SPANISH RETAIL PROPERTY TRANSACTIONS ON THE INCREASE - BROSETA

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Investment in retail property in Spain has exceeded €3.2bn so far this year, with a number of major assets having changed hands in recent months

Considerable activity in the Spanish real estate sector has generated optimism among lawyers, who also anticipate an increase in the regeneration of premium properties in city centres.
"The general opinion is that the market still offers great opportunities in Spain, where the cycle is still at an early stage, with growth and great potential," says Maria Luísa Guardo, head of real estate at the Spanish law firm, Broseta. "The volume of real estate investment closed the third quarter of the year at around €8.7bn, 40 per cent more than the same period of the previous year, according to data from JLL [Jones Lang LaSalle]."
Guardo is particularly positive about prospects in the retail sector. "The segment with the most investment volume so for this year is retail, with significant deals in recent months including the sales of Mercardo de San Miguel and Mercado de Fuencarral, or Gran Via 18, in Madrid," she says. "This segment already exceeds €3.2bn in investment so far this year, with remarkable growth compared to 2016 – offices and hotels also have a significant investment volume of around €1.7bn."
The expectation is that for the time being, the pace of investment will continue, as real estate is seen

as a relatively safe asset. “Geopolitical uncertainty has moderated investors’ expectations in certain sectors, but real estate remains a very attractive market due to the relationship between risk and profitability,” says Guardo. “The risk of instability in Europe and in the world could accelerate the demand for real estate as a stable asset and source of income.” She adds: “The shortage of product at locations of interest could lead investors to explore investment opportunities in secondary cities – another significant trend will be the rehabilitation of buildings in premium locations, especially in city centres, which is an opportunity to add value and increase the quality of certain properties.”