

Retail Snapshot

Q3 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.

knightfrank.com/research

Tourist traffic in Spain continues to grow during the first eight months of the year

- ▶ The arrival of international tourists has reached record levels during the months of 2024 (up to August), exceeding pre-pandemic figures by more than 11% compared to 2019. This trend is expected to continue rising during the last months of the year.

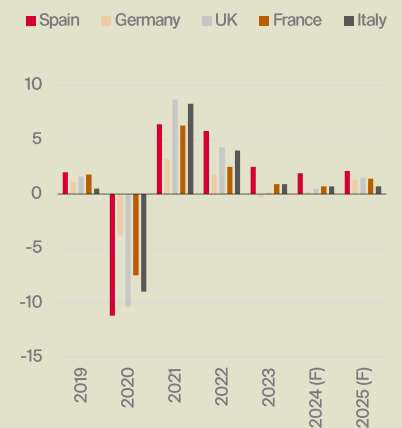
SITUATION IN SPAIN

The International Monetary Fund continues with the forecast for higher growth for Spain compared to other advanced European economies for 2024 (1.9%), with an even more optimistic outlook for the following year, 2025. Thus, Spain is projected to be the fastest-growing among the main European economies.

Retail turnover registered a growth of 2.1% in August, according to the latest data from the National Statistics Institute.

Consumer confidence stood at 89.4 points in July, representing an increase of one point compared to the previous month, and following an upward trend compared to the same period in 2023.

European comparative GDP



Source: IMF

Retail Trade

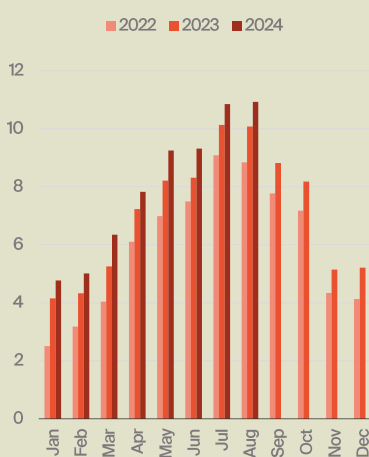
y-o-y (%)



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

International tourists

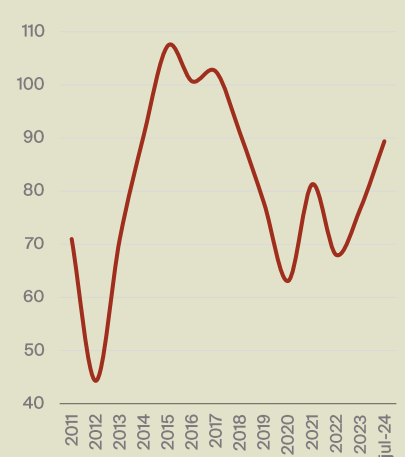
Millions of persons



Source: INE

Consumer Confidence Index

Points



Source: CIS

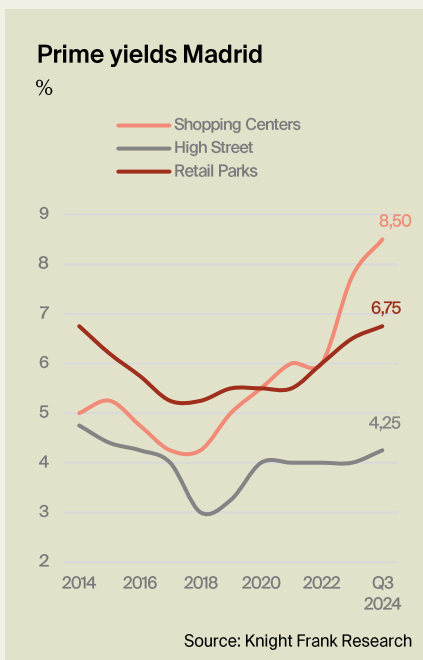
RETAIL INVESTMENT IN SPAIN

The retail sector recorded an investment of close to €375 million in the third quarter, with a strong focus on commercial premises, which accounted for more than 50% of the quarterly investment, especially in prime locations.

During the third quarter, retail units were transacted in great arteries in major cities across the country, such as Paseo de Gracia in Barcelona, Calle Colón in Valencia and Puerta del Sol in Madrid. The latest, managed by Knight Frank, has almost doubled its valuation since 2017, evidencing the attractiveness of these assets for investors.

The accumulated annual investment in retail amounts to €1.700 million, representing approximately 25% during this period an increase of nearly 184% compared to the same timeframe in 2023.

Prime yields in retail parks, shopping centers and high-street stores in the capital remain stable, holding at the same levels as the previous quarter: 6.75%, 8.50% and 4.25%, respectively.



*Investment made in the office, retail, logistics, hotels and living sectors (excluding nursing homes) is considered.

Spain

Investment volume Q1-Q3 2024

€1,700 M (€375 M Q3 2024)

Top 3 investment deals Q3 2024

€90 M | 54 retail units Burger King, Various locations
Vendor: Alsea | Purchaser: RBI (Royal Brands)
Capital value: n.d €/sq m
Source: El Economista

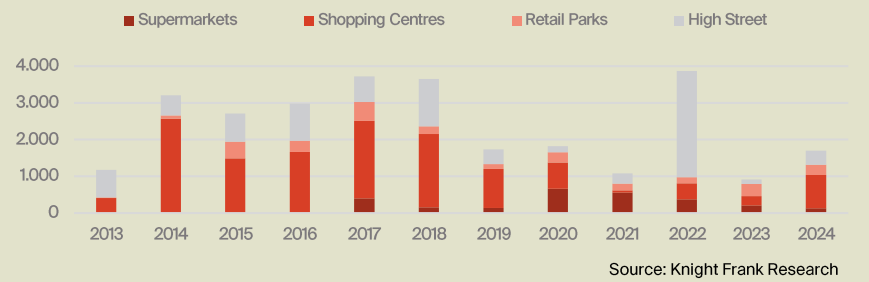
€67.5 M | Moraleja Green, Alcobendas, Madrid
Vendor: Kennedy Wilson | Purchaser: Rivoli Asset Management
Capital value: 2.280€/sq m
Source: Belbex

€50 M | Espacio León, León
Vende: Blackstone | Purchaser: Indotek
Capital value: 1.351€/sq m
Source: Idealista

► During the third quarter, the purchase of 54 Burger King retail units by Royal Brands, with an investment of €90 million, in several locations in Spain, stood out in terms of transaction volume. This was followed by the sale of the Moraleja Green shopping center by Kennedy Wilson to Rivoli Asset, for almost €68 million. Finally, it is worth mentioning the sale of another shopping center, Espacio León, acquired by Indotek from Blackstone for a total of €50 million.

Retail investment volume

Q3 2024



European prime yields. Latest available data | Q3 2024

	SHOPPING CENTER	RETAIL PARKS	HIGH STREET
París	6.00% =	6.75% =	n.d
Dublín	7.50% =	6.50% =	n.d
Praga	6.25% =	6.00% ↓	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.



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