

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

The economic crisis is not dead yet. Probably the bottom of the real estate crunch, which was reached in the end of 2008 & beginning of 2009 is left behind, but normal business is something different. We have good signs of recovering all over Europe, but still parts of the property business remain problematic. In Spain for example there are still about one million new houses and condominium units which are not let or sold. With the prognosis of even more unsold residential property until 2012 the Spanish housing market is quite burdened in some areas. Even in Mallorca, the tourist magnet for English and Germans there are about 100.000 houses empty (also old ones). In some parts of the country the recovering of the residential market is in progress, which is also true for the upper segment of the market. But Spain is not the only country where a certain stagnation can be observed. In the United States the slight recovery of the housing market is now also slowed down. For october 2009 there could be registered a fall of 3,6 % in comparison to the month before. The shares of the building industry were affected respectively. The numerous backing measures of the American government could avoid worst cases until now, but as the public subsidiaries are running out, we probably face new downward trends. (chief editor: Dr. Roger Schöntag)



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Real Estate News

30.10.2009 Austria/Hungary: CA IMMO INTERNATIONAL OPENS SPECIALIST RETAIL CENTRE IN HUNGARY

29 October 2009 sees the grand opening ceremony of the Dunacenter specialist retail centre in Győr, Hungary. The project was undertaken as a 50:50 joint venture between the CA Immo New Europe Property Fund, in which CA Immo International has a majority holding of 60%, and a group of Hungarian investors led by Ivan Holler. The total volume of investment is about € 19 million. The specialist retail centre with leasable area of 16,375 sqm was built in just ten months on a former industrial site at the western entrance to Győr. CA Immo International accesses the Hungarian retail segment for the first time. Until now, CA Immo International has invested exclusively in office properties in Hungary. In Budapest, high-quality office buildings, like Capital Square, the Vizivaros Office Center and Bartok Haz, are among the company's Hungarian property assets. With the opening of the Dunacenter specialist retail centre, CA Immo International is now also accessing the retail segment in this region for the first time. (source: *CaImmo*)

29.10.2009 Germany/U.K./Spain: Alexander Otto at the Urban Land Institute Summit in Barcelona

Today at the first summit of the Urban Land Institute's (ULI) Urban Investment Network in Barcelona, ECE chief and ULI Europe chairman Alexander Otto called on his industry colleagues as well as city officials to cooperate, particularly in these times of financial crisis. "If Europe's cities want to succeed in the long run, there has to be a profound exchange of know how between private investors and cities," said Otto. "The private and the public sectors have now the chance to create a win-win situation together. The ULI Urban Investment Network makes a continuous exchange possible in the first place." The network was launched in October 2008 in order to promote collaboration between private investors and European cities. Founding Partners are the cities of Barcelona, Amsterdam and Edinburgh as well as Allianz Real Estate, ECE Projektmanagement, Eurohypo AG and ING Real Estate Development. Among the partners of the network are the Deutsche Bank, the OECD and the European Investment Bank. 150 officials of the real estate industry and the public sector shared best practice during the inaugural summit of the ULI Urban Investment Network in Barcelona on Thursday. Other activities of the network like reports and workshops will secure the continuous dialogue. (source: *ECE*)

27.10.2009 U.K.: Carlyle And Abstract Nikal Submit Plans For Ivy Wharf Scheme in Salford

London - Global private equity firm, The Carlyle Group ("Carlyle"), announces that, in conjunction with its joint venture partner Abstract Nikal Ltd, it has submitted an outline planning application for Ivy Wharf, its 8.42 acre site in Salford Quays, near Manchester, together with a detailed application for the regeneration of Soapworks, the former Colgate Palmolive factory located in the heart of Ivy Wharf. Following extensive public consultation with the local community, during which the plans received strong local support, a detailed application has been submitted to redevelop the existing factory, now named Soapworks, into a 380,000 sq ft office, supported by ancillary consumer focused space on the ground floor, which might include retail, gym and restaurants. With floor plates of up to 85,000 sq ft, the space will accommodate a broad range of office requirements, with units starting at 2,000 sq ft. Marketing for pre-lets is already underway, targeting those tenants looking for affordable but high quality space. Subject to the receipt of planning approval, the project will be developed in stages, with the first phase totalling 100,000 sq ft. In addition, outline planning has been submitted for the development of the wider Ivy Wharf site and an extension to the Soapworks building, to include a 200-bed hotel, a retail element, residential as well as further office space. (source: *Carlyle*)

26.10.2009 Turkey/Netherlands: REDEVCO opens Erzurum Shopping Center (32,000 sq. m.)

Redevco's Erzurum Shopping Center opened its doors to the public on Wednesday, 21 October, after a spectacular ceremony and an opening speech by the Prime Minister Recep Tayyip Erdoğan. With more than 130 stores, a food court and leisure facilities, the centre offers a multitude of inviting opportunities to shop, eat and enjoy. Erzurum Shopping Center is the first green shopping centre, and the first BREEAM-certified building, in Turkey. Erzurum Shopping Center adds a new dimension to shopping in Erzurum, offering the best national and international retail brands. The key tenants are CarrefourSA, Cinebonus, Boyner Department Store, LC Waikiki, Teknosa, Playhouse and Koton. The centre also offers other brands such as Sarar, Intersport, Hatemoğlu, Network/Fabrika, Benetton, Nike, Ramsey KİP, Loco Poco, Süvari, KRC, Yeşil Kundura and Ayakkabı Dünyası. Some of them, like Cinebonus, Boyner, Sarar and Yeşil Kundura, are new to the region. With its 8 screens, Cinebonus is the biggest cinema complex in the region, combining the ultimate in cinema comfort with the latest technology. CarrefourSA, with 8,000 sq. m. gross leasable area, is the first hypermarket and Teknosa the biggest technology market in the region. Erzurum Shopping Center is bound to appeal to visitors of all age groups, and will delight even the youngest, with a 1,000 sq. m. kids play area operated by Playhouse. Enclosed parking facilities, directly under the shopping centre and equipped with the

25.10.2009 Germany/USA: First place at Solar Decathlon 2009: HOCHTIEF supports winning team

International green building competition in Washington - Construction services provider supports Darmstadt Technical University students Team Germany of Darmstadt Technical University, sponsored by HOCHTIEF, won the Solar Decathlon a second time. At this international college and university competition organized by the U.S. Department of Energy, participants design houses according to the most recent energy efficiency criteria and then compete against one another. 20 teams from universities around the world took part this year. Construction services provider HOCHTIEF supported the architecture and electrical engineering students from Darmstadt Technical University with technical expertise and financing. HOCHTIEF has a global commitment for sustainable buildings and is the U.S. market leader in the area of "green buildings". The house of the winning German team was named surPLUShome and sets itself apart with a new type of cooling ceiling that is part of its comprehensive energy concept. The ceiling reduces heat within the building. Solar modules on the roof and all four facades also generate electricity. The sustainable building developed as a one-room concept is currently exhibited at the National Mall in Washington, D.C. However, starting at the beginning of the year it will also be on display in Germany. (source: *Hochtief*)

23.10.2009 Germany: Limbecker Platz Essen: Opening of one of the biggest and most modern inner-city shopping centers in Germany

One of the biggest and most modern inner-city shopping center in Germany has been completed: tomorrow, on Thursday, October 22, the second construction stage of the shopping Center "Limbecker Platz" in Essen is opened. At the traditional location in Essen's city center a shopping center with a total rental area of 70,000 sqm was created in an overall construction time of three years for approximately 300 million Euros. In the mall more than 200 shops, restaurants, cafés and service providers are located on three floors. Approximately 2,000 people will work in the Limbecker Platz. The center provides around 2,000 parking spaces. Project partners for the Limbecker Platz are Union Investment Real Estate GmbH as main investor, Arcandor AG as well as ECE, which developed and planned the shopping center and will be responsible for the long-term center management. (source: *ECE*)

22.10.2009 USA: ProLogis Reports Third Quarter 2009 Results

ProLogis, a leading global provider of distribution facilities, today reported funds from operations as defined by ProLogis (FFO), excluding significant non-cash items, of \$0.21 per diluted share for the third quarter of 2009, compared with \$0.59 per diluted share in the third quarter of 2008. Significant non-cash items of \$0.07 per diluted share for the third quarter of 2009 included impairment of real estate properties and other assets, which were partially offset by gains from early extinguishment of debt. FFO, including significant non-cash items, was \$0.14 per diluted share for the third quarter of 2009; there were no significant non-cash items reported in the same period in 2008. Also embedded in the \$0.21 per diluted share of FFO, excluding significant non-cash items, was approximately \$0.03 per diluted share of non-recurring charges associated with write-offs of certain corporate assets and costs associated with the company's workforce reduction. The company reported a net loss of \$0.03 per diluted share for the third quarter of 2009, compared with net earnings of \$0.12 per diluted share in the third quarter of 2008. FFO, excluding significant non-cash items, was \$1.06 per diluted share for the nine months ended September 30, 2009, compared with \$2.95 per diluted share in 2008. FFO, including significant non-cash items, was \$1.16 per diluted share for the same period in 2009; there were no significant non-cash items reported in the nine months ended September 30, 2008. Net earnings per diluted share for the nine months ended September 30, 2009 were \$1.06 per diluted share, compared with \$1.57 per diluted share in the same period of 2008. (source: *Prologis*)

19.10.2009 Netherlands/Europe: EUROMONEY NAMES MULTI DEVELOPMENT 'BEST RETAIL DEVELOPER'

The winner of Euromoney's 'Best Global Retail Developer' for 2009 was Multi Development, who also scooped the Award for 'Best Developer Overall in Western Europe'. At a Gala dinner in London on October 15th, Euromoney announced the winners of its annual Real Estate Awards. Multi Development was awarded: Global - Best Retail Developer / Best Developer, Overall, in Western Europe / Best Retail Developer in Western Europe / Best Developer, Overall, in the Netherlands / Best Retail Developer in the Netherlands / Best Developer, Overall, in Turkey. Glenn Aaronson, CEO of Multi said: "We are pleased to have been honoured in two of our major markets, throughout western Europe and even globally by Euromoney readers, it is gratifying for all Multi people." Euromoney is the world's leading financial markets magazine. Clive Horwood, Editor of Euromoney, said: "In an increasingly challenging financial environment, the winners of the 2009 Euromoney Real Estate Awards are those that exhibited the ability to react at speed, innovate, and make best use of the inherent strengths of their organisation. Through the real estate poll, the market has recognised the achievements of these institutions in the face of difficult market conditions, which is why the awards are so richly deserved." (source: *Multi*)

Real Estate Deals

30.10.2009 U.K./France: Carlyle Group: 3000 M² of Retail Space Let Across Four Units in Rue du Bac Street Development in Paris

Global private equity firm The Carlyle Group, today announces that it has signed four leases for a total of 3000 M² of retail space in its 29/37 Rue du Bac office and retail development in the VII arrondissement in Paris, France. The Carlyle Group acquired the former Douanes building in 2005, before commencing a major reconstruction project in 2008. The project will complete in March 2010, when Carlyle will deliver 12000 M² of prime office space and 3600 M² of retail space, divided into five lots, each spread over the basement, ground and first floors. The first lease, of 1200 M², is for the largest of the five stores and has been signed with leading fashion brand MONOPRIX, who will create a flagship, brand positioning shop that is due to open in spring 2010. The second lease, for over 800 M² has been signed with B&B Italia: (source: *Carlyle*)

27.10.2009 Finland: Sponda to build production premises for Metso in Hakkila, Vantaa

Property investment company Sponda Plc and Metso Automation Inc. have signed an agreement for production premises to be built in Hakkila, Vantaa. The new building, with a floor area of some 22,000 square metres, will be erected beside the Honkatalo logistics centre owned by Sponda at Vanha Porvoontie 229 in Vantaa. The new building will be leased in its entirety to Metso Automation's business line with a long-term, 15 year lease. Sponda is also leasing to Metso some 12,000 square metres of office and warehouse premises in the Honkatalo office building next to the new building. (source: *Sponda*)

25.10.2009 Austria/Germany: IMMOFINANZ AG sells office building in Duisburg Real estate transaction of approx. EUR 35 million

IMMOFINANZ AG sold the office building "FWS12" in Duisburg to a special fund of Deka Immobilien Investment GmbH. The selling price amounts to approximately EUR 35 million. The deal has been brokered by ANTEON, a real estate consulting firm in Düsseldorf. The modern office building is situated in the city centre of Duisburg and lies next to the pedestrian area. All of the 16,000 m² floor space including 232 parking lots of the underground car park are let to tenants with a good credit-rating on a long-term basis; over 90% of them to a company of the German state North Rhine-Westphalia and to the Sparkasse Duisburg. (source: *Immofinanz*)

24.10.2009 U.K./Finland: Aberdeen completes lease agreement for 5,500 m² in Finland

Aberdeen Property Funds SICAV-FIS Pan-Nordic has completed a 5,500 m² lease agreement with the IT company, Tieto, regarding the property at Mattilanniemi 8, Jyväskylä, Finland. The fund has a value added profile and is aiming to provide excess returns to investors through active asset management. In this case the Tieto lease is the first step in changing the building into a diversified tenant structure. Further leasing deals are expected during the autumn. As of Q2 2009 the Aberdeen Property Funds SICAV-FIS Pan-Nordic has a diversified property portfolio located in Sweden, Norway, Denmark and Finland, to a total value of €894 million.(source: *Aberdeen*)

23.10.2009 U.K./Scandinavia: Carlyle Secures Over 30 000 sq m of New Lettings in the Nordics

Global private equity firm, The Carlyle Group ("Carlyle"), announces the completion of over 30,000 sq m of lettings in the Nordic region. In addition to the recently announced 6,000 sq m letting at its office development at Startboxen, Stockholm, and despite a challenging rental market, Carlyle has secured further lettings of approximately 10,000 sq m in Denmark and 16 000 sq m in Finland. In its Sankt. Petri Passage building on Nørregade in Copenhagen, Denmark, Carlyle has let 10,000 sq m to the law firm, Bruun & Hjejle (8,200 sq m), and the German school, Sankt Petri Schule (1,700 sq m). In Finland, Carlyle has also secured new tenants for 16 000 sq m of space across several of its buildings in Helsinki. (source: *Carlyle*)

19.10.2009 Germany/France: Commerz Real Expands its Commitment in Paris

Commerz Real just acquired another property in Paris as it signed the deed for the "Espace Kléber" office scheme. The fully let property comes with a lettable area of approximately 10,600 sqm and 158 parking spaces. Main tenant is the private Swiss bank Crédit Suisse, which uses about 70 percent of the total floor space as its French headquarter. The other tenant is a globally leading company for environmental services. The total investment volume on behalf of the "hausInvest europa" open-ended real estate fund approximated 120 million euros. Seller of the property was Klépierre France, a shopping centre operator in which the BNP Paribas banking group holds a majority interest. "With the acquisition of the 'Espace Kléber' property we have expanded our commitment in Paris. In April and August of this year, two of our institutional real estate funds invested in two office buildings located in the prime location between Arc de Triomphe and Trocadéro. (source: *CommerzReal*)

Real Estate Company Profile

Carlyle

The Carlyle Group is one of the world's largest private equity firms, with more than \$86.1 billion under management. With 64 funds across four investment disciplines (buyouts, growth capital, real estate and leveraged finance), Carlyle combines global vision with local insight, relying on a top-flight team of 475+ investment professionals operating out of offices in 20 countries to uncover superior opportunities in North America, Europe, Asia, Australia, the Middle East/North Africa and Latin America. While open to opportunities wherever they can be found, Carlyle focuses on sectors in which it has demonstrated expertise: aerospace & defense, automotive & transportation, consumer & retail, energy & power, financial services, healthcare, industrial, infrastructure, real estate, technology & business services and telecommunications & media.

In a world awash with information, insight is often in short supply. Carlyle's edge is its ability to leverage the local insight of its investment professionals, collaborating across the firms' investment disciplines from deal sourcing and due diligence through portfolio company development. The result: a broader view of potential investment opportunities and deeper level of expertise, creating value for Carlyle portfolio companies that translates into superior returns for Carlyle investors.

Carlyle's team of investment professionals includes 177 M.B.A.s, 30 J.D.s and 6 Ph.D./M.D.s from many of the world's most prestigious universities. Carlyle's conservative investment philosophy and disciplined investment process has generated extraordinary returns for its investors. Since its founding in 1987, the firm has invested \$56.3 billion in 920 transactions. More than 1,290 investors from 72 countries entrust Carlyle with their capital and their reputations. As one means of aligning its own interests with those of its Limited Partner investors, Carlyle has committed more than \$3.6 billion of its own capital to its funds.

Management: Carlyle is headquartered in Washington, DC and has offices in 20 countries. The firm is managed by its three Co-founders and Managing Directors, William E. Conway, Jr., Daniel A. D'Aniello and David M. Rubenstein. All investments made by Carlyle-sponsored funds are assessed and approved by investment committees comprising senior investment professionals. These funds are advised by investment advisory entities based in offices around the world. Carlyle has also established an operating committee, an important step in the continued institutionalization of our firm. Led by four seasoned Carlyle professionals, the operating committee is responsible for strategic planning, balance sheet management and new product development, among other critical functions.

Ownership: Carlyle is a private partnership, owned by a group of senior Carlyle professionals and two institutional investors. CalPERS, the California Public Employees Retirement System, owns 5.1%, and Mubadala Development Company, a strategic investment and development company headquartered in Abu Dhabi, owns 7.5%. (source: Carlyle)

Real Estate Company Profile

Carlyle

News

27.10.2009 Spain: Carlyle Completes The New Headquarters for the Spanish National Registrars Association in Madrid

Global private equity firm The Carlyle Group ("Carlyle") announces the completion of the new headquarters for the National Registrars Association of Spain on a site at Alcalá 540 in Madrid, which it acquired in joint venture with Therus Invest in June 2006. Shortly after the acquisition, Carlyle and Therus Invest signed an agreement with the Spanish National Registrars Association (Colegio de Registradores) for the development of a 30,000 m2 building on a turn-key basis, to accommodate the new headquarters of the association in Madrid. During the process, all parties worked together to adapt the new offices to the needs of the future owners. Rachel Lupiani, Director of Carlyle Europe Real Estate in Spain and Portugal, explains: "We are very proud of the new headquarters of the Colegio de Registradores. In addition to having developed a unique building adapted to the needs of our client, we are marking a milestone for our real estate activity in Spain by selling the first asset from our local portfolio." Javier de Pablo, Associate Director for Carlyle Europe Real Estate and responsible for asset management in Spain and Portugal, has been in charge of the supervision of the project while Therus Invest took care of the development management. The new headquarters of the National Registrars Association has approximately 30,000 m2 of office space and over 500 parking spaces. Work spaces are located in two parallel buildings joined by a central one. Each building has five floors articulated with vertical communication cores. The complex overlooks a plaza with gardens and high quality open spaces. The new building was designed by Mark Fenwick, Director at RFA Architecture, a leading Spanish architectural firm having developed several office projects in Madrid (such as Mercedes Business Park and Serrano 73), and new football stadiums of RCD Español in Barcelona and Valencia CF. Carlyle Europe Real Estate has an office in Madrid and closed its first acquisition in 2005. Since then, the firm has invested in several deals, including the purchase of the headquarters of Telefonica in Barcelona, the Estel building. (source: *Carlyle*)

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