



UBM Development with residential portfolio of €1bn 3,750 apartments in the sale process and pipeline 130 apartments in Berlin sold to institutional investors for €50m

Vienna, 3 July 2018 – UBM Development, the leading hotel developer in Europe, is also setting new records in the residential asset class: 32 residential projects with over 3,750 apartments are currently in the sale process or pipeline. These projects, which are located almost entirely in the core markets of Germany and Austria, have a total volume of €1bn. The sale process has already started for 20 projects with roughly 2,000 apartments – whereby 60% of the units have already been sold or reserved.

The strong demand for UBM residential projects is also reflected in the growing interest of institutional investors: the start of construction on the large-scale “immergrün“ project in Berlin’s Thulestrasse was accompanied by the sale of two of the six planned buildings with roughly 130 apartments in total for about €50m to an institutional investor. The entire project is scheduled for completion by the beginning of 2021. “The ‘immergrün‘ project in Berlin shows that UBM is also playing in a new league in the residential sector“, commented Christian Berger, Managing Director of UBM Development Deutschland and member of the Executive Committee.

Tailwinds for the residential property market

The residential property market remains on an upward trend and is becoming increasingly interesting for institutional investors as a conservative addition to their portfolios. Demographic trends and the wish for more flexible housing solutions are driving the demand in urban areas, above all for single apartments and micro-apartments. “We identified the rising demand for high-quality residential properties and filled our pipeline, above all in the major German cities, at an early point in time in order to benefit from this market growth“, added Christian Berger.

The sale and development pipeline in Austria is also well filled with 17 projects that cover more than 1,750 apartments: an absolute showcase project, the “Rosenhügel“ in Vienna, was recently completed. On the grounds of the Rosenhügel film studios, UBM developed 204 privately financed apartments. The sale of the last apartments in this residential project, which comprises seven architecturally demanding buildings, is currently in progress.

“immergrün“ flagship project with over 500 apartments

On the border of Berlin’s inner city, directly north of the Prenzlauer Berg District, UBM is developing six multi-unit houses and an apartment house with 500 units in a joint venture together with a family office. A total of 132 apartments and 56 parking spaces have already been sold to an institutional investor for €48.8m. Construction started in May 2018, and plans call for the completion of the entire project during the first quarter of 2021. This approximately 60,000 m² site will be the location for 500 apartments with a modern facade appearance, which will offer various residential concepts with units from roughly 45 m² to roughly 125 m². Public transportation is within easy walking distance of the residential area. The neighbourhood also includes schools and infrastructure for everyday needs as well as culture, sport and recreational facilities.

Effects of the “immergrün“ global sale on UBM

Timing of effects ¹	Q2/2018 – Q3/2020
Sale proceeds	€48.8m
Effect on Total Output	50% (€24.4m)
Effect on revenue	None (at-equity)

¹ The application of the new accounting standards IFRS 15 leads to the recognition of revenue/Total Output over time based on the percentage of completion.

UBM Development is the leading hotel developer in Europe. Its strategic focus is on the three clearly defined asset classes Hotel, Office and Residential and the three core markets Germany, Austria and Poland. With 145 years of experience, UBM focuses on its core competency, the development of real estate. The Group acts as a one-stop provider for the entire value chain from initial planning all the way to marketing the property. UBM's shares are listed in the Prime Market segment of the Vienna Stock Exchange.

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