

HERON CITY DIVERSIA – MADRID, SPAIN



Heron City Diversia

MADRID, SPAIN

CBRE's EMEA Debt Advisory team ("CBRE EMEA Debt Advisory") successfully arranged acquisition financing for the purchase of the Heron City Diversia Leisure Centre, an entertainment facility offering a variety of dining, physical fitness, and cinema attractions in the Municipality of Alcobendas. The transaction provided the client, Heron International, with €99.5 M in financing.

- **Property Type:** Retail
- **Senior Loan:** €84,8M
- **VAT Loan:** €14,7M
- **Lender:** Banco Santander
- **Days to Close:** 60 Days

CHALLENGE

In February 2007, Francis Pons, Chairman of CBRE Latin America & The Caribbean, based out of Miami, FL, introduced Heron International to CBRE's EMEA Debt Advisory team ("CBRE EMEA Debt Advisory") to arrange acquisition capital for the purchase and further refinancing of Heron City Diversia. Heron City España S.L., a subsidiary of Heron City International is part of a leading pan-European investment and property group with operations in the United Kingdom and continental Europe. Headquartered in London, it is one of Europe's main property developer and investor. Heron City España S.L. sought out the services of CBRE EMEA Debt Advisory in order to accomplish this assignment successfully.

SOLUTION

CBRE EMEA Debt Advisory and CBRE Madrid - Retail Investment Property team collaborated to compile relevant research and marketing materials detailing the property's critical elements including tenant profiles, location advantages and core financials. This partnership was essential due to the in-depth analysis of retail market conditions and nearby retail competition, both of which needed to be presented in a timely fashion. Additionally, the CBRE Valuation team was chosen by Heron City España S.L. to provide a prior valuation report of the premises, enabling the acquisition of Realia's 50% ownership. At the time of closing, the CBRE Valuation and CBRE Retail Investment Property team provided Due-Diligence support, as per the lenders' request. The cooperative efforts of the three business lines accomplished the assignment of providing and securing the best financial terms and conditions for the client.

During the month of February 2007, CBRE EMEA Debt Advisory started the financing process according to the constrictive deadline and loan specifications dictated by the client. Firstly, interested lenders were requested to submit preliminary indicative terms to be evaluated in accordance with the investor's requirements. A select group of those lenders who met the criteria were invited to conduct interviews with Heron City España S.L. and CBRE EMEA Debt Advisory prior to the initiation of phase two. For the period of phase two, the selected lender was given the opportunity to produce the appropriate due diligences; after which final terms for the purchase and further refinancing of Heron City Diversia were composed with Banco Santander. Thanks to the synergic cooperation between teams, CBRE EMEA Debt Advisory successfully cross-sold the Madrid Valuation and Retail Investment Property market Due-Diligence services' to the selected lender, adding value to the collaborative efforts and providing a vital closing component to the required banking Due-Diligences.

RESULT

CBRE EMEA Debt Advisory's and CBRE Retail Investment Property team successfully collaborated to arrange the €99.5 million in financing, meeting both the deadline, an inclusion of the VAT loan. CBRE EMEA Debt Advisory and the client were able to narrow the field of potential lenders and finalize an agreement with Banco Santander in May of 2007. The strategy developed by CBRE EMEA Debt Advisory ultimately surpassed all terms put forth by the client. Additionally, thanks to the hard work of both teams, CBRE established a trustworthy relationship with the borrower. Due to the collaboration of strategic business lines, CBRE EMEA Debt Advisory was able to effectively cross-sell the Valuation and Marketing Due-Diligence required to finalize the lending credit process and close the deal.