

BUWOG Acquires 315 Flats in Kassel

- **Purchase price EUR 9.01 million and gross return 9.58 percent**
- **Low vacancy rates and good potential for increasing rents**
- **Total portfolio in Kassel increases to 1,505 flats**

BUWOG, a wholly-owned subsidiary of IMMOFINANZ Group, has acquired 315 flats in Kassel and expanded its portfolio in the city to 1,505 residential units. The properties just purchased have over 18,852 sqm of total lettable space, the purchase price is EUR 9.01 million, and the gross return 9.58 percent. The sellers are Franconia Invest West and CitCor Franconia Kassel.

The residential complexes are located in green areas in the districts of Bettenhausen, Nord-Holland, and Kirchditmold, and are distinguished by a very low vacancy rate of just 2.33 percent. The current average rent of EUR 3.93/sqm is below the Kassel market average and suggests a commensurate potential for increase due to the demand in the respective districts of the city.

"Kassel is a medium-sized and highly attractive market", says Daniel Riedl, BUWOG managing director and management board member of the parent company IMMOFINANZ AG, explaining the recent activity in this city. "We have expanded our market position with at least 1,500 flats; the location is an exact fit to our longer-term strategy to continually grow in the northern German federal states".

With about 200,000 residents, Kassel is the third largest city of the state of Hessen and a market with very favourable development prospects. Prognos Zukunftsatlas rates Kassel as one of the German cities with the greatest momentum. Its central location in Germany and importance as an industrial centre are additional advantages.

For BUWOG the purchase of the Franconia portfolio is already the fifth major transaction on the German market in the current calendar year. So far 1,916 flats have been acquired in Berlin, 900 flats in Lüneburg and Syke, 582 flats in Kiel, and 1,190 flats in Kassel. BUWOG now owns a total of 7,200 flats in Germany in addition to development projects with another 1,500 units in Berlin.

BUWOG Group:

BUWOG Group (BUWOG and ESG–Villach) is the leading private residential property company in Austria with a portfolio of 34,400 flats (approx. 27,200 in Austria, approx. 7,200 in Germany). With a construction volume of around 700 flats in greater Vienna each year, BUWOG Group is one of the most active residential property developers in Austria. Together with its facility management subsidiary BUWOG FM, the group manages 2,300 residential, office, retail and hotel properties with 3.8 million sqm of usable space, which also makes it the leading facility manager in Austria.

BUWOG Group's most important growth market is the German residential property market, particularly Berlin and the northern federal states. In 2012 BUWOG also entered the Berlin residential development market with the takeover of a renowned Berlin-based development company and has a project pipeline of about 1,500 flats.

BUWOG is a wholly-owned subsidiary of the listed company IMMOFINANZ AG.

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