

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

In these days one can't avoid to not mention Greece and the assumed catastrophe of its financial situation as well as its downgrading by the rating agencies (BB+, *Standard and Poor's*; BBB-, *Fitch*; A3, *Moody's*). In respect to its economy and also its property market Greece is a rather small country in the European Union, but after all an important building block in the system. This can't be denied if we take into consideration the figures. All big national economies of Europe are involved with considerable investments in this country, money which can't be given up easily, especially in the actual tensioned situation after a slight recovering of the economy due to the global crisis of 2008/2009. So how to save Greece, Europe, the Euro and at least the European property market, highly dependent upon the general economic situation and the interest rates of the banks, nearly all involved in Greek business?

Of course in the first place Greek government has to launch a package of measurements to stabilize its economy: new tax system with effective controls, savings regarding public pensions and salaries, preventing corruption and mismanagement in its administration and public companies.

On the other side the countries of the European Community have to support Greece with financial guarantees and if necessary with subsidies (in accordance with the IWF) to prevent rising interest rates for the country on



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In this respect there seems also some need to reform the system of the rating agencies, which obviously doesn't work very well. Their duty is to launch a sign of warning before it is too late and not to worsen a critical situation by a sudden extremely downgrading. But of course its not only the fault of the agencies, it seems also to be a problem of lacking communication with the involved governments.

Anyway, there is every need to support Greece in its efforts to get its finances back to normal, but the Europeans also have to think very carefully about the single steps, as there might be some next candidates for rescuing as Ireland, Spain or Portugal. Due to this, support can't be given without conditions and severe controls that the measures for economic rehabilitation will work. (chief-editor: Dr. Roger Schöntag)

Real Estate News

30.04.2010 Spain: NEINVER ENTER INTO FRANCE AND REINFORCE ITS EUROPEAN LEADERSHIP STRATEGY

NEINVER, second largest operator in Europe with eleven outlets centres and more than 1,000 stores and "Developer of the year in Europe 2010 enters the French market to strengthen its European leadership strategy in the outlet sector. The company, present in six countries has strengthened its business position in Europe in the last four years focusing its activity on areas of development, asset management and fund management. The Company has scheduled an intense activity in all areas over the next three years, both in development, with more than 500,000 sqm, and in investment and acquisitions with more than €550 M. Signature of Joint Venture with MAB to achieve leadership in France As part of the strategy towards leadership, NEINVER has signed a joint venture with MAB Development, a subsidiary of the Rambo Real Estate Group. Through this joint venture the two companies plan to develop 135,000 square meters of gross leasable area (GLA) and invest around €350 million, during a five years extendable period, in projects both in France, and in the future, in Germany. Under this agreement, MAB Development will take the lead in implementation tasks and project development, while the main role of NEINVER, with considerable experience in the outlet sector, will be the design, marketing and subsequent management of the centres. (source: *Neinver*)

29.04.2010 U.K.: Interim Management Statement for the period from 1 January to 29 April 2010 29 April 2010

David Atkins, Chief Executive said: "We have made good progress with the acquisitions and projects that we announced around the year-end. Our retail assets in the UK and France have demonstrated a sound trading performance and our recently completed City developments are now almost fully let. We continue to focus on maximising income from our portfolio whilst reviewing the performance of each asset and assessing other market opportunities." Strategy: Hammerson's aim is to be the best owner-manager and developer of retail and office property in the UK and France. We have a clear strategy of focusing on prime regional shopping centres and out-of-town retail, while exploiting opportunities in the office sector. We operate within a prudent financial structure, and are focused on income growth. We sell properties that do not meet our target returns and reinvest in assets which offer better prospects. Portfolio update: Silverburn, Glasgow, is performing well since its acquisition, and has confirmed our initial view that this excellent, well-let shopping centre has further potential for improvement. Footfall in the first quarter of 2010 was up 3% on the same period of 2009, following a 5% year-on-year increase in 2009 as a whole, and there has been good interest from new retailers seeking representation in the scheme. Our retail redevelopment of 54-60 rue du Faubourg St Honoré, Paris, which is 100% pre-let, is progressing well, with the first retail unit already handed over to Bally. We anticipate that the works will be concluded at the end of this year, and estimate a rental uplift of £2.5 million from the refurbishment. At Les Terrasses du Port in Marseille, which is already over 40% pre-let, we have obtained a new CDAC trading consent and a new building permit for the scheme. We have finished our review of the development and are finalising both the design and construction contract. Preliminary site works are due to start this summer, with the main construction phase scheduled to begin in early 2011. (source: *Hammerson*)

26.04.2010 USA/Poland: Hines Announces the Start of Construction of Residential Project in Lodz, Poland

The Warsaw office of Hines, the international real estate firm, announced today that construction has begun on the Arboretum, a 12-story 315-unit residential building located at 4 Lukasinskiego Street in Lodz. Project completion on the for-sale apartments is expected in the second quarter of 2012. The 236,031-square-foot complex was designed by Staszewscy Ziolkowscy, a leading design studio in Lodz, and is being constructed on the former Aleksander Schicht factory site. In recognition of the past, two of the factory's nouveau brick walls will be reconstructed and have been incorporated into the new project's design. Parking for 381 cars will be provided in a two-level underground garage. Budimex S.A., a construction company with more than 40 years of experience in Poland, is the project's contractor. "The Arboretum will offer a new level of quality to the city's residential market," said Mieczyslaw Godzisz, managing director of Hines Poland. "We are pleased to be working again with Budimex S.A., a firm we are also using on an office project in Lodz." Apartment sales have already begun. Prices begin at the equivalent of \$170 U.S. per square foot, and apartment units range in size from approximately 400 to 1,650 square feet. PKO Bank Polski S.A., the largest bank in Poland, is financing the project for the Hines International Real Estate Fund (HIREF). The bank will also offer advice and assistance to Arboretum buyers regarding mortgage loans. Hines entered the Poland real estate market in 1997 with the development of Metropolitan, a Class A office building located at Pilsudskiego Square in Warsaw, which received the MIPIM Award in Cannes in 2004 for the Best Office Building in the World. Hines also developed the Impresja apartments in Wilanow. Currently, the firm is developing the Sterlinga Business Center in Lodz and the Quattro Towers residential complex in Gdansk. (source: *Hines*)

22.04.2010 The Netherlands: Schiphol receives first BREEAM-NL certificate in the Netherlands for sustainable construction

On 15 April at the Building Holland trade fair held in the Amsterdam RAI, the Dutch Green Building Council awarded Schiphol the first BREEAM-NL certificate for its sustainable construction of the TransPort office building at Schiphol-East. This is the first time this certificate has been awarded for a Dutch building. BREEAM is the sustainability quality mark that assesses the sustainability of buildings around the world in terms of aspects such as energy, ecology, transport, materials and health. The TransPort office building was rated as 'Very Good'. 'We are proud that we are the first in the Netherlands to be awarded this certificate. We invest heavily in sustainability at Schiphol. The new TransPort building is special in many regards. It is efficient, inspiring and sustainable in terms of design and it makes a positive contribution to the work and business climate at Amsterdam Airport Schiphol,' according to Executive Vice President & CCO of Schiphol Group, Maarten de Groof. 'The sustainable building fits in perfectly with Schiphol Real Estate's and Schiphol Group's strategy to play an active part in the development of sustainable real estate and area development. We are also very pleased with the tenants, transavia.com and Martinair, which are both establishing their head offices in TransPort.' (source: *Schiphol*)

21.04.2010 USA: AMB PROPERTY CORPORATION ANNOUNCES FIRST QUARTER 2010 RESULTS

AMB Property Corporation® (NYSE: AMB), a leading owner, operator and developer of global industrial real estate, today reported results for the first quarter 2010. Funds from operations, as adjusted, per fully diluted share and unit ("FFOPS, as adjusted"), was \$0.31 for the first quarter of 2010, as compared to \$0.77 for the same quarter in 2009. The year-over-year change was primarily due to higher development gains in 2009 relative to 2010. Net income available to common stockholders per fully diluted share ("EPS") for the first quarter of 2010 was a loss of \$0.03, as compared to a loss of \$1.24 for the same quarter in 2009, principally due to non-cash impairment charges incurred in first quarter 2009. "In the first quarter of 2010, we made excellent progress on the key priorities that we established for the year, and we are beginning to capitalize on growth opportunities," said Hamid R. Moghadam, chairman & CEO. (source: *AMB*)

20.04.2010 Germany: WestImmo launches Junior Debt Programme, FreshStart

Westdeutsche ImmobilienBank AG (WestImmo) expands its product range to provide junior loans within the zone of historical senior debt metrics, typically at or around 75% LTV. It is not seeking to play in the mezzanine/preferred equity space. Most Western European countries will be considered and typical junior loan sizes will be in the order of EUR 10-20m with larger deals seeing the involvement of strategic partners. "The ability to provide junior loans will strategically enhance WestImmo's senior debt origination platform. FreshStart will enable us to provide enhanced leverage on a selective basis for our customers as an additional and attractive financial product", said Claus-Jürgen Cohausz, Member of the Managing Board of WestImmo. FreshStart will be led by Peter Denton, Managing Director of WestImmo's London Branch, who gained significant experience in the junior debt origination and structuring market. Since the formation of the market in the early 1990s he undertook over €3 billion of subordinated and high yield debt transactions. (source: *Westimmo*)

18.04.2010 Austria: Merger between IMMOEAST AG and IMMOFINANZ AG: Registration with the companies register and share exchange are expected for 29 April 2010.

All requirements for the registration of the merger between IMMOEAST AG and IMMOFINANZ AG with the companies register are fulfilled and 29 April 2010 has been preliminary confirmed by the Commercial Court Vienna as date of registration ("Merger Date"). The Polish Financial Market Authority (FSA) has approved the information memorandum for the IMMOFINANZ-Exchange Shares as document qualifying for replacing a prospectus. The information memorandum in Polish will be published on the website of IMMOFINANZ AG within the next days. With the beginning of the Merger Date trading of the IMMOEAST shares (ISIN AT0000642806) on the Vienna Stock Exchange will be terminated. Regarding trading of IMMOEAST shares on the Warsaw Stock Exchange an application for suspension of trading with the beginning of 23 April 2010 will be made. The merger as well as the share capital increase of IMMOFINANZ AG of approximately EUR 589 million for the issuance of approximately 567.4 million IMMOFINANZ-Exchange Shares (ISIN AT0000809058) to the shareholders of IMMOEAST AG shall become effective upon its registration by the Commercial Court Vienna with the companies register. The share exchange with the agreed upon exchange ratio of three IMMOFINANZ-Exchange Shares for two IMMOEAST shares will take place on the basis of the securities accounts balances as of the beginning of the Merger Date. The delivery of the IMMOFINANZ-Exchange Shares will take place via the clearing system of the Oesterreichische Kontrollbank Aktiengesellschaft and the custodians; delivery to securities accounts with Polish custodians will take place via the Polish National Depository for Securities (NDS). For further information in respect of the share exchange please refer to the shareholder information published on the websites of IMMOFINANZ AG and IMMOEAST AG. IMMOFINANZ shares will not be listed on the Warsaw Stock Exchange in the course of the merger. (source: *Immoeast*)

Real Estate Deals

28.04.2010 U.K./Spain: AEW Europe/Tristan fund completes Spanish retail sale & leaseback

European Property Investors Special Opportunities, L.P. (EPISO), a fund co-managed by AEW Europe and Tristan Capital Partners, has completed the sale and leaseback of more than 10 retail units across Spain for approximately €150 million. The assets, located throughout Spain, total around 120,000 sqm and are let primarily to Eroski, A Spanish supermarket chain with over 2,000 outlets across Spain. Occupancy is 100%, they continue operating as usual and the weighted average unexpired lease length is 20 years (fixed). (source: AEW)

26.04.2010 The Netherlands: REDEVCO acquires listed retail building in the old city centre of Utrecht

REDEVCO Netherlands has purchased a listed retail building at Oudegracht 151 in Utrecht from BREEVAST. The property has been completely renovated and is fully let to ZARA. ZARA opened its new store on Friday 23 April. The building is very well situated in a prime retail location in the old city centre and provides approx. 1,575 sq. m. of retail space. Neighbouring retailers are H&M, The Sting and Vero Moda. BREEVAST was advised by Kokelenberg & Ouwehand. REDEVCO is an independent international real estate company, managing and developing one of the largest retail portfolios in Europe, currently valued at € 7.2 billion. The portfolio comprises over 750 properties in top locations throughout 20 countries. The company also operates in Asia, where we are building a retail portfolio in the larger metropolitan areas, with a focus on China. It is REDEVCO's ambition to develop Asia as its second home market. REDEVCO is owned by Cofra Holding AG, a Swiss-based holding company. The portfolio of Redevco Netherlands currently consists of 88 properties representing a value of € 575 million. (source: Redevco)

23.04.2010 USA/Germany: AMB Property Corporation Leases 191,400 SF in Hamburg Development

AMB Property Corporation, a leading owner, operator and developer of global industrial real estate, today announced it has signed a lease for approximately 191,400 square feet (17,780 square meters) in its AMB Hausbruch Industrial Center A in Hamburg, Germany. The lease was signed with a leading forwarding and logistics provider. AMB Hausbruch Industrial Center is located approximately two kilometers from the Altenwerder Terminals of the Port of Hamburg and approximately 10 kilometers from Hamburg city center. The site has immediate access to the A7 highway, which is the main north/south arterial through the region that intersects with the A1 highway, connecting Hamburg with the Rhine-Ruhr region, Germany's most densely populated and industrialized area. As of March 31, 2010, AMB's portfolio in Europe totaled more than 14 million square feet (1.3 million square meters) of operating and development properties, of which approximately 3.8 million square feet (349,880 square meters) is located in Germany. (source: AMB)

21.04.2010 Sweden: Fabege divests industrial premises in Ulvsunda

Fabega has divested its site leasehold right to the Induktorn 28 property in Ulvsunda, Stockholm. The purchaser is Svenska Hus i Stockholm AB and the purchase consideration amounts to SEK 26m. The property encompasses approximately 5,400 sqm of warehouse and industrial premises. The purchaser will take possession of the premises on 3 May 2010. The sale generated an after-tax gain of SEK 5m, which will be reported in the second quarter of 2010. "This sale is in line with our strategy of divesting properties that are outside our prioritised markets and concentrated property management units," said Christian Hermelin, CEO of Fabega. (source: Fabega)

16.04.2010 U.K.: Hansteen to acquire Kilmartin Portfolio for £80.375 million 16th April 2010

Hansteen Holdings plc, the investor in UK and continental European real estate has exchanged contracts to acquire a 1.221 million sq ft multi-sector portfolio of 61 freehold and leasehold assets (the "Portfolio") from various subsidiaries of Kilmartin Holdings Limited (in Receivership), Kilmartin Group Limited (in Receivership) and Annfield Assets Limited (in Administration) for £80.375 million. The Portfolio has the following characteristics: *1.221 million sq ft across 54 freehold and seven leasehold properties *18 properties in England, 42 properties in Scotland and one property in Northern Ireland *24% by value in industrial, 30% in retail, 23% in offices, 8% in leisure and 15% in development land *48.2% by value in England, 49.5% in Scotland and 2.3% in Northern Ireland *Net annual rent receivable of £5.596 million, equating to an initial yield of 7.0% (8.1% excluding land) *Current vacancy of 58.3%, with an ERV of over £8.9 million. The Portfolio is highly compatible with Hansteen's intensive management approach and the Directors' experience across the UK market. The acquisition of the Portfolio is to be funded from Hansteen's existing cash resources. It is intended however that the acquisition of three freehold industrial properties from the Portfolio will be completed by the Hansteen UK Industrial Limited Partnership for total consideration of £9.465 million. The acquisition of the majority of the Portfolio will complete on 5 May 2010 and the acquisition of the leasehold properties will complete five business days after obtaining the relevant landlord consents. (source: Hansteen)

Real Estate Company Profile

Neinver

Neinver S.A. (Spain): With 40 years' experience, NEINVER is one of the leading real estate European companies already performing in Italy, Poland, Portugal, Germany, France and Spain. NEINVER's activity involves the three big areas of the property process: real estate development, asset and fund management by specialising in the industrial, commercial and office field. During the 70s, NEINVER sweepingly altered the industrial development with the "turnkey concept". During the 90s, NEINVER pioneered the debut of the first Business Park in Spain. NEINVER introduced the "outlet" concept in Spain and Poland under the FACTORY brand and is currently the management leader in Spain, Poland and Germany and the second outlet operator in Europe. Likewise, in 2007 NEINVER launches IRUS European Retail Property Fund, one of the largest pan-European retail private real estate funds. NEINVER's forward-looking ability and its commitment to sustainable growth have made the company one of the most financially sound and stable in the field. Currently NEINVER is expanding internationally and exporting its business units to other European countries by providing both full services to all its clients and overall property solutions in all the countries where it is performing.

REAL ESTATE DEVELOPMENT

For 40 years NEINVER has been promoting and marketing state-of-the-art property products, tailored made to each market and every single client. Today NEINVER can say that it has developed, designed and built over 20 million sqm in Europe.

PROPERTY ASSET MANAGEMENT

With more than 20 years' experience in asset management and more than 500,000 managed sqm, NEINVER provides service to management's demand in the property market as well as in the industrial, office, business and commercial sectors having 28 million customers in 2008 that are expected to rise to 37 million in 2009.

PROPERTY FUND MANAGEMENT

NEINVER's experience in the market and its involvement in the whole property process add to the company a bird's-eye business view. This allows NEINVER both take decisions from a sole and privileged stand and invest in nimble assets performing as Fund Manager for different investment's funds.

History

1969 The company is founded.

1970 NEINVER develops the leading wineries and canneries in northern Spain.

1980 NEINVER specialises in large-scale turnkey industrial development projects.

1989 NEINVER diversifies its property products, developing corporate headquarters and offices, also on a turnkey basis.

1992 NEINVER opens the first Business Park in Spain: the San Fernando Business Park in San Fernando de Henares, Madrid.

1996 NEINVER introduces the outlet concept to Spain when it opens the FACTORY Las Rozas outlet centre in Madrid.

2000 The company starts to expand internationally, beginning operations in Poland, Italy and Portugal.

2002 NEINVER launches an innovative project in Spain: NASSICA, the first leisure park to integrate a range of specialty retail and outlet shops, in Getafe, Madrid.

2002 NEINVER opens the first outlet centre in Poland: FACTORY Warsaw Ursus in Warsaw. (source: *Neinver*)

Real Estate Company Profile

Neinver

News

28.04.2010 Spain/Europe: NEINVER ENTER INTO FRANCE AND REINFORCE ITS EUROPEAN LEADERSHIP STRATEGY

- The NEINVER leadership strategy is based on the development of more than 282,000 sqm and an investment of around €500 M just in the area of retail.
- With this joint venture with MAB 135,000 sqm of GLA is forecast to be developed and an investment of €350 M in 5 years in France and Germany.
- NEINVER's expertise in the development, design, marketing and management of outlets joins MAB experience in the French and German markets. (source: *Neinver*)

13.04.2010 Spain/France: NEINVER, GRANTED THREE MAGDUS 2010 AWARDS IN FRANCE

- The company has received three MAGDUS 2010 awards: 'Manager of the Year', 'Best Project' for 'Honfleur The Style Outlets' (France) and 'Best Promotion Activity: The Style Outlets'.
- The European Awards are presented by the European Factory Outlet Centres Observatory. (source: *Neinver*)

09.04.2010 Spain/France: MAB Development and NEINVER

receive the Magdus 2010 Award for their "Honfleur The Style Outlets" project On the occasion of the 4th European Magdus conference, the European meeting on factory outlet centres, the FOC industry awarded the Magdus 2010 prize in the "Best project" category in Europe to the outlet centre "Honfleur The Style Outlets", developed by MAB Development in partnership with NEINVER and urban planner-architect Edouard François. (source: *Neinver*)

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