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Union Investment acquires The Copyright Building in London's West End

Development project in the Fitzrovia district/10,000 m² of rental space

Union Investment has signed a contract to purchase The Copyright Building office complex located at 30 Berners Street in London. The seven-storey property comprises around 10,000 m² of rental space and is situated in the fast-growing district of Fitzrovia. The office space is let in full for a fixed term of 20 years to Capita Business Services Limited, an IT service provider in the field of process management.

It is planned to let the ground floor and lower ground floor areas to three retailers in order to strengthen the urban character of the surrounding area. The vendor is Derwent London plc (a REIT), with the nominal purchase price coming in at around €186 million (including rental guarantees made by the vendor).

The property is being acquired for the portfolio of the Unilmmo: Europa open-ended property fund. The commercial handover of this grade A building is scheduled for October 2017. Due to its high sustainability standards, the building is set to receive BREEAM Excellent certification. With ceiling heights of up to 2.9 metres, the individual storeys offer considerable flexibility in terms of usage. As an architectural highlight, The Copyright Building also boasts spacious terrace areas on the fourth and seventh floors with stunning views of London's West End.

“As a global real estate investment manager, we continue to regard London as one of our key target markets within Europe. As in other markets, against the backdrop of the ongoing Brexit negotiations we are currently required to perform a particularly thorough risk analysis and consider a range of factors in the UK,” explains Martin Brühl, Chief Investment Officer and member of the Management Board of Union Investment Real Estate GmbH. “But the acquisition of The Copyright Building is a prime example of how we are continuing to systematically harness our scope for investment.”

Union Investment currently manages eight commercial properties in the UK, including three grade A properties in London. Here, the Hamburg-based property investment management company acquired an interest in the Watermark Place office complex with a rental area of 50,500 m² in 2015. This was followed in 2016 by the acquisition of the XYZ Building in Manchester with a rental area of approx. 14,600 m², which was also in the project development stage.

Thanks to its urban flair and a modern usage mix, the Fitzrovia district is currently attracting commercial tenants from all sectors. With three underground stations – Tottenham Court Road, Oxford Circus and Goodge Street – in the vicinity, The Copyright Building is already extremely well served by the city's public transport network. Tottenham Court Road Crossrail

station will also be operational by the end of 2018, thus putting the property in direct proximity to one of the most centrally located transport hubs in London.

“Fitzrovia is currently one of the most dynamic areas of London’s West End. Once completed, The Copyright Building will be one of the district’s highest-value office complexes and is let on a long-term basis to an office tenant with an excellent credit rating,” points out Martin Schellein, Head of Investment Management Europe at Union Investment Real Estate GmbH. “As a result, this core investment is in line with the defensive strategy for expanding our portfolio in the UK and demonstrates that we are still pursuing attractive investment opportunities in the current market cycle.”

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