



## PRESS RELEASE

### **Major hotel project in Hamburg sold to Union Investment for EUR 90 million**

Berlin/Munich, 24 August 2017 **UBM has secured its first forward deal in the long-term pipeline. The deal involves two hotel developments in Hamburg with around 600 rooms; completion is planned for the third quarter of 2019. The transaction utilizes the public and special funds of Union Investment.**

More than two years ahead of its planned completion, the sale underlines the great investor appeal of the Hotel asset class and UBM's role as a leading hotel developer in Europe. The UBM subsidiary Münchner Grund, in cooperation with the Munich Hotel Projekt, a subsidiary of Lambert Immobilien GmbH, will build two adjoining hotels under the brands Holiday Inn and Super 8 by summer 2019 on a 3,760 m<sup>2</sup> plot on Hamburg's Eiffestraße. Both developments have a total gross floor area above ground of 20,700 m<sup>2</sup> and have been sold to Union Investment for around EUR 90 mn.

"UBM plays to its strengths on large-scale developments such as these two hotels in Hamburg. Securing the sale in such an early phase gives us a strong boost for the future," said Christian Berger, Managing Director of Münchner Grund and member of the UBM Executive Committee. "We are continuing to expand in Hamburg; another prestigious project is "The Brick" in the Bahrenfelder Kühnehöfen".

Leasing agreements with a 20-year term were already signed for the hotels in May 2017, located not far from the Berliner Tor and in the heart of Hamburg-Borgfelde. One of the new constructions will boast 316 rooms and be operated by Primestar Hospitality GmbH as a Holiday Inn Hotel, while GS Star GmbH will establish a Super 8 Hotel in the project with 276 rooms. Union Investment will incorporate the Holiday Inn Hotel into the public real estate fund UniImmo: Deutschland and the Super 8 Hotel into the special fund UII Hotel Nr. 1.

"Both hotels are being developed to high standards in terms of architecture and sustainability. They are ideally situated on one of the key traffic routes of Hamburg's inner city and have already been leased long-term to attractive brands. They are a perfect fit for the portfolio of public and special funds," said Andreas Löcher, Head of Investment Management Hospitality at Union Investment.

With their typical Hamburg brickwork facades, the two developments will blend in well with the surrounding architecture and will be certified to DGNB Gold and LEED Gold.

Colliers International Hotel Berlin served as a broker for the contract signing. The sellers Münchner Grund and Munich Hotel Projekt were represented by Zirngibl Rechtsanwälte



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Partnerschaft mbB Munich. Union Investment received legal advice from Clifford Chance in Frankfurt.

### Impact of the sale on UBM

The transaction in the form of a forward deal does not have an immediate impact on net debt and total output. The purchase price will only take effect at the point of handover, anticipated in the course of the third quarter of 2019.

Time of impact (expected)	Q3/2019
Sales proceeds	around EUR 90 mn
Effect on total output	50% (equity method)
Effect on revenue	0% (equity method)
Effect on net debt (expected)	around EUR 12 mn in Q3/2019

**UBM Development AG** is the leading hotel developer in Europe. The strategic focus is on the three clearly defined asset classes Hotel, Office and Residential and the three core markets Germany, Austria and Poland. With 144 years of experience, UBM focuses on its core competency – developing real estate. UBM has changed to the prime market segment of the Vienna Stock Exchange in August 2016.

**Münchner Grund Immobilien Bauträger GmbH** is a subsidiary of UBM Development AG. The company operates as a project and property developer throughout the whole of Germany. The focus is on the asset classes Hotel, Office and Residential. From design and planning to development and construction to sales or letting, the developer offers all services from a single source. Münchner Grund has more than 50 years of experience and exclusively builds high-quality, sophisticated and profitable property for investors.

**Union Investment** is synonymous with forward-looking real estate investment worldwide. We offer a comprehensive platform for both private and institutional investors. We currently manage more than EUR 30 bn in assets in the form of public real estate funds, special funds and service and bundled packages. We invest in the segments Office, Retail, Hotel, Logistics and Residential and manage more than 350 properties in 22 countries in our current portfolio.



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