

Hamburg, 31 January 2018

Union Investment acquires retail property from Thor Equities in the heart of Madrid

New COS flagship store / 1,320 sq m of rental space in pedestrian zone at Calle de Fuencarral 16

Union Investment has acquired a high street property from Thor Equities comprising some 1,320 sq m of rental space in one of Madrid's main shopping streets. Built in 1900, the five-storey building at Calle de Fuencarral 16 was completely refurbished in 2017. The long-term tenant occupying the entire property is the H&M Group, which has established a flagship store for its COS brand in the building. The new shop is scheduled to open at the beginning of February 2018. The parties agreed not to disclose details of the purchase price. The acquisition will be added to the holdings of institutional open-ended real estate fund UniInstitutional European Real Estate. This is the fund's first retail property in Spain. Union Investment will manage the property from its local office in Madrid.

“Our investment strategy encompasses the full spectrum of retail properties. The purchase of this first-class high street property in the heart of Madrid follows on from the acquisition of Polish shopping centre Magnolia Park with its 241 store units at the end of 2017. The two transactions illustrate the range we cover,” said Henrike Waldburg, head of Investment Management Retail at Union Investment Real Estate GmbH. “Calle de Fuencarral was pedestrianised in 2009 and has since become a magnet for high-end retail brands and the many people frequenting central Madrid.”

“After refurbishing Calle de Fuencarral 16 and successfully leasing the entire building within a year of acquisition, we felt the time was right to sell this highly desirable asset,” said Joseph Sitt, CEO of Thor Equities. “Originally known for its alternative and independent brands, Calle de Fuencarral has become an established retail destination filled with fashion-forward and high end stores akin to Soho in London and New York.”

Footfall in Calle de Fuencarral is more than 9,000 people an hour, making the street one of the top retail locations in Europe. The approximately 1,320 sq m of rental space in the acquired property is spread over four storeys. The retail space used by COS comprises approximately 910 sq m on the lower three floors, with storage rooms and building services located on the top floor. Calle de Fuencarral 16 is the only property in the immediate vicinity that is used exclusively for retail.

With 53 properties worth some EUR 2.9 billion, UniInstitutional European Real Estate is one of the largest institutional open-ended real estate funds in Europe. The fund invests in four segments: office, retail, hotel and logistics properties. Retail properties account for some 30 per cent of the portfolio.

Thor Equities is a leader in the development, leasing and management of commercial, residential, retail, hotel and mixed-use assets in premier urban locations worldwide. The company owns properties throughout Europe including 5 Puerta del Sol and 11 Puerta del Sol in Madrid; 26 Via della Spiga in Milan; 51-53 Blvd. Haussmann in Paris; 65 Blvd. de la Croisette in Cannes; and multiple properties in London including 151 Wardour St., 145 Oxford St., 100 New Oxford St. and Bond Street House, as well as Burlington Arcade in Mayfair.

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