

Union Investment acquires fully let Torre Diagonal Litoral office building in Barcelona

Premium office complex in Diagonal Mar district promises stable long-term returns

Hamburg-based Union Investment Real Estate AG has returned to the Spanish office property market for the first time since 2004, acquiring the Torre Diagonal Litoral office building in Barcelona for its Immo-Invest: Europa institutional real estate fund. Featuring 260 parking spaces, the building is fully let. The total investment is approx. 84.2 million Euro. The vendor is a real estate fund operated by Spanish bank BBVA. Jones Lang LaSalle brokered the transaction.

Completed in November 2004, the 13-storey property comprises around 18,500 square metres of office space and is located in the Diagonal Mar development, which extends along the main Avenida Diagonal road to the Mediterranean, covering some 35 hectares. Union Investment first invested in Diagonal Mar some years ago. Following completion of the master plan, the area is now firmly established as a major Barcelona office location. Torre Diagonal Mar, which is located adjacent to Torre Diagonal Litoral and almost fully let, has been held by sister fund Unilmmo: Europa since December 2004. "Stable tenant demand for quality office space makes Barcelona an attractive investment environment for our real estate funds, especially now that debt-financed investors have exited the market," says Michael Montebaur, Management Board member of Union Investment Real Estate AG. "With its strong long-term letting prospects, the new acquisition is a perfect fit with the investment strategy of Immo-Invest: Europa." Compared to

Madrid, the Barcelona office lettings market is more focused on smaller units. The ability to divide floors into four rental units means that Torre Diagonal Litoral is ideally placed to meet this need.

By entering the Catalonian capital's office property market and hence making its debut in Spain, Immo-Invest: Europa is adding a further European core market to its investment spectrum.

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