

Hamburg, 8 February 2018

## **Union Investment achieves exceptional letting results in 2017**

- **New lettings and relettings totalled 867,000 sq m**
- **30 per cent increase compared to 2016**
- **Relettings accounted for approximately 77 per cent**

In 2017, Union Investment let or relet a total of 867,00 sq m of commercial real estate space, representing an increase of around 30 per cent compared to 2016. Approximately half of the space was located in Germany. These letting figures are among the strongest in the history of the Hamburg-based real estate investment manager and contributed to a further rise in overall occupancy across all real estate funds based on income, up from 96.2 per cent in 2016 to 96.7 per cent. The new lettings and relettings provide the funds with aggregated annual net rents of approximately EUR 206 million.

“In the past year, asset management made a particularly strong contribution to the positive performance of our real estate funds,” said Volker Noack, a member of the management team at Union Investment Real Estate GmbH. “Against a backdrop of tightening real estate investment markets, it will be more important than ever in coming years to focus on the future viability of existing holdings. A significant aspect of this is meeting the growing sustainability requirements facing the portfolio.”

### **New lettings in competitive markets**

In 2017, 201,000 sq m of space was let to new tenants. The largest new letting in Germany was at RellingHaus in Essen, where Thyssenkrupp occupied approximately 12,500 sq m of office space. Union Investment was also very successful in Stuttgart, for example. Out of 14,500 sq m of new lettings, over 10,000 sq m was at the I6 Offices and Step 6 office properties in the commercial district of Vaihingen.

A highlight in the European real estate markets was the new letting of 7,500 sq m in the Horizon Plaza office building in Warsaw, particularly given that the high level of construction activity in the Polish capital creates more competition for lettings. Major new lettings were also signed in markets outside Europe, including 5,400 sq m in the Ten 10th Street property in Atlanta, which is held by Unilmmo: Global. Union Investment consciously acquired the building

in 2016 with a degree of vacant space in order to subsequently let the space in a recovering market.

## **Relettings confirm quality of portfolio**

Amounting to 666,000 sq m, relettings made up approximately 77 per cent of the total. This figure confirms the high customer retention rate within the portfolio. In Germany, Union Investment was able to agree lease extensions on approximately 10,000 sq m of space in Hamburg's Chilehaus, for example. The property has been held by Unilmmo: Deutschland since 1993. In the ATMOS office building in Munich, leases were extended on more than 15,000 sq m of space. The extension of the lease with Amazon for 103,000 sq m of logistics space in Bad Hersfeld also made a major contribution to the overall result.

The biggest success in the European real estate markets in terms of size was the reletting of approximately 19,000 sq m in the Torre Oriente office building in Lisbon. Outside Europe, Union Investment was particularly successful in Mexico. Leases were extended on 40,000 sq m of space across four properties in Mexico City. In the US, the biggest reletting was for 13,000 sq m in the 1000 Main office building in Houston.

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