

Spain - High Street

Key Performance Indicators (Q1 2024)

Prime Yield

4.25%

Expected Investment Returns
Change vs Mar 2023: +25 bp

Prime Rent

€ 220

Monthly, per sqm
Change YonY: 2%

Madrid

Total Stock

430K

sqm

Vacancy Rate

2.8%

Percentage of stock
vacant (in sqm)

Typical Lease Terms

5 years

Rent Free Period
2-4 months

Barcelona

Total Stock

356K

sqm

Vacancy Rate

7.2%

Percentage of stock
vacant (in sqm)

Typical Lease Terms

5 years

Rent Free Period
2-4 months

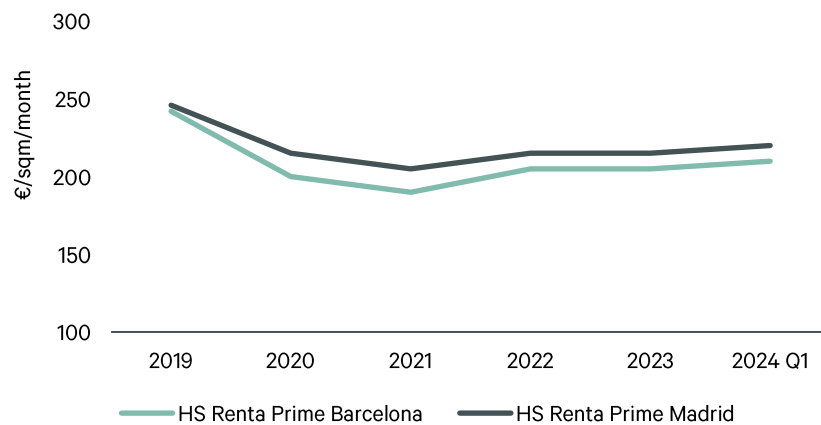
During the beginning of 2024, the high demand from operators observed at the end of last year to establish themselves in the main commercial areas has remained, as well as a low vacancy, that has reached the lowest levels in some cities in the past 5 years. Rental activity has stabilized and even increased by 11% compared to the same period last year.

As a result of the current shortage of supply, rents in prime areas have experienced a slight increase of around 5% on average. This trend is expected to continue in the upcoming months, with potential additional increases in the most demanded areas of major cities.

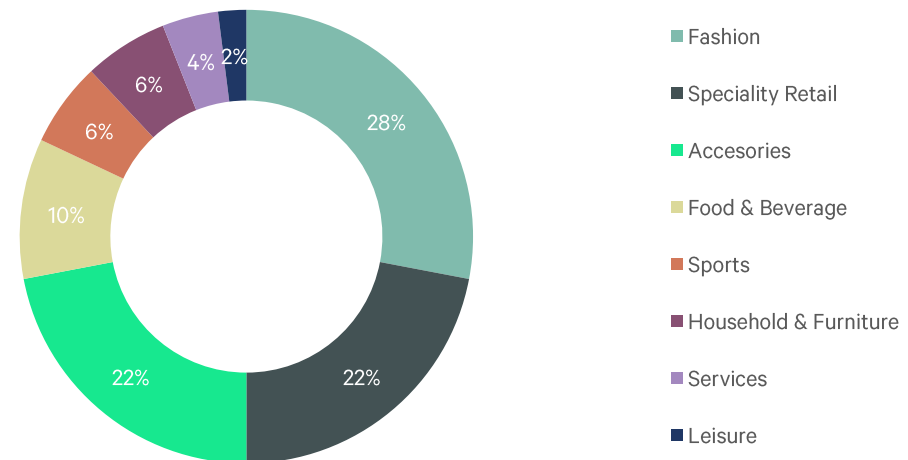
The most active sectors in terms of new store openings are fashion, specialty retail, and accessories, which account for 73% of all new openings. Behind them are sports operators (sportswear and shoes) and home stores, which are increasing its positioning in specific sections of prime streets.

International brands still show significant interest in prime locations, although 57% of transactions in the first quarter of the year were performed by domestic retailers.

Prime Rents evolution



Take-up by activity | 2024



Source: CBRE Research

Spain – Shopping Centres

Key Performance Indicators (Q4 2023)

Prime Yield	Occupancy rate
7.00%	91.4%
Expected Investment Returns	YTD 2023
Change vs Dec 2023: +75 bp	

Sales and footfall figures in shopping centers continue to follow the upward trend seen at the end of last year. Compared to the same period the previous year, there has been a 5.4% increase in sales and a 5.5% increase in footfall.

Regarding the centres typology, those located in urban areas and those with a higher proportion of leisure space, which were most affected in the years following the pandemic, are showing substantial improvement in their performance. The average sales recorded in both centers are 7.1% and 11.5% higher than those registered in the first quarter of 2023.

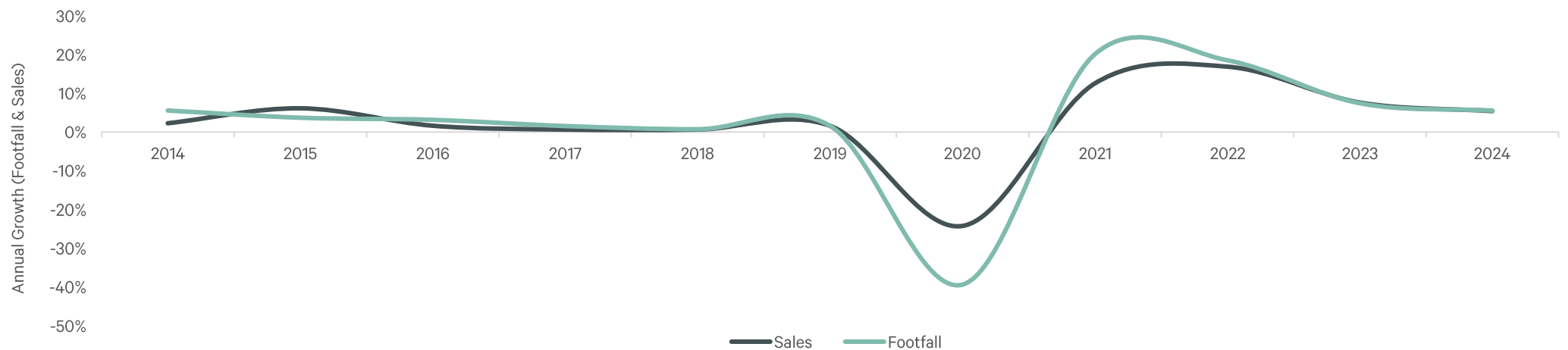
Sales and Footfall evolution

YTD 2024 vs 2023	Sales	Footfall	The highest growth (Sales 2024 vs 2023)		
	+5.4%	+5.5%	Speciality Retail	Services	Food & Beverage
			+9.5%	+7.4%	+7.1%
			Lowest performance (Sales 2024 vs 2023)		
			Electronics	Leisure	Fashion
			-16.4%	-10.2%	+3.0%

The average occupancy in the centers remains stable at 90.1% of total units, having decreased by 1.3 percentage points compared to the end of 2023.

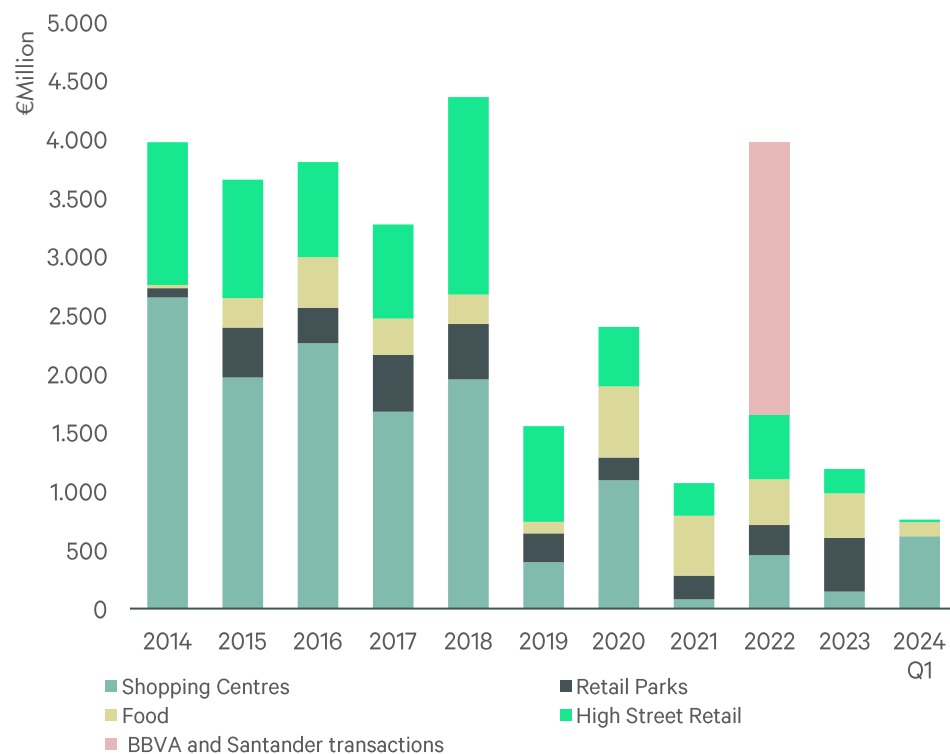
Lastly, rental rates are maintaining stability at the same levels as last year, with no significant variations expected, at least for the next 12 months.

Principales KPIs | Annual growth in sales and footfall in Shopping Centres



Source: CBRE Property Management | Portfolio undermanagement 40 assets/16mm²SBA

Spain Retail Investment Volume



After a year of low investment volumes, activity has significantly increased in the first few months of 2024, with a total of €758 million invested in the first quarter. To put this figure into perspective, it represents 63% of the total investment volume throughout last year. As a result, investment in the Retail sector has accounted for a share of 36% of the total transaction volume in the national real estate sector, placing it in first position ahead of the hotel sector.

Shopping centres have represented 81% of the total Retail investment, followed by the food sector (16%) and high street (3%). The strong fundamentals registered have been key factors driving significant transactions, in dominant and secondary centres.

It is important to highlight the attractiveness and interest generated in the sector by foreign investors, as international capital accounts for a significant portion of the total transaction volume, concretely 91%.

Prime yields for shopping centers, which increased by 25bps at the end of last year, reaching the highest levels in the past 10 years, are currently stable. Similar trend is seen in prime yields for high street properties, which also saw an upward adjustment of 25 basis points in mid-2023.

Source: CBRE Research

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