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Clarion Partners Europe Acquires 37,160 sqm Madrid Warehouse

Transaction continues 2020 momentum: high-quality portfolio and accelerating e-commerce trends have underpinned strong rent collection and leasing activity

Clarion Partners Europe (“Clarion Europe”), formerly known as Clarion Gramercy, the real estate investment fund manager specialising in logistics and industrial assets, has acquired a 37,160 sqm of newly built, institutional grade warehouse near Illescas Yeles, south of Madrid.

The acquisition continues Clarion Europe’s strong 2020 during which it has collected all rent due, including the period since the Europe-wide lockdown commenced in March. In addition, and reflecting the strength of its occupier markets, it has recently signed new lease agreements / renewals on more than 150,000 sq m with a further 71,000 sqm due to sign imminently.

The build-to-suit Madrid property, which was completed earlier this year, is leased to Mediapost Spain, part of La Poste group, one of the largest postal and courier companies in Europe, on a 7-year double net lease. It features 10.8 metre clear heights, 5T/ sqm floor loading capacity, along with 153 car parking spaces.

The Illescas market is strategically located 40km south of Madrid centre offering excellent connectivity via the A-42 and A-4 motorways, which are accessible within five and fifteen minutes respectively, whilst Madrid city centre can be reached within 35 minutes.

Despite the economic uncertainty caused by Spain’s nationwide lockdown announced on 13 March, the Madrid logistics market has continued to see strong take up, underpinned by accelerating e-commerce trends. 260,000 sqm of space was leased during H1, representing a 56% increase versus the same period last year¹.

Finally, reflecting the business’ growth ambitions and alignment with majority owner Clarion Partners, Clarion Gramercy has been rebranded as Clarion Partners Europe and will further expand its European footprint with the opening of a Paris office which opened end of August.

Alistair Calvert, CEO of Clarion Partners Europe, commented:

“This is an institutional warehouse asset in one of Spain’s major logistics hubs, let to a strong covenant in a market which is expected to continue to grow due to the rapid increase in e-commerce penetration caused by the Covid-19 pandemic.”

“Despite ongoing economic volatility, our portfolio has continued to demonstrate its strong income and capital value characteristics. The importance of our assets to our diverse tenant base has been demonstrated by our rent collection figures and recent letting successes and we believe we are well placed from a sectoral and geographical perspective as more businesses seek to futureproof their operations in response to changing consumer behaviour.”

Clarion Partners Europe was legally advised by HSF and technically by GLEEDS. The vendor was advised by CBRE.

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¹ JLL

About Clarion Partners Europe

Clarion Partners Europe is Clarion Partners' European arm, focused on investing in logistics and light industrial properties located across Germany, the Netherlands, France, Spain, Italy and other European countries. Clarion Partners LLC, an SEC registered investment adviser with FCA-authorized and FINRA member affiliates, has been a leading U.S. real estate investment manager for more than 38 years. Headquartered in New York, the firm maintains strategically located offices across the United States and Europe. With more than \$56.3 billion in total assets under management, Clarion Partners offers a broad range of real estate strategies across the risk/return spectrum to its more than 400 domestic and international institutional investors. More information about the firm is available at www.clarioneurope.com and www.clarionpartners.com.

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