

The sector indicators are compiled quarterly from a detailed and exhaustive study prepared by experts in the Knight Frank Madrid office and are based on real data and market trends.

# Retail Snapshot

Q3 2020

## RETAIL NEW OPENINGS

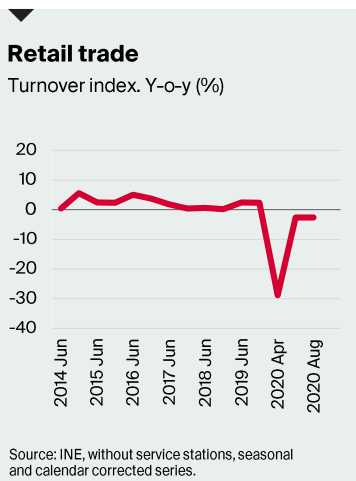
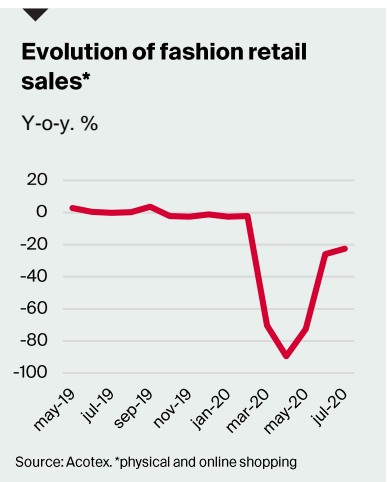
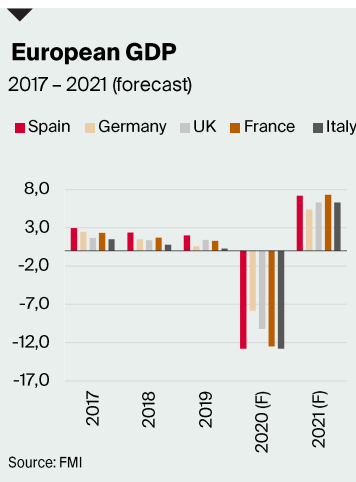
City	Brand	Address	Area
MADRID	HARD ROCK	Preciados 11	215 sq m
	SILBON	Lagasca 19	360 sq m
	LEVI'S	Preciados 15	220 sq m
BARCELONA	LA CASA DE LAS CARCASAS	Pelayo 26	150 sq m
	MCDONALD'S	Diagonal 593	n/d sq m
	LEVI'S	Diagonal 605	200 sq m

## Situation in Spain

The IMF forecasts for the Spanish economy remain unchanged, standing at -12.8% for 2020, however, they have recently increased the expected rebound in 2021, having raised the forecast from 6.3% to 7.2%, always to reduce the number of infections.

Since June there has been a strong rebound in retail trade and this positive trend is expected to stabilise until the end of the year. According to the latest available data and taking into account the quarterly variation in demand for goods in August, household and personal goods have been where the greatest increases have been recorded, due to the increase demand for improvements physical health as well as home improvements after lockdown. In the fashion sector specifically, one of the most affected by COVID-19, there has been a positive trend in sales since April, and this predisposition is expected to continue.

Regarding the shopping basket, the most notable changes have been seen within grocery shopping, which represent 29.2% of the total value of all purchases after lockdown, standing before lockdown at 25.1%. This is due in part to changes in consumer buying behavior.



## Retail investment in Spain

In the third quarter of the year, an investment volume close to € 390 M was reached, very similar to that registered in the same period of 2019. The total accumulated so far this year reaches €1,360 M, which is almost 45% more than the previous year.

Shopping centers account for the highest volume of the investment portion this year, registering almost € 700 M to date.

Interest in retail parks and assets with strong food covenant anchors remain latent, as well as interest from opportunistic investors and specialists. During this quarter, Capfield family's purchase of the La Vega shopping centre stands out as being one of the first purchases.

Yield of retail parks has remained stable during this quarter, while high street and shopping centres have experienced a slight increase, standing at 3.75% and 5.25% respectively.



## TOP 3 DEALS

### VARIOUS

**BATIPART PORTFOLIO**  
 VENDOR: ADEO  
 PURCHASER: BATIPART  
**€200 M** n.a €/sq m  
 Source: Brainsre

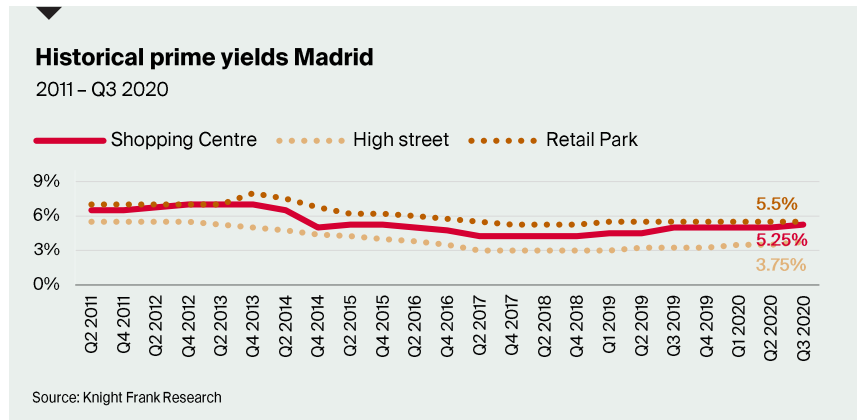
### MADRID

**SUPERSOL PORTFOLIO**  
 VENDOR: MAXIMA GROUP  
 PURCHASER: CARREFOUR  
**€78 M** n.a €/sq m  
 Source: Brainsre

### MADRID

**CANALEJAS HIGH STREET UNIT**  
 VENDOR: VILLA MIR  
 PURCHASER: NUVEEN  
**€30 M** 30,000 €/sq m  
 Source: Idealista

During the quarter, large operations were linked to operational or corporate issues, such as the purchase of Batipart from Adeo, in sale & leaseback, of 15 assets in Spain and Portugal (42 at European level) for more than € 200 M. Supermarkets continue to stand out, Carrefour buys 172 Supersol establishments form the Maxima group which they are already beginning to transition.



## EUROPEAN PRIME YIELDS

LATEST AVAILABLE DATA Q2 2020

	SHOPPING CENTRE	RETAIL PARK	HIGH STREET
BRUSSELS	↑4.50	↑6.25	↑4.00
LONDON	n.a	n.a	= 3.25
BERLIN	= 4.00	↓4.75	↓2.75
DUBLIN	= 4.50	= 5.25	= 3.75

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.

### Retail

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Covid-19 - June 2020



Active Capital. 2020

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