

 Early Warning System

IFC-39510

Cucuta Mall



Quick Facts

Countries	Colombia
Specific Location	Cucuta
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2017-12-08
Borrower	PROYECTO CUCUTA S A S
Sectors	Construction
Investment Type(s)	Loan
Investment Amount (USD)	\$ 16.60 million
Loan Amount (USD)	\$ 16.60 million
Project Cost (USD)	\$ 58.00 million



Project Description

The Project involves the construction of a greenfield shopping mall in the city of Cucuta, a city in the frontier region of Norte de Santander in Colombia right next to the border with Venezuela. With a gross leasable area (“GLA”) of around 32,600 sqm.



People Affected By This Project

- Job creation in a frontier region with high unemployment rates: the Project will create job opportunities in a frontier region, directly during both the construction and operation of the shopping mall in a city where unemployment rate is high.
- Safety and quality of living: The Project will offer the local population a safe environment for recreation.
- Improvements in local offering: Offer a broad array of goods and services that benefit consumers by expanding retail supply and improving the quality of merchandise and services.
- Boost formality and tax generation: The Mall will contribute to boost formality and tax generation.
- Local business development: Provide access to quality business infrastructure which is a key component to Cucuta's growth strategy, boosting its attractiveness.
- Opportunity to Small and Medium Enterprises ("SMEs"): The Project will contribute to the growth and development of local businesses, including SMEs.



Investment Description

- International Finance Corporation (IFC)



Private Actors Description

The Project will be owned 50% by a JV between Portuguese-British group Sonae Sierra and its local Colombian partner Central Control (together, the “Sponsors”) and 50% by PEI, a Terranum managed real estate fund. The agreement with PEI is currently being finalized.

(i) Sonae Sierra, an international property company with almost 30 years of experience developing and managing shopping malls. It is owned by Sonae SGPS (50%) and Grosvenor Group Limited (50%) and is headquartered in Maia, Portugal. With a net profit of EUR181 million and assets under management worth EUR7 billion, Sonae Sierra owns 48 shopping centers and manages and/or leases 77 shopping centers worldwide in 14 countries on 4 continents, with a total managed GLA of 2.3 million sqm.

(ii) Central Control, a Colombian shopping mall developer and manager based in Cali, the third largest city in Colombia. Central Control developed two of the most successful and recognizable shopping malls in Cali: Chipchape and Jardín Plaza Cali. The latest is still 51% owned and operated by Central Control.

The Project will be owned 25% by Sonae Sierra, 25% by Central Control and 50% by PEI. PEI is a real estate fund (REIT) from Colombia traded in the Colombia stock exchange. It is managed by Terranum Investments of the Santo Domingo Group. PEI has about US\$1.4 billion in assets under management and almost 800,000 sqm of GLA, with an overall occupancy of 98.5% in its portfolio.



Contact Information

For Inquiries About the Project and local access to documentation, Contact

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>