

## Vukile furthers Spanish retail investment with €80.6m shopping centre acquisition

Vukile Property Fund has acquired the Habaneras Shopping Centre in Torrevieja, Spain for €80.6m through its 98.7%-owned Spanish REIT subsidiary Castellana Properties Socimi SA.



Habaneras Shopping Centre

Vukile entered the Spanish retail property market in July 2017, announcing it had acquired 11 Spanish retail parks for €193m via Castellana, and then went on to complete the acquisition of another two retail parks in December 2017 for €70m. It has also set up a strong in-country management team and operational platform.

Laurence Rapp, CEO of Vukile Property Fund, comments: “We entered the Spanish market less than a year ago and have made swift progress in growing an investment of scale and substance in Spain. Our Spanish retail property exposure is now nearing €400m, and comprises quality assets located in territories with good growth metrics. The acquisition of Habaneras Shopping Centre is another landmark step in reinforcing Castellana’s position as a significant participant in the Spanish market.”



Habaneras Shopping Centre

## 50% debt-funded

Castellana acquired the 24,158m<sup>2</sup> Habaneras Shopping Centre for €80.6m at a net initial yield of 6.1%. This represents a cash-on-cash yield to Castellana of 8.37% for the 2019 financial year. The transaction is 50% funded with debt, provided by Aareal Bank, and equally with cash from Vukile from existing available funds.

Developed in 2005 and refurbished in 2014, Habaneras is 93.3% occupied, with nearly half of its space dedicated to fashion, including a significant collection of Inditex brands. Some 92% of the centre's tenants are national brands. It has weighted average lease termination of 6.1 years to expiry and 3.8 years to the next breaks.

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