

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:

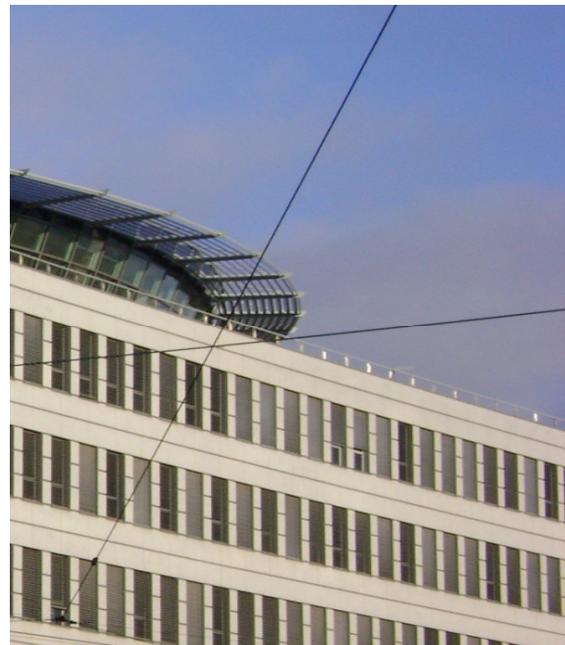
- Editorial (actual overview of the real estate market)
- Real Estate News & Deals
- Company profile & analysis

Editorial

Signs of a slight recovery are now also sensible on the Russian real estate market. The situation of loans and mortgages are improving for investors and as a consequence also major tenants for commercial property are at the ready. As in the rest of Europe, also in Russia the confidence in the stability of the market is coming back carefully. Buyers and vendors are still acting with hesitation and the reliability of a partner is checked thoroughly, but we can witness some movements. According to general forecasts Russian economy will grow in 2010 by 3%. The prospect of a relatively stable market and slightly growing economic situation for the next year, achieves also a positive effect on how real estate investors set up their schedules for the upcoming financial quarter. But nevertheless the now showing trend of recovery should not be overestimated. The situation remains critically and not all sectors of the real estate market will recover soon, because therefore the financial crisis cutted much too deep and was too complex. The residential housing market for example may need some more time to get back to normal. (chief-editor: Dr. Roger Schöntag)



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Real Estate News

17.12.2009 Norway: Changes in corporate management in Norwegian Property

Mr. Olav Line, who has been appointed as new CEO of Norwegian Property as from 1 January 2010, wishes to compose a new management team in the company. In relation to this, acting CEO and CFO Ms. Mari Thjømøe has decided to leave her position in the company. Ms. Mari Thjømøe took up the position as CFO in Norwegian Property in January 2009, and has acted as the company's CEO for the last three months. Chairman of the Board of Directors Mr. Tormod Hermansen has accepted Ms. Thjømøe's request to leave with effect as from 31 December 2009. Ms. Thjømøe has been instrumental in the extensive work of refinancing and strengthening of the company's financial position, efforts which have been significant for the positive share price development in 2009. (source: *NPRO*)

16.12.2009 Portugal: Leiria Shopping to be inaugurated in March 2010

LeiriaShopping, Sonae Sierra's new shopping centre in Leiria, will be inaugurated in March 2010. This development, which represents an investment of about €79 million, has a Gross Lettable Area of 44,395 m², 97% of which is already let confirming the project's success. LeiriaShopping will make available a total of 124 shops, combining prestigious national and international brands with local brands. Of the vast tenant mix we highlight the Continente Hypermarket, Sportzone and Worten, already in operation. The nine large dimension shops include seven Castello Lopes cinemas and the FNAC, Zara, H&M, C&A and Modalfa brands. Other brands present include Lanidor, Sacoor, Tintoretto, Springfield, Woman Secret, Pull & Bear, Bershka, Loja do Gato Preto, Boutique dos Relógios, Bertrand, O Boticário, Parfois, Tiffosi, Multiópticas, Samsonite, Golden Point, O Celeiro, Casa das Peles, Haity, General Óptica and Natura, as well as 19 restaurants among which McDonald's, Pizza Hut and Portugália that reinforce the variety and quality of the commercial offer this centre will bring to the region. The parking lot is free of charge and will make available 1.980 parking spaces. The new centre represents a strong renovation and vitalization of the local commerce and economy, through the creation of 900 jobs, and the hiring of local companies for different areas, representing an investment in the region of about €6 million. About 17% of the tenants present in LeiriaShopping are local companies, which include Plush, Bianca, Lizquadro, O Jardim, Equipe Donna, Mais Bela, San Luís, The American Dinner and Leitão com Pão. These 17% also include local franchisees, such as Chiquíssimo (Triumph), TNC Telecomunicações (Vodafone), Café Primavera (Loja das Sopas) and Grupo Caixeiro (Mango, Giovani Gali, Salsa and Upstyle). With a privileged location in terms of access roads (A8, A17, IC2, N113 and N242), the centre will serve a population of 529,000 inhabitants in a catchment area of 30 minutes, 80% of which already use the current Continente Hypermarket. With the opening of the new area, the annual number of visits is expected to grow from the current 5 million to 8 million, and sales in the first year of operation are expected to reach €77 million. (source: *sonaesierra*)

15.12.2009 Sweden: Anders Kupsu leaves Skanska to become Managing Director of Diligentia

Anders Kupsu, currently President of Skanska Commercial Development Nordic, has been named Managing Director of Diligentia, one of Sweden's largest real estate companies. Consequently, after 20 years with Skanska, he will leave the company this spring and preliminary he will assume his new position on July 1. "Anders Kupsu has done an excellent job and contributed in developing our successful business within commercial property development. We wish him good luck in his new position," says Claes Larsson, Executive Vice President, Skanska and responsible in the Senior Executive Team (SET) for Skanska's Commercial Development businesses in the Nordics and Central Europe. Anders Kupsu has served as President for Skanska Commercial Development Nordic for more than two years and before that as President for Skanska Residential Development Nordic. Recruitment of a successor is under way. (source: *Skanska*)

14.12.2009 Netherlands: MULTI WINS BEST SHOPPING CENTER and BEST DEVELOPER OF THE YEAR AWARDS AT CONSTRUCTION & INVESTMENT JOURNAL AWARDS

Multi Development was awarded in the category of Best Shopping Centre development for its project; Forum Ústí nad Labem, Czech Republic. The Best Shopping Center prize was collected by Ronald Dasbach, Director of Multi Development. Mr. Dasbach was called back to the stage later in the evening to receive the coveted Developer of the Year award. Jury statement Best Shopping Centre Development: For managing to integrate this development within a prime down-town location and helping to re-invigorate life in the city, for attracting the best retailers and for executing this highly professional state of the art shopping centre, the shopping centre of the year award for 2009 goes to Multi, the developer of Forum Ústí nad Labem. Developer of the Year: For its success in the Czech Republic in the completion of high quality projects, in challenging regional markets under extremely difficult conditions, and for its high level of sophistication in creating commercial real estate, this year's developer of the year is Multi Development. (source: *Multi*)

10.12.2009 Germany: Construction Starts for YOUNIQ Project in Munich-Milbertshofen

Right on schedule, YOUNIQ AG commenced construction of the student living project the company to be realised in Munich's northern district of Milbertshofen. On a site located on Schleissheimer Strasse, the company will complete 85 student apartments – modelled on the YOUNIQ concept and meeting the needs of present-day students – in time for the winter semester of 2010/2011. YOUNIQ properties represent conceptual real estate that provides its student tenants, in addition to high-end, full furnished apartments, with a diversified range of recreational activities, discounts on products and services – the campus world of "YOUNIQ Welt." The program's spectrum extends from lower gym membership rates, to hosted student parties, all the way to degree- and career-planning services. YOUNIQ AG is implementing this concept not just on Schleissheimer Strasse in Milbertshofen, but will start construction of another 130 apartments on Georg-Wopfner-Strasse in the Freimann district in the North of Munich in early 2010. At either site, the concept calls for studio apartments of roughly 22 square metres each, to be let at an all-inclusive rent of 550 Euros. "All-in" means: There are no extra charges, while high-end furnishing and features as well as cable TV and a high-speed Internet connection are included. (source: *Youniq*)

09.12.2009 Portugal: Certification of LeiriaShopping reinforces Sonae Sierra's commitment to the "zero accidents" goal

Sonae Sierra is the first Company in Europe to receive a Safety & Health Certification for the construction management of a shopping centre. Sonae Sierra has just become the first company in Europe to obtain the OHSAS 18001 Safety & Health certification for the management of the construction of a shopping centre, a reference in the Management of Prevention of Labour Risks, developed by an international consortium of normalization and certification entities. The certification of LeiriaShopping reinforces the Company's commitment in this area, especially because it refers to the construction phase, an activity that carries risks in terms of Safety & Health, with a high prevalence of accidents. This certification, issued by TÜV Rheinland, a German multinational leader in the certification area, acknowledges the quality of the Health & Safety system implemented in the management of the construction of LeiriaShopping, allowing the organization to identify and control the safety and health risks on site, decrease the potential for accidents, contribute to the compliance with safety regulations and increase productivity in general. (source: *SonaeSierra*)

08.12.2009 Germany: IVG: New Managing Director at IVG Asset Management GmbH

Jochen Schäfer (41) joined the Executive Board of Asset Management GmbH. The certificated merchant will take the responsibility for the portfolio growth at IVG. In addition to the improvement of the real estate portfolio by means of a professional letting management and an active buy-and-sell-strategy, the Asset Management of IVG will especially focus on the leverage of property value potential via development measures in future. (source: *IVG*)

08.12.2009 Netherlands: LUURT VAN DER PLOEG APPOINTED TO EXECUTIVE BOARD OF MULTI CORPORATION BV

Multi Corporation bv, the pan-European commercial retail real estate developer and investor today announced the appointment of Luurt A.S. van der Ploeg (39) as an Executive Board Member of Multi Corporation bv. He will be responsible for all areas of financial management, budgeting, treasury, tax, shareholder relations and corporate governance affairs. Mr. Van der Ploeg is the Chief Financial Officer and a member of both the Investment and Executive Committee of Multi Corporation bv. Mr. Van der Ploeg joined Multi in 2001 and held a number of financial management positions before being appointed Chief Financial Officer in 2006. Prior to this Mr. Van der Ploeg worked between 1994 and 2001 as a certified public accountant for Ernst & Young. Commenting on the appointment, Glenn Aaronson, Chief Executive Officer of Multi Corporation bv, said: "We are delighted to announce the appointment of Luurt, who brings to the Executive Board a wealth of experience. His well-proven ability in financial management, strategic implementation, bank relations and risk management are important to Multi Corporation bv." (source: *Multi*)

04.12.2009 Norway: Norwegian Property third quarter 2009: Positive results and strengthened financial platform

Norwegian Property ASA achieved a profit before tax of NOK 251 million for the third quarter 2009, compared with NOK -1 372 million in the corresponding period last year. Gross rental income amounted to NOK 445 million, which adjusted for sale of properties, corresponds to an increase of 1.4 percent from third quarter 2008. Operating profit before fair value adjustments was NOK 363 million, compared with NOK 388 million in the same period last year. Total value adjustments for the property portfolio came to minus 0.1 percent in the quarter, of which commercial properties had a positive value adjustment of 0.1 percent and the hotel portfolio was adjusted downwards by 0.5 percent. In the third quarter Norwegian Property strengthened its financial platform through a private placement of NOK 1 200 million and a subsequent repair offering of NOK 300 million. The aggregate proceeds were used for debt repayment. (*NPRO*)

Real Estate Deals

18.12.2009 Sweden: Fabege sells in Bromma

Fabege has sold its Bergklacken 5 property and Bergklacken 6 leasehold in Bromma, Stockholm. The buyer is Altira AB and the sale is being made in the form of a company at underlying property value of SEK 72m. Bergklacken 5 and 6 comprise a total space of about 11,000 m². The occupancy date is 25 February 2010. The sale will result in a profit after tax of SEK 9m, which will be recognised in the fourth quarter of 2009. "The sale fits in with our ambition to concentrate our property portfolio to a few select sub-markets," Christian Hermelin, Fabege's CEO, says. Fabege AB (publ) is one of Sweden's leading property companies focusing on commercial premises. The book value of the company's property portfolio is approximately SEK 29.4bn. The portfolio is concentrated to the Stockholm region and has an annualised rental value of SEK 2.4bn and a lettable area of 1.4m square metres. Fabege's shares are listed on the Stockholm Stock Exchange, Large Cap segment. (source: *Fabege*)

17.12.2009 Sweden: Fabege signs lease with Vectura in Solna Business Park

Vectura Consulting AB has signed a lease for 6,300 m², including 5,900 m² of office space, in Fabege's Fräsaren 10 property on Svetsarvägen 24 in Solna Business Park. The contract is worth SEK 12m annually and runs for five years. Vectura is a consulting firm specialising in transport infrastructure that provides services in reporting and analysis, project planning, building and project management, and operations and maintenance in the areas of land and society, railways, infrastructure and traffic systems. Vectura has chosen to locate its head office in Solna. (source: *Fabege*)

15.12.2009 Belgium: Sale of the office building Astronomie 30

Cofinimmo announces the disposal of the office block known as "Astronomie 30" situated in central Brussels to the German investor AIK - APO Immobilien - Kapitalanlagegesellschaft mbH for a price of € 23.95 million. This amount is € 1.55 million or +6.92% higher than the investment value of the property, that it is to say the most recent quarterly expert's value. The building has office space totalling 7,776m² and is let to an agency of the Flemish Community. The proceeds of these 2 transactions, namely € 54.87 million, will be used to finance the company's current investment programme. These disposals fit in with Cofinimmo's policy to continuously fine-tune its assets, allowing it to maintain an optimal quality portfolio over the long term and to allocate capital to the acquisition of new properties, such as the City Link. Furthermore, they flag up Cofinimmo's ability in arranging valuable transactions against the backdrop of a virtually moribund investment market. Other smallscale property sales are likely to take place in the coming weeks. (source: *Cofinimmo*)

11.12.2009 Poland: New tenants for Factory Outlet Poznań

Calzedonia/Intimissimi, Dajar Home & Garden, Bergson and 6-zmysł are joining Factory Outlet Poznań in Lubon. The new tenants will occupy a total of over 600 sq.m of the centre space. Cushman & Wakefield, an international real estate consultancy firm, is responsible for the commercialisation of the centre. Calzedonia/Intimissimi, an Italian fashion retailer, has signed the largest lease for 267 sq.m. Dajar Home & Garden, a distributor of household goods and garden furniture, will take 189 sq.m while Bergson, a leading manufacturer of sportswear and outdoor equipment, will occupy 98 sq.m of the centre space. The remaining 64 sq.m has been let to 6-zmysł, a distributor of underwear and swimming suits. Factory Outlet Poznań is situated in Lubon. The centre of approx. 15,000 sq.m features 120 stores, which offer Polish and international brands at a price up to 70% lower than the regular price. The investor and developer of the centre is Spain-based Neinver, which has launched the concept of outlet centre in Poland and where it has become the sector leader. (source: *cushwake*)

07.12.2009 Sweden/Japan: SEB real estate special fund acquires shopping centre in Chiba New Town

SEB Asset Management has acquired a high-quality, fully let shopping centre in the Japanese city of Chiba for its real estate special fund SEB Asian Property Fund SICAV-FIS. The investment volume is the equivalent of around EUR 91 million. "AEON Chiba New Town Shopping Center" was completed in 2007 and is fully let to the operator AEON until 2027. The property comprises over 130 shops, a cinema and fitness and leisure facilities. The shopping centre is the sixth purchase for the special fund, which is governed by Luxembourg law and is 100% invested in Asia. In addition to Tokyo, the Fund has investments in Shanghai and Singapore. The property is located in the centre of Chiba New Town, which is in the immediate vicinity of the Japanese capital Tokyo. The Chiba region gives the shopping centre a catchment area of more than 400,000 people. Chiba New Town is linked to the Greater Tokyo area by a suburban rail system and serves as a commuter town for workers in the capital. (source: *SEB*)

Real Estate Company Profile

Cofinimmo

Cofinimmo is the foremost Belgian investor in rental property. Its major investment segments are office property and senior residences. The property portfolio also comprises the Pubstone portfolio. The office portfolio is managed over the long term by its own commercial and technical staff. As per 30.06.2009, the properties represented a total area of over 1,600,000m² and an investment value of more than EUR 3 billion. Besides quality buildings, Cofinimmo also provides its clients with a wide range of property services designed to facilitate office management as well as considerable flexibility regarding the terms and duration of ongoing leases. Cofinimmo is listed on Euronext Brussels and Euronext Paris and is included in the BEL20 index. Its shareholders are mainly private individuals and institutional investors from Belgium and abroad, looking for a moderate risk profile combined with a high dividend yield.

Guiding principles

Cofinimmo is committed to maintaining high standards of corporate governance and constantly evaluating its methods in relation to the principles, practices and requirements. The Board declares that, to his knowledge, the practice of corporate governance complies perfectly with the Belgian Corporate Governance Code. Sustainable development Aware of the potential impact of its activities on the environment in the broad sense, Cofinimmo recognises that it must conduct itself as a responsible and community-minded enterprise, in keeping with the objectives of sustainable development. It is committed to developing and managing the property portfolio with respect for the environment and natural resources by reducing its ecological footprint in an economically rational manner. In this way, Cofinimmo ensures optimal risk management and, by extension, helps minimise the risks incurred by its tenants, by its shareholders and, naturally also, by the neighbourhood. Risk control is a key component of the continuous drive to improve Cofinimmo's competitiveness and to utilise its resources more efficiently.

Property portfolio

As per 30.06.2009 Cofinimmo managed a portfolio comprising mainly offices (61.2%) but also nursing homes (23.9%) and pubs (12.4%), representing a total surface of 1,643,719m² and a fair value of EUR 3.1 billion.

Sicafi

The Sicaf immobilière (société d'investissement immobilière à capital fixe publique - fixed capital real estate investment trust) regime, introduced by the Law of 04.12.1990, permits the creation in Belgium of property investment organisations, such as already exist in numerous other countries: Real Estate Investment Trusts (REITs) in the US, Beleggingsinstellingen (BI) in The Netherlands, G-REITs in Germany, Sociétés d'Investissements Immobiliers Cotées (SIIC) in France and UK REITs in the UK. This new company form was enacted by the Royal Decree of 10.04.1995, last modified by the Royal Decree of 21.06.2006. The Law of 23.12.1994 regulated the tax effects on existing companies of transformation into a Sicaf immobilière.

SIIC (société d'investissements immobiliers cotée)

Cofinimmo obtained its approved SIIC status on 04.08.2008.

This tax regime allows companies to benefit from a full exemption from corporate income tax on profits generated by letting their real estate assets as well as those derived from gains on the sale of these assets, provided they distribute 85% of profits from letting, 50% of capital gains and 100% of the distributions of profits received from SIIC subsidiaries. (source: *Cofinimmo*)

Real Estate Company Profile

Cofinimmo

News

16.12.2009 Belgium: Cofinimmo Third quarter results

In a particularly delicate economic context, during the first 9 months of 2009 Cofinimmo turned in an operating performance which improved on the same period in 2008. The net current result at 30.09.2009 (impact of IAS 39 and non - recurring elements excluded) comes to € 5.78 per ordinary share as against € 5.51 for the same period in 2008, an increase of 4.9%. This performance is associated with the maintenance of the occupancy rate at above 97% and a 1.15% improvement in the operating margin. The net current result (impact of IAS 39 and non - recurring elements excluded) for the third quarter of 2009 only stands at € 1.98 per ordinary share compared to € 1.80 during the same period in 2008. The performance during this third quarter confirms the forecast published in the 2008 Annual Report for a net current result per share for the full year 2009 of € 7.40. The dividend forecast for the ordinary share announced on 03.08.2009 (€ 6.50 gross) remains unchanged. The fair value of the property portfolio slightly decreased during the three - month period, recording a total reduction over the first 9 months of 2009 amounting to 1.82%¹. With the property investment market still relatively inactive, the experts have chosen to raise the capitalisation rates from an average of 6.88% to 7.09% between 1 January and 30 September 2009, notwithstanding an average remaining lease period of 10.7 years for the Cofinimmo portfolio. The decline in fair value of the portfolio has prompted the company to significantly bolster its financial resources so as to meet its investment commitments whilst preserving a sound balance sheet structure. Accordingly, since the beginning of the year Cofinimmo has taken the following steps:

- the sale of 1,292,485 own shares for € 98 million;
- the sale of lease receivables to banking institutions for a total of € 271 million;
- the issue of a five - year bond for € 100 million.

The resources raised in this way will cover the entire investment financing requirements up until end - June 2011 as well as the refinancing of credit facilities maturing before that date. These different operations allow the company to attain a debt ratio, as defined in the legislation governing Sicafis¹, equal to 50.07% at 30.09.2009. The Loan to Value ratio², as defined in the bank covenants, stands at 53.23% on the same date. (source: *Cofinimmo*)

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