

Client: M&G Real Estate  
Publication: PropertyEU  
Date: 29 May 2018

# Press cutting

## M&G Real Estate completes €80 mln of deals in Spain

In Deal Watch 13:55, 29 May 2018 By Virna Asara 6253 Views



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M&G Real Estate, the real estate arm of M&G Investments, has invested a further €80 mln in European commercial and industrial property, with the acquisition of two industrial and two retail assets in Spain.

The two retail acquisitions, which were made on behalf of the M&G European Property Fund, are H&M Reyes Catolicos in Granada and Gran Via 68 in Madrid. Totalling 3,668 m2, both sites are located in prime retail districts in their respective cities, leased to 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 with a combined size of 55,092 m2: 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.

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M&G's European head David Jackson commented: '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 3% and 4% per year for the next three years in Madrid.'

He added: '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.'

The €3 bn 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.