

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

Retail Snapshot

Q4 2019

SPAIN RECENTLY OPENED



FLAGSHIPS

UNIQLO
GOYA 6, MADRID
1,590 sq m

PIKOLINOS
PRECIADOS 17, MADRID
785 sq m

PHILIP MORRIS
SERRANO 36, MADRID
300 sq m



SHOPPING CENTRE

X-MADRID
ALCORCON, MADRID
39,000 sq m

ROSA CENTER
ADEJE, TENERIFE
10,000 sq m

MOGAN MALL
MOGAN, LAS PALMAS
18,000 sq m

Situation in Spain

According to IMF, Spain's yearly GDP growth closed at 2.2%, exceeding the European average of 1.5%. The growth rate is expected to remain above 1.5% until at least 2024.

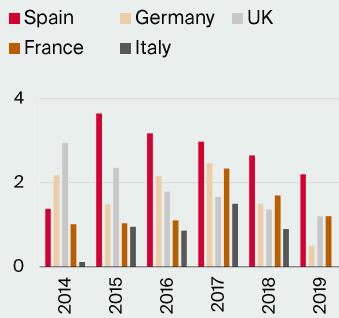
Spain continues as a leading world tourist destination and Madrid as one of the most visited cities, partly because of its importance as a shopping destination.

The e-commerce volume in Spain reaching almost €12bn in the second quarter of 2019, an increase of around 30% more than the same period of the previous year. The economic activity with the highest recorded volume is tourism contributing around 16% of the total turnover, followed by air transport with 8.8%.

The average expenditure continues to increase up to 3%, according to the latest published data. Sales have risen in almost all autonomous communities, with the largest increases in Andalusia (4.9%), Catalonia (4%) and Cantabria (3.8%).

European GDP

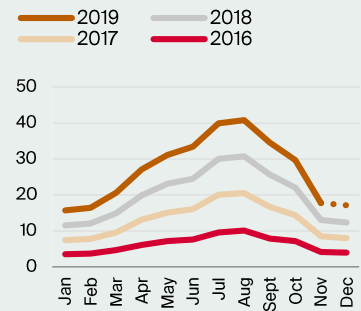
2014 - 2019. (%)



Source: IMF

International tourist

Million people. 2017 - 2019



Source: INE

E-commerce volume / activ.

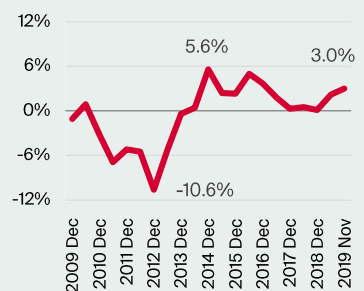
TOP 10 activities. (€)



Source: CNMC

Retail trade

Turnover index. Y-o-y (%)



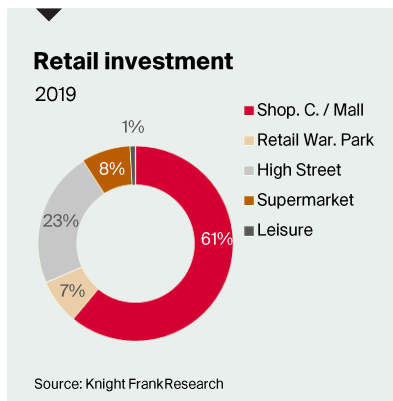
Source: INE

Retail investment in Spain

Total retail investment volume for 2019 closed around €1.75bn, having exceeded €800 m during the last quarter, a record figure compared to the previous quarters.

The largest volume of investment has been concentrated in shopping centres, making up more than 60% of the annual total. In terms of number of transactions, the largest deal has been with the sale of eleven stores occupied by Zara by German fund, Deka to various investors.

Prime yields remain stable compared to the previous quarter in both Madrid and Barcelona. This stability has been felt across analysed European capital cities except the cases of London and Brussels, where there has been an increase in high street yields.



TOP 3 DEALS

ZARAGOZA

PUERTO VENECIA
 VENDOR: INTU PROPERTIES
 PURCHASER: UNION INVESTMENT & GENERALI

€475m 4,300 sq m

Source: El País

VARIOUS

CARREFOUR
 VENDOR: KENNEDY WILSON
 PURCHASER: BARINGS REAL ESTATE

€73.4m 9,600 sq m

Source: El Confidencial

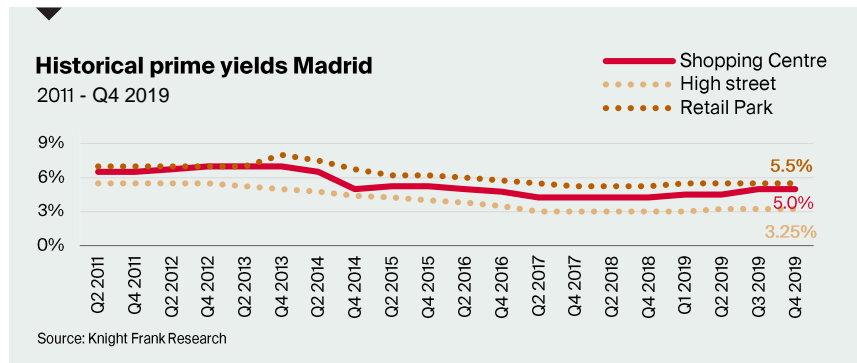
ALICANTE

THE OUTLET STORES ALICANTE
 VENDOR: SAVILLS IM
 PURCHASER: UBS

€34m 970 sq m

Source: Eje Prime

The largest deal of the year has been carried out by Intu Properties, with the sale to Union Investment & Generali of the Puerto Venecia shopping centre, located in Zaragoza. The centre is the city's leading shopping resort and has a sizeable leisure component.



EUROPEAN PRIME YIELDS

LATEST AVAILABLE DATA	SHOPPING CENTRE	RETAIL PARK	HIGH STREET
BRUSSELS	= 4.25	= 5.50	3.75
LONDON	n.a	n.a	↑ 3.00
AMSTERDAM	n.a	n.a	↑ 3.00
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

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

Recent Publications

Capital Markets Retail

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Luxury hotels & retail. 2019



Puerta del Sol. Update 2019

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