

Union Investment acquires majority stake in Rhein-Galerie in Ludwigshafen

Union Investment Real Estate AG has acquired the Rhein-Galerie shopping centre development in Ludwigshafen for its open-ended real estate fund Unilmmo: Deutschland, in a transaction worth around 210 million euros. The vendor of the shopping centre, which will comprise some 30,000 square metres of retail space plus food outlets, service providers and 1,300 parking spaces, is ECE, which will operate the Rhein-Galerie on a long-term basis.



Under the deal, Union Investment has acquired 94.9 per cent of the shares in Rhein-Galerie, with ECE retaining the remaining

5.1 per cent. Total investment in the project, which is scheduled for completion in autumn 2010, is some 220 million euros. "The development enjoys an attractive central location on the banks of the Rhine and has excellent transport links," says Dr. Frank Billand, member of the Management Board of Union Investment Real Estate AG. "Over 50 per cent of the space is already let, a clear indicator of the potential value appreciation for our fund."

The Rhein-Galerie has a catchment area of over one million people and is set to be one of the biggest shopping centres in the Rhine-Neckar region. "The Rhein-Galerie's stunning architecture and 120 shops, a large number of them clothing outlets, will attract interest from both across the region and beyond," says head of ECE Alexander Otto.

The Rhein-Galerie will be developed and managed by ECE, the European market leader in the shopping centre sector. "Having already successfully teamed with ECE on shopping centre developments such as Remscheid and Limbecker Platz in Essen, Union Investment is delighted to be working with this strong partner," says Billand. In recent years, Union Investment has increasingly invested in shopping centres and business hotels in a bid to broaden its portfolio beyond office properties. The investment management company now owns 18 shopping centres, representing a total investment of around 2.7 billion euros [excluding Ludwigshafen].

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