

Hamburg, 1 September 2015

Union Investment leases Pullman Berlin Schweizerhof to ValueState Hotels for 20 years

French operator entering German hotel market for first time / Hotel retains the AccorHotels Pullman brand

On paper, it's a sandwich structure; in practice, it's an innovative three-party business relationship that delivers stable long-term rental income for open-ended real estate fund Unilmmo: Europa. Owner Union Investment Real Estate GmbH has signed a new 20-year lease with an option to extend for its five-star Pullman Berlin Schweizerhof hotel on Budapester Straße, which has been part of the EUR 10 billion Europa fund since 1999. The new tenant is French operating company ValueState Hotels, which currently manages a portfolio of some 1,500 hotel rooms in Europe. The lease with AccorHotels, which was not due to expire until 2019, was terminated prematurely and replaced by a contract to manage the 383-room hotel. This means that AccorHotels retains a presence in Berlin, a key strategic hotel location, with the group's own premium Pullman brand. For ValueState Hotels, the new contractual arrangement, which comes into effect on 1 September 2015, marks its entry into the German hotel market. "Working with two strong partners within this new structure, we look forward to further improving the hotel's operational performance and continuing the long-term success of our investment," said Volker Noack, a member of the management team at Hamburg-based Union Investment Real Estate GmbH. The new contracts include a profit-sharing clause which allows Union Investment to participate in the hotel's success. As part of the new letting, the hotel will undergo major refurbishment. The work will be carried out over a period of three years while the hotel remains open and includes complete refurbishment of all guest bathrooms and the kitchen, remodelling of the food and beverage area and partial refurbishment of the conference areas.

The Pullman Berlin Schweizerhof hotel is located in the City West district, near Kurfürstendamm and the Tiergarten park. In addition to its excellent location the hotel benefits from good public transport and road links. With 18 conference rooms, it is one of the key conference hotels in the German capital.

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