

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 2022

RETAIL NEW OPENINGS



MADRID

ZARA AND STRADIVARIUS
Pza. de España 19
9,000 sq m

LULULEMON
Serrano 40
700 sq m

ADOLFO DOMINGUEZ
Serrano 40
600 sq m



BARCELONA

ZIMMERMANN
Pº de Gracia 42
400 sq m

PEPE JEANS
Pº de Gracia 67
300 sq m

RALPH LAUREN
Pº de Gracia 90
200 sq m

Situation in Spain

According to the latest IMF forecasts, they estimate that GDP will close the year with a growth of 4%, which is 8 tenths of a percentage point lower than the April forecasts. With respect to 2023, the forecast is 2%, with Spain being one of the countries with the highest growth.

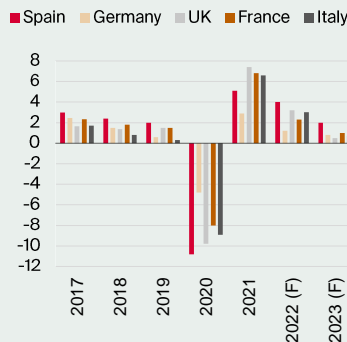
The number of international tourists has increased significantly in the month of April, reaching more than 6 million people, well above the figure reached in April 2021. The average expenditure per tourist in April was €1,131 (y-o-y growth of 6%)

The ICC decreased in the month of June compared to May and stood at almost 66 points, 10 points less compared to the previous month. Uncertainty about the future of the economy, such as the rise in inflation and the increase in interest rates, are some of the factors that caused it to fall.

These data have an impact on sales in the fashion trade, which have fallen sharply since February, although in June they have risen slightly.

European comparative GDP

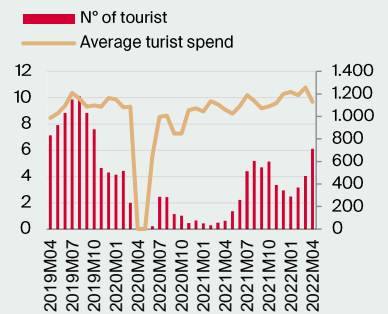
2017 - 2023 (forecast). %



Source: FMI

Nº of tourist and average tourist spend

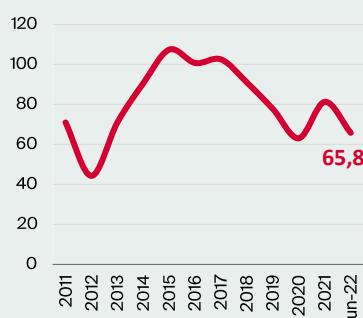
2019 - Apr 2022. Millions of people. €



Source: INE

Consumer Confidence Index

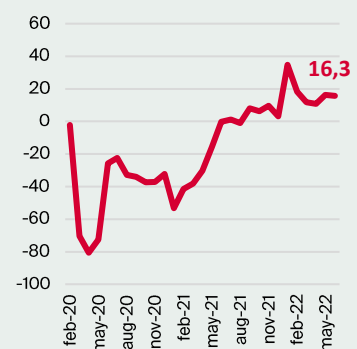
2011 - Jun 2022



Source: CIS

Fashion retail sales in Spain

Feb 2020 - Jun 2022. Y-o-y. %



Source: Acotex. *March, April and May 2021, comparison with 2019 due to the pandemic.

Retail investment in Spain

The second quarter of the year registered an investment volume of more than €2,500 million and more than €2,800 million in the first six months, although it is worth mentioning that BBVA's repurchase of branches for almost €2,000 million accounted for almost 80% of the total investment in the second quarter. Even so, the investment without this operation would be more than €530 million, almost 90% higher than in the same period of the previous year.

In all, the main players this half-year, without taking into account BBVA's transaction, are shopping centres, with almost 45% of the total and exceeding by more than 660% the investment made in shopping centres in the first half of 2021.

Prime yields remained stable in the second quarter of the year.



TOP 3 DEALS Q2 2022

VARIOUS

BBVA BRANCH PORTFOLIO
VENDOR: MERLIN PROPERTIES
PURCHASER: BBVA
€1,985 M n.a €/sq m
Source: Ejeprime

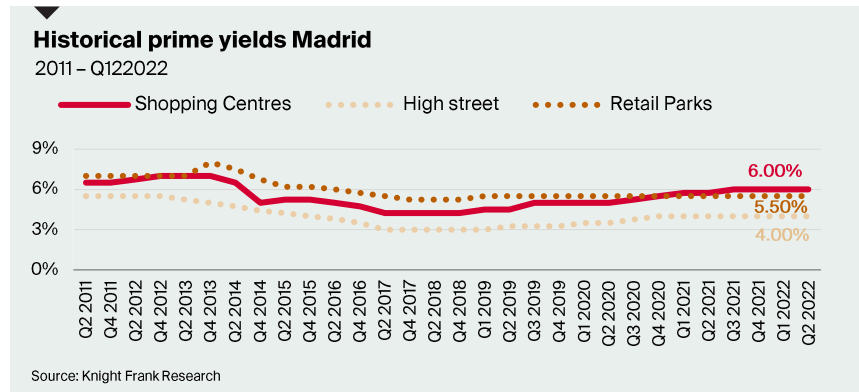
BARCELONA

FINESTRELLES S.C
VENDOR: EQUILIS
PURCHASER: FREY INVEST
€127.5 M 3,250€/sq m
Source: Idealista news

VARIOUS

CARREFOUR PORTFOLIO
VENDOR: AMUNDI REAL ESTATE
PURCHASER: MDSR INVESTMENTS
€120 M 1,600 €/sq m
Source: BrainsRe

Among the most significant transactions during the second quarter of the year was BBVA's repurchase of 693 BBVA branches from Merlin for almost €2,000 million. Another important transaction was the purchase by the French group Frey Invest of the Finestrelles Shopping Centre for close to €130 million, with tenants including operators such as Decathlon, Zara, Bershka and Media Markt.



EUROPEAN PRIME YIELDS

LATEST AVAILABLE DATA Q1 2022	SHOPPING CENTRE	RETAIL PARK	HIGH STREET
FRANKFURT	n.a	n.a	↓3.40
LONDON	n.a	n.a	=3.50
BERLIN	=4.25	=4.15	=3.00
DUBLIN	=5.50	=5.75	=4.75
PARIS	=4.50	↓5.00	=3.00

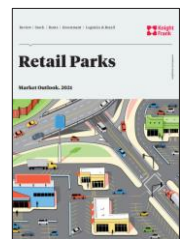
Source: Knight Frank Research

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.

Recent Publications



Retail Property Outlook, 2022



Retail Parks, 2021

Retail

Elaine Beachill
Director of BTR, Retail & Hospitality
+34 600 919 016
Elaine.Beachill@es.knightfrank.com

Research

Rosa Uriol
Head of Research
+34 600 919 114
Rosa.Uriol@es.knightfrank.com

Knight Frank Research
Reports are available at
Spanish: knightfrank.es/investigacion-de-mercados and in
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