

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.

Retail Snapshot

Q42020

RETAIL NEW AND FUTURE OPENINGS



MADRID

WOW
Gran Vía 18
(Autumn 2021)
5,500 sq m

DRUNI
Velázquez 34
(December 2020)
600 sq m

BONNET À POMPÓN
Ayala 26
(November 2020)
400 sq m



BARCELONA

NIKE
Pº de Gracia 17
(December 2020)
3,000 sq m

FOOT LOCKER
Plza. Cataluña 20
(2021)
600 sq m

WEEKDAY
Pº de Gracia 33
(October 2020)
400 sq m

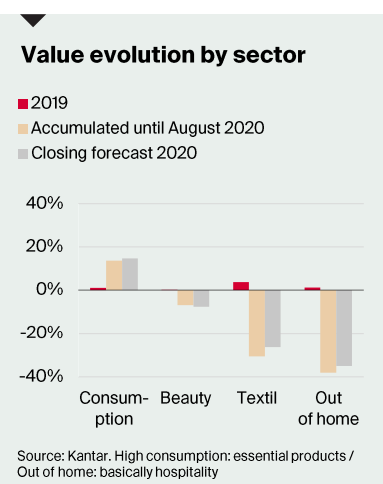
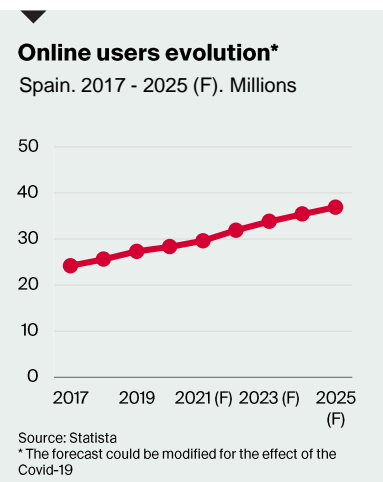
Situation in Spain

Although retail trade levels continue to be negative, -4.2% in November, the figures are better than those registered during the first month of the pandemic, where it reached almost -30%.

Online shopping has proved itself as a savior for retailers within the midst of the health crisis, so it is expected that the trend to shop online will continue to break records for at least the next five years. Many operators have had their expectations exceeded, with some experiencing online trade that accounts for 20% of the total.

Within the four most dominant sectors, consumption has increased since August where there was a significant amount of growth when compared to the previous year and it is hoped that this positive trend will continue until the end of the year.

Consumption related to staying at home has grown over the past few months. Most notably food, DIY, new hobbies and even pet related products have all experienced an increase. On the other hand, beauty, textile and out of home consumption will begin to recover as the year 2021 progresses.



Retail investment in Spain

Q4 closed with approximately € 460 M, and the accumulated total reached more than €1,800 M, which is around 4% higher than 2019, despite with the pandemic situation.

Supermarkets prove to be the sector that have performed the best within this quarter, with almost 80%, due to the sale of various portfolios. During 2020, shopping centers accounted for the highest investment volume, in particular, for the operations registered in the 1st quarter, such as the sale of the Parque Principado in Asturias.

Interest in retail parks has increased, especially for its resilience and synergy with the logistic sector. The demand for long-term investment is also maintained, thanks for to supermarkets and retailers with strong financial security.

Yield from retail parks has remained stable, while high street and shopping centres have experienced a slight increase, standing at 4% and 5.50% respectively.



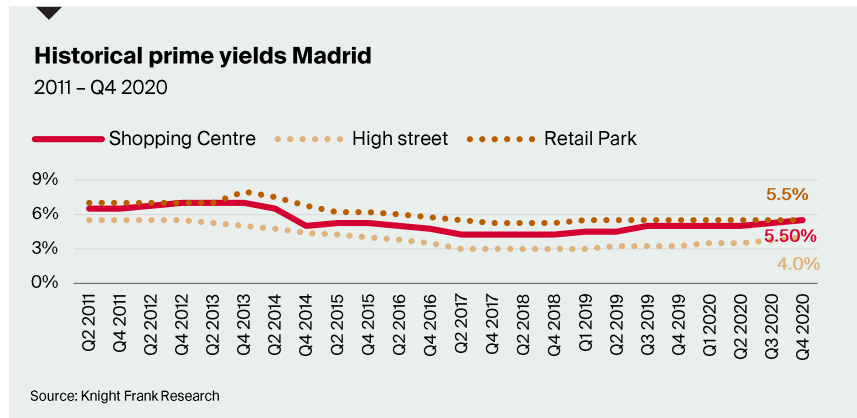
TOP 3 DEALS

VARIOUS
CASH & CARRY PORTFOLIO
VENDOR: GM FOOD
PURCHASER: SAGAX
€152 M 884 €/sq m
Source: Brainsre

VARIOUS
HIPERMARKETS PORTFOLIO
VENDOR: INVESCO
PURCHASER: PRADERA
€130 M 2,400 €/sq m
Source: El Inmobiliario mes a mes

VARIOUS
EROSKI PORTFOLIO (27)
VENDOR: EROSKI
PURCHASER: REIT W.P CAREY
€86 M 1,900 €/sq m
Source: Idealista

Within the last quarter of the year, the transaction that stands out the most is the purchase of 37 cash & carry stores by the Swedish company Sagax, in sale & leaseback. The amount of the transaction has been around € 152 M. The assets, that belonged to GM Food and now who will be a tenant, are located between Madrid and Barcelona.



EUROPEAN PRIME YIELDS

LATEST AVAILABLE DATA Q3 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	↑ 5.00	↑ 5.75	↑ 4.50
PARIS	= 4.25	= 5.25	= 3.00

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.

Recent Publications



Covid-19 - June 2020



Active Capital. 2020

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