MARKETBEAT
SPAIN
RETAIL Q2 2026

CUSHMAN & WAKEFIELD

SPAIN KPIS

	YoY chg.	12-month forecast
+2.8% Annual Change in GDP	▼	▼
+3.2% Annual change in CPI	▲	▼
+1.3% Annual change in retail sales	▲	▲

Source: Eurostat, INE
Data as of May 2026

EURO ZONE KPIS

	YoY chg.	12-month forecast
+0.9% Annual Change in GDP	▲	▼
+3.0% Annual change in CPI	▼	▼
+0.8% Annual change in retail sales	▲	▼

Source: Eurostat, INE
Data as of May 2026

ECONOMIC CONTEXT

Coupled with trade tensions and volatility in energy markets, persistent geopolitical conflicts in Ukraine and the Middle East continue to shape the global economic outlook. Despite this, the major economies are demonstrating a high degree of resilience, underpinned by a strong labour market and a gradual normalisation of financial conditions.

The Spanish economy has continued to perform comparatively well within Europe during the first half of 2026. Driven by domestic demand, investment and tourism, the latest forecasts put GDP growth at around 2.8% for the year as a whole. This is against a backdrop of greater international uncertainty and persistent inflationary pressures.

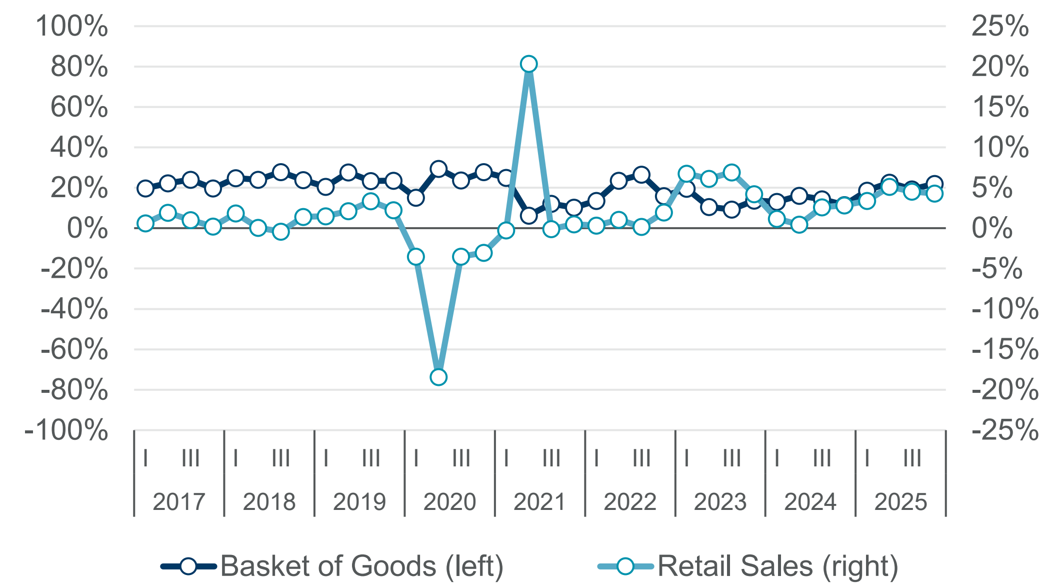
Household spending continues to perform well, supported by the strength of the labour market and the gradual improvement in disposable incomes. Following a strong close of 2025, retail sales continue to show positive growth rates, reflecting a transition towards a more balanced growth climate. Categories linked to leisure, dining, fashion and experiences continue to perform particularly strongly, consolidating the trends observed in recent quarters.

Following the highs reached in previous financial years, the household savings rate continues to return to normal levels, encouraging a greater willingness to spend. This softening is taking place against a backdrop of high employment and relatively stable confidence, helping to sustain demand in the retail sector.

Tourism meanwhile continues to play a key role as a driver of economic activity. Although growth rates are more moderate than those recorded in 2025, the number of international visitors and tourist spending continue to remain at historically high levels, bolstering commercial activity in prime locations, urban destinations and holiday resorts.

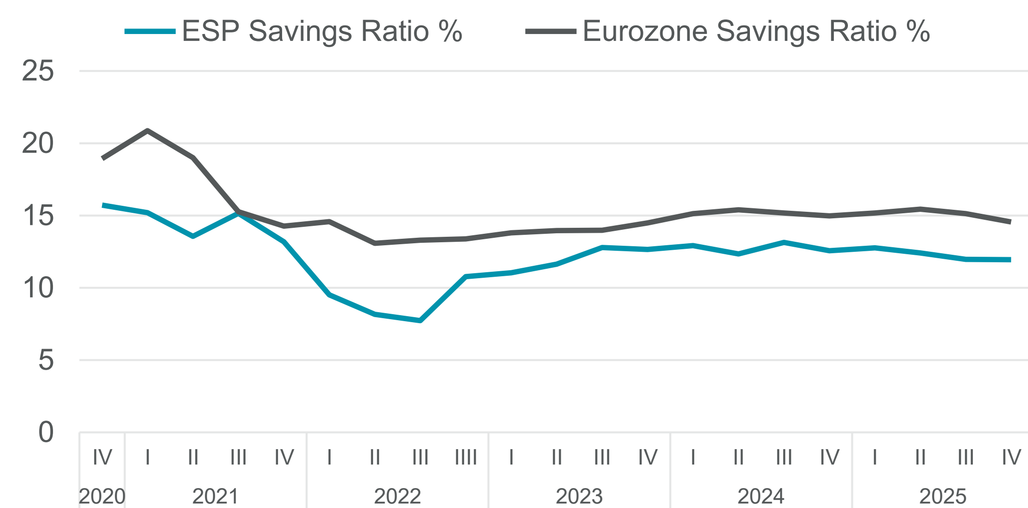
The Spanish retail sector continues to demonstrate solid fundamentals overall throughout 2026. The combination of economic growth, resilient spending and a strong tourism sector continues to buttress employment and investor interest. The market is, however, moving towards a phase of more balanced growth, characterised by lower rates of expansion but underpinned by robust and stable demand.

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



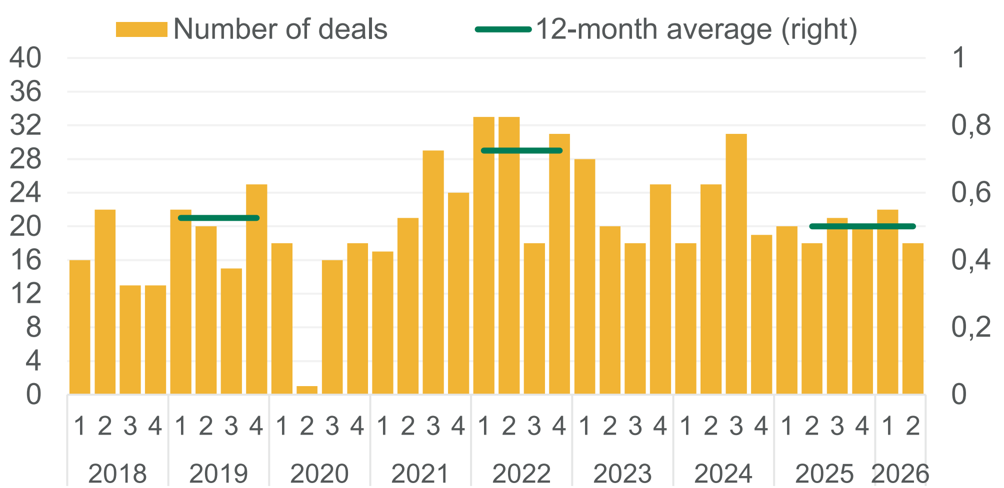
Source: INE, CNMC. Latest data published in Q4 2025

HOUSEHOLD SAVINGS RATE - SPAIN VS EUROZONE (%)

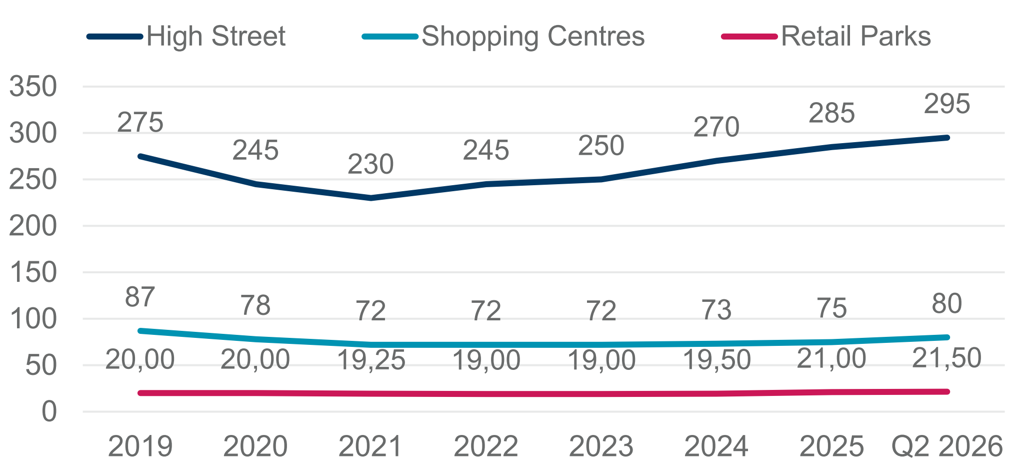


Source: Eurostat. Latest data published in Q4 2025

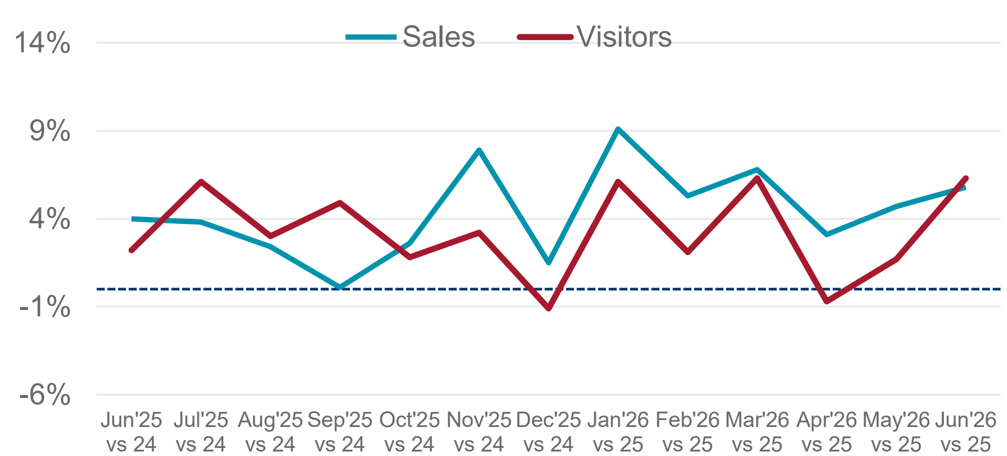
HIGH STREET DEALS (NO.)



PRIME RENTS (€/SQ M/MONTH)



C&W SALES/FOOTFALL IN SHOPPING CENTRES



OCCUPANCY MARKET - SHOPPING CENTRES AND RETAIL PARKS

Shopping centres performed particularly well during the first half of 2026, with aggregate growth of 7.9% in footfall and 6.0% in sales compared with the same period in 2025. Although growth in the second quarter was somewhat more moderate than in the first, performance remains solid and is partly due to calendar effects. In terms of trends, sales have grown by 4.8% over the last 12 months, whilst footfall has risen by 1.7%. The Fashion segment remains the main driver of retail activity, with a 7.8% increase in sales, further strengthening its share of the portfolio.

Sales grew by 4.2% in the retail park segment, slightly above the figure recorded in the first quarter. Whilst Sports is notable with an increase of 5.2%, the Household sector continues to account for the largest share within this format and has recorded growth of 3.6%.

OCCUPANCY MARKET - HIGH STREET

Despite the limited availability of premises in the most prime locations in Madrid and Barcelona, transaction activity in the main shopping districts has continued to perform well throughout 2026.

The vacancy rate stood at 2.5% at the end of the second quarter, representing a fall of 10 basis points compared with the same period in 2025 (2.6%). This demonstrates strong occupancy levels on high streets.

Activity for the half-year continues to show remarkable momentum, with transaction volumes 5% higher than those recorded in the first half of the preceding year. Whilst Madrid saw a lower number of deals in the prime and super-prime segments during the quarter, Barcelona continued to perform particularly strongly, exceeding Q2 2025 levels in both the number of deals (+42%) and the floor area transacted (+35%).

By sector and in line with the average observed over the last five years, fashion continues to lead the way in terms of demand and accounts for around 50% of the space let on the main shopping streets in both cities. In terms of the size of premises, 50% of deals in Q2 2026 corresponded to units of between 300 and 800 sq m.

Prime rents continue to trend upwards, with increases of 5% year-on-year and 7% compared with pre-pandemic levels. They currently stand at €295/sq m/month in Barcelona and €280/sq m/month in Madrid.

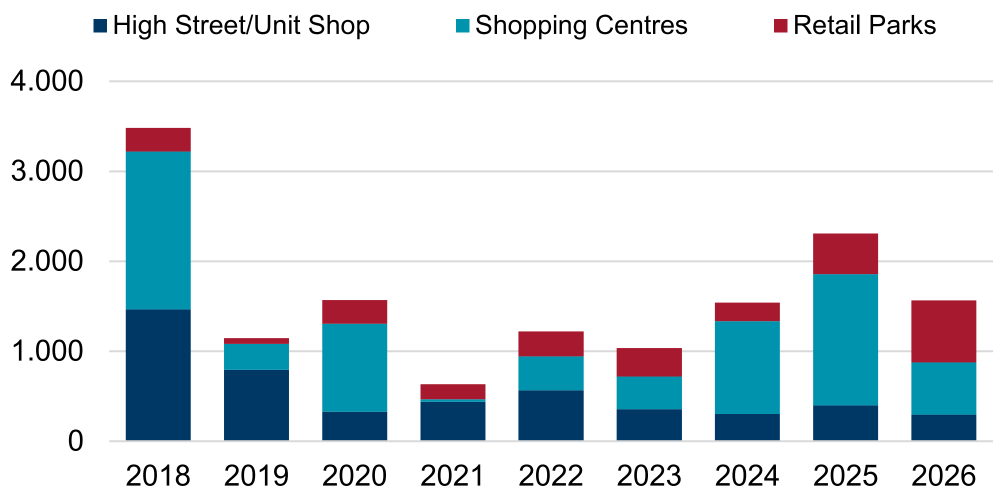
The combination of increasingly limited vacancies and sustained demand is intensifying pressure on rents in the most established locations, enabling some high streets to already exceed the rent levels recorded prior to the pandemic.

OUTLOOK

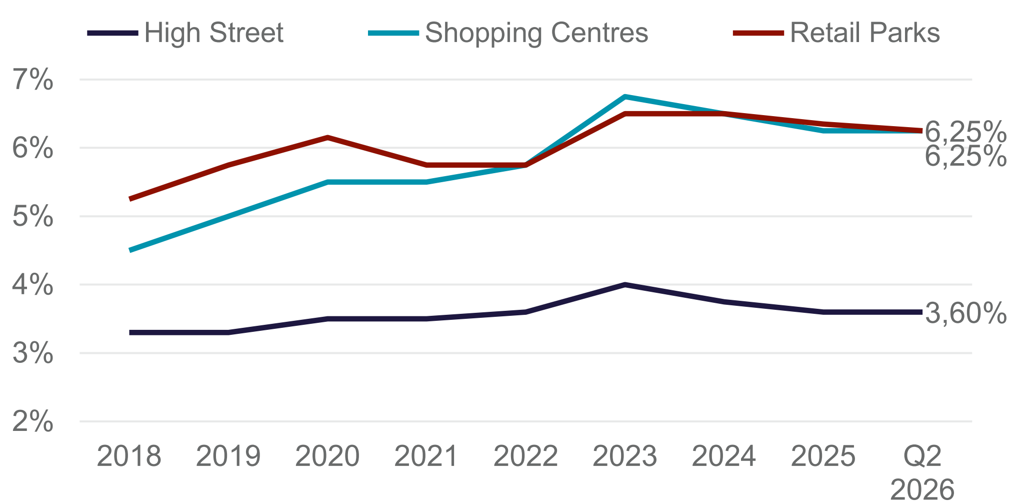
- The limited availability of premises on the main high streets will continue to favour the take-up of the best spaces and underpin the positive trend in terms of prime rents.
- The scarcity of vacant product in the most established locations is driving a gradual geographical diversification of demand towards other urban markets with solid fundamentals:
- Valencia continues to consolidate as Spain's leading secondary retail market and a strategic location for national and international operators, further enhancing its appeal within their expansion plans.
- Malaga continues to show particularly positive momentum, with Marqués de Larios growing in importance and rent trends bringing it progressively closer to the levels seen in the country's prime markets.

Source: CW Research & Insight, CW Shopping Centres Portfolio Benchmark Index. Spain, Jun. 2026

RETAIL INVESTMENT (EXCL. M&A)



PRIME YIELDS IN RETAIL (%)



*Source: BLS, *Cushman & Wakefield Research*

INVESTMENT

Underpinned by robust consumer spending, economic growth and active investor demand, the Spanish retail market continues to perform strongly, establishing itself as one of the most dynamic segments of the commercial property sector.

In line with the levels recorded in the same period the preceding year, investment in the retail sector reached €1.65 billion during the first half of 2026. Shopping centres and retail parks continue to lead the way in investment activity, accounting for 75% of the transaction volume. This compares with 60% recorded for the whole of 2025, highlighting the growing appeal of these formats amongst investors.

This interest is founded upon the sector's solid operational fundamentals and the recovery seen in certain segments in recent years. Reflecting a marked recovery in activity, shopping centres in particular have recorded investment more than 160% up on the average for the past five years.

The market continues to show a high degree of stability in terms of yields. Whilst the prime yield for shopping centres remains at 6.25%, that corresponding to retail parks has fallen to 6.25% following a 10 basis point fall in comparison with the same period last year. The High Street segment meanwhile recorded a prime yield of 3.60%, amounting to compression of 5 basis points year-on-year.

Following the start of a cycle of interest rate cuts and the gradual stabilisation of yields, isolated adjustments are beginning to be seen in certain prime assets, supported by greater competition amongst investors and improved financing conditions.

Within this context, the growing prominence of private capital in shopping centre operations is notable, driven by its ability to act swiftly in an increasingly competitive market context.

OUTLOOK

- Investment activity is expected to remain robust throughout the second half of the year, supported by a more favourable financial climate and high levels of liquidity seeking opportunities.
- Driven by their strong fundamentals and growing interest from domestic and international investors, shopping centres and retail parks will continue to lead the market.
- High Streets will continue to strengthen their appeal thanks to the significant interest from retailers in the most prime locations and the limited availability of space on the main retail thoroughfares.

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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