

Retail Snapshot

Q2 2024

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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International tourism continues to break record figures in Spain

- ▶ About twenty-four million international tourists have visited Spain in the first four months of the year, this figure being 12% higher than what was recorded in the same months of 2019.

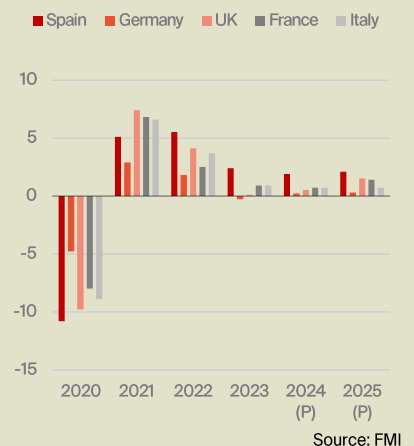
SITUATION IN SPAIN

The International Monetary Fund continues to improve growth forecasts for Spain and the US among advanced economies. Spain is expected to end 2024 with a growth of 1.9%, four-tenths more than in the previous forecast and thus leading the growth of the entire eurozone. For 2025, GDP growth of 2.1% is expected.

The retail turnover registered a 0.3% annual growth during May.

Consumer confidence stood at 84.5 points in April, which represents 2 points more than the previous month's figure, as well as 11.5 points more than the same month in 2023. The assessment of the current situation and future expectations increased by 1.7 and 2.3 points respectively.

European Comparative PIB



Retail Trade

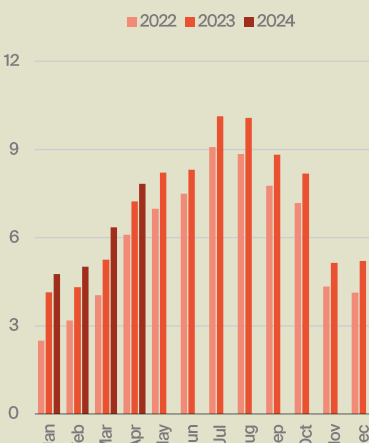
y-o-y (%)



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

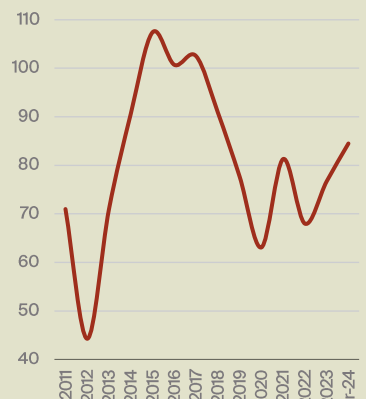
International tourists

Millions of persons



Source: INE

Consumer Confidence Index



Source: CIS

RETAIL INVESTMENT IN SPAIN

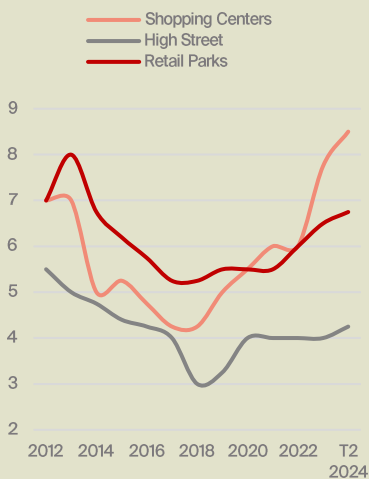
During the second quarter of the year, the investment volume in the retail sector was about 500 million euros. The six-month cumulative closes with an investment of more than 1,300 million euros for retail, being one of the real estate markets* that has registered the highest volume, only behind hotels.

The shopping centers continue to hold great relevance in terms of investor interest in the market. This typology has reached the highest volume of investment transacted during the first six months of the year, representing about 60% of the total investment in retail, with an investment of around 800 million euros.

The prime yield on medium-sized parks in the capital has remained stable during the second quarter of the year, standing at 6.75%, whereas shopping centers have again experienced an increase to 8.50% (8.00% Q1 2024) due to the amount of financing needed for these assets.

On the other hand, the prime yield for commercial premises has also increased to 4.25% (4.00% Q1 2024).

Prime yields Madrid



Source: Knight Frank Research

Spain

Investment volume S1 2024

€1,300 M (€390 M S1 2023)

Top 3 investment deals Q2 2024

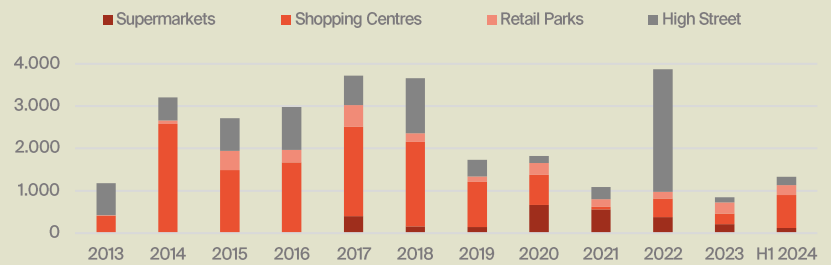
€140 M | 3 Shopping centers, Various
Vendor: ASG Iberia | Purchaser: Felipe Peraire
Capital value: 1,900 €/sq m
Source: Observatorio Inmobiliario

€120 M | 22 Supermarkets, Various
Vendor: AEW | Purchaser: MDSR
Capital value: 1,000 €/sq m
Source: Brainsre

€100 M | 300 BBVA offices, Various
Vendr: BBVA | Purchaser: Confidential
Capital value: n.d. €/sq m
Source: Cinco Días

► Among the most notable transactions of the second quarter is the sale by ASG Iberia of three shopping centers in Barcelona, Cáceres, and Bilbao for 140 million euros. Specifically, the portfolio includes SOM Multiespai (36,000 sq m), Ruta de la Plata Shopping Center (17,700 sq m), and Zubiarte Shopping Center (22,300 sq m). The portfolio has been acquired by a single buyer, a Valencian businessman.

Retail investment volume



Source: Knight Frank Research

European prime yields. Latest available data | Q1 2024

	SHOPPING CENTER	RETAIL PARKS	HIGH STREET
Berlin	5.70% =	5.40% =	n.d
Dublin	7.50% =	6.50% =	n.d
Praga	6.25% =	6.50% =	n.d

Source: Knight Frank Research

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
Tamara Sánchez
Director, Head of Retail
+34 600 919 073
tamara.sanchez@es.knightfrank.com



Research
Daniel Caprarin
Head of Research, Marketing & PR
+34 600 919 087
Daniel.caprarin@es.knightfrank.com