



Hamburg, 2 July 2015

Union Investment sells business park portfolio to Aurelis

First portfolio purchase by Aurelis comprising a total of around 104,000 sq m of rental space – Union Investment leverages continued strong demand to reduce the average age of its portfolio

Aurelis Real Estate GmbH & Co. KG has acquired four business parks from Union Investment in Düsseldorf, Cologne, Liederbach (Frankfurt/Main) and Wiesbaden with total rental space of around 104,000 sq m. Details of the purchase price were not disclosed. The buildings at the four locations were constructed between 1988 and 2001 and had belonged to the portfolios of open-ended real estate funds *Unilmmo: Deutschland* and *Unilmmo: Europa* for over 20 years in part. This sale continues Union Investment's ongoing strategy of reducing the average age of its portfolio. In 2014, the Hamburg-based real estate investor sold older properties worth a total of EUR 1 billion and acquired younger properties for EUR 2.4 billion.

The portfolio sale is the second transaction between the two parties. In April, Aurelis bought a business park in Kirchheim near Munich from Union Investment, comprising approximately 28,700 sq m of rental space. Aurelis focuses on acquiring commercial properties and sites for development. Its goal is to add value to the properties, e.g. through development or refurbishment.

This transaction is Aurelis' first portfolio purchase and the acquisition boosts the company's existing rental portfolio in the corporate real estate segment. The total annual rent generated by the properties is currently approximately EUR 9.4 million. The portfolio comprises space for office, warehouse and service uses. There are



currently 90 tenants across the four locations, representing a letting ratio of around 80 per cent.

Joachim Wieland, CEO at Aurelis, believes the purchase is a perfect fit with the company's holdings: “Within our rental portfolio, we focus on business parks as well as properties for warehousing/logistics, light industry and outdoor space. If the entry prices are attractive, we invest in properties located in economically strong locations and which offer an opportunity for value appreciation. By adopting a comprehensive approach and individualised strategy, we leverage the commercial and property management potential of the assets.”

“Reducing the average age of our portfolio is an active precaution against risk in our funds, and we constantly strive to improve the age profile of our properties,” said Dr Frank Billand, a member of the management team at Union Investment Real Estate GmbH, Hamburg. “This portfolio sale sees us disposing of the last business parks in our holdings because properties in this use segment no longer meet the strategic investment criteria for our funds. Against the backdrop of persistently good market opportunities, this was also the ideal time to sell,” added Billand.

The Düsseldorf property is located in the district of Heerdt, five minutes from the A52 motorway. A total of approximately 35,000 sq m of rental space for warehouse and office use is spread across eight buildings, with parking also included. The current anchor tenant, with approximately 5,200 sq m, is security provider Securitas. The second business park, comprising 18,800 sq m of rental space, is located in the Rodenkirchen area of Cologne.



The property in Liederbach is located on the western outskirts of Frankfurt. Its close proximity to the A66 motorway provides excellent transport links to other business locations in the area. With a total of approximately 32,500 sq m of rental space, this is the largest facility in the newly acquired portfolio. The main tenant is Techem Energy Services GmbH, which occupies almost 4,500 sq m of space. The Wiesbaden business park, meanwhile, offers rental space of some 17,400 sq m. The principal tenant is a major car manufacturer, which currently rents 10,000 sq m. The property is part of the Petersweg retail, production and logistics location and has direct links to the B455 trunk road and A3 and A5 motorways.

Union Investment was advised on the legal aspects of the deal by the Hamburg office of law firm GSK Stockmann + Kollegen, via a team led by Dr Michael Jani, and on tax aspects by the Frankfurt office of GSK Stockmann + Kollegen, with Dr Petra Eckl in the lead role.

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About Union Investment:

Union Investment is one of Europe's leading real estate investment managers. Its current real estate solutions include 20 open-ended retail and special funds with total assets under management of over EUR 27 billion. Union Investment is currently number one in the retail fund sector in Germany. The company provides its investors with a stable and effective platform that combines strong property acquisition performance with a value-oriented asset management approach. Its broadly diversified property portfolio covering 24 national markets and five continents comprises over 360 properties in the office, hotel, retail and logistics sectors. For more information: www.union-investment.com/realestate

About Aurelis:

Aurelis Real Estate GmbH & Co. KG specialises in portfolio management, asset management, land development and building construction. In the field of asset management, the company lets space and properties to commercial users and adds value to its rental portfolio through upgrading and restructuring. During this process, Aurelis acquires new tenants and extends existing leases. In the area of land development, the company transforms derelict sites into development plots with planning approval. Where there is sufficient demand, Aurelis extends the value-adding process by building on the land. The company then assesses from a strategic and yield perspective whether it makes more sense to retain the property in the portfolio or to sell it. Aurelis has clear criteria for acquiring real estate. It focuses on properties in growth regions where active management offers the prospect of stable rental income, as well as on land which can be developed into building plots.

The bulk of Aurelis' properties are located in the German growth regions of Bavaria, Baden-Württemberg, North Rhine-Westphalia and the Rhine/Main area. Teams of experts covering Aurelis' different business areas are located at its headquarters and in all four regional offices. They ensure local expertise and work together closely on investments, portfolio optimisation, project development, leasing and selling.