

FACTORY OUTLETS IN SPAIN

DECEMBER 2025

Spanish economy

maintains momentum

despite global uncertainty

International context

Recent months have seen a gradual easing of the tariff war and a reduction in uncertainty, supported by trade agreements between the United States and several key partners — most notably with the European Union in July.

In the short term, extreme scenarios involving new rounds of tariffs have been ruled out. Nonetheless, considerable uncertainty persists around the outcome of ongoing negotiations and the trajectory of geopolitical tensions, which continue to elevate risk levels. Despite this complex international backdrop, financial markets have performed favourably, as reflected in low price volatility.

According to projections published by the European Central Bank (ECB) in September, GDP growth in the euro area is forecast at 1.2% in 2025, 1.0% in 2026, and 1.3% in 2027.

On the inflation front, both headline and core inflation have aligned with expectations, remaining close to the EU's 2% target. In August, headline inflation rose to 2.1%, driven by higher energy and food prices, while core inflation remained steady at 2.3%.

The ECB's latest forecasts project inflation at 2.1% in 2025, 1.7% in 2026, and 1.9% in 2027.

Spain

According to Oxford Economics, Spain's GDP growth forecast stands at 2.9% for the current year, from 2.4% estimated in December 2024. Growth of 2.3% is projected for 2026, reflecting continued economic dynamism.

In 2025, Spain is once again expected to lead major Eurozone economies in growth, supported by its relatively low exposure to trade tensions with the United States, strong tourism performance, a resilient labour market, and robust private consumption — all of which continue to underpin economic activity.

In the first ten months of the year, international tourist arrivals rose by 3%, while tourist spending increased by 7%. These figures compare to growth rates of 10% and 16%, respectively, in 2024. Forecasts suggest this upward trend will persist through the remainder of the year, positioning tourism as a key driver of economic expansion in 2025, though its contribution is expected to decline in 2026.

Despite early signs of a slowdown, the most recent data indicate that employment growth has remained steady, showing no significant signs of moderation. Employment rose by 0.3% month-on-month in October, marking the fastest pace in six months. According to Oxford Economics' forecasts, the pace of job creation is expected to ease in 2026, but the continued strength of the labour market suggests that we will continue to see solid employment expansion next year.

Private consumption remains strong, driven by job creation and rising real wages. However, consumer confidence has weakened, reflecting a more pesimista view of the broader economic outlook among households. As a result, the savings rate is expected to remain elevated, potentially limiting further expansion in consumption. Forecasts point to private consumption growth of 3.5% in 2025 and 2.6% in 2026.

According to preliminary data from the INE, headline inflation stood at 3.0% in November, exceeding the level recorded in June (2.3%). Oxford Economics anticipates a short-term rise in inflation due to higher energy costs, although it is expected to moderate by year-end. Average inflation is forecast at 2.5% in 2025 and 2.1% in 2026.

Indicadores

	GDP Quarterly	GDP y-o-y	Unemployment Rate Quarterly	CPI Monthly	International Tourist Mill.		Private Consumption y-o-y	Consumer Confidence Index CCI Monthly	Retail Sales Index RSI Monthly	Retail Sales Large Units Monthly	International Tourist Expenditure Mill. €
	2.8%* Q3 2025	3.5% 2024	10.5% Q3 2025	3.0%* 11 2025	85.7 Jan-Oct 2025		3.0% 2024	78.7 10 2025	111.3 10 2025	101.6 10 2025	118,612 Jan-Oct 2025
Same Period Previous Year	3.3% Q3 2024	2.5% 2023	11.2% Q3 2024	2.4% 11 2024	82.8 Jan-Oct 2024		1.8% 2023	79.6 10 2024	107.3 10 2024	102.7 10 2024	110,845 Jan-Oct 2024
Forecast 2025	-	2.9% 2025	10.5% 2025	2.5% 2025	-		3.5% 2025	-	-	-	-

Resilience and consolidation amid a challenging market environment

Factory Outlet Centres have shown remarkable adaptability in recent years, consolidating their position within the retail sector. In a climate shaped by inflation and shifting consumer habits, they continue to attract shoppers through a clear value proposition: branded products offered at discounts ranging from 30% to 70%, with contractual obligations typically requiring a minimum discount of 30%. This remains a strong incentive for increasingly price-sensitive consumers.

The key drivers of outlet performance globally have evolved well beyond the traditional focus on discounted goods. Today, operators employ a range of strategies to enhance appeal and competitiveness:

Strategic Location

Outlets are typically located in well-connected areas, often near major tourist hubs, giving them access to broad and diverse catchment areas.

A prime example is McArthurGlen Designer Outlet Málaga, situated next to Málaga-Costa del Sol International Airport (Spain's fourth-busiest airport in 2024) and the A-7 motorway. This location offers direct access from Málaga city centre and key municipalities along the Costa del Sol — one of Spain's top tourist destinations. The outlet is also part of a major retail cluster alongside Plaza Mayor Shopping Centre.

Design Evolution

Originally conceived as functional retail spaces focused solely on product sales, outlets have transformed into more sophisticated environments where design and visitor experience are central to strategic positioning — increasingly resembling conventional shopping centres.

This shift has led to the rise of the village-style concept, featuring open-air layouts, landscaped walkways, and integrated leisure amenities that create a relaxed, experiential shopping environment. These elements enhance consumer perception, foster loyalty, and encourage repeat visits. According to Ecostra's 2024 Outlet Centre Performance Report Europe, 11 of Europe's top 20 performing outlets follow this format. In Spain, Las Rozas Village (Madrid) and La Roca Village (Barcelona) are standout examples.

Food & Beverage and Leisure as Experiential Anchors

Outlet centres are placing growing emphasis on expanding and upgrading food & beverage (F&B) and leisure offerings—including cinemas, bowling alleys, gyms, and children's play areas—to extend average dwell time.

Technological Innovation

While outlets remain primarily physical retail formats, some centres are beginning to integrate digital tools such as reservation systems, personalised promotions, and virtual personal shopper services to enhance customer engagement.

Sustainability Focus

Developers are increasingly prioritising sustainability to protect long-term asset value. For example, Neinver—where sustainability is a core strategic pillar—continues to invest in renewable energy, improve energy efficiency across its portfolio, and collaborate with tenants to reduce emissions and overall consumption.



Modernisation of Centres

Refurbishments, extensions, and facility upgrades are being implemented to create more experiential environments, aligning outlet centres more closely with evolving consumer expectations.

Diverse Retail Mix

Premium outlet schemes blend major international brands with well-established local retailers, attracting a wide customer base while maintaining both prestige and authenticity.

Outlets have also diversified beyond their traditional fashion-led offering, incorporating complementary uses that enrich the consumer experience. These include homeware and textiles, perfumery and cosmetics, specialist food outlets, and even supermarkets — some combining outlet and full-price formats. Sports retail has gained prominence as well, mirroring trends in conventional shopping centres.

MAIN COMPLEMENTARY BRANDS TO FASHION, FOOD & BEVERAGE AND LEISURE FEATURED IN SPAIN'S OUTLET CENTRES

Sports



Household



Beauty & Cosmetics



Services



Food & Beverage



Supermarkets



* Ecostra's 2024 European Outlet Centre Performance Report is based on brand and franchisee responses evaluating outlet store performance in terms of turnover and associated costs (such as rent), compared to other centres. The assessment is rated on a scale from 1 (much better) to 5 (much worse).

Supply analysis

EUROPE

Global vision

Outlet centres occupy a niche position within Europe’s broader retail landscape. Approximately 200 schemes are currently in operation, representing over 4 million sq m of Gross Lettable Area (GLA).

Supply is highly concentrated: five countries — the UK and Italy (18% each), France (10%), Germany and Spain (9% each) — account for 70% of total outlet space. On average, outlets offer just 7 sq m of GLA per 1,000 inhabitants, significantly below the levels seen in retail parks (95 sq m) and traditional shopping centres (263 sq m).

Following a rapid expansion phase in the 1990s and early 2000s — during which outlet stock grew at an average annual rate of 29% — growth remained robust between 2005 and 2020, averaging 5.3% per year. However, expansion has since slowed markedly, with stock increasing by just 0.8% annually. Only four outlet centres have opened in Europe over the past two years, adding 55,635 sq m of GLA — well below the long-term annual average of 125,000 sq m.

SPAIN

Outlet typology

The Spanish outlet market is led by a small group of specialised operators managing the country’s key centres: Neinver, Value Retail, VIA Outlets and McArthurGlen. These players bring extensive experience in the development, management and commercialisation of outlet centres across Europe, enabling them to attract a diversified brand portfolio and ensure both the economic viability of their schemes and sustained footfall.

In parallel, there are outlets developed by non-specialist operators, which tend to underperform compared to the aforementioned players. Their limited offering of attractive brands — particularly premium labels and anchor tenants — leads many retailers to prioritise projects managed by experienced developers, aiming to mitigate risk and secure a solid commercial environment.

Three distinct business models can be identified within the outlet sector, each aligned with specific commercial strategies and customer profiles:

- **Mass market brand outlets** | focused on offering a wide range of accessible labels at reduced prices. In Spain, the leading operator in this segment is Neinver.
- **Premium brand outlets** | characterised by a selection of higher-quality and design-led brands, positioning them in the mid-range of the sector. Their value proposition centres on delivering a differentiated shopping experience, targeting both local consumers and tourists. VIA Outlets leads this segment in Spain.
- **Luxury brand outlets** | dedicated to high-end products, targeting affluent consumers and strongly oriented towards tourist demand. The main operators in this format in Spain are Value Retail and McArthurGlen.

Stock

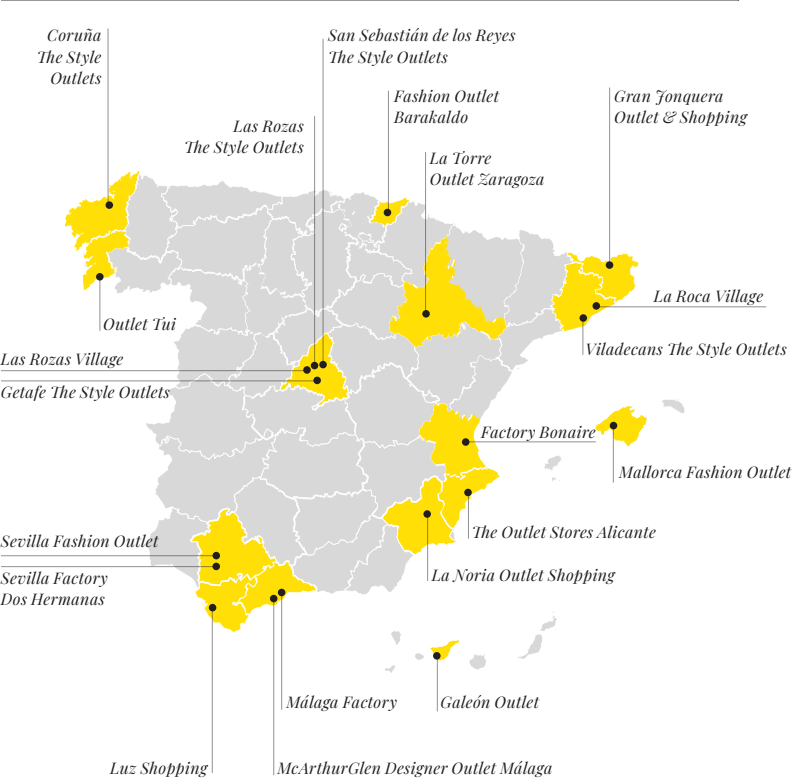
Spain hosts 22 outlet centres, with a combined GLA of approximately 480,000 sq m — just 2.6% of the national retail property stock, which totals 18.2 million sq m.

Outlet density in Spain stands at 9.7 sq m of GLA per 1,000 inhabitants, in line with the European average but well below the density of shopping centres (369 sq m) and retail parks (74 sq m).

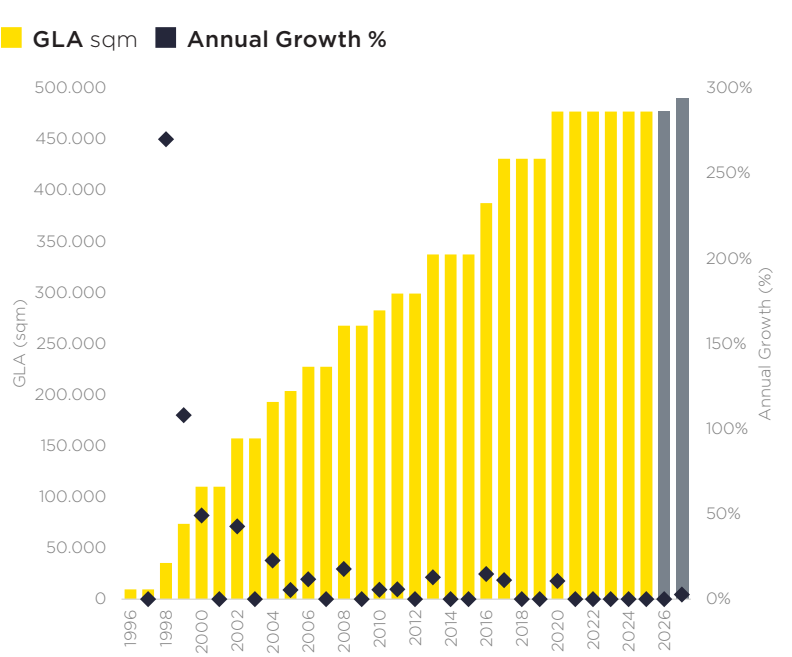
Over the past four years, both the number of outlets and total retail space have remained unchanged. The last two openings — La Torre Outlet Zaragoza and McArthurGlen Designer Outlet Málaga — date back to 2020. From the launch of Spain’s first outlet centre in 1996 to 2020, the sector recorded an average annual GLA growth rate of 6.5%.

Looking ahead, an extension is planned for McArthurGlen Designer Outlet Málaga, adding approximately 13,000 sq m of GLA and 75 new units. This will bring the total to 30,000 sq m and 180 stores. The project aims to consolidate the centre’s strong performance, which in 2024 saw double-digit growth in both sales and footfall. Once completed, it will become the largest luxury outlet in Spain and one of the leading schemes in Europe. Although the opening date is yet to be confirmed, estimates suggest delivery by 2027.

DISTRIBUTION OF OUTLET CENTRES BY PROVINCE



OUTLET STOCK AND FUTURE SUPPLY IN SPAIN



04

Limited pipeline *reinforces* the value of *existing assets*

The limited development of new outlet schemes does not reflect market saturation or underperformance of existing assets.

Unlike other European markets, Spain lacks a dedicated licensing framework for outlet centres. These assets are subject to the same regulations as other retail formats, with construction and operational authorisations governed by the urban planning and commercial rules of each autonomous community—without additional restrictions specific to the outlet format.

Several factors explain the restrained pipeline:

- Major brands are prioritising international markets with stronger growth potential.
- Risk of cannibalisation with existing outlet stores or full-price retail networks.
- Limited availability of attractive brands—particularly premium labels and anchor tenants—making it difficult to reach critical mass in new locations.
- Sector complexity and brand selectivity, with retailers favouring schemes led by specialist operators.
- Outlet centres require large catchment areas and strong tourism flows, yet most suitable locations are already occupied.
- The rise of online channels for surplus stock sales, allowing brands to avoid the structural costs of physical stores.

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The limited creation of new schemes is reinforcing the strategic importance of existing assets.

NEINVER

Has launched a continuous improvement plan across its centres, with refurbishments aimed at strengthening asset positioning. Key initiatives include:

- Renovation of Getafe and San Sebastián de los Reyes outlets (Madrid) in 2020.
- In 2023, upgrades to the F&B Plaza at Viladecans The Style Outlets (Barcelona), including enhanced terrace dining, new rest zones, event spaces, and indoor plaza improvements at Getafe.
- In 2025, the refurbishment of Las Rozas The Style Outlets (Las Rozas de Madrid-Madrid) was completed, involving both the interior and exterior, with particular emphasis on the integration of a coworking space.
- Future projects include a new refurbishment of San Sebastián de los Reyes and an extension of Viladecans The Style Outlets.

VIA OUTLETS

Follows a 3R strategy—Remodelling, Remarketing, Remerchandising—to elevate the shopping experience and asset value. In Spain, the company has delivered:

- Refurbishment and expansion of Sevilla Fashion Outlet (Seville), inaugurated in late 2023.
- Completion of the Premium Plaza at Mallorca Fashion Outlet (Balearic Islands), featuring brands like Michael Kors, Karl Lagerfeld and Bollicine&Co. A new F&B zone includes L'Osteria, with a second unit expected soon.

VALUE RETAIL

Has highlighted long-term investment across its two Spanish centres:

- Las Rozas Village (Madrid) has received over €53.1 million in investment over 25 years, including major expansions in 2005 (€22.1 million) and 2011 (€2.9 million).
- La Roca Village (Barcelona) has undergone three expansion phases: in 2004, 2014 (adding 6,500 sq m and 40 brands), and 2019 (adding 2,400 sq m and 12 tenants).

In this context, refurbishments and extensions are now essential levers for competitiveness, enabling the introduction of new brands and operators, which translates into higher rental income, increased sales, and stronger footfall.

Recent examples include: The 2023 extension of Sevilla Fashion Outlet, which drove double-digit growth in sales and footfall in 2024. Las Rozas Village, which celebrated its 25th anniversary with a 15% CAGR in sales.

Development planning typically starts with 10,000–15,000 sq m of GLA, with space reserved for future phases. This flexible approach allows centres to adapt to demand and maintain long-term appeal.

New Formats for Outlet Centres

While price remains the primary footfall driver, outlet centres are increasingly adopting mixed-use strategies that blur the lines between traditional retail formats.

Greater integration of F&B and leisure

In several Spanish schemes, F&B accounts for more than 15% of total GLA, including: Gran Jonquera Outlet (Girona), The Outlet Stores Alicante (Alicante), Sevilla Factory Dos Hermanas (Seville), Viladecans The Style Outlets (Barcelona), La Torre Outlet Zaragoza (Zaragoza).

In others, leisure occupies over 25% of total space. Examples include: The Outlet Stores Alicante (bowling alley, gym, cinema), Mallorca Fashion Outlet (cinema, go-karts, children's play park) and La Torre Outlet Zaragoza (cinema).

Operators such as Neinver and VIA Outlets are prioritising F&B in their refurbishment and commercialisation strategies to enhance customer experience and extend dwell time. Neinver's initiatives across Europe led to F&B accounting for 10% of total sales in 2024, with year-on-year growth exceeding 10%.

Hybrid models combining outlet and full-price Retail

Hybrid formats are gaining traction across Europe, integrating outlet centres within shopping centres or retail parks and combining full-price and outlet-price formats.

According to Outlet Centre Performance Report Europe 2024 (Ecostra), 33% of brands expressed high or very high interest in hybrid formats—up from 27% in 2023 and 20% in 2022—reflecting growing confidence in mixed-use retail environments.

Outlet centres are increasingly positioned as complementary components of omnichannel retail strategies. For many brands, outlet stores serve as strategic tools to drive incremental sales, optimise inventory turnover, and reach new customer segments.

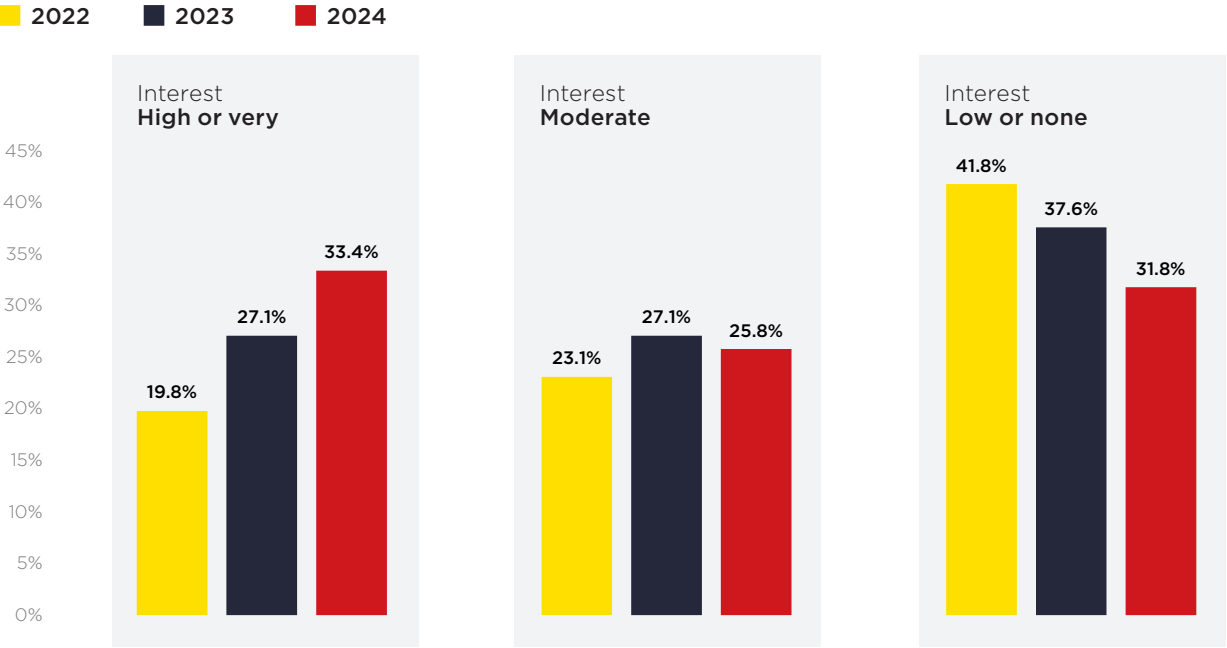
In Spain, 50% of outlet centres are located within mixed-use retail zones, combining outlet retail with other formats.



CURRENT OUTLET STOCK IN SPAIN

Outlet	GLA sqm	Municipality Province	Owner	Typology	Adjacent Commercial Facilities
Málaga Factory	10,522	Málaga	Iberdrola Inmobiliaria	Mass Market	Málaga Nostrum Retail Park
McArthurGlen Designer Outlet Málaga	17,591	Málaga	McArthurGlen	Luxury	Plaza Mayor Shopping Centre
Factory Bonaire	14,455	Aldaia (Valencia)	Indotek	Mass Market	Bonaire Shopping Centre & Retail Park
Getafe The Style Outlets	19,954	Getafe (Madrid)	Neinver	Mass Market	Nassica Retail & Leisure Park
Las Rozas Village	16,554	Las Rozas de Madrid (Madrid)	Value Retail	Luxury	Heron City Las Rozas Leisure Center
San Sebastián de los Reyes The Style Outlets	23,800	San Sebastián de los Reyes (Madrid)	Neinver	Mass Market	Alegria Retail & Leisure Park
Sevilla Factory Dos Hermanas	18,425	Dos Hermanas (Sevilla)	Green Oak	Mass Market	Way Dos Hermanas Retail Park
Viladecans The Style Outlets	19,816	Viladecans (Barcelona)	Neinver	Mass Market	Vilamarina Shopping Centre
La Torre Outlet Zaragoza	28,500	Zaragoza	Kiros Iberia	Mass Market	La Torre Outlet Retail Park
Fashion Outlet Barakaldo	19,400	Barakaldo (Vizcaya)	Neinver	Mass Market	Megapark Barakaldo Retail Park & Max Center Shopping Centre
Luz Shopping	14,927	Jerez de la Frontera (Cádiz)	INGKA Centres	Mass Market	Luz Shopping Retail Park & Área Sur Shopping Centre
Coruña The Style Outlets	16,300	La Coruña	Neinver	Mass Market	-
Galeón Outlet	10,852	Adeje (Santa Cruz de Tenerife)	-	Mass Market	-
Gran Jonquera Outlet & Shopping	38,400	La Jonquera (Girona)	Grupo Escudero	Mass Market	-
La Noria Outlet Shopping	16,946	Murcia	Realía	Mass Market	-
La Roca Village	25,920	La Roca del Vallés (Barcelona)	Value Retail	Luxury	-
Las Rozas The Style Outlets	9,600	Las Rozas de Madrid (Madrid)	Neinver	Mass Market	-
Mallorca Fashion Outlet	32,666	Marratxí (Balears)	VIA Outlets	Premium	-
Outletui	23,312	Tui (Pontevedra)	-	Mass Market	-
Sambil Outlet	43,500	Leganés (Madrid)	Grupo Sambil	Mass Market	-
Sevilla Fashion Outlet	19,776	San José de la Rinconada (Sevilla)	VIA Outlets	Premium	-
The Outlet Stores Alicante	35,782	San Vicente del Raspeig (Alicante)	UBS	Mass Market	-

GROWING BRAND INTEREST IN HYBRID OUTLET CENTRES ACROSS EUROPE



Leadership of major specialist operators drives *consolidation and excellence* in Spain’s outlet market

In the Spanish outlet market, four specialist operators control 50% of total stock. These include Neinver, which holds the largest share of GLA (23%), followed by VIA Outlets (11%), Value Retail (9%) and McArthurGlen (4%). By contrast, 11 operators manage a single centre each, representing less specialised players who face a competitive disadvantage compared to the leading operators.

According to the Ecostra 2024 ranking from the Outlet Centre Performance Report Europe, five Spanish outlet centres received sufficient brand evaluations to be included in the index, achieving an average score of 2.51 points — placing Spain second among the countries assessed. Of these five centres, four ranked within the top 20 of the overall European index.

RANKING OF OUTLET CENTRES IN SPAIN

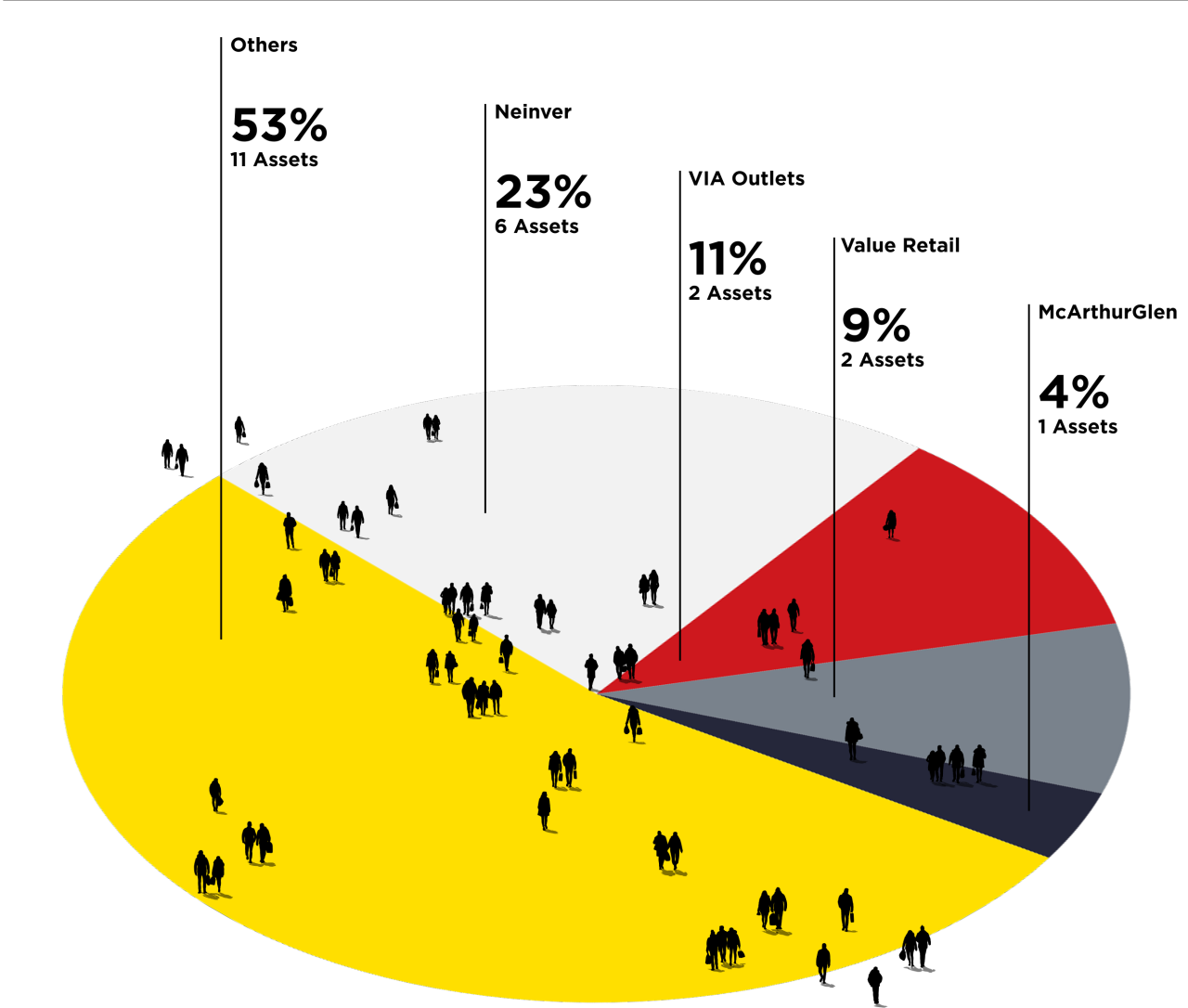
Outlets	Spain Ranking	Europe Ranking	Average Grade	Number of responses
McArthurGlen Designer Outlet Málaga	1	3	1.83	6
La Roca Village	2*	11*	2.00	8
San Sebastián de los Reyes The Style Outlets	2*	11*	2.00	7
Las Rozas Village	4	16	2.14	7
Sevilla Fashion Outlet	5	61	2.83	6
Getafe The Style Outlets	**	**	1.50	4
Luz Shopping	**	**	2.50	2
Las Rozas The Style Outlets	**	**	2.50	2
Viladecans The Style Outlets	**	**	2.50	4
Mallorca Fashion Outlet	**	**	2.67	3
Gran Jonquera Outlet & Shopping	**	**	3.00	1
The Outlet Stores Alicante	**	**	3.00	1
Coruña The Style Outlets	**	**	3.33	3
Fashion Outlet Barakaldo	**	**	4.00	2
Málaga Factory	**	**	4.00	1
La Torre Outlet Zaragoza	**	**	4.00	2
Factory Bonaire	**	**	5.00	1
Sevilla Factory Dos Hermanas	**	**	5.00	1
Sambil Outlet	**	**	-	0
La Noria Outlet Shopping	**	**	-	0

The latest Ecostra 2024 European Outlet Centre Performance ranking is based on responses from brands and franchisees regarding the performance of their outlet stores, taking into account turnover and associated costs such as rent, in comparison with other centres. Evaluation is conducted on a scale from 1 (much better) to 5 (much worse).

* The identical assessment with another outlet centre led to a double occupancy in the range

** The outlet centre could not be included in the ranking because it received less than 5 responses

DISTRIBUTION OF OUTLET CENTRES GLA BY OWNER



10

Strong operational performance and *sustained growth*

The outlet sector has undergone significant transformation in recent years, consolidating its position as an attractive model for consumers, operators, and brands alike. Despite the rise of e-commerce and ongoing economic challenges, outlets have consistently maintained strong footfall and sales, driven by a compelling mix of price, brand, and experience.

According to the European Outlet Industry Review 2025 (Ken Gunn Consulting), outlet sales across Europe grew by 23% in 2024 compared to 2019, and by 7.2% versus 2023 — representing an average annual growth rate of 4.6% since the pandemic. This performance is particularly notable given the economic turbulence of the period.

The report forecasts continued momentum, with average annual growth of 6% through to 2028, which would bring total European outlet sector turnover to €30 billion.

This positive outlook is underpinned by a fundamental shift in consumer behaviour. According to McKinsey’s State of Fashion 2025, 70% of global shoppers plan to visit outlets or discount retailers in the coming year — even if their spending capacity increases.

Data in Europe

NEINVER

- 20 centres under management across Europe (14 outlet centres and 4 retail and leisure parks)
- 2024 sales: €1.627 billion
- 8% year-on-year sales growth, consolidating the upward trend of recent years
- 69 million visits (2024)
- 6% increase in average spend per visitor compared to 2023
- Record-high occupancy rate of 98%

VIA OUTLETS

- 11 VIA Outlets centres across 11 European countries
- 2024 sales: €1.450 billion
- 6.8% year-on-year sales growth, marking a record sales figure
- 32 million visits (2024)
- 5.0% year-on-year footfall growth



08

Demand for outlet space

remains strong

Demand for outlet space continues to show resilience, supported by the recovery of tourism to historic levels, the consolidation of physical retail as a core component of retailer strategy, and the growing integration of physical stores, e-commerce, and outlet channels to meet evolving consumer habits.

OPENINGS IN EUROPE

According to the European Outlet Industry Review 2025 (Ken Gunn Consulting), 588 new outlet stores opened across Europe between July 2023 and mid-2025. Leading the expansion were: Rituals (14 new stores), Jack & Jones (12), Under Armour and Swarovski (10 each), Skechers (9)

The most prominent occupiers remain Levi's, Guess, adidas, Puma, and Tommy Hilfiger. This upward trend is expected to continue.

Ecostra's 2024 brand representative survey shows operators plan to open an average of 2.7 outlet stores per brand in 2025, up from 2.4 in 2024 — marking the first year-on-year increase since 2018. While closures are also expected to rise slightly (0.9 stores per brand, up from 0.7), the net balance remains positive, signalling continued confidence in the outlet model.

Germany remains the top destination for outlet expansion, leading brand wish lists for the fifth consecutive year. Spain (32%), France (27%), the UK (27%), and Austria (16%) round out the top five.

Strong demand is reflected in intense leasing activity in 2024, with: Neinver signing 412 agreements, VIA Outlets completing over 340 remerchandising operations, including more than 100 new brand entries across its European centres.

OPENINGS IN SPAIN

Spain's outlet market dynamism is evident in a 38% increase in store openings after the pandemic, as well as in the 85 openings identified by Savills in 2024 and 2025. Fashion accounted for 56% of new openings. Food & Beverage represented 16%.

Several brands traditionally focused on high streets or shopping centres have expanded into outlet centres. Notable examples include:

New Era: Opened stores at The Style Outlets in San Sebastián de los Reyes, Getafe (Madrid), and Viladecans (Barcelona), plus a temporary unit at Las Rozas Village (Madrid).

Nude Project and Cold Culture: Previously exclusive to high street locations, both entered La Roca Village (Barcelona) and Las Rozas Village (Madrid), targeting a young urban audience.

Napapijri: Opened its only physical store in Madrid at San Sebastián de los Reyes The Style Outlets, previously available only via El Corte Inglés.

Invited Brands (by Scalpers): Launched its first Spanish outlet store at Sevilla Fashion Outlet.

Terranova: Introduced its first outlet-format store at La Torre Outlet Zaragoza.



LEADING OPERATORS ENTERING OUTLET CENTRES FOR THE FIRST TIME



09

Key Performance Indicators (KPIs)

Vacancy Rates

In prime outlet centres, competition for space remains intense, keeping vacancy rates exceptionally low. Across leading European markets, prime outlets report an average vacancy rate of around 6%, while in Spain, the market is even tighter, with vacancy levels hovering near 3%.

Rents

Prime outlet rents in Spain range between €37 and €48 per sq m per month. Driven by strong occupational demand and limited availability, rents have increased by approximately 2% over the past year.

Lease Structure

A distinctive feature of the outlet model is its turnover-linked rent structure. Unlike conventional retail, where variable rent typically ranges from 5% to 8%, outlet centres operate with higher percentages — typically 7% to 10%. This model aligns landlord and tenant interests and reflects the premium value of securing space in a market defined by limited supply and high demand.

Sales Performance

Prime outlets achieve annual sales levels between €5,000 and €7,500 per sq m, with effort rates (rent-to-sales ratios) ranging from 10% to 14%.

10

Investment Market

The outlet sector represents a specialised niche within retail, marked by historically low and fragmented transactional activity in Spain.

Since 2002, investment in outlet assets has totalled approximately €208 million, accounting for just 0.5% of total retail investment.

This limited transactional volume is primarily driven by two key factors:

- Scarcity of product availability**
Prior to the pandemic, investor sentiment towards outlets was cautious, largely due to the high level of operational specialisation required and the limited pool of operators active in the format.

However, this perception has shifted significantly following the sector's resilience during the health crisis and sustained growth in both sales and brand presence. Today, outlets are viewed as highly desirable assets — though supply remains extremely limited.
- Long-term asset-holding strategies**
Most outlet landlords adopt a long-term ownership approach, retaining assets in their portfolios and thereby restricting availability in the investment market.

As a result, the lack of transactional activity makes it difficult to establish reliable benchmarks for average outlet yields in Spain.

Across Europe, prime outlet yields are currently estimated at 6% to 7%, typically offering a 50–100 basis point premium over conventional shopping centres, which average 6.15%. A slight yield compression is anticipated over the next 12 months, in line with broader retail trends.

INVESTMENT TRANSACTIONS | 2002 - 2025

Year	Outlet	Municipality	Province	Owner	Buyer	GLA sqm	Price €Mill.
2002	Sevilla Factory Dos Hermanas	Dos Hermanas	Sevilla	Sevilla Plaza-Itálica	Unibail-Rodamco-Westfield	18,425	24.3
2003	Factory Bonaire+ Parque de medianas	Aldaia	Valencia	Riofisa	SCH	34,000	55.3
2006	Alcor Plaza	Alcorcón	Madrid	AXA REIM	Exmoor	15,000	38.0
2006	Factory Guadacorte	Algeciras	Cádiz	Privado	Grupo Lar-Morgan Stanley	13,110	27.0
2013	The Outlet Store Alicante	San Vicente del Raspeig	Alicante	Eurohypo (Hypotekenbank)	Baupost Group + Zaphir Asset Management	35,782	8.0
2015	Sevilla Factory Dos Hermanas	Dos Hermanas	Sevilla	Unibail-Rodamco-Westfield	Greenoak	18,425	15.0
2019	The Outlet Store Alicante	San Vicente del Raspeig	Alicante	Savills IM	UBS	35,782	34.0
2020	Sevilla Factory Dos Hermanas	Dos Hermanas	Sevilla	Greenoak	Private	18,425	6.2
2023	Factory Bonaire	Aldaia	Valencia	Merlin Properties Socimi	Indotek	14,455	Conf.

Market highlights

- 01

Outlet centres have solidified their role in the retail sector, offering brand-name discounts of 30% to 70% — a compelling proposition in an inflationary environment with increasingly price-sensitive consumers.
- 02

Current competitiveness is driven by strategic locations, distinctive design, diverse retail mix, expanding food & beverage and leisure offerings, technological innovation, sustainability initiatives, and ongoing facility modernisation.
- 03

As standalone shopping destinations, outlets do not require placement in densely populated areas, enabling development in secondary zones and peripheral locations — which also helps reduce development costs.
- 04

Four specialist operators — Neinver, VIA Outlets, Value Retail, and McArthurGlen — control 50% of Spain's outlet stock, outperforming less specialised players with lower competitiveness.
- 05

Outlet centres represent a marginal share of Spain's retail landscape, accounting for just 2.6% of total GLA. Outlet density stands at 9.7 sq m per 1,000 inhabitants — significantly below that of shopping centres and retail parks.
- 06

Outlet development in Spain remains limited, with no change in the number of centres or total retail space over the past four years.
- 07

Developers are prioritising refurbishment and expansion of existing assets over new projects, due to a limited pool of attractive brands, risk of cannibalisation, brand preference for specialist operators, and competition from online channels. These initiatives reinforce the strategic value of existing assets, boosting both sales and footfall.
- 08

The boundaries between outlet and traditional retail are increasingly blurred, with food & beverage exceeding 15% of GLA in some centres, leisure reaching up to 25%, and hybrid models gaining traction — 50% of Spanish outlets are located in mixed-use zones combining retail and leisure.
- 09

Outlet sales across Europe grew by 7.2% in 2024 compared to 2023, and by 23% versus 2019 (European Outlet Industry Review 2025). Spain ranks among the top destinations for brand expansion.

- 10

Operator demand remains strong in Spain, with 85 new store openings recorded in 2024 and 2025 (Savills). Several brands traditionally focused on high streets or shopping centres have entered the outlet segment — including New Era, Nude Project, Cold Culture, Napapijri, Invited Brands, and Terranova.
- 11

Prime outlet centres in Spain exhibit very low vacancy rates (~3%), as operators compete for scarce space. Rents range from €37 to €48 per sq m per month, with annual growth close to 2%. Lease structures are turnover-linked (7%-10%), higher than conventional retail. Sales range from €5,000 to €7,500 per sq m annually, with occupancy cost ratios between 10% and 14%.
- 12

Investment activity remains limited, with outlet transactions totalling just 0.5% of retail investment since 2002. This is due to scarce product availability and long-term asset-holding strategies. Despite this, investor interest has grown significantly post-pandemic, driven by the sector's resilience and sustained performance.
- 13

Across Europe, prime outlet yields range from 6% to 7%, offering a 50-100 basis point premium over conventional shopping centres, which average 6.15%. A slight yield compression is expected over the next 12 months.

Outlook

- Limited pipeline and strong demand position outlet centres to maintain pricing power over the coming years, reinforcing their appeal to both operators and landlords.

- As interest rate cuts slow and inflation stabilises, the retail sector continues its gradual recovery. Outlet centres are expected to lead growth within the segment, supported by their value-driven positioning and a rebound in consumer confidence. International tourism will further boost demand.

- Polarisation within the Spanish outlet market is expected to intensify. Top-performing schemes will continue to attract premium brands and enhance the customer experience through food & beverage, entertainment, and pop-up retail. In contrast, traditional outlets focused solely on discounting risk losing relevance in a retail landscape that increasingly values engagement and experiential offerings.

- Steady medium-term growth is anticipated, constrained by the limited availability of attractive outlet brands and strategic decisions by retailers to avoid overlap with other outlet locations or their own full-price stores.

- Future development remains restricted, with only the planned expansion of McArthurGlen Designer Outlet Málaga currently in the pipeline.

- New brand entries will be driven primarily by international landlords, introducing European brands into their outlet portfolios.
- Consumer demand remains robust: 70% of European shoppers plan to visit outlets or discount retailers in the coming year, even if their spending capacity increases — indicating continued strength in the mass market segment.

- The sector is expected to maintain solid performance and healthy rental levels, supported by turnover-linked lease structures.

- According to the European Outlet Industry Review 2025, outlet sales across Europe are forecast to grow by 6% annually through to 2028.

- Investment activity is likely to remain subdued, due to the scarcity of new developments and long-term ownership strategies among landlords.

- While low transactional activity in Spain limits yield benchmarking, a slight compression in outlet yields is anticipated across Europe over the next 12 months, in line with trends observed in shopping centres.



FACTORY OUTLETS IN SPAIN

DECEMBER 2025



SPOTLIGHT

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