

Hamburg 12<sup>th</sup> January 2012

## **Union Investment secures premium property Kinetik in Boulogne-Billancourt**

### **Strong letting prospects for speculative development / HQE and BREEAM certification sought**

More than two years since its last office investment in France, Union Investment has secured a new premium property with potential for high returns by pre-financing a development project in Boulogne-Billancourt. The Kinetik office project, which is being speculatively developed by VINCI Immobilier and Nexity Entreprises, will provide 15,200 sq m of office space and 650 sq m of retail space after planned completion at the end of 2013. It joins the portfolio of open-ended real estate fund Unilmmo: Europa. The net purchase price for the new office building, designed by architects Sauerbruch Hutton, is EUR 128 million. The investment is protected by a rental guarantee from the developer. Union Investment was advised on the transaction by Clifford Chance and notaries Cheuvreux & Associés. The vendors were advised by White & Case and notaries Théret & Associés.

“Working with VINCI Immobilier and Nexity Entreprises, two highly experienced and financially solid development partners, means that we are guaranteed first-class building quality and can expect Kinetik to be let quickly,” says Dr. Karl-Joseph Hermanns-Engel, Member of the Management Board of Union Investment Real Estate GmbH, Hamburg. The project is being developed in accordance with strict sustainability criteria and is registered for HQE and BREEAM certification.

Kinetik enjoys an outstanding location in the Trapèze development zone in Boulogne-Billancourt. Extensive infrastructure measures will be carried out in Trapèze, a new district southwest of Paris, and also in the neighbouring area of Île Seguin ahead of handover of the property. “We are very pleased to be able to reinvest the proceeds from the recent sales of properties in Boulogne-Billancourt and Marseilles for our Europa fund in one of the best new developments at this location,” says Dr. Hermanns-Engel.

The acquisition of development projects using forward funding or forward purchase structures is a Union Investment Real Estate speciality. Elsewhere in France, Union Investment financed the speculative Espace Gaymard development in Marseilles, as well as Axialys I and Axialys II in Saint-Denis, Paris, which generated stable rental income during the holding period of eight and ten years respectively and were sold for significantly more than the original purchase price in 2010/2011. In the past year, the Hamburg-based property fund manager acquired the new head office of the Admiral Group in Cardiff at the project stage for Unilmmo: Europa. In addition,

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at the end of December the Forum Kayseri shopping centre in Turkey, which was also acquired at the project stage for Unilmmo: Europa in 2008, was completed and opened - and almost fully let, with 200 shops.



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