

## 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



© P1 Verlag GbR

## Editorial

The MIPIM is over and it is time to sum up the principal tendencies which could be detected. As we already reported the fair finished with a general satisfaction of long and intensive discussions, meetings and business conversations. The new modesty on this year's summit did really well for business matters, people seemed to be more approachable, flexible and open-minded and a general careful optimism was spread from the very beginning.

The number of the participants dwindled, the quality did not. The MIPIM remained an important meeting point for decision makers and top class people from the branch who were really eager to succeed in their business.

French, English and German participants were this year most numerous. It can be stated that the recovery of the real estate crisis in Europe will begin from this western part of the continent, including also Spain and Italy, whereas the former rise of the CEE countries has come to an end at least for the time being. A this years tendency was also the attendance of relatively many representatives of cities and countries. They were amongst others in search for new urban environment perspectives and sustainable development strategies. For investors with enough equity a a lot of quality objects are actually at disposition. (chief editor: Dr. Roger Schöntag)



© P1 Verlag GbR

## Real Estate News

### 15.03.2009 Austria/Germany: Grand Opening of andel's Hotel Berlin

The 4-star superior design hotel andel's Berlin will celebrate its grand opening this evening. After 19 months of intense construction, the largest hotel project for Austrian real estate developers Warimpex and UBM to date will be officially opened. The management of the hotel has been entrusted to Vienna International Hotelmanagement AG. The opening of the andel's Hotel marks the successful completion of the second hotel project in Germany for the joint venture of Austrian real estate developers UBM and Warimpex. "With the andel's Hotel Berlin, we want to follow up on the success of the andel's design hotels in Prague and Cracow. Not least due to the dynamic development of Berlin as a conference capital am I convinced that we will more than succeed," says Warimpex CEO Franz Jurkowitsch of his largest hotel project so far. The andel's Hotel Berlin: The 4-star superior design hotel was built on Landsberger Allee at a cost of € 80 million with the participation of London star interior designers Jestico + Whiles - the designing force behind the interiors at the andel's Hotels in Prague and Cracow - and the architectural office of Seeger Müller. With a total of 557 rooms on ten floors, a 3,800 m<sup>2</sup> flexibly designable conference centre, a 570 m<sup>2</sup> ballroom and a sky bar on the 14th floor of the 60-meter hotel tower - offering panorama views over the rooftops of Berlin - the andel's Hotel is one of the most attractive events and conference locations in Berlin. Guests also have a 550 m<sup>2</sup> wellness area at their disposal and are offered an exquisite dining experience in the sophisticated à-la-carte restaurant. The unique, first-class interior design is sure to make a stay in the andel's Hotel an unforgettable experience. Rudolf Tucek, the CEO of Vienna International Hotelmanagement AG: "The andel's Hotel fits well to Berlin - it is modern and aspiring, in line with the zeitgeist of a young capital city. The conference facilities, marked by its functionality and design, will make it possible to realise a variety of creative events. With Ambion as a partner, we can offer full client support in the planning and realisation of events." (source: *Warimpex*)

### 12.03.2009 U.K.: QUINTAIN AMENDS EXISTING FINANCING ARRANGEMENTS

Quintain Estates & Development PLC announces that, as part of its corporate financing strategy, it has agreed a cost effective arrangement with its main relationship banks, retaining flexibility in its debt facilities whilst relaxing its maximum permitted gearing covenant. As detailed below, this new arrangement significantly increases the gearing headroom available to the Company for the next three years. The new arrangement applies to the gearing limits in the five and six year bilateral facilities entered into by the Company in March 2008 totalling £620 million, of which £460 million is currently drawn with a further £120 million currently available. The Company is compliant with its covenants but considered it important to secure the option to relax its gearing limit in the current uncertain economic environment. The terms of the new arrangement enable Quintain over the next three years to elect to raise its gearing limit from 110% to 150% of the consolidated tangible net worth of the Group ("Consolidated Net Worth") for an annual fee of 1% of the commitment. This annual fee will be excluded from the interest cover calculation. In the event that the Company elects not to increase its gearing limit in any particular year, the current average margin of 1.15% will increase thereafter by only 0.25% per annum. Further increases to the margin (between 0.85% and 2.35% per annum dependent on the level of gearing) and commitment fees (to half the applicable margin) will apply only if gearing rises above 110% of Consolidated Net Worth. The additional headroom will only be used to absorb further falls in valuation that may occur. Rebecca Worthington, Quintain's Finance Director, commented: "This simple, cost effective arrangement provides flexibility to the Company during these volatile times." (source: *Quintain*)

### 08.03.2009 Kazakhstan: Chagala Group Expands Footprint - Opens New Facility in City of Aksai, West Kazakhstan

Chagala Group is pleased to announce the opening of the first phase of "Chagala-Aksai Camp". The camp style facility, which has undergone a major refurbishment, is made up of 150 rooms (5 modules of 30 rooms each) and a bar and restaurant. It is located in Aksai, the town that supports the giant Karachaganak oil and gas field. The first phase, which opens this week, consists of 95 rooms (84 bedrooms and 11 apartments). The second phase of development that will bring on line another 55 rooms and a catering facility is expected to be operational in the second part of the year. Chagala now has presence in four cities in West Kazakhstan, and the latest opening in Aksai demonstrates Chagala's strategy to continue to expand its brand across the region. Mr Tim Abson, CEO of Chagala Group, said: "We are seeing strong pressure for accommodation from companies working on the Karachaganak project. Chagala Aksai will bring to the market a product that meets the demand, with a great location, international service standards and good value." (source: *Chagala*)

### **05.03.2009 Germany/France: Helaba strengthens presence in France through branch office in the Champs-Élysées**

In setting up a branch office in Paris, Helaba Landesbank Hessen-Thüringen is expanding its activities in the French market. The branch had already started its business at the beginning of the year. Before this, Helaba had been successfully servicing multinational corporations, banks and insurance companies that had head offices in France since 1995. "Through the branch office, Helaba can utilize the market potential for the Bank's core business fields to the fullest extent and offer financing solutions for corporate and real estate customers," according to Hans-Dieter Brenner, Helaba's CEO. "Thanks to our many years of experience in this area, Greater Paris today offers a market just as attractive for real estate lending as it is for corporate finance transactions and the issuing of promissory note loans." In the centrally located office rooms of Helaba Paris in the Champs-Élysées nine employees are currently working. The branch managers are Eric Pfeiffer, in charge of capital market business and Roland Fuchs, for real estate lending activities. Corporate customers are likewise serviced directly on the spot under the leadership of Dr. Michael Lamla. The official opening of the branch will take place on May 28th, in the German Embassy. (source: *Helaba*)

### **05.03.2009 Germany/Czech Republic: MULTI DEVELOPMENT AND TESCO OPEN SHOPPING AND ENTERTAINMENT CENTRE; FORUM LIBEREC, CZECH REPUBLIC**

On 26th February 2009 Forum Liberec, Czech Republic, opened to its celebrating visitors, a modern Tesco MY Liberec department store with a sales area of 10,000 m<sup>2</sup> together with 60 other shops including well known local and international brands such as: Douglas perfumery, Blažek, Bushman, Camaieu, Lindex, Motivi, New Yorker, Orsay, Aurum jewels, Bijou Brigitte, Grand Optical, Česká spořitelna, Firo Tour travel agency, Fotolab, Novák flower shop. The planned 350 parking places in the newly refurbished Garage were supplemented with an extra 500 places on the roof of the Forum. This first phase of Forum Liberec includes (2,800 m<sup>2</sup>) of "A" class offices and 14 rental apartments. During the opening ceremony a giant 2 meters in diameter snowball was pushed through the main entrance. The snowball refers to Liberec as the heart of the winter sport area and the world skiing championship, which is currently held in Liberec. During the opening days more than 150,000 people visited the centre. In Autumn 2010, Phase II of Forum Liberec will open. Phase II will extend the shopping centre by another 80 shops with fashion brands such as H&M, C&A, Promod, Reserved, Monton, Celio and Esprit. It will also include brands such as Datart, Giga Sport, Sparkys, Adidas, Nike, Humanic, Hannah, DM etc. In Phase II, the Foodcourt will also be extended with various extra new outlets and there will be a new multiplex cinema. Forum Liberec: Liberec is a historical town located in the north of the Czech Republic. With a catchment area of 450,000 people, Liberec is the heart of region famous for winter and summer sports. (source: *Multi*)

### **05.03.2009 France: Société de la Tour Eiffel - 2008 ANNUAL RESULTS**

Against a deteriorating economic background, Société de la Tour Eiffel concluded more than 100 000 m<sup>2</sup> of lettings (total portfolio 713 000 m<sup>2</sup>), including 76 000 m<sup>2</sup> of lease renewals (12.5 M€ of annual rent) with major tenants, mostly for a nine year fixed term. As a result some 2/3rds of global rental income stems from 20 quality tenants for an average term expiring 2015. The remainder of the rental income flows from some 400 leases offering a wide geographical spread and at reasonable, competitive rental levels. Following 50 000 m<sup>2</sup> of development completions in 2008, the company's property portfolio stood at 1 104M€ in the year end consolidated accounts compared to 1 083M€ end 2007. Some 62% of the company's portfolio now comprises new or renovated properties. The overall value increase results from: a substantial net gain through acquisitions and development completions which amounted to twice the value of disposals (92M€), a limited reduction in the value of the core portfolio: rental indexation partially offsetting yield expansion, relative resistance of regional properties to upward yield adjustment, active asset management of key properties. The Net Asset Value, net of transfer costs, amounts to 88.5€ per share as at 31st December 2008, compared to 101.9€ end 2007, 3.8€ of the reduction being due to value adjustment on hedging. The company renegotiated a substantial part of its financing facilities in 2008 notably extending the maturity of 2/3rds of its debt from 2010 to 2013. Consequently 80% of the company's bank finance is now secured beyond 30th June 2013. The company remains within its banking covenants as at 31st December 2008, both globally and separately in terms of LTV and ICR. In the wake of the accomplishments of 2008, the company expects to complete during 2009/10 another 50 000 m<sup>2</sup> of new developments (all financed and in majority prelet) and continue to secure its rental income flow. Selective disposals will be reviewed in the light of investment market conditions. The redevelopment potential at Massy and in the business parks will be pursued only if market circumstances permit, be it in terms of return on investment, pre letting, pre sales or other acceptable financing arrangements. Performance indicators, occupancy rates, debt ratios and maturities will continue to be carefully monitored. (source: *Société de la Tour Eiffel*)

## Real Estate Deals

### 15.03.2009 Austria/Romania: IMMOEAST Acquires Shopping Centre in Constanta

IMMOEAST AG has finalised another large-scale investment in Romania, with the acquisition of the Polus Center Constanta in Constanta, Romania. The project is a shopping centre with total usable space of 90,000 m<sup>2</sup>. Construction will begin in summer 2007 with completion planned for fall 2008. The acquisition is taking place in the form of a forward purchase upon the completion and letting of the property. The overall investment volume is 185 million Euro. The Polus Center Constanta is being developed by the leading real estate developer in CEE and SEE, TriGránit. IMMOEAST holds a 25 percent stake in TriGránit since summer 2006. The location of the new IMMOEAST shopping centre is extraordinarily attractive. With considerably more than 300,000 inhabitants, Constanta is the second largest city in Romania. Its position as the most important seaport of the country and most important Black Sea port in the EU ensures it high growth rates and excellent economic prospects. Moreover, the Polus Center Constanta is so far the first centre of this kind in the city. A half million people live in its catchment area. The interest of potential buyers is commensurately strong. A significant amount of the spaces were already let prior to the start of construction. 40 percent of the business space has already been allocated. In addition to a large food market and international cinema operator, a large number of leading fashion and retail chains will be some of the prominent tenants in the future. The Polus Center is already IMMOEAST's second large investment in Constanta. The Harbourside office and shopping centre is currently under construction. There 30,000 m<sup>2</sup> of usable space will emerge, with completion intended for spring 2008. (source: *Immoeast*)

### 13.03.2009 Austria/Czech Republic: IMMOEAST Acquires Office and Retail Portfolio in Prague and Brno

IMMOEAST AG has finalised another large-scale acquisition in the Czech Republic: at the beginning of March a portfolio of office and retail real estate was acquired in the capital city of Prague and southern Moravian city of Brno, the country's second largest city. The portfolio consists of five properties with usable space totalling 110,000 m<sup>2</sup>. The investment volume totals 210 million Euro. The office segment of the portfolio is approximately two thirds. Three of the five properties, an office property in Prague (Jungmannova) as well as an office property (Brno Business Park I) and mixed-use building (OC Petrov) in Brno have already been completed. A further office property in Brno (Brno Business Park II) will be built by the end of this year and a large retail project will be realised in Prague by 2010. Both developments have been acquired in the form of forward purchases. Among the tenants in the portfolio properties are renowned international companies such as Johnson & Johnson, Bertelsmann, ABN Amro and Raiffeisen as well as representations of the European Union and the European Parliament. (source: *Immoeast*)

### 13.03.2009 Germany: IVG successfully completes takeover of IVG Deutschland Immobilien AG

IVG Immobilien AG (IVG) has acquired the shares held by minority shareholders in its subsidiary IVG Deutschland Immobilien AG by means of a squeeze-out procedure. IVG now holds all the shares of this company. The relevant resolution, which was adopted by a large majority at the Annual General Meeting of IVG Deutschland Immobilien AG on 28 August 2008, was entered in the Commercial Register on 10 March 2009. The successful integration of IVG Deutschland Immobilien AG will enable IVG to reduce its administrative work and achieve considerable cost savings. The shareholders will receive cash compensation of € 10.77 per share. This figure was determined last spring by a court-appointed expert. The registration had been delayed by legal actions brought by shareholders to stop the squeeze-out. Since then, these disputes have been settled. IVG Deutschland Immobilien AG was delisted on 10 March. (source: *IVG*)

### 06.03.2009 Swede: Kungsleden: SEK 111 m of divestments, SEK 74 m of acquisitions

Listed Swedish property company Kungsleden AB (publ) is selling two commercial properties in Lund and two commercial properties in Malmö, southern Sweden, for a total purchase price of SEK 111 m. At the same time, it is acquiring a warehouse property under construction in Mjölby, southern central Sweden, for SEK 74 m in a separate transaction. The sales price is just above book value and exceeds historical cost by some SEK 28 m. This latter amount will be included in Kungsleden's profit for calculating dividends for 2009. The divested properties have gross leasable area of approximately 12,500 sq.m. Rental value is about SEK 11.5 m. The acquired property has leasable area of about 15,000 sq.m. Total rental value is SEK 7.5 m, equating to average rent of approximately SEK 500 per sq.m. Nationwide surplus retailer Överskottsbolaget is letting the property on a 12-year rental contract. Kungsleden is scheduled to yield possession of the Lund and Malmö properties on 1 April 2009. It plans to take possession of the property in Mjölby on 1 October 2009. (source: *Kungsleden*)

## Real Estate Company Profile

### Inmobiliaria Colonial

INMOBILIARIA COLONIAL stands as one of the main operators in the Spanish and European real estate market. The Group holds a real estate portfolio valued at more than 11,600 million euros, with its property objective clearly concentrated on the rental and development of rental office buildings that has made this the central strategy of the company accounting for close to 80% of its business activity.

Today, Colonial is a consolidated enterprise with an outstanding position in the high quality office-building rental business in prime areas of the market in Paris, Madrid and Barcelona. The recent acquisition of Riofisa has allowed the Group to introduce a new area of business involving the development and rental of shopping centres with high growth potential over the short and medium term along with a firm commitment to internationalization. In addition to the office rental business, Colonial maintains a profitable and well-consolidated position in the housing development business in which it follows a strategy concentrating on the main-residence segment located in those areas of strongest demand in Spain.

The origins of Inmobiliaria Colonial go back to the Banco Hispano Colonial, which from 1876 to 1946 was one of the most important financial institutions in Spain. For the purpose of managing the Banco Hispano Colonial's major land holdings, and with the inclusion of other properties from other banks and private investors, in 1946 the company Inmobiliaria Colonial was founded.

In 1977 Inmobiliaria Colonial began its relationship with the savings bank 'la Caixa', culminating in late 1991 with the latter buying the majority share from the Banco Central. The entrance of 'la Caixa' meant the addition of over 500,000m<sup>2</sup> of floor space in business premises and buildings, thus giving the company new vitality and business potential. 2004 was marked by the acquisition of Société Foncière Lyonnaise (SFL), a French company with a huge office portfolio located in the main business districts of Paris.

As a result of this acquisition Colonial became the reference company in the euro rental office market and thanks to it Colonial group doubled the value of its managed assets. 'la Caixa' reached an agreement with Inmocaral Group for the transmission of its participation in the company through a public tender offer for the whole social capital of Colonial. On 26 September the acceptance period of the Inmocaral Group's public tender offer for Inmobiliaria Colonial came to an end.

This had a favourable outcome, having been accepted by shareholders representing 93.4% of Colonial's share capital. On 27 April 2007, the merger by absorption of Inmobiliaria Colonial by the Inmocaral Group was recorded in the Madrid Mercantile Registry, at which point shares in the former Colonial ceased to be traded on the Madrid and Barcelona stock exchanges. Once the merger was complete the Inmocaral Group changed its company name to Inmobiliaria Colonial, S.A. (source: *Colonial*)



**Advert**

We provide highly qualified transaction services marked with competence in the area of property financing and related fields. These include portfolio, individual, sale-and-leaseback transactions, as well as property acquisition, offering and marketing.

Use our IIC Services:  
[www.iic-germany.eu](http://www.iic-germany.eu)

**IIC Internationale Immobilien Consulting GmbH & Co. Real Estate**

## Real Estate Company Profile

### Inmobiliaria Colonial

Consolidated Balance Sheet (M€)		
Assets	3Q 2008	2007
<b>Non-current assets</b>	<b>7,235.9</b>	<b>7,501.9</b>
Consolidated goodwill	678.3	678.3
<b>Property investments</b>	<b>5,598.1</b>	<b>6,317.9</b>
<i>In operation</i>	4,938.1	5,616.4
<i>Work in progress, advances and provisions</i>	660.0	701.5
Rest of non-current assets	959.5	505.7
<b>Current assets</b>	<b>4,772.9</b>	<b>7,550.2</b>
Inventory	1,430.0	1,975.8
Debtors and other receivables	231.2	333.0
Other current assets	396.9	271.2
Assets available for sale	2,714.8	4,970.2
<b>TOTAL ASSETS</b>	<b>12,008.8</b>	<b>15,052.1</b>

(source: Colonial)

**For advertising, please contact:**

Mr. Schöntag  
Tel: 0049-(0)89-242143-67  
Fax: 0049-(0)89-242143-68  
mail: info@p1-info.de  
E-mail: info@p1-info.com

**Imprint**

**Editorial office:** Dipl. Kfm Jürgen Maier & Dr. Roger Schöntag, Munich (Germany)

**Publisher & Editor:** P1 Verlag GbR, Westenriederstrasse 19, D-80333 München

**Subscription:** The EREIS - Newsletter is issued twice a month. For subscribing, please contact the editors (info@p1-info.com).

**Disclaimer:** The editor reserves the right not to be responsible for the topicality, correctness, completeness or quality of the information provided. Liability claims regarding damage caused by the use of any information provided, including any kind of information which is incomplete or incorrect, will therefore be rejected.