

Union Investment Real Estate AG accesses global markets for institutional investment product

Property acquisitions in Tokyo, Istanbul and Mexico City / Immo-Invest: Europa portfolio features residential properties for the first time

The open-ended real estate fund Immo-Invest: Europa has significantly expanded its investment universe by adding new countries and usage types, acquiring investments worth a total of 86 million euros in Tokyo, Istanbul and Mexico City. Now in its fourth year, around 350 institutional investors have invested some 1 billion euros in the fund, which holds a diverse range of real estate in the office, retail, hotel, logistics and residential segments in 13 national markets. Union Investment Real Estate AG has now finalised the purchase for the fund of a portfolio of six residential buildings in a prime location in central Tokyo. The total volume of investment for the existing building and five others under construction – comprising some 140 apartments – amounts to approximately 50.7 million euros. The vendor is FLEG Future Life Entry Group International, an established developer of residential and commercial real estate in the Tokyo market. “Like the Tokyo office market, the market for residential property performed very well in 2006. At the same time, acquiring this portfolio gets our entry into the Japanese market off to a flying start,” says Dr. Reinhard Kutscher, chairman of the Management Board of Union Investment Real Estate AG. Although breaking new ground in Japan, the fund already benefits from the strong existing presence of Union Investment’s retail funds in the growth markets of Mexico

and Turkey, with their many opportunities. Alongside the transaction in Japan, the investment managers at Union Investment have acquired the project development for the first "Media Markt" store in Istanbul. The fund is investing some 19 million euros in the consumer electronics store, which is let on a long-term lease and being built to the west of the city centre in Beylikdüzü. Meanwhile, the fund management team are also pursuing a strategy of international diversification for Unilmmo: Europa in Latin America. The fund has acquired the fully let EDS Building in the Lomas Altas submarket of Mexico City. The total volume of investment for this class A office property is some 16 million euros. Investments outside Europe help to round out the fund's risk/opportunity profile, with these successful July investments further reducing the fund's available liquidity to 14.33%.

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