

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.

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The international tourists start the year surpassing the figures of 2022

- 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 continues to show a favourable evolution during the first months of the year, having registered a year-on-year growth of 7.6% during the month of May.

Consumer confidence is also an indicator showing a positive trend, as during the month of May, this figure has reached 81.5 points, which is 8.5

points higher than the previous month.

Regarding the nº of international tourists, the first months of the year have been higher than those of 2021, reaching an accumulated total of almost 21 m. Even the data for May, which adds up to almost 7.3 m tourists, is 1.2% higher than the figure recorded in the same month of 2019.

Spain

Madrid

Top 3 recent openings

560 m² | Bar Manero | Marqués de Cubas 14

340 m² | Five Guys | Avenida Felipe II

250 m² | Bexley | Serrano 3

Resto de España

Top 3 recent opening

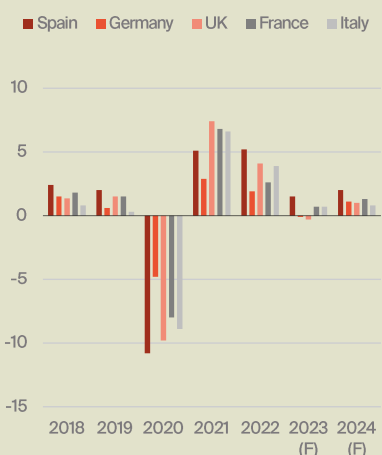
2.555 m² | Ikea | Av. Diagonal 532 (Barcelona)

380 m² | Leroy M. | Conde Salvatierra (Valencia)

142 m² | Miele | Calle Hernan Cortés 24 (Valencia)

European Comparative PIB

2020 - 2024 (forecast)



Source: FMI

Retail Trade

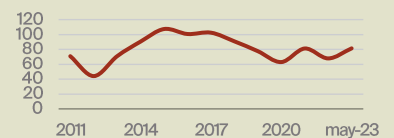
2020 - 2023 (May), y-o-y (%)



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

Consumer Confidence Index

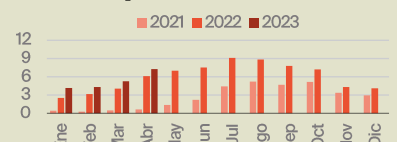
2011 - 2023 (May)



Source: CIS

International tourists

Millions of persons. 2021 - 2023



Source: INE

RETAIL INVESTMENT IN SPAIN

The investment pace remains stable during the 2nd quarter and reaches 210 M€, which is approximately 60% less than the figure recorded in the same period of 2022. In the accumulated, the total amount rises to 385 M€, where shopping centres have represented a larger share of the total investment, accounting for almost 45%. The 2nd position is occupied by retail parks, with 35%.

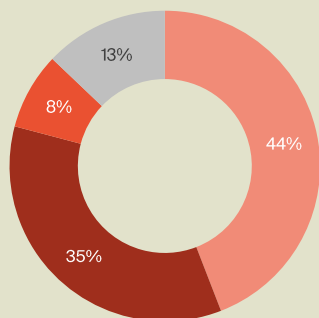
These two types of commercial spaces, in particular, have a significant growth forecast in Spain. It is expected that 30 new assets will be opened during 2023-2025, adding approximately 900,000 sq m to the existing more than 16.6 m sq m between both types in the market. Currently, this surface area is distributed among approximately 580 shopping centres.

Prime yields in shopping centers and parks in the capital continue to show an upward trend, partly influenced by more stringent financing conditions. Currently, they stand at 6.50% for both segments.

Retail investment

H1 2023

- Shopping Centers
- Retail Parks
- High Street
- Supermarkets



Source: Knight Frank Research

Spain

Investment volume Q2 2023

€210 M (€535 M Q2 2022)

Top 3 investment deals Q2 2023

€54* M | P.C. Las Cañas, Navarra

Vendor: Oak Hill & Murias | Purchaser: Mosaqui

Capital value: 1.200 €/sq m

Source: Property Web. * Estimated price

€45* M | C.C. Marineda City, A Coruña

Vendor: El Corte Inglés | Purchaser: Merlin

Capital value: 1.000 €/sq m

Source: Property Web * Estimated price

€26,5 M | P.C. El Osito, Valencia

Vendor: Aliseda | Purchaser: Iroko Zen

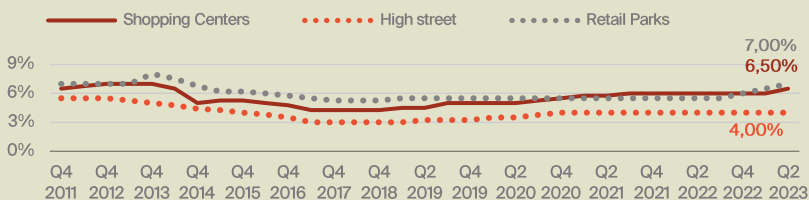
Capital value: 1.300 €/sq m

Source: Idealista News

► Mosaqui Capital stands out with the main operation of the quarter by acquiring the commercial park Las Cañas in Navarra for about 55 million euros. The investment group plans to enhance the value of this asset through an investment of around three million euros. The park features well-known operators such as Brico Depot and Conforama, in addition to offering facilities such as a hotel, paddle courts, bowling alley, and cinemas.

Prime yields Madrid

2013 – Q2 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% ↑	3.80% ↓

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

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