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The interior of the Habaneras Shopping Centre in Torrevieja.

PHOTO: SUPPLIED

Vukile ups value of Spanish portfolio to €400m

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VUKILE, the listed real estate investment trust (Reit), has expanded its presence in the Spanish retail market through the acquisition of Habaneras Shopping Centre in the popular coastal city of Torrevieja for €80.6 million (R1.2 billion). The acquisition was executed through Vukile's 98.7 per-cent-owned Spanish Reit subsidiary Castellana Properties and boosts the total value of Vukile's Spanish portfolio via Castellana to almost €400m. It follows Vukile's entry to the Spanish retail property

market in July last year when it acquired 11 Spanish retail parks for €193m via Castellana. Vukile subsequently acquired another two retail parks in December last year for €70m. Laurence Rapp, the chief executive of Vukile, said yesterday that they entered the Spanish market less than a year ago and had 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," he said. Alfonso Brunet, chief exec-

utive of Castellana Properties, said they were pleased to add the first shopping centre to their portfolio of retail assets in Spain, especially one as compelling as Habaneras. Brunet said it was a portfolio-enhancing acquisition, with the transaction increasing the average value of the properties in the portfolio from €19.7m to €23.5m, enhancing the perceived quality of the portfolio and adding to the economies of scale in Castellana. The 24 158m² Habaneras Shopping Centre was developed in 2005 and refurbished in 2014 and 93.3 percent occu-

pied, with nearly half its space dedicated to fashion, including a collection of Inditex brands. About 92 percent of the centre's tenants were national brands and it had a weighted average lease termination of 6.1 years to expiry and 3.8 years to the next breaks. The centre was acquired at a net initial yield of 6.1 percent and the transaction 50 percent funded with debt, which was provided equally by Aareal Bank and from Vukile's existing available cash resources. Vukile shares gained 0.14 percent on the JSE yesterday to close at R21.92.