

2017 Retail Market Report

MADRID | BARCELONA | VALENCIA | PALMA



Fifth edition of the Retail Market Study for year-end 2017, prepared by Gesvalt, a leading company in the field of valuation.

The purpose of this report is the study of the Retail Market in Prime Areas in major cities such as Madrid, Barcelona, Valencia and Palma de Mallorca. To this aim, we have analysed the current macroeconomic scenario through the main magnitudes which are intrinsically linked to this industry and thus help understand the evolution of supply, demand and prices (rents) in the Retail Market in these main commercial hubs. We will be able to appreciate the geographical differences which may exist, thanks to statistics of current prices, and also to understand the rotation of retail premises in these exclusive areas, mainly reserved for the most prominent brands, at both commercial and financial level.

December 2017

2017 Retail Market Report

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The good economic situation Spain has enjoyed during 2017 and the good prospects for the coming years, which even exceed the forecasts for other countries in the European Union, have helped increase occupancy rates and rents in new contracts, especially noted in the case of prime assets and, to a lesser extent, in secondary locations.

Increased footfall and sales in our country, together with the increase in prime rents, have made Spain a highly attractive country for investors in the retail industry, whose only difficulty lies in finding premises that meet their requirements.

The investment volume recovers positions with respect to the figures recorded in 2015 reaching €4,000 million, which is around 30% more than that of 2016, when it was close to €3,000 million. The demand is not evenly distributed, but it is mainly concentrated in prime areas in main streets where, since the supply is also quite scarce, rents continue to increase at a slow pace.

The main players in the investor role are currently investment funds and REITs, which together account for more than 80% of operations. As for private investors, these are gradually increasing their presence in this market, and a significant increase is expected in the coming years.

Substantial differences are found in the behaviours of the different sectors. Luxury brands aim to target a very exclusive public, so they prefer to locate their “flagships” in small commercial areas in the most commercial hubs. Above all, in these cases, on those occasions when the effort rate becomes excessive for the brand, there is a move to nearby streets, which subsequently attract other potential investors. The small commerce continues being relegated to secondary streets.

Large distribution brands seek to settle in large retail premises which allow them to cover a wide market range. This type of premises, especially those in prime locations, show a low vacancy rate, resulting in higher price increase than other types, which is expected to gradually stabilise.

Price stagnation in less commercial hubs continues to be evident according to the results analysed, since investors continue to show no interest in these locations, with preference towards other types of assets instead.

In those areas with a shortage of premises to let, we observed a significant increase in other types of operations – value-added – as well as an increase in operations within alternative markets, in second-tier cities.

Trend changes are also evident in the way that large stores, traditionally located in shopping centres or even retail parks, try to approach the consumer and seek to locate themselves in prime areas in major cities, convinced that this change of format will bring about higher sales and profits.

Compared to other more traditional assets, retail premises are currently the most sought by investors, attracted by their good profitability and great liquidity. Great interest is also risen by other types of assets such as shopping centres, elderly residences and hotels.

e-commerce



It is worth noting the importance that e-commerce is gradually gaining in our country, which is modifying both consumer purchasing habits and the strategies for implementation and commercialization of the different firms. Compared to other European countries, Spain still has a long way to go in this regard, since the use of e-commerce is approximately 15% lower than the overall country average. In order to be advantageous over online shopping, physical stores must provide shopping experience appropriate to the needs and tastes of the customer, which cannot be offered from the Internet or the mobile phone.

The most affected ones by online commerce competition are the shopping centres, growing slowly and unevenly depending on areas and anchor tenants. In areas with scarce supply (approximately 5% of the total), rents have increased slightly, up to a monthly average of €80-€90 per sq m (for premises between 100 and 200 sq m), although 60% of them are still 60% below the European average. In areas where occupancy rates are still very low, it is necessary to keep rents at low levels in order to promote rent and reduce vacancy costs.

Yield



As far as prime areas are concerned, yields show very similar behaviours in major capital cities. Seville, Málaga and Valencia move around 4%-4.5%, a figure that drops by approximately 1% for Madrid and Barcelona down to values close to 3%-3.5%. Somewhat higher returns -around 5% - are reached in Palma de Mallorca.

According to the above data, premises on street level have yields close to 4% on average, increasing around 0.5% as we move to axes close to prime areas.

This implies a difference ranging from 1% to 2% with respect to the yields recorded in major European cities. In the Spanish secondary market, for less commercial cities and streets, yields usually range between 6% and 6.5%.

Perspectives



If the good macroeconomic situation and expectations are maintained, the prospects for future years are positive, in general. The continuity of the investor's appetite will result in an overall increase in occupancy levels and a continuity in yields, with increases not exceeding 0.25% for non-prime areas, and slight adjustments of no more than 0.25% for top areas.

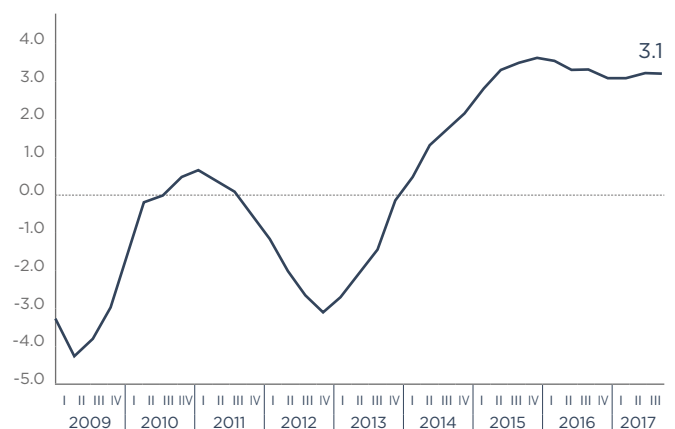
Macroeconomic Situation



Gross Domestic Product

3Q 2017 GDP reached 3.1%, the same figure as in the previous quarter. Quarter-on-quarter growth was 0.8%, one tenth lower than the previous figure. This slight deceleration was due to the moderation in the creation of employment and the commercial flows, which had been most favourable in the first half of the year.

According to the Spanish Government, the forecast for 2018 is 2.3%, while according to the Bank of Spain and the IMF it could reach 2.5%.

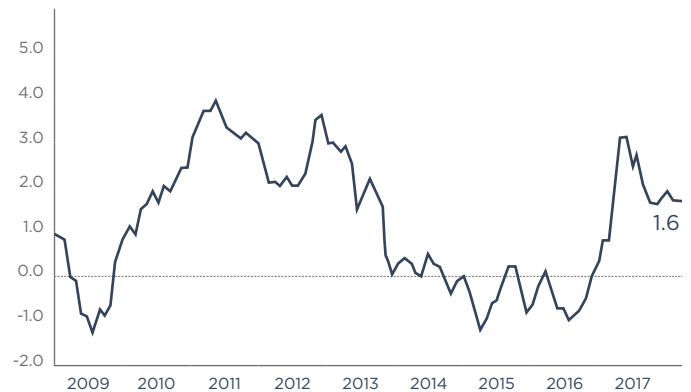




Consumer Price Index

The overall inflation rate remains at around 1.6%, very stable in the last six months and significantly lower than the level reached at the beginning of the year (3%).

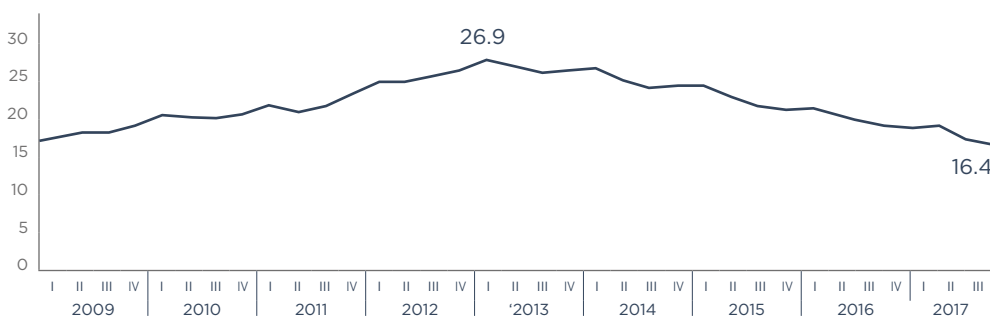
The Bank of Spain's forecast for 2018 would be 1.3%, provided that oil prices do not continue to grow on a general basis, which would result in a substantial change in forecasts.



Unemployment Rates

The unemployment rate stands at 16.4% in 3Q 2017. An average annual rate of 17.2% according to the Government and 17.1% according to the Bank of Spain is expected. The expected values for 2018 are set at 15.5% and 15.1%, respectively.

Unemployment rates are increasingly uneven on a region basis, at around 9% in the Balearic Islands and at or above 25% rates in Extremadura, Andalusia and Melilla.



Andalusia	25.41
Aragón	10.50
Asturias	12.95
Balearic Islands	9.25
Canary Islands	21.87
Cantabria	12.67
Castile and León	13.02
Castile La Mancha	18.60
Catalonia	12.54
Comunitat Valenciana	17.50
Extremadura	24.76
Galícia	14.49
Madrid	12.35
Murcia	18.11
Navarra	10.52
Basque Country	11.56
La Rioja	12.62
Ceuta	22.36
Melilla	26.16

Fuente: INE

Madrid

Preciados

Serrano

Ortega y Gasset

Gran Vía

Fuencarral





Madrid

Vacancy Rates

Vacancy rates in major streets of the city of Madrid have remained, in general, similar to those of the previous year.

Among the streets analysed, a reduction in the number of vacant units on Ortega y Gasset and on the even side of Gran Vía are to be highlighted. In the former, a 9% fall was recorded, with nine vacant units last year and six at the time of this report. In the latter, four new premises have been leased, which implies a 3.7% fall in the vacancy rate.

In other streets, variations are much more moderate, which reflects that, although the firms move their premises in some cases, they choose prime locations again, generally close to where they were previously established. Preciados continues to be the street with the least number of vacant premises, with only one unit available to let.

Rents

According to our study, Preciados Street (Callao-Puerta del Sol section) is the most expensive spot to rent a retail unit. With an average of €255 per sq m, Preciados maintains similar rent levels to those recorded in the previous year and the current occupancy data seem to indicate that the trend will continue on the same line.

Rents in the rest of the streets analysed suffer few global variations compared to previous analyses. Rental values in prime areas show a slight increase, although they are compensated with those in less exclusive sections.

Many firms choose to change their location at the time of renegotiating contract conditions when the new ones are less favourable, and that is the reason why differences between most and least traditionally demanded street sides are decreasing.

Greater variations found in the two sections of Fuencarral Street are also worth noting, since rents in the pedestrian section are much higher than those where vehicle traffic is allowed.

Relevant Changes

The most relevant changes predicted in the Madrid retail industry are the openings of Canalejas Gallery and Edificio España, expected by the end of 2018 or the beginning of 2019, which will increase commercial space by some 30,000 sq m. Both projects can contribute to the market diversification and will consolidate the attraction of buyers towards areas where they are located, which will result in good data for investors.

The differentiation of this market segment with respect to the one located in the main streets of Barrio de Salamanca, with a different buyer's profile, is expected to continue.

It is also expected that the novelty and expectation generated by both projects will improve the tourism data expected for the city of Madrid in the coming years.

Perspectives

Current expectations indicate continuity, extending the period of solid growth experienced in recent years but at a more relaxed pace. Variations in price ranges are expected to be lower, and they may undergo major adjustments in non-prime areas.

Value-Added operations will also gain importance. Investors will choose these in areas with the highest shortage of vacant space or with excessively high values for their needs.

The focus of the firms towards the potential customers will determine the attraction they will exercise on them, in a market in constant reinvention. It is expected that the main operators, with greater economic capacity, will continue to move small retail business to secondary streets, which in the long term may establish important hubs dedicated to "neighbourhood commerce".

If the government forecasts for economic indicators are met, it is expected that yields may be constrained to values close to 3%-3.25% in prime areas and slightly increase in the rest of areas.

Preciados Madrid



Side Odd & Even	Rental Price €255/sq m	No. Retail Units 52	Vacancy Rate 1.90%
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Current Retail Stores





Big brands take up positions on Preciados St.

Preciados Street is the most sought-after stretch of the capital for businesses, but in recent years, openings for new brands have been particularly limited. Now, with the withdrawal of certain groups including El Corte Inglés and Cortefiel, there has been a new lease of life for the high-street. At this moment in time, there are four buildings awaiting new tenants hoping to set up their latest flagship stores. It is the ideal location for these kinds of large establishments increasingly favoured by retail brands, with high numbers of pedestrians and an emblematic location.

Of the four available spaces, two have already found an operator. Pull & Bear of Inditex Group is set to move into number 9 to open what will be its largest premises, with more than 2,000 sq m.

Heading further down towards Puerta del Sol, the street is the new home for one of Mango's largest operations in the capital. The other two spaces are still awaiting new tenants. The first space, at number 13, was formerly home to Springfield, of Cortefiel Group, closed as part of the company's restructuring process. The building, which houses a hotel accessed from Calle Maestro Victoria, was acquired by Trinitario Casanova and immediately sold on to Hines investment fund.

The fourth building is the old El Corte Inglés bookshop, with another entrance directly facing to Puerta del Sol. It belongs to Thor Equities, US investment group highly active for the acquisition of buildings in commercial areas.

cincodias.com

13 Building owned by Grupo Baraka
15 Atrezzo, Ponte Brazil
17 Works in Progress

19 The Phone House, Pharmacy
21 La casa de las carcasas, Tacones

23 Six, Geox, Camper, The Phone House
25 Desigual, Rodilla, Visionlab

B. Santander
Natas Belem
Fentimans Hot Dog
Cines Callao

United Colors of Benetton



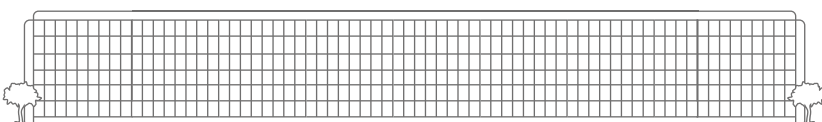
C/ PRECIADOS

C/ JACOMETREZO

PRECIADOS

PLAZA DE CALLAO

28-30 Fnac



El Corte Inglés
Pans & Company
Starbucks Coffee
Ulanka

C/ CARMEN



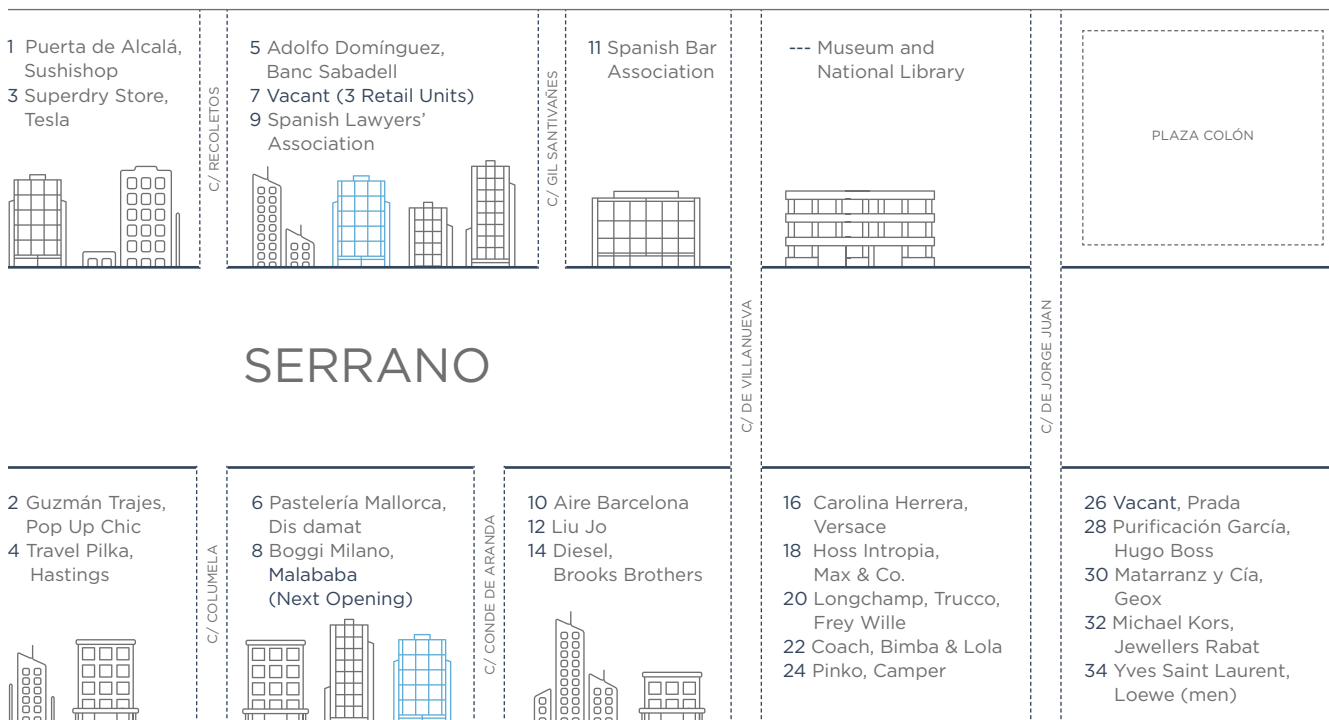
Serrano (I)

Madrid



Side	Rental Price	No. Retail Units	Vacancy Rate
Odd	€150/sq m	80	6.20%
Even	€240/sq m	130	5.40%

Current Retail Stores





Tesla opens its very own shop in Madrid, right on Serrano Street

Tesla opens its very own shop in Madrid, right on Serrano Street. Tesla continues its relentless expansion in Spain. Alongside the installation of several charging points on roads and client destinations, the American brand has taken its first steps in initiating its own commercial structure in the country.

While a few weeks back it was the opening of the Tesla store in Barcelona, today, it was the turn of Madrid to get its very own version, located at 3rd Serrano St., just metres from the emblematic Puerta de Alcalá and almost next-door to the location previously home to the Ferrari Store in Madrid.

Somewhat fitting, and a good reflection of where the automobile industry is headed, the

opening of the new Tesla Store in Madrid is a significant milestone in the development of the brand in Spain. Tesla does not, nor will it ever have, a broad third-party dealership network; its model is based around having its own stores to complement the potential of configuration and purchasing online.

Spain represents a far more traditional market than others, such as the United States. Here, a customer wishing to buy a car, particularly in this luxury sector, will want to see the vehicle, touch the fabric on the seats, and speak to a real person who will advise as to which product will best satisfy said customer's needs.

motorpasion.com



Serrano (II)

Madrid



Side	Rental Price	No. Retail Units	Vacancy Rate
Odd	€150/sq m	80	6.20%
Even	€240/sq m	130	5.40%

Current Retail Stores





67 Banc Sabadell 73 Under construction
69 Banc Sabadell 75 US Embassy



SERRANO

C/ DIEGO DE LEÓN

77 B. Popular,
Setenta y Siete
79 CAesthetic Clinic
Amanon
81 Jewellers Conrado
Más, Minton,
Obag Store



C/ GENERAL ORAA

85 Works in Progress
(2 Retail Units)
87 AV
89 José Luis
91 Jewellers Eclat,
La Mucca



C/ LÓPEZ DE HOYOS

93 Casa de comidas
la cocina de la abuela,
Charcutería Degustación
La Garriga,
Tierra Burrito Bar



SERRANO

C/ MALDONADO

96 Gocco,
Adolfo Domínguez,
Ibermaison,
Vacant, Fitfood
100 Starbucks, Pestañas
Premium, Serrano 100
102 Ministry of
Employment and
Social Security

104 Church, B. Nac.
de Guinea
106 Jewellers Aguayo
(Closed)
108 Silverware Arturo
(Closed)

110 Makkila, Odds,
Smart Mercedes
112 Pharmacy,
Jewellers Germán
(Closed)
114 Bankia, Astrolabius,
Bar Hevia,
Cinco Jotas

120 Bar Comporta
(Closed),
Toni Barcelo
(semisótano),
Museum of
Lázaro Galdiano

Ortega y Gasset Madrid



Side
Odd & Even

Rental Price
€220/sq m

No. Retail Units
68

Vacancy Rate
4.40%

Current Retail Stores

- 1 B. Santander
- 3 DSquared2
- 5 Nespresso, Gucci



- 11 Cartier, Panerai, Nicol's, Blancpain, Dinh Van
- 13 Bottega Veneta



- 17 Bvlgari, Relojería Grassy, Tod's
- 19 Magrit, Circa La marca, Pomellato
- 21 Escada Sport, Hairdresser (Next Opening)



ORTEGA
Y GASSET

C/ SERRANO

ORTEGA
Y GASSET

C/ CLAUDIO COELLO

C/ LAGASCA

- 2 Hotel Villa Magna, El Corte Inglés



- 4 Pedro Muñoz, Oliver Peoples
- 6 Omega, Dior
- 8 Pop up Chic



- 10 Tiffany & Co, Escada
- 12 Hermès
- 14 Brunello Cucinelli, Dolce & Gabbana, B. Santander





Decathlon opens its first superstore on Madrid's 'Golden Mile'

Today marks the inauguration of Decathlon Ortega y Gasset, the company's first superstore in the heart of Madrid. It is bound to be joined by Decathlon Fuencarral, located in one of the area's most iconic settings, and Decathlon Princesa. These three new openings mark the beginning of the company's decision to bring the superstore format to the centre of Madrid.

Situated at numbers 22-24 on Ortega y Gasset St., the new store boasts a 2,330 sq m floor area, a staff of 52 and equipment for more than 100 sporting disciplines, created in collaboration with the local client base, who named running, cycling

and roller-blading as those most in demand. "Our customers will be at the heart of Decathlon Ortega y Gasset and everything that happens at the shop will revolve around them. We have created unique physical and digital experiences aimed at making our shop the benchmark for anyone who is passionate about sport," stated Isabel Mateos, manager of Decathlon Ortega y Gasset.

This launch sees Decathlon consolidating its commitment to practising sport accessible to as many people as possible, bringing their total number of stores in the Community of Madrid to 29, a figure of 162 throughout Spain.

elespañol.com



Gran Vía (I)

Madrid



Side	Rental Price	No. Retail Units	Vacancy Rate
Odd	€160/sq m	87	5.70%
Even	€230/sq m	110	3.60%

Current Retail Stores

GRAN VÍA		GRAN VÍA	
<ul style="list-style-type: none"> 1 Grassy Jewellers, Restaurante Sicilia, Sushi Store, Summer fusion 3 Bankia, Citizens' Advice Bureau 5 Caixa Empresa 7 Muy Mucho, Jewellers Sanz 9 Nueve Madrid Catalonia Hotel resorts 11 Lorenzo Marqués y Gloria Castellano, Hotel de las Letras 	<ul style="list-style-type: none"> 13 Souvenirs 15 Kutxa Bank, New Balance, Multiópticas, Bankia 17 Real Oratorio del Caballero de Gracia 19 Administrative Court 	<ul style="list-style-type: none"> 21 Works in Progress, Adidas 	<ul style="list-style-type: none"> 23 McDonald's, Bershka 25 Hotel Tryp Gran Vía, Western Union, Kiko Make Up
<ul style="list-style-type: none"> 4 Vacant (2 Retail Units) 6 Oven Pizzeria, Vacant, Banc Sabadell 	<ul style="list-style-type: none"> 8 Loewe, Marco Aldany 10 Perfumería Rossi, Lobby Market 12 Vincci the mint, Mercado de la Reina, Pharmacy, Bar Museo Chicote 14 Citizens' Advice Bureau 16 Western Union, Steak Burguer, Ale-Hop 	<ul style="list-style-type: none"> 18 Department of Justice 20 Citizens' Advice Bureau 22 Hotel Villa de la Reina, Zapatos Bravo Java, Oink Jamón Ibérico, The Good Burger 24 Casino de Madrid, Gran Vía 24 Comar 	<ul style="list-style-type: none"> 26 Aristocracy, Pharmacy, Papizza, Vendrell-Unión Suiza 28 Telefónica



Valliance revives real estate on Gran Vía

Located between Plaza de Callao and Plaza de España, a Madrid-based family office has engaged Valliance to conduct the sale of three residential units and five commercial premises.

They are all housed in an iconic building on Madrid's Gran Vía, built in 1923 and boasting protected status. "The lack of sales of these kinds of assets in Gran Vía make this portfolio a fine investment opportunity," explains Belén Díaz, Valliance's general manager in Spain.

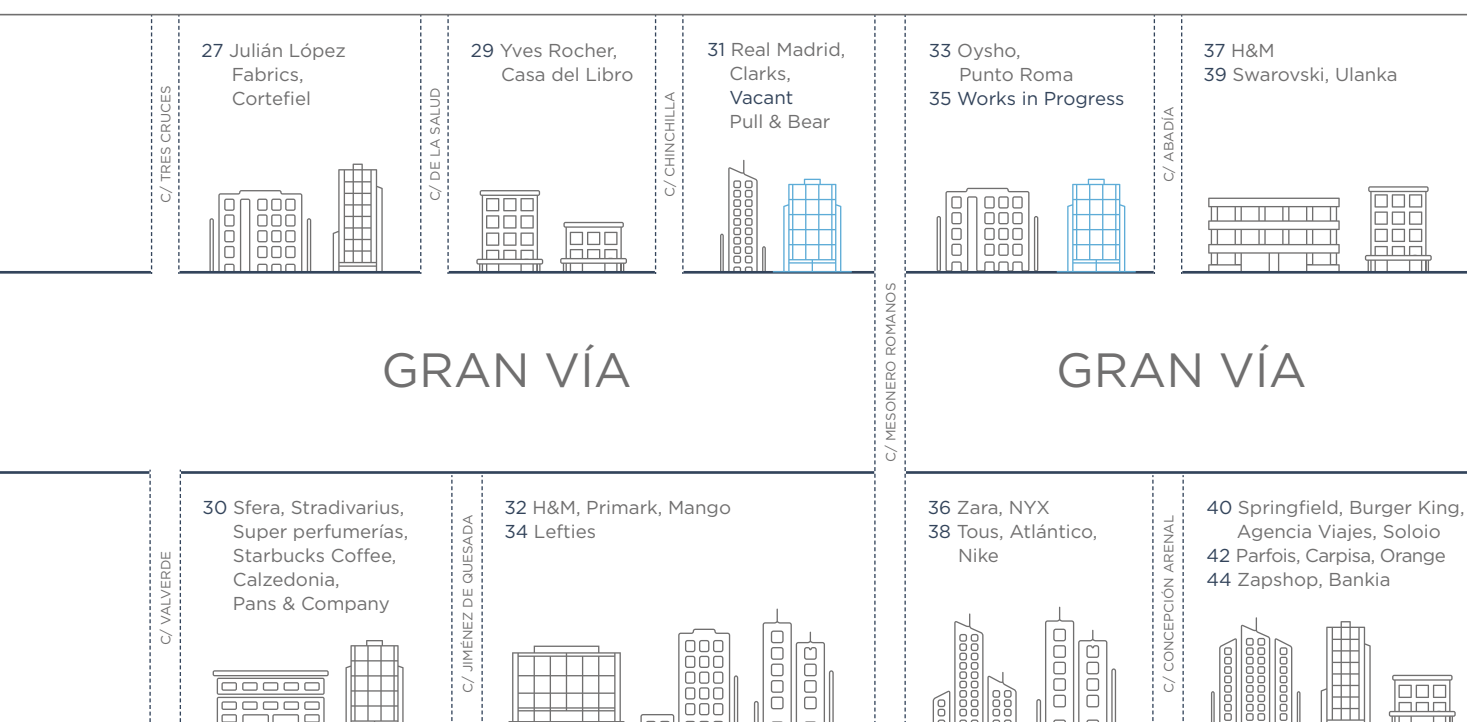
Valliance, real estate services company specialising in investment operations, is reviving the property market in Gran Vía. The company has been selected

to manage the sale of a property portfolio made up of both residential and commercial assets in a building located right on Madrid's Gran Vía.

They provide consultancy services both in the acquisition and sale of all kinds of real estate assets, including offices, shopping centres, commercial premises, logistics warehouses and hotels.

They work in the Spanish market, as well as in the United Kingdom via an alliance with Lambert Smith Hampton. They also have collaborators in Lisbon and other continental capitals through whom they provide a range of services. The company is also Gesvalt's capital markets partner.

ejeprime.com



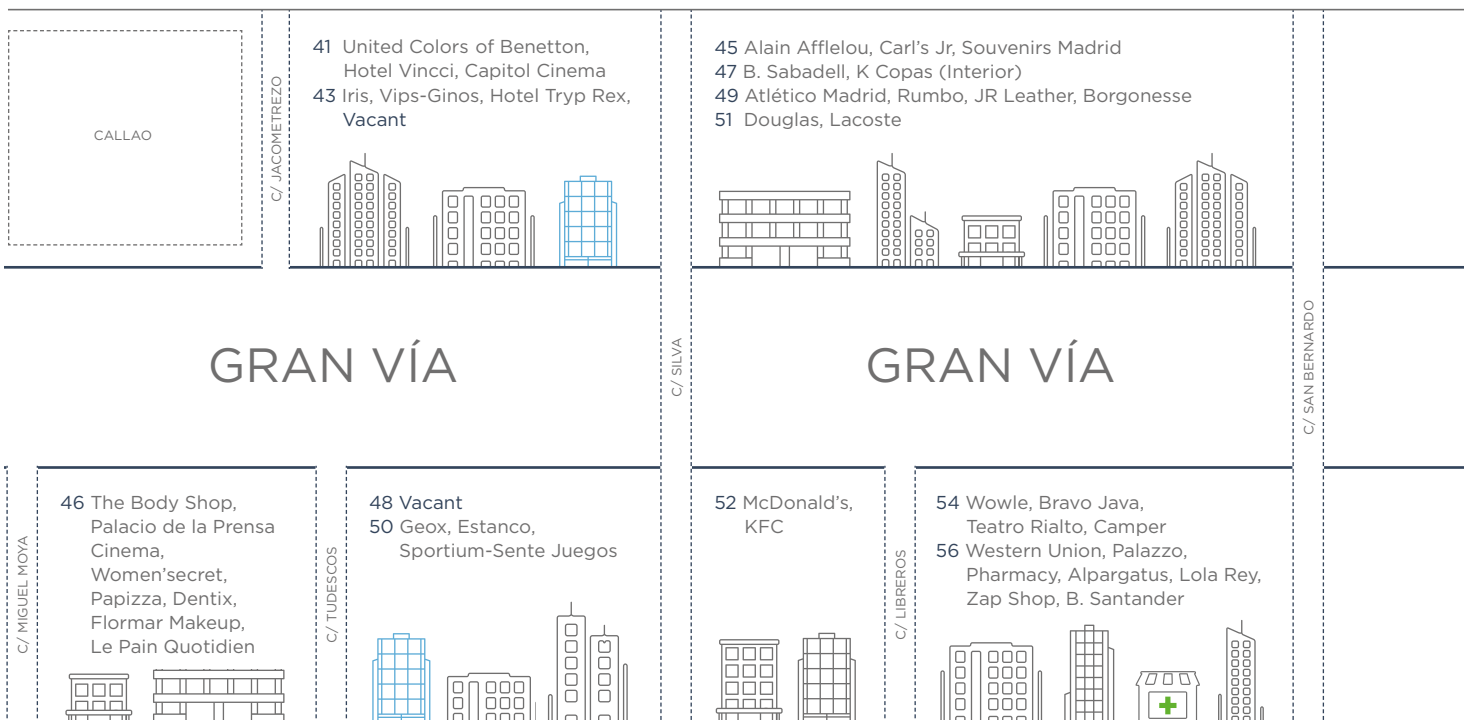
Gran Vía (II)

Madrid



Side	Rental Price	No. Retail Units	Vacancy Rate
Odd	€160/sq m	87	5.70%
Even	€230/sq m	110	3.60%

Current Retail Stores





- 53 Hotel Emperador
- 55 Vacant, Jamón 55, Vacant, Zap Shop, Jugueterías Poly
- 57 Teatro Lope de Vega, Gran vía 57 Jewellers, Happiness Vacant, Rodilla
- 59 Di Bocca, Solvisión, Mesón de Tapas, Aplauso, La Casa de las Carcasas

C/ ISABEL LA CATOLICA

- 61 Druni, Olé Madrid
- 63 Souvenirs Madrid, Western Union, 100 Montaditos
- 65 Salvador Bachiller, Espahotel, Vips
- 67 Souvenirs Store
- 69 B. Popular



C/ DOCTOR CARRACIDO

- 71 Burger King, Café y tapas
- 73 Tapas 44, Lupita, Starbucks Coffee



C/ CUESTA SAN VICENTE

GRAN VÍA

PLAZA DE ESPAÑA

- 58 Carmina Shoemaker, Don Jamón, Starbucks Coffee
- 60 Works in Progress, Don Jamón, Avis
- 62 La Caixa, Sirena Verde
- 64 Txapela, Taco Bell (Next Opening), Meethue Madrid
- 66 Teatro Gran Vía de la luz Philips, Vincci Hoteles

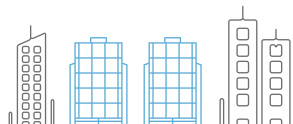
C/ GARCÍA MOLINAS

- 68 Tony Roma's ((Works in Progress), Clarks, (Works in Progress)
- 70 Café & Té, Hotel Senator, La Chocita del Loro
- 72 De María, Hotel Tryp Madrid Centro, Museo del Jamón
- 74 PapiZZa, Hotel Tryp Memphis, Ale-Hop



C/ GENERAL MITRE

- 76 TGI Friday's, Vacant
- 78 Vacant, Teatro Coliseum, Vacant
- 80 Dear Hotel, B. Santander



C/ DE LOS REYES

Fuencarral

Madrid



Section	Rental Price	No. Retail Units	Vacancy Rate
Pedestrian	€150-€180/sq m	89	2%
Non-pedestrian	€100-€110/sq m	45	4%

Current Retail Stores

1 Telefónica	11 L'Occitane	21 Arte F. Gonmar, Springfield	33 Vas, Puma	43 Lindt, Sunglass Hut,
3 Fundación Telefónica	13 Parfois	23 Pepe Jeans, Hilfiger Denim	35 J. Cánovas, Hakei	Urban Decay, Dunkin' Coffee,
5 Adolfo Domínguez, Urban Jungle	15 Antony Morato	25 Mayka, Glo, Women'secret, Birkenstock	37 Décimas, Kiehl's	Delisco, Cookies add dreams y Alma, Tattoo de por Vida,
7 Instituto Gabriel Simón Oftalmología	17 Pikolinos, Uno de 50	27 Comptoir des Cottonniers, AG-25 Madrid	39 Kiko Make Up, G-Star	Llaollao
9 Vacant, La Casa de las Carcasas, Dockers, Forever	19 Diesel	29 Custo Barcelona	41 Jack & Jones, Tiffosi	
		31 Iris, Mac		

FUENCARRAL

2 Unión Suiza, El Ganso, Soloio	14 Victoria's Secret, RIA Money Transfer	26 North Face, Oveja Negra	36 Muji	46 Adidas Originals, Primor Perfumes
4 Foot Locker, Mango	16 Works in Progress, Decathlon	28 Elena Fernández	38 Desigual	48 Double Agent
6 Tezenis	18 Pimkie, Calvin Klein	30 Misako	40 Aro Vialis, Conflict	50 Ese o Ese
8 NYX, Calzedonia	20 El Ganso, Kipling Store	32 Redskins	42 Solaris, Divina Providencia, Salsa, Camper	52 Mercado de la Plata, Brandy Melville
10 Maje, The Body Shop, Michael Kors, Size	22 Rituals, Quicksilver	34 Kaotiko		
	24 Levi's			



Dockers opens new store in Madrid

9th Fuencarral Street is the new address for the latest Dockers store in the Spanish capital. The launch sees the Californian brand take the number of flagship stores in Europe to 20. The new Dockers premises will be spread over 98 sq m, decorated with wooden furniture and painted in light tones, encouraging customers to enjoy a relaxing, pleasant shopping experience in a stylish, comfortable setting.

The new store will be full of the brand's classic items, including trousers and khakis, as well as the new season's models: the Dockers® Smart 360 Flex, available in Slim Tapered, Jogger and Skinny- Tapered. The Smart 360 Flex combine comfort with freedom of movement, with their

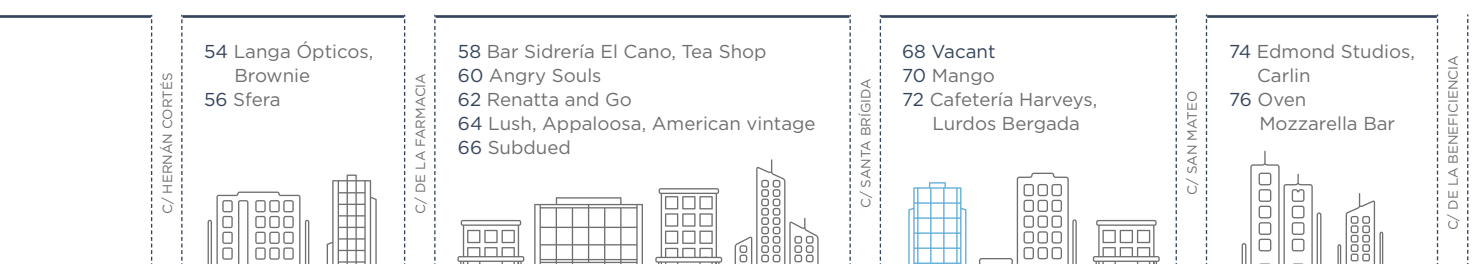
4-way stretch fabric, have a back pocket with a hidden zip and an elastic waistband designed for comfort and durability.

Madrid is a key city for Dockers in a crucial European market, so the company is looking for more locations to continue its expansion. "Our Dockers® flagship in Madrid is the next step in the brand's expansion within Europe and the perfect shop window to present our collection. Situated in the legendary Calle Fuencarral, "We are in the very heart of the capital, a number one location for the world's number one khaki brand," said Francisco Gonzalez-Meza Hoffman, Dockers' General Manager, in an official brand statement.

fashionunited.com



FUENCARRAL



Barcelona

An aerial photograph of Barcelona, Spain, showing a dense urban landscape with a mix of historic and modern buildings. In the foreground, a large, curved, light-colored building with many windows is prominent. To its right, there are lush green trees. In the background, the city extends to the base of a mountain range under a clear sky. A list of street names is overlaid on the left side of the image.

Paseo de Gracia
Portal de l'Angel
Rambla de Catalunya
Portaferrisa
Pelayo
Diagonal



Barcelona

Vacancy Rates

In the city of Barcelona, a slight increase in vacancy rates is observed in almost all the streets analysed, which may be due to the behaviour of the investor to face the current political uncertainty.

Rambla de Catalunya is the only prime street where the number of retail units has increased compared to the last year, reaching 100% occupancy in its middle and high sections.

As for Portal del Àngel, at the time of the present study it maintains a 1.7% vacancy rate, which is equivalent to the existence of a single tenantless retail unit.

Rents

The study of the data places Portal del Àngel as the street with the highest price per sq m in the city of Barcelona and also in all Spain, maintaining an average monthly rent of €270 per sq m. The average rent requested by owners in Portaferrisa remains constant, in this case about €130 per sq m.

In other streets analysed, there are moderate variations which do not exceed €5-10 per sq m, on average. In streets such as Paseo de Gracia or Diagonal, rent falls may be due to the adjustments made to avoid the increase in vacancy that could occur, especially for those cases in which the effort rate of a given firm does not allow them to increase rental expenses.

Retail units located in Rambla de Catalunya take advantage of the strength of this market and average rents rose by €10 per sq m, which does not seem to have had a negative impact on occupancy data.

Relevant Changes

Most cranes present in the city of Barcelona are used for renovation projects of properties expected to reopen next year. Among these, the one that stands out is the image renewal of the Diagonal Mar Centre, where the area destined to other services will be occupied by new retail stores.

On the other hand, it is worth noting the upcoming completion of the Finestrelles Shopping Centre in the nearby municipality of Esplugues de Llobregat, which will modify the market trend in the closest area of the city by adding 25,700 sq m to the GLA already available.

Perspectives

Due to the current political uncertainty, only short-term forecasts can be made and great caution should be taken, since they will depend on the investor's behaviour with respect to the changes that may occur.

Prime markets are expected to stabilise, since they have seen rent rises steadily over the last few years. Other areas may see moderate growth, much more adjusted than in previous years.

Big brands will continue to seek a place in the most commercial hubs, as it already happens, although they will not be willing to pay excessively high rents. If significant increases occur, they will move their flagships to nearby streets.

If there are no changes in the Government's economic forecasts, it is expected that yields may be adjusted close to 3%-3.25% in prime locations. In other areas, they may experience a slight rebound of approximately 0.25%.

Paseo de Gracia (I)

Barcelona



Section	Rental Price	No. Retail Units	Vacancy Rate
High	€240-€230/sq m	83	1.20%
Medium	€210-€200/sq m	90	3.3%
Low	€200-€190/sq m	14	7.10%

Current Retail Stores

110 Carmina Shoemaker, Macson
 108 Valentino
 106 Frey Wille, Pretty Ballerinas
 104 Ermanno Scervino, Wolford

102 Stella McCartney, Hotel P^o Gracia,
 Saint Laurent Paris
 100 Michael Kors, Camper
 98 Salvatore Ferragamo, Bottega Veneta

96 Massimo Dutti
 94 Rabat
 92 Uno de 50, Café La Pedrera,
 La Pedrera



PASEO
DE GRACIA

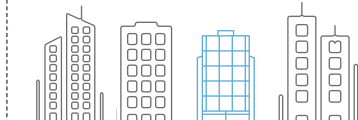
PASEO
DE GRACIA

C/ ROSELLÓN

107 Palacio Robert
 105 Catalan Tourist Board
 103 Bankia, Vacant
 101 Carrera y Carrera, Lladró, Samoa

99 Tous, Mont Blanc
 97 Vacant, Jimmy Choo
 95 Dolce & Gabbana

93 Santa Eulàlia
 91 Céline, Ermenegildo Zegna
 89 Ernest Oriol, Bvlgari, Intropia



PUE DE LA CONCEPCION





Kiabi opens new store in Passeig de Gràcia with more than 100 staff, and expects revenues up on 2016

French fashion brand Kiabi has opened a new store in Passeig de Gràcia with more than 100 employees, taking their presence in Catalonia to 7 premises and more than 350 staff.

The store covers 2,200 sq m and is the company's first "in the centre of a big city," says Kiabi Spain's Executive Director, José Luis Carceller, in an interview with Europa Press.

"It is a space which provides clothing and accessories for the whole family, there is no segmentation," states Carceller, who also asserted that they chose Barcelona as the site

for their first big city-centre shop because of its landmark trend-setting status.

He says, "Passeig de Gràcia is a prime location in a prime city", although he has explained that Kiabi's business model will continue opening shops in shopping centres and department stores.

The brand offers 'Low price' but not 'Low cost' clothing, according to the general manager, in order to distance themselves from other companies selling clothes and accessories at low cost: "We have a competitive advantage, we come out on top in customer relations."

lavanguardia.com



Public Premises

Paseo de Gracia (II)

Barcelona



Section	Rental Price	No. Retail Units	Vacancy Rate
High	€240-€230/sq m	83	1.20%
Medium	€210-€200/sq m	90	3.3%
Low	€200-€190/sq m	14	7.10%

Current Retail Stores





30 Zara Home 24 Qu Qu
 28 Divinus 22 Mango Kid's
 26 Señor 20 Bel
 24 Bis El Nacional 18 Rolex, Uniqlo



PASEO DE GRACIA

19 Diesel, **Borsa de Barcelona**
 17 B. Popular
 15 Tommy Hilfiger, F.C Barcelona Official Store
 13 Oysho, Guess, Lottusse, Comedia Cinema,
 Massimo Dutti



16 Zara
 14-12 Furest
 10-8 & Others Stories, Txapela
 6 Orange, Emporio Armani, Felgar



PASEO DE GRACIA

11 H&M, Piquadro, Stradivarius 7 Bershka 3 Adidas
 9 Kiabi 5 B. Santander 1 Apple



Public Premises

Portal de l'Angel Barcelona



Side Odd & Even	Rental Price €270/sq m	No. Retail Units 58	Vacancy Rate 1.70%
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Current Retail Stores

<p>44 Mobile World Centre & Movistar 42 Pull & Bear 40 Cottet, Casas 38 Cortefiel, Springfield, Women'secret 36 Vacant, Vodafone 34 Massimo Dutt</p>	C/ COMTAL	<p>32-30 Prats Joiers 28 Joieria J.J. Amor, Pimkie 26 Scala Dei, Merceria Santa Ana</p>	<p>24 Stradivarius, Bershka (Works in Progress) 22 H&M 20 United Colors of Benetton 18 Intimissimi</p>	C/ DE MONTSIC	<p>16 Kiko Milano, New Balance 14 Misako, Macson, Andrew's Ties 12 Iam, Tezenis</p>
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PORTAL DE L'ANGEL

<p>39-31 Bank of Spain 25 Pianelles i Donat, Felgar 23 Mar Bessas, Parfois</p>	C/ SANTA ANA	<p>21-17 El Corte Inglés 15 Bershka (To move premises to No. 24), Hotel Catalonia P. Àngel, Oysho, Uterqüe, Yamamay 13-11 Zara 9 H&M, Disney Store</p>
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Massimo Dutti opens new flagship store

Inditex registered sales of €23,311 million last year, and these figures account for 12% year-on-year growth. With such fine results, it is no surprise that the textile giant continues to open shops around the world. This time, the city of Barcelona has been chosen to unveil a new flagship store, located at 32nd-34th Portal de l'Àngel, one of the city's most commercially attractive streets. The shop covers more than 1,300 sq m, spread across five floors, with three of them dedicated to Women's collections and the other two for Men's styles.

The biggest change comes in the form of the shop façade, a new image for Massimo Dutti in the city but still in line with the brand's values: elegance, quality, simplicity.

Glass is the indisputable star of the shop window; a noble, pure and ethereal material, it brings

lightness and a contemporary touch which respects the building's architectural roots, a perfect complement to the existing stone front. It's a subtle change which adds light and gives an elegant feel. The new shop is in line with the Inditex Group's eco-efficiency plans to reduce electric energy consumption by 50%, and water use by 40% compared to a conventional store.

Among the eco-efficiency measures, particularly striking is the store's lighting, with systems installed to maximise the illumination of the merchandise.

This system also permits lighting only certain spaces, according to the time of day and tasks to be completed, or automatic activation using movement sensors in internal work areas.

moda.es



Public Premises

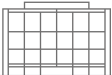

Rambla de Catalunya (I)

Barcelona



Section	Rental Price	No. Retail Units	Vacancy Rate
High	€110/sq m	83	0%
Medium	€80/sq m	66	0%
Low	€70/sq m	104	3.80%

Current Retail Stores

RAMBLA DE CATALUNYA	C/ CORCEGA	C/ RESELLON	PASAJE DE LA CONCEPCION
<p>126 Government of the Province of Barcelona (Diputació de Barcelona)</p> 	<p>124 Think Sweet, María Ponsà Flors, Verde Esmeralda, Diez-10, Calzedonia, Membur</p> <p>122 Camper</p> <p>120 Perfumeries San Remo, Maje</p> <p>118 Subdued, American Vintage</p> <p>116 Muy Mucho, El Ganso</p> <p>114 B. Santander, Agatha</p> <p>112 Lurdes Bergada, La Perla Gris</p>	<p>110 Avirex, Kiehl's, Dolores Promesas, Peluqueria Hombres Psicoestética, Apodemina</p> <p>108 System Action, Yamamay</p> <p>106 Swarovski, Geox</p>	<p>104 Passatge del Mur Muri, Hotel Mur Muri, Bar Mur Muri</p> <p>102 Punto Roma, Joan Sagrera, Le Creuset, Sunglass Hut, Pharmacy, Mauri</p>
<p>135 Cortefiel, John Berri, Ikks</p> <p>133 Otto Syllt</p> <p>131 Jamaica, Ed-Shoes, Visionario</p> 	<p>129 Pronovias</p> <p>127 Bankinter, EurekaKids</p> <p>125 Xarcuteria Andreu, Lily</p> <p>123 Intersport</p> <p>121 Benetton, Sephora</p> <p>119 Bopan</p> <p>117 Pharmacy, Joyería Vintage</p>	<p>115 Banc Sabadell, Church</p> <p>113 Nekane, Gocco</p> <p>111 Brownie, Mar Bessas</p> <p>109 Soloio, U-Casas</p> 	<p>107 Mad</p> <p>105 La Caixa, Anna Mora Brunella, Código Básico</p>



Pikolinos strengthens its presence in Barcelona and opens store in Rambla Catalunya

Pikolinos is set to conquer the Barcelona city centre. The footwear specialists, run by the Perán family are completing the opening of a new shop on Rambla Catalunya.

The establishment, located in one of the city's principal retail centres, will be the company's second in the Catalan capital.

The retail outlet will be situated at 56th Rambla Catalunya, in premises formerly occupied by bridal fashion and evening-wear brand, Valerio Luna. The shop has 90 sqm floor area spread over ground and first floor. This is Pikolinos' second shop in Barcelona, where they first launched back

in 2015, setting up at number 30th Portaferriassa St., next to Portal de l'Àngel.

Although most of the business volume continues to come from the multi-brand distribution channel, Pikolinos has developed its own retail network in recent years.

The new premises on Rambla Catalunya is set to be part of a new concept which Pikolinos has started to develop this year. Despite most of the business volume still comes from the multi-brand distribution channel, the company has been strengthening its own retail network in recent years.

modaes.es



■ Public Premises

Rambla de Catalunya (II)

Barcelona



Section	Rental Price	No. Retail Units	Vacancy Rate
High	€110/sq m	83	0%
Medium	€80/sq m	66	0%
Low	€70/sq m	104	3.80%

Current Retail Stores

<p>72 Lacoste, Erre de Raso, Orange 70 Casa Lola, Marionnaud 68 Imaginarium, 66 Parking Anmi, Pharmacy, Bulevard Rosa, Mango Kids 64 MAC, Ese o Ese 62 Rituals 60 Tezenis, Massimo Dutti</p>	<p>58 Casa Vives, Calzedonia 56 Rovica, Pikolinos 54 Ferreteria Villá, Náutica 52 Casas, Lush 50 Forn de Sant Jaume 48 Misako 46 Mas Q Menos + Cosmo Apartaments 44 Aerosoles, Il Caffé di Francesco, Frankfurt</p>	<p>42 Windsor, Tascón, Macxipa 40 Granja La Catalana, Creps Barcelona, Merkal Calçats 38 Office Building 36 Kutxabank</p>
<p>C/ VALENCIA</p> <h2>RAMBLA DE CATALUNYA</h2> <p>C/ ARAGÓN</p>	<p>C/ CONSEJO DE CIENTO</p> <h2>RAMBLA DE CATALUNYA</h2>	<p>34 Vacant, Queralt 32 Carpisa 30 Arche, Hotel Continental Palacete, Dr. Bloom</p>
<p>77 Pharmacy, Jo Malone, Pretty Ballerinas, CKS 75 Women'secret, Oysho 73 Banc Sabadell 71 Zara Home 69-67 Zara 65 Taverna El Glop 63 Nino Álvarez + Colmado Quilez</p>	<p>61 Reserva Ibèrica, Tuc Tuc, L'Occitane en Provence, Intimissimi 59-57 Vista Alegre 55-51 B. Santander + Parking Kursaal 49 Taller de Tapas, Perfumería Julia 47 New Balance 45 Bóboli, Sargent Major</p>	<p>43 Konema, Calvin Klein + Emporio Armani, Bolibar 41 Casa Viva 39 Vacant 37 Casa del Libre, La Caixa</p>
		<p>35 Muy Mucho 33 Segap, Cachitos 31 Parfois, Vacant, La Rambla 31</p>



- 28 Catalunya Wagen
- 26 NH Calderón
- 24 Hotel Onix Rambla, Alqvimia
- 22 Visionlab
- 20 Nostrum
- 18 Ciutat Comtal, Intimissimi



C/ DIPUTACIÓN

RAMBLA DE CATALUNYA

- 29 Pans & Company, Tabacs
- Casa Fuster, Mayol
- 27 La Botiga (Closed), Praktik
- Rambla, Píscolabis
- 25 Wolala, El Racó
- 23 Vacant
- 21-19 Government of Catalonia
- 17 Unión Suiza, La Caixa



- 16 Calzedonia, Llongueras, Bravo Java
- 14 Solsona Pell, Happy Pills
- 12 Chalito, Merkal
- 10 Vista Óptica, Starbucks Coffee
- 8 Cullera de Boix, Punto Marqués
- 6 B. Santander
- 4 City Hall Teatro & Dance
- 2 Trobador, Desigual



C/ GRAN VIA

RAMBLA DE CATALUNYA

- 15 La Tramoia, La Sibèria Pelletería
- 13 Emporio Pizza, Pura Brasa
- 11 Vanity Fair, 100 Montaditos
- 9 H10
- 7 Tapa Tapa (Works in Progress)
- 5 König, Lotería Primitiva, Burger King
- 3 Vacant
- 1 Pharmacy,
- Botiga del Barça



C/ RONDA DE UNIVERSIDAD

PLAZA CATALUNYA

Portaferrissa

Barcelona



Side Odd & Even	Rental Price €130/sq m	No. Retail Units 95	Vacancy Rate 5.10%
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Current Retail Stores

- 1-3 Pharmacy, Palau Moja, [Government of Catalonia](#)
- 5 La Porta Ferrissa Rest.
- 7 Jack & Jones
- 9 Amorino Gelato, Women'ssecret



C/ DEN BOT

- 11 La Casa de las Carcasas, Hostal Fina, The Body Shop
- 13 Vacant, Tiger
- 15 Snipes
- 17 Calzedonia, El Camello, Aragaza
- 19 Marypaz
- 21 Aita, Drimor
- 23 JD Sports, Toberman Joyas, Hostal Rembrandt, La Caixa

C/ DEL DUC

- 25 U-Casas, Vacant (2 Retail Units)
- 27 Vacant, Karactermania

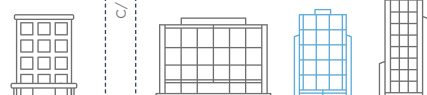


PORTAFERRISSA

2 JBP

C/ DEN ROCA

- 2 Sunglass Hut
- 4 Calvin Klein, Ortopedia Cabré, Vacant
- 8 Casa Colomina, Florencia
- 10 Condoms, Up N Down



C/ PETRIXOL

- 12 System Action
- 14 Perfumeria Julia
- 16 Mango Kids, Hema
- 18 Orange, Foot Locker
- 20 Baloo, Scala Dei
- 22 Boludeces, Signes, Galeries Maldà, Yves Rocher
- 24 Padeví
- 28 Vans, The Phone House

C/ PEROT

- 30 Sun Fashion, Aroa Joyas, Claire's, Pikolinos
- 32 Outlet Sun&Sun,
- 34 Vista Óptica, Closed



C/ DEL PI



Portaferrissa looks to reassert itself as a prime location

Portaferrissa is reasserting its claim to a place among Barcelona's big shopping streets. It boasts a privileged position between Portal de l'Àngel and Las Ramblas, full of local and tourist traffic and available commercial spaces, but the prices are off the market and transactions have been completed at eye-watering prices.

Now, with movement around two historic buildings, Portaferrissa could be set to reclaim its place as a prime location.

One such location is at number 25, the so-called Casa Gralla, which until a few months ago was occupied by Pepe Jeans. The building belongs to the Casacuberta family and in the 1990s, the lower levels of number 25 housed the Gralla Hall

commercial galleries, which were shut in the early 2000s when the model began showing the first signs of weakness.

The Casacubertas have now begun a renovation of the premises to unite both spaces, which, after the refurbishment, will boast 1,900 sq m. The most recent approach of note came from Adidas, and a pre-agreement was reached, although the operation was never completed.

Another location on the market in Portaferrissa St. is the Palau Castanyer, which currently houses the souvenirs shop, Art Montfalcó. The property was purchased last year by KKH Capital for €24 million.

modaes.es



■ Public Premises

Pelayo

Barcelona



Side
 Mountain
 Sea

Rental Price
 €75/sq m
 €120/sq m

No. Retail Units
 30
 48

Vacancy Rate
 3.30%
 2.0%

Current Retail Stores

1 Marni Arcade, City Park Hotel,
 Loterías y Apuestas,
 Vacant

3 Subway, Royal Queen, Supermarket
 5 Diva Prohair&Beauty, Costa Coffee
 7 Druni

9 Copypelai, Hotel Pelayo, Pharmacy Durán,
 Dori Dori, Jordi Bas
 11 Premises linked to La Caixa (Works in Progress)



C/ GRAVINA



PELAYO

2 Lefties
 4 Lefties (Works in Progress)
 6 Hotel, Chic & Basic Lemon
 8 Padeví, Stucum, Vacant
 10 Primor 10
 12 Parfois, Geox

C/ DE SANTA ANA

14 Women'ssecret, Hotel Mid Most
 16 Viena
 18 Enrique Tomás
 20 Mulaya, Hotel Atlantis
 22 Hotel Lleó

24 Bershka
 26 Felgar
 28 Hotel Catalonia R.
 30 Stradivarius
 32 Scarpa

34 Querol, Multiópticas
 36 Happy Socks
 38 Natura
 40 Tezenis, Oysho





L'Oréal continues 'making-up' Spain with NYX: new store in Barcelona as they prepare their assault on the web

L'Oréal is launching a real push of its youngest chain, NYX, which opened its first European shop in Spain in 2015 and is now preparing to unveil its second store in Barcelona. The chain will set up shop in Pelayo St., one of the Catalan city's most dynamic commercial hubs in recent months. As part of its expansion drive, NYX is also finalising the launch of its e-commerce platform in Spain according to the French group's sources via Modaes.es.

NYX launched in Spain back in 2015, just one year after L'Oréal took over the company. Its first shop opened in Madrid's Fuencarral St. and the opening coincided with the brand's presence in

department store group El Corte Inglés. Following up on this original foray, the group continued to grow its NYX retail network in Spain with establishments at La Vaguada and Parquesur shopping centres and expanded to other cities like Valencia and Barcelona. In the Catalan city, NYX opened its doors at 1st Cucurulla St., next to Portal de l'Àngel.

At this stage, NYX's latest move in the Spanish market was the opening of a flagship store in Madrid's Gran Vía, where they opened a 100 sq m premises at number 36.

modaes.es



Diagonal (I)

Barcelona



Side	Rental Price	No. Retail Units	Vacancy Rate
Odd	€40/sq m	90	7.70%
Even	€70/sq m	108	7.40%

Current Retail Stores





Cuatrecasas acquires building at 632nd Diagonal Ave. in Barcelona

The building, which is the headquarters of Instituto Oftalmológico Quirónsalud, is valued at some €7 million.

Emilio Cuatrecasas' investment group, Emesa Corporación Empresarial, has completed the acquisition of the building located at 632nd Diagonal Avenue in Barcelona. The 2,000 sq m property currently houses the headquarters of Instituto Oftalmológico Quirónsalud Barcelona, tenant with a long-term lease agreement.

The former owner of the building was Immo 632. The price of the transaction has not been

disclosed, although the value is thought to be around €7 million according to market sources. 632nd Diagonal was previously home to Banco de Finanzas and Chase Manhattan Bank.

This latest transaction sees Emesa acquire another asset in Diagonal and strengthen its presence in the street, where it already owns 191st Diagonal (current headquarters of the Cuatrecasas firm), 444th and 579th Diagonal.

In total, Emilio Cuatrecasas' investment company's assets occupy some 125,000 sq m, mainly located in Barcelona and its area of influence.

elperiodico.com



Diagonal (II)

Barcelona



Side	Rental Price	No. Retail Units	Vacancy Rate
Odd	€40/sq m	90	7.70%
Even	€70/sq m	108	7.40%

Current Retail Stores

DIAGONAL	DIAGONAL
<ul style="list-style-type: none"> --- Cafeteria Berlin --- Banc Sabadell --- Caixa Advocats 	<ul style="list-style-type: none"> 514 Habitat 512 B The Travel Brand 510-508 Boliche cinemes, Cachitos 506 Nest, Tenuee & termoparket --- Círculo Ecuestre
<ul style="list-style-type: none"> 568 Closed, Hotel Wilson 566 Costa Caffee 564 B. Popular, Le Pain Quotidein 550 Rituals, B. Santander 	<ul style="list-style-type: none"> 538 GR Barcelona, Vacant 536 Vacant, Parfois 534 BBVA 530 La Caixa 520 Vacant, Enrique Tomas, Rosbell Joiers, Vacant
<ul style="list-style-type: none"> 439 Tuna Tour, Miquel Suay, Franc Sarabia 437 Targo Bank, Workcenter 435 Ash, Dormity 433 Natuzzi, Bar Cros, Santander Banca Privada 	<ul style="list-style-type: none"> 421 Forn de Pa Granier 419 Domestico Shop, Sarakany 417 Raimon Bundó 415 Manu García 413 Macson, Punto Blanco, Vanity Fair 411 El Fornet d'en Rossend 409 D409, Rosa Clará

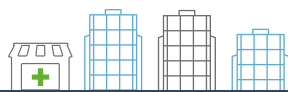


490 Zara Home, Casa Viva
 488 El Mussol
 486 A loja do gato preto
 484 Cottet
 482 Unión Suiza



VIA AUGUSTA

478 Tous, Pharmacy
 476-472 Vacant, Natura Casa,
 Natura Sibérica
 470 Vacant
 468 BBVA, Furest
 466 McDonald's, Café & Té



C/ MINERVA

462 Vacant, Aeronáutica Militare
 460 Restaurant&Tapas
 458 Motana Outlet, Deco Palace
 454 B. Sabadell
 452 Cambra de Comerç
 450 Church



C/ RIERA DE SANT MIQUEL

448-444 Vacant



C/ BALMÉS

DIAGONAL

407 Banc Sabadell, Viajes Kuoni,
 Zwilling J.A. Henckels
 405 Maisons du Monde,
 Puerto Chico, Banco March



403 Pilma
 399 Women'ssecret
 397 Cortefiel



RAMBLA CATALUNYA

393 Diputació de Barcelona
 (Government of the
 P. of Barcelona)
 Llibreria de la Diputació



391 Farga
 389 Vacant
 --- Palacio Robert



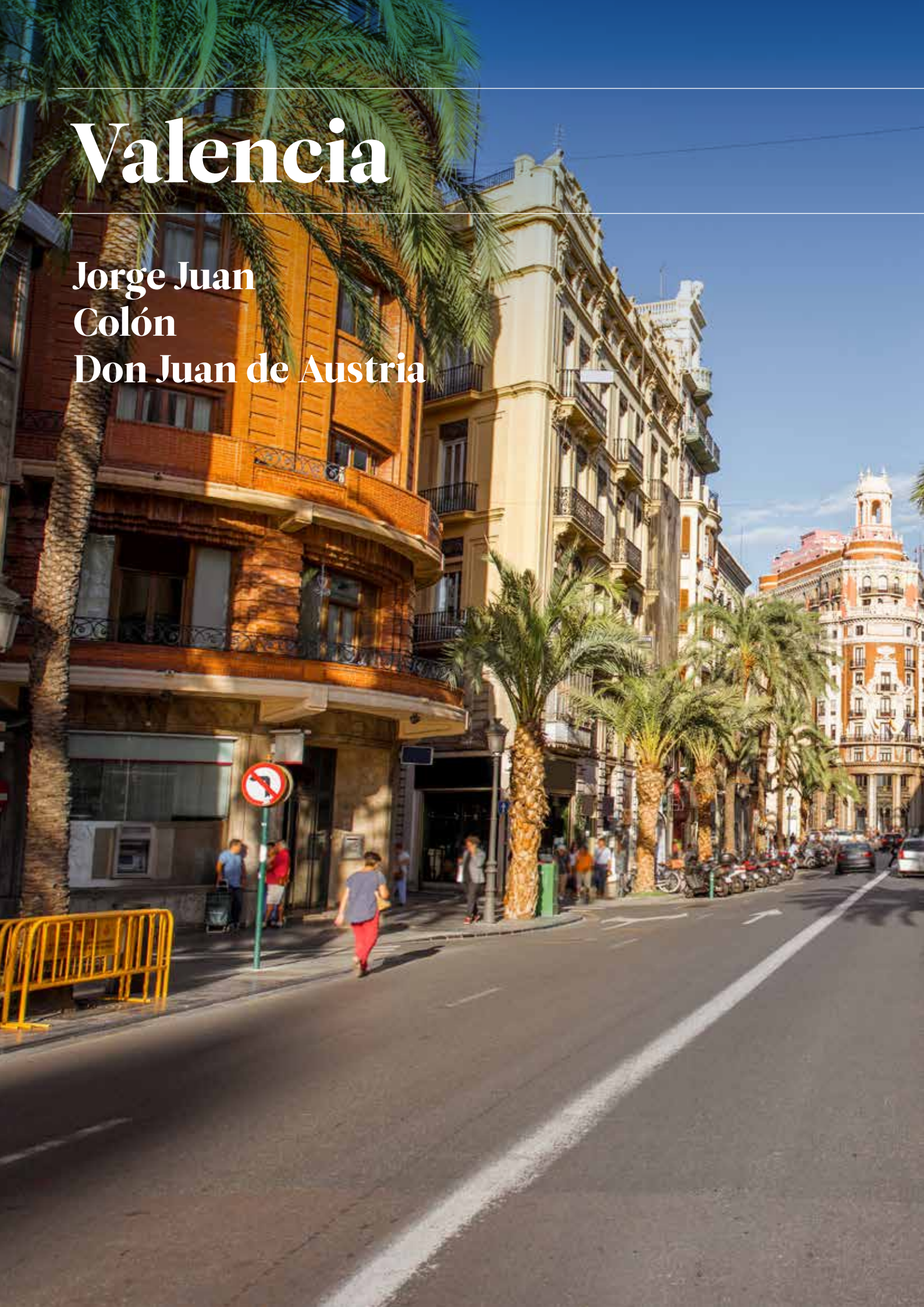
Public Premises

Valencia

Jorge Juan

Colón

Don Juan de Austria





Valencia

Vacancy Rates

The last operations involving investment in retail premises carried out in Valencia have caused a fluctuation in vacancy rates in the major streets of the city.

Jorge Juan continues to hold the highest percentage of rented premises, improving its data and maintaining, as in the previous study, full occupancy in its prime section.

Colón Street has worse figures, since the vacancy rate increases here considerably with respect to the previous year and continues to be the highest of all the streets being analysed, with an average of 12% vacant premises.

Don Juan de Austria also shows slightly worse data when analysed on a global basis, although more premises have been rented in its prime area and 100% occupancy is maintained in its middle section.

Rents

The positive market prospects and the last changes occurred therein have led to a rent growth in the Colón and Jorge Juan hubs, between 10% and 15% depending on the section, meaning an average monthly increase of €10 per sq m. We will have to wait until the next openings to see how investors react to the expected changes.

According to our data, Don Juan de Austria Street does not show significant variations in rents requested by owners, although the perspective, in view of the relevant changes expected to occur in the market, is positive.

Relevant Changes

For next year 2018, two essential changes are approaching that will most likely modify the current paradigm present in the city of Valencia. First, the unveiling of the Primark store is expected. Located at Dr. Serra Passage, between Colón Street and Paseo Ruzafa, the opening has been postponed several times due to license issues. It will undoubtedly attract a large number of buyers of all kinds, which will revitalize and diversify the area.

Another expected event is the reopening of Juan de Austria Gallery, named after the street where it is located. Its acquisition and transformation by Amancio Ortega will probably increase the attractiveness of the whole area, rising the occupancy rate to practically 100% and slightly increasing rents throughout the area. By doing so, Ortega will spread his company's presence in the so-called Valencia's "Golden Mile", as it already did with the openings at Colón St., Jorge Juan St. and Los Pinazo Square.

Perspectives

The aforementioned modifications are expected to help extend the duration of the good situation experienced in recent years and even improve it slightly, if the employment and sales prospects are met.

Nevertheless, no significant rent rises are expected, especially in the vicinity of Juan de Austria Gallery, since it will act as a firm competitor and diversify the existing supply.

Just like in other cities, investors without sufficient liquidity to face the high prices in the areas mentioned will transfer their interest to secondary markets or Value-Added operations with which they would obtain generally good returns after having improved the situation of the acquired asset.

If the government's forecasts for economic indicators are met, yields are expected to decline down to between 4% and 4.25%, i.e., about 1% above those expected in the cities of Madrid and Barcelona.

Jorge Juan

Valencia



Section	Rental Price	No. Retail Units	Vacancy Rate
Prime	€80/sq m	38	0.0%
Medium	€45-50/sq m	19	10.5%

Current Retail Stores

C/ COLÓN

JORGE JUAN

<ul style="list-style-type: none"> 1 Beige, The Tea Shop 3 Comptoir des Cotonniers, Uno de 50 	<ul style="list-style-type: none"> 5 COS Collection of Style 7 Tous 9 Aviño 	<ul style="list-style-type: none"> 11 Pepe Jeans London 13 Scalpers, Brownie, Visualis 15 Zara Home 	<ul style="list-style-type: none"> 17 Bimba & Lola, Twin-set Simona Barbieri 19 Maje, Laguna cosmética, Mercado de Colón
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<ul style="list-style-type: none"> 2 Massimo Dutti, Pharmacy, Belba Complementos, Decap 4 Sandro, Lotusse, Geox 	<ul style="list-style-type: none"> 6 Hipster Valencia, Trucco, Imaginarium 8 Yacare, Javier Simorra 	<ul style="list-style-type: none"> 10 Purificación García, Aristocrazy 12 Casani Panadería 	<ul style="list-style-type: none"> 14 Ese o Ese 16 El Ganso 18 Universidad Católica 	<ul style="list-style-type: none"> 20 Women'secret 22 American Vintage, Systemaction
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Visualis to move into ground floor premises in Calle Jorge Juan following the closure of Folli Follie

The optician chain Visualis is back in Valencia city centre, this time at 15th Jorge Juan Street.

They are set to move into the premises previously occupied by Greek accessories brand, Folli Follie, which opened in the city two years ago with one of their few mono-brand establishments in Spain.

Visualis, with other six stores in the Castellón province, is also present in Valencia's 48th Colón Street. Moreover, the company plans to continue opening new establishments. The ground floor space on Jorge Juan Street to be occupied by the chain has 160 sq m floor area.

Prior to the arrival of Folli Follie, the space was occupied by cosmetics brand Etnia.

For many years, Jorge Juan Street, known as the 'Silver Mile' has been reshaping itself to cater for the jewellery sector with the arrival of chains like Tous and Aristocrazy alongside Beige and Siglo XXI.

Meanwhile, the street has also seen the appearance of mid-high price firms which have been gaining strength such as Brownie, System Action, Pepe Jeans and American Vintage.

valenciaplaza.com

23-25 Galería Jorge Juan 31 Neck & Neck, M & H Kids,
27 Silvia Navarro Entrada de autoridades del Registro Mercantil
29 Dolores Promesas



JORGE JUAN

26 Nanos, Boboli, Vacant, Tuc-Tuc 32 Mayoral, Stefanel, SES clothy and beauty
28, DYO, Papos 34 Works in Progress, Vacant
30 Aimé, Silbon 36 Hortensia Maeso



GRAN VÍA MARQUÉS DE AUSTRIA

C/ CIRILO AMORÓS

Colón Valencia



Side	Rental Price	No. Retail Units	Vacancy Rate
Prime	€140-160/sq m	16	6.30%
High	€120-140/sq m	48	8.3%
Medium	€120/sq m	7	14.3%
Low	€50-60/sq m	31	19.4%

Current Retail Stores

<p>88 Vacant, Santander 86 Vacant 84 Vacant, Vacant 82 Clínica Umivale</p> 	<p>78 Generalitat Valenciana, Vacant 76 B. Sabadell 74 Visionlab, Divina Pastora Seguros 72 Maika Moda, Heiler 70 Hector Zapatería, Audi Techno, Siglo XXI</p> 	<p>62 Massimo Dutti 60 Social Security 58 Porcelanosa, Festa 56 Nespresso</p> 	<p>54 Parfois, Kieh'l's 52 Lacoste, Vacant 50 Vodafone 48 Visualis 46 Hotel One Shot, Marciano by Guess 44 Mango 42 Youth by Yacare, Aristocrazy</p> 
<p>COLÓN</p> <p>C/ CONDE SALVATIERRA</p>		<p>COLÓN</p> <p>C/ SORNI C/ JORGE JUAN C/ ISABEL LA CATOLICA</p>	
<p>43 DHL, Vacant Vintage Watches Arroiz, Sefa Ferrer, Josefina Huerta, Misako 41 Argimiro, Rabat 39 BBVA 37 Beguer, Vegamar 35 Primadonna, Giménez 33 The Body Shop, Tienda Granota</p> 		<p>PLAZA DE PIZANO</p> 	<p>31 Promod, Calzedonia, Mango 27 Starbucks 29 El Corte Inglés</p> 



Vans to open first shop in Valencia

The well-known urban clothing brand, Vans, is set to land in Valencia with its own retail outlet. Despite having a presence in multi-brand centres such as El Corte Inglés, the US-based chain has decided to launch at the heart of the city's commercial hub.

They will open their doors at 9th Colón St. in premises previously occupied by Massimo Dutti. The operation will see the chain take their tally to around twenty shops. Meanwhile, Inditex continues to be present in Don Juan de Austria Street, and also expects to open in the mega-store in Jorge Juan Street.

The Amancio Ortega brand and Cortefiel carried out a two-pronged operation which sees each

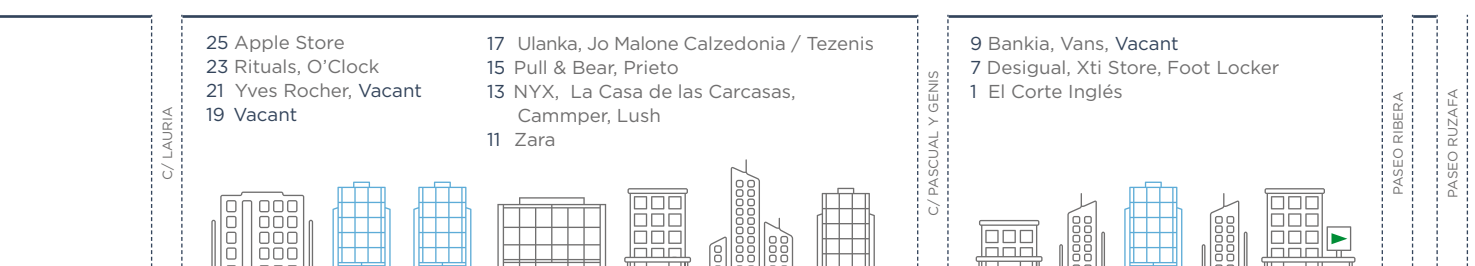
insignia acquire a building better suited to its needs. Massimo Dutti has decided to use an adjoining premises of the Cortefiel location, which was previously occupied by Spanish firm Hoss Intropia, before it returned to 4th Sorní, the first location it ever opened in the city.

66th-68th Colón is an establishment which boasts superior visibility, situated at the junction of Colón, Sorní and Jorge Juan, just in front of Los Pinazo Square. The move by Pull&Bear, another Inditex Brand, to 2nd Colón clinched this double competitive advantage on the other corner of the most attractive section of the street, with increased space and improved visual presence.

valenciaplaza.com



COLÓN



■ Public Premises

Don Juan de Austria Valencia



Section	Rental Price	No. Retail Units	Vacancy Rate
Prime	€100-130/sq m	12	16.6%
High	€100-110/sq m	8	12.5%
Medium	€85-95/sq m	9	0.0%
Low	€70-85/sq m	10	10%

Current Retail Stores





Inditex to build biggest Zara store in Valencia on Austria Blvd.

Textile mogul Amancio Ortega is set to build the largest Zara shop in the city of Valencia, inside Austria Blvd., the commercial complex located at 4th Don Juan de Austria Street, in which he already owns a two-story Stradivarius store.

The multinational corporation has chosen this central spot to house its top brand's flagship store, according to statements made to LAS PROVINCIAS by real estate sources, who claim the company will take over the entire upper part of the gallery and almost all of the ground floor as well.

Inditex runs some twenty shops in the triangle formed by Colón, Don Juan de Austria and Paseo de Ruzafa. Their presence is somewhat more discrete than other firms, like Mango, due to the sheer variety of brands that work within the Galician group according to their target markets.

Amancio Ortega's chain already has three establishments in the central area of Valencia bearing the Zara name; it is the company's standout performer with lines for women, men and kids.

lasprovincias.es



Palma

Jaime III
Paseo del Borne
San Miguel





Palma de Mallorca

Vacancy Rates

According to the data obtained in our study, the street with the worse results as regards occupancy is Paseo del Borne, with three more vacant premises, which results in a vacancy rate rise of just over 7% with respect to the previous year.

Values are better in Jaime III and San Miguel Street, with much milder increases in vacancy rates than in the previous case. Particularly, it is worth noting the decline in vacancy rates seen in the middle sections of these streets, which indicates that, in cases where firms do not consider it worthwhile to pay the price requested for the prime zone, they decide to establish themselves in somewhat less emblematic areas, although they end up being just as effective.

Rents

In general, average rents remain at same levels as in the previous analysis, with slight increases in some sections of the street, compensated with adjusted declines in others.

It will be necessary to wait until the latest properties opened within the city are stabilised to see the impact on the market in the coming months.

Relevant Changes

For next year 2018, no major changes are expected in the retail industry with regards to Palma de Mallorca, but the last actions carried out in the city will be consolidated.

September 2016 saw the opening of the new Fan Mallorca Shopping Centre, which added 66,000 sq m floorspace to the existing GLA in the city. Located near the airport and not far from the beach, it has become the main competitor of the traditional Porto Pi Shopping Centre, also serving as a relief for this and for the shops in the city centre. At present, the chain with the most presence in the complex is the Irish company Primark, although other renowned brands are expected to become part of it.

The creation of new shopping centres is not expected for the time being, neither in the capital nor in the immediate vicinity, due to the restrictions that the Balearic government intends to carry out in this regard.

Perspectives

The aforementioned modifications are expected to help extend the duration of the period of steady and gradual growth experienced in recent years.

The different firms will continue to reinvent their brand image to determine the type of client they intend to attract. For example, the latest proposals of the Inditex group, aimed at closing smaller stores to settle in larger and exclusive flagships, as in the case of the last Zara Home store opened in Edificio Telefónica in Paseo del Borne.

If market conditions remain the same and there are no changes in economic forecasts, yields in Palma de Mallorca will continue to be higher than in other Spanish cities being analysed, although they are expected to fall by 0.25%, down to a value between 4.5% and 4.75%.

Jaime III

Palma



Section	Rental Price	No. Retail Units	Vacancy Rate
Prime	€125-150/sq m	69	1.4%
Medium	€70-90/sq m	29	3.4%

Current Retail Stores





SMCP replaces Loewe in Palma with a new Sandro store

SMCP lands in Palma with a new Sandro store. The French group which owns Sandro, Maje and Claudie Pierlot, has unveiled its first Sandro establishment in Palma de Mallorca.

The chain's latest shop is located on the corner of Avenida Jaime III and Paseo del Born. The premises occupy some 300 sq m floorspace, spread over two levels and previously occupied by Loewe.

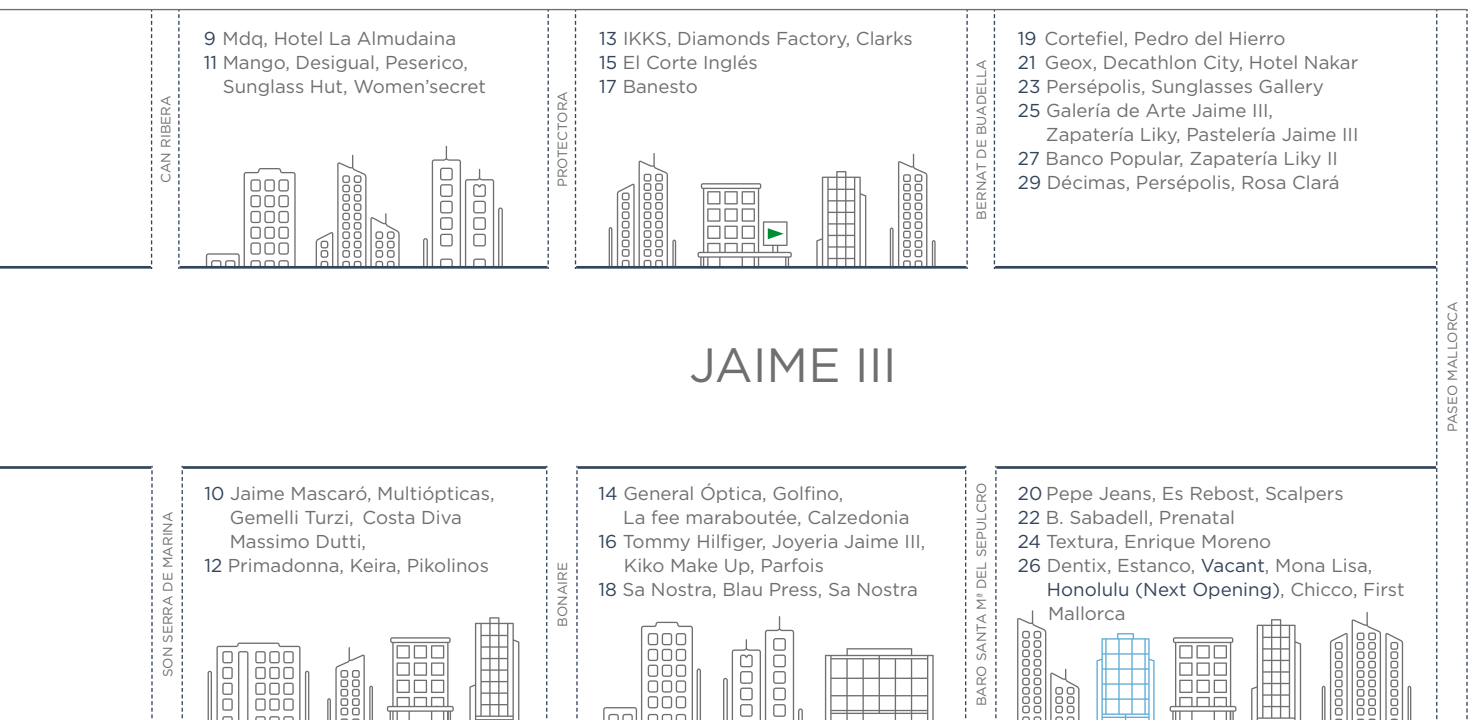
It will be the group's fifth retail outlet in Mallorca. SMCP already has a Maje store in the city, situated

in Avenida Jaime III, as well as stands for each of its brands in El Corte Inglés.

The French group, which is finalising floating its shares on the stock market, has been owned by the Chinese group, Shandong Ruyi, since last October, while its founders and former owner, KKR, remain as minority investors.

SMCP grew its business volume by 16.4% in 2016, up to €787 million. Meanwhile, Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) rose 22%, up to €130 million.

modaes.es



Paseo del Borne

Palma



<p>Side</p> <p>Odd & Even</p>	<p>Rental Price</p> <p>€180-200/sq m</p>	<p>No. Retail Units</p> <p>41</p>	<p>Vacancy Rate</p> <p>9.8%</p>
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Current Retail Stores



PASEO DEL BORNE





Zara Home moves into former Telefónica building in Paseo del Born

They are united by the stock market; both Inditex and Telefónica's shares are on the up, but on Palma's 'golden mile', one is set to take over from the other. In the city's memory, that long-closed building which for so many years was home to Telefónica, has since passed into the hands of the Fierro March family, and is now set to become the new Zara Home. Amancio Ortega has rented the four-story building, 1,400 sq m floorspace to house his new home fashion chain.

However, this is not the full extent of the link, with the top floor of 4th Born now being reserved for the telecommunications giant, which will have

direct lift access. The municipal permits to carry out all the necessary works are already in place.

This opening will be the fourth premises in Palma, since Inditex already has one in Avenidas, another in the Porto Pi shopping centre, and another in Born on the opposite side of the street. This smaller store, located in Edificio Reina, designed by architects Antonio Alomar and Felipe Sánchez-Cuenca, will remain in the hands of the Galician giant, but will now house only its kids range.

diariodemallorca.es



San Miguel

Palma



Side Prime Medium	Rental Price €160-175/sq m €90-120/sq m	No. Retail Units 42 52	Vacancy Rate 2.4% 0.0%
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Current Retail Stores





Banca March reopens in Calle Sant Miquel

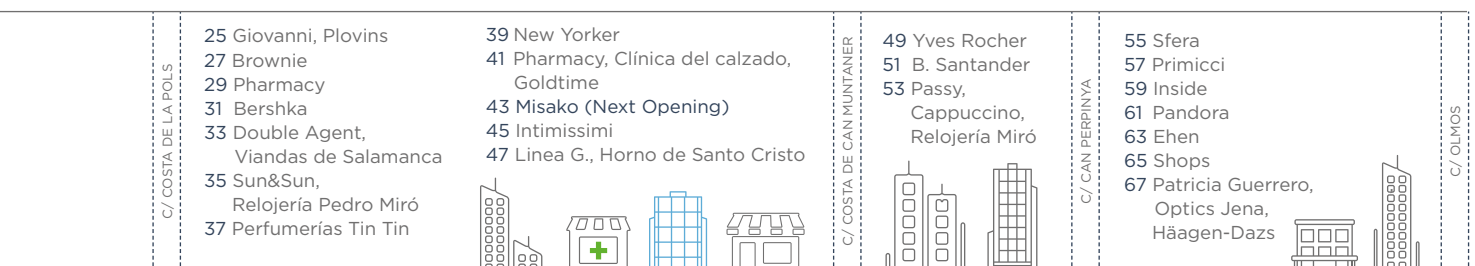
Banca March has updated its emblematic office premises in Sant Miquel St. in Palma and announced its plans to remodel 32 offices throughout the Balearic Islands as part of its three-year plan.

The Banca March office in Sant Miquel St. is the company's historic headquarters and where it was founded in 1926. Yesterday, it opened its doors following a refurbishment process designed to incorporate the bank's new corporate entity. The event was attended by the head of Commercial and Private Banking, Ángel Martínez, the

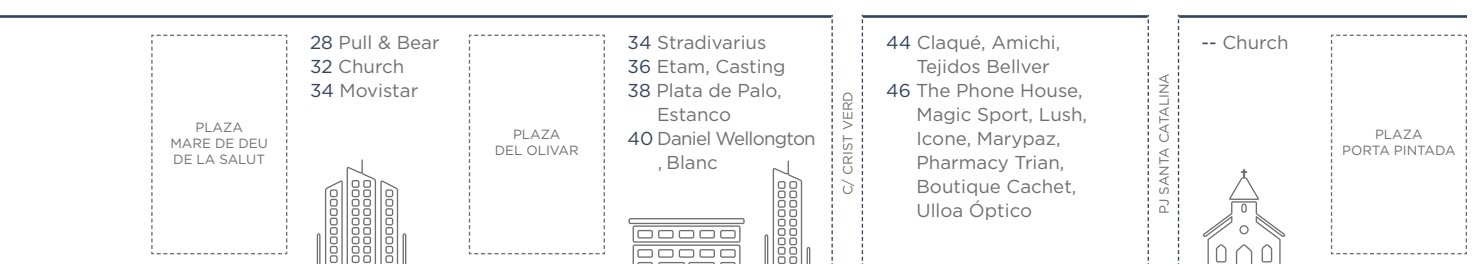
territorial director for the Balearic Islands, Vicente Jábega, and office manager, Lourdes Jaume, who explained the process.

The refurbishment of this "emblematic" site comes as part of the process to adapt all of the entity's premises to the new corporate image. It is, they said, an "ambitious" project which seeks to tailor the office network to the demands of today's customers and the philosophy of Banca March business model, based on a personalised consultancy approach.

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SAN MIGUEL



Rental Price Range

By province

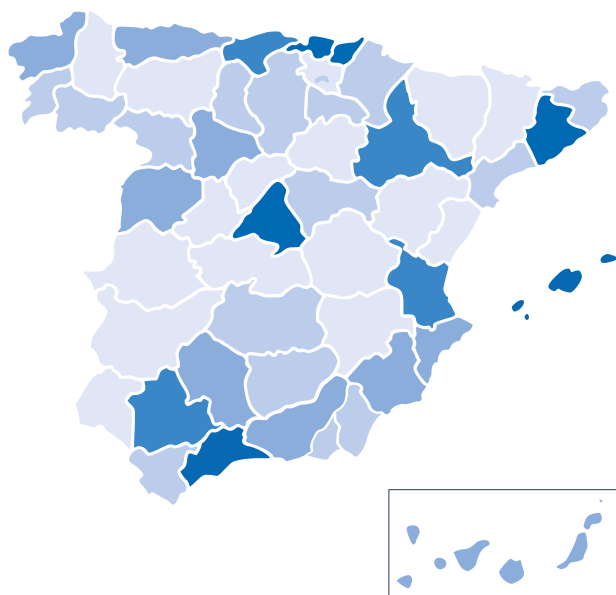
Next, we detail the average monthly rents in prime locations, by province.

The highest rents are found in the following cities:

- Barcelona (€220/sq m)
- Madrid (€215/sq m)
- Málaga (€120/sq m)
- Guipúzcoa (€115/sq m)
- Balearic Islands and Vizcaya (€108/sq m)

On the contrary, the lowest rents are found in:

- Teruel (€15/sq m)
- Avila (€17/sq m)
- Mérida, Soria and Cuenca (€20/sq m)



Prime Rents by Province

Andalusia

- Almería €34/sq m
- Cádiz €37/sq m
- Córdoba €75/sq m
- Granada €75/sq m
- Huelva €26/sq m
- Jaén €37/sq m
- Málaga €120/sq m
- Seville €88/sq m

Aragón

- Huesca €21/sq m
- Teruel €15/sq m
- Saragosa €83/sq m

Asturias

- Oviedo €48/sq m
- Gijón €57/sq m

Balearic Islands

- Balears (Illes) €108/sq m

Canary Islands

- Palmas (Las) €70/sq m
- S.C. Tenerife €63/sq m

Cantabria

- Santander €87/sq m

Castile La Mancha

- Albacete €30/sq m
- Ciudad Real €38/sq m
- Cuenca €20/sq m
- Guadalajara €33/sq m
- Toledo €30/sq m

Castile and León

- Ávila €17/sq m
- Burgos €44/sq m
- León €30/sq m
- Palencia €31/sq m
- Salamanca €60/sq m
- Segovia €30/sq m
- Soria €20/sq m

- Valladolid €63/sq m
- Zamora €35/sq m

Catalonia

- Barcelona €220/sq m
- Girona €39/sq m
- Lleida €27/sq m
- Tarragona €37/sq m

Extremadura

- Badajoz €30/sq m
- Mérida €20/sq m
- Cáceres €21/sq m

Galicia

- Coruña (A) €55/sq m
- Santiago €55/sq m
- Lugo €24/sq m
- Ourense €40/sq m
- Pontevedra €50/sq m
- Vigo €65/sq m

La Rioja

- Rioja (La) €41/sq m

Madrid

- Madrid €215/sq m

Murcia

- Murcia €53/sq m

Navarra

- Navarra €40/sq m

Basque Country

- Álava €25/sq m
- Guipúzcoa €115/sq m
- Vizcaya €108/sq m

Valencia

- Alicante €60/sq m
- Castellón €30/sq m
- Valencia €100/sq m

