

Retail Snapshot

Q1 2025

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.

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The tourism sector surpasses itself and once again breaks an all-time record.

- During the first two months of 2025, the number of tourists visiting Spain increased by 7% compared to the same period in 2024. This significant growth marks a new milestone in the historical tourism record, with figures exceeding those of January and February 2019 by 22%.

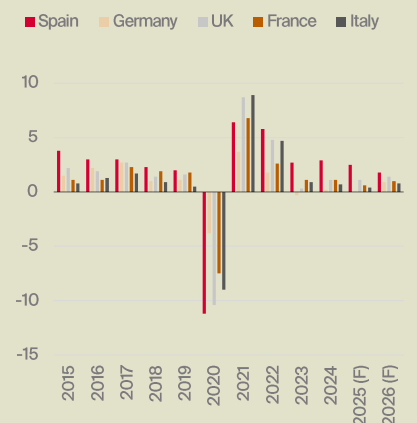
SITUATION IN SPAIN

The International Monetary Fund has revised upward its GDP forecast in April and now projects an annual growth of 2.5% for 2025, representing an increase of 0.2 percentage points compared to its previous estimate. This forecast shows a more dynamic outlook compared to the rest of the eurozone, where a 0.8% growth is expected.

Retail turnover recorded a positive annual variation of 3.6% in February, according to the latest data from the National Statistics Institute (INE).

Consumer confidence shows a downward correction of 3.5% compared to January. However, compared to February 2024, the trend remains upward, with consumer confidence increasing by 3.8% over the past year.

European comparative GDP



Source: IMF

Retail Trade

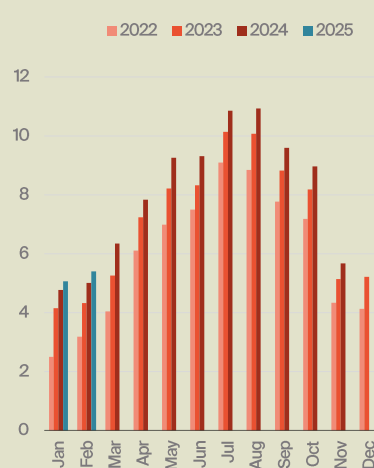
y-o-y (%)



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

International tourists

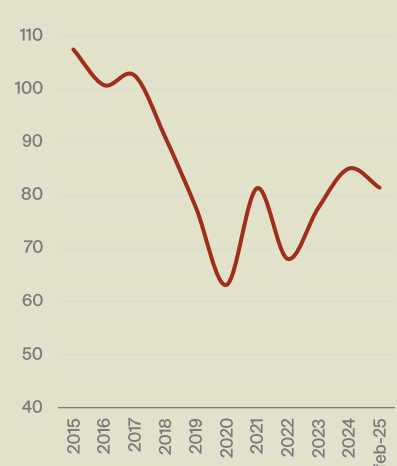
Millions of people



Source: INE

Consumer Confidence Index

Points



Source: CIS

RETAIL INVESTMENT IN SPAIN

The retail sector led investment inflows during the first quarter of 2025, accumulating € 891.4 million and accounting for nearly 35% of the total real estate investment volume for the period.

Investment continues the momentum seen last year, when it recorded annual growth of over 225%, supported by strong fundamentals. In the current quarter, investment exceeded the average for the first quarters of the past five years (2020–2024) by more than 70%.

Shopping centers have been the most prominent subsector, accounting for approximately 77% of total retail investment. This growing interest is driven by the solid performance of the segment, which has shown sustained growth in both foot traffic and sales per visit. According to AECC (Spanish Association of Shopping Centers), both indicators saw an annual increase of around 3% in 2024. High Street retail ranks second in terms of real estate investment within the retail sector, attracting 22% of the total.

Prime yields in shopping centers, retail parks and high street units have seen a sharper decline than expected, based on recent market transactions. Current yield levels stand at 7.25%, 6.5%, and 4%, respectively.



* Investment made in the office, retail, logistics, hotels and living sectors (excluding nursing homes) is considered.

Spain

Investment volume Q1 2025

€ 891.4 M (€826 M Q1 2024)

Top 3 investment deals Q1 2025

€305 M | Bonaire Shopping Centre, Aldaia (Valencia)
Vendor: URW | Purchaser: Castellana Properties Capital
value: 2.243 €/sq m
Source: Brainsre

€200 M | Xanadú Shopping Centre (50%), Arroyomolinos (Madrid)
Vendor: Intu Properties | Purchaser: Rivoli Asset Management
Capital value: 1.307 €/sq m
Source: Belbex

€96 M | Alcalá Magna Shopping Centre, Alcalá de Henares (Madrid)
Vendor: DWS Grupo | Purchaser: Lighthouse Properties
Capital value: 2.832 €/sq m
Source: Expansión

► The most notable transaction of the quarter was Castellana Properties’ acquisition of the Bonaire shopping center in Aldaia (Valencia) for €305 million, representing half of the total investment volume in this category. The second largest deal was Rivoli Asset’s purchase of a 50% stake in the Xanadú shopping center for €200 million. Also worth highlighting is Lighthouse Properties’ acquisition of the Alcalá Magna shopping center for over €96 million.



European prime yields. Latest available data | Q4 2024 *

	SHOPPING CENTER	RETAIL PARKS	HIGH STREET
Paris	6.00% =	6.50% ↓	4.25% =
Dublin	7.50% =	6.50% =	5.25% =
Prague	6.00% ↓	6.00% =	4.75% ↓

Source: Knight Frank Research. *Last data available

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



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