

The EREIS - Newsletter

The EREIS - Newsletter is part of the online portal EUROPEAN REAL ESTATE INFORMATION SYSTEM (www.p1-info.com). It is regularly issued in a two weeks term by the P1 PUBLISHING HOUSE. The following headings are subject to the newsletter:

- Editorial (actual overview of the real estate market)
- Real Estate News & Deals
- Company profile & analysis

Editorial

As we emphasized in our last issues always the repercussions of the actual global crisis on the real estate market, we would like to report this time with less scepticism. Having in focus the German real estate market it is still true that things are kind of paralyzed comparing to the previous years, but it should also be recalled that Germany's property sector does not suffer the same way as it is true for other countries.

Especially investments concerning property acquisitions can still be rated with a positive outcome. The premise for such investments is a thoroughly due diligence of the objects. By estimating correctly the actual and future demand of a region, a city or a quarter, investments in offices, retail or residential objects will pay off soon, not only in prime locations. Due to the crisis people have to be more flexible to get a job or to keep their existing one. As a consequence the demand for residential units with optimal transport links (arterial roads, local bus and railroad connection) will rise significantly. Taking as an example the city of Munich which is still growing quite fast, space is getting more and more scarce. The city's boundaries are reached and in about 10 years the last free areas (public and military plots) will be occupied. In addition the surrounding communities have only little building land (agriculture use, protected areas). There is no doubt that this will have an respective effect on the property prices, especially on the rents. (editor in chief: Dr. Roger Schöntag)



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Real Estate News

30.06.2009 Germany/Poland: IVG opens one of the most state-of-the-art buildings in the country in Warsaw

In Warsaw, a few minutes' drive from Okęcie Airport, the IVG Horizon Plaza Office Complex has been opened in the presence of IVG's CEO Dr. Gerhard Niesslein. The ensemble, consisting of one eleven-storey building and one seven-storey building and offering a total of 35,000 m² of office space in the Mokotów district, just a few minutes' drive away from Okęcie Airport, ranks as one of the most state-of-the-art buildings in the country and holds an outstanding status in terms of sustainability and energy efficiency. The complex, built of steel, glass and aluminium and designed by the international architects J.S.K from Frankfurt, is equipped with an electronic building management system that reduces its operating costs considerably. There is also a choice of three different ceiling heights in the buildings: 2.75 m, 2.88 m and 3.05 m, allowing optimal utilisation of space – unhindered by structural obstacles and in separate units – down to letting spaces of 154 m². The Horizon Place Office Complex offers "Class A" office space – with 3,700 m² on one floor – and is already 70% let. Kindergartens, universities, sports clubs, a shopping centre, hotels and restaurants can be found in the direct vicinity. The location is directly connected to the traffic infrastructure and local public transport. There are also 513 parking spaces in an underground facility plus 44 spaces outside. IVG financed and coordinated the complex, which was built by Curtis Development, and officially transferred ownership to IVG Immobilien AG on 1 May 2009. (source: IVG)

29.06.2009 Germany: Raffaele Lino new Board member of WGF AG

Raffaele Lino, 38, will be on the Executive Board of WGF Westfälische Grundbesitz und Finanzverwaltung AG) from 1 July 2009. As CSO (Chief Sales Officer), Raffaele Lino will have the strategic responsibility for selling financial products and real estate. Pino Sergio, Chairman of the Board, is thus engaging the services of a proven specialist: "For WGF AG, the appointment of Raffaele Lino is an enormous gain," says Sergio. "We will greatly benefit from his expertise in real estate and financial markets and also in business development." Lino's last position was as Corporate Finance Managing Director at DTZ, with responsibility for business development of the continental European market. Lino has a Masters in Economics from the Bocconi University in Milan. Born in Italy and resident in Frankfurt am Main, he also lectures at the European Business School. (source: WGF)

26.06.2009 USA: GLOBAL OFFICE BUSINESS SERVICES COMPANY TAPS CBRE TO ASSIST DEVELOPMENT IN U.S. MARKET

CB Richard Ellis Group, Inc (CBRE) today announced that it has been selected by Locartis, a global provider of office business centers and executive suites, as the exclusive provider of transaction management services for its development in the United States market and the roll-out of its locations throughout the country. CBRE is providing Locartis with real estate market and regional economic analysis, brokerage, transaction management and project management services for this important initiative. "CBRE creatively collected and analyzed economic data to help us select the right U. S. markets to consider while at the same time providing invaluable 'on-the-ground' intelligence regarding specific opportunities and challenges in each potential new market," said Philip Parris, President and Chief Executive of Locartis. He added "Our expansion plans have been given added impetus by the results of our own research, which shows more and more corporates are utilizing office business centers for a wider range of business units including those with up to 50 or more people." Locartis is planning to introduce its office business centers in partnership with property owners in 15 major markets within the next 12 to 18 months. Business centers will be located in Class A office buildings, primarily within Central Business Districts and will generally range in size from 15,000 to 30,000 sq. ft. (source: CBRE)

25.06.2009 Germany: HOCHTIEF to reduce federal state Berlin's energy costs and emissions Essen

Energy performance contracting will cut costs by more than 20 percent - 22,000 tons less CO₂ within ten years HOCHTIEF Energy Management was commissioned by the Berlin Senate to reduce the energy costs and emissions at 18 properties of the federal state of Berlin: Under an energy performance contracting assignment, the company will generate savings of about EUR 4.5 million - equivalent to 21 percent of costs to date - and reduce CO₂ emissions by a total of 22,000 tons over a period of ten years. HOCHTIEF came first among a large number of co-bidders in a competition organized by Berliner Energieagentur (Berlin Energy Agency). The contract volume was agreed to be kept confidential. The properties where HOCHTIEF will optimize the energy supply include the Rotes Rathaus city hall, court buildings, revenue offices and other federal state properties. In addition, the properties will be supplied with cogeneration energy in future. To this end, HOCHTIEF Energy Management will build six state-of-the-art cogeneration plants, take over maintenance of the technical systems, and control, monitor and document their energy-efficient operation. (source: Hochtief)

24.06.2009 Norway: NPRO - Negotiated amendments to loan agreements approved by the relevant credit committees of the Company's banks

Reference is made to the press releases dated 9 and 10 June 2009 regarding the private placement in Norwegian Property. Norwegian Property has today received documentation that the negotiated amendments and changes to the current loan agreements have been approved by the relevant banks' credit committees. These amendments for the respective loan agreements includes, inter alia, (i) extending of the due date of NOK 1,700 million acquisition facility for Oslo Properties AS from October 2010 to June 2012 (after repayment of the loan with NOK 700 millions); (ii) refinancing of the SEK 565 million stand-alone facility maturing in September 2009 for three years to 2012; (iii) secured available financing to repay 2nd priority bond loan maturing March 2010; and (iv) obtained waivers for LTV and ICR covenants on the "NOK 11,000 million Term Loan and Revolving Credit Facility" and "Oslo Properties AS NOK 1,700 million Multicurrency Acquisition and Guarantee Facility Agreement" level up to and including Q2 2011 (after repayment of the loan of NOK 400 millions). (source: *Norwegian Property*)

23.06.2009 Germany: DIC Asset AG bundles investor relations and corporate communications

DIC Asset AG will combine its Investor Relations and Corporate Communications activities: Immo von Homeyer (41) will head up the newly created "Investor Relations & Corporate Communications" division in addition to fulfilling his other marketing functions within DIC. Von Homeyer has many years of experience in communications for real estate companies: Prior to his position at DIC since January 2009, he worked in communications for the real estate division of HSH Nordbank AG and IVG Immobilien AG. Ina Lack, who has been responsible for investor relations to date, has decided to leave the company of her own accord to take on a new professional challenge. (source: *DIC*)

22.06.2009 Belgium: Intervest Offices realises sustainability projects

Intervest Offices has concluded a contract with the electricity supply company Electrabel to purchase green power (AlpEnergie) as from 1 June 2009. Due to the multi-tenant character of its portfolio the company is ideally placed to play a leading role in the energy consumption of the common spaces and equipment. The conditions of the new contract are very attractive. On the average annual cost more than 10 % savings will be realised (depending on the consumption). The tenants will benefit of these cost savings through lower common charges for the same consumption. In addition to the purchase of green power, the production of climate-neutral energy will start this year by installing solar panels on the roofs of three logistic properties. These properties are located in Boom (Industrieweg 18), Puurs (Veurstraat 91) and Wommelgem (Koralenhoeve 25). Solar panels will be installed on approximately 88.000 m² of roof area. Intervest Offices has opted not to invest in the construction of the photovoltaic system. For the construction of this project a 20-year superficies agreement has been concluded with Invictus, a company specialised in the realisation of such large-scale projects. (source: *Intervests*)

19.06.2009 IVG launches sale of EuroSelect 18 – Investors invest together with IVG in five modern German office properties

IVG Funds is launching a new closed-end fund in the EuroSelect product series: EuroSelect 18 invests into office properties in Hamburg, Nuremberg and Munich and forecasts an annual preferred payout of 6.0 percent for its investors up to the scheduled maturity date of 31 December 2025. IVG board member Georg Reul: "We are confident about the German property market and the capital increase potential which the properties in EuroSelect 18 offer. This is why we will remain invested in the properties. With their outstanding location, above-average fittings and broad diversification, the new and good-as-new office buildings meet all the requirements for successful sustained investment." The fund will acquire the properties at Nordostpark 3/5 and 7/9 with effect from 30 June 2009; investment in the other properties is scheduled for 1 July 2010, provided, among other things, that the properties have been completed. (source: *IVG*)

16.06.2009 Poland/Austria: Opening Andel's Hotel Lodz - Revitalised Industrial Architecture Becomes Design Hotel

The andel's design hotel celebrated its festive grand opening in Lodz yesterday evening. After decades of standing empty, the former factory, a weaving mill established in 1878 by textile magnate Izrael Poznanski directly next to the Old Town, has been transformed into a shining example of how historic industrial architecture can blend with modern design. The 4-star hotel was built by the real estate firm Warimpex, listed on both the Vienna and Warsaw Stock Exchanges, and is under management by Vienna International Hotelmanagement AG. (source: *Warimpex*)

Real Estate Deals

30.06.2009 Sweden: Fabege signs lease with Axfood Snabbgross in Solna Business Park

Axfood has signed a ten-year contract for the lease of office space as well as wholesale premises, in Fabege's Fräsaren 10 property in Solna Business Park. Axfood Snabbgross has previously leased premises in one of Fabege's properties in the Arenastaden district and is now choosing to develop its concept in Solna Business Park. "We are very pleased that Axfood Snabbgross is demonstrating its confidence in Fabege as landlord by choosing to remain in one of our properties," Christian Hermelin says. (source: *Faberge*)

29.06.2009 U.K./Denmark: Aberdeen acquires two properties from The Doctors' Pension Fund

Aberdeen Property Fund Denmark P/S (the Fund) will acquire two fully let office properties in Copenhagen from The Doctors' Pension Fund on 1 July 2009. The total area of the offices will be approximately 10,000 square metres. The Doctors' Pension Fund will receive half of the acquisition price totalling €17.8 million of shares in the Fund. The two office buildings are approximately 5,000 square metres each. Bomhusvej 13, 2100 Copenhagen is a functional and cost effective property located in close proximity to the motorway and to the exclusive office area North of Copenhagen. Pilestræde 52, 1112 Copenhagen is a wellmaintained historic property in central Copenhagen with a very charming atmosphere both inside and outside. The property comprises offices and a few residences. Aberdeen calculates a return of 6.75% for Bomhusvej and 5.75% for Pilestræde. (source: *Aberdeen*)

26.06.2009 Austria: Further new long-term leasing contracts also in Austria

After the successful signing of leasing contracts in Warsaw, Budapest, Prague, Bukarest and Bratislava, IMMOEAST AG was able to contract new tenants also in Austria. Especially the segments Office and Retail with more than 50,000 m² in total add to the sustainable safeguarding of the company's cash-flow over the next years. The new lease contracts have an average maturity of 5.5 years and are inflation-indexed. „The demand on modern spaces especially in the office market is still high. IMMOFINANZ group owns an excellent portfolio in Western and Eastern Europe which remains even in economical difficult times stable in value. Especially the Austrian market is very attractive due to its stability in times of crisis and its geographical position, not only for national and international tenants but also for investors. This has a positive impact on the demand and prices", Dr. Eduard Zehetner, CEO of IMMOEAST AG and IMMOFINANZ AG, pointed out. (source: *Immoeast*)

24.06.2009 Poland: Financing of more than € 31 M granted for development of Malta Office Park

The company concluded an agreement with WESTDEUTSCHE IMMOBILIENBANK AG, of the value of 31.785 million EUR, on the basis of which the bank shall finance realization of the office complex MALTA OFFICE PARK in Poznań. The part of the credit shall be assigned for re-financing of development costs of the first phase of Malta Office Park, the remaining amount shall be assigned to cover costs of construction of the next stage of the project and financing of the Borrower's current operations. The Parties agreed, that the credit shall be repaid within 63 months from the date of signing the agreement. (source: *Echo Investment*)

23.06.2009 Germany: ESTAVIS AG sells interest in Hamburgische Immobilien Invest

SUCV AG ESTAVIS AG today disposed of its interest of around 80.5 percent in the listed Hamburgische Immobilien Invest SUCV AG (HAG). As part of the transaction, ESTAVIS AG also sold its direct holding in CWI Real Estate AG, a subsidiary of HAG, of around 2.3 percent. The buyer of the investments is VPE VARIO Privae Equity AG based in Hamburg. The Management Board of ESTAVIS AG anticipates that the sale and resulting deconsolidation of the HAG investment will have a positive effect on costs and earnings in the 2009/2010 financial year (beginning: 1 July 2009). The transaction will result in an extraordinary, non-cash reduction in the earnings of ESTAVIS AG in the current 2008/2009 financial year, the exact amount of which will be determined in the annual financial statements. (source: *Estavis*)

19.06.2009 Germany/Australia: Deka Immobilien invests in Melbourne and Perth

Deka Immobilien GmbH has recently completed the purchase of two properties in Australia for approximately EUR 150 million. Deka Immobilien acquired 15 William Street in Melbourne for its open-ended fund, Deka-ImmobilienGlobal, for approximately EUR 95 million. The vendor was a fund managed by Australian asset manager AMP Capital Investors. The 40,000 sqm building is fully let. United Customer Management Solutions, a communications company, is the main tenant. The building attracts tenants due to its prime centre city location, high quality interior finishes and excellent transportation links. Further, with the purchase of the Australian Taxation Office building in Perth, Deka Immobilien completed an acquisition for the individual property fund Deka-S-PropertyFund No. 2 for approximately EUR 54 million. (source: *Deka*)

Real Estate Company Profile

Corio

Corio N.V.

Corio is a closed-end investment institution, listed on Euronext NYSE in Amsterdam and Paris, which is active in five countries: the Netherlands, France, Italy, Spain and Turkey. Corio specialises in (re)developing and operating shopping centres.

Corio is a fiscal investment institution (FBI) in Dutch law and has a SIIC status in France. The operating portfolio is valued at € 5.8 billion (1.6 million m² in 113 projects, of which 95 are shopping centres). Corio is also expanding this portfolio via extension, re-development and newbuild projects totalling € 2.7 billion (780,000 m² in 40 projects), a large proportion of which consist of extensions of existing centres. When the projects in the pipeline are completed, Corio will ultimately have a portfolio of 129 projects with a gross lettable area of 2.4 million m².

Shopping centres account for 94.6% of the portfolio (operational and pipeline). Much of the pipeline consists of investments in projects that Corio already owns. In selecting investments, Corio focuses on shopping centres that are dominant in their catchment area, because these are the projects that enable Corio, with its local and professional in-house management, to add most value to the portfolio. Corio's core activities are investment selection, (re)development, letting and centre management. Through active investing and the right timing of acquisitions and sales, the added value of development, letting and centre management can actually be realised. The quality of a shopping centre, as reflected in the cash flow, is determined by local factors, which is the main reason why Corio has a highly decentralised business model. The local business units Corio has set up in each country are largely responsible for their operating results. The success of our portfolio depends on our local letting managers, centre managers and developers. The business unit management teams communicate with the holding company in Utrecht through annual budgets, investment proposals and quarterly reports. Because we strive to keep our core activities in-house, Corio currently employs 400 people, of whom some 10% are employed at holding company level and the majority is positioned in the business units.

With leverage of 40% and fixed-interest loans accounting for about 65% of its borrowings, Corio finances its operations prudently, to ensure that it is always able to meet its obligations in both the short and the long term. In view of their nature and impact, Corio organises and manages these financing activities centrally.

Portfolio

During 2008, the focus on retail increased still further. The share of retail in the overall portfolio rose again to 92% (2007: 83%) through the disposal of the Dutch offices and industrial portfolio and the addition of a number of dominant centres or outlets in dominant centres. By the end of 2008, the property portfolio was spread more evenly over the home markets: the Netherlands 33%, (2007: 42%), France 34% (27%), Italy 19% (17%), Spain 8% (8%) and Turkey 6% (6%). The first step towards development activities was taken during 2008. An easing of FBI legislation made this possible from the summer of 2007. In January, CVO was formed and is now responsible for the management of the Dutch pipeline. (source: Corio)

Real Estate Company Profile

Corio

News

25.06.2009 Netherlands/Spain: Corio takes control over Príncipe Pío shopping centre in Madrid

Corio has acquired 95% of the shares of Príncipe Pío Gestion S.A. (hereafter: 'PPG') from Grupo Riofisa S.A. (owned by Inmobiliaria Colonial S.A.) (hereafter: 'Riofisa'). PPG is the long term leaseholder of the Príncipe Pío shopping centre. The shopping centre has a GLA of 28,680 m² and is connected to the Príncipe Pío railway station and has 900 underground parking places. The centre is located to the west and close to the city centre of Madrid and has 12.5 million visitors per annum. The total investment amounts to € 126.5 m (including all acquisition costs), and produces a Net Initial Yield of 7.8%. Corio will take over the favourable loans in PPG leaving € 56.5 m to be financed by Corio, resulting in a net return on equity of around 13%. Corio will own 95% of the shares in PPG. The other 5% are held by Administrador de Infraestructuras Ferroviarias (hereafter: 'ADIF'). ADIF is the Spanish state owned company that manages the railway infrastructure. The freehold to the land and buildings is owned by ADIF, PPG operates the shopping centre on the basis of a lease agreement with ADIF ending in 2050. (source: *Corio*)

04.06.2009 Netherlands: Corio successfully completes the offering of new shares and treasury shares

Corio N.V. ("Corio" or the "Company") announces that it has successfully raised €258 million through an accelerated bookbuild offering (the "Offering") of 7,940,575 shares (the "Shares") with institutional investors at a price of €32.50 per share. The Offering comprised 6,942,093 newly issued shares and 998,482 shares held by the Company in its own capital. The net proceeds of the Offering will be used to take advantage of attractive acquisition opportunities in Corio's home markets, further strengthen the balance sheet and for general corporate purposes. Allocation of the Shares has taken place on 4 June 2009 and payment for and delivery of the Shares will take place on 9 June 2009, at which date the newly issued shares are expected to be admitted to listing on Euronext Amsterdam by NYSE Euronext and Euronext Paris by NYSE Euronext. ABN AMRO Bank N.V. and J.P. Morgan Securities Ltd. acted as Joint Bookrunners of the Offering. (source: *Corio*)

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