

# The best office positioning



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**I. Portfolio Management: Acquisition & Disposals**

II. Case Study Velazquez – The Office 3.0

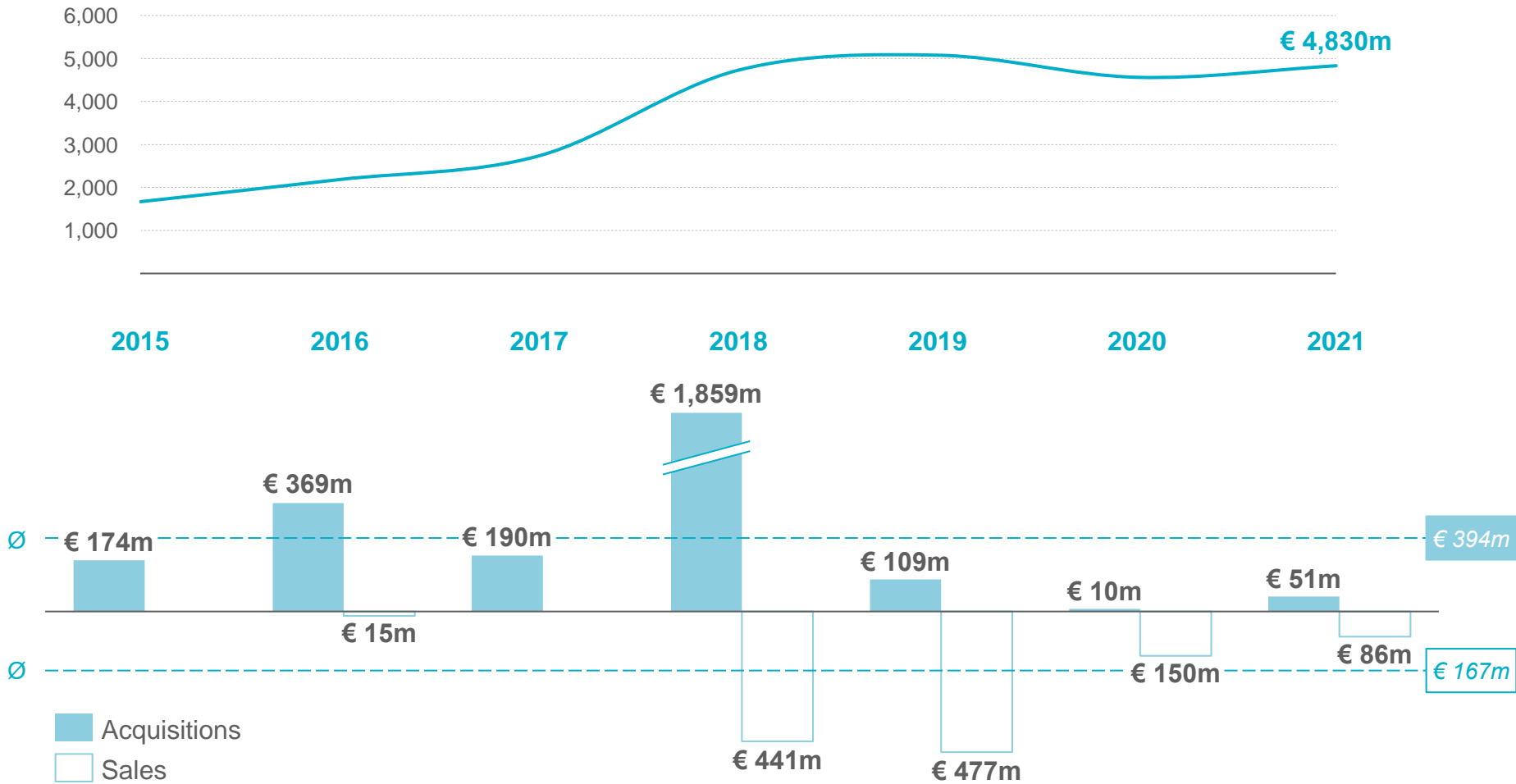
III. Future Growth through Méndez Álvaro Campus

## Portfolio Management Strategy

- > **Dynamic acquisition & disposal strategy** since 2014
- > Market evolution and growth curve of vital importance to achieve **best results** when executing acquisitions or disposals
- > **Portfolio composition** designed by multiple factors:
  - > Weight on **different cities**
  - > **Micro markets**
  - > Stock **Quality**
  - > **Client Profile**
  - > **Yield on Cost**
- > Acquisitions through **prime factory** strategies have significantly added value to the portfolio
- > Dispositions performed with **premium to GAV** while rotating non-strategic assets.



Portfolio Evolution - €m



Portfolio Evolution

Acquisitions

- > Prime positioning strategy: increasing exposure in 3.1x
- > Focus on the best performers new business districts within Madrid and Barcelona:
  - > Mendez Álvaro
  - > 22@
- > Alpha creation through:
  - > Prime factory strategy for brand new assets
  - > Select strategy for existing assets



First mover advantage

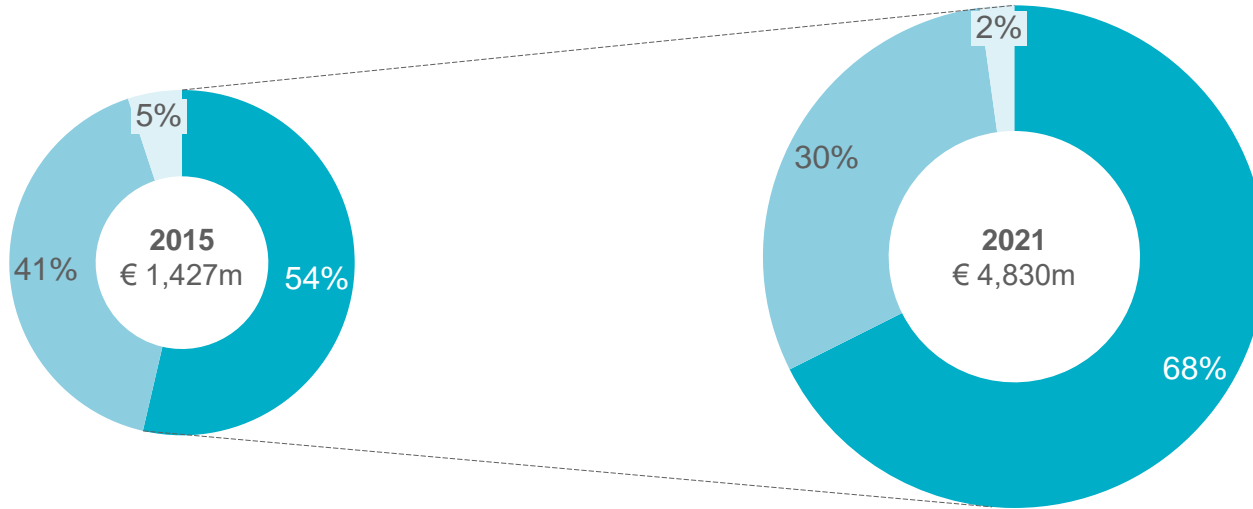


Disposals

- > Reducing exposure to secondary locations
- > Maximize sales values by prior active asset management strategy

Share by cities' stock

GAV (€m)

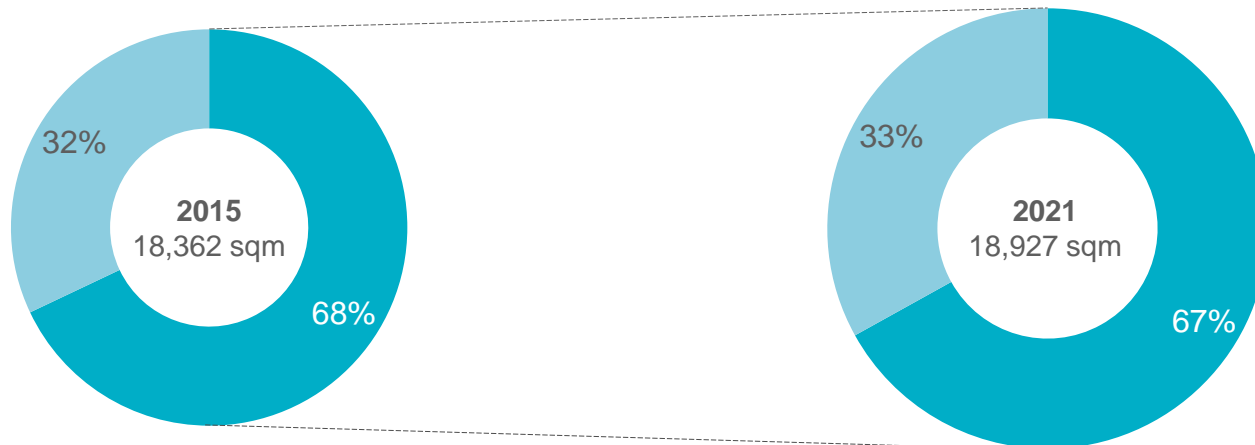


Madrid 4.3 X

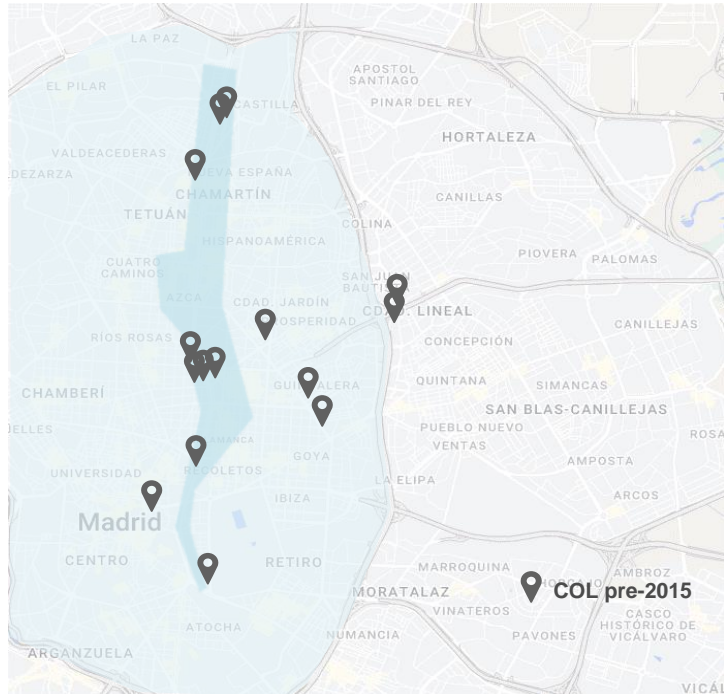
Barcelona 2.5 X

Stock ('000 sqm)

Madrid Barcelona Others



MADRID



BARCELONA



**376,188 sqm**  
GLA



**€ 1,426m**  
Portfolio Value

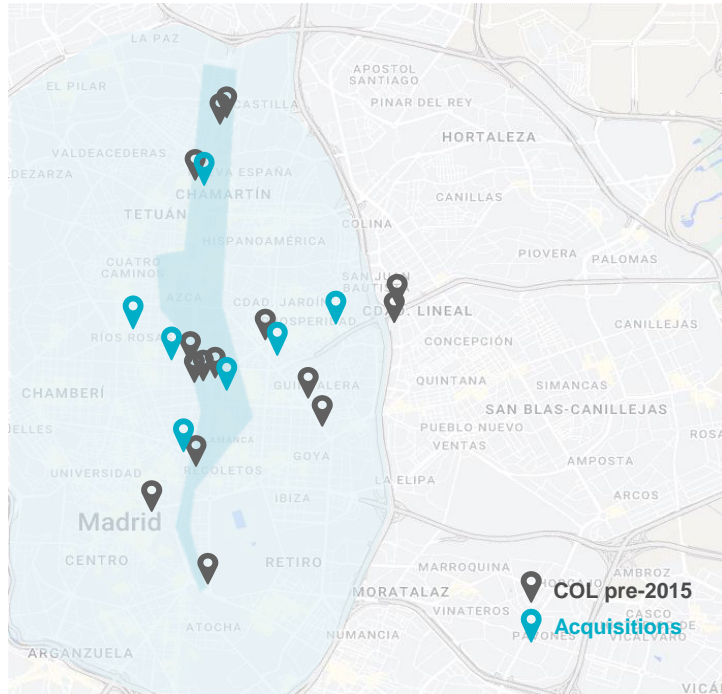


**31**  
Assets





MADRID



BARCELONA



478,756 sqm  
GLA



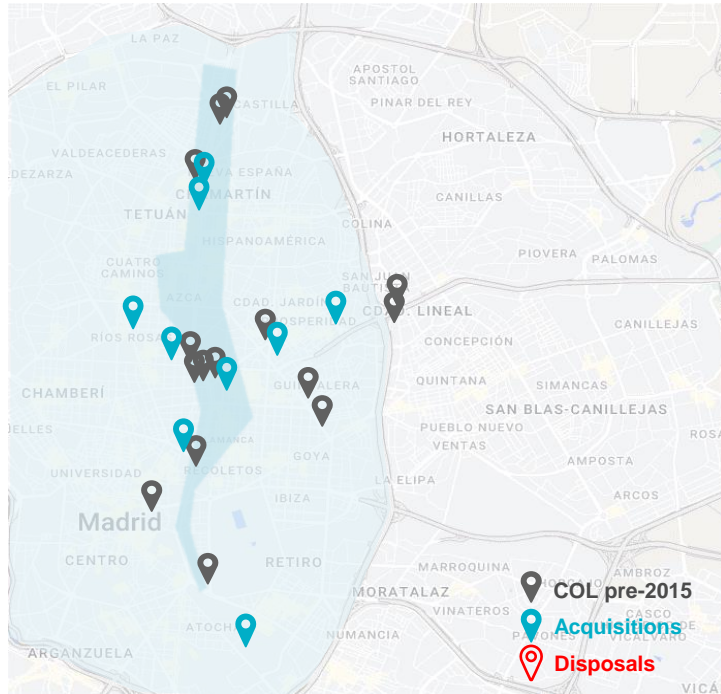
€ 2,037m  
Portfolio Value



39  
Assets



**MADRID**



**BARCELONA**



**546,984 sqm**  
GLA



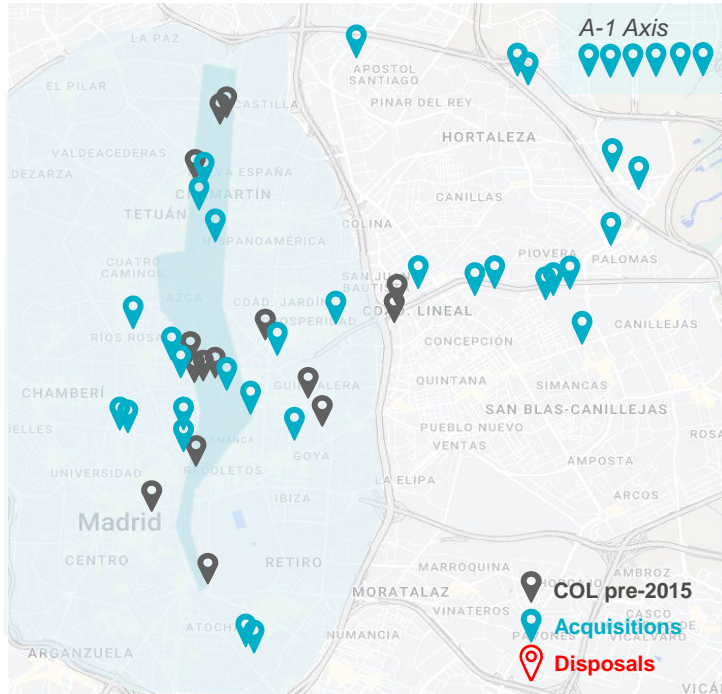
**€ 2,484m**  
Portfolio Value



**42**  
Assets



MADRID



BARCELONA



1.01M sqm  
GLA



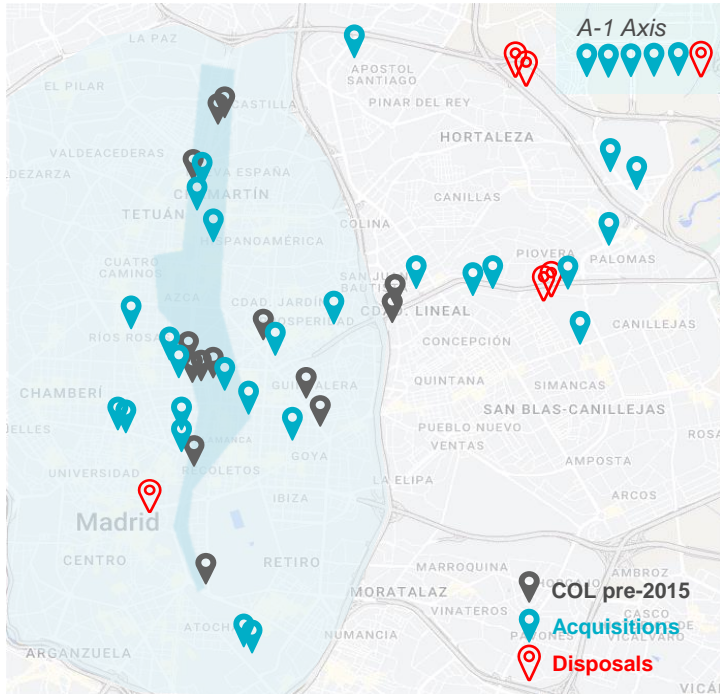
€ 4,732m  
Portfolio Value



73  
Assets



### MADRID



### BARCELONA



**1.36M sqm**  
**GLA**



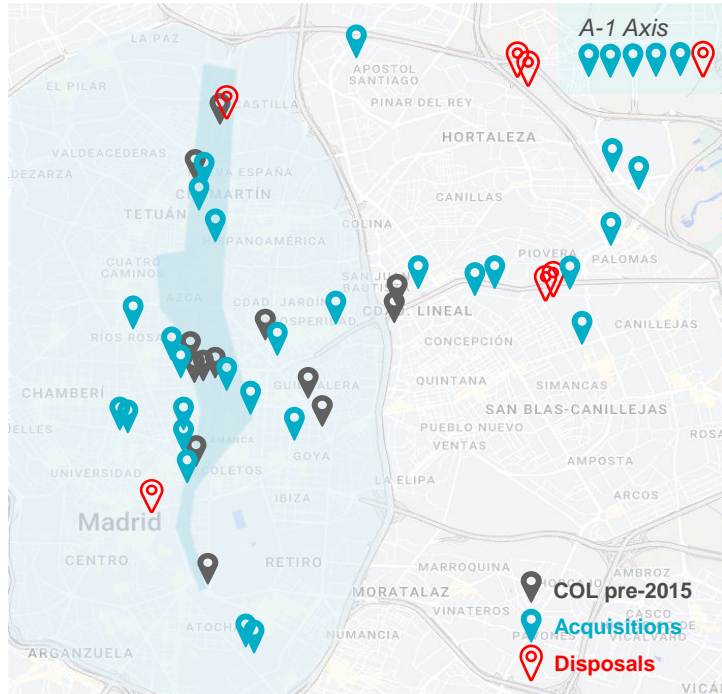
**€ 5,020m**  
**Portfolio Value**



**68**  
**Assets**



MADRID



BARCELONA



1.01M sqm  
GLA



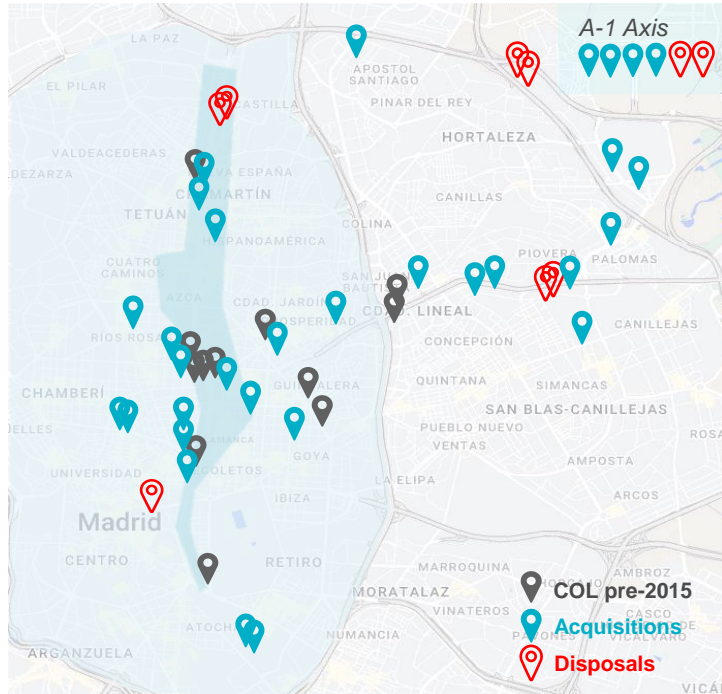
€ 4,917m  
Portfolio Value



68  
Assets



MADRID



BARCELONA



847,870 sqm  
GLA



€ 4,694m  
Portfolio Value



64  
Assets



MADRID



\* Alcalá 506 & Josefa Valcárcel 24 have been sold in 2022

BARCELONA



855,098 sqm  
GLA



€ 4,830m  
Portfolio Value



63  
Assets



Onloading quality

Looking for *location*, quality to focus on *state-of-the-art* clients and users

MADRID

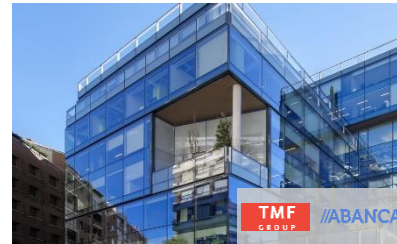
Serrano 73



Almagro 9



Príncipe de Vergara 112



Velázquez 86



BARCELONA

Ciudad de Granada



Diagonal 525



Diagonal 197





Offloading Non-Strategic assets: Blended 7% premium to GAV



Portfolio Rebound

281.5 M€



Park Cugat & A506 & JV 24

59 M€



Hotel C. Norte, Hotel Mojácar & Hotel S. Sebastian



Gavarres, Planetocio & Las Mercedes



Logistics



Hotels, Retail & Logistics 556 M€

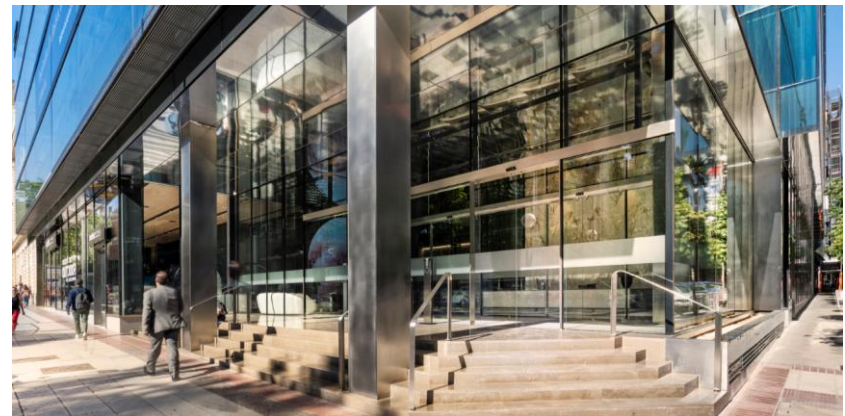
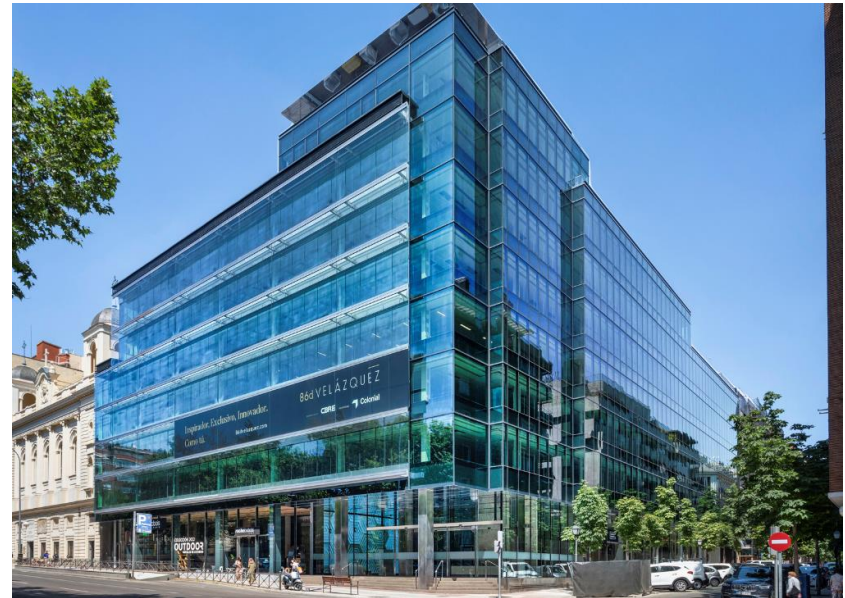


- I. Portfolio Management: Acquisition & Disposals
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- III. Future Growth through Mendez Alvaro Campus



Outstanding building and performance

- > **Pre let of 14,020 sqm** (86%) at maximum market levels. (>37 €/sqm/mo.)
- > **Largest deal in prime area** accounting for 5,243 sqm.
- > Project redesign to **attract clients** from different sectors proved successful.
- > Key focus on:
  - > **Design & Quality**
  - > **PropTech**
  - > **ESG**
  - > **Letting strategy:** looking for the suitable clients



Property Configuration

- > Appealing design to help companies **attract and retain talent**
- > A set of actions included in Colonial's **PropTech technology PropNet** to improve **client & user comfort** and reduce energy consumption

PropNet  
by Colonial



Client – user experience



Property and Asset Management

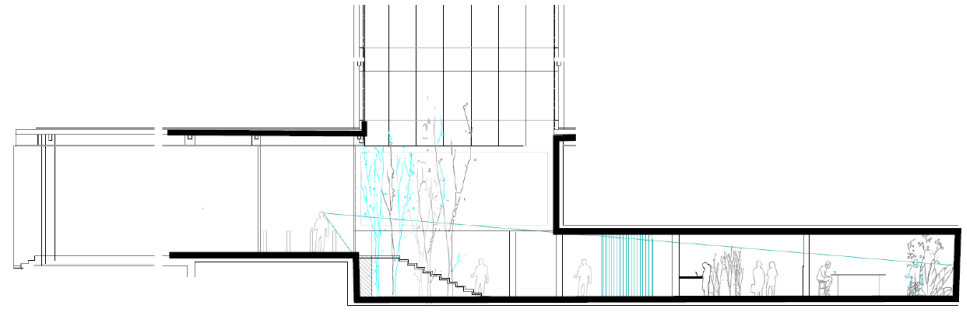


Environment - ESG



#### Not only providing common spaces but managing them: space as a service

- > New ways to work lead to a **fix and flexible combined strategy** with clients
- > Greater user experience motivates “working from office”:
  - > High% **natural light** in workspaces and great views from any workspace.
  - > Encourages physical activity with the presence of **open stairs and natural outdoor environments** (4 terraces).
  - > Community strategy to promote **the generation of engagement and talent.**



Not only a certification but becoming a true ESG partner



Low impact on water footprint with **water consumption reduced by up to 70%** through utility technology.



Powered **100% by green energies** and photovoltaic panels in the building.



**Built with high recycled content and low emission materials** with carbon footprint reduction certificate.



> **Highest level of LEED** certification as a result of enhancing the property in five areas:

- > sustainable site
- > water
- > protection and efficiency
- > energy efficiency
- > renewable energy





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Location



Key Aspects

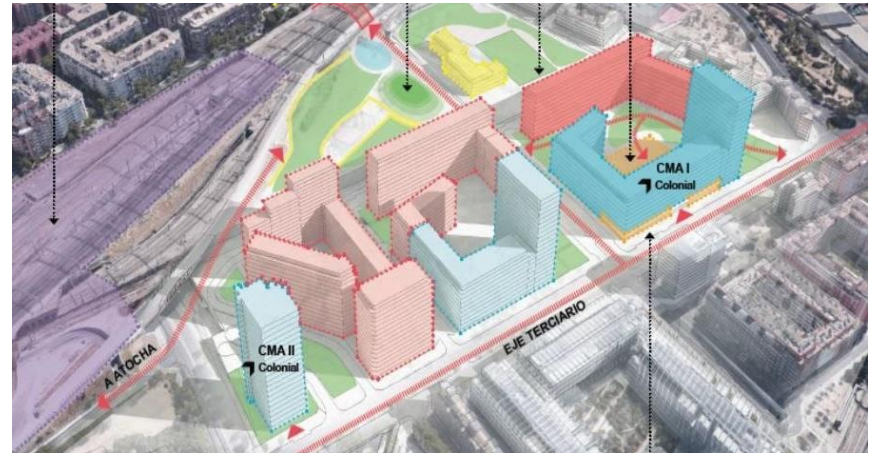
- Active **development** area
- Located in the **south limit** of **Madrid's City Centre**
- 5 mins walk to the Spanish most important **train station: Atocha**
- In the past few years, **well-known companies** such as **Amazon or Repsol** established their **HQ** in the area

- 1 **Colonial** office and residential development
- 2 **Colonial** office development for Catalana Occidente



Urban Regeneration

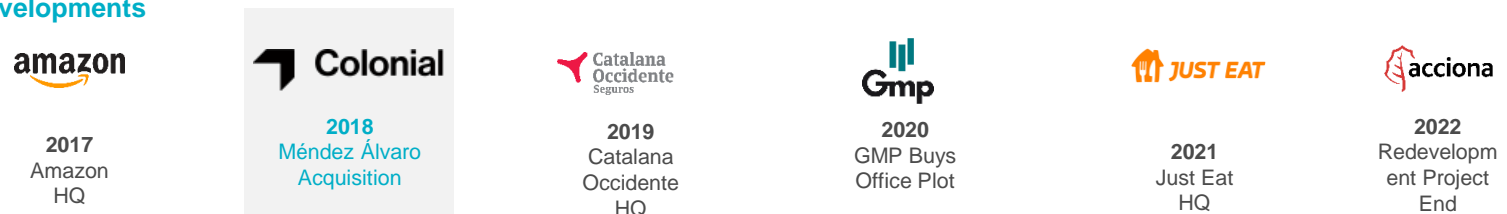
- > When Colonial focused on Méndez Álvaro, the district was the only area that had large available land plots inside the M-30 highway.
- > **Strong fundamentals** have since attracted investors to the area.
- > In consequence, the district has been experiencing a **full urban transformation** benefiting both individual investments and the city of Madrid itself.



Residential Developments



Office Developments



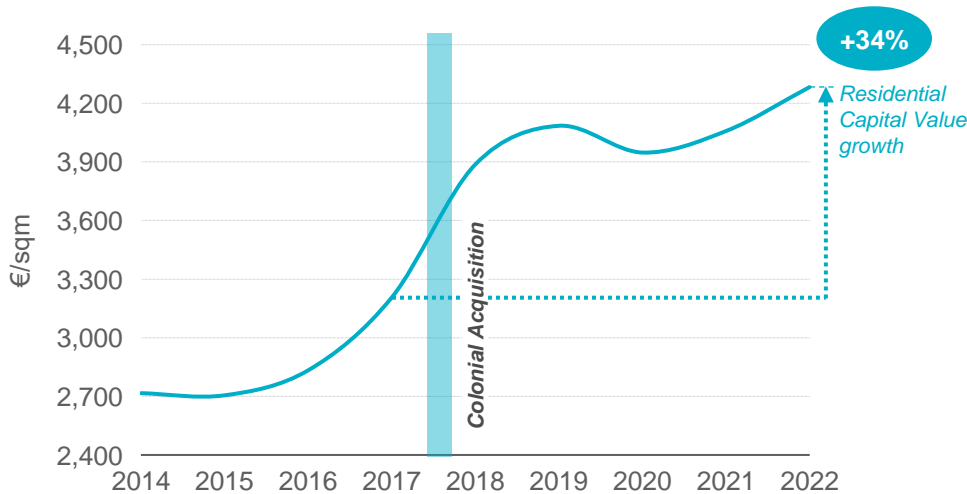
# Future Growth through Méndez Álvaro Campus

## Urban Transformation

Colonial has been a **pioneer investor** in the submarket acquiring the largest available plot in the area at a very early stage and becoming a reference in the area's urban transformation.

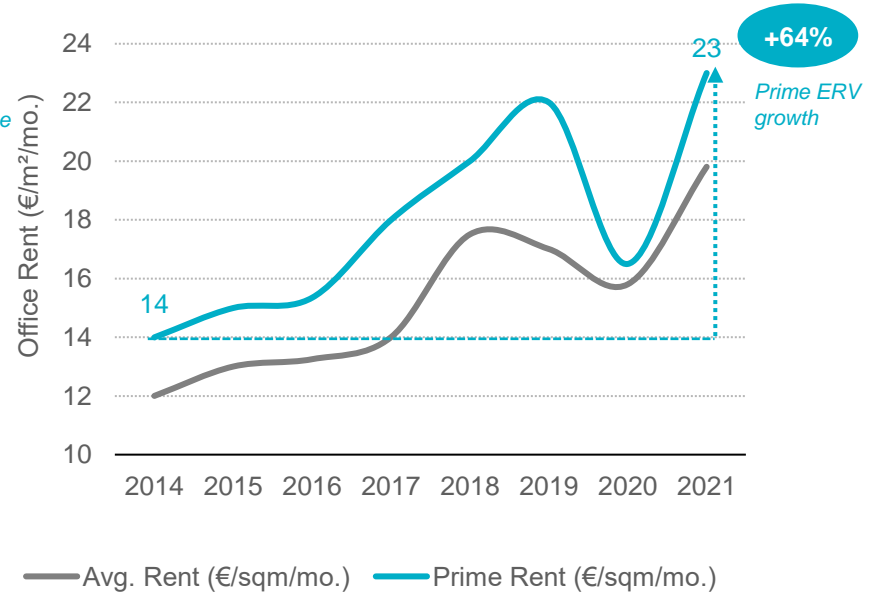
### District's Residential Capital Value\*

**Timing:** the residential capital value has grown since the acquisition a 34%.



### Office Leasing Market\*\*

**Office Market:** The office leasing market is a reflection of the area's full transformation and the increase of demand.

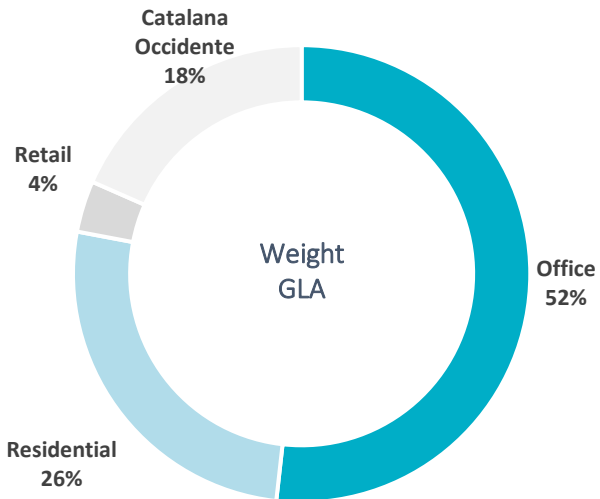


\*Source: Idealista

\*\*Source: JLL Office Research 2022

A Hybrid Project

Only development of **different** real estate assets will impulse an ecosystem in the neighborhood.



- Plot **Acquisition**
- Project **Development**
- **Forward Sale** of the Catalana Occidente Tower: obtaining a developer's profit.
- **Commercialization of the Mendez Alvaro Campus**

1 Office Campus



GLA  
57,025 sqm



Delivery  
June 2024

2 Residential



GLA  
28,846 sqm



Delivery  
Dec. 2023

3 Retail



GLA  
4,000 sqm



Delivery  
June 2024

4 Catalana Occidente

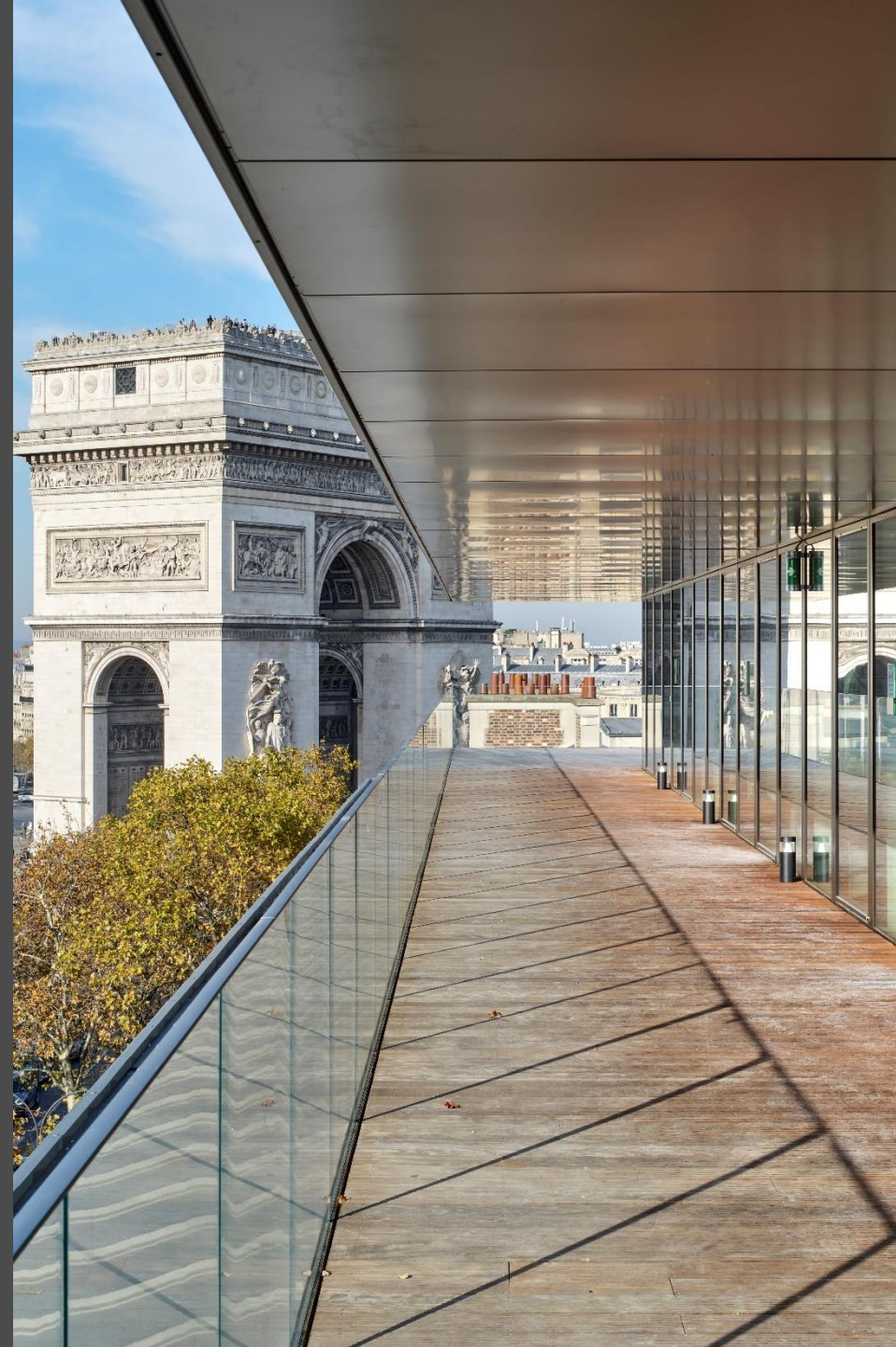


GLA  
20,275 sqm



Delivery  
Dec. 2022

Colonial



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