

Spain - High Street

Key Performance Indicators (Q2 2024)

Prime Yield

4.25%

Expected Investment Returns
Change vs Jun 2023: +0 bp

Prime Rent

€ 220

Monthly, per sqm
Change YoY: 2%

Madrid

Total Stock

425K

sqm

Vacancy Rate

3.5%

Percentage of stock
vacant (in sqm)

Typical Lease Terms

5 years

Rent Free Period
2-4 months

Barcelona

Total Stock

352K

sqm

Vacancy Rate

4.7%

Percentage of stock
vacant (in sqm)

Typical Lease Terms

5 years

Rent Free Period
2-4 months

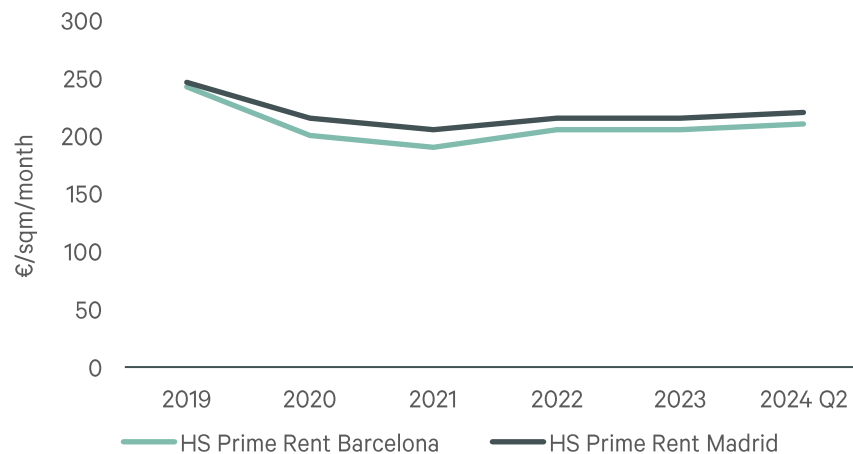
The Spanish high street rental market in prime areas is now marked by a significantly constrained availability. Despite the current limited supply, transactional activity has recorded a 12% increase compared to the previous year. This increase is attributable to the growing demand from retailers to establish themselves in the most prominent prime locations.

The rise in demand is perceived in the commercial streets of the main cities in the Spanish territory, driven by the interest of international brands, which already represent 46% of the new openings in 2024. The cities of Madrid, Barcelona, Málaga, Seville, and Palma are at the centre of attention for these brands, which have included these locations in their ambitious expansion plans within the European market.

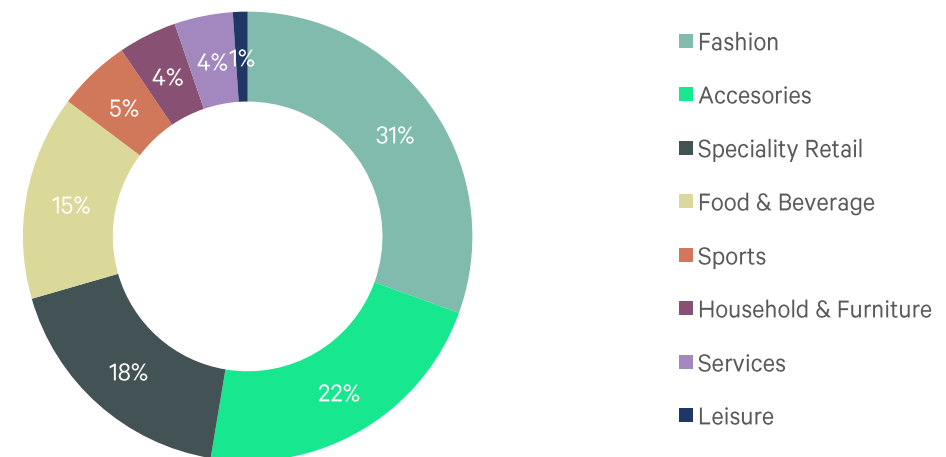
As a result of the current market pressures, rental rates in prime areas experienced an average increase of 5% at the beginning of the year. While they have stabilized during the second quarter, there are signs that suggest potential upward adjustments in the rents of the prime streets in the forthcoming months.

Regarding the most dynamic sectors, fashion and accessories have accounted for 53% of the total new openings in the market. They are followed by speciality retail operators, where perfume and beauty stores standing out, as well as the food & beverage sector, which has experienced a significant increase in openings so far this year.

Prime Rents evolution



Take-up by activity | 2024



Source: CBRE Research

Spain – Shopping Centres

Key Performance Indicators (Q2 2024)

Prime Yield	Occupancy rate
7.00%	90.7%
Expected Investment Returns	YTD 2024
Change vs Jun 2023: +50 bp	

In the first semester of the year, shopping centres have sustained positive operational performance figures, continuing the trend observed in the first quarter and the latter part of 2023. When compared to the corresponding period of the prior year, the total cumulative sales have risen by 3.4%, with most of the sectors experiencing growth. Footfall has also seen a considerable increase compared to last year, particularly in centres with a comprehensive leisure component in their retail mix.

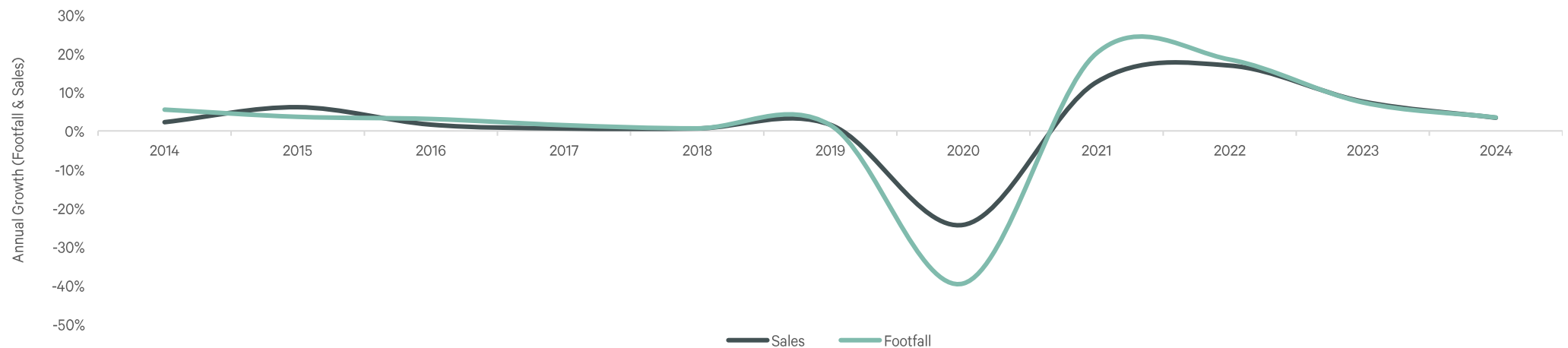
Sales and Footfall evolution

YTD 2024 vs 2023	Sales	Footfall	The highest growth (Sales 2024 vs 2023)		
	+3.4%	+3.5%	Speciality Retail	Services	Electronics
			+7.3%	+7.1%	+7.1%
			Lowest performance (Sales 2024 vs 2023)		
			Leisure	Sports	Accessories
			-6.6%	-0.9%	+1.5%

The average occupancy rate remains stable, although there is some divergence depending on the typology of the centre, with premier, regional, and retail parks exhibiting the highest levels of occupancy.

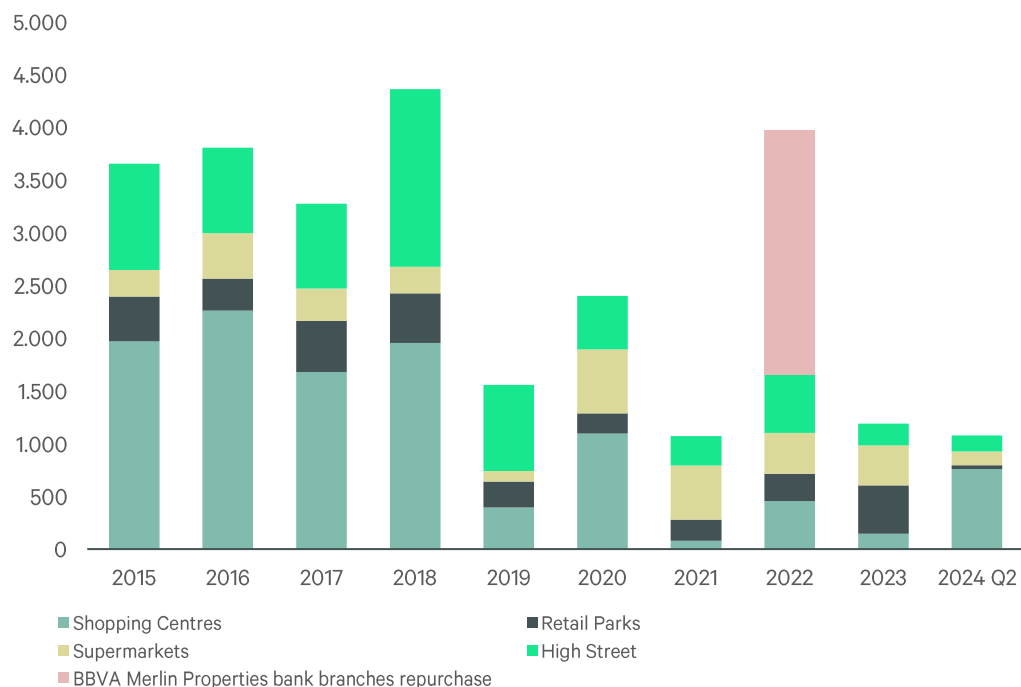
Prime rents have held steady at 50€/sqm/month, with expectations that will remain stable for the second half of the year.

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



Source: CBRE Property Management | Portfolio undermanagement

Spain Retail Investment Volume



The growing investor interest in Retail assets, anticipated at the end of last year, has been materialized in the first six months of the year reaching an investment volume just 15% below the total recorded in the previous year. Consequently, the Retail sector has received 20% of the total investment in the national real estate market, just behind the living and hotel sectors.

Shopping centres have led investment within the sector, accounting for 71% of the total, ahead of high street (14%), supermarkets (12%), and retail parks (3%). Investment in shopping centres has quadrupled since last year, with four deals over €100 million and being transacted by international investors. Its attractive yields, favorable consumption forecasts, and solid fundamentals have been the drivers of the significant investment increase.

Prime yields for shopping centres and high street have remained stable since the beginning of the year, after last year adjustments of 75 basis points and 25 basis points, respectively.

Source: CBRE Research

Contacts

Paul Santos
Retail Sr Director

paul.santosrobson@cbre.com

Miriam Goicoechea
Research National Director

miriam.goicoechea@cbre.com

Jordi Chavez
Research Associate Director

jordi.chavez@cbre.com

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