

Hamburg, 1 October 2015

Berlin property added to Union Investment's institutional hotel fund

Hampton by Hilton Alexanderplatz project secured for UII Hotel Nr. 1

Union Investment has secured the planned three-star superior Hampton by Hilton hotel in Berlin-Mitte for its institutional hotel fund UII Hotel Nr. 1. A long-term lease with Primestar is in place for the 344-room hotel. The acquisition of this new build means that two years after launch the UII Hotel Nr. 1 fund portfolio has now grown to seven properties in Germany and Austria. The fund primarily invests in the budget and midscale hotel segment. Union Investment is buying the property off-market directly from developer Lambert Wohnbau GmbH. The details of the deal were not disclosed. "We are delighted to be adding this up-and-coming hotel brand to our thematic fund. Hampton by Hilton is a new and contemporary product concept that is set to establish itself as quickly in the German market as it has in the US," said Dr. Christoph Schumacher, a member of the management team at Union Investment Institutional Property GmbH. Union Investment was advised on the transaction by Clifford Chance. Colliers International Hotel and law firm Zirngibl Langwieser advised Lambert Wohnbau on the transaction. The leaseholder, Primestar, was advised by KPMG Law.

The planned Hampton by Hilton hotel in the heart of Berlin is the largest in the world to date and will have an LEED Silver rating. It occupies a site on the corner of busy Mollstraße and Otto-Braun-Straße, close to Alexanderplatz. The L-shaped complex will consist of a hotel with an underground car park and an adjoining residential building. The site will be divided into two separate plots for the hotel and residential block during development. The residential section does not form part of the transaction. Thanks to its central, highly visible location in downtown Berlin and efficient floor layout, the hotel is highly suitable for use by a different operator within the budget or midscale segment. Completion is scheduled for the first quarter of 2017.

The acquisition highlights Union Investment's active commitment to investment in the German capital over many years. Across all funds, the Berlin hotel portfolio comprises a total of nine business hotels belonging to different brands, including the Radisson Blu hotel in the DomAquaree CityQuartier, the InterContinental and the Pullman Schweizerhof. In August, Union Investment acquired the andel's conference hotel in the Prenzlauer Berg district of Berlin for its open-ended real estate fund Unilmmo: Deutschland.

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