



# RETAIL SNAPSHOT

2<sup>nd</sup> QUARTER 2019

## Situation in Spain

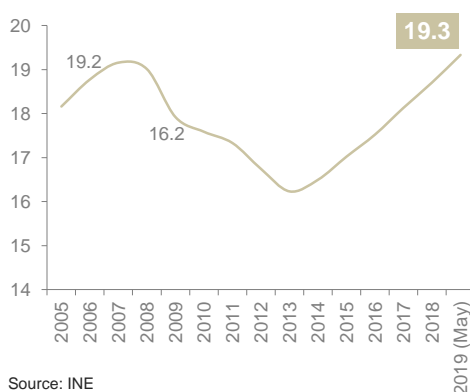
- The Consumer Confidence Index and retail trade continue to increase compared to last year due to factors such as the social security affiliation, which reached a record figure in the first quarter of the year, reaching 19.3 million people.

- During the month of May almost 8 million people visited our country. So far this year the number of international tourists achieves the record of the last 3 years, the United Kingdom being the country of origin with the most of arrivals (20%).

- Prada will open its 6<sup>th</sup> store in Spain with 908 sqm on 3 floors, it will be located in the privilege "Golden Mille" in Madrid. The location of 64 Serrano St. was acquired from Bankia for € 59M, breaking the Spanish record with the highest sale price of a comercial property.

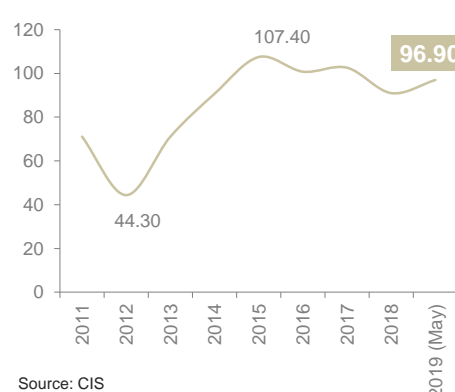
- Due to the new needs created by e-commerce, the existing shopping centres are undergoing major reforms. A successful example is la Moraleja Green, which after its transformation, increased the people flow above double digits.

GRAPH 1  
**Social security affiliates**  
Million people. 2005 - 2019



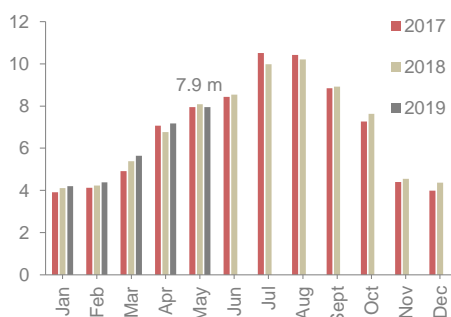
Source: INE

GRAPH 2  
**Consumer Confidence Index**  
2011- 2019



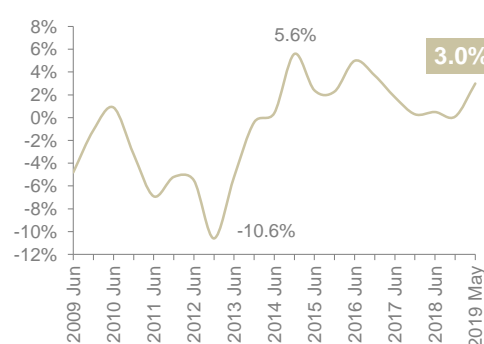
Source: CIS

GRAPH 3  
**International tourists**  
Million people. 2017 - 2019



Source: INE

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



Source: INE

GRAPH 5  
**Shopping Centres Upgrade**  
Refurbishment and reforms (Madrid)



**X Madrid – Alcorcón**  
Opening: Sept 2019  
Investment volume: €3 M  
GLA: 39,500 sqm



**MAD\_FD (Corte Inglés) – Leganés**  
Opening: May 2020  
Investment volume: €100 M  
GLA: 60,000 sqm



**Tres Aguas - Alcorcón**  
Opening: Dec 2019  
Investment volume: €20 M  
GLA: 65,890 sqm



**Parque Corredor – Torrejón**  
Completion: Ending 2020  
Investment volume: €45 M  
GLA: 123,000 sqm

# Retail investment in Spain

- The invest volumen exceeds 550 million in the first half of the year, slightly improving the pace of investment in the first quarter.

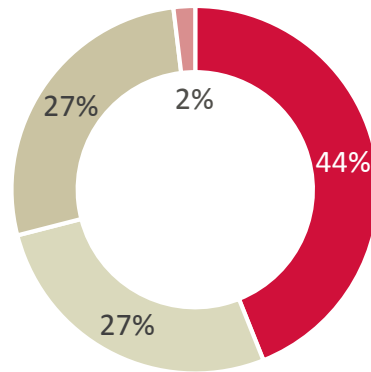
- The sale&leaseback transaction of 6 Makro centres distributed in Spain for €73 M, is the largest investment transaction of the quarter. El Corte Ingles continues with its asset divestment business plan and during the second quarter it emerges from El Corte Inglés in Bahía Sur in Cádiz and the Hipercor de los Arcos in Seville, for a total of €36,8 M.

- In Spain 17 new centres will be opened before 2021, unlike the situation in the United Kingdom or USA where there is oversupply of shopping centres.

- With the sale of Intu Properties' assets in Spain, valued at around €1,000 M, it is expected that during the second half of the year we will achieve similar figures to those of previous years.

GRAPH6  
**Retail investment**  
Q2 2019

SHOPPING CENTRE / MALL  
HIGH STREET  
RETAIL WAREHOUSING PARK  
SUPERMARKETS



Source: Knight Frank Research

GRAPH7  
**European prime yields**  
Latest available data

	SHOPPING CENTRES	RETAIL PARKS	HIGH STREET
Bruselas	= 4.25	↑ 5.50	= 3.75
Londres	= 4.50	= 5.00	= 3.00
Ámsterdam	= 4.75	= 5.50	= 3.00
Fráncfort	↑ 3.80	= 5.00	↑ 4.00
Berlín	= 3.75	= 5.00	= 2.50
París	= 4.25	= 5.00	= 2.90
Dublín	= 4.50	= 5.25	= 3.50

Source: Knight Frank Research

GRAPH8  
**TOP3 | Investment transactions**  
Q2 2019

## CENTROS MAKRO - VARIOS

VENDOR: MAKRO  
PURCHASER: LASALLE INVESTMENT

€73 m | 67,000 sq m

## GRAN VÍA 4 - BILBAO

VENDOR: MILLENIUM  
PURCHASER: M&G REAL ESTATE

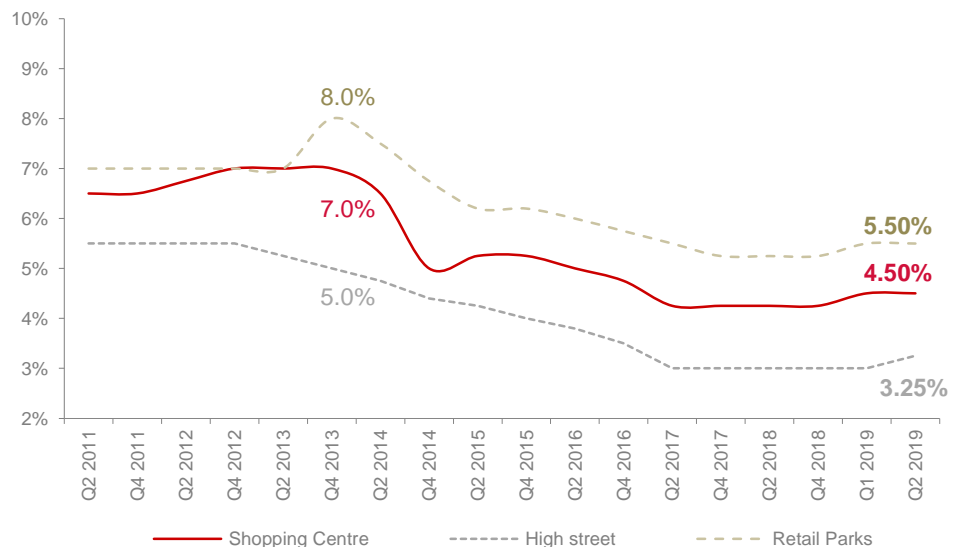
€49.9 m | 2,505 sq m

## GALERÍA JORGE JUAN - VALENCIA

VENDOR: CLUBISA  
PURCHASER: ATITLAN

€30 m | 5,000 sq m

GRAPH9  
**Variation in prime yields | Madrid**  
2011 - Q2 2019



Source: Knight Frank Research



RESEARCH

**Elaine Beachill**

Director of Capital Markets & Flagships  
[Elaine.Beachill@es.knightfrank.com](mailto:Elaine.Beachill@es.knightfrank.com)  
+34 600 919 016

**Alberto Alonso**

Director of Property Asset Management  
[Alberto.Alonso@es.knightfrank.com](mailto:Alberto.Alonso@es.knightfrank.com)  
+34 600 919 087

**Rosa Uriol**

Director of Research  
[Rosa.Uriol@es.knightfrank.com](mailto:Rosa.Uriol@es.knightfrank.com)  
+34 600 919 114

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