

Hamburg, 16 February 2017

Union Investment acquires U7 office building in Stockholm

Uninstitutional European Real Estate re-enters Swedish market

Union Investment has acquired the Uarda 7 (U7) office building in the north of Stockholm, which offers approximately 17,400 sq m of space and is located in the fast-growing office submarket of Arenastaden. The vendor of the property is Swedish developer Fabege. The purchase price was approximately EUR 121 million. This acquisition sees the Hamburg-based real estate investment manager further expanding its portfolio in this location, with real estate assets under management in Sweden rising to over EUR 400 million.

The ten-storey U7 office building will be added to the portfolio of open-ended real estate fund Uninstitutional European Real Estate. The property was completed in April 2016 and features a modern, high-end specification. The main tenants in the building include Swedish state lottery company Svenska Spel, KPMG and French catering provider Sodexo, which also operates a restaurant on the ground floor. The sustainable design of U7 is evidenced by its BREEAM rating of Very Good. In addition to green roofs, the building also has a photovoltaic system and is equipped for heat recovery.

“The acquisition of U7 means that investors in Uninstitutional European Real Estate can now also benefit from exposure to the strong Swedish property market via this modern office building,” said Dr. Christoph Schumacher, a member of the management team at Union Investment Institutional Property GmbH. “The excellent prospects for the Arenastaden office submarket provide us with ideal conditions for this strategic step.”

Uninstitutional European Real Estate is one of the largest open-ended real estate funds for institutional investors in Europe. After this latest acquisition in Sweden, it holds 52 properties across 14 European countries. The properties in the fund are currently worth a total of around EUR 2.7 billion.

In the spring of 2016, Union Investment announced the purchase of the Vattenfall headquarters building for its open-ended retail real estate fund Unilmmo: Deutschland. The property is also located in Arenastaden, one of the most attractive office submarkets in Stockholm outside of the city centre. This new urban district will be fully developed by 2022. It already features a mix of office, retail and residential buildings combined with leisure spaces.

The largest shopping centre in Sweden and the country's largest multifunctional event space are both within easy reach of U7. A regional railway station and ten bus routes plus tram stops and subway stations ensure that Arenastaden is very well integrated into Stockholm's transport system.

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