

SPAIN KPIS

	YoY chg.	12-month forecast
<b>+3.2%</b> Annual Change GDP	▲	▼
<b>+3.0%</b> Annual change in CPI	▼	▼
<b>+1.5%</b> Annual change in retail sales	▲	▲

Source: Eurostat, INE

EURO ZONE KPIS

	YoY chg.	12-month forecast
<b>+1.3%</b> Annual Change GDP	▲	▲
<b>+2.1%</b> Annual change in CPI	▼	▼
<b>+1.2%</b> Annual change in retail sales*	▲	▲

Source: Eurostat, INE

ECONOMIC CONTEXT

The Spanish economy maintained its positive momentum during the first quarter of 2025, recording quarter-on-quarter GDP growth of 0.6%, in line with analysts' forecasts. Economic activity picked up slightly in the second quarter with growth of 0.8% and advance data for the third quarter point to an increase of 0.6%. This reflects a continuation of the expansionary pace, albeit with signs of moderation. According to the latest estimates of the Bank of Spain and other agencies, growth projections are now between 2.8% and 3.0% for the year as a whole. This upward shift in the pace of the economy could have a positive impact on household spending.

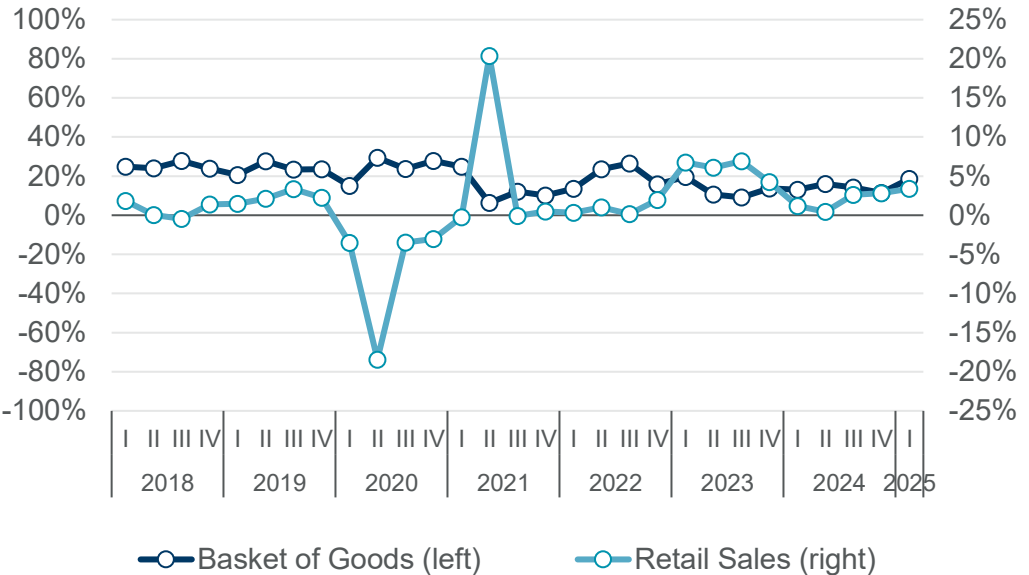
Retail sales were subdued in the third quarter of 2025. According to provisional data from the National Statistics Institute (INE), year-on-year growth amounted to 1.7% in July, 1.9% in August and remained around 2.0% in September. Although domestic consumption continues to show signs of recovery, factors such as consistently high core inflation, rising commodity prices and global uncertainties continue to limit rises.

The household savings rate continues to rise to over 12.4%, allowing for greater investment in leisure and retail. This phenomenon has driven sustained growth in retail sales, highlighting the resilience of the sector despite the economic climate.

With the volume of international visitors reaching 53 million between January and September 2025, 5% up on the same period the preceding year, tourism has established itself as a key pillar. This growth, led by tourists from strategic markets such as the United States, the United Kingdom and France, has benefited both the main shopping centres and the most important retail areas in Spain.

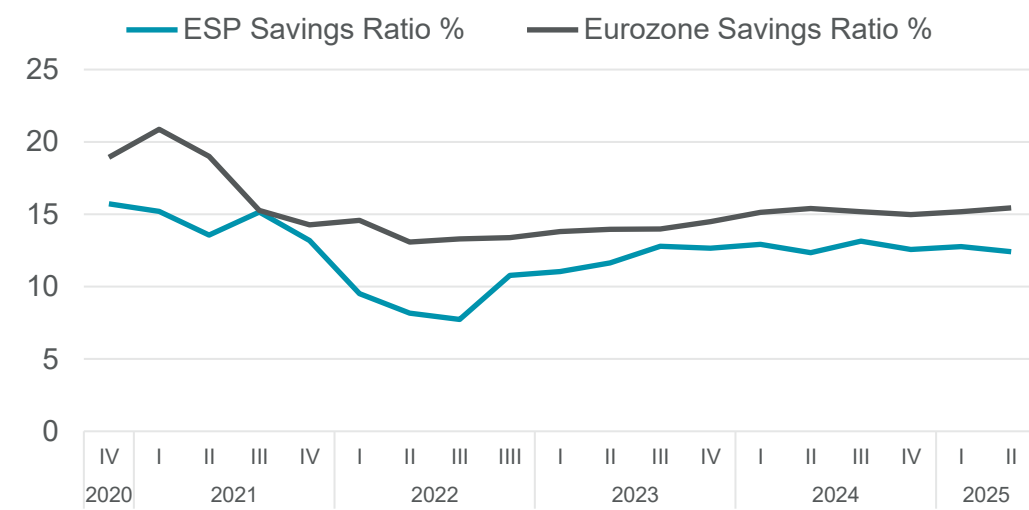
The Spanish retail sector continues to demonstrate strength and resilience overall, supported by the recovery of tourism and a moderate but sustained revival of domestic consumption.

YEAR-ON-YEAR CHANGE, BASKET OF PHYSICAL GOODS - RETAIL SALES (%)



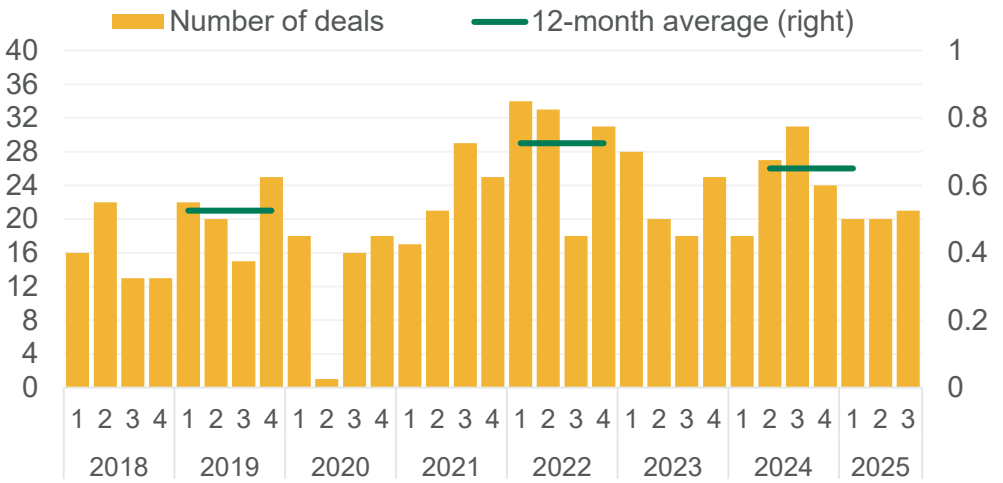
Source: INE, CNMC. Most recent data published in Q1 2025

HOUSEHOLD SAVINGS RATE - SPAIN VS EUROZONE (%)

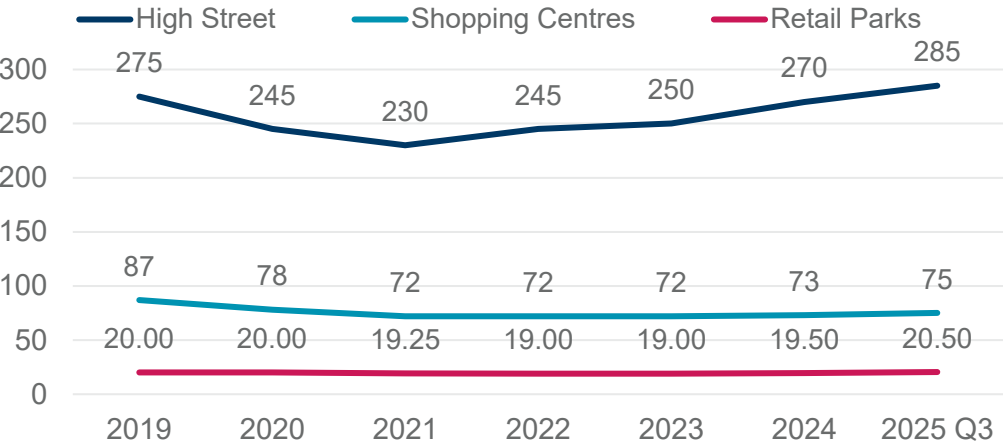


Source: Eurostat. Latest data published in Q2 2025

HIGH STREET DEALS (NO.)



PRIME RENTS (€/SQ M/MONTH)



C&W SALES/FOOTFALL IN SHOPPING CENTRES



OCCUPANCY MARKET - SHOPPING CENTRES AND RETAIL PARKS

Shopping centres sales in September 2025 increased by 2.2% compared to the same month the previous year, confirming a trend of consolidation in demand.

Footfall grew by 4.9% in comparison with September 2024, indicating a significant increase in visitor traffic.

Year-to-date sales show clear improvement consolidated by the strong performance in May and sustained growth in the subsequent months. With growth of +3.7, the best performing sector to date is Food and Beverages. As part of the visitor experience, the F&B and Leisure sectors (+2.7%) complement each other, with cinemas (+2.2%) and gyms (+4.4%) showing the best results. Despite September being a more neutral month, the aggregate trend for the year remains positive in all sectors, including Fashion (+2.5%), continuing to perform well, and Electronics (+2.2%).

OCCUPANCY MARKET - HIGH STREET

Despite the scarcity of premises in prime locations in the city, rental transaction activity on the High Street remained positive over the first nine months of 2025.

The vacancy rate at the end of the third quarter stood at 3.3%, 10 basis points lower than in June 2024 (3.4%).

Activity remained strong and in line with the quarterly averages for the past five years. Some 21 lease deals were signed in Prime and Superprime areas of Madrid and Barcelona during the quarter, bringing the aggregate total up to September to 61.

The fashion sector accounted for 45% of the take-up of premises on the main high streets in both cities between 2018 and Q3 2025.

In terms of the size of the premises, some 76% of the transactions in the third quarter corresponded to those of less than 300 sq m.

Prime rents have increased by 8% compared to the same period in 2024 and by 4% in comparison with the pre-pandemic period, with current values of €275/sq m/month in Madrid and €285/sq m/month in Barcelona.

Coupled with a sluggish economic recovery, declining vacancy rates in Madrid and Barcelona are putting upward pressure on rents, these being expected to reach pre-pandemic levels during 2025 in some areas/high streets.

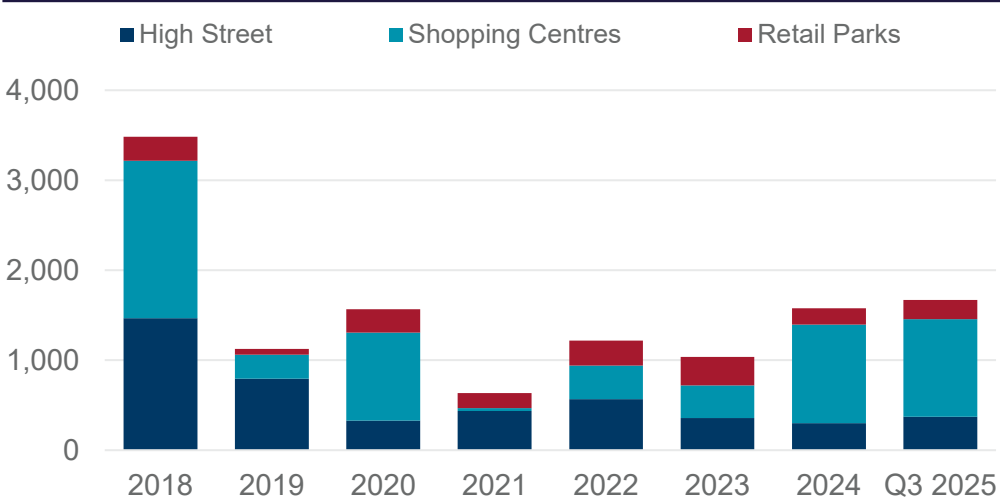
OUTLOOK

- The adaptation of European retailers shows a smarter and more strategic approach, with a clear trend towards regional diversification and optimisation of locations in key cities. This approach enables greater operational efficiency and improves the quality of customer service, ensuring greater profitability in specific markets.

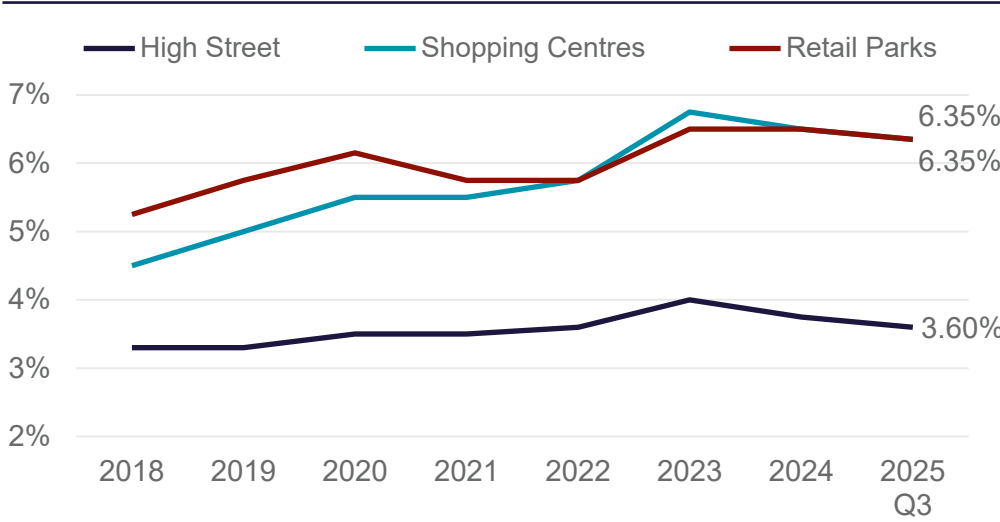
Source: CW Research & Insight, CW Shopping Centres Portfolio Benchmark Index. Spain, June 2025



RETAIL INVESTMENT (EXCL. M&A)



PRIME YIELDS IN RETAIL (%)



Source: BLS, \*Cushman & Wakefield Research

INVESTMENT

The Spanish retail market continues to show signs of solid recovery and stability, driven by economic growth, increased investment and active demand. This makes it an attractive sector for investors, operators and tenants in a constantly evolving environment.

Investment in the retail sector during the first nine months of 2025 reached €1.865 billion, an increase of 25% compared to the same period the preceding year.

In 2024, Shopping Centres and Shopping Parks accounted for 60% of total retail investment. This proportion has so far increased to 70%, mirroring a growing interest in this asset class.

This growth is also part of a general trend of recovery in the sector, which has seen year-on-year increases exceeding 30% in key segments such as shopping centres.

Following a year-on-year adjustment of 40 basis points for Shopping Centres and 15 for Retail Parks, prime yields for the two remained stable at 6.35%, . The High Street segment meanwhile saw a fall in the prime yield to 3.60%, amounting to a drop of 40 basis points in comparison with September 2024.

Since the beginning of the cycle of interest rate reductions in September 2024 and the subsequent stabilisation of yields, further slight contractions have started to be recorded, pointing towards a possible similar trend over the remainder of the year.

The growing role of private investors in shopping centre deals is noteworthy in this sense, driven by their ability to adapt to the current financial context.

OUTLOOK

- In 2025, retail continues to evolve towards a more technological, sustainable and customer-centric model. The integration of artificial intelligence and big data not only optimises the shopping experience, but also improves operational efficiency and strategic decision making.
- Omni-channelling is consolidated as a fundamental pillar, providing a seamless experience between physical and digital channels. Sustainability and ethical trade are meanwhile becoming more prominent, driven by consumers demanding transparency, social responsibility and ESG-aligned practices

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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**MARTA ESCLAPÉS**  
Partner  
Head of Research - Iberia  
[marta.esclapes@cushwake.com](mailto:marta.esclapes@cushwake.com)

**ROBERT TRAVERS**  
International Partner  
Head of EMEA Retail  
[robert.travers@eur.cushwake.com](mailto:robert.travers@eur.cushwake.com)