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Union Investment acquires office building in central London

19,300 sq m of space in a prime location / Acquired for Unilmmo: Deutschland

Union Investment has acquired a nine-storey office building at 160 Aldersgate Street in London. The property offers 19,300 sq m of rental space and is located close to the popular submarket of Farringdon on the north-western side of the City of London, the financial and business heart of the British capital. The vendor is Greyhound Investing Corporation. The nominal purchase price for the property, which will be transferred to the holdings of open-ended real estate fund Unilmmo: Deutschland, is around EUR 245 million. The building is fully let to international law firm DLA Piper on a 20-year fixed lease.

The office building was constructed in 1990 and underwent an extensive redevelopment in 2016/2017 led by Castleforge Partners as asset / development manager, based on plans drawn up by Fletcher Priest Architects. BREEAM certification of “Excellent” has been achieved for the Grade A building. With a ceiling height of 2.9 metres, there is a high level of user comfort on the individual floors. The property also features attractive terraces on the top two storeys. The central London building has over 300 bicycle parking spaces, further highlighting its sustainability.

“The 160 Aldersgate Street property is the second office building of its size that we have acquired in London this year,” said Martin Schellein, head of Investment Management Europe at Union Investment Real Estate GmbH. “In both cases, we are investing in excellent locations where we see further development potential due to the dynamic local environment. Long-term leases also fulfil what is currently the most important condition of our conservative investment approach to the UK real estate markets.”

Union Investment’s other recent London acquisition was The Copyright Building, an approximately 10,000 sq m office project located in Fitzrovia in London’s West End, which was bought for Unilmmo: Europa. The purchase of 160 Aldersgate Street for Unilmmo: Deutschland continues this investment strategy. The building is conveniently located for access to the City of London. At the same time, the up-and-coming district of Farringdon provides potential for value

appreciation and higher rents. Alongside various residential and office projects currently under construction in the area, the new Farringdon Crossrail station is due to open at the end of 2018. The station is only a few metres away from 160 Aldersgate Street, thereby adding significantly to the attractiveness of the building's location.

Castleforge Partners, acting on behalf of Greyhound Investing Corporation, were advised by GM Real Estate. Union Investment was advised by Savills.

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