Comparative PIB

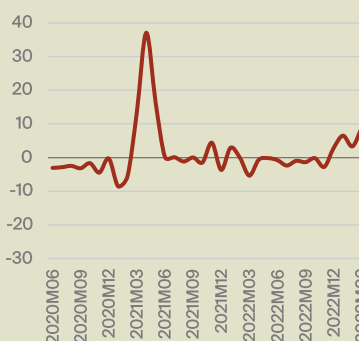
2020 - 2024 (forecast)



Source: FMI

Retail Trade

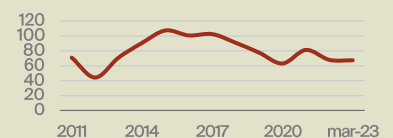
2020 - 2023 (March), y-o-y (%)



Source: INE, Seasonally and calendar-adjusted series and excluding service stations.

Consumer Confidence Index

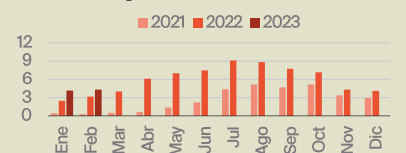
2011 - 2023 (March)



Source: CIS

International tourists

Millions of persons. 2021 - 2023



Source: INE

RETAIL INVESTMENT IN SPAIN

After a very positive end of the year, investment in retail starts the year in a more restrained manner, as forecasted for the first half of the year, although a rebound is expected due to the return of footfall and sales levels.

An investment of slightly over €175 million has been recorded until the month of March, which represents a decrease of around 35% compared to the same period of the previous year.

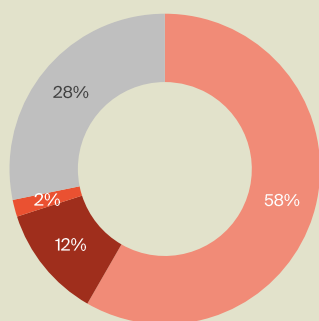
Among the different segments of the sector, investment in shopping centers has stood out in the first place, representing around 60% of the total investment and also the highest number of transactions of this kind with the sale of 6 assets. Supermarkets have ranked second with nearly 30% of the total investment.

Prime yields in the capital have remained stable during the first quarter of the year, standing at 6% for the shopping center segment, 5.50% for retail parks, and 4% for commercial premises.

Retail investment

Q1 2023

- Shopping Centers
- Retail Parks
- High Street
- Supermarkets



Source: Knight Frank Research

Spain

Investment volume Q1 2023

€180 M (€285 M Q1 2022)

Top 3 investment deals Q1 2023

€75 M | Malaga y Algeciras

Vendor: Carmila | Purchaser: Confidential

Capital value: 3.050 €/sq m

Source: Observatorio Inmobiliario

€42,5 M | Various

Vendor: Carrefour | Purchaser: Inter Gestion

Capital value: n/d

Source: Idealista news

€24,6 M | San Sebastián and Getafe

Vendor: Silicium | Purchaser: Confidential

Capital value: 2.040 €/sq m

Source: Europa press

- Among the notable transactions of the quarter is the sale by Carmila of four shopping centers located in Andalusia to a family office for approximately €75 million. The centers are Los Patios and Alameda in Málaga, and Los Barrios and Gran Sur in Cádiz. Another noteworthy transaction is Carrefour's sale of 8 supermarkets in Spain to the French fund Inter Gestión for a total of €42.5 million.

Prime yields Madrid

2013 – Q1 2023



Source: Knight Frank Research

European prime yields. Latest available data | Q1 2023

	SHOPPING CENTER	RETAIL PARKS	HIGH STREET
London	8.00% ↑	n.d	4.50%* =
Berlin	5.15% ↑	5.05% ↑	3.80% ↑
Dublin	6.75% ↑	6.25% ↑	5.25% ↑
Paris	5.25% ↑	6.25% ↑	5.25% ↑

Source: Knight Frank Research.* Oxford Street

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



Capital Markets

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