

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

Q4 2022

RETAIL NEW OPENINGS



MADRID

LEFTIES
Montera 25
4,000 m²

DÉCIMAS
Alcalá 1
864 m²

IKEA
Fuencarral 140
585 m²



BARCELONA

ADIDAS
Paseo de Gracia 2-4
2,200 m²

PRIMOR
Puerta del Ángel 40
1,200 m²

SHEIN
Portal del Ángel 15
900 m²

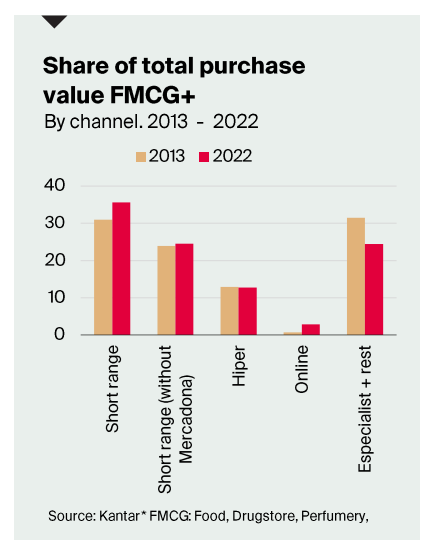
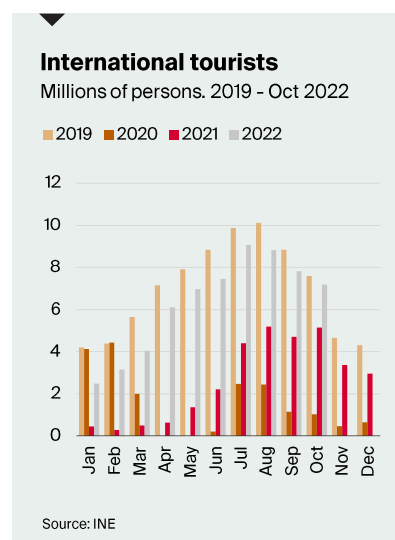
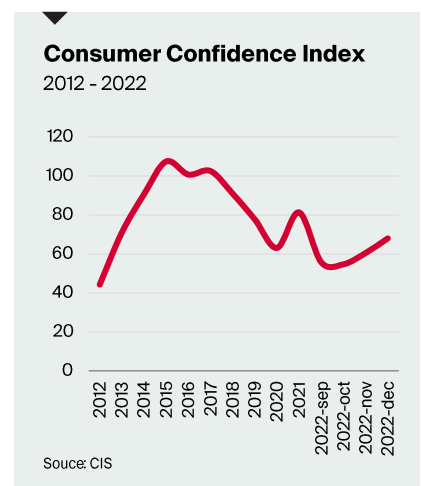
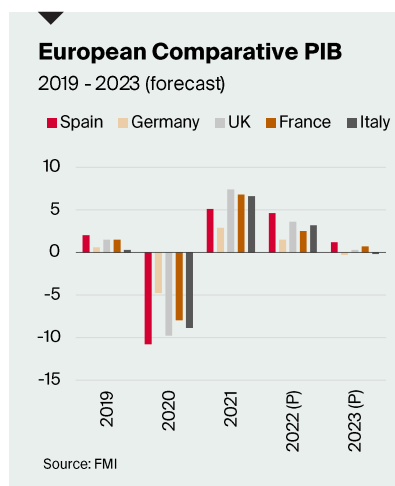
Situation in Spain

Although GDP growth forecasts for Spain have been downgraded in recent revisions, it will be one of the fastest growing countries compared to others in Europe, expecting a GDP increase of 1.2% by 2023.

Although the consumer confidence index closed 2022 with a lower figure than the previous year, 68 points compared to 81.3 in 2021, during the last months of the year it has been recovering, having increased by 13 points from October to December.

The tourism sector continues to return to figures very close to pre-pandemic years. The number of tourists accumulated up to the month of October is more than 63 million, which represents an increase of more than 150% over the previous year.

The change in purchase channels over the last decade is seen in limited assortment supermarkets, which offer house brands such as Mercadona, Lidl, Aldi or Dia, and e-Commerce. The channel has grown by 4.6 points and moved into first place.

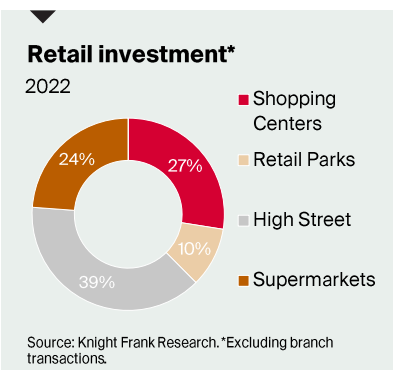


Retail investment in Spain

The last quarter of the year has recorded an investment volume of around €540 million, which is double that of the same period of the previous year. The total for 2022 amounts to €3.9 billion for the whole of 2022, well above the figure for the last three years. A large part of this volume was due to large purchases of bank branch portfolios, but even excluding these transactions, the year was much more positive than in 2021.

By sub-sectors, commercial premises closed the year with the highest volume, accounting for almost 40% of the total. They are followed by shopping centre operations with almost 30% of the total investment (excluding branches).

The prime yields of the different segments have remained stable throughout the year.



TOP 3 DEALS Q4 2022

BARCELONA

PORTAL DE L'ANGEL 19-21
VENDOR: EL CORTE INGLÉS
PURCHASER: REDEVCO Y ARES

€200 M 9,450€/sq m

Source: BrainsRe

BARCELONA

PORTAL DE L'ANGEL 40
VENDOR: PORTAL RETAIL VENTURE
PURCHASER: GENERALI R.E.

€105 M 23.850€/sq m

Source: EjePrime

MADRID

MIRASIERRA GALERY
AND PUERTA DE ALGETE
VENDOR: TEN BRINKE
PURCHASER: ABERDEEN STANDARD

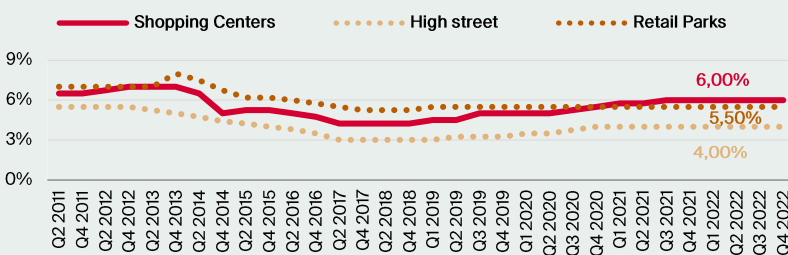
€40 M n.d €/sq m

Source: EjePrime

Among the most important transactions during the last quarter of the year was the purchase by the joint venture of Redevco and Ares of an El Corte Inglés building in Barcelona for €200 M, which includes both the purchase and the refurbishment. The property has 18,000 m² and the intention is to transform it into a mixed sustainable building, with prime retail use as well as state of the art offices.

Historical prime yields Madrid

2011 - 2022



Source: Knight Frank Research

EUROPA PRIME YIELDS

LATEST AVAILABLE DATA Q4 2022

	SHOPPING CENTRE	RETAIL PARK	HIGH STREET
FRÁNCFORT*	n.d	n.d	↓3,40
LONDRES**	n.d	n.d	↑4,00
BERLÍN	↑5,15	↑5,05	↑3,80
DUBLÍN*	↑6,50	↑6,00	↑5,00
PARIS	↑5,00	=5,25	↑3,25

Source: Knight Frank Research. *Q1 2022 data. ** Q3 Data.

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.

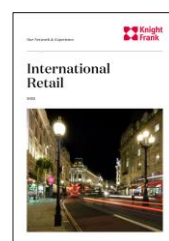
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