



RETAIL SNAPSHOT

1st QUARTER 2019

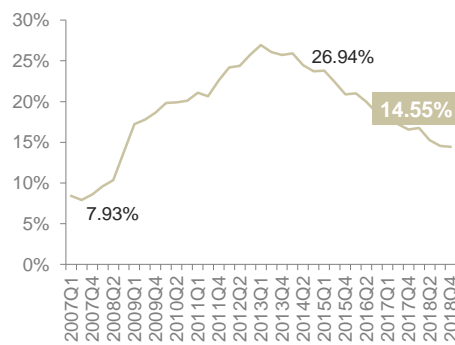
Situation in Spain

- The Spanish economy continues to gain traction, emphasised by the falling unemployment rate, which reached 14.55% at the close of the year. The Consumer Confidence Index also registered a robust growth at the start of the year, reflecting this positive trend.

- The total number of tourists continued to increase in 2018 in Spain, currently being the 2nd largest tourist destination in the world. This year the upward trend continues, surpassing the number of tourists by 2% compared to the same period in 2018. The Chinese tourist is the group that spend the most in Spain with an average of more than €2,500 at the end of 2018.

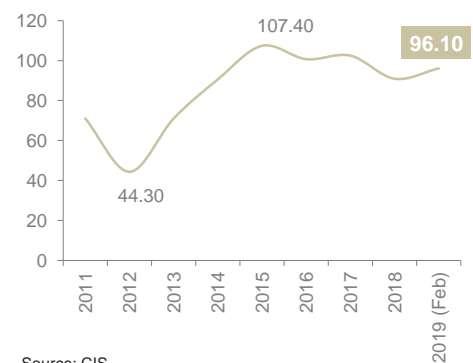
- The flagship format continues to attract operators who want to offer a new experience for their customers. Technogym opens its first store in Madrid where, in addition to buying its products, customers can try them with the support of coaches. The bank launches flagship on the Golden Mile with the new offices of Caixabank, which have an innovative redesign. Serrano Street conquers Sephora, which opens at No. 36 with the aim of renovating its stores.

GRAPH 1
Unemployment rate
2017 - 2018



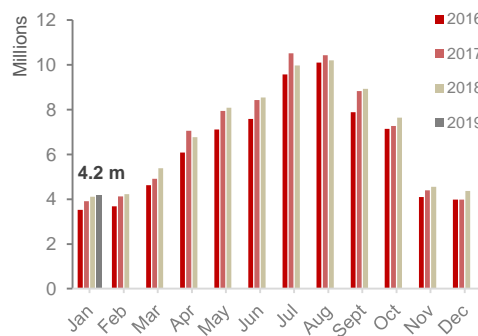
Source: INE

GRAPH 2
Consumer Confidence Index
2011-2019 (Feb)



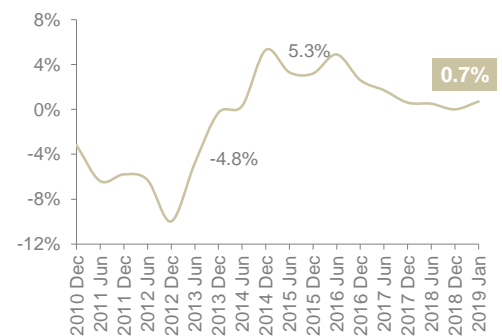
Source: CIS

GRAPH 3
International tourists
2016 - Jan 2019



Source: INE

GRAPH 4
Retail trade
Turnover index. Y-o-y (%)



Source: INE

GRAPH 5
New operators in Spain

Recently opened flagship stores



ANTHROPOLOGIE
Paseo de Gracia 27, Barcelona
GLA: 1.800 sq m



TECHNOGYM
Claudio Coello 77, Madrid
GLA: 500 sq m



CAIXABANK
Serrano 7, Madrid
GLA: 750 sq m



Ray-Ban
Gran Vía 42, Madrid
GLA: 244 sq m

Retail investment in Spain

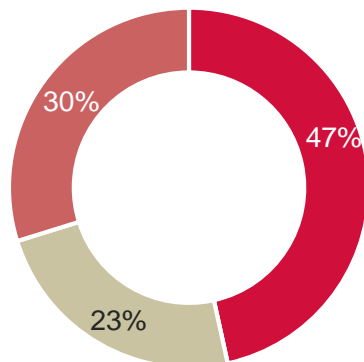
- Investment volume in the first quarter has been close to €200 million. Shopping Centres continue to attract the interest of investors, establishing most of the operations, such as the purchase of Las Terrazas in Gran Canaria, by Tomás Olivo's REIT's, which continues to increase the portfolio of its real estate investment vehicle.

- It is expected that during this year large shopping centers will be opened, among which is Open Sky, in Torrejón de Ardoz, with an area of 90,000 sq m, and X-Madrid, located in the municipality of Alcorcón, with 40,000 sq m dedicated to sports and adventure

- The footfall has maintained a positive trend closing 2018 with an increase of 3.2% Y-o-y in Shopping Centres and Retail Parks, while sales also recorded bullish values with a growth of 2.9%.

GRAPH 6
Retail investment
Q1 2019

■ SHOPPING CENTRE / MALL
■ HIGH STREET
■ RETAIL WAREHOUSING PARK
■ SUPERMARKETS



Source: Knight Frank Research

GRAPH 7
European prime yields
Latest available data

	SHOPPING CENTRES	RETAIL PARKS	HIGH STREET
Brussels	= 4.25	= 5.00	= 3.75
London	= 4.50	↑ 5.00	↓ 3.00
Amsterdam	= 4.75	= 5.50	= 3.00
Frankfurt	= 3.75	↓ 5.00	= 3.60
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

GRAPH 8
TOP3 | Investment transactions
Q1 2019

EROSKI SUPERMARKETS

VENDOR: PATRIZIA IMMOBILIEN AG
PURCHASER: MDSR INVESTMENTS

€50 m | n.a. sq m

LAS TERRAZAS SHOPPING CENTRE

VENDOR: CONFIDENCIAL
PURCH.: GENERAL DE GALERIAS COMERCIALES

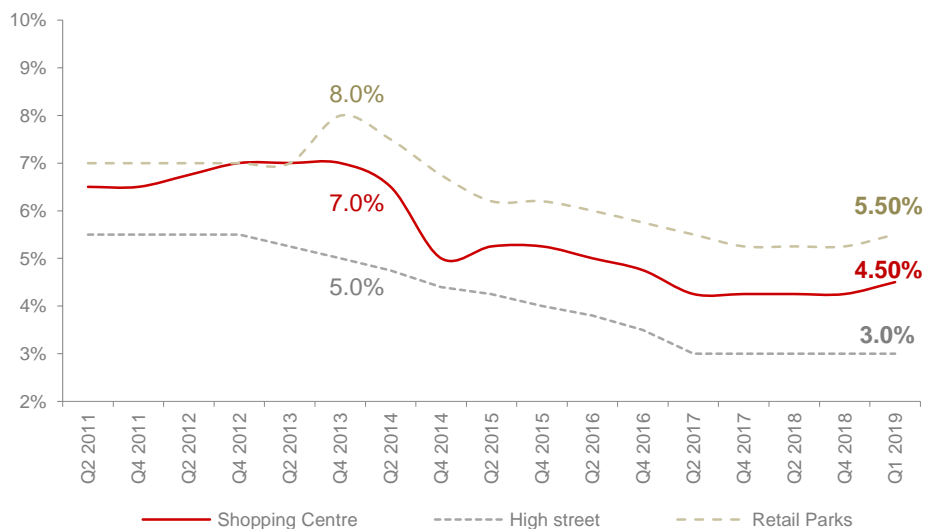
€42 m | 121,500 sq m

ALBUFERA PLAZA SHOPPING CENTRE

VENDOR: MERIDIA CAPITAL
PURCHASER: UBS

€35 m | 28,000 sq m

GRAPH 9
Variation in prime yields
2011 - Q1 2019



Source: Knight Frank Research



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