

## **M&G REAL ESTATE GROWS EXPOSURE IN SPAIN**

- *€80 million of acquisitions to meet demand for core property*
- *European commercial property rental growth driving long-term income return*

**LONDON, 29 May 2018** – M&G Real Estate, the real estate arm of M&G Investments, has invested a further €80 million in European commercial and industrial property, with the acquisition of two industrial and two retail assets in Spain, made on behalf of the M&G European Property Fund managed by David Jackson and Simon Ellis.

With a focus on prime real estate in core locations and with strong long-term income growth prospects, each asset acquired has a compelling case for investment.

The two retail acquisitions are H&M Reyes Catolicos in Granada and Gran Via 68 in Madrid. Totalling 3,668 sq m, both sites are located in prime retail districts in their respective cities, leased to successful national and international brands; fashion retailer H&M in Granada, and Tony Roma's restaurant and bank Banco Sabadell in Madrid respectively.

In addition, M&G Real Estate has acquired two industrial sites in Madrid: Teka Logistics Platform close to the A2 highway in the north, and a further asset in the prime Getafe logistics corridor to the south of the capital. With a combined size of 55,092 sq m, each asset is conveniently located to deliver on the increasing demand for last-mile logistics in the Madrid metropolitan area.

**David Jackson comments:** "Our latest research suggests the Spanish economy will continue to

perform well, with its recovery having accelerated in 2017. This extends to the commercial real estate market, where we predict average rental growth in both industrial and retail will range between three and four per cent per year for the next three years in Madrid.

“These new acquisitions fit perfectly with our strategy to increase our exposure to Continental Europe by investing in core assets in strong growth markets. We see a strong correlation between the level of rental growth and tourist spend in major tourist destinations across Europe; Madrid and Granada are very good examples of this trend.”

**Federico Bros, Director of Asset Management, Spain and Portugal, adds:** “We have seen strong demand for high street retail in prime locations across Spain. Both of the retail sites we have purchased are in established locations and offer great rental growth prospects. The industrial sector in Spain also offers strong rental growth prospects as online activity accelerates and these acquisitions help us diversify our portfolio in key sectors.”

The €3bn M&G European Property Fund was launched in 2006, with a mandate to invest in a globally diversified portfolio of assets in mature European markets outside the UK.

Optimus Global Investors brokered the deal for Gran Via 68 and CBRE acted on behalf of M&G Real Estate in the acquisition of Teka Logistics Platform.

**– ENDS –**

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#### **Notes to Editors:**

##### **About M&G Real Estate**

M&G Real Estate is the real estate fund management arm of M&G and is a leading global real estate investor with over £30 billion (including cash) invested in a broad spread of properties across Europe, North America and the Asia Pacific region (as of 31 December 2017). M&G Real Estate has a sector leading approach to responsible property management, and is committed to assessing and improving the sustainability performance of funds under management.

M&G is the investment arm of Prudential Plc in the UK, Europe and Asia. For more information please visit [www.mandg.com/realestate](http://www.mandg.com/realestate)

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Headquartered in London, M&G is a leading international asset manager with a long-term, active approach to investing, which has been helping its customers to prosper for more than 85 years. With over 2000 employees in 16 countries, M&G manages assets in Europe, Asia and the US and offers equity, fixed income, property, multi asset and infrastructure investment solutions. At 31 December 2017 M&G manages over £298 billion in assets for its customers.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Program. Its £30 billion property arm has a sector leading approach to responsible property management, and is committed to continuously improving the sustainability performance of its funds.

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