

Retail Snapshot

Q4 2023

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.es/research

The number of tourists during the first 11 months of 2023 surpasses the same period in 2019

- The tourists who have visited Spain in the first 11 months of the year amount to more than 79.8 million, a figure that represents an annual increase of 18.2% and exceeds the figures recorded in the same months of pre-pandemic years.

SITUATION IN SPAIN

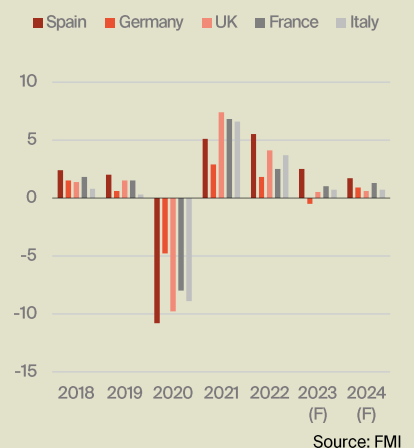
According to the latest forecasts from the International Monetary Fund, the Spanish GDP would have grown by 2.5% during 2023, far from the more pessimistic predictions that some experts were estimating at the beginning of the year. For 2024, a growth of 1.7% is also expected.

The retail turnover continues to record growth in the months of 2023,

closing the month of November with an annual variation of 6.8%.

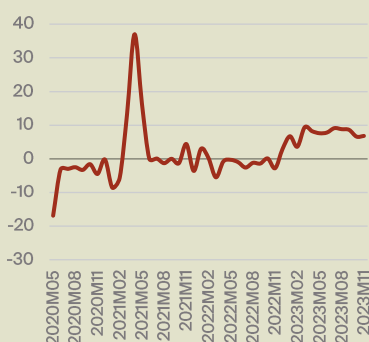
As for consumer confidence, it stood at 76.7 points in the month of November, 6.2 points higher than in the same month of the previous year. This increase is due to the positive evolution of its two components: the assessment of the current situation and expectations.

European Comparative PIB 2020 - 2024 (forecast)



Retail Trade

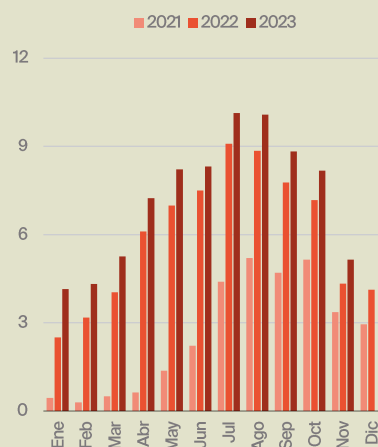
y-o-y (%)



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

International tourists

Millions of persons. 2021 - 2023



Source: INE

Consumer Confidence Index

2011 - 2023 (May)



Source: CIS

RETAIL INVESTMENT IN SPAIN

Investment in the retail segment recorded around €370 million during the fourth quarter. As for the year-to-date total, it amounts to over €900 million, representing a nearly 50% decrease compared to 2022 (excluding branch operations).

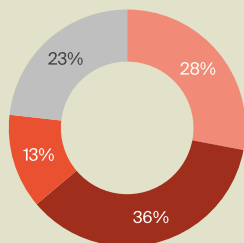
The typology that has generated the greatest interest among investors has been that of retail parks, as it ended the year with the highest investment volume, accounting for over 35% of the total, with more than 300 million euros. This represents a 105% increase compared to the figure reached in 2022.

It is worth noting that the footfall figures for shopping malls in 2023 have been higher than the previous year, indicating that this segment is regaining the interest of shoppers. Therefore, it is expected that investors will also continue to focus on them.

The prime yields in commercial parks and retail spaces in the capital have remained stable in the last quarters of the year, standing at 6.50% and 4.00%, respectively. On the other hand, shopping centers have once again experienced an increase, reaching 7.75% (7.25% in Q3 2023), as investors require more financing for these assets.

Retail investment Q1-Q3 2023

- Shopping Centers
- Retail Parks
- High Street
- Supermarkets



Source: Knight Frank Research

Spain

Investment volume Q4 2023

€370 M (€540 M Q4 2022)

Top 3 investment deals Q4 2023

€100 M | 6 Carrefour, Various

Vendor: Carrefour | Purchaser: Confidential
Capital value: n.d. €/sq m
Source: Brainsre

€60 M | 47 SuperCor, Various

Vendor: El Corte Ingles | Purchaser: Carrefour
Capital value: n.d. €/sq m
Source: El Pais

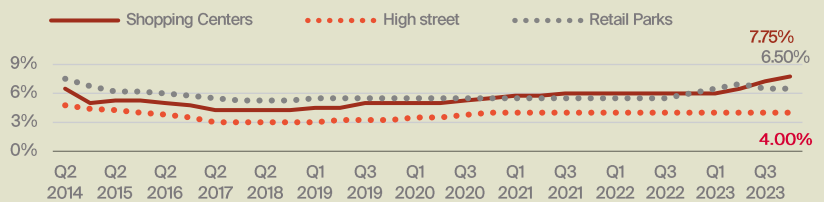
€58* M | Decatlon Porfolio, Various

Vendr: Decatlon | Purchaser: Realty Income C.
Capital value: 1.500 €/sq m
Source: Property Web * Estimated price

► Among the most noteworthy transactions in the fourth quarter is the sale by the real estate subsidiary of the French retail giant, Carrefour Property, of six assets through a sale-and-leaseback operation, with an investment volume of 100 million euros. Another significant transaction has been the sale of 47 SuperCor stores by El Corte Inglés to Carrefour for 60 million euros.

Prime yields Madrid

2014– 2023



Source: Knight Frank Research

European prime yields. Latest available data | Q3 2023

	SHOPPING CENTER	RETAIL PARKS	HIGH STREET
Berlin	5.50% ↑	5.35% ↑	3.90%* ↑
Dublin	7.50% ↑	6.00% =	5.50%* =
Paris	5.50% ↑	6.00% ↑	3.75%* ↑

Source: Knight Frank Research.* Q2 2023

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



Capital Markets

Tamara Sánchez
Director, Head of Retail
+34 600 919 073
tamara.sanchez@es.knightfrank.com



Research

Daniel Caprarin
Head of Research, Marketing & PR
+34 600 919 087
Daniel.caprarin@es.knightfrank.com