

## Imo Pan Iberian Retail has plans to invest 200 M€ in Portugal

A spokesperson for Imorendimento has told VI NEWS that Imo Pan Iberian Retail, the company's new investment fund, has committed itself to investing an additional 200 million euros in three different locations in the country. No additional details about Imorendimento's plans were disclosed, but the spokesperson added that the new fund is also engaged in negotiations in the Spanish market. Imo Pan Iberian Retail revealed this week that it was purchasing the Porto Gran Plaza shopping centre from Ferreiros & Almeida, the company that developed the retail scheme, for 65 million euros. Porto Plaza is located in the vicinity of one of Oporto's main shopping streets (Rua de Santa Catarina) and opened to the public last November. It fea-



tures a Gross Lettable Area of 20,295 m<sup>2</sup> over 75 shops and its anchors include Media Markt, Virgin Active (health club & spa) and a Minipreço supermarket. The scheme also provides 420 parking spaces. The shopping centre managers estimate that it will generate sales of 41 million euros during the first year in operation and attract about 8 million visitors. Imo Pan Iberian Retail will be an investment

fund with about 570 million euros and will focus mainly on the retail and logistics markets of Portugal and Spain. The Imo Pan Iberian Retail is a closed fund started in 2007 and with a 10-year life span. The main investor in the fund at the time of its inception was Aberdeen Property Investors Indirect Investment Management AB (APIIIM), which acted on behalf of some of its costumers.

## Floresta Atlântica SGFII launches the first Portuguese forestry and property investment fund

Comissão do Mercado de Valores Mobiliários (CMVM), the Portuguese stock market regulator, has approved Portugal's first forestry and property investment fund. The fund will be managed by Floresta Atlântica – SGFII, SA and will be known as Primeiro Fundo Floresta Atlântica, bringing together some 20 M€. The fund has an expected life-span of ten years but the latter could be extended. According to Luís Unas, general-

director of Floresta Atlântico, the new fund «brings together public and private funds», namely from Instituto de Financiamento da Agricultura e Pescas and four Portuguese banking institutions: Caixa Geral de Depósitos, Crédito Agrícola, Banco Espírito Santo and Orey Financial. As regards the fund's investment policy, it will be focused on investments in forests of maritime pine and other non-coniferous species that are

fire-resistant and provide good-quality wood, «complemented by such activities as nature-oriented and cultural tourism, hunting and other natural and forest resources». Investments will be made mostly in Northern and Central Portugal, two regions where the fund intends to buy rural properties or rights of use, with a view to creating holdings with a size that will warrant their economic and environmental sustainability.

## In this month's issue of **Vida Imobiliária**

The February issue of Vida Imobiliária will be looking at the emerging markets where Portuguese property players have been particularly active. There will be feature articles on the Brazilian, Angolan and Eastern European property markets. The major developments and investment plans of Portuguese developers and investors will also be presented.

The February issue will also include a comprehensive listing of the Portuguese market players – consultants, brokers, developers, architects, hoteliers, etc., – who may already be investing or may have announced plans to invest in such foreign markets.



## Klépierre: revenue from rents in Portugal increases by 35%

In financial year 2007, French group Klépierre, which specialises in the management of shopping centres, recorded a 35% growth in revenue in rents from its developments in Portugal. The total figure was 15.7 million euros, against 11.6 million euros in 2006. In a press release, the company said that such positive performance was largely due to the purchase of Minho Center in December 2006 and an increase in its share in the Parque Nascente shopping centre in Gondomar, from 50% to 100%. The latter transaction was completed in September 2007. Klépierre also disclosed that the revenue generated by Parque Nascente had increased by 14.7 % in 2007, supported by the opening of a Media market outlet in July.

## Portuguese property investment funds: 9,663.8 M€ under management in January

According to the most recent data disclosed by Comissão do Mercado de Valores Mobiliários (CMVM), the assets under management in Portuguese property investment funds totalled 9,663.8 million euros (M€) in 2007, up 0.2% on the figure recorded in December 2006. Such growth was even more apparent in the assets managed by special property investment funds, which exceeded 830,2 M€ in January, an increase of 3.6% with respect to the previous month. In January, the value of assets located in European Union countries exceeded 11,290.6 M€, up 0.1% on the previous month. Fundimo was the fund managing company with the largest market share during the period surveyed (12.6%), followed by ESAF (12.3%) and BPN Imofundos (10.9%).

## Santa Casa da Misericórdia has plans to invest 122 M€ in its own property portfolio

Throughout 2008, Santa Casa da Misericórdia de Lisboa (SCML), a charitable institution, has plans to invest 35 million euros (M€) in the rehabilitation of several of the buildings it owns. According to information disclosed to news agency Lusa, the amount is part of a comprehensive programme that will invest 122 M€ in SCML's properties «over the next couple of years».

The 35 M€ to be invested in 2008 will be used to rehabilitate 60 buildings, including crèches and homes for the elderly. In 2007, the charity undertook rehabilitation work worth 3,3 M€. According to the current director (*provedor*) of SCML, Rui Cunha, who yesterday took part in the *I Jornadas do Património* workshop convened by the institution itself, rehabilitation should not be overlooked as it is an essential tool to ensure an efficient use of one's assets. «The assets of Santa Casa were put together over more than five centuries. Time and the evolving social needs and the ways to address them force us to seriously consider the rehabilitation and redevelopment of our assets», he said.



## CB Richard Ellis EU-27 Vacancy Rate Index had fallen to 6.80% at the end of 2007

At the end of 2007, the CB Richard Ellis EU-27 Vacancy Rate Index had fallen to 6.80%. Although the pace of decrease has slowed to 17 basis points Q4 07, the index in fact has fallen by nearly 90 basis points over the last year.

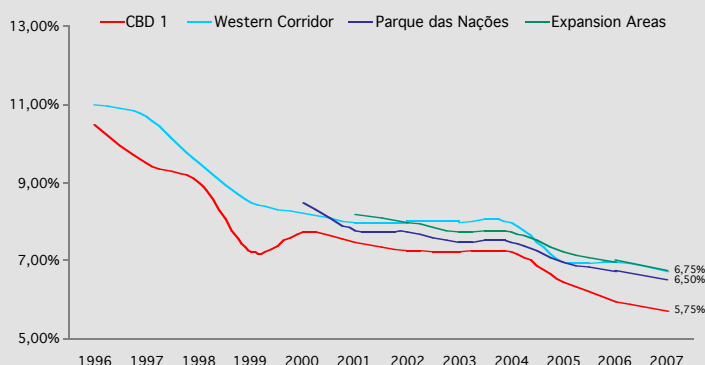
The steady decline in the vacancy rate since 2005 is reflected in the fact that sixteen of the twenty eight European markets included in the index have recorded lower vacancy figures this quarter. Marked falls in the vacancy rate of half a percentage point were seen in Vienna and Warsaw this quarter, while further reductions in the vacancy rate were witnessed in all German cities, with Düsseldorf recording the biggest fall of 40 basis points.

In the major European markets such as London and Paris vacancy rates declined further in Q4 after being broadly stable in the previous quarter. In London this resulted from the tight supply conditions despite weaker take-up in Q4, while in Paris it results from the stronger year-end office demand.

Elsewhere, availability generally continued to decline in Q4, although slower than in the previous quarter. This trend is likely to continue over the course of 2008 as new development completions and uncertain economic conditions may have an impact on office demand in many European locations.

By comparison, the vacancy rate for all ready-to-occupy space in Lisbon has decreased marginally over the year finishing at around 7.2% by the end of 2007. This was a result of the high take-up levels throughout the year, that had fully compensate the increase in the level of total stock which increased by around 80,000 sq m quarter-on-quarter. Further space is expected to be brought to the market in the coming months which is likely to see the level of vacant space increase, but demand is expected to remain robust through 2008.

### Investment Market - Lisbon Office Market Prime Yields\* Evolution



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# Portuguese retail sector: investments totalled 584,25 M€ in 2007

According to the latest research published by Jones Lang LaSalle, investment in retail in Portugal totalled 584,25 million euros in 2007. The figure corresponds to about 60% of the total investment recorded in the national property market. In all, about 283,605 m<sup>2</sup> of GLA were negotiated, with most of the deals recorded being led by national and international funds. The consultancy estimates that the retail market segment will continue to take the lead, as shopping centres are expected to continue to perform very well, with high occupancy rates, and the retail park format will continue to become more widespread in the national market.» Jones Lang LaSalle believes that major business opportuni-

ties will emerge in secondary towns. Manuel Puig, director-general of Jones Lang LaSalle, said that «the Portuguese retail market continues to perform quite well, as proven by the high occupancy rates and the completion of several new retail schemes. The confidence of national and international retailers in Portugal's new retail projects is a good indicator for investors, as the risk of investing in quality assets with good occupancy levels is quite small». The consultancy's report also states that investment in retail in Continental Europe (excluding the UK and Ireland) grew about 7% in 2007, totalling €27.7 billions. Higher financing costs and uncertainties about prices led to a decrease

in investments in the last quarter of the year, at €6.6 billion compared with €10.1 billion in the corresponding period of 2006. Notwithstanding this fact, the last quarter of 2007 scored the fourth highest quarterly investment figure ever. Commenting these figures, Jeremy Eddy, Director of European Retail Capital Markets at Jones Lang LaSalle, said: "Up till now, evidence suggests that yields for prime retail assets in Continental Europe have recovered from the credit crunch. This performance of prime yields is being observed throughout Europe and is in line with the messages we are getting from the investors with whom we speak on a daily basis".

## Office market: Lisbon is the 33<sup>th</sup> most expensive location in the world

Lisbon is the 33th most expensive office location in the world, according to the survey *Office Space Across the World 2008*, published by Cushman & Wakefield (C&W). According to the consultancy, the Portuguese capital dropped four places in this year's ranking. However, C&W claims that 2007 was a very positive year for the Lisbon market, with a record occupancy above 200,000 m<sup>2</sup>, a decline in the vacancy rate and an increase in prime rents to 21 €/month/m<sup>2</sup>.

Commenting on the performance of the Lisbon office market, Carlos Oliveira, Partner and head of C&W Portugal's office department said that «after the last quarter when the market remained unsettled mainly

because of the subprime crisis in the US, a consolidation of the office market is to be expected with the maintenance of current take-up levels and a possible increase in average market prices». According to the C&W survey, the world's top ten most expensive office locations saw rents increase by an average 40 per cent in 2007. London has retained its title as having the most expensive office occupancy costs in the world, with one square metre of prime space in London's West End at approximately 2,277 euros a year. The Office Space Across the World 2008 report, published annually C&W, compares office occupancy costs in 203 key locations in 58 countries

around the world. This year, two new locations were included in the survey – Ho Chi Minh in Vietnam and Kiev in the Ukraine. Of these 203 locations, 79% showed rental growth last year, 20% stable rents and only 1% showed a rental fall.

In the top 10 of the global ranking, the biggest risers include Singapore, which went up ten places to join the top 10 at seventh position. Prime office rents rose 78% in Singapore last year, from 518 euros per square metre per year in 2006 to 954 euros in 2007.

Meanwhile, Moscow rose two places to join the top five ranking for the first time, with prime occupancy costs now above those of Paris.

## Lisbon Industrial & Retail Market

BY:

**CBRE**  
CB RICHARD ELLIS

### RETAIL & INDUSTRIAL

	Prime Rental Value (sqm)	Prime Yield (%)
<b>Retail</b>		
High Street Retail	€ 80,0	6,50%
Shopping Centres	€ 85,0	5,50%
<b>Industrial</b>		<b>7,00%</b>
1,000 sqm	€ 6,50	
5,000 sqm	€ 5,50	
10,000 sqm	€ 4,50	

### SHOPPING CENTRE OPENINGS AND PLANNED 2007

Name	Location	GLA
Dolce Vita Ovar *	Ovar	20 400
CC Jumbo Alfragide - Alegro	Alfragide	39 500
CC Leclerc	Braga	
Dolce Vita Funchal	Funchal	
Évora Forum	Évora	
Fórum Castelo Branco	Castelo Branco	
Porto Plaza	Porto	
Arena Shopping	Torres Vedras	
Trindade Domus	Porto	
VIII Avenida *	São João da Madeira	
CC Rino & Rino *	Batalha	

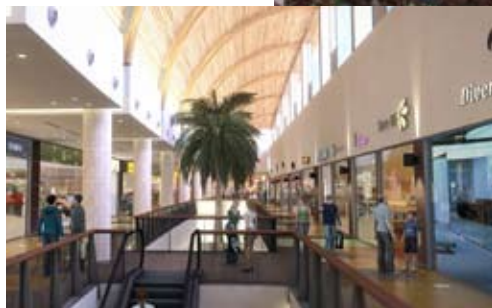
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# Espaço Guimarães: an investment of 140 million euros in Guimarães



In the town of Guimarães, at the Centro Cultural Vila Flor, developers Bouygues Imobiliária and Multi Development have disclosed their plans for the Espaço Guimarães retail scheme that will provide to the local community a 41,000 m<sup>2</sup> shopping centre and a 7,000 m<sup>2</sup> retail park. The project will represent an investment of 140 million euros by the two multinationals.

Construction work began earlier this year, and Espaço Guimarães is scheduled to open to the public at the end of 2009. Developers want the retail scheme to become a focal point for Guimarães communities and to bring new life to the retail market in and around the town.

The new scheme will feature several well-known national and international brand names, many of which will come to Guimarães for the first time, thus retaining city consumers that would otherwise be spending their money elsewhere.

Apart from fixing trade in the city, Espaço Guimarães hopes to attract new visitors and to promote the development of infrastructures in its vicinity, thus becoming truly an engine for the development of Guimarães and the surrounding region. The retail scheme will have an impact on job generation, creating 2,112 new direct jobs and 3,000 indirect ones.

The project took into account environmental concerns, rules and procedures, as well as architectural and social concerns, in order to meet the highest quality and safety standards.

Multi Mall Management, a company of the Multi Corporation group that manages the shopping centres developed by Multi Development, will manage and promote the Espaço Guimarães shopping centre and retail park.

The retail scheme's architectural design is by the prestigious international consultancy Broadway Malyan and is based on the concept of a shopping centre supplemented by a retail park.

Consumers visiting the retail park will have access to a series of larger outlets, whereas in the shopping centre there will be a greater variety of shops, supplemented by a 16,000 m<sup>2</sup> Jumbo hypermarket and a free car park for 1960 vehicles.

#### Development data:

Gross Lettable Area: 48,000 m<sup>2</sup>  
Shopping centre: 41,000 m<sup>2</sup>  
Retail park: 7,000 m<sup>2</sup>  
Hypermarket: 16,000 m<sup>2</sup>  
Shops: 140 (including restaurants)  
Restaurants: 22  
Floors for retail: 2  
Parking: 1960 parking spaces over four levels  
Anchor shops: 6  
Cinema: 5-6 screens  
Developers: Bouygues Imobiliária and Multi Development  
Management: Multi Mall Management Portugal  
Architectural concept: Broadway Malyan Portugal  
Architect: Broadway Malyan Portugal  
Construction work started in: January 2008  
Investment: 140,000,000 €  
Expected opening date: Autumn 2009

## Events

3 - 5 March 2008

### Corenet Global Summit – Talent: The Pulse of Corporate Real Estate

Venue: Mumbai, India  
Info: [www.corenetglobal.org](http://www.corenetglobal.org)

11 - 14 March 2008

### Mipim – The World's Property Market

Venue: Palais des Festivals Cannes, France  
Info: [www.mipim.com](http://www.mipim.com)

27 - 30 March 2008

### Imobitur – IV Salão Imobiliário do Porto

Venue: Exponor, Feira Internacional do Porto, Oporto  
Info: In the wake of highly successful previous editions, a new edition of Imobitur, the property exhibition for the Northern Portugal-Galiza region and tourism real estate event for Portugal, Spain and Brazil, will take place between 27 and 30 March 2008 at Exponor, in Oporto.

8 - 12 April 2008

### SIMA – Salão Inmobiliario de Madrid

Venue: Recinto Ferial de Madrid, Espanha  
Info: In 2008, SIMA celebrates its 10th edition. The event is becoming increasingly important among Iberian real estate events, and features strong housing and tourism components.  
Info: [www.simaexpo.com](http://www.simaexpo.com)

22 - 24 April 2008

### Central Europe Meeting Point

Venue: Warsaw, Poland  
Info: [centraleuropemeeting.com](http://centraleuropemeeting.com)

14 - 16 May 2008

### IPD European Property Investment Conference 2008

Venue: The Grand Hyatt Berlin, Berlin, Germany  
Info: [www.ipd.com/events](http://www.ipd.com/events)

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