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## **Union Investment taps into Houston as another fast-growing US market opportunity for its real estate funds**

- **Fully let office property 1000 Main Street acquired for around USD 440 million**
- **Further property purchases planned in Texas**

Union Investment continues its strategy of investing in secondary markets with strong long term economic and demographic growth prospects. After Austin and Minneapolis, the Hamburg-based real estate investment manager has now entered a third US market outside of the traditional East and West coast investment regions in just 20 months. Union Investment has secured the 36-storey office property 1000 Main Street in Houston's central business district for Unilmmo: Europa. Fully let with an average lease term of more than seven years to ten companies with good to very good credit ratings, including Shell, NRG Energy and UBS, the purchase price of the multi-tenant property was around USD 440 million. The vendors are institutional clients of Invesco Real Estate USA. Union Investment's New York office was advised on the transaction by Metzler Real Estate.

“We are delighted to add this well positioned property with strong prospects for stable long-term income and rent growth to our excellent US portfolio,” said Martin Brühl, head of International Investment Management at Union Investment. Completed in 2003, the 1000 Main Street property comprises approximately 836,000 sq ft of rental space and is one of the most prestigious office buildings in downtown Houston. The building is rated as Class A tier 1 and achieved LEED Gold certification in 2013. It enjoys a prime city centre location with three direct entry points to the underground pedestrian tunnel system with its many shops and restaurants.

The Houston metropolitan region has a population of approximately 6.3 million and its office market comprises some 270 million sq ft, making it the tenth largest in the US. As one of the fastest growing metropolitan regions in the United States, the self-styled “Energy Capital of the World” is home to 25 of the world’s 500 largest companies (Fortune 500). “The prospect of

further, sustainable job growth across many sectors means that Houston is one of the most compelling US investment markets and an attractive alternative to the classic gateway cities,” continued Martin Brühl. “Our two acquisitions in Houston and Austin give us a good toehold in the Texan market which will help us to move forward with further investments for our funds.”

Union Investment has been active in the US property markets for approximately 30 years. The US portfolio currently comprises ten office properties with a total value of approximately EUR 2.2 billion. Following the latest acquisitions, the US is now the company’s third most important national market after Germany and France based on asset value. Union Investment has asset under management of some EUR 26.3 billion in 20 real estate funds. With 50 years of real estate expertise, Union Investment operates today in 24 countries around the world.

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