



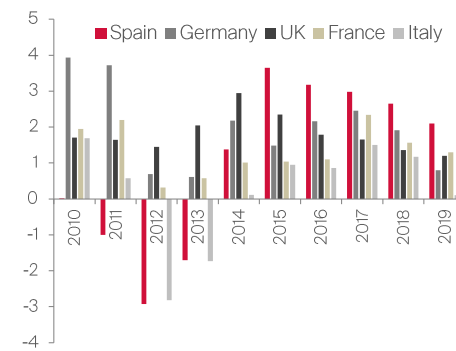
RETAIL SNAPSHOT

3rd QUARTER 2019

Situation in Spain

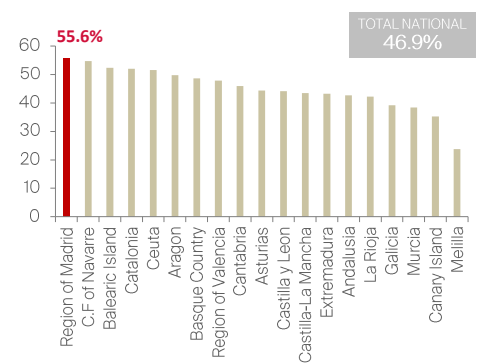
- According to IMF forecasts, GDP growth in Spain will continue above the European average with Spain's rate at 2.1%, with countries such as UK or France not reaching 1.5%.
- Total Spanish population from 16 to 74 years who have bought online in the last three months, is almost 47%. The Community of Madrid leads with 55.6% of the population, followed by the *Comunidad Foral de Navarra* with 54.7%.
- In 2019, Spain was declared the country with highest competitive global index of Travel and Tourism due to, amongst other factors, being a country rich in natural and cultural resources, as well as its impressive tourist infrastructure. Total volume of international tourist remains stable while the average spending increase of 3% year on year.
- The last semester of the year will be highlighted for grand openings such as that by the Lagoh shopping centre in Seville, which joins the *shopping resort* trend, in search of a satisfying stay, or that of X-Madrid, which will become a reference of leisure combined with sports and adventure. In terms of centres under refurbishment, Tres Aguas will be under integral reform as of December, and will be positioned as one of the most experiential centres in Madrid.

GRAPH1
European GDP comparison
2010 - 2019



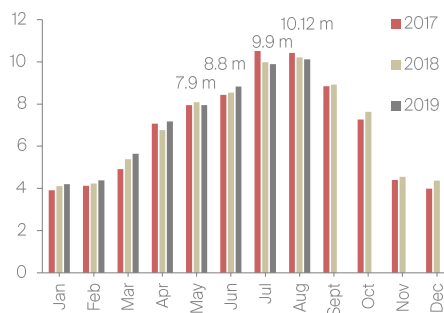
Source: IMF

GRAPH 2
Online shopping last three months
People from 16 to 74 years. (%)



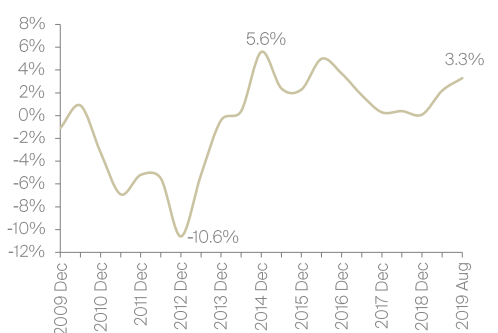
Source: INE

GRAPH3
International tourist
Million people. 2017 - 2019



Source: INE

GRAPH4
Retail trade
Turnover index. Y-o-y (%)



Source: INE

GRAPH5 Flagships

Recently opened flagships stores (Madrid)



HUAWEI
Opened: July 2019
Location: Gran Via, 48
GLA: 1,100 sq m



ZARA
Opened: Sep 2019. Extension
Location: Preciados, 18
GLA: 4,000 sq m



VISIONLAB
Opened: Sep 2019
Location: Preciados, 27
GLA: 480 sq m



UNIQLO
Opened: Oct 2019
Location: Goya, 6
GLA: 1,590 sq m

Retail investment in Spain

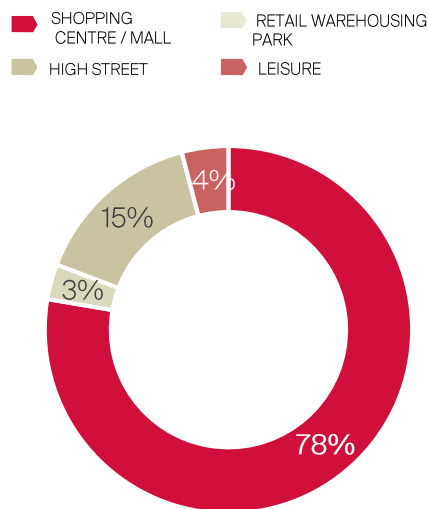
Investment volume during the third quarter of 2019 again improved the volume of previous quarters, reaching a total of 945 M to date this year.

The largest number of transactions through the third quarter is concentrated in High Street with 43% of total operations and a 22% of the investment volume. However, the shopping centres, while reducing the number of operations with respect to previous quarters, has generated an investment turnover of 58% until now.

The commitment to leisure continues to gain attention such as the purchase of the cinemas Cinesa Méndez Álvaro with 16 screening rooms by an investment fund, or the reimagining of the Palafox cinema in Madrid into a luxury concept.

The most relevant transaction of the quarter has been the sale of the Corte Inglés Francesc Macià in Barcelona by a volume above to 150 millions of euros, to *family office* AM Gestió. The Corte Inglés remains as tenant until december 2020.

GRAPH6
Retail investment
Q3 2019



Source: Knight Frank Research

GRAPH7
European prime yields
Latest available data

	SHOPPING CENTRES	RETAIL PARKS	HIGH STREET
Brussels	= 4.25	= 5.50	↓ 3.00
London	= 4.50	= 5.00	↓ 2.70
Amsterdam	= 4.75	= 5.50	= 3.00
Frankfurt	= 3.80	= 5.00	= 4.00
Berlin	= 3.75	= 5.00	= 2.50
Paris	= 4.25	= 5.00	= 2.90
Dublin	= 4.50	= 5.25	= 3.50

Source: Knight Frank Research

GRAPH8
TOP 3 | Investment Transactions
Q3 2019

CORTE INGLÉS FRANCESC MACIÀ BARCELONA

VENDOR: EL CORTE INGLÉS | PURCHASER: AM GESTIÓ

€152 m | 40,000 per sq m

Source: Cinco Días

SHOPPING CENTRE BALLONTI, BILBAO

VENDOR: DEKA
PURCHASER: BILBALL CENTRE AND BALLON INVESTMENT

CONFIDENTIAL | 52,600 per sq m

Source: Eje Prime

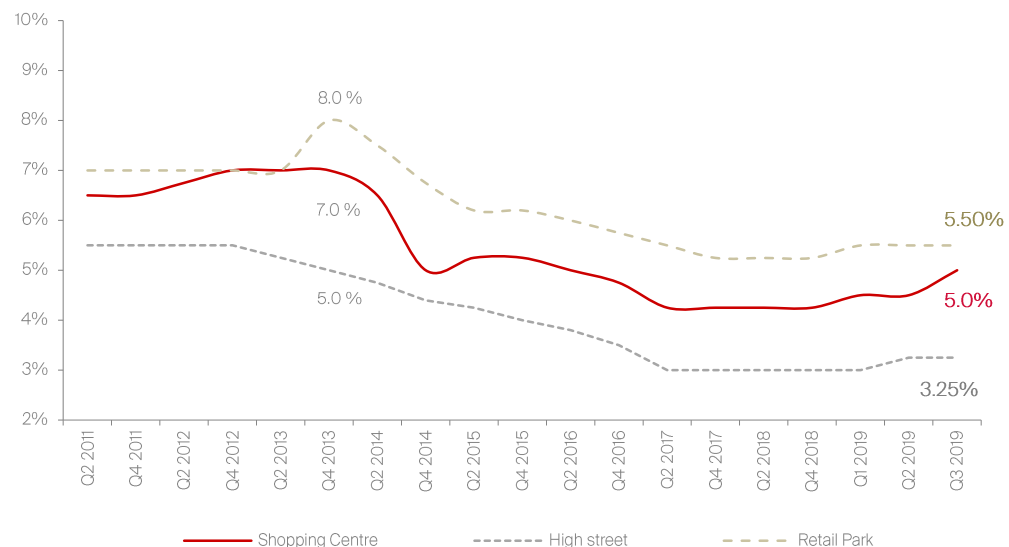
SHOPPING CENTRE PUERTA EUROPA

ALGECIRAS, CÁDIZ
VENDOR: VARDE
PURCHASER: CASTELLANA PROPERTIES

€56.8 m | 29,800 per sq m

Source: Cinco Días

GRAPH 9
Historical prime yields
2011 - Q3 2019



Source: Knight Frank Research



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