

Hamburg, 25 May 2016

## **Union Investment focuses international investment on Mexico City**

### **Fully let office building in sought-after sub-market Polanco acquired for Unilmmo: Global**

Union Investment continues to expand its international real estate fund portfolio in the Americas. The company has acquired the Corporativo Dos Patios office building in Mexico City for its open ended real estate fund Unilmmo: Global. The building was completed in 2012 and is fully let. This investment marks Union Investment's first acquisition in Latin America since 2008. "Since our market entry over eleven years ago, Mexico City has been a central plank of our international investment strategy. We are delighted to be acquiring Dos Patios as the perfect addition to our high-quality Mexico portfolio. We intend to exploit the stable economic conditions in Mexico to invest a further 250 to 300 million in this market over the medium term," said Martin Bruehl, Member of the Management Board at Hamburg-based Union Investment Real Estate GmbH. The transaction was handled out of the Union Investment office in New York City. Savills advised Union Investment on the transaction.

With total assets worth approximately EUR 2.5 billion, Unilmmo: Global already holds four office properties in Mexico. "The new acquisition comprises 28,739 sq m of rental space, of which 95 per cent is office space and 5 per cent retail. It highlights our strategy of broadening the fund's portfolio in Mexico City," said Martin Bruehl. Union Investment is acquiring the property, which has been awarded Gold LEED Core & Shell certification, directly from listed project developer Grupo Gigante Inmobiliare. The purchase price is around USD 117.5 million.

Offering 1,370 underground parking spaces, the Class A Dos Patios building is centrally located in the heart of Mexico City's business district in Polanco. After Santa Fe, this is the second-largest sub-market in the Mexican capital, with a good balance of mixed-use commercial space, high-quality residential properties and numerous cultural facilities, earning it a reputation as currently the most sought-after location in downtown Mexico City.

“The excellent location and building quality – thanks to the two patios for which it is named, the property has an unparalleled amount of natural light, as well as unique views into and out of the building – make this a compelling investment, as does the outstanding quality of the tenant mix,” said Martin Bruehl. Tenants on long-term leases include companies with very strong credit ratings, such as anchor tenant Siemens Immobiliare, energy services provider Schlumberger and Grupo Gigante.

With actively managed assets of around EUR 31 billion, Union Investment is one of Europe’s leading real estate investment managers. It currently holds seven properties in Mexico in its open-ended real estate funds, worth approx. USD 465 million. As the first German investment manager to enter the Mexican market, Union Investment started off by acquiring a stake in Torre Mayor, which at 225 metres is the tallest office building in South America. Since market entry, Union Investment has also disposed of five properties at a profit in Mexico as part of its active asset management policy. Most recently, the Tamayo 100 office building in Monterrey and the Parque Industrial Tecnológico II commercial and logistics property in Guadalajara were both sold for more than the latest expert valuation.

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