

BUWOG acquires 582 flats in Kiel

- **Good location in district of Pries/Friedrichsort**
- **Purchase price of EUR 24.5 million**
- **Kiel's dynamic growth perspectives provide favourable outlook for real estate market**

BUWOG, a wholly owned subsidiary of IMMOFINANZ Group, has acquired a portfolio totalling 582 flats in the Schleswig-Holstein capital of Kiel. The package consists of nine properties and has lettable space totalling 28,210 sqm. The seller is the Dutch residential firm RVG Real Estate, the purchase price is EUR 24.5 million, the gross return amounts to 7.7 percent, and the actual rent is EUR 5.74/sqm.

The portfolio is concentrated on Pries/Friedrichsort. This district has developed quite well in the past and has become an attractive residential location in close proximity to a beach. The properties acquired by BUWOG stem from the fifties and are in good structural condition. The vacancy rate is 4.29 percent and includes flats that will be available for letting after renovation.

For Daniel Riedl, CEO of BUWOG and management board member of BUWOG's parent company IMMOFINANZ Group, Kiel is a particularly attractive investment location: "The population forecast of the city is positive and, according to Prognos-Zukunftsatlas, it is one of Germany's most economically dynamic cities. Thus the demand for the flats we have acquired in the average price segment appears to be guaranteed for the long term and we can expect a low vacancy rate as well as steadily rising average rents".

With the purchase of the portfolio in Kiel following the acquisition of 1,916 flats in Berlin, 1,190 flats in Kassel, and 900 flats in Lüneburg and Syke BUWOG has already concluded its fourth major transaction in Germany this calendar year. Currently, the residential portfolio in Germany totals around 6,900 units, in addition to development projects with another 1,500 flats in Berlin. Commensurate with the longer-term investment strategy, all of the purchases took place in the northern German states in which BUWOG will also concentrate in the future.

BUWOG Group:

BUWOG Group (BUWOG and ESG–Villach) is the leading private residential property company in Austria with a portfolio of 34,100 flats (approx. 27,200 in Austria, approx. 6,900 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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