

ReTell

ISSUE #1 — AUTUMN 2018

‘The retail sector is not dying, but evolving’

ReTell is a resumé of key deals done by JLL that focuses solely on Retail Capital Markets within the EMEA region. It is produced to give a snapshot of our capabilities and professionals within the EMEA Retail Market.

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There is no doubt that the retail model that we have lived with during most of our lifetime is facing challenges on multiple levels. These challenges affect our everyday lives and have impact upon the physical retail space, once again reshaping our cities and destinations as it has done so many times in the past. This is an evolutionary time for retail.

This evolution has impacted investors' appetite for the sector and dominated the daily operations of our teams, as they respond to the challenges and questions posed by our clients. For those of us who live and breathe retail the historic trends as well as the projections for the future are, however, encouraging and tell a positive story. The retail sector is not dying, but evolving. We are encouraging our clients not to turn their back on this sector but to understand this evolution and identify where retail will remain resilient and defensive. Out of the adversity, opportunities present themselves for the shrewd retail investor and those with a longer term investment perspective.

The investment market should continue to support the notion of a resilient retail sector and seek a deeper understanding for how to navigate through these changing times.

Not all retail is equal. We continually remind our clients that different retail formats are, and will respond to the challenges differently and that an understanding of the specific resilience characteristics and drivers of growth is essential. Through JLL's multifaceted retail advisory platform we are well equipped to provide continued support and skilled advice to investors and retailers alike. We look forward to helping you navigate through the changing retail landscape, continuously proving the resilience and indeed the opportunities for growth within our sector.



JEREMY EDDY
HEAD OF EMEA RETAIL CAPITAL MARKETS

Meet the Team



Jeremy Eddy

Jeremy joined JLL in 1998 and leads the EMEA Retail Capital Markets team and the 130 retail capital markets professionals across Europe. Enjoying a truly pan European role, Jeremy has undertaken retail transactions in over 16 countries and has a market leading profile and position across the retail investment market, working on both the sell side and buy side of transactions.

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Mike Bellhouse

Mike Joined JLL in 2003 and is a Director in the EMEA Retail Capital Markets Team. Undertaking a truly Pan-European role, Mike has worked across all retail sectors within most European markets managing key mandates from UK through to CEE. More recently, Mike has taken more active responsibility for Southern European markets whilst continuing to work with key clients across the rest of Europe.

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Zoe Johnston

Zoe joined the EMEA Retail Capital Markets team in 2014, having been a member of the French acquisition team at LaSalle Investment Management in Paris for two and half years. She has been involved with and managed marketing strategies in a number of countries in the EMEA region, including strategic and sales/ acquisition advice to clients on single and multi-country portfolios.

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Neil Lipscomb

Neil has over 25 years of commercial property experience, joining JLL in 1994 and the EMEA Retail Capital Markets team in 2002. Neil has worked across most countries in Europe and has had an involvement in key shopping centres from Paris through to Zagreb. Between 2006 and 2009, Neil was based in Vienna with responsibility for shopping centre investment advice in Austria and across the SEE region.

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Jenny Tuleby

Jenny is a National Director in the EMEA Retail Capital Markets team, joining the team in 2014. Between 2010 and 2014, Jenny was based in Sweden and in her current role focuses particularly on the Nordic markets. She has been involved with and managed marketing strategies in a number of countries in the EMEA region including strategic advice on multi-country portfolios.

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Emma Tattersall

Emma joined the EMEA Retail Capital markets team at JLL in 2018 after four years at Cushman & Wakefield where she was an associate director in the EMEA retail capital markets team. Emma has a strong client focus and has worked across a broad range of markets supporting local teams with process and client management from the start to finish of transactions.

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📍 **JEREMY'S REMIT**

LEADS 130 RETAIL CAPITAL MARKETS PROFESSIONALS

30% MARKET SHARE OF RETAIL IN EUROPE

€10.2BN TRANSACTED ACROSS 140 TRANSACTIONS (SOURCE: RCA 2017)

📍 **MIKE'S RECENT KEY DEALS**

SALE OF THE RIO TEJO PORTFOLIO ON BEHALF OF BLACKSTONE - €900M (PORTUGAL, 2018)

SALE OF THE CHARIOT PORTFOLIO IN POLAND ON BEHALF OF APOLLO RIDA, ARES AND AXA - C.€1BN (POLAND, 2018)

SALE OF OLYMPIA BRNO, CZECH REPUBLIC ON BEHALF OF ECE AND ROCKSPRING - €384M (CZECH REPUBLIC, 2017)

📍 **ZOE'S RECENT KEY DEALS**

SALE OF WOLUWE SHOPPING CENTRE ON BEHALF OF LOCAL DEVELOPER - €465M (BELGIUM, 2018)

SALE OF DOCKS BRUXSELS ON BEHALF OF EQUILIS - €360M (BELGIUM, 2018)

SALE OF BORDEAUX PORTFOLIO ON BEHALF OF AEW - €239M (GERMANY, 2018)

📍 **NEIL'S RECENT KEY DEALS**

SALE OF GALERIA KATOWICKA ON BEHALF OF MEYER BERGMAN - €300M (POLAND, 2017)

SALE OF MAGNOLIA PARK ON BEHALF OF BLACKSTONE - €381M (POLAND, 2017)

JV STRUCTURING BETWEEN COMMERZ REAL / UNIBAIL RODAMCO FOR METROPOLE (CZECH REPUBLIC, 2017)

📍 **JENNY'S RECENT KEY DEALS**

SALE OF THE RIO TEJO PORTFOLIO ON BEHALF OF BLACKSTONE - €900M (PORTUGAL, 2018)

SALE OF LIDINGO CENTRUM ON BEHALF OF ROCKSPRING - €100M (SWEDEN, 2018)

PURCHASE OF THE REPUBLIC PORTFOLIO T1 ON BEHALF OF PRADERA - €700M (GERMANY, FRANCE, POLAND, CZECH REPUBLIC, 2017)

📍 **EMMA'S RECENT KEY DEALS**

SALE OF DOCKS BRUXSELS ON BEHALF OF EQUILIS - €360M (BELGIUM, 2018)

SALE OF TROYES AND ROUBAIX DESIGNER OUTLET ON BEHALF OF RESOLUTION - €200M (FRANCE, 2017)

SALE OF REPUBLIC PORTFOLIO ON BEHALF OF IKEA CENTRES - €900M (EIGHT COUNTRIES, 2017)

 **51**
Offices in 26 European countries

130 
Retail Capital Markets
professionals across Europe

 **30%**
EMEA Retail Market Share

We are market leaders in portfolio sales and buy side advisory with a 29% portfolio market share in 2018*

*H1 -18 brokerage standings compiled by RCA

JLL have specialist capabilities across all retail sectors including Shopping Centres, Retail Parks, High Street and Factory Outlets, as well as proven experience within complex portfolio deals and pairing equity with expertise.

10.2  **bn**
Transactions annually

Our European Retail Expert Capabilities

The principal role of our team is to link our country professionals, assist clients working across borders, introduce and guide new market entrants, as well as to ensure best practice and innovation across our European Retail Capital Markets business.

Retail Leasing

Leasing 10 million sq m of space across more than 250 shopping centres

Retail Management

Managing 9 million sq m of retail space

Retail Research & Consulting

Market leading retail research and consultancy team with dedicated F&B and leisure capabilities

Retail Agency

Trusted advisor to some of the most active retailers throughout Europe

Valuation

Valuing over 12,000 assets at a value of €200 billion

Selected Case Studies

HIGHLIGHTS FROM OUR EUROPEAN TRACK RECORD



€465m

Woluwe Shopping
WOLUWE-SAINT-LAMBERT, BELGIUM
Sold on behalf of AG Real Estate



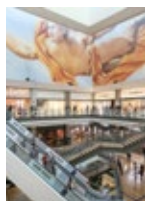
€384m

Olympia Brno
BRNO, CZECH REPUBLIC
Sold on behalf of ECE and Rockspring



€600m

Apple Store
PARIS, FRANCE
Sold on behalf of independent investment company



€900m

Rio Tejo – 3 Shopping Centre Portfolio
LISBON, PORTUGAL
Sold on behalf Blackstone

1

5

€193m

Project London
SPAIN
Sold on behalf of ARES / Redevco



2

€381m

Magnolia Park
WROCLAW, POLAND
Sold on behalf of Blackstone



€95m

Lidingö Centrum
STOCKHOLM, SWEDEN
Sold on behalf of Rockspring



€108m

Atlas
HELSINKI, FINLAND
Sold on behalf of Stockmann



€1bn

Chariot Portfolio
POLAND
Sold on behalf of Apollo Rida, ARES and AXA



€700m

Republic Portfolio
PAN-EUROPEAN PORTFOLIO
Bought on behalf of Pradera



01

Rio Tejo

SALE SIDE ADVICE - PRIME SHOPPING
CENTRE PORTFOLIO



*Flexibility, investor reach,
deal certainty, price maximisation.*

BACKGROUND

Since 2013, Blackstone consolidated a shopping centre portfolio in Portugal, containing three assets in the Lisbon area. In 2017, based on a trusted relationship between the two parties, Blackstone appointed the JLL team to package and sell the three Lisbon shopping centres with the sole intention of maximising net proceeds in an efficient and well-structured process.

STRATEGY

JLL ran a global, three-stage competitive process with a flexible and targeted marketing campaign.

Given the historically constrained market in Portugal in 2015 and 2016, and with an overall volume of the three centres equating to c.€900m, it was key that the process was run in a flexible manner. The message was made clear to investors early that although a portfolio route was preferable, offers on an individual asset basis would be considered.

RESULTS

The transaction is a testament to JLL's unrivalled capability of providing clients with full-service and sector specific advice. The combination of JLL's leading European Retail Capital Markets, Portuguese and the dedicated JLL Corporate Finance teams ensured optimal support for the client throughout the process:

- Best-in-class positioning of the assets
- Access to a global investor base (both strategic and institutional)
- Transaction structuring and negotiation

PRICE: c. €900M

YIELD: CONFIDENTIAL

VENDOR: BLACKSTONE

BUYER: MERLIN (ALMADA FORUM) /
IMMOCHAN (SINTRA AND MONTIJO)

JLL'S ROLE: SALE ON BEHALF
OF BLACKSTONE



International reach, local knowledge, multi faceted skill set, new market entry and new benchmark pricing.

PRICE: c. €109M
YIELD: CONFIDENTIAL
VENDOR: STOCKMANN
BUYER: AEW
JLL'S ROLE: SALE ON BEHALF OF STOCKMANN

02

Atlas

SALE SIDE ADVICE - EUROPEAN
PRIME HIGH STREET ASSET

BACKGROUND

Following Stockmann's sale of its Academic Bookstore operations to Bonnier a few years earlier, the Book House became a non-strategic asset to them. JLL positioned the asset as a prime, European high street location with significant reversionary potential, in the best location on the Helsinki High Street. The asset was fully leased to multiple tenants, offering a mix of office and high street retail, as well as an attractive balance between secure income and upside potential.

JLL's global reach and local knowledge were key determinants when the vendor chose to appoint JLL as their advisor in the sale.

STRATEGY

JLL ran a well-prepared process that included extensive Vendor DD, as the targeted pricing level necessitated meticulous vendor preparation. Around 100 investors were contacted, utilising our senior relationships across Europe. We also targeted a number of active investors who were yet to enter the Finnish market. The seamless connection between local and central teams ensured full coverage of this broad investor base. By tapping into expertise from multiple JLL business lines including leasing and research, we were able to create a solid sales story and verify the strong upside potential. The approach attracted great interest, resulting in multiple stage bidding.

RESULTS

The effective and well prepared process resulted in record interest and price tension for the sale. Our international reach and local knowledge resulted in a new investor entering the Finnish market, and doing so at a record pricing level for the Finnish market. Our client was delighted with the process and result.

03

Apple Store, Champs Elysees

SALE SIDE ADVICE - EUROPEAN
APPLE FLAGSHIP STORE



A unique address, an iconic asset, significant ticket size and a bespoke sales strategy.

BACKGROUND

Co-mandated with a large investment bank, JLL was brought into the marketing process when the client realised that the real estate and retail knowledge possessed by JLL would be critical for the success of the sale. We set out our pricing guidance on the basis of pricing the long term income component.

Upon opening in 2018, the asset is set to become the European flagship store of the world's most valuable brand, Apple.

STRATEGY

Demand from institutional investors was strong, as they were keen to gain exposure to such a unique asset. The ticket size was initially seen as a challenge and therefore we worked closely with a number of investors to explore the possibility of creating a consortium to buy the asset. This step was essential in the first phase of the bidding process to identify critical capital sources to shortlist in the final round. We leveraged our strong experience to identify frustrated capital and maintained flexibility throughout the process to allow time for a road show to attract first-time investors to the market including a dedicated trip to Hong Kong, Korea and the Middle East. We harnessed our global experience not only for iconic high street retail but also specifically for the sale of Apple Stores.

RESULTS

The bespoke process resulted in record interest and price tension for the sale. Our international reach and local knowledge finally resulted in a strong institutional investor acquiring the asset at a record pricing level.

PRICE: c. €600M

YIELD: c. 2.5%

VENDOR: INDEPENDENT
INVESTMENT COMPANY

BUYER: HINES

JLL'S ROLE: SALE ON BEHALF
OF INDEPENDENT INVESTMENT
COMPANY

"JLL provided a comprehensive underwrite of the Republic Portfolio acquired by Pradera from IKEA Centres in 2017. They skilfully coordinated advice and support in this highly complex process and the seamless collaboration between JLL's country and central teams was a determining factor in the success of this acquisition. This is a great example of a strong long-term relationship coupled with market leading execution capability."

DAVID FLETCHER, CEO PRADERA



The transaction presented a rare opportunity for an incoming buyer to gain exposure to a platform and an instant footprint across Europe's key markets. The properties were well located, all neighboured by an IKEA Retail store, and in close proximity to major transport nodes providing excellent connectivity.

JLL coordinated a multi-country buy-side transaction process, with local in-country experts working seamlessly with the ERCM Team to ensure our client was able to execute the transaction.

There were many complexities during the process, during which we sought always to find a solution for our client, striving to demonstrate our dedication and professionalism at each stage of the deal. We aligned ourselves early with a party and remained committed to that group throughout the process, despite multiple approaches throughout the process.

The deal was completed in two stages, with the cumulative volume representing one of the largest retail transactions for 2017.

PRICE: c. €700M
YIELD: CONFIDENTIAL
VENDOR: IKEA CENTRES
BUYER: PRADERA
JLL'S ROLE: BUY SIDE ON BEHALF OF PRADERA

04

Republic

BUY SIDE ADVICE - 18 RETAIL PARKS
ACROSS 4 EUROPEAN MARKETS

*Long term, loyal client relationship,
cross border team collaboration, complex
underwriting with succinct client support.*



05

Project London

JV STRUCTURING AND ULTIMATE SALE
OF A 10 ASSET RETAIL PARK PORTFOLIO



Long term relationship throughout holding period, speed of execution, flexibility, global client reach and a new market entry.

BACKGROUND

JLL initially introduced and advised Iberian Ventures (Ares/Redevco) in the acquisition of a portfolio of retail parks owned by Bogaris. The portfolio comprised seven retail parks located throughout Extremadura and Andalucía with a total GLA of 84,570 sq m. The transaction completed at the end of Q1 2016 for a total of €94M reflecting an NIY of 7.45%. JLL was involved throughout the growth and consolidation of the Iberian Ventures vehicle, and was ultimately instructed to sell the platform in early 2017.

STRATEGY

Following a detailed analysis of the assets and holding companies, JLL advised that a portfolio sale would yield both the highest asset level pricing and maximise net receipts via a share deal structure. JLL planned a structured two phase sales process to a targeted investor list of both national and international investors. Prior to full launch, initial conversations were held with what was assessed to be the most likely buyers for the platform. Castellana SOCIMI, controlled by the South African REIT Vulike, was identified as an excellent candidate and were invited to make an NBO.

RESULTS

The sale of the 11 holding companies owning the 10 assets was completed in a record period of 12 weeks from being called to pitch to completion, with the DD process and SPA negotiations completed within 8 weeks. JLL's positioning of the portfolio as a readymade retail warehouse platform meant the portfolio obtained a premium price 29% above the aggregate of the individual sale estimates. The final net price of €193M, reflected an NIY of 6.2%.

PRICE: c. €193M
YIELD: c. 6.2%
VENDOR: ARES / REDEVCO
BUYER: CASTELLANA SOCIMI
JLL'S ROLE: SALE ON BEHALF
OF ARES / REDEVCO

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