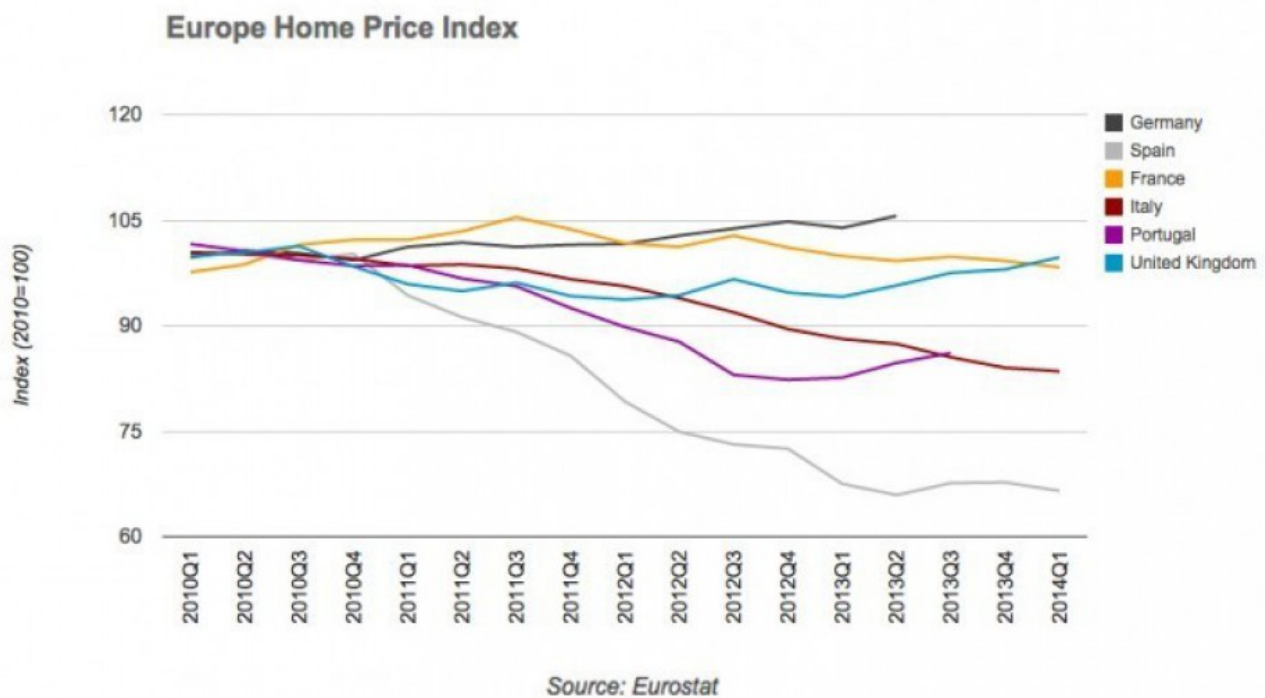


Every Statistic Tells A Different Story!

08/10/2014

Spanish Real Estate News



8th October 2014

Spain has become the only European country with improved economic prospects for 2015, according to the International Monetary Fund.

The Washington-based IMF has announced that Spain's economy will grow by 1.3% in 2014 and by 1.7% in 2015, up from July's forecasts of 1.2% growth this year and 1.6% growth next year.-

This is the fastest predicted growth of any advanced European economy, despite a public debt of nearly 100% of GDP, a 25% unemployment rate and no alternative to construction as an engine of growth.-

"Growth in Spain has resumed, supported by external demand as well as higher domestic demand reflecting improved financial conditions and rising confidence," according to the IMF report.-

Spain has been recording gradual gains over the last 12 months, driven first by exports and later by increased

consumption, in turn encouraged by job creation.-

Across the Eurozone, growth forecasts have fallen to 0.8% for 2014 and 1.3% in 2015, down from July's forecast of 1.1% for this year and 1.5% for next.-

During August and September 2014 various-positive signs of recovery-have been reported. Credit rating agency Fitch assured that the residential market ' is showing traces of stabilization' and the National-Institute of Statistics confirmed the 1st rise in prices of free housing since 2008. Year-to-date, the values rose by 1.4%.

On one hand, the-demand soars up in various segments, such as residential rentals, logistics and offices, as well as in construction.-

- Rental market and its prices started to take-off, the number of homes for-rent is 42.5% greater than three years ago.
- There has been a 48% improvement in the entire logistics space demanded in the second quarter of 2014.
- The office market regains the shine in Barcelona and-Madrid with investment volume in the first half of 2014 amounting to €275 million.
- Eurostats suggest that Spain takes the lead in construction with a nearly 7% growth measured from April to-June. In addition, from January to August the City Council of Madrid has issued 35% more new home construction permits than the same period last year.

In terms of transactions,-the most significant operations were: Sareb's sale of 23-loan "Pamela" portfolio with a face value of €198.2 million, TH's purchase of the Islazul shopping mall for €210 million, the-Government Pension Fund of Norway's acquisition of several logistics assets in Madrid and Barcelona for €242 million in total and Jove & Partners's transfer of the Marineda City shopping park to Merlin-Properties for €260 million.

Operations coming soon:-KKR and Neinver have set up a joint venture with view to acquiring the Nassica and the Vista Alegre shopping malls from Pilar Retail European Fund. Quabit is planning to list its-Socimi (Spanish Reit firm) on the stock exchange market via a public offering for subscription (POS) estimated at between €400 and 500 million.

-

-