

Hamburg, 25 January 2018

Union Investment acquires Mitte Town Hall in Berlin

Acquisition for UniInstitutional European Real Estate

Union Investment has acquired Mitte Town Hall, which is let to the federal state of Berlin and located at 31 Karl-Marx-Allee. Offering some 20,000 sq m of space, the office property was built on the site of the former Berolina Hotel in 1998 and has since been used as a district town hall and administrative building. The vendor of the property is a joint venture of a fund advised by Tristan Capital Partners LLP and caleus capital investors GmbH. The purchase price is EUR 87.4 million. Union Investment acquired the office building for its institutional open-ended real estate fund UniInstitutional European Real Estate. JLL brokered the transaction.

Mitte Town Hall comprises a 13-storey building approximately 50 metres in height and a separate two-storey building which contains a cafeteria open to the public and a large conference hall. Visitors and employees access the town hall via the main entrance on Karl-Marx-Allee. Schillingstraße subway stop is located directly in front of the building.

“For a conservative, long-term investment manager such as Union Investment, Mitte Town Hall represents an exceptionally good investment opportunity,” said Alejandro Obermeyer, head of DACH Investment Management at Union Investment Real Estate GmbH. “The Berlin Mitte district continues to perform very well overall. The vacancy rate in the office segment is at a historic low of 2 per cent, and the federal state of Berlin is an extremely reliable occupier. For all these reasons, Mitte Town Hall is an excellent fit with our existing holdings.”

Mitte Town Hall is located near Alexanderplatz square, where the economic success of Berlin is reflected not only in the number of office properties, but also in new build projects across the residential, retail and hotel sectors. In the immediate vicinity, Union Investment also recently acquired two hotels: Holiday Inn Express Berlin Alexanderplatz and Hampton by Hilton Berlin Alexanderplatz. In addition, the Alexa shopping centre has been part of the holdings of Union Investment’s real estate funds since 2010. The Hamburg-based real estate investment manager owns a total of 17 commercial properties in the German capital worth approximately EUR 2 billion.

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