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Union Investment Real Estate notches up new success in Berlin hotel market

Four-star superior hotel on Friedrichstrasse operated by Spanish brand Meliá acquired for special fund

Union Investment has secured another high-yield hotel property in Berlin. This is the third purchase of an established branded hotel in the German capital within six months, following the acquisition of andel's conference hotel and the Hampton by Hilton planned for a site close to Alexanderplatz. As part of an off-market transaction, Union Investment has acquired the Meliá Berlin from Grundstücksverwaltungsgesellschaft Am Weidendamm Berlin-Mitte mbH. Opened in 2006, the four-star superior hotel is fully let on a long-term basis to Sol Meliá Deutschland GmbH, a wholly-owned subsidiary of Spanish hotel group Meliá Hotels International. The property includes a separate restaurant which is let on a long lease to Maredo. The Meliá Berlin will be added to the portfolio of special fund DEFO Immobilienfonds 1. The purchase price was not disclosed.

Offering a total of 364 rooms and 64 underground parking spaces, the hotel benefits from a standout location in the heart of Berlin on the corner of Friedrichstrasse and Am Weidendamm, opposite the river Spree. "A combination of the high occupancy rate, a successful brand and a financially strong Europe-wide leading hotel operator help to make this investment compelling," said Dr. Christoph Schumacher, a member of the management board at Hamburg-based Union Investment Institutional Property GmbH. For the DEFO Immobilienfonds fund, the investment means a long-term revenue stream, an improved letting ratio and enhanced diversification within Germany. "The purchase of another hotel for our special fund in Berlin will allow us to participate in the growing attractiveness of the German capital as a destination for both business and leisure travellers."

DEFO Immobilienfonds 1 has assets of some EUR 790 million and holds five hotels from different brands. In total, Union Investment's hotel portfolio, spread across seven open-ended retail and special funds, comprises 48 hotels worth approximately EUR 2.7 billion. Alongside

the Meliá Berlin, it includes two other flagship hotels from the leading Spanish brand, one in Düsseldorf (on Hofgarten park) and one in Paris La Défense.

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