

## The EREIS - Newsletter

The EREIS - Newsletter is part of the online portal EUROPEAN REAL ESTATE INFORMATION SYSTEM ([www.p1-info.com](http://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

Throughout Europe there are still spots where the actual crisis did no significant harm. One of these spots is Munich. The most southern of Germany's big cities can report a rather successful year 2009. The transaction volume of Munich's real estate market achieved 6,5 billion Euro, which is a billion more than the previous year and a growth of 18% in comparison to 2008. The commercial properties are partly subdued by the effects of the financial crisis, but the residential sector is booming. In 2009 13.000 contracts were made for condos and the selling of the multi-family houses increased by 44%. According to the E-REGI (European Regional Economic Growth Index) of september 2009 Munich is on the top of 100 regions in Europe (31 countries) followed by Paris, Stockholm and London. The E-REGI is an indicator for economic wealth.

In 2010 Munich is supposed to remain under the first cities of Europe, rather immune against economic up and downs. This is probably not the right place for high risk investments with extreme profits, but a region which guarantees a stable economic situation, generally spoken, and a solid chance for investments in the real estate sector. (chief-editor: Dr. Roger Schöntag)



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## Real Estate News

### **15.02.2010 Germany/Ireland: Changes to the Board of Directors of DEPFA BANK plc**

DEPFA BANK plc has strengthened its Board of Directors with the appointment of both a new Chief Financial Officer, and additional Non-Executive Directors. Noel Reynolds has been appointed Executive Director and Chief Financial Officer (CFO) of DEPFA BANK plc with effect from 21 January 2010. He joins the Board of Directors from DEPFA's staff, where he most recently served as Head of Finance. The CFO position had been vacant for some time, and Cyril Dunne, CEO, had been covering the role of the CFO on an interim basis. Adrian J. Kearns, Alexander von Uslar and Dr Herbert Walter were appointed as Non-Executive Directors of DEPFA BANK plc in December 2009. Patrick Ryan resigned as a Director on 23 December 2009. Mr Kearns was Executive Director of the Irish National Treasury Management Agency (NTMA) from 1990 until his retirement in 2008. Mr von Uslar is Chief Financial Officer at HRE Holding AG and Deutsche Pfandbriefbank AG. Dr Walter was Chairman of the Management Board of Dresdner Bank AG, and a member of the Management Board of Allianz SE from 2003 to 2009. He is currently head of Walter Consult in Frankfurt. (source: *HRE*)

### **12.02.2010 USA: KPMG Building Receives LEED Gold Certification**

The San Francisco office of Hines, the international real estate firm, announced today that the KPMG Building at 55 Second Street has received LEED® Gold certification from the U.S. Green Building Council under the Existing Buildings (EB) Rating System. The KPMG Building is a 25-story, 379,328-square-foot office building located in the Mission Street Corridor of San Francisco's South Financial District. Designed by Heller Manus, the building was completed in 2002 and was acquired by the Hines US Core Office Fund in 2004. The KPMG Building has earned the ENERGY STAR® label every year since 2006 and has a rating of 97 (as of December, 2009). As a result, the building performs 57 percent better than the national average building, which translates to estimated greenhouse gas reductions equivalent to removing approximately 340 passenger vehicles from the road. Green building features and programs include: more than 75 percent monthly landfill diversion through recycling, composting and e-waste disposal; a high-performance green cleaning program; reduced heat island effect and nighttime light pollution; a 25 percent reduction in indoor potable water use; comprehensive commissioning; the installation of low-mercury lamps; the installation of MERV-13 air filters to provide the cleanest indoor air; and alternative transportation options for commuters, among other things. (source: *Hines*)

### **08.02.2010 Hungary: The Foundation Stone of K&H's New Head Office has Been Laid**

The new, campus-style head office of K&H Group is being constructed in the Millennium City Center, over a floor area of 76,000 square meters that also consists of a 3-storey underground parking facility. K&H will purchase the 54,000 square meter building 'K', and lease the 22,000 square meter building 'H'. Of this latter, approximately 9,500 square meters will be office space. Both buildings are designed by the Finta Architects' Office. "There are four focus areas within K&H Group's sustainability strategy: children's healthcare, sport, the creation of attractive workplaces and environmental protection. The new head office building is being built in the spirit of these two latter concepts. In designing and implementing the construction work, we have applied up-to-date solutions, with maximum regard to environmental consciousness. We are providing our close to 2 500 staff with modern, dynamic and healthy working conditions, as well as an inspiring environment"- said Marko Voljč, CEO of K&H Group. In designing and implementing the new head office, not only cost-effectiveness but environmental consciousness and sustainability also played an important part. The mechanical and electrical concepts applied, the furnishings, the acoustic, ergonomic and technical solutions, as well as the green roof gardens and terraces all point to an environmentally friendly operation. Under this concept, TriGranit was the first in Hungary to launch a project under the LEED® certification category - a US system based on environmental consciousness and sustainability criteria that provides the project with world-wide recognition. 'Our objective is to obtain Gold LEED Certification that would make us the first on the Hungarian real estate market to hold such certification. Using renewable energy resources, energy utilization is expected to drop by 30-40%, and the cost of operation will also decrease accordingly, to a significant degree' - said Árpád Török, CEO of TriGranit Development Corporation. It was a unique opportunity on the market to combine the client's requirements with our company's environmentally conscious thinking, to create a project that qualifies for LEED® certification - stressed the Chief Executive Officer. TriGranit is one of the largest European fully integrated real estate investment, development and management companies. With operations in 7 countries in Central and Eastern Europe, a large portfolio of completed trophy assets, and a pipeline of over € 4 billion of major mixed-use developments, as well as a number of public private partnership (PPP) investments, TriGranit is well positioned to participate in the expanding real estate markets. (source: *TriGranit*)

### **08.02.2010 USA: ProLogis Reports Fourth Quarter/Year-end 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 \$1.15 per diluted share in 2009, compared with \$3.51 for 2008. (See Summary of Results table for details). These amounts reflect the add back of impairments on real estate properties, goodwill and other assets totaling \$0.81 per diluted share in 2009 and \$3.01 in 2008. ProLogis reported a net loss per diluted share of \$0.01 for 2009, compared with a net loss of \$1.82 for 2008. For the fourth quarter, FFO, excluding significant non-cash items, was \$0.13 per diluted share in 2009, compared with \$0.56 in 2008. These amounts reflect the add back of impairments on real estate properties, goodwill and other assets totaling \$0.78 per diluted share in the fourth quarter of 2009 and \$3.04 in 2008. For the fourth quarter of 2009, the company reported a net loss per diluted share of \$0.86, compared with a net loss of \$3.39 in the same period of 2008. (source: *Prologis*)

### **05.02.2010 Germany: ECE and SES establish exclusive Joint Venture for future projects in Italy**

Hamburg-based ECE Projektmanagement together with the Austrian SES Spar European Shopping Centers established a Joint Venture for the exclusive development, realization and management of new shopping centers in Italy. The President of the SES Management Board, Marcus Wild, and the Deputy CEO of ECE, Gerhard Dunstheimer, signed the Memorandum of Association on January 20 in Salzburg. Both companies have an equal share in SES-ECE-Management GmbH with its headquarters in Salzburg, its Managing Directors Marcus Wild and Gerhard Dunstheimer. The Austrian Spar Group with its subsidiary Despar has been the number one in food retailing in Northern Italy for many years. SES already manages the two shopping centers IPERCITY and Le Brentelle in Padua. Marcus Wild: "I am sure that we can realize a rapid expansion together. ECE's international network and the strength of both companies on the tenant market as well as our local competence in Italy complement each other excellently." (source: *ECE*)

### **03.02.2010 Portugal: Sonae Sierra reinforces its commitment to the "zero accidents" goal**

Sonae Sierra concluded in 2009 the Safety & Health certification, under the OHSAS 18001 standard, of 5 of its shopping centres in Portugal: Centro Vasco da Gama, NorteShopping, GaiaShopping, ArrábidaShopping and Estação Viana, thus joining Centro Colombo which obtained its certification in 2008. This certification, issued by TÜV Rheinland Portugal, a German multinational leader in the certification area, acknowledges the quality of the Safety & Health system implemented in the management of those centres. OHSAS 18001 is a standard that validates a Management System (like ISO 9001 and ISO 14001) orientated towards Safety & Health at work, working as a tool which allows companies to manage and control its levels of performance in those areas, according to the objectives, policies, and action plans set by the company itself. In practical terms, this certification ensures a greater control over the risks identified in the building (common and technical areas) which may threaten the physical integrity of visitors, employees, service providers and tenants. Through risk control - such as slippery surfaces, obstacles in the mall, fires, etc - incidents are prevented inside shopping centres. With its bet on safety and prevention, Sonae Sierra reinforces its conviction that people are the most valuable asset, and their integrity must be protected. For the company, this attitude is a competitive edge and a differentiating factor regarding the competition. In 2008, the company record a 43% reduction in number of days lost due to work accidents or professional diseases, compared to the three previous years. In 2008, Sonae Sierra became the first European company in the shopping centre sector to obtain certification for its corporate system. More recently, the company became the first in Europe to obtain the Safety & Health certification for the management of the construction of a shopping centre, LeiriaShopping, which is scheduled to open to the public on March 25th. (source: *SonaeSierra*)

### **02.02.2010 Austria: Andel's Hotel Łódź: Award for Outstanding Interior Design in New York Just eight months after its grand opening, the 4-star**

Hotel Andel's in Łódź has already received its fourth award. On Friday, the hotel investor and the interior design team received the prestigious Interiors Awards from US-based Contract Magazine in New York for the hotel's outstanding design. The andel's Łódź won the award in the category of "Adaptive Re-Use" for the transformation of an existing historical building into an exclusive conference hotel. „This a great example of how one can insert a new and dynamic object into an existing space to create a sense of unexpected spontaneity. Strong colour and form in juxtaposition with sinewy, rhythmic structure is effective in highlighting the adapted intervention. Each aspect is executed with enthusiasm and respect. Lighting is inspired!" was the jury's enthusiastic comment. The showpiece hotel project, built by Austrian developer Warimpex Finanz- und Beteiligungs AG and operated by Vienna International Hotelmanagement AG, had previously won several awards for architecture, design and development. In the autumn of 2009, executive project architects OP Architekten and interior designers / architects Jestico + Whiles accepted the "Architecture of the Year - Conversion of an Existing Building to Hotel Use" distinction at the 2009 European Hotel Design Awards, and the hotel was chosen "Best Hotel Development" and "Best Development Overall" by CIJ, the CEE real estate magazine. (source: *Warimpex*)

## Real Estate Deals

### **15.02.2010 U.K./Finland: Aberdeen's European Balanced Property Fund acquires shopping centre in Finland**

Aberdeen Property Investors announces that the Aberdeen European Balanced Property Fund has acquired the Chydenia-I shopping centre in Kokkola, Finland. Aberdeen European Balanced Property Fund has acquired the shopping centre from Rockspring PIM, acting on behalf of Rockspring TransEuropean III. The city of Kokkola, located on the western shore of Finland, is the regional capital of the Central Ostrobothnia province. The Chydenia-I shopping centre is situated in the heart of Kokkola. The entire shopping centre, Chydenia -I, -II, and -III, has an area of 18,000 m<sup>2</sup>. Chydenia -I comprises a lettable area of 7.852 m<sup>2</sup>. Main tenants in Chydenia-I are: Hennes & Mauritz, Clas Ohlson, Mick's, JC, Pukumies, Specsavers and Rosso. The property also includes a car park with free access for the shopping centre customers. (source: *Aberdeen*)

### **14.02.2010 Monaco: M1 Real Estate has acquired Victoria House in Bloomsbur**

Monaco-based Lebanese investor and developer M1 Real Estate has acquired Victoria House in Bloomsbury, following its purchase of Credit Suisse's headquarters in Canary Wharf last October. Victoria House was purchased for about £175million, making it the largest office deal in the West End market since 2007. M1 Real Estate secured the deal ahead of 10 other institutional bidders due to its funding capacity, its track record, and its team's credibility. Victoria House is a 300,000 square ft office, retail, and leisure investment on the east side of Bloomsbury. Built in 1929, the art deco midtown office block was fully redeveloped by Garbe in 2003 to class A standard office building specifications, for a sum in excess of £50million. It is more than 50% let to government-backed tenants, with a weighted average term of 9.5 years. (source: *M1*)

### **12.02.2010 Finland/Sweden: Citycon to divest 89 apartments in Jakobsbergs Centrum in Järfalla, Sweden**

Citycon continues with the divestments of its residential portfolio in Sweden by selling two residential buildings ("The Towers") consisting of 89 apartments in the middle of shopping centre Jakobsbergs Centrum for SEK 120 million (approximately EUR 12 million). The apartments were sold to a newly founded owners association by an agreement where the owners association agreed to purchase 100 per cent of the shares in Citycon's Swedish subsidiary Tenrot Fastighets AB. The sold property has a total area of 8,237 sq.m. Closing of the transaction is expected to take place in March 2010. The divestment represents about 25 per cent of the total number of apartments in Jakobsbergs Centrum. Including this transaction, Citycon has during the last 12 months agreed to sell over 35 per cent of its residential portfolio in Sweden for a total amount of SEK 477 million (approximately EUR 47 million) in transactions that are expected to be closed and paid during March or April 2010. (source: *Citycon*)

### **03.02.2010 U.K./Germany: Aberdeen European Shopping Property Fund acquires Shopping Centre in Germany**

Aberdeen Property Investors (Aberdeen) announces that the Aberdeen European Shopping Property Fund has acquired the shopping centre Löhcenter in Viersen, Germany from REDEVCO. The REDEVCO development was completed in March 2008 and is located at the city centre of Viersen close to Mönchengladbach. The property has a rentable space of approx. 6,100 m<sup>2</sup>. It is fully let with well-known brands such as Kaiser's, Netto and Deichmann. Aberdeen was advised by the local transaction team of Aberdeen Immobilien KAG (formally DEGI Deutsche Gesellschaft für Immobilienfonds mbH). From sourcing a suitable product until closing, Aberdeen Immobilien KAG will accompany the transaction process in Germany for Aberdeen Pan-European funds and is currently seeking further interesting investment opportunities. (source: *Aberdeen*)

### **05.02.2010 The Netherlands/France/Poland: Unibail-Rodamco to acquire Simon Ivanhoe's portfolio in Europe**

Unibail-Rodamco announces that it has entered into an agreement to acquire Simon Ivanhoe, a jointly held European subsidiary of the Simon Property Group and Ivanhoe Cambridge, with a portfolio of shares in 7 shopping centres in France and in Poland. Unibail-Rodamco has also entered into a joint venture agreement according to which the Simon Property Group and Ivanhoe Cambridge will jointly retain 50% of Simon Ivanhoe's interests in 5 retail development projects in France, including Les Portes de Gascogne in Toulouse which has been authorised. Unibail-Rodamco will develop these 5 projects on behalf of the joint venture. Unibail-Rodamco has agreed to pay the Simon Property Group and Ivanhoe Cambridge €715 million for the assets (excluding transfer and transaction costs), subject to customary post-closing adjustments. The transaction is expected to close during the first half of 2010, subject to customary closing conditions and antitrust approval. Unibail-Rodamco will fund the acquisition from existing bank facilities. (source: *Unibail*)

## Real Estate Company Profile

### Hines

**Hines** is a privately owned, international real estate firm that has provided the highest level of quality, service and value to its clients and investors for more than 50 years. With a presence in more than 100 cities around the globe and investor relationships with many of the world's largest financial institutions, Hines has the breadth of experience, the network of expertise and the financial strength to assume complex and challenging investment, development and management projects. The company has offices in 17 countries, with regional offices in Atlanta, Chicago, Houston (U.S. headquarters), London (European headquarters), New York and San Francisco, as well as 63 other U.S. cities. The Hines portfolio of projects underway, completed, acquired and managed for third parties consists of more than 1,100 properties including skyscrapers, corporate headquarters, mixed-use centers, industrial parks, medical facilities, and master-planned resort and residential communities. Currently, the firm controls assets valued at approximately \$22.9 billion.

Since its inception in 1957, Hines has created projects of the highest quality, aesthetic relevance and enduring value for its investor partners, clients and local communities. Working with such notable architects as Cesar Pelli, Frank Gehry, I.M. Pei and Philip Johnson, Hines has redefined the way developers interact with and treat architecture, promoting a balance between function, beauty and sustainability and reshaping skylines around the world.

#### Guiding Principles

The Hines standard represents the global real estate benchmark for value creation, integrity, services, and quality for all clients. All Hines products and services are of the highest standard as appropriate for the mission. The Hines employee is the greatest example of the Hines standard and the company's most valuable asset. They will continually strive to be the industry leader in sustainability and the premier real estate company in the world.

#### Setting the standard in real estate investment.

Since 1991, Hines has sponsored core, value added and opportunistic investment vehicles for property acquisition and development in developed and emerging markets in the Americas, Europe and Asia. Additionally, Hines has experience across all property types. Since the early 1990s, Hines has sponsored 27 privately offered programs in which Hines has co-invested with various institutional and other third-party investors, and one publicly offered investment program. For these programs:

- ✦ Funds raised from investors: \$15.1 billion
- ✦ Aggregate amount of real estate investments: \$24.7 billion
- ✦ Number of properties: 240 - includes 125 properties in the U.S. with a cost of \$15.1 billion and 115 properties outside of the U.S. with a cost of \$9.5 billion - 45% in Western Europe, 2% in Canada and 53% in emerging markets

96 dispositions with an aggregate cost basis of \$6.6 billion and sales price of \$8.3 billion  
(source: Hines)

## Real Estate Company Profile

### Hines

### News

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#### 03.02.2010 USA: Hines' 2211 Michelson Announces Five New Leases

The Irvine office of Hines, the international real estate firm, announced today that 2211 Michelson, the 12-story office building located in the heart of the Irvine Business Complex, has signed five new tenants, for a total of 44,000 square feet. These leases bring the 266,605-square-foot building to 95 percent leased. The tenants are:

**Burnham Benefits** signed a lease for 13,400 square feet. The insurance and advisory firm was represented in lease negotiations by Jake Stickel of CBRE.

**Gordon & Rees LLP** signed a lease for 13,200 square feet. The national litigation and business transactions firm was represented by Wade and Ronda Clark of JLL. The firm has had an Orange County presence since 2002. "We looked at many buildings in the vicinity near John Wayne Airport, and felt that the 2211 Michelson building, being recently constructed and, more importantly, a green building, fit nicely with our firm's efforts toward conservation and our emerging Green Practice Group. It also is well suited to our current needs, with a potential for expansion, as our office continues to grow," said Matthew Murphey, managing partner of the Orange County office.

**The Scotts Company** signed a lease for 7,200 square feet. The lawn and garden company was represented by Ross Bourne of CBRE.

**Connor, Fletcher & Williams** signed a lease for 6,300 square feet. Steve Card of Travers Realty represented the business litigation firm.

**360 Commercial Partners** signed a lease for 3,600 square feet. Louis Tomaselli, managing partner and founder of the newly formed firm, handled lease negotiations. "After 24 years in commercial real estate, I understood the importance of location, image and quality when selecting an office for the launch of our new full-service global commercial real estate firm," Tomaselli said. "At 2211 Michelson, Hines is delivering abest-in-class product and the greenest office building in Southern California, which make the building ideally aligned with the DNA of the 360 Commercial Partners brand." (source: *Hines*)

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